CITY COUNCIL REGULAR MEETING AGENDA

REGULAR COUNCIL MEETING
TUESDAY
JULY 5, 2022

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.

All City Council Meetings are live streamed on the city's website (https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings)

PUBLIC COMMENT

Verbal public comments may be given through a virtual public comment platform or in-person

If you want to provide a verbal comment during the Council Meeting, use the link below to join the virtual public comment room.

VIRTUAL PUBLIC COMMENT WAITING ROOM

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented into the record as such.

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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 through other technological means.

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

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. **Consideration and Approval of Minutes**: City Council Work Session of September 29, 2020, Joint City/Chamber Work Session of October 5, 2020, Regular Meeting of October 20, 2020, Regular Meeting of November 3, 2020, Special Meeting (Executive Session) of May 10, 2022, Special Meeting (Executive Session) of May 31, 2022, Special Meeting (Executive Session) of June 7, 2022, Emergency Meeting of June 13, 2022, and Special Meeting (Executive Session) of June 14, 2022.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Work Session of September 29, 2020, Joint City/Chamber Work Session of October 5, 2020, Regular Meeting of October 20, 2020, Regular Meeting of November 3, 2020, Special Meeting (Executive Session) of May 10, 2022, Special Meeting (Executive Session) of May 31, 2022, Special Meeting (Executive Session) of June 7, 2022, Emergency Meeting of June 13, 2022, and Special Meeting (Executive Session) of June 14, 2022.

5. 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.

6. PROCLAMATIONS AND RECOGNITIONS

A. **Proclamation:** Parks and Recreation Month

B. **Recognition:** Citizen Bond Committee Members

C. **Recognition:** July Employee Work Anniversaries

STAFF RECOMMENDED ACTION:

Information only.

7. COUNCIL LIAISON REPORTS

8. 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:** Open Spaces Commission.

STAFF RECOMMENDED ACTION:

Make one appointment to a term expiring April 2023.

9. LIQUOR LICENSE PUBLIC HEARINGS

A. **Consideration and Action on Liquor License Application:** John Alexander Phillips, "Flagstaff Liquor," 1700 E. Route 66, Series 09 (liquor store - all spirituous liquor), Location Transfer.

STAFF RECOMMENDED ACTION:

Hold the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

B. **Consideration and Action on Liquor License Application:** Andrea Dahlman Lewkowtiz, "The Bluffs of Flagstaff," 3100E. Butler Avenue, Series 12, New Application.

STAFF RECOMMENDED ACTION:

Hold the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

10. 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 Adoption:** Administrative Floodplain Designation - Spruce Wash

STAFF RECOMMENDED ACTION:

Adopt the proposed Administrative Floodplain of Spruce Wash to help educate current and future residents impacted by post-wildfire flooding and to provide appropriate development standards for new development within the affected area.

B. **Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract with PFVT Motors, LLC DBA Peoria Ford for the purchase of one 2022 Ford F-150 Lighting Crew Cab 4X4 (fully electric) at $53,541.53 and the purchase of one 2022 Ford Explorer Hybrid at $44,282.76 for use at the Flagstaff Pulliam Airport in the total amount of $97,824.29 (plus applicable taxes).

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract to PFVT Motors, LLC DBA Peoria Ford through the State Cooperative Contract No. CTR059322 for the purchase of two replacement vehicles for the Flagstaff Pulliam Airport in the total amount of $97,824.29 (plus applicable taxes); and
2. Authorize the City Manager to execute all necessary documents.

C. **Consideration and Approval of Contract:** Agreement of Intent for a Direct Sale with the US Department of Agriculture, Forest Service, for the property underneath and adjacent to the Lake Mary Water Treatment Plant.

STAFF RECOMMENDED ACTION:

1. Approve the Agreement of Intent for a Direct Sale with the U.S. Department of Agriculture, Forest Service, concerning the lands underneath and adjacent to the Lake Mary Water Treatment Plant.
2. Authorize the City Manager to execute all necessary documents.

D. **Consideration and Approval of Final Plat** Case No PZ-15-00115-25, Capstone Homes requests final plat approval for Aries at Timber Sky Phase II (Block 7B) located at 3501 E Route 66, a single-family subdivision on 6.59 acres in the Single-Family Residential (R1) Zone.

STAFF RECOMMENDED ACTION:

Approve the final plat and authorize the Mayor to sign the final plat when notified by staff that all documents are ready for signature and recordation.

E. **Consideration and Approval of Contract:** Software Maintenance Agreement for GIS Software with Environmental Systems Research Institute, Inc. (esri) in the amount of $180,148.65 (plus applicable taxes).

STAFF RECOMMENDED ACTION:

1. Approve the 3-year Software Maintenance Agreement with esri for GIS software in the amount of $180,148.65 (plus applicable taxes);
2. Authorize the City Manager to approve the necessary documents.

F. **Consideration and Approval of Contract:** Approve the construction contract with Scholz Contracting, LLC in the amount of $1,089,419.46 for the Main Library ADA Entrance Project project.

STAFF RECOMMENDED ACTION:

1. Approve the construction contract with Scholz Contracting, LLC in the amount of $1,089,419.46 and a contract duration of 130 calendar days;
2. Approve a contract allowance of $58,385.00, which is 7.5% of the Engineers Estimate;
3. Approve Change Order Authority to the City Manager in the amount of $108,941.95 which is 10% of the lowest responsive bid;
4. Authorize the City Manager to execute the necessary documents.

G. **Consideration and Approval of Final Plat** PZ-21-00236-06, Woodshire on West Oak, LLC requests Final Plat approval for Woodshire on Oak Condominiums located at 302 W Oak Avenue, a condominium subdivision on 0.89 acres in the Medium Density Residential (MR) and High Density (HR) Zones.

STAFF RECOMMENDED ACTION:

Approve the Final Plat and authorize the Mayor to sign the Final Plat when notified by staff that all documents are ready for signature and recordation.

H. **Consideration and Approval of Contract:** Citywide On-Call Professional Services Contracts: Architecture, Landscape Architecture, Engineering, Geotechnical and Survey.

STAFF RECOMMENDED ACTION:

1. Approve the fifteen (15) On-Call Professional Services Contracts for the following firms and disciplines:
    - **Architecture:** Loven Contracting, Johnson Walzer Associates and GLHN
    - **Landscape Architecture:** The WLB Group, Kimley-Horn and Logan Simpson
    - **Geotechnical:** Speedie and Associates, and Western Technologies
    - **Engineering:** Peak Engineering, The WLB Group, Shephard Wesnitzer, Woodson Engineering, WSP, J.E. Fuller and Burgess & Niple
    - **Survey:** Shephard Wesnitzer Inc. and Woodson Engineering
2. Authorize the City Manager to execute the necessary documents.

I. **Consideration and Approval of Contract:** City-Owned Property located at 11 W. Cherry known as the Doris Harper White Community Theater

STAFF RECOMMENDED ACTION:

1. Approve the lease between the City and Theatrikos, Inc.; and
2. Authorize the City Manager to execute all necessary documents.

J. **Consideration and Approval of Grant Agreement:** Approve the Grant Agreement with the U.S. Department of Justice, through the Arizona Criminal Justice Commission, for the Edward Byrne Justice Assistance Grant funds in the amount of $292,485.09 for the Northern Arizona Street Crimes Task Force (METRO unit).

STAFF RECOMMENDED ACTION:

Approve the acceptance of the grant from the U.S. Department of Justice, through the Arizona Criminal Justice Commission, Edward Byrne Justice Assistance Grant funds in the amount of $292,485.09 for FY2023.

K. **Consideration and Approval of Contract:** Approve the Amendment of the Professional Services Contract with Jeanie Gallagher for Human Resources Executive Consulting Services through October 15, 2022 not to exceed $15,000 for a total contract amount of $64,900.

STAFF RECOMMENDED ACTION:

1. Approve the Amendment of the Professional Services Contract with Jeanie Gallagher for Human Resources Executive Consulting Services through October 15, 2022 not to exceed $15,000 for a total contract amount of $64,900; and
2. Authorize the City Manager to execute the necessary documents.

L. **Consideration and Approval of Contract:** Lease of City-Owned Property located at 203 E. Brannen known as the Murdoch Community Center

STAFF RECOMMENDED ACTION:

1. Approve the lease between the City and Southside Community Association, Inc.; and
2. Authorize the City Manager to execute all necessary documents.

11. **ROUTINE ITEMS**

A. **Consideration of Audited Financial Reports**: Year ending June 30, 2021

STAFF RECOMMENDED ACTION:

Approve the FY 2020-2021 Annual Comprehensive Financial Report and the FY 2020-2021 Single Audit Report

B. **Consideration and Adoption of Ordinance No. 2022-16:** An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars ($100.00) of valuation sufficient to raise the amount estimated to be required in the Annual Budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June 2023. **(Primary and secondary property tax levies for FY 2022-2023)**

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-16 by title only for the final time
2) City Clerk reads Ordinance No. 2022-16 by title only (if approved above)
3) Adopt Ordinance No. 2022-16

C. **Consideration and Adoption of Ordinance No. 2022-15:** An ordinance amending Flagstaff City Code, Chapter 1-14, Personnel System, and the Employee Handbook of Regulations Section 1-10-70, Employee Advisory Committee, to reorganize and add member representation based on recent changes to the City's organizational chart and authorized Full Time Equivalents (FTE's).

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-15 by title only for the final time
2) City Clerk reads Ordinance No. 2022-15 by title only (if approved above)
3) Adopt Ordinance No. 2022-15

D. **Consideration and Approval of Preliminary Plat:** RP4V, LLC and RP40, LLC request approval of the Preliminary Plat for Rio Homes Unit 4, a 6-unit multi-family residential townhome subdivision (PZ-19-00019-07). The 5.1-acre site is located at 1221 East Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

Staff recommends the City Council, in accordance with the findings presented in this report and the Planning and Zoning Commission recommendation of approval on June 22, 2022, approve the Preliminary Plat.

E. **Consideration and Approval of Preliminary Plat:** RP4V, LLC and RP40, LLC request approval of the Preliminary Condominium Plat for Rio Homes Unit 4 (PZ-19-00019-06), a 40-unit multi-family residential condominium subdivision. The 4.11-acre site is located at 1221 E. Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

Staff recommends the City Council, in accordance with the findings presented in this report and the Planning and Zoning Commission recommendation of approval on June 22, 2022, approve the Preliminary Plat.

F. **Consideration and Approval of Municipal Services Accounts, Miscellaneous Account Receivable, Transaction Privilege Tax and Insufficient Funds Write-offs:** Delinquency and Uncollectible Accounts for Fiscal Year 2021-22.

STAFF RECOMMENDED ACTION:

Approve the write-off of delinquent and uncollectible Municipal Services accounts, Miscellaneous Account Receivables, Transaction Privilege Tax accounts and Insufficient Funds in the combined amount of $101,748.15.

12. REGULAR AGENDA

A. **Consideration and Adoption of Resolution No. 2022-36:** A resolution authorizing the submission of a grant application to the United States Department of Interior Bureau of Reclamation for a WaterSMART Drought Response Program Federal Grant beginning Fiscal Year 2022-2023 and authorizing the acceptance of any resulting grant award.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2022-36 by title only
2) City Clerk reads Resolution No. 2022-36 by title only (if approved above)
3) Adopt Resolution No. 2022-36

B. **Consideration and Adoption of Resolution No. 2022-35:** A resolution of the City Council of the City of Flagstaff, authorizing condemnation of real property for the Lone Tree Overpass project; providing for delegation of authority, and establishing an effective date

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2022-35 by title only
2) City Clerk reads Resolution No. 2022-35 by title only (if approved above)
3) Adopt Resolution No. 2022-35

C. **Consideration and Adoption of Ordinance No. 2022-17:** An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property for the Red Gap Ranch Pipeline project; providing for delegation of authority, subsequent Council approvals, severability, authority for clerical corrections, and declaring an emergency

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-17 by title only for the first time
2) City Clerk reads Ordinance No. 2022-17 by title only (if approved above)
3) Read Ordinance No. 2022-17 by title only for the final time (requires unanimous vote)
4) City Clerk reads Ordinance No. 2022-17 by title only (if unanimously approved above)
5) Adopt Ordinance No. 2022-17 (requires unanimous vote)

13. PUBLIC PARTICIPATION

14. INFORMATIONAL ITEMS TO/FROM MAYOR, COUNCIL, AND STAFF, AND FUTURE AGENDA ITEM REQUESTS

15. 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 _____, 2022.

_____
Stacy Saltzburg, MMC, City Clerk

4. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Minutes: City Council Work Session of September 29, 2020, Joint City/Chamber Work Session of October 5, 2020, Regular Meeting of October 20, 2020, Regular Meeting of November 3, 2020, Special Meeting (Executive Session) of May 10, 2022, Special Meeting (Executive Session) of May 31, 2022, Special Meeting (Executive Session) of June 7, 2022, Emergency Meeting of June 13, 2022, and Special Meeting (Executive Session) of June 14, 2022.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Work Session of September 29, 2020, Joint City/Chamber Work Session of October 5, 2020, Regular Meeting of October 20, 2020, Regular Meeting of November 3, 2020, Special Meeting (Executive Session) of May 10, 2022, Special Meeting (Executive Session) of May 31, 2022, Special Meeting (Executive Session) of June 7, 2022, Emergency Meeting of June 13, 2022, and Special Meeting (Executive Session) of June 14, 2022.

Executive Summary:

Minutes of City Council meetings are a requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions being taken by the City Council.

Financial Impact:

None

Policy Impact:

None

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

Priority Based Budget Key Community Priorities and Objectives

Effective Governance

Previous Council Decision on This:

None

Attachments: 09.29.2020.CCWS
10.05.2020.CCJWS

10.20.2020.CCRM
11.03.2020.CCRM
05.10.2022.CCSMES
05.31.2022.CCSMES
06.07.2022.CCSMES
06.13.2022.CCEM
06.14.2022.CCSMES

CITY COUNCIL WORK SESSION
TUESDAY, SEPTEMBER 29, 2020
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN
3:00 P.M.

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

CITY COUNCIL JOINT CITY/CHAMBER
OF COMMERCE WORK SESSION
MONDAY, OCTOBER 5, 2020
STAFF CONFERENCE ROOM
211 WEST ASPEN
4:00 P.M.

MINUTES

1. Call to Order

Mayor Evans called the Joint City/Chamber Work Session held October 5, 2020, to order at 4:01 p.m.

2. Pledge of Allegiance and Mission Statement

The City Council and attendees recited the pledge of allegiance and Mayor Evans 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)

JULIE PASTRICK, CHAMBER PRESIDENT (virtually)
MARK LOVE, CHAMBER BOARD CHAIR (virtually)
TYLER MARK, CHAMBER MEMBER (virtually)
MARK HARRIS, CHAMBER MEMBER (virtually)

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

4. Public Participation:

None

5. Opening Comments from Julie Pastrick, President/CEO of the Greater Flagstaff Chamber of Commerce

Ms. Pastrick provided introductory remarks that highlighted the Chamber's efforts to support businesses in Flagstaff during the pandemic. She discussed the challenges being faced by businesses due to COVID, rising minimum wage, and other increased costs.

6. Insight into What's Happening in the Business Community

Ms. Pastrick introduced Mark Love, the Chamber Board Chairperson and owner of Massage Envy, who discussed the following points:

- 30% decline in service hours due to staffing.
- Compression is an issue
- There have been increased expenses to mitigate COVID.
- Very concerned about the $4 per hour wage increase.
- Urged the City to be cautious with increasing fees.

Ms. Pastrick introduced Mark Harris, Chamber Member and owner of Terry Marxxen Chevrolet, who discussed the following points:

- To accommodate the rising minimum wage they are raising prices which puts them at a disadvantage in the state.
- Many people are taking their buying power elsewhere to take advantage of lower costs.
- Flagstaff has one of the higher tax rates in the state.

There was brief discussion regarding the sales tax rebate program for purchasing energy-efficient vehicles in Flagstaff. The rebate covers a portion or all of the sales tax.

Ms. Pastrick introduced Tyler Mark, Chamber Member and Vice President of WesPac Construction, who discussed the following points:

- Construction has been a bright spot for the economy and the revenues are carrying the load for the revenue of the city.
- The economy and market is volatile right now and they are seeing market spikes in certain areas.
- Speed to market is key and the faster they can get through the development cycle the better.
- The development sector wants to better partner with the city to help streamline processes and approval requirements.
- There is a significant amount of time and money needed to get a concept plan approved; this is a big challenge for developers.
- There are so many fees associated with development and adding any additional fees will make it almost impossible to build.

There was brief discussion concerning development fees, supply chain issues, and ongoing work to address some of the concerns expressed.

A break was held from 5:47 p.m. through 5:55 p.m. at which time Mayor Evans excused herself from the meeting and Vice Mayor Shimoni took over as Chair.

7. Partnering together to assist businesses rebound faster

Economic Vitality Director Heidi Hansen along with Community Investment Director David McIntire, Parks and Recreation Director Rebecca Sayers, and Marketing and Media Relations Manager Lori Papas provided a PowerPoint presentation that covered the following:

AIRPORT
ARTS & SCIENCES
BEAUTIFICATION
EXPANDED USE OF RIGHT OF WAY (EUROW)
ECONOMIC DEVELOPMENT
PARKING
LIBRARY
TOURISM
FLAGSTAFF LOCAL

Councilmember Salas offered comments related to the importance of workforce development and building a local workforce through partnerships with the High Schools and Community College.

8. Informational Items To/From Chairman, Supervisors and County Manager, Mayor, Council and City Manager

City Council and the Chamber representatives expressed their collective gratitude for meeting jointly to discuss matters that impact the community. They also expressed a continued desire to partner in supporting businesses and helping them thrive and grow.

9. Public Participation

None

10. Adjournment

The Joint City/Chamber Work Session held October 5, 2020, adjourned at 6:34 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, OCTOBER 20, 2020
CITY HALL STAFF CONFERENCE ROOM
211 WEST ASPEN
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Evans called the meeting of the Flagstaff City Council held October 20, 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 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.

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.

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

The Council and audience 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.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. **Consideration and Approval of Minutes**: City Council Regular Meeting of April 2, 2019, Work Session of April 9, 2019, Special Meeting of April 10, 2019, Work Session of April 30, 2019, Joint Work Session of May 6, 2019, Regular Meeting of May 7, 2019, Work Session of October 8, 2019, Executive Session of October 15, 2019, Executive Session of November 5, 2019, Executive Session of November 12, 2019, Executive Session of November 19, 2019, Executive Session of November 26, 2019, Executive Session of December 3, 2019, and Executive Session of December 17, 2019.

Councilmember McCarthy noted that they were approving both Executive Session meetings on October 15, 2019. He noted one other correction for the May 7, 2019 minutes on item 11 to clarify the statement “Citizenship in Community Merit Badge.” Councilmember Odegaard also requested an amendment to the October 15, 2019 meeting to indicate Councilmember Salas was in attendance.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Charlie Odegaard to approve the minutes of the City Council Regular Meeting of April 2, 2019, Work Session of April 9, 2019, Special Meeting of April 10, 2019, Work Session of April 30, 2019, Joint Work Session of May 6, 2019, Regular Meeting of May 7, 2019, Work Session of October 8, 2019, Executive Session of October 15, 2019, Executive Session of November 5, 2019, Executive Session of November 12, 2019, Executive Session of November 19, 2019, Executive Session of November 26, 2019, Executive Session of December 3, 2019, and Executive Session of December 17, 2019 as amended.

Vote: 7 - 0 - Unanimously

5. 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.

Community Development Director Dan Folke recognized Building Official Amy Palmer who was recently recognized as the Arizona Building Official of the Year.

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:** Parks and Recreation Commission.

Moved by Mayor Coral Evans, **seconded by** Councilmember Charlie Odegaard to appoint Ryan Martin to a term expiring August 2023.

Vote: 7 - 0 - Unanimously

7. LIQUOR LICENSE PUBLIC HEARINGS

A. **Consideration and Action on Liquor License Application:** Amy S. Nations, "Dirty Birdies," 2285 E. Butler Avenue, Series 06 and Series 12, New Applications.

Councilmember Odegaard recused himself due to an appearance of a conflict of interest on the item.

Mayor Evans opened the public hearing.

Sergeant Ryan Turley introduced the application.

Councilmember Salas asked about the name Dirty Birdies. Applicant Karan Patel stated that they wanted a fun sports bar kind of name that fit with having a good time, and birdies being a little bit on the fence with what it could mean along with golf and sports related. It is not a typical sports bar name.

Councilmember McCarthy noted concerns with recent violations against two of the applicants and indicated that he would likely be voting against a recommendation for approval. Mr. Patel and Steve Ahlvin explained that the violations were big mistakes in their lives and things that they learned from. There have been no other derogatory matters since that time.

Councilmember McCarthy thanked Mr. Patel and Mr. Ahlvin for their statements related to past events. He indicated that he will be voting in favor of a recommendation for approval.

Councilmember Salas indicated that the applicants had been doing business in Flagstaff for over 20 years and they have been involved in a number of businesses serving food and liquor.

There being no further comment, Mayor Evans closed the public hearing.

Moved by Councilmember Regina Salas, **seconded by** Vice Mayor Adam Shimoni to forward all the applications to the State with a recommendation of approval.

Vote: 6 - 0

8. 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.

Councilmember Whelan requested items 8D and 8E be pulled for discussion.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Jamie Whelan to approve the Consent Agenda Items 8A, 8B, and 8C as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Approval of Grant Application:** The Assistance to Firefighters Grant Program - COVID 19 Supplemental Grant Award of $56,850 with the Federal Portion of $51,681

Approve the application to Assistance to Firefighters Grant Program for grant funds in the amount of $51,681.82 with a city match of $5,168.18

B. **Consideration and Approval of Cooperative Purchase Contract:** Cisco Security Enterprise Agreement with Advanced Network Management, Inc. in an amount not to exceed $294,655.29 (plus applicable taxes)

1. Approve a Cooperative Purchase Contract with Advanced Network Management, Inc. in an amount not to exceed $294,655.29 (plus applicable taxes) over a period of five (5) years under the 1 Government Procurement Alliance (1GPA) cooperative purchase contract 1GPA 19-07PV-01; and
2. Authorize the City Manager to execute the necessary documents.

C. **Consideration and Approval of Cooperative Purchase Contract:** Microsoft Enterprise Agreement Cooperative Purchase Contract in the amount not to exceed $235,229.30 (plus applicable taxes).

1. Approve a Cooperative Purchase Contract with CDW LLC. in an amount not to exceed $235,229.30 (plus applicable taxes) annually, for a period of three (3) years under the State of Arizona Cooperative Purchase Contract 1GPA ADSPO17-149774; and
2. Authorize the City Manager to execute the necessary documents.

D. **Consideration and Approval of Final Plat:** A request by Jon Gauld for Oak 24, a subdivision of two multi-family residential lots on approximately 16,210 square feet located at 24 W Oak Avenue within the High Density Residential (HR) zone.

Councilmember Whelan asked if the item had been presented before the Planning and Zoning Commissoin. Planning Director Tiffany Antol stated that because it is a modified sub-division plan with less than four lots it only goes through the internal Design Review Board.

Moved by Councilmember Jamie Whelan, **seconded by** Vice Mayor Adam Shimoni to approve the final plat with the conditions outlined in the staff summary and its attachments, and authorizing the Mayor to sign the final plat when notified by the Development Review Board that all conditions have been met and documents are ready for recording.

Vote: 7 - 0 - Unanimously

E. **Consideration and Approval of Final Plat:** Request by RP4V, LLC and RP40, LLC for approval of Rio Homes Unit 4 Final Plat, a 5.1-acre site located at 1221 E. Emma Dr. This Final Plat is an amendment (replat) to the original Rio Homes Final Plat recorded in 2005. The site is in the Medium Density Residential (MR) Zone and has a Resource Protection Overlay (RPO).

Councilmember Whelan asked what happened with the co-housing community. Guillermo Cortes on behalf of SWI Engineering stated that there was not enough interest or participants for the co-housing component. When they removed that portion and adjusted the density there was more housing being provided to the community in general.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Charlie Odegaard to 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.

Vote: 7 - 0 - Unanimously

9. ROUTINE ITEMS

A. **Consideration and Approval of Joint Funding Agreement** between the United States Geological Survey and the City of Flagstaff for continued funding towards the C-aquifer Monitoring Program in the amount of $74,288.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Adam Shimoni to approve the Joint Funding Agreement with the U.S. Geological Survey (USGS) to contribute $74,288 from October 1, 2020, to September 30, 2023 and authorize the City Manager to execute the necessary documents

Vote: 7 - 0 - Unanimously

10. PUBLIC HEARING ITEMS

A. **Consideration and Adoption of Development Fee Study and Ordinance No. 2020-25:** Development Fee Study prepared by TischlerBise; and an Ordinance of the Flagstaff City Council amending Flagstaff City Code, Title 3, Business Regulations, Chapter 3-11 Development Fees, by adopting revised Public Safety development fees.

Mayor Evans opened the public hearing.

Joe Galli on behalf of the Greater Flagstaff Chamber of Commerce spoke in opposition of the ordinance because it would add increased cost for development and make housing more expensive. The property tax revenue from new homes should be used to pay for the needed infrastructure. Property taxes should be dedicated to public safety infrastructure.

Mayor Evans indicated that the infrastructure is needed to support the new development and the development fees provide the funding to bring the infrastructure in to support the development.

Councilmember Aslan acknowledged that the action will have an impact on housing but in order to provided housing with the necessary infrastructure, there has to be a way to fund that and current property and sales tax is not able to support new development.

Planning Director Tiffany Antol provided a PowerPoint presentation that covered the following

ADOPTION OF PUBLIC SAFETY DEVELOPMENT FEES
DEVELOPMENT FEES
EVERY 5 YEARS
PROPOSED FIRE FEES
PROPOSED POLICE FEES

PROPOSED COMBINED FEES

Moved by Councilmember Charlie Odegaard, **seconded by** Councilmember Austin Aslan to adopt the Development Fee Study.

Vote: 7 - 0 - Unanimously

Vice Mayor Shimoni acknowledged the affordable housing crisis that needs to be addressed but also noted that there are basic services that need to be provided; development fees are the way to provide those services.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Austin Aslan to read Ordinance No. 2020-25 by title only for the first time.

Moved by Councilmember Regina Salas, **seconded by** Councilmember Charlie Odegaard to amend the motion for a later effective date until the economy is back on its feet and after the pandemic is over.

Vote: 1 - 6

AYE: Councilmember Regina Salas

ORIGINAL MOTION:

Vote: 6 - 1

NAY: Councilmember Regina Salas

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, BUSINESS REGULATIONS, CHAPTER 3-11 DEVELOPMENT FEES, TO ASSESS DEVELOPMENT FEES ON NEW DEVELOPMENT; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

A break was held from 4:37 p.m. through 4:45 p.m.

11. REGULAR AGENDA

A. **Consideration and Adoption of Resolution No. 2020-57:** Approval of an Intergovernmental Agreement (IGA) between the City of Flagstaff and Northern Arizona University (NAU) for Applied Natural Resources Research.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Adam Shimoni to read Resolution No. 2020-57 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FLAGSTAFF AND THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF NORTHERN ARIZONA UNIVERSITY FOR APPLIED NATURAL RESOURCES RESEARCH

Moved by Councilmember Charlie Odegaard, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2020-57.

Vote: 7 - 0 - Unanimously

B. **Consideration and Adoption of Ordinance No. 2020-26:** An ordinance amending Title 11, *General Plans and Subdivisions*, Division 11-10.30, *Specific Plans*, to provide clarification regarding the process for adopting and amending specific plans.

Deputy City Attorney Kevin Fincel indicated that the proposed ordinance will amend the code to clarify the language on the public hearing process and publication. The proposed amendments do not change the process used it just provides greater detail.

Moved by Councilmember Charlie Odegaard, **seconded by** Vice Mayor Adam Shimoni to read Ordinance No. 2020-26 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING CITY CODE TITLE 11, GENERAL PLANS AND SUBDIVISIONS, DIVISION 11-10.30, SPECIFIC PLANS, TO PROVIDE ADDITIONAL DETAIL AND CLARIFICATION REGARDING THE PROCESS FOR ADOPTING AND AMENDING SPECIFIC PLANS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

C. **Consideration and Adoption of Ordinance No. 2020-27:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 3 Business Regulations, by adopting a new chapter 3-12 Short-Term Rentals; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Management Analyst Jack Fitchett provided a PowerPoint presentation that covered the following:

SHORT-TERM RENTAL ORDINANCE
BACKGROUND
MAIN PROVISIONS
EDUCATION & OUTREACH

Councilmember Whelan asked if the fines could be used to pay for the contract with any excess dedicated to housing programs. Management Services Director Rick Tadder stated that those types of revenues are generally not restricted for a specific purpose and revenue allocations are determined through the budgeting process.

Council briefly discussed the violation process and agreed that the goal will be to educate in hopes of voluntary compliance before implementing penalties.

Councilmember Salas asked if short term and vacation rental will be required to pay the BBB tax in addition to the general sales tax. Mr. Tadder responded yes that when charging sales taxes to these entities the rate will be similar to that of hotels.

Mayor Evans pointed out that the ordinance does not address the issue of people essentially establishing hotels in neighborhoods rather than providing for owner-occupied or rental

opportunities.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Adam Shimoni to read Ordinance No. 2020-27 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3 BUSINESS REGULATIONS, BY ADOPTING A NEW CHAPTER 3-12 SHORT-TERM RENTALS; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

12. DISCUSSION ITEMS

A. Flagstaff Police Presentation on Public Safety Commissions.

Mr. Solomon explained that review boards are suggested quite frequently by the public and it is important to remember that boards and commissions only provide recommendations to the City Council. The City Charter does not authorize the Council to establish a review board to manage public safety operations and disciplinary review. Flagstaff has a Council/Manager form of government and the City Manager is in control of all personnel disciplinary matters.

Interim Police Chief Dan Musselman provided a PowerPoint presentation that covered the following:

CITIZEN REVIEW BOARDS AND PUBLIC SAFETY COMMISSIONS
TONIGHT'S DISCUSSION
DEFINITIONS
CITIZEN REVIEW BOARD
CONSENT DECREE
AGENCIES UNDER CONSENT DECREES
CITIZEN REVIEW BOARD TYPE 1
CITIZEN REVIEW BOARD TYPE 2
CITIZEN REVIEW BOARD TYPE 3
CITIZEN REVIEW BOARD TYPE 4
CIVILIAN REVIEW BOARD PROS
CIVILIAN REVIEW BOARD CONS
PUBLIC SAFETY COMMISSIONS
FPD ALREADY HAS A CULTURE OF DOING IT RIGHT
FPD CITIZENS LIAISON COMMITTEE (CLC)

Council discussed whether there was a need to create a public safety commission. Interim Chief Musselman and Senior City Attorney Marianne Sullivan offered that the CLC operates in the same way a commission would and an additional commission may be redundant. There was further discussion about how to increase interest and participation on the CLC.

Council expressed their appreciation for the police department and for taking the time to educate the public and the Council on operations and policies. Mayor Evans asked Council to be mindful in future budget discussions about funding community policing programs. These programs put officers in the community in a positive environment rather than in an enforcement capacity.

13. COUNCIL LIAISON REPORTS

Vice Mayor Shimoni reported that the CJCC is back meeting on a regular basis and he is looking forward to having good conversations about helping the most vulnerable in the community.

Councilmember Odegaard reported that the Beautification and Public Art Commission met and discussed the traffic signal box art project and the award of contract for the artists. They will be holding a budget retreat on October 30, 2020 to discuss funding for other art projects.

Councilmember Salas reported that she attended the Parks and Recreation Commission meeting where the two newly appointed commissioners were welcomed to the Commission. It was a productive and engaged meeting consisting of some ideas from commissioners about future discussion items such as opportunities for public/private partnerships with regard to park and recreation programming. They are taking a closer look at a cost recovery approach and a possible policy for recreation programming. She acknowledged the parks and recreation staff for their work in opening the recreation fields and Jay Lively. She also reported that she attended the Annual Discover Flagstaff Stakeholder and Partner Meeting where the keynote speaker spoke about focusing on the path forward and identifying strategic recovery tools for tourism. The Airport Commission also met; she noted that they currently have three vacant seats and they are actively recruiting additional members. They appointed Erik Peterson as the new Commission Chair and they received reports on increases in enplanements and fuel flow which indicates increase aviation activity.

Councilmember Whelan reported that she attended the Northern Arizona Municipal Water User Association meeting where they discussed various letters to the Arizona Department of Water Resources. They are also sponsoring a water leadership forum.

Mayor Evans indicated that she had questions about conflicts of interest of commission members.

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

Vote: 7 - 0 - Unanimously

Council recessed into Executive Session at 6:07 p.m. and reconvened into open session at 6:27 p.m.

14. 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 that the Council "declare a Housing Crisis in the City of Flagstaff through Emergency Resolution. This action should be followed by the prioritization of housing as a focus of investment, action and support by the City."

CEO of Housing Solutions Devonna McLaughlin introduced the petition and offered comments of support.

Yiqyun Lin addressed Council and spoke in support of passing a Housing Crisis Emergency Resolution.

The following individuals submitted written comments in support of passing a Housing Crisis Emergency Resolution:

- Ross Altenbaugh
- Kathy Gimenez
- Sandi Flores
- Cathy Small
- E. Dru Monroe

Council offered words of support and moved the item forward to a future agenda for discussion.

15. CITY MANAGER REPORT

A. City Manager Report

Mr. Clifton briefly reviewed his report.

16. COVID-19 UPDATES

A. Community Partner and City staff updates on COVID-19

Deputy City Manager Shannon Anderson introduced Joshua Maher, NAU Associate Vice President for Community Relations and Christy Farley, NAU Vice President for External Affairs, who provided a PowerPoint presentation that covered the following:

NAU COVID-19 UPDATE
COVID-19 TESTING AND RESULTS
COCONINO COUNTY TESTING
CAMPUS SIGNAGE

Council discussed the improved communication with students and staff and the enforcement activities for COVID protocols. They discussed the testing operations and the plans to suspend them in the fall due to decreased population on campus. They also discussed the welcome kits provided to all students that included information about COVID.

Ms. Anderson continued the presentation.

IMPACTS OF COVID-19 ON CITY STAFF
THE DATA
CCHHS: COVID-19 WEEKLY CASES
CCHHS: COVID-19 DAILY CASES
CCHHS: HOSPITAL ADMISSIONS
CCHHS: COVID-19 RELATED DEATHS
CCHHS: COMMUNITY TRANSMISSION
ADHS DASHBOARD
NAH: HOSPITAL CENSUS
HALLOWEEN DRIVE THRU

Council and staff discussed some of the employee groups that have been recently impacted

by COVID outbreaks. They shared mitigation efforts and return to work policies.

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

Councilmember McCarthy shared thoughts of shock and disappointment about a recent flag burning on the lawn of City Hall. He encouraged more productive measures for communicating and demonstrations.

Councilmember Salas thanked Parks and Recreation and the Library for their work in making Halloween happen in a safe manner.

Councilmember Odegaard thanked staff for including him in a meeting with a potential employer in Flagstaff and he thanked the Mayor for allowing him to sit in on the Arizona Mayors Roundtable discussion to discuss education at the local level.

18. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held October 20, 2020, adjourned at 7:36 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on October 20, 2020. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 5th day of July, 2022.

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, NOVEMBER 3, 2020
CITY HALL STAFF CONFERENCE ROOM
211 WEST ASPEN
3:00 P.M.

MINUTES

1. CALL TO ORDER

Vice Mayor Shimoni called the meeting of the Flagstaff City Council held November 3, 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 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.

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

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

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

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

MISSION STATEMENT

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

4. PUBLIC PARTICIPATION

None

5. 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: Airport Commission.

Moved by Vice Mayor Adam Shimoni, **seconded by** Councilmember Regina Salas to appoint David Steiner to a term expiring October 2023.

Vote: 6 - 0 - Unanimously

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Charlie Odegaard to appoint Christina Caldwell to a term expiring October 2023.

Vote: 6 - 0 - Unanimously

6. 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.

Vice Mayor Shimoni requested that Item 6B be pulled for discussion.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Adam Shimoni to approve the Consent Agenda Items 6A, 6C, 6D, and 6E as presented.

Vote: 6 - 0 - Unanimously

A. Consideration and Approval of Contract: Purchase water and wastewater treatment chemicals through an Invitation for Bids, Bid number 2021-05 (Approve contracts with four (4) vendors for water & wastewater treatment chemicals).

Approve and award three (3) year initial term contracts, with options to extend for two (2) one (1) year renewals, with four (4) national companies for the purchase of bulk water and wastewater treatment chemicals as follows:

1. DPC Enterprises, L.P. of Glendale, Arizona agrees to provide gaseous chlorine for an annual not to exceed amount of $70,000.
2. Thatcher Company of Arizona, Inc. of Salt Lake City, Utah agrees to provide cationic polymer for an annual not to exceed amount of $100,000.
3. Thatcher Company of Arizona, Inc. of Salt Lake City, Utah agrees to provide sodium hypochlorite for an annual not to exceed amount of $65,000.
4. Univar USA Inc. of Phoenix, Arizona agrees to provide liquid sodium hydroxide (25%) for an annual not to exceed amount of $30,000.
5. Hills Brothers Chemical Company of Phoenix, Arizona agrees to provide liquid sodium hydroxide (50%) for an annual not to exceed amount of $30,000.

Authorize the City Manager to sign all necessary documents.

B. **Consideration and Approval of Final Plat** Ponderosa Parkway LLC requests Final Plat approval for Ponderosa Parkway Condominiums Unit 1—a 26-unit residential condominium subdivision at 1650 E. Ponderosa Parkway on 11.97 acres in the High Density Residential (HR) Zone.

Vice Mayor Shimoni asked if there was any potential for bringing the proposed 100% AMI down to 80% AMI. Applicant Jack Kemmerly explained that the 100% AMI had already been set and recorded within the development agreement back in 2019 and at this time it is not feasible to go back and change that.

Vice Mayor Shimoni asked if there was any ability to increase the number of electric vehicle ready spots. Mr. Kemmerly stated that the charging stations can be expanded by the homeowner's association if desired. The spots were installed with the ability to expand.

Moved by Councilmember Charlie Odegaard, **seconded by** Councilmember Regina Salas to 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.

Vote: 6 - 0 - Unanimously

C. **Consideration and Approval of Contract:** Public Defender Services for the Flagstaff Municipal Court

1. Approve the multi-year Public Defender Services contract with Harris & Winger PC for an annual amount of $412,000.00 with an annual increase of 2%.
2. Authorize the City Manager to execute all necessary documents.

D. **Consideration and Approval of Contract:** Consideration of the Hexagon Contract for the Computer Aided Dispatch (CAD) upgrade for the amount of $709,227.48.

1. Approve the contract for the Computer Aided Dispatch (CAD) software and hardware upgrade with Hexagon in the amount of $709,227.48; and
2. Authorize the City Manager to execute all necessary documents.

E. **Consideration and Approval of Contract:** Recommend approval of the Firewood Processing contract for the Shultz Pass Log Deck Staging Area with Alamo Navajo School Board, Inc. in the amount of $96,600.00.

1. Approve the contract with Alamo Navajo School Board, Inc. for the Firewood Processing at Shultz Pass Log Deck Staging Area in the amount of $96,600.00
2. Authorize the City Manager to execute the necessary documents.

7. ROUTINE ITEMS

A. **Consideration and Approval of Preliminary Plat** Miramonte Beaver, LLC requests Preliminary Plat approval for Miramonte at Butler Ave.—a condominium subdivision consisting of 32 residential units and one ground floor restaurant space at 207 S. Beaver St. on 0.54 acres in the T5 Main Street Transect Zone.

Planning Development Manager Genevieve Pearthree provided a PowerPoint presentation that covered the following:

MIRAMONTE AT BUTLER PRELIMINARY PLAT APPROVAL REQUEST

REQUEST OVERVIEW
VICINITY MAP
DEVELOPMENT OVERVIEW
MIRAMONTE AT BUTLER AVE. PRELIMINARY PLAT
FLOOR PLANS
FIRST FLOOR
SECOND THROUGH FIFTH FLOOR
ELEVATIONS
REQUIRED FINDING #1
MEETINGS ZONING CODE (TITLE 10) STANDARDS
REQUIRED FINDING #2
MEETS ENGINEERING STANDARDS (TITLE 13)
REQUIRED FINDING #3
MEETS SUBDIVISION AND LAND SPLIT REGULATIONS (CHAPTER 11-20)
FINDINGS AND RECOMMENDATION

Councilmember Salas asked if there is ample parking for both residents and commercial customers. Ms. Pearthree indicated that the code required 19 spaces and they are providing 32 spaces. Mr. Kemmerly added that the parking spaces are numbered; when each buyer comes in to contract they will be assigned a parking space which is consistent with other projects they have done. Councilmember Salas expressed concern about only having three spaces for the restaurant. Mr. Kemmerly stated that the operator of the commercial space would have the parking spaces time limited and the business is set up as a grab and go operation. They also have a dedicated two-lane alley for vehicular access.

Councilmember Odegaard asked how many bedrooms are included in the development. Ms. Pearthree stated that there are 52 total beds. Councilmember Odegaard also expressed concern about the parking with only 32 spaces being provided for 52 beds. Ms. Pearthree acknowledged the concern and stated that the development meets the requirements of the transect zone.

Councilmember Aslan also expressed concern about the parking and indicated tht he is not certain that the building is appropriate for the space.

Vice Mayor Shimoni indicated support for the project stating that it has a good room breakdown and it is a good example of infill. He too has concerns about the parking but is hopeful that the location will lend itself to walking, biking, and public transportation. He asked about bicycle parking. Mr. Kemmerly stated that there is surface bike parking outside the building that is geared towards visitors. They will be providing interior bike parking that is secured for residents.

Councilmember Odegaard asked if there will be regulations against short-term rentals to which Mr. Kemmerly responded yes, there will be a 30-day minimum rental requirement.

Moved by Councilmember Jamie Whelan, **seconded by** Vice Mayor Adam Shimoni to approve the Preliminary Plat.

Vote: 6 - 0 - Unanimously

B. **Consideration and Adoption of Ordinance No. 2020-25:** an Ordinance of the Flagstaff City Council amending Flagstaff City Code, Title 3, Business Regulations, Chapter 3-11 Development Fees, by adopting revised Public Safety development fees.

Councilmember Salas indicated that she would like to again request that the Council put a moratorium on new or increasing fees. She does not feel that the time is right to impose new fees during a pandemic. She would be comfortable approving the fees but delaying the implementation until after the pandemic.

Planning Director Tiffany Antol noted that the fees would come into effect on January 17, 2021.

Council did not support the request to delay implementation of the fees.

Moved by Councilmember Austin Aslan, **seconded by** Councilmember Jim McCarthy to read Ordinance No. 2020-25 by title only for the final time.

Vote: 5 - 1

NAY: Councilmember Regina Salas

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, BUSINESS REGULATIONS, CHAPTER 3-11 DEVELOPMENT FEES, TO ASSESS DEVELOPMENT FEES ON NEW DEVELOPMENT; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Austin Aslan, **seconded by** Councilmember Jim McCarthy to approve Ordinance No. 2020-25.

Vote: 5 - 1

NAY: Councilmember Regina Salas

C. **Consideration and Adoption of Ordinance No. 2020-27:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 3 Business Regulations, by adopting a new chapter 3-12 Short-Term Rentals; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Management Analyst Jack Fitchett noted that there was a small correction in the ordinance to include emergency contact information on the posting.

Moved by Councilmember Jamie Whelan, **seconded by** Councilmember Charlie Odegaard to read Ordinance No. 2020-27 by title only for the final time.

Vote: 6 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3 BUSINESS REGULATIONS, BY ADOPTING A NEW CHAPTER 3-12 SHORT-TERM RENTALS; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Jamie Whelan, **seconded by** Councilmember Charlie Odegaard to approve Ordinance No. 2020-27.

Vote: 6 - 0 - Unanimously

D. **Consideration and Adoption of Ordinance No. 2020-26:** An ordinance amending Title 11, *General Plans and Subdivisions*, Division 11-10.30, *Specific Plans*, to provide clarification regarding the process for adopting and amending specific plans.

Deputy City Attorney Kevin Fincel stated that the purpose of the amendment is to memorialize the process that is already in use for specific plans.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Jamie Whelan to read Ordinance No. 2020-26 by title only for the final time.

Vote: 6 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING CITY CODE TITLE 11, GENERAL PLANS AND SUBDIVISIONS, DIVISION 11-10.30, SPECIFIC PLANS, TO PROVIDE ADDITIONAL DETAIL AND CLARIFICATION REGARDING THE PROCESS FOR ADOPTING AND AMENDING SPECIFIC PLANS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Jamie Whelan to approve Ordinance No. 2020-26.

Vote: 6 - 0 - Unanimously

8. PUBLIC HEARING ITEMS

A. **Consideration and Adoption of Ordinance No. 2020-29:** An ordinance of the City Council of the City of Flagstaff abandoning and authorizing the sale of approximately 1,200 square feet of public right-of-way adjacent to 4013 S. Holland Road; providing for delegation of authority, repeal of conflicting ordinances, severability, and establishing an effective date.

Vice Mayor Shimoni opened the public hearing.

Community Development Director Dan Folke provided a PowerPoint presentation that covered the following:

REQUEST TO ABANDON A PORTION OF SOUTH HOLLAND ROAD ROW
S. HOLLAND ROAD ABANDONMENT
VICINITY MAP
FINAL PLAT
CITY CODE 11-20.160
REQUEST TO ABANDON PUBLIC RIGHT-OF-WAY
CITY CHARTER: ARTICLE 8 CONTRACTS, 10 SALE OF CITY PROPERTY
ARS 28-7204.C SALE OF VACATED PROPERTY
ORDINANCE 2020-29

Property owner David Hitesman addressed Council stating that when they purchased their home they were aware of the right-of-way but they did not anticipate that the road would be

built up so high causing privacy issues. He feels that the path forward is a win for all parties and an opportunity to improve the aesthetics of the corner while providing privacy options.

There being no further comment, Vice Mayor Shimoni closed the public hearing.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Jamie Whelan to read Ordinance No. 2020-29 by title only for the first time.

Vote: 6 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF ABANDONING AND AUTHORIZING THE SALE OF APPROXIMATELY 1,200 SQUARE FEET OF PUBLIC RIGHT-OF-WAY ADJACENT TO 4013 S. HOLLAND ROAD; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

B. **Consideration and Adoption of Resolution No. 2020-59 and Ordinance No. 2020-28:** A Resolution of the City Council of the City of Flagstaff, Coconino County, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled "Case No. PZ-19-00125 Updates to Zoning Code 2020 - High Occupancy Housing Land Use;" and, an Ordinance of the City Council of the City of Flagstaff, Coconino County, Arizona, amending the Flagstaff City Code, Title 10, Flagstaff Zoning Code, to implement the High Occupancy Housing Plan by adopting the High Occupancy Housing Development (HOHD) and Mixed-Use High Occupancy Housing Development (MHOHD) land uses and related standards.

Vice Mayor Shimoni opened the public hearing.

Zoning Code Manager Dan Symer and Comprehensive Planning Manager Sara Dechter provided a PowerPoint presentation that covered the following:

UPDATES TO ZONING CODE 2020-HIGH OCCUPANCY HOUSING SPECIFIC PLAN
WHAT HAPPENED LEADING UP TO THE HOH PLAN
WHY DID THE CITY ADOPT THE HOH PLAN?
CITY'S PROPOSED ZONING CODE TEXT AMENDMENT
DEFINITIONS
ZONES THAT THE MHOHDS ARE ALLOWED
ACTIVITY CENTERS
RESIDENTIAL ZONES
COMMERCIAL AND TRANSECT ZONES
SPECIFIC TO USE PROPERTY DEVELOPMENT CRITERIA
CONDITIONAL USE PERMIT CRITERIA
FINDINGS FOR ZONING CODE TEXT AMENDMENTS
STAFF RECOMMENDATION

Written comments were provided by David Carpenter expressing concerns about the complexity of the amendments and the ability for the code to do what it is intended.

Councilmember Whelan expressed appreciation to staff for the work done on the amendments. Vice Mayor Shimoni agreed stating that the amendments will have a positive impact on future development.

There being no further comment, Vice Mayor Shimoni closed the public hearing.

Moved by Councilmember Jamie Whelan, **seconded by** Vice Mayor Adam Shimoni to read Resolution No. 2020-59 by title only.

Vote: 6 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "CASE NO. PZ-19-00125 UPDATES TO ZONING CODE 2020 – HIGH OCCUPANCY HOUSING LAND USE"

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Jamie Whelan to read Ordinance No. 2020-28 by title only for the first time.

Vote: 6 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 10, FLAGSTAFF ZONING CODE, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "CASE NO. PZ-19-00125 UPDATES TO ZONING CODE 2020 – HIGH OCCUPANCY HOUSING LAND USE"; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

9. REGULAR AGENDA

A. **Consideration and Adoption of Resolution No. 2020-60:** A resolution approving an Intergovernmental Agreement between the Summit Fire Medical District, the Highlands Fire District, the Pinewood Fire District, the Ponderosa Fire District and the City of Flagstaff on behalf of the Flagstaff Fire Department to expend grants funds and participate in regional training of emergency services personnel.

Moved by Councilmember Jamie Whelan, **seconded by** Councilmember Regina Salas to read Resolution No. 2020-60 by title only.

Vote: 6 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE HIGHLANDS FIRE DISTRICT, PONDEROSA FIRE DEPARTMENT, PINEWOOD FIRE DEPARTMENT, SUMMIT FIRE AND MEDICAL DISTRICT AND THE CITY OF FLAGSTAFF FOR THE ASSISTANCE TO FIREFIGHTERS REGIONAL TRAINING GRANT PROGRAM

Moved by Councilmember Jamie Whelan, **seconded by** Councilmember Regina Salas to adopt Resolution No. 2020-60.

Vote: 6 - 0 - Unanimously

B. **Consideration and Approval of Contract:** Approve the Contract to Crandell Research Solutions for Regional Fire Officer Training

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Charlie Odegaard to approve the Contract with Crandell Research Solutions in the amount of $116,100 and authorize the City Manager to execute the necessary documents.

Vote: 6 - 0 - Unanimously

C. **Consideration and Adoption of Ordinance No. 2020-30:** An ordinance of the Flagstaff City Council ratifying the grant and reservation of easements; and formally accepting dedications and donations of easements and real property interests; delegating authority; and establishing an effective date. ***(approving receipt/transfer of easements and real property interests)***

Real Estate Manager Bryce Doty stated that it has been staff's practice to bundle the right-of-way and easement acquisitions and transfers from the year into one annual ordinance as required by Charter.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Austin Aslan to read Ordinance No. 2020-30 by title only for the first time.

Vote: 6 - 0 - Unanimously

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL RATIFYING THE GRANT AND RESERVATION OF EASEMENTS; AND FORMALLY ACCEPTING DEDICATIONS AND DONATIONS OF EASEMENTS AND REAL PROPERTY INTERESTS; DELEGATING AUTHORITY; AND ESTABLISHING AN EFFECTIVE DATE

10. COUNCIL LIAISON REPORTS

Councilmember Odegaard reported that he attended the Beautification and Public Art Commission's budget retreat and that he will be attending the Transportation Commission meeting later in the week; he will provide a report to the Council at the next meeting.

11. CITY MANAGER REPORT

A. City Manager Report

Mr. Clifton briefly reviewed his report.

i. Traffic Signal Cabinets Public Art Project

Beautification and Public Art Manager Eliza Kretzmann stated that the traffic signal art is a pilot project, they are hoping to add other cabinets with additional funding in future years. There is currently funding for three or four locations and they have initially selected San Francisco and Butler as well as Gemini and Cedar at the entrance of Buffalo Park. There was a good community response to the request for proposals with 34 applications received. Feedback from the community will be solicited to evaluate if there is a desire to add additional cabinets in the future.

Council expressed excitement about the project and a desire to hopefully see the program continue and expand. There was a request to continue using culture and personality of the surrounding areas to accentuate the diversity of Flagstaff.

12. COVID-19 UPDATE

Deputy City Manager Shannon Anderson reviewed the recent COVID-19 trends.

Vice Mayor Shimoni stated that with numbers increasing again he wants to encourage everyone to mask, social distance, and stay safe.

Councilmember Whelan asked about any changes that the State Health Department made related to the categories of transmission and severity. Ms. Anderson stated that there were changes made about three weeks ago where a community had to have all categories a particular range for two weeks until the overall community transmission level changes. Flagstaff has remained in the moderate category because there are two categories that have not been in substantial. Councilmember Whelan indicated that she is not comfortable with how the state is interpreting community levels.

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

Councilmember McCarthy thanked the City Clerk and City Manager for responding to the request to keep the agenda light due to the election.

Councilmember Aslan offered congratulations to all the candidates and wished them all the best. He expressed gratitude for the measures at the polling places to keep people safe while voting.

Councilmember Salas thanked Court Administrator Jessica Cortes and Deputy Court Administrator Heidi Lofgren for leading a tour of the new courthouse. She also requested a FAIR item to discuss a policy for a moratorium on any new or increased fees until after the global pandemic is over as set forth by CDC.

Vice Mayor Shimoni thanked Council and wished the candidates well in the election.

14. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held November 3, 2020, adjourned at 4:23 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on November 3, 2020. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 5th day of July, 2022.

_____

CITY CLERK

SPECIAL MEETING (EXECUTIVE SESSION)
TUESDAY, MAY 10, 2022
STAFF CONFERENCE ROOM - SECOND FLOOR
FLAGSTAFF CITY HALL
211 WEST ASPEN AVENUE
1:00 P.M.

1. Call to Order

Mayor Deasy called the Special Meeting (Executive Session) to order at 1:00 p.m.

2. ROLL CALL

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

PRESENT: ABSENT:

MAYOR DEASY
VICE MAYOR SWEET
COUNCILMEMBER ASLAN (virtually)
COUNCILMEMBER HOUSE
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SALAS
COUNCILMEMBER SHIMONI (virtually)

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

3. Recess into Executive Session

Moved by Mayor Paul Deasy, **seconded by** Councilmember Jim McCarthy moved to recess into Executive Session.

Vote: 7 - 0 - Unanimously

4. Executive Session:

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to A.R.S. §38-431.03(A)(3).

i. Legal advice regarding potential zoning code text amendment pertaining to regulation of marijuana

B. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(3) and (4), respectively.

i. Legal advice and negotiations regarding proposed ARC development agreement

ii. Litigation update

5. Adjournment

The Special Meeting (Executive Session) of the Flagstaff City Council held May 10, 2022, reconvened into Open Session at 2:31 p.m. at which time the meeting adjourned.

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MAYOR

ATTEST:

_____
CITY CLERK

SPECIAL MEETING (EXECUTIVE SESSION)
TUESDAY, MAY 31, 2022
STAFF CONFERENCE ROOM - SECOND FLOOR
FLAGSTAFF CITY HALL
211 WEST ASPEN AVENUE
1:00 P.M.

1. Call to Order

Mayor Deasy called the Special Meeting (Executive Session) to order at 1:00 p.m.

2. ROLL CALL

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

PRESENT: ABSENT:

MAYOR DEASY
VICE MAYOR SWEET
COUNCILMEMBER ASLAN (virtually)
COUNCILMEMBER HOUSE
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SALAS (virtually)
COUNCILMEMBER SHIMONI (arrived at 1:21 p.m. virtually)

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

3. Recess into Executive Session

Moved by Mayor Paul Deasy, **seconded by** Councilmember Jim McCarthy to recess into Executive Session.

Vote: 6 - 0 - Unanimously

4. Executive Session:

A. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting. The public body shall provide the officer, appointee or employee with written notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee or employee to determine whether the discussion or consideration should occur at a public meeting, pursuant to A.R.S. §38-431.03(A)(1).

i. Magistrate and On-Call Magistrate Reappointments and On-Call Magistrate Appointment

B. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(3) and (4), respectively.

i. Legal Advice and Contract Negotiations regarding proposed Timber Sky Development Agreement Amendment

5. Adjournment

The Special Meeting (Executive Session) of the Flagstaff City Council held May 31, 2022, reconvened into Open Session at 2:31 p.m. at which time the meeting adjourned.

_____
MAYOR

ATTEST:

_____
CITY CLERK

SPECIAL MEETING (EXECUTIVE SESSION)
TUESDAY, JUNE 7, 2022
STAFF CONFERENCE ROOM - SECOND FLOOR
FLAGSTAFF CITY HALL
211 WEST ASPEN AVENUE
1:00 P.M.

1. Call to Order

Mayor Deasy called the Special Meeting (Executive Session) to order at 1:05 p.m.

2. ROLL CALL

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

PRESENT:	ABSENT:
MAYOR DEASY VICE MAYOR SWEET COUNCILMEMBER HOUSE COUNCILMEMBER MCCARTHY COUNCILMEMBER SALAS COUNCILMEMBER SHIMONI (virtually)	COUNCILMEMBER ASLAN

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

3. Recess into Executive Session

Moved by Mayor Paul Deasy, **seconded by** Councilmember Jim McCarthy to recess into Executive Session.

Vote: 6 - 0 - Unanimously

4. Executive Session:

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body pursuant to A.R.S. §38-431.03(A)(3).

i. Legal advice regarding potential bond projects to be placed on November 2022 general election

B. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(3) and (4), respectively.

i. Legal Advice and Settlement Discussions on Prop 207 Claims

ii. Discussion and legal advice regarding Intergovernmental Agreement and Third Party Agreement between City, Coconino County and Paw Placement of Northern Arizona DBA High Country Humane for Animal Sheltering Services

5. Adjournment

The Special Meeting (Executive Session) of the Flagstaff City Council held June 7, 2022, reconvened into Open Session at 2:53 p.m. at which time the meeting adjourned.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY COUNCIL EMERGENCY SPECIAL MEETING
MONDAY, JUNE 13, 2022
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN
5:00 P.M.

MINUTES

1. CALL TO ORDER

In light of the current public emergency related to the Pipeline Fire, an emergency meeting was held to allow Council to discuss the use of reclaimed water by Snowbowl for fire suppression efforts related to the Pipeline Fire. Under Flagstaff City Council Rules of Procedure, Rule 3.05, and also under ARS 38-431.02(D) authority exists indicating that in cases of emergency a meeting may be held without posting the typical 24 hour prior notice, so long as, no less than 24 hours after the meeting, the City posts a notice of the emergency meeting that occurred and any other permissible details.

Mayor Deasy called the Emergency Special Meeting of the Flagstaff City Council held June 13, 2022, to order at 5:03 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 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.

PRESENT:	ABSENT:
MAYOR DEASY (virtually) VICE MAYOR SWEET (virtually) COUNCILMEMBER ASLAN (virtually) COUNCILMEMBER HOUSE (virtually) COUNCILMEMBER MCCARTHY (virtually) COUNCILMEMBER SALAS (virtually)	COUNCILMEMBER SHIMONI

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

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

The Council and audience recited the pledge of allegiance, Councilmember McCarthy read the Mission Statement of the City of Flagstaff, and Councilmember House read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. Discussion regarding the use of reclaimed water by Snowbowl for fire supression related to the Pipeline Fire.

Mr. Solomon explained that the city was approached to see if the reclaimed water line that runs to Snowbowl be recharged to assist with fire suppression. Currently, use of reclaimed water by Snowbowl exists under an agreement for snow making but there is no provision for the use of fire suppression. This means that a new contract would be needed to allow for the alternative use of fire suppression. While this action can be done administratively, this meeting is an opportunity to make the public aware of what is happening with the contract. Given the status of the Pipeline Fire and the imminent threat it is believed that the adjustment is warranted.

Mayor Deasy acknowledged the administrative decision and indicated that by having the meeting, Council could weigh in with any concerns and it would be a transparent process for the public. He indicated that he had just signed an Emergency Declaration Proclamation for the Pipeline Fire that recognizes the seriousness and threat of the situation. He asked if reclaimed water agreements only permit use of the water during certain periods of the year. Mr. Solomon explained that the Snowbowl contract only permits use during wintertime months when the demand for reclaimed water elsewhere is low. He noted that the new contract would be for the very specific use of reclaimed water for fire suppression related to the Pipeline Fire.

Councilmember McCarthy noted that there are sensitivities and conflicting opinions about the use of reclaimed water at Snowbowl and he takes those concerns and viewpoints seriously. He also recognizes the incredible threat that wildfire poses to the community, and he is supportive of moving forward with recharging the waterline and allowing the reclaimed water to aid in fire suppression efforts.

Councilmember Salas indicated that because the city and surrounding areas are in a state of emergency, it is pragmatic to use reclaimed water for fire suppression. She also acknowledged and recognized the concerns surrounding the use of reclaimed water. She asked that the use of reclaimed water for fire suppression be considered for inclusion in other reclaimed water agreements in the future.

Vice Mayor Sweet stated that given the state of emergency she feels it prudent to move forward and put the request in motion as soon as possible.

Mayor Deasy offered that the situation needs to be addressed as immediately as possible. If there are resources available to assist in protecting people, property, and forested lands it should be used. He noted that the new contract should be as specific as possible to identify that use of the reclaimed water will be for fire suppression related to the Pipeline Fire.

Mr. Solomon indicated that the contract language is very specific and if there was ever consideration of something different there would be separate discussion with Council.

Councilmember Aslan extended his support for the comments made by other Councilmembers and agreed that the use should be permitted.

Councilmember House expressed her general support was cognizant of the concerns related to the use of reclaimed water by Snowbowl. She also noted that due to the nature of an emergency meeting there may not have been as good an opportunity for the public to offer comments; she is hopeful that the community is understanding of that given the current emergency and the need to address the matter quickly.

Mayor Deasy thanked staff and the Council for their quick attention to the matter. He wished safety to all those working to protect the community and encouraged everyone to sign up for emergency notifications.

5. ADJOURNMENT

The Emergency Special Meeting of the Flagstaff City Council held June 13, 2022, adjourned at 5:28 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

SPECIAL MEETING (EXECUTIVE SESSION)
TUESDAY, JUNE 14, 2022
STAFF CONFERENCE ROOM - SECOND FLOOR
FLAGSTAFF CITY HALL
211 WEST ASPEN AVENUE
1:00 P.M.

1. Call to Order

Mayor Deasy called the Special Meeting (Executive Session) to order at 1:05 p.m.

2. PRESENT: ABSENT:

MAYOR DEASY
VICE MAYOR SWEET
COUNCILMEMBER ASLAN (virtually)
COUNCILMEMBER HOUSE
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SALAS
COUNCILMEMBER SHIMONI (virtually)

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

3. Recess into Executive Session

Moved by Mayor Paul Deasy, **seconded by** Councilmember Jim McCarthy to recess into Executive Session.

Vote: 7 - 0 - Unanimously

4. Executive Session:

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(3) and (4), respectively.

i. Discussion and legal advice regarding Intergovernmental Agreement and Third Party Agreement between City, Coconino County and Paw Placement of Northern Arizona DBA High Country Humane for Animal Sheltering Services

5. Adjournment

The Special Meeting (Executive Session) of the Flagstaff City Council held June 14, 2022, reconvened into Open Session at 2:37 p.m. at which time the meeting adjourned.

_____
MAYOR

ATTEST:

_____
CITY CLERK

6. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	07/01/2022
Meeting Date:	07/05/2022

TITLE:

Recognition: July Employee Work Anniversaries

STAFF RECOMMENDED ACTION:

Information only.

Executive Summary:

Staff will present the work anniversaries for July 2022.

Financial Impact:

Policy Impact:

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

Previous Council Decision on This:

Attachments: Work Anniversaries

July Employee Work Anniversaries!

Five Year Anniversaries



John Oliver
Police Officer

Gail Brockman
Parking Manager



Five Year Anniversaries



Kevin Dunlap
Code Compliance Officer II

Jesse Schafer
Police Officer



Five Year Anniversaries



Jackson Potts
Police Officer

Ty Webster
Police Officer





Five Year Anniversaries



Jessica Madson
Collections Specialist

Danny Warden
Police Officer








Ten Year Anniversaries



Sabrina James
Billing Specialist

Joseph Gilbert
Police Officer





Ten Year Anniversaries



Jessica Vigorito
Human Resources Analyst



William Ragan
IT Administrator



Ten Year Anniversaries



Anja Wendel
Sr Assistant City Attorney III

Lynold Herder
Parks Supervisor








Fifteen Year Anniversaries



Matthew Schmidt
Police Officer

Michael Russell
Creative Services Specialist








Fifteen Year Anniversaries



Jason Toback
Water Services Operator



Twenty Year Anniversaries



Barbara Davis
Recreation Assistant



Arthur Ulibarri
Recreation Leader I

Twenty Year Anniversaries



Kimberly Dawson
Recreation Leader I






25 years plus!!!

Trish's supervisor, Pearl Goldtooth, shared with us.

I have known Trish Polacca for 29 years, we have grown together in the library field and worked together side by side for 28 years. Trish is a cheerful person and customers have always commented on her being friendly, always a helpful person.

She is known in the community. She attends school board meetings with husband Delmar and other school sport events, so she is well known and aware of school activities, her children are still in high school. She is always surrounded by her grandchildren; she is active in their school activities too.

She enjoys reading and listening to audio books, she encourages others to read as well and suggests titles for others to read.

I have enjoyed working Trish all these years, she is an effective team player as well. Thank you, Trish, for all you have done here at the library, continue to shine.











25 Years Plus!!!



Deputy Chief Mark Wilson is celebrating 30 years of service with the City of Flagstaff's Fire Department this month. Mark was hired in 1992 as a firefighter and has promoted up through the ranks as an Engineer, Captain, Battalion Chief, BC of training, and Deputy Chief in 2020. One of the many contributions he has made to the organization was working on the concept and design of our Fire Training Facility which has since been used as design inspiration for training centers in other parts of the country. That facility provides invaluable training for our newest recruits, current line personnel and the entire Greater Flagstaff Region fire departments.

Outside of work Mark has many roles: husband, father, sports coach, church leader, hunter, fisherman, etc. All of which he does with great pride and commitment.

Public service definitely runs in the Wilson blood as we are blessed to have his brother Dave as a Battalion Chief, and Mark's son, Kyle as a new firefighter with the department. FFD is proud of Mark's success and are so very happy to celebrate his 30 years of service with us.

Chief Wilson is a critical component of our Command Team. His devotion to the Department, Team Flagstaff, and the community is evident each day. His creativity in the administrative support services function of our department has been remarkable and an important part of our success.



25 Years Plus!!!

Cathleen Harrison – Fazzary began her employment with the Flagstaff Municipal Court in July of 1989, as a Court Clerk I. Through the years she promoted to Court Clerk II and ultimately to Deputy Court Administrator May of 2001, she continues to serve in this capacity where she oversees Court Services.



Cathleen in extremely dependable, highly respected an is an essential member of the Court, it is an absolute pleasure to have her on the team. The Court is appreciative of Cathleen's hard work and thanks her for her dedication.

Congratulations Cathleen on your 33-year work anniversary!

8. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration of Appointments: Open Spaces Commission.

STAFF RECOMMENDED ACTION:

Make one appointment to a term expiring April 2023.

Executive Summary:

The Open Spaces Commission consists of six at-large members whom shall be appointed by the City Council and one designee from the Planning and Zoning Commission. The commission serves as an advisory body on the acquisition, management, use, restoration, enhancement, protection, and conservation of open space land. There is currently one seat available due to a rejection of an appointment by Lucas Minton from the appointments made at the June 7, 2022 meeting. 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 eight (8) applications on file for consideration by the Council, they are as follows:

- Jordan Dikeman (new applicant)
- Bruce Fox (new applicant)
- Karen Hendricks (new applicant)
- Ryan Laboy (new applicant)
- Brian Poletti (new applicant)
- Liz Shero (new applicant)
- Nat White (new applicant)
- Jillian Worssam (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: Councilmember House

Financial Impact:

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

Policy Impact:

None.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & 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 one member at this time, the Open Spaces Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.

2) Postpone 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 Commission members and City staff has occurred, informing others of this vacancy through word of mouth.

Attachments: Open Space Commission Authority

CHAPTER 2-20
OPEN SPACES COMMISSION

SECTIONS:

2-20-001-0001 CREATION OF THE COMMISSION:
2-20-001-0002 TERMS OF OFFICE:
2-20-001-0003 DUTIES:
2-20-001-0004 OPEN SPACES LONG RANGE MANAGEMENT PLAN COMPONENTS:
2-20-001-0005 MEETINGS; ATTENDANCE:

2-20-001-0001 CREATION OF THE COMMISSION:

There is hereby created an advisory body to be called the "Open Spaces Commission" ("Commission") consisting of the following seven (7) regular members all of whom shall be appointed by the City Council, except for designee from the Planning and Zoning Commission: one (1) member from the Planning and Zoning Commission; and six (6) public at-large members. All Commission members shall be voting members. A Chairperson shall be selected by a majority vote of those members at a meeting called for that purpose. (Ord. No. 2007-08, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-20-001-0002 TERMS OF OFFICE:

Appointments from the Planning and Zoning Commission and the Parks and Recreation Commission to the Open Spaces Commission shall be for no longer than the remaining term of the appointing Commission’s designee. Terms of all other appointees shall be for three years except for the first appointments creating staggered terms as follows: The City Council shall appoint two members for three year (3) terms, two members for two (2) year terms, and two members for one (1) year terms. After the initial appointment all terms thereafter will be three (3) year terms.

2-20-001-0003 DUTIES:

A. It shall be the Commission’s duty to advise the City Council on acquisition, preservation, and alternatives for open space land management.

B. The duties of the Commission shall also include, but not be limited to: Reviewing and advising the City Council on the development of an Open Spaces Long Range Management Plan and policies to provide broad, long-term direction for planning and decision making for the lands designated as Urban Open Space Management Area in

the Urban Open Spaces Plan of the Flagstaff Area Regional Land Use and Transportation Plan.

C. Advising and assisting the Mayor and City Council on ways to educate and involve the community on the value, protection, and stewardship of open space lands.

D. Advising and assisting the Mayor and City Council on ways to work collaboratively with other governmental entities, organizations, and departments to advance and ensure the implementation of the Open Spaces Long Range Management Plan and the Flagstaff Area Regional Land Use and Transportation Plan.

E. Advising and assisting the Mayor and City Council regarding regional open space issues as well as to any regional open spaces coalition that may be formed in the future relative to lands designated as open space in the Greater Flagstaff Area Open Spaces and Greenways Plan.

F. Obtaining public input and participation in various programs such as environmental education and interpretation on the use, operation, and management of open space and providing information concerning the goals, projects, and operations of the open space program.

2-20-001-0004 OPEN SPACES LONG RANGE MANAGEMENT PLAN COMPONENTS:

A. The components of the Open Spaces Long Range Management Plan shall include, but not be limited to:

1. Program goals, management decision-making processes, and implementation techniques for resource preservation.

2. Policies to provide the framework for more issue- or site-specific planning and implementation.

3. Criteria for the acquisition of lands that are consistent with open space goals and policies set forth in the Open Spaces Long Range Management Plan.

4. Plans for the management of the open spaces to achieve the goals of the Open Spaces Long Range Management Plan using such studies and data as property inventories, the nature and significance of the natural and cultural resources, plant and animal species ecosystems, existing uses and conditions, and interactions and connections between natural areas and between developed and undeveloped areas.

5. Developing, identifying, and recommending the use of various methods, such as intergovernmental agreements, rights-of-way for access, and grants, to assure protection of critical open space lands.

6. Policies to monitor, maintain, enhance, and restore, where necessary, natural and cultural resources, uses, accesses, trails, and facilities.

7. Public participation, education, and interpretive programs.

2-20-001-0005 MEETINGS; ATTENDANCE:

The Commission shall meet on a quarterly basis, at a minimum, at such times, dates and locations as determined by the members, except that the chairperson may call a special meeting with not less than twenty-four (24) hours' notice. All other rules or procedures shall be established by the members so long as the rules are consistent with state law, including the Open Meetings Law, the City Charter and this chapter.

A quorum shall consist of four (4) voting members of the Commission.

A regular Commission member who is absent for three (3) consecutive regular meetings may be removed from the Commission by a vote of the City Council. (Ord. 2003-03, Enacted, 02/04/03; Ord. 2007-08, Amended 02/06/2007; Ord. 2016-30, Amended, 07/05/2016)

9. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Action on Liquor License Application: John Alexander Phillips, "Flagstaff Liquor," 1700 E. Route 66, Series 09 (liquor store - all spirituous liquor), Location Transfer.

STAFF RECOMMENDED ACTION:

Hold the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. Series 09 licenses are a quota licenses and must be obtained through the person/location transfer of an existing license from another business or through the Arizona Liquor License Lottery.

Flagstaff Liquor will be a new business in Flagstaff. If approved, it will be the 36th active series 09 liquor license in Flagstaff and will be able to sell all spirituous liquor. To view surrounding liquor licenses, please visit the Active Liquor Licenses Map.

The property has been posted as required, and the Police and Community Development divisions have reviewed the application and provided their respective reports.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Policy Impact:

Not applicable.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Liquor licenses are a regulatory action and there are no Community Priorities that directly apply.

Has There Been Previous Council Decision on This:

Not applicable.

Key Considerations:

Because the application is for a location transfer, consideration may be given to the location of the applicant.

The deadline for issuing a recommendation on this application is July 8, 2022.

Community Benefits and Considerations:

This business will contribute to the tax base of the community. We are not aware of any other relevant considerations.

Community Involvement:

The application was properly posted on June 15, 2022. No written protests have been received to date.

Attachments:

Letter to Applicant
Hearing Procedures
Series 09 Description
PD Memo
Zoning Memo
Map

City of Flagstaff

OFFICE OF THE CITY CLERK

6/22/2022

John Alexander Phillips
402 W. Goodwin Street
Prescott, AZ 86303

Dear Mr. Phillips:

Your application for a Series 9 Liquor License for Flagstaff Liquor located 1700 E. Route 66, Flagstaff, AZ was posted on June 15, 2022. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 5, 2022, which is scheduled to begin at 3:00 p.m.**

It is important that you or your representative attend this Council Meeting via video conference (Microsoft Teams Meeting) and be prepared to answer any questions that the City Council may have. The invitation to join the online meeting will be emailed to you prior to the hearing. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on July 5, 2022, and the application may be removed from the premises at that time.

There is an $815 application fee which needs to be received prior to the hearing date. Payment can be made online at https://www.flagstaff.az.gov/2452/E--Services under Business Licensing Payment Online Services by clicking Liquor License Request Payment, in person at the payment window, or you can send a check to my attention at 211 W. Aspen Ave., Flagstaff, AZ 86001.

If you have any questions, please feel free to call me at 928-213-2077 (office) or 928-220-5995 (cell).

Sincerely,

Stacy M. Fobar

Stacy M. Fobar
Deputy City Clerk

Enclosures

City of Flagstaff

Liquor License Application
Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will open the public hearing on the item.

2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.

3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.

4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.

5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.

6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.

7. The presiding officer will then close the public hearing.

8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:

1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;

2. Number and types of licenses within one mile of the proposed premises;

3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;

4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;

5. Residential and commercial population density within one mile of the proposed premises;

6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;

7. Effect on vehicular traffic within one mile of the proposed premises;

8. Compatibility of the proposed business with other activity within one mile of the proposed premises;

9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;

10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;

11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and

12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.

B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 09 Liquor Store License (All spirituous liquors)

Transferable (From person to person and/or location to location within the same county only)
Off-sale retail privileges
Note: Terms in **BOLD CAPITALS** are defined in the glossary.

PURPOSE:
Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:
A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of **DELIVERY**. The retailer must complete a Department approved "Record of Delivery" form for each spirituous liquor retail delivery.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept delivery of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

FLAGSTAFF POLICE DEPARTMENT
911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001• (928) 779-3646
ADMIN FAX (928)213-3372
TDD 1-800-842-4681

Chief of Police
Dan Musselman

MEMORANDUM

Memo #22-041

TO: **Chief Dan Musselman**

FROM: **Sgt. Kevin Sapp**

DATE: **June 17, 2022**

RE: **Location Transfer – Series 9 Liquor Store License Application – Flagstaff Liquor**

On June 17, 2022, I initiated an investigation into an application for a Location Transfer of series 9 (Liquor Store) liquor license filed by John Phillips (Controlling Person/Agent) and Trevor Phillips (Controlling Person). This is a location transfer application, and the application number is 196936. It is for Flagstaff Liquor located at 1700 E Route 66, Flagstaff, AZ.

I conducted a query through local systems and public access on all the applicants and discovered no derogatory records for John Phillips. I discovered no derogatory records for Trevor Phillips. I conducted a search for current or historical liquor violations on the business found no violations.

I found evidence that the applicants have taken the mandatory liquor license training. This business is not located within 300 feet of a school or church.

A representative for the business will be present for the council meeting on July 5th.

Planning and Development Services Memorandum

To: Stacy Fobar, Deputy City Clerk

From: Reggie Eccleston, Code Compliance Manager

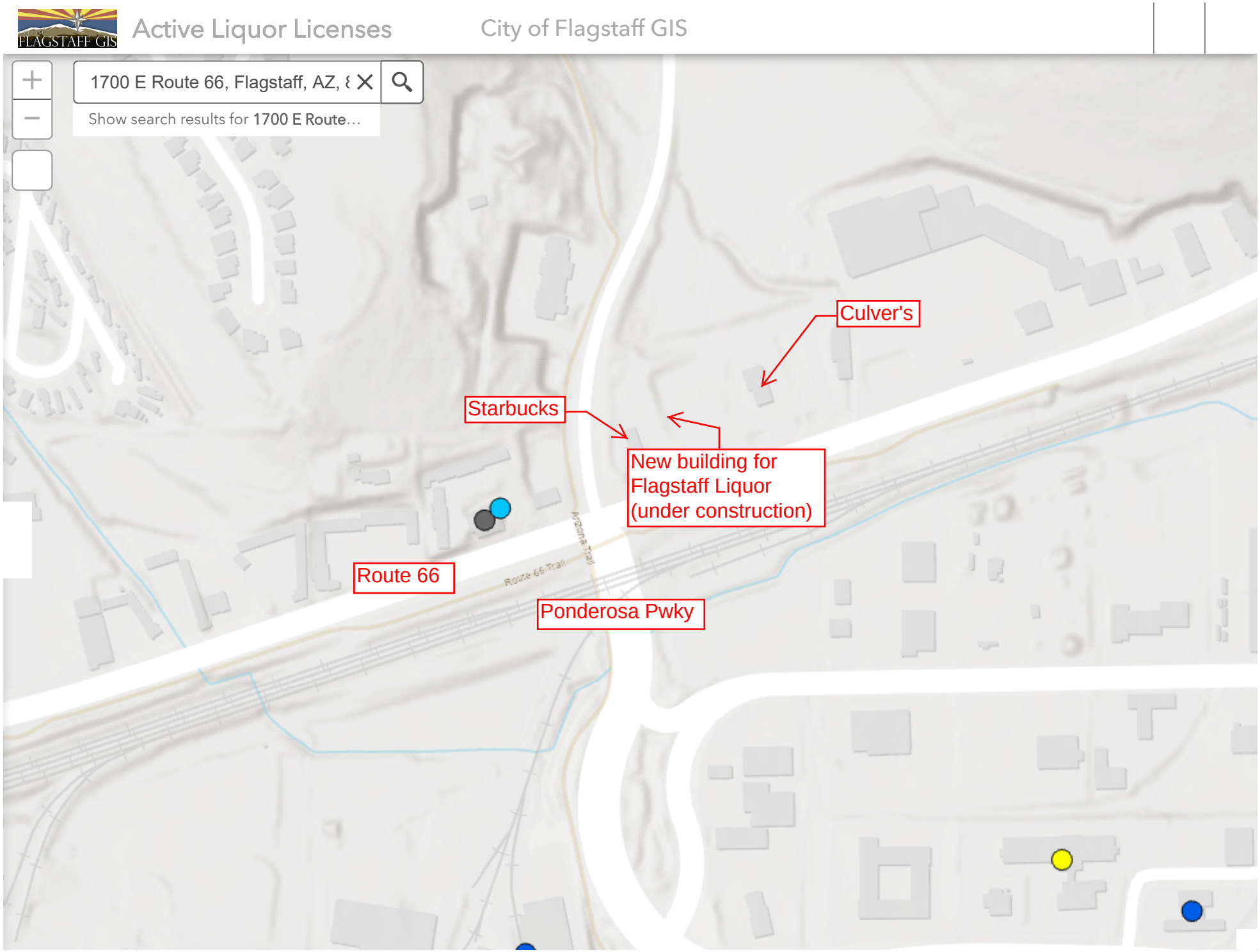
CC: Michelle McNulty, Planning Director

Date: June 16, 2022

Re: Application for Liquor License #196936
1700 E. Route 66., Flagstaff, Arizona 86001
Assessor's Parcel Number 107-08-002E
John Phillips on behalf of Flagstaff Liquor

This application is a request for a transfer Series 09 Liquor Store liquor license by John Phillips on behalf of Flagstaff Liquor. This business is located within the Highway Commercial district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.


Active Liquor Licenses
City of Flagstaff GIS
1700 E Route 66, Flagstaff, AZ,
Show search results for 1700 E Route...
Culver's
Starbucks
New building for
Flagstaff Liquor
(under construction)
Route 66
Ponderosa Pwky

9. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Action on Liquor License Application: Andrea Dahlman Lewkowtiz, "The Bluffs of Flagstaff," 3100E. Butler Avenue, Series 12, New Application.

STAFF RECOMMENDED ACTION:

Hold the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting at the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 12 license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. The Bluffs of Flagstaff is an existing business in Flagstaff. If approved it will be the 87th active series 12 license in Flagstaff. Series 12 licenses are non-quota licenses. To view surrounding liquor licenses, please refer to the online interactive Liquor License Map.

The property has been posted as required, and the Police and Community Development divisions have reviewed the application and provided their respective reports.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Policy Impact:

Not applicable.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Liquor licenses are a regulatory action and there is no Council goal that applies.

Has There Been Previous Council Decision on This:

Not applicable.

Key Considerations:

Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.

The deadline for issuing a recommendation on this application is July 8, 2022.

Community Benefits and Considerations:

This business will contribute to the tax base of the community.

Community Involvement:

The application was properly posted on June 15, 2022. No written protests have been received to date.

Attachments:

Letter to Applicant
Hearing Procedures
Series 12 Description
PD Memo
Zoning Memo
Map

City of Flagstaff

OFFICE OF THE CITY CLERK

6/22/2022

Andrea Dahlman Lewkowtiz
2600 N. Central Avenue #1775
Phoenix, AZ 85004

Dear Ms. Lewkowitz

Your application for a Series 12 Liquor License for The Bluffs of Flagstaff located 3100 E. Butler Ave., Flagstaff, AZ was posted on June 15, 2022. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 5, 2022, which is scheduled to begin at 3:00 p.m.**

It is important that you or your representative attend this Council Meeting via video conference (Microsoft Teams Meeting) and be prepared to answer any questions that the City Council may have. The invitation to join the online meeting will be emailed to you prior to the hearing. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on July 5, 2022, and the application may be removed from the premises at that time.

There is an $815 application fee which needs to be received prior to the hearing date. Payment can be made online at https://www.flagstaff.az.gov/2452/E--Services under Business Licensing Payment Online Services by clicking Liquor License Request Payment, in person at the payment window, or you can send a check to my attention at 211 W. Aspen Ave., Flagstaff, AZ 86001.

If you have any questions, please feel free to call me at 928-213-2077 (office) or 928-220-5995 (cell).

Sincerely,

Stacy M. Fobar

Stacy M. Fobar
Deputy City Clerk

Enclosures

City of Flagstaff

Liquor License Application
Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will open the public hearing on the item.

2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.

3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.

4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.

5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.

6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.

7. The presiding officer will then close the public hearing.

8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:

1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;

2. Number and types of licenses within one mile of the proposed premises;

3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;

4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;

5. Residential and commercial population density within one mile of the proposed premises;

6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;

7. Effect on vehicular traffic within one mile of the proposed premises;

8. Compatibility of the proposed business with other activity within one mile of the proposed premises;

9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;

10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;

11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and

12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.

B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 12 Restaurant License

Non-transferable
On-sale retail privileges
Note: Terms in **BOLD CAPITALS** are defined in the glossary.

PURPOSE:
Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:
An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Bar, beer and wine bar, and restaurant licensees must pay an annual surcharge of $20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.

FLAGSTAFF POLICE DEPARTMENT
911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001• (928) 779-3646
ADMIN FAX (928)213-3372
TDD 1-800-842-4681

Chief of Police
Dan Musselman

MEMORANDUM

Memo #22-040

TO: **Chief Dan Musselman**

FROM: **Sgt. Kevin Sapp**

DATE: **June 17, 2022**

RE: **New Application – Series 12 Liquor License Application – The Bluffs of Flagstaff**

On June 17, 2022, I initiated an investigation into an application for a series 12 (Restaurant) liquor license filed by Andrea Lewkowitz (Agent), Jason Dupont (Controlling Person) and Janet Simpkin-Mars (Premise Manager). This is a new application, and the application number is 198667. It is for The Bluffs of Flagstaff located at 3100 E Butler Ave., Flagstaff, AZ.

The application is being filed by Andrea Lewkowitz (Agent) who is an attorney that works for Lewkowitz Law Office and manages liquor license for various companies throughout the state. I conducted a query through local systems and public access on all the applicants and discovered no derogatory records for Andrea Lewkowitz. I discovered no derogatory records for Jason Dupont. I discovered no derogatory records on Janet Simpkin-Mars. I conducted a search for current or historical liquor violations on the business found no violations.

I found evidence that the applicants have taken the mandatory liquor license training. This business is not located within 300 feet of a school or church.

A representative for the business will be present for the council meeting on July 5th.

Planning and Development Services Memorandum

To: Stacy Fobar, Deputy City Clerk

From: Reggie Eccleston, Code Compliance Manager

CC: Michelle McNulty, Planning Director

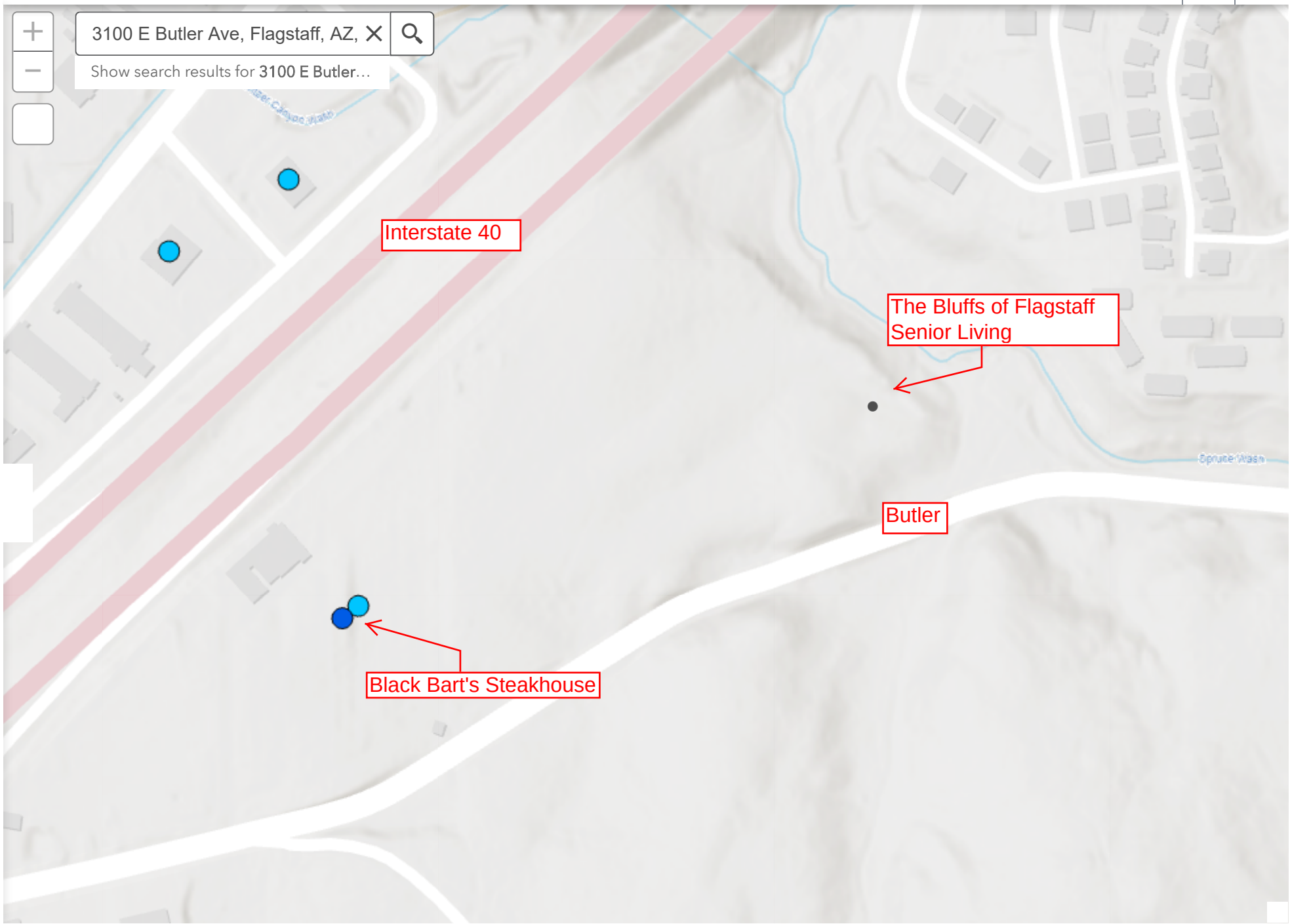
Date: June 16, 2022

Re: Application for Liquor License #198667
3100 E. Butler Ave., Flagstaff, Arizona 86001
Assessor's Parcel Number 106-08-005H
Andrea Lewkowitz on behalf of The Bluffs of Flagstaff

This application is a request for a new Series 12 Restaurant liquor license by Andrea Lewkowitz on behalf of The Bluffs of Flagstaff. This business is located within the Highway Commercial district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

Active Liquor Licenses City of Flagstaff GIS



10. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Edward Schenk, Water Services Manager - Stormwater
Co-Submitter:	Gary Miller
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE

Consideration and Adoption: Administrative Floodplain Designation - Spruce Wash

STAFF RECOMMENDED ACTION:

Adopt the proposed Administrative Floodplain of Spruce Wash to help educate current and future residents impacted by post-wildfire flooding and to provide appropriate development standards for new development within the affected area.

EXECUTIVE SUMMARY:

The Stormwater Section is providing City Council with a proposal for an Administrative Floodplain overlay for Spruce Wash between Paradise Road and Route 66. The overlay will be based off of the 2022 existing conditions hydrologic model created by JE Fuller for the County Flood Control District. The overlay will be based on the 3-inch rain event in 45 minutes roughly mirroring a 100-year design storm. The proposed overlay was presented to Water Commission on May 19th 2022 with no objections or questions. Council approval is requested to formally adopt this floodplain overlay by the City for education and development management within the Spruce Wash footprint.

The purpose of the overlay will be to provide guidance for City building permits, development review, floodplain use permits, and private landowners for their individual flood mitigations. The administrative floodplain will be managed by City staff similar to a Federal FEMA floodplain (Zone AE) with the following exceptions:

The 50% development rule for FEMA floodplains will be waived.
Mandatory NFIP flood insurance will be waived (but strongly recommended).
Waivers for new development at 1 foot above BFE will be considered on a case-by-case basis.

The administrative floodplain overlay will be replaced by a formal FEMA CLOMR/LOMR once the watershed has restored or flood mitigation projects are completed. Alternatively, a new overlay may replace this map if future hydrological modeling and mapping are completed by the City or the County to reflect changes in flood risk.

The purpose of the administrative floodplain is two-fold: to provide an education tool for flood risk for both existing and future residents within the affected area and to provide development standards (base flood elevation determination) for new development within the affected area.

INFORMATION:

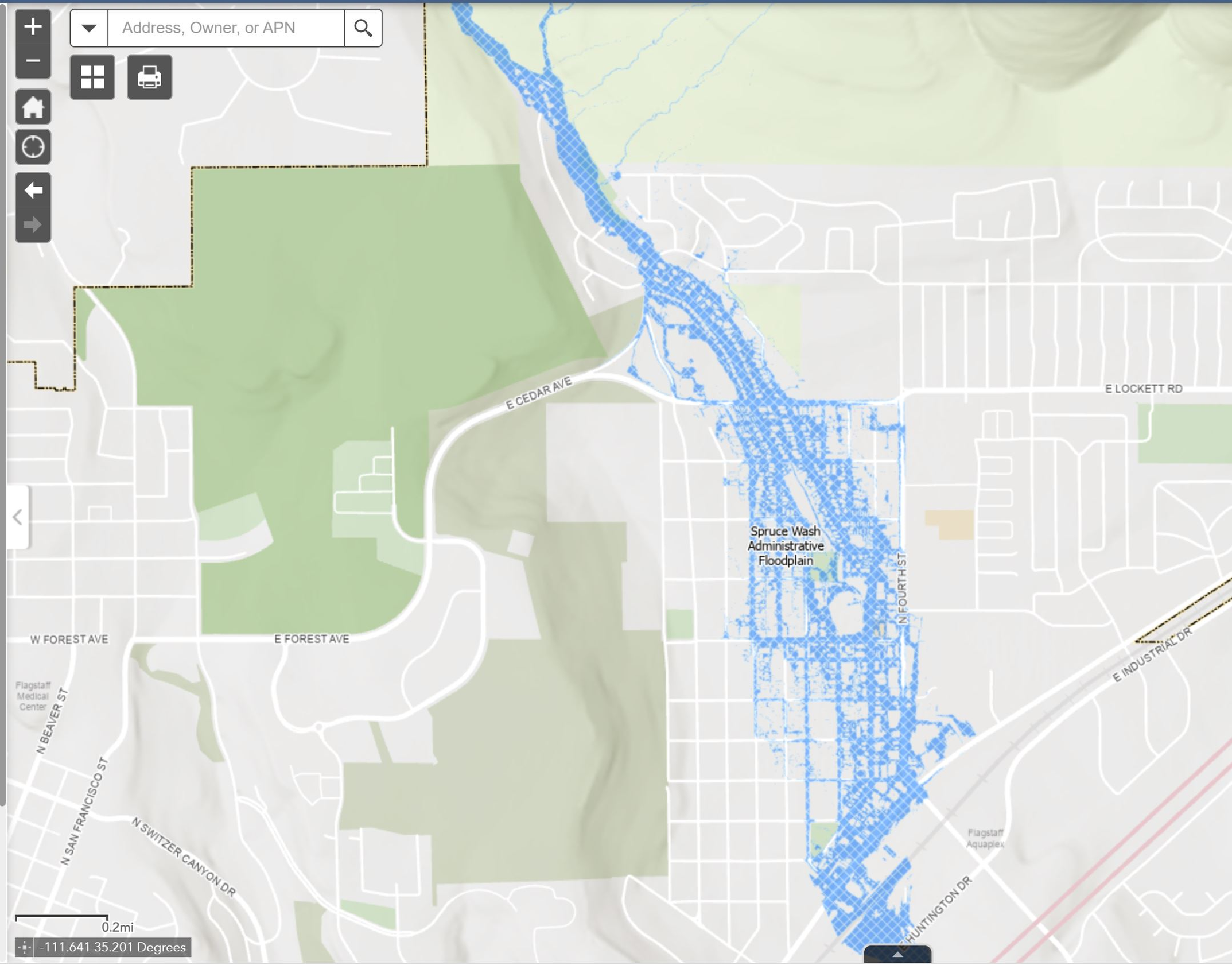
This proposed floodplain overlay supports the following PBB priorities:

High Performance Governance: Implementing innovative local governmental programs and best practices. The Administrative Floodplain concept allows the City to manage with a greater flexibility than a formal FEMA Special Flood Hazard Area while providing many of the same benefits.

Safe and Healthy Community: providing public safety services as well as ensuring the built environment is safe for using through a consistent framework.

Environmental Stewardship: Strengthen Flagstaff's resilience to climate change impacts (and post-fire impacts) on built, natural, economic, health, and social systems through acknowledging the changing flood risk in the Grandview and Sunnyside neighborhoods.

Attachments: Proposed map


Address, Owner, or APN
E CEDAR AVE
E LOCKETT RD
Spruce Wash
Administrative
Floodplain
N FOURTH ST
W FOREST AVE
E FOREST AVE
E INDUSTRIAL DR
Flagstaff
Medical
Center
N BEAVER ST
N SAN FRANCISCO ST
N SWITZER CANYON DR
Flagstaff
Aquaplex
HUNTINGTON DR
0.2mi
-111.641 35.201 Degrees

10. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Timothy Skinner, ARFF Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Approve the Cooperative Purchase Contract with PFVT Motors, LLC DBA Peoria Ford for the purchase of one 2022 Ford F-150 Lighting Crew Cab 4X4 (fully electric) at $53,541.53 and the purchase of one 2022 Ford Explorer Hybrid at $44,282.76 for use at the Flagstaff Pulliam Airport in the total amount of $97,824.29 (plus applicable taxes).

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract to PFVT Motors, LLC DBA Peoria Ford through the State Cooperative Contract No. CTR059322 for the purchase of two replacement vehicles for the Flagstaff Pulliam Airport in the total amount of $97,824.29 (plus applicable taxes); and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

The Flagstaff Airport Operations/Aircraft Rescue Fire Fighting (Ops/ARFF) team performs operations services at the Flagstaff Pulliam Airport (Airport). These services include: wildlife hazard management, runway and taxiway inspections, airfield inspections (including perimeter road/fence inspections), airfield grounds maintenance, Airport security inspections and gate access, snow removal operations support (snow boss and runway friction measurements), and airfield lighting inspection/repair. The current pickup truck is inefficient and in constant need of repairs. A fully electric vehicle and a hybrid vehicle would allow staff to perform the Airport operations functions with greater efficiency and reliability. The purchase of the pickup would be the Airport's fist fully electric vehicle and would help support the goal of a carbon neutral workforce.

The vehicle assigned to the Airport Ops/ARFF Manager position is used for administrative and emergency response in an incident command/unified command purposes, both on and off the Airport grounds. The hybrid electric vehicle would also be used for support of Airport operations including airfield inspections, snow operations, and airport security. A hybrid electric all-wheel drive vehicle would provide greater efficiency and reliability. This hybrid electric vehicle would also continue to support the goal of a carbon neutral workforce.

Financial Impact:

The Cooperative Purchase Contract for both of these vehicles can be reimbursed using the Coronavirus Aid, Relief, and Economic Security (CARES) act funding which is found in Acct# 221-07-221-0881-0-4401 for a budgeted total amount of $97,824.29.

Policy Impact:

The Cooperative Purchase Contract and equipment supports the mission to provide the highest level of service for the City and the Airport. The electric vehicle will be the first fully electric pick-up truck to be added to the Airport's fleet. The hybrid vehicle will be the third of its kind in the Airport fleet and will be a better fit for the support of Airport Operations/Aircraft Rescue Firefighting administration. The fully electric vehicle will be a great testing opportunity for Airport Operations staff to determine how electric vehicles can support the mission of the Airport moving forward.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

The purchase of these vehicles would support PBB key community priorities and objectives by: enhancing the organization's fiscal stability & increase efficiency & effectiveness, facilitating & developing carbon-neutral energy opportunities, and by implementing alternative energy programs and multi-modal transportation options.

Carbon Neutrality Plan

The purchase of these vehicles would directly align with the Carbon Neutrality Plan as this would be the first fully electric vehicle for the airport and the third hybrid electric vehicle for the airport. It would also support the Carbon Neutrality Plan by supporting residents, businesses and institutions in the transition to electric vehicles.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1. Approve the Cooperative Purchase Contract with PFVT Motors, Inc. DBA Peoria Ford for the purchase of one 2022 Ford F-150 Lighting Crew Cab 4X4 (fully electric) at $53,541.53 and the purchase of one 2022 Ford Explorer Hybrid at $44,282.76 for replacement vehicles at the Airport in the total amount of $97,824.29; or
2. Do not approve the purchase and provide direction to staff.

Background/History:

City Council has discussed on many occasions transitioning the City fleet from combustion engine vehicles to electric vehicles which led to the development and adoption of the Carbon Neutrality Plan. The Carbon Neutrality Plan stands on the backbone of electric vehicles and the transition to by 2030.

The State of Arizona, Procurement Department, Public Sector conducted a competitive and open procurement process through Request for Proposal Solicitation No. BPM004157 that resulted in Contract No. CTR059322 with PFVT Motors, Inc. DBA Peoria Ford. The City of Flagstaff Procurement department utilized this cooperative purchase contract to obtain the best pricing for the electric and hybrid vehicles.

Key Considerations:

The purchase of the fully electric Ford F-150 pick-up and the Hybrid Ford Explorer will support the Airport Operations/Aircraft Rescue Firefighting team.

Expanded Financial Considerations:

Both purchases can be reimbursed using the Coronavirus Aid, Relief, and Economic Security (CARES) act funding.

Community Benefits and Considerations:

The purchase of these vehicles would benefit the community by utilizing carbon efficient equipment while supporting Airport Operations and emergency response on and around the Airport.

Community Involvement:

The Flagstaff Carbon Neutrality Plan was presented several times in draft and for approval in open meetings by City Council. The community has had many opportunities for engagement of this Carbon Neutrality Plan.

Attachments:

COF Contract 2022- 150
Exhibit A.1
Exhibit A.2
Exhibit B1 - Agency Contract Documents
Exhibit B2 - Award Documents
Exhibit B3 - Pricing 2022

COOPERATIVE PURCHASE CONTRACT
Contract No. 2022-150

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 PFVT Motors, LLC a Delaware Limited Liability Corporation DBA Peoria Ford ("Contractor").

RECITALS:

A. Contractor is a fully authorized vendor of Ford vehicles;

B. The State of Arizona, Procurement Department, Public Sector conducted a competitive and open procurement process through Request for Proposal Solicitation No. BPM004157 that resulted in Contract No. CTR059322 with Contractor ("Agency Contract"); 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) submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

2022 Ford F150 Crew Cab EXT Airport Fire Department

2022 Police Interceptor Hybrid Airport Fire Department

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 ninety-seven thousand eight hundred twenty-four dollars and twenty-nine cents **($97,824.29) in addition to 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.

PFVT Motors, LLC a Delaware Limited Liability Corporation DBA Peoria Ford:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

EXHIBIT A
QUOTES (attached)

EXHIBIT B
AGENCY CONTRACT

1. March 17, 2022, Agency Contract Award Request for Proposal Solicitation No. BPM004157
2. Award Letter to PFVT Motors LLC. DBA Peoria Ford
3. PFVT Motors, LLC DBA Peoria Ford 2022 Pricing



PFVT MOTORS, INC.

CONTRACT # ***CTR059322***
QUOTE DATE: 6/2/2022

CUSTOMER: CITY OF FLAGSTAFF AIRPORT
E-MAIL: TSKINNERR@FLAGSTAFFAZ.GOV

SANDRA GONZALEZ
9130 West Bell Road
Peoria, Arizona 85382
Direct: 480-696-5930
Text: 505-850-5504
Fax: 480-393-5536
Email: sgonzalez@peoriaford.com

REFERENCE: F-150 CREW

LEAD TIME: 30+ WEEKS

LINE ITEM	ORDER CODE	DESCRIPTION	PRICE
1	W1E	2022 FORD F-150 CREW CAB 4X4 - 145" WB	$ 49,525.00
2	99L	DUAL E-MOTORS	INC
3	44L	SINGLE SPEED TRANSMISSION	INC
4	311A	XLT TRIM	INC
5	STD	LOCKING REAR	INC
6	STD	TRAILER TOW PACKAGE	INC
7	DIO	2 ADDITIONAL BASIC KEYS	INC
8	DIO	WINDOW TINT	INC
10	US	CLOTH SEATS	INC
11	YZ	OXFORD WHITE	INC
12	STD	POWER EQUIPMENT PACKAGE	INC
13	STD	CRUISE CONTROL	INC
14	INC	NO CHARGE FOR DELIVERY	INC

TAXABLE TOTAL	$	49,525.00
SALES TAX	$	4,011.53
WARRANTY COST	$	-
TIRE TAX	$	5.00
FREIGHT	$	-
TOTAL PER UNIT	$	53,541.53
QUANTITY OF UNITS		1
PO TOTAL	**$**	**53,541.53**

***ALL VEHICLES PURCHASED ON STATE CONTRACT SHALL INCLUDE FOLLOWING OPTIONS, UNLESS OPTION IS ELECTED TO BE DELETED:**

- BLUETOOTH - AM/FM/RADIO, CRUISE CONTROL, POWER DOORS AND WINDOWS, 4 ENTRANCE KEYS, FRONT AND REAR A/C - WHEN AVAILABLE, CLOTH SEATS, REAR CAMERA, SPARE TIRE, FLOOR MATS, ARIZONA LEGAL TINT

ALL TRUCKS WILL INCLUDE ADDITIONAL OPTIONS:

- ANTI-SLIP DIFFERENTIAL AND TOW HOOKS (2WD/4WD)



PFVT MOTORS, INC.

CONTRACT # ***CTR059322***
QUOTE DATE: 6/2/2022

CUSTOMER: FLAGSTAFF
CONTACT: GREG CONLIN
E-MAIL: gconlin@flagstaffaz.go

SANDRA GONZALEZ
9130 West Bell Road
Peoria, Arizona 85382
Direct: 480-696-5930
Cell: 505-850-5504
Fax: 480-393-5536
Email: sgonzalez@peoriaford.com

REFERENCE: FORD PIU HYBRID 2022 MODEL

LEAD TIME: 6-8 weeks

LINE ITEM	ORDER CODE	DESCRIPTION	PRICE	
1	K8A	2022 POLICE INTERCEPTOR HYBRID - 3.3L V6	$	39,975.00
2	51R	SPOTLAMP - LED BULB - UNITY	$	395.00
3	55F	KEYLESS ENTRY WITH 4 FOBS	$	340.00
4		KEYED ALIKE - NEED PREFERRED KEY CODE	$	50.00
5	17A	REAR AUX AIR CONDITIONING		INC
6	-	FULL SIZE SPARE TIRE		STD
7	96	REAR SEAT VINYL		STD
8	-	VINYL FLOORS		STD
9	-	POLICE HEADLAMP HOUSING CUTOUT		STD
10	-	BLUETOOTH		STD
11	68G	REAR DOOR CONTROLS INOPER	$	175.00
12	-	WINDOW TINT		STD
13	43D	DARK CAR FEATURE	$	25.00
14	52P	HIDDEN DOOR LOCK PLUNGER		
15	76R	REVERSE SENSING		INC
			$	-
		TAXABLE TOTAL	$	40,960.00
		SALES TAX	$	3,317.76
		UPFIT CARRY COST	$	-
		TIRE TAX	$	5.00
		FREIGHT		
		TOTAL PER UNIT	$	44,282.76
		QUANTITY OF UNITS		1
		PO TOTAL	**$**	**44,282.76**

THANK YOU FOR YOUR BUSINESS!

DocuSign Envelope ID: 7AE6D603-F496-4243-9920-A7948B4C771C

ADOT
Procurement

OFFER AND ACCEPTANCE

OFFER

TO THE STATE OF ARIZONA:

The undersigned hereby offers and agrees to perform in compliance with all terms, conditions, specifications and amendments of this solicitation and any written exceptions in the offer. Signature also acknowledges receipt of all pages indicated in the Table of Contents.

PFVT Motors, LLC dba Peoria Ford — Offeror (Company) Name

Signature of Person Authorized to Sign Offer

9130 W Bell Rd — Address

Sandra Gonzalez — Printed Name

1/18/22 — Date

Peoria — City

AZ — State

85382 — Zip

Government Manager — Title

sgonzalez@peoriaford.com — Email Address

480-696-5930 — Phone Number

jmoser@ytaig.com — Company Email Address

NA — Fax Number

By signature in the Offer section above, the Offeror certifies that the submission of the Offer did not involve collusion or other anticompetitive practices.

ACCEPTANCE OF OFFER (FOR DEPARTMENT USE ONLY)

The Contractor is now bound to perform based upon Contract Number CTR059322 including all terms, conditions, specifications, amendments, etc., and the Contractor's offer as accepted by the state.

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until contractor receives a purchase order document.

State of Arizona

Effective this 17th day of March 2022

DocuSigned by:

Procurement Officer

3/10/2022

Awarded Date

Procurement

STATE OF ARIZONA
ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson St., Ste. A
Phoenix, AZ 85007

REQUEST FOR PROPOSAL

SOLICITATION NUMBER: BPM004157

DESCRIPTION: New Vehicle Purchases

QUESTIONS: Inquiries regarding the solicitation are to be submitted online through the State's e-Procurement system, Arizona Procurement Portal (APP) (https://app.az.gov/) using the Discussion Forum tab.

OFFERORS ARE STRONGLY ENCOURAGED TO READ THE ENTIRE SOLICITATION.

Thomas Kornell
Procurement Officer
Phone: 602-712-8520
Email: Tkornell@azdot.gov

This solicitation is issued in accordance with A.R.S. §41-2534 and A.A.C. R2-7-C301 et seq., Competitive Sealed Proposals.

"An Equal Opportunity Agency"

The Arizona Department of Transportation, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252.42 U.S.C. §§ 2000d-4) and the Americans with Disabilities Act (ADA), hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin in consideration for an award.

Persons that require a reasonable accommodation based on language or disability should contact ADOT's Procurement Office by phone (602) 712-2089. Requests should be made as early as possible to ensure the State has an opportunity to address the accommodation.

Las personas que requieran asistencia (dentro de lo razonable) ya sea por el idioma o discapacidad deben ponerse en contacto con ADOT (602) 712-2089.

TABLE OF CONTENTS

SECTION	PAGE
Notice	1
Table of Contents	2
Scope of Work	3
Special Terms and Conditions	7
Uniform Terms and Conditions	19
Federal Provisions	29

EXHIBITS

1 - Title VI/Non-Discrimination Assurances Appendix A	73
2 - Title VI/Non-Discrimination Assurances Appendix E	74
3- Usage Report Exhibit 3	75
4- On-site Manufacturer inspection Compliance Certification Exhibit 4	76
5- Pre-Award Audit and Certification Exhibit 5	77
6- Purchaser's Pre-Award Requirements Certification Exhibit 6	78
7- Post-Award Certification and Requirements Exhibit 7	79
8- Purchaser's Post-Award Requirements Certification Exhibit 8	81

1. Statement of Need

1.1. Pursuant to the Arizona Procurement Code, A.R.S. §41-2501 et seq., the State of Arizona Department of Transportation (Department), has a requirement for New Vehicle Purchase.

2. Introduction and Background

2.1 The State of Arizona Department of Transportation (Department) is seeking to contract with a qualified vendor(s) who can provide new vehicles (all fuel types, hybrid, and full electric) including but not limited to: Sedans, Trucks up to 19,500 GVWR, Vans, Sport Utility Vehicles (SUVs), and Crossovers for the State of Arizona and participating Eligible Agencies. These vehicles will be used to support official organizational goals. These vehicles will be used on highways, city/county roads and shall be designed to operate under typical Arizona ambient temperatures.

2.2 Background: The State and its Eligible Agencies currently spend an estimated twenty-one million dollars in the purchase of new vehicles annually.

2.3 The following are the Three Categories covered in this Scope of Work:

- **Category One: Phase One (1) Vehicle Purchases**
- **Category Two: Phase Two (2) Vehicle Purchases**
- **Category Three: FTA Funded Vehicles**

3 General Requirements

3.1 Vehicles shall be new and supplied with all equipment and accessories indicated as standard equipment in the manufacturer's published literature (or website). Optional equipment necessary to meet the minimum requirements shall be included.

3.2 All vehicles ordered through Phase 1 (off the line) shall be Manufacturer's current year models in production throughout the term of this contract and shall be serviced completely by the vendor before delivery and ready in all respects for use. For the initial contract period; vehicles shall be new model year 2022 or greater.

3.3 Vehicles ordered through Phase 2 (on the lot) shall have less than 100 original odometer miles and be new (have never been previously owned) unless pre-approved in writing by the Eligible Agency.

3.4 All vehicles shall meet requirements of applicable Arizona Motor Vehicle laws and all other applicable Federal Motor Vehicle Safety Standards (including the Federal Bridge Formula), whether or not such requirements are specified in detail.

3.5 For Phase Two (2) vehicles, the Contractor shall supply a quote within five (5) calendar days after receiving a request from the Eligible Agency. The quotation shall include but not be limited to the following information: State contract number, vehicle availability and delivery lead-time, Vehicle Identification Number (VIN), dealer stock number, vehicle base bid price, itemized options, applicable tax, delivery cost, total price, and point of contact. For vehicles requiring up-fit/modifications, all applicable cost may be included in quotation or as a separate quotation.

3.6 Delivery location shall be identified on the issuing agency purchase order. Deliveries shall be made within 120 days of receipt of purchase orders, unless factory delays make this impossible. Dealer shall notify the ordering agency of such delays along with a revised delivery estimate from the factory immediately after it becomes known. If the manufacturer has a website available to check order status, this information will be shown in space provided on Offer Response Form.

3.7 All deliveries shall be made Monday through Friday from 8:00 A.M. to 2:00 P.M. The Contractor shall be required to give the using agency a minimum of 24-hour notification prior to delivery with the anticipated time of delivery and number of units to be delivered.

3.8 All vehicles shall be delivered with four (4) entrance tools and a full tank(s) of fuel, less delivery fuel.

3.9 The following documents shall be provided upon delivery of the vehicle(s):

3.9.1 M.S.O. (Manufacturer Statement of Origin) that includes the odometer statement
3.9.2 Warranty Document
3.9.3 Manufacturers unaltered invoice
3.9.4 Delayed warranty / in service start request form (if requested by ordering entity)
3.9.5 Level 1 Inspection if applicable, completed before delivery

3.10 For Phase One (1) the Contractor shall provide the Eligible Agency copies of the manufacturer's vehicle identification numbers (VIN#) to confirm vehicles have been ordered unless impossible due to manufacture delay within ninety (90) calendar days after receipt of a purchase order. If confirmation of manufacturer's VIN #(s) is not received within this timeframe the Eligible Agency has the option to award to the second lowest bidder meeting specifications. This shall be considered a mandatory requirement and the timeframe must be met unless there is a manufacture delay. Failure to provide this document for each vehicle ordered may be cause for determination of default of contract.

4 Specific Requirements

4.1 The Contractors are encouraged to provide a full line of new vehicles (gasoline, hybrid, full electric) including but not limited to the following categories: Sedans, Trucks up to 19,500 GVWR, Vans (cargo, passenger, transit, etc.), Sport Utility Vehicles (SUVs), and Crossovers. Eligible Agencies throughout the State will have varying vehicle needs. Contractors are to provide a full line of manufactured new vehicles and all subsequent variants of each vehicle; including but not be limited to: models and manufacturer options, trim package, etc. to meet each need of an Eligible Agency.

4.2 As new model year vehicles become available, vendor shall submit pricing at either the same rate as the previous model, or submit a request for an increase or decrease based only on the manufacturer's increase or decrease. Documentation must be submitted to the Procurement Officer within 30 days of the effective date of change. New model year vehicles cannot be offered without approval from the Procurement Officer.

4.3 The following fuel types are allowable under this contract are to include but are not limited too.

4.3.1 Flexible Fuel Vehicles (FFV) also called Ethanol or E85
4.3.2 Diesel

4.3.3 Gasoline
4.3.4 Compressed Natural Gas (CNG): CNG systems must be O.E.M. or O.E.M. approved
4.3.5 Hybrid-Electric Vehicles (HEV)
4.3.6 Plug-in Hybrid Electric Vehicles (PHEV)
4.3.7 Electric Vehicles (EV) also called Battery Electric Vehicles (BEV)
4.3.8 Fuel Cell Vehicles (FCV)

4.4 Vehicle Up-fit / Modifications

4.4.1 The Eligible Agency may request the awarded Contractor(s) to up-fit/modify any vehicle for specific organizational needs. For example, the cab and chassis of ½ ton, ¾ ton, and/or up to 19,500 GVW trucks may require a specialized body (i.e.: dump body, landscape body, etc.). Other vehicles may require interior and/or exterior modifications per the individual Eligible Agency.

4.4.2 The Eligible Agency will supply all up-fit/modification requests to the Contractor. The Contractor shall identify any conditions that apply to the up-fit/modification on a quotation to the Eligible Agency for review before any work commences.

4.5 Minimum Vehicle Requirements: All prices shall include the following equipment:

4.5.1 All standard factory equipment

4.5.2 Automatic transmission [maximum towing/payload capacity shall be provided upon request)

4.5.3 Bluetooth capabilities

4.5.4 AM/FM radio

4.5.5 Cruise Control

4.5.6 Power Door Locks/Power Windows
4.5.7 Power Mirrors when available

4.5.8 Four (4) entrance tools (in any combination allowed; keyless entry remotes, integrated or smart keys, standard cut keys) per vehicle.
a. Type of keys to be provided shall be indicated on quote.

4.5.9 Air conditioning
a. Rear air conditioning on all vehicles, when available

4.5.10 Cloth seats

4.5.11 Rear view mirrors including on driver and passenger doors
a. FOR TRUCKS: Rear view mirrors on driver front and passenger front doors, largest available without upgrading vehicle options package.
b. Back up Camera

4.5.12 Spare tire
a. Full size standard steel wheel with matching Original Equipment Manufacturer spare tire identical to standard equipment with the trim level of the delivered vehicle.
b. If full spare is not available due to space or manufacturer standards, an alternative shall be provided and noted on quote provided.

4.5.13 Floor Mats

a. O.E.M. floor mat sets installed in all seating rows where the vehicle comes with carpeted floors.

b. Fixed driver floor mat

4.5.14 Arizona legal tinted glass

4.5.15 Minimum of 2 USB charging Ports

4.6 Specific Requirements for Trucks (when available)

4.6.1 Anti-slip differential for two-wheel drive pickup trucks, ¾ ton, up to 19,500 GVW.

4.6.2 Skid plate package and anti-slip differential for four-wheel drive vehicles

4.6.3 Front tow hooks

5 Contractor's Responsibilities

Contractor shall be responsible for processing the registration, licensing, title and plating of all new vehicles ordered only if requested by the Eligible Agency.

6 Department's Responsibilities

The Eligible Agencies will provide final acceptance and approval of any equipment and services delivered

SPECIAL TERMS AND CONDITIONS

1. CONTRACT TERM

The term of any resultant contract shall commence on the effective day of award and shall continue for a period of twelve months (12) thereafter, unless terminated, cancelled or extended as otherwise provided herein.

2. CONTRACT EXTENSION

By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months.

3. ELIGIBLE AGENCIES

This contract shall be for the use of all State of Arizona departments, agencies and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in any resultant contract, a university, political subdivision or nonprofit educational or public health institution must have entered into a cooperative purchasing agreement with the State Procurement Office as required by Arizona Revised Statutes §41-2632.

4. NON-EXCLUSIVE CONTRACT

This contract shall be for the sole convenience of the Department. The Department reserves the right to obtain like goods or services from another source when necessary. The Off-Contract Purchase Authorization and subsequent procurement shall be consistent with the Arizona Procurement Code.

5. ORDERING PROCESS

The Department shall issue a purchase order to the Contractor. Each purchase order must cite the contract number. This purchase order shall be the only document required for the Department to order and the Contractor to deliver the material and/or service.

Any attempts to represent any material and/or service not specifically awarded as being under contract is a breach of the contract and a violation of the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of but not limited to contract cancellation, suspension and/or debarment of the Contractor.

6. SHIPPING TERMS

Delivery shall be F.O.B. Destination to the location designated herein. Contractor shall retain title and control of all goods until they are delivered. All risk of transportation and related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The Department will notify the Contractor promptly of any damaged goods and shall assist the Contractor in arranging for inspection.

7. DELIVERY

Contract prices shown for each vehicle include delivery cost within a sixty (60) mile radius of Phoenix.

For the purpose of this contract, the address used for mapping the radius within Phoenix will be as follows:

Equipment services shop/ADOT
2225 S 22nd Ave, Phoenix, AZ 85009

Delivery costs for each county outside of the Phoenix area shall be indicated on Offer Response form.

This will be an added cost to the contract price.

Deliveries shall be completed In accordance with the requirements of the contract.
Delivery of the product does not constitute acceptance.

8. INSPECTION AND ACCEPTANCE

Each item delivered shall be subject to a complete inspection by the Department within 10 days after delivery. Inspection criteria shall include, but not be limited to, conformity to the specifications, workmanship, quality and materials.

If the delivered product is not accepted and returned for corrective action, an additional fifteen (15) calendar days shall be allowed for inspection of the corrected or replacement product.

The Contractor shall be responsible for the transport of the material to and from the Department for the correction of items or workmanship not in compliance with the specifications.

Product returned for corrective action may delay payment. Invoices will be processed for payment only after the product is accepted.

9. INVOICING and PAYMENT

Contractor shall submit all billing notices or invoices to the Eligible Agency or Co-Op Buyer at the address Indicated on the applicable Order document.

Separate invoices are required for each shipment of product or delivery of service and shall include at a minimum:

- Department Location's Name and Address
- Vendor Name, Remit to Address and Contact Information
- Contract Number
- Purchase Order Number
- Invoice Number and Date
- Date the items were shipped to the Department
- Applicable payment terms
- Contract Line Item Number
- Line Item Description or Item or Service
- Quantity Purchased

- Line Item Unit of Measure
- Price per Unit and Total per Unit
- Catalog or Other Discount (if applicable)
- Net Unit Price and Total per Unit (if applicable)
- Applicable taxes (as a separate invoice line item)
- Applicable Shipping/Freight Charges etc. (as a separate invoice line item) Materials only.
- Total Invoice Amount Due

Invoices not sent to the proper address, or not containing the necessary and required information may delay payment. A Contractor whose payments are delayed due to improper invoicing shall make no claim against the Department or the State for late or finance charges.

The Department will make every effort to process payment for the purchase of product within thirty (30) calendar days after the Department has conducted the necessary reviews, inspections and acceptance as described herein.

The department acceptance date will be the valid date for starting the thirty (30) calendar day payment period.

Payment due dates, including discount periods, will be computed from the date of acceptance or date of correct invoice (whichever is later) to the date the Department's warrant is mailed.

10. ESTIMATED USAGE

The Department anticipates considerable usage under this contract. The Department reserves the right to increase or decrease actual quantities ordered as circumstances may require. No guarantees are made concerning actual purchases under this contract.

11. PRICING

1 Phase 1 and 2 pricing for vehicles shall be a minimum Percentage off MSRP, less the manufacturer's rebates and any additional discounts available for that model/power-train combination.

a. Contractor shall provide a copy of manufacturer's invoice to the ordering agency upon request. The manufacturer's invoice shall be unaltered to include original pricing from the manufacturer.
b. Transportation costs to transfer a vehicle from another dealer for a Phase 2 or purchase from stock may be added to the cost of the vehicle. The justification for this cost is at the discretion of the Eligible Agency.
c. Any reference to Phase 1 pricing shall be in reference to vehicles ordered prior to the factory cut-off date.
d. Any reference to Phase 2 pricing shall be in reference to vehicles purchased from stock or "on the lot".
e. Phase 2 pricing shall receive the same cost considerations as Phase 1 pricing, all discounts and rebates should be passed onto the Eligible Agency.
f. All vehicles are to be billed at prices in effect at the time of order, not the date of shipment.

g. Pricing for vehicles shall include all discounts and deductions, less Federal and State taxes. Pricing shall be firm for life of contract unless amended by way of contract change order.

2 CONTRACTOR'S BEST PRICING: Supplier warrants that, for the term of the Contract, the prices and discounts set out in the Pricing Documents, including any subsequent agreed amendment to it (the "Contract Pricing"), will be equal to or better than the lowest prices and largest discounts, both separately and in combination, at which Contractor sells equivalent items of equipment and materials.

2.1 That price-plus-discount equivalence ("Contractor's Best Pricing") is intended to be irrespective of whether or not those other sales have special purchase terms, conditions, rebates or allowances.

2.2 If Contractor's Best Pricing for equivalent items of equipment and materials is better than the Contract Pricing, then Contractor agrees to adjust the Contract Pricing to match the Contractor's Best Pricing for all sales related to the Contractor made after the date when the Contractor's Best Pricing was first better than the Contract Pricing.

2.3 For clarification of intent, that date is intended to be the date when the difference first occurred, which might have been before the difference was first identified. If it was before, then Supplier agrees to charge at less than the Contract Pricing until the extended difference that would have been realized (i.e., if the Contractor's Best Pricing had been applied when it should have been) has been settled.

3 PRICING-ALL-INCLUSIVE: Pricing is all-inclusive, including any ancillary fees and costs required to accomplish the Scope of Work and all aspects of Contractor's offer as accepted by State. Details of service not explicitly stated in the Scope of Work or in Contractor's Offer, but necessarily a part of, are deemed to be understood by Contractor and included herein. All administrative, reporting, or other requirements, all overhead costs and profit and any other costs toward the accomplishment of the requirements in the Contract are included in the pricing provided.

4 LARGE VOLUME DISCOUNT PRICING: An Eligible Agency may seek to obtain additional volume discount pricing for large orders provided Contractor is willing to offer additional discounts for large volume orders. No amendment to this Contract is necessary for Contractor to offer discount pricing to an Eligible Agency for large volume purchases.

5 A price reduction adjustment may be offered at any time during the term of a contract and shall become effective upon notice through a written contract amendment.

12. PRICE INCREASE

The Department will review **fully documented** requests for price increases for any contract which will or has been in effect for twelve (12) months. The request shall be submitted no less than 60 days prior to the contract renewal date. The Contractor shall provide fully documented information which supports the price increase request. Fully documented means that the request shall present detailed information and calculations that make it clear how the claimed increase has an impact on the contract unit prices. All assumptions regarding cost factors that have an impact on the requested increase shall also be

clearly identified and justified. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the offer and can be shown to directly affect the price of the item concerned. Any price increase adjustment request prior to the time of contract extension will be a factor in the extension review process. The Department will determine whether the requested price increase or an alternate option, is in the best interest of the State. All pricing should reflect the minimum percentage of MSRP.

13. SAFETY STANDARDS

Items supplied under this contract shall comply with all current applicable safety standards and regulations including the Occupational Safety and Health Standards of the State of Arizona Industrial Commission, the National Electric Code and the National Fire Protection Association Standards.

14. WARRANTY

The Contractor warrants:

1. That all services performed hereunder shall conform to the requirements of this contract and shall be performed by qualified personnel in accordance with the highest professional standards.

2 At a minimum all equipment supplied under these specifications shall be fully warranted by the vehicle manufacturer against mechanical and electrical defects for a minimum period of thirty-six (36) months from the date vehicle is placed in service.

3 This warranty shall cover such items as actual repair labor, parts, and shipping charges to and from the nearest service facility or other designated repair depot.

4 Any defects of design, workmanship or material, shall be fully corrected by the vendor without cost to the state agency or political subdivision.

5 The written warranty shall be included with the delivered vehicles to the Eligible Agency. The warranty terms shall be stated on Attachment 3-A, where indicated. Failure to provide this general information may result in the offer being rejected.

6 Hybrid / Electric Vehicle Warranty: Hybrid-related components including catalytic convertor, electronic control unit, onboard emissions diagnostic device, high voltage battery, transmission, DC/DC convertor for hybrid vehicles shall be covered for 8 years/100,000 miles, battery for electric vehicles shall be 8/years/100,000 miles and bidder shall indicate limitation of warranty due to voltage and amps. The warranty terms shall be stated where indicated on Attachment 3-A. Failure to provide this general information may result in the bid being rejected.

15. CURRENT PRODUCTS

All products supplied under this contract shall be in current and ongoing production; shall have been 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 the contract.

16. PRODUCT DISCONTINUANCE

In the event that a product or model is discontinued by the manufacturer, the Department at its sole discretion may allow the Contractor to provide a substitute for the discontinued item. The Contractor shall request authorization to substitute a new product or model and provide the following:

1. A formal announcement from the manufacturer that the product or model has been discontinued.

2. Documentation from the manufacturer that names the replacement product or model.

3. Documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation.

4. Documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or model.

5. Documentation confirming that the price for the replacement is the same as or less than the discontinued product or model.

17. CONTRACT ADMINISTRATION

The Contractor shall contact the assigned Procurement Officer for guidance or direction in matters of contract interpretation or questions regarding the terms, conditions or scope of the contract.

18. NOTICES

All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provisions collectively called "Notices"), shall be in writing and shall be sent by certified United States mail, return receipt requested, or by any other method that provides evidence of receipt, addressed to the party or parties to receive such notice as follows:

A. If intended for the State, to:

Arizona Department of Transportation, Procurement Group
1739 W. Jackson Street, MD 100P
Phoenix, Arizona 85007-3276

B. If intended for the Contractor, to the address as identified in the Contractor's electronic vendor profile. Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so mailed shall be deemed to have been given as of the date such notice is received as shown on the return receipt. Furthermore, such notice may be given by delivering personally such notice, if intended for the State, to the Arizona Department of Transportation, Procurement Officer and, if intended for the Contractor, to the person named on the Offer & Contract Award of this contract, or to such other person as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so delivered shall be deemed to have been given as of the date such notice is personally delivered to the other party.

19. CANCELLATION FOR POSSESSION OF WEAPONS ON ADOT PROPERTY

This contract may be cancelled if Contractor or any subcontractors or others in the employ or under the supervision of the Contractor or subcontractors is found to be in possession of weapons.

Possession of weapons (firearms, explosive device, knife or blade of more than three inches, or any other instrument designed for lethal or disabling use) is prohibited on ADOT property.

Further, if the Contractor or any subcontractors or others in the employ or under the supervision of the Contractors or subcontractors are asked by an ADOT official to leave the ADOT property, they are advised that failure to comply with such a request shall result in cancellation of the contract and anyone who refuses, whether armed or not, is subject to prosecution under A.R.S. § 13-1502, "Criminal trespass in the third degree; classification."

20. INDEMNIFICATION CLAUSE

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to 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 Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

21. INSURANCE REQUIREMENTS

21.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

21.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way

warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

21.3 Minimum Scope and Limits of Insurance Contractor shall provide coverage with limits of liability not less than those stated below.

21.3.1 Commercial General Liability (CGL) – Occurrence Form

The Contractor shall furnish Certificate(s) of Insurance inclusive of the following requirements to the Department. Certificate(s) shall be received within 10 calendar days of notification of contract award by the Procurement Officer.

Policy shall include bodily injury, property damage, and broad form

contractual liability coverage.

- General Aggregate $2,000,000
- Products – Completed Operations Aggregate $1,000,000
- Personal and Advertising Injury $1,000,000
- Damage to Rented Premises $50,000
- Each Occurrence $1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

21.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) $1,000,000

a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving

automobiles owned, hired and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

21.3.3 Workers' Compensation and Employers' Liability

• Workers' Compensation	Statutory
• Employers' Liability	
o Each Accident	$1,000,000
o Disease – Each Employee	$1,000,000
o Disease – Policy Limit	$1,000,000

a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

21.4 Additional Insurance Requirements The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

21.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

21.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

21.5 Notice of Cancellation Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

21.6 Acceptability of Insurers Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of

not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

21.7 Verification of Coverage Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

21.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

21.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

21.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

21.8 Subcontractors Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

21.9 Approval and Modifications the Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

21.10 Exceptions In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

22. USAGE REPORT

The Contractor shall furnish Two (2) Usage reports, the first to the Department on a quarterly basis showing purchasing activity under this contract. This usage report shall be provided in a form substantially equivalent to Exhibit 03. Usage reports shall be submitted to the Procurement Officer no later than 30 days after the end of each quarter.

Usage report quarters shall be defined as follows:

- January through March – Report due April 30
- April through June – Report due July 30
- July through September – Report due October 30
- October through December – Report due January 30

Contractor shall submit the second to the State documenting all Contract sales to both Eligible Agencies and Co-Op Buyers, itemized separately. A *Quarterly Usage Report* shall still be submitted; even if there have been no sales to either Eligible Agencies and/or Co-Op Buyers. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle State to its remedies under Article 8 and its right to terminate for default under Article 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee

23. CONTRACT ORDER OF PRECEDENCE

In the event of a conflict in the provisions of the Contract, as accepted by the Department and as they may be amended, the following shall prevail in the order set forth below:

- Federal Provisions
- Special Terms and Conditions
- Uniform Terms and Conditions
- Statement or Scope of Work
- Specifications
- Attachments
- Exhibits
- Special Instructions to Offerors
- Uniform Instructions to Offerors
- Other documents referenced or included in the Solicitation

24. LICENSES, PERMITS, CERTIFICATIONS

Contractor, at their expense, shall maintain in current status without any violations, complaints, or suspensions during the term of this contract all Federal, State and Local licenses, permits and certifications required for the operation of a business conducted by the Contractor.

25. CO-OP USAGE

Contractor shall verify if an ordering entity is a bona fide Co-Op Buyer before selling Materials to or providing Services for them under the Contract. The current list of Co-Op Buyers is available on the State Procurement Office website:

https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee

Contractor shall sell to Co-Op Buyers at the same price, and with the same lead times and other terms and conditions under which it sells to Eligible Agencies. With the sole exception of any legitimate additional costs for extraordinary shipping, or delivery requirements, if the Co-Op Buyer is having Materials delivered or installed or Services performed at locations not contemplated in the contracted pricing (e.g. delivery to a location outside Arizona).

Contractor shall acknowledge each Order from Co-Op Buyers in conformance with each buyer's instructions given at the time of ordering or in any supplemental participating agreement Contractor might have with them. Orders from Co-Op Buyers create no obligation on State's part, since they are entirely between the Co-Op Buyer and Contractor. That notwithstanding, Contractor's obligation under the Contract is to service Co-Op Buyers commercially as though they were with an Eligible Agency, and Contractor's refusal to do so would be a material breach of the Contract.

26. POST AWARD MEETING

At the discretion of the Department, the Contractor, at their expense, shall attend and participate in post award meetings as scheduled by the Procurement Officer.

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1.1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.

1.2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

1.3. "*Contract Amendment*" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

1.4. *"Contractor"* means any person who has a Contract with the State.

1.5. *"Days"* means calendar days unless otherwise specified.

1.6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

1.7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

1.8. "*Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

1.9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

1.10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

1.11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

1.12. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

1.13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona

Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

- Federal Provisions
- Special Terms and Conditions
- Uniform Terms and Conditions
- Statement or Scope of Work
- Specifications
- Attachments
- Exhibits
- Special Instructions to Offerors
- Uniform Instructions to Offerors
- Other documents referenced or included in the Solicitation

2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the

State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited.
Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3. Applicable Taxes.

4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if

applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1. Accept a decrease in price offered by the contractor;

4.5.2. Cancel the Contract; or

4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

6.3. Indemnification - Patent and Copyright**.** The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4. Force Majeure.

6.4.1 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. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. 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 practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be 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 Amendment 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.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1. Of a quality to pass without objection in the trade under the Contract description;

7.2.2. Fit for the intended purposes for which the materials are used;

7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4. Adequately contained, packaged and marked as the Contract may require; and

7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.

7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5. Compliance With Applicable Laws. The materials and services supplied under this

Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6. Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2. Stop Work Order.

8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the

materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The

Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.

FEDERAL PROVISIONS

1. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The following provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220 available at: https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/third-party-contracting-guidance are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.

The Federal Terms and Conditions under this Contract shall be incorporated in any sub-contractor, or lower-tier agreement for any federally-funded task assignment / project awarded under this Contract.

2. NO FEDERAL GOVERNMENT OBLIGATIONS TO THIRD PARTIES

The Department and Contractor acknowledge and agree that, notwithstanding any concurrence b the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Department, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by Federal Funding Agency. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

3. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 USC 3801 et seq. and USDOT regulations, "Program Fraud Civil Remedies," 49 CFR 31, apply to its actions pertaining to this project.

Upon execution of the underlying contract, contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submittal, or certification, the US Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act (1986) on contractor to the extent the US Government deems appropriate.

The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) (5323(l)) on the Contractor, to the extent the Federal Government deems appropriate.

Contractor shall include the above two clauses in each subcontract financed in whole or in part with FTA assistance. The clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

4. ACCESS TO RECORDS AND REPORTS

The following access to records requirements apply to this Contract:

1. Where the Purchaser is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C. F. R. 18.36(i), the Contractor shall - provide the Purchaser, the FTA, the US Comptroller General or their authorized representatives access to any books, documents, papers and contractor records which are pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor shall also , pursuant to 49 C. F. R. 633.15, provide authorized FTA representative including any PMO Contractor access to Contractor's records and construction sites pertaining to a capital project, defined at 49
U.S.C. 5302(a)1, which is receiving assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

2. Where the Purchaser is a State and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 633.15, Contractor shall provide the Purchaser, authorized FTA representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which receives FTA assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at
$250,000.00.

3. Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non- profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor shall provide the Purchaser, FTA, the US Comptroller General or their authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.

4. Where a Purchaser which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Purchaser, the Secretary of USDOT and the US Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

5. Contractor shall permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

6. The Contractor shall retain, and shall require its subcontractors at all tiers, all books, records, accounts and reports required under this contract for a period of not less than five years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

5. TERMS OF THE MASTER AGREEMENT AND COMPLIANCE

Contractor shall at all times comply with all applicable Federal Funding Agency laws, regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement, available at https://www.transit.dot.gov/funding/grantee-resources/sample-fta- agreements/fta-grant-agreements, between the Department and FTA, as they may be amended or promulgated from time to time during the term of this contract. This Master Agreement does not have an Expiration Date. This Master Agreement continues to apply to the Recipient and its Underlying Agreement, until modified or superseded by a more recently enacted or issued applicable federal law, regulation, requirement, or guidance, or amendment to this Master Agreement or the Underlying Agreement. To assure compliance the Recipient must take measures to assure that other participants in its Underlying Agreements (*e.g.*, Third Party Participants) comply. Contractor's failure to so comply shall constitute a material breach of this contract.

All contractual provisions required by the U.S. Department of Transportation are hereby incorporated by reference. In the event of additional funding provided by FHWA, the applicable requirements of the Stewardship Agreement, available at https://www.fhwa.dot.gov/federalaid/stewardship, between the Department and FHWA are incorporated by reference.

6. CIVIL RIGHTS REQUIREMENTS

The AGENCY is an Equal Opportunity Employer. As such, the AGENCY agrees to comply

with all applicable Federal civil rights laws and implementing regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, the AGENCY agrees to comply with the requirements of 49 U.S.C. § 5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications.

Under this Agreement, the Contractor shall at all times comply with the following requirements and shall include these requirements in each subcontract entered into as part thereof.

Equal Employment Opportunity

1. Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex(including sexual orientation and gender identity), age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements Federal Funding Agency may issue.

2. Race, Color, religion, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements Federal Funding Agency may issue.

3. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements Federal Funding Agency may issue.

4. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42
   U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements Federal Funding Agency may issue.

The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided, modified only if necessary to identify the affected parties.

7. TERMINATION

Termination of the contract shall be in accordance with the Uniform Terms and Conditions, Section 9., paragraph 9.1 through 9.6.

8. DEBARMENT OR SUSPENSION

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the contractor is required to verify that none of the contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940and 29.945. The contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

a) Debarred from participation in any federally assisted Award;

b) Suspended from participation in any federally assisted Award;

c) Proposed for debarment from participation in any federally assisted Award;

d) Declared ineligible to participate in any federally assisted Award;

e) Voluntarily excluded from participation in any federally assisted Award; or

f) Disqualified from participation in ay federally assisted Award.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by the Department. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Department, the

Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8.1 GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

The Contractor agrees to the following:

(1) It will comply with the requirements of 2 C.F.R. part 180, subpart C, as adopted and supplemented by U.S. DOT regulations at 2 C.F.R. part 1200, which include the following:

(a) It will not enter into any arrangement to participate in the development or implementation of the Project with any Third Party Participant that is debarred or suspended except as authorized by: 1 U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, 2 U.S. OMB, "Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180, including any amendments thereto, and 3 Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note,

(b) It will review the U.S. GSA "System for Award Management," https://www.sam.gov, if required by U.S. DOT regulations, 2 C.F.R. part 1200, and

(c) It will include, and require each of its Third Party Participants to include, a similar provision in each lower tier covered transaction, ensuring that each lower tier Third Party Participant:

(1) Will comply with Federal debarment and suspension requirements, and 2 Reviews the "System for Award Management" at https://www.sam.gov, if necessary to comply with U.S. DOT regulations, 2 C.F.R. part 1200, and

If the Department suspends, debars, or takes any similar action against a Third Party Participant or individual, the Department will provide immediate written notice to the:

(a) FTA Regional Counsel for the Region in which the Recipient is located or implements the Project,
(b) FTA Project Manager if the Project is

administered by an FTA Headquarters Office, or

(c) FTA Chief Counsel.

9. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER

POLLUTION CONTROL ACT Clean Water

Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. Contractor shall report each violation to the recipient and understands and agrees that the recipient shall, in turn, report each violation as required to FTA and the appropriate EPA Regional Office. Contractor shall include these requirements in each subcontract exceeding $150,000 financed in whole or in part with FTA assistance.

Clean Air

1) Contractor shall comply with all applicable standards, orders or regulations pursuant to the Clean Air Act, 42 USC 7401 et seq. Contractor shall report each violation to the recipient and understands and agrees that the recipient will, in turn, report each violation as required to FTA and the appropriate EPA Regional Office.

2) Contractor shall include these requirements in each subcontract exceeding $150,000 financed in whole or in part with FTA assistance.

10. BUY AMERICA

In any task assignment / project for construction, acquisition of goods, or rolling stock valued at more than $150,000, the contractor agrees to comply with 49 U.S.C. 5323(j) and 49 C.F.R. part 661, which provide that Federal funds may not be obligated unless all steel, iron, and manufactured products used in FTA funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 C.F.R. § 661.7. Separate requirements for rolling stock are set out at 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. § 661.11.

Contractor shall comply with 49 USC 5323(j) and 49 CFR 661, stating that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7, and include software, microcomputer equipment and small purchases (currently less than $150,000) made with capital, operating, or planning funds. Separate requirements for rolling stock are stated at 5323(j)(2)(C) and 49 CFR 661.11. Rolling stock must be manufactured in the US and have a minimum 65% domestic content for FY2019 and a minimum 70% domestic content for FY2020 and beyond. A bidder or offeror shall submit appropriate Buy America certification to the recipient with all bids on FTA-funded contracts, except those subject to a general waiver. Proposals not accompanied by a completed a certification shall be rejected as

nonresponsive. This requirement does not apply to lower tier subcontractors.

11. BREACHES AND DISPUTE RESOLUTION

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the (Recipient), (Architect) or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

Disputes arising in the performance of this contract which are not resolved by agreement of the parties shall be decided in writing by the Department. This decision shall be final and conclusive unless within ten days from the date of receipt of its copy, contractor mails or otherwise furnishes a written appeal to the Department. In connection with such appeal, contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Department shall be binding upon contractor and contractor shall abide by the decision. FTA has a vested interest in the settlement of any violation of Federal law including the False Claims Act, 31 U.S.C. § 3729.

Performance During Dispute - Unless otherwise directed by the recipient, contractor shall continue performance under this contract while matters in dispute are being resolved. Claims for Damages - Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of its employees, agents or others for whose acts it is legally liable, a claim for damages therefore shall be made in writing to such other party within ten days after the first observance of such injury or damage.

Remedies - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the Department and contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the residing State.

Rights and Remedies - Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the Department or contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

12. LOBBYING

The Contractor agrees to comply with the provisions of Title 31, U.S. C 1352 as

amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. 1601, et seq.] and (Public Law 101.121) as codified in Title 48, Federal Acquisition Regulations Subpart 3.8 and Subpart 52.203-11. The legislation prohibits Federal funds from being expended by a recipient or any lower tier sub- recipients of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence a Federal agency or Congress in connection with the award of any Federal contract, the making of any Federal grant or loan, or entering into any cooperative agreement, including the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. All disclosure statements are to be furnished to the Department.

Contractors who apply or propose/bid for an award of $100,000 or more in value shall file the attached Lobbying Certification {01Lobbying Certification document} required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

13. FLY AMERICA

The Contractor agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government- financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not
available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

14. ENERGY CONSERVATION

The contractor agrees to comply with mandatory standards and policies relating to energy efficiency, stated in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

15. CONFLICTS OF INTEREST / EMPLOYMENT OF FEDERAL PERSONNEL

Contractors will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the Department or the Federal funding agency shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: The employee, officer or agent, any member of his immediate family, His or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. Department officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements.

16. COPYRIGHT AND PATENT

To the extent permitted by A.R.S. § 41-621 and § 35-154, the Contractor shall indemnify and hold harmless ADOT against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of this contract performance or use by ADOT of materials furnished or work performed under this contract. ADOT shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

Copyrights pursuant to 23 CFR 420.121 (b): The Department, as a State DOT may copyright any books, publications, or other copyrightable materials developed in the course of the project, and does herein exercise that right. The federal funding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for Government purposes.

Patents pursuant to 23 CFR 420.121 (i): The Department, as a State DOT is subject to the provisions of 37 CFR part 401 governing patents and inventions and must include or cite the standard patent rights clause at 37 CFR 401.14, except for §401.14(g), in all subgrants or contracts. In addition, State DOTs must include the following clause, suitably modified to identify the parties, in all subgrants or contracts, regardless of tier, for experimental, developmental or research work: “The subgrantee or contractor will retain all rights provided for the State in this clause, and the State will not, as part of the consideration for awarding the subgrant or contract, obtain rights in the subgrantee's or contractor's subject inventions.”

Standard Patent Rights required pursuant to 37 CFR 401.14:

(a) Definitions

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C.

2321 et seq.).

(2) Subject invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

(3) Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small Business Firm means a small business concern as defined at section 2 of Pub. L. 85-536 (15
U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, will be used.

(6) Nonprofit Organization means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) The term statutory period means the one-year period before the effective filing date of a claimed invention during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112-29.

(8) The term contractor means any person, small business firm or nonprofit organization, or, as set forth in section 1, paragraph (b)(4) of Executive Order 12591, as amended, any business firm regardless of size, which is a party to a funding agreement.

(b) Allocation of Principal Rights

The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention

throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor

(1) The contractor will disclose each subject invention to the Federal Agency within two months after the inventor discloses it in writing to contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the contractor.

(2) The contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where a patent, a printed publication, public use, sale, or other availability to the public has initiated the one year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3) The contractor will file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. If the contractor files a provisional application as its initial patent application, it shall file a non-provisional application within 10 months of the filing of the provisional application. The contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) For any subject invention with Federal agency and contractor co-inventors, where the Federal agency employing such co-inventor determines that it would be in the interest of the government, pursuant to 35 U.S.C. 207(a)(3), to file an initial patent application on the subject invention, the Federal agency employing such co-inventor, at its discretion and in consultation with the contractor, may file such application at its own expense, provided that the contractor retains the ability to elect title pursuant to 35 U.S.C. 202(a).

(5) Requests for extension of the time for disclosure, election, and filing under

paragraphs (1), (2), and (3) of this clause may, at the discretion of the Federal agency, be granted. When a contractor has requested an extension for filing a non-provisional application after filing a provisional application, a one-year extension will be granted unless the Federal agency notifies the contractor within 60 days of receiving the request.

(d) Conditions When the Government May Obtain Title

The contractor will convey to the Federal agency, upon written request, title to any subject invention—

(1) If the contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause, or elects not to retain title.

(2) In those countries in which the contractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the contractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the contractor shall continue to retain title in that country.

(3) In any country in which the contractor decides not to continue the prosecution of any non- provisional patent application for, to pay a maintenance, annuity or renewal fee on, or to defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(e) Minimum Rights to Contractor and Protection of the Contractor Right to File

(1) The contractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the contractor fails to disclose the invention within the times specified in (c), above. The contractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the contractor is a party and includes the right to grant sublicenses of the same scope to the extent the contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency except when transferred to the sucessor of that party of the contractor's business to which the invention pertains.

(2) The contractor's domestic license may be revoked or modified by the funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and agency licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the funding Federal agency to the extent the contractor, its licensees, or the domestic

subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by the funding Federal agency for good cause shown by the contractor) after the notice to show cause why the license should not be revoked or modified. The contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and agency regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.

(f) Contractor Action to Protect the Government's Interest

(1) The contractor agrees to execute or to have executed and promptly deliver to the Federal agency all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the contractor elects to retain title, and (ii) convey title to the Federal agency when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the contractor each subject invention made under contract in order that the contractor can comply with the disclosure provisions of paragraph (c) of this clause, to assign to the contractor the entire right, title and interest in and to each subject invention made under contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The contractor shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) For each subject invention, the contractor will, no less than 60 days prior to the expiration of the statutory deadline, notify the Federal agency of any decision: Not to continue the prosecution of a non- provisional patent application; not to pay a maintenance, annuity or renewal fee; not to defend in a reexamination or opposition proceeding on a patent, in any country; to request, be a party to, or take action in a trial proceeding before the Patent Trial and Appeals Board of the U.S. Patent and Trademark Office, including but not limited to post-grant review, review of a business method patent, inter partes review, and derivation proceeding; or to request, be a party to, or take action in a non-trial submission of art or information at the U.S. Patent and Trademark Office, including but not limited to a pre-issuance submission, a

post-issuance submission, and supplemental examination.

(4) The contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, “This invention was made with government support under (identify the contract) awarded by (identify the Federal agency). The government has certain rights in the invention.”

(g) Subcontracts

(1) The contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a subcontractor.. The subcontractor will retain all rights provided for the contractor in this clause, and the contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The contractor will include in all other subcontracts, regardless of tier, for experimental developmental or research work the patent rights clause required by (cite section of agency implementing regulations or FAR).

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(h) Reporting on Utilization of Subject Inventions

The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as the agency may reasonably specify. The contractor also agrees to provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the agency agrees it will not disclose such information to persons outside the government without permission of the contractor.

(i) Preference for United States Industry

Notwithstanding any other provision of this clause, the contractor agrees that neither

it nor any assignee will grant to any person the exclusive right to use or sell any subject inventions in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in Rights

The contractor agrees that with respect to any subject invention in which it has acquired title, the Federal agency has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency to require the contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request the Federal agency has the right to grant such a license itself if the Federal agency determines that:

(1) Such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the contractor, assignee or licensees; or

(4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

If the contractor is a nonprofit organization, it agrees that:

(1) Rights to a subject invention in the United States may not be assigned without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the contractor;

(2) The contractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;

(3) The balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and

(4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that it will give a preference to a small business firm when licensing a subject invention if the contractor determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the contractor is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the contractor. However, the contractor agrees that the Federal agency may review the contractor's licensing program and decisions regarding small business applicants, and the contractor will negotiate changes to its licensing policies, procedures, or practices with the Federal agency when the Federal agency's review discloses that the contractor could take reasonable steps to implement more effectively the requirements of this paragraph (k)(4). In accordance with 37 CFR 401.7, the Federal agency or the contractor may request that the Secretary review the contractor's licensing program and decisions regarding small business applicants.

17. RECOVERED MATERIALS

The Contractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962, and U.S. Environmental Protection Agency (U.S. EPA), “Comprehensive Procurement Guideline for Products Containing Recovered Materials,” 40 C.F.R. part 247.

18. SAFE OPERATION OF MOTOR VEHICLES

a. Seat Belt Use. The Recipient agrees to implement Executive Order No. 13043, “Increasing Seat Belt Use in the United States,” April 16, 1997, 23 U.S.C. § 402 note, (62 Fed. Reg. 19217), by:

(1) Adopting and promoting on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles, and

(2) Including a "Seat Belt Use" provision in each third party agreement related to the Award.

b. Distracted Driving, Including Text Messaging While Driving. The Recipient agrees to comply with:

(1) Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C. § 402 note, (74 Fed. Reg. 51225),

(2) U.S. DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009, and

(3) The following U.S. DOT Special Provision pertaining to Distracted Driving:

(a) Safety. The Recipient agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Recipient owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award,

(b) Recipient Size. The Recipient agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving, and

(c) Extension of Provision. The Recipient agrees to include the preceding Special Provision of section 34.b(3)(a) – (b) of this Master Agreement in its third party agreements, and encourage its Third Party Participants to comply with this Special Provision, and include this Special Provision in each third party subagreement at each tier supported with federal assistance.

19. CERTIFICATION AND ASSURANCES

The FTA Certifications and Assurances are incorporated herein by reference. Upon award or contract renewal, the Contractor must agree to comply with the most current FTA Certifications and Assurances by signing and submitting the signature page provided by the Department. In the event FTA issues new Certifications and Assurances, the Department reserves the right to require submission of a new signature page agreeing to comply; to be added to the terms and conditions by Amendment. All such requests are a condition of continued award.

20. DISADVANTAGED BUSINESS ENTERPRISES

1.0 Policy:

The Arizona Department of Transportation (hereinafter the Department) has established a Disadvantaged Business Enterprise (DBE) program in accordance with the regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 26. The Department has received Federal financial assistance from the U.S. Department of Transportation and as a condition of receiving this assistance, the Department has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the Department to ensure that DBEs, as defined in Part 26, have an equal opportunity to receive and participate in USDOT-assisted contracts. It is also the policy of the Department:

1. To ensure nondiscrimination in the award and administration of USDOT-assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts;
3. To ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are counted as DBEs;
5. To help remove barriers to the participation of DBEs in USDOT-assisted contracts;
6. To assist in the development of firms that can compete successfully in the market place outside the DBE program; and
7. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.

It is also the policy of the Department to facilitate and encourage participation of Small Business Concerns (SBCs), as defined herein, in USDOT-assisted contracts. The Department encourages contractors to take reasonable steps to eliminate obstacles to SBCs' participation and to utilize SBCs in performing contracts.

2.0 Assurances of Non-Discrimination:

The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, sex or national origin in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Department deems appropriate, which may include, but are not limited to:

1. Withholding monthly progress payments;
2. Assessing sanctions;

3. Liquidated damages;
4. Suspension or Debarment per Uniform Terms and Conditions Paragraph 9.3 of the contractor from future bidding; and/or
5. Cancellation, termination, or suspension of the Contract, in whole or in part.

The contractor, subrecipient, or subcontractor shall ensure that all subcontract agreements contain this non-discrimination assurance.

3.0 Definitions:

(A) Commercially Useful Function (CUF): Commercially Useful Function is defined fully in 49 CFR 26.55, which definition is incorporated herein by reference.

(B) Disadvantaged Business Enterprise (DBE): a for-profit small business concern which meets both of the following requirements:

(1) Is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more such individuals; and,

(2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

(C) NAICS Code: The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

(D) Non-DBE: any firm that is not a DBE.

(E) Race-Conscious (RC): a measure or program focused specifically on assisting only DBEs, including women-owned DBEs.

(F) Race-Neutral (RN): a measure or program used to assist all small businesses. For the purposes of this part, race-neutral includes gender-neutrality.

(G) Small Business Concern (SBC): a business that meets all of the following conditions:

(1) Operates as a for-profit business registered to do business in Arizona;

(2) Operates a place of business primarily within the U.S., or makes a significant contribution to the U.S. economy through payment of taxes

or use of American products, materials, or labor;

(3) Is independently owned and operated;

(4) Is not dominant in its field on a national basis; and

(5) Does not have annual gross receipts that exceed the Small Business Administration size standards average annual income criteria for its primary North American Industry Classification System (NAICS) code.

(H) Socially and Economically Disadvantaged Individuals: any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is:

(1) Any individual who is found to be a socially and economically disadvantaged individual on a case-by-case basis.

(2) Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:

(i) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(ii) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

(iii) "Native Americans," which includes persons who are enrolled members of federally or State recognized Indian tribe, Alaskan Natives or Native Hawaiians;

(iv) “Asian-Pacific Americans,” which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Republic of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;

(v) “Subcontinent Asian Americans,” which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

(vi) "Women;"

(vii) Any additional groups whose members are designated as socially and economically disadvantaged by the Small Business

Administration (SBA), at such time as the SBA designation becomes effective.

4.0 Working with DBEs:

The Department works with DBEs and assists them in their efforts to participate in the highway construction. All proposers should contact the Department's Business Engagement and Compliance Office (BECO) by phone, through email, or at the address shown below, for assistance in their efforts to use DBEs in the highway construction industry. BECO contact information is as follows:

Arizona Department of Transportation Business Engagement and Compliance Office 1801 W. Jefferson St., Ste. 101, Mail Drop 154A
Phoenix, AZ 85007
Phone (602) 712-7761
FAX (602) 712-8429
Email: contractorcompliance@azdot.gov Website: www.azdot.gov/bec

4.01 Mentor-Protégé Program:

The Department has established a Mentor- Protégé program as an initiative to encourage and develop disadvantaged businesses in the highway construction industry. The program encourages prime contractors to provide certain types of assistance to certified DBE subcontractors. ADOT encourages contractors and certified DBE subcontractors to engage in a Mentor-Protégé agreement under certain conditions. Such an agreement must be mutually beneficial to both parties and to ADOT in fulfilling requirements of 49 CFR Part 23. For guidance regarding this program refer to the Mentor-Protégé Program Guidelines available on the BECO website.

The Mentor-Protégé program is intended to increase legitimate DBE activities. The program does not diminish the DBE rules or regulations, and participants may not circumvent these rules.

5.0 Applicability:

The Department has established an overall annual goal for DBE participation on Federal aid contracts. The Department intends for the goal to be met with a combination of race conscious efforts and race neutral efforts. Race conscious participation occurs when the contractor uses a percentage of DBEs, as defined herein, to meet the contract specified goal. Race neutral efforts are those that are, or can be, used to assist all small businesses or increase opportunities for all small businesses. The regulation, 49 CFR 26, defines race neutral as when a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract

on a prime contract that does not carry a DBE contract goal.

Prime contractors are encouraged to obtain DBE participation even if a DBE goal was not established on a contract.

The DBE provisions are applicable to all contractors including DBE contractors.

6.0 Certification and Registration:

6.1 DBE Certification:

Certification as a DBE shall be predicated on:

(1) The completion and execution of an application for certification as a "Disadvantaged Business Enterprise".

(2) The submission of documents pertaining to the firm(s) as stated in the application(s), including but not limited to a statement of social disadvantage and a personal financial statement.

(3) The submission of any additional information which the Department or the applicable Arizona Unified Certification (UCP) agency may require to determine the firm's eligibility to participate in the DBE program.

(4) The information obtained during the on-site visits to the offices of the firm and to active job-sites.

Applications for certification may be filed online with the Department or the applicable UCP agency at any time through the Arizona Unified Transportation Registration and Certification System (AZ UTRACS) website at http://www.azutracs.com.

DBE firms and firms seeking DBE certification shall cooperate fully with requests for information relevant to the certification process. Failure or refusal to provide such information is a ground for denial or removal of certification.

ADOT is a member of the AZ Unified Certification Program (AZUCP). Only DBE firms that are certified by the AZUCP are eligible for credit on ADOT projects. A list of DBE firms certified by AZUCP is available on the internet at http://www.azutracs.com/. The list will indicate contact information and specialty for each DBE firm, and may be sorted in a variety of ways. However, ADOT does not guarantee the accuracy and/or completeness of this information, nor does ADOT represent that any licenses or registrations are appropriate for the work to be done.

The Department's certification of a DBE is not a representation of qualifications and/or abilities nor does it mean that a DBE firm is guaranteed or entitled to receive or be awarded a contract. Being certified simply means that a firm has met the criteria for

DBE certification as outlined in 49 CFR Part 26. The contractor bears all risks of ensuring that DBE firms selected by the contractor are able to perform the work.

6.2 SBC Registration:

To comply with 49 CFR Part 26.39, ADOT's DBE Program incorporates contracting requirements to facilitate participation by Small Business Concerns (SBCs) in federally assisted contracts. SBCs are for- profit businesses authorized to do businesses in Arizona that meet the Small Business Administration (SBA) size standards for average annual revenue criteria for its primary North American Industry Classification System (NAICS) code.

While the SBC component of the DBE program does not require utilization of goals on projects, ADOT strongly encourages contractors to utilize small businesses that are registered in AZ UTRACS on their contracts, in addition to DBEs meeting the certification requirement. The contractor may use the AZ UTRACS website to search for certified DBEs and registered SBCs that can be used on the contract. However, SBCs that are not DBEs will not be counted toward DBE participation.

SBCs can register online at the AZ UTRACS website.

The Department's registration of SBCs is not a representation of qualifications and/or abilities nor does it mean that an SBC firm is guaranteed or entitled to receive or be awarded a contract. Being SBC registered simply means that a firm has met the criteria for SBC registration as outlined in 49 CFR Part
26. The contractor bears all risks of ensuring that SBC firms selected by the contractor are able to perform the work.

7.0 DBE Financial Institutions:

The Department thoroughly investigates the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in its service area and makes reasonable efforts to use these institutions. The Department encourages prime contractors to use such institutions on USDOT assisted contracts. However, use of DBE financial institutions will not be counted toward DBE participation.

The Department encourages prime contractors to research the Federal Reserve Board website at www.federalreserve.gov to identify minority-owned banks in Arizona derived from the Consolidated Reports of Condition and Income filed quarterly by banks (FFIEC 031 and 041) and from other information on the Board's National Information Center database.

8.0 Time is of the Essence:

TIME IS OF THE ESSENCE IN RESPECT TO THE DBE PROVISIONS.

9.0 Computation of Time:

In computing any period of time described in this DBE special provision, such as calendar days, the day from which the period begins to run is not counted, and when the last day of the period is a Saturday, Sunday, or Federal or State holiday, the period extends to the next day that is not a Saturday, Sunday, or Federal or State holiday. In circumstances where the Department's offices are closed for all or part of the last day, the period extends to the next day on which the Department's offices are open.

10.0 Contractor and Subcontractor Requirements:

10.1 General:

Each contractor shall establish a program that will ensure nondiscrimination in the award and administration of contracts and subcontracts.

Agreements between the bidder and a DBE in which the DBE promises not to provide subcontracting quotations to other bidders are prohibited.

10.2 DBE Liaison:

The contractor shall designate a DBE Liaison responsible for the administration of the contractor's DBE program. The name of the designated DBE Liaison shall be included in the DBE Intended Participation Affidavit Summary.

11.0 DBE Goals

The Department has not established contract goals for DBE participation in this contract.

Contractors are still encouraged to employ reasonable means to obtain DBE participation. Contractors must retain records in accordance with these DBE specifications. The contractor is notified that this record keeping is important to the Department so that it can track DBE participation where only race neutral efforts are employed.

11.1 Race Neutral Contract (With No DBE Goal)

The Department has established a Disadvantaged Business Enterprise (DBE) program in accordance with the regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 26. ADOT has received federal financial assistance from the USDOT and as a condition of receiving this assistance, ADOT has signed an assurance that it shall comply with 49 CFR Part 26.

It is ADOT's policy to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in federally-funded contracts.

NO CONTRACT DBE GOAL HAS BEEN ESTABLISHED FOR DBE PARTICIPATION ON THIS CONTRACT.

Contractors are still encouraged to employ reasonable means to obtain DBE participation. Contractors must retain records in accordance with these DBE specifications. The consultant is notified that this record keeping is important to the Department so that it can track DBE participation where only race neutral efforts are employed.

12.0 Bidders/Proposers List and AZ UTRACS Registration Requirement:

Under Title 49 CFR of the Code of Federal Regulations, Part 26.11, DOTs are required to collect certain information from all contractors and subcontractors who seek to work on federally-assisted contracts in order to set overall and contract DBE goals. ADOT collects this information when firms register their companies on the Arizona Unified Transportation Registration and Certification System (AZ UTRACS) web portal at http://www.azutracs.com/ a centralized database for companies that seek to do business with ADOT. This information will be maintained as confidential to the extent allowed by federal and state law.

Prime contractors and all subcontractors, including DBEs listed in the offer must be registered in AZUTRACS. Proposers may verify that their firm and each subcontractor is registered using the AZUTRACS website.

Proposers may obtain additional information at the AZ UTRACS website or by contacting BECO.

All proposers shall create a Bidders/Proposers list in the AZ UTRACS by selecting all firms, service providers, and vendors that expressed interest or submitted proposals or quotes for this contract. The Bidders/Proposers List form must be complete and must include the names for all subcontractors, service providers, and vendors that submitted proposals or quotes on this project regardless of the proposer's intentions to use the those firms on the project.

All proposers must complete and submit the Bidders/Proposers List online at AZ UTRACS prior to Offer submittal. A confirmation email will be generated by the system. This email confirmation shall be submitted with the Offer.

13.0 Payment Reporting:

The contractor shall report on a monthly basis indicating the amounts paid to all subcontractors, of all tiers, working on the project. Reporting shall be in accordance with below.

Subcontracts:

a. Sub-Contract Terms:

1. The Contractor agrees to execute a written Contract with all Subcontractors for work to be completed under this Contract. The executed Contract shall include Subcontractor's Scope of Work and all the Uniform Terms and Conditions set forth in this Contract.

2. The Contractor shall provide electronic copies of signed subcontract agreements with all Subcontractors to ADOT Business Engagement and Compliance Office (BECO) by uploading them to the BECO's online DBE Contract & Labor Compliance Management System (**DBE System**) at https://adot.dbesystem.com. Subcontract agreements shall include all required assurances and required clauses as outlined in this Contract. Each agreement and required attachment shall be dated and signed by the Subcontractor in order for the subcontract to be considered valid.

3. The Contractor may be in breach of this Contract if the Contractor materially modifies the federal regulations and State statutes in its subcontract agreements terms and conditions with its Subcontractors. Deviations from the terms of this Contract may result in termination of the Contract, or any other such remedy as deemed appropriate by the Department.

b. Sub-Contract Payments

1. Retention: If the prime contract does not provide for retention, the contractor and each subcontractor of any tier shall not withhold retention on any subcontract. If the prime contract provides for retention, the prime contractor and each subcontractor of any tier shall not retain a higher percentage than the Department may retain under the prime contract. Retainage shall be paid to the subcontractor within 7 days of satisfactory completion of the work performed by the subcontractor.

2. No Set-offs Arising from Other Contracts: If a subcontractor is performing work on multiple contracts for the same contractor or subcontractor of any tier, the contractor or subcontractor of any tier shall not withhold or reduce payment from its subcontractors on the contract because of disputes or claims on another contract.

3. Partial Payment: The contractor and each subcontractor of any tier shall make prompt partial payments to its subcontractors within seven days of receipt of payment from the Department. Notwithstanding any provision of Arizona Revised Statutes Section 28-411, the parties may not agree otherwise.

4. Final Payment: The contractor and each subcontractor of any tier shall make prompt final payment to each of its subcontractors. The contractor and each subcontractor of any tier shall pay all monies, including retention, due to its subcontractor within seven days of receipt of payment. Notwithstanding any provision of Arizona Revised Statutes Section 28-411, the parties may not agree otherwise.

5. Payment Reporting: For the purposes of this subsection "Reportable Contracts" means any subcontract, of any tier, DBE or non-DBE, by which work shall be performed on behalf of the contractor and any contract of any

tier with a DBE material or service supplier.

The requirements of this subsection apply to all Reportable Contracts.

Payment Reporting for all Reportable Contracts shall be done through the Department's web- based DBE System. The DBE System can be accessed from the Department's BECO website. No later than fifteen calendar days after the Notice to Proceed is issued, the contractor shall log into the Department's web based DBE System and enter or verify the name, contact information, and subcontract amounts for Reportable Contracts on the project. As Reportable Contracts are approved over the course of the contract, the contractor shall enter them in the system. Reportable contracts shall be entered into the system no later than five calendar days after approval by the Department.

The contractor shall report on a monthly basis indicating the amounts actually paid and the dates of each payment under any Reportable Contract on the project. In addition, the contractor shall require that all participants in any Reportable Contract electronically verify receipt of payment on the contract by the last day of the month and the contractor shall actively monitor the Department's DBE System to ensure that the verifications are input. The contractor shall proactively work to resolve any payment discrepancies in the DBE System between payment amounts it reports and payment confirmation amounts reported by others.

The contractor shall ensure that all Reportable Contract activity is reported to the Department. This includes all lower-tier Reportable Contracts, regardless of whether a DBE is involved or not.

The contractor shall maintain records for each payment explaining the amount requested by the subcontractor, and the amount actually paid pursuant to the request, which may include but are not limited to, estimates, invoices, pay requests, copies of checks or wire transfers, and lien waivers in support of the monthly payments in the DBE System.

The contractor shall provide information for payments made on all Reportable Contracts during the previous month by the 15th day of the current month. In the event that no payments were made during a given month, the contractor shall identify that by entering a dollar value of zero. If the contractor does not pay the full amount of any invoice from a subcontractor, the contractor shall note that and provide the reasons in the comment section of the Monthly Payment Audit of the DBE System.

For each Reportable Contract on which the contractor fails to submit timely payment information the Department will retain $1,000.00 as liquidated damages, from the monies due to the contractor. Liquidated damages will be deducted each month for each Reportable Contract on which the contractor fails to submit payment information until the contractor provides the required information as described herein. After 90 consecutive days of non- reporting, the liquidated damages will increase to $2,000.00 for each subsequent month, for each Reportable Contract on which the contractor fails to report until the information is provided. These liquidated damages

shall be in addition to all other retention or liquidated damages provided for elsewhere in the contract.

Payment reporting requirements apply to all contracts, federal and non-federal funded.

The contractor shall ensure that a copy of this Subsection is included in every Reportable Contract of every tier.

(a) Sanctions for Inadequate Reporting:

For each Reportable Contract on which the contractor fails to submit timely and complete payment information the Department will retain $1,000.00 as liquidated damages, from the monies due to the contractor. Liquidated damages will be deducted each month for each Reportable Contract on which the contractor fails to submit payment information until the contractor provides the required information as described herein. After 90 consecutive days of non-reporting, the liquidated damages will increase to $2,000.00 for each subsequent month, for each Reportable Contract on which the contractor fails to report until the information is provided. These liquidated damages shall be in addition to all other retention or liquidated damages provided for elsewhere in the contract.

6. Completion of Work: A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished, documented, and accepted by the Department.

7. Disputes: If disputes arise regarding payment of subcontractors, the contractor shall immediately provide the ADOT Project Manager with a written, verifiable explanation if:

   - The contractor does not pay the full amount of any invoice from a subcontractor within seven days of receipt of a progress payment from the Department, or
   - The monthly estimate does not include all work claimed by a subcontractor to have been performed.

   The Department will determine whether the contractor has acted in good faith concerning any such explanations. The Department reserves the right to request and receive documents from the contractor and all subcontractors of any tier, in order to determine whether termination requirements were met. The contractor shall implement and use the dispute resolution process outlined in the subcontract, as described in Uniform Terms and Conditions Paragraph, to resolve payment disputes.

8. Non-Compliance: Failure to make prompt partial payment or prompt final payment including any retention, within the time frames established in this contract, will result in remedies, as the Department deems appropriate, which may include, but are not limited to:

   - Liquidated Damages: These liquidated damages shall be in addition to all other retention or liquidated damages provided for elsewhere in the

contract.

(i) The Department will withhold two times the disputed dollar amount not paid to each subcontractor.
(ii) If full payment is made within 30 days of the Department's payment to the contractor, the amount withheld by the Department will be released.
(iii) If full payment is made after 30 days of the Department's payment to the contractor, the Department will release 75 percent of the funds withheld. The Department will retain 25 percent of the monies withheld as liquidated damages.

- Additional Remedies: If the contractor fails to make prompt payment for three consecutive months, or any four months over the course of one project, or if the contractor fails to make prompt payment on two or more contracts within 24 months, the Department may, in addition, invoke the following remedies:

(i) Withhold monthly progress payments until the issue is resolved and full payment has been made to all subcontractors and vendors subject to the requirements outlined under "Liquidated Damages" above,
(ii) Terminate the contract for default in accordance with this Contract, and/or
(iii) Suspension or Debarment per Uniform Terms and Conditions Paragraph 9.3 of the contractor from future bidding temporarily or permanently, depending on the number and severity of violation.
(iv) Reflect the contractor's performance in submitting payment reports and making subcontractor payments utilizing the Department's Vendor Performance Report.

14.0 Crediting DBE Participation:

14.01 General Requirements:

To count toward DBE participation, the DBE firms must be certified at the time of Offer submission in each NAICS code applicable to the kind of work the firm will perform on the contract. NAICS for each DBE can be found on the AZ UTRACS website. General descriptions of all NAICS codes can be found at http://www.naics.com/search/.

Credit is given only after the DBE has been paid for the work performed.

The entire amount of a contract that is performed by the DBE's own forces, including the cost of supplies and materials purchased by the DBE for the work on the contract and equipment leased by the DBE will be credited toward DBE participation. Supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliate will not be credited toward DBE participation.

The contractor bears the responsibility to determine whether the DBE possesses the

proper contractor's license(s) to perform the work and, if DBE credit is requested, that the DBE subcontractor is certified for the requested type of work.

The Department's certification is not a representation of a DBE's qualifications and/or abilities. The contractor bears all risks that the DBE may not be able to perform its work for any reason.

A DBE may participate as a prime contractor, subcontractor, or as a vendor of materials or supplies. The dollar amount of work to be accomplished by DBEs, including partial amount of a lump sum or other similar item, shall be on the basis of subcontract, purchase order, hourly rate, rate per ton, etc., as agreed to between parties.

DBE credit may be obtained only for specific work done for the project, supply of equipment specifically for physical work on the project, or supply of materials to be incorporated in the work. DBE credit will not be allowed for costs such as overhead items, capital expenditures (for example, purchase of equipment), and office items.

The contractor may credit second-tier subcontracts issued to DBEs by non-DBE subcontractors. Any second-tier subcontract to a DBE must meet the requirements of a first-tier DBE subcontract.

A prime contractor may credit the entire amount of that portion of a contract that is performed by the DBE's own forces. The cost of supplies and materials obtained by the DBE for the work of the contract can be included so long as that cost is reasonable. Leased equipment may also be included. No credit is permitted for supplies purchased or equipment leased from the prime contractor or its affiliate(s).

When a DBE subcontracts a part of the work of its contract to another firm, the value of the subcontract may be credited towards DBE participation only if the DBE's subcontractor is itself a DBE and performs the work with its own forces. Work that a DBE subcontracts to a non-DBE firm does not count toward DBE participation.

A prime contractor may credit the entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consulting, or managerial services, or for providing bonds or insurance specifically required for the performance of a USDOT-assisted contract, provided the fees are reasonable and not excessive as compared with fees customarily allowed for similar services.

14.02 DBE Prime Contractor:

When a certified DBE firm proposes on a contract/Task Assignment all the work that is performed by the DBE contractor or any other DBE subcontractors and DBE suppliers will count toward DBE participation.

14.03 Effect of Loss of DBE Eligibility:

For On-Call Task Assignment contracts, if a DBE is deemed ineligible (decertified) or suspended by ADOT or one of its UCP Partner Agencies in accordance with 49 CFR 26.87 and 26.88, the DBE may not be count toward DBE participation on a new Task Assignment, but may be considered for the contract/Task Assignment DBE participation if a subcontract or contract modification for the work to be completed on the Task Assignment was executed before the DBE suspension or decertification is effective.

A subcontract or contract modification for work on the task assignment means, any subcontract or agreement for the task assignment, which includes a specific ADOT TRACS/Project Number, defined scope, duration and budget for the work to be completed under the Task Assignment that is duly signed by the contractor/contractor and subcontractor/subcontractor.

When the contractor/contractor intents to use an ineligible DBE firm or ADOT made a commitment to use an ineligible DBE prime contractor/contractor, but a subcontract or Contract Modification for the work to be completed on the Task Assignment has not been executed before a decertification notice is issued to the DBE firm by its certifying agency, the ineligible firm does not count toward DBE participation. When a subcontract or contract modification is executed with the DBE firm for the work to be completed on the Task Assignment before ADOT notified the firm of its ineligibility, the DBE's work on the Task Assignment may continue to be credited toward DBE participation for the firm's work.

14.04 Notifying the Contractor of DBE Certification Status:

Each DBE contract at any tier shall require any DBE subcontractor or supplier that is either decertified or certified during the term of the contract to immediately notify the contractor and all parties to the DBE contract in writing, with the date of decertification or certification. The contractor shall require that this provision be incorporated in any contract of any tier in which a DBE is a participant.

14.05 Commercially Useful Function:

A prime contractor can credit expenditures to a DBE subcontractor only if the DBE performs a Commercially Useful Function (CUF).

A DBE performs a CUF when it is responsible for execution of the work of a contract and carries out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible, with respect to materials and supplies on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself that it uses on the project. To determine whether a DBE is performing a commercially useful function, the Department will evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually

performing and the DBE credit claimed for its performance of the work, and other relevant factors.

A DBE will not be considered to perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, the Department will examine similar transactions, particularly those in which DBEs do not participate.

If a DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or if the DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, the Department will presume that the DBE is not performing a commercially useful function.

When a DBE is presumed not to be performing a commercially useful function as provided above, the DBE may present evidence to rebut this presumption. The Department will determine if the firm is performing a CUF given the type of work involved and normal industry practices.

The Department will notify the contractor, in writing, if it determines that the contractor's DBE subcontractor is not performing a CUF. The contractor will be notified within seven calendar days of the Department's decision.

Decisions on CUF may be appealed to the Chief Procurement Officer (CPO). The appeal must be in writing and personally delivered or sent by certified mail, return receipt requested, to the CPO. The appeal must be received by the CPO no later than seven calendar days after the decision of BECO. BECO's decision remains in place unless and until the CPO reverses or modifies BECO's decision. CPO will promptly consider any appeals under this subsection and notify the contractor of CPO's findings and decisions. Decisions on CUF matters are not administratively appealable to USDOT.

The BECO may conduct project site visits on the contract to confirm that DBEs are performing a CUF. The contractor shall cooperate during the site visits and the BECO's staff will make every effort not to disrupt work on the project.

15.0 Required Provisions for DBE Subcontracts:

All subcontracts of any tier, all supply contracts, and any other contracts in which a DBE is a participant shall include as a physical attachment, DBE Subcontractor Compliance Assurances refer to the Federal Attachments and Exhibits.

Contractors executing agreements with subcontractors, DBE or non-DBE, that materially modify federal regulation and state statutes such as, prompt payment and retention requirements, through subcontract terms and conditions will be found in breach of contract which may result in termination of the contract, or any other such

remedy as the deemed appropriate as outlined in DBE Subsection 2.0 of these DBE provisions.

The Department reserves the right to conduct random reviews of DBE and non-DBE subcontract documentation to ensure compliance with federal requirements.

The contractor shall ensure that all subcontracts or agreements with DBEs to supply labor or materials require that the subcontract and all lower tier subcontracts be performed in accordance with 49 CFR Part 26 provisions.

The Contractor shall provide electronic copies of subcontract agreements with all Subcontractors by uploading them within 15 calendar days of an executed contract to the ADOT DBE System. Subcontract agreements shall include all required assurances and clauses as outlined in DBE Subcontractor Compliance Assurances refer to the Federal Attachments and Exhibits of the Contract. Each agreement and required attachment shall be dated and signed by the Subcontractor in order for the subcontract to be considered valid.

The Contractor shall be in breach of this Contract if the Contractor materially modifies the federal regulations and State statutes in its subcontract agreements terms and conditions with its Subcontractors. Deviations from the terms of this Contract may result in termination of the Contract, or any other such remedy as deemed appropriate by the Department

16.0 Certification of Final DBE Payments:

DBE participation on the contract is measured by actual payments made to the DBEs. The contractor shall submit the “Certification of Final DBE Payments” form for each DBE firm working on the contract. This form shall be signed by the contractor and the relevant DBE, and submitted to the Engineer no later than 30 days after the DBE completes its work.

The contractor will not be released from the obligations of the contract until the ”Certification of Final DBE Payments” forms are received and deemed acceptable by the Engineer and BECO.

17.0 False, Fraudulent, or Dishonest Conduct:

In addition to any other remedies or actions, the Department will bring to the attention of the US Department of Transportation any appearance of false, fraudulent, or dishonest conduct in connection with the DBE program, so that USDOT can take steps such as referral to the Department of Justice for criminal prosecution, referral to the USDOT Inspector General for possible initiation of suspension and debarment proceedings against the offending parties or application of “Program Fraud and Civil Penalties” rules provided in 49 CFR Part 31.

21. NONDISCRIMINATION

1. During the performance of this Contract, the Consultant, for itself, its Subconsultants, assignees and successors shall:

   a. Not discriminate on the basis of race, color, national origin, or sex and shall carry out applicable requirements of 49 CFR Part 26 in the performance of this Contract. Failure by the Consultant to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract, disqualification from proposing on other Contracts or other remedy as the State deems appropriate.

   b. Comply with Executive Order 2009-09, "Prohibition of Discrimination in Employment by Government Contractors and Subcontractors," which is hereby included in its entirety by reference and considered a part of this Contract.

   c. Comply with the provisions of Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). Said provisions are made applicable by reference and are hereinafter considered a part of this Contract.

   d. Post in conspicuous places available to employees and applicants for employment, the following notice:

      "It is the policy of this company not to discriminate against any employee, or applicant for employment, because of race, color, religion, creed, national origin, sex, age, handicapped, or disabled veterans and Vietnam era veterans. Such actions shall include, but are not limited to: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising; laying- off or termination; rates of pay or other compensation; and selection for training, and on-the- job training. Also, it is the policy to ensure and maintain a working environment free of harassment, intimidation and coercion."

   e. Comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the
      U.S. Department of Transportation (hereinafter USDOT), 49 CFR Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Contract.

   f. Not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or

indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices.

g. In all solicitations either by competitive bidding or negotiations made by the Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, notify each potential Subconsultant or supplier of the Consultant's obligations under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, or national origin.

h. Provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the State to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the State as appropriate, and shall set forth what efforts it has made to obtain the information.

2. In the event of the Consultant's noncompliance with the NONDISCRIMININATION provision (Section A) of this Contract, the State shall impose such Contract sanctions as the State or FHWA may determine to be appropriate, including but not limited to:

   a. Withholding of payments to the Consultant under the Contract until the Consultant complies,

   and/or;

   b. Cancellation, termination, or suspension of the Contract, in whole or in part.

3. The Consultant shall include the provisions of paragraph 1.a. through 1.h. in every subcontract with Subconsultants, DBEs and non-DBEs, including procurement of materials and equipment leases, unless exempt by the Regulations or directives issued pursuant thereto.

4. The Consultant shall take such action with respect to any Subconsultants or procurement as the State or the Federal Aviation Administration (FAA), FHWA and the Federal Transit Administration (FTA) may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Consultant becomes involved in or is threatened with litigation with a Subconsultant or supplier as a result of such direction, the Consultant may request the State to enter into such litigation to protect the interests of the State, and in addition, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

22. AFFIRMATIVE ACTION

Contractor shall take the following affirmative action steps with respect to securing supplies, equipment, or services under the terms of this contract:

a. Include qualified firms owned by socially and economically disadvantaged individuals on solicitation lists.

b. Assure that firms owned by socially and economically disadvantaged individuals are solicited whenever they are potential sources.

c. When economically feasible, divide total requirements into smaller tasks or quantities so as to permit maximum participation by firms owned by socially and economically disadvantaged individuals.

d. Where the requirement permits, establish delivery schedules which will encourage participation by firms owned by socially and economically disadvantaged individuals.

e. Use the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, and the Community Services Administration, as required.

23. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed

with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

Withholding for unpaid wages and liquidated damages. The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

24. FEDERAL CHANGES

The Contactor and its sub-contractors shall comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between the Department and FTA, as they be amended or promulgated from time to time during the term of the contract. Contractor's failure to comply shall constitute a material breach of the contract.

25. PROMPT PAY

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from the Recipient. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Recipient. This clause applies to both DBE and non-DBE subcontracts.

26. FULL AND OPEN COMPETITION

In accordance with 49 U.S.C. § 5325(h) all procurement transactions shall be

conducted in a manner that provides full and open competition.

27. PROHIBITION AGAINST EXCLUSIONARY OR DISCRIMINATORY SPECIFICATIONS

Apart from inconsistent requirements imposed by Federal statute or regulations, the contractor shall comply with the requirements of 49 USC 5323(h)(2) by refraining from using any FTA assistance to support procurements using exclusionary or discriminatory specifications.

28. CONFORMANCE WITH ITS NATIONAL ARCHITECTURE

Contractor shall conform, to the extent applicable, to the National Intelligent Transportation Standards architecture as required by SAFETEA-LU Section 5307(c), 23 U.S.C. Section 512 note and follow the provisions of FTA Notice, "FTA National Architecture Policy on Transit Projects," 66 Fed. Reg.1455 et seq., January 8, 2001, and any other implementing directives FTA may issue at a later date, except to the extent FTA determines otherwise in writing.

29. ACCESS REQUIREMENTS FOR PERSONS WITH DISABILITIES

Contractor shall comply with 49 USC 5301(d), stating Federal policy that the elderly and persons with disabilities have the same rights as other persons to use mass transportation services and facilities and that special efforts shall be made in planning and designing those services and facilities to implement that policy.

Contractor shall also comply with all applicable requirements of Sec. 504 of the Rehabilitation Act (1973), as amended, 29 USC 794, which prohibits discrimination on the basis of handicaps, and the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments thereto.

30. NOTIFICATION OF FEDERAL PARTICIPATION

To the extent required by law, in the announcement of any third party contract award for goods and services (including construction services) having an aggregate value of $500,000 or more, contractor shall specify the amount of Federal assistance to be used in financing that acquisition of goods and services and to express that amount of Federal assistance as a percentage of the total cost of the third party contract.

31. INTEREST OF MEMBERS OR DELEGATES TO CONGRESS

No members of, or delegates to, the US Congress shall be admitted to any share or part of this contract nor to any benefit arising therefrom.

32. INELIGIBLE CONTRACTORS AND SUBCONTRACTORS

Any name appearing upon the Comptroller General's list of ineligible contractors for federally-assisted contracts shall be ineligible to act as a subcontractor for contractor pursuant to this contract. If contractor is on the Comptroller General's list of ineligible contractors (https://www.sam.gov/SAM/) for federally financed or assisted construction, the recipient shall cancel, terminate or suspend this contract.

33. OTHER CONTRACT REQUIREMENTS

To the extent not inconsistent with the foregoing Federal requirements, this contract shall also include those standard clauses attached hereto, and shall comply with the recipient's Procurement Guidelines, available upon request from the Department.

34. COMPLIANCE WITH FEDERAL REGULATIONS

Any contract entered pursuant to this solicitation shall contain the following provisions: All USDOT- required contractual provisions, as set forth in FTA Circular 4220, are incorporated by reference. Anything to the contrary herein notwithstanding, FTA mandated terms shall control in the event of a conflict with other provisions contained in this Agreement. Contractor shall not perform any act, fail to perform any act, or refuse to comply with any grantee request that would cause the recipient to be in violation of FTA terms and conditions. Contractor shall comply with all applicable FTA regulations, policies, procedures and directives, including, without limitation, those listed directly or incorporated by reference in the Master Agreement between the recipient and FTA, as may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

35. REAL PROPERTY

Any contract entered into shall contain the following provisions: Contractor shall at all times comply with all applicable statutes and USDOT regulations, policies, procedures and directives governing the acquisition, use and disposal of real property, including, but not limited to, 49 CFR 18.31-18.34, 49 CFR 19.30-19.37, 49 CFR Part 24, 49 CFR 5326 as amended by Map-21, 49 CFR part 18 or 19, 49 USC 5334, applicable FTA Circular 5010, and FTA Master Agreement, as they may be amended or promulgated during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

36. ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY

To the extent applicable and except to the extent that FTA determines otherwise in writing, the Recipient agrees to comply with the policies of Executive Order No. 13166, "Improving Access to Services for Persons with Limited English Proficiency," 42 U.S.C. § 2000d 1 note, and with the provisions of U.S. DOT Notice, "DOT Guidance to Recipients on Special Language Services to Limited English Proficient (LEP)

Beneficiaries," 70 Fed. Reg. 74087, December 14, 2005.

37. ENVIROMENTAL JUSTICE

Except as the Federal Government determines otherwise in writing, the Recipient agrees to promote environmental justice by following: (1) Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, 42
U.S.C. § 4321 note, as well as facilitating compliance with that Executive Order, and (2) DOT Order 5610.2, "Department of Transportation Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," 62 Fed. Reg. 18377, April 15, 1997, and (3) The most recent and applicable edition of FTA Circular 4703.1, "Environmental Justice Policy Guidance for Federal Transit Administration Recipients," August 15, 2012, to the extent consistent with applicable Federal laws, regulations, and guidance,

38. ENVIRONMENTAL PROTECTIONS

Compliance is required with any applicable Federal laws imposing environmental and resource conservation requirements for the project. Some, but not all, of the major Federal laws that may affect the project include: the National Environmental Policy Act of 1969; the Clean Air Act; the Resource Conservation and Recovery Act; the comprehensive Environmental response, Compensation and Liability Act; as well as environmental provisions with Title 23 U.S.C., and 49 U.C. chapter 53. The U.S. EPA, FHWA and other federal agencies may issue other federal regulations and directives that may affect the project. Compliance is required with any applicable Federal laws and regulations in effect now or that become effective in the future.

39. GEORGRAPHIC INFORMATION RELATED TO SPATIAL DATA

Any project activities involving spatial data or geographic information systems activities financed with Federal assistance are required to be consistent with the National Spatial Data Infrastructure promulgated by the Federal Geographic Data Committee, except to the extent that FTA determines otherwise in writing.

40. GEOGRAPHIC PREFERENCE

Pursuant to 2 CFR 200.319(b), all procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract).

41. ORGANIZATIONAL CONFLICTS OF INTEREST

The Recipient agrees that it will not enter into a procurement that involves a real or apparent organizational conflict of interest described as follows:

(1) When It Occurs. An organizational conflict of interest occurs when the Project work, without appropriate restrictions on certain future activities, results in an unfair competitive advantage:

(a) To that Third Party Participant or another Third Party Participant performing the Project work, and
(b) That impairs that Third Party Participant's objectivity in performing the Project work, or

(2) Other. An organizational conflict of interest may involve other situations resulting in fundamentally unfair competitive conditions,

(3) Disclosure Requirements. Consistent with FTA policies, the Recipient must disclose to FTA, and each of its Subrecipients must disclose to the Recipient:

(a) Any instances of organizational conflict of interest, or
(b) Violations of federal criminal law, involving fraud, bribery, or gratuity violations potentially affecting the federal award, and

(4) Failure to Disclose. Failure to make required disclosures can result in remedies for noncompliance, including debarment or suspension.

42. VETRANS PREFERENCE

As provided by 49 U.S.C. § 5325(k), to the extent practicable, the Recipient agrees and assures that each of its Subrecipients:

(1) Will give a hiring preference to veterans, as defined in 5 U.S.C. § 2108, who have the skills and abilities required to perform construction work required under a third party contract in connection with a Capital Project supported with federal assistance appropriated or made available for 49 U.S.C. chapter 53, and
(2) Will not require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.

43. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) IDENTIFICATION NUMBER

The municipal project sponsor is required to identify in its accounts all Federal awards received and expended, and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

44. AMERICANS WITH DISABILITIES ACT (ADA)

The contractor agrees to comply with the requirements of 49 U.S.C. § 5301 (d), which states the Federal policy that the elderly and persons with disabilities have the same right as other persons to use mass transportation service and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement that policy. The contractor also agrees to comply with all applicable requirements of section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of handicaps, with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments to that Act, and with the Architectural Barriers act of 1968, as amended, 42 U.S.C. §§ 4151 et seq., which requires that buildings and public accommodations be accessible to persons with disabilities, including any subsequent amendments to that Act. In addition, the contractor agrees to comply with any and all applicable requirements issued by the FTA, DOT, DOJ, U.S. GSA, U.S. EEOC, U.S. FCC, any subsequent amendments thereto and any other nondiscrimination statute(s) that may apply to the Project.

45. BYRD ANTI-LOBBYING AMENDMENT

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with nonfederal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Agency."

46. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

The Agency and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the Agency, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

44. BUS TESTING

The operator of the bust testing facility is required to provide the resulting test report to the entity that submits the bus for testing. The manufacturer or dealer of a new bus

model or a bus produced with a major change in component or configuration is required to provide a copy of the corresponding full bus testing report and any applicable partial testing report(s) to the Agency during the point in the procurement process specified by the Agency, but in all cases before final acceptance of the first bus by the Agency. The complete bus testing report requirements are provide in 49 C.F.R. § 665.11.

45. CARGO PREFERENCE REQUIREMENTS

The contractor agrees:

a. to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels;

b. to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, "onboard" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the FTA Recipient (through the contractor in the case of a subcontractor's bill-of-lading.); and

c. to include these requirements in all subcontracts issued pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

46. E-AWARD AND POST-DELIVERY AUDITS OF ROLLING STOCK PURCHASES

The Contractor agrees to comply with 49 U.S.C. § 5323(m) and FTA's implementing regulation at 49 C.F.R. part 663. The Contractor shall comply with the Buy America certification(s) submitted with its proposal/bid. The Contractor agrees to participate and cooperate in any pre-award and post-delivery audits performed pursuant to 49 C.F.R. part 663 and related FTA guidance.

EXHIBIT 1
Title VI/Non-Discrimination Assurances
Appendix A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the *Federal Highway Administration,* as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Non-discrimination:** The contractor, with regard to the work performance by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the *Federal Highway Administration* to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the *Federal Highway Administration,* as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the *Federal Highway Administration* ,may determine to be appropriate, including, but not limited to:

    a. withholding payments to the contractor under the contract until the contractor complies; and/or
    b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with request to any subcontract or procurement as the Recipient or the *Federal Highway Administration* may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that **if** the contractor becomes involved in, or is threatened with litigation by a subcontractor or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

EXHIBIT 2
Title VI/Non-Discrimination Assurances
Appendix E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.,* 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin): and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *etseq.),* (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.),* as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.),* (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1687 et. seq).

ADOT
Procurement

EXHIBIT 3
ADOT Procurement Quarterly Usage Report

This exhibit outlines the content required for the quarterly usage report. Usage reports will be submitted to the appropriate Procurement Officer in accordance with the requirements specified in Special Terms and Conditions. The Department reserves the right to make additions, deletions and changes as deemed necessary.

Reporting Period:

Contract ID/Code:		Contact Name:		Alternate Contact Name:	
Contract Label/Description:		Contact Phone Number:		Alternate Contact Phone Number:	
Contractor:		Contact Email:		Alternate Contact Email:	
Contractor Address:					

Agency/Org/Unit	Customer Name	Delivery Address	PO Number or Identify as "P-Card"	Order Date	Contract Item Number	Contract Item Description	Quantity	Unit of Measure	Contract Unit Price	Contract Extended Price	Invoice Number

EXHIBIT 4
ON-SITE MANUFACTURER INSPECTION COMPLIANCE CERTIFICATION

(Post-Delivery purchaser's requirement, in compliance with the federal requirements of 49 U.S.C. Section 5323(m))

ON-SITE MANUFACTURER INSPECTION COMPLIANCE CERTIFICATION

(Rolling Stock Procurements for more than 10 vehicles for areas >200,000 in population)

As required by 49 CFR Part 663Subpart C, the

_____
(Recipient's name)

Certifies that a resident inspector,

_____
(Name of inspector)

Was at

_____
(the manufacturer's)

manufacturing site during the period of manufacture of the buses,

_____
(description of buses).

The inspector visually inspecting the buses, the _____ (the recipient) has reviewed the inspection documentation, maintains a copy of this report, and certifies that the buses meet the contract specifications.

ON-SITE MANUFACTURER INSPECTION COMPLIANCE CERTIFICATION

(Rolling Stock Procurements for more than 20 vehicles for areas < 200,000 in population)

As required by 49 CFR Part 663 Subpart C, the

_____
(Recipient's name)

Certifies that a resident inspector,

_____
(Name of inspector)

Was at

_____
(the manufacturer's)

manufacturing site during the period of manufacture of the buses,

_____
(description of buses).

The inspector visually inspecting the buses, the _____ (the recipient) has reviewed the inspection documentation, maintains a copy of this report, and certifies that the buses meet the contract specifications.

Signature _____ Date _____/ _____/ _____
Title _____

EXHIBIT 5
PRE-AWARD AUDIT AND CERTIFICATION

Subrecipient		Date / Completed By
Description		
Program/Phase/Amounts		
PRE-AWARD AUDIT (before issuing purchase order)		
Pre-award audit requirements. A recipient purchasing revenue service rolling stock with FTA funds must ensure that a pre-award audit under this part is complete before the recipient enters into a formal contract for the purchase of such rolling stock.		Master Agreement; 49 CFR §663.21
49 CFR 661.13 Grantee Responsibility (a) The grantee shall adhere to the Buy America clause set forth in its grant contract with FTA Section 16. Preference for United States Products and Services. a. Buy America. Domestic preference procurement requirements of: (1) 49 U.S.C. § 5323(j), as amended by FAST Act, and (2) FTA regulations, "Buy America Requirements," 49 C.F.R. part 661, to the extent consistent with FAST Act,		49 CFR §663.13
49 CFR §663.23 Description of pre-award audit. A pre-award audit under this part includes— (a) A Buy America certification as described in §663.25 of this part; (b) A purchaser's requirements certification as described in §663.27 of this part; and (c) Where appropriate, a manufacturer's Federal Motor Vehicle Safety certification information as described in §663.41 or §663.43 of this part.		49 CFR §663.23
Met? Y/N (if NO 1b, 1 REQ'D)	(1) A Buy America certification:	49 CFR §663.25
	a) There is a letter from FTA which grants a waive OR	
Met? Y/N (if NO 1a, 2 REQ'D)	b) ADOT reviewed documentation provided by the manufacturer which lists—	
	1) Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and	
	2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.	
Met? Y/N (2 REQ'D)	(2) A purchaser's requirements certification:	49 CFR §663.27
	a) The rolling stock the recipient is contracting for is the same product described in the purchaser's solicitation specification; and	
	b) The proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the recipient's	
Met? Y/N (1 REQ'D)	(3) A manufacturer's Federal Motor Vehicle Safety certification or Certification that Federal motor vehicle standards do not apply.	
	a) If a vehicle purchased under this part is subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, a recipient shall keep on file its certification that it received, both at the pre-award and post-delivery stage, a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards.	49 CFR §663.41
	a) Except for rolling stock subject to paragraph (b) of this section, if a vehicle purchased under this part is not subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, the recipient shall keep on file its certification that it received a statement to that effect from the manufacturer.	49 CFR §663.43

EXHIBIT 6
PURCHASER'S PRE-AWARD REQUIREMENTS CERTIFICATION

Subrecipient	
Description	
Program/Phase/Amounts	

Purchaser's Pre-Award Requirements Certification
49 CFR §663.27

I hereby certify that the rolling stock the recipient is contracting for is the same product described in the purchaser's solicitation specification; and

I hereby certify that the proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the recipient's

Signature

Date Signed

EXHIBIT 7
PURCHASER'S POST-AWARD REQUIREMENTS CERTIFICATION

Subrecipient		Date / Completed By
Description		
Program/Phase/Amounts		
The Post-Delivery Review Requirements (http://www.fta.dot.gov/legislation_law/12921_5430.html)		
The Post-Delivery Buy America Certification Requirement		
Select basis' (1 REQ'D)	Buy America-Compliant Buses	49 CFR 663(b)
	§663.33 Description of post-delivery audit. A post-delivery audit under this part includes—	
	(a) A post-delivery Buy America certification as described in §663.35 of this part;	
	§663.35 Post-delivery Buy America certification. For purposes of this part, a post-delivery Buy America certification is a certification that the recipient keeps on file that—	
	(a) There is a letter from FTA which grants a waiver to the rolling stock received from the Buy America requirements under sections 165 (b)(1), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended; **or**	
	(b) The recipient is satisfied that the rolling stock received meets the requirements of section 165 (a) or (b)(3) of the Surface Transportation Assistance Act of 1982, as amended, after having reviewed itself or by means of an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists— (1) Components and subcomponent parts of the rolling stock identified by manufacturer of the parts, their country of origin and costs; and (2) The actual location of the final assembly point for the rolling stock including a description of the activities which took place at the final assembly point and the cost of the final assembly.	
Met? Y/N (3 REQ'D)	(b) A post-delivery purchaser's requirements certification as described in §663.37 of this part; **and**	
	§663.37 Post-delivery purchaser's requirements certification. For purposes of this part, a post-delivery purchaser's requirements certification is a certification that the recipient keeps on file that—	
	(a) Except for procurements covered under paragraph (c) in this section, a resident inspector (other than an agent or employee of the manufacturer) was at the manufacturing site throughout the period of manufacture of the rolling stock to be purchased and monitored and completed a report on the manufacture of such rolling stock. Such a report, at a minimum, shall— (1) Provide accurate records of all vehicle construction activities; and (2) Address how the construction and operation of the vehicles fulfills the contract specifications.	
	(b) After reviewing the report required under paragraph (a) of this section, and visually inspecting and road testing the delivered vehicles, the vehicles meet the contract specifications.	
	(c) For procurements of: (1) Ten or fewer buses; or (2) Procurements of twenty vehicles or fewer serving rural (other than urbanized) areas, or urbanized areas of 200,000 people or fewer; or (3) Any number of primary manufacturer standard production and unmodified vans, after visually inspecting and road testing the vehicles, the vehicles meet the contract specifications.	
Met? Y/N (1 REQ'D)	(c) When appropriate, a manufacturer's Federal Motor Vehicle Safety Standard self-certification information as described in §663.41 or §663.43 of this part.	
	§663.41 Certification of compliance with Federal motor vehicle safety standards. If a vehicle purchased under this part is subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, a recipient shall keep on file its certification that it received, both at the pre-award and post-delivery stage, a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards.	
	§663.43 Certification that Federal motor vehicle standards do not apply. (a) Except for rolling stock subject to paragraph (b) of this section, if a vehicle purchased under this part is not subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, the recipient shall keep on file its certification that it received a statement to that effect from the manufacturer. (b) This subpart shall not apply to rolling stock that is not a motor vehicle.	

EXHIBIT 7
PURCHASER'S POST-AWARD REQUIREMENTS CERTIFICATION

Subrecipient		Date / Completed By
Description		
Program/Phase/Amounts		
The Post-Delivery Review Requirements (http://www.fta.dot.gov/legislation_law/12921_5430.html)		
The Post-Delivery Buy America Certification Requirement		
Select basis' (1 REQ'D)	Buy America-Compliant Buses	49 CFR 663(b)
	§663.33 Description of post-delivery audit. A post-delivery audit under this part includes—	
	(a) A post-delivery Buy America certification as described in §663.35 of this part;	
	§663.35 Post-delivery Buy America certification. For purposes of this part, a post-delivery Buy America certification is a certification that the recipient keeps on file that—	
	(a) There is a letter from FTA which grants a waiver to the rolling stock received from the Buy America requirements under sections 165 (b)(1), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended; **or**	
	(b) The recipient is satisfied that the rolling stock received meets the requirements of section 165 (a) or (b)(3) of the Surface Transportation Assistance Act of 1982, as amended, after having reviewed itself or by means of an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists— (1) Components and subcomponent parts of the rolling stock identified by manufacturer of the parts, their country of origin and costs; and (2) The actual location of the final assembly point for the rolling stock including a description of the activities which took place at the final assembly point and the cost of the final assembly.	
Met? Y/N (3 REQ'D)	(b) A post-delivery purchaser's requirements certification as described in §663.37 of this part; **and**	
	§663.37 Post-delivery purchaser's requirements certification. For purposes of this part, a post-delivery purchaser's requirements certification is a certification that the recipient keeps on file that—	
	(a) Except for procurements covered under paragraph (c) in this section, a resident inspector (other than an agent or employee of the manufacturer) was at the manufacturing site throughout the period of manufacture of the rolling stock to be purchased and monitored and completed a report on the manufacture of such rolling stock. Such a report, at a minimum, shall— (1) Provide accurate records of all vehicle construction activities; and (2) Address how the construction and operation of the vehicles fulfills the contract specifications.	
	(b) After reviewing the report required under paragraph (a) of this section, and visually inspecting and road testing the delivered vehicles, the vehicles meet the contract specifications.	
	(c) For procurements of: (1) Ten or fewer buses; or (2) Procurements of twenty vehicles or fewer serving rural (other than urbanized) areas, or urbanized areas of 200,000 people or fewer; or (3) Any number of primary manufacturer standard production and unmodified vans, after visually inspecting and road testing the vehicles, the vehicles meet the contract specifications.	
Met? Y/N (1 REQ'D)	(c) When appropriate, a manufacturer's Federal Motor Vehicle Safety Standard self-certification information as described in §663.41 or §663.43 of this part.	
	§663.41 Certification of compliance with Federal motor vehicle safety standards. If a vehicle purchased under this part is subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, a recipient shall keep on file its certification that it received, both at the pre-award and post-delivery stage, a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards.	
	§663.43 Certification that Federal motor vehicle standards do not apply. (a) Except for rolling stock subject to paragraph (b) of this section, if a vehicle purchased under this part is not subject to the Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in part 571 of this title, the recipient shall keep on file its certification that it received a statement to that effect from the manufacturer. (b) This subpart shall not apply to rolling stock that is not a motor vehicle.	

EXHIBIT 8
PURCHASER'S POST-AWARD REQUIREMENTS CERTIFICATION

Subrecipient	
Description	
Program/Phase/Amounts	

Purchaser's Post-Award Requirements Certification
49 CFR §663.37

I hereby certify that the rolling stock the recipient is contracting for is the same product described in the purchaser's solicitation specification; and

I hereby certify that the proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the recipient's

Signature

Date Signed

Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: One (1)**
DESCRIPTION: New Vehicles Purchase	

Pursuant to the Uniform Instructions to Offerors, Item B.6, Solicitation Amendments, the above referenced solicitation shall be amended as follows:

1. The solicitation due date has been changed from January 17, 2022 at 3:00 PM MST to January 19, 2022 at 3:00 PM MST.

2. All other terms, conditions and provisions of this solicitation remain unchanged.

Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: Two (2)**
DESCRIPTION: New Vehicles Purchases	

Pursuant to the Uniform Instructions to Offerors, Item B.6, Solicitation Amendments, the above referenced solicitation shall be amended as follows:

1. **Specifications**
   The following sections are hereby modified to read:

   a. **Paragraph 2.1** "The State of Arizona Department of Transportation (Department) is seeking to contract with a qualified vendor(s) who can provide new vehicles (all fuel types, hybrid, and full electric) including but not limited to: Sedans, Trucks up to 19,500 GVWR, Vans, Sport Utility Vehicles (SUVs), and Crossovers for the State of Arizona and participating Eligible Agencies. These vehicles will be used to support official organizational goals. These vehicles will be used on highways, city/county roads and shall be designed to operate under typical Arizona ambient temperatures."
   b. **Paragraph 3.3.1, 3.5.1 and 3.5.2** is hereby removed.
   c. **Paragraph 4.1**: "The Contractors are encouraged to provide a full line of new vehicles (gasoline, hybrid, full electric) including but not limited to the following categories: Sedans, Trucks up to 19,500 GVWR, Vans (cargo, passenger, transit, etc.), Sport Utility Vehicles (SUVs), and Crossovers. Eligible Agencies throughout the State will have varying vehicle needs. Contractors are to provide a full line of manufactured new vehicles and all subsequent variants of each vehicle; including but not be limited to: models and manufacturer options, trim package, etc. to meet each need of an Eligible Agency."
   d. **Paragraph 4.1.1** is hereby removed.
   e. **Paragraph 4.4.1:"** The Eligible Agency may request the awarded Contractor(s) to up-fit/modify any vehicle for specific organizational needs. For example, the cab and chassis of ½ ton, ¾ ton, and/or up to 19,500 GVW trucks may require a specialized body (i.e.: dump body, landscape body, etc.). Other vehicles may require interior and/or exterior modifications per the individual Eligible Agency. "
   f. **Paragraph 4.6.1**: " Anti-slip differential for two-wheel drive pickup trucks, ¾ ton, up to 19,500 GVW."

2. **Special Terms and Conditions**

   The following sections are hereby modified to read:

   a. Paragraph 11.1, (a-g): "Phase 1 and 2 pricing for vehicles shall be a minimum Percentage off MSRP, less the manufacturer's rebates and any additional discounts available for that model/power-train combination.
      a. Contractor shall provide a copy of manufacturer's invoice to the ordering agency upon request. The manufacturer's invoice shall be unaltered to include original pricing from the manufacturer.

Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: Three (3)**
DESCRIPTION: New Vehicles Purchases	

Pursuant to the Uniform Instructions to Offerors, Item B.6, Solicitation Amendments, the above referenced solicitation shall be amended as follows:

1. **Specifications**
   The following sections are hereby modified to read:

   a. **Paragraph 3.5** "For Phase Two (2) vehicles, the Contractor shall supply a quote within five (5) calendar days after receiving a request from the Eligible Agency. The quotation shall include but not be limited to the following information: State contract number, vehicle availability and delivery lead-time, Vehicle Identification Number (VIN), dealer stock number, vehicle base bid price, itemized options, applicable tax, delivery cost, total price, and point of contact. For vehicles requiring up-fit/modifications, all applicable cost may be included in quotation or as a separate quotation."

   b. **Paragraph 3.10**: "For Phase One (1) the Contractor shall provide the Eligible Agency copies of the manufacturer's vehicle identification numbers (VIN#) to confirm vehicles have been ordered unless impossible due to manufacture delay within ninety (90) calendar days after receipt of a purchase order. If confirmation of manufacturer's VIN #(s) is not received within this timeframe the Eligible Agency has the option to award to the second lowest bidder meeting specifications. This shall be considered a mandatory requirement and the timeframe must be met unless there is a manufacture delay. Failure to provide this document for each vehicle ordered may be cause for determination of default of contract."

2. All other terms, conditions and provisions of this solicitation remain unchanged.

ADOT
Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: Two (2)**
DESCRIPTION: New Vehicles Purchases	

b. Transportation costs to transfer a vehicle from another dealer for a Phase 2 or purchase from stock may be added to the cost of the vehicle. The justification for this cost is at the discretion of the Eligible Agency.
c. Any reference to Phase 1 pricing shall be in reference to vehicles ordered prior to the factory cut-off date.
d. Any reference to Phase 2 pricing shall be in reference to vehicles purchased from stock or "on the lot".
e. Phase 2 pricing shall receive the same cost considerations as Phase 1 pricing, all discounts and rebates should be passed onto the Eligible Agency.

f. All vehicles are to be billed at prices in effect at the time of order, not the date of shipment.

g. Pricing for vehicles shall include all discounts and deductions, less Federal and State taxes. Pricing shall be firm for life of contract unless amended by way of contract change order. "

b. Paragraph 22 is hereby replaced with the following: "The Contractor shall furnish Two (2) Usage reports, the first to the Department on a quarterly basis showing purchasing activity under this contract. This usage report shall be provided in a form substantially equivalent to Exhibit 03. Usage reports shall be submitted to the Procurement Officer no later than 30 days after the end of each quarter.

Usage report quarters shall be defined as follows:

- January through March – Report due April 30
- April through June – Report due July 30
- July through September – Report due October 30
- October through December – Report due January 30

Contractor shall submit the second to the State documenting all Contract sales to both Eligible Agencies and Co-Op Buyers, itemized separately. A *Quarterly Usage Report* shall still be submitted; even if there have been no sales to either Eligible Agencies and/or Co-Op Buyers. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle State to its remedies under Article 8 and its right to terminate for default under Article 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee"

c. Paragraph 25: Co-op administrative fee has hereby been removed.

Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: Two (2)**
DESCRIPTION: New Vehicles Purchases	

3. **Offer Response Form** is hereby replaced with Revision Two (2) attachment.

4. All other terms, conditions and provisions of this solicitation remain unchanged.

Procurement

ARIZONA DEPARTMENT OF TRANSPORTATION
1739 W. Jackson Street, MD 100P
Phoenix, AZ 85007
602.712.7211

Solicitation Amendment Summary

SOLICITATION NO.: BPM004157	**AMENDMENT NO.: Three (3)**
DESCRIPTION: New Vehicles Purchases	

Pursuant to the Uniform Instructions to Offerors, Item B.6, Solicitation Amendments, the above referenced solicitation shall be amended as follows:

1. **Specifications**
   The following sections are hereby modified to read:

   a. **Paragraph 3.5** "For Phase Two (2) vehicles, the Contractor shall supply a quote within five (5) calendar days after receiving a request from the Eligible Agency. The quotation shall include but not be limited to the following information: State contract number, vehicle availability and delivery lead-time, Vehicle Identification Number (VIN), dealer stock number, vehicle base bid price, itemized options, applicable tax, delivery cost, total price, and point of contact. For vehicles requiring up-fit/modifications, all applicable cost may be included in quotation or as a separate quotation."

   b. **Paragraph 3.10**: "For Phase One (1) the Contractor shall provide the Eligible Agency copies of the manufacturer's vehicle identification numbers (VIN#) to confirm vehicles have been ordered unless impossible due to manufacture delay within ninety (90) calendar days after receipt of a purchase order. If confirmation of manufacturer's VIN #(s) is not received within this timeframe the Eligible Agency has the option to award to the second lowest bidder meeting specifications. This shall be considered a mandatory requirement and the timeframe must be met unless there is a manufacture delay. Failure to provide this document for each vehicle ordered may be cause for determination of default of contract."

2. All other terms, conditions and provisions of this solicitation remain unchanged.

DocuSign Envelope ID: 8D202D95-DA9A-4443-8A5B-39D90A8C6480

March 11, 2022

Sandra Gonzalez
Government Manager
PFVT Motors LLC. Dba Peoria Ford
9130 W. Bell Road
Peoria, AZ 85382

Subject: Award of Contract No. CTR059322

Dear Ms. Gonzalez:

Please be advised that your company has been awarded the contract for New Vehicle Purchases as specified in solicitation BPM004157. The executed Offer and Acceptance is attached. The contract is effective March 17, 2022.

The Contract requires verification of insurance be provided prior to commencement of work. Therefore, a certificate of insurance must be submitted in accordance with the requirements stated in the Contract's Special Terms and Conditions, paragraph 21, Insurance Requirements.

The attached Contract Insurance Checklist is provided to ensure that all required forms and endorsements are submitted. The required forms, endorsements and signed checklist must be received no later than March 21, 2022. These documents must be e-mailed to me at TKornell@azdot.gov.

If you have any questions regarding this contract, please contact me at (602) 712- 8520 or via email.

Sincerely,

DocuSigned by:
Thomas Kornell
0692CD9E66B64A8...

Tom Kornell
Senior Procurement Officer

Cc: File

Enclosures (02)

ADOT Procurement

Offer Response Form for New Vehicle Purchases Revision Two (2)

Please respond to the following items according to the instructions below. Each response should demonstrate the Offeror's ability to satisfy the Specifications requirements. Failure to respond may negatively impact the option to award.

1.1. The Contractor shall provide the goods/services described in any or all of the contract categories. Indicate the categories that apply to your offer:

- ☒ **Category One: Phase One (1) Vehicle Purchases**
- ☒ **Category Two: Phase Two (2) Vehicle Purchases**
- ☒ **Category Three: FTA Funded Vehicles**

1.2 PHASE ONE (1) Pricing for New Vehicle Purchases: Price List: (Any manufacturer available by Offeror shall be written in below which includes all optional equipment) Price shall be a fixed percentage off MSRP. The detailed price list for each available model will be sent to the Procurement Officer as they become available during the contract term. If multiple level discounts apply for that specific category, you may provide the minimum percentage. *Detailed price lists will not be required at the time of Proposal submittal.* Do not provide pricing on any other format other than what is provided below:

Phase One (1) Manufacture/Category (i.e. Silverado, F150, RAM 1500, Focus, Cruze, Dart etc.) Per Minimum Specifications	**Percentage (%) Off of Manufacture Retail Price (MSRP)**
FORD/ F-150/ ½ TON TRUCKS – REG CAB, SUPERCAB, CREW CAB – 4X4 AND 4X2, GAS	MIN 22.5%
FORD/F-150/1/2 TON – CREW CAB 4X4 – LIGHTNING	MIN 10.1%
FORD/ F-250-550/ ¾ TON TRUCK - REG CAB, SUPERCAB, CREW CAB – 4X4 AND 4X2	MIN 22.5%
FORD/SUV/ ESCAPE, EXPLORER, EXPEDITION – FWD, RWD, AWD, 4X4, 4X2	MIN 13.25%
FORD/MACH-E/CROSSOVER – AWD OR 4X2	Min 1.5%
FORD/BRONCO SPORT/COMPACT SUV – 4X4	MIN 13.2%
FORD/BRONCO/MID-SIZED SUV – 4X4	MIN 7.1%
FORD/E-SERIES/CUTAWAY	MIN 20.2%
FORD/TRANSIT WAGON/PASSENGER AND CREW VANS – ½ TON TO 1 TON – LOW, MED, HIGH ROOF - SHORT, LONG AND EXTENDED LENGTHS	MIN 10.1%
FORD/TRANSIT/ CARGO VANS - ½ TON TO 1 TON – LOW, MED, HIGH ROOF - SHORT, LONG AND EXTENDED LENGTHS	MIN 10.2%
FORD/TRANSIT CONNECT WAGON/MINI PASSENGER VAN	MIN 3.5%

FORD/TRANSIT CONNECT/MINI CARGO VAN – SWB OR LWB	MIN 3%
FORD/ E-TRANSIT/ ELECTRIC TRANSIT CARGO VAN – LOW, MED, HIGH ROOF – SHORT, LONG AND EXTENDED LENGTHS - RWD	MIN 5.5%
FORD/ F-350 TO F-550 CHASSIS/ CHASSIS CAB – 4X4 AND 4X2	MIN 20.5%
FORD/ESCAPE PHEV/PLUG-IN HYBRID AND HYBRID COMPACT SUV	MIN 13.1%
FORD/POLICE INTERCEPTOR/MID-SIZED PURSUIT SUV - AWD	MIN 18.5%
FORD/ RANGER/ MID-SIZE TRUCK – EXTENDED OR CREW CAB - 4X4 OR 4X2	MIN 16.3%
FORD/MAVERICK/COMPACT TRUCK – CREW CAB – AWD OR FWD	MIN 10.25%
FORD/MUSTANG/COUPE - RWD	MIN 14.1%

***PERCENTAGES FOR MODELS THAT ARE CURRENTLY UNAVAILABLE ARE BASED ON DRAFT PRICING AND PREVIOUS MODEL YEAR TRENDS. PERCENTAGE OFF IS LIKELY TO INCREASE ON MOST ITEMS ONCE PRICING FOR NEXT MODEL YEAR IS RELEASED

1.3 PHASE TWO (2) Pricing for New Vehicle Purchases: (Any manufacturer available by Offeror shall be written in below which includes all optional equipment) Price shall be a fixed percentage off MSRP. The detailed price list for each available model will be sent to the Procurement Officer as they become available during the contract term. If multiple level discounts apply for that specific category, you may provide the minimum percentage. *Detailed price lists will not be required at the time of Proposal submittal.* Do not provide pricing on any other format other than what is provided below:

Phase Two (2) Manufacture/Category (i.e. Silverado, F150, RAM 1500, Focus, Cruze, Dart etc.) Per Minimum Specifications	**Percentage (%) Off of Manufacture Retail Price (MSRP)**
FORD/ F-150/ ½ TON TRUCKS – REG CAB, SUPERCAB, CREW CAB – 4X4 AND 4X2, GAS	MIN 16.5%
FORD/F-150/1/2 TON – CREW CAB 4X4 – LIGHTNING	MIN 8.2%
FORD/ F-250-550/ ¾ TON TRUCK - REG CAB, SUPERCAB, CREW CAB – 4X4 AND 4X2	MIN 10.1%
FORD/SUV/ ESCAPE, EXPLORER, EXPEDITION – FWD, RWD, AWD, 4X4, 4X2	MIN 10.25%
FORD/MACH-E/CROSSOVER – AWD OR 4X2	Min 1%

FORD/BRONCO SPORT/COMPACT SUV – 4X4	MIN 10.1%
FORD/BRONCO/MID-SIZED SUV – 4X4	MIN 5.1%
FORD/E-SERIES/CUTAWAY	MIN 16.5%
FORD/TRANSIT WAGON/PASSENGER AND CREW VANS – ½ TON TO 1 TON – LOW, MED, HIGH ROOF - SHORT, LONG AND EXTENDED LENGTHS	MIN 14.5%
FORD/TRANSIT/ CARGO VANS - ½ TON TO 1 TON – LOW, MED, HIGH ROOF - SHORT, LONG AND EXTENDED LENGTHS	MIN 15.25%
FORD/TRANSIT CONNECT WAGON/MINI PASSENGER VAN	MIN 2.2%
FORD/TRANSIT CONNECT/MINI CARGO VAN – SWB OR LWB	MIN 2.1%
FORD/ E-TRANSIT/ ELECTRIC TRANSIT CARGO VAN – LOW, MED, HIGH ROOF – SHORT, LONG AND EXTENDED LENGTHS - RWD	MIN 2.1%
FORD/ F-350 TO F-550 CHASSIS/ CHASSIS CAB – 4X4 AND 4X2	MIN 10.1%
FORD/ESCAPE PHEV/PLUG-IN HYBRID AND HYBRID COMPACT SUV	MIN 11.1%
FORD/POLICE INTERCEPTOR/MID-SIZED PURSUIT SUV - AWD	MIN 6.5%
FORD/ RANGER/ MID-SIZE TRUCK – EXTENDED OR CREW CAB - 4X4 OR 4X2	MIN 14.9%
FORD/MAVERICK/COMPACT TRUCK – CREW CAB – AWD OR FWD	MIN 9.5%
FORD/MUSTANG/COUPE - RWD	MIN 10.6%

***PERCENTAGES FOR MODELS THAT ARE CURRENTLY UNAVAILABLE ARE BASED ON DRAFT PRICING AND VERY LIMITED CURRENT MARKET AVAILABILITY. PRICING DISCOUNTS ARE LIKELY TO INCREASE ONCE PRICING IS MADE AVAILABLE AND CONSTRAINTS FOR COMMODITIES LIFT
***PHASE 2 PERCENTAGES ARE BASED ON CURRENT RETAIL MARKET AND AVAILABILITY OF FLEET ALLOCATION

1.4 Delivery Fees: If the contractor offers delivery for the following counties, they must be indicate and include any delivery fee associated with those areas as applicable.

County	Delivery Fee $	County	Delivery Fee $	County	Delivery Fee $
☒ Apache	$95	☐ Greenlee	$95	☒ Pima	$0
☒ Cochise	$95	☒ La Paz	$95	☒ Pinal	$75
☐ Coconino	$75	☒ Maricopa	$0	☐ Santa Cruz	$95
☒ Gila	$65	☐ Mohave	$95	☒ Yavapai	$85
☒ Graham	$95	☐ Navajo	$150	☒ Yuma	$95

1.5 Evaluation Pricing: The Contractor shall submit pricing for the following Vehicles. The vehicles listed which is representative of the scope of work that will be performed under this Contract, and therefore constitutes a fair method for determining price fair and reasonable:

1.5.1 Phase One (1) Evaluation Pricing:

Specifications for vehicles quoted are included below pricing - MSRP is shown only for reference in specs
All warranty information is provided***

Estimated Usage Quantity	PHASE ONE (1) Base Model Vehicle	Base Price for Phase One (1)	Additional Information
75	Sports Utility Vehicle (SUV) *(base model)* Per Minimum Specifications	$22,259	FORD ESCAPE FWD – S MODEL – SPARE TIRE IS NOT STANDARD, BUT INFLATION KIT IS PROVIDED. MINI SPARE IS AVAILABLE FROM THE FACTORY OR AFTER MARKET SPARE MAY BE ADDED. CURRENTLY AVAILABLE FOR ORDERS OF 2022 MODEL.
25	One (1) Ton Cargo Van *(base model)* Per Minimum Specifications	$36,411	TRANSITS ARE NOT CURRENTLY AVAILABLE FOR ORDERING, SO PRICING IS BASED ON DRAFT PROJECTION FROM

			MANUFACTURER – MODEL PROVIDED IS 2023 W1Y – TRANSIT T-350, 130" WB, RWD, LOW ROOF, INCLUDES FRONT AND REAR A/C OPTION
50	1/2 Ton Truck Regular Cab *(base model)* Per Minimum Specifications	$25,695	NOT CURRENTLY AVAILABLE FOR ORDER, PRICING IS BASED ON PROJECTED DRAFT PRICING. MODEL IS F-150 REG CAB 4X2, SHORT WHEELBASE. 2023 MODEL PROJECTION.

1.5.2. Phase Two (2) Evaluation Pricing:

Estimated Usage Quantity	PHASE TWO (2) Base Model Vehicle	Base Price for Phase TWO (2)	Additional Information
25	Sports Utility Vehicle (SUV) *(base model)* Per Minimum Specifications	$22,543	FORD ESCAPE FWD – S MODEL – SPARE TIRE IS NOT STANDARD, BUT INFLATION KIT IS PROVIDED. MINI SPARE IS AVAILABLE FROM THE FACTORY OR AFTER MARKET SPARE MAY BE ADDED.
15	One (1) Ton Cargo Van *(base model)* Per Minimum Specifications	$29,223	MODEL PROVIDED IS CURRENT 2022 W1Y – TRANSIT T-350, 130" WB, RWD, LOW ROOF, INCLUDES FRONT AND REAR A/C OPTION
25	1/2 Ton Truck Regular Cab *(base model)* Per Minimum Specifications	$24,162	MODEL IS F-150 REG CAB 4X2, SHORT WHEELBASE. CURRENT 2022 MODEL PRICING

Prepared for: , STATE OF ARIZONAAZ

2022 Escape 4dr FWD S (U0F)

Price Level: 225



Client Proposal

Prepared by:
Sandra Gonzalez
Office: 480-696-5930
Email: SGONZALEZ@PEORIAFORD.COM
Quote ID: STATEESCAP
Date: 01/19/2022

2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

, STATE OF ARIZONAAZ

Re: Quote ID STATEESCAP 01/19/2022

To Whom It May Concern,

Thank you very much for your interest in acquiring a vehicle from our dealership. We concur that your interest is well deserved. We hope that an outstanding product lineup and our dedication to customer service will enhance your ownership experience should you decide to buy a vehicle from us.

Attached, please find additional information that I hope will assist you in making a more informed decision. Please feel free to contact me at any time as I would truly appreciate the opportunity to be of service to you.

Best Regards,

Sandra Gonzalez
GOVERNMENT AND FLEET SALES MANAGER
480-696-5930
SGONZALEZ@PEORIAFORD.COM

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Table of Contents

Description	Page
Cover Page	1
Cover Letter	2
Table of Contents	3
As Configured Vehicle	4
Selected Equip & Specs	6
Vehicle Dimension and Performance	17
Warranty	19
Available Options	20

2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

As Configured Vehicle

Code	Description	MSRP
Base Vehicle		
U0F	Base Vehicle Price (U0F)	$26,010.00
Packages		
100A	Equipment Group 100A *Includes:* *- Engine: 1.5L EcoBoost* *Includes auto start-stop technology.* *- Transmission: 8-Speed Automatic* *- 3.81 Axle Ratio* *- GVWR: TBD* *- Tires: 225/65R17 AS BSW* *- Wheels: 17" Steel w/Sparkle Silver-Painted Covers* *- Cloth Front Bucket Seats* *Includes 6-way manual driver (fore/aft, up/down, recline) and 4-way manual front passenger (fore/aft with manual recline).* *- Radio: AM/FM Stereo* *Includes 6 speakers and speed compensated volume.* *- SYNC Communications & Entertainment System* *Includes enhanced voice recognition communication and entertainment system, 4.2" LCD screen in center stack, AppLink, 911 Assist and smart charging USB port.* *- FordPass Connect* *Includes 4G LTE Wi-Fi hotspot that connects up to 10 devices (includes a wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to www.att.com/ford). Remote start with specific time scheduling, lock and unlock, locate parked vehicle and check vehicle status (the FordPass App and complimentary connected services are required for remote features (see FordPass terms for details). Connected services and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services exclude Wi-Fi hotspot).*	N/C
Powertrain		
996	Engine: 1.5L EcoBoost *Includes auto start-stop technology.*	Included
448	Transmission: 8-Speed Automatic	Included
STDAX	3.81 Axle Ratio	Included
STDGV	GVWR: TBD	Included
Wheels & Tires		
STDTR	Tires: 225/65R17 AS BSW	Included
STDWL	Wheels: 17" Steel w/Sparkle Silver-Painted Covers	Included
Seats & Seat Trim		
V	Cloth Front Bucket Seats	Included

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

As Configured Vehicle (cont'd)

Code	Description	MSRP
	Includes 6-way manual driver (fore/aft, up/down, recline) and 4-way manual front passenger (fore/aft with manual recline).	
Other Options		
PAINT	Monotone Paint Application	STD
106WB	106" Wheelbase	STD
STDRD	Radio: AM/FM Stereo	Included
	Includes 6 speakers and speed compensated volume. *Includes:* *- SYNC Communications & Entertainment System* *Includes enhanced voice recognition communication and entertainment system, 4.2" LCD screen in center stack, AppLink, 911 Assist and smart charging USB port.* *- FordPass Connect* *Includes 4G LTE Wi-Fi hotspot that connects up to 10 devices (includes a wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to www.att.com/ford). Remote start with specific time scheduling, lock and unlock, locate parked vehicle and check vehicle status (the FordPass App and complimentary connected services are required for remote features (see FordPass terms for details). Connected services and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services exclude Wi-Fi hotspot).*	
Emissions		
425	50-State Emissions System	STD
Interior Color		
VH_01	Dark Earth Gray	N/C
Exterior Color		
YZ_01	Oxford White	N/C
SUBTOTAL		$26,010.00
Destination Charge		$1,245.00
TOTAL		$27,255.00

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs

Dimensions

- Exterior length: 180.5"
- Exterior width: 74.1"
- Exterior height: 66.1"
- Wheelbase: 106.7"
- Front track: 62.4"
- Rear track: 61.8"
- Turning radius: 19.2'
- Min ground clearance: 7.3"
- Front legroom: 42.4"
- Rear legroom: 40.7"
- Front headroom: 40.0"
- Rear headroom: 39.3"
- Front hiproom: 55.2"
- Rear hiproom: 53.3"
- Front shoulder room: 57.6"
- Rear shoulder room: 56.0"
- Passenger volume: 104.0cu.ft.
- Cargo volume: 37.5cu.ft.
- Cargo volume seats folded: 65.4cu.ft.
- Maximum cargo volume: 65.4cu.ft.

Powertrain

- EcoBoost 181hp 1.5L DOHC 12 valve intercooled turbo I-3 engine with Ti-VCT variable valve control, port/direct injection
- Auto stop-start feature
- Driver selectable mode
- Recommended fuel : premium unleaded
- LEV3-SULEV30
- 8 speed automatic transmission with overdrive
- Front-wheel drive
- Limited slip differential
- Fuel Economy City: 28 mpg
- Fuel Economy Highway: 34 mpg
- Capless fuel filler

Suspension/Handling

- Front independent strut suspension with anti-roll bar, gas-pressurized shocks
- Rear independent short and long arm suspension with anti-roll bar, gas-pressurized shocks
- Speed-sensing electric power-assist rack-pinion Steering
- Front and rear 17 x 7 steel wheels
- P225/65HR17 BSW AS front and rear tires

Body Exterior

- 4 doors
- Driver and passenger power remote, manual folding door mirrors
- Black door mirrors
- Lip rear spoiler
- Body-coloured bumpers
- Clearcoat paint
- Front and rear 17 x 7 wheels

Convenience

- Manual air conditioning with air filter
- Cruise control with steering wheel controls
- Power windows
- Driver 1-touch down
- Remote power door locks with 2 stage unlock and illuminated entry
- Manual tilt steering wheel

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

- Manual telescopic steering wheel
- FordPass Connect 4G internet access
- Wireless phone connectivity
- 2 1st row LCD monitors
- Dual visor mirrors
- Driver and passenger door bins
- Day-night rearview mirror
- 911 Assist emergency SOS
- AppLink smart device integration
- Front and rear cupholders
- Full floor console
- Rear door bins

Seats and Trim

- Seating capacity of 5
- 6-way driver seat adjustment
- 4-way passenger seat adjustment
- 60-40 folding rear split-bench seat
- Metal-look/piano black instrument panel insert
- Metal-look gear shifter material
- Front bucket seats
- Manual height adjustable driver seat
- Centre front armrest
- Cloth seat upholstery
- Metal-look console insert

Entertainment Features

- AM/FM stereo radio with radio data system
- Steering wheel mounted radio controls
- Streaming audio
- SYNC external memory control
- 6 speakers
- Integrated roof antenna

Lighting, Visibility and Instrumentation

- Halogen projector beam headlights
- Auto on/off headlights
- Variable intermittent front windshield wipers
- Fixed interval rear windshield wiper
- Fixed rearmost windows
- Front and rear reading lights
- Compass
- Camera(s) - rear
- Trip computer
- Lane departure
- Delay-off headlights
- LED brakelights
- Speed sensitive wipers
- Rear window defroster
- Light tinted windows
- Tachometer
- Outside temperature display
- Low tire pressure warning
- Trip odometer
- Ford Co-Pilot360 - BLIS (Blind Spot Information System) blind spot

Safety and Security

- 4-wheel ABS brakes
- Electric parking brake
- AdvanceTrac w/Roll Stability Control Electronic stability control
- Dual front impact airbag supplemental restraint system
- Safety Canopy System curtain 1st and 2nd row overhead airbag supplemental restraint system
- Brake assist with hill hold control
- 4-wheel disc brakes
- ABS and driveline traction control
- Dual seat mounted side impact airbag supplemental restraint system
- Knee airbag supplemental restraint system

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

- Airbag supplemental restraint system occupancy sensor
- Power remote door locks with 2 stage unlock and panic alarm
- MyKey restricted driving mode
- 3 manually adjustable rear head restraints
- Ford Co-Pilot360 - Pre-Collision Assist with Automatic Emergency Braking (AEB) Feature
- Remote activated perimeter/approach lighting
- With SecuriLock immobilizer and stolen vehicle tracking system
- Manually adjustable front head restraints
- Ford Co-Pilot360 - BLIS (Blind Spot Information System) blind spot

Dimensions

General Weights

Curb	3,298 lbs.

General Trailering

Towing capacity	2000 lbs.	GCWR	6660 lbs.

Fuel Tank type

Capacity	14.79 gal.	Capless fuel filler	Yes

Off Road

Min ground clearance	7 "

Interior cargo

Cargo volume	37.5 cu.ft.	Cargo volume seats folded	65.4 cu.ft.
Maximum cargo volume	65.4 cu.ft.	Height	34.8 "
Length	68.5 "	Length to rear seat	37.8 "
Minimum width	41.4 "	Maximum width	57.3 "

Powertrain

Engine Type

Brand	EcoBoost	Block material	Aluminum
Cylinders	I-3	Head material	Aluminum
Ignition	Spark	Injection	Port/direct injection
Liters	1.5L	Orientation	Transverse
Recommended fuel	Premium unleaded	Valves per cylinder	4
Valvetrain	DOHC	Variable valve control	Ti-VCT
Forced induction	Intercooled turbo		

Engine Spec

Bore	3.31"	Compression ratio	11.0:1
Displacement	91 cu.in.	Stroke	3.54"

Engine Power

Output	181 HP @ 6,000 RPM	Torque	190 ft.-lb @ 3,000 RPM

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Alternator

Amps	0

Battery

Run down protection	Yes

Engine Extras

Auto stop-start feature	Yes	Driver selectable mode	Yes

Transmission

Electronic control	Yes	Lock-up	Yes
Overdrive	Yes	Speed	8
Type	Automatic		

Transmission Gear Ratios

1st	4.69	2nd	3.31
3rd	3.01	4th	1.92
5th	1.45	6th	1
7th	0.75	8th	0.62
Reverse Gear ratios	2.96		

Transmission Extras

Driver selectable mode	Yes	Oil cooler	Regular duty

Drive Type

Type	Front-wheel

Drive Feature

Limited slip differential	Brake actuated	Traction control	ABS and driveline

Drive Axle

Ratio	3.81

Exhaust

Material	Stainless steel	System type	Quasi-dual
Tailpipe finisher	Chrome		

Emissions

CARB	LEV3-SULEV30	EPA	Tier 3 Bin 30

fuel Economy

City	28 mpg	Highway	34 mpg
Fuel type	Gasoline	Combined	30 mpg

Acceleration

0-60 mph (s)	8.46

1/4 Mile

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Seconds 16.2
Speed 88 mph

Skid Pad

Lateral acceleration (g) 0.8

Slalom

Speed 59 mph

Green Values

Energy Impact Score (Barrels per year) 11.0
Carbon FP / Tailpipe and upstream total GHG (CO2, tons per year) 5.8

Driveability

Brakes

ABS 4-wheel
ABS channels 4
Type 4-wheel disc
Vented discs Front
Electric parking brake Yes

Brake Assistance

Brake assist Yes
Hill hold control Yes

Suspension Control

Ride Regular
Electronic stability control Stability control with anti-roll

Front Suspension

Independence Independent
Type Strut
Anti-roll bar Regular

Front Spring

Type Coil
Grade Regular

Front Shocks

Type Gas-pressurized

Rear Suspension

Independence Independent
Type Short and long arm
Anti-roll bar Regular

Rear Spring

Type Coil
Grade Regular

Rear Shocks

Type Gas-pressurized

Steering

Speed-sensing Yes
Activation Electric power-assist
Type Rack-pinion

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Steering Specs

# of wheels	2

Exterior

Front Wheels

Diameter	17"	Width	7.00"

Rear Wheels

Diameter	17"	Width	7.00"

Front and Rear Wheels

Material	Steel	Covers	Full wheel

Front Tires

Aspect	65	Diameter	17"
Sidewalls	BSW	Speed	H
Tread	AS	Type	P
Width	225mm		

Rear Tires

Aspect	65	Diameter	17"
Sidewalls	BSW	Speed	H
Tread	AS	Type	P
Width	225mm		

Wheels

Front track	62.4"	Rear track	61.8"
Turning radius	19.2'	Wheelbase	106.7"

Body Features

Rear spoiler	Lip	Body material	Fully galvanized steel
Side impact beams	Yes	Active grille shutters	Yes

Body Doors

Door count	4	Left rear passenger	Conventional
Right rear passenger	Conventional	Cargo	Liftgate

Exterior Dimensions

Length	180.5"	Body width	74.1"
Body height	66.1"		

Safety

Airbags

Driver front-impact	Yes	Driver side-impact	Seat mounted

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Occupancy sensor ..... Yes
Overhead ..... Safety Canopy System curtain 1st and 2nd row
Passenger front-impact ..... Yes
Passenger side-impact ..... Seat mounted
Knee ..... Driver

Seatbelt

Rear centre 3 point ..... Yes
Height adjustable ..... Front
Pre-tensioners ..... Front
Pre-tensioners (#) 2

Security

Immobilizer ..... SecuriLock
Panic alarm ..... Yes
Restricted driving mode ..... MyKey

Seating

Passenger Capacity

Capacity 5

Front Seats

Split ..... Buckets
Type ..... Bucket

Driver Seat

Fore/aft ..... Manual
Height adjustable ..... Manual
Reclining ..... Manual
Way direction control 6

Passenger seat

Fore/aft ..... Manual
Reclining ..... Manual
Way direction control 4

Front Head Restraint

Control ..... Manual
Type ..... Adjustable

Front Armrest

Centre ..... Yes

Rear Seats

Descriptor ..... Split-bench
Facing ..... Front
Folding 60-40
Folding position ..... Fold forward seatback
Type ..... Fixed
Reclining ..... Manual
Fore/aft ..... Manual

Rear Head Restraints

Control ..... Manual
Type ..... Adjustable
Number 3

Front Seat Trim

Material ..... Cloth
Back material ..... Cloth

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Rear Seat Trim Group

Material	Cloth
Back material	Carpet

Convenience

AC And Heat Type

Air conditioning	Manual
Air filter	Yes
Underseat ducts	Yes

Audio System

Radio	AM/FM stereo
Radio data system	Yes
Radio grade	Regular
Seek-scan	Yes
External memory control	SYNC
Internet radio	Yes

Audio Speakers

Speaker type	Regular
Speakers	6

Audio Controls

Speed sensitive volume	Yes
Steering wheel controls	Yes
Voice activation	Yes
Streaming audio	Bluetooth yes

Audio Antenna

Type	Integrated roof

LCD Monitors

1st row	2
Primary monitor size (inches)	4.2

Cruise Control

Cruise control	With steering wheel controls

Convenience Features

Driver foot rest	Yes
Retained accessory power	Yes
12V DC power outlet	3
Emergency SOS	911 Assist
Wireless phone connectivity	Bluetooth
Smart device integration	App link

Door Lock Activation

Type	Power with 2 stage unlock
Remote	Keyfob (all doors)
Integrated key/remote	Yes
Auto locking	Yes

Door Lock Type

Rear child safety	Manual
Tailgate/rear door lock	Included with power door locks

Door Locks Extra FOB Controls

Remote engine start	Smart device only

Instrumentation Type

Appearance	Analog

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Instrumentation Gauges

Tachometer	Yes	Engine temperature	Yes

Instrumentation Warnings

Oil pressure	Yes	Engine temperature	Yes
Battery	Yes	Lights on	Yes
Key	Yes	Low fuel	Yes
Low washer fluid	Yes	Lighting malfunction	Yes
Door ajar	Yes	Rear cargo ajar	Yes
Service interval	Yes	Brake fluid	Yes
Low tire pressure	Tire specific		

Instrumentation Displays

Clock	In-radio display	Compass	Yes
Exterior temp	Yes	Systems monitor	Yes
Camera(s) - rear	Yes		

Instrumentation Feature

Trip computer	Yes	Trip odometer	Yes
Lane departure	Active	Blind spot	Warning
Forward collision	Mitigation	Rear collision	Warning
Pedestrian detection	Prevention		

Steering Wheel Type

Material	Urethane	Tilting	Manual
Telescoping	Manual		

Front Side Windows

Window 1st row activation	Power

Windows Rear Side

2nd row activation	Power	3rd row activation	Fixed

Window Features

1-touch down	Driver	Tinted	Light

Front Windshield

Wiper	Variable intermittent	Speed sensitive wipers	Yes

Rear Windshield

Wiper	Fixed interval	Defroster	Yes
Window	Fixed		

Interior

Driver Visor

Mirror	Yes

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Passenger Visor

Mirror	Yes

Rear View Mirror

Day-night	Yes

Headliner

Coverage	Full	Material	Cloth

Floor Trim

Coverage	Full	Covering	Carpet
Mats	Carpet front and rear		

Trim Feature

Instrument panel insert	Metal-look/piano black	Gear shifter material	Metal-look
Door panel insert	Metal-look	Console insert	Metal-look
Interior accents	Metal-look		

Lighting

Dome light type	Fade	Front reading	Yes
Illuminated entry	Yes	Rear reading	Yes
Ignition switch	Yes	Variable IP lighting	Yes

Floor Console Storage

Storage	Covered	Type	Full

Overhead Console Storage

Storage	Yes	Type	Mini

Storage

Driver door bin	Yes	Front Beverage holder(s)	Yes
Glove box	Yes	Passenger door bin	Yes
Rear yes	Yes	Rear door bins	Yes

Cargo Space Trim

Floor	Carpet	Trunk lid/rear cargo door	Plastic

Cargo Space Feature

Tie downs	Yes	Light	Yes
Concealed storage	Yes	Tire mobility kit	Yes

Legroom

Front	42.4"	Rear	40.7"

Headroom

Front	40.0"	Rear	39.3"

Hip Room

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Selected Equip & Specs (cont'd)

Front	55.2"	Rear	53.3"

Shoulder Room

Front	57.6"	Rear	56.0"

Interior Volume

Passenger volume	104.0 cu.ft.

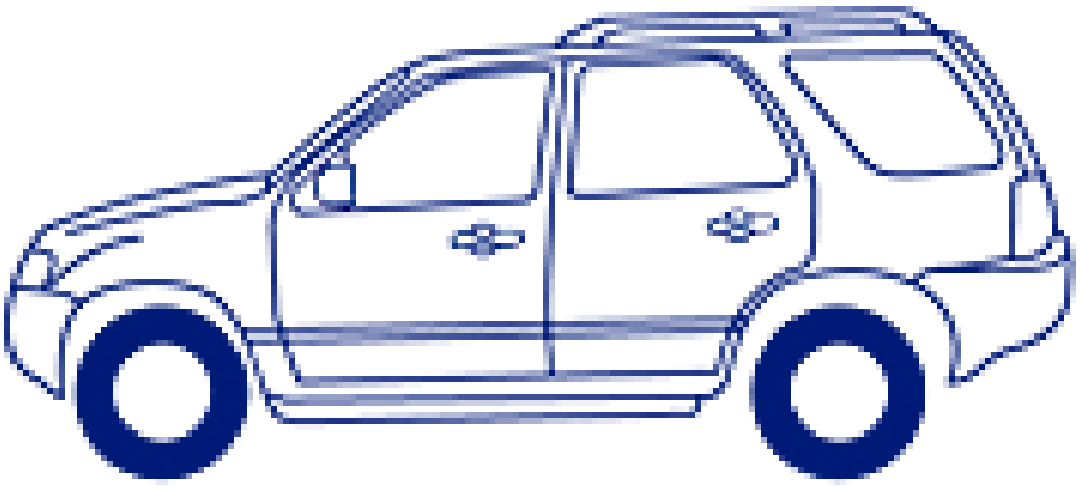
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Vehicle Dimension and Performance Summary

Performance predictions in this report represent an estimate of vehicle performance based on standard operating conditions. Variations in customer equipment, load configuration, ambient conditions, and/or operator driving techniques can cause significant variations in vehicle performance. These values are not representative of results that may be shown in actual dynamometer tests. This report should therefore be used as a guide for comparative vehicle performance.



Light Duty

GVWR	N/A lbs

GVW	Totals
1 Payload - (Added Equipment)	0 lbs
Occupants Weight	750 lbs
Curb Weight (as configured)	3,298 lbs
TOTAL	**4,048 lbs**

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Vehicle Dimension and Performance Summary (cont'd)

Payload	0 lbs
Useable Payload	-750 lbs

Useable Payload (-750 lbs) exceeds Payload (0 lbs).

Maximum payload capabilities are for properly equipped vehicles with required equipment and vary based on vehicle configuration, accessories, and option content.

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Warranty

Standard Warranty

Basic

Distance ..... 36,000 miles Months ..... 36 months

Powertrain

Distance ..... 60,000 miles Months ..... 60 months

Corrosion Perforation

Distance ..... Unlimited miles Months ..... 60 months

Roadside Assistance

Distance ..... 60,000 miles Months ..... 60 months

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options

Selected	Code	Description	MSRP
Packages			
☑	100A	Equipment Group 100A	N/C
		Includes: *- Engine: 1.5L EcoBoost* *Includes auto start-stop technology.* *- Transmission: 8-Speed Automatic* *- 3.81 Axle Ratio* *- GVWR: TBD* *- Tires: 225/65R17 AS BSW* *- Wheels: 17" Steel w/Sparkle Silver-Painted Covers* *- Cloth Front Bucket Seats* *Includes 6-way manual driver (fore/aft, up/down, recline) and 4-way manual front passenger (fore/aft with manual recline).* *- Radio: AM/FM Stereo* *Includes 6 speakers and speed compensated volume.* *- SYNC Communications & Entertainment System* *Includes enhanced voice recognition communication and entertainment system, 4.2" LCD screen in center stack, AppLink, 911 Assist and smart charging USB port.* *- FordPass Connect* *Includes 4G LTE Wi-Fi hotspot that connects up to 10 devices (includes a wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to www.att.com/ford). Remote start with specific time scheduling, lock and unlock, locate parked vehicle and check vehicle status (the FordPass App and complimentary connected services are required for remote features (see FordPass terms for details). Connected services and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services exclude Wi-Fi hotspot).*	
Powertrain			
☑	996	Engine: 1.5L EcoBoost *Includes auto start-stop technology.*	STD
☑	448	Transmission: 8-Speed Automatic	STD
☑	STDAX	3.81 Axle Ratio	STD
☑	STDGV	GVWR: TBD	STD
Wheels & Tires			
☑	STDTR	Tires: 225/65R17 AS BSW	STD
☑	STDWL	Wheels: 17" Steel w/Sparkle Silver-Painted Covers	STD

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options (cont'd)

Selected	Code	Description	MSRP
☐	64U	Wheels: 17" Shadow Silver-Painted Aluminum	$595.00
☐	51U	Mini Spare Wheel	$110.00
	Replaces tire inflator and sealant kit.		
	Includes mini spare tire, wheel nut wrench and jack.		

Seats & Seat Trim

☑	V	Cloth Front Bucket Seats	STD
	Includes 6-way manual driver (fore/aft, up/down, recline) and 4-way manual front passenger (fore/aft with manual recline).		

Other Options

☑	PAINT	Monotone Paint Application	STD
☑	106WB	106" Wheelbase	STD
☑	STDRD	Radio: AM/FM Stereo	STD
	Includes 6 speakers and speed compensated volume. *Includes:* *- SYNC Communications & Entertainment System* *Includes enhanced voice recognition communication and entertainment system, 4.2" LCD screen in center stack, AppLink, 911 Assist and smart charging USB port.* *- FordPass Connect* *Includes 4G LTE Wi-Fi hotspot that connects up to 10 devices (includes a wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to www.att.com/ford). Remote start with specific time scheduling, lock and unlock, locate parked vehicle and check vehicle status (the FordPass App and complimentary connected services are required for remote features (see FordPass terms for details). Connected services and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services exclude Wi-Fi hotspot).*		
☐	41H	Engine Block Heater	$150.00
☐	153	Front License Plate Bracket	N/C
	Standard in states requiring two license plates and optional to all others.		
☐	47B	Easy Access Cargo Shade	$135.00

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options (cont'd)

Selected	Code	Description	MSRP
☐	50B	Front & Rear Floor Liners w/Carpet Mats *Includes standard front and rear carpeted floor mats.*	$200.00
☐	50C	Front & Rear Floor Liners w/o Carpet Mats *Deletes standard front and rear carpeted floor mats.*	$160.00
☐	50Q	Cargo Mat	$100.00
☐	63E	Remote Start System *Long range with confirmation. Includes 2 separate key fobs.*	$495.00
☐	63C	Splash Guards	$210.00

Dealer Installed Options

☐	FHLAH	Cargo Organizer, Soft-Sided Cooler Bag *Includes adjustable carrying strap and Ford logo. Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$35.00
☐	BECAG	Cargo Organizer, Soft-Sided Large, Folding *Includes Ford logo. Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$90.00
☐	BECAF	Cargo Organizer, Soft-Sided Standard, Folding *Includes Ford logo. Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$80.00
☐	J4JAE	Center Console In-Vehicle Safe by Console Vault *Includes coded lock. Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$380.00
☐	AHQAB	First Aid Kit *Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$50.00

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options (cont'd)

Selected	Code	Description	MSRP
☐	AHMAB	Road Side Assistance Kit *Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$70.00
☐	D5EAD	Wheel-Locking Lug Nuts *Shipped separately from the vehicle for dealer installation. These features are ordered through WBDO only.*	$75.00

Fleet Options

☐	942	Daytime Running Lamps (DRL) Requires valid FIN code. *Non-configurable. Replaces the standard Configurable Daytime Running Lamps (DRL).*	$45.00
☐	924	Privacy Glass Requires valid FIN code. *2nd row side and liftgate.*	$270.00
☐	60S	Reverse Parking Sensor Requires valid FIN code.	$245.00
☐	96B	Decal Option Up To 8 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A
☐	96C	Decal Option Up To 12 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A
☐	96D	Decal Option Up To 18 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options (cont'd)

Selected	Code	Description	MSRP
☐	96E	Decal Option Up To 25 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A
☐	96F	Decal Option Up To 40 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A
☐	96G	Decal Option Up To 55 Square Feet Material Requires valid FIN code. *Minimum annual order of 25 units. For order process details, go to www.fordcommercialgraphics.com.*	N/A
☐	D9U	Built: Louisville Plant	N/C
☐	31L	Ship Thru: Auto Truck	N/C
☐	31N	Ship Thru: Monroe Truck Equipment Inc.	N/C
☐	31F	Ship-Thru: National Fleet Services	$0.00
☐	31P	Ship-Thru: PalFleet Truck Equipment	N/C
☐	31K	Ship-Thru: Knapheide Truck Equipment	$0.00
☐	31M	Ship-Thru: Manning Truck Equipment	N/C
☐	31V	Ship-Thru: Adrian Steel	$0.00
☐	31J	Ship-Thru: Knapheide - IN	N/C

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2022 Escape 4dr FWD S (U0F)

Price Level: 225 | Quote ID: STATEESCAP

Available Options (cont'd)

Selected	Code	Description	MSRP
☐	31C	Ship-Thru: KC Truck Systems Inc.	$0.00
☐	31U	Ship-Thru: General Truck Body	N/C
☐	FLADCR	Fleet Advertising Credit	$0.00
☐	FINAL2	Fleet Final Order Date: TBD	N/C
☐	56M	Ford US National Fleet Incentives Ford US National - 10/04/21	$0.00
Emissions			
☑	425	50-State Emissions System	STD
General Info			
☐	ORDER1	Initial Order Date: 08/16/2021	N/C
☐	START1	Start-Up Date: 11/24/2021	N/C
☐	FINAL1	Final Order Date: TBD	N/C
☐	BUILD1	Build-Out Date: TBD	N/C

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220



Client Proposal

Prepared by:
Sandra Gonzalez
Office: 480-696-5930
Email: SGONZALEZ@PEORIAFORD.COM
Date: 01/19/2022

2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Re: Vehicle Proposal 01/19/2022

To Whom It May Concern,

Thank you very much for your interest in acquiring a vehicle from our dealership. We concur that your interest is well deserved. We hope that an outstanding product lineup and our dedication to customer service will enhance your ownership experience should you decide to buy a vehicle from us.

Attached, please find additional information that I hope will assist you in making a more informed decision. Please feel free to contact me at any time as I would truly appreciate the opportunity to be of service to you.

Best Regards,

Sandra Gonzalez
GOVERNMENT AND FLEET SALES MANAGER
480-696-5930
SGONZALEZ@PEORIAFORD.COM

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Table of Contents

Description	Page
Cover Page	1
Cover Letter	2
Table of Contents	3
As Configured Vehicle	4
Selected Equip & Specs	7
Vehicle Dimension and Performance	16

2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

As Configured Vehicle

Code	Description	MSRP
Base Vehicle		
W1Y	Base Vehicle Price (W1Y)	$38,125.00
Packages		
101A	Order Code 101A *Includes:* *- Engine: 3.5L PFDi V6 Flex-Fuel* *Includes port injection.* *- Auto Start-Stop Switch Delete* *Deletes button on dash which disables auto start-stop technology. Deletes auto stop-start technology disable button on dash, however, the feature remains permanently active.* *- Transmission: 10-Spd Automatic w/OD & SelectShift* *Includes auxiliary transmission oil cooler.* *- 3.73 Axle Ratio* *- GVWR: 9,500 lbs* *- Tires: 235/65R16C 121/119 R AS BSW* *- Wheels: 16" Silver Steel w/Black Hubcap* *- Dark Palazzo Gray Vinyl Bucket Seats* *Includes 2-way manual driver seat, 2-way manual passenger seat and driver armrest only.* *- Vinyl Front Bucket Seats* *- Radio: AM/FM Stereo* *Includes 4.0" multi-function display, Bluetooth, dual USB ports and 4 speakers (front).*	N/C
Powertrain		
998	Engine: 3.5L PFDi V6 Flex-Fuel *Includes port injection.* *Includes:* *- Auto Start-Stop Switch Delete* *Deletes button on dash which disables auto start-stop technology. Deletes auto stop-start technology disable button on dash, however, the feature remains permanently active.*	Included
44U	Transmission: 10-Spd Automatic w/OD & SelectShift *Includes auxiliary transmission oil cooler.*	Included
X73	3.73 Axle Ratio	Included
STDGV	GVWR: 9,500 lbs	Included
57A	Auto Start-Stop Switch Delete *Deletes button on dash which disables auto start-stop technology. Deletes auto stop-start technology disable button on dash, however, the feature remains permanently active.*	Included
Wheels & Tires		
STDTR	Tires: 235/65R16C 121/119 R AS BSW	Included
STDWL	Wheels: 16" Silver Steel w/Black Hubcap	Included

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

As Configured Vehicle (cont'd)

Code	Description	MSRP
Seats & Seat Trim		
V	Vinyl Front Bucket Seats	Included
21G	Dark Palazzo Gray Vinyl Bucket Seats *Includes 2-way manual driver seat, 2-way manual passenger seat and driver armrest only.*	Included
Other Options		
PAINT	Monotone Paint Application	STD
130WB	130" Wheelbase	STD
60C	Cruise Control w/Adjustable Spd Limiting Device (ASLD) *The ASLD feature is great for city driving; it allows the driver to set an upper speed limit for the vehicle. If the vehicle begins to approach the upper speed limit then audible and visual warning are given.*	$325.00
57G	Driver Controlled Front/Rear Aux A/C & Heater *Heat is distributed from rear of front-passenger seat. A/C is distributed from the rear of van.*	$860.00
58U	Radio: AM/FM Stereo *Includes 4.0" multi-function display, Bluetooth, dual USB ports and 4 speakers (front).*	Included
Fleet Options		
WARANT	Fleet Customer Powertrain Limited Warranty Requires valid FIN code. *Ford is increasing the 5-year 60,000-mile limited powertrain warranty to 5-years, 100,000 miles. Only Fleet purchasers with a valid Fleet Identification Number (FIN code) will receive the extended warranty. When the sale is entered into the sales reporting system with a sales type fleet along with a valid FIN code, the warranty extension will automatically be added to the vehicle. The extension will stay with the vehicle even if it is subsequently sold to a non-fleet customer before the expiration. This extension applies to both gas and diesel powertrains. Dealers can check for the warranty extension on eligible fleet vehicles in OASIS. Please refer to the Warranty and Policy Manual section 3.13.00 Gas Engine Commercial Warranty. This change will also be reflected in the printed Warranty Guided distributed with the purchase of every new vehicle.*	N/C
Emissions		
425	50-State Emissions System	STD
Interior Color		
VK_01	Dark Palazzo Gray	N/C

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

As Configured Vehicle (cont'd)

Code	Description	MSRP
Exterior Color		
YZ_01	Oxford White	N/C
SUBTOTAL		$39,310.00
Destination Charge		$1,695.00
TOTAL		$41,005.00

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs

Dimensions

- Exterior length: 219.9"
- Exterior width: 81.3"
- Exterior height: 83.9"
- Wheelbase: 130.0"
- Front track: 68.2"
- Rear track: 68.6"
- Turning radius: 21.5'
- Front legroom: 41.3"
- Front headroom: 40.8"
- Front hiproom: 60.7"
- Front shoulder room: 67.9"
- Cargo volume: 246.7cu.ft.

Powertrain

- 275hp 3.5L DOHC 24 valve V-6 engine with variable valve control, port/direct injection
- Recommended fuel : regular unleaded
- ULEV II
- 10 speed automatic transmission with overdrive
- Rear-wheel drive
- Fuel Economy Cty: N/A
- Fuel Economy Highway: N/A
- Capless fuel filler

Suspension/Handling

- Front independent strut suspension with anti-roll bar
- Rear rigid axle leaf spring suspension with regular shocks
- Electric power-assist rack-pinion Steering
- Front and rear 16 x 6.5 argent steel wheels
- LT235/65SR16 CBSW AS front and rear tires

Body Exterior

- 3 doors
- Sliding right rear passenger
- Driver and passenger power remote, manual folding door mirrors
- Black door mirrors
- Black bumpers
- Clearcoat paint
- Front and rear 16 x 6.5 wheels
- 1 rear tow hook(s)

Convenience

- Manual air conditioning
- * **Rear HVAC**
- * **Cruise control with steering wheel controls**
- * **Ford Co-Pilot360 - ACC with ASLD distance pacing**
- Power front windows
- Driver 1-touch down
- Remote power door locks with 2 stage unlock and illuminated entry
- Manual tilt steering wheel
- Manual telescopic steering wheel
- FordPass Connect 4G internet access
- Emergency SOS
- Wireless phone connectivity
- 1 1st row LCD monitor
- Front cupholders
- Driver and passenger door bins

Seats and Trim

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

- Seating capacity of 2
- 4-way driver seat adjustment
- Driver armrest
- Front bucket seats
- 4-way passenger seat adjustment
- Metal-look instrument panel insert

Entertainment Features

- AM/FM stereo radio
- External memory control
- 4 speakers
- Fixed antenna
- Auxiliary audio input
- Steering wheel mounted radio controls
- Streaming audio

Lighting, Visibility and Instrumentation

- Halogen aero-composite headlights
- Auto on/off headlights
- Light tinted windows
- Tachometer
- Low tire pressure warning
- Lane departure
- Delay-off headlights
- Variable intermittent front windshield wipers
- Front reading lights
- Camera(s) - rear
- Trip odometer

Safety and Security

- 4-wheel ABS brakes
- Electric parking brake
- Ford Co-Pilot360 w/Side Wind Stabilization Electronic stability control
- Dual front impact airbag supplemental restraint system with passenger cancel
- Safety Canopy System curtain 1st row overhead airbag supplemental restraint system
- Power remote door locks with 2 stage unlock and panic alarm
- Manually adjustable front head restraints
- Brake assist with hill hold control
- 4-wheel disc brakes
- ABS and driveline traction control
- Dual seat mounted side impact airbag supplemental restraint system
- Airbag supplemental restraint system occupancy sensor
- SecuriLock immobilizer
- Ford Co-Pilot360 - Pre-Collision Assist with Automatic Emergency Braking (AEB) Feature

Dimensions

General Weights

Curb	4,985 lbs.
Payload	4,460 lbs.
GVWR	9,500 lbs.

Front Weights

Front GAWR	4,130 lbs.

Rear Weights

Rear GAWR	5,750 lbs.

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

General Trailering

Towing capacity	5300 lbs.	GCWR	10800 lbs.

Fuel Tank type

Capacity	25.1 gal.	Capless fuel filler	Yes

Off Road

Load floor height	29 "

Interior cargo

Cargo volume	246.7 cu.ft.	Height	56.9 "
Length	126.0 "	Minimum width	54.8 "
Maximum width	70.2 "		

Powertrain

Engine Type

Block material	Aluminum	Cylinders	V-6
Head material	Aluminum	Ignition	Spark
Injection	Port/direct injection	Liters	3.5L
Orientation	Longitudinal	Recommended fuel	Regular unleaded
Valves per cylinder	4	Valvetrain	DOHC
Variable valve control	Yes		

Engine Spec

Bore	3.64"	Compression ratio	11.8:1
Displacement	213 cu.in.	Stroke	3.41"

Engine Power

Output	275 HP @ 6,250 RPM	Torque	260 ft.-lb @ 4,000 RPM

Alternator

Amps	250

Battery

Amp hours	70	Run down protection	Yes

Transmission

Electronic control	Yes	Lock-up	Yes
Overdrive	Yes	Speed	10
Type	Automatic		

Transmission Gear Ratios

1st	4.689	2nd	2.985
3rd	2.146	4th	1.769
5th	1.52	6th	1.275
7th	1	8th	0.854

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

9th 0.689
10th 0.636
Reverse Gear ratios 4.866

Transmission Extras

* **Sequential shift control** **Yes**
Oil cooler Regular duty

Drive Type

Type Rear-wheel

Drive Feature

Traction control ABS and driveline

Drive Axle

Ratio 3.73

Exhaust

Material Stainless steel
System type Single

Emissions

CARB ULEV II
EPA Tier 2 Bin 5

fuel Economy

Fuel type Gasoline

Fuel Economy (Alternate 1)

Fuel type E85

Driveability

Brakes

ABS 4-wheel
ABS channels 4
Type 4-wheel disc
Vented discs Front
Electric parking brake Yes

Brake Assistance

Brake assist Yes
Hill hold control Yes

Suspension Control

Ride Regular
Electronic stability control Stability control with anti-roll

Front Suspension

Independence Independent
Type Strut
Anti-roll bar Regular

Front Spring

Type Coil
Grade Regular

Front Shocks

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

Type ..... Regular

Rear Suspension

Independence ..... Rigid axle
Type ..... Leaf

Rear Spring

Type ..... Leaf
Grade ..... Regular

Rear Shocks

Type ..... HD

Steering

Activation ..... Electric power-assist
Type ..... Rack-pinion

Steering Specs

of wheels 2

Exterior

Front Wheels

Diameter ..... 16"
Width ..... 6.50"

Rear Wheels

Diameter ..... 16"
Width ..... 6.50"

Spare Wheels

Wheel material ..... Steel

Front and Rear Wheels

Appearance ..... Argent
Material ..... Steel
Covers ..... Hub

Front Tires

Aspect 65
Diameter ..... 16"
Sidewalls ..... BSW
Speed ..... S
Tread ..... AS
Type ..... LT
Width 235mm
LT load rating C
RPM 720

Rear Tires

Aspect 65
Diameter ..... 16"
Sidewalls ..... BSW
Speed ..... S
Tread ..... AS
Type ..... LT
Width 235mm
LT load rating C
RPM 720

Spare Tire

Mount ..... Underbody w/crankdown
Type ..... Full-size

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

Wheels

Front track	68.2"	Rear track	68.6"
Turning radius	21.5'	Wheelbase	130.0"

Body Features

Front license plate bracket	Yes	Body material	Fully galvanized steel
Side impact beams	Yes	Rear tow hook(s)	1

Body Doors

Door count	3	Right rear passenger	Sliding
Cargo	Split swing-out		

Exterior Dimensions

Length	219.9"	Body width	81.3"
Body height	83.9"	Front bumper to Front axle	40.3"
Side door opening height	49.6"	Side door opening width	51.2"
Rear door opening height	49.5"	Rear door opening width	61.7"
Rear door opening degree	180.0		

Safety

Airbags

Driver front-impact	Yes	Driver side-impact	Seat mounted
Occupancy sensor	Yes	Overhead	Safety Canopy System curtain 1st row
Passenger front-impact	Cancellable	Passenger side-impact	Seat mounted

Seatbelt

Height adjustable	Front	Pre-tensioners	Front
Pre-tensioners (#)	2		

Security

Immobilizer	SecuriLock	Panic alarm	Yes

Seating

Passenger Capacity

Capacity	2

Front Seats

Split	Buckets	Type	Bucket

Driver Seat

Fore/aft	Manual	Reclining	Manual
Way direction control	4		

Passenger seat

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

Fore/aft ..... Manual
Way direction control 4
Reclining ..... Manual

Front Head Restraint

Control ..... Manual
Type ..... Adjustable

Front Armrest

Driver ..... Yes

Front Seat Trim

Material ..... Vinyl
Back material ..... Vinyl

Convenience

AC And Heat Type

Air conditioning ..... Manual
* **Underseat ducts** ..... **Yes**
* **Rear HVAC** ..... **Yes**

Audio System

Auxiliary audio input ..... Yes
Radio grade ..... Regular
External memory control ..... External memory control
Radio ..... AM/FM stereo
Seek-scan ..... Yes

Audio Speakers

Speaker type ..... Regular
Speakers 4

Audio Controls

Steering wheel controls ..... Yes
Streaming audio ..... Bluetooth yes

Audio Antenna

Type ..... Fixed

LCD Monitors

1st row 1
Primary monitor size (inches) 4

Cruise Control

* **Cruise control** ..... **With steering wheel controls**
* **Distance pacing** ..... **Ford Co-Pilot360 - ACC with ASLD**

Convenience Features

Driver foot rest ..... Yes
Emergency SOS ..... Integrated
12V DC power outlet 2
Wireless phone connectivity ..... Bluetooth

Door Lock Activation

Type ..... Power with 2 stage unlock
Integrated key/remote ..... Yes
Remote ..... Keyfob (all doors)
Auto locking ..... Yes

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

Door Lock Type

Tailgate/rear door lock: Included with power door locks

Instrumentation Type

Appearance: Analog

Instrumentation Gauges

Tachometer: Yes
Engine temperature: Yes

Instrumentation Warnings

Oil pressure: Yes
Battery: Yes
Key: Yes
Door ajar: Yes
Service interval: Yes
Low tire pressure: Yes
Engine temperature: Yes
Lights on: Yes
Low fuel: Yes
Rear cargo ajar: Yes
Brake fluid: Yes

Instrumentation Displays

Clock: In-radio display
Camera(s) - rear: Yes
Systems monitor: Yes

Instrumentation Feature

Trip odometer: Yes
Forward collision: Mitigation
Lane departure: Warning

Steering Wheel Type

Material: Urethane
Telescoping: Manual
Tilting: Manual

Front Side Windows

Window 1st row activation: Power

Window Features

1-touch down: Driver
Laminated glass: Yes
Tinted: Light

Front Windshield

Wiper: Variable intermittent

Interior

Headliner

Coverage: Front
Material: Cloth

Floor Trim

Coverage: Front
Covering: Vinyl/rubber

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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Selected Equip & Specs (cont'd)

Trim Feature

Instrument panel insert ..... Metal-look
Gear shifter material ..... Urethane

Lighting

Dome light type ..... Fade
Front reading ..... Yes
Illuminated entry ..... Yes
Variable IP lighting ..... Yes

Floor Console Storage

Storage ..... Yes
Type ..... Partial

Storage

Driver door bin ..... Yes
Front Beverage holder(s) ..... Yes
Glove box ..... Locking
Passenger door bin ..... Yes
Instrument panel ..... Bin

Cargo Space Feature

Light ..... Yes

Legroom

Front ..... 41.3"

Headroom

Front ..... 40.8"

Hip Room

Front ..... 60.7"

Shoulder Room

Front ..... 67.9"

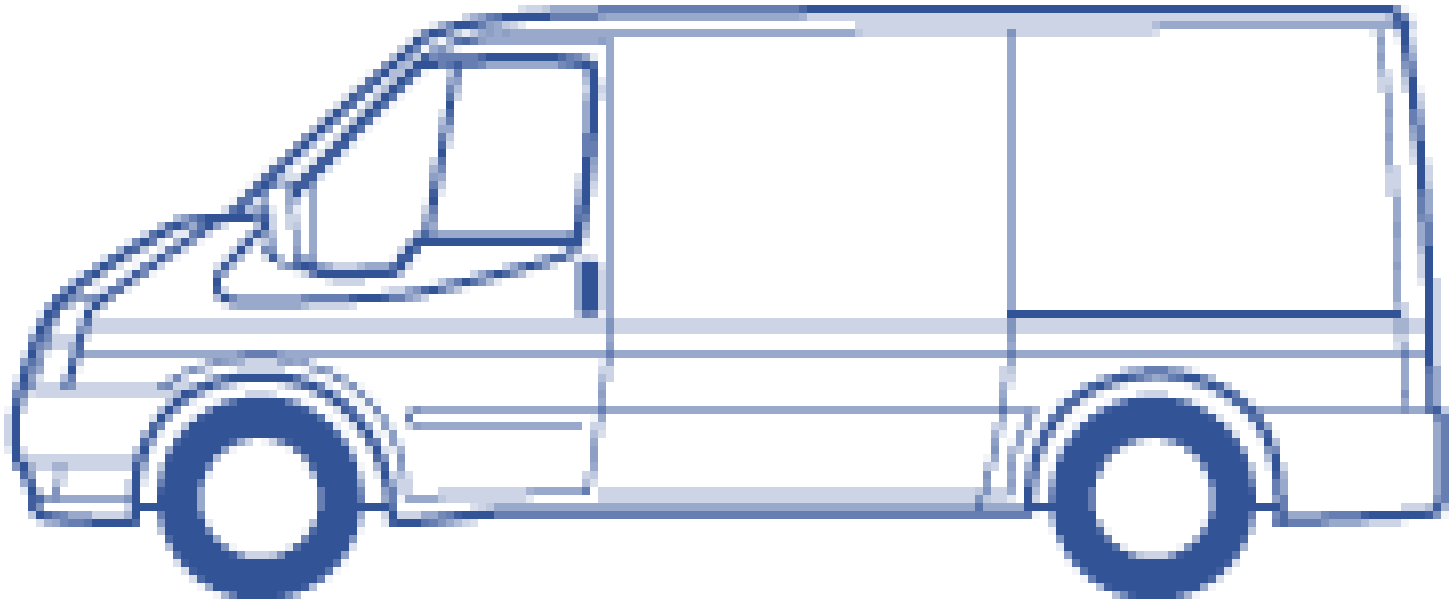
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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Vehicle Dimension and Performance Summary

Performance predictions in this report represent an estimate of vehicle performance based on standard operating conditions. Variations in customer equipment, load configuration, ambient conditions, and/or operator driving techniques can cause significant variations in vehicle performance. These values are not representative of results that may be shown in actual dynamometer tests. This report should therefore be used as a guide for comparative vehicle performance.



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2022 Transit-350 Cargo RWD Low Roof Van 130" WB Base (W1Y)

Price Level: 220

Vehicle Dimension and Performance Summary (cont'd)

Light Duty

GVWR	9,500 lbs

GVW Totals

1 Payload - (Added Equipment)	0 lbs
Occupants Weight	300 lbs
Curb Weight (as configured)	4,985 lbs
TOTAL	**5,285 lbs**
Payload	4,460 lbs
Useable Payload	4,160 lbs

Maximum payload capabilities are for properly equipped vehicles with required equipment and vary based on vehicle configuration, accessories, and option content.

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Prepared for: , STATE OF ARIZONAAZ

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225



Client Proposal

Prepared by:
Sandra Gonzalez
Office: 480-696-5930
Email: SGONZALEZ@PEORIAFORD.COM

Quote ID: F150STATE
Date: 01/19/2022

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

, STATE OF ARIZONAAZ

Re: Quote ID F150STATE 01/19/2022

To Whom It May Concern,

Thank you very much for your interest in acquiring a vehicle from our dealership. We concur that your interest is well deserved. We hope that an outstanding product lineup and our dedication to customer service will enhance your ownership experience should you decide to buy a vehicle from us.

Attached, please find additional information that I hope will assist you in making a more informed decision. Please feel free to contact me at any time as I would truly appreciate the opportunity to be of service to you.

Best Regards,

Sandra Gonzalez
GOVERNMENT AND FLEET SALES MANAGER
480-696-5930
SGONZALEZ@PEORIAFORD.COM

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Table of Contents

Description	Page
Cover Page	1
Cover Letter	2
Table of Contents	3
As Configured Vehicle	4
Selected Equip & Specs	6
Vehicle Dimension and Performance	16
Warranty	18

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

As Configured Vehicle

Code	Description	MSRP
Base Vehicle		
F1C	Base Vehicle Price (F1C)	$29,990.00
Packages		
100A	Equipment Group 100A Standard *Includes:* *- Engine: 3.3L V6 PFDI* *Includes auto start-stop technology and flex-fuel capability.* *- Transmission: Electronic 10-Speed Automatic* *Includes selectable drive modes: normal, ECO, sport, tow/haul, slippery and trail.* *- 3.55 Axle Ratio* *- GVWR: 6,010 lbs Payload Package* *- Tires: 245/70R17 BSW A/S* *- Wheels: 17" Silver Steel* *- Cloth 40/20/40 Front Seat* *Includes 2-way manual driver/passenger adjustment and armrest.* *- Radio: AM/FM Stereo w/4 Speakers* *Includes auxiliary audio input jack.* *- SYNC 4* *Includes 8" LCD capacitive touchscreen with swipe capability, wireless phone connection, cloud connected, AppLink with App catalog, 911 Assist, Apple CarPlay and Android Auto compatibility and digital owners manual.*	N/C
Powertrain		
99B	Engine: 3.3L V6 PFDI *Includes auto start-stop technology and flex-fuel capability.*	Included
44G	Transmission: Electronic 10-Speed Automatic *Includes selectable drive modes: normal, ECO, sport, tow/haul, slippery and trail.*	Included
X19	3.55 Axle Ratio	Included
STDGV	GVWR: 6,010 lbs Payload Package	Included
Wheels & Tires		
STDTR	Tires: 245/70R17 BSW A/S	Included
64C	Wheels: 17" Silver Steel	Included
Seats & Seat Trim		
C	Cloth 40/20/40 Front Seat *Includes 2-way manual driver/passenger adjustment and armrest.*	Included
Other Options		
122WB	122" Wheelbase	STD

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

As Configured Vehicle (cont'd)

Code	Description	MSRP
PAINT	Monotone Paint Application	STD
STDRD	Radio: AM/FM Stereo w/4 Speakers *Includes auxiliary audio input jack.* *Includes:* *- SYNC 4* *Includes 8" LCD capacitive touchscreen with swipe capability, wireless phone connection, cloud connected, AppLink with App catalog, 911 Assist, Apple CarPlay and Android Auto compatibility and digital owners manual.*	Included
85A	XL Power Equipment Group *Includes:* *- Power Glass Sideview Mirrors w/Black Skull Caps* *Includes heat and manual-folding.* *- Illuminated Entry* *- MyKey* *- Perimeter Alarm* *- Power Door Locks* *Includes flip key and integrated key transmitter keyless-entry (includes Autolock).* *- Power Tailgate Lock* *- Power Front Windows*	$970.00

Fleet Options

50S	Cruise Control Requires valid FIN code.	$225.00
WARANT	Fleet Customer Powertrain Limited Warranty Requires valid FIN code. *Ford is increasing the 5-year 60,000-mile limited powertrain warranty to 5-years, 100,000 miles. Only Fleet purchasers with a valid Fleet Identification Number (FIN code) will receive the extended warranty. When the sale is entered into the sales reporting system with a sales type fleet along with a valid FIN code, the warranty extension will automatically be added to the vehicle. The extension will stay with the vehicle even if it is subsequently sold to a non-fleet customer before the expiration. This extension applies to both gas and diesel powertrains. Dealers can check for the warranty extension on eligible fleet vehicles in OASIS. Please refer to the Warranty and Policy Manual section 3.13.00 Gas Engine Commercial Warranty. This change will also be reflected in the printed Warranty Guided distributed with the purchase of every new vehicle.*	N/C

Interior Color

CS_01	Black	N/C

Exterior Color

YZ_01	Oxford White	N/C

SUBTOTAL	$31,185.00
Destination Charge	$1,695.00
TOTAL	$32,880.00

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs

Dimensions

- Exterior length: 209.1"
- Exterior width: 79.9"
- Exterior height: 75.6"
- Wheelbase: 122.0"
- Turning radius: 20.6'
- Min ground clearance: 8.7"
- Front legroom: 43.9"
- Front headroom: 40.8"
- Front hiproom: 62.5"
- Front shoulder room: 66.7"
- Passenger volume: 64.7cu.ft.
- Approach angle: 24.8 deg
- Departure angle: 24.6 deg
- Maximum cargo volume: 8.8cu.ft.
- Box length: 78.0"

Powertrain

- 290hp 3.3L DOHC 24 valve V-6 engine with Ti-VCT variable valve control, port/direct injection
- Auto stop-start feature
- Driver selectable mode
- Recommended fuel : regular unleaded
- LEV3-ULEV70
- 10 speed automatic transmission with overdrive
- Rear-wheel drive
- Fuel Economy City: 19 mpg
- Fuel Economy Highway: 24 mpg
- Capless fuel filler

Suspension/Handling

- Front independent double wishbone suspension with anti-roll bar, gas-pressurized shocks
- Rear rigid axle leaf spring suspension with gas-pressurized shocks
- Electric power-assist rack-pinion Steering
- Front and rear 17 x 7.5 silver steel wheels
- P245/70SR17 BSW AS front and rear tires

Body Exterior

- 2 doors
- * **Driver and passenger power remote heated, manual folding door mirrors**
- Black door mirrors
- Black bumpers
- Bed-rail protectors
- Easy lift tailgate
- Trailer harness
- Box style: regular
- Clearcoat paint
- Front and rear 17 x 7.5 wheels

Convenience

- Manual air conditioning
- * **Cruise control with steering wheel controls**
- * **Power front windows**
- * **Driver and passenger 1-touch up**
- * **Driver and passenger 1-touch down**
- * **Remote power door locks with 2 stage unlock and illuminated entry**
- Manual tilt steering wheel
- Manual telescopic steering wheel
- Day-night rearview mirror
- FordPass Connect 4G internet access
- SYNC 4 911 Assist emergency SOS
- Wireless phone connectivity
- 2 1st row LCD monitors
- Front cupholders

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

- Passenger visor mirror
- Driver and passenger door bins
- Full overhead console

Seats and Trim

- Seating capacity of 3
- 4-way driver seat adjustment
- Centre front armrest
- Front 40-20-40 split-bench seat
- 4-way passenger seat adjustment
- Cloth seat upholstery

Entertainment Features

- AM/FM stereo radio with radio data system
- SYNC 4 external memory control
- 4 speakers
- Fixed antenna
- Auxiliary audio input
- Steering wheel mounted radio controls
- Streaming audio

Lighting, Visibility and Instrumentation

- Halogen aero-composite headlights
- Auto on/off headlights
- Light tinted windows
- Tachometer
- Oil pressure gauge
- Outside temperature display
- Low tire pressure warning
- Lane departure
- Delay-off headlights
- Variable intermittent front windshield wipers
- Front reading lights
- Voltmeter
- Compass
- Camera(s) - rear
- Trip odometer

Safety and Security

- 4-wheel ABS brakes
- Electric parking brake
- AdvanceTrac with Curve Control Electronic stability control
- Dual front impact airbag supplemental restraint system
- Safety Canopy System curtain 1st row overhead airbag supplemental restraint system
- * **Remote activated perimeter/approach lighting**
- * **Security system with SecuriLock immobilizer**
- Manually adjustable front head restraints
- Brake assist with hill hold control
- 4-wheel disc brakes
- ABS and driveline traction control
- Dual seat mounted side impact airbag supplemental restraint system
- Airbag supplemental restraint system occupancy sensor
- * **Power remote door locks with 2 stage unlock and panic alarm**
- * **MyKey restricted driving mode**
- Ford Co-Pilot360 - Pre-Collision Assist with Automatic Emergency Braking (AEB) Feature

Dimensions

General Weights

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

* **Curb**	**4,027 lbs.**	GVWR	6,010 lbs.
Payload	1,985 lbs.		

Front Weights

Front GAWR	2,850 lbs.	* **Front curb weight**	**2,358 lbs.**
Front axle capacity	3,750 lbs.	Front spring rating	2,850 lbs.
Front tire/wheel capacity	4,050 lbs.		

Rear Weights

Rear GAWR	3,500 lbs.	* **Rear curb weight**	**1,669 lbs.**
Rear axle capacity	4,800 lbs.	Rear spring rating	3,500 lbs.
Rear tire/wheel capacity	4,498 lbs.		

Trailering Type

Harness	Yes	Trailer sway control	Yes

General Trailering

5th-wheel towing capacity	5000 lbs.	Gooseneck towing capacity	5000 lbs.
Towing capacity	5000 lbs.	GCWR	9400 lbs.

Fuel Tank type

Capacity	23.01 gal.	Capless fuel filler	Yes

Off Road

Approach angle	25 deg	Departure angle	25 deg
Ramp breakover angle	22 deg	Min ground clearance	9 "
Load floor height	34 "		

Exterior cargo

Length	78.0 "	Minimum width	51.1 "
Volume	62.3 cu.ft.	Pickup box depth	21.4 "
Maximum width	65.2 "	Tailgate width	60.3 "

Interior cargo

Maximum cargo volume	8.8 cu.ft.

Powertrain

Engine Type

Block material	Aluminum	Cylinders	V-6
Head material	Aluminum	Ignition	Spark
Injection	Port/direct injection	Liters	3.3L
Orientation	Longitudinal	Recommended fuel	Regular unleaded
Valves per cylinder	4	Valvetrain	DOHC
Variable valve control	Ti-VCT		

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Engine Spec

Bore	3.56"	Compression ratio	12.0:1
Displacement	204 cu.in.	Stroke	3.41"

Engine Power

Output	290 HP @ 6,500 RPM	Torque	265 ft.-lb @ 4,000 RPM

Alternator

Amps	200

Battery

Amp hours	70	Cold cranking amps	610
Run down protection	Yes		

Engine Extras

Auto stop-start feature	Yes	Driver selectable mode	Yes

Transmission

Electronic control	Yes	Lock-up	Yes
Overdrive	Yes	Speed	10
Type	Automatic		

Transmission Gear Ratios

1st	4.696	2nd	2.985
3rd	2.146	4th	1.769
5th	1.52	6th	1.275
7th	1	8th	0.854
9th	0.689	10th	0.636
Reverse Gear ratios	4.866		

Transmission Extras

Driver selectable mode	Yes	* **Sequential shift control**	**Yes**

Drive Type

Type	Rear-wheel

Drive Feature

Traction control	ABS and driveline

Drive Axle

Ratio	3.55

Exhaust

Material	Stainless steel	System type	Single

Emissions

CARB	LEV3-ULEV70	EPA	Tier 3 Bin 70

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

fuel Economy

City	19 mpg	Highway	24 mpg
Fuel type	Gasoline	Combined	21 mpg

Fuel Economy (Alternate 1)

City	14 mpg	Highway	18 mpg
Fuel type	E85	Combined	16 mpg

Green Values

Energy Impact Score (Barrels per year)	15.7	Carbon FP / Tailpipe and upstream total GHG (CO2, tons per year)	8.4
* **Energy Impact Score (Barrels per year)**	**4.7**		

Driveability

Brakes

ABS	4-wheel	ABS channels	4
Type	4-wheel disc	Vented discs	Front and rear
Electric parking brake	Yes		

Brake Assistance

Brake assist	Yes	Hill hold control	Yes

Suspension Control

Ride	Regular	Electronic stability control	Stability control with anti-roll

Front Suspension

Independence	Independent	Type	Double wishbone
Anti-roll bar	Regular		

Front Spring

Type	Coil	Grade	Regular

Front Shocks

Type	Gas-pressurized

Rear Suspension

Independence	Rigid axle	Type	Leaf

Rear Spring

Type	Leaf	Grade	Regular

Rear Shocks

Type	Gas-pressurized

Steering

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Activation ..... Electric power-assist
Type ..... Rack-pinion

Steering Specs

# of wheels 2

Exterior

Front Wheels

Diameter ..... 17"
Width ..... 7.50"

Rear Wheels

Diameter ..... 17"
Width ..... 7.50"

Spare Wheels

Wheel material ..... Steel

Front and Rear Wheels

Appearance ..... Silver
Covers ..... Hub
Material ..... Steel

Front Tires

Aspect 70
Sidewalls ..... BSW
Tread ..... AS
Width 245mm
Diameter ..... 17"
Speed ..... S
Type ..... P

Rear Tires

Aspect 70
Sidewalls ..... BSW
Tread ..... AS
Width 245mm
Diameter ..... 17"
Speed ..... S
Type ..... P

Spare Tire

Mount ..... Underbody w/crankdown
Type ..... Full-size

Wheels

Turning radius ..... 20.6'
Wheelbase ..... 122.0"

Body Features

Body material ..... Aluminum
Active grille shutters ..... Yes
Side impact beams ..... Yes

Body Doors

Door count 2
Cargo ..... Tailgate

Pickup

Box style ..... Regular
Easy lift tailgate ..... Yes
Bed-rail protectors ..... Yes

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Exterior Dimensions

Length	209.1"	Body width	79.9"
Body height	75.6"	Frame section modulus	4.7cu.in.
Frame yield strength (psi)	34800.0	Front bumper to Front axle	37.8"

Safety

Airbags

Driver front-impact	Yes	Driver side-impact	Seat mounted
Occupancy sensor	Yes	Overhead	Safety Canopy System curtain 1st row
Passenger front-impact	Yes	Passenger side-impact	Seat mounted

Seatbelt

Height adjustable	Front	Pre-tensioners	Front
Pre-tensioners (#)	2		

Security

Immobilizer	SecuriLock	* **Panic alarm**	**Yes**
* **Restricted driving mode**	**MyKey**		

Seating

Passenger Capacity

Capacity	3

Front Seats

Split	40-20-40	Type	Split-bench

Driver Seat

Fore/aft	Manual	Reclining	Manual
Way direction control	4		

Passenger seat

Fore/aft	Manual	Reclining	Manual
Way direction control	4		

Front Head Restraint

Control	Manual	Type	Adjustable

Front Armrest

Centre	Yes

Front Seat Trim

Material	Cloth	Back material	Carpet

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Convenience

AC And Heat Type

Air conditioning ..... Manual

Audio System

Auxiliary audio input ..... Yes
Radio data system ..... Yes
Seek-scan ..... Yes
Radio ..... AM/FM stereo
Radio grade ..... Regular
External memory control ..... SYNC 4

Audio Speakers

Speaker type ..... Regular
Speakers 4

Audio Controls

Speed sensitive volume ..... Yes
Voice activation ..... Yes
Steering wheel controls ..... Yes
Streaming audio ..... Bluetooth yes

Audio Antenna

Type ..... Fixed

LCD Monitors

1st row 2
Primary monitor size (inches) 8

Cruise Control

* **Cruise control** ..... **With steering wheel controls**

Convenience Features

* **Retained accessory power** ..... **Yes**
Wireless phone connectivity ..... SYNC 4
Emergency SOS ..... SYNC 4 911 Assist
Smart device integration ..... Mirroring

Door Lock Activation

* **Type** ..... **Power with 2 stage unlock**
* **Integrated key/remote** ..... **Yes**
* **Remote** ..... **Keyfob (all doors)**
* **Auto locking** ..... **Yes**

Door Lock Type

* **Tailgate/rear door lock** ..... **Included with power door locks**

Door Locks Extra FOB Controls

Remote engine start ..... Smart device only

Instrumentation Type

Appearance ..... Analog

Instrumentation Gauges

Tachometer ..... Yes
Oil pressure ..... Yes

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Engine temperature	Yes	Voltmeter	Yes
Transmission fluid temp	Yes		

Instrumentation Warnings

Oil pressure	Yes	Engine temperature	Yes
Battery	Yes	Lights on	Yes
Key	Yes	Low fuel	Yes
Door ajar	Yes	Service interval	Yes
Brake fluid	Yes	Low tire pressure	Tire specific

Instrumentation Displays

Clock	In-radio display	Compass	Yes
Exterior temp	Yes	Camera(s) - rear	Yes

Instrumentation Feature

Trip odometer	Yes	Lane departure	Active
Forward collision	Mitigation	Pedestrian detection	Prevention

Steering Wheel Type

Material	Urethane	Tilting	Manual
Telescoping	Manual		

Front Side Windows

* **Window 1st row activation**	**Power**

Window Features

* **1-touch down**	**Driver and passenger**	* **1-touch up**	**Driver and passenger**
Tinted	Light		

Front Windshield

Wiper	Variable intermittent

Rear Windshield

Window	Fixed

Interior

Passenger Visor

Mirror	Yes

Rear View Mirror

Day-night	Yes

Headliner

Coverage	Full	Material	Cloth

Floor Trim

Coverage	Full	Covering	Vinyl/rubber

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2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Selected Equip & Specs (cont'd)

Trim Feature

Gear shifter material	Urethane	Cabback insulator	Yes
Interior accents	Metal-look		

Lighting

Dome light type	Fade	Front reading	Yes
* **Illuminated entry**	**Yes**	Variable IP lighting	Yes

Overhead Console Storage

Storage	Yes	Type	Full

Storage

Driver door bin	Yes	Front Beverage holder(s)	Yes
Glove box	Locking	Passenger door bin	Yes
Instrument panel	Bin	Dashboard	Yes

Legroom

Front	43.9"

Headroom

Front	40.8"

Hip Room

Front	62.5"

Shoulder Room

Front	66.7"

Interior Volume

Passenger volume	64.7 cu.ft.

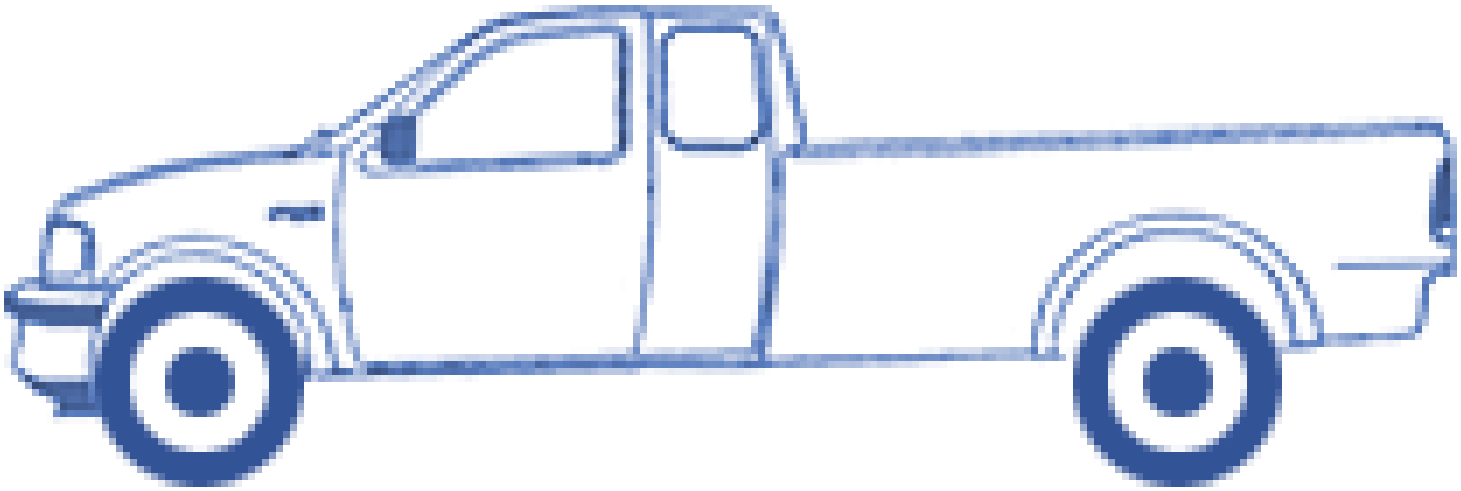
Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Vehicle Dimension and Performance Summary

Performance predictions in this report represent an estimate of vehicle performance based on standard operating conditions. Variations in customer equipment, load configuration, ambient conditions, and/or operator driving techniques can cause significant variations in vehicle performance. These values are not representative of results that may be shown in actual dynamometer tests. This report should therefore be used as a guide for comparative vehicle performance.



Light Duty

GVWR	6,010 lbs

GVW	Totals
1 Payload - (Added Equipment)	0 lbs
Occupants Weight	450 lbs
Curb Weight (as configured)	4,027 lbs
TOTAL	**4,477 lbs**

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Vehicle Dimension and Performance Summary (cont'd)

Payload	1,985 lbs
Useable Payload	1,535 lbs

Maximum payload capabilities are for properly equipped vehicles with required equipment and vary based on vehicle configuration, accessories, and option content.

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

2022 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1C)

Price Level: 225 | Quote ID: F150STATE

Warranty

Standard Warranty

Basic

Distance	36,000 miles	Months	36 months

Powertrain

Distance	60,000 miles	Months	60 months

Corrosion Perforation

Distance	Unlimited miles	Months	60 months

Roadside Assistance

Distance	60,000 miles	Months	60 months

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

10. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Brian Huntzinger, Water Production Manager

Date: 06/27/2022

Meeting Date: 07/05/2022

TITLE:

Consideration and Approval of Contract: Agreement of Intent for a Direct Sale with the US Department of Agriculture, Forest Service, for the property underneath and adjacent to the Lake Mary Water Treatment Plant.

STAFF RECOMMENDED ACTION:

1. Approve the Agreement of Intent for a Direct Sale with the U.S. Department of Agriculture, Forest Service, concerning the lands underneath and adjacent to the Lake Mary Water Treatment Plant.
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

Flagstaff Water Services is interested in purchasing approximately 49 acres of land underneath and adjacent to our existing Lake Mary Water Treatment Plant, which currently sits on approximately 22 acres of Forest Service property. Flagstaff Water Services has been working with the Forest Service to complete this purchase for over a decade. The Agreement of Intent for a Direct Sale is a non-binding agreement for both the US Forest Service and City of Flagstaff to pursue the analyses, appraisals and reports necessary for a land purchase agreement, with Council approval, at a later time. Flagstaff Water Services would like to purchase the property in order to continue the timely repair, maintenance and possible addition or upgrades of current and future infrastructure necessary for the potable water supply to the City of Flagstaff.

Financial Impact:

This Agreement of Intent has approximate costs to the City of Flagstaff in the amount of $44,906 and approximate costs to the Forest Service in the amount of $16,500. Budget funding for the purchase of property underneath and adjacent to the Lake Mary Water Treatment Plant for $3,000,000 is in account 202-08-370-3408-0-4431.

Policy Impact:

None

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives.
Sustainable, Innovative Infrastructure: 1. Deliver outstanding services to residents through a healthy, well maintained infrastructure system. 2. Utilize existing long-range plan(s) that identify the community's future infrastructure needs and all associated costs.

Carbon Neutrality Plan
CR-1: Ensure all mitigation actions improve Flagstaff's ability to adapt to the future.
CR-2: Strengthen existing community systems to create resilience to both short-term shocks and long-term change.

Regional Plan
Goal WR.2. Manage a coordinated system of water, wastewater, and reclaimed water utility service facilities and resources at the City level and identify funding to pay for new resources. Policy WR2.2 Maintain and develop facilities to provide reliable, safe and cost effective water, wastewater and reclaimed water services.
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.

Has There Been Previous Council Decision on This:
No.

Options and Alternatives:
1. Approve the Agreement of Intent for a Direct Sale with the Forest Service, with approximate costs to the City of Flagstaff in the amount of $44,906; or
2. Do not approve the Agreement of Intent for a Direct Sale with the Forest Service; and direct staff to cease pursuing the purchase of real property underneath and adjacent to the Lake Mary Water Treatment Plant.

Background/History:
The City of Flagstaff's Water Services Division has been operating the Lake Mary Water Treatment Plant (LMWTP) under a Special Use Permit from the Forest Service since 1941. As the cities second major potable water supply, the LMWTP treats up to 8 million gallons of water per day (8 MGD) from Upper Lake Mary (ULM) and has been a critical water supply for the citizens of Flagstaff for nearly 81 years. Additionally, the plant also serves as a treatment location and distribution point for the City's groundwater supply from the Lake Mary Wellfield. Today the LMWTP provides over half of the water supply for nearly 80,000 residents and is a critical component of our City's water supply infrastructure.

Flagstaff is located within the high desert ponderosa pine forest of northern Arizona where water supplies are often a challenge to locate and are critical to the economic growth and development of our mountain community. The Forest Service, National Park Service and the City entered into a Stipulation in December 2001 (Civil No. 6417), that among other things, confirmed the City's water rights of 15,653 acre-feet/year to be stored in ULM and treated at the LMWTP.

The existing LMWTP is made of several buildings that house the operations control room and laboratory, storage for chemicals and anthracite/sand filters used in the treatment process, chlorine gas for disinfection, a clear well and booster pumps to deliver water to the community. Additionally, the treatment plant has multiple sedimentation and flocculation basins for treatment, drying beds for sediment disposal and two (2) water storage tanks. Given the age of the plant, the City has identified numerous major capital improvements that are necessary to upgrade over the coming years. These types of significant upgrades often require pre-approval from the Forest Service which can create long, unnecessary delays. In the past, this situation has led to significant impacts to the City's ability to

upgrade critical treatment plant infrastructure in a timely basis putting at risk a major water supply for our community.

Additionally, the City would like to acquire land adjacent to the existing treatment plant for possible planned expansions. Specifically, 27 acres to the north, northwest, west and south of the treatment plant have been included with the Agreement of Intent for a Direct Sale. The health of the ULM watershed has been compromised with small diameter, densely spaced ponderosa pine trees and there is a significant risk of a catastrophic crown fire within the watershed that would directly impact the quality of water to be treated at the LMWTP. A mitigation technique the water production section could apply to damaged water quality from a catastrophic wildland fire would be the addition and use of pre-sedimentation basins, requiring additional acreage. These pre-sed basins would be used to assist surface water production should ULM experience a water quality degrading forest fire surrounding ULM. Additionally, Flagstaff Water Services has considered the possibility of direct or indirect potable reuse with the addition of infrastructure, requiring additional acreage, at the LMWTP that could enable these possible future water supplies. To make these type of plant expansions happen in expedited fashions, the City would like to purchase the extra land adjacent to the water treatment plant as identified in the attached survey.

In summary, the purchase of 49 acres the Lake Mary Water Treatment Plant currently resides on and is adjacent to from the Forest Service will allow Flagstaff Water Services to continue the timely repair, maintenance and possible addition or upgrades of current and future infrastructure necessary for the potable water supply to the City of Flagstaff. Flagstaff Water Services has been working with the Forest Service on this property purchase for over a decade. This Agreement of Intent with the Forest Service is one of many steps towards a final land purchase agreement.

Attachments: Agreement of Intent
Survey

AGREEMENT OF INTENT FOR A DIRECT SALE

U. S. DEPARTMENT OF AGRICULTURE
Forest Service

5570
Coconino National Forest
City of Flagstaff

AGREEMENT OF INTENT
PROPOSED SALE OF FOREST SERVICE PROPERTY
Flagstaff, Arizona

Proposed Direct Sale of Land

Authority: Northern Arizona Land Exchange and Verde River Basin Partnership Act of 2005, P.L. 109-110, 11-22-05, 119 Stat. 2351

We, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona, 86001, hereinafter called the non-Federal party, and the Forest Service, U.S. Department of Agriculture, acting through their authorized representatives, intend to enter into a sale agreement to convey to the non-Federal party the Federal property described in **Exhibit A**, attached hereto and made a part hereof, and under the terms and conditions described herein and in the Implementation Schedule, attached hereto and made a part hereof as **Exhibit B**.

The basis of this Agreement of Intent is the offer for purchase of the Federal property made by the non-Federal party by letter dated December 5, 2018. The parties have made minor adjustments to the property boundaries to address fencing and other improvements adjacent to West Lake Mary Road. **Exhibit A** accurately represents the Federal property that is the subject of this proposed land sale.

GENERAL PROVISIONS:

1. It is understood that the basis for value (sale price) of the Federal property shall be an appraisal which has been approved by the Forest Service.

2. This Agreement of Intent authorizes the non-Federal party and its contractors to enter on Federal lands for such purposes as preparing environmental site assessments, historic and cultural investigations, land line surveys, wildlife and wetland inventories and other evaluations deemed necessary by the Forest Service to fully evaluate the affects and merits of the sale proposal.

3. It is understood that upon approval of the sale price, terms and conditions by the appropriate Forest Service official, the parties will enter into a Purchase and Sale Agreement that shall be binding to both parties. It is understood that prior to the Purchase

and Sale Agreement, or issuance of a deed by the United States, if no Purchase and Sale Agreement is executed, no action taken shall create or establish any contractual or other obligations against the non-Federal party or the United States. Either the non-Federal party or the Forest Service may withdraw from the sale at any time prior to execution of the Purchase and Sale Agreement, or conveyance from the United States.

4. Title will be conveyed by quitclaim deed issued by the USDA Forest Service, unless some other form of deed is approved by the USDA, Office of the General Counsel.

5. The United States does not furnish title insurance for the property it conveys. If title insurance is desired by the non-Federal party, it must be procured at its own expense.

6. A timeline for processing this proposal and the agreement on responsibility for costs on specified items is provided for in **Exhibit B**, the Implementation Schedule.

7. The Forest Service is responsible for compliance with Section 120(h) or the Comprehensive Environmental Response, Liability, and Compensation Act (CERCLA). Prior to entering into the Purchase and Sale Agreement, the Forest Service will conduct an environmental investigation of the Federal property, as appropriate to comply with Section 120(h) of CERCLA, concerning any release or threatened release of hazardous substances or petroleum products on the Federal property. In the event that the Forest Service determines that any hazardous substance was stored for one year or more, known to have been released, or disposed of on the Federal property, the Purchase and Sale Agreement shall include a notice of the type and quantity of such hazardous substance and the time at which such storage, release, or disposal took place, to the extent such information is available on the basis of a complete search of agency files.

8. When required pursuant to Section 120(h)(3)(A) of CERCLA, the Forest Service must also include a covenant in the conveyance document providing that the United States shall conduct, after the conveyance, any response or corrective action found to be necessary to protect human health and the environment from associated releases or threatened releases attributable to the time the United States owned and operated the property and a clause granting the United States access to the property to conduct the response or corrective action on the property.

9. No member of Congress, or Resident Commissioner, shall be admitted to any share or part of this proposal or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit (18 U.S.C. 43l, 433).

10. The undersigned is a citizen of the United States or a corporation or other legal entity subject to the laws of the United States or a State thereof, and is 21 years old or over.

11. Notification Statement: <u>Public Availability of Property-Related Information</u>. Any party who has signed below acknowledges receipt of this notification: All documents pertaining to Federal lands necessary for the evaluation, processing and consummation of a land adjustment transaction, including but not limited to appraisals, timber cruises, specialist

reports, geology/mineral reports, title and other property information, are subject to public availability at the discretion of the Federal party. This includes information which may be contained in a system of records exempted from the requirements of the Privacy Act (5 U.S.C. 552a), and information which may qualify for exemption from disclosure under the Freedom of Information Act (5 U.S.C. 552b).

However, it is the general intent of all parties that land adjustment transaction documents will be considered "pre-decisional working papers" not subject to premature availability prior to the point which concludes evaluation of the proposal through the agency's established, required processes and policy.

SPECIFIC PROVISIONS:

1. The non-Federal party will remove any portions of the fencing around the water treatment plant that are not located on Federal property described in **Exhibit A.**

This Agreement of Intent may be amended by mutual agreement of the parties.

BY: _____ Date_____

Greg Clifton
City Manager
City of Flagstaff

RECOMMENDED BY: _____ Date_____

Laura Jo West
Forest Supervisor, Coconino National Forest
U.S. Department of Agriculture
Forest Service

APPROVED BY:_____ Date_____

Tracy Parker
Director of Lands and Minerals
Southwestern Region

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0105. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

EXHIBIT A

Federal property that the Forest Service is proposing to sell:

National Forest: **Coconino**
District: **Flagstaff**

A. LEGAL DESCRIPTION AND STATUS

Parcel 1
Gila and Salt River Meridian
Township 20 North, Range 7 East, Coconino County, Arizona
That portion of Section 4 described as follows:

All that portion of Lot 1 in said section 4, lying north and east of the centerline of Lake Mary Road, a City of Flagstaff highway, 200 feet wide, as described in Highway Easement Deed recorded 01/15/1991, in Docket 1377 at Pages 820-832, Official Records of Coconino County.

Containing 24.81 acres, more or less.

Parcel 2
Gila and Salt River Meridian
Township 21 North, Range 7 East, Coconino County, Arizona
That portion of Section 33 described as follows:

The SW1/4 of the SE1/4 of the SE1/4, and that portion of the S1/2 of the SW1/4 of the SE1/4 of said section 33, lying north and east of the northeasterly right-of-way line of Lake Mary Road, a City of Flagstaff highway, 200 feet wide, as described in Highway Easement Deed recorded 01/15/1991, in Docket 1377 at Pages 820-832, Official Records of Coconino County.

Containing 24.42 acres

B. RIGHTS PREVIOUSLY CONVEYED OR PERMITTED BY THE UNITED STATES

1. Recorded outstanding rights

SUBJECT TO an existing Highway (Forest Highway 3), and rights incident thereto, 200 feet wide, 100 feet each side of centerline, as it crosses portions of sec. 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E., outstanding to the United States of America, acting by and through the Department of Transportation, Federal Highway Administration, and the City of Flagstaff, State of Arizona, acting by and through its Public Works Department, as set forth in that certain Highway Easement Deed dated June 20, 1990, recorded January 15, 1991, Coconino County, Docket 1377, pages 820-832.

SUBJECT TO an existing Avigation Easement, and rights incident thereto, as it affects portions of sec. 33, T. 21 N., R. 7 E., outstanding to the City of Flagstaff, County of Coconino, State of Arizona, as set forth in that certain Avigation Easement dated September 21, 1956, recorded April 4, 1957, Coconino County, Book 103, pages 344-350.

(Note: Wording for the Avigation Easement is as follows: A perpetual Avigation easement and right-of-way for the unobstructed and unrestricted flight of aircraft in, through and across the airspace … at any altitude or height above the surface of the land.)

2. Unrecorded outstanding rights

None known.

3. Existing roads including public roads and other rights not covered by recorded documents or permits

No existing roads not covered by recorded documents or permits known.

4. Forest Development Roads

Forest Development Road 9013P (aka East YX Ranch Road) crosses the northern portion of the Federal property. A right-of-way will be reserved for this road.

5. Special-use permits

Rights of Prior Use and/or Special-use permits to be recognized by third-party easement(s) in favor of the outstanding rights holder(s):

Existing Powerline Rights-of-Way, 20 feet wide, 10 feet each side of centerline, over and across portions of sec. 4, T. 20 N., R. 7 E; portions of sec. 33, T. 21 N., R. 7 E.; authorized under Master Special Use Permit No. PEA401918 dated April 14, 1997, to Arizona Public Service Company. Although the permit expired December 31, 2016, the line has been in continual use since that time and a new permit is being prepared. An easement will be executed by the non-Federal party in favor of the outstanding rights holder.

Existing Communication lines right-of-way and associated improvements, 20 feet wide, 10 feet each side of centerline, over and across portions of sec. 4, T. 20 N., R. 7 E.; and portions of sec. 33, T. 21 N., R. 7 E. authorized under Master Special Use Permit No. COC0362 dated February 5, 2004, to Qwest Corporation. The permit expires on December 31, 2023. An easement will be executed by the non-Federal party in favor of the outstanding rights holder.

Existing Natural Gas Line Right-of-Way, 20 feet wide, 10 feet each side of centerline, over and across portions of sec. 4, T 20 N., R. 7 E., and across portions of sec. 33, T. 21 N., R. 7 E., authorized under Master Special Use Permit No. COC0361 dated August 23, 2004, to Unisource Energy Corporation (previously Citizen's Utilities). Although the permit expired December 31, 2014, the natural gas line has been in continual use since

that time and a new permit is being prepared. An easement will be executed by the non-Federal party in favor of the outstanding rights holder.

Rights of Prior Use and/or Special-use permits that will merge with title when the non-Federal party acquires the Federal property currently encumbered by the facilities noted above. The Master Special Use Permit to the non-Federal party will be amended upon completion of the sale to reflect these changes:

Existing facilities including power lines of less than 33 KV; water transmission lines; well site including access road to the well site; sewer transmission lines; and wastewater treatment plant including sedimentation tanks, water storage tank, and associated facilities authorized under Master Special Use Permit No. COC0365 dated October 19, 2004, to the City of Flagstaff.

30" water transmission line, 20 feet wide, 10 feet each side of centerline, over and across a portions of section 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E. (waterline is located within the FH3 roadbed and along the east side of FH3);

27" water transmission lines, 20 feet wide, 10 feet each side of centerline, over and across a portion of section 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.;

12" water transmission line, 20 feet wide, 10 feet each side of centerline, over and across a portion of section 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E., (waterline is located within the FH3 roadbed and along the east side of FH3);

8" water transmission line, 20 feet wide, 10 feet each side of centerline, over and across portions of section 4, T. 20 N., R. 7 E. (Waterline from HES 619 to Water Treatment Plant);

8" water transmission line, 20 feet wide, 10 feet each side of centerline, over and across portions of section 4, T. 20 N., R. 7 E. (Waterline in Lake Mary Road and J. Diamond Road);

Various Sewer Transmission Lines, 20 feet wide, 10 feet each side of centerline, over and across portions of section 4, T. 20 N., R. 7 E. and section 33 T. 21 N., R. 7 E. (Airport Sewer Line, Lake Mary Road Sewer Line, and J W Powell Blvd Sewer Line);

Water treatment plant, sedimentation tanks and associated facilities (site comprises 22 acres) located within a portion of sec. 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.

6. Grazing permits

No grazing permit is associated with the Federal property. This property was formerly within the Lake Mary Allotment, which is a forage reserve. The Federal property can still be used as a grassbank at this time, although use does not appear likely in the foreseeable future.

7. Unpatented mining claims
There are no unpatented mining claims on the Federal property.

8. Oil and gas leases
Any and all mineral rights, oil, gas, geothermal, et al., that are appurtenant to the Federal property will be conveyed with the surface.

9. Minerals
Any and all mineral rights, oil, gas, geothermal, et al., that are appurtenant to the Federal property will be conveyed with the surface.

10. Water rights
Any and all associated appurtenant water rights will be conveyed with the surface. There are no known water rights associated with the Federal property.

11. Withdrawals
The legislation authorizing this sale clears away any existing withdrawals that could impede this sale. The legislation also imposes a withdrawal that protects the Federal property from any other form of entry or appropriation until the sale is completed. Public Law 109-110, November 22, 2205, 119 Stat. 2351 (Northern Arizona Land Exchange and Verde River Basin Partnership Act of 2005) under Sec. 106, Miscellaneous Provisions contains the following provisions: (a) Revocation of Orders. Any public orders withdrawing any of the Federal land from appropriation or disposal under the public land laws are revoked to the extent necessary to permit disposal of the Federal land. (b) Withdrawal of Federal Land. Subject to valid existing rights, the Federal land is withdrawn from all forms of entry and appropriation under the public land laws; location, entry, and patent under the mining laws; and operation of the mineral leasing and geothermal leasing laws, until the date on which the land exchange (or sale) is complete.

12. Agreements
The Flagstaff Loop Trail crosses the Federal property being considered for sale. A right-of-way for the trail will be reserved by the Forest Service. There is a Memorandum of Understanding (MOU) associated with the Flagstaff Loop Trail. This MOU is related to the planning, funding, development, and maintenances of non-motorized trail systems associated with local and regional planning efforts in and around Flagstaff, Arizona. The parties to the MOU include the Coconino National Forest, Coconino County, City of Flagstaff, and Flag Velo Incorporated, an Arizona non-profit corporation, doing business as Flagstaff Biking Organization.

13. Legal Access
Legal access to the Federal property is available through adjacent National Forest System land. Forest Highway 3 (Lake Mary Road) and East YX Road (Forest Road 9013P) provide developed access to and across the Federal property.

14. Other encumbrances
A portion of the Flagstaff Loop Trail crosses the Federal property. A right-of-way will be reserved for this portion of the Flagstaff Loop Trail, Segment 34 – Skunk Canyon Passage.

C. RIGHTS TO BE RESERVED BY UNITED STATES

SUBJECT TO the following reservations by the United States:

- EXCEPTING AND RESERVING TO THE UNITED STATES, a right-of-way thereon for ditches or canals constructed by the authority of the United States according to the provisons of the Act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945).
- EXCEPTING AND RESERVING TO THE UNITED STATES, a right-of-way for Forest Development Road 9013P (aka East YX Ranch Road), to be located over and across a portion of sec. 33, T. 21 N., R. 7 E., being 66 feet wide, 33 feet each side of centerline.
- EXCEPTING AND RESERVING TO THE UNITED STATES, a right-of-way for Forest Trail (aka Flagstaff Loop Trail, Segment 34 – Skunk Canyon Passage), to be located over and across a portion of sec. 33, T. 21 N., R. 7 E., being 66 feet wide, 33 feet each side of centerline.

D. OTHER ENCUMBRANCES

None known at this time.

EXHIBIT B

ESTIMATED IMPLEMENTATION SCHEDULE

Case Name: Flagstaff Water Treatment Direct Sale_____
Forest/District: Coconino NF, Flagstaff RD_____ Case No. _____
Sale Authority: Direct Sale PL 109-110 Northern AZ Land Exchange Act_____
Total Acres: 49.23_ Land Status: PD Acres: 49.23__ Acquired Acres: 0.0_____

Action Item/Step Implementation Strategy (Items 1-8)	Responsible for Preparation	Estimate of Costs*	Due Dates	
			Target	Actual
1. Property identified for disposal	Non-Federal party			12/5/18, 1/6/22
2. Forest Plan Compliance Review	N/A	N/A	N/A	N/A
3. Verify/Certify Federal Land Acreage & Legal Description (FS 5400-41)	FS			Prelim 1/6/22
4. Federal Land Status Report/Title Report (Acquired)	FS		3/1/22	3/23/22
5. Civil Rights Impact Analysis	FS	N/A	N/A	N/A
6. Notice of Proposed Realty Action (Public Scoping) County & Congressional notification	FS		4/1/22	
7. Federal Land Water Rights Analysis	FS			8/11/21
8. Prepare Sale Implementation Strategy report	N/A	N/A	N/A	N/A
9. Oversight Implementation Strategy, including Appraisal Staff Market Analysis	N/A	N/A	N/A	N/A
10. Request BLM Serialization and Segregation	FS			2/8/06; 12/5/19
11. Request Appraisal	FS		4/1/22	
12. Request Withdrawal Revocations (if any)	FS	N/A	N/A	N/A
13. Prepare Mineral Potential Report (Request BLM Concurrence	FS		3/1/22	
14. Prepare Cultural Report/SHPO Consultation	FS		8/1/22	
15. Prepare TES Report/Consultation	FS		8/1/22	
16. Prepare Wetlands/Floodplains Report	FS		8/1/22	

*Approximate costs and responsibility for costs is addressed in Exhibit C.

Action Item/Step	Responsible for Preparation	Estimate of Costs*	Due Dates	
			Target	Actual
17. Conduct Environmental Site Assessment & LPB Risk Assessment. Submit to RO Env. Eng. for approval	FS		3/1/23	
18. Access Analysis	FS		4/1/22	
19. Prepare NEPA Analysis (CE or EA)	FS		10/1/22	
20. NEPA Comment Period (EA)	N/A	N/A	N/A	N/A
21. Respond to NEPA Comments (EA)	N/A	N/A	N/A	N/A
22. Review Appraisal	FS		10/1/22	
23. Prepare Decision Document (DM or DN)	N/A	N/A	N/A	N/A
24. Oversight Review of Decision Document	N/A	N/A	N/A	N/A
25. Issue Decision Document – Publish Notice of Availability of Decision (EA)	N/A	N/A	N/A	N/A
26. Decision Appeal Period (EA)	N/A	N/A	N/A	N/A
27. Establish Account for Deposit of Proceeds	FS Fiscal		4/15/23	
28. Letter Offering Direct Sale	FS		10/15/22	
29. Terminate Special Use Permits (if needed)	FS		5/15/23	
30. Preparation of Purchase and Sale Agreement	FS/OGC		2/1/23	
31. Execution of Purchase and Sale Agreement	FS		4/1/23	
32. Submission of Purchase Price	Non-Fed Party		5/1/23	
33. Deposit of Sale Proceeds to Special Account	FS Fiscal		5/1/23	
34. Preparation of Quitclaim Deed, Req. for Patent, Easement Deeds	RO/OGC		2/1/23	
35. Execute Quitclaim Deed or Patent	FS		5/15/23	
36. Transmit Deed to Purchaser for Recording	FS		5/15/23	

*Approximate costs and responsibility for costs is addressed in Exhibit C.

Action Item/Step	Responsible for Preparation	Estimate of Costs*	Due Dates	
			Target	Actual
37. Execute & Record Easements	FS		5/10/23	
38. Remove any FS Personal Property	FS		5/10/23	
39. File Water Right Transfer/Use Docs	N/A	N/A	N/A	N/A
40. Provide Copy of Deed to BLM for Record Notation	FS		6/1/23	
41. Complete FS-5500-1, Sale or Conveyance Digest	FS		6/1/23	
40. Remove/Adjust FS Boundary Signs	FS		7/1/23	
41. Post to Status LADS and LARS	FS		7/1/23	
42. Close Case	FS		8/1/23	

*Approximate costs and responsibility for costs is addressed in Exhibit C.

EXHIBIT C

APPROXIMATE PRO-RATED COSTS

TASK	Forest Service*	Non-Federal Party**
Notification of adjacent landowners	$	$ 200
Mineral Report	$ 4,000	$
T&E Reports	$	$ 2,191
Cultural Surveys	$	$ 865
Consultation w/ SHPO & Tribes	$	$ 1,900
Environmental Site Assessment	$	$11,000
Floodplain and Wetlands Report	$	$ 1,245
Legislative Conveyance Memo	$	$ 2,555
Publication	$ 500	$
Land Status Report/case processing	$ 1,000	$ 5,386
Prepare Appraisal Contract/Review Appraisal	$ 3,000	$
Appraisal (contract)	$	$12,000
Survey and corner monumentation	$	$ ***
GIS mapping & Land Description Verification	$ 2,000	$ 1,500
Title Preparation	$ 1,500	$ 500
Title Review	$ 1,500	$
Misc. Costs / Overhead	$ 3,000	$ 5,564
TOTAL	**$ 16,500**	**$ 44,906**

*in-house expenditures.
**Collection agreement w/ FS. Any unused funds will be returned to the non-Federal party
***Estimate for direct contract with Northland Exploration Surveys by non-Federal party, not included in the collection agreement.

The approximate share of processing costs for this land sale is:
Non-Federal party's share: 73%
Forest Service share: 27%

EXHIBIT

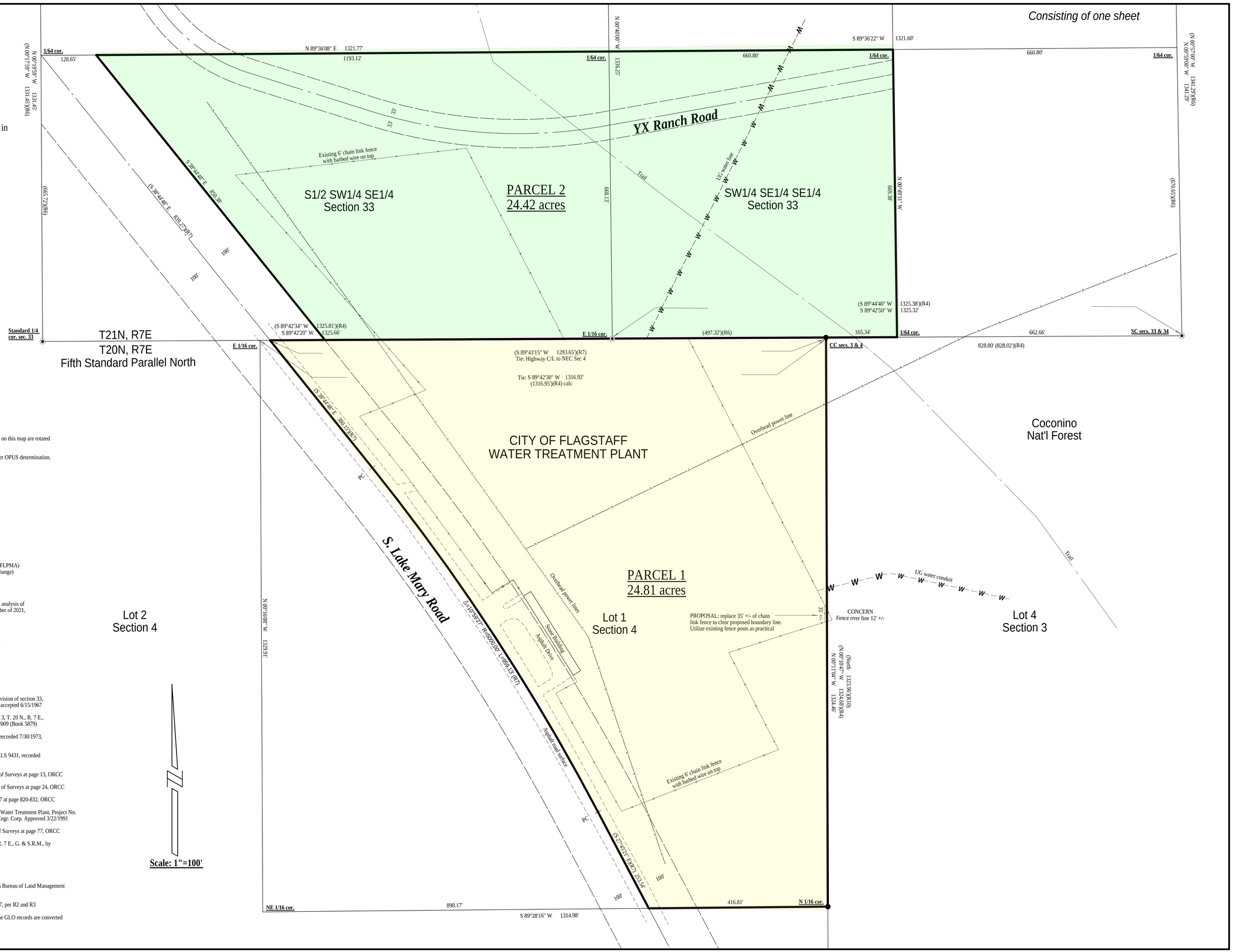
CITY OF FLAGSTAFF
WATER TREATMENT PLANT

Situate in Section 4, Township 20 North, Range 7 East, and in Section 33, Township 21 North, Range 7 East, G&SRM
Coconino County, Arizona

COCONINO NATIONAL FOREST
2022

Consisting of one sheet

PRELIMINARY
Subject To Revision



Scale: 1"=100'

TABULATION OF AREAS

PARCEL 1: 24.81 acres
PARCEL 2: 24.42 acres

TOTAL: 49.23 acres

BASIS OF BEARINGS

Geodetic datum: North American Datum 1983 (NAD 83)

Arizona State Plane Coordinate System (SPCS 83 AZ Central, 202)

Basis of bearings is Geodetic North based on GPS/GNSS measurements. Bearings shown on this map are rotated (+) 0°09'10" right of grid bearings per OPUS determination.

Distances have been scaled from grid to ground using a combined factor of 1.00042186 per OPUS determination.

NOTES

Location of certain improvements shown hereon are approximate, including water lines and conduits, overhead power lines, trails, etc. No location service was provided to physically mark the underground facilities at the surface.

Dimensions to points not monumented are calculated.

AUTHORITY

The authorities under which this direct sale is proposed are:
Federal Land Policy and Management Act of October 21, 1976 (43 U.S.C. 1716, 1717) (FLPMA)
Public Law 109-110, November 22, 2005, 119 STAT 2351 (Northern Arizona Land Exchange)

CERTIFICATION

I hereby certify that this exhibit shows the results of a field survey, and examination and analysis of record documents and information as noted and depicted hereon, made by me in November of 2021, and that this exhibit is correct and accurate to the best of my knowledge and belief.

Robin D. Rasmussen, R.L.S. 14677

REFERENCES

(1) Bureau of Land Management field notes and plat of the dependent resurvey and subdivision of section 33, T. 21 N., R. 7 E., G. & S.R.M., by Leonard W. Murphy, Cadastral Surveyor, in 1965, accepted 6/15/1967

(2) Bureau of Land Management field notes and plat of the dependent resurvey in section 3, T. 20 N., R. 7 E., G. & S.R.M., by Gordon R. Bubel, Cadastral Surveyor, in 2007-2008, accepted 3/09/2009 (Book 5879)

(3) Record of Survey plat, showing dependent resurvey, by Charles C. Doak, RLS 4476, recorded 7/30/1973, in book 1 of Surveys at page 13, ORCC

(4) Record of Survey plat (Amended), showing dependent resurvey, by Wallace R. Ott, RLS 9431, recorded 5/07/1985, in book 3 of Surveys at page 27, ORCC

(5) Record of Survey plat, by Mark Woodson, RLS 16630, recorded 10/20/1987, book 6 of Surveys at page 13, ORCC

(6) Record of Survey plat, by Blair C. Meggitt, RLS 18436, recorded 12/16/1987, book 6 of Surveys at page 24, ORCC

(7) Highway Easement Deed (for Lake Mary Road), recorded 01/15/1991, in Docket 1377 at page 820-832, ORCC

(8) City of Flagstaff plans titled "Lake Mary Road Widening, Phase II, Walapai Drive to Water Treatment Plant, Project No. 03-89035 (504-53), prepared by Russell Schamel, R.P.E. 21867, on behalf of Boyle Engr. Corp. Approved 3/22/1991

(9) Record of Survey plat, by Mark Woodson, RLS 16630, recorded 1/27/1987, book 5 of Surveys at page 77, ORCC

(10) General Land Office field notes and plat of the survey and subdivision of T. 20 N., R. 7 E., G. & S.R.M., by J.L. Harris, Deputy Surveyor, in 1878, approved 12/30/1878

LEGEND

◉	Found 2-1/2" iron post with brass cap, per the field notes and plat of the 1965 Bureau of Land Management Dependent Resurvey, per R1
●	Found 2-1/2" iron post with U.S.D.A brass cap marked LS4476, 1970 & 2007, per R2 and R3
(....)(R#)	Record dimension per the record source cited. Note that chain distances in the GLO records are converted to feet hereon
PC	Point of curvature

10. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Tiffany Antol, Senior Planner
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Final Plat Case No PZ-15-00115-25, Capstone Homes requests final plat approval for Aries at Timber Sky Phase II (Block 7B) located at 3501 E Route 66, a single-family subdivision on 6.59 acres in the Single-Family Residential (R1) Zone.

STAFF RECOMMENDED ACTION:

Approve the final plat and authorize the Mayor to sign the final plat when notified by staff that all documents are ready for signature and recordation.

Executive Summary:

This request is for a final plat approval for a 16 lot single-family residential subdivision on 6.59 acres located at 3501 E Route 66.

Financial Impact:

No financial impacts are anticipated with the final plat.

Policy Impact:

There are no policy impacts anticipated with this final plat.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Robust Resilient Economy - Grow and strengthen a more equitable and resilient economy.

Carbon Neutrality Plan

DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

Regional Plan

Policy LU.5.1. Encourage development patterns within the designated growth boundaries to sustain efficient infrastructure projects and maintenance.

Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.

Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary.

Has There Been Previous Council Decision on This:

City Council approved the preliminary plat for this subdivision on May 17, 2022.

Options and Alternatives:

1. Approve the final plat as recommended by staff.
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:

Timber Sky is a proposed 1,300 (maximum density) residential dwelling unit development. The development proposes a mixture of high, medium, and single-family residential units combined with commercial service and open space on 197.58 acres. The site is situated north and south between West Route 66 ("Route 66") and Interstate-40 and east and west between Woody Mountain Road and Flagstaff Ranch Road. The site slopes gently from south to north with most of the onsite drainage flowing toward an existing culvert under Route 66, which eventually discharges into the Clay Avenue Wash Detention Basin located north of Route 66. There are no designated floodplains on the site. In 2006, the property partially burned in a fire leaving a 700-foot-wide corridor of deforested land through the middle of the site. The remainder of the site is forested with Ponderosa Pine. The site has two pockets of slopes greater than 17% with other basalt rock outcrop features throughout the property. A large amount of fill placed on site, which has the appearance of a steep slope, will not be protected. An existing aboveground 69 kV transmission line crosses the site in an east-west direction connecting to an existing APS substation at the southwestern corner of the property. The line is required to be under grounded with the development of the second phase of Timber Sky.

The applicant, Capstone Homes, is seeking final plat approval for Aries at Timber Sky Phase II (Block 7B) within the second phase of Timber Sky consisting of 16 single-family residential lots utilizing conventional zoning standards.

Key Considerations:

The property is zoned Single-Family Residential (R1), which has a minimum density requirement of 2 units per acre and a maximum of 5 units per acre in the Resource Protection Overlay. The proposed 16 lots on 6.59 acres have a gross density of 2.92 units per acre. The application conforms with al the requirements of the R1 Zone.

Community Benefits and Considerations:

The community benefits of this project are encapsulated in the PBB Key Community Priorities/Objectives and the Regional Plan Goals and Policies review process.

Community Involvement:

Inform. The existing zoning of the subject property allows for the proposed subdivision. No public hearings or public outreach are required by either the Zoning Code or the Subdivision Code as part of the final plat review process.

Attachments: Application
Final Plat

City of Flagstaff — Community Development Division

211 W. Aspen Ave
Flagstaff, AZ 86001
www.flagstaff.az.gov
P: (928) 213-2618

Date Received	**Application for Subdivision Review**	File Number

Property Owner(s): JOHN SUTHERLAND		**Phone:** (928) 774-3826
Mailing Address: 3605 S. FLAGSTAFF RANCH RD	**City, State, Zip:** FLAGSTAFF AZ, 86005	**Email** JSUTHERLAND@CAPSTONEHOMESAZ.COM
Applicant(s): JOHN SUTHERLAND		**Phone:** (928) 774-3826
Mailing Address: 3605 S. FLAGSTAFF RANCH RD	**City, State, Zip:** FLAGSTAFF, AZ 86005	**Email:** JSUTHERLAND@CAPSTONEHOMESAZ.COM
Project Representative: JOHN SUTHERLAND		**Phone:** (928) 774-3826
Mailing Address: 3605 S. FLAGSTAFF RANCH RD	**City, State, Zip:** FLAGSTAFF, AZ 86005	**Email:** JSUTHERLAND@CAPSTONEHOMESAZ.COM

Requested Review:
- ☐ Development Master Plan
- ☐ Conceptual Plat
- ☐ Preliminary Plat P&Z and Council
- ☐ Modified Subdivision
- ☐ Preliminary Plat
- ☑ Final Plat- Council

Project Name: ARIES AT TIMBER SKY – PHASE 2	**Site Address** SF RESIDENTIAL	**Parcel Number:** 112-01-166
Proposed Use: R1, SINGLE FAMILY RESIDENTIAL	**Existing Use:** UNDEVELOPED	**Subdivision, Tract & Lot Number:** TIMBER SKY, BLOCK 7B

Zoning District:	Regional Plan Category:	Flood Zone	Size of Site (Sq. ft. or Acres)
R1, SINGLE FAMILY RESIDENTIAL	RESIDENTIAL	X	6.59 AC

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	North	South	East	West
(Res, Com, Ind)	RES	IND	FUTURE RES	FUTURE RES

Proposed Use:	Number of Lots	Number of Units	Number of acres per use	Building Square Feet
	16	16	6.59	

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:
John Sutherland	5/12/22	John Sutherland	5/12/22

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

PLOTTED: May 17, 2022–10:48am

FINAL PLAT
FOR
ARIES AT TIMBER SKY - PHASE II
FLAGSTAFF, ARIZONA

A RE–PLAT OF BLOCK 7B ACCORDING TO INSTRUMENT NUMBER 3937728, OFFICIAL RECORDS OF COCONINO COUNTY

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 21 NORTH, RANGE 7 EAST, AND THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 6 EAST, OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA.

DEDICATION

STATE OF ARIZONA
SS.
COUNTY OF COCONINO

KNOW ALL PERSONS BY THESE PRESENTS: THAT CAPSTONE HOMES, LLC (AN ARIZONA LIMITED LIABILITY COMPANY), AS 'OWNER' AND 'GRANTOR,' HAS SUBDIVIDED UNDER THE NAME ARIES AT TIMBERSKY – BLOCK 7B, A SUBDIVISION LOCATED IN A PORTION OF SECTION 10, TOWNSHIP 21 NORTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND DOES HEREBY PUBLISH THIS PLAT AS AND FOR THE PLAT OF ARIES AT TIMBERSKY – BLOCK 7B AND DECLARES THAT THIS PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF EACH LOT, TRACT, STREET, AND EASEMENT CONSTITUTING SAME, AND THAT EACH LOT, TRACT, STREET, AND EASEMENT SHALL BE KNOWN BY THE NUMBER, LETTER, AND/OR NAME GIVEN TO EACH RESPECTIVELY AS SHOWN ON THIS PLAT.

RIGHT–OF–WAYS DEDICATED

PUBLIC RIGHT–OF–WAY (ROW). GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF, IN FEE SIMPLE, ALL PUBLIC RIGHTS–OF–WAY SHOWN ON THE PLAT FOR PUBLIC USE. GRANTOR AS 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 THE FLAGSTAFF CITY CODE.

EASEMENTS DEDICATED

GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF, ARIZONA, AN ARIZONA MUNICIPAL CORPORATION, PERPETUAL NON–EXCLUSIVE EASEMENTS OVER, UNDER, UPON, AND ACROSS ALL EASEMENT AREAS DESIGNATED ON THE PLAT FOR THE EASEMENT PURPOSES, INCLUDING ANY RELATED FACILITIES AND EQUIPMENT AS FOLLOWS:

PUBLIC UTILITY EASEMENT (P.U.E.), FOR PUBLIC USE, FOR UTILITY PURPOSES, INCLUDING WITHOUT LIMITATION, CONSTRUCTION, OPERATION, MAINTENANCE, MODIFICATION, REPLACEMENT AND REPAIR OF ELECTRICITY, ENERGY, GAS, WATER, SEWER, PUBLIC STORM WATER SYSTEM, TELECOMMUNICATIONS, INTERNET SERVICES, CABLE TELEVISION, AND OTHER UTILITIES.

DRAINAGE EASEMENT (DE), FOR PUBLIC USE, FOR DRAINAGE AND FLOOD CONTROL PURPOSES, INCLUDING WITHOUT LIMITATION, CONSTRUCTION, OPERATION, MAINTENANCE, MODIFICATION, REPLACEMENT AND REPAIR OF NATURAL AND MAN–MADE CHANNELS, WASHES, WATERCOURSES, LEVEES, DIKES, DAMS, RETENTION AND DETENTION BASINS, STORAGE BASINS, STORM DRAINS, MONITORING DEVICES. CITY OF FLAGSTAFF IS RESPONSIBLE FOR MAINTENANCE OF THE EASEMENT AREA FOR DRAINAGE AND FLOOD CONTROL PURPOSES.

SLOPE EASEMENT (SE) FOR SLOPE AND NATURAL DRAINAGE OF WATER PURPOSES ADJACENT TO ROADS, SIDEWALKS, TRAILS, AND OTHER SURFACE IMPROVEMENTS, INCLUDING WITHOUT LIMITATION, CONSTRUCTION, OPERATION, MAINTENANCE, MODIFICATION, REPLACEMENT AND REPAIR OF MAN–MADE AND NATURAL SLOPES, SOIL NAILS, GABIONS, RETAINING WALLS, EROSION CONTROL IMPROVEMENTS, AND VEGETATION. GRANTOR IS RESPONSIBLE FOR MAINTAINING THE STRUCTURAL INTEGRITY OF THE SLOPE, IN COMPLIANCE WITH THE FLAGSTAFF CITY CODE. THE SLOPE EASEMENTS ARE AUTOMATICALLY ABANDONED ON A LOT OR PARCEL WHEN THE CITY OF FLAGSTAFF ISSUES CERTIFICATE OF OCCUPANCY FOR THE LOT OR PARCEL.

VEHICULAR NON–ACCESS EASEMENT (VNAE) FOR TRAFFIC CONTROL PURPOSES. VEHICLE ACCESS AND DRIVEWAYS ARE PROHIBITED IN THE EASEMENT AREA.

THE OWNER HEREBY DEDICATES TO UNISOURCE ENERGY SERVICES AND ITS SUBSIDIARY, UNS GAS:
ASSIGNS ALL AREAS ON THIS PLAT MARKED P.U.E. OR PUBLIC UTILITY EASEMENT AND THE PROPERTY DESIGNATED ON THE PLAT FOR STREETS. WHETHER PUBLIC OR PRIVATE, FOR EXISTING NATURAL GAS FACILITIES TOGETHER WITH THE RIGHT TO INSTALL REQUIRED SERVICE CONNECTIONS OVER OR UNDER THE SURFACE TO SERVE IMPROVEMENTS THEREON OR ADJACENT TO.

EASEMENTS AND GENERAL CONDITIONS

GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF, ARIZONA PERPETUAL NON–EXCLUSIVE EASEMENTS OVER, UNDER, UPON, AND ACROSS ALL EASEMENT AREAS DESIGNATED ON THE PLAT FOR THE EASEMENT PURPOSES, INCLUDING ANY RELATED FACILITIES AND EQUIPMENT, AND SUBJECT TO THE FOLLOWING GENERAL CONDITIONS:

1. GRANTOR SHALL NOT ALLOW USE OF THE EASEMENT AREA IN A MANNER THAT INTERFERES WITH EASEMENT;
2. GRANTOR SHALL MAINTAIN EASEMENT AREAS FREE AND CLEAR OF VEGETATION OR OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT, PER THE FLAGSTAFF CITY CODE AS AMENDED; AND
3. GRANTEE MAY MAINTAIN VEGETATION AND REMOVE OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT;
4. IN THE EVENT THE CITY OF FLAGSTAFF HAS NOTIFIED GRANTOR AND PROVIDED REASONABLE OPPORTUNITY TO MAINTAIN THE SLOPE, VEGETATION AND/OR REMOVE OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT, CITY OF FLAGSTAFF MAY ISSUE AN ASSESSMENT AGAINST GRANTOR TO RECOVER THE CITY'S ACTUAL, REASONABLE MAINTENANCE COSTS AND RECORD IT AS A LIEN AGAINST GRANTOR'S PROPERTY UNTIL THE ASSESSMENT AND ANY STATUTORY INTEREST IS PAID;
5. GRANTEE SHALL HAVE A LIMITED, TEMPORARY RIGHT OF ACCESS ACROSS GRANTOR'S ADJACENT PROPERTY FOR EASEMENT PURPOSES IF ACCESS CANNOT BE REASONABLY ACHIEVED BY OTHER MEANS.

BINDING EFFECT. THE EASEMENTS GRANTED WITHIN THIS DEDICATION ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

IMPROVEMENTS. GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF ALL IMPROVEMENTS INSTALLED OR CONSTRUCTED BY GRANTOR FOR CITY PUBLIC RIGHTS–OF–WAY AND CITY UTILITIES WITHIN THE EASEMENT AREAS, AND SUCH DEDICATION SHALL BE EFFECTIVE WHEN FORMALLY ACCEPTED BY THE CITY ENGINEER (THE "ACCEPTANCE DATE").

INTERIM LIABILITY.

CAPSTONE HOMES, LLC., ["GRANTOR" OR "OWNER"], DOES HEREBY RELEASE AND DISCHARGE THE CITY OF FLAGSTAFF, AND INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF FLAGSTAFF, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR NEWLY DEDICATED PUBLIC RIGHTS–OF–WAY AS DEPICTED ON THIS PLAT UNTIL THE RIGHT–OF–WAY IS IMPROVED TO CITY STANDARDS AND THOSE IMPROVEMENTS ARE APPROVED AND FORMALLY ACCEPTED BY THE CITY ENGINEER ("ACCEPTANCE DATE"). GRANTOR SHALL MAINTAIN THE NEWLY DEDICATED PUBLIC RIGHTS–OF–WAY UNTIL THE ACCEPTANCE DATE.

NOW, THEREFORE, IN WITNESS WHEREOF, GRANTOR HAS HEREUNTO CAUSED ITS CORPORATE NAME TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED, DULY AUTHORIZED OFFICER THIS _____ DAY OF _____, 202_.

BY: CAPSTONE HOMES, LLC.

BY: _____
CLINTON WHITING
PRESIDENT

STATE OF ARIZONA
SS.
COUNTY OF COCONINO

ON THIS _____ DAY OF _____, 202_, BEFORE ME, THE UNDERSIGNED PERSONALLY APPEARED _____ WHO ACKNOWLEDGED BY SELF TO THE REPRESENT CAPSTONE HOMES, LLC.., 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 FORTH MY HAND AND OFFICIAL SEAL.

_____
NOTARY PUBLIC MY COMMISSION EXPIRES

CITY OF FLAGSTAFF CERTIFICATION

IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR THE RECORD BY THE COUNCIL OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA,
ON THE ___ DAY OF _____, 20__.

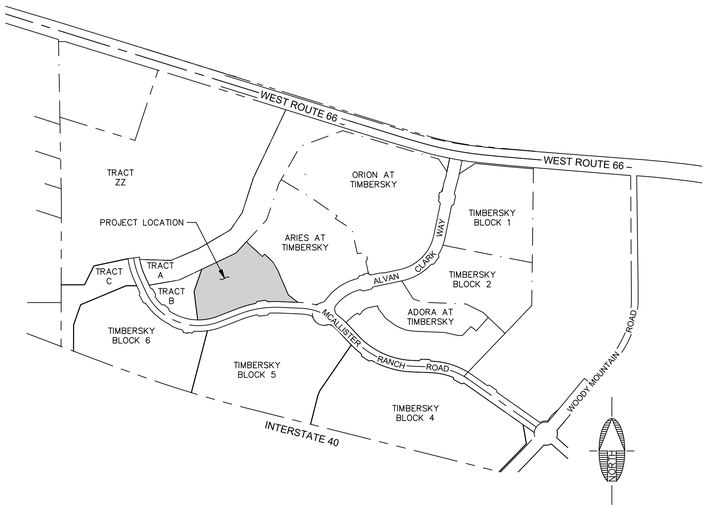
BY: _____
MAYOR

ATTEST: _____
CITY CLERK

IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR THE RECORD BY THE INTER–DIVISION STAFF REVIEW OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA ON THE ___ DAY OF _____, 20__.

BY: _____
CITY ENGINEER

BY: _____
PLANNING DIRECTOR



VICINITY MAP

N.T.S.

SHEET LIST TABLE		
SHEET NUMBER	DRAWING NUMBER	SHEET TITLE
1	FP01	COVER SHEET
2	FP02	EXISTING BOUNDARY
3	FP03	FINAL PLAT
4	FP04	NRPP ENVELOPES

LEGEND

EX. ROW
EX. LOT LINE
EX. CENTER LINE
EX. EASEMENT
EX. SECTION LINE
PROJECT BOUNDARY
PARCEL BOUNDARY
ROW
LOT LINE
CENTERLINE
EASEMENT (P.U.E./DE/VNAE/SLOPE)

LEGAL DESCRIPTIONS

A PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER; SECTION 19, TOWNSHIP 21 NORTH, RANGE 7 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA. AND A PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER; SECTION 24, TOWNSHIP 21 NORTH, RANGE 6 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA. FORMERLY A PORTION ASSESSOR'S PARCEL NUMBER 112–01–166 (TRACT 'ZZ') ACCORDING TO INSTRUMENT NUMBER 3810031, OFFICIAL RECORDS OF COCONINO COUNTY, ARIZONA.

PROPERTY INFORMATION:

ARIES AT TIMBER SKY PHASE II – BLOCK 7B

APN# 112–01–710
ZONING: SINGLE FAMILY RESIDENTIAL (R1)

NUMBER OF UNITS/LOTS: 16
TOTAL ACREAGE OF LOTS: ±5.31 ACRES
NUMBER OF TRACTS: 3
TOTAL ACREAGE OF TRACTS: ± 0.84 ACRES
BUILDING TYPE: SINGLE FAMILY RESIDENTIAL (R1)
GROSS ACREAGE: ±6.59 ACRES
GROSS DENSITY: ±2.43 UNITS PER ACRE
NET ACREAGE (EXCLUDING ROADWAY): ±5.48 ACRES
NET DENSITY (EXCLUDING ROADWAY): ±2.92 UNITS PER ACRE

1. TRACTS A, B, AND C ARE DEDICATED HEREON FOR PURPOSES OF OPEN SPACE, DRAINAGE, AND RESOURCE PROTECTION.
2. THE CITY OF FLAGSTAFF PROVIDES WATER [UTILITY] SERVICE PURSUANT TO STATE LAW, AND IS CURRENTLY OPERATING UNDER A DESIGNATION OF ADEQUATE WATER SUPPLY GRANTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES, APPLICATION NO. 41–90000.0002.
3. ALL UTILITIES, INCLUDING STREET LIGHT AND ELECTRIC LINES INSTALLED WITH THIS DEVELOPMENT SHALL BE PLACED UNDERGROUND.
4. DEVELOPMENT AND USE OF THIS SITE WILL CONFORM TO ALL APPLICABLE CITY OF FLAGSTAFF CODES AND ORDINANCES.
5. THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, AND EASEMENTS FOR 'ARIES AT TIMBER SKY – PHASE II' SHALL BE RECORDED IN THE OFFICE OF THE COCONINO COUNTY RECORDER AND ARE HEREBY INCORPORATED AS A PART OF THIS PLAT.
6. EXCEPT FOR CONSTRUCTION AND IMPROVEMENTS BY GOVERNMENTAL ENTITIES AND CERTIFICATED PUBLIC UTILITIES, CONSTRUCTION AND IMPROVEMENTS WITHIN UTILITY EASEMENTS SHALL BE LIMITED TO ONLY THE FOLLOWING: REMOVABLE WOOD, WIRE OR SECTION TYPE FENCING; CONSTRUCTION, STRUCTURES OR BUILDING EXPRESSLY APPROVED IN WRITING BY ALL PUBLIC UTILITIES WHICH USE OR SHALL USE THE UTILITY EASEMENT.
7. TOPOGRAPHIC, BOUNDARY, AND EXISTING EASEMENT INFORMATION BASED ON INFORMATION PER INST. #3810031, AND SUPPLEMENTAL TOPOGRAPHIC SURVEY PERFORMED BY SHEPHARD–WESNITZER, INC. IN NOVEMBER 2020.
8. THE SLOPE EASEMENTS ARE AUTOMATICALLY ABANDONED ON A LOT OR PARCEL WHEN THE CITY OF FLAGSTAFF ISSUES C OF O FOR THE LOT OR PARCEL.
9. RESOURCE PROTECTION. A BUILDING ENVELOPE FOR EACH LOT IS SHOWN AND PLATTED HEREON FOR THE PURPOSE OF MAINTAINING RESOURCES IN ACCORDANCE WITH THE ZONING CODE'S RESOURCE PROTECTION OVERLAY DESIGNATION. ALL DEVELOPMENT ON A LOT SHALL OCCUR WITHIN THE BUILDING ENVELOPE, EXCEPT THAT ACCESSORY STRUCTURES THAT COMPLY WITH THE REQUIREMENTS OF THE ZONING CODE MAY BE DEVELOPED OUTSIDE OF THE BUILDING ENVELOPE, PROVIDED THAT NO RESOURCES ARE REMOVED OR ENCROACHED UPON. A MODIFICATION TO A LOT'S BUILDING ENVELOPE THAT COMPLIES WITH THE ZONING CODE MAY BE APPROVED BY THE CITY OF FLAGSTAFF'S PLANNING DIRECTOR AND RECORDED IN COCONINO COUNTY, ARIZONA. ALL APPLICABLE PROVISIONS OF THE ZONING CODE, AS AMENDED, SHALL APPLY.

SITE BENCHMARK

2" ALUMINUM CAP IN MEDIAN NORTHEAST CORNER ISLAND OF MCALLISTER RANCH ROAD AND ALVAN CLARK WAY ROUNDABOUT
ELEVATION = 7088.834'

BASIS OF BEARING

NORTH 89–47–14 EAST, 2555.77' FROM THE NORTHWEST QUARTER CORNER OF SECTION 19 TO THE NORTH QUARTER CORNER OF SECTION 19, TOWNSHIP 21 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDAN, COCONINO COUNTY, ARIZONA, ACCORDING TO THE INST. NO. 3810031, OFFICIAL RECORDS OF COCONINO COUNTY, ARIZONA.

PROPERTY OWNER/DEVELOPER:

CAPSTONE HOMES
CONTACT: JOHN SUTHERLAND
3605 S. FLAGSTAFF RANCH RD.
FLAGSTAFF, AZ 86005
(928) 774–3826

CIVIL ENGINEER:

SHEPARD–WESNITZER, INC.
STEPHEN IRWIN, PE #58405
110 W. DALE AVE.
FLAGSTAFF, AZ 86001
(928) 774–0354

SURVEYOR:

SHEPARD–WESNITZER, INC.
AARON BORLING, RLS #48756
110 W, DALE AVE.
FLAGSTAFF, AZ 86001
(928) 774–0354

UTILITY COMPANY CONTACTS

APS
CONTACT: CHAD BROOKS
2200 E. HUNTINGTON
FLAGSTAFF, AZ 86004
CHAD.BROOKS@APS.COM
PHONE: (928) 773–6440

UNISOURCE ENERGY SERVICES
CONTACT: MARTIN CONBOY
2901 W SHAMRELL BLVD #110
FLAGSTAFF, AZ 86001
MCONBOY@UESAZ.COM
PHONE: (928) 226–2269

LUMEN
CONTACT: MANUEL HERNANDEZ
112 NORTH BEAVER STREET
FLAGSTAFF, AZ 86001
MANUEL.HERNANDEZ4@LUMEN.COM
PHONE: (928) 779–4935

ALTICE USA
CONTACT: SANFORD YAZZIE
1601 SOUTH PLAZA WAY
FLAGSTAFF, AZ 86001
SANFORD.YAZZIE@ALTICEUSA.COM
PHONE: (928) 266–0672

UTILITY COMPANY APPROVAL

ARIZONA PUBLIC SERVICE
CHAD BROOKS BY LETTER DATED 3/16/2022
BY: DATE:

UNISOURCE ENERGY SERVICES
MARTIN CONBOY BY LETTER DATED 1/19/2022
BY: DATE:

LUMEN
KEVIN WAGNER BY LETTER DATED 4/17/2022
BY: DATE:

ALTICE USA
SANFORD YAZZIE BY LETTER DATED 1/20/2022
BY: DATE:

UTILITY CONFLICT

UNDERGROUND UTILITIES SHOWN ARE APPROXIMATE AND WERE COMPILED FROM RECORD DRAWINGS, SURVEY, AND CONSTRUCTION PLANS FURNISHED BY OTHERS. THE CONTRACTOR IS ULTIMATELY RESPONSIBLE FOR DETERMINING THE ACTUAL LOCATIONS OF ALL UNDERGROUND LINES THAT MAY AFFECT WORK PRIOR TO CONSTRUCTION.

THERE ARE NO APPARENT UTILITY CONFLICTS WITH APS, UNISOURCE, CENTURYLINK, AND ALTICE USA; HOWEVER, THEY DO HAVE EXISTING FACILITIES IN THE AREA THAT WILL NEED TO BE PROTECTED AND/OR RELOCATED.

CERTIFICATE OF LAND SURVERYOR

THIS IS TO CERTIFY THAT THE SURVEY OF THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT. I ALSO CERTIFY THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN, AND THE MONUMENTS DESCRIBED IN IT HAVE BEEN LOCATED AS DESCRIBED.

_____
Aaron D. Borling, RLS 48756

PRELIMINARY

NOT FOR CONSTRUCTION, BIDDING OR RECORDING

COF PROJECT # PZ–

FLAGSTAFF ARIZONA

ARIES AT TIMBER SKY PHASE II

COVER SHEET

JOB NO:	21265
DATE:	MAY 22
SCALE:	AS SHOWN
DRAWN:	ELK
DESIGN:	ELK
CHECKED:	SJV, SDI

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.6934 fax
www.swoz.com

Shephard Wesnitzer, Inc.

REVISIONS			
NO.	DESCRIPTION	DATE	BY

Call at least two full working days before you dig in Arizona
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO. FP01

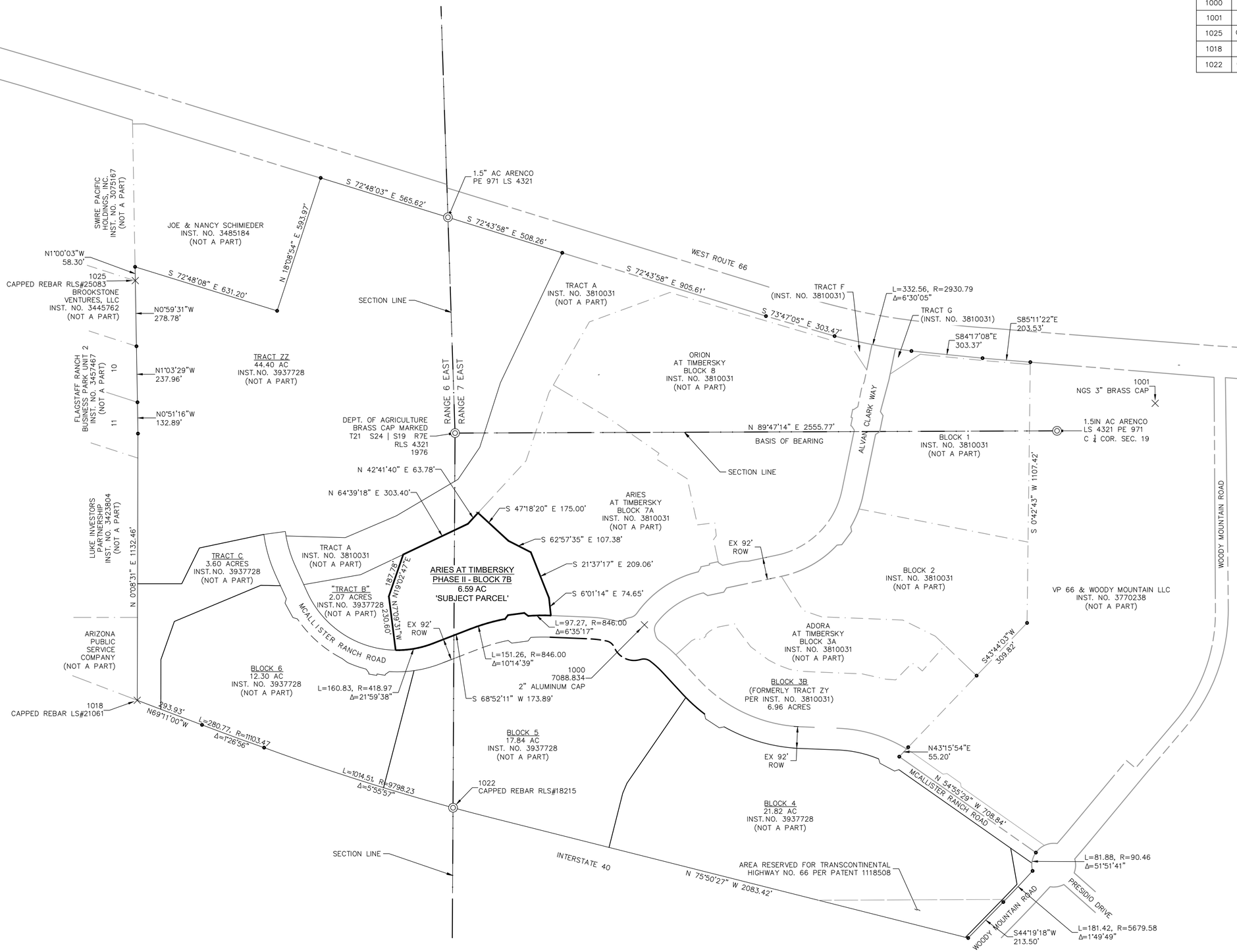
SHT NO. 1 OF 4

FILE: P:\2021\21265\DRAWINGS\PLATS\FINAL\COVER SHEET.DWG EKESSER

PLOTTED: May 17, 2022--10:48am

CONTROL POINTS

Point Table			
Point #	Raw Description	Northing	Easting
1000	2" ALUMINUM CAP	1523530.5230	765432.8480
1001	NGS 3" BRASS CAP	1524471.1200	767601.1470
1025	CAPPED REBAR RLS#25083	1524992.0760	763271.1750
1018	CAPPED REBAR LS#21061	1523210.0090	763279.4670
1022	CAPPED REBAR RLS#18215	1522753.7730	764620.1770



SCALE 1" : 200'
0 100 200

PRELIMINARY

NOT FOR CONSTRUCTION, BIDDING OR RECORDING

COF PROJECT # PZ–

FLAGSTAFF ARIZONA

ARIES AT TIMBER SKY PHASE II

EXISTING BOUNDARY

JOB NO: 21169
DATE: MAY 22
SCALE: AS SHOWN
DRAWN: BH, ELK
DESIGN: BH, SVJ
CHECKED: SCI

REVISIONS

NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0334
928.774.8934 fax
www.swiaz.com

Shephard Wesnitzer, Inc.

Call at least two full working days before you dig, it's the law. ARIZONA811 Arizona Blue Stake, Inc. Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
FP02

SHT NO. 2 OF 4

FILE: P:\2021\21265\DRAWINGS\PLATS\FINAL\EXISTING BOUNDARY.DWG EKEISER

PLOTTED: May 17, 2022--10:48am

BLOCK 7B FINAL PLAT

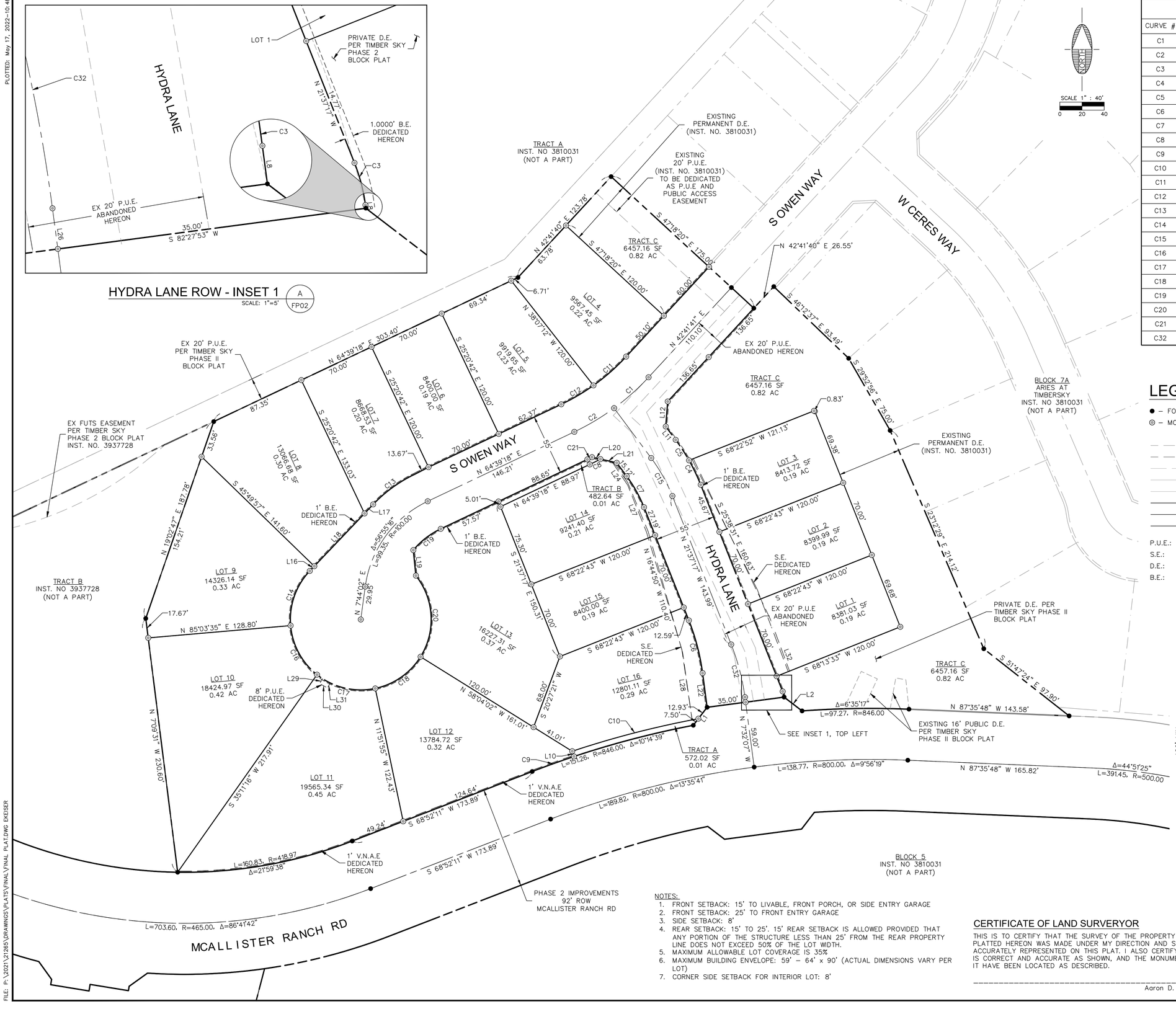
ARIES AT TIMBER SKY PHASE II

FLAGSTAFF ARIZONA

HYDRA LANE ROW - INSET 1 (A / FP02)
SCALE: 1"=5'

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	41.78	218.03	10°58'44"
C2	41.79	218.03	10°58'53"
C3	4.92	20.00	14°05'10"
C4	24.41	177.50	7°52'48"
C5	22.10	177.50	7°08'00"
C6	49.17	200.00	14°05'10"
C7	32.10	122.50	15°00'48"
C8	10.77	250.53	2°27'49"
C9	39.99	846.00	2°42'30"
C10	117.53	851.00	7°54'47"
C11	39.34	190.53	11°49'46"
C12	33.69	190.53	10°07'51"
C13	46.87	127.50	21°03'43"
C14	53.79	63.50	48°32'00"
C15	39.31	150.00	15°00'48"
C16	51.67	63.50	46°37'04"
C17	55.75	63.50	50°18'26"
C18	51.20	63.50	46°12'07"
C19	31.54	72.50	24°55'26"
C20	78.08	63.50	70°27'00"
C21	4.64	245.53	1°04'57"
C32	49.17	200.00	14°05'10"

LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	20.43	S 37°27'53" W
L2	20.43	N 52°32'07" W
L8	0.37	N 7°32'07" W
L10	5.00	N 18°25'19" W
L11	14.97	N 36°38'05" W
L12	22.63	N 4°24'44" E
L16	5.94	N 43°35'35" E
L17	11.27	N 43°35'35" E
L18	65.65	N 43°35'35" E
L19	23.13	S 5°45'13" E
L20	7.79	N 77°12'52" W
L21	15.01	N 77°12'52" W
L22	31.11	N 7°32'07" W
L24	25.13	N 33°49'46" W
L26	4.62	N 7°32'07" W
L27	45.62	N 21°45'58" W
L28	64.13	N 8°17'45" W
L29	5.18	S 28°33'16" W
L30	8.00	S 61°26'44" E
L31	5.07	N 28°33'16" E
L32	49.76	S 20°14'56" E

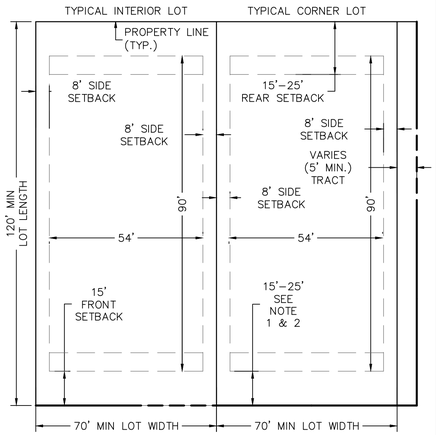


LEGEND

- ● – FOUND EXISTING BLOCK/ROW CORNER AS NOTED
- ◎ – MONUMENT TO BE SET AT COMPLETION OF INFRASTRUCTURE

- EXISTING P.U.E./S.E. (AS LABELED)
- NEW V.N.A.E./B.E./S.E. (AS LABELED)
- EX LOT LINE
- EX STREET ROW
- EX STREET CENTERLINE
- PROPERTY BOUNDARY
- NEW STREET ROW
- NEW STREET CENTERLINE

P.U.E.: PUBLIC AND PRIVATE UTILITY EASEMENT.
S.E.: SLOPE EASEMENT.
D.E.: DRAINAGE EASEMENT.
B.E.: BENCH EASEMENT.



NOTES:
1. FRONT SETBACK: 15' TO LIVABLE, FRONT PORCH, OR SIDE ENTRY GARAGE
2. FRONT SETBACK: 25' TO FRONT ENTRY GARAGE
3. SIDE SETBACK: 8'
4. REAR SETBACK: 15' TO 25'. 15' REAR SETBACK IS ALLOWED PROVIDED THAT ANY PORTION OF THE STRUCTURE LESS THAN 25' FROM THE REAR PROPERTY LINE DOES NOT EXCEED 50% OF THE LOT WIDTH.
5. MAXIMUM ALLOWABLE LOT COVERAGE IS 35%
6. MAXIMUM BUILDING ENVELOPE: 59' – 64' x 90' (ACTUAL DIMENSIONS VARY PER LOT)
7. CORNER SIDE SETBACK FOR INTERIOR LOT: 8'

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_____
Aaron D. Borling, RLS 48756

PRELIMINARY

NOT FOR CONSTRUCTION, BIDDING OR RECORDING

COF PROJECT # PZ–

Shepard Wesnitzer, Inc.
110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0334
928.774.6934 fax
www.swiaz.com

JOB NO:	21265
DATE:	MAY 22
SCALE:	AS SHOWN
DRAWN:	ELK, SJV
DESIGN:	BH, SJV
CHECKED:	SCI

NO.	DESCRIPTION	DATE	BY
REVISIONS			

Call at least two full working days before you begin excavation
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

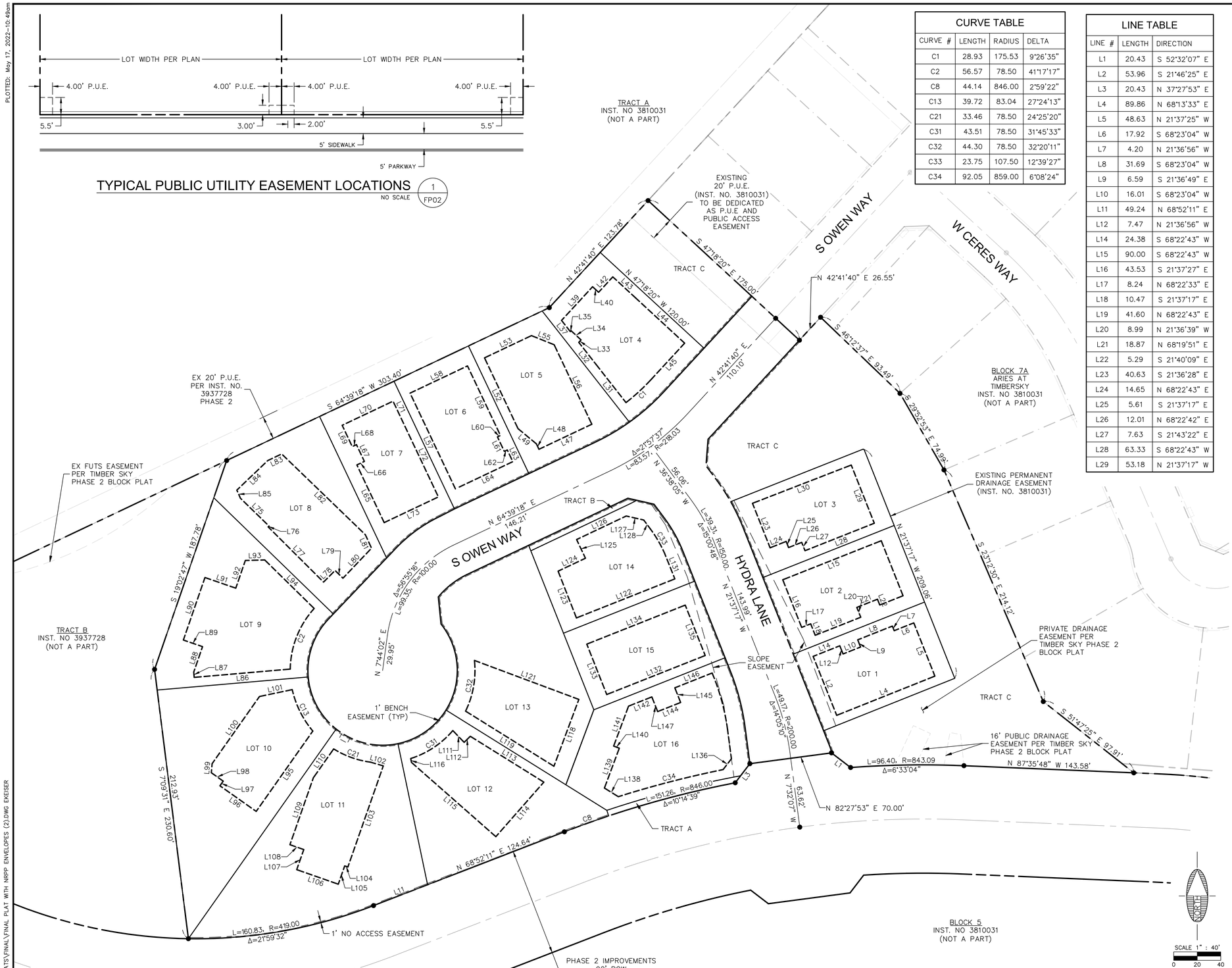
DRAWING NO. FP03

SHT NO. 3 OF 4

FILE: P:\2021\21265\DRAWINGS\PLATS\FINAL\FINAL PLAT.DWG EKESER

PLOTTED: May 17, 2022--10:49am

TYPICAL PUBLIC UTILITY EASEMENT LOCATIONS (1 FP02)
NO SCALE



CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	28.93	175.53	9°26'35"
C2	56.57	78.50	41°17'17"
C8	44.14	846.00	2°59'22"
C13	39.72	83.04	27°24'13"
C21	33.46	78.50	24°25'20"
C31	43.51	78.50	31°45'33"
C32	44.30	78.50	32°20'11"
C33	23.75	107.50	12°39'27"
C34	92.05	859.00	6°08'24"

LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	20.43	S 52°32'07" E
L2	53.96	S 21°46'25" E
L3	20.43	N 37°27'53" E
L4	89.86	N 68°13'33" E
L5	48.63	N 21°37'25" W
L6	17.92	S 68°23'04" W
L7	4.20	N 21°36'56" W
L8	31.69	S 68°23'04" W
L9	6.59	S 21°36'49" E
L10	16.01	S 68°23'04" W
L11	49.24	N 68°52'11" E
L12	7.47	N 21°36'56" W
L14	24.38	S 68°22'43" W
L15	90.00	S 68°22'43" W
L16	43.53	S 21°37'27" E
L17	8.24	N 68°22'33" E
L18	10.47	S 21°37'17" E
L19	41.60	N 68°22'43" E
L20	8.99	N 21°36'39" W
L21	18.87	N 68°19'51" E
L22	5.29	S 21°40'09" E
L23	40.63	S 21°36'28" E
L24	14.65	N 68°22'43" E
L25	5.61	S 21°37'17" E
L26	12.01	N 68°22'42" E
L27	7.63	S 21°43'22" E
L28	63.33	S 68°22'43" W
L29	53.18	N 21°37'17" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L30	90.00	S 68°49'16" W
L31	39.83	N 38°07'12" W
L32	25.20	N 38°07'12" W
L33	2.85	N 42°41'40" E
L34	11.50	N 47°18'20" W
L35	1.00	S 42°41'40" W
L37	12.08	N 38°07'12" W
L39	38.93	N 42°41'39" E
L40	6.94	S 47°18'21" E
L42	17.80	N 42°41'30" E
L43	26.04	S 47°18'20" E
L44	57.03	S 47°18'19" E
L45	42.10	S 42°41'41" W
L47	49.70	S 64°39'18" W
L48	5.12	N 25°20'42" W
L49	20.22	N 50°26'18" W
L52	66.57	N 25°20'42" W
L53	44.15	N 64°39'18" E
L55	20.78	S 68°09'24" E
L56	74.75	S 25°20'42" E
L57	90.00	N 25°20'42" W
L58	54.00	N 64°39'18" E
L59	65.39	S 25°20'42" E
L60	2.80	S 64°39'18" W
L61	13.64	S 25°20'42" E
L62	2.80	N 64°39'18" E
L63	10.98	S 25°20'41" E
L64	50.33	S 64°39'18" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L65	54.21	N 25°20'42" W
L66	7.07	N 64°39'18" E
L67	15.74	N 25°20'42" W
L68	3.95	S 64°39'18" W
L69	20.05	N 25°20'42" W
L70	47.85	N 64°39'18" E
L71	14.22	S 25°20'42" E
L72	75.78	S 25°20'42" E
L73	50.97	S 64°39'18" W
L75	33.81	S 45°49'57" E
L76	1.03	S 44°53'23" W
L77	66.46	S 45°06'37" E
L78	13.91	N 44°51'42" E
L79	9.37	S 45°26'36" E
L80	35.23	N 43°35'35" E
L81	12.62	N 24°34'55" W
L82	98.78	N 46°01'52" W
L83	13.04	S 64°39'18" W
L84	36.42	S 46°18'08" W
L85	7.57	S 23°57'51" E
L86	81.93	S 85°03'35" W
L87	4.49	N 4°56'25" W
L88	22.89	N 19°02'47" E
L89	17.22	N 70°57'13" W
L90	56.19	N 19°02'47" E
L91	27.72	S 70°57'13" E
L92	24.89	N 19°02'47" E
L93	16.49	N 88°25'35" E

LINE TABLE		
LINE #	LENGTH	DIRECTION
L94	58.87	S 45°32'08" E
L95	83.51	S 35°11'16" W
L96	37.73	N 54°48'44" W
L97	4.87	N 35°11'16" E
L98	12.34	N 54°48'44" W
L99	7.72	N 4°45'23" E
L100	69.85	N 35°11'16" E
L101	28.45	N 78°05'51" E
L102	11.36	S 73°46'03" E
L103	91.01	S 19°18'12" W
L104	2.87	N 71°36'56" W
L105	16.47	S 19°18'12" W
L106	37.41	N 70°41'48" W
L107	18.08	N 19°18'12" E
L108	12.46	N 70°41'48" W
L109	60.33	N 19°18'12" E
L110	29.91	N 35°11'16" E
L111	13.88	S 44°00'31" E
L112	7.30	N 45°29'28" E
L113	73.63	S 58°04'02" E
L114	61.70	S 41°21'03" W
L115	95.44	N 48°39'50" W
L116	3.39	N 11°51'55" W
L118	60.61	S 20°27'21" W
L119	88.48	N 58°02'49" W
L121	94.72	S 69°32'39" E
L122	89.97	S 68°22'03" W
L123	42.66	N 21°25'15" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L124	25.72	N 64°39'18" E
L125	17.57	N 25°20'42" W
L126	46.67	N 64°39'18" E
L127	15.25	S 77°12'52" E
L128	9.57	S 36°38'05" E
L131	23.59	S 21°50'30" E
L132	90.00	S 68°22'43" W
L133	46.06	N 21°37'17" W
L134	90.00	N 68°22'43" E
L135	46.06	S 21°37'17" E
L136	11.58	S 37°27'53" W
L138	13.88	N 58°04'02" W
L139	36.14	N 20°27'21" E
L140	5.12	N 69°32'39" W
L141	36.20	N 20°27'21" E
L142	21.29	N 68°22'43" E
L144	21.00	N 68°22'43" E
L145	13.41	N 21°37'17" W
L146	34.13	N 68°22'43" E
L147	13.41	S 21°37'17" E

LEGEND

- ROW
- EASEMENT
- LOT LINE
- EXISTING LOT LINE
- ROAD CENTERLINE
- NRPP ENVELOPE

CERTIFICATE OF LAND SURVERYOR

THIS IS TO CERTIFY THAT THE SURVEY OF THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT. I ALSO CERTIFY THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN, AND THE MONUMENTS DESCRIBED IN IT HAVE BEEN LOCATED AS DESCRIBED.

_____
Aaron D. Borling, RLS 48756

PRELIMINARY

NOT FOR CONSTRUCTION, BIDDING OR RECORDING

COF PROJECT # PZ-

FLAGSTAFF ARIZONA

ARIES AT TIMBER SKY PHASE II

NRPP ENVELOPES

JOB NO:	21265
DATE:	MAY 22
SCALE:	AS SHOWN
DRAWN:	ELK, SJV
DESIGN:	BH, SJV
CHECKED:	SCI

REVISIONS			
NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.6934 fax
www.swiaz.com
Shephard Wesnitzer, Inc.

Call at least two full working days before you dig - it's the law!
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)
Arizona Blue Stake, Inc.

DRAWING NO.
FP04

SHT NO. 4 OF 4

FILE: P:\2021\21265\DRAWINGS\PLATS\FINAL\FINAL PLAT WITH NRPP ENVELOPES (2).DWG EXEISER

10. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Rob Speer, IT Manager - GIS
Co-Submitter:	CJ Perry
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Software Maintenance Agreement for GIS Software with Environmental Systems Research Institute, Inc. (esri) in the amount of $180,148.65 (plus applicable taxes).

STAFF RECOMMENDED ACTION:

1. Approve the 3-year Software Maintenance Agreement with esri for GIS software in the amount of $180,148.65 (plus applicable taxes);
2. Authorize the City Manager to approve the necessary documents.

Executive Summary:

Staff is requesting approval of a Software Maintenance Agreement with esri, the vender of GIS Software. GIS Software is used to make maps, analyze geospatial data, and share results to solve problems. The City has used esri for GIS Software since 1988, and it is utilized by all departments within the City. GIS Software provides essential data functions to other systems including the ERP, water distribution networks, public works systems, and provides maps and data for plans and publications. GIS Software is accessed by external customers and citizens via internet mapping and data distribution portals. This Software Maintenance Agreement covers software extending to all internal users' desktops and as well as databases, servers, and public internet portals.

The procurement of the esri GIS Software comes via a Proprietary Justification. The City has used this GIS Software since 1988 and only a single vender can supply the City with this specific GIS Software package. The Proprietary Justification has been approved by the Procurement Director as esri alone owns the proprietary GIS Software.

Financial Impact:

The cost of the GIS Software is budgeted and split between IT (54%), Water Services (20%), and Public Works (26%). The cost and allocation has remained the same since 2016 as reflected in the last two (2) three (3)-year Software Maintenance Agreements.

Policy Impact:

None

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

This software reflects the PBB objective of **High Performing Governance** by providing an enterprise wide data and communication tool that integrates and reports on many systems within the City,

and

This software reflects the PBB objective of **Inclusive and Engaged Community** by providing effective communication tools like maps and Informatics, which are available online and appear in numerous plans and publications

Regional Plan

GIS is a key tool in providing data to, providing analysis for, and creating maps within the Regional Plan.

Has There Been Previous Council Decision on This:

This Software Maintenance Agreement for GIS Software with esri was approved by City Council twice in the past; on 6/21/2016 and 9/3/2019.

This is a renewal of the Software Maintenance Agreement for the next three (3) years.

Options and Alternatives:

1. Approve the Software Maintenance Agreement contract with esri for the GIS Software; or
2. Do not approve the Software Maintenance Agreement and provide staff direction on procurement of this essential software.

Background/History:

The City first started using esri software in 1988, when it became esri Customer #348. Since that date, esri has now grown to over 350,000 customers in over 200 countries.

City departments use the esri GIS Software services provided through this software package for mapping, communications, and data obtained via GIS for analysis in other City functions. More importantly, many other City systems are integrated and depend on data and information originating or passing through the GIS system: the Innoprise ERP (Community Development, Financials, Sales Tax, Customer Service), the Cartegraph Suite (Public Works and PROSE), the City Works suite (Water Services), and the Computer Aided Dispatch system (Police/Fire).

Key Considerations:

Esri provides the GIS Software exclusively through a Software Maintenance Agreement. While licensing may be available packaged with other products such as GPS or surveying equipment, this GIS Software package is available only via direct purchase from esri.

Expanded Financial Considerations:

The esri GIS Software may be used by staff to replace other software package by developing solutions in-house with this GIS Software package, creating savings by discontinuing other products or subscriptions.

Community Benefits and Considerations:

This Software Maintenance Agreement authorizes the City Portal for the ArcGIS website to provide public web maps, data downloads, and web pages to the public, enhancing outreach and engagement of the community.

Expanded Options and Alternatives:

1. Approve the 3-year Software Maintenance Agreement with esri for the GIS Software; or
2. Do not approve the Software Maintenance Agreement and provide staff further direction. This will have a negative effect on the efficiency of City processes.

Attachments: 2022 Esri SGEA Software Renewal
2022 Ersi Master Terms of Use
2022 Ersi Product Specific Terms
2022 Ersi Term Changes

June 7, 2022

Mr. Rob Speer
City of Flagstaff
211 W Aspen Ave
Flagstaff, AZ 86001-5359

Dear Rob,

The Esri Small Municipal and County Government Enterprise Agreement (SGEA) is a three-year agreement that will grant your organization access to Esri term license software. The EA will be effective on the date executed and will require a firm, three-year commitment.

Based on Esri's work with several organizations similar to yours, we know there is significant potential to apply Geographic Information System (GIS) technology in many operational and technical areas within your organization. For this reason, we believe that your organization will greatly benefit from an Enterprise Agreement (EA).

An EA will provide your organization with numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Complete flexibility to deploy software products when and where needed

The following business terms and conditions will apply:

- All current departments, employees, and in-house contractors of the organization will be eligible to use the software and services included in the EA.

- If your organization wishes to acquire and/or maintain any Esri software during the term of the agreement that is not included in the EA, it may do so separately at the Esri pricing that is generally available for your organization for software and maintenance.

- The organization will establish a single point of contact for orders and deliveries and will be responsible for redistribution to eligible users.

- The organization will establish a Tier 1 support center to field calls from internal users of Esri software. The organization may designate individuals as specified in the EA who may directly contact Esri for Tier 2 technical support.

- The organization will provide an annual report of installed Esri software to Esri.

- Esri software and updates that the organization is licensed to use will be automatically available for downloading.

- The fee and benefits offered in this EA proposal are contingent upon your acceptance of Esri's Small Municipal and County Government EA terms and conditions.

- Licenses are valid for the term of the EA.

This program offer is valid for 90 days. To complete the agreement within this time frame, please contact me within the next seven days to work through any questions or concerns you may have.

To expedite your acceptance of this EA offer:

1. Sign and return the EA contract with a Purchase Order or issue a Purchase Order that references this EA Quotation and includes the following statement on the face of the Purchase Order:

   "THIS PURCHASE ORDER IS GOVERNED BY THE TERMS AND CONDITIONS OF THE ESRI SMALL MUNICIPAL AND COUNTY GOVERNMENT EA, AND ADDITIONAL TERMS AND CONDITIONS IN THIS PURCHASE ORDER WILL NOT APPLY."

   Have it signed by an authorized representative of the organization.

2. On the first page of the EA, identify the central point of contact/agreement administrator. The agreement administrator is the party that will be the contact for management of the software, administration issues, and general operations. Information should include name, title (if applicable), address, phone number, and e-mail address.

3. In the purchase order, identify the "Ship to" and "Bill to" information for your organization.

4. Send the purchase order and agreement to the address, email or fax noted below:

   Esri
   Attn: Customer Service SG-EA
   380 New York Street
   Redlands, CA 92373-8100

   e-mail: service@esri.com
   fax documents to: 909-307-3083

I appreciate the opportunity to present you with this proposal, and I believe it will bring great benefits to your organization.

Thank you very much for your consideration.

Best Regards,

Bryn Brum

Quotation # Q-472718

Date: June 7, 2022

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853 Fax: (909) 307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 348 Contract #

City of Flagstaff
GIS
211 W Aspen Ave
Flagstaff, AZ 86001-5359

ATTENTION: Rob Speer
PHONE: 928-213-2851
EMAIL: rob.speer@flagstaffaz.gov

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 6/7/2022 To: 9/5/2022

Material	Qty	Term	Unit Price	Total
168179	1	Year 1	$55,000.00	$55,000.00
Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement				
168179	1	Year 2	$55,000.00	$55,000.00
Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement				
168179	1	Year 3	$55,000.00	$55,000.00
Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement				

Subtotal:	$165,000.00
Sales Tax:	$15,148.65
Estimated Shipping and Handling (2 Day Delivery):	$0.00
Contract Price Adjust:	$0.00
Total:	$180,148.65

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	**Email:**	**Phone:**
Bryn Brum	bbrum@esri.com	(909) 793-2853 x8245

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

BRUMB **This offer is limited to the terms and conditions incorporated and attached herein.**

Quotation # Q-472718

Date: June 7, 2022

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853 Fax: (909) 307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 348 Contract #

City of Flagstaff
GIS
211 W Aspen Ave
Flagstaff, AZ 86001-5359

ATTENTION: Rob Speer
PHONE: 928-213-2851
EMAIL: rob.speer@flagstaffaz.gov

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 6/7/2022 To: 9/5/2022

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF $_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

___ I agree to pay any applicable sales tax.

___ I am tax exempt, please contact me if exempt information is not currently on file with Esri.

_____ _____
Signature of Authorized Representative **Date**

_____
Name (Please Print)

_____
Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	**Email:**	**Phone:**
Bryn Brum	bbrum@esri.com	(909) 793-2853 x8245

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

BRUMB **This offer is limited to the terms and conditions incorporated and attached herein.**

Esri Use Only:
Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____

SMALL ENTERPRISE AGREEMENT
COUNTY AND MUNICIPALITY GOVERNMENT
(E214-3)

This Agreement is by and between the organization identified in the Quotation (**"Customer"**) and **Environmental Systems Research Institute, Inc.** (**"Esri"**).

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

Table A
List of Products

Uncapped Quantities

Desktop Software and Extensions (Single Use)
ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions
ArcGIS Enterprise and Workgroup (Advanced and Standard)
ArcGIS Monitor
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager

Enterprise Additional Capability Servers
ArcGIS Image Server

Developer Tools
ArcGIS Engine
ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
ArcGIS Runtime (Standard)
ArcGIS Runtime Analysis Extension

Limited Quantities
One (1) Professional subscription to ArcGIS Developer
Two (2) ArcGIS CityEngine Single Use Licenses
250 ArcGIS Online Viewers
250 ArcGIS Online Creators
37,500 ArcGIS Online Service Credits
250 ArcGIS Enterprise Creators
5 ArcGIS Insights in ArcGIS Enterprise
5 ArcGIS Insights in ArcGIS Online
50 ArcGIS Tracker for ArcGIS Enterprise
50 ArcGIS Tracker for ArcGIS Online
4 ArcGIS Parcel Fabric User Type Extensions (Enterprise)
4 ArcGIS Utility Network User Type Extensions (Enterprise)
4 ArcGIS Trace Network User Type Extensions (Enterprise)

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	**4**
Number of Tier 1 Help Desk individuals authorized to call Esri	**4**
Maximum number of sets of backup media, if requested*	**2**
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

_____
(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Address: _____

City, State, Postal Code: _____

Country: _____

Quotation Number (if applicable): _____

Telephone: _____

Fax: _____

E-mail: _____

1.0—Additional Definitions

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at https://www.esri.com/en-us/legal/terms/full-master-agreement and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—Additional Grant of License

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—Term, Termination, and Expiration

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-

owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—Product Updates

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at https://support.esri.com/en/other-resources/product-life-cycle. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—Maintenance

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at https://www.esri.com/en-us/legal/terms/maintenance). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.

2. The Tier 1 Help Desk will be fully trained in the Products.

3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.

4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.

5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer’s organization.

6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.

2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.

3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to

supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—Endorsement and Publicity

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—Administrative Requirements

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—Ordering, Administrative Procedures, Delivery, and Deployment

8.1 Orders, Delivery, and Deployment

a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

c. Esri's federal ID number is 95-2775-732.

d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

b. The following information will be included in each Ordering Document:

(1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
(2) Order number
(3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.

9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

Master Agreement
Product and Services

Revised April 1, 2022
IMPORTANT—READ CAREFULLY

Unless superseded by a signed license agreement between you and Esri, Esri is willing to provide Esri Offerings and Services to you only if you accept all terms and conditions contained in this Agreement as the sole and final agreement of the parties regarding your acquisition of these Esri Offerings and Services. Please read the terms and conditions carefully. You may not use the Esri Offerings unless you agree to the terms and conditions of the Agreement. Your access and use of Esri Offerings, or Services, constitutes your acceptance of the terms and conditions of this Agreement. If you do not agree, contact your local sales representative prior to making your purchase.

This Master Agreement (**"Agreement"**) is between you (**"Customer"**) and **Environmental Systems Research Institute, Inc.** (**"Esri"**), a California corporation with a place of business at 380 New York Street, Redlands, California 92373-8100 USA.

Attachment A contains definitions of capitalized terms used throughout this Agreement. Each section of this Agreement may include additional definitions that are used exclusively within that section.

1.0 GENERAL GRANT OF RIGHTS AND RESTRICTIONS

1.1 Grant of Rights. In consideration of Customer's payment of all applicable fees and in accordance with this Agreement, Esri

a. Provides Services as set forth in this Agreement;
b. Grants to Customer a nonexclusive, nontransferable right and license or subscription to access and use Esri Offerings as set forth in the Specifications and applicable Ordering Documents; and
c. Authorizes Customer to copy and make derivative works of the Documentation for Customer's own internal use in conjunction with Customer's authorized use of Esri Offerings. Customer will include the following copyright attribution notice acknowledging the proprietary rights of Esri and its licensors in any derivative work:

> "Portions of this document include intellectual property of Esri and its licensors and are used under license. Copyright © [*Customer will insert the actual copyright date(s) from the source materials*.] Esri and its licensors. All rights reserved."

The grants of rights in this section (i) continue for the duration of the subscription or applicable Term or perpetually if no Term is applicable or identified in the Ordering Documents and (ii) are subject to additional rights and restrictions in this Agreement including Attachment B.

1.2 Consultant or Contractor Access. Customer may authorize its consultants or contractors to (i) host Esri Offerings for Customer's benefit and (ii) use Esri Offerings exclusively for Customer's benefit. Customer will be solely responsible for its consultants' and contractors' compliance with this Agreement and will ensure that each consultant or contractor discontinues use of Esri Offerings upon completion of work for Customer. Access to or use of Esri Offerings by consultants or contractors that is not exclusively for Customer's benefit is prohibited.

1.3 Reservation of Rights. All Esri Offerings are the copyrighted works of Esri or its licensors; all rights not specifically granted in this Agreement are reserved.

1.4 Customer Content. Esri does not acquire any rights in Customer Content under this Agreement other than as needed to provide Esri Offerings and Services to Customer.

2.0 SOFTWARE AND ONLINE SERVICES

2.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Anonymous Users"** means all who have public access (i.e., without having to provide a Named User Credential) to any part of Customer Content or Customer's Value-Added Applications.
b. **"App Login Credential(s)"** means a system-generated application login and associated password, provided when registering a Value-Added Application with Online Services, which when embedded in a Value-Added Application allows the Value-Added Application to access and use Online Services.
c. **"Commercial App Deployment License"** means a license to distribute Value-Added Applications to third parties for a fee.
d. **"Concurrent Use License"** means a license to install and use Software on computer(s) on a network, provided that the number of simultaneous users may not exceed the number of licenses acquired. A Concurrent Use License includes the right to run passive failover instances of Concurrent Use License management software in a separate operating system environment for temporary failover support.
e. **"Deployment License"** means a license to incorporate ArcGIS Runtime components in Value-Added Applications and distribute Value-Added Applications to Customer's end users.
f. **"Deployment Server License"** means a license to use Software under a Server License for all uses permitted in this Agreement and as described in the Documentation.
g. **"Development Server License"** means a license to use Software under a Server License only to build and test Value-Added Applications as described in the Documentation.
h. **"Development Use"** means the right to install and use Products to build and test Value-Added Applications as described in the Documentation.
i. **"Dual Use License"** means the right to install Software on a desktop computer and use it simultaneously with either a personal digital assistant (PDA) or handheld mobile device as long as the Software is only used by a single individual at any time.
j. **"Failover License"** means a license to install Software on redundant systems for failover operations, but the redundantly installed Software may be operational only during the period the primary site is nonoperational. Except for system maintenance and updating of databases, the redundant Software installation(s) will remain dormant while the primary site (or any other redundant site) is operational.
k. **"Named User(s)"** is Customer's employee, agent, consultant, or contractor to whom Customer has assigned a unique, secure login credential (identity) enabling access to a Product that requires such identity in order to access identity-managed capabilities within a Product for Customer's exclusive benefit. For educational use, Named Users may include registered students.
l. **"Named User Credential(s)"** means an individual person's login and associated password enabling that person to access and use Products.
m. **"Named User License"** means the right for a single Named User to use a specific Esri Offering.
n. **"Online Services Subscription"** means a limited-term subscription conveying the right for one or more Named Users to access and use Online Services.
o. **"Redistribution License"** means a license to reproduce and distribute Software provided that

    1. Customer reproduces and distributes the Software in its entirety;
    2. A license agreement that protects the Software to the same extent as this Agreement accompanies each copy of the Software, and the recipient agrees to the terms and conditions of the license agreement;
    3. Customer reproduces all copyright and trademark attributions and notices; and
    4. Customer does not charge a fee to others for the use of the Software.

p. **"Server License"** means a license to install and use Software on any computer being used as a server. Server Licenses may be subject to a limited number of server cores or distributed deployment on multiple servers as described in the Ordering Documents or Documentation. If the Software description includes failover use rights, each Server License includes a Failover License.
q. **"Service Credit(s)"** means a unit of exchange for consumption of services that can be used with an Online Services Subscription.
r. **"Sharing Tools"** means publishing capabilities included with Customer's authorized use of Online Services or ArcGIS Enterprise that allow Customer to make Customer Content and Value-Added Applications available to third parties or Anonymous Users.

s. **"Single Use License"** means a license for a single authorized end user to install and use Software on a single computer. The single authorized end user may also install a second copy for the end user's exclusive use on a second computer as long as only 1 copy of Software is in use at any time. No other end user may use Software under the same license at the same time for any other purpose.
t. **"Staging Server License"** means a license to use Software under a Server License to build and test Value-Added Applications and map caches; conduct user acceptance, performance, and load testing of other third-party software; stage new commercial data updates; and conduct training activities as described in the Documentation. Customer may use Value-Added Applications and map caches with Development and Deployment Server Licenses.

2.2 License and Subscription Types. Esri provides Products under one or more of the license or subscription types identified in the definitions above. The Documentation and Ordering Documents identify which license or subscription type(s) applies to the ordered Products.

2.3 Software Terms of Use.

a. Customer may

1. Install, access, or store Software and Data on electronic storage device(s);
2. Make archival copies and routine computer backups;
3. Install and use a newer version of Software concurrently with the version to be replaced during a reasonable transition period not to exceed 6 months, provided that the deployment of either version does not exceed Customer's licensed quantity; thereafter, Customer will not use more Software in the aggregate than Customer's total licensed quantity. This concurrent use right does not apply to Software licensed for Development Use;
4. Move Software in the licensed configuration to a replacement computer;
5. Distribute Software and any associated Authorization Codes required for use of a Deployment License to third parties; and
6. Governmental or not-for-profit organizations that operate a website or offer Internet services may use server Software for revenue-generating purposes on a cost-recovery basis and not for profit.

b. Customer may customize Software using any macro or scripting language, APIs, or source or object code libraries but only to the extent that such customization is described in the Documentation.
c. Customer may use all fonts provided with Software for any authorized use of the Software. Customer may also use Esri fonts separately to print any output created by the Software. Any use restrictions for third-party fonts included with the Software are set forth in the font file itself.
d. Esri publishes Product-specific Software terms of use at https://www.esri.com/legal/scope-of-use.

2.4 Online Services Terms of Use.

a. **Online Services Descriptions.** Esri publishes Online Services Subscription-specific terms of use at https://www.esri.com/legal/scope-of-use. Use of Online Services is also subject to the Cloud Services terms found in Attachment B.
b. **Modifications of Online Services.** Esri may change Online Services and associated APIs at any time, subject to 30 days' notice of material changes and 90 days' notice for deprecations. If any modification, discontinuation, or deprecation of Online Services causes a material, adverse impact to Customer's operations, Esri may, at its discretion, attempt to repair, correct, or provide a workaround for Online Services. If a viable solution is not commercially reasonable, Customer may cancel its subscription to Online Services, and when applicable, Esri will issue a prorated refund.
c. **Sharing Customer Content.** Sharing Customer Content using Sharing Tools enables third parties to use, store, cache, copy, reproduce, (re)distribute, and (re)transmit Customer Content through Online Services. Esri is not responsible for any loss, deletion, modification, or disclosure of Customer Content resulting from use or misuse of Sharing Tools. Customer's use of Sharing Tools is at Customer's sole risk.

2.5 Named User Licenses. Except as expressly set forth in this Agreement, the following terms apply to Software and Online Services for which Customer acquires Named User Licenses.

a. **Named Users.**

1. Named User login credentials are for designated users only and may not be shared with other individuals.
2. Customer may reassign a Named User License to another user if the former user no longer requires access to the Software or Online Services.
3. Customer may not add third parties as Named Users, other than third parties included within the definition of Named Users.

b. **Anonymous Users.** Anonymous Users may only access Software or Online Services through Value-Added Applications that provide access to services or Content, that has been published for shared access through the use of Sharing Tools.

2.6 Value-Added Applications.

1. Customer is responsible for the development, operation, and technical support of Customer Content and Value-Added Applications.
2. Customer may not embed a Named User Credential into Value-Added Applications. Value-Added Applications that enable access to Customer Content that is not publicly shared through the use of Sharing Tools must require individual users to log in to the application(s) with their unique Named User login credentials.
3. Customer may embed an App Login Credential into Value-Added Applications that provide access by Anonymous Users to services or Content, that has been published for shared access by Anonymous Users through the use of Sharing Tools.
4. Customer may not embed an App Login Credential into Value-Added Applications that enables access to Customer Content that is not publicly shared through the use of Sharing Tools. Value-Added Applications that enable access to Customer Content that is not publicly shared through the use of Sharing Tools must require individual users to log in to the application(s) with their unique Named User login credentials.
5. Customer may not provide a third party, other than third parties included within the definition of Named Users, with access to Software or Online Services, other than through Customer's Value-Added Application(s).
6. Customer may transfer Value-Added Applications to any third party for use in conjunction with the third party's own Software license or Online Services Subscription.

2.7 Limited-Use Programs.

a. **Trial, Evaluation, and Beta Programs.** Products acquired under a trial, evaluation, or Beta program are licensed for evaluation and testing purposes only and not for commercial use. Any such use is at Customer's own risk, and the Products do not qualify for Maintenance. If Customer does not convert to a purchased license or subscription prior to the expiration of the trial, evaluation, or Beta license, Customer may lose any Customer Content and customizations made during the license term. If Customer does not wish to purchase a license or subscription, Customer should export such Customer Content before the license expires.
b. **Educational Programs.** Customer agrees to use Products provided under an educational program solely for educational purposes during the educational use Term. Customer shall not use Products for any Administrative Use unless Customer has acquired an Administrative Use license. "Administrative Use" means administrative activities that are not directly related to instruction or education, such as asset mapping, facilities management, demographic analysis, routing, campus safety, and accessibility analysis. Customer shall not use Products for revenue-generating or for-profit purposes.
c. **Grant Programs.** Customer may use Products provided under a grant program for noncommercial purposes only. Except for cost recovery of using and operating the Products, Customer shall not use Products for revenue-generating or for-profit purposes.
d. **Other Esri Limited-Use Programs.** If Customer acquires Products under any limited-use program not listed above, Customer's use of the Products may be subject to the terms set forth in the applicable launching page or enrollment form or as described on Esri's website in addition to the nonconflicting terms of this Agreement.

3.0 DATA

3.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Business Listing Data"** means any dataset that includes a list of businesses and may include other associated business attributes.
b. **"Esri Content Package(s)"** means a digital file containing Online Services basemap Data extracted from the Online Services.
c. **"Street Data"** means Data that includes or depicts information about roads, streets, and related features.

3.2 Permitted Uses.

a. Unless otherwise authorized in writing, Customer may only use Data with the Products for which Esri has provided the Data.
b. Subject to the restrictions set forth in this Agreement and provided that Customer affixes an attribution statement to the Data representations acknowledging Esri or its applicable licensor(s) as the source of the portion(s) of the Data used for the Data representation, Customer may:

    1. Create representations of Data in hard-copy or static, electronic format (e.g., PDF, GIF, JPEG, HTML); in ArcGIS Web Maps; or in Esri Story Maps apps for the purposes of visualizing Data (including basic interactions such as panning, zooming, and identifying map features with simple pop-ups); and
    2. Use and include such representations of Data in presentation packages, marketing studies, or other reports or documents containing map images or data summaries derived from the use of Esri Products to third parties.

c. Customer may take Online Services basemaps offline through Esri Content Packages and subsequently deliver (transfer) them to any device for use with licensed ArcGIS Runtime applications and ArcGIS Desktop. Customer may not otherwise scrape, download, or store Data.
d. Customer may make any internal use of geocoded results that are obtained and stored in compliance with this Agreement. Customer may not redistribute geocoded results except to (i) use and/or display on a map in connection with Customer's public, non-revenue generating website(s), (ii) permit access to third-parties for the purposes of Customer's business, or (iii) deliver to third parties, on a noncommercial/non-revenue generating basis, static results, static output or static base map renderings.

3.3 Use Restrictions.

a. Customer may not act directly or authorize its customers to cobrand Data, use Data in any unauthorized service or product, or offer Data through or on behalf of any third party.
b. Customer may not use or allow third parties to use Data, for the purpose of compiling, enhancing, verifying, supplementing, adding to, or deleting from compilation of information that is sold, rented, published, furnished, or in any manner provided to a third party.
c. *Business Listing Data.* Unless authorized in writing, Customer may not use Business Listing Data for any direct marketing purposes, resale publication, or distribution to any third party as part of any mailing list, directory, classified advertising, or other compilation of information.
d. *Street Data.* Customer may use Street Data for mapping, geocoding, routing, and transportation network analysis purposes. Unless otherwise authorized in writing, Customer may not use Street Data for

    1. Real-time navigational guidance, including alerting a user about upcoming maneuvers, such as warning of an upcoming turn or calculating an alternate route if a turn is missed;
    2. Synchronized multivehicle routing; or
    3. Synchronized route optimization.

e. *Business Analyst Data.* Customer may cache Data provided with ArcGIS Business Analyst Mobile App on a mobile device for use in conjunction with its use of ArcGIS Business Analyst Server. Customer may not otherwise cache or download such Data.

f. *Partial Dataset Licenses:* If Customer orders a subset of a dataset (e.g., a country, region, state, or local portion of a global database), Customer may use only the licensed subset, not any other portion of the full dataset.
g. *Michael Bauer Research International Boundaries Data ("MBR Data")*. Customer's right to use data downloaded to Customer's premises (e.g., MBR Data stored in ArcGIS Enterprise, ArcGIS Desktop) terminates 2 years after download.

3.4 Supplemental Terms and Conditions for Data. Certain Data licensors require Esri to flow down additional attribution requirements and terms of use to Customer. These terms supplement and amend the terms of this Agreement and are available at www.esri.com/legal/third-party-data.

4.0 MAINTENANCE

4.1 US Customers. Esri will provide Maintenance for Software and Online Services in accordance with the Esri Maintenance and Support Program and this Agreement if Customer is in the United States.

4.2 Customers outside the United States. Customer may obtain maintenance services from their local Esri authorized distributor under the authorized distributor's own standard support policy.

5.0 PROFESSIONAL SERVICES

5.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Invention(s)"** means a patentable invention, discovery, innovation, or improvement, excluding Deliverables, relating to the subject matter of a Task Order.
b. **"Inventor(s)"** means a party's principal, employee, consultant, or independent contractor that solely or jointly develops Inventions during Esri's performance under a Task Order.
c. **"Professional Service Package(s)"** means a predefined unit of Professional Services, including travel-related expenses, provided at a firm fixed price.

5.2 Permitted Uses. Customer may use, copy, and modify Deliverables solely in conjunction with Customer's authorized use of Products.

5.3 Task Orders and Project Schedule.

a. Esri will provide Professional Services and Deliverables as specified in the Task Order.
b. Each Task Order will reference this Agreement and specify the commencement date and, if known, the period of performance.
c. Task Orders may have the format shown in Attachment C or any other agreed-upon format.
d. Each party will identify, in writing, the project manager who is responsible for Professional Services and Deliverables described in Task Orders. By written notice to the other party's technical administrator, either party may replace the project manager at any time with a similarly qualified person.
e. Other than pricing and descriptions of Professional Services to be performed, terms and conditions in a Task Order are not binding unless both parties have signed the Task Order. The terms of a signed Task Order take precedence over conflicting terms in this Agreement.

5.4 Ownership of Deliverables and Inventions.

a. Esri or its licensors own and retain ownership of Deliverables.
b. Each party will retain all rights, title and ownership to any Inventions made or conceived solely by the respective Party's Inventors during the term of this Agreement, including, but not limited to, such Inventions that Esri's Inventors solely make or conceive while providing technical assistance pursuant to this Agreement.
c. The parties will jointly own any Inventions made or conceived jointly by Inventors from both Parties. The Parties will negotiate in good faith and cooperate reasonably in (i) deciding whether or not to seek or maintain, or to continue to seek or maintain, patent protection in any country on any joint Invention and the extent and scope of such protection and (ii) protecting and enforcing any patents issued on such joint Invention.

5.5 Acceptance.

a. **For Firm Fixed Price Task Orders.** Customer will complete its acceptance review within 10 working days of receiving each Deliverable and classify the Deliverables as follows:

    1. "DELIVERABLE ACCEPTED" means a Deliverable conforming to the applicable Task Order with no more than minor nonconformities.
    2. "DELIVERABLE ACCEPTED WITH REWORK" means a Deliverable substantially conforming to the applicable Task Order but having a significant number of identified nonconformities and accepted subject to rework by Esri. Esri will rework the Deliverable for the identified nonconformities and resubmit it within 30 days. Customer will rerun its acceptance review for the nonconformities detected in the initial review within 10 working days of such resubmission and will reclassify the Deliverable as either DELIVERABLE ACCEPTED or DELIVERABLE REJECTED.
    3. "DELIVERABLE REJECTED" means a Deliverable that fails to substantially conform to applicable Task Order(s). Esri will rework the Deliverable and resubmit it to Customer within 30 days, at which time Customer will have 10 working days to rerun its acceptance review and reclassify the deliverable as either DELIVERABLE ACCEPTED or DELIVERABLE REJECTED.

    Customer may not use any Deliverable in its business operations before acceptance as described in a.1 or a.2. If Customer does not notify Esri in writing within 10 working days after delivery that it has classified the Deliverable as ACCEPTED WITH REWORK or REJECTED in accordance with a.2 or a.3, or if Customer uses the Deliverable in its business operations, the Deliverable will be deemed, as of the first of either of these events to occur, to have been accepted.

b. **For Task Orders with Professional Service Packages.** Professional Services that Esri performs under Professional Service Packages will be deemed accepted unless Customer notifies Esri within 10 days after performance. Customer may purchase additional Professional Service Packages as needed to complete Customer's work requirements.

c. **For Time and Materials Task Orders.** Professional Services are provided strictly on a time and materials basis subject to the Task Order not-to-exceed funding limit. The Professional Services provided will be deemed accepted and in compliance with the professional and technical standards of the software industry unless Customer notifies Esri within 10 days after performance. Deliverables produced under a time and materials Task Order will not be subject to acceptance testing.

5.6 Warranty for Deliverables. Esri warrants to Customer that firm fixed price Deliverables materially comply with Specifications for a period of 90 days from acceptance, subject to the limitations and disclaimers of liability set forth in the "Limited Warranties and Disclaimers" section of Attachment B.

5.7 Changes. The parties may make changes within the general scope of a Task Order by mutual agreement. To document any agreed-to scope changes within the general scope of the Task Order that affects the cost or time required to provide a Deliverable, the parties will jointly sign a written amendment to the Task Order that includes an equitable adjustment in the price, schedule, or both.

5.8 Customer Termination for Convenience. Customer may terminate any Task Order at any time upon 30 days' written notice to Esri and upon payment to Esri of all amounts due to date pursuant to this Agreement, including reasonable expenses incurred as a direct result of the termination and the pro rata contract price for the Task Orders affected.

5.9 Payment; Invoices.

a. **For Firm Fixed Price Task Orders.** Unless otherwise specified in a Task Order, Esri will prepare and submit monthly invoices based on the percentage of completion for each Deliverable as of the end of the preceding month. Upon acceptance of all Deliverables under a Task Order, the unpaid balance of the total Task Order value is due.

b. **For Professional Service Packages.** Esri will submit an invoice for Professional Service Packages on receipt of an agreed-upon Task Order. Esri may, at its sole discretion, stop work to avoid exceeding the total labor hours or number of days allotted in the applicable Professional Service Package description set forth in

the applicable scope of work. Professional Service Packages expire if not used within 12 months of the Esri invoice date.

c. **For Time and Materials Task Orders.**

1. Esri will submit to Customer written monthly invoices to the Customer address provided in the Task Order. The invoices will include the payment due for work performed, including travel time, and any other direct costs (ODCs) incurred as authorized under a Task Order. The amount invoiced for labor will be equal to the number of hours expended during the previous month, multiplied by the applicable labor rates. Esri will invoice meals on a per diem basis in accordance with the full daily limits specified on the government Defense Travel website at https://www.defensetravel.dod.mil/site/perdiemCalc.cfm. Esri and Customer may include hourly labor rates in this Agreement; if the parties elect to do so, Attachment D will identify the hourly labor rates for each labor category. Esri may change hourly labor rates for Services; any increase in the first 5 years will not exceed 5 percent per year. Esri will invoice ODCs, including travel-related expenses incurred, plus a 15 percent burden.
2. Esri may reallocate the budget between activities, labor categories, and ODCs as necessary to facilitate the work effort, provided the overall price is not exceeded. If Esri reaches the funded not-to-exceed Task Order value and the activities are not completed, Customer may increase the order funding to allow additional work to be performed, or Esri may stop work without further obligation or liability.

5.10 System and Data Access. Each Task Order will specify any requirement for Customer to give Esri personnel access to Customer's systems or data.

6.0 ESRI MANAGED CLOUD SERVICES

6.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Esri Managed Cloud Services Environment"** means the hardware, Software, Data, and network platform that Esri or its third-party supplier provides as part of Esri Managed Cloud Services.
b. **"Hosting"** means the business of housing and making accessible Customer Content via the Internet.

6.2 Provision of Esri Managed Cloud Services.

a. **General Terms.** Use of Esri Managed Cloud Services is subject to the Cloud Services terms found in Attachment B of this Agreement.
b. **Requirements Planning.** It is Customer's responsibility to plan for and address with Esri changes to Customer's requirements, such as the need for additional capacity, the update of an application or dataset, or increased level of system availability.
c. **Compensation and Expenses.** Esri will invoice Customer for the one-time setup fee upon Task Order execution. Thereafter, Esri will invoice Customer monthly for the Esri Managed Cloud Services to be provided the following month. Customer will pay invoices within 30 days of receipt. Customer is responsible for any shipping or temporary storage costs incurred during the delivery of Customer Content to Esri or removal of Customer Content from the Esri Managed Cloud Services Environment. This paragraph does not apply to Esri Managed Cloud Services provided under the Advantage Program (see the section entitled "Advantage Program" in this Agreement).
d. **Risk of Loss.** Risk of loss for all Customer Content shall at all times remain with Customer, and it is Customer's sole responsibility to maintain regular backups of Customer Content. Risk of loss for the Esri Managed Cloud Services Environment shall at all times remain with Esri.
e. **Personally Identifiable Information.** Prior to providing any Customer Content under this Agreement, Customer shall notify Esri if Customer Content includes personally identifiable information.
f. **Public Software.** Customer may not use, and may not authorize its end users or contractors to combine or use any Esri Offerings with any software (including any underlying dependencies), documentation, or other material distributed under an open source or other similar licensing or distribution model that requires as a condition of such model that any component of the Esri Offering to be (1) disclosed or distributed in source code form, (2) made available free of charge to third parties, or (3) modifiable without restriction by third parties.

g. **Monitoring.** Customer will provide information and other materials related to its Customer Content as reasonably requested by Esri or its Hosting partner to verify Esri's or Customer's compliance with this Agreement. Esri or its Hosting partner, as applicable, may browse, index, or otherwise monitor the external interfaces of any Customer Content solely for the purpose of verifying compliance with this Agreement.

7.0 TRAINING

7.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Customer-Supplied Training Data"** means any digital dataset(s) including, but not limited to, geographic vector data, coordinates, raster data reports, or associated tabular attributes supplied by Customer for use in training.
b. **"Esri Academy LMS Integration Subscription"** means an optional term-limited subscription to Esri Academy enabling a specific number of unique Customer student(s) access to Self-Paced E-Learning through the customer's Learning Management System.
c. **"Esri E-Learning Content (SCORM Format) License"** means an optional term-limited license that provides Esri customers with Esri's e-learning content in SCORM (Shareable Content Object Reference Model) format to import into their Learning Management System.
d. **"Esri Mobile Lab"** means a service in which Esri will deliver and set up a training environment at the Customer's site for use in conjunction with scheduled Esri Training Events only. The Esri Mobile Lab will include certain hardware, software, power cords, and network switches necessary for the instructor to set up the environment.
e. **"Esri Training Event(s)"** means an Esri site class, Esri instructor-led online class, a Customer site/private class, workshop, or coaching services.
f. **"Esri Training Representative"** means Customer's primary Esri liaison in organizing private Esri Training Events.
g. **"Student(s)"** means a Customer employee or agent who is a registered participant in a specific Esri Training Event or Training-related services. If Customer is an individual, then Student means Customer.
h. **"Training Pass"** means a nonrefundable, nontransferable block of prepaid training days with a fixed price per day throughout the Term of the Training Pass.
i. **"Esri Mobile Router"** means a service in which Esri will deliver and setup a mobile router at the Customer's site for use in conjunction with a scheduled Esri Training Event only. The mobile router provides high-speed wireless internet access needed to run the Esri Training Event.
k. **"Learning Management System or "LMS"** shall mean third-party software acquired separately by Customer that allows Customer to consume E-Learning Content (SCORM Format) for the purpose of re-serving it to the Customer's internal employees.

7.2 Permitted and Prohibited Uses.

a. Esri provides Training Materials for Training purposes only and for the exclusive use of the Student who attends the Training course for which the Training Materials are provided.
b. Customer may reproduce copies of Training Materials for registered Students.
c. Customer may not and may not permit any Student to (i) separate the component parts of Training Materials for any use or (ii) use audio or video recording equipment during an Esri Training Event.
d. Esri may issue temporary Product authorizations if Customer has an insufficient number of Products available for Training. Customer may use such Products as Training Materials under the terms of this Agreement. Customer will uninstall all deployed Products and return any media provided by Esri upon conclusion of the Esri Training Event.
e. Customer will retain ownership of any Customer-Supplied Training Data.

7.3 Esri's Responsibilities.

Esri will

a. Provide an instructor qualified to conduct Training;
b. Provide all necessary Training Materials for Student; and

c. Confirm Esri Training Events approximately 10 business days prior to the scheduled start date. Esri will only confirm Student registrations that include a payment method. Registrations without a confirmed payment method are placed on the reservation waiting list. All reservations on the waiting list are subject to availability. Customer site/Private class and coaching services confirmation is also dependent on receipt of the completed Customer site training request form.

7.4 Customer's Responsibilities.

Customer will

a. Ensure that all Students have received confirmation from Esri to participate in an Esri Training Event. Esri reserves the right to disconnect any Student who permits unregistered student access to an online classroom Esri Training Event. In such case, the full Esri Training Event fee will be invoiced and payable;
b. Ensure that all Students meet the minimum prerequisites for the applicable Esri Training Event as listed on Esri's training website;
c. Submit Student registrations with payment method information at least 15 business days before the scheduled start date;
d. Provide the Esri Training Representative with a list of names and email addresses of any Students who are to attend an Esri Training Event at least 3 business days before the scheduled start date, for compliance with the US embargoed country lists and the various US Government Lists of Parties of Concern or Specially Designated Nationals lists;
e. For classes held at the Customer-designated facility, complete a client-site training request form; consult with Esri personnel to determine classroom, computer, and network requirements; and provide all such required classrooms, computers, and network access;
f. Ensure that Student use of Training Materials provided by Esri complies with the terms of this Agreement; and
g. Assume full liability and responsibility for Student attending Training course(s) under this Agreement.
h. If the Esri Mobile Lab or Mobile Router is used, Customer will

    1. Take delivery of the Esri Mobile Lab or Mobile Router from the shipping agent, and keep it in a secure, locked area at all times;
    2. Immediately report any previously damaged Esri Mobile Lab or Mobile Router equipment to the Esri Training Representative upon receipt of the shipment; and
    3. Be financially responsible for loss of, damage to, or theft of Esri Mobile Lab or Mobile Router equipment while in Customer's possession.

7.5 Student Registration and Training Event Change Policy.

a. Customer will provide advance written notice to Esri Customer Service at service@esri.com to reschedule or cancel any Esri Training Event or to substitute a student in a scheduled Esri Training Event.
b. A replacement Student must be from the same Customer organization as the Student being replaced.
c. If Customer reschedules an Esri Training Event three or fewer days before the scheduled start date, Esri will charge Customer 50 percent of the fee plus the cost of the rescheduled Esri Training Event.
d. If Customer (i) cancels an Esri Training Event 3 or fewer days before the scheduled start date without concurrently rescheduling or (ii) is absent without notice from the Esri Training Event, Customer will be liable for the full Esri Training Event fee.
e. If cancellation of an Esri Training Event is necessary due to causes beyond the party's reasonable control, the affected party may reschedule or cancel the Esri Training Event without incurring any liability.
f. *Termination of Agreement.* Students who are currently registered for an Esri Training Event as of the date of termination of this Agreement may attend the scheduled Esri Training Event, subject to the terms and conditions of this Agreement.

7.6 Invoicing; Prepaid Fees.

a. Esri will invoice Customer upon completion of the Esri Training Event or on purchase of a Training Pass. On Customer request, Esri will invoice in advance for an Esri Training Event.

b. If Customer is invoiced and pays that invoice prior to the scheduled Esri Training Event, then Customer has 1 year from the date of the invoice to consume training days. For a multiyear order, training days must be consumed by the end date specified on the Esri quotation. Thereafter, all prepaid fees are forfeited.
c. Training Pass policies and redemption rates are described at https://www.esri.com/training/training-for-organizations/.

This section 7.6 does not apply to Training provided under the Advantage Program.

7.7 Availability and General Provision of Wireless Service

a. Esri will not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to wireless service interruptions or unavailability.

7.8 Esri E-Learning in the Customer's Learning Management System

a. Esri E-Learning Content (SCORM format) License, specific terms of use incorporated by reference are found at https://www.esri.com/content/dam/esrisites/en-us/media/legal/scorm-lms/scorm-terms-and-conditions.pdf
b. Esri Academy LMS Integration Subscription, specific terms of use incorporated by reference are found at https://www.esri.com/content/dam/esrisites/en-us/media/legal/scorm-lms/lms-terms-and-conditions.pdf

8.0 ADVANTAGE PROGRAM

8.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Activity Description"** means a mutually agreed upon written statement that confirms the number of Learning and Services Credits that Esri estimates is required to perform an activity and authorizes Esri to begin work based on such estimate. The Activity Description serves as the Task Order for Services provided under the Advantage Program.
b. **"Advantage Program"** means either Advantage Program, as described at www.esri.com/services/eeap/components, or the Advantage Program for Partners, as described at www.esri.com/partners/bpap/components.
c. **"Authorized Contact"** means Customer's point of contact for the Advantage Program identified below.
d. **"Learning and Services Credits"** means a contracted unit of exchange that Customer may use to acquire Professional Services, Training, PSS, Esri Managed Cloud Services, or related travel expenses as described below.
e. **"Premium Support Services"** or **"PSS"** means a prioritized incident management and technical support program further described at https://support.esri.com/en/support/premium.
f. **"Advisor"** means an Esri consultant assigned to work with Customer to provide Professional Services such as advising Customer on GIS strategies, facilitating annual planning, and developing and coordinating a collaborative work plan under the Advantage Program.

8.2 Advantage Program Description. The Advantage Program is provided on an order-by-order, annual subscription basis and provides strategy and planning support in addition to a menu of items including Professional Services, Training, PSS, and Esri Managed Cloud Services that Customer can select to best meet its needs with guidance from Advisor. The Advantage Program may change from time to time. The Advantage Program includes the following:

a. **Advisor.** Customer will receive up to the number of Advisor hours ordered. Customer may elect to retain additional Advisor hours for a supplemental price.
b. **Annual Planning Meeting.** A 1-day annual planning meeting is included.
c. **Work Plan.** A collaboratively developed document is designed to drive the program's implementation through definition of Customer's GIS vision, goals, and objectives.
d. **Learning and Services Credits.** Customer will receive the number of Learning and Services Credits ordered. Customer may use the credits toward any combination of Professional Services, Training, PSS, Esri Managed Cloud Services, or related travel expenses. Customer may order, for an additional price, additional Learning and Services Credits. Learning and Services Credits may be exchanged as described at the applicable

Advantage Program website. Esri will provide a monthly report outlining usage of Learning and Services Credits to date to the Authorized Contact.

e. **Technology Webcasts.** Esri will provide an email invitation to the Authorized Contact for webcasts presenting business and technical information related to enterprise GIS.
f. **No Project Services.** The Advantage Program is not designed for Esri to provide project-specific Professional Services such as custom application or database development for solutions or applications. Esri will not provide these types of Professional Services under the Advantage Program and does not warrant that Deliverables provided under an Advantage Program will comply with Specifications.

8.3 Authorized Contact Information. Customer identifies the following person as its initial Authorized Contact.

(to be completed by Customer):

Contact Name: _____
Address: _____
City, State, ZIP: _____
_____
Email: _____
Telephone: _____
Fax: _____

8.4 Current on Maintenance. Customer must remain current on standard Software Maintenance during the Advantage Program term.

8.5 Authorization of Learning and Services Credits Use. Customer will contact its account manager or Advisor to consume Learning and Services Credits for a particular request. Esri will submit an Activity Description by email to Customer for confirmation and authorization to use Learning and Services Credits. Customer may authorize the consumption of Learning and Services Credits by submitting an email. Esri will begin work and deduct the estimated credit amount stated in the Activity Description from the unused Learning and Services Credits available.

8.6 Activity Descriptions for Esri Managed Cloud Services. The Activity Description for Esri Managed Cloud Services orders must include the following:

a. **The Esri Managed Cloud Services Term.** The time period in which Esri provides the Esri Managed Cloud Services to Customer. The Esri Managed Cloud Services term does not begin until setup and deployment of the data and application are complete.
b. **Targeted System Availability.** The minimum percentage of time that Customer has external access to the application and associated Customer Content through the Internet. Examples of supported levels of system availability are 95 percent, 99 percent, and 99.9 percent. Not all Esri Managed Cloud Services offerings include a Targeted System Availability.
c. **Number of Anticipated Requests.** A The number of requests made by an end user through a client (e.g., desktop computer, web application, mobile device) and sent to a server(s) that is set up in the Esri Managed Cloud Services Environment by Esri and performs computational tasks on behalf of the end user. An example of a common request used in a GIS is a map request. A map request is made every time a user pans, zooms, or queries a map service.
d. **Amount of Data Storage.** The storage capacity required to retain digital data, which is to be used and consumed in Customer GIS applications or Cloud Services.
e. **Learning and Services Credits Consumption.** The price for the Esri Managed Cloud Services in Learning and Services Credits.

The Data storage location may be defined in the Activity Description.

8.7 Travel and Per Diem Expenses. Any Esri travel and per diem expenses will be quoted separately. Travel expenses will include a 15 percent burden, and per diem will be determined in accordance with the full daily limits specified on the government Defense Travel website at https://www.defensetravel.dod.mil/site/perdiemCalc.cfm. Customer will use Learning and Services Credits for travel and per diem expenses.

8.8 Notification of Consumed Credits. Esri will notify Customer if the authorized Learning and Services Credits are consumed prior to completion of the requested work. Customer may elect to direct the use of additional Learning and Services Credits, if available; procure additional Learning and Services Credits; or notify Esri to stop work on such requested work. Esri reserves the right to stop work if Customer has consumed all its Learning and Services Credits.

8.9 Review of Proposed Activities. Any activities proposed to be completed under the Advantage Program will be subject to Esri's review and approval to ensure alignment with the intent of the program.

8.10 Invoicing.

a. Esri shall invoice Customer as quoted for the Advantage Program subscription, additional Learning and Services Credits, or Advisor services upon receipt of Customer's order. Subsequently, Esri will invoice annually at least 30 days in advance of the Advantage Program subscription expiration date. Esri will extend the Advantage Program subscription for a subsequent annual term upon receipt of Customer's payment of the renewal invoice. Esri will invoice fees for additional Learning and Services Credits or Advisor services upon receipt of Customer's order.
b. Pricing for program renewals and new or additional Services will be in accordance with Esri's standard pricing at the time of purchase or renewal.

8.11 Termination and Expiration. Upon termination or expiration of an Advantage Program subscription:

a. Services will end as of the expiration or termination date stated; and
b. Unless either party terminates the Advantage Program subscription for cause, Customer may apply any unused Learning and Services Credits toward any Professional Services, Training, PSS, or related travel expenses that are scheduled as of the termination or expiration date, provided that the Learning and Services Credits are used within 3 months after the termination or expiration date. Any other unused Learning and Services Credits will expire 30 days after the expiration or termination date; if Customer renews the Advantage Program subscription within this time period, any unused Learning and Services Credits will remain valid for up to 2 years from the purchase date or termination of this Agreement, whichever comes first.

ATTACHMENT A
GLOSSARY OF TERMS

The following glossary of terms applies to all Esri Offerings and Services that Esri may provide to its customers. Certain Esri Offerings or Services may not be within the scope of this Agreement. Please disregard any terms that are not applicable to Esri Offerings or Services offered under this Agreement.

"Affiliate" means any entity that directly or indirectly (i) Controls; (ii) is Controlled by; or (iii) is under common Control with a party, where "Control" means having more than 50 percent of the voting stock or other voting interest in the Controlled entity.

"API" means application programming interface.

"ArcGIS Website" means www.arcgis.com and any related or successor websites.

"Authorization Code(s)" means any key, authorization number, enablement code, login credential, activation code, token, user name and password, or other mechanism required for use of Esri Offerings.

"Beta" means any alpha, beta, or other prerelease version of a Product.

"Cloud Services" means Online Services and Esri Managed Cloud Services.

"Content" means data, images, photographs, animations, video, audio, text, maps, databases, data models, spreadsheets, user interfaces, graphics components, icons, software, and other resources used in connection with Esri Offerings and Services.

"Control" means having more than 50 percent of the voting stock or other voting interest in the Controlled entity.

"Customer Content" means any Content that Customer provides, uses, or develops in connection with Customer's use of Esri Offerings or Services, including Value-Added Applications. Customer Content excludes any feedback, suggestions, or requests for improvements that Customer provides to Esri.

"Data" means any commercially available digital dataset(s) including, but not limited to, geographic vector data, raster data reports, or associated tabular attributes that Esri bundles with other Esri Offerings or delivers independently.

"Deliverables" means anything that Esri delivers to Customer as a result of performance of Professional Services.

"Documentation" means all user reference documentation that Esri provides with a Deliverable or an Esri Offering.

"Esri Managed Cloud Services" means a Customer-specific cloud infrastructure, Software, Data, and network platform that Esri hosts, manages, and makes available to Customer or Customer's end users via the Internet.

"Esri Offering(s)" means any Product or Documentation. If Esri provides Training or Professional Services directly to Customer, then Esri Offerings also include Deliverables and Training Materials. Esri Offerings exclude Services and Third-Party Content.

"GIS" means geographic information system.

"Maintenance" means a subscription program that Esri provides and that entitles Customer to Product updates and other benefits such as access to technical support and self-paced, web-based learning resources.

"Malicious Code" means software viruses; worms; time bombs; Trojan horses; or any other computer code, files, denial of service, or programs designed to interrupt, destroy, or limit the functionality of any computer software, hardware, or telecommunications equipment.

"Online Services" means any commercially available, Internet-based geospatial system that Esri provides, including applications and associated APIs for storing, managing, publishing, and using maps, data, and other information. Online Services exclude Data and Content.

"Ordering Document(s)" means a sales quotation, Maintenance renewal quote, purchase order, proposal, Task Order, or other document identifying Esri Offerings, updates, or Services that Customer orders.

"Perpetual License" means a license to use a version of the Esri Offering for which applicable license fees have been paid, indefinitely, unless terminated by Esri or Customer as authorized under this Agreement.

"Product(s)" means Software, Data, and Online Services.

"Professional Services" means any development or consulting services that Esri provides to Customer.

"Sample(s)" means sample code, sample applications, add-ons, or sample extensions of Products.

"Service(s)" means Maintenance. If Esri provides Esri Managed Cloud Services, Training, or Professional Services directly to Customer, then Services also include Esri Managed Cloud Services, Training, and Professional Services.

"Software" means any proprietary commercial off-the-shelf software, excluding Data, accessed or downloaded from an Esri-authorized website or that Esri delivers on any media in any format including backups, updates, service packs, patches, hot fixes, or permitted merged copies.

"Specification(s)" means (i) the Documentation for Software and Online Services, (ii) the scope of work set forth in any Task Order, or (iii) Esri's published course descriptions for Training.

"Task Order(s)" means an Ordering Document for Services.

"Term License" means a license for use of an Esri Offering for a limited time period ("**Term**").

"Third-Party Content" means any Content that Customer may obtain from a third-party website or that persons other than Esri employees, suppliers, or contractors may directly contribute to Esri's website.

"Training" means (i) Product training or (ii) related training that Esri provides under this Agreement.

"Training Materials" means digital or printed Content required to complete Training, which may include, but is not limited to, workbooks, data, concepts, exercises, assessments, and exams.

"Value-Added Application(s)" means an application developed by Customer for use in conjunction with the authorized use of any Software, Data, or Online Services.

ATTACHMENT B
GENERAL TERMS AND CONDITIONS

The following general terms and conditions apply to all Esri Offerings and Services that Esri may offer to its customers. Certain Esri Offerings or Services may not be available under this Agreement. Please disregard any terms that are not applicable to Esri Offerings or Services offered under this Agreement.

ARTICLE B.1—GENERAL USE RESTRICTIONS

Except as expressly permitted in this Agreement, Customer will not

a. Sell, rent, lease, sublicense, distribute, lend, time-share, or assign Services or Esri Offerings;
b. Distribute or provide direct access to Services or Esri Offerings to third parties, in whole or in part, including, but not limited to, extensions, components, or DLLs;
c. Distribute Authorization Codes to third parties;
d. Reverse engineer, decompile, or disassemble any Product or Deliverable delivered in compiled form;
e. Make any attempt to circumvent the technological measure(s) that controls access to or use of Esri Offerings;
f. Store, cache, use, upload, distribute, or sublicense Content or otherwise use Esri Offerings in violation of Esri's or a third-party's rights, including intellectual property rights, privacy rights, nondiscrimination laws, export laws, or any other applicable law or regulation;
g. Remove or obscure any Esri or its licensors' patent, copyright, trademark, proprietary rights notices, or legends contained in or affixed to any Esri Offerings, output, metadata file, or online or hard-copy attribution page of any Data or Documentation;
h. Unbundle or independently use individual or component parts of Esri Offerings;
i. Incorporate any portion of Esri Offerings into a product or service for third-party use that competes with the Esri Offerings;
j. Publish or in any other way communicate the results of benchmark tests run on Beta Products without the prior written permission of Esri and its licensors; or
k. Use, incorporate, modify, distribute, provide access to, or combine any Esri Offerings in a manner that would subject any Esri Offering to open-source or open-database license terms (e.g. GPL) that require any part of the Esri Offering to be subject to additional terms, for example

    1. Disclosed in source code form to third parties;
    2. Licensed to third parties for the purpose of making derivative works; or
    3. Redistributable to third parties at no charge; or

l. Generate revenue by providing access to Software or Online Services through a Value-Added Application.

These restrictions will not apply to the extent that they conflict with applicable law or regulation.

ARTICLE B.2—TERM AND TERMINATION

B.2.1 Customer may terminate this Agreement or any Esri Offerings license or subscription at any time upon written notice to Esri. Termination without cause does not entitle Customer to receive any refund of fees paid. Any right to terminate pending Services engagements for convenience is set forth in the applicable section in the body of this Agreement. Either party may terminate this Agreement or any license or subscription for a material breach that is not cured within 30 days of written notice to the breaching party. Upon any termination of this Agreement for breach, Esri will stop providing Services. Any licenses in Esri Offerings that survive termination of this Agreement continue under the terms of this Agreement.

B.2.2 If Esri terminates this Agreement following Customer's breach, then Esri may also, at its election, terminate Customer's licenses or subscriptions to Esri Offerings. If Customer terminates this Agreement for cause or convenience, then Customer may, at its election, also terminate Customer's licenses or subscriptions to Esri Offerings.

B.2.3 Upon any termination or expiration of a license or subscription, Customer will

a. Stop accessing and using the terminated or expired Esri Offerings;
b. Clear any client-side data cache derived from the terminated or expired Cloud Services; and
c. Stop using and uninstall, remove, and destroy all copies of the terminated or expired Esri Offerings in Customer's possession or control, including any modified or merged portions thereof, in any form, and execute and deliver evidence of such actions to Esri or its authorized distributor.

Esri may stop performing Services immediately upon written notice to Customer if a bankruptcy or insolvency proceeding is commenced by or against Customer until the trustee cures any existing defaults and provides adequate assurance of future performance under this Agreement. This Agreement terminates upon the insolvency, liquidation, or dissolution of either party.

ARTICLE B.3—LIMITED WARRANTIES AND DISCLAIMERS

B.3.1 Limited Warranties. Except as disclaimed below, Esri warrants to Customer that (i) Products and Training will substantially comply with the applicable Specifications and (ii) Services will substantially conform to the professional and technical standards of the industry. The warranty period for Esri Offerings offered under a Perpetual License and for Services runs for 90 days from the date of delivery or from the date of acceptance if this Agreement provides an acceptance period. The warranty period for Esri Offerings offered under a subscription or Term License basis runs for the lesser of (i) the duration of the subscription or term or (ii) 90 days from delivery or acceptance if this Agreement provides an acceptance period.

B.3.2 Special Disclaimer. Third-Party Content; Data; Samples; hot fixes; patches; updates; Online Services provided at no charge; and trial, evaluation, and Beta Products are delivered "as is" and without warranty of any kind.

B.3.3 General Disclaimer. Except for the express limited warranties set forth in this Agreement, Esri disclaims all other warranties or conditions of any kind, whether express or implied, including, but not limited to, warranties or conditions of merchantability, fitness for a particular purpose, and noninfringement of intellectual property rights. Esri is not responsible for any nonconformities with Specifications or loss, deletion, modification, or disclosure of Customer Content caused by Customer's modification of any Esri Offering other than as specified in the Documentation. Esri does not warrant that Esri Offerings, or Customer's operation of the same, will be uninterrupted, error free, fault tolerant, or fail-safe or that all nonconformities can or will be corrected. Esri Offerings are not designed, manufactured, or intended for use in environments or applications that may lead to death, personal injury, or physical property or environmental damage. Customer should not follow any navigational route suggestions that appear to be hazardous, unsafe, or illegal. Any such uses will be at Customer's own risk and cost.

B.3.4 Disclaimers.

a. **Internet Disclaimer. Neither party will be liable for damages under any theory of law related to the performance or discontinuance of operation of the Internet or to regulation of the Internet that might restrict or prohibit the operation of Cloud Services.**
b. **Third-Party Websites; Third-Party Content. Esri is not responsible for any third-party website or Third-Party Content that appears in or is referenced by Esri Offerings or Esri websites, including www.esri.com, developers.arcgis.com, livingatlas.arcgis.com and www.arcgis.com. Providing links to third-party websites and resources does not imply an endorsement, affiliation, or sponsorship of any kind.**

B.3.5 Exclusive Remedy. Customer's exclusive remedy and Esri's entire liability for breach of the limited warranties in this section will be to replace any defective media and to (i) repair, correct, or provide a workaround for the applicable Esri Offering or Services or (ii) at Esri's election, terminate Customer's right to use and refund the fees paid for Esri Offerings or Services that do not meet Esri's limited warranties.

ARTICLE B.4—LIMITATION OF LIABILITY

B.4.1 Disclaimer of Liability. Neither Customer, Esri, nor any Esri authorized distributor or third party licensor will be liable for any indirect, special, incidental, or consequential damages; lost profits; lost sales; loss of goodwill; costs of procurement of substitute goods or services; or damages exceeding the applicable license fees, or current subscription fees, or Services fees paid or owed to Esri for the Esri Offerings or Services giving rise to the cause of action.

B.4.2 The limitations and exclusions of liability in the preceding paragraph do not apply to Customer's infringement, misuse, or misappropriation of Esri's or Esri's licensors' intellectual property rights, either party's indemnification obligations, gross negligence, willful misconduct, or violations of the Export Compliance clause of this Agreement or any applicable law or regulation.

B.4.3 Applicability of Disclaimers and Limitations. Esri or its authorized distributor has set its fees and entered into this Agreement in reliance on the disclaimers and limitations in this Agreement; the fees reflect an allocation of risk that is an essential basis of the bargain between the parties. **These limitations will apply whether or not a party is aware of the possibility of any damage and notwithstanding any failure of essential purpose of any exclusive, limited remedy.**

B.4.4 The foregoing disclaimers, limitations, and exclusions may be invalid in some jurisdictions and apply only to the extent permitted by applicable law or regulation in Customer's jurisdiction. Customer may have additional rights that may not be waived or disclaimed. Esri does not seek to limit Customer's warranty or remedies to any extent not permitted by law.

ARTICLE B.5—INDEMNIFICATIONS

B.5.1 Definitions. The following definitions supplement the definitions provided in Attachment A:

a. **"Claim"** means any claim, action, or demand by a third party.
b. **"Indemnitees"** means Customer and its directors, officers, and employees.
c. **"Infringement Claim(s)"** means any Claim alleging that Customer's use of or access to any Esri Offering or Service infringes a patent, copyright, trademark, or trade secret.
d. **"Loss(es)"** means expenditure, damage award, settlement amount, cost, or expense, including awarded attorneys' fees.

B.5.2 Infringement Indemnity.

a. Esri will defend, hold all Indemnitees harmless from, and indemnify any Loss arising out of an Infringement Claim.
b. If Esri determines that an Infringement Claim is valid, Esri may, at its expense, either (i) obtain rights for Customer to continue using the Esri Offerings or Services or (ii) modify the Esri Offerings or Services while maintaining substantially similar functionality. If neither alternative is commercially reasonable, Esri may terminate Customer's right to use the Esri Offerings or Services and will refund any (a) license fees that Customer paid for the infringing Esri Offerings or Services acquired under a Perpetual License, prorated on a 5-year, straight-line depreciation basis beginning from the initial date of delivery or (b) unused portion of fees paid for Term Licenses, Subscriptions, and Maintenance.
c. Esri has no obligation to defend an Infringement Claim or to indemnify Customer to the extent the Infringement Claim arises out of (i) the combination or integration of Esri Offerings or Services with a product, process, system, or element that Esri has not supplied or specified in the Specification; (ii) alteration of Esri Offerings or Services by anyone other than Esri or its subcontractors; (iii) compliance with Customer's specifications; or (iv) use of Esri Offerings or Services after Esri either provides a modified version to avoid infringement or terminates Customer's right to use the Esri Offerings or Services.

B.5.3 General Indemnity. Esri will defend and hold all Indemnitees harmless from, and indemnify any Loss arising out of, any Claim for bodily injury, death, or tangible or real property damage brought against any of the Indemnitees to the extent arising from any negligent act or omission or willful misconduct by Esri or its directors, officers, employees, or agents performing Services while on Customer's site.

B.5.4 Conditions for Indemnification. As conditions for indemnification, but for those defined as Infringement Claims (see B.5.2 c.), Indemnitee will (i) promptly notify Esri in writing of the Claim, (ii) provide all available documents describing the Claim, (iii) give Esri sole control of the defense of any action and negotiation related to the defense or settlement of any Claim, and (iv) reasonably cooperate in the defense of the Claim at Esri's request and expense.

B.5.5 This section sets forth the entire obligation of Esri, its authorized distributor, and its third party licensors regarding any Claim for which Esri must indemnify Customer.

ARTICLE B.6—INSURANCE

If Esri is providing Services, Esri will carry, at a minimum, the following coverage:

a. Comprehensive general liability or commercial general liability with a minimum coverage of $1,000,000.00 (US dollars) combined single limit per occurrence for bodily injury, including death, and property damage liability to include the following:

    1. Premises and operations;
    2. Blanket contractual liability;
    3. Broad form property damage;
    4. Independent contractors;
    5. Personal injury, with employee exclusion deleted; and
    6. Completed operations.

b. Workers' compensation insurance, with waiver of subrogation, in an amount that complies with statutory limits.

ARTICLE B.7—SECURITY AND COMPLIANCE

B.7.1 Security. Esri publishes its security capabilities at https://trust.arcgis.com. Customer may give Esri personnel access to Customer systems or to Customer or third-party personal information, controlled information, or sensitive data if access is essential for Esri's performance of Services and if Esri expressly agrees to such access. Esri will use reasonable administrative, technical, and physical safeguards to protect such data and guard against unauthorized access. Customer bears responsibility to (i) confirm that Esri's published security and privacy controls meet all applicable legal requirements for protection of Customer Content and (ii) upload or share Customer Content through Cloud Services only when it is legal to do so. Esri is not responsible to review Customer Content to ensure compliance with applicable laws and regulations. Customer must contact Esri at securesupport@esri.com for further instruction before providing any Customer Content that requires security measures other than Esri's published security capabilities.

B.7.2 Malicious Code. Esri will use commercially reasonable efforts to ensure that Esri Offerings will not transmit any Malicious Code to Customer. Esri is not responsible for Malicious Code that Customer introduces to Esri Offerings or that is introduced through Third-Party Content.

B.7.3 Export Compliance. Each party will comply with all applicable export and trade sanctions laws and regulations, including the US Department of Commerce's Export Administration Regulations (EAR), the US Department of State's International Traffic in Arms Regulations (ITAR), the US Department of Treasury, Office of Foreign Assets Control (OFAC) Regulations, and other applicable export laws. Customer will not export, reexport, transfer, release, or otherwise dispose of, in whole or in part, or permit access to or transfer or use of Services or Esri Offerings to any United States embargoed countries currently including Iran, Syria, North Korea, Cuba, Crimea region of Ukraine, the Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR), or denied entities or persons except in accordance with all then-current applicable US government export laws and regulations. Customer will not export, reexport, transfer, or use Services or Esri Offerings for certain missile, nuclear, chemical, or biological activities or end uses without proper authorization from the US government. Customer shall immediately notify Esri in writing if any US government entity or agency denies, suspends, or revokes Customer's export privileges. Customer will not upload, store, or process in Cloud Services any Customer Content that (i) has an Export Control Classification Number (ECCN) other than EAR99 or (ii) is controlled for export from the United States under ITAR. Customer will notify Esri in advance if Esri's performance

of any Services or provision of any Esri Offerings is related to any defense article, defense service, or technical data, as defined under the ITAR Sections 120.6, 120.9, and 120.10, respectively; Esri will not perform any such Services or provide any such Esri Offerings until Esri obtains any necessary export license from the US government. Customer will reasonably assist Esri in applying for and obtaining an export license if needed.

B.7.4 Privacy. Esri will process personal data according to the terms of the Data Processing Addendum available at https://www.esri.com/en-us/privacy/overview.

ARTICLE B.8—CLOUD SERVICES

B.8.1 Prohibited Uses. Customer shall not provide Customer Content or otherwise access or use Cloud Services in a manner that

a. Creates or transmits spam, spoofings, or phishing email or offensive or defamatory material; or stalks or makes threats of physical harm;
b. Stores or transmits any Malicious Code;
c. Violates any law or regulation;
d. Infringes or misappropriates the rights of any third party;
e. Probes, scans, or tests the vulnerability of Cloud Services or breach any security or authentication measures used by Cloud Services without written approval from Esri's Product Security Officer; or
f. Benchmarks the availability, performance, or functionality of Cloud Services.

B.8.2 Service Interruption. System failures or other events beyond Esri's reasonable control may interrupt Customer's access to Cloud Services. Esri may not be able to provide advance notice of such interruptions.

B.8.3 Customer Content.

a. Customer grants Esri and its subcontractors a nonexclusive, nontransferable, worldwide right to host, run, modify, and reproduce Customer Content as needed to provide Cloud Services to Customer. Esri will not access, use, or disclose Customer Content without Customer's written permission except as reasonably necessary to support Customer's use of Cloud Services. Except for the limited rights granted to Esri under this Agreement, Customer retains all its rights, title, and interest in the Customer Content.
b. If Customer accesses Cloud Services with an application provided by a third party, Esri may disclose Customer Content to such third party as necessary to enable interoperation between the application, Cloud Services, and Customer Content.
c. Esri may disclose Customer Content if required to do so by law or regulation or by order of a court or other government body, in which case Esri will reasonably attempt to limit the scope of disclosure.
d. When Customer's use of Cloud Services ends, Esri will either

    1. Make Customer Content available to Customer for download for a period of 30 days unless Customer requests a shorter window of availability or Esri is legally prohibited from doing so; or
    2. Download all Customer Content in Esri's possession to a medium of Customer's choosing and deliver such Customer Content to Customer.

    Esri will have no further obligations to store or return Customer Content at the conclusion of the Cloud Services.

B.8.4 Removal of Customer Content. Esri may remove or delete Customer Content if there is reason to believe that uploading Customer Content to or using it with Cloud Services materially violates this Agreement. If reasonable under these circumstances, Esri will notify Customer before removing Customer Content. Esri will respond to any Digital Millennium Copyright Act takedown notices in accordance with Esri's copyright policy, available at www.esri.com/legal/dmca_policy.

B.8.5 Service Suspension. Esri may suspend access to Cloud Services (i) if Customer materially breaches this Agreement and fails to timely cure the breach; (ii) if Esri reasonably believes that Customer's use of Cloud Services will subject Esri to immediate liability or adversely affect the integrity, functionality, or usability of the Cloud Services; (iii) for scheduled maintenance; (iv) to enjoin a threat or attack on Cloud Services; or (v) if Cloud

Services become prohibited by law or regulated to a degree that continuing to provide them would impose a commercial hardship. When feasible, Esri will notify Customer of any Cloud Services suspension beforehand and give Customer reasonable opportunity to take remedial action.

Esri is not responsible for any damages, liabilities, or losses that may result from any interruption or suspension of Cloud Services or removal of Customer Content as described above.

B.8.6 Notice to Esri. Customer will promptly notify Esri if Customer becomes aware of any unauthorized use of Customer's subscription or any other breach of security regarding Cloud Services.

ARTICLE B.9—GENERAL PROVISIONS

B.9.1 Payment. Customer will pay each correct invoice no later than 30 days after receipt and will remit payment to the address stated on the invoice. Customers outside the United States will pay the authorized distributor's invoices in accordance with the authorized distributor's payment terms.

B.9.2 Feedback. Esri may freely use any feedback, suggestions, or requests for Product improvement that Customer provides to Esri.

B.9.3 Patents. Customer may not seek, and may not permit any other user to seek, a patent or similar right worldwide that is based on or incorporates any Products. This express prohibition on patenting will not apply to Customer's software and technology except to the extent that Products, or any portion thereof, are part of any claim or preferred embodiment in a patent application or a similar application.

B.9.4 Restrictions on Solicitation. Neither party will solicit for hire any employee of the other party who is associated with the performance of Services during the performance of the Services and for a period of 1 year thereafter. This does not restrict either party from publicly advertising positions for hire in newspapers, professional magazines, or Internet postings.

B.9.5 Taxes and Fees; Shipping Charges. Pricing of Esri Offerings and Services that Esri quotes to Customer is exclusive of any and all applicable taxes or fees including, but not limited to, sales tax, use tax, or value-added tax (VAT); customs, duties, or tariffs; shipping and handling charges; and vendor enrollment fees. Esri will add any fees that it is required to pay to the total amount of its invoice to Customer. Esri may include estimated taxes and shipping and handling charges in its quotations but may adjust these fees on invoicing. For Customers outside the United States, the authorized distributor may quote taxes or fees in accordance with its own policies.

B.9.6 Compliance Review. Customer will keep accurate and complete records and accounts pertaining to its compliance with its obligations under this Agreement. Esri or its authorized distributor may conduct a compliance review of these records and accounts with no less than 14 business days' written notice or may appoint an independent third party to conduct such a compliance review on its behalf. Customer will promptly correct any noncompliance identified during the compliance review. Neither Esri nor Esri's authorized distributor may conduct a compliance review of Customer within 12 months after the conclusion of any prior compliance review that does not reveal any material Customer noncompliance.

B.9.7 No Implied Waivers. The failure of either party to enforce any provision of this Agreement is not a waiver of the provisions or of the right of such party thereafter to enforce that or any other provision.

B.9.8 Severability. If any provision of this Agreement is held to be unenforceable for any reason, (i) such provision will be reformed only to the extent necessary to make the intent of the language enforceable, and (ii) all other provisions of this Agreement will remain in effect.

B.9.9 Successor and Assigns. Customer will not assign, sublicense, or transfer Customer's rights or delegate Customer's obligations under this Agreement without Esri's and its authorized distributor's prior written consent, and any attempt to do so without consent will be void. This Agreement will be binding on the respective successors and assigns of the parties to this Agreement. Notwithstanding, a contractor under contract to the government to deliver Products may assign this Agreement and Products acquired for delivery to its government

customer upon written notice to Esri, provided the government customer assents to the terms of this Agreement. Upon mutual agreement, Esri's Affiliates may provide Services under the terms of this Agreement; in such cases, the Ordering Documents will identify the Affiliate as the party that provides the Services. Esri's authorized distributors are not Affiliates of Esri.

B.9.10 Survival of Terms. The Glossary of Terms and provisions of the following Articles of these General Terms and Conditions will survive the expiration or termination of this Agreement: "Limited Warranties and Disclaimers," "Limitation of Liability," "Indemnifications," and "General Provisions."

B.9.11 US Government Customer. The Products are commercial items, developed at private expense, provided to Customer under this Agreement. If Customer is a US government entity or US government contractor, Esri licenses or provides subscriptions to Customer in accordance with this Agreement under FAR Subparts 12.211/12.212 or DFARS Subpart 227.7202. Esri Data and Online Services are licensed or subscribed under the same DFARS Subpart 227.7202 policy as commercial computer software for acquisitions made under DFARS. Products are subject to restrictions, and this Agreement strictly governs Customer's use, modification, performance, reproduction, release, display, or disclosure of Products. Agreement provisions that are inconsistent with federal law regulation will not apply. A US government Customer may transfer Software to any of its facilities to which it transfers the computer(s) on which it has installed such Software. If any court, arbitrator, or board holds that a US government Customer has greater rights to any portion of Products under applicable public procurement law, such rights will extend only to the portions affected. ArcGIS Online has been granted FedRAMP tailored low authorization but does not meet higher security requirements including those found in DFARS 252.239-7010.

B.9.12 Governing Law. This Agreement is not subject to the United Nations Convention on Contracts for the International Sale of Goods.

a. **Government Entities.** If Customer is a government entity, the applicable laws of Customer's jurisdiction govern this Agreement.
b. **Nongovernment Entities.** US federal law and the law of the State of California exclusively govern this Agreement, excluding their respective choice of law principles.

B.9.13 Dispute Resolution. The parties will use the following dispute resolution processes:

a. **Equitable Relief.** Either party will have the right to seek an injunction, specific performance, or other equitable relief in any court of competent jurisdiction without the requirement of posting a bond or proving injury as a condition for relief.
b. **US Government Agencies.** This Agreement is subject to the Contract Disputes Act of 1978, as amended (41 USC 601–613).
c. **Other Government Entities.** Esri will comply with mandatory dispute resolutions under applicable law.
d. **Arbitration.** Except as noted above, the parties will submit to binding arbitration to resolve any dispute arising out of or relating to this Agreement that cannot be settled through negotiation. If Customer is in the United States or one of its territories or outlying areas, the Commercial Arbitration Rules of the American Arbitration Association will govern the arbitration proceedings. If Customer is outside the United States, the Rules of Arbitration of the International Chamber of Commerce will govern the proceedings. The parties will select a single arbitrator in accordance with the applicable arbitration rules. The language of the arbitration will be English. Arbitration will be at an agreed-upon location. Either party will, at the request of the other, make available documents or witnesses relevant to the major aspects of the dispute.

B.9.14 Force Majeure. A party will not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond the party's reasonable control. Such causes may include, but are not limited to, acts of God, war, strikes, labor disputes, cyber attacks, laws, regulations, government orders, or any other force majeure event.

B.9.15 Independent Contractor. Esri is and at all times will be an independent contractor. Nothing in this Agreement creates an employer/employee, principal/agent, or joint venture relationship between Esri or its authorized distributor and Customer. No party has any authority to enter into contracts on behalf of another party or otherwise act on behalf of another party.

B.9.16 Notice. Customer may send notices required under this Agreement to Esri at the following address:

Environmental Systems Research Institute, Inc.
Attn.: Contracts and Legal Department
380 New York Street
Redlands, CA 92373-8100
USA
Tel.: 909-793-2853
Email: LegalNotices@esri.com

ATTACHMENT C
SAMPLE TASK ORDER
Esri Agreement No. _____
Task Order No. _____

In accordance with the terms and conditions of the above-referenced Agreement between Environmental Systems Research Institute, Inc. (**"Esri"**), and _____ (**"Customer"**), _____ ("Customer Address"), this Task Order authorizes preparation and provision of the Deliverables described and in accordance with the terms, schedule, and start/end date(s) specified below.

1. Scope of Work: [*As applicable, specifically identify and describe Deliverables including custom code, map data, technical data (including technical assistance), and the resources to be provided by Customer (including Customer-supplied personnel, software, hardware, and digital or hard-copy data) and place of delivery and location where technical assistance will be provided.]*

   In addition to the foregoing, Customer agrees that its employees, representatives, and subcontractors will cooperate and communicate with Esri during performance of this Task Order. Without cost to Esri, Customer shall provide, allow access to, or assist Esri in obtaining all data Esri requests for performance of this Task Order, including, but not limited to, (1) copies of previously prepared reports, maps, plans, surveys, records, and other documents in the control or possession of Customer and (2) copies of ordinances, codes, regulations, or other governmental documents.

2. Contract Type: *[Firm Fixed Price (FFP) or Time and Materials (T&M)]*:

3. Total Task Order Value (if FFP) or Not-to-Exceed Value (if T&M):

4. Customer Address for the Receipt of Esri Invoices:

5. Delivery Schedule or Start/End Date(s) for Each Deliverable:

6. Special Considerations:

7. Esri Project Manager: [*insert name, telephone, fax, and email address*]
   Esri Senior Contract Administrator: [*insert name, telephone, fax, and email address*]
   Customer Project Manager: [*insert name, telephone, fax, and email address*]
   Customer Senior Contract Administrator: [*insert name, telephone, fax, and email address*]
   Customer Accounts Payable Contact: [*insert name, telephone, fax, and email address*]

ACCEPTED AND AGREED:

[sample only—do not sign] _____	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.
(Customer)	(Esri)
Signature: *[sample only—do not sign]* _____	Signature: *[sample only—do not sign]* _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ATTACHMENT D
TIME AND MATERIALS RATE SCHEDULE

See Quotation for Pricing.

Product-Specific Terms of Use

The following list identifies additional terms of use that apply to specific Products. Each Product listing identifies one or more footnotes that apply to that Product. These footnotes supplement the terms of this Agreement. The definitions for each footnote follow the list. Unless otherwise noted in the applicable Ordering Document, extensions to a Product follow the same scope of use as that granted for the corresponding Product. In addition to the definitions within the Master Agreement, the following definitions will apply to the Product-Specific Terms of Use:

- "Authentication" means using any Esri provided mechanism that enables access to ArcGIS Platform location services. See Security and Authentication documentation (https://developers.arcgis.com/documentation/mapping-apis-and-services/security/) for current list of Authentication mechanisms).

Desktop Products
- ArcGIS Desktop (Advanced, Standard, or Basic) (26)
- ArcGIS Earth (20; 65)
- ArcGIS Explorer Desktop (20)
- ArcGIS for AutoCAD (20)
- ArcPad (13)
- ArcReader (20)
- ArcGIS for Personal Use (3; 26)
- ArcGIS CityEngine (78)

Server Products
- ArcGIS Enterprise
  - Standard or Advanced (17; 21; 23; 31; 87)
  - Workgroup Standard or Advanced (21; 23; 26; 28; 29; 30; 87)
  - ArcGIS GIS Server (Standard or Advanced) (31)
  - ArcGIS GIS Server Basic (31; 39)
  - ArcGIS GIS Server Workgroup (Standard or Advanced) (26; 28; 29; 30)
  - ArcGIS GIS Server Workgroup Basic (26; 39)
  - ArcGIS Maritime (2)
- ArcGIS Enterprise Optional Capability Servers:
  - ArcGIS Image Server, ArcGIS GeoEvent Server, ArcGIS GeoAnalytics Server, and ArcGIS Notebook Server Standard (31)
- ArcGIS Enterprise Workgroup Optional Capability Servers:
  - ArcGIS Image Server, ArcGIS GeoEvent Server, ArcGIS GeoAnalytics Server, and ArcGIS Notebook Server Standard (4)
- ArcGIS Business Analyst Enterprise (17; 21; 23; 31; 87)
- ArcGIS World Geocoder Basic (67)

Developer Products
- ArcGIS Developer Subscription
  - All Plans (16; 24; 26; 66; 68; 77; 89; 91; 94; 95; 97)
    - Active subscriptions with an effective start date prior to January 27, 2021 (79)
    - Active subscriptions with an effective start date after January 26, 2021 (88)
  - Builder, Professional, Premium, or Enterprise Plans (77; 92)
  - Essentials Plan (90)
  - ArcGIS AppStudio Developer Edition (11; 16; 19)
  - ArcGIS Runtime SDK for Android, iOS, Java, macOS, .NET, Qt, or WPF (16; 19)
  - ArcGIS Engine Developer Kit and Extensions (16; 19; 22; 26)
  - ArcGIS API for JavaScript (16; 64)
  - ArcGIS CityEngine SDK and Procedural Runtime (16; 19)
- ArcGIS Runtime Deployment License for Android, iOS, Java, Mac OS X, .NET, Qt, or WPF
  - Lite (15)

- Basic or Standard (1; 14; 15; 18)
- Advanced (14; 15; 18)

- ArcGIS Engine Deployment License for Windows/Linux and Extensions (15; 22; 26)
- Esri File Geodatabase API (47)

Mobile

- ArcGIS Navigator (14)

Other

- ArcGIS Hub (85)
- ArcGIS Indoors (86)
- ArcGIS Indoors Maps (99; 100)
- ArcGIS Indoors Spaces (100; 101)
- ArcGIS IPS(100)
- ArcGIS Maps for Adobe Creative Cloud Complimentary user (74)
- ArcGIS Insights (17)
- Site Scan for ArcGIS Operator license (32; 33)

Online Services

- ArcGIS Online subscriptions are available through multiple Selling Programs:
  - Commercial Retail, EAs; and Government Programs (23; 66; 68; 69; 70; 82; 93; 96)
  - Education Programs (23; 66; 68; 69; 70; 71; 82; 93; 96)
  - Non-profit Programs (23; 66; 68; 69; 70; 71; 82; 93; 96)
- Public Plan (66; 68; 74; 75; 76; 80)
  Customers under the following categories have these additional rights:
  - Commercial Retail (72)
  - enterprise agreements (72)
  - Government (72)
  - NGO/NPO (72)
  - Press/Media Programs (72)
  - Education Programs (71)
- ArcGIS AEC Project Delivery Subscription (83)
- ArcGIS Velocity (25)

Footnotes:

1. May not be used to edit an enterprise geodatabase via Direct Connect.
2. Not for use in navigation.
3. Licensed for personal, noncommercial use only.
4. – Limited to 1 four-core server.
   – Can be installed on a separate machine.

5–10. Reserved.

11. Applications built with ArcGIS AppStudio Developer Edition are subject to the terms of use for ArcGIS Runtime Deployment License.
12. Reserved.
13. Licensed as a Dual Use License.
14. May be used for navigational purposes.
15. Licensed as a Deployment License.
16. Customer may use the SDKs or APIs to create Value-Added Applications and distribute and license those Value-Added Applications to its end users to use anywhere not prohibited under applicable export regulations.
17. Customer shall not redistribute Oracle Instant Client libraries or their documentation that is included with this Product. Oracle is a third-party beneficiary of this Agreement solely with respect to Customer's use of the Oracle Instant Client libraries. The Uniform Computer Information Transaction Act (UCITA) shall not apply to Customer's use of the Oracle Instant Client libraries.
18. The Deployment License is per Value-Added Application per computer for stand-alone applications.
19. License may not be used to develop Internet or server-based Value-Added Applications.

20. Licensed as a Redistribution License.
21. See Master Agreement https://www.esri.com/legal/software-license for additional terms of use for Named User Licenses.
22. a. An end user must acquire a license in either ArcGIS Engine for Windows/Linux Software or other ArcGIS Desktop Software (Basic, Standard, or Advanced) to obtain the right to run an ArcGIS Engine application on 1 computer; and
    b. The ArcGIS Engine for Windows/Linux extensions shall not be used in combination with ArcGIS Desktop Software to run ArcGIS Engine Value-Added Applications. A single user can have multiple ArcGIS Engine Value-Added Applications installed on 1 computer for use only by that end user.
23. System to System Communication
    a. Customer may use a basic service login to enable one-way, read-only, system-to-system communications from ArcGIS Enterprise or ArcGIS Online to other third-party, enterprise business system(s) in the customer's organization. Customer may use a Viewer Named User Credential or Level 1 Named User Credential as a basic service login until Esri implements an actual service login credential. A specific Viewer Named User Credential or Level 1 Named User Credential used as a basic service login credential may only be used for system-to-system integration purposes and may not also be used by a Named User to access the system.
    b. Customer may use a standard service login to enable two-way, read-write, system-to-system communications between ArcGIS Enterprise or ArcGIS Online and other third-party, enterprise business system(s) in the customer's organization. Customer may use an Editor (or higher) Named User Credential or Level 2 Named User Credential as a standard service login until Esri implements an actual service login credential. A specific Editor (or higher) Named User Credential or Level 2 Named User Credential used as a standard service login credential may only be used for system-to-system integration purposes and may not also be used by a Named User to access the system.
24. Software may be used only for the purposes of development, testing, and demonstration of a prototype Value-Added Application and creating map caches. Customer may use Value-Added Applications and map caches with ArcGIS Enterprise Staging Server Licenses and Deployment Server Licenses. Software and Data may be installed on multiple computers for use by any ArcGIS Developer Subscribers with Builder or higher plan subscriptions; all other Software is licensed as a Single Use License.
25. An ArcGIS Velocity subscription includes a given storage and compute or item capacity as described in the Ordering Document. As Customer creates ArcGIS Velocity services, compute and storage capacity is utilized, up to the total capacity available. Customers of the Advanced license level may purchase a limited number of ArcGIS Velocity Item Units and ArcGIS Velocity Storage Units to augment their capacity. Customers of the Dedicated license level may purchase additional ArcGIS Velocity Storage Units and ArcGIS Velocity Compute Units as needed. Esri will notify Customer's subscription account administrator when Customer's compute consumption reaches approximately 75 percent or when storage consumption reaches approximately 50 percent of the capacity allocated to Customer through Customer's subscription. Esri reserves the right to suspend Customer's creation of additional ArcGIS Velocity services or suspend existing ArcGIS Velocity services if Customer has utilized all its compute or storage capacity. Esri will promptly restore Customer's access to its ArcGIS Velocity services once Customer has purchased additional ArcGIS Velocity Compute, Item, or Storage Units.
26. The geodatabase is restricted to 10 gigabytes of Customer's data.
27. Reserved.
28. Use is limited to 10 concurrent end users of applications other than ArcGIS Enterprise Workgroup or ArcGIS GIS Server Workgroup applications. This restriction includes use of ArcGIS Desktop Software, ArcGIS Engine Software, and third-party applications that connect directly to any ArcGIS Enterprise Workgroup or ArcGIS GIS Server Workgroup geodatabase. There are no limitations on the number of connections from web applications.
29. Software requires a supported version of SQL Server Express. Supported versions are listed with the system requirements for the product on the Esri website.
30. Use is restricted to a maximum of 10 gigabytes of Customer's data. All components must be installed on a single server.
31. Includes a Failover License.
32. The use of this Software does not include a pilot's license (e.g., FAA, EASA, etc.) to operate a drone.
33. Customer may only use online storage provided with this Software to store Customer Content collected or processed through this Software.

34–38. Reserved.

39. Any editing functionality included with ArcGIS GIS Server is not permitted for use with ArcGIS GIS Server Basic and ArcGIS GIS Server Workgroup Basic.

40–46. Reserved.

47. Customer may develop and distribute Value-Added Applications that use Esri File Geodatabase API to Customer's end users.

48–63. Reserved.

64. Value-Added Applications for web deployment must be used in conjunction with other Esri Products. Third-party technologies may also be used in conjunction with Value-Added Applications as long as the Value-Added Applications are always used in conjunction with other Esri Product(s).
65. May only be used in conjunction with other Esri Product(s). Third-party technologies may also be used in conjunction with ArcGIS Earth as long as ArcGIS Earth is always used in conjunction with other Esri Products.
66. Only Customers with an active Online Services subscription may store geocoded results generated by World Geocoding Service.
67. Limited to 250,000,000 geocodes per annual subscription.
68. Customer may use the data accessible through Infographics Service for display purposes only and may not save any data accessible through this service.
69. May be used for any business purpose of Customer's organization.
70. May be used for development and test purposes for Customer's organization.
71. May be used for teaching purposes in educational organizations.
72. May be used for the internal business purposes of Customer's organization.
73. Reserved.
74. May be used for personal use.
75. Customer may enable third-party use of Value-Added Applications only by publicly sharing the Value-Added Application(s) using Sharing Tools. Customer may not use this subscription to power a Value-Added Application for its own internal business use unless Customer is an educational institution using the Value-Added Application for teaching purposes only, a qualified NGO/NPO organization, or a media or press organization.
76. Customer is not permitted to create private groups or participate in any private groups.
77. Includes a Commercial App Deployment license.
    - A Commercial App Deployment license is required when:
        - Customer deploys revenue-generating Value-Added Applications that are not for use solely with an ArcGIS Online or ArcGIS Enterprise license and have not yet migrated to use ArcGIS Platform location services Authentication.
    - A Commercial App Deployment license is not required when:
        - Customer deploys revenue-generating Value-Added Applications solely for use with an ArcGIS Online and/or ArcGIS Enterprise license. Such Value-Added Applications are not required to use ArcGIS Platform location services Authentication.
78. Includes a Commercial App Deployment license.
79. Each subscription is limited to 1,000,000 geosearch transactions per month in conjunction with Customer's subscription. Transactions include both basemap data and geocode search transactions. One basemap data transaction is equivalent to eight 256x256 tile requests. One geocode search transaction is equivalent to one address or place. If the results are stored in any manner such as after batch geocoding, the stored results are not counted toward the transaction limit. However, storage does consume Service Credits. For transactions greater the 1,000,000 per month, call Esri Sales or your local distributor for details.
80. May permit registered students of an education institution to directly access the Online Services and share a single subscription between more than 1 registered student for teaching purposes only.
81. Reserved.
82. A Named User may embed its Named User Credential in an ArcGIS API for Python script solely for the purpose of automating a workflow to be used exclusively by the Named User whose Named User Credential is embedded in the script.
83. Customer must use a separate AEC Project Delivery Subscription for each Customer client ("Client"). Customer may (i) use the AEC Project Delivery Subscription solely to collaborate on project work with its Client; and (ii) provide Client with Named User access to the AEC Project Delivery Subscription to enable

Client to access the AEC Project Delivery Subscription to collaborate on project work that Customer performs for Client. Client may not use the Named User License for any other purpose. Customer is solely responsible for Client's compliance with these terms of use and will ensure that Client stops using the AEC Project Delivery Subscription when the project ends.

84. Reserved.
85. Software licenses and subscriptions included with ArcGIS Hub may only be used to support the community initiatives enabled by ArcGIS Hub. Customer may allow 3rd parties to be Named Users of ArcGIS Hub for the sole purpose of engaging in community activities. Customers may allow employees, agents, consultants, or contractors to be Named Users of ArcGIS Hub for the sole purpose of administering, configuring, maintaining, and supporting community initiatives through ArcGIS Hub. No other use of software licenses and subscriptions included with ArcGIS Hub is permitted.
86. Customer may use the software licenses and subscriptions included with ArcGIS Indoors solely to enable the capabilities of ArcGIS Indoors as defined in the ArcGIS Indoors Documentation. No other use of software licenses and subscriptions included with ArcGIS Indoors is permitted.
87. Accessing Parcel Fabric services provided by ArcGIS Enterprise is prohibited except through ArcGIS Pro Standard and ArcGIS Pro Advanced.
88. Subscription limits are determined as defined by the available Service Request Plans.
89. Customer may distribute revenue-generating Value-Added Applications, that access Online Services through Online Services Authentication, to third parties. All revenue-generating Value-Added Applications are required to use Authentication when accessing Online Services. Except as set forth in footnote 77 above, Customers who are in the process of migrating their revenue-generating Value-Added Applications to use ArcGIS Platform location services must have a Commercial App Deployment license until the migration to ArcGIS Platform location services is complete.
90. Customer may have multiple subscriptions within their organization for development and test purposes. Customer may only use one subscription within their organization for use with deployed Value-Added Applications.
91. Application migration—a developer who has Value-Added Applications built with:
    a. The client APIs (including JavaScript 4.x and Runtime SDKs (any version), REST, Esri's open source mapping libraries, supported 3rd party open source mapping libraries) is required to use the ArcGIS Platform location services in their applications by April 30, 2022.
    b. The JavaScript 3.x API are required to use the ArcGIS Platform location services in their applications by December 31, 2022
92. Customer is only permitted to create private groups or participate in private groups within the development and test ArcGIS Online Organization Subscription included with the ArcGIS Developer Subscription.
93. Includes Service Credits as described in the applicable Ordering Document. Each Service Credit entitles Customer to consume a set amount of Online Services, the amount varying depending on the Online Services that Customer is using. As Customer consumes Online Services, Service Credits are automatically debited from Customer's subscription, up to the maximum number of Service Credits available. Customer may purchase additional Service Credits as needed. Esri will notify Customer's subscription account administrator when Customer's Service Credit consumption reaches approximately 75 percent of the Service Credits allocated to Customer through Customer's subscription. Esri reserves the right to suspend Customer's access to Online Services that consume Service Credits when Customer has consumed all its Service Credits. Esri will promptly restore Customer's access to its Online Services once Customer has purchased additional Service Credits.
94. Customer may purchase Pre-Paid Service Request Plans. Pre-Paid Service Request Plans enable the Customer to consume Online Services. As Customer consumes Online Services, Service Request Fees are automatically debited from Customer's subscription, the amount varying depending on the Online Services that Customer is using, up to the maximum Pre-Paid amount available. Esri will notify Customer's subscription account administrator when Customer's consumption reaches approximately 75 percent of the available Pre-Paid Service Request Plan purchased. Customer may choose to allow continued access to ArcGIS Platform location services after consuming 100 percent of the Pre-Paid Service Request Plan by enabling overages. If overages are enabled, Customer is responsible for paying the associated costs of using the location services at the applicable rates. Esri will automatically invoice monthly in arrears at applicable payment terms for the amount above Pre-Paid Service Request Plan purchased. Esri reserves the right to suspend Customer's access to ArcGIS Platform if Customers has a

past due amount. If overages are not enabled by Customer Esri reserves the right to suspend Customer's access to Online Services requiring Service Requests when Customer has consumed the full amount paid for the Pre-Paid Service Request Plan. Esri will promptly restore Customer's access to its Online Services once Customer funds access to the Online Services.

95. Customer may purchase a Pay-As-You-Go Service Request Plan. There is no limit on the Service Requests that Customer may consume if they have purchased a Pay-As-You-Go Service Request Plan.
96. Customer may use ArcGIS Image services for interactive, non-programmatic access by Named Users only. Programmatic use of the ArcGIS Image services (e.g., batch classification, deep learning, etc., or exporting volumes of data larger than 10MB at a time) are not permitted.
97. Customer's end users who are prompted for an API key for use with a third party's Value-Added Application must generate such API keys through an ArcGIS Developer Subscription. API keys generated through an ArcGIS Online account are not permitted in this scenario.
98. Reserved.
99. The user types included with ArcGIS Indoors Maps are licensed solely for use to enable the capabilities as defined in the product documentation for ArcGIS Indoors Maps, ArcGIS Indoors Spaces, and ArcGIS IPS.
100. Third-party Value-Added Applications built specifically for enabling ArcGIS Indoors Maps, ArcGIS Indoors Spaces and ArcGIS IPS capabilities for indoor mapping, way finding, navigation, routing, or positioning may be used with user types provided with ArcGIS Indoors Maps.
101. An ArcGIS Indoor Spaces license is required to use either Workspace Reservations or Space Planner.

Licensing Terms of Use
Documented Changes

Document Updated: E204 – Master Agreement

Date of Update Implementation: April 1, 2022

Overview: The Master Agreement (E204), have been updated to reflect changes due to updated Esri policies, and clarification language derived from Esri Product Management and customer requests.

Sections(s) Impacted: Impacted due to contextual, clarification, grammar or Terms & Conditions changes, which will impact future version use.

General Changes: ***Most changes are grammatical changes or updates to wording to allow for better flow of what the statement is supposed to imply. Major changes described below.***

Where: Section 2.0 Software and Online Services (pg. 3)

Change:

2.1 Definitions.

p. **"Server License"** means a license to install and use Software on any computer being used as a server ~~computer~~. Server Licenses may be subject to a limited number of server cores or distributed deployment on multiple servers as described in the Ordering Documents or Documentation. If the Software description includes failover use rights, each Server License includes a Failover License.

Why: This was updated to clarify the use of the server.

Where: Section 2.2 License and Subscription Types (pg. 3)

Change:

2.2 License and Subscription Types. Esri provides ~~Software~~ Products under one or more of the license or subscription types identified in the definitions above. The Documentation and Ordering Documents identify which license or subscription type(s) applies to the ordered Products.

Why: Removing the word **Software** in the first sentence and ~~just~~ leaving Products, a~~. A~~s the definition of Products includes Software.

Where: Section 4.0 Maintenance (pg. 6)

Change: **4.2 Customers outside the United States.** Customer may obtain maintenance services from their local Esri authorized distributor under the authorized distributor's own standard support policy.

Why: Adding “authorized” to Distributor throughout to document to be consistent.

Where: Section 5.4 Ownership of Deliverables and Inventions. (pg. 7)

Change:

a. Esri or its licensors own and retain ownership of Deliverables.
b. Each party will retain all rights, title and ownership to any Inventions made or conceived solely by ~~its~~ the respective Party's Inventors during the term of this Agreement, including, but not limited to, such Inventions that Esri's Inventors solely make or conceive while providing technical assistance pursuant to this Agreement. ~~The parties will jointly own any Inventions made or conceived jointly by Inventors from both Parties.~~
c. The parties will jointly own any Inventions made or conceived jointly by Inventors from both Parties. The Parties will negotiate in good faith and cooperate reasonably in (i) deciding whether or not to seek or maintain, or to continue to seek or maintain, patent protection in any country on any joint Invention and the extent and scope of such protection and (ii) protecting and enforcing any patents issued on such joint Invention.

Why: This was made as a change to provide clarity around ownership and keep concepts relating to joint ownership in the same section

Where: Section 5.9 Payment; Invoices (pg. 8)

Change:

c. **For Time and Materials Task Orders.**

1. Esri will submit to Customer written monthly invoices to the Customer address provided in the Task Order. The invoices will include the payment due for work performed, including travel time, and any other direct costs (ODCs) incurred as authorized under a Task Order. The amount invoiced for labor will be equal to the number of hours expended during the previous month, multiplied by the applicable labor rates. Esri will invoice meals on a per diem basis in accordance with the full daily limits specified on the government Defense Travel ~~General Services Administration (GSA) website~~ at ~~https://www.gsa.gov/~~ https://www.defensetravel.dod.mil/site/perdiemCalc.cfm. Esri and Customer may include hourly labor rates in this Agreement; if the parties elect to do so, Attachment D will identify the hourly labor rates for each labor category. Esri may change hourly labor rates for Services; any increase in the first 5 years will not exceed 5 percent per year. Esri will invoice ODCs, including travel-related expenses incurred, plus a 15 percent burden.

Why: This weblink was updated. This new weblink also applies to international travel.

Where: Section 7.0 Training (pg. 10)

Change:

k. **"Learning Management System or "LMS"** shall mean third-party software acquired separately by Customer that allows Customer to consume E-Learning Content (SCORM Format) for the purpose of re-serving it to the Customer's internal employees.

Why: New definition was added.

Where: Section 8.7 Travel and Per Diem Expenses (pg. 13)

Change: **8.7 Travel and Per Diem Expenses.** Any Esri travel and per diem expenses will be quoted separately. Travel expenses will include a 15 percent burden, and per diem will be determined in accordance with the full daily limits specified on the government Defense Travel ~~General Services Administration (GSA)~~ website at https://www.defensetravel.dod.mil/site/perdiemCalc.cfm. ~~https://www.gsa.gov/.~~ Customer will use Learning and Services Credits for travel and per diem expenses.

Why: This weblink was updated. This new weblink also applies to international travel.

Where: Section B.3.4 Disclaimers (pg. 18)

Change:

b. Third-Party Websites; Third-Party Content. Esri is not responsible for any third-party website or Third-Party Content that appears in or is referenced by Esri Offerings or Esri websites, including www.esri.com, www.developers.arcgis.com, livingatlas.arcgis.com and www.arcgis.com. Providing links to third-party websites and resources does not imply an endorsement, affiliation, or sponsorship of any kind.

Why: Added the two new landing pages that may be reached through esri.com as highlighted in red as these are pages at which customers may gain access to Third-Party Content as described in this section.

Where: B.5.4 Conditions for Indemnification. (pg.20)

Change:

B.5.4 Conditions for Indemnification. As conditions for indemnification, but for those defined as Infringement Claims (see B.5.2 c.), Indemnitee will (i) promptly notify Esri in writing of the Claim, (ii) provide all available documents describing the Claim, (iii) give Esri sole control of the defense of any action and negotiation related to the defense or settlement of any ~~Infringement~~ Claim, and (iv) reasonably cooperate in the defense of the ~~Infringement~~ Claim at Esri's request and expense.

Why: Removing "Infringement" as "Claim" is already defined to include Infringement, making these references redundant.

Where: B.7.3 Export Compliance (pg. 20)

Change:

B.7.3 Export Compliance. Each party will comply with all applicable export and trade sanctions laws and regulations ~~export laws and regulations~~, including the US Department of Commerce's Export Administration Regulations (EAR), the US Department of State's International Traffic in Arms Regulations (ITAR), the US Department of Treasury, Office of Foreign Assets Control (OFAC) Regulations, and other applicable export laws. Customer will not export, reexport, transfer, release, or otherwise dispose of, in whole or in part, or permit access to or transfer or use of Services or Esri Offerings to any United States embargoed countries currently including Iran, Syria, North Korea, Cuba, Crimea region of Ukraine, the Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR), or denied entities or persons except in accordance with all then-current applicable US government export laws and regulations. Customer will not export, reexport, transfer, or use Services or Esri Offerings for certain missile, nuclear, chemical, or biological activities or end uses without proper authorization from the US

government. Customer shall immediately notify Esri in writing if any US government entity or agency denies, suspends, or revokes Customer's export privileges. Customer will not upload, store, or process in Cloud Services any Customer Content that (i) has an Export Control Classification Number (ECCN) other than EAR99 or (ii) is controlled for export from the United States under ITAR. Customer will notify Esri in advance if Esri's performance of any Services or provision of any Esri Offerings is related to any defense article, defense service, or technical data, as defined under the ITAR Sections 120.6, 120.9, and 120.10, respectively; Esri will not perform any such Services or provide any such Esri Offerings until Esri obtains any necessary export license from the US government. Customer will reasonably assist Esri in applying for and obtaining an export license if needed.

Why: Updated to comply with applicable export and trade sanctions laws and regulations

10. F.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Jeremy DeGeyter, Project Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Approve the construction contract with Scholz Contracting, LLC in the amount of $1,089,419.46 for the Main Library ADA Entrance Project project.

STAFF RECOMMENDED ACTION:

1. Approve the construction contract with Scholz Contracting, LLC in the amount of $1,089,419.46 and a contract duration of 130 calendar days;
2. Approve a contract allowance of $58,385.00, which is 7.5% of the Engineers Estimate;
3. Approve Change Order Authority to the City Manager in the amount of $108,941.95 which is 10% of the lowest responsive bid;
4. Authorize the City Manager to execute the necessary documents.

Executive Summary:

City Council is being requested to approve award of a contract for construction of the Main Library ADA Entrance project in accordance with the approved improvement plans prepared by The WLB Group.

The project is located at 300 W. Aspen Ave. at the entrance to the Main Library for the City of Flagstaff. The project is located on the library parcel and in City of Flagstaff right-of-way. The project will replace the existing entrance and bring the Library entrance and parking lot into ADA compliance. The project was designed following Universal/Inclusive design ideals and seeks to equitably serve all library users, as well as beautify the Library with new landscaping, public spaces, and art.

The Main Library ADA Entrance project generally includes installation of new asphalt, curb and gutter, and sidewalks; installation of “FUTS-Style” railings and fall protection railings; installation of railing and ground mounted art pieces; installation of project lighting and electrical components; installation of conduit and pull boxes for ITS Fiber and future APS charging stations, installation of new concrete plaza, pathways, and stairs with integral color and architectural finishes; design and installation of hydronic heating in selected concrete pathways utilizing an electric boiler to align with Sustainability goals; and installation of landscaping, irrigation and installation of site furnishings.

On June 6, 2022 the City Procurement released an invitation for bids ("IFB") to the public for the ADA Ramp at the Main Library located on West Aspen Avenue. The IFB process was competitive, fair and transparent. The lowest responsible and responsive bidder was selected as the contractor for this project.

Financial Impact:

The project is funded by:

- General Government-Library Fund from the FY 2021-2022 authorized budget of $100,000 (Acct #030-07-035-0140-5-4435 LB0167);
- General Government-Library Fund from the FY 2022-2023 authorized budget of $200,000 (Acct #030-07-035-0140-5-4435 LB0167);
- BBB Funds- Beautification Fund-Library Entrance from the FY 2021-2022 authorized budget of $312,000 (Acct #051-07-212-3389-5-4433); and
- BBB Funds- Beautification Fund-Library Entrance from the FY 2022-2023 authorized budget of $506,000 (Acct #051-07-212-3389-5-4433);

The Library, Budget Team and Finance will identify an additional $268,000 in project funding which will be accomplished through a combination of library salary savings, contingency items, and general fund infrastructure reserves.

Policy Impact:

No impact.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Safe & Healthy Community
-Ensure the built environment is safe through the use of consistent standards, rules and regulations, and land use practices.
-Promote physical health through providing recreation opportunities, parks, open space & multiple transportation options.

Inclusive & Engaged Community
-Ensure city facilities, services, & programs are accessible for all residents & representative of Flagstaff's diverse community

Sustainable, Innovative Infrastructure
-Deliver outstanding services to residents through a healthy, well maintained infrastructure system.

Carbon Neutrality Plan

DD-3: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.
EM-3: Support Flagstaff residents, companies and institutions in the transition to electric vehicles.
FS-3: Reduce or remove natural gas usage in municipal buildings.

Regional Plan

Goal T.1 - Improve mobility and access throughout the region.
Goal T.5 - Increase the availability and use of pedestrian infrastructure, including FUTS, as a critical element of a safe and livable community.
Goal CD.1 Improve the City and County financial systems to provide for needed infrastructure development and rehabilitation, including enhancement of existing infrastructure.

Has There Been Previous Council Decision on This:

Council has previously approved the FY 2023 Capital Improvement 5-Year Plan and authorized the FY 2023 budget for this project.
Council provided design direction at the May 11th, 2021, City Council Work Session, moving this project forward into final design following a review and discussion of several design alternatives and the art pieces.

Options and Alternatives:

1. Approve the award for the construction contract as recommended. Approval will allow work on the project to move forward.
2. Reject all bids. This action would delay the project.
    a. If rejection occurs, possible options include;
        i. Re-advertise the project and open new bids or
        ii. Suspend or cancel the project, and redesign a new ADA compliant entryway to the Library

Background/History:

On June 6, 2022, 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 June 12th, and June 19th, 2022. There was one (1) bid received and opened electronically on June 27, 2022. A summary of the bids received are identified in the Key Considerations section below. Scholz Contracting, LLC was determined to be the lowest responsive and responsible bidder.

Key Considerations:

On June 27th, 2022, bids were received to construct the Main Library ADA Entrance project. The summary results are listed below.

Company	**Bid/Amount**
Engineer's Estimate	$778,479.00
Scholz Contracting, LLC	$1,089,419.46
Allowance at 7.5% of the Engineer's Estimate	$58,385.00

The contract allowance is established to address unanticipated items of work, unknown items of work and/or differing field conditions and with authorization will be included in the contract amount. The allowance is used only at the City's discretion. See attached allowance justification form.

Change Order Authority establishes a dollar amount (10% of the contract amount) and provides the City Manager, on behalf of the Council, administrative authority to amend the contract amount in response to unforeseen costs that are more than the contracted amount.

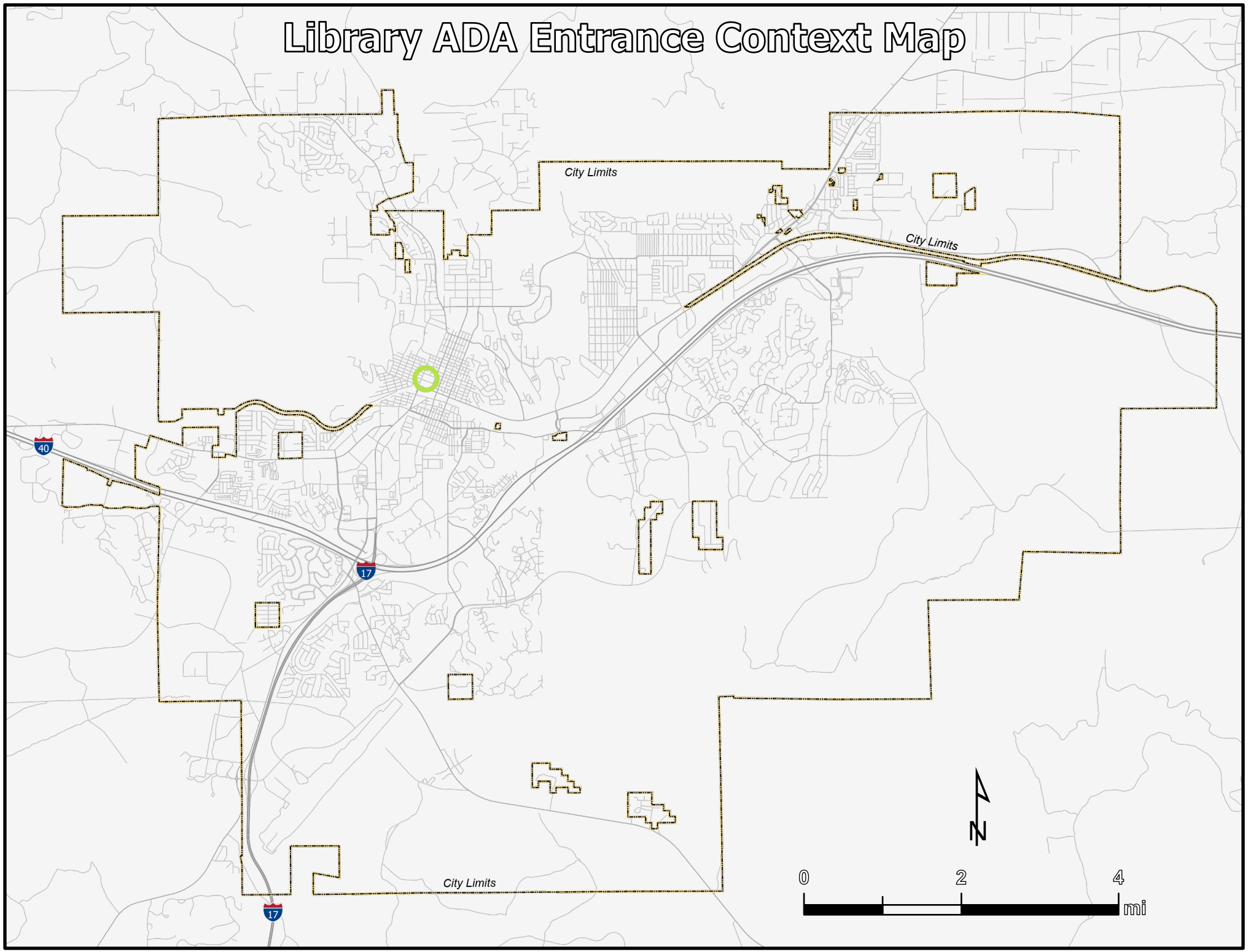
Community Benefits and Considerations:

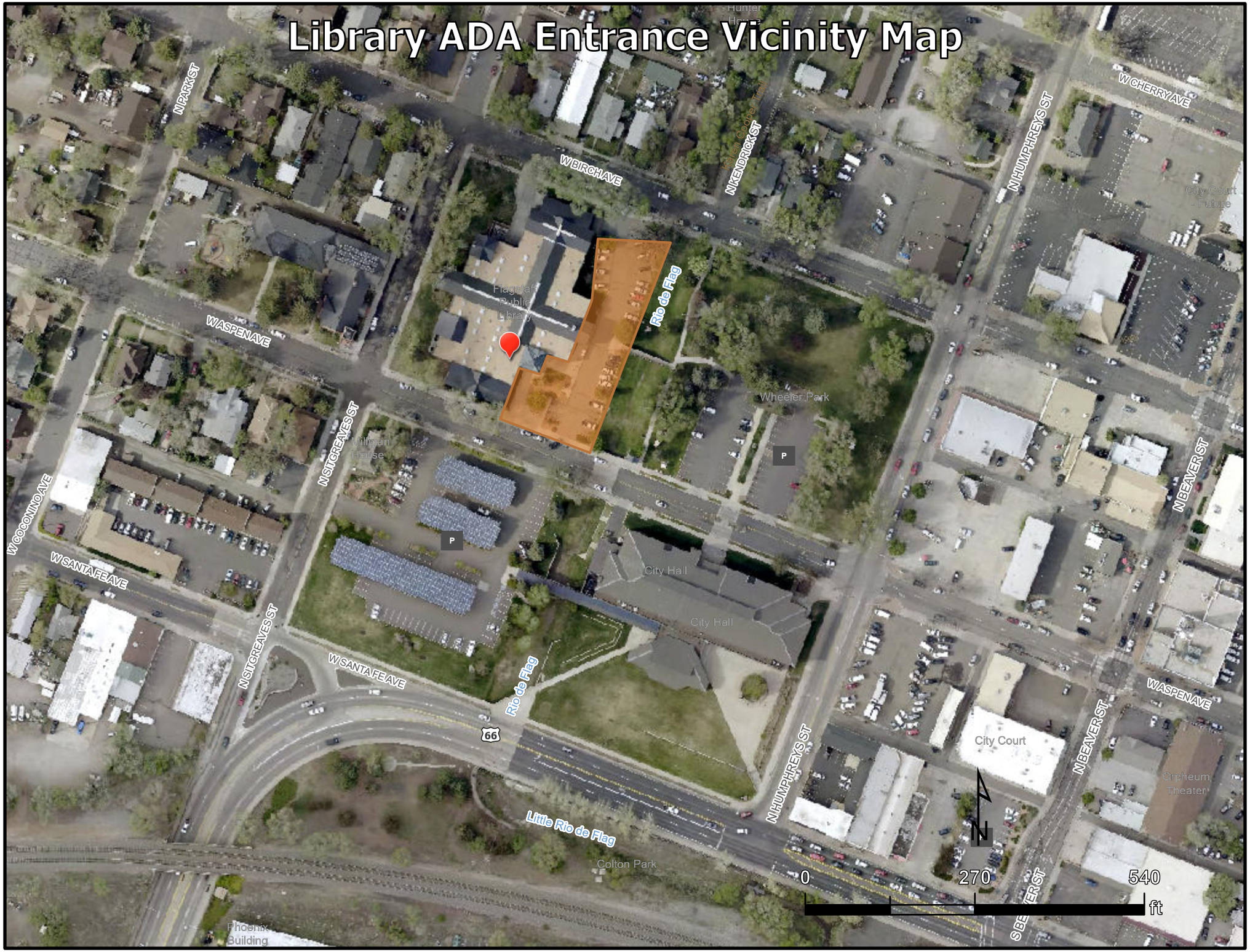
Maria Salenger, with Jones Studio, is the artist who has designed the art pieces that will be incorporated into this project. The art design involved extensive public involvement, was presented to City Council, and was approved by the Beautification and Public Art Commission (BPAC). Maria was instrumental, while working with the project team, in enhancing the aesthetics of the new ADA compliant entrance to the Main Library.

Attachments:

Context Map
Vicinity Map
Allowance Justification Form
Conceptual Rendering
Contract

Library ADA Entrance Context Map




Library ADA Entrance Vicinity Map
N PARK ST
W BIRCH AVE
Kelly Cooper Trail
N KENDRICK ST
N HUMPHREYS ST
W CHERRY AVE
City Court - Future
Flagstaff Public Library
Rio de Flag
W ASPEN AVE
Wheeler Park
Milligan House
N SITGREAVES ST
N BEAVER ST
W COCONINO AVE
W SANTA FE AVE
City Hall
City Hall
W SANTA FE AVE
Rio de Flag
66
W ASPEN AVE
City Court
N BEAVER ST
Orpheum Theater
N HUMPHREYS ST
Little Rio de Flag
Colton Park
S BEAVER ST
Phoenix Building
N
0
270
540
ft

CITY OF FLAGSTAFF

CONTRACT SUPPLEMENTARY JUSTIFICATION

☒ **CONTRACT ALLOWANCE**

☒ **ADMINISTRATIVE CHANGE ORDER**

PROJECT NO.	BB 3389	**PROJECT NAME**	Main Library ADA Entrance
FILE NO.	03-19005	**PROJECT MANAGER**	Jeremy DeGeyter
CONTRACTOR / CONSULTANT	xxxxxx		

PROJECT DESCRIPTON

The Main Library ADA Entrance project generally includes installation of new asphalt, curb and gutter, and sidewalks; installation of new concrete plaza, pathways, and stairs with integral color and architectural finishes; design and installation of hydronic heating in selected concrete pathways; installation of "FUTS-Style" railings and fall protection railings; installation of railing and ground mounted art pieces; installation of project lighting and electrical components; installation of conduit and pull boxes for ITS Fiber and future APS charging stations, and installation of landscaping, irrigation and installation of site furnishings.. (Vicinity Map Attached)

JUSTIFICATION FOR USE & AMOUNT

Contract Allowance Amount	$ xxxxxxx (7.5%)	**Administrative Change Order Amount**	$xxxxxx (10%)

Justification

Request is to provide an allowance to accommodate unanticipated and/or unforeseen issues and for quantity adjustments. Plan quantities are considered accurate but final quantities are measured during construction. The contractor must be compensated for actual quantities of work (MAG 102.3). Quantities often change because of unknown and/or necessary field changes. Without an allowance, project work may need to be suspended until an agenda item can be brought before Council for consideration and approval. An allowance will provide needed flexibility in delivery of improvements, minimizing negative impacts to the community during construction. Any additional quantities needed do become an asset of the City and any unused fund allocation is returned to the program fund.

COST / BUDGET / FUNDING SOURCE ANALYSIS

Contract Allowance Amount	$ xxxxxx (7.5%)	**Administrative Change Order Amount**	$xxxxxxx (10%)

Justification

Allowance request is 7.5% and Change Order Amount is 10% of the $xxxxxx low bid from xxxxxxx. Adequate funding is in the FY 22 and FY 23 authorized budgets of $987,000. Funding is Library Funds ($300,000), BBB Funds-Beautification ($687,000) with up to an additional $395,000 in BBB Funds-Future Projects funding avaialble. The budget accommodates design, construction estimated cost, permitting, testing and inspection, chip seal fund payment, soft costs, Capital Improvements project management costs.

APPROVALS

Project Manager	Jeremy DeGeyter	6/28/2022
Section Head	Trevor Henry	
Division Head	Jeff Bauman	
	Signature	Date

PUBLIC LIBRARY
CITY OF FLAGSTAFF
COCONINO COUNTY
300

N-O
SKATEBOARDING ON
LIBRARY SIDEWALKS
DRIVEWAYS OR
PARKING LOT

PARKING FOR
LIBRARY ONLY
ADA PARKING EXEMPT

OVERNIGHT
PARKING
OR
CAMPING
PROHIBITED

CONSTRUCTION CONTRACT #2022-143

City of Flagstaff, Arizona
and
Scholz Contracting, LLC

This Construction Contract ("Contract") is made and entered into this _____ day of _____ 2022, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and Scholz Contracting, LLC an Arizona Limited Liability Company ("Contractor") with offices at 5135 East Ingram, Suite. 105, Mesa, Arizona. 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 **Main Library ADA Entrance 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 a location identified by the City. 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 **One Million One Hundred Forty Seven Thousand Eight Hundred Four Dollars and Forty Six cents ($1,147,804.46)**, which is the sum of the Contractor's bid amount of **$1,089,419.46** and a Contract Allowance of **$58,385.00**, 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 thirty (130) calendar days** from the date of the Owner's Notice to Proceed, **anticipated to be July 31, 2022**, 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 Owner reserves the right to initiate and terminate a Winter Shutdown at the Owner's sole discretion in the event of adverse weather conditions. A Winter Shutdown may be declared by the Owner despite delays, *for any reason,* on the Project. Owner 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 Owner. If the needed repairs and/or maintenance are not addressed within the timeframe, the Owner will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The Owner 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 Owner 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:
Brian Eilerts
Purchasing Specialist
211 West Aspen Avenue
Flagstaff, AZ 86001
Brian.Eilerts@flagstaffaz.gov

If to Contractor:
Jared Scholz, Vice President
Scholz Contracting, LLC
5135 East Ingram, Suite. 105
Mesa, AZ 85207
jared@scholzaz.com

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 (Exhibit B, Section 103.6) 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 Owner 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. Attorneys' 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 Owner 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 Owner 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**
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: Main Library ADA Entrance Project
PROJECT NUMBER: 03-20005 **BID NUMBER:** 2022-143

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: Main Library ADA Entrance Project
PROJECT NUMBER: 03-20005 **BID NUMBER:** 2022-143

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

10. G.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Tiffany Antol, Senior Planner
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Final Plat PZ-21-00236-06, Woodshire on West Oak, LLC requests Final Plat approval for Woodshire on Oak Condominiums located at 302 W Oak Avenue, a condominium subdivision on 0.89 acres in the Medium Density Residential (MR) and High Density (HR) Zones.

STAFF RECOMMENDED ACTION:

Approve the Final Plat and authorize the Mayor to sign the Final Plat when notified by staff that all documents are ready for signature and recordation.

Executive Summary:

This request is for final plat approval for a 13-unit condominium subdivision on 0.89 acres located at 302 W Oak Avenue.

Financial Impact:

No financial impacts are anticipated with this final plat.

Policy Impact:

There are no policy impacts anticipated with this final plat.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Robust Resilient Economy - Grow and strengthen a more equitable and resilient economy

Carbon Neutrality Plan

DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

Regional Plan

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 infrastructures and services.

Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.

Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary.

Has There Been Previous Council Decision on This:

City Council approved the preliminary plat for Woodshire on Oak Condominiums on May 17, 2022.

Options and Alternatives:

1. Approve the final plat with no conditions as recommended by staff.
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:

The project consists of 13 two-story detached units in both the Medium Density Residential (MR) and High Density Residential (HR) Zones. City staff approved the site plan for the development on February 11, 2022. Civil plans for the development of the site are currently in review. City approvals were based on conformance with all relevant city development standards.

Key Considerations:

This application is for a condominium plat, which takes a multi-unit complex, such as the subject property, and creates the potential for individually owned units. The final plat delineates all the elements affiliated with the individual units. In this case, the units are defined as airspace around each unit. The vertical boundaries start at the finish floor elevation (FFE) of each unit and extend to the top of the roof that unit. The horizontal boundaries start outside the walls of each unit. The remainder of the site outside the units is being platted as common area and open space. Parking spaces will be assigned to each unit through the CC&R's.

Community Benefits and Considerations:

The community benefits of this project are encapsulated in the PBB Key Community Priorities/Objectives and the Regional Plan Goals and Policies review.

Community Involvement:

Inform. The existing zoning of the subject property allows for the proposed subdivision. No public hearings or public outreach are required by either the Zoning Code or the Subdivision Code as part of the final plat review process.

Attachments: Application
Final Plat

DocuSign Envelope ID: 44585574-EA4F-4932-8C0A-AB6F9A350D5C

City of Flagstaff — Community Development Division

211 W. Aspen Ave
Flagstaff, AZ 86001
www.flagstaff.az.gov
P: (928) 213-2618

Date Received	**Application for Subdivision Review**	File Number

Property Owner(s) Woodshire on West Oak, LLC		**Phone**
Mailing Address 3550 North Central Avenue #1101	**City, State, Zip** Phoenix, AZ 85012	**Email**
Applicant(s) Woodshire on West Oak, LLC		**Phone** 602-265-4400
Mailing Address 3550 North Central Avenue #1101	**City, State, Zip** Phoenix, Arizona 85012	**Email** philp@brookfieldcommunities.com
Project Representative Philip V. Petersen		**Phone** 602-265-4400
Mailing Address 3550 North Central Avenue #1101	**City, State, Zip** Phoenix, Arizona 85012	**Email** philp@brookfieldcommunities.com

Requested Review:
- ☐ Development Master Plan
- ☐ Conceptual Plat
- ☐ Preliminary Plat P&Z and Council
- ☐ Modified Subdivision
- ☐ Preliminary Plat
- ■ Final Plat- Council

Project Name: Woodshire on Oak	**Site Address** 302 W. Oak, Flagstaff, AZ 86001	**Parcel Number** APN #110-06-036E
Proposed Use Residential - Bungalow Courts	**Existing Use** FMC Mortuary	**Subdivision, Tract & Lot Number** Lots 8-11, 20-23, Block 13 of Mt. Elden Add

Zoning District MR & HR	**Regional Plan Category** Suburban - Existing	**Flood Zone** Zone X	**Size of Site (Sq. ft. or Acres)** 0.89 ac

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
	Residential	Residential	Residential	Residential

Proposed Use:	Number of Lots	Number of Units	Number of acres per use	Building Square Feet
Bungalow Courts	13	13	0.89 ac 0.78 ac MR 0.11 ac HR	

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:
DocuSigned by: Phil Petersen	5/9/2022	DocuSigned by: Phil Petersen	5/9/2022

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

PLOTTED: May 17, 2022–9:04am

DEDICATION

STATE OF ARIZONA
SS.
COUNTY OF COCONINO

KNOW ALL MEN BY THESE PRESENTS: THAT WOODSHIRE ON WEST OAK, LLC (AN ARIZONA LIMITED LIABILITY COMPANY), AS 'GRANTOR' AND 'OWNER', HEREBY PUBLISHES THIS PLAT AS AND FOR WOODSHIRE ON OAK CONDOMINIUMS. A SUBDIVISION OF A PORTION OF LAND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 21 NORTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER MERIDIAN, 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 LOTS (UNITS), TRACTS AND EASEMENTS CONSTITUTING SAME AND THAT EACH LOT (UNIT), TRACT AND EASEMENT SHALL BE KNOWN BY THE NUMBER OR NAME GIVEN TO EACH, RESPECTIVELY, ON SAID PLAT.

EACH UNIT SHOWN HEREON IS A SINGLE FAMILY, DETACHED CONDOMINIUM UNIT, WITH NO SHARED GARAGES, ANY OTHER ATTACHED BUILDINGS, ARCHWAYS OR BREEZEWAYS.

EACH UNIT IS ENCUMBERED BY, AND SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE WOODSHIRE ON OAK CONDOMINIUMS, AN ARIZONA NONPROFIT CORPORATION.

THE CONDOMINIUM UNIT CONSISTS OF THE ENTIRE AREA, INCLUDING SITE AND AIR SPACE, WITHIN THE HORIZONTAL AND VERTICAL BOUNDARIES OF THE LOT, AND IS NOT CONSIDERED TO BE A COMMON ELEMENT OR LIMITED COMMON ELEMENT.

EACH CONDOMINIUM UNIT OWNER SHALL BE SOLELY RESPONSIBLE FOR INSURANCE, OPERATION, MAINTENANCE AND REPAIR OF EACH UNIT, EXCEPT AS PROVIDED IN THE CONDOMINIUM DECLARATION.

ANY COMMON ASSESSMENTS COLLECTED WILL BE FOR AMENITIES OUTSIDE OF THE FOOTPRINT OF THE INDIVIDUAL SITE.

GRANTOR HEREBY DEDICATES TO THE WOODSHIRE ON OAK CONDOMINIUMS HOME OWNERS ASSOCIATION (HOA) TRACT 'A' AS SHOWN HEREON FOR THE PURPOSES AS DESCRIBED IN THE CC&RS. TRACT 'A' IS HEREBY RESERVED BY WOODSHIRE ON WEST OAK, LLC AS A PRIVATE UTILITY EASEMENT FOR UTILITY SERVICES TO THE UNITS AND LANDSCAPE AND IRRIGATION INSTALLATION. OTHER UTILITIES SHALL HAVE THE RIGHT TO LOCATE, OPERATE, REPAIR, REPLACE, ALTER AND MAINTAIN UNDERGROUND UTILITY SERVICES OF ALL TYPES, AND SHALL HAVE THE RIGHT TO INGRESS AND EGRESS ACROSS SAID TRACT FOR SUCH WORK, AND MAY REMOVE, ALTER OR MAINTAIN VEGETATION, IMPROVEMENTS, OR OBSTRUCTIONS WITHIN THE LIMITS OF THE REAL PROPERTY SUBJECT TO THIS TRACT THAT CONFLICT WITH THE UTILITY USES.

GRANTOR HEREBY DEDICATED TO UNISOURCE ENERGY SERVICES AND ITS SUBSIDIARY UNS GAS, INC. ITS SUCCESSORS AND ASSIGNS ALL AREAS ON THIS PLAT MARKED TRACT 'A' AND THE PROPERTY DESIGNATED AS "COMMON AREA OR AREAS" AS A UTILITY EASEMENT TOGETHER WITH THE RIGHT TO INSTALL REQUIRED SERVICE CONNECTIONS OVER OR UNDER THE SURFACE TO SERVE IMPROVEMENTS THEREON OR ADJACENT TO.

EASEMENTS GENERAL CONDITIONS
GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF, ARIZONA PERPETUAL NON–EXCLUSIVE EASEMENTS OVER, UNDER, UPON, AND ACROSS ALL EASEMENT AREAS DESIGNATED ON THE PLAT FOR THE EASEMENT PURPOSES, INCLUDING ANY RELATED FACILITIES AND EQUIPMENT, AND SUBJECT TO THE FOLLOWING GENERAL CONDITIONS:

A. GRANTOR SHALL NOT ALLOW USE OF THE EASEMENT AREA IN A MANNER THAT INTERFERES WITH EASEMENT;
B. GRANTOR SHALL MAINTAIN EASEMENT AREAS FREE AND CLEAR OF VEGETATION OR OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT, PER THE FLAGSTAFF CITY CODE AS AMENDED; AND
C. GRANTEE MAY MAINTAIN VEGETATION AND REMOVE OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT;
D. IN THE EVENT THE CITY OF FLAGSTAFF HAS NOTIFIED GRANTOR AND PROVIDED REASONABLE OPPORTUNITY TO MAINTAIN THE SLOPE, VEGETATION AND/OR REMOVE OBSTRUCTIONS THAT INTERFERE WITH THE EASEMENT, CITY OF FLAGSTAFF MAY ISSUE AN ASSESSMENT AGAINST GRANTOR TO RECOVER THE CITY'S ACTUAL, REASONABLE MAINTENANCE COSTS AND RECORD IT AS A LIEN AGAINST GRANTOR'S PROPERTY UNTIL THE ASSESSMENT AND ANY STATUTORY INTEREST IS PAID;
E. GRANTEE SHALL HAVE A LIMITED, TEMPORARY RIGHT OF ACCESS ACROSS GRANTOR'S ADJACENT PROPERTY FOR EASEMENT PURPOSES IF ACCESS CANNOT BE REASONABLY ACHIEVED BY OTHER MEANS.

BINDING EFFECT
THE EASEMENTS GRANTED WITHIN THIS DEDICATION ARE PERMANENT AND PERPETUAL AND SHALL RUN WITH THE LAND AND BE BINDING UPON OWNER AND ITS HEIRS, ASSIGNS, AND SUCCESSORS IN INTEREST TO THIS PLAT OR ANY PARCEL OR LOT THEREOF.

IMPROVEMENTS
GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF ALL IMPROVEMENTS INSTALLED OR CONSTRUCTED BY GRANTOR FOR CITY PUBLIC RIGHTS–OF–WAY AND CITY UTILITIES WITHIN THE EASEMENT AREAS, AND SUCH DEDICATION SHALL BE EFFECTIVE WHEN FORMALLY ACCEPTED BY THE CITY ENGINEER (THE "ACCEPTANCE DATE.").

INTERIM LIABILITY
WOODSHIRE ON WEST OAK, LLC, DOES HEREBY RELEASE AND DISCHARGE THE CITY OF FLAGSTAFF, AND INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF FLAGSTAFF, OF AND FROM ANY LIABILITY FOR ANY AND ALL CLAIMS FOR DAMAGES OF ANY KIND TO PERSONS OR PROPERTY THAT MAY ARISE AT ANY TIME IN THE FUTURE OVER, OR NEWLY DEDICATED PUBLIC RIGHTS–OF–WAY AS DEPICTED ON THIS PLAT UNTIL THE RIGHT–OF–WAY IS IMPROVED TO CITY STANDARDS AND THOSE IMPROVEMENTS ARE APPROVED AND FORMALLY ACCEPTED BY THE CITY ENGINEER ("ACCEPTANCE DATE"). GRANTOR SHALL MAINTAIN THE NEWLY DEDICATED PUBLIC RIGHTS–OF–WAY UNTIL THE ACCEPTANCE DATE.

IN WITNESS WHEREOF, GRANTOR(S) HAS/HAVE HEREUNTO CAUSED HIS/HER/THEIR NAME(S) TO BE SIGNED THIS _____ DAY OF _____ 20__,

BY: WOODSHIRE ON WEST OAK, LLC

BY: _____
PHILIP V. PETERSEN
ITS: MANAGER

ACKNOWLEDGEMENT

STATE OF ARIZONA
SS.
COUNTY OF _____

ON THIS _____ DAY OF _____, 20__, BEFORE ME PERSONALLY APPEARED _____ THE _____ AN _____
FOR AND ON BEHALF THEREOF, WHOSE IDENTITY WAS PROVEN TO ME ON THE BASIS OF SATISFACTION EVIDENCE TO BE THE PERSON WHO HE OR SHE CLAIM TO BE, AND ACKNOWLEDGED THAT HE OR SHE SIGNED THE ABOVE DOCUMENT.

IN WITNESS WHEREOF I HEREUNTO SET FORTH MY HAND AND OFFICIAL SEAL

_____
NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

CITY OF FLAGSTAFF CERTIFICATION

CITY OF FLAGSTAFF
IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR THE RECORD BY THE COUNCIL OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA, ON THE ___ DAY OF _____, 20__.

BY: _____
MAYOR

ATTEST: _____
CITY CLERK

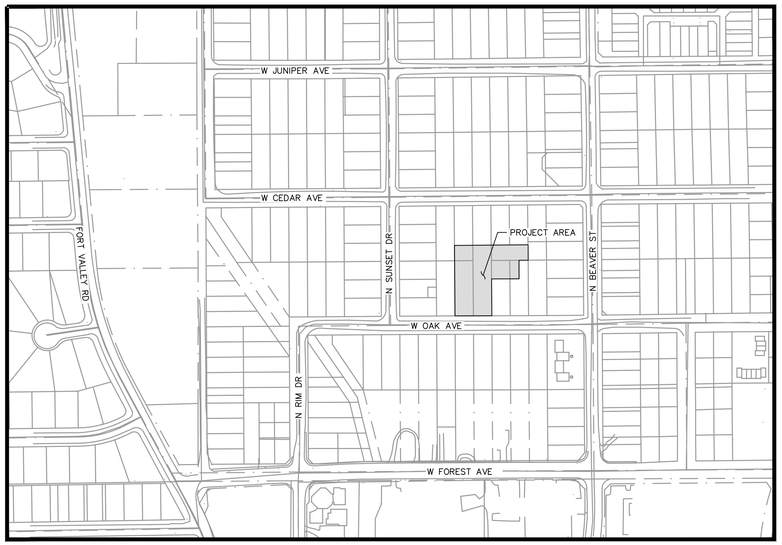
IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR THE RECORD BY THE CITY OF FLAGSTAFF PLANNING DIRECTOR AND CITY ENGINEER, ON THE ___ DAY OF _____, 20__.

BY: _____
PLANNING DIRECTOR

BY: _____
CITY ENGINEER

FINAL PLAT
FOR
WOODSHIRE ON OAK CONDOMINIUMS
FLAGSTAFF, ARIZONA

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 21 NORTH, RANGE 7 EAST, GILA AND SALT BASE AND MERIDIAN, COCONINO COUNTY, FLAGSTAFF, ARIZONA



VICINITY MAP
N.T.S.

PROJECT OWNER/DEVELOPER:
WOODSHIRE ON WEST OAK, LLC
CONTACT: PHILIP V. PETERSEN
3550 N. CENTRAL AVENUE #1101
PHOENIX, AZ 85012
(602) 265–4400

PROJECT SURVEYOR:
SHEPHARD–WESNITZER, INC.
AARON BORLING, RLS #48756
110 WEST DALE AVE
FLAGSTAFF, AZ 86001
(928) 773–0354

PROJECT ENGINEER:
SHEPHARD–WESNITZER, INC.
GUILLERMO E. CORTES, PE #33983
110 WEST DALE AVE
FLAGSTAFF, AZ 86001
(928) 773–0354

Sheet List Table

Sheet Number	Drawing Number	Sheet Title
1	FP01	COVER
2	FP02	EXISTING BOUNDARY & EASEMENTS
3	FP03	FINAL PLAT

UTILITY COMPANY APPROVAL

ARIZONA PUBLIC SERVICE
CHAD BROOKS (BY LETTER) 1/11/2022
BY: DATE:

UNISOURCE ENERGY SERVICES
MARTIN CONBOY (BY LETTER) 1/5/2022
BY: DATE:

CENTURYLINK
KEVIN WAGNER
FOR MANUEL HERNANDEZ (BY LETTER) 1/11/2022
BY: DATE:

ALTICE U.S.A
SANFORD YAZZIE (BY LETTER) 2/11/2022
BY: DATE:

UTILITY COMPANY CONTACTS

APS
CONTACT: CHAD BROOKS
2200 E. HUNTINGTON
FLAGSTAFF, AZ 86004
RYAN.WIESNER@APS.COM
PHONE: (928) 773–6440

CENTURYLINK
CONTACT: MANUEL HERNANDEZ
112 NORTH BEAVER STREET
FLAGSTAFF, AZ 86001
MANUEL.HERNANDEZ4@CENTURYLINK.COM
PHONE: (928) 779–4935

UNISOURCE ENERGY SERVICES
CONTACT: MARTIN CONBOY
2901 W SHAMRELL BLVD #110
FLAGSTAFF, AZ 86001
MCONBOY@UESAZ.COM
PHONE: (928) 226–2269

ALTICE USA
CONTACT: SANFORD YAZZIE
1601 SOUTH PLAZA WAY
FLAGSTAFF, AZ 86001
SANFORD.YAZZIE@ALTICEUSA.COM
PHONE: (928) 266–0672

ADEQUATE WATER SUPPLY NOTE
THE CITY OF FLAGSTAFF PROVIDES WATER (UTILITY) SERVICE PURSUANT TO STATE LAW AND IS CURRENTLY OPERATING UNDER A DESIGNATION OF ADEQUATE WATER SUPPLY GRANTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES, APPLICATION NO. 41–900002.0002.

A.R.S. 33–1212. UNIT BOUNDARIES
EXCEPT AS PROVIDED BY THE DECLARANT

1. IF WALLS ARE DESIGNATED AS BOUNDARIES OF A UNIT, ALL LATH FURRING, WALLBOARD, PLASTERBOARD, PLASTER, PANELING, TILES, WALL PAPER, PAINT, AND ANY OTHER MATERIALS CONSTITUTING AS PART OF THE FINISHED SURFACE ARE A PART OF THE UNIT, AND ALL OTHER PORTIONS OF THE WALLS ARE PART OF THE COMMON ELEMENT.
2. IF ANY DUCT, WIRE, CONDUIT, BEARING WALL, BEARING COLUMN, OR OTHER FIXTURE LIES PARTIALLY WITH IN THE AND PARTIALLY OUTSIDE THE DESIGNATED BOUNDARIES OF A UNIT, ANY PORTION SERVING MORE THAN ONE UNIT OR ANY PORTION OF THE COMMON ELEMENTS IS A PART OF THE COMMON ELEMENTS.
3. ALL SPACES, INTERIOR PARTITIONS AND OTHER FIXTURES AND IMPROVEMENT WITHIN THE BOUNDARIES OF A UNIT ARE PART OF THE UNIT.
4. ANY SHUTTERS, AWNINGS, WINDOW BOXES, DOORSTEPS, STOOPS, PORCHES, BALCONIES, ENTRYWAYS, OR PATIOS, AND ALL EXTERIOR DOORS AND WINDOWS OR OTHER FIXTURES DESIGNED TO SERVE A SINGLE UNIT, BUT LOCATED OUTSIDE THE UNITS BOUNDARIES ARE LIMITED COMMON ELEMENTS ALLOCATED EXCLUSIVELY TO THAT UNIT.

PROJECT DEVELOPMENT INFORMATION

WOODSHIRE ON OAK CONDOMINIUMS
302 W. OAK
FLAGSTAFF, AZ 86001

ASSESSOR'S PARCEL NO. 110–06–036E

GROSS/NET ACREAGE: 0.895 ACRES
TRACT 'A' ACREAGE: 0.634 ACRES
TOTAL AREA OF UNITS: 0.261 ACRES

ZONING: 0.78 AC MEDIUM DENSITY RESIDENTIAL (MR)
0.11 AC HIGH DENSITY RESIDENTIAL (HD)

MAX. ALLOWABLE DENSITY PER ZONE:
MR: 14 UNITS/AC = 0.78 AC x 14 UNITS/AC = 11 UNITS
HR: 1 UNIT PER 2,500 SF = 4,791 SF x 1 UNIT/2,500 SF = 2 UNITS
TOTAL MAX. ALLOWABLE UNIT COUNT = 13 UNITS
NUMBER OF UNITS PROVIDED = 13 UNITS

FRONT SETBACKS: 10'
SIDE SETBACKS: 5'
REAR SETBACK: 15'

TRACT 'A' SHALL CONTAIN ALL PORTIONS OF THE SUBJECT PARCEL OTHER THAN THE CONDOMINIUM UNITS AND IS DEDICATED HEREON TO THE OWNER'S ASSOCIATION AS COMMON AREA/OPEN SPACE, LIMITED COMMON ELEMENTS, COMMON ELEMENTS, AND FOR THE PURPOSES AS DESCRIBED IN THE CC&RS.

1. THE CITY OF FLAGSTAFF PROVIDES WATER [UTILITY] SERVICE PURSUANT TO STATE LAW, AND IS CURRENTLY OPERATING UNDER A DESIGNATION OF ADEQUATE WATER SUPPLY GRANTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES, APPLICATION NO. 41–90000.0002.
2. ALL UTILITIES, INCLUDING STREET LIGHT AND ELECTRIC LINES INSTALLED WITH THIS DEVELOPMENT SHALL BE PLACED UNDERGROUND.
3. DEVELOPMENT AND USE OF THIS SITE WILL CONFORM TO ALL APPLICABLE CITY OF FLAGSTAFF CODES AND ORDINANCES.
4. THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR 'WOODSHIRE ON OAK CONDOMINIUMS' SHALL BE RECORDED IN THE OFFICE OF THE COCONINO COUNTY RECORDER AND ARE HEREBY INCORPORATED AS A PART OF THIS PLAT, RECORDED UNDER INSTRUMENT # _____.
5. EXCEPT FOR CONSTRUCTION AND IMPROVEMENTS BY GOVERNMENTAL ENTITIES AND CERTIFICATED PUBLIC UTILITIES, CONSTRUCTION AND IMPROVEMENTS WITHIN UTILITY EASEMENTS SHALL BE LIMITED TO ONLY THE FOLLOWING: REMOVABLE WOOD, WIRE OR SECTION TYPE FENCING; CONSTRUCTION, STRUCTURES OR BUILDING EXPRESSLY APPROVED IN WRITING BY ALL PUBLIC UTILITIES WHICH USE OR SHALL USE THE UTILITY EASEMENT.
6. TOPOGRAPHIC, BOUNDARY, AND EXISTING EASEMENT INFORMATION BASED ON SURVEY PROVIDED BY SHEPHARD–WESNITZER, INC., DATED NOVEMBER 2021.

LEGAL DESCRIPTION
LOTS 8–11, INCLUSIVE, BLOCK 13, MOUNT ELDEN ADDITION TO THE CITY OF FLAGSTAFF, AS SHOWN ON THE PLAT THEREOF, RECORDED IN BOOK 1 OF MAPS, PAGE 43, RECORDS OF COCONINO COUNTY, ARIZONA. EXCEPT THE NORTH 130.00 FEET THEREOF.
AND
ALL OF LOTS 20 AND 21, AND THE NORTH 60.00 FEET OF LOT 22 AND THE WEST 30.00 FEET OF THE NORTH 60.00 FEET OF LOT 23, BLOCK 13, MOUNT ELDEN ADDITION TO THE CITY OF FLAGSTAFF, AS SHOWN ON THE PLAT THEREOF, RECORDED IN BOOK 1 OF MAPS, PAGE 43, RECORDS OF COCONINO COUNTY, ARIZONA.

RESOURCE PRESERVATION
THE PROJECT DOES NOT FALL WITHIN THE CITY OF FLAGSTAFF RESOURCE PROTECTION OVERLAY ZONE, THEREFORE NATURAL RESOURCE PROTECTION PLAN IS NOT PROVIDED.

FEMA ZONE CLASSIFICATION
THIS PROJECT IS LOCATED WITHIN ZONE X OF FEMA FIRM MAP #04005C6809G, EFFECTIVE SEPTEMBER 3, 2010. ZONE X IS DESCRIBED AS AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

FIRE ACCESS
ALTERNATIVE HAMMERHEAD TURNAROUND PROVIDED PER IFC 2018 SECTION D103.1 WITH MODIFICATION TO CURB RETURN RADIUS.

CERTIFICATE OF LAND SURVEYOR
This is to certify that the survey of the property described and platted hereon was made under my direction and supervision and is accurately represented on this plat.
I also certify that the plat is in substantial conformance to the approved tentative plat and that this plat is correct and accurate as shown to the best of my knowledge and belief.

Registered Land Surveyor
_____

Date _____

REGISTERED LAND SURVEYOR — 48756 — AARON D. BORLING — Date Signed 5/17/22 — ARIZONA, U.S.A.

C.O.F. #PZ-21-00236-02

FLAGSTAFF
ARIZONA

WOODSHIRE ON OAK

COVER

JOB NO:	21140
DATE:	MAY 22
SCALE:	AS SHOWN
DRAWN:	KMF
DESIGN:	KMF
CHECKED:	ADB

REVISIONS

NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.8934 fax
www.swoz.com

Shephard ▲ Wesnitzer, Inc.

Call at least two full working days before you begin excavation
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
FP01

SHT NO. 1 OF 3

FILE: P:\2021\21140P\DRAWINGS\PLATS\FINAL\21140–COVER.DWG KBAYER

PLOTTED: May 17, 2022–9:04am

COORDINATE SYSTEM DETAILS

LINEAR UNIT: INTERNATIONAL FEET
GEODETIC DATUM: NAD 83 (CONUS)
VERTICAL DATUM: NAVD 88, REFERENCED FROM NGS CONTROL POINT "AZFL"
SYSTEM: CITY OF FLAGSTAFF LOW DISTORTION PROJECTION (2015)

PROJECTION:
TRANSVERSE MERCATOR
LATITUDE OF GRID ORIGIN: 35° 00' 00" N
LONGITUDE OF CENTRAL MERIDIAN: 111° 37' 00" W
NORTHING AT GRID ORIGIN: 0 FT
EASTING AT CENTRAL MERIDIAN: 70,000 FT
CENTRAL MERIDIAN SCALE FACTOR: 1.000333 (EXACT)

ALL MEASURED DISTANCES AND BEARINGS SHOWN HEREON ARE GRID VALUES BASED ON THE PRECEDING PROJECTION DEFINITION. THE PROJECTION WAS DEFINED SUCH THAT GRID DISTANCES ARE EQUIVALENT TO "GROUND" DISTANCES IN THE PROJECT AREA.

THE BASIS OF BEARINGS IS TRUE GEODEDIC NORTH; NOTE THAT THE MEASURED GRID BEARINGS SHOWN HEREON (OR IMPLIED BY GRID COORDINATES) DO NOT EQUAL GEODETIC BEARINGS DUE TO MERIDIAN CONVERGENCE.

ORTHOMETRIC HEIGHTS (ELEVATIONS) WERE TRANSFERRED TO THE SITE FROM NGS CONTROL POINT "AZFL" USING GPS WITH NGS GEOID MODEL "GEOID18". ELEVATIONS SHOWN HEREON ARE REFERENCED TO THE PUBLISHED ELEVATION OF THIS STATION.

THE SURVEY WAS CONDUCTED USING GPS REFERENCED TO THE NATIONAL SPATIAL REFERENCE SYSTEM. A PARTIAL LIST OF POINT COORDINATES FOR THIS SURVEY IS GIVEN BELOW (ADDITIONAL COORDINATES ARE AVAILABLE UPON REQUEST). LOCAL NETWORK ESTIMATES ARE GIVEN AT THE 95% CONFIDENCE LEVEL AND ARE BASED ON A LEAST–SQUARES ADJUSTMENT OF STATISTICALLY INDEPENDENT OBSERVATIONS.

POINT #2003 = 2" ALUMINUM CAP IN CENTERLINE OF W OAK AVE
NORTHING = 77218.1040 FT
EASTING = 61642.5880 FT
ELEVATION = 7015.638 FT

POINT #2004 = 2" ALUMINUM CAP IN CENTERLINE OF W OAK AVE
NORTHING = 77214.3620 FT
EASTING = 60982.7200 FT
ELEVATION = 7040.711 FT

POINT #2005 = 1" CAPPED PIPE/REBAR
NORTHING = 77368.6040 FT
EASTING = 61402.8960 FT
ELEVATION = 7034.057 FT

POINT #2006 = 1" CAPPED PIPE/REBAR
NORTHING = 77477.0900 FT
EASTING = 61431.4750 FT
ELEVATION = 7036.132 FT

APN 110–06–030A
APN 110–06–099
APN 110–06–031
APN 110–06–036A
APN 110–06–032
APN 110–06–033
APN 110–06–034
APN 110–06–036D
APN 110–06–042B
APN 110–06–042D
APN 110–06–035

FOUND ½" REBAR NO ID
N 77475.55
E 61191.77

N 89°38'30" E 239.66'

P.T. #2006
FOUND 1" PLC 16536
CAPPED PIPE/REBAR
N 77477.09
E 61431.48

N 01°19'24" W 49.98'

FOUND ½" REBAR NO ID
N 77426.52
E 61401.68

FOUND BRASS CAP RLS 26406
N 77427.05
E 61431.67

N 01°37'47" W 59.74'

EXISTING 30'
INGRESS/EGRESS/PARKING
EASEMENT PER INSTRUMENT
NUMBER 3197611

SUBJECT PARCEL
APN 110–06–036E
WOODSHIRE ON WEST OAK, LLC
3550 N. CENTRAL AVENUE #1101
PHOENIX, AZ 85012

N 89°36'36" E 90.02'

FOUND ½" REBAR NO ID
N 77366.24
E 61311.94

P.T. #2005
FOUND 1" PLC 16536
CAPPED PIPE/REBAR
N 77368.60
E 61402.90
BEARS N 26°23'31" E, 2.04'
FROM CALCULATED POSITION

N 01°13'27" W 230.09'

N 01°09'08" W 120.18'

EXISTING 16' INGRESS/EGRESS
EASEMENT PER INSTRUMENT
NUMBER 3197614

N 89°44'30" E 119.97'

FOUND ½" REBAR NO ID
N 77245.34
E 61192.67

FOUND ½" REBAR NO ID
N 77246.12
E 61312.62

S 89°40'30" W 659.88'

EXISTING 60' ROW
W. OAK AVE

30'

W OAK AVE

N. BEAVER ST

P.T. #2004
#2IN AC COF 25083

P.T. #2003
2IN AC COF 25083

LEGEND

- PROPERTY BOUNDARY
- EXISTING CENTERLINE
- ADJACENT PROPERTY BOUNDARY
- FOUND REBAR AS NOTED
- FOUND CAPPED REBAR AS NOTED

SCALE: 1" = 20'
0 10 20

C.O.F. #PZ-21-00236-02

FLAGSTAFF
ARIZONA

WOODSHIRE ON OAK

EXISTING BOUNDARY & EASEMENTS

JOB NO: 21140
DATE: MAY 22
SCALE: AS SHOWN
DRAWN: KMF
DESIGN: KMF
CHECKED: ADB

REVISIONS

NO.	DESCRIPTION	DATE	BY

75 Kaibaf Place
Sedona, AZ 86336
928.282.1061
928.282.2058 fax
www.swiaz.com

Shephard Wesnitzer, Inc.

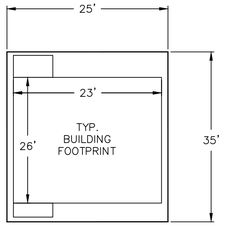
Contact Arizona 811 at least two full working days before you begin excavation
Call 811 or click Arizona811.com

DRAWING NO.
FP02

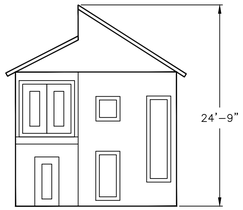
SHT NO. 2 OF 3

FILE: P:\2021\21140P\DRAWINGS\PLATS\FINAL\21140-EXISTING SITE.DWG KBAYER

PLOTTED: May 17, 2022–9:04am

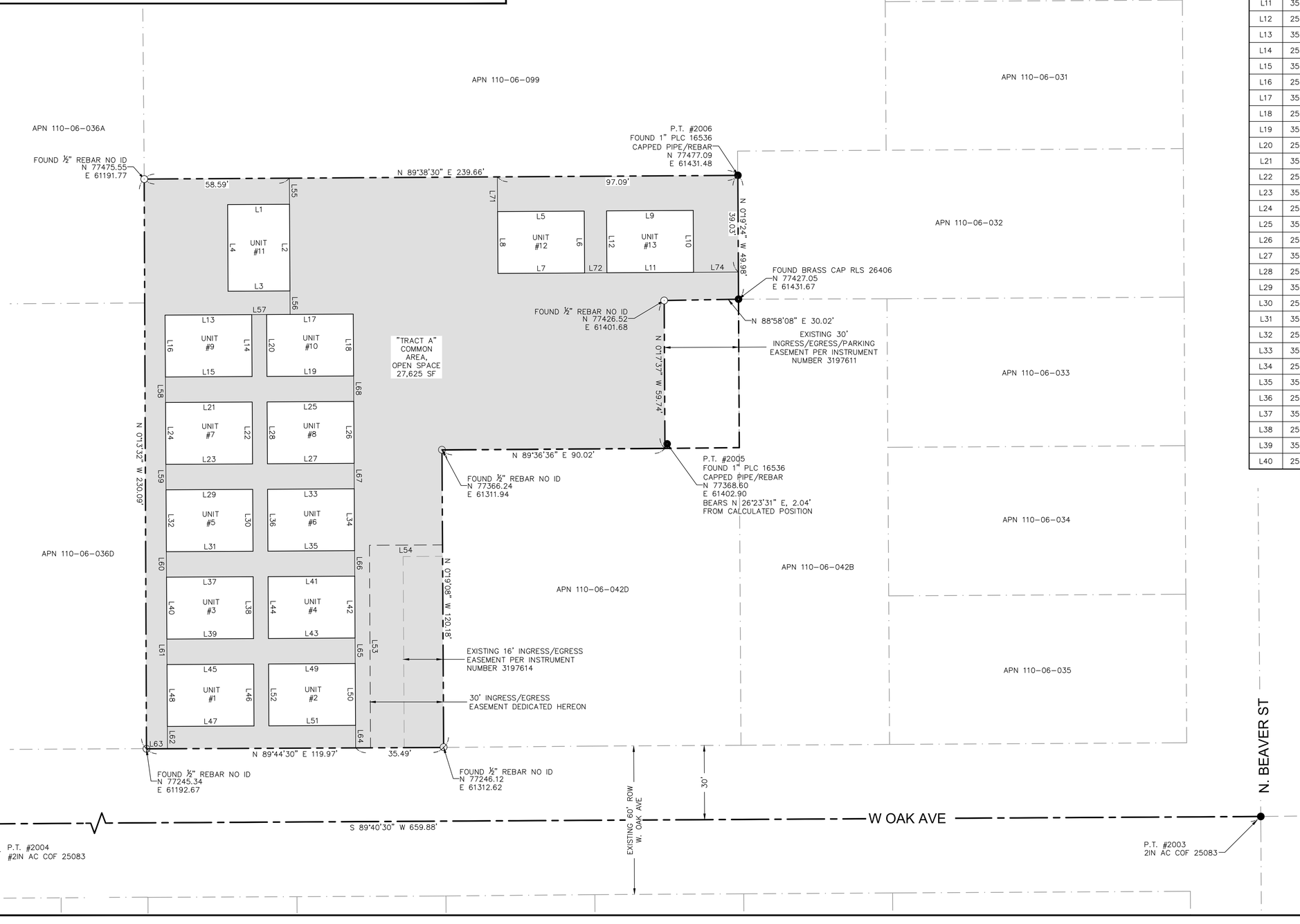


A TYPICAL UNIT DIMENSIONS
N.T.S.



B TYPICAL BUILDING ELEVATION
N.T.S.

NOTES:
1. THE TYPICAL SIZE OF EACH INDIVIDUAL UNIT IS 875 SF. SEE DETAILS A AND B ON THIS SHEET. EACH UNIT SHALL INCLUDE THE LAND AND AIR SPACE BETWEEN THE HORIZONTAL AND VERTICAL BOUNDARIES OF THE LOT.
2. "TRACT A" TO BE DEDICATED AS COMMON AREA AND OPEN SPACE PER FUTURE CONDOMINIUM DECLARATION.
3. PARKING SPACES SHOWN ARE TO BE ALLOCATED THROUGH THE SUBDIVISION CC&Rs.



LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	25.00	S 89°40'52" W
L2	35.00	N 0°19'08" W
L3	25.00	N 89°40'52" E
L4	35.00	S 0°19'08" E
L5	35.00	N 89°40'52" E
L6	25.00	S 0°19'08" E
L7	35.00	S 89°40'52" W
L8	25.00	N 0°19'08" W
L9	35.00	N 89°40'31" E
L10	25.00	S 0°19'29" E
L11	35.00	S 89°40'31" W
L12	25.00	N 0°19'29" W
L13	35.00	N 89°40'52" E
L14	25.00	S 0°19'08" E
L15	35.00	S 89°40'52" W
L16	25.00	N 0°19'08" W
L17	35.00	N 89°40'31" E
L18	25.00	S 0°19'29" E
L19	35.00	S 89°40'31" W
L20	25.00	N 0°19'29" W
L21	35.00	N 89°40'52" E
L22	25.00	S 0°19'08" E
L23	35.00	N 89°40'52" E
L24	25.00	N 0°19'08" W
L25	35.00	N 89°40'31" E
L26	25.00	S 0°19'29" E
L27	35.00	S 89°40'31" W
L28	25.00	N 0°19'29" W
L29	35.00	N 89°40'52" E
L30	25.00	S 0°19'08" E
L31	35.00	S 89°40'52" W
L32	25.00	N 0°19'08" W
L33	35.00	N 89°40'32" E
L34	25.00	S 0°19'29" E
L35	35.00	S 89°40'31" W
L36	25.00	N 0°19'29" W
L37	35.00	N 89°40'52" E
L38	25.00	S 0°19'08" E
L39	35.00	S 89°40'52" W
L40	25.00	N 0°19'08" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L41	35.00	N 89°40'31" E
L42	25.00	S 0°19'29" E
L43	35.00	S 89°40'31" W
L44	25.00	N 0°19'29" W
L45	35.00	N 89°40'52" E
L46	25.00	S 0°19'08" E
L47	35.00	S 89°40'52" W
L48	25.00	N 0°19'08" W
L49	35.00	N 89°40'31" E
L50	25.00	S 0°19'29" E
L51	35.00	S 89°40'31" W
L52	25.00	N 0°19'29" W
L53	81.80	S 0°19'08" E
L54	29.50	S 89°41'11" W
L55	10.52	N 0°21'30" W
L56	9.50	S 0°19'29" E
L57	6.00	N 89°41'07" E
L58	10.28	N 0°19'08" W
L59	10.28	N 0°19'08" W
L60	10.28	N 0°19'08" W
L61	10.28	N 0°19'08" W
L62	9.00	N 0°15'30" W
L63	8.42	N 89°44'30" E
L64	9.08	S 0°15'30" E
L65	10.28	S 0°18'19" E
L66	10.28	S 0°18'19" E
L67	10.28	S 0°18'19" E
L68	10.28	S 0°18'19" E
L71	14.00	N 0°21'30" W
L72	9.00	N 89°30'15" E
L74	18.08	N 89°40'36" E

LEGEND

- PROPERTY BOUNDARY
- EXISTING CENTERLINE
- PROPOSED UNIT BOUNDARY
- ADJACENT PROPERTY BOUNDARY
- FOUND REBAR AS NOTED
- FOUND CAPPED REBAR AS NOTED
- UNIT #1 UNIT ID NUMBER
- 'TRACT A' AREA

SCALE: 1" = 20'

0 10 20

REGISTERED LAND SURVEYOR
48756
AARON D. BORLING
Date Signed 5/17/22
ARIZONA, U.S.A.

C.O.F. #PZ-21-00236-02

FLAGSTAFF ARIZONA

WOODSHIRE ON OAK

FINAL PLAT

JOB NO:	21140
DATE:	MAY 22
SCALE:	AS SHOWN
DRAWN:	KMF
DESIGN:	KMF
CHECKED:	ADB

75 Kaliof Place
Sedona, AZ 86336
928.282.1061
928.282.2058 fax
www.swiaz.com

Shephard Wesnitzer, Inc.

REVISIONS			
NO.	DESCRIPTION	DATE	BY

Contact Arizona 811 at least two full working days before you begin excavation
Call 811 or click Arizona811.com

DRAWING NO.
FP03

SHT NO.	OF
3	3

FILE: P:\2021\21140P\DRAWINGS\PLATS\FINAL\21140–FINAL PLAT.DWG KBAYER

10. H.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Patrick Brown, Purchasing Director
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Citywide On-Call Professional Services Contracts: Architecture, Landscape Architecture, Engineering, Geotechnical and Survey.

STAFF RECOMMENDED ACTION:

1. Approve the fifteen (15) On-Call Professional Services Contracts for the following firms and disciplines:
    - **Architecture:** Loven Contracting, Johnson Walzer Associates and GLHN
    - **Landscape Architecture:** The WLB Group, Kimley-Horn and Logan Simpson
    - **Geotechnical:** Speedie and Associates, and Western Technologies
    - **Engineering:** Peak Engineering, The WLB Group, Shephard Wesnitzer, Woodson Engineering, WSP, J.E. Fuller and Burgess & Niple
    - **Survey:** Shephard Wesnitzer Inc. and Woodson Engineering
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The On-Call Professional Services Contracts allow for continued consolidation of the design and construction delivery schedules of City projects. Due to annual escalation in labor and material costs, compression of delivery schedules can play an important role in managing limited budgets. The term of the On-Call Professional Contracts for all disciplines is for three (3) consecutive years, with two (2) additional one (1) year optional renewals thereafter.

Financial Impact:

There is no immediate financial impact from adopting the On-Call Professional Services Contracts. The costs will be expended from budgets already approved and allocated to individual projects by Council. Each firm's pricing schedule is on file with the Purchasing Division and will be incorporated as part of each of the firm's contracts. However, pricing will vary among firms.

Policy Impact:

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Safe & Healthy Community

- Provide public safety with the resources, staff, and training to respond to community needs
- Ensure the built environment is safe through the use of consistent standards, rules and regulations, and land use practices

Carbon Neutrality Plan

CR-1: Ensure all mitigation actions improve Flagstaff's ability to adapt to the future.

DD-2: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Has There Been Previous Council Decision on This:

Yes. In April 2016, council approved fifteen (15) Professional On-Call Services contracts for the same disciplines.

Background/History:

The City of Flagstaff manages a significant number of capital projects, which span the spectrum of size and complexity from small improvement projects to multi-million dollar infrastructure projects. Over the past five (5) years, Capital Improvements, Water Services, and Public Works have awarded more thirty (30) task orders utilizing these contracts. Through the use of these On-Call Professional Services Contracts, all City divisions were able to manage multi-project and work programs in a more time efficient manner. Recently, the Professional Services On-Call Contracts played valuable roles in emergency operations. These contracts allowed our emergency operations teams a quick resource for engineering water flow and flood planning.

On December 8, 2021, the Purchasing Division solicited a Requests for Qualifications (RSOQ) for On-Call Professional Services Contracts in five (5) discipline areas, Architecture; Landscape Architecture; Engineering; Geotechnical; and Surveying. Purchasing posted the solicitation on the City's PlanetBids bidding website, and advertised the opportunity in the AZ Daily Sun on December 12 and 19, 2021. On January 22, 2022, the City received a total of 37 statements from 34 firms. An evaluation committee was formed consisting of seven (7) members, including one member not employed by the City. Each of these evaluators have experience working in or with these professional services. Due to the extremely large response, the evaluation committee spent four and a half (4-1/2) months (early February 2022 through the late May 2022) evaluating all proposals.

Key Considerations:

On-Call Professional Services Contracts save time and money for all parties involved. The firms are relieved of many hours of proposal preparation and interview time, along with related expenses. The City saves the cost of multiple legal advertisements, and the staff time and related expenses involved in individually advertising and selecting firms for each separate project. On-Call Professional Services Contracts are specifically addressed and authorized by the Arizona Revised Statues and they adhere to current City of Flagstaff procurement standards.

Expanded Financial Considerations:

Scope of Work, schedules, and task-specific fee proposals for Task Order amendments will be formulated on an as needed basis. Task Order amendments associated with these contracts will be charged directly to specific projects and their individual budgets. All Task Order amendments will be reviewed and approved by Division and/or Department heads prior to execution.

Community Benefits and Considerations:

All projects undertaken by the City have a direct or indirect impact on the quality of life enjoyed by the citizens of Flagstaff. Utilization of On-Call Professional Services Contracts offers the primary advantage of expedited project delivery that will bring the project to fruition for the community's benefit faster and with less total project costs.

Expanded Options and Alternatives:

- Approve the contracts with the firms in all disciplines as presented. This will allow staff to continue delivering projects in a more timely and efficient manner.
- Approve a smaller number of contracts overall or by discipline. This will limit the number of projects staff will be able to deliver in a timely and efficient manner.
- Reject the contracts, and solicit for individual contracts on an as needed basis. This will add time to the delivery of projects and is not recommended.

Attachments: On-Call Contract
Awarded Firm Scores

CONTRACT FOR
ON-CALL PROFESSIONAL SERVICES
Contract No. 2022-01

This Contract is entered into this _____ day of _____, 20___ by and between the City of Flagstaff, a political subdivision of the State or Arizona ("Owner"), and _____, [OPTIONS: an Arizona limited liability company or Corporation] ("Firm").

WHEREAS, the Owner desires to receive and Firm is able to provide professional services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the Owner and Firm (the "parties") agree as follows:

SERVICES

1. Scope of Work: Firm shall provide the professional services generally described as follows:

   ON-CALL PROFESSIONAL SERVICES: [*DISCIPLINE*]

   and as more specifically described in the scope of work attached hereto as *Exhibit A.*

2. Schedule of Services: Firm shall perform all work per the schedule set forth in *Exhibit A.*

3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as *Exhibit B* are hereby incorporated by reference by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.

4. Key Personnel/Subcontractors: Firm's Key Personnel, Subcontractors (if any), and contact information are designated in *Exhibit A.* Key Personnel are those employees whose license number and signature will be placed on key documents and those employees who have significant responsibilities for completion of the services. The Owner Representative for the Contract has the right to approve any proposed substitution of Key Personnel or Subcontractors.

OWNER RESPONSIBILITIES

5. Owner Representative: The Owner Representative is _____ (City contact) or his/her designee. All communications to the Owner shall be through the Owner Representative. Owner Representative is responsible for bringing any request for a contract amendment or price adjustment to the attention of the City Buyer.

6. Owner Cooperation: The Owner will cooperate with Firm by placing at its disposal all available information concerning the Owner, the Owner's property, or the Project reasonably necessary for Firm's performance of the Contract.

CONTRACT TERM

7. Contract Term: The Contract shall be effective as of the date signed by both parties. Performance shall commence within ten (10) days from the Owner's issuance of the Notice to Proceed and shall be in force for an initial term of three (3) consecutive years.

8. Renewal: The Contract may be renewed for up to two (2) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the Owner.

9. Termination: The Contract may be terminated pursuant to the Standard Terms and Conditions attached hereto as ***Exhibit B.***

PAYMENT

10. Compensation: Firm shall be paid for satisfactory performance of the work, in accordance with the Compensation Schedule attached hereto as part of ***Exhibit A.***

11. Price Adjustment: If price adjustments are permitted (see ***Exhibit A***), any price adjustment must be approved by the Owner in writing as a formal Contract Amendment. The City Council must approve the price adjustment if the annual contract price exceeds $50,000; otherwise the City Manager or his designee (the Purchasing Director) shall have authority to approve a price adjustment on behalf of the Owner.

DATA AND RECORDS

12. City Ownership of Document and Data: Any original documents prepared or collected by Firm in performance of the Contract such as models, samples, reports, test plans, survey results, graphics, tables, charts, plans, maps, specifications, surveys, computations and other data shall be the property of Owner ("City's work product"), unless otherwise agreed by the parties in writing. Firm agrees that all materials prepared under the Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the Owner all rights and interests Firm may have in the materials it prepares under the Contract, including any right to derivative use of the material.

13. Re-Use: The Owner may use City's work product without further compensation to Firm; provided, however, the Owner's reuse without written verification or adaption by Firm for purposes other than contemplated herein is at the Owner's sole risk and without liability to Firm. Firm shall not engage in any conflict of interest nor appropriate any portion of City's work product for the benefit of Firm or any third parties without the Owner's prior written consent.

14. Delivery of Document and Data: Upon termination of the Contract in whole or part, or upon expiration if not previously terminated, Firm shall immediately deliver to the Owner copies all of City's work product and any other documents and data accumulated by Firm in performance of the Contract, whether complete or in process.

INSURANCE

15. Insurance: Firm shall meet insurance requirements of the Owner, set forth in ***Exhibit C.***

MISCELLANEOUS

16. Notice: Any notice concerning the Contract shall be in writing and sent by certified mail and email as follows:

To the Owner:	To Firm:
Patrick Brown Purchasing Director City of Flagstaff 211 W. Aspen Ave. Flagstaff, Arizona 86001 pbrown@flagstaffaz.gov	
With a copy to:	With a copy to:

17. 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.

(Signatures on following page)

FIRM

_____

Print name:_____

Title:_____

CITY OF FLAGSTAFF

_____

Print name:_____

Title:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

EXHIBIT A
SCOPE OF WORK

[ATTACH: Solicitation Scope of Work/ Firm's Proposal (with any modifications required by Owner)

Price Schedule

Schedule of Services

Key Personnel

Subcontractors

EXHIBIT B

STANDARD TERMS AND CONDITIONS

*The term "Contractor" may substitute for the term "vendors," "consultants," or "firms," depending on the purpose of the underlying Contract.

IN GENERAL

1. **PARTIES:** The City of Flagstaff ("City") and the contractor identified in the Contract ("Contractor") may be referred to individually as "Party" or collectively as "Parties".

2. **NOTICE TO PROCEED:** Contractor shall not commence performance until after the City has issued a Notice to Proceed.

3. **LICENSES AND PERMITS:** Contractor, at its own 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.

4. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of the Contract.

5. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, the Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

6. **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

7. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

8. **QUALITY:** Contractor warrants that all materials supplied under the 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. The 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.

9. **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.

10. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to the City upon the City's acceptance of the materials.

11. **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.

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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

18. **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 had been shipped or work performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

19. **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, the City will not honor any

invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

20. 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 the 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.

21. FEDERAL EXCISE TAXES: The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

22. 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 the City.

23. 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 the City.

24. 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 the City or fees and charges owed to the City under the Contract.

25. OFAC: No payments may be made to any person in violation of Office of Foreign Assets Control regulations. 31 C.F.R. Part 501.

SERVICES

26. 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.

27. CONTROL: Contractor shall be responsible for the control of the work.

28. WORK SITE: Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

29. 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.

30. QUALITY: All work shall be of good quality and free of defects, performed in a diligent and professional manner.

31. **ACCEPTANCE:** If the City rejects Contractor's work 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.

32. **WARRANTY:** Contractor warrants all work for a period of one 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

33. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five years after completion of the Contract.

34. **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.

35. **PUBLIC RECORDS:** The 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.

36. **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

37. **GENERAL INDEMNIFICATION:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense, arising out of the acts, errors, or omissions of Contractor, its officers, agents, employees, and subcontractors, in performing or failing to perform the responsibilities identified in the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects, and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

38. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of the alleged 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 the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

39. **NETWORK SECURITY AND PRIVACY LIABILITY:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from an against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for the City. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

40. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

41. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the Parties.

42. **AMENDMENTS:** The Contract may be amended by written agreement of the Parties.

43. **SEVERABILITY:** If any term or provision of the 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 the Contract shall remain in full force and effect.

44. **NO WAIVER:** Both Parties have 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.

45. ASSIGNMENT: Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. Any assignment without such consent shall be null and void. No assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to the City. The Purchasing Director shall have authority to consent to an assignment on behalf of the City.

46. BINDING EFFECT: The Contract shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

47. SUBCONTRACTING: Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. The City reserves the right to withhold consent if the 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.

48. 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 whose business is located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02, *Civil Rights*, which also prohibits discrimination based on sexual orientation, or gender identity or expression.

49. **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's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

50. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and federal immigration laws and regulations shall constitute a material breach of the Contract and shall subject Contractor to penalties up to and including termination of the Contract. The City may, at its sole discretion, conduct random verification of the employment records of the employees of the Contractor and any subcontractors to ensure compliance with all state and federal immigration laws and regulations. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contract 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

51. TERMINATION FOR DEFAULT: Prior to terminating the 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 to the Contract remedies provided for herein.

52. CITY REMEDIES: In the event of Contractor's default, the 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. The 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.

53. CONTRACTOR REMEDIES: In the event of the City's default, Contractor may pursue all remedies available at law, except as provided for herein.

54. TERMINATION FOR NONAPPROPRIATION OF FUNDS: The City may terminate all or a portion of the 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, the 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 the Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by the 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 the 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 the Contract, the City will pay Contractor for satisfactory performance up until the effective date of termination. The 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 the 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 in connection with award or performance of the Contract.

59. CANCELLATION FOR CONFLICT OF INTEREST: Pursuant to A.R.S. § 38-511, if the City identifies a conflict of interest in the award or performance of the Contract, the City may cancel the Contract within three years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. COOPERATIVE PURCHASE CONTRACTS: Presuming that Contractor agreed to such during the procurement process, Contractor will enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell materials and services to any member of a cooperative group under the same pricing, terms and conditions of the contract awarded to the Contractor by the public procurement unit, following a competitive procurement process.

61. ADVERTISING: Contractor shall not advertise or publish information concerning its Contract with the City without the prior written consent of the City.

62. NOTICES: All notices given pursuant to the 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 days after being sent; or (c) sent by overnight courier, with receipt deemed effective two days after being sent. Notice may be sent by email as a secondary form of notice.

63. THIRD PARTY BENEFICIARIES: The Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

64. GOVERNING LAW: The Contract shall be construed in accordance with the laws of Arizona.

65. FORUM: In the event of litigation relating to the Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

66. ATTORNEYS' FEES: If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.

67. FORCE MAJUERE:

a. There may be events that occur during the term of the Contract that are beyond the control of both the City and Contractor, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God ("Events"). 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 the Contract.

b. There shall be no claims arising from a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables caused by the Events and the City shall not pay additional costs incurred by Contractor as a result of such Events.

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

68. NO BOYCOTT OF ISRAEL: Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

69. CHANGES TO CONTRACT: The Contract shall not be modified within the first year after Contract award where: (a) an amendment may result in a competitive advantage that was not made available to other proposers/bidders; or (b) requests for changes may delay commencement of performance.

EXHIBIT C

STANDARD INSURANCE REQUIREMENTS

*The term "Contractor" may substitute for the term "vendors," "consultants," or "firms," depending on the purpose of the underlying Contract.

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 the Contract by Contractor, its agents, representatives, employees, and/or subcontractors.

2. **REQUIREMENT TO PROCURE AND MAINTAIN:** Each insurance policy required by the Contract shall be in effect at, or before, commencement of work under the Contract and shall remain in effect until all of Contractor's obligations under the Contract have been met, including any warranty periods. Contractor's failure to maintain the insurance policies as required by the Contract, or to provide timely evidence of renewal, will be considered a material breach of the Contract.

3. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

   Where applicable, as related to the Scope of Work, 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	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

   e. Professional Liability $2,000,000

f. Network Security and Privacy Liability

Per claim	$2,000,000
Annual Aggregate	$2,000,000

4. **NETWORK SECURITY AND PRIVACY LIABILITY:** Contractor shall maintain the requisite insurance requirements covering all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for the City. The insurance policy shall include coverage for third-party claims. The insurance policy shall contain an affirmative coverage grant for contingent bodily injury and property damage emanating from the failure of the technology services or an error or omission in the content/information provided.

5. **SELF-INSURED RETENTION:** Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that Contractor reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and/or subcontractors. Contractor shall be solely responsible for any self-insured retention amounts. The 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.

6. OTHER INSURANCE REQUIREMENTS: The insurance 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, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.

b. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.

c. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.

d. Each Insured: Contractor's insurance policies 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 Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.

f. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

7. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of the Contract shall provide the required coverage and shall not be suspended, voided, cancelled, and/or 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 Procurement Agent and shall reference the Contract Number.

8. **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 Contractor from potential insurer insolvency.

9. **CERTIFICATES OF INSURANCE:** Contractor shall furnish the City with certificates of insurance (ACORD form) as required by the 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 Contract number shall be noted on the certificates of insurance. If requested by the City, all certificates of insurance and endorsements must be received and approved by the City before the Contractor commences work.

10. **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 the Contract. 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 the Contract.

11. **MODIFICATIONS:** Any modification or variation from the insurance requirements in the 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.

Highest Scoring Firms & Scores

Architectural – 3 Firms

1. Loven Contracting - 693
2. Johnson Walzer Architects - 659
3. GLHN - 619

Landscape Architectural – 3 Firms

1. WLB – 729
2. Kimley-Horn – 694
3. Logan Simpson – 681

Geotechnical – 2 Firms

1. Speedie & Associates– 725
2. Western Technologies - 702

Engineering – 7 Firms

1. Peak Engineering – 727
2. WLB – 702
3. Shephard Wesnitzer – 690
4. Woodson Engineering – 686
5. WSP - 676
6. J E Fuller – 672
7. Burgess & Niple – 667

Surveying – 2 Firms

1. Shephard Wesnitzer – 703
2. Woodson Engineering - 681

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bryce Doty, Real Estate Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: City-Owned Property located at 11 W. Cherry known as the Doris Harper White Community Theater

STAFF RECOMMENDED ACTION:

1. Approve the lease between the City and Theatrikos, Inc.; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

On February 11, 2022, the City published an invitation for bids, no. 2022-10, seeking proposals from qualified non-profit organizations to enter into a long-term lease of the City-owned Doris Harper White Community Theater, located at 11 West Cherry for the purpose of managing and operating a performing arts center. Theatrikos, Inc., the current tenant, was the only bidder, meeting the minimum bid threshold set for the lease. The organization has been deemed a responsible and responsive bidder. The new lease memorializes a number of changes in the City's relationship with the facility and future tenant:

- Twenty-Five year initial term with options for an additional two, twenty-five year extensions. Extensions are at City's discretion to renew. This provides the future tenant excellent lease tenure and security which will allow for significant fundraising opportunities as verified in the bid documents;
- After the initial term, the City may cancel the lease for convenience after providing eighteen-month notice.
- Modifies the relation between the tenant and the City in regards to maintenance obligations. Previous leases were strictly As-Is leases; this lease establishes the city as responsible to address structural and shell maintenance of the facility;
- The Monthly lease rate of $2,022 provides sufficient revenue to plan and execute future city maintenance responsibilities; and
- Existing deferred maintenance to the facility for which the City is not responsible will be addressed as future capital budget requests.

Should Council award the lease, notice of cancellation of the existing lease will be sent to the current tenant providing an 18-month notice period. Both parties anticipate agreeing to an effective date for the new lease of January 1st, 2024 to be executed at a ceremonial signing during Theatrikos's 50th anniversary celebration on September 10th, 2022.

Financial Impact:

The current lease base payment is $1,234.09 per month. The new lease will start at $2,022 per month with 2% annual escalation. This equals an additional $787.91 in additional revenue; however, in order to best fund the ongoing commitments to the facility, these revenues should be dedicated to facility maintenance.

Policy Impact:

The previous lease was issued "As-Is," placing maintenance of the facility on the lessee. This lease aligns the maintenance of the assets with the owner of the asset (the City), representing a policy change. This is in keeping with a more traditional lessor / lessee relationship.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

- Livable Community: Create a welcoming community through partnerships, strong neighborhoods, civic engagement, and resident participation.
- Livable Community: Provide amenities and activities that support a healthy lifestyle.

Carbon Neutrality Plan

- DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

Regional Plan

- Policy ED.3.2. Strengthen the arts, culture, and education sectors as important economic drivers in the community.
- Policy NH.2.1. Encourage the rehabilitation of historic downtown structures and contextual new structures as office, retail, entertainment, and residential space to reinvigorate the area as a destination of culture, shopping, government, and the arts.
- Policy CC.5.1. Promote first class arts, research, and educational facilities.

Has There Been Previous Council Decision on This:

The current lease was awarded by council in 2006. Three lease amendments were brought before council; in 2011, on February 6th, 2018, and on July 7th, 2020.

Options and Alternatives:

- Decline to award lease and provide input for another solicitation. The current lease runs until October 30th, 2026 with an extension for an additional five years.

Background/History:

Theatrikos, Inc. has leased the facility through several leases form the City starting in October of 1988. The current lease solicitation was requested by Theatrikos for two main reasons. First, in order to unlock identified donor funding opportunities, Theatrikos needed a longer lease tenure than the current lease. Donors want assurance that the company will continue to operate well into the future; a long term lease establishes that assurance. Second, maintenance responsibilities for the facility did not align with the remaining lease term, preventing planned improvement projects from moving forward.

Article VII.9 of the City Charter requires leases of city property to be made to the highest bidder as a result of a public solicitation. Non-profit organizations providing significant community benefits are not exempt from this requirement; however, leases may be solicited and qualified for particular purposes, in this case the lease was only open to organizations who could provide performing arts in the facility. This use qualification in the solicitation impacts the market rent expectation for the facility, allowing

organizations who can deliver the services the City wishes to program in the facility a rate decoupled from other uses.

Community Benefits and Considerations:

Approximately 150,000 people have attended Theatrikos, the overwhelming majority of those since Theatrikos started managing Doris Harper-White Playhouse in 1988. In 2019 alone, the year before the pandemic, 10,000 people attended shows and educational performance workshops.

This is an audience that Theatrikos brings downtown, many of whom shop and dine downtown before or after shows.

The theater has a positive economic impact, as well as an economic contribution. 5-10% of audiences come from outside Flagstaff during the spring, fall and winter, while this increases to 25% in the summer. Many of these are people who, but for their attendance at a performance would not otherwise go downtown on any given Friday night, Saturday night or Sunday afternoon.

Attachments: Building Lease
Presentation
Theatrikos Narrative Response to IFB

BUILDING LEASE
For Performing Arts Center

This Building Lease ("Lease") is entered into this ____ day of _____, 20___, by and between the City of Flagstaff, an Arizona municipal corporation ("City" or "Lessor") and Theatrikos Inc., an Arizona Nonprofit Corporation ("Lessee").

Whereas, on February 11th, 2022, the City issued a competitive solicitation for lease of a building for a performing arts center, per the Flagstaff City Charter Article VIII, Section 9; and

Whereas, Theatrikos, Inc. has been selected as the highest responsible and responsive bidder for this Lease.

Now, therefore, in consideration for mutual promises contained herein, the parties hereby agree as follows:

1. **Premises.** City hereby leases to Lessee the building and surrounding property located at 11 W. Cherry, Flagstaff, Arizona 86001 (to be known as the Flagstaff Performing Arts Center), as shown on the map attached hereto as Exhibit A ("the Premises"), subject to the terms and conditions of this Lease.

2. **Use of Premises.**

a. Permitted Use. The Premises shall be used as a Performing Arts Center for community theater, dance, music, classes, and/or related programs (collectively "Programs"), as further described in the Business Plan, which may be modified from time to time and shall be attached hereto as Exhibit B. Retail and concession sales, including licensed alcohol sales, are allowed as an accessory use. Programs shall be offered to the public as a community amenity. Programs may be offered for targeted groups, such as youth or seniors. Fundraising events for the Performing Arts Center may be held on the Premises. Lessee may make the Premises available to other arts organizations and charge a reasonable fee for use of the Premises. The Lessee shall occupy and use the Premises for the permitted use and no other purpose without the prior written consent of City, which consent may be withheld for any reason or for no reason.

b. Complaints About Uses. If Lessee or City receives a complaint about use of the Premises, including but not limited to noise, traffic, or any other concern from a neighboring property owner or occupant, Lessee shall work with the neighboring property owner or occupant(s) to address their concerns.

3. **Term and Renewal.**

a. Term. The Lease commences on _____, _____ and continues for 25 years through _____, _____ ("Initial Term"), unless sooner cancelled or terminated as provided for herein.

b. Renewal. The Lease may be renewed for up to two additional 25-year terms (total of 75 years) upon mutual agreement of the parties. City in its sole discretion may elect to not renew the Lease, or to require new terms and conditions in the Lease, including but not limited to rent adjustments.

4. **Cancellation for Convenience.**

a. By City. After the initial term, City may cancel this Lease for convenience upon at least 18-months' written notice to Lessee. Following receipt of such notice from City, Lessee may vacate the Premises at any time within the 18-month period, and rent will cease when the Premises is vacated.

b. By Lessee. Lessee may cancel this Lease for convenience upon at least six (6) months' written notice to City.

5. **Rent.**

a. When Payment Due. Lessee shall pay rent to the City of Flagstaff. Rent shall be delivered to the attention of the City of Flagstaff Finance Department, 211 W. Aspen Avenue, Flagstaff, Arizona 86001 and is due on or before the first of the month. Rent is not subject to abatement, deduction or offset.

b. Rent Amount. Rent shall consist of monthly rent of $2,022 ("Rent"). Rent shall increase by 2% annually upon the anniversary of the commencement date of this Lease, as identified in Section 3(a) above.

c. Late Penalty. All amounts not paid by the Lessee when due shall accrue interest at the rate of one percent (1%) per month or fraction of a month from the time due until paid.

d. Pro-Rated Rent. If the Term begins or ends on any day other than the first or last day of the month, respectively, rent shall be pro-rated as follows: (day of month when Lease commences/number of days in the entire month) x (Rent).

e. Additional Consideration. As additional consideration, Lessee shall maintain its status as a non-profit corporation and 501(c)(3) under the Internal Revenue Code during the term of this Lease. The purpose of this requirement is to enable greater opportunities to apply for grants and other public funding for performing arts programs. Lessee shall recognize City as a sponsor of the Performing Arts Center at Lessee performances and in Lessee publications.

6. **Security Deposit.** Upon execution of this Lease, Lessee shall deposit with City the sum of one month's rent ($2,022), as security for the full and faithful performance of each and every term, condition, covenant and provision of this Lease. In the event that Lessee fails to pay any installment of

Rent required to be paid under this Lease when due, then City shall have the right to apply the security deposit to the obligations of Lessee, and Lessee shall replenish the security deposit to the amount described herein. If, upon the expiration or termination of this Lease, Lessee returns the Premises, including all furnishings and fixtures therein, to City in the condition in which the Premises was delivered to Lessee, ordinary wear and tear excepted, the security deposit shall be returned to Lessee within fourteen (14) days after the expiration or termination of this Lease.

7. **Taxes.** Lessee shall pay all applicable taxes due arising from its operations at the Premises, including but not limited to transaction privilege tax from its business activities and tax on its personal property. The Premises (land and building) currently is exempt from property tax. If Lessor sells the Premises, any change in tax status shall not be grounds for adjustment of rent during the then-current term.

8. **Books and Records.** Lessee shall maintain records related to this Lease for at least five (5) years following cancellation, termination, and/or expiration of the Lease.

9. **Entry and Inspection.** City shall have the right to enter upon the Premises to inspect the condition of the Premises upon at least three (3) days written notice during regular business hours of City Hall. Upon reasonable notice to Lessee, City may enter upon Premises to show the property to any prospective purchaser, Lessee, lender or insurer, and to take necessary action in the event of an emergency. No such entry shall entitle Lessee to terminate this Lease, to reduce or abate Rent or other amounts due hereunder or to any claims for damages. City shall be entitled to use any reasonable means to enter the Premises in the event of emergency and shall not be liable for any damages resulting therefrom.

10. **Annual Report.** Lessee shall prepare an annual report regarding its operations on the Premises and present it to the City Council at a public meeting. The report shall, at a minimum, include the dates of all performances and programs conducted on the Premises and gross revenues collected. This report shall be submitted to City by May annually.

11. **Acceptance of Premises**. Lessee accepts the Premises in its condition "as is" upon the commencement of the Lease. City will make certain repairs or improvements to the Premises prior to commencement of the Lease.

12. **City Maintenance**. City shall keep and maintain the building on the Premises in good condition and repair. City is responsible for all structural repairs, including roofing, electrical, heating, cooling, and plumbing fixtures, windows, doors, lighting fixtures, and smoke alarms. City is responsible for any vandalism to the exterior of the building on the Premises. City shall not be responsible for repairs or maintenance needs of which it is not aware. City and Lessee will review any outstanding maintenance needs prior to lease signing and agree on a schedule for completing those maintenance items.

13. **Lessee Maintenance.**

a. Building Maintenance. Lessee is responsible for routine maintenance of the Premises. Routine maintenance includes, but is not limited to, replacing light bulbs, replacing HVAC air filters, patching minor cracks or holes in walls, clearing clogged toilets and sewer lines, replacing or repairing small building fixtures such as door handles and locks, and repairing or replacing any items that were damaged by Lessee.

b. Clean and Safe Condition. Lessee shall keep the Premises in a clean and safe condition. Fire code or building code violations caused by Lessee operations or use of the Premises are grounds for termination of the Lease if identified violations are not promptly corrected by Lessee.

c. Snow Removal. Lessee is responsible for snow removal at the Premises, including the parking lot and adjacent sidewalks.

d. Janitorial Services. Lessee at its own expense shall provide janitorial services for the building. Lessee shall comply with all state and local health laws and Center for Disease Control (CDC) guidelines for protecting public health and safety in public places.

e. Litter. Lessee shall keep the Premises free of litter.

f. Sidewalks. Lessee shall promptly remove snow and any obstructions from all sidewalks adjacent to the Premises.

g. Landscaping Irrigation. Lessee is responsible for maintaining all landscaping on the Premises and shall irrigate landscaping to maintain it in a healthy condition. Lessee shall pay for replacement of any landscaping that City Public Works staff determines needs to be replaced (dead or near dead) due to improper irrigation.

h. Notice to City. Lessee shall promptly notify City in writing of the need for any repair, maintenance and/or alteration to the Premises. Such notice shall include photographs and sufficient information for City to determine what is needed.

i. Damages Caused by Lessee. Lessee shall pay for any repairs or maintenance when the damage has been caused by Lessee, its officers, employees, agents, and invitees, whether due to intentional acts, vandalism (to interior of building), negligence, or the failure to act.

j. Lessee Payment. If Lessee fails to address any of its maintenance obligations under this Lease, the City may perform the maintenance at its discretion, in which case City will invoice Lessee upon completion of any such repairs, alterations, improvements, or maintenance. Payment is due within thirty

(30) days from the invoice date. City may offer a payment plan agreement if Lessee requires a longer period for payment. Unpaid amounts shall accrue interest of 1% per month until paid in full.

14. **Lessee Improvements.**

a. City Consent. Lessee shall not make or allow any alteration, addition, or improvement to the Premises including, without limitation, to the entrances and exits of the Premises, or to any fixture, wiring, plumbing, heating and air-conditioning, or other equipment therein ("Improvements") without City's prior written consent. City is not required to give its consent to Lessee. City may elect to make any Improvements if City in its sole discretion determines the Improvements are necessary and appropriate. If Lessee requests to make Improvements to the building above and beyond the City's maintenance obligations under this Lease, and those Improvements are approved by the City, the City may, in its sole discretion, consider the reasonable cost of those Improvements as an offset to rent dues by Lessee.

b. Requirements for Work. Lessee shall obtain all necessary building permits for any approved work. All work shall be completed by licensed contractors in good standing with the Arizona Registrar of Contractors. All work shall be completed in a good and workmanlike manner, in accordance with plans, specifications and drawings approved in writing by City, and in compliance with this Lease and all applicable laws, regulations and codes and all requirements of any insurer providing coverage for the Premises. Lessee shall obtain payment and performance bonds for the work. Lessee shall pay in a timely manner all amounts owed for the work.

c. Ownership. All Improvements to the Premises by Lessee (except movable furniture, equipment and trade fixtures installed and/or owned by Lessee, as applicable) shall become part of the Premises and City's property upon expiration or termination of this Lease.

d. Liens. Lessee shall keep the Premises free and clear of all liens incurred by or resulting from acts of Lessee.

15. **Utilities.** Utilities are not included in the Rent. Lessee at its sole expense shall contract for utilities for the Premises, including, but not limited to electricity, gas, water, solid waste, recycling, and telephone services. Lessee may contract for internet and cable services.

16. **Parking.**

a. Parking Areas. Parking areas on the Premises include an upper parking lot and lower parking lot, as shown in Exhibit C attached hereto and incorporated by reference ("Parking Areas").

b. City Use and Management. City reserves the right to exclusive use and management of the Parking Areas. Lessee is not entitled to any reduction in rent or compensation in the event City

modifies parking arrangements. Lessor may designate ParkFlag or other entity to manage the parking areas ("ParkFlag").

c. Parking Rules. Lessee shall comply with any rules and regulations adopted by City or ParkFlag for the Parking Areas.

d. Meters and Signs. City may install and maintain parking meters and signs in Parking Areas.

(i) Metered parking spaces will be available for public parking on a pay-to-park basis during the hours posted. Lessee may use the metered parking spaces in the same manner as any member of the public.

(ii) "F" parking spaces will be available for use only by those who hold an F permit. Lessee will receive ten (10) F permits at no cost to Lessee. An F permit is a parking pass that enables the registered holder to use the F parking spaces at any time on a first in time basis. The F parking spaces are not metered. The F parking spaces are not exclusive for use of Lessee.

17. **Security.** Lessee is responsible for providing security for the Premises to the extent it determines is appropriate. City is not responsible for providing security measures.

18. **Assumption of Risk and Waiver.** Lessee assumes all risk of, and waives all claims against City arising from damage, loss, or theft of property or injury to persons in, upon, or about the Premises from any cause. To be absolutely clear, Lessee agrees that the Lessor, its officers, officials, employees or agents, shall not be liable for any direct or consequential damages (including damage claimed for actual or constructive eviction) either to persons or property sustained by the Lessee, or its officers, directors, employees, agents, invitees, licensees or contractors due to (i) any part of the Premises not being in repair or (ii) the result of any accident or casualty on the Premises. This provision shall include, but not be limited to, damage or loss caused by water, snow, frost, sewage, gas, or malfunction of any electrical, heating, cooling, or ventilation systems or installations on the Premises.

19. **Lessee Insurance.** Lessee shall maintain insurance during the term of this Lease that meets the requirements set forth in Exhibit D. In addition, Lessee shall not engage in or permit any activity which will cause the cancellation of, or increase the City's existing premiums on, any insurance relating to the Premises. Lessee shall not permit to remain in or about the Premises any article that may be prohibited by the broadest form of "All Risk" or "Special Form" property damage insurance policies.

20. **Indemnification.** To the fullest extent permitted by law, Lessee shall indemnify, defend, save and hold harmless City, and its officers, officials, council members, citizens, agents, employees and volunteers (hereinafter referred to as "Indemnitee") for, from and against any and all claims, demands, actions, liabilities, damages, losses, or expenses (including court costs, reasonable attorney's fees, and costs of claim processing, investigation and litigation) (hereinafter collectively referred to as "Claims") including but not limited to personal injury (including death) or property damage caused, in whole or in

part, by the alleged acts, errors, omissions, negligence, or alleged negligence of Lessee or any of Lessee's directors, officers, agents, employees, volunteers or subcontractors, or of any Sublessee. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Lessee to conform to 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 acts of the Indemnitee, be indemnified by Lessee for, from and against any and all Claims. Lessee will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable.

21. **Environmental Indemnification.** Lessee shall defend, indemnify, and hold harmless City for, from and against any and all future claims, demands, complaints, and/or actions made or brought against City pertaining to the Premises and arising under any Environmental Law, Rule, Regulation or otherwise based upon any Hazardous Materials condition. This defense and indemnity includes, without limitation, any claims, demands, complaints, and/or action, asserted under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Water Quality Assurance Revolving Fund (WQARF), the Resource Conservation and Recovery Act (RCRA), and federal and state common law pertaining to Hazardous Materials, including any such claim based upon City's alleged liability as an owner or operator of the Premises under CERCLA or WQARF.

22. **City Insurance.** City may maintain its own insurance related to the Premises or may be self-insured. As a condition of this Lease, Lessee agrees to waive all claims against insurance purchased by City.

23. **Fire and Casualty.**

a. Termination or Repair. If any part of the Premises is damaged or destroyed by fire, accident, casualty, or an Act of God, then within thirty (30) days of such occurrence, City shall deliver to the Lessee written notice stating whether City is able to restore the damaged or destroyed Premises within one hundred eighty (180) days. City shall have no obligation to restore the damaged or destroyed Premises in the event the cost of restoring the Premises exceeds 50% of the fair market value of the Premises, as restored. The City shall have no obligation to spend more in restoring Premises than the insurance proceeds available for such purposes, if such proceeds are available, less any amount required to be paid to any mortgagee of City ("Available Funds"). If, in City 's opinion, the cost for restoring the Premises can be completed within such period with the Available Funds, City shall promptly restore the Premises. If, in City 's opinion, the Premises cannot be restored within such period with the Available Funds, either party may terminate this Lease upon thirty (30) days' written notice to the other party.

b. Reduction of Rent. If any part of the Premises is damaged or destroyed by fire, accident, casualty, or an Act of God, and not due to any act or failure to act by Lessee, then City shall reduce the Rent due under this Lease by an equitable amount, commencing from the date of the damage or destruction, until the Premises is restored. In determining what is equitable, City shall consider the extent to which Lessee's use of the Premises has been impaired.

c. Lessee Improvements. City is not responsible for restoring any Lessee Improvements to the Premises that have been damaged or destroyed by fire, accident, casualty or an Act of God.

24. **Compliance with Laws**. Lessee shall comply with all applicable rules, regulations, ordinances, orders, codes, laws and requirements of all municipal, county, state, federal and other applicable governmental authorities related to use of the Premises.

25. **Hazardous Substances.**

a. Lessee shall not construct or use any improvements, fixtures or equipment, or engage in any act on or about the Premises, or permit any Sublessee to engage in any of the foregoing, that would require the procurement of any license or permit pursuant to any Environmental Law. "Environmental Law" shall mean any federal, state or local statute, ordinance, rule, regulation or guideline pertaining to health, industrial hygiene or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Hazardous Materials Transportation Act, as amended, the Federal Water Pollution Control Act, as amended, the Resource Conservation and Recovery Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, and the Arizona Environmental Quality Act, as amended.

b. Lessee shall immediately notify City of:

(i) The existence of any Hazardous Substance, as defined in 29 C.F.R. 1910.120, on or about the Premises that may be in violation of any Environmental Law (regardless of whether Lessee is responsible for the existence of such Hazardous Substance);

(ii) Any proceeding or investigation by any federal, state or local governmental authority regarding the presence of any Hazardous Substance on the Premises or the migration thereof to or from any other property;

(iii) All claims made or threatened by any third party against Lessee relating to any loss or injury resulting from any Hazardous Substance; and/or

(iv) Lessee's notification to the National Response Center of any release of a reportable quantity of a Hazardous Substance in or about the Premises.

26. **Subordination.** This Lease is and shall remain subordinate to any existing or subsequent mortgage or deed of trust covering the fee title to the Premises, together with any renewals, modifications or extensions of such existing or subsequent mortgages or deeds of trust. Upon the request of City, the Lessee shall execute such instruments as are reasonably required to subordinate this Lease to mortgages or deeds of trust made by City.

27. **Estoppel Certificate.** Upon written request of a requesting party, the other party will deliver to the requesting party a statement in writing certifying (i) that the Lease is unmodified and in full force and effect (or that the Lease as modified is in full force and effect, describing the modifications) , (ii) that the rents and other charges have been paid to date (or, if there are any prepayments or defaults, a description of the same) and (iii) that to the best of the other party's knowledge, without any obligation to inquire or investigate, that the requesting party is not in default under any provision of this Lease (or, if there is a known default, the nature of the default).

28. **Default.**

a. Default by Lessee. Lessee shall be in default under this Lease if any of the following occurs: (i) Lessee fails to pay Rent when due under this Lease; (ii) Lessee fails to perform or observe any other term or condition of this Lease and such failure is not cured within thirty (30) days after City delivery of written notice to the Lessee of such failure or other reasonable time required by City; (iii) Lessee is named as a debtor in any voluntary or involuntary bankruptcy proceeding; (iv) substantially all of the Lessee 's assets are placed in receivership or are subjected to attachment or other judiciary seizure; (v) the Lessee makes or suffers a general assignment for the benefit of creditors; (vi) Lessee vacates or abandons the Premises; (vii) Lessee engages in a pattern or practice of breaching any term or condition of this Lease; or (viii) Lessee ceases to offer Programs to the public.

b. City Remedies. In the event of Lessee 's default hereunder: (i) City shall have all remedies available at law or in equity; and/or (ii) City may remedy such breach, and invoice Lessor for the City's actual costs for remedying the breach ("Cure Costs") and payment is due 30 days after the invoice date.

c. Default by City. City shall be in default under this Lease if City fails to perform or observe any term or condition under this Lease, and such failure is not cured within thirty (30) days after delivery of written notice to City of such failure or other reasonable time required by Lessee.

d. Lessee's Remedies. In the event of City's default hereunder, Lessee shall have all remedies available at law or in equity; provided, however, Lessee hereby expressly waives any right to abatement or withholding of Rent or other amounts payable to City under this Lease.

29. **Effect of Termination, Expiration or Abandonment of Lease.** Upon termination, expiration, or abandonment of the Lease, Lessee shall surrender the Premises and remove all its personal property within thirty (30) days from the Premises. If Lessee has not removed all its personal property within thirty (30) days, City at its option may: (i) remove all personal property of Lessee and charge Lessee for the costs of removal and/or storage costs, and Lessee payment is due within thirty (30) days from the invoice date; and/or (ii) allow abandonment of the personal property in place and in such event title shall pass to City.

30. **Effect of Holding Over.** If Lessee fails to surrender possession of the Premises to City upon termination, expiration, or abandonment of this Lease, City shall have all remedies available at law or in equity to a lessor of commercial real property in the State of Arizona, together with the following remedies: (i) City may recover damages from the Lessee in an amount equal to (a) double the monthly rental payment applicable immediately prior to termination for each full or partial month that the Lessee fails to deliver actual possession of the Premises to City.

31. **Notices.** All notices or other communications under this Lease 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 mail , return receipt requested, postage prepaid and addressed as follows:

If to Lessor :
Real Estate Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

With a copy to:
City Attorney
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

If to Lessee:
Executive Director
Theatrikos Inc.
11 West Cherry Ave
Flagstaff, AZ 86001

Or to such other address as a party may provide to the other by written notice. E-mails may be used for communication but shall not serve as written notice under this Lease.

32. **Successors and Assigns.** This Lease shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties to this Lease.

33. **Assignment and Subletting.**

a. Prior Written Consent. Lessee shall not, without the prior written consent of City, (i) assign this Lease or any interest therein; (ii) permit or suffer any assignment of this Lease by operation of law; (iii) sublet all or any portion of the Premises; or (iv) permit the use of the Premises by any party other than the Lessee and its officers and employees.

b. Standards for Consent to Assignment or Subletting. The City Manager may consent to

any proposed assignment or subletting upon making a determination that the proposed assignee or sublessee is a qualified operator, based upon their submitted business experience, credit history, business plan, financial model, lease history, litigation history, and any other information determined by City to be pertinent.

c. No Release of Lessee. Lessee shall not be released from any of the obligations of the Lease as a result of assignment or subletting.

34. **Civil Rights.** Lessee shall not unlawfully discriminate against any person related to use of the Premises because of race, color, national origin, religion, sex, age or physical or mental disability.

35. **Entire Agreement.** This Lease represents the entire agreement of the parties.

36. **Amendments.** No alteration, amendment, change or addition to this Lease shall be binding upon City or Lessee unless reduced to writing and signed by both parties.

37. **Waiver.** The failure of City or Lessee to strictly enforce this Lease or any term or condition herein, shall not be construed as a waiver of such term or condition, or alter, or diminish any rights or remedies under this Lease. In the event City or Lessee expressly waives any term or condition of the Lease, such waiver shall not be construed to waive any other term or condition.

38. **Rights Cumulative.** Each party's rights and remedies under this Lease are cumulative, and are not alternative, unless expressly so stated.

39. **Attorneys' Fees.** If either party brings an action to enforce the terms of this Lease or declare rights hereunder, the prevailing party in such action, at trial or on appeal, shall be entitled to its reasonable attorneys' fees and costs as may be determined by the court.

40. **Governing Law, Jurisdiction, and Venue.** This Lease shall be construed and interpreted in accordance with the laws of the State of Arizona. The courts of Arizona shall have exclusive jurisdiction and Coconino County shall be the proper venue.

41. **Relationship of the Parties.** Nothing in this Lease shall be construed as creating the relationship of principal or agent, or of partnership or joint venture. Neither the method of computation of rent nor any other provision of this Lease, nor any act of the parties, shall be deemed to create any relationship other than that of City or Lessee.

42. **Effect of Sale or Transfer.** If the City sells or transfers its interest in the Premises during the term of this Lease, then from and after the effective date, City shall be released and discharged from any and all further obligations and responsibilities under this Lease (except those already accrued) upon written assumption by the buyer of City's liabilities under this Lease.

43. **Condemnation.** If all of the Premises are taken or condemned by any governmental authority for any use or purpose, this Lease shall terminate upon, and the rent shall be apportioned as of the date when actual possession of the Premises is required for such use or purpose. If less than all of the Premises is taken or condemned by any authority for a public use, then (i) City may terminate this Lease upon thirty (30) days' written notice thereof, or (ii) City may continue the Lease and a just portion of the rent will abate as of the date when actual possession of such portion of the Premises is required for such use or purpose. City reserves all rights to damages to the Premises for any taking or condemnation of all or any portion of the Premises, provided that the taking authority is an entity other than City. Lessee hereby assigns to City any right that the Lessee may have to such award or damages. The Lessee shall have the right to claim and recover from the condemning authority compensation for any loss for moving expenses and for interruption of or damage to the Lessee's business only if such award or damages are awarded separately and not as part of the award or damages recoverable by the City.

44. **Time of the Essence.** Time is of the essence with respect to obligations to be performed hereunder.

45. **Severability.** The invalidity of any portion of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other portion of this Lease.

46. **Cancellation.** City is an Arizona municipal corporation and a political subdivision of the State of Arizona, and hereby gives written notice under Arizona Revised Statutes (A.R.S.) Section 38-511 that this Lease is subject to cancellation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the City is at any time while the Lease is in effect an employee or agent or consultant of the Lessee with respect to the subject matter of this Lease.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed.

CITY OF FLAGSTAFF/LESSOR

_____
Mayor

Attest:

_____
City Clerk

_____
City Attorney

LESSEE

_____
Title:_____

Attachments:

Exhibit A Legal Description of Premises
Exhibit B Performing Arts Programs Business Plan
Exhibit C Parking Areas Map
Exhibit D Insurance Requirements

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Lots 13, 14, 15, 16, 17 and 18, BLOCK 34 of the TOWNSITE OF FLAGSTAFF, being in Section 16 and of the TOWN OF FLAGSTAFF as surveyed and platted by H.C. Nutt, Trustee for the Atlantic and Pacific Railroad Company, being in section 15, all in Township 21 North, Range 7 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona

EXHIBIT B

Theatrikos Strategic Business Plan

Theatrikos' current strategic plan addresses the five-year period 2020—2025 and is reviewed and updated annually by the board. The current plan, most recently updated during the pandemic, includes seven strategic priorities.

1

Quality Artistic Programming

Goals include continued production of both broadly appealing main stage shows and studio shows that have a significant social/community impact, as well as a new 1-hour show targeted to tourists.

2

Quality Education

Goals include expanding TheatriKids offerings and programs; including expanding TheatriKids into Advanced, Intermediate and Fundamentals. We intend to establish an Education Advisory Board, as well as training for TheatriKids teachers.

3

Financial Stability

Goals include increasing the number of main stage performances, increasing both private and corporate donations, increasing grant funding, promoting the endowment fund, and mounting a capital campaign for building beautification and improvements.

4

Staffing

Goals include adding a development coordinator and production coordinator to improve the fundraising and quality of our shows respectively. We will also recruit more volunteers and providing job descriptions for key volunteer positions. We'll expand the board of directors and develop succession planning for paid staff and key volunteer positions.

5

Marketing and Branding

Goals include creating consistent brand graphics for all marketing and advertisements, expanding the marketing committee, developing a program to draw in tourists, and increasing our social media presence and impact.

6

Facilities

Goals include obtaining a longer-term lease, thus allowing us to implement beautification plans. We will finish the improvements on the new black box. With already secured grant funding, we'll add lighting and sound equipment. We'll upgrade our concession offerings and further improve our gallery displays.

7

Community Partnerships

Goals include continuing to share our calendar with community partners, utilizing interns, increasing participation in our 1st Sunday Drama Club, developing the Dark Sky Arts and Ideas Festival (working title), in partnership with Creative Flagstaff and other local arts organizations. We'll partner with businesses and other arts organizations to strengthen the financial impact of the arts on the community.

Next Five Years

Quality of Shows

We are immensely proud of the quality of our shows. As we mentioned, according to the Solop survey that was done for us, 92% of our audience loves our shows.

But we want to do better.

We want to improve the quality of our productions. To do so takes funding. This new longer-term lease plays a crucial part in allowing us to raise those funds. That permanency gives donors confidence in the theatre.

Also, adopting a traditional business model for show production will help. Being mindful that it takes producing popular shows that sell tickets and appeals to the masses to be able to afford moving, cutting edge shows that have an impact on the fabric of the community.

Additional Staff

It our plan to use increased fund to do a number of things. Crucial among them, hiring a development coordinator and a production coordinator. First, a production coordinator will help us raise money, especially from underwriting, and thus allowing us to grow still further. A production coordinator will provide support for directors and continuity from show to show that will improve the quality of our already wonderful shows.

Murals

Every theatre that has repurposed another building boards up the windows to control the light. That's par for the course. Ambitious theatres then paint murals in those boarded up windows. Our plan is to restore the original historic windows themselves. And then put beautiful murals in the windows. Murals, from one to the next, as you walk clockwise around the theatre, would be a story of theatre and Flagstaff history.

While we don't have the funding to actually paint murals, we do think we can more affordably print them and install them. The art would be commissioned and painted on a 11"x17" surface and then printed and installed.

Route 66 to the Grand Canyon

It has long been on our agenda to produce a show that will encourage tourists to stay an extra night in Flagstaff. Unlike our normal shows which run for one month, *Route 66 to the Grand Canyon* runs for a year. Or longer. This gives folks like Discover Flagstaff an opportunity to include it in the city's

promotional materials. It allows Theatrikos to tap into an audience that we haven't yet done thoroughly. *66GC* would have the ability to travel to local schools as well as Phoenix and Las Vegas. We are exploring the idea of producing in tandem with the education programs at Grand Canyon Conservancy.

Beautification
While city maintenance in the new lease will take care of replacing and maintain old paint, siding and windows, we'll be able to do fundraising to make sure those items are brought back in a more beautiful way.

Dark Sky Arts and Ideas Festival (wt)
Before Theatrikos executive director arrived in Flagstaff, he reached out to the incoming executive director of Creative Flagstaff. At their first meeting, he suggested that the city Flagstaff needed an arts festival. To improve the quality of life, the sense of place, and increase patronage of the arts. Three years later this festival is now a crucial part of Creative Flagstaff's strategic plan and Theatrikos' executive director chairs the steering committee.

Black Box
Post sewage flood, Theatrikos built back with improvements. One of those key improvements is turning an old basement costume storage space into a black box for small scale intimate performances. The space will be made available to performing groups around Flagstaff. A crucial addition to a venue starved city. We already have a grant to install lighting and sound equipment in the new black box.

Expanded TheatriKids
It is hour hope to bring our TheatriKids education programs out to the East side of town. Thus, expanding our service to those who can't get downtown. Plus, we hope to expand into pre-K ages 4 and 5. Theatre skill are taught very differently to these young ages. But are still fun and offer wonderful growth for small children.

EXHIBIT C

PARKING AREAS MAP



EXHIBIT D

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	$4,000,000
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

   e. Professional Liability $2,000,000

f. Liquor Liability Each Occurrence $3,000,000

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: Patrick Brown, Purchasing Director
Contract No. _____
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001
Pbrown@flagstaffaz.gov

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.

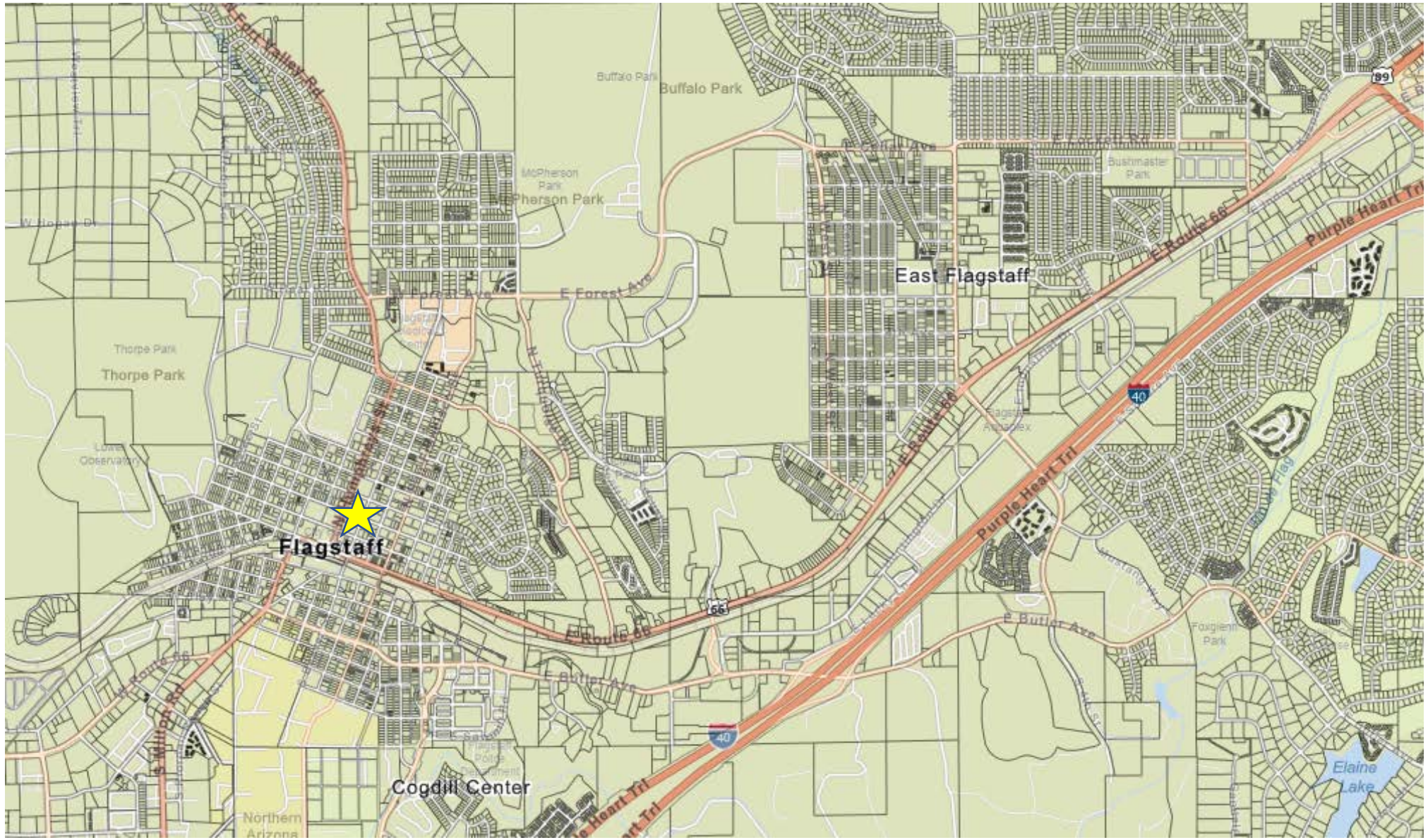
Theatrikos Lease Approval

July 5th, 2022

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Vicinity Map



Invitation for Bid Solicitation

- Issued on February 11th, 2022 as Solicitation 2022-10
- Closed March 14th, 2022
- 1 bid received: Theatrikos, Inc., the current tenant

Lease Terms to Note

- Monthly Rent: $2,022
- Term: 25-year initial term; 2 additional 25-Year term extensions at City discretion
- City responsible for maintenance

Theatrikos Theatre Company

Response to IFB for Flagstaff Performing Arts Center (#2022-10)

3/10/22

Table of Contents

1. Intent
2. Background
    a. What is Theatrikos?
    b. Mission of Theatrikos
3. Meeting and Exceeding IFB Requirements
4. Capacity to Do the Work:
    a. Finances
    b. Equipment
        i. Facilities
    c. Employees
    d. Board of Directors and 200+ Volunteers
    e. Competing Commitments
    f. Experience in Doing Similar Work
5. Integrity and Record of Performance:
    a. Timely Completion within Budget
    b. Quality of Work
    c. Prompt Resolution of Problems and Ability to Resolve Disputes with Litigation
    d. Good Working Relationships
    e. Summary of Strategic Business Plan
6. Community Service: Education Programs
7. Bidder's Experience in Performing Similar Work: Recent Beautification and Improvements
8. Meeting and Exceeding Insurance Requirements
9. History
10. No Negative Factors
11. Qualified Legally
12. Pledged Donations
13. Appendices

1. Intent

Theatrikos Theatre Company is pleased to submit the following proposal in response to IFB for Flagstaff Performing Arts Center (#2022-10). The information that follows clearly demonstrates that we are uniquely qualified to meet and exceed the requested conditions of the Invitation For Bids to provide this service.

In celebration of our 50th anniversary in 2022, Theatrikos bids $2,022/mo for the new lease.

2a. What is Theatrikos Theatre Company?

Theatrikos is a live civic performance theatre company with 50 years of experience. Theatrikos typically produces six main stage plays and 4-5 TheatriKids performance workshops each year, as well as other smaller productions. The mainstage plays usually run three or four weeks, while the TheatriKids performance workshops and studio productions run one or two weeks.

2b. Mission of Theatrikos

To be a leading arts organization in northern Arizona, offering high-quality live theatrical productions and development opportunities, utilizing a diverse base of writing and production talent reflecting the community at large.

3. Meeting and Exceeding IFB Requirements

Theatrikos meets and exceeds the eligibility requirements.

1. Theatrikos is a 501(c)3 nonprofit (appendix 01) and registered with Arizona Corporation Commission (appendix 02).
2. Theatrikos has in excess of five years performing arts facilities management
3. Theatrikos has a long history of programming that complies with permitted uses

4a. Capacity to Do the Work: Finances

Theatrikos has an annual budget of approximately $250,000. The theatre has been on consistently sound financial footing for the past ten years. This despite a disastrous sewage flood and the pandemic. Times have been tumultuous. But we've maintained our financial strength.

During these past five years, we've been more professional in our fundraising. Our endowment has grown.

Five years of financial statements (appendices 03—05) and testimonials from our bank, National Bank of Arizona (appendix 06), and our accounting firm, Nordstrom and Associates (appendix 07), are included.

It should be noted that, while we have broken even during the pandemic, the pandemic disaster relief funding has distorted our financial statements. Our SVOG2 grant to cover expected 2022 losses came in at the end of 2021. Our balance sheet still has a $137,000 EIDL loan on it that needs to be repaid in full.

Last month's research from SMU DataArts projected that ticket sales for theatres would not return to pre-pandemic levels for two to five years. So, while Theatrikos has weathered the storm, we're not out of this yet.

Theatrikos breaks even with 75% of our seats sold on average. With social distancing, we can only sell 61% of our seats at most. We were closed for a year and a half. The four shows since we've reopened had an attendance of 25%, 29%, 36% and then 47%. The bad news is that none of these are close to the necessary 75% breakeven. The good news is, they are trending in the right direction. Cautious covid safety protocols are largely to credit for our increasing attendance.

We are cautiously optimistic we will get back to our 75% breakeven in 2024—ahead of the national average.

4b. Capacity to Do the Work: Equipment

Does Theatrikos have the equipment and environment necessary to produce high quality plays of many different types? The simple answer, as noted below and in the accompanying appendix, is an unqualified: Yes.

Theatrikos typically produces a dozen plays and educational performance workshops each year. The main stage plays usually run three or four weeks, while the TheatriKids plays and studio productions run one or two weeks. This schedule often involves a quick turn-around and build time from one set to the next. Over the last 50 years Theatrikos has demonstrated the skill, staffing, professionalism and understanding of how to operate a live performance theatre in all of its aspects, as demonstrated by the simple fact that we have never missed a deadline for the opening of a play. (See appendix 08 for more details.)

4b i. Capacity to Do the Work: Facilities

Since 1988, 99% of Theatrikos shows have been at Doris Harper-White Playhouse. So, from a facilities standpoint, our capacity to do the work depends on this new lease. Additionally, we have done performances and educational workshops at other locations, including recently, at Arboretum, Flagstaff High School and Flagstaff Arts and Leadership Academy.

4c. Capacity to Do the Work: Employees

Theatrikos has six paid professional staff, one full time and five part time. The full time Executive Director reports to the board of directors and manages the paid staff and volunteers. The paid staff are:

- Executive Director
- Education Director
- Technical Director
- Full Charge Bookkeeper
- Two Box Office Assistants

Our executive director has been doing theatre around the country and around the world for 35 years. Our education director has been teaching children for a dozen years. Our technical director, an accomplished woodworker, is also a former Regent and Associate VP and CEO of NAU. The bookkeeper is a recently retired CPA and former executive director of accounting of Coconino Community College.

An organizational chart and staff CVs are in the appendix (09 and 10).

4d. Capacity to Do the Work: Board of Directors and 200+ Volunteers

Theatrikos is governed by a volunteer board of directors comprised as dictated by our bylaws. The primary responsibility of the board of directors is the overall governance of the nonprofit theatre. This includes, but is not limited to, mission, artistic choices, education programs, and financial viability of the organization.

Working in conjunction with the Theatrikos board of directors, its executive committee and staff, we have over 200 volunteers who serve an average of 14,000 hours each year. They are involved in all aspects of producing shows and/or serving on the following committees to manage the operation of the organization. The hours above are based on the last four years: 2018, 2019 (sewage flood), 2020 and 2021 (covid pandemic).

Board of Directors. The board consists of twelve professionals throughout the Flagstaff community. We currently have nonprofit directors, attorneys, business owners, university professors, educators and former city council members. The board has four officers: president, vice-president, secretary and treasurer.

Executive Committee. The executive committee is responsible for working with the executive director and making recommendations for actions of the full board. The executive committee also functions as the human resources committee and the bylaws committee. The four officers and a board member at large make up the executive committee.

Artistic Committee. Ensures quality of shows, oversees casting and all aspects of production; including set design, props, costumes, lighting and sound. The AC also selects the shows that comprise each year's season.

Volunteer Committee. Responsible for the recruitment, training and placement of volunteer force in appropriate duties and special events. Works to appreciate and groom sufficient numbers of volunteers to manage the operations of the enterprise.

Development Committee. Responsible for fundraising efforts for the nonprofit theatre. Includes membership and donor development and relations, including timely

donor appreciation and fundraising appeals. Tracks fundraising history and sets fundraising goals.

Finance Committee. Prepares financial information for board review and approval including profit and loss statements, balance sheets and budgeting concerns. Works with executive director and bookkeeper for all administrative planning reporting.

Facilities Committee. Responsible for the coordination and care of the building and alerting responsible entities for its maintenance. Prioritizes needs, suggests budgets, and oversees volunteer work completing tasks. Lobby, Landscaping and Murals are subcommittees of the Facilities committee. These subcommittees are all responsible for improvements and beautification of Doris Harper-White Playhouse.

Marketing Committee. Works to promote all activities of the theatre, especially shows but also education programs, fundraising and appreciation events.

Bylaws Committee (see Executive Committee). Ensures that our bylaws are current and being adhered to.

Dark Sky Arts and Ideas Festival (working title) Steering Committee. This is a city-wide committee of arts leaders in Flagstaff whose mission is to launch the city's new Dark Sky Arts and Ideas Festival (wt). Theatrikos' executive director chairs the committee.

A full roster of each committee, along with a brief bio of each committee chair is in the appendix (11 and 12).

4e. Capacity to Do the Work: Competing Commitments

Theatrikos addresses competing commitments through the diligent use of a proper strategic plan. Since 2012, Theatrikos has operated under a comprehensive strategic plan, which includes strategic priorities, goals, strategies, and measures, with timelines and identification of responsible individuals for each measure. The latest version, updated during covid, is appendix 13. Theatrikos does not have any competing commitments with other venues.

4f. Experience in Doing Similar Work

Since Theatrikos was founded in 1972, we've done over 200 shows totaling roughly 2,000 performances (appendix 14).

Approximately 150,000 people have attended Theatrikos, the overwhelming majority of those since Theatrikos started managing Doris Harper-White Playhouse in 1988. In 2019 alone, the year before the pandemic, 10,000 people attended our shows and educational performance workshops.

This is an audience that Theatrikos brings downtown, many of whom shop and dine downtown before or after our shows.

Theatrikos is part of the fabric of life in downtown Flagstaff. The theatre has a positive economic impact, as well as economic contribution. The positive economic impact results from the fact that 5-10% of our audience comes from outside of Flagstaff during the spring, fall and winter. The audience attendance from outside of the area increases to 25% in the summer. This is new money we help bring to Flagstaff.

Theatrikos also makes a tremendous economic contribution to the economy of the downtown core as noted by our attendance figures. Many of these are people who, but for their attendance of at a performance would not otherwise go downtown on any given Friday night, Saturday night or Sunday afternoon.

5a. Integrity and Record of Performance: Timely Completion within Budget

Theatrikos shows open on time. Our seasons are planned six to 18 months in advance. Our annual budgets strike a balance between profitable shows and shows that run a deficit. And in the end the budget is balanced. Our 2022 budget is appendix 15.

5b. Integrity and Record of Performance: Quality of Work

In 2018, professional pollster Fred Solop lead an NAU class which conducted a survey of a broad cross section of Theatrikos patrons (appendix 16). 626 responded.

- 92% of our patrons rated their overall experience at Theatrikos as positive.
- 89% rated the performance quality as Excellent or Good.
- The number one reason for positive ratings among our patrons was “good performances.”
- On a scale of 1 to 5, the overall performance quality was 4.5.
- 95% would recommend Theatrikos to a friend.

In January 2020 we surveyed the parents of our newly launched TheatriKids Fundamentals educational workshop (appendix 17). Of 15 students in the program, 13 parents replied.

- On a scale of 1 to 5, every respondent rated TheatriKids a 5.
- 100% would recommend TheatriKids to others.

Said one parent, “So incredibly thrilled with this experience! My kids started off unsure but they rocked it! They learned a lot and gained confidence and had fun. Thank you!”

Incidentally, in the Solop survey, the audience liked the intimate space of Doris Harper-White Playhouse. Among the biggest criticisms was parking—a problem we have since solved with our new parking lot partnership with Coconino County.

5c. Integrity and Record of Performance: Prompt Resolution of Problems and Ability to Resolve Disputes without Litigation

Theatrikos conscientiously strives to resolve problems in a timely manner that benefits all parties. Theatrikos has not needed to resort to litigation to resolve disputes.

5d. Bidder's Integrity and Record of Performance: Good Working Relationships

Theatrikos has strong connections in the community as demonstrated by the number of other groups who use our space.

In addition to our own shows, whenever possible we bring in other groups to perform at Doris Harper-White Playhouse, thereby raising all boats in the arts community in Flagstaff. In the past 34 years, we've had numerous groups come in and use the theatre, usually for free or for a very nominal cost.

As examples, in April 2022 the NAU Broadway Club will perform at DHW Playhouse. In June, Coconino Community Theatre will also do a show here. Neither will pay for use of the facility.

We also regularly donate show tickets to Flagstaff nonprofits to help them with their fundraising or other efforts. This month alone, to thank them for their work in the pandemic, we've given 90 free tickets to Flagstaff healthcare workers.

A long list of more than 100 groups is appendix 18.

Moreover, Theatrikos has been instrumental in organizing a new citywide arts festival. Dark Sky Arts and Ideas Festival (working title) is an idea that emerged from Theatrikos and is now a key part of the strategic plan for Creative Flagstaff. Arts leaders from throughout the city are involved. Theatrikos executive director chairs the steering committee.

5e. Summary of Theatrikos Strategic Business Plan

Theatrikos' strategic plan addresses the five-year period 2020—2025 and is reviewed and updated annually by the board (strategic business plan is supplemented by appendix 19). The current plan includes seven strategic priorities:

1. Continue and improve quality artistic programming that appeals to a broad section of Flagstaff residents.
2. Expand education program, both academically and to a wider age range.
3. Maintain and improve financial solvency.
4. Hire key staff; including development coordinator and production coordinator.
5. Reinforce branding and improve marketing to increase attendance.
6. Make facilities more artistically welcoming.

7. Continue to grow partnerships with other arts and culture organizations.

Theatrikos plans enhancements to Doris Harper-White Playhouse through a capital campaign for improvements and beautification as well as operations. With Theatrikos having a 25—75-year lease and the city taking care of maintenance, this allows us to raise funds. A detailed Improvements and Beautification Plan is included (appendix 20 and 21). At its core, this is an approximately $1m capital campaign of which half has already been invested in improvements. City maintenance will cover some additional improvements over time leaving us the last $300,000 to raise. This plan will change as we do more thorough research with donors. We are obviously a long way from going public with this plan. But it is only possible with the new lease.

6. Community Service: Education Programs

TheatriKids teaches students, ages 6 to 18, the fundamentals of theatre. They learn not only theatre, but helpful life skills such as team work and public speaking.

For almost 20 years, TheatriKids has been an integral and welcomed part of Theatrikos Theatre Company. Started in 2003 by Theatrikos board member and artist committee member Jan Rominger, TheatriKids has always excelled at being the education wing of Flagstaff's premier theatre company. Over the course of almost two decades, TheatriKids has produced more than 100 educational performance workshops and weeklong summer camps. It is not exaggeration to say that thousands of kids and many hundreds of actors have trod the boards of Doris Harper White Playhouse.

Their experiences not only taught them valuable theatre skills but also ~~having~~ provided a safe place to hang out with friends and play. Out of those playdates, not only great theatre has emerged but also great relationships and great ideas: ideas like Areya Kugler's dream to pair her love of theatre with actors who had special needs. The primary goal of Stage Buddies is to help teens with special needs and their buddies perform musical theatre productions. These special-needs teens gain life skills they wouldn't otherwise have had an opportunity to experience. TheatriKids teens act as mentors to their peer special-needs partners, gaining an understanding of the challenges faced by these youth. The audience has a front-row seat to see just what these youth are capable of accomplishing. It opens a path for understanding our disabled population.

In addition to Stage Buddies, many TheatriKids have shared what Theatrikos and TheatriKids have meant to them. Students shared that they felt like the theatre was a second home to them and that being here felt like being with family. They reported a sense of belonging, a sense of acceptance, and above all a sense of fun. This is what TheatriKids has meant to countless youth in our community for the last two decades and hopefully for the foreseeable future (video appendix 22).

7. Experience in Performing Similar Work: Recent Beautification and Improvements

Doris Harper-White Playhouse is our home. For this reason, we have made many aesthetic improvements over the years. When we moved in in 1988, we put in appropriate bathrooms for people with disabilities. Over the years, we've installed fixed raked seating, a sound system and lighting grid, and a professional control booth. We replaced toddler sized toilets with adult toilets.

When our sewage flood happened in 2019, rather than rebuilding exactly as we had been, we built back with improvements. We installed an accordion wall enabling our dressing rooms to double as a classroom. We converted our basement into a black box performance space that doubles as a rehearsal space. This was only possible through National Bank of Arizona's donation of their basement for us to use as costume props storage. We have secured grants to install proper small-scale lighting and sound for the black box.

Because of the pandemic, the theatre was dark for a year and a half. During this time, we developed virtual programming, and we spent tremendous time and effort making aesthetic improvements to the lobby, box office and other areas of the theatre. We installed entry seating nook seating, a new custom snack bar, new lighting fixtures and ceiling tiles. The entire lobby was freshly painted in keeping with newly revised branding guidelines. The original hardwood flooring was restored. In keeping with covid guidelines, touchless soap and paper towel dispensers were installed.

While we were dark, we secured a new offsite rehearsal studio. This behind-the-scenes functionality frequently gets overlooked in theatre management. This allows us to do all early stage rehearsals away from the theatre, thus making the stage itself more available for other activities for the public. Our new rehearsal studio is donated by Kinney Construction and is located downtown at 121 E Birch #303.

The 20-year-old exterior signage is showing its age. New signage is in the works, for which we have donor funding and a permit from the city. Fabrication of the new signs has begun and they are scheduled to be installed sometime this year (appendix 23)

The landscaping subcommittee of our facilities committee has worked on making the grounds more appealing. Overgrown plants have been trimmed back. A new city approved tree was planted.

The murals subcommittee of the facilities committee has created a plan to replace boarded up windows with beautiful paintings. We have secured a $10,000 commitment from the city's historical preservation department, but have yet to secure the balance of the funding needed.

Theatrikos has adequate parking on site for cast and crew. But parking has long been an issue with our patrons. During the pandemic, before we reopened, we solved this parking issue. Coconino County has a parking lot a block from the theatre, at the NE corner of Cherry and Leroux. They use it for county employees Monday to Friday, 9 am to 5 pm but have made it available to our patrons in the evenings and weekends when we have performances. We're grateful to Coconino County for donating use of their parking lot.

A longer itemization of our improvements is appendix 24.

8. Meeting and Exceeding Insurance Requirements

Theatrikos already has most of the insurance required in the IFB. We exceed the Commercial General Liability insurance requirements of the IFB in both occurrence and general aggregate. We have a quote on the Commercial Umbrella policy and are looking into the Professional Liability and Liquor Liability that will be fulfilled when we are the successful bidder. Full copies of our insurance coverage are in appendix 25. We wish to keep this CONFIDENTIAL.

9. History

Theatrikos was founded in 1972. The first show, *What Did We Do Wrong?,* had just ended a run on Broadway. *What Did We Do Wrong?* Apparently, we've been doing things right. Because 50 years later, we're still going strong. In 1988, Theatrikos moved into what is now Doris Harper-White Playhouse with a production of *Rimers of Eldritch*—directed by Doris herself.

Doris Harper-White Playhouse was originally built in 1923 as the Flagstaff Elks Lodge. It also served as a dance hall, furniture warehouse, union hall and public library before Theatrikos converted it into the professional intimate theatre we have today.

A more detailed history of Theatrikos is appendix 26 and 27. As Theatrikos turns 50 this year and Doris Harper-White Playhouse turns 100 next year, we will place a historical marker on the building. This will be done in the same design as other downtown Flagstaff historical markers (appendix 28).

10. No Negative Factors

As per question 3b of the IFB, to address the issue of integrity and record of performance, Theatrikos affirms we have no history with respect to: past contract terminations or deductions due to failure to perform; termination for cause due to breach; failure to comply with the contract; customer complaints and/or negative references; unresolved disputes with project owners or subcontractors; and litigation without merit.

11. Qualified Legally

As per questions 4, 5 and 6 of the IFB, Theatrikos is qualified legally to contract with the city. All information has been supplied truthfully. We are an IRS certified 501(c)3 and operate accordingly. The IRS Letter of Determination is appendix 01.

12. Pledged Donations

A longer lease will improve our ability to fundraise. As evidence of that, Theatrikos has already secured $41,000 in pledges for theatre beautification. These pledges will be collected if we are awarded the new longer lease (appendix 29).

13. Appendices

01 501(c)3 IRS Letter of Determination
02 Arizona Corporation Commission
03 Financials—Profit and Loss Statements, 2017-2021
04 Financials—Balance Sheets, 2017-2021
05 Financials—990s, 2016-2020
06 National Bank of Arizona Testimonial
07 Nordstrom and Associates Testimonial
08 Equipment
09 Organizational Chart
10 Employee CVs
11 Board of Directors
12 Volunteer Committees
13 Strategic Plan
14 Past Shows
15 2022 Budget
16 Patron Survey
17 Parent Survey
18 Other Groups
19 Strategic Business Plan
20 Improvements and Beautification
21 Beautification
22 What TheatriKids Means to Me
23 Exterior Signage
24 Lobby Renovation
25 Insurance
26 History
27 Theatrikos Celebrates 50th Anniversary
28 Historical Marker
29 Pledged Donations
30 Bid Form
31 Bidder Questionnaire
32 Credit References

33 Exceptions
34 Confidential Materials
35 Disclosures
36 Declarations Related to Solvency, Gratuities, Non-Collusion and Adverse Position

10. J.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Ryan Darr, Police Lieutenant
Co-Submitter:	Stacey Brechler-Knaggs
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Grant Agreement: Approve the Grant Agreement with the U.S. Department of Justice, through the Arizona Criminal Justice Commission, for the Edward Byrne Justice Assistance Grant funds in the amount of $292,485.09 for the Northern Arizona Street Crimes Task Force (METRO unit).

STAFF RECOMMENDED ACTION:

Approve the acceptance of the grant from the U.S. Department of Justice, through the Arizona Criminal Justice Commission, Edward Byrne Justice Assistance Grant funds in the amount of $292,485.09 for FY2023.

Executive Summary:

The City of Flagstaff was awarded $292,485.09 in grant funds from the U.S. Department of Justice, through the Arizona Criminal Justice Commission, for the Edward Byrne Justice Assistance Grant funds. This grant fully funds one Flagstaff Police Sergeant, and partially funds one Flagstaff Police investigator, and one Coconino County Sheriff's Deputy investigator. There is no cost to the City of Flagstaff.

Financial Impact:

The grant award is in the amount of $219,363.82 (75%) with required matching funds of $73,121.27 (25%). The METRO board has authorized matching funds from the Rico account. The Rico account has provided matching funds in the previous years and the board has agreed to provide the above matching funds for this year's grant. This amount will include all city costs, estimated in kind and administrative costs if above normal departmental allocation. The grant award will be the 36th funding cycle (FY 2023) for the METRO unit. This grant is budgeted in Fiscal Year 2023.

Policy Impact:

None

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Effective Governance - Regional Plan (2030) - Planning, Public Safety, Goal PF.3 Provide high-quality emergency response and public safety services.

Safe and healthy community: Provide public safety services with resources, staff, and training responsive to the community needs.

Has There Been Previous Council Decision on This:

Yes, the Flagstaff City Council has approved the acceptance of this grant money for the past thirty five years.

Options and Alternatives:

Approve the acceptance of the grant or decline the acceptance of the grant.

Background/History:

As previously stated, this is the 35th cycle of this grant in which the Flagstaff City Council has approved the previous 35 cycles.

Key Considerations:

This grant and the investigative officers this funds is supported by nearly every law enforcement entity in Coconino County including the Coconino County Sheriff's Office, The Flagstaff Police Department, Northern Arizona University Police, ATF, FBI, DEA, Homeland Security and the Department of Public Safety. This grant provides specialized police investigations to all the communities located within Coconino County.

Community Benefits and Considerations:

Officers in the METRO Unit continuously provide support to numerous community groups including, local schools, Citizens Academy programs, local law enforcement training academies etc. in the form of training and educational presentations, drug awareness, and proactive investigations.

Community Involvement:

To work directly with the public through the process to ensure that public issues and concerns are consistently understood and considered.

Expanded Options and Alternatives:

If approved the grant would allow for the acceptance of $292,485.09 in federal funds that will provide proactive enforcement that would otherwise not be available to our citizens.

Attachments: ACJC FY23 METRO Grant Agreement

Arizona Criminal Justice Commission

Chairperson
STEVE STAHL
Law Enforcement Leader

Vice-Chairperson
SHEILA POLK
Yavapai County Attorney

JEAN BISHOP
Mohave County Supervisor

MARK BRNOVICH
Attorney General

DAVID K. BYERS, Director
Administrative Office of the Courts

LAURA CONOVER
Pima County Attorney

JEFF GLOVER
Tempe Chief of Police

MINA MENDEZ
Board of Executive Clemency

CHRIS NANOS
Pima County Sheriff

PAUL PENZONE
Maricopa County Sheriff

KARA RILEY
Oro Valley Chief of Police

DAVID SANDERS
Pima County Chief Probation Officer

DAVID SHINN, Director
Department of Corrections,
Rehabilitation, and Reentry

HESTON SILBERT, Director
Department of Public Safety

VACANT
Maricopa County Attorney

VACANT
Former Judge

VACANT
County Sheriff

VACANT
Chief of Police

VACANT
Mayor

Executive Director
Andrew T. LeFevre

1110 West Washington, Suite 230
Phoenix, Arizona 85007
PHONE: (602) 364-1146
FAX: (602) 364-1175
www.azcjc.gov

June 03, 2022

Attn: Stacey C. Brechler-Knaggs, Grants and Contracts Manager
City of Flagstaff
211 West Aspen
Flagstaff, AZ 86001

RE: Drug, Gang, and Violent Crime Control (DGVCC) FY 2023 Award, DC-23-002

Dear Stacey C. Brechler-Knaggs,

On behalf of the Arizona Criminal Justice Commission, it is my pleasure to inform you that your agency's application has been approved for funding under the FY 2023 Drug, Gang, and Violent Crime Control Program.

Paragraphs six and seven of the enclosed agreement provide the amount of funding awarded to your agency and the specific positions that have been funded. Below, please find additional information that will assist in the administration of your agency's grant award.

Grant Agreement and Other Required Documents: Please review the grantee agreement and accompanying instructions as revisions or new requirements may have been included. Please follow the directions outlined in the Grant Agreement instructions, as well as instructions received in DocuSign to execute the contract in its entirety with electronic authorized signatures. Agreements not returned within 90 days of the award date with authorized signatures may be canceled. Additionally, please refer to the Special Conditions section of the grant agreement for a listing of other required documents, as applicable.

Administrative and Financial Requirements: In addition to applicable uniform administrative requirements and cost principles, award recipients are required to adhere to grant specific program requirements as defined in the grant agreement.

Reporting: Activity and financial reports are required for this grant and the reporting schedules are contained in the agreement. Financial Reporting can be accessed at: https://grantsportal.azcjc.gov/. Activity reporting can be accessed at: https://acjcreporting.azcjc.gov/.

Office of Civil Rights Requirements: Annual Completion of Civil Rights Training is required for this grant. Grantees must contact the Grant Coordinator to obtain registration to access the training. If applicable, agencies awarded must complete an EEOC plan and submit it to the Office of Civil Rights, Office of Justice Programs. Link to helpful EEOP information: https://ojp.gov/about/offices/ocr.htm.

If you have any questions, please contact Siyeni Yitbarek at syitbarek@azcjc.gov or 602.364.1163. Our office looks forward to the continued partnership.

Sincerely,

Tony Vidale

Tony Vidale, Deputy Director
Drug, Gang, and Violent Crime Control Program

ARIZONA CRIMINAL JUSTICE COMMISSION

DRUG, GANG, AND VIOLENT CRIME CONTROL
GRANT AGREEMENT

ACJC Grant Number DC-23-002
Catalog of Federal Domestic Assistance (CFDA) Number 16.738

The following information is provided pursuant to 2 §C.F.R. 200.331(a)(1):

Grantee Name: City of Flagstaff
Grantee's UEI Number: XMMUMPKTLVQ3
Grantee Period of Performance Start and End Date: 07/01/2022 to 06/30/2023
Amount of Federal Funds Obligated by this Agreement: $101,784.81
Total Amount of Federal Funds Obligated to the Grantee: $101,784.81
Indirect Cost Rate used by the Grantee under this Agreement: 0%
CFDA Number and Name: 16.738 - Edward Byrne Memorial Justice Assistance Grant (JAG) Program
Name of Federal Awarding Agency: Department of Justice, Office of Justice Programs
Total Amount of the Federal Award in this Agreement: $3,493,965.00
Federal Award Identification Number (FAIN): 2020-DJ-BX-0050
Federal Award Date: 10/01/2020

Federal Award Project Description:
In general, JAG funds awarded to a state under this FY2023 solicitation may be used to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice, including for any one or more of the following:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment and enforcement programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs (other than compensation)
- Mental health programs and related law enforcement and corrections programs

Name of Pass-Through Entity: Arizona Criminal Justice Commission
Contact Information for Pass-Through Entity: Arizona Criminal Justice Commission, 1110 W. Washington Street, Suite 230, Phoenix, AZ, 85007
Identification of Whether the Award is Research and Development: No
Indirect Cost Rate for the Federal Award: 0%

This Grant Agreement is made this 6th day of June, 2022 by and between the ARIZONA CRIMINAL JUSTICE COMMISSION hereinafter called "COMMISSION" and COCONINO COUNTY, through CITY OF FLAGSTAFF hereinafter called "GRANTEE". The COMMISSION enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B)(6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on July 01, 2022 and terminate on June 30, 2023. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COMMISSION. A request for an extension must be received by the COMMISSION sixty (60) days prior to the end of the award period. The COMMISSION in its sole discretion may approve an extension that furthers the goals and objectives of the program and shall determine the length of any extension.

2. GRANTEE agrees that grant funds will be used in accordance with applicable program rules, guidelines and special conditions.

3. The COMMISSION will monitor GRANTEE performance against program goals and performance standards and those outlined in the grant application. Substandard performance as determined by the COMMISSION will constitute noncompliance with this Agreement. If the COMMISSION finds noncompliance, the GRANTEE will receive a written notice which identifies the area of noncompliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty (30) calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COMMISSION may suspend funding, permanently terminate this Agreement or revoke the grant.

4. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COMMISSION approval may constitute sufficient reason for the COMMISSION to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.

5. This Agreement may be modified only by a written amendment signed by the Executive Director or by persons authorized by the Executive Director on behalf of the COMMISSION and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:

A. If to the COMMISSION:

Arizona Criminal Justice Commission
1110 W Washington St., Ste 230
Phoenix, Arizona 85007
Attn: Program Manager

B. If to the GRANTEE:

City of Flagstaff
211 West Aspen
Flagstaff, AZ 86001
Attn:Grants and Contracts Manager, Stacey C. Brechler-Knaggs

6. For grant awards above $100,000, GRANTEE may make budget adjustments of up to ten (10) percent of the total grant within any approved budget category excluding equipment. Written approval from the COMMISSION in advance is required if GRANTEE wishes to make adjustments or reprogram in excess of ten (10) percent or if GRANTEE wishes to purchase equipment not previously approved.

For grant awards less than $100,000, the GRANTEE may make budget adjustments within approved categories excluding equipment as long as there are no changes to the purpose or scope of the project. If GRANTEE wishes to purchase equipment not previously approved, written approval from the COMMISSION in advance is required.

APPROVED LINE ITEM PROGRAM BUDGET	
PERSONAL SERVICES	
Salaries	$135,007.25
Fringe Benefits*	$101,255.44
OVERTIME	
Wages	$0.00
Fringe Benefits*	$0.00
PROFESSIONAL CONSULTANT & CONTRACTUAL SERVICES	
Wages	$56,222.40
Fringe Benefits*	$0.00
TRAVEL EXPENSES	
In-State Travel	$0.00
Out-of-State Travel	$0.00
EQUIPMENT	
Capital	$0.00
Non-Capital	$0.00
OPERATING EXPENSES	
Supplies	$0.00
Registration/Training	$0.00
Other Operating Expenses	$0.00
Confidential Funds	$0.00
Additional Expenses	$0.00
TOTAL BUDGET	$292,485.09

***Reference the ACJC manuals for definition of approved fringe benefit.**

POSITIONS FUNDED: Flagstaff PD Sergeant (1), Flagstaff Investigator (.7)
EQUIPMENT FUNDED: NOT APPROVED
PROFESSIONAL CONSULTANT & CONTRACTUAL SERVICES: NAU PD Investigator (1)

7. The total to be paid by the COMMISSION under this Agreement shall not exceed $101,784.81 in federal funds awarded to the COMMISSION by the U.S. Department of Justice (USDOJ), Office of Justice Programs (OJP) and $117,579.01 in state funds. If this grant has a matching requirement, GRANTEE understands that other federal grant funds cannot be used as a match for this grant. The matching amount for this award is $73,121.27.

8. Every payment obligation of the COMMISSION under this Agreement 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 Agreement, this Agreement may be terminated by the COMMISSION. No liability shall accrue to the COMMISSION in the event this provision is exercised, and the COMMISSION shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

9. GRANTEE agrees that if it currently has an active award of federal funds or if it receives any other award of federal funds during the period of performance for this award, and those award funds have been, are being or are to be used, in whole or in part, for one or more of the identical cost items for which funds are being provided under this award, GRANTEE will promptly notify, in writing, the COMMISSION, of the potential of duplication, and if so requested by the COMMISSION, seek a budget modification or change-of-project-scope grant adjustment (GA) to eliminate any inappropriate duplication of funding.

10. GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the COMMISSION. All such documents shall be subject to inspection and audit at reasonable times, including such records of any subgrantee, contractor, or subcontractor. GRANTEE also understands and agrees that USDOJ and the United States General Accounting Office (USGAO) are authorized to interview any officer or employee of the GRANTEE (or of any subgrantee, contractor, or subcontractor) regarding transactions related to this award.

11. GRANTEE agrees that activities funded under this award will be closely coordinated with related activities supported with Office of Justice Programs (OJP), State, local or tribal funds. Grant funds may only be used for the purposes in the GRANTEE's approved application. GRANTEE shall not undertake any work or activities not described in the grant application, including staff, equipment, or other goods or services without prior approval from the COMMISSION.

12. GRANTEE agrees to track, account for, and report on all funds (including specific outcomes and benefits) separately from all other funds for the same or similar purposes or programs.

Accordingly, the accounting systems of GRANTEE and all subgrantees must ensure that funds from this award are not commingled with funds from any other source.

13. GRANTEE agrees to abide by Federal and State laws and provide accounting, auditing and monitoring procedures to safeguard grant funds and keep such records to assure proper fiscal controls, management and the efficient disbursement of grant funds.

14. For the purposes of this grant, a capital expenditure means expenditures to acquire capital assets, as defined in 2 C.F.R. 200.12, or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life, with a cost of $5,000 or greater. If the GRANTEE's capitalization policy defines a capital expenditure as less than $5,000, the GRANTEE will follow its own policy.

15. GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently if required by GRANTEE policy. GRANTEE agrees that funds will not be used for the construction of new facilities.

16. GRANTEE agrees to follow equipment disposition policies outlined in 2 C.F.R. 200.313(e)(1) through (4) *Uniform Administrative Requirements for Grants and Cooperative Agreements-Equipment*, when the equipment is no longer needed for the grant program **Link:** *e-CFR Navigation Aid* at http://www.ecfr.gov/cgi-bin/ECFR?page=browse.

17. GRANTEE agrees that all salaried personnel (including subgrantee personnel) whose activities are to be charged to the award will maintain timesheets or certifications to document hours worked for activities related to this award and non-award related activities. GRANTEE agrees to keep time and attendance sheets for hourly employees signed by the employee and supervisory official having firsthand knowledge of the work performed by the grant-funded employees.

18. GRANTEE agrees that it will submit financial and activity reports to the COMMISSION in a format provided by the COMMISSION, documenting the activities supported by these grant funds and providing an assessment of the impact of these activities which may include documentation of project milestones. In the event reports are not received on or before the indicated date(s), funding may be suspended until such time as delinquent report(s) are received.

19. These reports are to be submitted according to the following schedule(s):

ACTIVITY REPORTS	
Report Period	Due Date
July 1st to September 30th	October 15th
October 1st to December 31st	January 15th
January 1st to March 31st	April 15th
April 1st to June 30th	July 15th

FINANCIAL REPORTS	
Report Period	Due Date
July 1st to July 31st	August 25th
August 1st to August 31st	September 25th
September 1st to September 30th	October 25th
October 1st to October 31st	November 25th
November 1st to November 30th	December 25th
December 1st to December 31st	January 25th
January 1st to January 31st	February 25th
February 1st to February 28/29th	March 25th
March 1st to March 31st	April 25th
April 1st to April 30th	May 25th
May 1st to May 31st	June 25th
June 1st to June 30th	July 25th

Additional reporting requirements may be required for GRANTEES who are considered high risk.

20. GRANTEE understands that financial reports are required as an accounting of expenditures for either reimbursement or COMMISSION-approved advance payments.

21. The final request for reimbursement of grant funds must be received by the COMMISSION no later than sixty (60) days after the last day of the award period.

22. All goods and services must be received or have reasonable expectations thereof and placed in service by GRANTEE by the expiration of this award.

23. GRANTEE agrees that all encumbered funds must be expended and that goods and services must be paid by GRANTEE within sixty (60) days of the expiration of this award.

24. GRANTEE agrees to remit all unexpended grant funds to the COMMISSION within thirty (30) days of written request from the COMMISSION.

25. GRANTEE agrees to account for interest earned on federal grant funds and shall manage interest income in accordance with the Cash Management Improvement Act of 1990 and as indicated in the Office of Justice Programs Financial Guide. Interest earned in excess of allowable limits must be remitted to the COMMISSION within 30 days after receipt of a written request from the COMMISSION. **Link:** *OJP Financial Guide* at https://ojp.gov/financialguide/doj/pdfs/DOJ_FinancialGuide.pdf.

26. GRANTEE agrees to obtain written COMMISSION approval for all sole source procurements in excess of $150,000.

27. GRANTEE agrees to obtain written COMMISSION approval prior to the expenditure of grant funds for consultant fees in excess of $650 per day.

28. GRANTEE agrees to not use federal grant funds to pay cash compensation (salary plus bonuses) to any employee paid by the grant at a rate that exceeds 110% of the maximum annual salary payable to a member of the federal government's Senior Executive Service (SES) at an agency with a Certified SES Performance Appraisal System for that year. (An award recipient may compensate an employee at a higher rate, provided the amount in excess of this compensation limitation is paid with non-federal funds, unless otherwise noted in the grant solicitation.)

29. GRANTEE agrees not to use grant funds for food and/or beverage unless explicitly approved in writing by the COMMISSION.

30. GRANTEE agrees to comply with all applicable laws, regulations, policies and guidance (including specific cost limits, prior approvals and reporting requirements, where applicable) governing the use of grant funds for expenses related to conferences, meetings, trainings, and other events, including the provision of food and/or beverages at such events, and costs of attendance at such events unless explicitly approved in writing by the COMMISSION. Information on pertinent laws, regulations, policies, and guidance is available in the OJP Financial Guide (currently, as section 3.10 "Postaward Requirements" in the DOJ Grants Financial Guide).

31. No funds shall be used to supplant federal, state, county or local funds that would otherwise be made available for such purposes. Supplanting means the deliberate reduction of state or local funds because of the existence of any grant funds.

32. GRANTEE assigns to the COMMISSION any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to GRANTEE in exchange for grant funds provided under this Agreement.

33. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501-12-1518. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as pertaining to disputes which are subject to arbitration.

I. In the event of a dispute, controversy, or claim arising out of or relating in any way to the Agreement, the complaining Party shall notify the other Party in writing thereof. Within 30 calendar days of such notice, representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within 30 calendar days after such notice, the complaining Party shall seek remedies exclusively through arbitration, in accordance with the provisions of A.R.S. § 12-1501 through 12-1518.

II. The arbitration demand must be a clear and concise statement of the claim or dispute. The respondent's answer and any counterclaims must be filed within 20 calendar days of service of the demand.

III. The arbitration shall be conducted in Maricopa County.

IV. The arbitration shall be conducted by one arbitrator. If the Parties are not able to agree upon the selection of an arbitrator, within 20 calendar days of the commencement of an arbitration proceeding by service of a demand for arbitration, the court on application of a Party shall appoint the arbitrator.

V. The arbitrator must promptly set a conference to clarify the claims and defenses, to establish fair procedures, and to set a schedule for completing the arbitration.

VI. It is the intent of the parties that, barring extraordinary circumstances, arbitration proceedings will be concluded with 120 calendar days from the date the arbitrator is appointed. The arbitrator may extend the time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award.

VII. The arbitrator must issue a written, reasoned award within 20 calendar days from the date the hearing is formally closed, or as soon after that as is feasible. The sole remedy will be actual damages; no punitive damages are allowed.

VIII. Unless the arbitrator orders otherwise, the Parties must share arbitration costs equally, including arbitrator's fees and expenses. Each party must pay its own expenses and attorney's fees.

34. GRANTEE understands that grant funds may not be released until all delinquent reports and reversion of funds from prior grants are submitted to the COMMISSION.

35. GRANTEE agrees that grant funds are not to be expended for any indirect costs that may be incurred by GRANTEE for administering these funds unless explicitly approved in writing by the COMMISSION. This may include, but is not limited to, costs for services such as accounting, payroll, data processing, purchasing, personnel, and building use which may have been incurred by the GRANTEE.

36. Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indeminitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency, board, commission, or university of the State of Arizona, this paragraph shall not apply.

37. Should GRANTEE utilize a contractor(s) and subcontractor(s) the indemnification clause between GRANTEE and its contractor(s) and subcontractor(s) shall include the following:

Contractor shall defend, indemnify, and hold harmless the GRANTEE and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to 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 such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".

38. Restrictions and certifications regarding non-disclosure agreements and related matters

No GRANTEE under this award, or entity that receives a procurement contract or subcontract with any funds under this award, may require any employee or contractor to sign an internal confidentiality agreement or statement that prohibits or otherwise restricts, or purports to prohibit or restrict, the reporting (in accordance with law) of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information.

The foregoing is not intended, and shall not be understood by the agency making this award, to contravene requirements applicable to Standard Form 312 (which relates to classified information), Form 4414 (which relates to sensitive compartmented information), or any other form issued by a federal department or agency governing the nondisclosure of classified information.

I. In accepting this award, the GRANTEE--

a. represents that it neither requires nor has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

b. certifies that, if it learns or is notified that it is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

II. If the GRANTEE does or is authorized under this award to make subawards ("subgrants"), procurement contracts, or both--

a. it represents that--

(1) it has determined that no other entity that the recipient's application proposes may or will receive award funds (whether through a subaward ("subgrant"), procurement contract, or subcontract under a procurement contract) either requires or has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

(2) it has made appropriate inquiry, or otherwise has an adequate factual basis, to support this representation; and

b. it certifies that, if it learns or is notified that any subrecipient, contractor, or subcontractor entity that receives funds under this award is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds to or by that entity, will provide prompt written notification to the federal agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

39. GRANTEE agrees to notify the COMMISSION within ten (10) days in the event that the project official is replaced during the award period.

40. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COMMISSION.

41. GRANTEE will comply with the audit requirements of Uniform Guidance (2 CFR 200 subpart F 200.500) and provide the COMMISSION with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed. **Link:** *Audit Requirements for OJP Awards* at https://ojp.gov/funding/pdfs/AuditRequirementsPart200.pdf.

42. GRANTEE certifies that it will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200, as adopted and supplemented by DOJ in 2 C.F.R. Part 2800 (together, the "Part 200 Uniform Requirements") and the OJP Financial Guide. **Link:** *2 C.F.R Part 200 for OJP Awards* at https://ojp.gov/funding/Part200UniformRequirements.htm .

43. Compliance with general appropriations-law restrictions on the use of federal funds for awards made after FY 2018. GRANTEE or sub-grantee at any tier, must comply with all applicable restrictions on the use of federal funds set out in federal appropriations statutes. Should a question arise as to whether a particular use of federal funds by a GRANTEE would or might fall within the scope of an appropriations-law restriction, the recipient is to contact OJP for guidance, and may not proceed without the express prior written approval of OJP. Pertinent restrictions, including from various "general provisions" in the *Consolidated Appropriations Act, 2021* at https://ojp.gov/funding/Explore/FY21AppropriationsRestrictions.htm .

44. GRANTEE agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or sub award to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express written approval of the Office of Justice Programs through the COMMISSION.

45. GRANTEE understands and agrees that misuse of award funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under an award, and civil and/or criminal penalties.

46. GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service. **Link:** *System for Award Management* at https://www.sam.gov/SAM/ .

47. GRANTEE agrees to ensure that, no later than the due date of the GRANTEE's first financial report after the award is made, GRANTEE and any subgrantees have a valid Unique Entity Identifier (UEI) profile and active registration with the System for Award Management (SAM) database.

48. GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

49. GRANTEE understands and agrees that any training or training materials developed or delivered with funding provided under this award must adhere to the OJP Training Guide Principles for Grantees and Subgrantees. **Link:** *OJP Training Guide Principles for Grantees and Subgrantees* at https://www.ojp.gov/funding/implement/training-guiding-principles-grantees-and-subgrantees .

50. GRANTEE agrees to cooperate and participate with any and all assessments, evaluation efforts or information and data collection requests, and acknowledges that the federal or state grantor agency has the right to obtain, reproduce, publish or use data provided under this award and may authorize others to receive and use such information.

51. GRANTEE shall provide the COMMISSION with a copy of all interim and final reports and proposed publications (including those prepared for conferences and other presentations) resulting from this Agreement. Submission of such materials must be prior to or simultaneous with their public release.

52. GRANTEE agrees that any publications (written, visual, or sound) excluding press releases and newsletters, whether published at the GRANTEE'S or COMMISSION'S expense, shall contain the following statement:

"This was supported by Award No. 2020-DJ-BX-0050 awarded by the Department of Justice, Office of Justice Programs, Office of Justice Programs, U.S. Department of Justice. The opinions findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice."

53. GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act (Safe Streets Act) of 1968, as amended, 34 U.S.C. § 10228(c); the Victims of Crime Act of 1984, as amended, 34 U.S.C. § 20110(e); the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, 34 U.S.C. § 11182(b); and VAWA, as amended, 34 U.S.C. § 12291(b)(13), contain prohibitions against discrimination on the basis of religion in employment. Despite these nondiscrimination provisions, the DOJ has concluded that it may construe the Religious Freedom Restoration Act (RFRA) on a case-by-case basis to permit some faith-based organizations to receive DOJ funds while taking into account religion when hiring staff, even if the statute that authorizes the funding program generally forbids recipients from considering religion in employment decisions. Please consult with the OCR if you have any questions about the regulation or the application of RFRA to the statues that prohibit discrimination in employment. An organization that is a recipient of financial assistance subject to the nondiscrimination provisions of the Safe Streets Act, must meet two obligations: (1) complying with the federal regulation pertaining to the development of an EEOP (see 28 C.F.R. pt. 42, subpt. E) and (2) submitting to the OCR findings of discrimination (see 28 C.F.R. §§ 42.204(c), .205(c)(5)). If in the three years prior to the date of the grant award a Federal or State Court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against GRANTEE, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.

54. In accordance with DOJ guidance pertaining to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, recipients of federal financial assistance must take reasonable steps to provide meaningful access to their programs and activities for persons with limited English proficiency (LEP). See U.S. Department of Justice, Guidance to Federal Financial Assistance Recipient Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 67 Fed. Reg. 41,455 (2002). For more information on the civil rights responsibilities that recipients have in providing language services to LEP individuals, please see the website: **Link:** *Limited English Proficiency A Federal Interagency* at http://www.LEP.gov.

55. GRANTEE agrees to comply with the applicable requirements of 28 CFR Part 38, the Department of Justice regulation governing "Partnerships with Faith - Based and Other Neighborhood Organizations"(the "PFNBO"). The PFNBO Regulation provides in part that Department of Justice financial assistance may not be used to fund any inherently religious activities, such as worship, religious instruction, or proselytization. Recipients of Department of Justice financial assistance may still engage in inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from GRANTEE must be voluntary. The PFNBO Regulation also makes clear that organizations participating in programs receiving financial assistance from the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. Notwithstanding any other special condition of this award, faith-based organizations may, in some circumstances, consider religion as a basis for employment. **Link:** *https://ojp.gov/funding/Explore/SolicitationRequirements/CivilRightsRequirements.htm#NDPFaith*.

56. Requirements pertaining to prohibited conduct related to trafficking in persons (including reporting requirements and OJP authority to terminate award)

The GRANTEE or subgrantee at any tier, must comply with all applicable requirements (including requirements to report allegations) pertaining to prohibited conduct related to the trafficking of persons, whether on the part of recipients, GRANTEES, or individuals defined (for purposes of this condition) as "employees" of the recipient or of any GRANTEE.

The details of the recipient's obligations related to prohibited conduct related to trafficking in persons are posted on the OJP web site at http://ojp.gov/funding/Explore/ProhibitedConduct-Trafficking.htm (Award condition: Prohibited conduct by recipients and GRANTEES related to trafficking in persons (including reporting requirements and OJP authority to terminate award)), and are incorporated by reference here.

57. GRANTEE should be mindful that the misuse of arrest or conviction records to screen either applicants for employment or employees for retention or promotion may have a disparate impact based on race or national origin, resulting in unlawful employment discrimination. As of June 2013 OJP has issued an advisory that grantees should consult local counsel in reviewing their employment practices. If warranted, grantees should also incorporate an analysis of the use of arrest and conviction records in their Equal Employment Opportunity Plan (EEOP). See Advisory for Recipients of Financial Assistance from the U.S. Department of Justice on the U.S. Equal Employment Opportunity Commission's Enforcement Guidance: Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964 (June 2013), available at http://www.ojp.gov/about/ocr/pdfs/UseofConviction_Advisory.pdf.

58. GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with confidentiality in accordance with 42 USC section 3789g or 42 USC 14132(b)(3) that are applicable to the collection, disclosure, use and revelation of data information. GRANTEE further agrees to submit a privacy Certificate that is in accordance with requirements of 28 CFR Part 22 if applicable to the program.

59. GRANTEE agrees to formulate and keep on file an EEOP (if GRANTEE is required pursuant to 28 CFR 42 Subpart E). GRANTEE certifies that they have forwarded to the Office for Civil Rights, Office of Justice Programs the EEOP, or certifications that they have prepared and have on file an EEOP, or that they are exempt from EEOP requirements. Failure to comply may result in suspension of grant funds. Copies of all submissions such as certifications to or correspondence with the Office for Civil Rights, Office of Justice Programs regarding this requirement must be provided to the COMMISSION by GRANTEE. In the event a federal or state court or federal or state administrative agency makes an adverse finding of discrimination against GRANTEE after a due process hearing, on the ground of race, color, religion, national origin, or sex, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION (see 28 CFR 42.204(c), .205(c)(5)).

60. To avoid duplicating existing networks or IT systems in any initiatives for law enforcement information sharing systems which involve interstate connectivity between jurisdictions, such systems shall employ, to the extent possible, existing networks as the communication backbone to achieve interstate connectivity, unless GRANTEE can demonstrate to the satisfaction of the COMMISSION that this requirement would not be cost beneficial or would impair the functionality of an existing or proposed IT system.

61. If GRANTEE is a governmental political subdivision, the GRANTEE should, to the extent possible and practical, share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.

62. If GRANTEE is a state agency and the award is for the development of information technology projects for more than $25,000, GRANTEE must complete a Project Investment Justification (PIJ) and submit the justification to the Arizona Department of Administration (ADOA), with a copy to the COMMISSION. GRANTEE agrees to submit required project status reports to ADOA by the due dates and submit copies to the COMMISSION.

If GRANTEE is not a state agency and the award is for the development of information technology projects, GRANTEE will follow local technology policies and guidelines.

63. GRANTEE must promptly refer to the COMMISSION any credible evidence that a principal, employee, agent, contractor, subgrantee, contractor, subcontractor, or other person has, in connection with funds under this award, has either 1) submitted a false claim that violates the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct. The COMMISSION shall forward the referral to the Department of Justice, Office of the Inspector General.

64. The COMMISSION encourages GRANTEE to establish workplace safety policies and conduct education, awareness and other outreach to decrease crashes caused by distracted drivers, including adopting and enforcing policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant. Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 2009).

65. GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 83, Subpart F, for grantees, as defined in 28 CFR, Part 83 Sections 83.620 and 83.650.

66. GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. Additionally GRANTEE ensures compliance with A.R.S. § 41-4401.

67. GRANTEE acknowledges that immigration laws require them to register and participate with the E-Verify program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this state. GRANTEE warrants that they have registered with and participate with E-Verify. If the COMMISSION later determines that the GRANTEE has not complied with E-Verify, it will notify the non-compliant GRANTEE by certified mail of the determination and of the right to appeal the determination.

68. GRANTEE certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the COMMISSION Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

69. GRANTEE understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy at any level of government, without the express prior written approval of the Commission.

70. GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way, or to any extent, engaged in conduct of political activities in violation of USC Title 5, Part II, Chapter 15, section 1502.

71. GRANTEE understands and agrees that award funds may not be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.

72. GRANTEE understands and agrees that- (a) no award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading and exchanging or pornography, and (b) nothing in subsection (a) limits the use of funds necessary for any Federal, State, tribal or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

73. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funded under this award. Additional requirements may be found in Grant Agreement Continuation Sheet.

74. GRANTEE agrees that all gross income earned by the GRANTEE that is directly generated by a supported activity or earned as a result of this award during the period of performance shall be deemed program income. All program income must be accounted for and used for the purpose under the conditions applicable for the use of funds under this award, including the effective edition of the OJP Financial Guide and, as applicable in 2 C.F.R. Part 200 Uniform Requirements.

75. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511. This Agreement may also be cancelled at the COMMISSION'S discretion if not returned with authorized signatures to the COMMISSION within 90 days of commencement of the award.

76. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.

77. GRANTEE agrees to participate in any required civil rights related training to ensure compliance with all federal and state civil rights laws. GRANTEE will inform the COMMISSION of the position responsible for civil rights compliance and will inform the COMMISSION of change in personnel responsible for civil rights compliance within ten days. **Link:** *http://www.azcjc.gov/grants*.

78. Compliance with 41 U.S.C. 4712 (including prohibitions on reprisal; notice to employees) GRANTEE must comply with, and is subject to, all applicable provisions of 41 U.S.C. 4712, including all applicable provisions that prohibit, under specified circumstances, discrimination against an employee as reprisal for the employee's disclosure of information related to gross mismanagement of a federal grant, a gross waste of federal funds, an abuse of authority relating to a federal grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal grant. GRANTEE also must inform its employees, in writing(and in the predominant native language of the workforce), of employee rights and remedies under 41 U.S.C. 4712. Should a question arise as to the applicability of the provisions of 41 U.S.C. 4712 to this award, the recipient is to contact the DOJ awarding agency (OJP or OVW, as appropriate) for guidance.

79. To support public safety and justice information sharing, GRANTEE, if a governmental subdivision, shall use the National Information Exchange Model (NIEM) specifications and guidelines for this grant. GRANTEE shall publish and make available without restrictions all schemas generated as a result of this grant to the component registry as specified in the guidelines. **Link:** *http://niem.github.io/reference/specifications/*.

80. In order to promote information sharing and enable interoperability among disparate systems across the justice and public safety community, OJP requires the grantee to comply with DOJ's Global Justice Information Sharing Initiative (DOJ's Global) guidelines and recommendations for this particular grant. Grantee shall conform to the Global Standards Package (GSP) and all constituent elements, where applicable, as described at *https://it.ojp.gov/gsp_grantcondition*.

Grantee shall document planned approaches to information sharing and describe compliance to the GSP and appropriate privacy policy that protects shared information, or provide detailed justification for why an alternative approach is recommended.

81. GRANTEE must verify the Agency Official, Financial Official, Project Official, and Authorized Official including telephone number and e-mail address. If any information is incorrect or has changed, a Grant Adjustment Request (GAR) must be submitted via the ACJC Grants Portal to document changes. In addition, the Agency Point of Contact for the grant record must assign the Financial Points of Contact and the Program Points of Contact in the Grants Portal prior to payments being made and update those contacts when necessary.

82. GRANTEE must have written procedures in place to respond in the event of an actual or imminent "breach" (OMB M-17-12) if it 1) creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of "personally identifiable information (PII)" (2 CFR 200.79) within the scope of an OJP grant-funded program or activity, or 2) uses or operates a "Federal information system" (OMB Circular A-130). The GRANTEE'S breach procedures must include a requirement to report actual or imminent break of PII to the COMMISSION no later than 24 hours after an occurrence of an actual breach, or the detection of an imminent breach.

83. GRANTEE acknowledges the requirements of the award; remedies for non-compliance or for materially false statements. The conditions of this award are material requirements of the award. Compliance with any certifications or assurances submitted by or on behalf of the recipient that relate to conduct during the period of performance also is a material requirement of this award.

Failure to comply with any or more of these award requirements-whether a condition set out in full below, a condition incorporated by the reference below, or a certification or assurance related to conduct during the award period may result in the Office of Justice Programs ("OJP") taking appropriate action with respect to the recipient and the award. Among other things, the OJP may withhold finds, disallow costs, or suspend or terminate the award. The Department of Justice ("DOJ"), including OJP, also may take other legal action as appropriate.

Any materially false, fictitious, or fraudulent statement to the federal government related to this award (or concealment or omission of a material fact) may be the subject of criminal prosecution (including under 18 U.S.C 1001 and/or 1621, and/or 34 U.S.C. 10271-10273), and also may lead to imposition of civil penalties and administrative remedies for false claims or otherwise (including under 31 U.S.C 3729-3730 and 3801-3812).

Should any provision of a requirement of this award be held to be invalid or unenforceable by its terms, that provision shall first be applied with limited construction so as to give it the maximum effect permitted by law. Should it be held, instead, that the provision is utterly invalid or unenforceable, such provision shall be deemed severable from this award.

84. Employment eligibility verification for hiring under the award

The GRANTEE must--

A. Ensure that, as part of the hiring process for any position within the United States that is or will be funded (in whole or in part) with award funds, the GRANTEE properly verifies the employment eligibility of the individual who is being hired, consistent with the provisions of 8 U.S.C. 1324a(a)(1) and (2).

B. Notify all persons associated with the GRANTEE who are or will be involved in activities under this award of both--

(1) This award requirement for verification of employment eligibility, and

(2) The associated provisions in 8 U.S.C. 1324a(a)(1) and (2) that, generally speaking, make it unlawful, in the United States, to hire (or recruit for employment) certain aliens.

C. Provide training (to the extent necessary) to those persons required by this condition to be notified of the award requirement for employment eligibility verification and of the associated provisions of 8 U.S.C. 1324a(a)(1) and (2).

D. As part of the recordkeeping for the award (including pursuant to the Part 200 Uniform Requirement), maintain records of all employment eligibility verifications pertinent to compliance with this award condition in accordance with Form I-9 record retention requirements, as well as records of all pertinent notifications and trainings.

85. GRANTEE agrees to comply with all Special Condition(s) included with this Agreement on the Grant Agreement Continuation Sheet.

86. GRANTEE understands that grant funds may not be released until GRANTEE is compliant with all requirements of grant agreement.

1. GRANTEE must submit the following documents within 45 days of award. Failure to submit the documents will result in a hold of grant funding. Documents may be accessed and submitted through the GRANTEE's Grants Portal "Attachment" section.

a. ACJC Subawardee Questionnaire can be completed in the ACJC Grants Portal at: https://grantsportal.azcjc.gov.

b. Benchmark Worksheet can be submitted through the ACJC Grants Portal at: http://acjcreporting.azcjc.gov.

c. For any agency that is eligible to receive income as a result of grant-funded activities, it must complete the ACJC Program Income Worksheet on the ACJC Grants Portal under Manage Personnel.

Before the COMMISSION may transmit Federal Funds from FY 2023 Byrne/JAG grant the GRANTEE is required to submit the properly executed certification and assurance by the Chief Executive of the Applicant Government.

d. Certifications and Assurances by the Chief Executive of the Applicant Government. Failure to submit the certification will result in a hold of Federal funds. Certification can be obtained at: https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/fy-20-local-jag-ce-certification.pdf.

2. GRANTEE agrees to comply with the requirements of 28 C.F.R. Part 46 and all Office of Justice Programs policies and procedures regarding the protection of human research subjects, including obtainment of Institutional Review Board approval, if appropriate, and subject informed consent.

3. GRANTEE agrees to comply with all confidentiality requirements of 34 U.S.C. and 28 C.F.R. Part 22 that are applicable to collection, use, and revelation of data or information. GRANTEE further agrees, as a condition of grant approval, to submit a Privacy Certificate that is in accord with requirements of 28 C.F.R. Part 22 and, in particular, section 22.23.

4. GRANTEE ensures that it uses generally accepted laboratory practices and procedures as established by accrediting organizations or appropriated certifying bodies.

5. Absent prior express written approval from the COMMISSION, rates for any lodging charged to the grant may not exceed the posted GSA rate for the location. If the GRANTEE opts to obtain lodging at a higher rate, the cost differential, including associated taxes may not be charged to the award.

6. GRANTEE acknowledges that OJP reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use (in whole or in part, including in connection with derivative works), for Federal purposes: (1) any work subject to copyright developed under an award or subaward; and (2) any rights of copyright to which a recipient or subrecipient purchases ownership with Federal support.

7. GRANTEE acknowledges that OJP has the right to (1) obtain, reproduce, publish, or otherwise use the data first produced under an award or subaward; and (2) authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes. "Data" includes data as defined in Federal Acquisition Regulation (FAR) provision 52.227-14 (Rights in Data - General).

8. GRANTEE agrees to comply with the Government Performance and Results Act (Pub. L. No. 103-62) and the GPRA Modernization Act of 2010 (Pub. L. No. 111-352). Performance for current year award is measured by: 1) percent reduction in the average number of days from the submission of a sample to a forensic science laboratory to the delivery of test results to a requesting office or agency (calculated by reporting the average number of days to process a sample at the end of the grant period; 2) percent reduction in the number of backlogged forensic cases at the beginning of the award period versus the number number of backlogged forensic cases at the end of the award period), if applicable to the grant; and 3) number of forensic science or medical examiner personnel who completed appropriate training or educational opportunities with current year Coverdell funds, if applicable to the award. GRANTEE is required to collect and report data relevant to these measures.

SPECIAL CONDITION(S) (Continued):

9. GRANTEE understands and agrees that program income earned during the award period and expenditures from program income must be reported quarterly with a final report. These funds are subject to audit. Program income that is earned during the final sixty (60) days of the award period, if appropriate, must be obligated and expended for permissible uses during the sixty-day (60-day) period following the award period. Any program income that is earned, but not obligated or expended within sixty (60) days of the end of the award period must be returned to the COMMISSION.

10. GRANTEE agrees that within 120 days of award, for any law enforcement task force funded with these funds, the task force commander, agency executive, task force officers and other task force members of equivalent rank, will complete required online (internet-based) task force training to be provided free of charge through BJA's Center for Task Force Integrity and Leadership (www.ctfli.org). Task force members need only take the training once every four years. Additionally, all future task force members must complete this training once during the period of performance for this award, or once every four years if multiple OJP awards include this requirement. GRANTEE will compile and maintain a task force personnel roster and course completion certificates.

11. Quarterly performance metrics reports must be submitted through BJA's Performance Measurement Tool (PMT) website (https://ojpsso.ojp.gov/).). For more detailed information on reporting and other JAG requirements, refer to the AJG reporting requirements webpage. Failure to submit required JAG reports by established deadlines may result in the freezing of grant funds and future High Risk designation.

12. Any law enforcement agency receiving direct or sub-awarded JAG funding must submit quarterly accountability metrics data related to training that officers have received on the use of force, racial and ethnic bias, de-escalation of conflict, and constructive engagement with the public.

13. GRANTEE assures if they are a state agency that the State Information Technology Point of Contact receive written notification regarding any information technology project funded by this grant. GRANTEE agrees to keep on file documentation showing that it has met this requirement.

14. GRANTEE agrees and understands that funded activities may require the preparation of an Environmental Assessment (EA) as defined by the Council of Environmental Quality's Regulations for implementing the Procedural Provisions of the National Environmental Policy Act (NEPA), found at 40 CFR Part 1500.

15. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funded under this award. The GRANTEE agrees and understands that complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. The GRANTEE further understands and agrees to requirements for implementation of a Mitigation Plan, as detailed at https://www.bja.gov/Funding/nepa.html for programs relating to methamphetamine laboratory operations.

16. GRANTEE agrees that any information technology system developed or supported by funds will comply with 28 CFR Part 23, Criminal Intelligence Systems Operating Policies, if OJP determines this regulation be applicable. Should OJP determine 28 CFR Part 23 to be applicable, OJP may at its discretion, perform audits of the system, as per 28 CFR 23.20(g). Should any violation of 28 CFR Part 23 occur, GRANTEE may be fined as per 42 USC 3789g(c)-(d). GRANTEE may not satisfy such a fine with federal funds.

17. GRANTEE agrees that no JAG funds may be expended on unmanned aircraft, unmanned aircraft systems, or aerial vehicles (US, UAS, or UAV) without prior express written approval from Commission.

18. If JAG Program funds will be used for DNA testing of evidentiary materials, any resulting eligible DNA profiles must be uploaded to the Combined DNA Index System (CODIS, the national DNA database operated by the Federal Bureau of Investigation (FBI)) by a government DNA lab with access to CODIS. No profiles generated with JAG funding may be entered into any other non-governmental DNA database without prior express written approval from BJA. For more information, refer to the NIJ DNA Backlog Reduction Program, available at www.nij.gov/topics/forensics/lab-operations/evidence-backlogs/Pages/backlogreduction-program.aspx.

In addition, funds may not be used for purchase of DNA equipment and supplies when the resulting DNA profiles from such technology are not accepted for entry into CODIS.

SPECIAL CONDITION(S) (Continued):

19. Unreasonable restrictions on competition und the award; association with federal government

SCOPE. This condition applies with respect to any procurement of property or services that is funded (in whole or in part) by this award, regardless of the dollar amount of the purchase or acquisition, the method of procurement, or the nature of any legal instrument used. The provisions of this condition must be among those included in any award.

1. No discrimination, in procurement transactions, against associates of the federal government

Consistent with the (DOJ) Part 200 Uniform Requirements - including as set out at 2 C.F.R. 200.300 (requiring awards to be "manage[d] and administer[ed] in a manner so as to ensure that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements") and 200.319(a) (generally requiring "[a]ll procurement transactions [to] be conducted in a manner providing full and open cometition 'and forbidding practices "restrictive of competition," such as "[p]lacing unreasonable requirements on firms in order for them to qualify to do business' and taking "[a]ny arbitrary action in the procurement process") -no the basis of such person or entity's status as an "associate of the federal government" (or on the basis of such person or entity's status as a 200.319(a) or as specifically authorized by USDOJ.

2. Rules of construction

a. The term "associate of the federal government" means any person or entity engaged or employed (in the past or at the present) by or on behalf of the federal government- as an employee, contractor or subcontractor (at any tier), grant recipient or- subgrantee (at any tier), agenty, or otherwise- in undertaking any work, project, or activity for or on behalf of (or in providing goods or services to or on behalf of) the federal government, and includes any applicant for such employment or engagement, and any person or entity committed by legal instrument to undertake any such work project, or activity (or to provide such goods or services) in future.

b. Nothing in this condition shall be understood to authorize or require any grantee, any subgrantee at any tier, or any person or other entity, to violate any federal law, including any applicable civil rights or nondiscrimination law.

20. GRANTEE must comply with all applicable requirements to obtain specific advance approval to use a noncompetitive approach in any procurement contract that would exceed the Simplified Acquisition Threshold (currently, $250,000). The details of the requirement for advance approval to use a noncompetitive approach in a procurement contract under an OJP award are posted on the OJP web site at https://ojp.gov/funding/Explore/NoncompetitiveProcurement.htm.

21. If the recipient is designated "high risk" by a federal grant-making agency currently or at anytime during the period of performance under this award, the GRANTEE must disclose that fact and certain related information to the COMMISSION by e-mail at dcadmin@azcjc.gov. For purposes of this disclosure, high risk includes any status under which a federal awarding agency provides additional oversight due to the GRANTEE'S past performance, or other programmatic or financial concerns with the GRANTEE. The GRANTEE'S disclosure must include the following: 1. The federal awarding agency that currently designates the GRANTEE high risk, 2. The date the GRANTEE was designated high risk, 3. The high-risk point of contact at that federal awarding agency (name, phone number, and e-mail address), and 4. The reasons for the high-risk status as set out by the federal awarding agency.

22. Consonant with federal statutes that pertain to firearms and background checks -- including 18 U.S.C. 922 and 34 U.S.C. ch. 409 -- if the GRANTEE uses this award to fund (in whole or in part) a specific project or program (such as a law enforcement, prosecution, or court program) that results in any court dispositions, information, or other records that are "eligible records" (under federal or State law) relevant to the National Instant Criminal Background Check System (NICS), or that has as one of its purposes the establishment or improvement of records systems that contain any court dispositions, information or other records that are "eligible records" (under federal or State law) relevant to the NICS, the GRANTEE must ensure that all such court dispositions, information, or other records that are "eligible records" (under federal or State law) relevant to the NICS are promptly made available to the NICS or to the "State" repository/database that is electronically available to (and accessed by) the NICS, and -- when appropriate -- promptly must update, correct, modify, or remove such NICS relevant "eligible records". In the event of minor and transitory

SPECIAL CONDITION(S) (Continued):

non-compliance, the GRANTEE may submit evidence to demonstrate diligent monitoring of compliance with this condition. COMMISSION will give great weight to any such evidence in any express written determination regarding this condition.

23. GRANTEE acknowledges JAG funds may not be used as the 50% match for purposes of the DOJ Bulletproof Vest Partnership (BVP) program.

24. GRANTEE agrees to the completion of the ACJC Subawardee Questionnaire within 45 days of the start date of this award.

25. The GRANTEE warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). If a grantee uses any subcontractors in performance of this contract, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A). A breach of this warranty shall be deemed a material breach of the contract subject to penalties up to and including termination of this contract. The Commission retains the legal right to inspect the papers of the grantee and its subcontractors who work on the contract to ensure that it or its subcontractors are complying with this warranty.

Authorized Official Initials: _____

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

FOR GRANTEE:

Authorized Signatory Date

Printed Name & Title

Additional signature(s) if required by political subdivision Date

Printed Name & Title

ATTEST:

Clerk Date

Note: If applicable, the Agreement must be approved by the appropriate county supervisory board or municipal council and appropriate local counsel (i.e., county or city attorney). Furthermore, if applicable, resolutions and meeting minutes must be forwarded to the Commission with the signed Agreement.

Approved as to form and authority to enter into Agreement:

Legal Counsel for GRANTEE Date

Printed Name & Title

Statutory or other legal authority to enter into Agreement:

Appropriate A.R.S., Ordinance, or Charter Reference

FOR CRIMINAL JUSTICE COMMISSION:

Andrew T. LeFevre, Executive Director Date
Arizona Criminal Justice Commission

***Insurance Requirements* for Governmental Parties to a Grant Agreement:**

None.

***Insurance Requirements* for Any Contractors Used by a Party to the Grant Agreement:**

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The *insurance requirements* herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**
Policy shall include bodily injury, property damage, and broad form contractual liability.

General Aggregate	$2,000,000
Products – Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Fire Legal Liability	$50,000
Each Occurrence	$1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Business Automobile Liability**
Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	$1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

Exhibit "A" Page 2

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to each contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

Additional Insurance Requirements:

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

Notice of Cancellation:

For each insurance policy required by the insurance provisions of this Contract, the Contractor must provide to the State of Arizona, within two (2) business days of receipt, a notice if a policy is suspended, voided, or cancelled for any reason. Such notice shall be mailed, emailed, hand delivered or sent by facsimile transmission to (Enter Contracting Agency Representative's Name, Address, and Fax Number Here).

Acceptability of Insurers:

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

Verification of Coverage:

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

Exhibit "A" Page 3

Subcontractors:

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

Approval and Modifications:

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

Exceptions:

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

END OF GRANT AGREEMENT DOCUMENTS

10. K.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Shannon Anderson, Senior Deputy City Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Approve the Amendment of the Professional Services Contract with Jeanie Gallagher for Human Resources Executive Consulting Services through October 15, 2022 not to exceed $15,000 for a total contract amount of $64,900.

STAFF RECOMMENDED ACTION:

1. Approve the Amendment of the Professional Services Contract with Jeanie Gallagher for Human Resources Executive Consulting Services through October 15, 2022 not to exceed $15,000 for a total contract amount of $64,900; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Jeanie Gallagher served the City of Flagstaff as the full-time Human Resources Director. She retired on October 15, 2021, and the City selected Brandi Suda to serve as an internal Interim Human Resources Director. The City entered into a Contract for Professional Services with Ms. Gallagher to provide Human Resources Executive Consulting for subject-matter consultation and to continue to work on key projects, such as, policy development, HRIS/Payroll conversion, employee training curriculum design, and enhanced utilization of NeoGov modules. On May 16, 2022, the City hired Dietrich Sauer to serve as the new Human Resources and Risk Management Director. Although Mr. Sauer has assumed all responsibilities as the subject-matter expert, managing day-to-day operations, and coordinating special projects, the City would like to retain the services of Ms. Gallagher as a consultant to finalize policy development. Ms. Gallagher has intimate knowledge about the implementation of the compensation study and years of conversations with City Management, leadership and the employee advisory committee, all of which assist in the development of these policies. Staff is seeking to engage Ms. Gallagher until fall 2022 to continue consulting services in order to finalize policies related to classification and compensation. Not having this option would delay the development of these policies for an indefinite period of time while conversations are repeated and knowledge is developed, including, for the recently implemented compensation study.

Financial Impact:

There is a financial impact of $15,000 to increase this Professional Services Contract for a total contract amount of $64,900 through October 15, 2022. City staff will use available salary savings and budget capacity to cover this additional expense.

Policy Impact:

This contract extension would not impact any City policies.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

- Enhance the organization's fiscal stability and increase efficiency and effectiveness
- Become an employer of choice and provide employees with the necessary tools, training, and support

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1. City Council may approve the contract extension as presented.
2. City Council may suggest an alternate to the contract extension as presented.
3. City Council may deny the contract extension as presented.

Community Involvement:

Inform.

Attachments: First Amendment

FIRST AMENDMENT

City of Flagstaff
Professional Services Contract

Human Resources Executive Consulting Services

Contract No. 2021-120

This First Amendment ("First Amendment") to the fully executed Professional Services Contract No. 2021-120 dated October 16, 2021 for Human Resources Executive Consulting Services ("Contract") is made and entered into this ____ day of _____, 2022, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona 86001 ("City"), and Jeanie Gallagher, an individual ("Consultant").

The parties to the Contract hereby agree to the following. All other provisions of the Contract shall remain unchanged in full force and effect. The new text and revision is underlined and bolded. The deleted text has been struck-through.

ARTICLE 2 – COMPENSATION

1. In consideration for the Consultant's satisfactory performance, City shall pay Consultant seventy-five dollars ($75.00) per hour not to exceed ~~**forty-nine thousand dollars ($49,900)**~~ **sixty-four thousand nine hundred dollars ($64,900)** during the course of this Contract. 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.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives as of the date first written above. This First Amendment will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

(Signatures Appear on Following Page)

City of Flagstaff

By:_____
Greg Clifton, City Manager

Dated:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

Jeanie Gallagher

By:_____

Title:_____

Dated:_____

10. L.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bryce Doty, Real Estate Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Contract: Lease of City-Owned Property located at 203 E. Brannen known as the Murdoch Community Center

STAFF RECOMMENDED ACTION:

1. Approve the lease between the City and Southside Community Association, Inc.; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

On April 7th, 2022, the City published an invitation for bids, no. 2022-125, seeking proposals from qualified non-profit organizations to enter into a long-term lease of the City-owned Murdoch Community Center, located at 203 E. Brannen for the purpose of managing, operating, and programing a community space for the benefit of the current and future residents of the Southside neighborhood. The Southside Community Association, Inc., the current tenant, was the only bidder, meeting the minimum bid threshold set for the lease. The organization has been deemed a responsible and responsive bidder. The new lease memorializes a number of changes in the City's relationship with the facility and future tenant:

- Twenty-Five year initial term with options for and additional two, twenty-five year extensions. Extensions are at City's discretion to renew. This provides the future tenant excellent lease tenure and security which will allow for significant fund raising opportunities;
- After the initial term, the City may cancel the lease for convenience after providing eighteen-month notice.
- Modifies the relation between the tenant and the City in regards to maintenance obligations. Previous leases were strictly As-Is leases; this lease establishes the city as responsible to address structural and shell maintenance of the facility;
- The Monthly lease rate of $433.33 provides a source of revenue to plan and execute future city maintenance responsibilities; and
- Existing deferred maintenance to the facility for which the City is now responsible for will be addressed as future capital budget requests.
- City maintains use of the facility for up to 32 hours per month for City authorized uses.

Should Council award the lease, the lease will commence upon expiration of the current lease, on August, 1st, 2022.

Financial Impact:

The current lease base payment is $1 per year. This was in recognition of City use of the premises for City meetings. The new lease will start at $433.33 per month with 2% annual escalation. This is additional revenue; however, in order to best fund the ongoing commitments to the facility, these revenues should be dedicated to facility maintenance.

Policy Impact:

The previous lease was issued "As-Is," placing maintenance of the facility on the lessee. This lease aligns the maintenance of the assets with the owner of the asset (the City), representing a policy change. This is in keeping with a more traditional lessor / lessee relationship.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

- Livable Community: Create a welcoming community through partnerships, strong neighborhoods, civic engagement, and resident participation.
- Livable Community: Provide amenities and activities that support a healthy lifestyle.

Carbon Neutrality Plan

- DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

Regional Plan

- Policy ED.3.2. Strengthen the arts, culture, and education sectors as important economic drivers in the community.
- Policy NH.2.1. Encourage the rehabilitation of historic downtown structures and contextual new structures as office, retail, entertainment, and residential space to reinvigorate the area as a destination of culture, shopping, government, and the arts.
- Policy CC.5.1. Promote first class arts, research, and educational facilities.

Has There Been Previous Council Decision on This:

City Council awarded the inital lease in 2007 after a competitive invitation for bids.

Options and Alternatives:

- Decline to award lease and provide input for another solicitation. The current lease runs until July 31st, 2022.

Background/History:

The Southside Community Association has operated the Murdoch Community Center under the same lease from the City since 2007. The current lease solicitation was prepared for two reasons. First, to provide a competitive bid process for a longer term lease opportunity of the facility upon expiration of the current lease. Second, to align maintenance responsibilities to the City.

Article VII.9 of the City Charter requires leases of city property to be made to the highest bidder as a result of a public solicitation. Non-profit organizations providing significant community benefits are not exempt from this requirement; however, leases may be solicited and qualified for particular purposes, in this case the lease was only open to organizations who could provide performing arts in the facility. This use qualification in the solicitation impacts the market rent expectation for the facility, allowing organizations who can deliver the services the City wishes to program in the facility a rate decoupled

from other, potentially more lucrative uses.

Attachments: Murdoch Building Lease
Presentation
Southside Community Association Experience
Southside Community Association Proposed Programing Plan

BUILDING LEASE
For Murdoch Community Center

This Building Lease ("Lease") is entered into this ____ day of _____, 2022, by and between the City of Flagstaff, an Arizona municipal corporation ("City" or "Lessor") and Southside Community Association, Inc., an Arizona Nonprofit Corporation ("Lessee").

Whereas, on April 7th, 2022, the City issued a competitive solicitation for lease of a building for the Murdoch Community Center, per the Flagstaff City Charter Article VIII, Section 9; and

Whereas, Southside Community Association, Inc. has been selected as the highest responsible and responsive bidder for this Lease.

Now, therefore, in consideration for mutual promises contained herein, the parties hereby agree as follows:

1. **Premises.** City hereby leases to Lessee the building located at 203 E Brannen Ave, Flagstaff, Arizona 86001 (known as the Murdoch Community Center), and the surrounding inclusive of the parking lot and garden area as shown on the map attached hereto as Exhibit A ("the Premises"), subject to the terms and conditions of this Lease.

2. **Premises Adjustments.** City is contemplating two future improvement projects for the Premises if funding is available, and reserves the right to enter onto the Premises to construct: (1) new building space adjacent or connecting to the Murdoch Community Center as shown on the park concept plan attached as Exhibit B; and (2) an event plaza and landscaping improvements as shown on the concept plan attached as Exhibit C. Alternatively, the Lessee may fund and construct the projects. Upon completion of one and/or both projects, the parties shall negotiate in good faith to amend the Lease to include the improvements and adjust the rent. If no mutual agreement to amend the Lease can be reached, the City may terminate the Lease upon at least one year's written notice to Lessee with no further liability to Lessee.

3. **Use of Premises.** The Premises shall be used as a community space for the primary benefit of the Southside neighborhood as described in Exhibit D, which may be updated to current demographics from time to time. Permissible uses include artistic, charitable, cultural, educational, historical, local business, political, recreational, and religious or spiritual programming and/or related programs (collectively "Programs"). Special events may also be held on the Premises. Retail and concession sales, including licensed alcohol sales, are allowed as an accessory use. Fundraising events for the Murdoch Community Center may be held on the Premises. The Lessee shall occupy and use the Premises for the permitted use and no other purpose without the prior written consent of City, which consent may be withheld for any reason or for no reason.

4. **Programming Plan.** Lessee shall prepare an annual Programming Plan and present it to the City Council for approval at a public meeting in September. The Programming Plan should include but is not limited to an annual calendar of events and general description of programs to be offered. Programming should serve and reflect the values and interests of the current and future residents and businesses of the Southside neighborhood. Programs shall be offered to the public as a community-wide amenity. Programs may be offered for targeted groups, such as youth or seniors. Lessee shall provide the programming as described in the approved Programming Plan, and City reserves the right to terminate the

Lease in the event Lessee is not able to consistently provide the level of programming set forth in the approved Programming Plan.

5. **City Use of Facility**. The City may reserve up to thirty-two (32) hours a month for use of Premises for City or City authorized use, pursuant to a mutually acceptable reservation process. City authorized use includes but is not limited to City-sponsored meetings, Indigenous Circle of Flagstaff meetings, Southside Community Association meetings, and Police Department uses. City staff will be used to staff these events. Lessee shall provide use of the Premises at no expense to the City during these reserved hours.

6. **Annual Report.** Lessee shall prepare an annual report regarding its operations on the Premises and present it to the City Council at a public meeting in September. The report shall, at a minimum, include the total of gross revenues collected, improvements completed to the Premises, monthly programming calendars, and number of hours of City Use. This report shall be submitted to City by August 1st annually.

7. **Premises Use Rates.** Lessee shall adopt a reasonable use rate for use of the Premises and offer them on a non-discriminatory basis. A schedule of use rates must be publicly posted at the Premises and may be published on the City website.

8. **Good Neighbor.** If Lessee or City receives a complaint about use of the Premises, including but not limited to noise, traffic, or any other concern from a neighboring property owner or occupant, Lessee shall work with the neighboring property owner or occupant(s) to address their concerns.

9. **Term.** Lease commences on August 1, 2022 and continues for 25 years through July 31st, 2047 ("Initial Term"), unless sooner cancelled or terminated as provided for herein. The Lease may be renewed for up to two additional 25-year terms (total of 75 years) upon mutual agreement of the parties. City in its sole discretion may elect to not renew the Lease, or to require new terms and conditions in the Lease, including but not limited to rent adjustments.

10. **Cancellation for Convenience.**

a. By City. After the initial term, City may cancel this Lease for convenience upon at least 18-months' written notice to Lessee. Following receipt of such notice from City, Lessee may vacate the Premises at any time within the 18-month period, and rent will cease when the Premises is vacated.

b. By Lessee. Lessee may cancel this Lease for convenience upon at least six (6) months' written notice to City.

11. **Rent.**

a. When Payment Due. Lessee shall pay rent to the City of Flagstaff. Rent shall be delivered to the attention of the City of Flagstaff Finance Department, 211 W. Aspen Avenue, Flagstaff, Arizona 86001 and is due on or before the first of the month. Rent is not subject to abatement, deduction or offset.

b. Rent Amount. Rent shall be Four Hundred Thirty-Three Dollars and Thirty-Three Cents ($433.33) per month ($5,200 annual rent). Rent shall increase by 2% annually upon the anniversary of the commencement date of this Lease.

c. Late Penalty. All amounts not paid by the Lessee when due shall accrue interest at the rate of one percent (1%) per month or fraction of a month from the time due until paid.

12. **501(c)(3) Status.** Lessee shall maintain its status as a non-profit corporation and 501(c)(3) under the Internal Revenue Code during the term of this Lease. The purpose of this requirement is to enable greater opportunities to apply for grants and other public funding for community center programs.

13. **Security Deposit.** Upon execution of this Lease, Lessee shall deposit with City the sum of two thousand dollars ($2,000), as security for the full and faithful performance of each and every term, condition, covenant and provision of this Lease. In the event that Lessee fails to pay any installment of Rent required to be paid under this Lease when due, then City shall have the right to apply the security deposit to the obligations of Lessee, and Lessee shall replenish the security deposit to the amount described herein. If, upon the expiration or termination of this Lease, Lessee returns the Premises, including all furnishings and fixtures therein, to City in the condition in which the Premises was delivered to Lessee, ordinary wear and tear excepted, the security deposit shall be returned to Lessee within fourteen (14) days after the expiration or termination of this Lease.

14. **Taxes.** Lessee shall pay all applicable taxes due arising from its operations at the Premises, including but not limited to transaction privilege tax from its business activities and tax on its personal property. The Premises (land and building) currently is exempt from property tax. If Lessor sells the Premises, any change in tax status shall not be grounds for adjustment of rent during the then-current term.

15. **Books and Records.** Lessee shall maintain records related to this Lease for at least five (5) years following cancellation, termination, and/or expiration of the Lease.

16. **Entry and Inspection.** City shall have the right to enter upon the Premises to inspect the condition of the Premises upon at least three (3) days written notice during regular business hours of City Hall. Upon reasonable notice to Lessee, City may enter upon Premises to show the property to any prospective purchaser, Lessee, lender or insurer, and to take necessary action in the event of an emergency. No such entry shall entitle Lessee to terminate this Lease, to reduce or abate Rent or other amounts due hereunder or to any claims for damages. City shall be entitled to use any reasonable means to enter the Premises in the event of emergency and shall not be liable for any damages resulting therefrom.

17. **Acceptance of Premises**. Lessee accepts the Premises in its condition "as is" upon the commencement of the Lease. City will make certain repairs or improvements to the Premises prior to commencement of the Lease.

18. **City Maintenance**. City shall keep and maintain the building on the Premises in good condition and repair. City is responsible for all structural repairs, including roofing, electrical, heating, cooling, and plumbing fixtures, windows, doors, lighting fixtures, and smoke alarms. City is responsible for any vandalism to the exterior of the building on the Premises. City shall not be responsible for repairs or maintenance needs of which it is not aware. City and Lessee will review any outstanding maintenance needs prior to lease signing and agree on a schedule for completing those maintenance items.

19. **Lessee Maintenance.**

a. Building Maintenance. Lessee is responsible for routine maintenance of the Premises. Routine maintenance includes, but is not limited to, replacing light bulbs, replacing HVAC air filters, patching minor cracks or holes in walls, clearing clogged toilets and sewer lines, replacing or repairing small building fixtures such as door handles and locks, and repairing or replacing any items that were damaged by Lessee.

b. Parking Lot Maintenance. Lessee is responsible for maintenance of the parking lots, including striping, condition and upkeep, and for keeping it clean and free of debris.

c. Clean and Safe Condition. Lessee shall keep the Premises in a clean and safe condition. Fire code or building code violations caused by Lessee operations or use of the Premises are grounds for termination of the Lease if identified violations are not promptly corrected by Lessee.

d. Snow Removal. Lessee is responsible for snow removal at the Premises, including the parking lot and adjacent sidewalks.

e. Janitorial Services. Lessee at its own expense shall provide janitorial services for the building. Lessee shall comply with all state and local health laws and Center for Disease Control (CDC) guidelines for protecting public health and safety in public places.

f. Litter. Lessee shall keep the Premises free of litter.

g. Sidewalks. Lessee shall promptly remove snow and any obstructions from all sidewalks adjacent to the Premises.

h. Landscaping Irrigation. Lessee is responsible for maintaining all landscaping on the Premises and shall irrigate landscaping to maintain it in a healthy condition. Lessee shall pay for replacement of any landscaping that City staff determines needs to be replaced (dead or near dead) due to improper irrigation.

i. Notice to City. Lessee shall promptly notify City in writing of the need for any repair, maintenance and/or alteration to the Premises. Such notice shall include photographs and sufficient information for City to determine what is needed.

j. Damages Caused by Lessee. Lessee shall pay for any repairs or maintenance when the damage has been caused by Lessee, its officers, employees, agents, and invitees, whether due to intentional acts, vandalism (to interior of building), negligence, or the failure to act.

k. Lessee Payment. If Lessee fails to address any of its maintenance obligations under this Lease, the City may perform the maintenance at its discretion, in which case City will invoice Lessee upon completion of any such repairs, alterations, improvements, or maintenance. Payment is due within thirty (30) days from the invoice date. City may offer a payment plan agreement if Lessee requires a longer period for payment. Unpaid amounts shall accrue interest of 1% per month until paid in full.

20. **Lessee Improvements.**

a. City Consent. Lessee shall not make or allow any alteration, addition, or improvement to the Premises including, without limitation, to the entrances and exits of the Premises, or to any fixture, wiring, plumbing, heating and air-conditioning, or other equipment therein ("Improvements") without City's prior written consent. City is not required to give its consent to Lessee. City may elect to make any Improvements if City in its sole discretion determines the Improvements are necessary and appropriate. If Lessee requests to make Improvements to the building above and beyond the City's maintenance obligations under this Lease, and those Improvements are approved by the City, the City may, in its sole discretion, consider the reasonable cost of those Improvements as an offset to rent dues by Lessee.

b. Requirements for Work. Lessee shall obtain all necessary building permits for any approved work. All work shall be completed by licensed contractors in good standing with the Arizona Registrar

of Contractors. All work shall be completed in a good and workmanlike manner, in accordance with plans, specifications and drawings approved in writing by City, and in compliance with this Lease and all applicable laws, regulations and codes and all requirements of any insurer providing coverage for the Premises. Lessee shall obtain payment and performance bonds for the work. Lessee shall pay in a timely manner all amounts owed for the work.

c. Ownership. All Improvements to the Premises by Lessee (except movable furniture, equipment and trade fixtures installed and/or owned by Lessee, as applicable) shall become part of the Premises and City's property upon expiration or termination of this Lease.

d. Liens. Lessee shall keep the Premises free and clear of all liens incurred by or resulting from acts of Lessee.

21. **Utilities.** Utilities are not included in the Rent. Lessee at its sole expense shall contract for utilities for the Premises, including, but not limited to electricity, gas, water, solid waste, recycling, and telephone services. Lessee may contract for internet and cable services.

22. **Security.** Lessee is responsible for providing security for the Premises to the extent it determines is appropriate. City is not responsible for providing security measures.

23. **Assumption of Risk and Waiver.** Lessee assumes all risk of, and waives all claims against City arising from damage, loss, or theft of property or injury to persons in, upon, or about the Premises from any cause. To be absolutely clear, Lessee agrees that the Lessor, its officers, officials, employees or agents, shall not be liable for any direct or consequential damages (including damage claimed for actual or constructive eviction) either to persons or property sustained by the Lessee, or its officers, directors, employees, agents, invitees, licensees or contractors due to (i) any part of the Premises not being in repair or (ii) the result of any accident or casualty on the Premises. This provision shall include, but not be limited to, damage or loss caused by water, snow, frost, sewage, gas, or malfunction of any electrical, heating, cooling, or ventilation systems or installations on the Premises.

24. **Lessee Insurance.** Lessee shall maintain insurance during the term of this Lease that meets the requirements set forth in Exhibit D. In addition, Lessee shall not engage in or permit any activity which will cause the cancellation of, or increase the City's existing premiums on, any insurance relating to the Premises. Lessee shall not permit to remain in or about the Premises any article that may be prohibited by the broadest form of "All Risk" or "Special Form" property damage insurance policies.

25. **Indemnification.** To the fullest extent permitted by law, Lessee shall indemnify, defend, save and hold harmless City, and its officers, officials, council members, citizens, agents, employees and volunteers (hereinafter referred to as "Indemnitee") for, from and against any and all claims, demands, actions, liabilities, damages, losses, or expenses (including court costs, reasonable attorney's fees, and costs of claim processing, investigation and litigation) (hereinafter collectively referred to as "Claims") including but not limited to personal injury (including death) or property damage caused, in whole or in part, by the alleged acts, errors, omissions, negligence, or alleged negligence of Lessee or any of Lessee's directors, officers, agents, employees, volunteers or subcontractors, or of any Sublessee. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Lessee to conform to 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 acts of the Indemnitee, be indemnified by Lessee for, from and

against any and all Claims. Lessee will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable.

26. **Environmental Indemnification.** Lessee shall defend, indemnify, and hold harmless City for, from and against any and all future claims, demands, complaints, and/or actions made or brought against City pertaining to the Premises and arising under any Environmental Law, Rule, Regulation or otherwise based upon any Hazardous Materials condition. This defense and indemnity includes, without limitation, any claims, demands, complaints, and/or action, asserted under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Water Quality Assurance Revolving Fund (WQARF), the Resource Conservation and Recovery Act (RCRA), and federal and state common law pertaining to Hazardous Materials, including any such claim based upon City's alleged liability as an owner or operator of the Premises under CERCLA or WQARF.

27. **City Insurance.** City may maintain its own insurance related to the Premises or may be self-insured. As a condition of this Lease, Lessee agrees to waive all claims against insurance purchased by City.

28. **Fire and Casualty.**

a. Termination or Repair. If any part of the Premises is damaged or destroyed by fire, accident, casualty, or an Act of God, then within thirty (30) days of such occurrence, City shall deliver to the Lessee written notice stating whether City is able to restore the damaged or destroyed Premises within one hundred eighty (180) days. City shall have no obligation to restore the damaged or destroyed Premises in the event the cost of restoring the Premises exceeds 50% of the fair market value of the Premises, as restored. The City shall have no obligation to spend more in restoring Premises than the insurance proceeds available for such purposes, if such proceeds are available, less any amount required to be paid to any mortgagee of City ("Available Funds"). If, in City 's opinion, the cost for restoring the Premises can be completed within such period with the Available Funds, City shall promptly restore the Premises. If, in City 's opinion, the Premises cannot be restored within such period with the Available Funds, either party may terminate this Lease upon thirty (30) days' written notice to the other party.

b. Reduction of Rent. If any part of the Premises is damaged or destroyed by fire, accident, casualty, or an Act of God, and not due to any act or failure to act by Lessee, then City shall reduce the Rent due under this Lease by an equitable amount, commencing from the date of the damage or destruction, until the Premises is restored. In determining what is equitable, City shall consider the extent to which Lessee's use of the Premises has been impaired.

c. Lessee Improvements. City is not responsible for restoring any Lessee Improvements to the Premises that have been damaged or destroyed by fire, accident, casualty or an Act of God.

29. **Compliance with Laws**. Lessee shall comply with all applicable rules, regulations, ordinances, orders, codes, laws and requirements of all municipal, county, state, federal and other applicable governmental authorities related to use of the Premises.

30. **Hazardous Substances.**

a. Lessee shall not construct or use any improvements, fixtures or equipment, or engage in any act on or about the Premises, or permit any Sublessee to engage in any of the foregoing, that would require the procurement of any license or permit pursuant to any Environmental Law. "Environmental

Law" shall mean any federal, state or local statute, ordinance, rule, regulation or guideline pertaining to health, industrial hygiene or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Hazardous Materials Transportation Act, as amended, the Federal Water Pollution Control Act, as amended, the Resource Conservation and Recovery Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, and the Arizona Environmental Quality Act, as amended.

b. Lessee shall immediately notify City of:

1. The existence of any Hazardous Substance, as defined in 29 C.F.R. 1910.120, on or about the Premises that may be in violation of any Environmental Law (regardless of whether Lessee is responsible for the existence of such Hazardous Substance);

2. Any proceeding or investigation by any federal, state or local governmental authority regarding the presence of any Hazardous Substance on the Premises or the migration thereof to or from any other property;

3. All claims made or threatened by any third party against Lessee relating to any loss or injury resulting from any Hazardous Substance; and/or

4. Lessee's notification to the National Response Center of any release of a reportable quantity of a Hazardous Substance in or about the Premises.

31. **Subordination.** This Lease is and shall remain subordinate to any existing or subsequent mortgage or deed of trust covering the fee title to the Premises, together with any renewals, modifications or extensions of such existing or subsequent mortgages or deeds of trust. Upon the request of City, the Lessee shall execute such instruments as are reasonably required to subordinate this Lease to mortgages or deeds of trust made by City.

32. **Estoppel Certificate.** Upon written request of a requesting party, the other party will deliver to the requesting party a statement in writing certifying (i) that the Lease is unmodified and in full force and effect (or that the Lease as modified is in full force and effect, describing the modifications) , (ii) that the rents and other charges have been paid to date (or, if there are any prepayments or defaults, a description of the same) and (iii) that to the best of the other party's knowledge, without any obligation to inquire or investigate, that the requesting party is not in default under any provision of this Lease (or, if there is a known default, the nature of the default).

33. **Default.**

a. Default by Lessee. Lessee shall be in default under this Lease if any of the following occurs: (i) Lessee fails to pay Rent when due under this Lease; (ii) Lessee fails to perform or observe any other term or condition of this Lease and such failure is not cured within thirty (30) days after City delivery of written notice to the Lessee of such failure or other reasonable time required by City; (iii) Lessee is named as a debtor in any voluntary or involuntary bankruptcy proceeding; (iv) substantially all of the Lessee 's assets are placed in receivership or are subjected to attachment or other judiciary seizure; (v) the Lessee makes or suffers a general assignment for the benefit of creditors; (vi) Lessee vacates or abandons the Premises; or (vii) Lessee engages in a pattern or practice of breaching any term or condition of this Lease.

b. City Remedies. In the event of Lessee 's default hereunder: (i) City shall have all remedies available at law or in equity; and/or (ii) City may remedy such breach, and invoice Lessor for the City's

actual costs for remedying the breach ("Cure Costs") and payment is due 30 days after the invoice date.

c. Default by City. City shall be in default under this Lease if City fails to perform or observe any term or condition under this Lease, and such failure is not cured within thirty (30) days after delivery of written notice to City of such failure or other reasonable time required by Lessee.

d. Lessee's Remedies. In the event of City's default hereunder, Lessee shall have all remedies available at law or in equity; provided, however, Lessee hereby expressly waives any right to abatement or withholding of Rent or other amounts payable to City under this Lease.

34. **Effect of Termination, Expiration or Abandonment of Lease.** Upon termination, expiration, or abandonment of the Lease, Lessee shall surrender the Premises and remove all its personal property within thirty (30) days from the Premises. If Lessee has not removed all its personal property within thirty (30) days, City at its option may: (i) remove all personal property of Lessee and charge Lessee for the costs of removal and/or storage costs, and Lessee payment is due within thirty (30) days from the invoice date; and/or (ii) allow abandonment of the personal property in place and in such event title shall pass to City.

35. **Effect of Holding Over.** If Lessee fails to surrender possession of the Premises to City upon termination, expiration, or abandonment of this Lease, City shall have all remedies available at law or in equity to a lessor of commercial real property in the State of Arizona, together with the following remedies: (i) City may recover damages from the Lessee in an amount equal to (a) double the monthly rental payment applicable immediately prior to termination for each full or partial month that the Lessee fails to deliver actual possession of the Premises to City.

36. **Notices.** All notices or other communications under this Lease 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 mail , return receipt requested, postage prepaid and addressed as follows:

If to Lessor :
Real Estate Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

With a copy to:
City Attorney
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

If to Lessee:

Or to such other address as a party may provide to the other by written notice. E-mails may be used for communication but shall not serve as written notice under this Lease.

37. **Successors and Assigns.** This Lease shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties to this Lease.

38. **Assignment and Subletting.**

a. Prior Written Consent. Lessee shall not, without the prior written consent of City, (i) assign this Lease or any interest therein; (ii) permit or suffer any assignment of this Lease by operation of law; (iii) sublet all or any portion of the Premises; or (iv) permit the use of the Premises by any party other than the Lessee and its officers and employees.

b. Standards for Consent to Assignment or Subletting. The City Manager may consent to any proposed assignment or subletting upon making a determination that the proposed assignee or sublessee is a qualified operator, based upon their submitted business experience, credit history, business plan, financial model, lease history, litigation history, and any other information determined by City to be pertinent.

c. No Release of Lessee. Lessee shall not be released from any of the obligations of the Lease as a result of assignment or subletting.

39. **Civil Rights.** Lessee shall not unlawfully discriminate against any person related to use of the Premises because of race, color, national origin, religion, sex, age or physical or mental disability.

40. **Entire Agreement.** This Lease represents the entire agreement of the parties.

41. **Amendments.** No alteration, amendment, change or addition to this Lease shall be binding upon City or Lessee unless reduced to writing and signed by both parties.

42. **Waiver.** The failure of City or Lessee to strictly enforce this Lease or any term or condition herein, shall not be construed as a waiver of such term or condition, or alter, or diminish any rights or remedies under this Lease. In the event City or Lessee expressly waives any term or condition of the Lease, such waiver shall not be construed to waive any other term or condition.

43. **Rights Cumulative.** Each party's rights and remedies under this Lease are cumulative, and are not alternative, unless expressly so stated.

44. **Attorneys' Fees.** If either party brings an action to enforce the terms of this Lease or declare rights hereunder, the prevailing party in such action, at trial or on appeal, shall be entitled to its reasonable attorneys' fees and costs as may be determined by the court.

45. **Governing Law, Jurisdiction, and Venue.** This Lease shall be construed and interpreted in accordance with the laws of the State of Arizona. The courts of Arizona shall have exclusive jurisdiction and Coconino County shall be the proper venue.

46. **Relationship of the Parties.** Nothing in this Lease shall be construed as creating the relationship of principal or agent, or of partnership or joint venture. Neither the method of computation of rent nor any other provision of this Lease, nor any act of the parties, shall be deemed to create any relationship other than that of City or Lessee.

47. **Effect of Sale or Transfer.** If the City sells or transfers its interest in the Premises during the term of this Lease, then from and after the effective date, City shall be released and discharged from any and all further obligations and responsibilities under this Lease (except those already accrued) upon written assumption by the buyer of City's liabilities under this Lease.

48. **Condemnation.** If all of the Premises are taken or condemned by any governmental authority for any use or purpose, this Lease shall terminate upon, and the rent shall be apportioned as of the date when

actual possession of the Premises is required for such use or purpose. If less than all of the Premises is taken or condemned by any authority for a public use, then (i) City may terminate this Lease upon thirty (30) days' written notice thereof, or (ii) City may continue the Lease and a just portion of the rent will abate as of the date when actual possession of such portion of the Premises is required for such use or purpose. City reserves all rights to damages to the Premises for any taking or condemnation of all or any portion of the Premises, provided that the taking authority is an entity other than City. Lessee hereby assigns to City any right that the Lessee may have to such award or damages. The Lessee shall have the right to claim and recover from the condemning authority compensation for any loss for moving expenses and for interruption of or damage to the Lessee's business only if such award or damages are awarded separately and not as part of the award or damages recoverable by the City.

49. **Time of the Essence.** Time is of the essence with respect to obligations to be performed hereunder.

50. **Severability.** The invalidity of any portion of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other portion of this Lease.

51. **Cancellation.** City is an Arizona municipal corporation and a political subdivision of the State of Arizona, and hereby gives written notice under Arizona Revised Statutes (A.R.S.) Section 38-511 that this Lease is subject to cancellation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the City is at any time while the Lease is in effect an employee or agent or consultant of the Lessee with respect to the subject matter of this Lease.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed.

CITY OF FLAGSTAFF/LESSOR

_____
Mayor

Attest:

_____
City Clerk

_____
City Attorney

LESSEE

_____
Title:_____

Attachment:

Exhibit A Depiction of Premises
Exhibit B Park Concept Plan
Exhibit C Plaza Concept Plan
Exhibit D Southside Neighborhood Description
Exhibit E Insurance Requirements

EXHIBIT A

DEPICTION OF PREMISES



EXHIBIT B

PARK CONCEPT PLAN

Murdoch Center Phase 1- Landscape Concept

NOTE: This is just one possible concept- it calls out some of the existing features that will likely remain and can be enhanced.

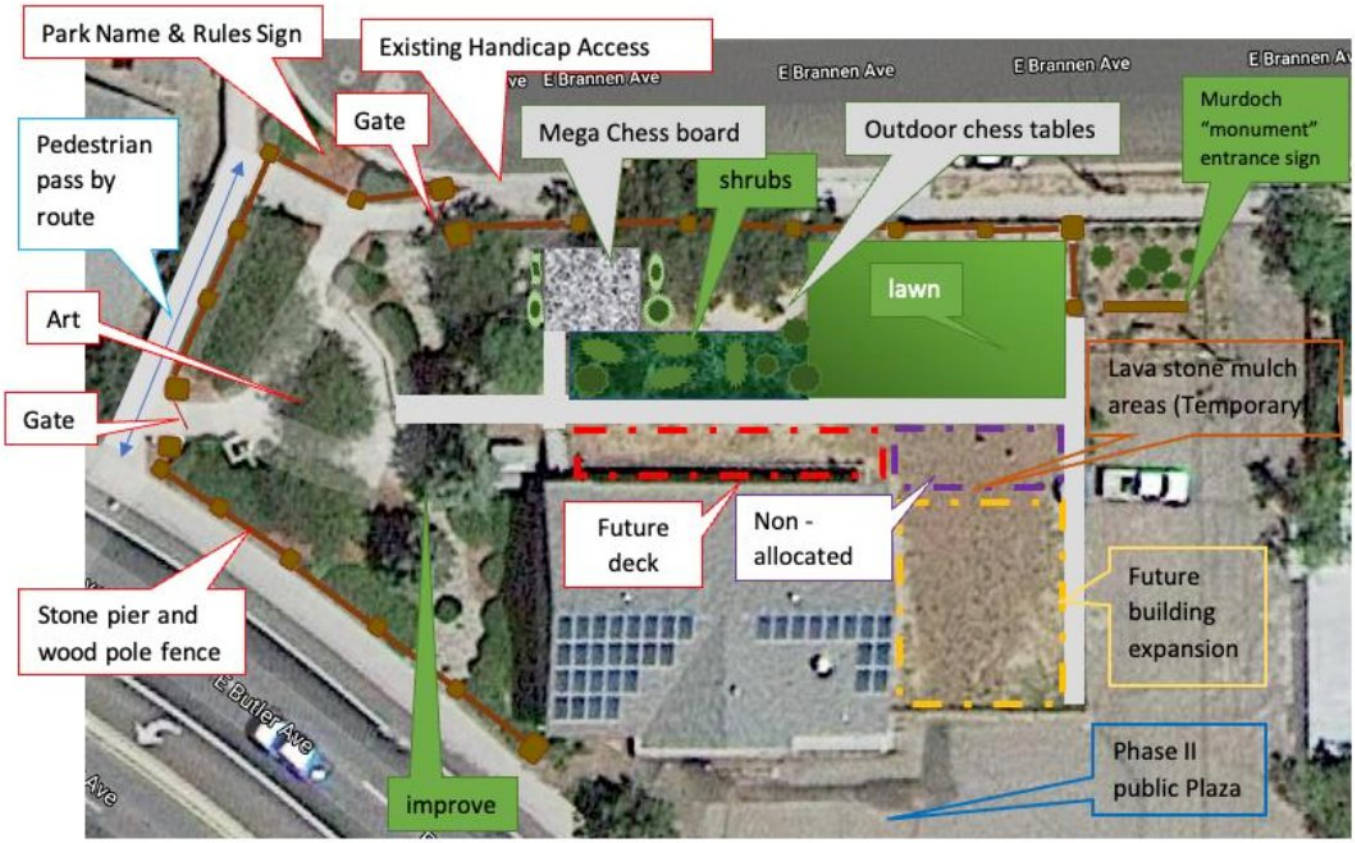
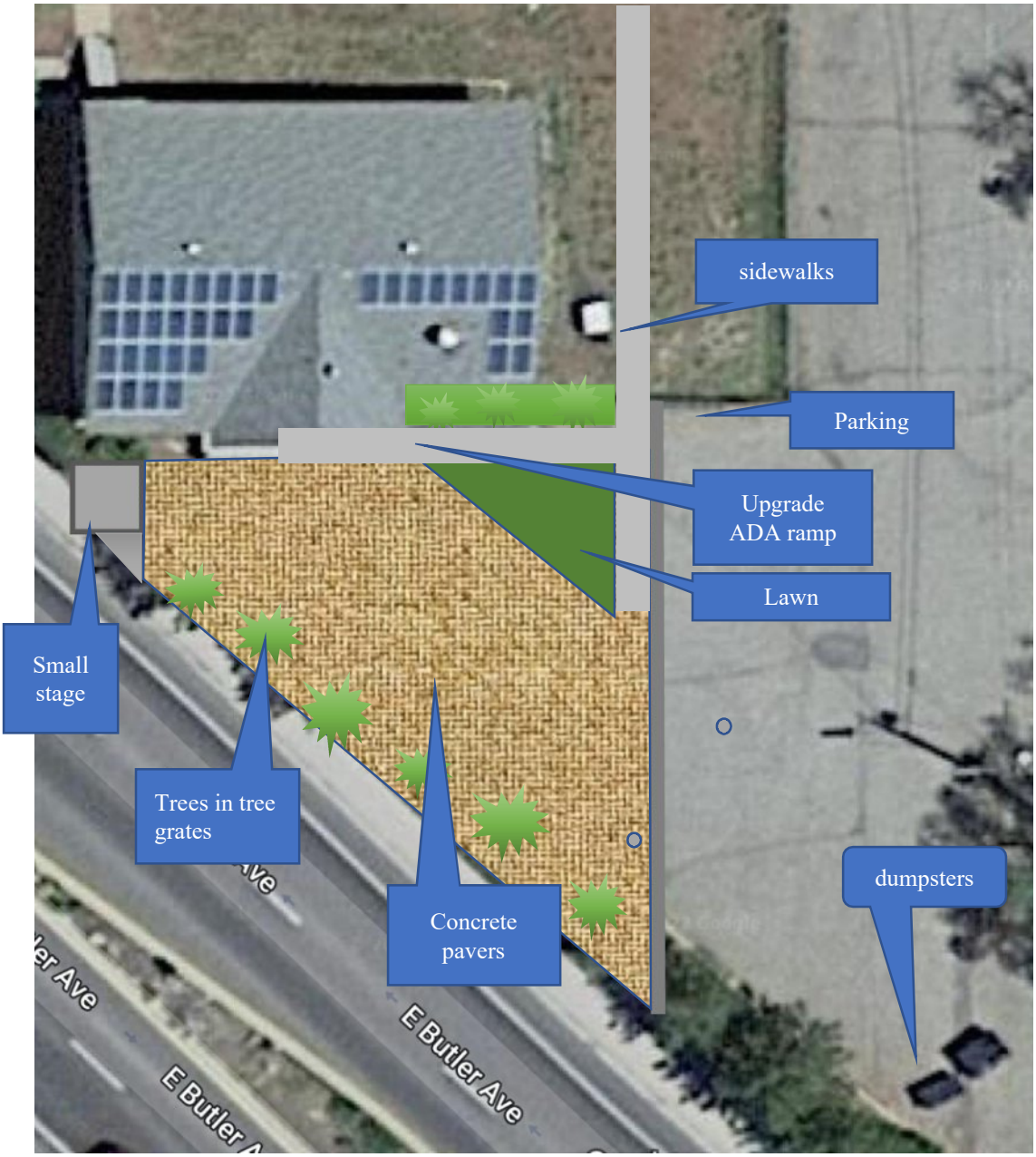


EXHIBIT C

PLAZA CONCEPT PLAN



Phase 2 Murdoch Southside
"Green Space Creation"
Event Plaza

EXHIBIT D

SOUTHSIDE NEIGHBORHOOD DESCRIPTION

The Southside Neighborhood is roughly defined by the Burlington Northern Santa Fe (BNSF) railroad to the north, and South Milton Road to the west. The southern boundary from South Milton Road runs along West Dupont Avenue until South Beaver Road, then south to Franklin Avenue. It follows the rear property line of the homes on the west side of Fountaine Street south to South Lone Tree Road, then follows South Lone Tree Road north to Butler Avenue. The boundary then turns west. It then turns north between Sawmill Road and South River Run Road to reconnect with the railroad:

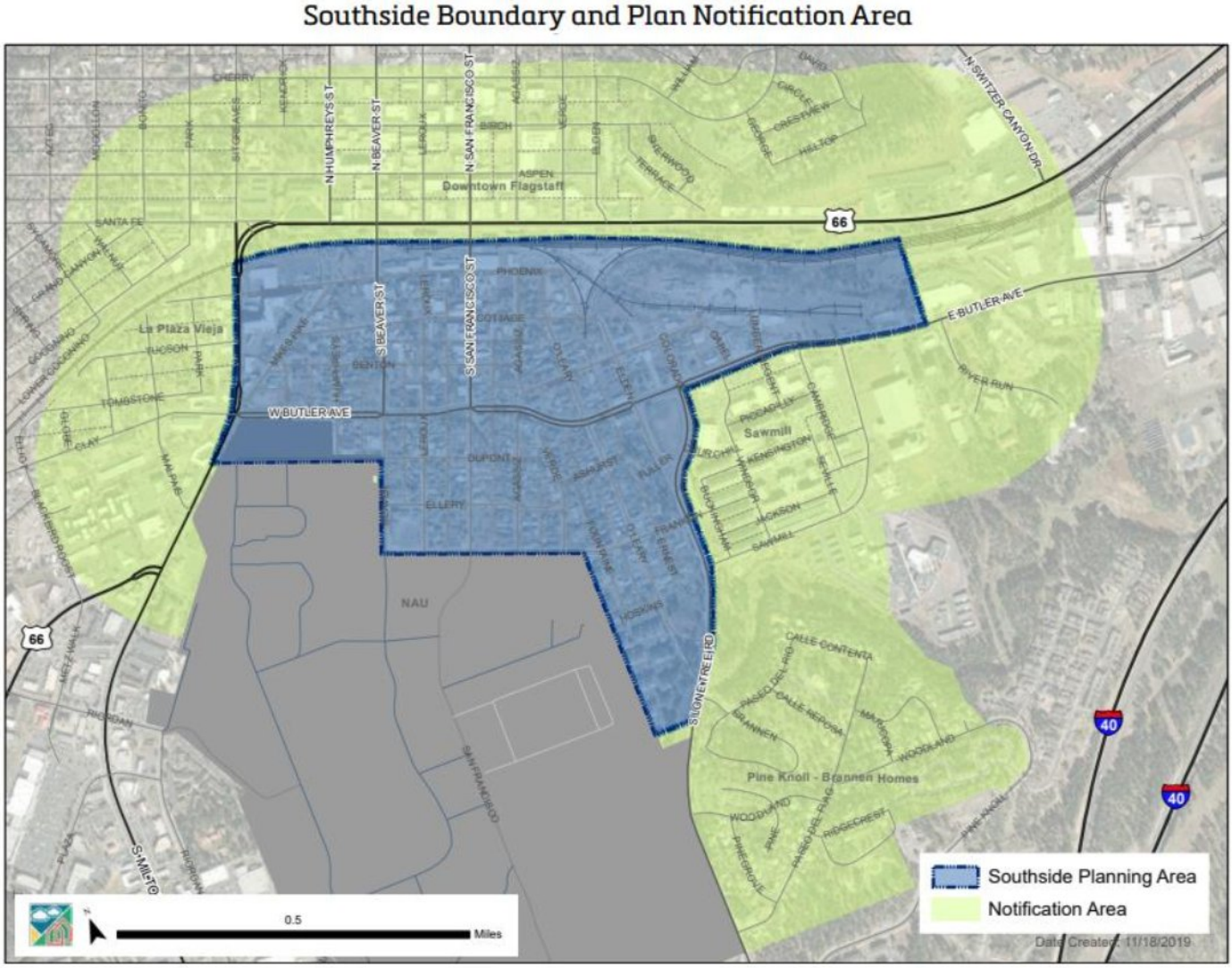


EXHIBIT E

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

   e. Professional Liability Reserved.

e. Network Security and Privacy Liability Reserved.

f. Liquor Liability Each Occurrence $3,000,000

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: Patrick Brown, Purchasing Director
Contract No. _____
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001
Pbrown@flagstaffaz.gov

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.

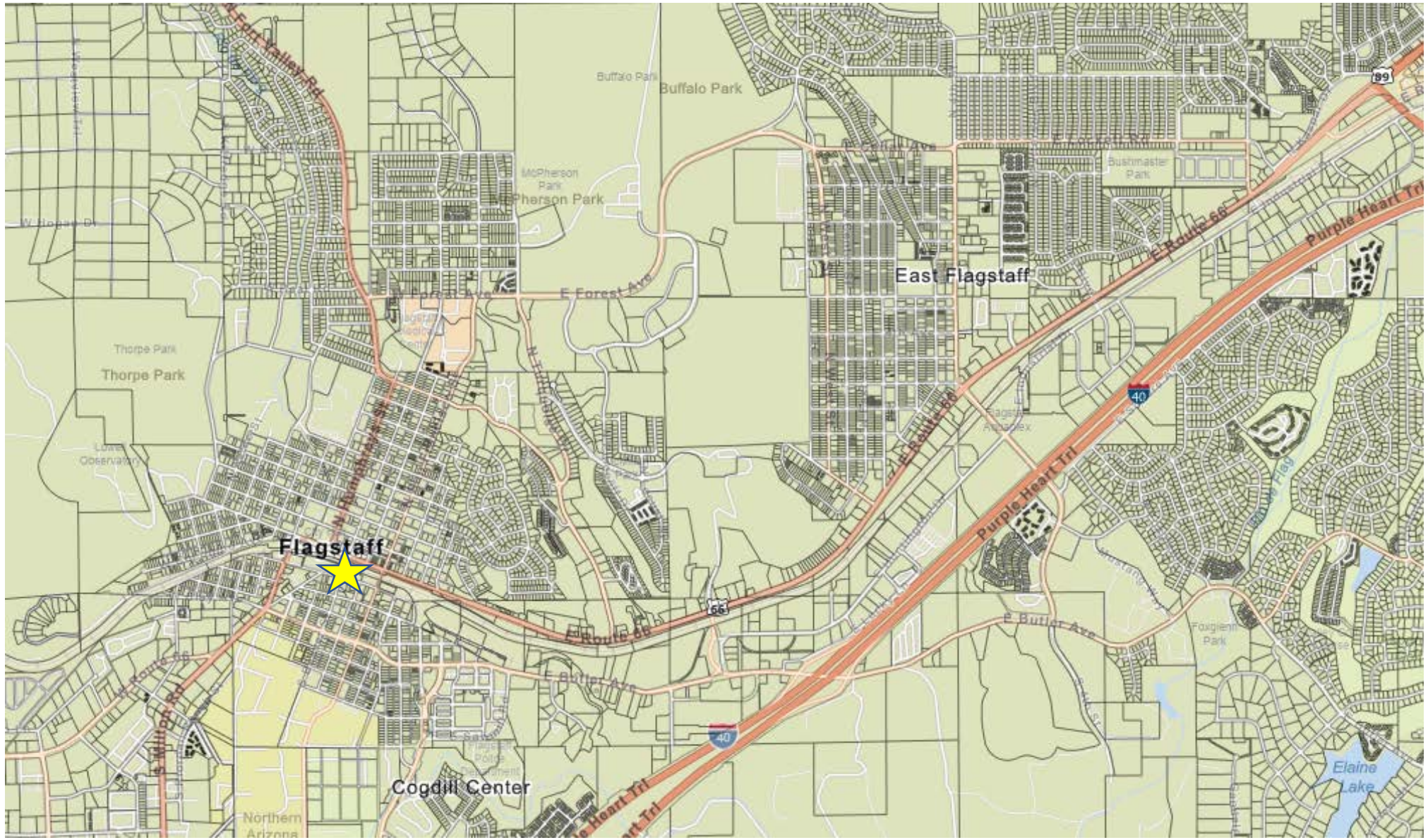
Murdoch Lease Approval

July 5th, 2022

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Vicinity Map



Invitation for Bid Solicitation

- Issued on April 7th, 2022 as Solicitation 2022-125
- Closed May 13th, 2022
- Facility Use Purpose: managing, operating, and programing a community space for the benefit of the current and future residents of the Southside neighborhood
- 1 bid received: Southside Community Association, the current tenant

Lease Terms to Note

- Monthly Rent: $433.33
- Term: 25-year initial term; 2 additional 25-Year term extensions at City discretion
- City responsible for maintenance

City of Flagstaff
Murdoch Community Center
Bid Number 2022-10

Item #2 Response: A minimum of 3 years combined experience in either managing, operating, or programming a community space facility.

Response: The Southside Community Association has operated the Historic Murdoch Community Center since 2007. During that time we have sponsored, supported or leased the Murdoch Community Center for the following programs, events and activities:

- Neighborhood Welcomes* (provide an opportunity for residents to share a meal)
- Easter Egg hunts for kids (this event has been sponsored with other groups)
- Halloween carnivals (a carnival for children to trick or treat safely)
- Dia de los Muertos (NAU MEChA student organization sponsors event)
- Kwanzaa* (community celebration sponsored for the past 7 years)
- Juneteenth* (Co-sponsors with County ADAC for past 10 years)
- Community Meetings* (provide space for city departments to meet with residents to when soliciting feedback for projects/initiatives)
- Voting Facility* (Serves as a polling site for local and national elections)
- Flagstaff Shakesphere* (provide affordable rehearsal space)
- Southside Neighborhood Plan (worked with city to complete the neighborhood plan)
- Celebration of Life Events* (lease the building for community to celebrate life events)
- Free Internet Access* (free internet access in the parking lot for community)
- Exhibits (South of the Tracks, Women of Resilience)
- First Friday Art Walks* (Provide opportunity for local artist to show their work)
- Community Garden* (provide a small community garden items free for picking)
- Miss Cleo's Tea Party* (fundraiser attracts diverse members of the community)
- Organization Meetings* (NAACP, Girl Scouts, ALN, SCA,)
- FPD Sub-Station (serve as a police sub-station for 12-13 years)

The items with (*) occur on a regular basis. The rental rates for the building are designed to allow for all income levels to afford the rental fees. There is a community rate and a corporate rate. Many of these programs are ongoing and will be detailed in Item #3 response, Murdoch Center Proposed Programming Plan.

Proposed Programming Plan
Murdoch Community Center
2022-2023
Bid Number 2022-10

Item #3 Response: Proposed Murdoch Community Center Programming Plan.

The following items are programs that are proposed for the 2022-2023 year. Some events may be deleted and/or added depending on COVID mandates.

1. Community/Neighborhood Welcome: August/September: Event is to encourage neighborhood residents to meet new and continuing residents.

2. Community Resource Program: Designed to inform residents of the various city & county resources for which they may be eligible. (Fall and Spring)

3. Gentrification neighborhood information meeting. (Fall and Spring)

4. Holiday Community Arts & Crafts: December. Event designed to provide an opportunity for community to come together for an afternoon of making simple arts and crafts. (Cookie decorating, ornament and wreath making)

5. Kwanzaa Community Celebration, December 26-January 1. Event is to celebrate this holiday and educate the community.

6. Black History Month Event (February)

7. Miss Cleo's Tea Party Fundraiser (April)

8. Juneteenth Community Celebration (June)

The Murdoch Community Center is used by a number of groups to hold their monthly meetings. Groups include but are not limited to: Girl Scouts, NAACP, Southside board, Coconino County Democratic Party, Flagstaff city departments, etc.

11. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Brandi Suda, Finance Director
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration of Audited Financial Reports: Year ending June 30, 2021

STAFF RECOMMENDED ACTION:

Approve the FY 2020-2021 Annual Comprehensive Financial Report and the FY 2020-2021 Single Audit Report

Executive Summary:

The City is required to perform an annual audit each year, pursuant to Arizona Revised Statutes (A.R.S.) Section 9-481 and the City Charter (Article VI, Section 5); this audit is commonly known as the Annual Comprehensive Financial Report (ACFR). The ACFR is reviewed by an independent auditor to provide reasonable assurance that the financial statements are free of material misstatements. In addition, the City also obtains an annual Single Audit as a condition of receiving federal assistance in excess of $750,000. An independent auditor performs the Single Audit. New this year, A.R.S. Section 9-481, as amended by Laws 2021, Ch. 427, §1, directs that city councils require the certified public accountant who performed the audit to present audit results and any findings to the council in a regular meeting without the use of a consent agenda within 90 days of audit completion.

Financial Impact:

There is no financial impact on approving the City's Fiscal Year 2020-2021 Annual Comprehensive Financial Report (ACFR) or the FY 2020-2021 Single Audit.

Policy Impact:

No.

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

Financial Reporting supports the Key Community Priority of High Performing Governance by furthering the following associated Objectives:

- Encourage public trust through transparency...
- Enhance the organization's fiscal stability..., and
- Implement innovative local government programs, new ideas & best practices; be recognized as a model for how others to follow

Previous Council Decision on This:

No.

Options and Alternatives:

- Approve the City's FY 2020-2021 ACFR and FY 2020-2021 Single Audit Report.
- Do not approve the City's FY 2019-2020 ACFR, FY 2020-2021 Single Audit report, and provide direction to the Audit Committee or independent auditor to address Council's questions/issues.

Background/History:

The City is required to perform an independent annual financial audit per City Charter Article VI, Section 5 which states:

"Prior to the end of each fiscal year, the Council shall designate an independent Certified Public Accountant, who, as of the end of the fiscal year, shall make up an audit of accounts and other evidence of financial transactions of the City government, and shall submit a long-form report, including recommendations concerning policy and fiscal procedures, to the Council, and to the City Manager. Such accountant shall have no personal interest, direct or indirect, in the fiscal affairs of the City government or of any of its officers. The accountant shall, within specifications approved by the Council, post-audit the books and documents kept by the City, and any separate or subordinate accounts kept by any other office, department, or agency of the City government."

In addition to the financial audit, the City is required to complete a Single Audit because it receives more than $750,000 in federal assistance.

The City has hired CliftonLarsonAllen, LLP (the Auditors). The Auditors work directly with the Finance Staff to complete a review of the City's financial data and internal controls. The financial reports are the responsibility of the City and are based on the activity of the fiscal year. The ACFR is presented in accordance with all standards as defined by the Government Accounting Standards Board (GASB). The Auditors are not responsible for reviewing every transaction for the fiscal year, however, based on the standards the Auditors plan and perform the audit to obtain reasonable assurance that the statements are free of material misstatements. The Auditors prepare the Single Audit which is an independent assessment of City finances and includes a schedule of expenditures of federal fund awards.

The City has established an Audit Committee to review the financial reports and findings (ACFR and the Single Audit). The committee discusses the information and makes a recommendation to Council to accept or reject the financial reports. The Audit Committee is represented by a City Councilmember, the City Manager, and the Management Services Director:

- Paul Deasy, Mayor
- David Cosper, CPA
- Sharman Cawood, CPA
- City Manager, Greg Clifton
- Rick Tadder, Management Services Director

The financial reports were reviewed by the Audit Committee through a presentation by the Auditors. The presentation of the financial reports to the Audit Committee occurred on June 29, 2022, and was facilitated by Rick Tadder, Management Services Director and Dennis Osuch, Principal with CliftonLarsonAllen LLP.

Key Considerations:

The City has received an "unmodified opinion" from the Auditors, meaning the audit firm believes the financial statements are fairly presented in accordance with generally accepted accounting principles. In the Communication to Mayor and City Council (attached), the audit firm states: there were no significant difficulties encountered in performing the audit and; there were no disagreements with management. The letter lists one uncorrected misstatement related to invoice at or near year-end that was not accrued as a payable and expenditures in FY 2020 and states it is immaterial to the City's financial statements. Misstatements are noted when the Auditors have found items that may be incorrectly presented during the audit engagement.

In the FY 2020-2021 Single Audit Report, there were no findings, material weaknesses or significant deficiencies noted. Since the FY 2018-2019 single audit had one significant deficiency, the City did not qualify as a low-risk auditee for the FY 2020-2021 audit.

The Audit Committee unanimously approved the acceptance of the ACFR and Single Audits at their June 29, 2022, meeting.

Expanded Financial Considerations:

An annual audit is statutorily required by A.R.S. Section 9-481. In addition, should the City not perform an annual audit of its financial statements and complete a Single Audit, the City could lose valuable grant funding. The amount of reimbursements of Federal Award reported for in the Fiscal Year 2020-2021 was $15.1 million. State and local grant funding totaled $1.5 million in Fiscal Year 2020-2021.

Community Benefits and Considerations:

Independent review of the City's financial statements elevates the level of confidence that the City is reporting fairly, accurately, and within prescribed guidelines.

Community Involvement:

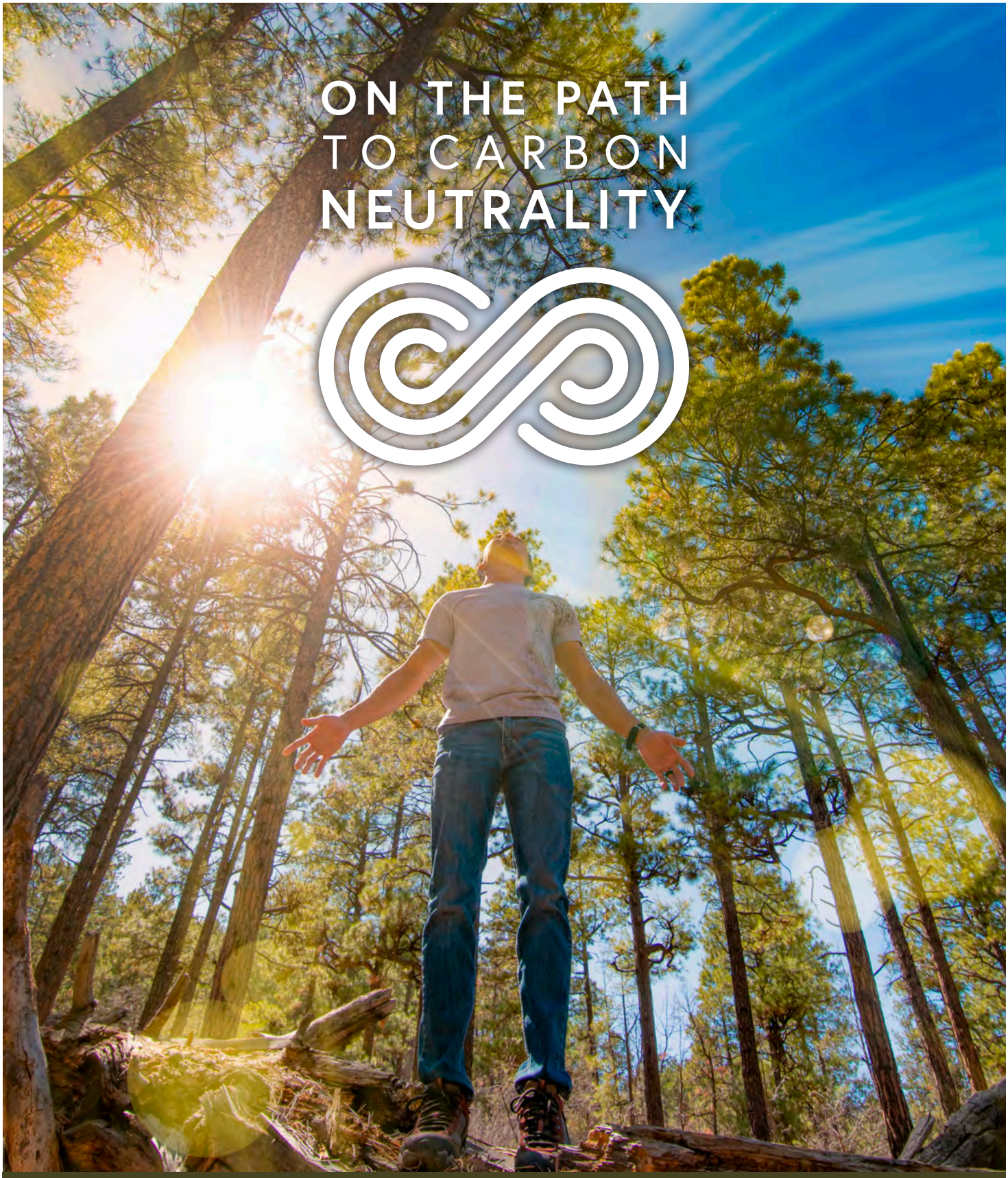
Involve: The community is directly involved through the participation on the Audit Committee.

Inform: Any community member may review the most recent ACFR and Single Audit Report. The current and historical ACFR and Single Audit and SEFA are on file and available for public inspection in the following locations:

- On the City website, www.flagstaff.az.gov under the Finance Section (https://www.flagstaff.az.gov/164/Financial-Reports-Budget-Documents)
- At the Flagstaff Public Library, 300 W Aspen Ave, Flagstaff, Arizona
- At the East Flagstaff Community Library, 3000 N 4th Street, Suite 5, Flagstaff, Arizona
- Contact the Finance Director at (928) 213-2217

These reports are also attached to this staff summary. In addition, one copy of the CAFR and one copy of the Single Audit Reports are on file and available in the Council office.

Attachments: Annual Comprehensive Financial Report 6.30.21
Single Audit Report 6.30.21
Governance Communication Report 6.30.21
Presentation



City of Flagstaff

Annual Comprehensive Financial Report

June 30, 2021


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2021

City of Flagstaff, Arizona

Prepared By:
Management Services Division
Finance Section


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

City of Flagstaff
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Table of Contents

Page

Introductory Section
- Transmittal Letter ... iii
- GFOA Certificate of Achievement ... xiii
- Organizational Chart ... xiv
- List of Elected and Appointed Officials ... xv

Financial Section
- Independent Auditors' Report ... 1

Management's Discussion and Analysis ... 5

Basic Financial Statements
- Government-wide Financial Statements:
  - Statement of Net Position ... 17
  - Statement of Activities ... 18
- Fund Financial Statements:
  - Balance Sheet – Governmental Funds ... 20
  - Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Activities ... 23
  - Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ... 24
  - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities ... 26
  - General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual ... 28
  - Highway User Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual ... 29
  - Transportation Fund - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual ... 30
  - Statement of Net Position – Proprietary Funds ... 32
  - Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds ... 34
  - Statement of Cash Flows – Proprietary Funds ... 36
- Notes to the Financial Statements ... 40

Required Supplementary Information
- Schedule of Proportionate Share of the Net Pension Liability ... 90
- Schedule of Changes in Net Pension Liability and Related Ratios ... 92
- Schedule of Changes in Net OPEB Asset, Liability and Related Ratios ... 96
- Schedule of the City's Pension/OPEB Contributions ... 98
- Notes to the Required Supplementary Information ... 100

Combining Statements
- Non-Major Funds – Other Governmental Funds ... 101
- Combining Statements and Schedules:
  - Combining Balance Sheet – Non-major Governmental Funds ... 102
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds ... 104

Non-Major Funds – Other Proprietary Funds 106
Combining Statements and Schedules:
Combining Statement of Net Position – Non-major Proprietary 107
Combining Statement of Revenues, Expenses and Changes in
Fund Net Position – Non-major Proprietary Fund 108
Combining Statement of Cash Flows
Non-major Proprietary Fund 109

Supplemental Information

Capital Assets Used in the Operations of Governmental Funds:
Schedule by Function and Activity 112
Schedule of Changes by Function and Activity 114
Budgetary Comparison Schedules –Governmental Funds
Housing and Community Services Fund 115
Metropolitan Planning Organization Fund 116
Library Fund 117
Bed Board Beverage Fund 118
Parking District Fund 119
Water Resource and Infrastructure Protection Fund 120
General Obligation Bond Fund 121
Secondary Property Tax Revenue Fund 122
Pension Bond Fund 123
Special Assessment Bond Fund 124
Capital Projects Bond Construction Fund 125
Financial Data Submission Schedules
Net Position Accounts 126
Revenue, Expenses and Changes in Fund Net Position Accounts 130
Revenue, Expenses and Changes in Fund Net Position Accounts-
Public Housing - Consolidated 138

Statistical Section

Net Position by Component 142
Changes in Net Position 143
Fund Balances, Governmental Funds 145
Changes in Fund Balances, Governmental Funds 146
Tax Revenue by Source, Governmental Funds 147
Intergovernmental Revenue by Source, Governmental Funds 148
Full Cash Value of Taxable Property 149
City Tax Revenue for Major Categories 150
Direct and Overlapping Property Tax Rates 151
Principal Property Tax Payers 152
Property Tax Levies and Collections 153
Direct and Overlapping Sales Tax Rates 154
Ratios of Outstanding Debt by Type 155
Ratios of General Bonded Debt Outstanding 156
Direct and Overlapping Governmental Activities Debt 157
Legal Debt Margin Information 158
Pledged Revenue Coverage 160
Demographic and Economic Statistics 166
Principal Employers 167
Full-time Equivalent City Government by Function/Program 168
Operating Indicators by Function/Program 169
Capital Asset Statistics by Function/Program 171
Insurance Summary 172

City of Flagstaff

December 16, 2021

To the Honorable Mayor, City Council and Citizens of the City of Flagstaff, Arizona:

I am pleased to submit the Comprehensive Annual Financial Report for the City of Flagstaff, Arizona for the fiscal year ended June 30, 2021, as required by Article VI, Section 5 of the City Charter. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Flagstaff are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the preparation of the basic financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Flagstaff's comprehensive framework of internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on the City of Flagstaff's financial statements for the year ended June 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City of Flagstaff Profile

Flagstaff is located in Coconino County, Arizona at the intersection of Interstate 17 and Interstate 40. Flagstaff is the largest city in Northern Arizona and is the regional center and county seat for Coconino County, the second largest county in the 48 contiguous states. The 2020 United States Census shows a population of 76,831. The City of Flagstaff became a town in 1894, incorporated as a city in 1928 and its boundaries currently encompass an area of approximately 66 square miles. Flagstaff is nestled at the base of the San Francisco Peaks and is surrounded by one of the largest ponderosa pine forests on earth. Flagstaff drew its name from a very tall pine tree made into a flagpole in 1876 to celebrate our nation's centennial. At nearly 7,000 feet, Flagstaff is one of the highest elevation cities in the United States.

The City of Flagstaff operates under a council-manager form of government as provided by its Charter. The Mayor is elected at large on a non-partisan ballot for a two-year term and six City

Council members are elected at large on a non-partisan ballot for four-year terms. The City Council appoints the City Manager, who has full responsibility for carrying out City Council policies and administering City operations. The City Manager, in turn, appoints City employees and division heads under service procedures specified by Charter.

The City of Flagstaff provides a full range of services including General Government, Police and Fire Protection, Environmental Services, Transportation, Library, Parks and Recreation, Airport, Water, Wastewater, Housing Authority and Stormwater services.

The annual budget serves as the foundation for the City of Flagstaff's financial planning and control. The City Council formally adopts the budget and legally allocates, or appropriates, available monies for all funds and entities related to the City of Flagstaff. All funds and entities are included in the basic financial statements. The City Manager submits to the City Council each spring a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. A public hearing is held prior to the budget's final adoption and tax levy in order to obtain taxpayer comments. The budget is legally enacted through the passage of a resolution and the tax levy is adopted by an ordinance. The resolution sets the limit for expenditures during the fiscal year. The legal level of control for the budget is the division level. Additional expenditures may be authorized for unanticipated and/or inadequately budgeted events threatening the public's health or safety as prescribed in Article 9, Section 20 of the State Constitution.

Local Economy

Recession and COVID-19 Pandemic Impact on the Local Economy

The City's Budget Team began developing an economic recession plan in the Fall of 2019 which was completed in March 2020. The economic recession plan provides guidelines for managing the City's operational expenses during a time of economic downturn. The plan is broken down into five stages:

- Alert/Minor - An anticipated, unbudgeted, net reduction in available revenues up to 2%
- Moderate - A projected and unbudgeted reduction in revenues in excess of 2% but less than 5%
- Significant - A projected and unbudgeted reduction in revenues in excess of 5% but less than 10%
- Major - A projected and unbudgeted reduction in revenues in excess of 10% but less than 20%
- Crisis - Assumes revenues have been almost entirely depleted, with reductions in excess of 20%

Under the direction of the Budget Team, the City immediately implemented the Moderate Stage of the plan on April 6, 2020. Council adopted the economic recession plan on April 21, 2020.

The City further developed a multi scenario-based revenue projection model for fiscal year (FY) 2020-2021 to help determine the potential impacts the pandemic and recession could have on revenues.

- Scenario 1: Economy returns, but another COVID-19 surge brings additional impact; monthly revenues estimated at 70-100% for the first two months, with recovery, followed by similar reductions due to another COVID-19 outbreak
- Scenario 2: Economy is weak early, then recovers stronger; monthly revenues estimated at 70-100% for the first two months
- Scenario 3: Economy weak longer with a slow recovery; monthly tourism related revenues at 50% below prior year and slowly recover to only 90%, retail 5% down
- Scenario 4: Average of Scenario 1-3; becomes the basis for measuring against the recession plan

The projection model determined that the City may recognize revenue loss in levels of the Significant Stage of the recession plan. Staff presented the information to Council on May 26, 2020 and a resolution was adopted to move the City into the Significant Stage of the recession plan. The City remained in the Significant Stage based on monthly revenue projections until March 2021 where the model demonstrated we should move to the Moderate Stage which was adopted by City Council on February 16. 2021. Then in April the Budget Team moved to the Alert/Minor Stage based on overall revenues showing less than a 2% loss estimated for FY 2020-2021. Results of revenues along with the measures the organization took under the recession plan has put the City in a much better position than anticipated at the beginning of the pandemic.

On June 30, 2021, overall General Fund revenues, excluding leases, grants, contributions and other financing resources, were well above the adopted budget for the fiscal year, over $6 million over budget. The biggest contributors to the revenue growth were retail sales, state shared sales tax and building permits. The negative impacts related to the pandemic were seen in the parks and recreation fees and collections of fines.

Employment

Flagstaff is a governmental, educational, transportation, cultural and commercial center. Government is one of the largest employment sectors. Major private employers in the Flagstaff area include Flagstaff Medical Center, W. L. Gore and Associates, Walmart, Grand Canyon Railway and Nestle Purina Pet Care. Major public employers in the Flagstaff area include Northern Arizona University (NAU), Flagstaff Unified School District, Coconino County, City of Flagstaff, U.S. Forest Service and Coconino Community College. Northern Arizona University, the largest employer in the City, has a major economic impact annually. It is the home of over 31,000 students in 133 bachelor's degree programs and 10 graduate degree programs. In addition, NAU's year-round use of its campus facilities draws in tourists from throughout the world. Campus activities include a multitude of music, educational and athletic camps, as well as a broad variety of conferences from across the nation. Recent NAU enrollment data, November 2021, shows an enrollment loss of 1,066 students compared to the previous fall.

Tourism is also a large employment sector. Based on a 2017-2018 tourism study, the City sees over 5.5 million visitors a year, which is up nearly one million over the 2014-2015 study. Tourism is a year-round industry attracting skiers in the winter, vacationers in the summer and sightseers viewing the aspens turning gold in the fall. The lodging industry is one of the most impacted services during the current pandemic.

Transaction Privilege Taxes (Sales Taxes)

Transaction privilege taxes are often referred to as sales taxes. Sales taxes are the largest revenue resource for the City of Flagstaff's General Fund. The City currently has a combined sales tax rate of 2.281%, excluding a tax on food for home consumption (groceries). There is an additional 2% sales tax rate that applies only to hotels, restaurants and bars. This is also known as bed, board and beverage (BBB) tax. The City of Flagstaff collects four different sales taxes.

General Sales Tax

The first is a 1% tax on all general sales, except for food. This is a general-purpose tax that benefits the General Fund. The City of Flagstaff is the only city left in the State of Arizona that has a sunset clause on the general sales tax. At the November 2020 election, voters approved the continuation of the sales tax

through June 30, 2035. Per Schedule 5 in the statistical section, the 1% general city sales tax receipts saw an increase of a 17.5% compared to the prior fiscal year based on the modified accrual method. The average increase over the past five years is 7.8%. Every sales tax category except telecommunication and amusements had an increase over prior year. Part of this is contributed to a slow economy at the end of the prior fiscal year. Retail, the largest category for sales tax, saw a 2% increase ($2.5 million) in revenue. Construction contracting and hotel/motel tax categories each saw 18% growth over prior year revenues. While the state is responsible for collections and auditing, the City is looking to enhance our local sales tax awareness by improving reporting and increased analysis on our local businesses. The City continues to follow its' practice to not allocate 100% of construction and auto sales related sales tax revenues to ongoing budgetary needs due to the potential of fluctuation in recessionary periods.

Bed, Board and Beverage Tax

Bed, board and beverage (BBB) tax collects an additional 2% for motel rooms/campgrounds, restaurants and bars. This revenue is restricted in use to certain economic development, arts, beautification, recreation or tourism activities. The BBB tax also has a sunset clause and is currently authorized until 2028. Tourism is a major industry to the City of Flagstaff's local economy. Per Schedule 5, this tax category saw a 20.8% increase over the prior year based on the modified accrual method. The average increase over the past five years is 5.6%. The large increase in BBB tax is a result of comparing to the prior year revenues where we saw a 10.1% decrease in the prior year. BBB tax revenues rebounded and marked a new high in revenues.

Transportation Taxes

The transportation tax is a 1.281% sales tax on the same types of general sales; however, the tax is restricted in use to certain transportation projects. Per Schedule 5, this tax category saw a 13.8% increase over the prior year based on the modified accrual method. The four components of this tax include transportation (0.426%), transit (0.295%), road repair and street safety (0.330%), and Butler/Route 66 overpass (0.230%). Revenue trends are the same as the general sales tax. The transit component of the tax was approved by voters to extend for an additional ten years and will expire June 30, 2030. Voters approved the extension of the transportation tax for roadway, pedestrian, bicycle and safety improvements and will expire June 30, 2041. Voters approved a road repair and street safety tax which is set to expire December 31, 2034. Voters approved a tax increase to construct a railroad overpass to connect Route 66 to Butler Avenue which expires June 30, 2039.

State Shared Revenues

Sales tax, income tax and vehicle registration tax: State shared revenues include a distribution of a portion of sales tax, income tax and vehicle registration tax collected by the State. A portion of the tax collections is distributed to cities and towns based on relative share of population in comparison with all other cities and towns. The population estimates are based on annual population estimates provided by the US Census Bureau with the exception of census years. State shared sales tax revenues have increased for the eleventh year in a row. For FY 2020-2021 there was a 18% growth in our share of these revenues. This growth was very similar to the City's sales tax growth. State income tax revenues increased 12.1%. State shared income taxes are based on two years prior of tax collection, so they generally meet budget expectations. FY 2021-

2022 collections will decline primarily due to the extension of the income tax return due date from April to July in 2020. State shared vehicle registration tax revenues increased by 8.1%.

Highway user revenue (gas tax): These revenues are distributed based on a complex Arizona Department of Transportation formula, based in part on the amount of fuel purchased in the region. This is a per gallon tax. The City generally benefits from lower gas prices and higher public consumption. Highway user revenues increased by 8.1%. These revenues rebounded after a greatly impacted fourth quarter of FY 2019-2020 due to the pandemic.

Overall, these state shared revenues grew by 13.6% in FY 2020-2021.

Property Taxes

Excluding new construction, total assessed valuations have increased 5.6% for tax year 2020, FY 2020-2021. With new construction, total assessed valuations increased 6.6% for the tax year. Cities are statutorily allowed to set a primary property tax rate that would allow for 2% annual growth in levy (revenue) plus the additional levy generated from new construction. When the City of Flagstaff does not take advantage of the statutorily allowed 2% annual increase, it does not lose the ability to take the increase in the future. For FY 2021-2022 the City of Flagstaff did not adopt a rate that increased our levy by 2% the allowable limit. We are currently at 4% below the maximum allowable levy.

Additional Information

The FY 2021-2022 budget was adopted based on conservative estimates due to an uncertain economy and the continued impacts of the pandemic. At budget adoption, while revenue fluctuations continued in some areas, the City of Flagstaff anticipated seeing moderate increases in General Fund budgeted revenue in FY 2021-2022 (excluding grants and miscellaneous revenue) by less than 1.0%, which reflects increases in local and state revenues. Current projections show the General Fund revenues to exceed budget by 3%. The City of Flagstaff increased its overall staffing count by 24.97 full-time equivalencies for the upcoming fiscal year. This is the first year the City's authorized full-time equivalent staff level exceeded the previous high in 2009.

Flagstaff is a community that is striving in many areas including science and technology, education, real estate and development, arts and culture, tourism, outdoor activities, transportation and health. While NAU reported student enrollment loss this fall, five new student housing developments opened in the last three years. Development within the City continues to be very strong in every sector; residential, commercial, industrial, mixed use and subdivisions. There are twelve subdivisions currently in various stages of development from preliminary plat review to construction. The City operates a municipal airport with two airlines providing service. One airline provides daily service to Phoenix and Dallas while the other airline provides daily service to Denver. The airport and airlines have been greatly impacted during the pandemic. The City was fortunate to receive over $20 million in federal funding which will be used to cover annual operating costs of the airport and enhance COVID-19 protections over the next three to four years.

In June 2020, the City received an AA- stable rating for our certificates of participation bonds from Standards and Poor and Fitch Rating Agency in relation to issuing pension financing. The ability to maintain this rating during an economic recession demonstrates the strength of the City's financial planning including the development of the economic recession plan.

Public Safety Personnel Pension Financing

During FY 2020-2021 the City took action related to our Public Safety Personnel Retirement System (PRPRS) Unfunded Actuarial Accrued Liability (UAAL) for our Police and Fire plans. Since 2003, the City's UAAL has grown and as of the June 30, 2019 actuarial report the balance was $112 million, a debt owed by the City. The City has adopted several policies over the years and were providing over $2 million in excess contributions annually. The policies helped to level off the growth in the UAAL but had little impact in reducing it. During 2020 staff began working with pension bond underwriters and our PSPRS administrative staff to determine how the City could address the pension funding. The team developed a plan and received 100% support of Council to issue pension debt to address our UAAL. On August 5, 2020, the City closed on $131.0 million of Certificates of Participation debt to achieve 100% funded plans for police and fire personnel.

For the pension financing, the City was able to achieve several key objectives:

- 100% funding of the City's public safety pension plan
- Reduce annual debt payments substantially, thereby easing the burden on the City's General Fund
- Level off future payments (the previous pension actuarial schedule had significant increases in annual debt payments in future years)
- Set up a contingency reserve fund to mitigate the risks of changing markets and actuarial assumptions
- Pay off the debt in 20 years versus the original 28-year plan

The City created a Contingency Reserve Fund Policy which was adopted by ordinance. The policy provides formal direction on rules for investments, rules for reserve fund draws, rules for replenishment of the reserve funds and sizing of the reserve funds. The City now has in excess of $14.0 million in its contingency reserve fund to manage changes on our annual actuarial plans.

Earlier this calendar year, the City requested an interim actuarial report from PSPRS. This report shows that the City achieved in excess of 103% funding for the police and fire pension plans. The City was the first agency in Arizona to complete a PSPRS pension financing and since that time dozens of other public safety pension employers have taken similar action to address their own UAALs.

Long-Term Financial Planning

The City's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in the City of Flagstaff's fiscal health. The City of Flagstaff continues to plan in a five-to-ten-year horizon as economic conditions change. Some of these financial plan elements are financial resource planning, multi-year budget planning, strategic capital improvement project planning, financial policy planning and economic recession planning, all of which are further identified below.

Financial Resource Planning
Strategic financial planning begins with determining the City of Flagstaff's fiscal capacity based upon long-term financial forecasts of recurring available revenues. Financial forecasts coupled with financial trend analysis help preserve the fiscal well-being of the City of Flagstaff. Strategic financial capacity planning is a critical element to reach long-term financial stability goals and to determine special financial needs for critical objectives of the City Council.

Multi-Year Budget Planning
Multi-year budget planning encompasses long-range operating expenditure plans (including the operating impacts of capital projects), which are linked to the community expectations and broad goals of the City Council. The multi-year approach provides a better opportunity for staff to change its financial paradigm from what do we need this year to how do we accomplish our service objectives over-time, given our financial capacity. While the City of Flagstaff is required to adopt an annual budget to meet State statutory requirements, the City of Flagstaff builds a financial plan for the next five years to help anticipate future impacts and ensure achievement of City objectives within limited or decreasing resources.

Strategic Capital Improvement Project Planning
City of Flagstaff capital improvement projects are planned for five or more years and analyzed using City of Flagstaff specific prioritization criteria. The operating cost impacts of projects are also planned and considered in developing future operating budget plans. Projects with significant operating impacts are carefully timed to avoid contingent liabilities, which future operating resources cannot meet. Pay-as-you-go funding sources are also conservatively estimated to avoid over-committing to capital construction using revenues that are not certain. To the extent debt financing is used and/or required, capital project plans are sized to conform to existing debt management policies.

Financial Policy Planning
The City of Flagstaff financial policies dictate minimum fund balance levels, as a percentage of operating revenues, for the General, Special Revenue and Enterprise Funds. The General Fund is required to maintain a fund balance of 15% of ongoing revenues and Special Revenue and Enterprise Funds are to maintain a 10% fund balance, as calculated against ongoing revenues. The City has made a commitment to maintain General Fund balance at 20%, exceeding policy, to position the City better in times of economic decline. City Council adopted a Water, Wastewater and Reclaimed Water policy that sets a goal of minimum fund balance at 25% and new rates were recently adopted to achieve this goal.

Economic Recession Planning
The City Budget Team began developing an Economic Recession Plan for the organization in the Fall of 2019. The purpose of the plan is to help understand the indicator and impacts a reduction in revenues will have on the various funds of the City as well as understanding the roles of unrestricted fund balance and contingencies have in economic planning. The plan further develops remedial action to be taken based on the amount of revenues being impacted. There are five stages of the plan, Alert/Minor, Moderate, Significant, Major and Crisis. The plan was adopted by Council in April 2020.

Higher Performing Government

During FY 2018-2019, staff introduced the concept of a Higher Performing Government to City Council. While we value that the City of Flagstaff is a high performer in many services we offer, this concept will help elevate the entire organization to perform at its highest levels.

In FY 2019-2020, the City implemented the first phase of our journey to a Higher Performing Government by approving a contract for Priority Based Budgeting. Priority Based Budgeting is a leading best practice in local governments and a powerful lever for change. ResourceX provides the software solution and

powerful analytic tools to implement a Priority Based Budget using data and evidence to transparently and exponentially improve results for citizens and the community.

The underlying philosophy of priority-driven budgeting is about how a government entity should invest resources to meet its stated priorities. It helps us to better articulate why the services we offer exist, what is the price we pay for them, and, consequently, what value they offer citizens. The principles associated with this philosophy of budgeting are: to prioritize services, do the important things well, look at and evaluate past patterns of spending, spend within the organization's means, know the true cost of doing business, provide transparency of community priorities, provide transparency of service impacts and to be accountable for the results.

Key Community Priorities and Objectives

Below are the current Key Community Priorities and Objectives for the City of Flagstaff:

High Performing Governance

- Serve the public by providing high quality customer service
- Foster community-wide clear and consistent communication strategies and products
- Encourage public trust through transparency, accessibility and use of the City's public participation policy
- Enhance the organization's fiscal stability and increase efficiency and effectiveness
- Implement innovative local government programs, new ideas and best practices; be recognized as a model for others to follow
- Be an employer of choice through inclusive recruitment and by providing employees with the necessary tools, training, support and compensation

Safe and Healthy Community

- Enhance community engagement and strengthen relationships between the community and public safety services
- Support social services, community partners and housing opportunities
- Provide alternative responses, resources and programs, inclusive of mental health and other services
- Provide public safety services with resources, staff and training responsive to the community's needs
- Promote physical health through providing recreation opportunities, parks, open space and multiple transportation options
- Ensure the built environment is safe through the use of consistent standards, rules and regulations, and land use practices

Inclusive and Engaged Community

- Foster community pride and civic engagement by increasing opportunities for public involvement, in line with best practices and legal requirements
- Advance social equity and social justice in Flagstaff by supporting social services
- Facilitate and foster diversity and inclusivity, including support of anti-racist policies and practices
- Enhance community involvement, education and regional partnerships to strengthen the level of public trust

- Ensure City facilities, services, and programs are accessible for all residents and representative of Flagstaff's diverse community
- Promote environmental justice and the fair distribution of environmental benefits

Sustainable, Innovative Infrastructure

- Deliver outstanding services to residents through a healthy, well maintained infrastructure system
- Utilize existing long- range plan(s) that identify the community's future infrastructure needs and all associated costs
- Provide effective management of and infrastructure for all modes of transportation
- Facilitate and develop carbon-neutral energy opportunities
- Support the community's social infrastructure needs; assist those partner organizations that provide services the City does not

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
- Maintain and enhance an equitable and effective business recruitment, retention, and expansion program throughout the community
- Enhance understanding between the development community, the City and Flagstaff residents
- Attract employers that provide high quality jobs and have a low impact on infrastructure and natural resources
- Enhance the community's workforce development programs and improve partnerships with higher education institutions and the private and public sectors
- Embrace and invest in responsible tourism opportunities to promote economic development

Livable Community

- Create a welcoming community through partnerships, resilient neighborhoods, and civic engagement
- Provide amenities and activities that support a healthy lifestyle
- Support regional partners which provide equitable and inclusive educational opportunities for Flagstaff residents of all ages
- Actively support attainable and affordable housing through City projects and opportunities with developers
- Support diverse employment opportunities that provide residents with a living wage
- Achieve a well-maintained community through comprehensive and equitable code compliance, and development that is compatible with community values

Environmental Stewardship

- Promote, protect and enhance a healthy, sustainable environment and its natural resources
- Engage community members through education and volunteer opportunities
- Implement sustainable building practices, enhance waste diversion programs, alternative energy programs and multi-modal transportation options
- Increase the private sector's participation in environmental stewardship efforts
- Implement, maintain and further the Climate Action and Adaptation Plan (CAAP) with awareness
- of social inequities

- Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, and social systems

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Flagstaff for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the 27th consecutive year that the City has achieved this prestigious award. In order to receive a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for our fiscal year 2020-2021 annual budget (27 years in a row). To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

In addition, in 2021, the City received the Achievement in Excellence in Procurement award for the tenth year in a row by the National Purchasing Institute. This award program is designed to recognize organizational excellence in public procurement measuring innovation, professionalism, productivity, e-procurement and leadership attributes.

The preparation of this report would not have been possible without the skill, effort and dedication of the entire staff of the Management Services Division. A special note of appreciation is given to Brandi Suda, Finance Director, Heidi Derryberry, Assistant Finance Director and the dedicated staff in Finance for their efforts to prepare this year's report. The hard work of staff brings together a document that consistently receives recognition of its quality. We wish to thank all government divisions for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and Council for their support for maintaining the highest standards of professionalism in the management of the City of Flagstaff finances.

Respectfully submitted,



Rick Tadder
Management Services Director/City Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Flagstaff
Arizona

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020



Executive Director/CEO



FLAGSTAFF COMMUNITY

Purchasing Director
Revenue Director
Finance Director
Information Technology Director
Court Administrator
Presiding Magistrate
Capital Improvements
Development Engineering
Management Services Director
City Clerk
City Council
Construction Inspection & Testing
Transportation Engineering
Deputy City Manager
City Manager
City Attorney
Engineering & Capital Improvements
Housing Director
Public Affairs Director
Community Development Director
Water Services Director
Sustainability Director
Risk Management Director
Deputy City Manager
Real Estate Manager
Planning Director
Economic Vitality Director
Public Works Director
Human Resources Director
Police Chief
Water Resources Manager
Regulatory Compliance Manager
Recruitment & Benefits Manager
Fire Chief
Streets Maintenance Director
Deputy Police Chief
Engineering Manager
Airport Director
Compliance & Training Manager
Solid Waste Director
Deputy Fire Chief
Operations Director
Library Director
Class & Compensation
Deputy Police Chief
Stormwater Manager
Facilities Director
Deputy Fire Chief
Community Investment Director
CVB Director
Fleet Director
Parks, Rec & Open Space Director
Deputy Fire Chief

CITY OF FLAGSTAFF ARIZONA ESTABLISHED 1882

DIVISION DIRECTORS & REPORTS

City of Flagstaff, Arizona
List of Elected and Appointed Officials
June 30, 2021

Elected Officials

Mayor	Paul Deasy
Vice Mayor	Becky Daggett
Councilmember	Austin Aslan
Councilmember	Jim McCarthy
Councilmember	Regina Salas
Councilmember	Adam Shimoni
Councilmember	Miranda Sweet

Appointed Officials

City Manager	Greg Clifton
City Attorney	Sterling Solomon
City Treasurer	Rick Tadder
City Clerk	Stacy Saltzburg


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of Flagstaff, Arizona
Flagstaff, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagstaff, Arizona (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagstaff, Arizona as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and respective budgetary comparison schedules of the General Fund, Highway User Revenue Fund and Transportation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information for the City's pension plans and other postemployment benefits (as listed in the table of contents) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, supplemental information and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the supplemental information (capital assets used in the operations of the governmental funds, budgetary comparison schedules for nonmajor governmental funds and the financial data submission schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 16, 2021


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

Management Discussion and Analysis

As management of the City of Flagstaff (the City), we offer readers of the City's Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii –xii of this report.

Financial Highlights

- The City's total net position at the close of the most recent fiscal year is $699.6 million.
- The government's total net position increased by $50.2 million during the fiscal year. This is a result of an increase in net position in the governmental activities of $30.6 million and an increase in net position in the business type activities of $19.6 million.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of $178.9 million, an increase of $39.0 million in comparison to the prior fiscal year. Approximately 31.5% of this total amount ($56.4 million) is unassigned fund balance available for spending at the government's discretion.
- As of June 30, 2021, total unassigned fund balance for the General Fund was $56.8 million, or 101.9% of total General Fund expenditures ($55.7 million).
- As of June 30, 2021, the City's proprietary funds reported combined total net position of $388.3 million, and total unrestricted of $38.4 million. The largest unrestricted component of net position is in the Water and Wastewater Fund ($46.7 million).

Overview of The Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements. This report also contains other Supplemental Information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, which equal net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as revenues pertaining to uncollected taxes or expenses pertaining to earned but unused vacation leave.

Both Government-wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The sections are demonstrated in the table on the following page.

Governmental Activities		Business-type Activities
Beautification	Human Resources	Airport
Cemetery	Information Services	Environmental Services
City Attorney	Library	Housing Authority
City Council	Municipal Courts	Stormwater
City Manager	Parks	Wastewater
Community Development	Police	Water
Economic Development	Recreation	
Facilities Maintenance	Risk Management	
Financial Services	Streets and Transportation	
Fire	Tourism	
Fleet Management		

The Government-wide Financial Statements can be found on pages 17-19 of this report.

Fund Financial Statements

The Fund Financial Statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities.

The City maintains several individual governmental funds organized according to their type (Special Revenue, Capital Projects and Debt Service). Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, COVID Relief Fund, Highway User Revenue Fund (HURF), Transportation Tax Fund, Pension Bond Debt Service Fund and Capital Projects Bond Construction Fund, which are all considered major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of Combining Statements on pages 102-105.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Enterprise Funds. A budgetary comparison statement has been provided for the General and Special Revenue major governmental funds to demonstrate compliance with the respective budgets.

The basic Governmental Fund Financial Statements can be found on pages 20-30 of this report.

Proprietary Funds
Proprietary Funds are generally used to account for services for which the City charges customers – either outside customers, or divisions of the City. Proprietary Funds provide the same type of information shown in the Government-wide Financial Statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise Funds** are used to report the same function presented as business-type activities in the Government-wide Financial Statements. The City uses Enterprise Funds to account for Water and Wastewater, Airport, Environmental Services, Stormwater and the Housing Authority. All are major funds of the City except for the Airport and Housing Authority Funds.
- **Internal Service Funds** are used to report activities that provide supplies and services for certain City programs and activities. The City uses an Internal Service Fund to account for its workers compensation, health insurance, other risk related activity, including claims adjustment, and general liability and property insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-wide Financial Statements. The Internal Service Fund is combined into a single, aggregated presentation in the Proprietary Fund Statements.

The Basic Proprietary Fund Financial Statements can be found on pages 32-39 of this report. The non-major Proprietary Fund Finance Statements are found on pages 107-110.

Notes to the Financial Statements
The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the Financial Statements can be found on pages 40-87 of this report.

Combining Statements
The Combining Statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented on pages 102-110.

Other Information
In addition to the Basic Financial Statements and accompanying Notes to the Financial Statement, this report also presents certain other Supplemental Information concerning the City's capital asset activity, budgetary comparison of other major and non-major governmental funds and financial data submission schedules. Other Supplemental Information can be found on pages 112-140 of this report.

Government-wide Statements Financial Analysis

Analysis of Net Position
As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $699.6 million as of June 30, 2021.

Of the City's Net Position, 91.6% reflects its investment of $641.0 million in capital assets (e.g., land, buildings and equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Net Position
June 30, 2021 and 2020 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Current and other assets	$ 204,132	$ 160,100	$ 76,406	$ 78,817	$ 280,538	$ 238,917
Capital assets	357,520	349,247	387,325	366,873	744,845	716,120
Total assets	561,652	509,347	463,731	445,690	1,025,383	955,037
Total deferred outflows of resources	139,121	29,404	3,521	2,738	142,642	32,142
Long-term liabilities	347,932	222,051	67,337	68,735	415,269	290,786
Other liabilities	36,103	26,905	10,918	9,031	47,021	35,936
Total liabilities	384,035	248,956	78,255	77,766	462,290	326,722
Total deferred inflows of resources	4,877	8,530	1,214	2,446	6,091	10,976
Net investment in capital assets	291,277	275,765	349,763	326,374	641,040	602,139
Restricted	115,108	90,040	123	-	115,231	90,040
Unrestricted	(94,524)	(84,540)	37,897	41,842	(56,627)	(42,698)
Total net position	$ 311,861	$ 281,265	$ 387,783	$ 368,216	$ 699,644	$ 649,481

Total assets increased mainly due to the net change in capital assets, cash, investments and equivalents and restricted cash and investments. Total liabilities increased primarily due to an increase in advanced revenue, bonds, notes and lease payables, OPEB liability and net pension liability.

A portion of the City's net position, $115.2 million (16.5%), represents resources that are subject to external restriction on how they may be used. The unrestricted component of net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in two categories of net position for governmental and all categories for business-type activities.

Current assets for governmental activities have increased by 27.5% ($44.0 million). The largest increase was in cash, investments and equivalents ($43.7 million) mainly due to an increase in the general fund of $19.9 million, an advance payment of $6.6 million in COVID relief funding and $13.6 million in the transportation tax fund due to projects which were delayed. Capital assets, depreciable, net increased $15.4 million due to several large capital projects being complete during the fiscal year. Restricted cash and investments increased $5.6 million mainly due to pension bond reserves. These increases were offset by a reduction in intergovernmental receivables ($6.7 million) and internal balances ($2.0 million).

Deferred outflows of resources for the governmental activities have increased $109.7 million and is mainly related to the pension/OPEB related deferred outflows. This increase is mainly due to the additional contribution to the Public Safety Personnel Retirement System (PSPRS) to payoff of the City's pension liability.

Capital assets of the governmental activities, funded through operations, debt proceeds, grants and contributions increased by 2.4% ($8.3 million) due to several large capital outlays and capital contributions. Major capital outlays include the Courthouse ($5.1 million), Road Repair and Street Safety projects ($4.6 million) and the Fourth Street reconstruction ($1.5 million).

Governmental activities long-term liabilities increased by 56.9% ($126.2 million) mainly due to an increase in long-term debt (bonds, notes, leases) with the issuance $131.0 million of certificates of participation, offset by regular scheduled debt service payments. In addition, there was an increase of $7.1 million in pension liability. Other liabilities increased by 32.9% ($8.8 million) primarily due to an increase in retainage

payable ($0.5 million) as well as advanced revenue ($6.7 million). Deferred inflows of resources for governmental activities decreased $3.7 million related to pension/OPEB related deferred inflows.

Total assets for business-type activities have increased by 4.0% ($18.0 million) mainly due to a decrease in internal balances ($2.0 million), an increase in restricted cash and investments ($1.6 million), and non-depreciable capital assets ($21.8 million) offset by a decrease in cash, investments and equivalents ($5.7 million).

Total liabilities for business-type activities increased by 0.6% ($0.5 million). Major changes include an increase of net pension liability ($2.3 million) and decrease in bonds, notes and leases payable ($3.1 million).

Overall, the business-type net position has increased by 5.3% ($19.6 million) due to an increase of $23.4 million in net investment in capital assets and a decrease in unrestricted net assets of $3.9 million. The changes are primarily in the water and wastewater fund, and stormwater fund.

Analysis of Change in Net Position

The City's overall net position has increased by $50.2 million during the current fiscal year. These increases are explained in the governmental and business-type activities discussion to follow.

Changes in Net Position
For the Years Ended June 30, 2021 and 2020 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Revenues						
Program Revenues:						
Charges for services	$ 12,054	$ 11,830	$ 53,325	$ 49,979	$ 65,379	$ 61,809
Operating grants and contributions	11,137	15,851	8,369	6,827	19,506	22,678
Capital grants and contributions	14,729	11,978	11,477	6,001	26,206	17,979
General Revenues:						
Property taxes	14,359	14,101	-	-	14,359	14,101
Sales taxes	69,893	60,666	-	-	69,893	60,666
State shared taxes	23,959	20,664	-	-	23,959	20,664
Investment earnings	(565)	5,415	545	1,160	(20)	6,575
Other	976	672	247	198	1,223	870
Total revenues	146,542	141,177	73,963	64,165	220,505	205,342
Expenses						
General government	17,978	18,404	-	-	17,978	18,404
Public safety	44,568	44,263	-	-	44,568	44,263
Public works	1,789	2,131	-	-	1,789	2,131
Economic and physical development	11,844	11,020	-	-	11,844	11,020
Culture and recreation	13,206	15,632	-	-	13,206	15,632
Highways and streets	19,487	17,417	-	-	19,487	17,417
Interest on long-term debt	4,009	2,076	-	-	4,009	2,076
Water	-	-	18,668	18,421	18,668	18,421
Wastewater	-	-	9,951	9,552	9,951	9,552
Reclaimed	-	-	603	494	603	494
Environmental	-	-	13,269	12,644	13,269	12,644
Airport	-	-	5,343	5,553	5,343	5,553
Housing Authority	-	-	8,032	7,688	8,032	7,688
Stormwater	-	-	1,595	1,431	1,595	1,431
Total expenses	112,881	110,943	57,461	55,783	170,342	166,726
Increase in net position before transfers	33,661	30,234	16,502	8,382	50,163	38,616
Transfers	(3,065)	(2,059)	3,065	2,059	-	-
Change in net position	30,596	28,175	19,567	10,441	50,163	38,616
Net position at beginning of year	281,265	253,090	368,216	357,775	649,481	610,865
Net position at end of year	$ 311,861	$ 281,265	$ 387,783	$ 368,216	$ 699,644	$ 649,481

Governmental Activities

Governmental activities increased the City's net position by $30.6 million. The key factors for this increase are as follows:

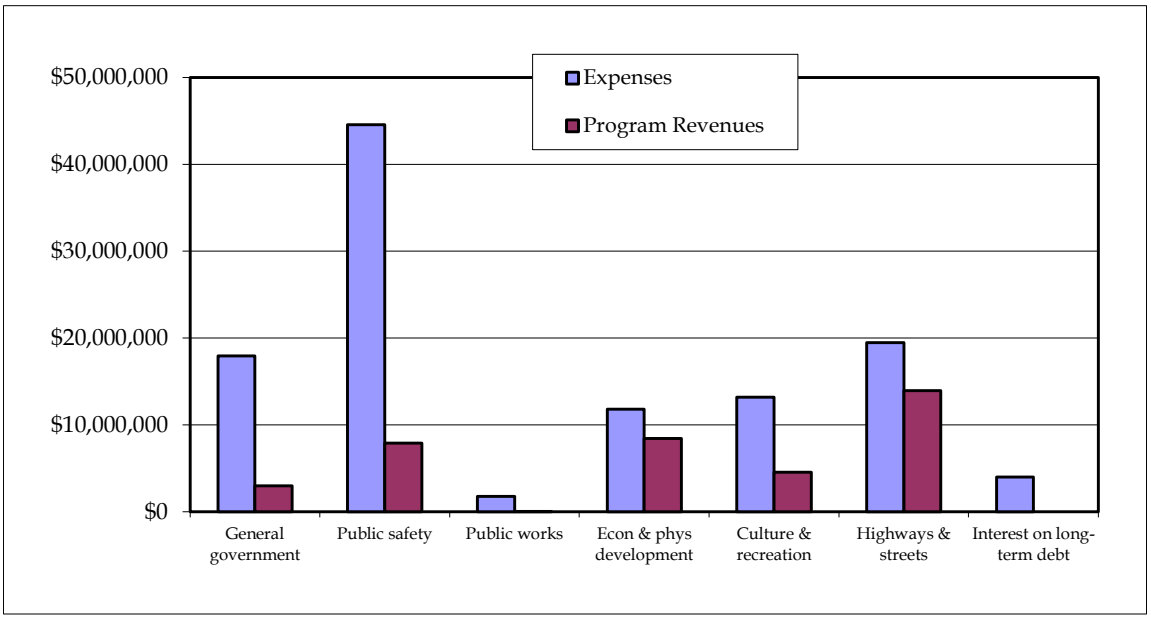
- Revenues exceeded expenses by $33.7 million as compared to last year of $30.2 million.
- Charges for services increased 1.9% ($224,000) related primarily to an increase in building permits.
- Operating grants and contributions decreased 29.7% ($4.7 million) due primarily to AZ Cares public safety grants received in the prior year.
- Capital grants and contributions increased 23.0% ($2.8 million) mainly due to an increase in HURF revenues as well as an increase in capital asset contributions as compared to the previous year.
- Property taxes increased 1.8% ($258,000) mainly due to an increase in City secondary property taxes levied for debt service.
- City sales tax revenues increased by 15.2% ($9.2 million) mainly due to declines in sales tax revenues experienced in the prior year due to the global pandemic.
- State shared taxes had a 15.9% increase due mainly to increases in state sales tax and auto lieu tax.
- Expenses have increased by $1.9 million (1.7%). The increases were in public safety ($0.3 million), economic and physical development ($0.8 million), highways and streets ($2.1 million) and interest on long-term debt ($1.9 million). The decreases were in general government ($0.4 million), public works ($0.34 million) and culture and recreation ($2.4 million).

Business-type Activities

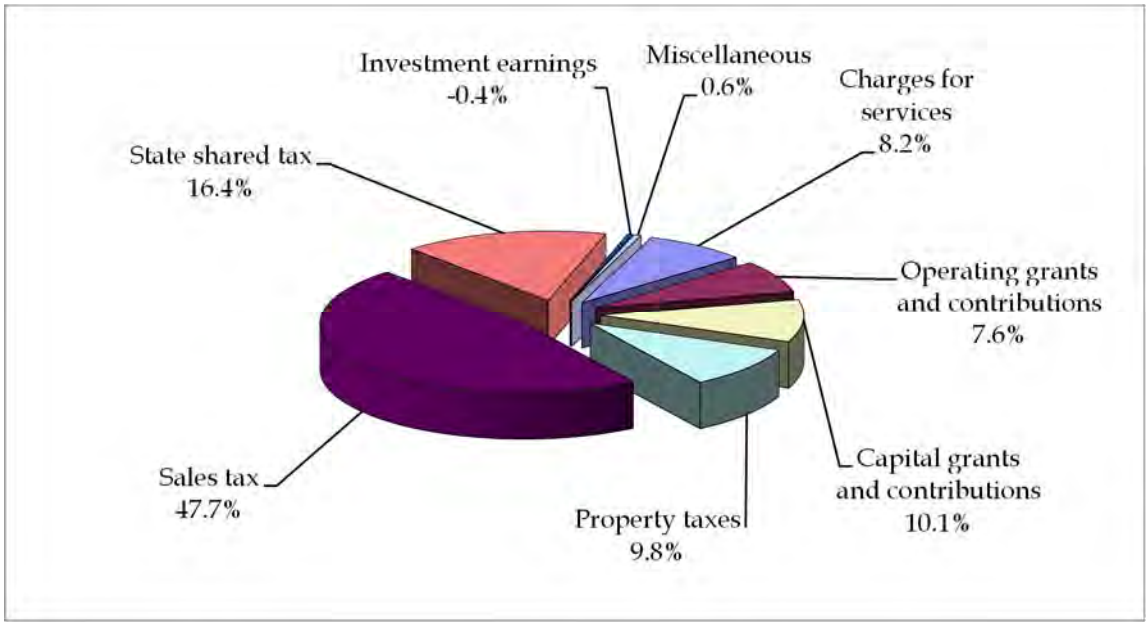
Business-type activities had a net position increase of $19.6 million. The key factors for this increase include:

- Charges for service have increased by 6.7% ($3.3 million). Funds with increases include Water and Wastewater ($1.9 million) and Environmental Services ($1.4 million).
- Operating grants and contributions have increased by 22.6% ($1.5 million) due to the new Airport Cares operating grant.
- Capital grants and contributions have increased by 91.3% ($5.5 million) due to an increase in utility capacity fees and developer contributed capital.
- Expenses have increased over the prior year by 3.0% ($1.7 million). There were increases in the Water and Wastewater Fund ($0.8 million), Housing Authority Fund ($0.3 million), Stormwater ($.2 million) and Environmental Services ($0.6 million).

Expenses and Program Revenues by Function – Governmental Activities



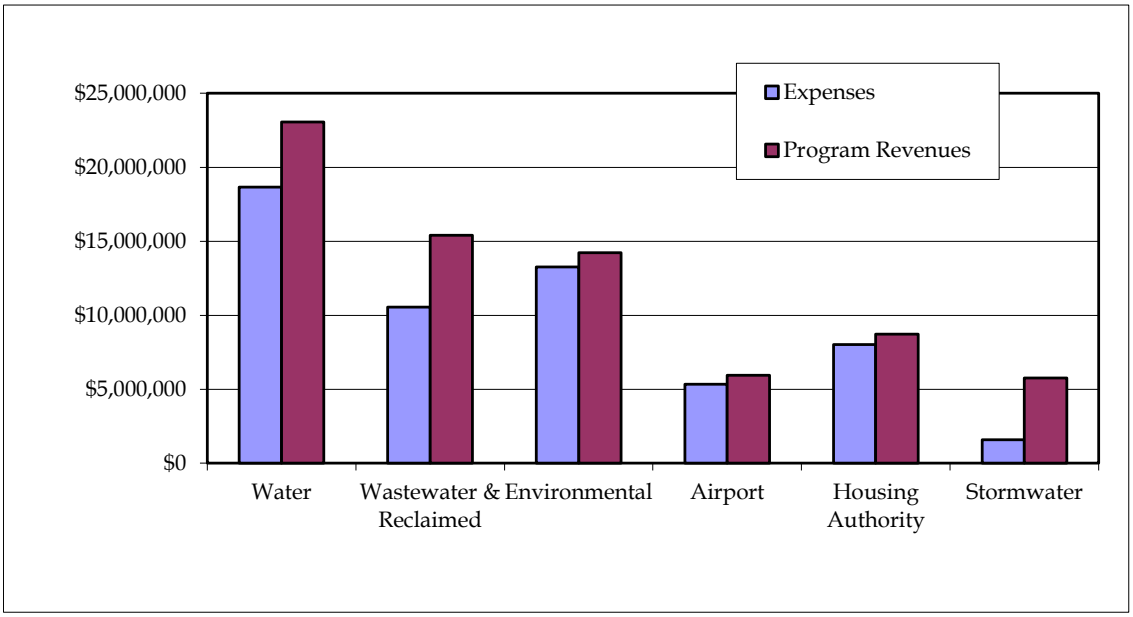
Revenues by Source – Governmental Activities



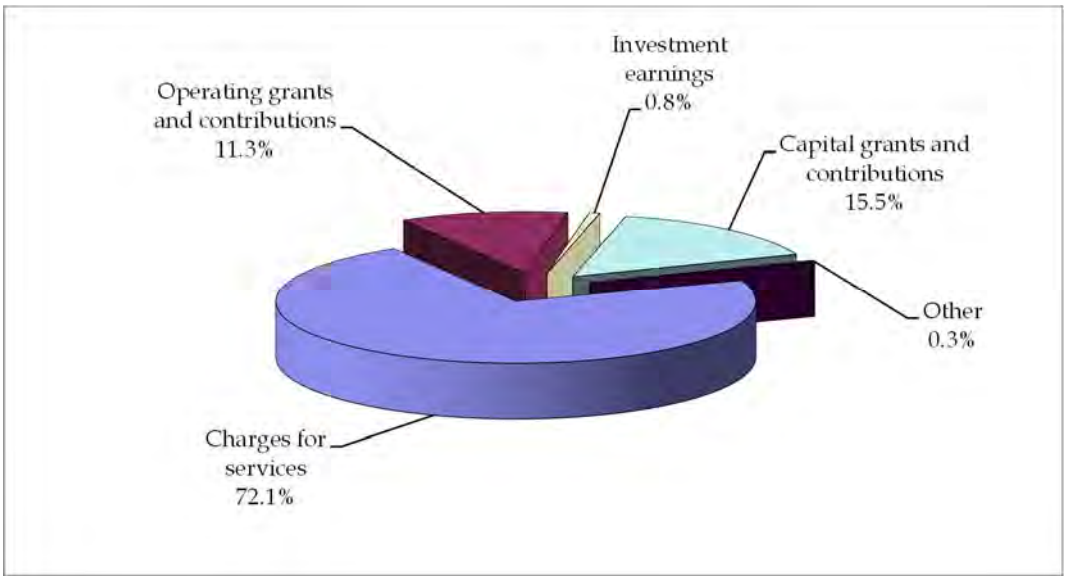
As shown, Public Safety is the largest function as measured by expense ($44.6 million, 39.5%) followed by Highways and Streets ($19.5 million, 17.3%) and General Government ($18.0 million, 15.9%).

General revenues such as sales taxes, state shared taxes and property taxes are not shown by program but are effectively used to support program activities Citywide. For governmental activities overall, without regard to program, sales tax is the largest single source of funds ($69.9 million, 47.7%), followed by state shared tax ($24.0 million, 16.4%) and capital grants and contributions ($14.7 million, 10.1%). The top three revenues make up 74.2% of total revenues compared to last year's top three of 68.8%. The top three revenues last year were sales tax, state shared tax and operating grants and contributions.

Expenses and Program Revenues by Functions – Business-type Activities



Revenues by Source – Business-type Activities



As shown, Water has expenses of $18.7 million for the fiscal year, followed by Environmental Services with $13.3 million, Wastewater and Reclaimed with $10.6 million, Housing Authority with $8.0 million, Airport with $5.3 million and Stormwater with $1.6 million. For the fiscal year, program revenue exceeded expenses for the Water, Wastewater and Reclaimed, Environmental Services, Airport, Housing Authority and Stormwater Funds. Water, Wastewater and Reclaimed, Environmental Services, Stormwater and Airport Funds received most of their program revenues through charges for services (80.0%, 99.9%, 76.6% and 26.0% respectively). The Housing Authority Fund receives most of its program revenue through operating grants and contributions (65.4%). Charges for services provided the largest share of revenues (72.1%) for all the business-type activities, followed by capital grants and contributions (15.5%) and operating grants and contributions (11.3%).

The expenses for the business-type activities increased (3.0%, $1.7 million). There were increases in Water (1.3%, $0.2 million), Wastewater and Reclaimed (5.1%, $0.5 million), Environmental Services (4.9%, $0.6 million), Housing Authority (4.5%, $0.3 million) and Stormwater (11.4%, $0.2 million), offset by decreases in Airport (3.8%, $0.2 million).

The water, wastewater and garbage collection user fees rate were increased on January 1, 2020, and Stormwater user fees were increased on July 1, 2019. Water, Wastewater and Reclaimed, Environmental Services, Housing Authority and Stormwater Funds increased charges for service revenue at 5.6%, 8.2%, 10.6%, 5.61% and 0.7%, respectively. Airport charges for service revenues decreased by 5.6% over the prior year.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

At the end of the fiscal year, the City's Governmental Funds reported combined ending fund balances of $178.9 million, an increase of $39.0 million in comparison to the prior year. Approximately $56.4 million of the total ending fund balance constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is (1) nonspendable ($0.7 million) for inventory and perpetual care, (2) restricted ($113.4 million) for special revenue funds, debt service, development fee projects, court improvements and operations, grant purposes, perpetual care and capital projects, and (3) assigned ($8.4 million) for court services, capital reserves, parking district and real estate.

Revenues for governmental functions overall totaled $142.2 million in the fiscal year ended June 30, 2021, which represents an increase of 2.4% or $3.3 million from the prior fiscal year. Several revenue categories show increases over prior year including taxes, intergovernmental, charges for services, licenses and permits, contributions and miscellaneous. These increases include taxes (12.6%, $9.5 million), intergovernmental (13.3%, $3.4 million), charges for services (1.9%, $0.08 million), licenses and permits (3.9%, $0.2 million), contributions (27.2%, $0.3 million) and miscellaneous (74.5%, $0.4 million). The increase in taxes is due to steady growth in our local economy. The major decreases in revenue categories include grants and entitlements (21.8%, $4.2 million), fines and forfeitures (23.4%, $0.3 million), rents (2.2%, $32,000) and investment earnings (111.1%, $6.0 million).

Expenditures for governmental functions ($235.3 million) increased by 70.9% ($97.6 million) from the prior fiscal year. Most of the increase in expenditures is related to public safety (283.3%, $110.3 million) which is mainly due to an additional contribution to PSPRS to pay the City's pension liability, and highways and streets (22.1%, $1.7 million). Debt service expenditures increased 31.1%. Operating expenditures increased (119.5%, $108.0 million) which is related to decreases in general government, public works, economic and physical development and culture and recreation, partially offset by an increase in public safety and highways and streets.

In the fiscal year ended June 30, 2021, expenditures for governmental functions exceeded revenues by approximately $93.2 million.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $56.8 million. As a measure of liquidity, it may be useful to compare total unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 101.9% of General Fund expenditures.

The total fund balance in the City's General Fund increased by $12.4 million during the fiscal year as revenue increased 2.7% and expenditures decreased 6.5%. Overall, the General Fund's performance resulted in revenues in excess of expenditures in the fiscal year ended June 30, 2021, of $16.9 million. This is an increase of approximately $5.8 million over the comparable figure from the prior year which resulted in revenue in excess of expenditures of $11.1 million.

The COVID Relief Fund accounts for the receipt and expenditures of the City's allocation of the Coronavirus Aid, Relief, and Economic Security Act (CARES) funding as well as the City's allocation of the American Rescue Plan Act (ARPA) funding. This fund has no fund balance and was not budgeted for as part of the FY 2020-2021 budget.

HURF Fund balance decreased by $0.2 million or 2.0%. Revenues increased $0.5 million or 5.9% due mainly to an increase in grants and entitlements. Expenditures decreased $5.5 million or 34.4% due to various street improvements and capital projects including the Fourth Street bridge replacement in the prior fiscal year.

Transportation Fund balances increased by $11.3 million. Revenues increased $3.1 million due to taxes. Expenditures decreased $1.1 million due to the timing of capital expenditures. Other financing sources and uses decreased $7.3 million.

Pension Bonds Fund is a new fund that accounts for the consolidation of public safety pension requirements. This includes the accumulation of resources for, and the payment of, long-term obligation principal and interest. Total revenue and other financing sources totaled $134.8 million which includes $131.0 million of bond proceeds. The fund balance totals $14.3 million.

Capital Projects Bond Construction Fund balance decreased by $2.9 million. This fund has minimal revenues. Expenditures decreased $6.9 million or 50.6% due to the completion of construction of the Courthouse project.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. At the end of the fiscal year, the unrestricted component of net position had positive balances for Water and Wastewater and Environmental Services. The Stormwater Fund had a deficit unrestricted balance at year end due to beginning a major construction project prior to the issuance of the related debt. The Internal Service Fund, which is used to account for risk management and health insurance activities, had an unrestricted net position of $4.7 million.

Revenues and transfers exceeded expenses and transfers out in the proprietary funds by $19.5 million for the fiscal year ended June 30, 2021. Water and Wastewater, Stormwater, Environmental Services, Airport and Housing Authority had growth in their net position for the fiscal year ended June 30, 2021. A major part of the overall increase was related to capital contributions related to grants and external sources ($12.2 million).

Budget Highlights

The City's final budget matches the original budget which was approved by Council in June 2020. The City looks at the budget to actual at the division level and no division exceeded its appropriation. There were two revenue transfers that were greater than budgeted. A General Fund transfer to the Pension Bond Fund ($1.7 million) for debt service payment costs and a transfer to the Airport ($1.9 million) for construction of the parking lot expansion.

The General Fund was 6.4% ($4.5 million) over the final budgeted total revenues primarily due to taxes, intergovernmental, licenses and permits by $3.5 million, $2.3 million and $2.3 million, respectively offset by grants and entitlements of $3.2 million.

Expenditures are under budget in all divisions due to controlled spending and carryover of some capital projects. The divisions that are under budget by larger amounts are related to capital purchases or projects budgeted but not completed. Transfers in are less than budget while transfers out were above budget as many transfers are based on the actual year end expenditure, except for the transfers noted above.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets (net of accumulated depreciation) for governmental and business-type activities as of June 30, 2021, amount to $744.8 million. They include land, buildings, infrastructure, improvements, machinery and equipment, and construction in progress. The total net increase in capital assets for the current year was 4.0% ($28.7 million). The following table reflects the capital assets at year end.

Capital Assets, Net of Depreciation
June 30, 2021 and 2020 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Land and other non-depreciable assets	$ 68,421	$ 67,846	$ 15,453	$ 15,387	$ 83,874	$ 83,233
Buildings	91,306	74,425	42,429	44,722	133,735	119,147
Improvements	4,000	5,787	259,399	259,377	263,399	265,164
Machinery and equipment	11,413	11,079	22,401	21,498	33,814	32,577
Infrastructure	157,746	157,785	-	-	157,746	157,785
Construction in progress	24,634	32,325	47,643	25,889	72,277	58,214
Total	$ 357,520	$ 349,247	$ 387,325	$ 366,873	$ 744,845	$ 716,120

Construction-in-progress had a net increase of 24.2% ($14.1 million). Major completed construction-in-progress includes the completion of the Courthouse ($19.8 million), Sheep Crossing trail ($1.8 million), Industrial/Fanning ($2.0 million), Woody Mountain clarifier ($0.7 million), Fir Avenue water line replacement ($0.8 million) and Industrial/Fanning ($0.9 million). The increase to buildings ($14.6 million) is related to depreciation offset by several additions including the Courthouse ($19.8 million). The decrease in improvements ($1.8 million) is related mainly to developer contributed capital less depreciation expense. Machinery and equipment increased by $1.2 million mainly due to numerous vehicle and heavy equipment purchases. Infrastructure decrease ($0.04 million) is related mainly to mill and overlay ($2.0 million), and developer contributed infrastructure ($4.0 million) offset by depreciation expense.

For Government-wide Financial Statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Fund Financial Statements record capital asset purchases as expenditures. Please refer to Note III C on pages 55-56 of the Notes to the Financial Statements for further information regarding capital assets.

Long Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of $230.6 million. Of this amount, $40.3 million is general obligation bonds backed by the full faith and credit of the City, $41.2 million is revenue bonds, $136.8 million is for certificates of participation, and $12.3 million are outstanding leases or loans for the Flagstaff Watershed Protection Project, Airport, water and wastewater, and City-wide energy conservation improvements.

Outstanding Debt
June 30, 2021 and 2020 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
General obligation debt	$ 39,287	$ 44,893	$ 1,016	$ 1,092	$ 40,303	$ 45,985
Revenue bonds	18,005	21,180	23,202	24,750	41,207	45,930
Other debt	133,115	3,845	3,705	3,795	136,820	7,640
Lease/Loans	4,264	1,363	8,044	9,431	12,308	10,794
Total debt payable	$ 194,671	$ 71,281	$ 35,967	$ 39,068	$ 230,638	$ 110,349

During FY 2020-2021, the City's total debt increased by a net $120.3 million. The City issued $131.0 million in general obligation bonds and $3.1 million of loans for the Flagstaff Watershed Protection Project. All remaining debt decreases are due to annual scheduled debt service payments.

The State constitution imposes certain debt limitations on the City of six percent (6%) and twenty percent (20%) of the outstanding assessed valuation of the City. The City's available debt margin on June 30, 2021, is $58.8 million in the 6% category and $155.6 million in the 20% capacity. The allowable debt increased from prior year due to higher assessed valuations and decreasing debt balances. Additional information on the Debt Limitations and Capacities may be found in Schedule 16 in the Statistical Section of this report.

During the year, the City maintained the following bond ratings:

Type	Standard & Poor's	Moody's Investor's Service	Fitch
General Obligation Bonds	AA	Aa2	Not Available
Revenue Bonds	AA-	Not Available	Not Available
Certificates of Participation	AA-	Not Available	AA-

Additional information on the City's long-term debt can be found in Section III F on pages 59-68 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget and Rates

The Fiscal Year 2021-2022 budget preparation was influenced by the following factors:

- The City's General Fund budget was approved with no structural deficit in ongoing expenditures exceeding ongoing revenues.
- Unrestricted fund balance in the General Fund continues to be above the fiscal policy of 15% of operating revenues. It is currently projected to be 26.3%.
- Building permits exceeded budget in fiscal year 2020-2021 by $1.8 million. However, we remain conservative in our projections for FY 2021-2022 as we rely on these types of revenues as a one-time impact rather than an ongoing source of funding.
- The focus of the FY 2021-2022 budget was the City's key community priorities related to high performing governance, safe and health community, inclusive and engaged community, sustainable, innovative infrastructure, robust resilient economy, livable community and environmental stewardship.
    - The FY 2021-2022 budget includes a merit pay increase, new positions related to capacity needs, infrastructure and economic development funding and services to support the most vulnerable.
    - Some of the larger items are $67.9 million for transportation improvements, $33.6 million programmed for water, wastewater and reclaimed capital equipment and improvements and $14.7 million in Airport improvements.
- The total authorized positions increased by 24.97 full-time equivalent positions.
- The City continues to monitor the State legislature to be aware of potential budget impacts on cities.
- Property assessments continue to increase at a slow, steady rate. The City increased the primary property tax revenue by approximately $62,000 in FY 2021-2022. The secondary property tax rates decreased to match the required debt service payments.
- The City continues to pursue federal and state grant dollars to enhance the local economy.
- The City continues implementation of the electronic information sharing technology to facilitate transparency in service provision.

Requests for Information

The Financial Report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact:

City of Flagstaff
Finance Section
211 West Aspen Avenue
Flagstaff, AZ 86001

Main (928) 213-2000
Arizona Relay 7-1-1

City of Flagstaff, Arizona
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, investments and equivalents	$ 153,518,678	$ 53,047,285	$ 206,565,963
Accounts receivable, net	18,685,892	6,502,329	25,188,221
Interest receivable	228,451	97,430	325,881
Intergovernmental receivable	2,908,704	1,197,031	4,105,735
Note receivable	275,600	-	275,600
Internal balance	592,689	(592,689)	-
Deposits	-	8,763	8,763
Inventory	410,918	-	410,918
Prepaid items	-	433,077	433,077
Restricted cash and investments	26,284,978	15,712,858	41,997,836
Net OPEB asset	1,225,757	-	1,225,757
Capital assets, non-depreciable	93,055,106	63,096,258	156,151,364
Capital assets, depreciable, net	264,465,352	324,228,578	588,693,930
Total assets	561,652,125	463,730,920	1,025,383,045
Deferred Outflows of Resources			
Deferred outflows related to pensions/OPEB	139,045,936	3,291,674	142,337,610
Deferred charge on debt refundings	74,667	229,129	303,796
Total deferred outflows of resources	139,120,603	3,520,803	142,641,406
Liabilities			
Accounts payable	5,070,298	2,833,374	7,903,672
Accrued payroll	2,863,825	627,521	3,491,346
Construction retainage payable	1,475,318	491,118	1,966,436
Interest payable	1,505,109	438,654	1,943,763
Advanced revenue	7,217,551	451,573	7,669,124
Deposits payable	1,318,601	1,367,765	2,686,366
Noncurrent liabilities:			
Due within one year:			
Compensated absences	2,115,159	470,337	2,585,496
Claims and judgements	36,928	-	36,928
Net OPEB liability	356,634	84,583	441,217
Bonds, notes and leases payable, net	14,143,881	4,152,978	18,296,859
Due in more than one year:			
Compensated absences	2,751,978	471,916	3,223,894
Claims and judgements	79,999	-	79,999
Landfill closure and post-closure care costs	-	15,967,513	15,967,513
Net OPEB liability	7,042,599	1,669,251	8,711,850
Net pension liability	151,799,874	17,455,464	169,255,338
Bonds, notes and leases payable, net	186,257,266	31,772,718	218,029,984
Total liabilities	384,035,020	78,254,765	462,289,785
Deferred Inflows of Resources			
Deferred inflows related to pensions/OPEB	4,876,977	1,213,845	6,090,822
Net Position			
Net investment in capital assets	291,276,562	349,763,437	641,039,999
Restricted for:			
Capital projects	64,376,163	-	64,376,163
Debt service	19,996,866	-	19,996,866
Specific programming	30,359,003	123,252	30,482,255
Perpetual care:			
Expendable	43,521	-	43,521
Nonexpendable	332,373	-	332,373
Unrestricted:	(94,523,757)	37,896,424	(56,627,333)
Total Net Position	$ 311,860,731	$ 387,783,113	$ 699,643,844

The notes to the financial statements are an integral part of this statement

City of Flagstaff, Arizona
Statement of Activities
Year Ended June 30, 2021

			Program Revenues		
	Expenses	**Indirect Expense Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government					
Governmental activities:					
General government	$ 17,978,407	$ 1,281,515	$ 2,431,158	$ 571,357	$ -
Public safety	44,568,463	-	2,134,346	5,217,836	584,459
Public works	1,788,521	232,529	135	-	-
Economic and physical development	11,843,707	535,712	6,560,474	1,375,360	500,000
Culture and recreation	13,206,098	(511,504)	413,078	3,971,980	198,276
Highways and streets	19,486,590	(1,538,252)	514,833	-	13,446,159
Interest on long-term debt	4,009,038	-	-	-	-
Total governmental activities	112,880,824	-	12,054,024	11,136,533	14,728,894
Business-type activities:					
Water	18,668,402		18,463,575	-	4,609,388
Wastewater and reclaimed	10,554,029		12,321,969	-	3,089,016
Environmental	13,268,587		14,231,558	14,997	-
Airport	5,342,801		1,549,584	2,512,232	1,888,926
Housing authority	8,031,804		2,344,871	5,711,660	673,092
Stormwater	1,594,807		4,413,157	129,843	1,216,105
Total business-type activities	57,460,430		53,324,714	8,368,732	11,476,527
Total Primary Government	$ 170,341,254		$ 65,378,738	$ 19,505,265	$ 26,205,421

General revenues, contributions and transfers
General revenues:
Property tax, levied for general purposes
Property tax, levied for debt service
Sales taxes
State shared taxes - unrestricted
Investment earnings
Miscellaneous
Principal contributions to permanent fund
Gain on the disposal of capital assets
Transfers in (out)
Total general revenues, contributions and transfers

Change in net position

Net position - beginning

Net position - ending

The notes to the financial statements are an integral part of this statement

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (16,257,407)	$ -	$ (16,257,407)
(36,631,822)	-	(36,631,822)
(2,020,915)	-	(2,020,915)
(3,943,585)	-	(3,943,585)
(8,111,260)	-	(8,111,260)
(3,987,346)	-	(3,987,346)
(4,009,038)	-	(4,009,038)
(74,961,373)	-	(74,961,373)
-	4,404,561	4,404,561
-	4,856,956	4,856,956
-	977,968	977,968
-	607,941	607,941
-	697,819	697,819
-	4,164,298	4,164,298
-	15,709,543	15,709,543
$ (74,961,373)	$ 15,709,543	$ (59,251,830)
6,972,916	-	6,972,916
7,385,677	-	7,385,677
69,893,143	-	69,893,143
23,958,572	-	23,958,572
(564,917)	545,272	(19,645)
924,099	200,014	1,124,113
19,910	-	19,910
32,710	47,140	79,850
(3,065,224)	3,065,224	-
105,556,886	3,857,650	109,414,536
30,595,513	19,567,193	50,162,706
281,265,218	368,215,920	649,481,138
$ 311,860,731	$ 387,783,113	$ 699,643,844

City of Flagstaff, Arizona
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	COVID Relief Fund	Highway User Revenue Fund
Assets			
Cash and investments	$ 61,998,933	$ 6,626,408	$ 8,952,632
Accounts receivable, net	8,818,313	-	838,517
Interest receivable	101,006	-	11,360
Intergovernmental receivable	1,353,746	-	-
Notes receivable	-	-	-
Interfund receivable	50,508	-	-
Inventory	350,993	-	-
Restricted cash and investments	-	-	-
Total assets	$ 72,673,499	$ 6,626,408	$ 9,802,509
Liabilities, Deferred Inflows and Fund Balance			
Liabilities:			
Accounts payable	$ 2,859,954	$ -	$ 273,596
Accrued payroll and compensated absences	2,460,383	-	111,201
Construction retainable payable	18,617	-	197,213
Advanced revenue	543,309	6,626,408	-
Guaranty and other deposits	1,318,117	-	-
Total liabilities	7,200,380	6,626,408	582,010
Deferred inflows of resources:			
Unavailable revenue - court fines	149,421	-	-
Unavailable revenue - property taxes	243,821	-	-
Unavailable revenue - notes receivable	-	-	-
Unavailable revenue - other revenue	-	-	-
Total deferred inflows of resources	393,242	-	-
Fund balance:			
Nonspendable	350,993	-	-
Restricted	2,956,942	-	9,220,499
Assigned	4,954,453	-	-
Unassigned (deficit)	56,817,489	-	-
Total fund balance	65,079,877	-	9,220,499
Total liabilities, deferred inflows and fund balance	$ 72,673,499	$ 6,626,408	$ 9,802,509

The notes to the financial statements are an integral part of this statement

Transportation Tax Fund	Pension Bond Fund	Capital Projects Bond Construction	Nonmajor Governmental Funds	Total Governmental Funds
$ 51,440,086	$ 3,653	$ 1,032,726	$ 18,607,471	$ 148,661,909
6,382,663	-	-	2,581,349	18,620,842
74,561	573	298	35,474	223,272
654,466	-	21,834	878,658	2,908,704
-	-	-	275,600	275,600
-	-	-	-	50,508
-	-	-	59,925	410,918
1,191,556	14,248,158	2,085,241	8,760,023	26,284,978
$ 59,743,332	$ 14,252,384	$ 3,140,099	$ 31,198,500	$ 197,436,731
$ 1,248,662	$ -	$ 58,007	$ 477,278	$ 4,917,497
-	-	17,155	275,086	2,863,825
464,640	-	794,848	-	1,475,318
-	-	-	42,988	7,212,705
484	-	-	-	1,318,601
1,713,786	-	870,010	795,352	17,787,946
-	-	-	-	149,421
-	-	-	-	243,821
-	-	-	275,600	275,600
-	-	-	81,568	81,568
-	-	-	357,168	750,410
-	-	-	392,298	743,291
58,029,546	14,252,384	2,735,096	26,238,137	113,432,604
-	-	-	3,415,545	8,369,998
-	-	(465,007)	-	56,352,482
58,029,546	14,252,384	2,270,089	30,045,980	178,898,375
$ 59,743,332	$ 14,252,384	$ 3,140,099	$ 31,198,500	$ 197,436,731


CITY OF FLAGSTAFF
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City of Flagstaff
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Activities
June 30, 2021

Fund balances - total governmental funds balance sheet		$ 178,898,375
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets and other long-term assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Net OPEB asset	$ 1,225,757	
Governmental capital assets	639,951,117	
Less: accumulated depreciation	(282,430,659)	358,746,215
Deferred outflows and inflows of resources related to pensions and deferred charges on debt refundings are applicable to future reporting periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions/OPEB	139,045,936	
Deferred outflows related to debt refunding	74,667	
Deferred inflows related to pensions/OPEB	(4,876,977)	134,243,626
For purposes of measuring the net pension liability, the long-term liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.		
ASRS pension benefits	(36,962,792)	
PSPRS pension benefits	(113,342,181)	
EORP pension benefits	(1,494,901)	(151,799,874)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bond and lease payable	(194,670,553)	
Governmental interest payable	(1,505,109)	
Bond discount	116,093	
Bond premium	(5,846,687)	
Other postemployment benefits	(7,399,233)	
Compensated absences	(4,867,137)	(214,172,626)
Certain revenues are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		
Promissory note and miscellaneous revenue	357,168	
Fines and forfeitures	149,421	
Property tax	243,821	750,410
The internal service fund is used by management to charge the cost of self insurance programs to individual funds.		
The assets and liabilities of the internal service fund that are reported with governmental activities.		5,194,605
Net position of governmental activities - statement of net position		$ 311,860,731

The notes to the financial statements are an integral part of this statement

City of Flagstaff, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	COVID Relief Fund	Highway User Revenue Fund
Revenues:			
Taxes	$ 35,652,728	$ -	$ -
Intergovernmental	25,162,689	-	-
Grants and entitlements	2,331,162	1,934,046	9,191,151
Charges for services	2,529,117	-	-
Licenses and permits	5,175,255	-	157,742
Fines and forfeitures	932,592	-	-
Rents	1,094,905	-	-
Investment earnings	(1,253,554)	-	53,877
Contributions	622,078	-	52,795
Miscellaneous	355,316	-	27,424
Total revenues	72,602,288	1,934,046	9,482,989
Expenditures:			
Current:			
General government	12,516,049	-	-
Public safety	30,010,082	1,934,046	-
Public works	1,213,180	-	-
Economic and physical development	5,332,052	-	-
Culture and recreation	5,321,084	-	-
Highways and streets	276,491	-	8,165,758
Debt service:			
Principal retirement	198,342	-	-
Interest and other charges	140,602	-	-
Capital outlay	738,862	-	2,343,624
Total expenditures	55,746,744	1,934,046	10,509,382
Excess (deficiency) of revenues over expenditures	16,855,544	-	(1,026,393)
Other Financing Sources (Uses):			
Sale of capital assets	27,705	-	15,100
Loan issuance	-	-	-
Bond issuance	-	-	-
Transfers in	3,369,672	-	938,745
Transfers out	(7,858,084)	-	(113,000)
Total other financing sources (uses)	(4,460,707)	-	840,845
Net change in fund balances	12,394,837	-	(185,548)
Fund balances, beginning of year	52,685,040	-	9,406,047
Fund balances, end of year	$ 65,079,877	$ -	$ 9,220,499

The notes to the financial statements are an integral part of this statement

Transportation Tax Fund	Pension Bonds Fund	Capital Projects Bond Construction	Nonmajor Governmental Funds	Total Governmental Funds
$ 31,546,550	$ -	$ -	$ 17,040,604	$ 84,239,882
-	-	-	3,837,589	29,000,278
-	-	276,005	1,440,143	15,172,507
-	-	-	1,719,175	4,248,292
-	-	-	3,575	5,336,572
-	-	-	-	932,592
-	-	-	347,855	1,442,760
399,283	12,445	10,763	179,599	(597,587)
265,911	-	-	595,762	1,536,546
8,156	-	-	475,893	866,789
32,219,900	12,445	286,768	25,640,195	142,178,631
3,871,504	-	491,011	-	16,878,564
-	116,760,061	120,377	363,568	149,188,134
-	-	-	-	1,213,180
-	-	22,265	5,164,857	10,519,174
1,458	-	-	5,734,802	11,057,344
536,010	-	-	520,073	9,498,332
3,020,000	1,630,000	-	5,857,200	10,705,542
675,550	2,188,453	-	1,808,249	4,812,854
11,923,342	-	6,134,946	327,560	21,468,334
20,027,864	120,578,514	6,768,599	19,776,309	235,341,458
12,192,036	(120,566,069)	(6,481,831)	5,863,886	(93,162,827)
-	-	-	-	42,805
-	-	3,094,937	-	3,094,937
-	131,000,000	-	-	131,000,000
34,130	3,818,453	474,395	9,175,205	17,810,600
(938,745)	-	(30,075)	(10,810,070)	(19,749,974)
(904,615)	134,818,453	3,539,257	(1,634,865)	132,198,368
11,287,421	14,252,384	(2,942,574)	4,229,021	39,035,541
46,742,125	-	5,212,663	25,816,959	139,862,834
$ 58,029,546	$ 14,252,384	$ 2,270,089	$ 30,045,980	$ 178,898,375

City of Flagstaff
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds		$ 39,035,541
Amounts reported for governmental activities in the statements of activities are different because:		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	$ 21,468,334	
Less current year depreciation	(15,405,083)	6,063,251
Some resources/expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net pension expense related to ASRS	(274,130)	
Net pension expense related to PSPRS	105,412,764	
Net pension expense related to EORP	(204,181)	
Capital related debt issued	(3,094,937)	
Non-capital related debt issued	(131,000,000)	
Compensated absences	(195,499)	
Other postemployment benefits	474,097	
Principal payments on debt	10,705,542	
Interest accrual on debt	168,945	
Refunding loss amortization	(96,004)	
Bond premium/discount amortization	730,875	(17,372,528)
The disposal or contribution of capital assets are not reflected in fund statements but are recorded as revenues or expenses in the statement of activities.		
Gain/loss on disposal of capital assets	(798,567)	
Donated capital assets	4,134,578	
Transfer of capital assets to business-type activities	(1,125,850)	2,210,161
Certain revenues in the governmental funds that provide current financial resources are not included in the statement of activities because they were recognized in a prior period. However, other revenues that are unavailable in the governmental funds because they do not provide current financial resources due to unavailability are recognized in the statement of activities.		
Court (fines and forfeitures)	93,808	
Notes receivable	29,516	
Property tax	11,854	135,178

(continued)

The notes to the financial statements are an integral part of this statement

City of Flagstaff
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Internal service funds are used by management to charge the costs of certain activities, such as the City's self-insurance program to individual funds. The following activities of the internal service fund is reported with governmental activities.

Net allocated income assigned to governmental activities	433,930	
Investment income	32,670	
Miscellaneous income	57,310	523,910
Change in net position of governmental activities - statement of activities		$ 30,595,513

(concluded)

The notes to the financial statements are an integral part of this statement

City of Flagstaff, Arizona
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 31,585,670	$ 31,585,670	$ 35,120,518	$ 3,534,848
Intergovernmental	22,830,008	22,830,008	25,162,690	2,332,682
Grants and entitlements	5,571,482	5,571,482	2,331,162	(3,240,320)
Charges for services	3,280,813	3,280,813	2,529,117	(751,696)
Licenses and permits	2,886,264	2,886,264	5,175,255	2,288,991
Fines and forfeitures	1,458,855	1,458,855	932,592	(526,263)
Rents	1,402,602	1,402,602	1,094,905	(307,697)
Investment earnings	422,751	422,751	910,013	487,262
Contributions	10,406	10,406	622,078	611,672
Miscellaneous	315,101	315,101	355,316	40,215
Total revenues	69,763,952	69,763,952	74,233,646	4,469,694
Expenditures:				
Current:				
General administration	12,256,688	12,256,688	11,472,513	784,175
Management services	4,596,113	4,596,113	4,079,920	516,193
Fire	20,263,632	20,263,632	11,253,705	9,009,927
Police	25,655,337	25,655,337	19,294,268	6,361,069
Community development	6,030,172	6,030,172	5,261,889	768,283
Public works	11,618,249	11,618,249	7,508,220	4,110,029
Economic vitality	107,265	107,265	119,599	(12,334)
Non-departmental	(365,457)	(365,457)	(3,267,376)	2,901,919
Contingency	1,527,750	1,527,750	-	1,527,750
Total expenditures	81,689,749	81,689,749	55,722,738	25,967,011
Excess (deficiency) of revenues over (under) expenditures	(11,925,797)	(11,925,797)	18,510,908	30,436,705
Other Financing Sources (Uses):				
Sale of capital assets	38,502	38,502	27,705	(10,797)
Transfers in	4,157,395	4,157,395	3,369,672	(787,723)
Transfers out	(4,461,427)	(4,461,427)	(7,858,084)	(3,396,657)
Total other financing sources (uses)	(265,530)	(265,530)	(4,460,707)	(4,195,177)
Net change in fund balances	(12,191,327)	(12,191,327)	14,050,201	26,241,528
Fund balances, beginning of year	33,112,020	33,112,020	48,953,607	15,841,587
Fund balances, end of year	$ 20,920,693	$ 20,920,693	$ 63,003,808	$ 42,083,115

Adjustment of budgetary basis to GAAP basis net change in fund balances	$ 14,050,201
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis - 60-day sales tax accrual	(1,631,358)
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis - bad debt	(24,006)
Adjusted net change in fund balance - GAAP basis	$ 12,394,837

The notes to the financial statements are an integral part of this statement

City of Flagstaff, Arizona
Highway User Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Grants and entitlements	$ 8,958,305	$ 8,958,305	$ 9,191,151	$ 232,846
Investment earnings	18,000	18,000	53,877	35,877
Contributions	2,336,458	2,336,458	52,795	(2,283,663)
Licenses and permits	-	-	157,742	157,742
Miscellaneous	-	-	27,424	27,424
Total revenues	11,312,763	11,312,763	9,482,989	(1,829,774)
Expenditures:				
Current:				
Community development	14,215,534	14,215,534	938,745	13,276,789
Public works	15,108,075	15,108,075	8,423,233	6,684,842
Non-departmental	1,147,404	1,147,404	1,147,404	-
Contingency	100,000	100,000	-	100,000
	30,571,013	30,571,013	10,509,382	20,061,631
Excess (deficiency) of revenues over (under) expenditures	(19,258,250)	(19,258,250)	(1,026,393)	18,231,857
Other Financing Sources (Uses):				
Sale of capital assets	-	-	15,100	15,100
Transfers in	13,369,076	13,369,076	938,745	(12,430,331)
Transfers out	(113,000)	(113,000)	(113,000)	-
Total other financing sources (uses)	13,256,076	13,256,076	840,845	(12,415,231)
Net change in fund balances	(6,002,174)	(6,002,174)	(185,548)	5,816,626
Fund balances, beginning of year	9,378,913	9,378,913	9,406,047	27,134
Fund balances, end of year	$ 3,376,739	$ 3,376,739	$ 9,220,499	$ 5,843,760

The notes to the financial statements are an integral part of this statement

City of Flagstaff, Arizona
Transportation Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 26,058,162	$ 26,058,162	30,757,597	$ 4,699,435
Grants and entitlements	551,656	551,656	-	(551,656)
Investment earnings	189,000	189,000	399,283	210,283
Contributions	-	-	265,911	265,911
Miscellaneous	-	-	8,156	8,156
Total revenues	26,798,818	26,798,818	31,430,947	4,632,129
Expenditures:				
Current:				
Community development	27,798,821	27,798,821	10,215,225	17,583,596
Public works	1,144,319	1,144,319	2,021,619	(877,300)
Non-departmental	11,298,505	11,298,505	7,791,020	3,507,485
Total expenditures	40,241,645	40,241,645	20,027,864	20,213,781
Excess (deficiency) of revenues over (under) expenditures	(13,442,827)	(13,442,827)	11,403,083	(15,581,652)
Other Financing Sources (Uses):				
Transfers in	37,778	37,778	34,130	(3,648)
Transfers out	(13,369,076)	(13,369,076)	(938,745)	12,430,331
Total other financing sources (uses)	(13,331,298)	(13,331,298)	(904,615)	12,426,683
Net change in fund balances	(26,774,125)	(26,774,125)	10,498,468	(3,154,969)
Fund balances, beginning of year	40,395,344	40,395,344	46,742,125	6,346,781
Fund balances, end of year	$ 13,621,219	$ 13,621,219	$ 57,240,593	$ 3,191,812

Adjustment of budgetary basis to GAAP basis net change in fund balances	$ 10,498,468
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis.	788,953
Adjusted net change in fund balance - GAAP basis	$ 11,287,421

The notes to the financial statements are an integral part of this statement


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

City of Flagstaff, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds		
	Water and Wastewater Fund	Stormwater Fund	Environmental Services Fund
Assets			
Current assets:			
Cash and investments	$ 39,286,659	$ 717	$ 11,311,054
Receivable, net	4,417,189	477,073	1,401,480
Intergovernmental receivable	-	96,309	2,000
Interfund receivable	10,110,000	-	-
Prepaid items	-	-	-
Restricted cash and investments	3,231,781	-	156,747
Total current assets	57,045,629	574,099	12,871,281
Noncurrent assets:			
Restricted cash and investments	-	-	12,074,734
Refundable deposits	8,763	-	-
Capital assets, non-depreciable	19,948,080	37,799,404	2,138,318
Capital assets, depreciable, net	245,478,257	29,432,106	9,811,012
Total non-current assets	265,435,100	67,231,510	24,024,064
Total assets	322,480,729	67,805,609	36,895,345
Deferred outflows of resources:			
Deferred outflow related to advance refunding	229,129	-	-
Deferred outflows related to pension/OPEB	1,395,578	118,299	1,001,926
Total deferred outflows of resources	1,624,707	118,299	1,001,926
Liabilities			
Current liabilities:			
Accounts payable	1,921,167	276,860	312,200
Construction retainage payable	250,704	75,737	-
Interfund payable	-	10,110,000	-
Accrued payroll	297,960	15,698	194,381
Accrued compensated absences	217,416	13,902	100,928
Interest payable	376,907	-	61,747
Advanced revenue	340,980	-	25,042
Claims and judgements	-	-	-
Deposits payable	1,212,711	-	79,001
Bonds and lease payable, net	3,861,855	-	97,354
Total current liabilities	8,479,700	10,492,197	870,653
Noncurrent liabilities:			
Compensated absences	265,028	11,438	79,276
Net OPEB liability	768,470	74,248	578,593
Net pension liability	6,703,402	581,695	5,355,590
Claims and judgements	-	-	-
Landfill closure and post closure care costs	-	-	15,967,513
Capital lease payable	931,892	-	-
Bonds and notes payable, net	26,740,260	-	3,566,765
Total noncurrent liabilities	35,409,052	667,381	25,547,737
Total liabilities	43,888,752	11,159,578	26,418,390
Deferred inflows related to pension/OPEB	530,703	48,933	402,499
Total deferred inflows	530,703	48,933	402,499
Net Position			
Net investment in capital assets	232,965,312	66,898,083	8,180,075
Restricted for:			
Specific programming	-	-	-
Unrestricted (deficit)	46,720,669	(10,182,686)	2,896,307
Total net position	$ 279,685,981	$ 56,715,397	$ 11,076,382

The notes to the financial statements are an integral part of this statement

Business-type Activities - Enterprise Funds		Governmental Activities
Total Nonmajor Proprietary Funds	Total Business-type Funds	Internal Service Fund
$ 2,448,855	$ 53,047,285	$ 4,856,769
304,017	6,599,759	70,229
1,098,722	1,197,031	-
-	10,110,000	-
433,077	433,077	-
-	3,388,528	-
4,284,671	74,775,680	4,926,998
249,596	12,324,330	-
-	8,763	-
3,210,456	63,096,258	-
39,507,203	324,228,578	-
42,967,255	399,657,929	-
47,251,926	474,433,609	4,926,998
-	229,129	-
775,871	3,291,674	-
775,871	3,520,803	-
323,147	2,833,374	152,801
164,677	491,118	-
50,508	10,160,508	-
119,482	627,521	-
138,091	470,337	-
-	438,654	-
85,551	451,573	4,846
-	-	36,928
76,053	1,367,765	-
193,769	4,152,978	-
1,151,278	20,993,828	194,575
116,174	471,916	-
332,523	1,753,834	-
4,814,777	17,455,464	-
-	-	79,999
-	15,967,513	-
533,801	1,465,693	-
-	30,307,025	-
5,797,275	67,421,445	79,999
6,948,553	88,415,273	274,574
231,710	1,213,845	-
231,710	1,213,845	-
41,719,967	349,763,437	-
123,252	123,252	-
(995,685)	38,438,605	4,652,424
$ 40,847,534	$ 388,325,294	$ 4,652,424
	(542,181)	Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities
	$ 387,783,113	

City of Flagstaff, Arizona
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds		
	Water and Wastewater Fund	Stormwater Fund	Environmental Services Fund
Operating Revenues:			
Charges for services	$ 30,785,544	$ 4,413,157	$ 14,231,558
Miscellaneous	199,594	-	13
Total operating revenues	30,985,138	4,413,157	14,231,571
Operating Expenses:			
Personnel services	6,140,824	565,113	4,564,767
Contractual services, materials and supplies	12,508,196	431,108	7,669,033
Insurance claims and expenses	-	-	-
Depreciation and amortization	9,188,527	600,765	918,346
Total operating expenses	27,837,547	1,596,986	13,152,146
Operating income (loss)	3,147,591	2,816,171	1,079,425
Non-Operating Revenues (Expenses):			
Interest and investment income	417,111	3,870	114,140
Grants and entitlements	-	129,843	14,997
Gain (loss) on disposal of capital asset	(605,911)	-	26,500
Passenger facility charges	-	-	-
Interest expense	(822,896)	-	(143,518)
Total non-operating revenues (expenses)	(1,011,696)	133,713	12,119
Income (loss) before capital contributions and transfers	2,135,895	2,949,884	1,091,544
Capital contributions related to grants	-	-	-
Capital contributions from external sources	7,698,404	1,216,105	-
Capital contributions from internal sources	209,133	916,717	-
Transfers in	6,281	-	264,337
Transfers out	(87,273)	(6,281)	-
Change in net position	9,962,440	5,076,425	1,355,881
Total net position, beginning of year	269,723,541	51,638,972	9,720,501
Total net position, end of year	$ 279,685,981	$ 56,715,397	$ 11,076,382

The notes to the financial statements are an integral part of this statement

Business-type Activities - Enterprise Funds		Governmental Activities
Total Nonmajor Proprietary Funds	Total Business-type Funds	Internal Service Fund
$ 3,894,455	$ 53,324,714	$ 9,480,372
407	200,014	57,310
3,894,862	53,524,728	9,537,682
3,067,669	14,338,373	-
7,398,808	28,007,145	-
-	-	8,966,991
2,866,048	13,573,686	-
13,332,525	55,919,204	8,966,991
(9,437,663)	(2,394,476)	570,691
10,151	545,272	32,670
8,223,892	8,368,732	-
20,640	(558,771)	-
380,617	380,617	-
(48,352)	(1,014,766)	-
8,586,948	7,721,084	32,670
(850,715)	5,326,608	603,361
2,181,401	2,181,401	-
-	8,914,509	-
-	1,125,850	-
1,884,501	2,155,119	-
(122,191)	(215,745)	-
3,092,996	19,487,742	603,361
37,754,538	368,837,552	4,049,063
$ 40,847,534	$ 388,325,294	$ 4,652,424

Change in net position of business-type activities	79,451	Some amounts reported for business-type activities on the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities
	$ 19,567,193	

City of Flagstaff, Arizona
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds		
	Water and Wastewater Fund	Stormwater Fund	Environmental Services Fund
Cash flows from operating activities:			
Receipts from customers	$ 30,142,412	$ 4,348,552	$ 13,912,758
Interfund services provided	392,994	51,540	199,718
Other receipts	-	-	-
Payments to suppliers	(10,004,827)	(287,943)	(5,619,282)
Interfund services used	(64,376)	-	(3,289)
Interfund reimbursement used	(2,401,827)	(156,842)	(1,411,481)
Payments to employees	(6,053,579)	(579,127)	(4,413,946)
Net cash provided (used) by operating activities	12,010,797	3,376,180	2,664,478
Cash flows from noncapital financing activities:			
Transfer from other funds	(87,273)	(6,281)	264,337
Transfer to other funds	6,281	-	-
Interfund loans received (paid)	(10,110,000)	10,110,000	-
Net cash provided (used) by noncapital financing activities	(10,190,992)	10,103,719	264,337
Cash flows from capital and related financing activities:			
Receipts from grantors	-	68,212	25,553
Capital contributions	4,996,307	-	-
Acquisition and construction of capital assets	(7,392,727)	(16,409,191)	(1,342,418)
Principal payments on capital debt	(2,396,114)	-	(522,018)
Interest paid on capital debt	(815,793)	-	(144,868)
Proceeds from sales of capital assets	26,600	-	26,500
Net cash provided (used) by capital and related financing activities	(5,581,727)	(16,340,979)	(1,957,251)
Cash flows from investing activities:			
Interest received on investments	447,125	12,270	120,837
Net cash provided (used) by investing activities	447,125	12,270	120,837
Net increase (decrease) in cash and cash equivalents	(3,314,797)	(2,848,810)	1,092,401
Cash and cash equivalents at beginning of year	45,833,237	2,849,527	22,450,134
Cash and cash equivalents at end of year	$ 42,518,440	$ 717	$ 23,542,535
Classified as:			
Cash, cash equivalents, and investments	$ 39,286,659	$ 717	$ 11,311,054
Restricted cash and cash equivalents	3,231,781	-	12,231,481
Totals	$ 42,518,440	$ 717	$ 23,542,535

The notes to the financial statements are an integral part of this statement

Business-type Activities - Enterprise Funds		Governmental Activities
Total Nonmajor Proprietary Fund	Total Business-type Funds	Internal Service Fund
$ 3,613,481	$ 52,017,203	$ 9,558,360
-	644,252	-
380,617	380,617	-
(7,016,919)	(22,928,971)	(9,062,368)
(401,274)	(468,939)	-
(332,833)	(4,302,983)	-
(2,574,423)	(13,621,075)	-
(6,331,351)	11,720,104	495,992
1,884,501	2,055,284	-
(122,191)	(115,910)	-
(1,890,278)	(1,890,278)	-
(127,968)	49,096	-
9,469,672	9,563,437	-
2,181,401	7,177,708	-
(4,075,005)	(29,219,341)	-
(183,384)	(3,101,516)	-
(48,352)	(1,009,013)	-
17,255	70,355	-
7,361,587	(16,518,370)	-
10,375	590,607	39,609
10,375	590,607	39,609
912,643	(4,158,563)	535,601
1,785,808	72,918,706	4,321,168
$ 2,698,451	$ 68,760,143	$ 4,856,769
$ 2,448,855	$ 53,047,285	$ 4,856,769
249,596	15,712,858	-
$ 2,698,451	$ 68,760,143	$ 4,856,769

(continued)

City of Flagstaff, Arizona
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds		
	Water and Wastewater Fund	Stormwater Fund	Environmental Services Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 3,147,591	$ 2,816,171	$ 1,079,425
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	9,188,527	600,765	918,346
Landfill closure and post closure costs	-	-	546,510
Other receipts	-	-	-
(Increase) decrease in assets:			
Accounts receivable	(198,674)	(13,065)	(134,416)
Allowance for doubtful accounts	(100,000)	-	(17,000)
Prepaid items	-	-	-
(Increase) decrease in deferred pension outflows	(448,446)	(33,788)	(354,598)
(Increase) decrease in deferred OPEB outflows	(76,714)	(7,398)	(57,811)
Increase (decrease) in liabilities:			
Accounts payable	37,166	(13,677)	88,471
Accrued payroll, compensated absences	76,299	(18,110)	77,625
Net OPEB liability	92,668	8,937	69,832
Net pension liability	993,196	84,176	836,007
Deposits payable	127,868	-	11,579
Advanced revenue	(278,926)	-	20,742
Increase (decrease) in deferred pension inflows	(493,830)	(42,438)	(378,088)
Increase (decrease) in deferred OPEB inflows	(55,928)	(5,393)	(42,146)
Total adjustments	8,863,206	560,009	1,585,053
Net cash provided (used) by operating activities	$ 12,010,797	$ 3,376,180	$ 2,664,478
Noncash investing, capital and financing activities:			
Capital assets acquired through contributions from developers	$ 2,702,097	$ 1,216,105	$ -
Amortization of premium	1,779	-	-
Amortization of deferred amount on refunding	38,188	-	-
Loss on disposal of capital assets	(632,511)	-	-
Capital assets transferred from other funds	209,133	916,717	-
Total noncash investing, capital and financing activities	$ 2,318,686	$ 2,132,822	$ -

The notes to the financial statements are an integral part of this statement

Business-type Activities - Enterprise Funds		Governmental Activities
Total Nonmajor Proprietary Funds	Total Business-type Funds	Internal Service Fund
$ (9,437,663)	$ (2,394,476)	$ 570,691
2,866,048	13,573,686	-
-	546,510	-
380,617	380,617	-
(185,087)	(531,242)	16,878
-	(117,000)	-
(366,326)	(366,326)	-
190,716	(646,116)	-
(33,152)	(175,075)	-
14,108	126,068	(95,377)
76,489	212,303	-
40,048	211,485	-
433,365	2,346,744	-
(1,320)	138,127	-
(94,974)	(353,158)	3,800
(196,754)	(1,111,110)	-
(17,466)	(120,933)	-
3,106,312	14,114,580	(74,699)
$ (6,331,351)	$ 11,720,104	$ 495,992
$ -	$ 3,918,202	$ -
-	1,779	-
-	38,188	-
-	(632,511)	-
-	1,125,850	-
$ -	$ 4,451,508	$ -

(concluded)

City of Flagstaff, Arizona
Notes to the Financial Statements
June 30, 2021

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Flagstaff (City) was incorporated as a town in 1894 and as a city in 1928. The current City Charter was approved June 29, 1998. The Charter provides for the Council-Manager form of government and the authority to provide municipal services, as limited by the State Constitution.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City of Flagstaff is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements include the City and all its component entities for which the government is financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the Government-wide Statement of Net Position and Activities to emphasize they are legally separate from the government. The City of Flagstaff reports no blended or discretely presented component units.

Related Organizations: The City of Flagstaff officials are also responsible for appointing board members of other organizations. However, as the City's control is limited to making the appointments and there is not a significant operational nor a significant financial relationship between these organizations and the City, they are not included as part of these financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are supported by fees and charges for services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on long-term debt and depreciation expense on assets shared by multiple functions are not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use, or directly benefit from goods, services or privileges provided by a particular function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other revenues not identifiable with functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Interdepartmental services performed by one division for another are credited to the performing division and charged to the receiving division to reflect the accurate costs of programs. These indirect costs have been eliminated as part of the program expenses reported for the various functional activities. The rates used are intended to reflect full costs in accordance with generally accepted cost accounting principles and are part of the fund statements. Interfund services provided and used are eliminated in the process of consolidation.

The government-wide statement of net position reports all financial and capital resources of the government. It is displayed in a format of assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in the net position. The portion of unspent related debt proceeds or deferred inflows of resources at the end of the reporting period is not included in the calculation of net investment in capital assets; instead that portion of the debt or deferred inflows of resources is included in the same net position component as the unspent amount. Restricted net position occurs when a constraint is placed on its use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, is shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Also, part of the basic financial statements is fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although the reporting model sets forth minimum criteria for determination of major funds (a percentage of assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds, which the City has not elected. Other non-major funds are combined in a single column on the fund financial statements and are detailed in combining statements included as supplementary information after the basic financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recorded as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary fund financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements.

Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements but are included in the fund columns in the proprietary fund financial statements. The net costs/income of the internal service fund is also partially allocated to the business-type activities column on the government-wide financial statements.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of that activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses represent items like investment income, interest expense, and other items that do not fit in any other category and are not a result of the direct operations of the activity.

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses.

The City uses the following fund categories:

Governmental Fund Types

Governmental Funds are those through which most of the governmental functions of the City are financed. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund will always be considered a major fund in the basic financial statements.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes. There are three special revenue funds that are presented as a major fund in the basic financial statements. They are the:

- *COVID Relief Fund* which accounts for the receipt and expenditures of the City's allocation of the Coronavirus Aid, Relief, and Economic Security Act (CARES) funding as well as the City's allocation of the American Rescue Plan Act (ARPA) funding. Resources allocated to this fund must be used for specific purposes as outlined in the legislature.

- *Highway User Revenue Fund* which receives and expends the City's allocation of the Highway User Revenue money. Resources allocated to this fund come mainly from the State and must be used for street construction, reconstruction, and maintenance.

- *Transportation Tax Fund* accounts for the receipt and expenditures of the transportation tax money as authorized by voters on May 16, 2000. These resources are restricted to financing improvements in the areas of the 4th Street overpass project, safe to school/pedestrian and bike projects, traffic flow and safety improvements, transit service operations and enhancements and to repay the bonding related to the 4th Street overpass. In fiscal year 2015-2016, voters approved an additional transportation tax for road repair and street safety which is valid through 2035. In fiscal year 2016-2017, voters approved an extension of the transit tax to 2030. In fiscal year 2018-2019, voters approved an additional tax for the Lone Tree Overpass and extended the roadway, pedestrian, bicycle, and safety improvements tax to 2040.

Capital Project Funds are used to account for major capital acquisition and construction separate from ongoing operating activities. Resources for capital projects typically result from the issuance of general obligation or other government debt.

- *Capital Projects Bond Construction Fund*, accounts for major capital acquisition and construction projects which are funded mainly with general obligation or other governmental debt. The capital projects bond construction fund is presented as a major fund in the basic financial statements.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest. The pension bond fund is presented as a major fund in the basic financial statements.

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Resources are generated from ongoing plot sales with a portion allocated to perpetuity.

Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing operations and activities, which are like those found in the private sector and where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net position, net position, and cash flows.

Enterprise Funds are used to account for operations that provide services to the public for a fee. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. The City has five enterprise funds, three of which are presented as major funds in the basic financial statements.

- *Water and Wastewater Fund* accounts for the City water pumping, treatment and distribution systems and the City wastewater collection and treatment systems.

- *Stormwater Fund* accounts for the construction, operations, and maintenance activities of the City stormwater system.

- *Environmental Services Fund* accounts for the operations of City refuse, management of the City landfill, recycling collection services and the management of sustainability programs.

Internal Service Fund accounts for the operations that provide services to other divisions of the government on a cost-reimbursement basis, thus the internal service fund is presented with the proprietary fund financial statements. The internal service fund represents the self-insurance services provided to other divisions and accounts for the risk management function of the City as well as maintaining the costs of the City's liability insurance and any claims paid under the City's self-insurance program. These costs are allocated to all operational activities of the City.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus whereby only current assets plus deferred outflows of resources, equals current liabilities plus deferred inflows of resources, plus fund balance. Operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net change in fund balances.

Enterprise funds are accounted for on a flow of economic resources measurement focus whereby all assets plus deferred outflows of resources, less liabilities and deferred inflows of resources associated with the operation of these funds, equals net position, as presented on the statement of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The modified accrual basis of accounting is used by governmental funds. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period.

Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. Principal and interest on long-term debt are recorded as fund liabilities when due. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are recorded only to the extent they have matured.

Revenues susceptible to accrual include property tax, privilege license tax, highway user tax, state shared sales tax, vehicle license tax, grants and aid and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures, parks and recreation charges and miscellaneous revenues are recorded when received in cash since they are generally not measurable until received. Only the portion of special assessment receivables due within the current fiscal period is susceptible to accrual as revenue of the current period.

The accrual basis of accounting is followed for all enterprise funds. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized when incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating items.

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements.

- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by division within individual funds. Division appropriations may be amended during the year, within administrative guidelines and adopted Council policies.

- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

- The City Manager is generally authorized to transfer budgeted amounts within any specific sections expenditure appropriation. Any budget revisions requiring a transfer between divisions must be approved by the City Council. City manager, human resources and information technology are example sections of the general administration division.

- All unencumbered expenditure appropriations expire at the end of the fiscal year.

- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Committee. Budgetary carry forwards are approved by the City Council as part of the budget adoption process.

- All funds of the City have legally adopted budgets except for the internal service fund, perpetual care fund and COVID Relief fund. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

The City prepares its annual budget on a modified cash basis, which differs from GAAP. GASB Statement No. 34 requires that budgetary comparison statements for the General Fund and major special revenue funds be presented in the annual financial statements or as required supplementary information. The City has chosen to present these statements in the basic financial statements. These statements must display original budget, amended budget and actual results on a budgetary basis at the legal level of budgetary control. The City's legal level of budgetary control is at the division level; however, the City's financial statements are presented at the functional level of detail. Budgetary comparisons provided in the basic financial section are presented for the general fund and major special revenue funds at the division level; these are presented as statements. The supplemental section provides budgetary comparisons for non-major special revenue funds, capital projects funds and debt service funds at the same functional level of detail used in financial statements presentation; these are presented as schedules.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Investments

The City's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in the State's Local Government Investment Pool (LGIP), obligations of the U.S. Treasury, commercial paper and repurchase agreements. Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments. Investments are stated at fair value based on quoted market prices. The City also has an investment policy. Details of the City's investment policy can be found in Note III.A.

The LGIP is a part of the State of Arizona Treasurer's office. The State Board of Investments provides oversight for the State Treasurer's pools, and the LGIP Advisory Committee provides consultation and advice to the Treasurer. Investments in the State of Arizona LGIP are stated at fair value, which also approximates the value of the investment upon withdrawal.

For purposes of the statement of cash flows, the City considers cash and cash equivalents, including restricted cash and cash equivalents, to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts and liquid investments with a maturity of three months or less. Cash and cash equivalents are included in both unrestricted as well as restricted assets.

Receivables and Payables

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The City's property tax is levied each year on or before the third Monday in August based on the previous January 1, full cash value as determined by the Coconino County Assessor. Levies are due and payable in two installments on September 1 and March 1. First half installments become delinquent on November 1; second half installments become delinquent on May 1. Interest at the rate of 12% per annum accrues following delinquent dates. Coconino County bills and collects all property taxes, at no charge to the taxing entities. A lien against property assessed attaches on the first day of January preceding assessment and levy thereon.

Under Arizona tax laws there are two property tax levies: primary and secondary. Primary property taxes are not restricted as to use and are used to finance the general operations of the City. Secondary property taxes are restricted for general obligation bonded debt service. The secondary property tax levy is recorded as revenue in a debt service fund and transferred to the Water and Wastewater Fund and the General Obligation Bond Fund.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is classified as interfund receivables and payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balance.

Deferred Outflows of Resources

When a consumption of net position/fund balance applies to a future period it should not be recognized as an outflow of resources, expense, or expenditure until that time. Advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Inventory and Prepaids

Inventory is valued at cost, which approximates market, using the weighted average cost method. Inventory consists of expendable supplies held for consumption and is charged to expenditure accounts as consumed. Prepayments of the governmental funds, which are prepared using the modified accrual basis of accounting, are recorded under the purchase's method, and are therefore recorded as expenditures when purchased. Within the government-wide statements, which are prepared using the accrual basis of accounting, prepayments are recorded as assets and amortized over the life of the related agreement. Prepaid items contain payments made to vendors applicable to future accounting periods in both the government-wide and proprietary fund financial statements. The cost of a prepaid item is recorded as an expense when consumed rather than purchased.

Restricted Assets

Certain debt proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet or statement of net position, because they are maintained in trust accounts and their use is limited by applicable debt covenants. Typically, restricted assets, committed assets and assigned assets are used prior to using unassigned assets when both are available for the same purpose.

Capital Assets

Capital assets, whether owned by governmental activities or business-type activities, are recorded, and depreciated (unless the modified approach is used) in the government-wide financial statements. The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (i.e., roads, bridges, curbs and gutters, streets and sidewalks, and other assets that are immovable and of value only to the City) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 ($25,000 for capital improvement projects and infrastructure assets) and an estimated useful life greater than three years. Such assets are recorded at historical cost or estimated historical cost if actual amounts are unknown. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the related asset.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives (land and construction-in-progress are not depreciated):

Assets	Useful life (years)
Buildings	10-50
Improvements	10-20
Machinery and Equipment	5-25
Infrastructure	25-75

Deferred Inflows of Resources

Revenues and other governmental fund financial resources are recognized in the accounting period in which they become both measurable and available. When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. Revenue related to property tax, special assessment liens, notes receivable and other revenues are recorded in governmental funds but the revenue is not available in the current period, so it is reported as a deferred inflow of resources.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Retirees are allowed to participate in the same healthcare plan as active employees and pay the same premium for this benefit which results in an implicit rate subsidy. Even though the City makes no direct payments on behalf of the retirees the City is required to report this implicit cost for active employees who will be able to continue to purchase health insurance once they retire.

Compensated Absences

Vacation and sick leave are granted to all regular and part-time permanent employees. The annual amount of vacation time accrued varies depending on classification and years of service. Accumulated vacation leave vests and the City is obligated to make payment if the employee terminates. Sick leave accrues at rates based on the full-time equivalency status of each employee. Sick leave is vested with 20 years of service. Sick leave is payable upon termination (if vested) or retirement, up to 50 percent (not more than 520 hours) of accumulated sick leave.

For the governmental fund financial statements, the current payroll and current portion of the compensated absences are recorded as a current liability of the applicable funds. Long-term liabilities of governmental funds are not shown on the fund financial statements. For the government-wide financial statements, as well as the proprietary fund financial statements, all the accrued liabilities for compensated absences are recorded as a liability.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are amortized over the life of the bonds using a method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs in the period in which the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions
Interfund transactions, consisting of services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the services. Exceptions include water sales, sewer charges, and environmental service charges that are recorded as revenue in the enterprise funds and expenses or expenditures in the department receiving the service. In addition, transfers are made between funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

Grant Revenue
The City recognizes grant revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the City before the eligibility requirements are met are reported as advance revenues. Some grants and contributions consist of capital assets or resources that are restricted to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the City.

Use of Estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance
Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of nonspendable, restricted, committed, assigned and unassigned designate the relative strength of the constraints placed on how the amounts can be spent. Classification of fund balances imposed by the reporting government, whether by administrative policy or legislative action of the City Council, are shown in aggregate on the government fund financial statements, but not on the proprietary statement of net position. Restricted net position on the government-wide financial statements reflects restrictions imposed by external sources.

Nonspendable fund balance represents amounts such as inventories and the nonexpendable portion of permanent funds. Restricted fund balances represent constraints placed on the use of resources imposed externally by creditors, grantors, contributors, or laws and regulations of other governments. Resources imposed by constitutional provisions of enabling legislation that allows the ability to levy, charge, or mandate payment of resources are also classified as restricted. Committed fund balance includes amounts that can be used only for the specific purposes determined by adoption of a City ordinance by the City Council, the government's highest level of decision-making authority. A formal action would also be required to modify or rescind an established commitment as related to the adopted City ordinance. Assigned fund balance amounts are intended to be used by the government for specific purposes but do not meet the criteria to be restricted or committed. Assigned fund balance is expressed by the direction of the City Council and budget committee as part of the annual budgeting process. Authority to assign amounts used for specific purposes is confirmed as part of the annual budgeting process, the City has no formal policy that establishes this practice. Unassigned fund balance represents the remaining amount that is not restricted, committed, nonspendable nor assigned in the general fund. Unassigned amounts are only reported in the general fund or as a negative amount in all other funds.

Consideration is made that restricted amounts are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes when both restricted and unrestricted fund balance is available. Also, committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in unrestricted fund balance classification could be used. Absent of a minimum fund balance policy, the City, through the budgeting process, establishes a minimum fund balance level to maintain as part of that process. A minimum balance of 20% is suggested in the general fund and a 10% fund balance is suggested for special revenue and enterprise funds.

Governmental fund balances as of June 30, 2021, are as follows:

	General Fund	Highway User Revenue Fund	Transportation Fund	Pension Bond Fund	Capital Projects Bond Construction	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Perpetual care	$ -	$ -	$ -	$ -	$ -	$ 332,373	$ 332,373
Inventory	350,993	-	-	-	-	59,925	410,918
Restricted for:							
Notes receivable	-	-	-	-	-	275,600	275,600
Library branch services	-	-	-	-	-	898,814	898,814
Library programs externally directed	-	-	-	-	-	1,399,867	1,399,867
Court improvements and operations	222,128	-	-	-	-	-	222,128
Debt service	-	-	-	14,252,384	-	7,249,591	21,501,975
Street improvements	-	9,220,499	46,185,270	-	-	-	55,405,769
Transit	-	-	10,201,389	-	-	-	10,201,389
Public art	-	-	-	-	-	1,101,913	1,101,913
Parks operations	-	-	-	-	-	2,292,477	2,292,477
Economic development	-	-	-	-	-	671,617	671,617
Tourism	-	-	-	-	-	1,838,515	1,838,515
Perpetual care	-	-	-	-	-	43,521	43,521
Development fee projects	2,566,461	-	-	-	-	-	2,566,461
Other capital projects	32,915	-	1,642,887	-	2,735,096	9,651,158	14,062,056
Public safety	135,438	-	-	-	-	-	135,438
Water resource and infrastructure protection	-	-	-	-	-	815,064	815,064
Assigned to:							
Capital reserve	4,620,148	-	-	-	-	-	4,620,148
Real estate	334,305	-	-	-	-	-	334,305
Parking district	-	-	-	-	-	1,029,174	1,029,174
Library services	-	-	-	-	-	2,386,371	2,386,371
Unassigned:	56,817,489	-	-	-	(465,007)	-	56,352,482
Total fund balances	$ 65,079,877	$ 9,220,499	$ 58,029,546	$ 14,252,384	$ 2,270,089	$ 30,045,980	$ 178,898,375

Deficit Fund Balance / Net Position

A deficit unassigned fund balance of $465,007 exists in the Capital Projects Fund. The deficit is a result of beginning construction of bonded projects prior to the receipt of proceeds. A loan from other funds, will be reported in the next period. There is a deficit unrestricted net position of $323,655 and $672,030 in the Airport and Housing Authority funds respectively due to their proportionate share of their allocated proportion of the City's net pension liability. Additionally, there is a deficit unrestricted net position of $10,182,686 in the Stormwater fund due to beginning construction of capital improvements prior to the receipt of debt proceeds.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Budget Basis of Accounting

The City's accounting records for general government operations (general, special revenue, debt service and capital funds) are essentially maintained on a basis consistent with Generally Accepted Accounting Principles (GAAP) except for 60 days sales tax accrual, unrealized gain or loss on investments and allowance for doubtful accounts. Measurable revenues are recorded when they become available to finance expenditures in the current fiscal year. "Available" is defined as: collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on debt, are recognized in the accounting period in which the liability arises. State statute allows for encumbrances to be recognized for a 60-day period following the end of the prior fiscal year as

uses of prior year appropriations. To ensure that appropriations do not lapse, divisions are directed to re-budget for all items delivered after June 30.

For the enterprise funds, the annual budget is prepared on a basis that differs from GAAP because state law requires capital purchases and debt service payments to be budgeted as expenses, and bond proceeds and grants that are to be utilized are to be budgeted as revenues.

The accounting and budgeting systems for the City are in accordance with Generally Accepted Accounting Principles (GAAP) format, with minimal variances between the two systems. Budget basis for enterprise funds differ primarily due to state laws. The major differences are as follows:

- Encumbrances (contractual commitments) are considered the equivalent of expenditures. Encumbrances at year-end for goods or services which are not received prior to the end of the fiscal year are cancelled.
- Fund balances reserved for inventory and bonded debt are not included in the budget.
- Certain expenses, such as depreciation, compensated absences and landfill closure and post closure accruals, are not included in the budget.
- Enterprise funds budget capital expenditures and debt service payments as expenses.
- Enterprise funds budget bond proceeds as revenues.

The City will utilize several different fund types to segregate the financial activity within the City either due to regulatory reasons or as designated internally. The fund classifications are Governmental Funds and Proprietary Funds.

Review and Approval

Issues presented during the review and approval period include discussion topics of the Council during the various retreats. These retreats were held in February and April to give City staff the opportunity to present major discussion points to Council and the public. The goal is for Council to make policy decisions and direct staff in preparing the budget. This provides adequate time for the Council to gather input on major budget issues prior to preparation of the budget. The City Council holds Study Sessions in April. The Council reviews and discusses the issue papers included in the Budget Review Book as well as all personnel recommendations, capital equipment recommendations and the capital improvement plan. The Council arrives at a consensus for all decisions needed. The Study Sessions provide the opportunity for City management, divisions, and the public to offer information and recommendations to the City Council.

The proposed budget is presented to Council for tentative adoption on or before the third Tuesday in June. Two public hearings are held on the content of the budget. State law requires the operating budget to be all-inclusive. Therefore, the budget includes provisions for contingent revenues, e.g., passenger facility charges, and expenditures that cannot be accurately determined when the budget is adopted, e.g., grants.

The resolution adopting the annual budget requires Council authorization for any expenditure from contingencies, as well as transfer of budget authority between divisions.

The City operates under the State Expenditure Limitation with a one-time adjustment to the base. The adjustment provided for an increase to the base limit to allow for the expenditure of funds resulting from the addition of a 2% Bed, Board and Beverage Tax. Flagstaff is not a Home Rule city. Alternative Home Rule Expenditure Control municipalities require voter approval every four years.

The adopted budget reflects the total funds appropriated. Certain exclusions are allowed by the state (e.g., bond proceeds, debt service and grants) in computing the Expenditure Limitation and this total cannot be exceeded.

Budget authority can be transferred between line items within a section. At year-end, division budgets are reviewed, and budget authority is transferred from contingencies by resolution, if between divisions, as

necessary. Council can also amend total appropriations for a division during the year by resolution if there is a corresponding increase/decrease in another division so that the expenditure limitation is not exceeded.

B. Excess of Expenditures over Appropriations

Expenditure appropriations are adopted in the budget at the division level. For presentation purposes, we have elected to show any deficits at the division level within funds. As of June 30, 2021, there are no divisions with an excess of expenditures over appropriations.

III. Detailed Notes on All Funds

A. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide Statement of Net Position as "cash, investments and equivalents," and "restricted cash and investments."

Deposits

At June 30, 2021, the carrying amount of the City's deposits was $109,662,884 and the bank balance was $114,176,513. The $4,513,629 difference represents deposits in transit, outstanding checks, and other reconciling items at June 30, 2021. There is an additional $10,709,053 reported as restricted cash as it is held with paying or fiscal agent on June 30, 2021, for debt service payments due on July 1, 2021.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes and the City's investment policy require collateral for demand deposits, certificates of deposit, and repurchase agreements at 102 percent of all deposits not covered by federal depository insurance. All investments are either registered in the City's name or are held by a third party in the City's name. All deposits were insured or collateralized at June 30, 2021.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy matches maturities with cash flow dates, unless matched to a specific requirement the City may not invest more than 25 percent of the portfolio for a period greater than three years or any portion of the portfolio for a period greater than 10 years.

At June 30, 2021, the City's investments included the following:

Investment Type		Fair Value	Weighted Average Maturity (in years)
Federal agency notes	$	26,769,909	2.976
U.S. treasuries		83,944,384	2.468
State investment pool		13,782,500	0.180
Corporate notes		3,681,819	3.039
Total fair value of investments	$	128,178,612	

Credit Risk

City resolution and Arizona State Statutes authorized the City to invest in obligations of the U.S. Treasury, its agencies, and instrumentalities, repurchase agreements, SEC registered money market accounts,

certificates of deposit within the top three ratings by a nationally recognized rating agency, and the State of Arizona Local Government Investment Pool (LGIP).

The credit quality ratings of investments as described by nationally recognized Standard and Poor's and Moody's rating service as of June 30, 2021, is as follows:

Investment Type	Fair Value	Moody's Rating	S&P Rating	Percent of Investments
Federal agency notes	$ 26,769,909	AAA	AA+	20.88%
U.S. treasuries	83,944,384	AAA	AA+	65.50%
State investment pool	13,782,500	AAA	AAA f / S1+	10.75%
Corporate notes	3,681,819	AA1/ A1/ A2/ A3	AA+/AA/ A/ A-/BBB+	2.87%
Total	$ 128,178,612			100.00%

Concentration of Credit Risk

The City's investment policy establishes that its investment portfolio, to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of securities shall not exceed the following. Fully insured or collateralized CD's no more than 25%, US agency securities 100%, State, county, school district and other district municipal bonds or debt with an A rating or better no more than 25%, repurchase agreements 100%, and local government investment pool 100%. The City had investments at June 30, 2021, of 5 percent or more in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments were 6.83 percent and 8.69 percent, respectively, of the City's total investments.

At June 30, 2021, the City's cash and investments included the following:

Carrying amount of investments	$	128,178,612
Carrying amount of cash deposits		109,662,884
Cash on deposit with paying agent		10,709,053
Cash on hand		13,250
Total pooled cash and investments	$	248,563,799
Pooled cash, equivalents and investments - unrestricted	$	206,565,963
Restricted cash and investments		41,997,836
Total pooled cash and investments	$	248,563,799

Cash and cash equivalents at June 30, 2021, consisted of the following:

Investments included in cash and cash equivalents	$	115,014,204
Carrying amount of unrestricted city deposits		91,538,509
Cash on hand		13,250
Total cash, investments, and cash equivalents per statement of net position	$	206,565,963

Investment income comprises the following for the year ended June 30, 2021:

Net interest and dividends	$	1,749,691
Net increase (decrease) in the fair value of investments		(1,769,336)
Total net investment income per statement of activities	$	(19,645)

Fair Value Measurement

The net decrease in the fair value of investments during fiscal year 2020-2021 was $1,769,336. This amount considers all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2021, was $2,163,567.

In determining fair value, the City uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Fair value measurements framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Fair value measurements define levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets
Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets
Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions

The City's investments at June 30, 2021, categorized within the fair value hierarchy detailed above were as follows:

		Fair Value Measurements		
Investments by fair value level:	Total Fair Value	(Level 1)	(Level 2)	(Level 3)
Investment Type				
Federal agency notes	$ 26,769,909	$ -	$ 26,769,909	$ -
U.S. treasuries	83,944,384	7,826,669	76,117,715	-
Corporate notes	3,681,819	-	3,681,819	-
Total investments by fair value level	114,396,112	7,826,669	106,569,443	-
External investment pools measured at fair value				
State Treasurer's Investment Pool	13,782,500			
Total investments	$ 128,178,612			

The State Treasurer's Pool is an external investment pool, the Local Government Investment Pool (Pool 5), with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

In previous years, the City recognized a decrease in fair value of $1,473,712 consisting of the City's share of a loss on an investment within the Local Government Investment Pool. The State and numerous other bondholders filed suit against the principals, underwriters, trustees, accountants, and others in May 2003. The case is presently pending litigation. There have been several distributions since June 2006. The distributions include payments from the trustee and settlement proceeds received from pending litigation. The City did not receive a distribution this year and the total recovery to date is $1,126,225.

In previous years, the City recognized a decrease in fair value of $289,104 consisting of the City's share of a loss on an investment within the Local Government Investment Pool relating to Lehman Brothers Chapter 11 filing. The State has filed claims on behalf of the LGIP investors. The City received a distribution this year in the amount of $1,049 and the total recovery to date is $122,977.

B. Receivables

Receivables as of June 30, 2021, including allowances for uncollectible accounts, are as follows:

Fund	Accounts	Interest	Intergov-ernmental	Notes Receivable	Total Receivables
Governmental Activities					
General fund	$ 9,162,349	$ 101,006	$ 1,353,746	$ -	$ 10,617,101
Highway user revenue fund	838,517	11,360	-	-	849,877
Transportation fund	6,382,663	74,561	654,466	-	7,111,690
Pension bond fund	-	573	-	-	573
Capital projects bond fund	-	298	21,834	-	22,132
Other governmental funds	2,581,349	35,474	878,658	275,600	3,771,081
Less: allowance for uncollectibles	(344,036)	-	-	-	(344,036)
Total government funds	18,620,842	223,272	2,908,704	275,600	22,028,418
Internal services funds	65,050	5,179	-	-	70,229
Total governmental activities	18,685,892	228,451	2,908,704	275,600	22,098,647
Business-type Activities					
Water and wastewater	4,541,723	77,466	-	-	4,619,189
Stormwater	489,786	287	96,309	-	586,382
Environmental services	1,432,348	18,132	2,000	-	1,452,480
Other proprietary funds	346,304	1,545	1,098,722	-	1,446,571
Less: allowance for uncollectibles	(307,832)	-	-	-	(307,832)
Total business-type activities	6,502,329	97,430	1,197,031	-	7,796,790
Total activities	$ 25,188,221	$ 325,881	$ 4,105,735	$ 275,600	$ 29,895,437

C. Capital Assets

A summary of capital asset activity, for the government-wide financial statements, as of June 30, 2021, is as follows:

	Balance July 1, 2020	Increase	Decrease	Transfers In (Out)	Balance June 30, 2021
Governmental activities:					
Non-depreciable assets:					
Land & other non-depreciable assets	$ 67,845,690	$ 587,331	$ (12,338)	$ -	$ 68,420,683
Construction -in-progress	32,324,560	16,516,847	(23,081,134)	(1,125,850)	24,634,423
Total non-depreciable assets	100,170,250	17,104,178	(23,093,472)	(1,125,850)	93,055,106
Depreciable assets:					
Buildings	105,843,094	20,581,862	(1,542,397)	-	124,882,559
Improvements	25,212,764	147,836	(1,215,186)	-	24,145,414
Machinery and equipment	37,667,297	2,156,704	(710,142)	(18,093)	39,095,766
Infrastructure	348,870,546	9,901,726	-	-	358,772,272
Total depreciable assets	517,593,701	32,788,128	(3,467,725)	(18,093)	546,896,011
Accumulated depreciation:					
Buildings	(31,418,120)	(2,800,845)	642,693	-	(33,576,272)
Improvements	(19,425,607)	(844,554)	124,554	-	(20,145,607)
Machinery and equipment	(26,588,066)	(1,818,355)	705,989	18,093	(27,682,339)
Infrastructure	(191,085,112)	(9,941,329)	-	-	(201,026,441)
Total accumulated depreciation	(268,516,905)	(15,405,083)	1,473,236	18,093	(282,430,659)
Governmental activities capital assets, net	$ 349,247,046	34,487,223	$ (25,087,961)	$ (1,125,850)	357,520,458

Less: outstanding debt	(194,670,553)
Less: unamortized premium	(5,846,687)
Plus: unamortized discount	116,093
Plus: deferred amount on refunding	74,667
Less: construction retainage	(1,410,596)
Less: capital accounts payable	(1,491,011)
Plus: non-capital related debt, series 2013	1,105,155
Plus: unspent capital related debt, series 2016	1,971,999
Plus: non-capital related debt, series 2016	1,442,100
Plus: non-capital related debt, series 2020	129,370,000
Plus: non-capital related debt, series 2020	3,094,937
Net investment in capital assets	$ 291,276,562

	Balances July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Business-type activities:					
Non-depreciable assets:					
Land	$ 15,386,781	$ 531,305	$ (464,811)	$ -	$ 15,453,275
Construction-in-progress	25,889,530	24,441,468	(2,688,015)	-	47,642,983
Total non-depreciable assets	41,276,311	24,972,773	(3,152,826)	-	63,096,258
Depreciable assets:					
Buildings	106,991,812	-	(1,433)	-	106,990,379
Improvements	440,993,359	7,831,083	(478,794)	1,125,850	449,471,498
Machinery and equipment	54,142,845	3,422,968	(883,439)	18,093	56,700,467
Total depreciable assets	602,128,016	11,254,051	(1,363,666)	1,143,943	613,162,344
Accumulated depreciation:					
Buildings	(62,270,192)	(2,292,159)	1,270	-	(64,561,081)
Improvements	(181,616,699)	(8,788,678)	332,537	-	(190,072,840)
Machinery and equipment	(32,644,235)	(2,492,849)	855,332	(18,093)	(34,299,845)
Total accumulated depreciation	(276,531,126)	(13,573,686)	1,189,139	(18,093)	(288,933,766)
Business-type activities capital assets, net	$ 366,873,201	$ 22,653,138	$ (3,327,353)	$ 1,125,850	387,324,836
				Less: associated debt	(35,966,577)
				Less: construction retainage	(491,118)
				Less: capital accounts payable	(1,373,714)
				Less: bond premium	(15,406)
				Plus: bond discount	56,287
				Plus: deferred outflow related to refunding	229,129
				Net investment in capital assets	$ 349,763,437

Depreciation expense was charged to the governmental functions in the government-wide financial statements as follows:

Governmental Activities:	
General government	$ 829,336
Public safety	1,483,063
Public works	571,032
Economic and physical development	430,892
Culture and recreation	2,071,643
Highway and streets	10,019,117
Total depreciation expense - governmental activities	$ 15,405,083

Depreciation expense was charged to the business-type functions in the government-wide financial statements as follows:

Business-Type Activities:	
Water and Wastewater	$ 9,188,527
Stormwater	600,765
Airport	2,481,961
Environmental Services	918,346
Housing Authority	384,087
Total depreciation expense - business-type activities	$ 13,573,686

D. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Net interfund receivables and payables between governmental activities and business-type activities of $592,689 are included in the government-wide financial statements at June 30, 2021. The interfund balances at June 30, 2021, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. All interfund balances outstanding on June 30, 2021, are expected to be repaid within one year.

The following interfund receivables and payables are included in the fund financial statements on June 30, 2021:

Fund	Interfund Receivables	Interfund Payables
Governmental Activities:		
General fund	$ 50,508	$ -
Total governmental activities	50,508	-
Business-type Activities:		
Water and wastewater fund	10,110,000	-
Stormwater fund	-	10,110,000
Other proprietary funds	-	50,508
Total business-type activities	10,110,000	10,160,508
Total governmental and business-type activities	$ 10,160,508	$ 10,160,508
Less: fund eliminations	(10,110,000)	
Adjustment for internal service fund elimination	542,181	
Total government-wide statement of net position	$ 592,689	

Transfers

The net transfers of ($3,065,224) from governmental activities to business-type activities on the government-wide statement of activities are primarily capital assets and operations. The transfer of $474,395 from the general fund and HURF to the capital projects bond funds were for construction of the Courthouse, USGS facility, and the CORE Services facility, there were no other significant transfers during fiscal year 2020-2021 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer. The following transfers are reflected in the fund financial statements for the year ended June 30, 2021:

Fund	Transfers Out	Transfers In
Governmental Activities:		
General fund	$ 7,858,084	$ 3,369,672
Highway user revenue fund	113,000	938,745
Transportation fund	938,745	34,130
Pension bond fund	-	3,818,453
Capital projects bond construction	30,075	474,395
Nonmajor governmental funds	10,810,070	9,175,205
Total governmental activities	19,749,974	17,810,600
Business-type Activities:		
Water and wastewater fund	87,273	6,281
Stormwater fund	6,281	-
Environmental services fund	-	264,337
Nonmajor business-type funds	122,191	1,884,501
Total business-type activities	215,745	2,155,119
Total governmental and business-type activities	$ 19,965,719	$ 19,965,719
Less: fund eliminations	(21,905,093)	
Less: net capital assets transfer	(1,125,850)	
Total government-wide statement of activities	$ (3,065,224)	

The business-type activities transferred no capital assets to governmental activities and the governmental activities transferred $1,125,850 to business-type activities for a consolidated net total of $1,125,850 in capital assets to the government wide financials. The BBB fund transferred $3,116,335 to the general fund for its share of the operating cost of the services performed by general fund divisions and sections. The transportation fund transferred $938,745 to the highway user revenue fund for the transportation fund's portion of capital projects. The general fund transferred $3,623,711, the water resource and infrastructure protection fund transferred $72,551 and the airport fund transferred $122,191 to the pension bond fund for debt service payments. The general fund transferred $1,557,710 to the library fund for the City's share of expenditures for the libraries within the City limits. The general obligation bond fund received a $7,303,370 transfer from the secondary property tax revenue fund for payment of debt service.

E. Leases

Operating Lease Expenditures

The City leases library space under a non-cancellable operating lease. The non-cancellable lease is for the East Flagstaff Library. The initial intergovernmental agreement was dated September 10, 2002, and was amended on September 8, 2008, to reflect an ending date of June 30, 2017. The agreement had an automatic renewal for an additional two years, terminating on June 30, 2019. On January 16, 2020, the agreement was renewed until June 20, 2024. Currently, the operating lease expenditures are $107,676 for FY 2020–2021, increasing by 7.5% for one year, then increasing by another 2.5% for two years.

Future Minimum Rentals

Year Ending June 30	East Flagstaff Library
2022	$ 115,752
2023	118,645
2024	121,612
Total	$ 356,009

In addition, the City has entered into several operating lease agreements, with cancellation provisions, for the purpose of leasing office space and land. Lease expenditures for these items for the period ending June 30, 2021, were $249,017 (cancellable and non-cancellable), including the East Flagstaff Library.

Future Minimum Rentals

The City leases several City-owned buildings under cancellable and non-cancellable agreements. Certain leases contain provisions for future rate increases based on changes in the consumer price index. Total revenue for fiscal year 2020-2021 was $1,442,760. The City currently has three leases with non-cancellable terms as well as future cancellable terms that are for the USGS buildings 3, 4/5 and 6, which are guaranteed thru the dates indicated below. The table on the following page represents the future minimum lease receivable from the lease with non-cancellable terms. The amounts shown include revenue related to the asset and the operational expenses.

The USGS lease extension for Building 3 to December 31, 2023, was approved by City Council. The terms for the USGS Lease for Buildings 4/5 had the first two years firm, and the remaining lease, from January 1, 2017, to December 31, 2019, and has been extended to December 31, 2023, on a month-to-month basis with a required thirty (30) day notice for cancellation. The USGS lease renewal for Building 6 was taken to City Council for the lease effective date of August 01, 2017. The terms were approved for the twenty (20) year lease, of which ten (10) years are firm and ten (10) years are month-to-month, with a sixty (60) day notice of lease cancellation required for the month-to-month portion of the lease. The debt for Building 6 has been paid off in full, resulting in a decrease in lease payments from the USGS to the City of Flagstaff.

USGS Future Minimum Rentals:

Year Ending June 30	Non-Cancellable USGS Building 3	Non-Cancellable USGS Building 6
2022	$ 340,300	$ 293,700
2023	342,820	293,700
2024	173,949	293,700
2025	-	293,700
2026	-	293,700
2027	-	24,474
	$ 857,069	$ 1,492,974

In addition, the Airport fund has several leases under cancellable agreements. The leases are for terminal space, hangars, shades, tie downs, ground leases, rental car agencies and a cafe. Lease revenue in the Airport fund for fiscal year 2020-2021 was $1,479,190.

F. Long-Term Debt

General Obligation Debt

The City of Flagstaff issues general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and business-type activities.

General obligation debt are direct obligations and pledge the full faith and credit of the government. The water and wastewater general obligation debt is a water infrastructure and finance authority note backed by the ultimate taxing power and general revenues of the City; however, the debt is carried as a liability of the water and wastewater fund to reflect the intention of the City to retire those bonds from resources in the water and wastewater funds.

General obligation debt outstanding at June 30, 2021:

Purpose	Amount
Governmental activities	$ 37,081,582
Governmental activities - advance refunding	2,205,000
Business-type activities	1,015,318
Total general obligation debt outstanding	$ 40,301,900

General obligation debt at June 30, 2021, consist of the following individual issues:

Governmental activities:		
$3,952,287 Public safety communications, series 2011 due in annual installments of $289,956 to $446,582 through July 1, 2021; interest rate at 2.4%. Construction related to public safety communication system.	$	446,582
$11,460,000 Capital projects, series 2013 due in annual installments of $560,000 to $950,000 through July 1, 2028; interest rate at 1.625% to 4.000%. Construction related to forest initiative, streets and utility improvements and open space/Flagstaff Urban Trail System.		6,735,000
$6,600,000 Capital projects, series 2014A due in annual installments of $200,000 to $460,000 through July 1, 2034; interest rate at 1.5% to 5.0%. Construction related to parks and recreation facilities improvements and land purchase for open space/Flagstaff Urban Trail System.		5,070,000
$8,270,000 Capital projects, series 2014B partial refunding of series 2006 due in annual installments of $1,940,000 to $2,205,000 through July 1, 2021; interest rate at 3.0% to 5.0%. Construction related to recreation facilities, fire facilities and equipment and open space acquisition.		2,205,000
$16,105,000 Capital projects, series 2016 due in annual installments of $565,000 to $1,090,000 through July 1, 2036; interest rate at 3.0% to 4.0%. Construction related to open space acquisition, core services maintenance facilities, and forest health and water supply protection project.		13,740,000
$11,090,000 Capital projects, series 2020 due in annual installments of $585,000 to $4,175,000 through July 1, 2028; interest rate at 4.0% to 5.0%. Construction related to courthouse building and public safety communication systems.		11,090,000
Total governmental activities		39,286,582
Business-type activities:		
$1,633,933 Water infrastructure finance authority, due in annual installments of $61,745 to $107,043 through July 1, 2031; interest at 3.104%. Original amount $1,833,828 less deobligated amount of $199,895. Red Gap Wells.		1,015,318
Total business-type activities		1,015,318
Total General Obligation Debt	$	40,301,900

Annual debt service requirements to maturity for general obligation debt are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	$ 5,561,582	$ 1,505,109	$ 78,851	$ 29,068
2023	5,875,000	1,251,675	81,298	26,544
2024	4,270,000	1,013,900	83,822	23,943
2025	2,435,000	867,375	86,423	21,260
2026	2,520,000	771,475	89,106	18,494
2027-2031	10,700,000	2,456,301	488,776	47,884
2032-2036	6,790,000	890,600	107,042	-
2037	1,135,000	22,699	-	-
	$ 39,286,582	$ 8,779,134	$ 1,015,318	$ 167,193

Statutory Debt Limitation

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, wastewater, electric, parks and open space, streets and public safety purposes may not exceed 20 percent of the City of Flagstaff's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6 percent of the City's net secondary assessed valuation.

The City's computation of legal debt margins available for creation of additional debt at June 30, 2021, was $195,899,341 and $58,769,802 for the 20 percent and 6 percent debt limits, respectively. Also, see Schedule 16 in the Statistical Section for related information.

Revenue Bonds

Greater Arizona Development Authority revenue bonds are issued specifically for the purpose of constructing public infrastructure projects. These bonds have state shared revenue pledged as a repayment revenue stream. These bonds funded the Business Incubator building.

On July 20, 2016, the City issued $8,930,000 in pledged revenue obligations, Series 2016 and on June 21, 2018, the City issued $9,700,000 in pledged revenue obligations, Series 2018, for Road Repair/Street Safety Projects. The payments will be payable from and secured by a lien on Excise Tax Revenues. "Excise Tax Revenues" are revenues from the restricted transaction privilege tax of 0.33% ($0.0033) approved at an election held in and for the City on November 4, 2014 (the "Election"), which will expire on December 31, 2034 (the "Road Repair/Street Safety Rate"). The Election authorized bonds payable from the Road Repair/Street Safety Rate in an amount not to exceed $20,000,000.

On August 29, 2017, the City issued $17,129,000 in direct placement utility revenue refunding obligations, Series 2017, for water and wastewater improvements. The City has pledged net revenues of the utility system for payment of all amounts due, and the repayment of these amounts are secured by a lien on and pledge of net revenues for the water and wastewater fund. Outstanding utility revenue refunding obligations are $14,192,000 on June 30, 2021.

On June 20, 2019, the City issued $9,585,000 in direct placement utility system revenue obligations, Series 2019, for water and wastewater improvements. The City has pledged net revenues of the utility system for payment of all amounts due, and the repayment of these amounts are secured by a lien on and pledge of net revenues for the water and wastewater fund. Outstanding utility revenue refunding obligations are $9,010,000 on June 30, 2021.

The City's outstanding revenue refunding bonds and revenue bonds related to business-type activities contain a provision that whenever a purchase event of default shall have occurred and be continuing, the seller shall, but only if requested by the trustee, have the right to take any action permitted or required

pursuant to this agreement and to take whatever other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due on their scheduled payment dates or to enforce the performance and observance of any duty, covenant, obligation or agreement of the City hereunder, including, without limitation, appointment of a receiver of the system, however, under no circumstances may amounts due hereunder be accelerated.

Revenue bonds outstanding at June 30, 2021:

Purpose	Amount
Governmental activities	$ 18,005,000
Business-type activities	9,010,000
Business-type activities - advance refunding	14,192,000
Total revenue bonds outstanding	$ 41,207,000

Revenue bonds at June 30, 2021, consist of the following individual issues:

Governmental activities:		
$3,370,000 Greater Arizona Development Authority revenue bonds, series 2010A, due in annual installments of $50,000 to $240,000 through August 1, 2030; interest at 2.0% to 4.625%. Business incubator construction.	$	1,985,000
$8,930,000 Road Repair Street Safety pledged refunding bonds, series 2016 due in annual installments of $450,000 to $735,000 through July 1, 2032; interest at 2.0% to 4.0%. Repair of existing streets and roadways.		7,045,000
$9,700,000 Road Repair Street Safety pledged revenue bonds, series 2018 due in annual installments of $360,000 to $1,450,000 through July 1, 2034; interest at 2.0% to 4.25%. Repair of existing streets and roadways.		8,975,000
Total governmental activities		18,005,000
Business-type activities:		
$17,129,000 Utility revenue refunding obligations, series 2017 due in annual installments of $957,000 to $2,364,000 through July 1, 2027; interest at 1.99%. Water and wastewater improvements.		14,192,000
$9,585,000 Utility revenue obligations, series 2019 due in annual installments of $355,000 to $835,000 through July 1, 2034; interest at 2.41%. Water and wastewater improvements.		9,010,000
Total business-type activities		23,202,000
Total Revenue Bonds	$	41,207,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
			Direct Placement	
	Principal	Interest	Principal	Interest
2022	$ 1,050,000	$ 685,493	$ 2,982,000	$ 468,494
2023	1,085,000	647,476	2,879,000	407,699
2024	1,125,000	602,843	2,652,000	350,073
2025	1,170,000	556,494	2,325,000	298,294
2026	1,215,000	508,325	2,368,000	250,097
2027-2031	6,880,000	1,743,773	6,796,000	663,330
2032-2035	5,480,000	417,008	3,200,000	157,133
Total	$ 18,005,000	$ 5,161,412	$ 23,202,000	$ 2,595,120

Other Debt

Certificates of Participation

On February 5, 2020, the City issued $3,845,000 in capital lease certificates of participation, series 2020 for the Courthouse Facility. Principal and interest on the bonds are payable from capital lease payments and are not considered general obligations of the City. They are appropriated along with all other expenditures of the general government.

On August 1, 2020, the City issued $131,000,000 in capital lease certificates of participation, series 2020A for the payment of the Public Safety Personnel Retirement System unfunded accrued pension liability. Principal and interest on the bonds are payable from capital lease payments and are not considered general obligations of the City. They are appropriated along with all other expenditures of the general government.

On June 21, 2018, the City issued $3,880,000 in capital lease certificates of participation, series 2018 for the Core Services Facility. Principal and interest on the bonds are payable from capital lease payments and are not considered general obligations of the City. They are appropriated along with all other expenditures of Solid Waste.

Certificates of participation bonds outstanding at June 30, 2021:

Purpose	Amount
Governmental activities	$ 133,115,000
Business-type activities	3,705,000
Total certificates of participation outstanding	$ 136,820,000

Certificates of participation on June 30, 2021, consist of the following individual issues:

Governmental activities:	
$3,845,000 Certificates of participation, series 2020 due in annual installments of $100,000 to $220,000, through July 1, 2045; interest at 3.0% to 5.0%. Construction of courthouse building.	$ 3,745,000
$131,000,000 Certificates of participation, series 2020A due in annual installments of $1,630,000 to $8,365,000, through May 1, 2040; interest at 0.701% to 2.48%. Public Safety Personnel Retirement System unfunded accrued pension liability.	129,370,000
Total governmental activities	133,115,000
Business-type activities:	
$3,880,000 Certificates of participation, series 2018 due in annual installments of $85,000 to $240,000 through July 1, 2043; interest at 3.0% to 3.125%. Core Services facility.	3,705,000
Total business-type activities	3,705,000
Total Certificates of Participation	$ 136,820,000

Annual debt service requirements to maturity for certificates of participation debt are as follows:

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
2022	$ 6,350,000	$ 3,069,265	$ 95,000	$ 122,068
2023	6,400,000	3,016,093	95,000	119,219
2024	5,975,000	2,951,680	100,000	116,294
2025	6,050,000	2,876,928	105,000	113,219
2026	6,130,000	2,795,314	105,000	110,068
2027-2031	32,400,000	12,230,780	640,000	498,370
2032-2036	36,050,000	8,248,495	855,000	379,406
2037-2041	32,920,000	2,638,711	1,010,000	219,653
2042-2045	840,000	51,450	700,000	38,606
Total	$ 133,115,000	$ 37,878,716	$ 3,705,000	$ 1,716,903

The following is a summary of debt service requirements, including interest requirements, to maturity for long-term debt at June 30, 2021:

Fiscal Year	General Obligation Debt	Revenue Bonds	Certificates of Participation	Total
2021-2022	$ 7,174,610	$ 5,185,987	$ 9,636,333	$ 21,996,930
2022-2023	7,234,517	5,019,175	9,630,312	21,884,004
2023-2024	5,391,665	4,729,916	9,142,974	19,264,555
2024-2025	3,410,058	4,349,788	9,145,147	16,904,993
2025-2026	3,399,075	4,341,422	9,140,382	16,880,879
2026-2027	3,396,528	4,349,676	9,141,311	16,887,515
2027-2028	3,392,251	4,102,172	9,141,311	16,635,734
2028-2029	3,423,598	2,544,938	9,144,009	15,112,545
2029-2030	1,740,641	2,542,978	9,171,537	13,455,156
2030-2031	1,739,943	2,543,339	9,170,982	13,454,264
2031-2032	1,737,242	2,311,364	9,174,699	13,223,305
2032-2033	1,630,500	2,307,436	9,174,054	13,111,990
2033-2034	1,633,500	2,316,713	9,057,270	13,007,483
2034-2035	1,629,200	2,318,628	9,057,016	13,004,844
2035-2036	1,157,200	-	9,069,862	10,227,062
2036-2037	1,157,699	-	9,075,421	10,233,120
2037-2038	-	-	9,073,624	9,073,624
2038-2039	-	-	9,084,510	9,084,510
2039-2040	-	-	9,087,412	9,087,412
2040-2041	-	-	467,397	467,397
2041-2042	-	-	468,497	468,497
2042-2043	-	-	469,084	469,084
2043-2044	-	-	469,175	469,175
2043-2044	-	-	223,300	223,300
Less interest	(8,946,327)	(7,756,532)	(39,595,619)	(56,298,478)
	$ 40,301,900	$ 41,207,000	$ 136,820,000	$ 218,328,900

Authorized and Issued Debt

The voters of the City authorize capital projects and the related debt mechanism to finance these capital projects. On May 18, 2004, voters approved $47.4 million for various capital projects and $46.6 million for future water rights and production. As of June 30, 2021, $2.8 million remains unissued for capital projects and $.6 million remains unissued for future water rights and production. On November 2, 2010, voters approved $21.2 million for public safety communication system and various street and utilities improvements. As of June 30, 2021, all related debt has been issued. On November 6, 2012, voters approved $24.0 million for a Core Service Maintenance Facility and Forest Health and Watershed Protection. As of June 30, 2021, all related debt has been issued. On November 8, 2016, voters approved $12.0 million for a Courthouse Facility. As of June 30, 2021, all related debt has been issued.

Loans Payable – Direct Borrowings

The City of Flagstaff has various direct borrowing loan agreements with the Water and Wastewater Infrastructure Finance Authority (WIFA) of Arizona Revolving Fund Loan Program for the acquisition and construction of water and wastewater facilities and obtaining water rights.

Loans from direct borrowings outstanding as of June 30, 2021:

Purpose	Amount
Governmental activities	$ 3,094,937
Business-type activities	6,245,129
	$ 9,340,066

Loan from direct borrowing payables on June 30, 2021, consist of the following individual financing options:

Governmental activities:		
$5,000,000 Water infrastructure finance authority due in annual installments of $221,536 to $309,391, through July 1, 2039; interest at 0.373%. Forest health and water supply protection project.	$	3,094,937
Total governmental activities		3,094,937
Business-type activities:		
Water and wastewater:		
$8,500,000 Water infrastructure finance authority due in annual installments of $377,927 to $591,940 through July 1, 2028; interest at 3.810%, as adjusted on 12/7/12. Water production improvements and acquisition.		4,169,878
$2,100,000 Water infrastructure finance authority due in annual installments of $92,862 to $138,320 through July 1, 2029; interest at 3.113%. Amount issued to date $1,550,712. Remaining available $594,288. Water feasibility study.		1,104,693
$232,500 Water infrastructure finance authority due in annual installments of $10,374 to $15,054 through July 1, 2029; interest at 2.905%. Well improvements.		121,149
$594,950 Water infrastructure finance authority due in annual installments of $24,531 to $33,603 through July 1, 2029; interest at 2.45%. Original amount issued $1,000,000, amount deobligated $405,050. Well infrastructure improvements.		275,056
$1,100,000 as amended 10/02/09, $800,000 Water infrastructure finance authority due in annual installments of $51,224 to $70,168 through July 1, 2029; interest at 2.45%. Amount issued to date $1,100,000. Local aquifer study.		574,353
Total water and wastewater		6,245,129
Total Loans Payable - Direct Borrowings	$	9,340,066

Annual debt service requirements to maturity for direct borrowing loan payables are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	$ 221,536	$ 54,915	$ 661,336	$ 194,415
2023	225,685	50,818	684,507	170,417
2024	229,912	46,511	708,505	145,561
2025	234,218	42,124	733,361	119,816
2026	238,605	37,655	759,106	93,150
2027-2031	1,261,760	118,256	2,698,314	109,732
2032-2036	683,221	14,542	-	-
Total	$ 3,094,937	$ 364,821	$ 6,245,129	$ 833,091

Obligations under Capital Leases

Capital lease agreements related to governmental activities consist of renewable energy solar equipment of $561,423 (net of accumulated depreciation), copy machine of $26,722 (net of accumulated depreciation), and parking meter assets of $580,889 (net of accumulated depreciation). Capital lease agreements related to business-type activities consist of airport hangars of $727,570 (net of accumulated depreciation) and renewable energy solar equipment of $1,071,560 (net of accumulated depreciation).

These lease agreements generally require annual payments, and the lease terms vary from five to twenty-one years. The lease agreements qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of their future minimum lease payments as of the date of inception.

Year Ending June 30	Governmental Activities	Business-type Activities
2022	$ 230,773	$ 400,476
2023	204,122	401,795
2024	204,839	403,164
2025	201,643	281,195
2026	195,088	152,812
2027-2029	245,753	359,275
Total future minimum lease payments	1,282,218	1,998,717
Less: interest costs	(113,184)	(199,587)
Present value of future minimum lease payments	$ 1,169,034	$ 1,799,130

Pledged Revenues

The City has pledged future water and wastewater utility revenues to repay Water Infrastructure Financing Authority loans and revenue bonds issued during the period of 2008-2020. The various bonds were issued for the purchase or construction of various water or wastewater infrastructure including wells, water distribution lines, wastewater collection lines and treatment plant improvements. At June 30, 2021, $32,875,340 remains outstanding to be repaid by future water and wastewater revenues, if such revenues prove insufficient, the remainder will be repaid as a general obligation of the City. For the fiscal year ended June 30, 2021, net revenue available for service of this debt was $12,753,229. The debt principal and interest paid in fiscal year 2020-2021 equal $2,833,439 (22.22% of available pledged net revenues). For additional information on pledged revenues related to revenue bonds, refer to Schedule 17 in the Statistical Section of this report.

The City has pledged certain revenues for the repayment of $3,370,000 Greater Arizona Development Authority (GADA) revenue bonds issued in 2011 for the construction of a business incubator facility at the U.S. Geological Survey Campus. The bonds are secured by a pledge of the City's state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2021,

$2,467,981 remains outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2021, net revenues available for the service of this debt were $19,379,382. The debt principal and interest paid in fiscal year 2020-2021 was $246,588 (1.27% of available pledged net revenues). For additional information on pledged revenues for GADA revenue bonds, refer to Schedule 17 in the Statistical Section of this report.

The City has pledged certain revenues for the repayment of $8,930,000 in Road Repair/Street Safety pledged revenue obligation bonds issued in 2016 and $9,700,000 issued in 2018. The bonds were issued to construct street improvements and the ongoing preservation of street conditions inside the City limits. The bonds have a senior lien on the 0.33% excise tax revenues. At June 30, 2021, $20,698,431 remains outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2021, net revenues available for service of the debt were $6,589,410. The debt principal and interest paid in fiscal year 2020-2021 was $1,483,388 (22.51% of available pledged net revenues). For additional information on pledged revenues for the bonds, refer to Schedule 17 in the Statistical Section of this report.

Changes in Long-term Liabilities

Liquidation of compensated absences, other postemployment benefits and net pension liability for governmental funds has been made from the General, Library, HURF, BBB, and Library funds.

Non-current liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 44,892,697	$ -	$ (5,606,115)	$ 39,286,582	$ 5,561,582
Revenue bonds	21,180,000	-	(3,175,000)	18,005,000	1,050,000
Certificates of participation	3,845,000	131,000,000	(1,730,000)	133,115,000	6,350,000
Total bonds payable	69,917,697	131,000,000	(10,511,115)	190,406,582	12,961,582
Loan payable - direct borrowing	-	3,094,937	-	3,094,937	221,536
Capital leases	1,363,461	-	(194,427)	1,169,034	198,789
Bond premium	6,579,973	-	(733,286)	5,846,687	761,974
Bond discount	(118,504)	2,411	-	(116,093)	-
Compensated absences	4,671,638	2,231,950	(2,036,451)	4,867,137	2,115,159
Other postemployment benefits	6,507,531	5,329,289	(4,437,587)	7,399,233	356,634
Net pension liabilty	144,730,007	37,381,812	(30,311,945)	151,799,874	-
Claims and judgements	244,391	195,890	(323,354)	116,927	36,928
Governmental activities long-term liabilty	$ 233,896,194	$ 179,236,289	$ (48,548,165)	$ 364,584,318	$ 16,652,602
Business-type activities:					
Bonds payable:					
General obligation debt	$ 1,091,795	$ -	$ (76,477)	$ 1,015,318	$ 78,851
Revenue bonds - direct placement	24,750,000	-	(1,548,000)	23,202,000	2,982,000
Certificates of participation	3,795,000	-	(90,000)	3,705,000	95,000
Total bonds payable	29,636,795	-	(1,714,477)	27,922,318	3,155,851
Water loan payable - direct borrowing	6,884,092	-	(638,963)	6,245,129	661,336
Capital lease payable	2,547,206	-	(748,076)	1,799,130	333,437
Total loan and leases payable	9,431,298	-	(1,387,039)	8,044,259	994,773
Bond premium	17,185	-	(1,779)	15,406	2,354
Bond discount	(56,287)	-	-	(56,287)	-
Compensated absences	843,438	497,869	(399,054)	942,253	470,337
Other postemployment benefits	1,542,349	1,263,921	(1,052,436)	1,753,834	84,583
Net pension liabilty	15,108,720	4,903,739	(2,556,995)	17,455,464	-
Landfill closure/postclosure	15,421,003	546,510	-	15,967,513	-
Business-type activities long-term liability	$ 71,944,501	$ 7,212,039	$ (7,111,780)	$ 72,044,760	$ 4,707,898

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts and public officials' errors and omissions. The City purchases commercial insurance to cover these losses. However, $75,000 of each claim resulting in a loss is retained by the City. The City provides for the self-insurance retention in the internal service fund. Outstanding claims as of June 30, 2021, have potential exposure to the City of approximately $116,927 based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City uses an application of historical experience to determine claims payable. However, due to the preliminary status of the claims, no determination can be made as to the likelihood, if any, of an unfavorable outcome. The net position of the Internal Service Fund is designated for future losses related to the self-insurance retention. Settled claims have not exceeded commercial coverage in the last three fiscal years.

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2019-2020	216,089	301,491	273,189	244,391
2020-2021	244,391	195,890	323,354	116,927

The City of Flagstaff participates in a risk sharing pool for employee health care, through the Northern Arizona Public Employees Trust, a public entity risk pool. Members do not bear any risk of loss. The overall experience rating of the trust determines premium charges.

B. Commitments and Contingent Liabilities

The City is involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity. See Schedule 23 in the Statistical Section for further information related to the City's insurance coverage.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The following table presents the City's construction commitments and encumbrances as of June 30, 2021:

Capital Project Program Classification	Spent to Date	Remaining Commitment
Buildings	$ 18,412,126	$ 1,037,111
Streets	8,605,193	12,178,738
Water	6,963,688	2,662,878
Wastewater	209,473	862,080
Stormwater	5,005,985	1,059,985
Other land improvements	5,860,156	4,180,377
Total construction commitments	$ 45,056,621	$ 21,981,169

Outstanding Encumbrances at June 30, 2021:	
Governmental Activities:	
General fund	$ 1,297,224
HURF fund	8,968
Transportation fund	276,421
Capital projects bond fund	457,010
Other government funds	636,129
Total governmental activities	2,675,752
Business-type Activities:	
Water and wastewater fund	601,236
Stormwater fund	156,963
Environmental services fund	51,498
Airport fund	5,139
Total business-type activities	814,836
Total governmental and business-type activities	$ 3,490,588

C. Retirement, Pension and OPEB Plans

All full-time employees of the City are covered by one of three pension plans. The Arizona State Retirement system is for the benefit of the employees of the state and certain other governmental jurisdictions. All full-time City employees, except sworn fire and police personnel, are included in the Arizona State Retirement System. Sworn police and fire personnel participate in the Public Safety Retirement System. In addition, the Mayor and City Council members are covered by the State's Elected Officials Plan.

Plan Descriptions

The City contributes to the three plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The plans are component units of the State of Arizona.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, and Article 2 and 2.1.

The *Public Safety Personnel Retirement System* (PSPRS) administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans that covers public safety personnel who are regularly

assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a nine-member board, known as The Board of Trustees, and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP) or participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the City's financial statements.

The *Elected Officials Retirement Plan* (EORP) is a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB) plan that covers elected officials and judges of certain state and local governments who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The EORP is governed by Board of Trustees of the PSPRS according to the provisions of A.S.R. Title 38, Chapter 5, and Article 3.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report can be obtained by writing or calling the applicable plan.

ASRS
3300 N. Central Ave.
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2200/ (800) 621-3778
www.azasrs.gov

PSPRS and EORP
3010 E. Camelback Rd.
Suite 200
Phoenix, AZ 85016-4416
(602) 255-5575
www.psprs.com

At June 30, 2021, the City reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

Statement of Net Position and Statement of Activities as of June 30, 2021:

Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
ASRS				
Governmental Activites	$ 36,962,792	$ 6,773,076	$ 1,194,088	$ 3,091,544
Business-type Activites	15,259,339	2,581,447	475,966	1,232,294
PSPRS - Police	54,534,763	60,784,778	88,067	6,825,090
PSPRS - Fire				
Governmental Activites	58,807,418	69,381,937	390,602	7,187,301
Business-type Activites	2,196,125	288,260	14,587	438,145
EORP	1,494,901	161,133	1,227	345,140
Total	$ 169,255,338	$ 139,970,631	$ 2,164,537	$ 19,119,514

OPEB Plans	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Income)
OPEB				
Governmental Activites	$ 7,399,233	$ 1,779,208	$ 3,049,748	$ 318,792
Business-type Activites	1,753,834	421,967	723,292	75,607
PSPRS - Fire	(1,225,757)	165,804	153,245	(89,443)
Total	$ 7,927,310	$ 2,366,979	$ 3,926,285	$ 304,956

The City reported accrued employee benefits of $2,452 for governmental activities and $4,984 for business-type activities as related to outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2021.

The ASRS and PSPRS – Police OPEB plans did not have significant financial impact and therefore were not reported.

Arizona State Retirement System (ASRS)

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates.

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated based on age, average monthly compensation, and served credit as follows:

ASRS	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years, and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50*
		any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a members' death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the members' account balance that includes the members' contribution and employer's contributions, plus interest earned.

Contributions

In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22% (12.04% retirement and 0.18% long-term disability) of the members' annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 12.22% (11.65 % retirement, 0.39% for health insurance premium, and 0.18% long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 10.21% (10.14% for retirement and 0.07% for long-term disability) of annual covered payroll of retired members who worked for the City in positions that

would typically be filled by an employee who contributes to the ASRS. The City's contributions to the ASRS pension plan for the year ended June 30, 2021, was $3,845,197 inclusive of Housing Authority.

During fiscal year 2020-2021, the City paid for ASRS pension contributions 94% from governmental funds and 26% from enterprise funds.

Pension Liability

At June 30, 2021, the City reported a liability of $52,222,131 for its proportionate share of the ASRS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The City's reported liability at June 30, 2021, increased by $7,838,172 from the City's prior year liability of $44,383,959 due to changes in the ASRS net pension liability and the City's proportionate share of that liability. The ASRS publicly available financial report provided details on the change in the net pension liability.

The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The City's proportion measured as June 30, 2020, was .3014%, which was a decrease of .0036% from its proportion measured as of June 30, 2019, 0.3050%.

Pension Expense and Deferred Outflows – Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of $4,323,838. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	$ 472,440	$ -
Net difference between projected and actual earnings on pension plan investments	5,036,886	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(1,670,054)
City contributions subsequent to the measurement date	3,845,197	-
Total	$ 9,354,523	$ (1,670,054)

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from City contributions after the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2022	$ (912,025)
2023	1,371,520
2024	1,821,895
2025	1,557,882
	$ 3,839,272

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2%
Inflation factor	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rates of Return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed Iincome - interest rate sensitive	10%	0.22%
Real Estate	20%	5.85%
Total	100%	

Discount Rate

The discount rate used to measure the ASRS total pension was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates as determined by the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate shares of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	$ 71,413,056	$ 52,222,131	$ 36,179,504

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS)

Benefits Provided

The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute established benefits terms. Retirement disability and survivor benefits are calculated based on age, average monthly compensation, and service credit, which can be found on the following page:

PSPRS	**Initial Membership Date:**	
	Before January 1, 2012	**On or after January 1, 2012 and before July 1, 2017**
Retirement and disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability	50% or normal retirement, whichever is greater	
Catastrophic disability	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the members' compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with the respect to allowable health insurance premiums for which the member is responsible. Benefits range from $100 per month to $260 per month depending on the age of the members and dependents.

The City has police and fire benefits, however the police benefits are not material and are therefore not presented.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the agent pension plans' benefit terms:

	Police Pension	Fire Pension	Fire OPEB
Inactive employees or beneficiaries currently receiving benefits	82	94	94
Inactive employees entitled to but not yet receiving benefits	35	17	9
Active employees	70	68	68
Total	187	179	171

Contributions and Annual OPEB Cost

State statutes establish the pension contrition requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

Contribution rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member - Pension	City - Pension	City - Health Insurance Premium Benefit*
PSPRS Police	7.65% to 11.65%	47.81% - 50.95%	N/A
PSPRS Fire	7.65% to 11.65%	83.03% - 88.79%	0.00%

In addition, the City was required by statute to contribute at the actuarially determined rate of 39.28 percent for the PSPRS Police and 74.76 percent for PSPRS Fire of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

The City's contributions to the plans for the year ended June 30, 2021, were:

	City - Pension	City - Health Insurance Premium Benefit
PSPRS Police	$ 55,900,990	N/A
PSPRS Fire	63,593,670	-

During fiscal year 2020-2021, the City paid for PSPRS pension and OPEB contributions for police with 100% general fund dollars and 95.0% from the general fund plus 5.0% from the airport fund as related to fire contributions.

Net Pension/OPEB (Asset) Liability

At June 30, 2021, the City reported net pension liability of $54,534,763 and $61,003,543 for police and fire respectively and a net asset for fire in the amount of $1,225,757 related to OPEB. The net asset and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Actuarial assumptions used in the June 30, 2020; valuation was based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

PSPRS

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3 percent using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS Asset Class	Target Allocation	Long-Term Expected Real Geometric Rate of Return
U.S. Public Equity	23%	4.93%
International Public Equity	15%	6.09%
Global Private Equity	18%	8.42%
Other Assets (Capital Appreciation)	7%	5.61%
Core Bonds	2%	0.22%
Private Credit	22%	5.31%
Diversifying Strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	100%	

Pension Discount Rates

At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability/OPEB asset.

Changes in the Net Pension/OPEB (Asset) Liability

PSPRS - Police*	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020, as restated	$ 84,860,189	$ 31,559,245	$ 53,300,944
Changes for the year:			
Service cost	1,135,219	-	1,135,219
Interest on the total pension liability	6,113,422	-	6,113,422
Differences between expected and actual experience in the measurement of the total pension liability	1,208,232	-	1,208,232
Contributions- employer	-	6,284,379	(6,284,379)
Contributions- employee	-	537,822	(537,822)
Changes of Assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,499,790)	(4,499,790)	-
Net investment income	-	436,641	(436,641)
Administrative expense	-	(35,788)	35,788
Net changes	3,957,083	2,723,264	1,233,819
Balances at June 30, 2021	$ 88,817,272	$ 34,282,509	$ 54,534,763

* The OPEB plan related to PSPRS - Police did not have significant financial impact and therefore is not reported.

PSPRS - Fire	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at June 30, 2020, as restated	$ 93,870,030	$ 33,093,460	$ 60,776,570	$ 1,492,475	$ 2,813,448	$ (1,320,973)
Changes for the year:						
Service cost	1,149,078	-	1,149,078	25,532	-	25,532
Interest on the total pension liability	6,733,345	-	6,733,345	108,941	-	108,941
Differences between expected and actual experience in the measurement of the pension liability	599,182	-	599,182	(6,882)	-	(6,882)
Contributions- employer	-	7,273,509	(7,273,509)	-	-	-
Contributions- employee	-	549,407	(549,407)	-	-	-
Changes of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,563,021)	(5,563,021)	-	(91,651)	(91,651)	-
Net investment income	-	470,249	(470,249)	-	35,241	(35,241)
Administrative expense	-	(38,533)	38,533	-	(2,866)	2,866
Other changes	-	-	-	-	-	-
Net changes	2,918,584	2,691,611	226,973	35,940	(59,276)	95,216
Balances at June 30, 2021	$ 96,788,614	$ 35,785,071	$ 61,003,543	$ 1,528,415	$ 2,754,172	$ (1,225,757)

Sensitivity of the City's Net Pension Liability and Net OPEB Asset to Changes in the Discount Rate

The following table presents the City's net pension/OPEB (asset) liabilities calculated using the discount rates noted above as well as what the City's net pension/OPEB (asset) liabilities would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police			
Rate	6.30%	7.30%	8.30%
Net pension liability	$ 66,494,007	$ 54,534,763	$ 44,848,629
PSPRS - Fire			
Rate	6.30%	7.30%	8.30%
Net pension liability	$ 73,227,444	$ 61,003,543	$ 50,950,805
Net OPEB asset	$ (1,063,425)	$ (1,225,757)	$ (1,363,169)

Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Expense

For the year ended June 30, 2021, the City recognized $6,825,090 and $7,625,446 pension expenses for police and fire, respectively and negative $89,443 related to OPEB (Fire).

Deferred Outflows/Inflows of Resources

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	PSPRS - Police		PSPRS - Fire		PSPRS - Fire OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,659,431	$ (88,067)	$ 1,427,314	$ (405,189)	$ -	$ (153,245)
Changes of assumptions	1,659,500	-	3,006,492	-	17,175	-
Net difference between projected and actual earnings on pension plan investments	1,564,857	-	1,642,721	-	148,629	-
City contributions subsequent to the measurement date	55,900,990	-	63,593,670	-	-	-
Total	$ 60,784,778	$ (88,067)	$ 69,670,197	$ (405,189)	$ 165,804	$ (153,245)

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from city contributions after the measurement date will be recognized as a reduction of the net pension and OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows, or resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS Police	PSPRS Fire	PSPRS OPEB Fire
2022	$ 1,941,370	$ 2,528,987	$ (24,848)
2023	1,681,791	1,883,998	(1,665)
2024	782,431	853,022	7,110
2025	390,129	405,331	31,962
	$ 4,795,721	$ 5,671,338	$ 12,559

PSPDCRP plan

City sworn police officer or fire personnel who are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2021, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the City was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the City's contributions each year as set forth in statute. The plan retains nonvested City contributions when forfeited because of employment terminations. For the year ended June 30, 2021, the City recognized pension expense of $15,974.

Elected Officials' Retirement Plan (EORP)

Benefits Provided

The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated based on age, average yearly compensation, and service credit as follows:

EORP	Initial Membership Date: Before January 1, 2012	On or after January 1, 2012
Retirement and disability		
Years of service and age required to receive benefit	20 years, any age	10 years, age 62
	10 years, age 62	5 years, age 65
	5 years, age 65	any years and age if disabled
	5 years, any age*	
	any years and age if disabled	
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service	75% with 10 or more years of service
	40% with 5 to 10 years of service	37.5% with 5 to 10 years of service
	20% with less than 5 years of service	18.75% with less than 5 years of service
Survivor benefit		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the State Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Contributions

State statutes establish active member and employer contribution requirements. Statute also appropriates $5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended June 30, 2021, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the City to contribute at the actuarially rate of 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the City to contribute 49.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the City's required contributions to ASRS, ACR and EODCRS for these elected officials and judges. In addition, statue required the City to contribute 39.72 percent of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the EORP would typically fill.

The City's contribution to the plan for the year ended June 30, 2021, was $101,660. The pension contributions were paid 100 percent from the General Fund.

Pension Liability

At June 30, 2021, the City reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the City's proportionate share of the State's appropriation for EORP. The amount the city recognized as its proportionate liability that was associated with the City were as follows:

City's proportionate share of the EORP net pension liability	$ 1,494,901
State's proportionate share of the EORP net pension liability associated with the City	142,078
Total	$ 1,636,979

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date

The City's proportion of the net pension liability was based on the City's required contribution to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2020. The City's proportion measured as of June 30, 2020, and the change from its proportion measured at June 30, 2019, were 0.221479 and 0.009274, respectively.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense for the EORP of $345,140 and revenue of $12,387 for the City's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,227)
Net difference between projected and actual earnings on pension plan investments	28,808	-
Changes in proportion and differences between City contributions and proportionate share of contributions	30,665	-
City contributions subsequent to the measurement date	101,660	-
Total	$ 161,133	$ (1,227)

The amounts reported as deferred outflows of resources related to EORP pensions resulting from City contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2022	$ 33,384
2023	9,285
2024	9,084
2025	6,493
	$ 58,246

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP	
Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.75%
Price inflation	2.50%
Cost-of-living adjustment	1.75%
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020 valuation was based on the results of an actuarial experience study for the five -year period ended June 30, 2017.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.30 percent using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset call are summarized in the following table:

EORP Asset Class	Target Allocation	Long Term Expected Geometric Real Rate of Return
U.S. Public Equity	23%	4.93%
International Public Equity	15%	6.09%
Global Private Equity	18%	8.42%
Other Assets (Capital Appreciation)	7%	5.61%
Core Bonds	2%	0.22%
Private Credit	22%	5.31%
Diversifying Strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	100%	

Discount Rate

At June 30, 2020, the discount rate used to measure the EORP total pension liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the EORP Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.3 percent, as well as what the City's proportionate share to the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
EORP			
Rate	6.30%	7.30%	8.30%
Net pension liability	$ 1,705,371	$ 1,494,901	$ 1,314,943

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued EORP financial report.

EODCRS plan

Elected officials who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCDP is not further disclosed because of its relative insignificance to the City's financial statements.

For the year ended June 30, 2021, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll, and the City was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the City's contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2021, the City recognized pension expense of $5,269.

The City Postemployment Healthcare Plan

Plan Description

The City of Flagstaff provides post-retirement healthcare insurance benefits for its retirees as a single employer defined benefit OPEB plan which is administered through Northern Arizona Public Employee Benefit Trust (NAPEBT).

Benefits Provided

Eligible retirees and their beneficiaries up to the age of 65 are allowed to participate in the same healthcare plan as active employees and pay the same premium for this benefit which results in an implicit rate subsidy. Even though the City makes no direct payments on behalf of the retirees the City is required to report this implicit cost for active employees who will be able to continue to purchase health insurance once they retire. Substantially, all the City's employees may become eligible for those benefits when they qualify for retirement. To be eligible a retiree must qualify to receive retirement benefits from the Arizona State Retirement System and elect coverage at date of retirement.

Plan Membership

As of July 1, 2019, OPEB plan membership consisted of the following:

Retirees currently receiving health benefits	64
Active members	691
Total	755

OPEB Liability

At June 30, 2021, the City reported a net OPEB liability of $9,153,067. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability were determined from the actuarial valuations as of June 30, 2020.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020, valuation was based on an experience study for ASRS for the period from July 1, 2011 through June 30, 2016.

Change in Net OPEB Liability

	Increase (Decrease)
OPEB	Total OPEB Liability
Balances at June 30, 2020	$ 8,049,880
Changes for the year:	
Service cost	480,223
Interest on the total pension liability	291,110
Changes of assumptions	760,916
Benefit payments, including refunds of employee contributions	(429,062)
Net changes	1,103,187
Balances at June 30, 2021	$ 9,153,067

The City has chosen not to fund this plan; therefore, the total OPEB liability is the net OPEB liability.

Actuarial Methods and Assumptions

The significant actuarial assumptions used to measure the total OPEB liability are as follows:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry level, level percent of salary
Mortality rates	RP-2014 tables
Healthcare cost trend rate	7.0% to 4.5% over 10 years

Discount Rate

At June 30, 2020, the discount rate used to measure the City's OPEB total liability was 2.21 percent, which was a decrease of 1.29 percent from the discount rate used as of June 30, 2019. Because the City is not prefunding the OPEB benefits, the discount rates used in this valuation for financial disclosure purposes as of June 30, 2020, and 2019 are based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate

The following table presents the City's OPEB liability calculated using the discount rate of 2.21% as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's proportionate share of the net pension liability	$ 10,130,876	$ 9,153,067	$ 8,281,533

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City as of June 30, 2020, as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease	Current Discount Rate *	1% Increase
City's proportionate share of the net pension liability	$ 8,041,387	$ 9,153,067	$ 10,487,521

*Current trend rates are 2.96% in 2021-2022, 7.00% to 2022-2023 and grade down to 4.5% over a 10- year period for medical and drug plan costs.

OPEB Expense and Deferred Outflows – Inflow of Resources

For the year ending June 30, 2021, the City recognized an OPEB expense of $394,399. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 1,759,958	$ (538,921)
Net difference between expected and actual experience in the total OPEB liability	-	(3,234,119)
City benefit payments subsequent to the measurement date	441,217	-
Total	$ 2,201,175	$ (3,773,040)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB liability will be recognized in the OPEB expense as follows:

Year ending June 30,	
2022	$ (376,934)
2023	(376,934)
2024	(376,934)
2025	(376,934)
2026	(368,893)
Thereafter	(136,453)
	$ (2,013,082)

D. Landfill Closure and Post Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Cinderlake landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The City reports a portion of these closures and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The estimated liability for landfill closure and post closure care costs has a balance of $15,967,513 as of June 30, 2021, which is based on 81.113 percent usage of the landfill. The remaining $3,717,900 will be accrued over the remaining life of the landfill, which is currently estimated to be six years.

The accrual for the closure and post closure care costs for fiscal year 2020-2021 is $546,510. Based on current estimates for landfill closure and post closure care costs, the City is setting aside legally restricted funds to ensure sufficient funds will be available to meet these requirements. The City makes annual contributions to finance closure and post closure care costs; at June 30, 2021, the balance of the cash and investments held for those purposes is $12,074,734. The investments are reported as restricted cash and investments in the City's Environmental Service Fund and are held by the State of Arizona Local Government Investment Pool.

The estimated total current cost of the landfill closure and post closure care, $19,685,413, is based on the amount that would be paid if all equipment, facilities, and services required to care, monitor, and

maintain the landfill were acquired as of June 30, 2021. However, the actual cost of closure and post closure care may be higher or lower due to other factors such as inflation, changes in technology, or changes in landfill laws and regulations.

According to state and federal laws and regulations, the City must comply with the local government financial test requirements that assure the City can meet the cost of landfill closure, post-closure and corrective action when needed. The City, which has pledged its full faith and credit to meet state financial responsibility requirements, is following these requirements.

In March of 1999, the City purchased 343.9 acres of land from the U.S. Forest Service. This land is adjacent to the existing landfill and will be used to open additional cells as needed. As these cells are utilized, additional liabilities for closure and post closure care requirements will be accrued. The City applied existing policy to the Environmental Services Fund increasing its expenditures as City residential and commercial collection programs are now charged for landfill fees.

E. Tax Abatement

The City enters into property tax abatement agreements with local businesses under the state of Arizona Government Property Lease Excise Tax (GPLETs). Under the law enacted in 1996, Arizona's cities, towns, counties, and county stadium districts (government lessors) are allowed to lease property they own to private parties (lessees) for nongovernmental use and collect an excise tax. Because the property is owned by the City, it is exempt from property taxes. The abatements may be granted to any business located within or promising to relocate to the City to encourage continued provision of stable good paying employment opportunities for the City's residents. The City believes that its efforts will perpetuate the City's overall economic health and demonstrate the City's attractiveness as a place to do business.

For the fiscal year ended June 30, 2021, the City abated assessed property taxes totaling $55,550 under this program including the following Government Property Lease Excise Tax (GPLET) abatement agreements:

A 1.55 percent property tax abatement to Joy Cone manufacturing. The 2020 abatement amounted to $55,550.


CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882

Required Supplementary Information

	Page
Schedule of the City's Proportional Share of the Net Pension Liability	
Cost-Sharing Pension Plans	90
Schedule of the Changes in Net Pension Liability and Related Ratios	
Agent Pension Plans – PSPRS Police	92
Agent Pension Plans – PSPRS Fire	94
Schedule of the Changes in Net OPEB Liability (Asset) and Related Ratios	
PSPRS – Fire	96
City OPEB	97
Schedule of The City's Pension / OPEB Contributions	98
Notes to the Required Supplementary Information	100

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2021

	Reporting Fiscal Year (Measurement Date)			
	2020-2021 (2019-2020)	2019-2020 (2018-2019)	2018-2019 (2017-2018)	2017-2018 (2016-2017)
Arizona State Retirement System				
Proportion of the net pension liability	0.301400%	0.305020%	0.333310%	0.312660%
Proportionate share of the net pension liability	$ 52,222,131	$ 44,383,959	$ 46,485,015	$ 48,706,334
Covered payroll	$ 33,145,052	$ 32,447,746	$ 31,911,275	$ 30,673,166
Proportionate share of the net pension liability as a percentage of its covered payroll	157.56%	136.79%	145.67%	158.79%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%
EORP				
Proportion of the net pension liability	0.2214790%	0.2122050%	0.1689530%	0.2177500%
City's proportionate share of the net pension liability	$ 1,494,901	$ 1,407,293	$ 1,064,634	$ 2,653,363
State's proportionare share of the net pension liability associated with the City	142,078	132,271	182,419	550,687
Total	$ 1,636,979	$ 1,539,564	$ 1,247,053	$ 3,204,050
Covered payroll	$ 187,000	$ 184,269	$ 180,000	$ 194,354
City's proportionate share of the net pension liability as a percentage of its covered payroll	799.41%	763.72%	591.46%	1365.22%
Plan fiduciary net position as a percentage of the total pension liability	29.80%	30.14%	30.40%	19.70%

Reporting fiscal year 2013-2014 through 2011-2012 information is not available.

2016-2017 (2015-2016)	2015-2016 (2014-2015)	2014-2015 (2013-2014)
0.311530%	0.300450%	0.302625%
$ 50,284,072	$ 46,798,712	$ 44,778,290
$ 28,842,056	$ 27,573,067	$ 26,638,622
174.34%	169.73%	168.10%
67.06%	68.35%	69.49%
0.2097849%	0.1942242%	0.2500258%
$ 1,981,949	$ 1,517,768	$ 1,676,603
409,221	473,166	514,062
$ 2,391,170	$ 1,990,934	$ 2,190,665
$ 189,999	$ 157,579	$ 204,400
1043.14%	963.18%	820.26%
23.42%	28.32%	31.91%

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the Changes in Net Pension Liability and Related Ratios
Agent Pension Plans - PSPRS Police
June 30, 2021

	Reporting Fiscal Year (Measurement Date)			
	2020-2021 (2019-2020)	2019-2020 (2018-2019)	2018-2019 (2017-2018)	2017-2018 (2016-2017)
PSPRS Police				
Total pension liability				
Service cost	$ 1,135,219	$ 1,314,269	$ 1,278,269	$ 1,591,484
Interest on the total pension liability	6,113,422	5,830,298	5,476,675	5,131,739
Changes of benefit terms	-	-	-	924,114
Differences between expected and actual experience in the measurement of the pension liability	1,208,232	590,373	1,216,507	(293,545)
Changes of assumptions or other inputs	-	1,650,864	-	2,159,906
Benefit payments, including refunds of employee contributions	(4,499,790)	(3,998,301)	(3,737,501)	(3,804,819)
Net change in total pension liability	3,957,083	5,387,503	4,233,950	5,708,879
Total pension liability - beginning	84,860,189	79,472,686	75,238,736	69,529,857
Total pension liability - ending (a)	$ 88,817,272	$ 84,860,189	$ 79,472,686	$ 75,238,736
Plan fiduciary net position				
Contributions - employer	$ 6,284,379	$ 3,441,524	$ 4,046,869	$ 3,657,762
Contributions - employee	537,822	550,585	646,186	912,701
Net investment income	436,641	1,756,930	2,081,145	3,105,491
Benefit payments, including refunds of employee contributions	(4,499,790)	(3,998,301)	(3,737,501)	(3,804,819)
Hall/Parker Settlement	-	-	(922,190)	-
Pension plan administrative expenses	(35,788)	(31,510)	(32,374)	(27,878)
Other changes	-	-	328	(58,723)
Net change in plan fiduciary net position	2,723,264	1,719,228	2,082,463	3,784,534
Plan fiduciary net position - beginning (restated)	31,559,245	29,840,016	27,776,266	23,991,732
Plan fiduciary net position - ending (b)	$ 34,282,509	$ 31,559,244	$ 29,858,729	$ 27,776,266
Net pension liability - ending (a) - (b)	$ 54,534,763	$ 53,300,945	$ 49,613,957	$ 47,462,470
Plan fiduciary net position as a percentage of the total pension liability	38.60%	37.19%	37.57%	36.92%
Covered payroll	$ 5,527,309	$ 5,875,114	$ 6,555,255	$ 7,155,954
Net pension liability as a percentage of covered payroll	986.64%	907.23%	756.86%	663.26%

Reporting fiscal year 2013-2014 through 2011-2012 information is not available.

2016-2017 (2015-2016)	2015-2016 (2014-2015)	2014-2015 (2013-2014)
$ 1,367,771	$ 1,373,545	$ 1,312,430
4,818,389	4,650,797	3,904,338
1,967,589	-	1,353,950
(111,993)	(346,202)	(671,478)
2,578,910	-	6,987,647
(3,575,345)	(3,505,319)	(3,311,491)
7,045,321	2,172,821	9,575,396
62,484,536	60,311,715	50,736,319
$ 69,529,857	$ 62,484,536	$ 60,311,715
$ 3,441,521	$ 2,578,489	$ 2,311,119
1,147,170	841,533	768,029
146,825	821,133	2,757,888
(3,575,345)	(3,505,319)	(3,311,491)
-	-	-
(21,527)	(20,411)	-
(112,440)	(357,501)	(1,371,053)
1,026,204	357,924	1,154,492
22,965,528	22,607,604	21,453,112
$ 23,991,732	$ 22,965,528	$ 22,607,604
$ 45,538,125	$ 39,519,008	$ 37,704,111
34.51%	36.75%	37.48%
$ 7,318,199	$ 7,526,730	$ 7,425,908
622.26%	525.05%	507.74%

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the Changes in Net Pension Liability and Related Ratios
Agent Pension Plans - PSPRS Fire
June 30, 2021

	Reporting Fiscal Year (Measurement Date)			
	2020-2021 (2019-2020)	2019-2020 (2018-2019)	2018-2019 (2017-2018)	2017-2018 (2016-2017)
PSPRS Fire				
Total pension liability				
Service cost	$ 1,149,078	$ 1,229,846	$ 1,232,288	$ 1,376,479
Interest on the total pension liability	6,733,345	6,594,132	6,209,142	5,668,204
Changes of benefit terms	-	-	-	804,628
Differences between expected and actual experience in the measurement of the pension liability	599,182	(675,316)	2,491,418	193,670
Changes of assumptions or other inputs	-	1,681,383	-	5,454,472
Benefit payments, including refunds of employee contributions	(5,563,021)	(5,680,128)	(5,007,832)	(5,180,329)
Net change in total pension liability	2,918,584	3,149,917	4,925,016	8,317,124
Total pension liability - beginning	93,870,030	90,720,113	85,795,097	77,477,973
Total pension liability - ending (a)	$ 96,788,614	$ 93,870,030	$ 90,720,113	$ 85,795,097
Plan fiduciary net position				
Contributions - employer	$ 7,273,509	$ 5,315,168	$ 4,950,022	$ 4,239,954
Contributions - employee	549,407	435,225	565,220	703,312
Net investment income	470,249	1,830,884	2,181,684	3,290,746
Benefit payments, including refunds of employee contributions	(5,563,021)	(5,680,128)	(5,007,832)	(5,180,329)
Hall/Parker Settlement	-	-	(908,136)	-
Pension plan administrative expenses	(38,533)	(32,805)	(33,905)	(29,518)
Other changes	-	-	357	12,535
Net change in plan fiduciary net position	2,691,611	1,868,344	1,747,410	3,036,700
Plan fiduciary net position - beginning (restated)	33,093,460	31,255,156	29,508,064	26,471,364
Plan fiduciary net position - ending (b)	$ 35,785,071	$ 33,123,500	$ 31,255,474	$ 29,508,064
Net pension liability - ending (a) - (b)	$ 61,003,543	$ 60,746,530	$ 59,464,639	$ 56,287,033
Plan fiduciary net position as a percentage of the total pension liability	36.97%	35.29%	34.45%	34.39%
Covered payroll	$ 5,239,842	$ 5,299,696	$ 5,683,984	$ 5,650,572
Net pension liability as a percentage of covered payroll	1164.22%	1146.23%	1046.18%	996.13%

Reporting fiscal year 2013-2014 through 2011-2012 information is not available.

2016-2017 (2015-2016)	2015-2016 (2014-2015)	2014-2015 (2013-2014)
$ 1,107,145	$ 973,454	$ 950,445
5,356,440	5,239,671	4,390,766
2,064,045	-	1,553,904
669,848	52,497	1,431,974
2,647,110	-	7,269,797
(4,095,893)	(5,594,036)	(3,994,598)
7,748,695	671,586	11,602,288
69,729,278	69,057,692	57,455,404
$ 77,477,973	$ 69,729,278	$ 69,057,692
$ 3,952,628	$ 2,418,742	$ 2,030,211
669,429	732,850	525,878
160,712	963,491	3,407,667
(4,095,893)	(5,594,036)	(3,994,598)
-	-	-
(23,526)	(23,873)	-
(27,936)	48,864	(1,831,071)
635,414	(1,453,962)	138,087
25,835,950	27,289,912	27,151,825
$ 26,471,364	$ 25,835,950	$ 27,289,912
$ 51,006,609	$ 43,893,328	$ 41,767,780
34.17%	37.05%	39.52%
$ 5,491,792	$ 4,847,679	$ 4,788,197
928.78%	905.45%	872.31%

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the Changes in Net OPEB Asset and Related Ratios
Agent OPEB Plans - PSPRS Fire
June 30, 2021

	Reporting Fiscal Year (Measurement Date)			
	2020-2021 (2019-2020)	2019-2020 (2018-2019)	2018-2019 (2017-2018)	2017-2018 (2016-2017)
PSPRS Fire				
Total OPEB liability				
Service cost	$ 25,532	$ 16,484	$ 18,757	$ 19,777
Interest on the total OPEB liability	108,941	118,278	116,896	117,249
Changes of benefit terms	-	-	-	9,376
Differences between expected and actual experience in the measurement of the OPEB liability	(6,882)	(193,022)	(31,819)	(61,082)
Changes of assumptions or other inputs	-	16,310	-	21,953
Benefit payments, including refunds of employee contributions	(91,651)	(94,885)	(89,633)	(91,188)
Net change in total OPEB liability	35,940	(136,835)	14,201	16,085
Total OPEB liability - beginning	1,492,475	1,629,310	1,615,109	1,599,024
Total OPEB liability - ending (a)	$ 1,528,415	$ 1,492,475	$ 1,629,310	$ 1,615,109
Plan fiduciary net position				
Contributions - employer	$ -	$ -	$ (317)	$ -
Net investment income	35,241	147,468	183,884	287,005
Benefit payments, including refunds of employee contributions	(91,651)	(94,885)	(89,633)	(91,188)
OPEB plan administrative expenses	(2,866)	(2,546)	(2,799)	(2,540)
Other changes	-	-	1	-
Net change in plan fiduciary net position	(59,276)	50,037	91,136	193,277
Plan fiduciary net position - beginning (restated)	2,813,448	2,763,411	2,671,958	2,478,681
Plan fiduciary net position - ending (b)	$ 2,754,172	$ 2,813,448	$ 2,763,094	$ 2,671,958
Net OPEB (asset) liability - ending (a) - (b)	$ (1,225,757)	$ (1,320,973)	$ (1,133,784)	$ (1,056,849)
Plan fiduciary net position as a percentage of the total OPEB liability	180.20%	188.51%	169.59%	165.44%
Covered payroll	$ 5,239,842	$ 5,299,696	$ 5,683,984	$ 5,650,572
Net OPEB (asset) liability as a percentage of covered payroll	-23.39%	-24.93%	-19.95%	-18.70%

Reporting fiscal year 2016-2017 through 2011-2012 information is not available.

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the Changes in Net OPEB Liability and Related Ratios
Single Employer OPEB Plans - City OPEB
June 30, 2021

	Reporting Fiscal Year (Measurement Date)			
	2020-2021 (2019-2020)	2019-2020 (2018-2019)	2018-2019 (2017-2018)	2017-2018 (2016-2017)
City OPEB				
Total OPEB liability				
Service cost	$ 480,223	$ 482,750	$ 580,616	$ 612,124
Interest on the total OPEB liability	291,110	382,358	368,976	309,152
Differences between expected and actual experience in the measurement of the OPEB liability	-	(2,597,490)	-	(2,273,189)
Changes of assumptions or other inputs	760,916	612,806	(844,549)	1,126,321
Benefit payments, including refunds of employee contributions	(429,062)	(455,699)	(411,713)	(155,812)
Net change in total OPEB liability	1,103,187	(1,575,275)	(306,670)	(381,404)
Total OPEB liability - beginning	8,049,880	9,625,155	9,931,825	10,313,229
Total OPEB liability - ending (a)	$ 9,153,067	$ 8,049,880	$ 9,625,155	$ 9,931,825
Plan fiduciary net position				
Net change in plan fiduciary net position	$ -	$ -	$ -	$ -
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	$ -
Net OPEB liability - ending (a) - (b)	$ 9,153,067	$ 8,049,880	$ 9,625,155	$ 9,931,825
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 50,086,352	$ 48,357,183	$ 48,357,183	$ 44,717,801
Net pension liability as a percentage of covered payroll	18.27%	16.65%	19.90%	22.21%

Reporting fiscal year 2016-2017 through 2011-2012 information is not available.

City of Flagstaff, Arizona
Required Supplementary Information
Schedule of the City's Pension/OPEB* Contributions
June 30, 2021

	Reporting Fiscal Year			
	2020-2021	2019-2020	2018-2019	2017-2018
Arizona State Retirement System				
Statutorily required contributions	$ 3,845,197	$ 3,795,108	$ 3,627,657	$ 3,478,329
Contributions in relation to the statutorily required contribution	3,845,197	3,795,108	3,627,657	3,478,329
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 33,005,980	$ 33,145,052	$ 32,447,746	$ 31,911,275
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%
Elected Officials Retirement Plan				
Statutorily required contributions	$ 101,660	$ 100,679	$ 98,293	$ 39,638
Contributions in relation to the statutorily required contribution	101,660	100,679	98,293	39,638
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 183,403	$ 187,000	$ 184,269	$ 180,000
Contributions as a percentage of covered payroll	55.43%	53.84%	53.34%	22.02%
PSPRS - Police**				
Statutorily required contributions	$ 840,529	$ 3,434,035	$ 3,441,524	$ 3,229,323
Contributions in relation to the statutorily required contribution	55,900,990	6,331,039	3,441,524	3,124,679
Contribution deficiency (excess)	$ (55,060,461)	$ (2,897,004)	$ -	$ 104,644
Covered payroll	$ 5,033,204	$ 5,527,309	$ 5,875,114	$ 6,555,225
Contributions as a percentage of covered payroll	1110.64%	114.54%	58.58%	47.67%
PSPRS - Fire**				
Statutorily required contributions	$ 1,393,770	$ 5,183,976	$ 5,315,168	$ 4,589,139
Contributions in relation to the statutorily required contribution	63,593,670	6,910,825	5,315,168	4,041,886
Contribution deficiency (excess)	$ (62,199,900)	$ (1,726,849)	$ -	$ 547,253
Covered payroll	$ 6,006,067	$ 5,239,842	$ 5,299,696	$ 5,683,984
Contributions as a percentage of covered payroll	1058.82%	131.89%	100.29%	71.11%

* The City had no OPEB contributions for the current or prior years.

** For contributions for 2017-2018, the City chose to use credits with PSPRS for the Hall Parker Settlement refunds related to excess contributions in prior years.

Reporting Fiscal year 2012-2013 through 2011-2012 information is not available.

2016-2017	2015-2016	2014-2015	2013-2014
$ 3,357,591	$ 3,168,876	$ 3,002,707	$ 2,837,013
3,357,591	3,168,876	3,002,707	2,837,013
$ -	$ -	$ -	$ -
$ 30,673,166	$ 28,842,056	$ 27,573,067	$ 26,638,622
10.95%	10.99%	10.89%	10.65%
$ 40,588	$ 39,815	$ 37,483	$ 50,732
40,588	39,815	37,483	50,732
$ -	$ -	$ -	$ -
$ 194,354	$ 189,999	$ 157,579	$ 204,400
20.88%	20.96%	23.79%	24.82%
$ 3,275,134	$ 3,401,213	$ 2,578,489	$ 2,311,119
3,657,762	3,441,521	2,578,489	2,311,119
$ (382,628)	$ (40,308)	$ -	$ -
$ 7,155,954	$ 7,318,199	$ 7,526,730	$ 7,425,908
51.11%	47.03%	34.26%	31.12%
$ 4,239,954	$ 3,952,628	$ 2,418,742	$ 2,030,211
4,239,954	3,952,628	2,418,742	2,030,211
$ -	$ -	$ -	$ -
$ 5,650,572	$ 5,491,792	$ 4,847,679	$ 4,788,197
75.04%	71.97%	49.89%	42.40%

City of Flagstaff, Arizona
Notes to the Required Supplementary Information
June 30, 2021

I. Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	17 years; if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years
Asset valuation method	7-year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was 7.3%.
Projected salary increases	In the 2019 actuarial valuation, projected salary increases were 3.5%–7.5% for PSPRS
Wage growth	In the 2019 actuarial valuation, wage growth was 3.5%
Permanent Benefit Increases	The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. We have assumed that to be 1.75% for this valuation.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 mortality table with 75% of MP-2018 fully generational projection scales.

II. Factors That Affect the Identification of Trends

Beginning in fiscal year 2013-2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plan recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2013-2014, the plan transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from the plan's Pension Fund to the new Health Insurance Fund.

III. Information Prior to Measurement Date

Information prior to the measurement date (June 30, 2014) for pension and (June 30, 2017) for OPEB are not available. Information for subsequent years will be presented, when it is available to present ten years of information.

Non-Major Funds
Other Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute, charter provision or ordinance to finance particular functions or activities.

Housing and Community Services Fund

This fund was established in fiscal year 1996-1997 to account for the funding received for the Community Development Block Grant program and affordable housing activities.

Metropolitan Planning Organization Fund

This fund was established in fiscal year 1996-1997 to account for funding derived from the City's status as a Metropolitan Planning Organization.

Library Fund

The City Library is financed through City sales tax allocations, State and County grants and individual contributions. Funds provided must be used for library activities such as cultural and educational programs and technical services.

Bed, Board and Beverage Tax Fund

This fund accounts for the Bed, Board and Beverage tax revenues as approved by voters in the 2010 general election and related expenditures. These resources are restricted for use in the areas of Beautification, Economic Development, Tourism, Arts & Science and Recreation.

Parking District Fund

This fund was established to comprehensively manage the public parking in downtown Flagstaff and the surrounding neighborhood.

Water Resource & Infrastructure Protection Fund

This fund accounts for the water resource and infrastructure protection fee and the related expenditures. These resources are restricted to support the Wildland Fire Management program.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

General Obligation Bond Fund

This fund is used to account for the accumulation of resources for, and the payments of, general long-term obligation principal and interest.

Secondary Property Tax Revenue Fund

This fund is used to account for secondary property tax revenues. Monies received by this fund are legally restricted to payment of general obligation debt.

Special Assessment Bond Fund

This fund accounts for the accumulation of resources for and the payment of principal, interest and related costs for all improvement district bonds issued by the City and repaid by the special assessment district.

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Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Perpetual Care Fund

This fund accounts for the perpetual care of the City's cemetery.

City of Flagstaff, Arizona
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Housing & Community Services Fund	Metropolitan Planning Organization Fund	Library Fund	BBB Fund	Parking District Fund
Assets					
Cash and investments	$ 663,258	$ -	$ 2,569,394	$ 12,297,620	$ 1,047,346
Accounts receivable, net	98,428	-	92,712	2,218,967	2,635
Interest receivable	1,658	-	6,506	17,488	1,719
Intergovernmental receivable	872,761	-	1,894	-	-
Notes receivable	275,600	-	-	-	-
Inventory	-	-	-	59,925	-
Restricted cash and investments	-	-	2,298,681	209,244	-
Total assets	$ 1,911,705	$ -	$ 4,969,187	$ 14,803,244	$ 1,051,700
Liabilities, Deferred Inflows and Fund Balance					
Liabilities:					
Accounts payable	$ 70,630	$ -	$ 87,630	$ 308,127	$ 9,847
Accrued payroll and compensated absences	3,942	-	153,517	83,877	12,679
Advanced revenue	-	-	42,988	-	-
Total liabilities	74,572	-	284,135	392,004	22,526
Deferred inflows of resources:					
Unavailable revenue - notes receivable	275,600	-	-	-	-
Unavailable revenue - other revenue	81,568	-	-	-	-
Total deferred inflows of resources	357,168	-	-	-	-
Fund balances:					
Nonspendable:					
Perpetual care	-	-	-	-	-
Inventory	-	-	-	59,925	-
Restricted for:					
Notes receivable	275,600	-	-	-	-
Library branch services	-	-	898,814	-	-
Library programs board directed	-	-	1,399,867	-	-
Debt service	-	-	-	-	-
Public art	-	-	-	1,101,913	-
Economic development	-	-	-	2,292,477	-
Tourism	-	-	-	671,617	-
Park maintenance and operations	-	-	-	1,838,515	-
Other capital projects	1,204,365	-	-	8,446,793	-
Perpetual care	-	-	-	-	-
Water resource and infrastructure protection	-	-	-	-	-
Assigned to:					
Parking district	-	-	-	-	1,029,174
Library services	-	-	2,386,371	-	-
Total fund balance	1,479,965	-	4,685,052	14,411,240	1,029,174
Total liabilities, deferred inflows and fund balance	$ 1,911,705	$ -	$ 4,969,187	$ 14,803,244	$ 1,051,700

	Debt Service Funds			Permanent Fund	
Water Resource & Infrastructure Protection Fund	General Obligation Bond Fund	Secondary Property Tax Revenue Fund	Special Assessment Bond Fund	Perpetual Care Fund	Total Nonmajor Governmental Funds
$ 663,796	$ -	$ 1,323,108	$ -	$ 42,949	$ 18,607,471
168,607	-	-	-	-	2,581,349
773	-	6,758	-	572	35,474
4,003	-	-	-	-	878,658
-	-	-	-	-	275,600
-	-	-	-	-	59,925
-	-	5,919,725	-	332,373	8,760,023
$ 837,179	$ -	$ 7,249,591	$ -	$ 375,894	$ 31,198,500
$ 1,044	$ -	$ -	$ -	$ -	$ 477,278
21,071	-	-	-	-	275,086
-	-	-	-	-	42,988
22,115	-	-	-	-	795,352
-	-	-	-	-	275,600
-	-	-	-	-	81,568
-	-	-	-	-	357,168
-	-	-	-	332,373	332,373
-	-	-	-	-	59,925
-	-	-	-	-	275,600
-	-	-	-	-	898,814
-	-	-	-	-	1,399,867
-	-	7,249,591	-	-	7,249,591
-	-	-	-	-	1,101,913
-	-	-	-	-	2,292,477
-	-	-	-	-	671,617
-	-	-	-	-	1,838,515
-	-	-	-	-	9,651,158
-	-	-	-	43,521	43,521
815,064	-	-	-	-	815,064
-	-	-	-	-	1,029,174
-	-	-	-	-	2,386,371
815,064	-	7,249,591	-	375,894	30,045,980
$ 837,179	$ -	$ 7,249,591	$ -	$ 375,894	$ 31,198,500

City of Flagstaff, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds				
	Housing & Community Services Fund	Metropolitan Planning Organization Fund	Library Fund	BBB Fund	Parking District Fund
Revenues:					
Taxes	$ -	$ -	$ -	$ 9,654,927	$ -
Intergovernmental	-	-	3,837,589	-	-
Grants and entitlements	1,365,160	-	66,120	-	-
Licenses and permits	-	-	-	3,575	-
Charges for services	-	-	-	121,910	357,090
Rents	11,070	-	-	336,785	-
Investment earnings	8,827	-	35,779	94,026	10,836
Contributions	510,200	-	65,652	-	-
Miscellaneous	471,958	-	513	2,286	1,136
Total revenues	2,367,215	-	4,005,653	10,213,509	369,062
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Economic and physical development	1,934,272	-	-	3,230,585	-
Culture and recreation	-	-	4,739,107	995,695	-
Highways and streets	-	-	-	832	519,241
Debt service:					
Principal retirement	-	-	-	155,000	96,085
Interest and other charges	-	-	-	92,054	18,940
Capital outlay	-	-	164,592	162,968	-
Total expenditures	1,934,272	-	4,903,699	4,637,134	634,266
Excess (deficiency) of revenues over expenditures	432,943	-	(898,046)	5,576,375	(265,204)
Other Financing Sources (Uses):					
Transfers in	-	-	1,624,835	247,000	-
Transfers out	-	(34,130)	-	(3,180,681)	(96,349)
Total other financing sources (uses)	-	(34,130)	1,624,835	(2,933,681)	(96,349)
Net change in fund balance	432,943	(34,130)	726,789	2,642,694	(361,553)
Fund balance, beginning of year	1,047,022	34,130	3,958,263	11,768,546	1,390,727
Fund balance, end of year	$ 1,479,965	$ -	$ 4,685,052	$ 14,411,240	$ 1,029,174

	Debt Service Funds			Permanent Fund	
Water Resource & Infrastructure Protection Fund	General Obligation Bond Fund	Secondary Property Tax Revenue Fund	Special Assessment Bond Fund	Perpetual Care Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 7,385,677	$ -	$ -	$ 17,040,604
-	-	-	-	-	3,837,589
8,863	-	-	-	-	1,440,143
-	-	-	-	-	3,575
1,240,175	-	-	-	-	1,719,175
-	-	-	-	-	347,855
2,145	-	24,642	163	3,181	179,599
-	-	-	-	19,910	595,762
-	-	-	-	-	475,893
1,251,183	-	7,410,319	163	23,091	25,640,195
363,568	-	-	-	-	363,568
-	-	-	-	-	5,164,857
-	-	-	-	-	5,734,802
-	-	-	-	-	520,073
-	5,606,115	-	-	-	5,857,200
-	1,697,255	-	-	-	1,808,249
-	-	-	-	-	327,560
363,568	7,303,370	-	-	-	19,776,309
887,615	(7,303,370)	7,410,319	163	23,091	5,863,886
-	7,303,370	-	-	-	9,175,205
(72,551)	-	(7,303,370)	(122,989)	-	(10,810,070)
(72,551)	7,303,370	(7,303,370)	(122,989)	-	(1,634,865)
815,064	-	106,949	(122,826)	23,091	4,229,021
-	-	7,142,642	122,826	352,803	25,816,959
$ 815,064	$ -	$ 7,249,591	$ -	$ 375,894	$ 30,045,980

Non-Major Funds
Other Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that provide services to the general public for a fee.

Airport Fund

This fund accounts for the construction, operations and maintenance of the City airport.

Housing Authority Fund

This fund accounts for low income rental assistance along with federal housing programs such as low income public housing and voucher programs that enhance this funds ability to provide services.

City of Flagstaff, Arizona
Combining Statement of Net Position
Nonmajor Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Fund		
	Airport Fund	Housing Authority	Total Nonmajor Proprietary Fund
Assets			
Current assets:			
Cash and investments	$ 770,764	$ 1,678,091	$ 2,448,855
Receivable, net	221,769	82,248	304,017
Intergovernmental receivables	1,080,706	18,016	1,098,722
Prepaid items	-	433,077	433,077
Total current assets	2,073,239	2,211,432	4,284,671
Noncurrent assets:			
Restricted cash and investments	-	249,596	249,596
Capital assets, non-depreciable	2,288,506	921,950	3,210,456
Capital assets, depreciable, net	36,265,384	3,241,819	39,507,203
Total non-current assets	38,553,890	4,413,365	42,967,255
Total assets	40,627,129	6,624,797	47,251,926
Deferred outflows - pension/OPEB	361,471	414,400	775,871
Total deferred outflows	361,471	414,400	775,871
Liabilities			
Current liabilities:			
Accounts payable	122,181	200,966	323,147
Construction retainage payable	164,677	-	164,677
Interfund payable	-	50,508	50,508
Accrued payroll	56,993	62,489	119,482
Accrued compensated absences	45,268	92,823	138,091
Advanced revenue	-	85,551	85,551
Deposits payable	2,459	73,594	76,053
Bonds and lease payable - current	193,769	-	193,769
Total current liabilities	585,347	565,931	1,151,278
Noncurrent liabilities:			
Compensated absences	29,995	86,179	116,174
Net OPEB liability	91,537	240,986	332,523
Net pension liability	2,454,710	2,360,067	4,814,777
Capital lease payable	533,801	-	533,801
Total noncurrent liabilities	3,110,043	2,687,232	5,797,275
Total liabilities	3,695,390	3,253,163	6,948,553
Deferred inflows - pension/OPEB	60,667	171,043	231,710
Total deferred inflows	60,667	171,043	231,710
Net Position			
Net investment in capital assets	37,556,198	4,163,769	41,719,967
Restricted for:			
Specific programming	-	123,252	123,252
Unrestricted (deficit)	(323,655)	(672,030)	(995,685)
Total net position	$ 37,232,543	$ 3,614,991	$ 40,847,534

City of Flagstaff, Arizona
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Fund
Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund		
	Airport Fund	Housing Authority	Total Nonmajor Proprietary Fund
Operating Revenues:			
Charges for services	$ 1,549,584	$ 2,344,871	$ 3,894,455
Miscellaneous	407	-	407
Total operating revenues	1,549,991	2,344,871	3,894,862
Operating Expenses:			
Personnel services	1,521,832	1,545,837	3,067,669
Contractual services, materials and supplies	1,296,928	6,101,880	7,398,808
Depreciation and amortization	2,481,961	384,087	2,866,048
Total operating expenses	5,300,721	8,031,804	13,332,525
Operating income (loss)	(3,750,730)	(5,686,933)	(9,437,663)
Non-operating Revenues (Expenses):			
Interest and investment income	8,090	2,061	10,151
Grants and entitlements	2,512,232	5,711,660	8,223,892
Gain (loss) on disposal of capital asset	-	20,640	20,640
Passenger facility charges	380,617	-	380,617
Interest expense	(48,352)	-	(48,352)
Total non-operating revenues (expenses)	2,852,587	5,734,361	8,586,948
Income (loss) before capital contributions and transfers	(898,143)	47,428	(850,715)
Capital contributions related to grants	1,508,309	673,092	2,181,401
Transfers in	1,884,501	-	1,884,501
Transfers out	(122,191)	-	(122,191)
Change in net position	2,372,476	720,520	3,092,996
Total net position, beginning of year	34,860,067	2,894,471	37,754,538
Total net position, end of year	$ 37,232,543	$ 3,614,991	$ 40,847,534

City of Flagstaff, Arizona
Combining Statement of Cash Flows
Nonmajor Proprietary Fund
Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund		
	Airport Fund	Housing Authority	Total Nonmajor Proprietary Fund
Cash flows from operating activities:			
Receipts from customers	$ 1,338,497	$ 2,274,984	$ 3,613,481
Other receipts	380,617	-	380,617
Payments to suppliers	(929,593)	(6,087,326)	(7,016,919)
Interfund services used	(65,999)	(335,275)	(401,274)
Interfund reimbursement used	(332,833)	-	(332,833)
Payments to employees	(1,140,717)	(1,433,706)	(2,574,423)
Net cash provided (used) by operating activities	(750,028)	(5,581,323)	(6,331,351)
Cash flows from noncapital financing activities:			
Transfer to other funds	(122,191)	-	(122,191)
Transfer from other funds	1,884,501	-	1,884,501
Interfund loans received (paid)	(1,845,000)	(45,278)	(1,890,278)
Net cash provided (used) by noncapital financing activities	(82,690)	(45,278)	(127,968)
Cash flows from capital and related financing activities:			
Receipts from grantors	3,685,369	5,784,303	9,469,672
Capital contributions	1,508,309	673,092	2,181,401
Acquisition and construction of capital assets	(3,367,766)	(707,239)	(4,075,005)
Principal payments on capital debt	(183,384)	-	(183,384)
Interest paid on capital debt	(48,352)	-	(48,352)
Proceeds from sales of capital assets	-	17,255	17,255
Net cash provided (used) by capital financing activities	1,594,176	5,767,411	7,361,587
Cash flows from investing activities:			
Interest received on investments	8,314	2,061	10,375
Net cash provided (used) by investing activities	8,314	2,061	10,375
Net increase (decrease) in cash and cash equivalents	769,772	142,871	912,643
Cash and cash equivalents at beginning of year	992	1,784,816	1,785,808
Cash and cash equivalents at end of year	$ 770,764	$ 1,927,687	$ 2,698,451
Classified as:			
Cash, cash equivalents, and investments	$ 770,764	$ 1,678,091	$ 2,448,855
Restricted cash and cash equivalents	-	249,596	249,596
Totals	$ 770,764	$ 1,927,687	$ 2,698,451

(continued)

Combining Statement of Cash Flows
Nonmajor Proprietary Fund
Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund		
	Airport Fund	Housing Authority Fund	Total Nonmajor Proprietary Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (3,750,730)	$ (5,686,933)	$ (9,437,663)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	2,481,961	384,087	2,866,048
Other receipts	380,617	-	380,617
(Increase) decrease in assets:			
Accounts receivable	(121,301)	(63,786)	(185,087)
Prepaid items	-	(366,326)	(366,326)
(Increase) decrease in deferred pension outflows	342,855	(152,139)	190,716
(Increase) decrease in deferred OPEB outflows	(9,133)	(24,019)	(33,152)
Increase (decrease) in liabilities:			
Accounts payable	(31,497)	45,605	14,108
Accrued payroll, compensated absences	19,152	57,337	76,489
Net OPEB liability	11,033	29,015	40,048
Net pension liability	48,021	385,344	433,365
Deposits payable	(70)	(1,250)	(1,320)
Advanced revenue	(90,123)	(4,851)	(94,974)
Increase (decrease) in deferred pension inflows	(24,154)	(172,600)	(196,754)
Increase (decrease) in deferred OPEB inflows	(6,659)	(10,807)	(17,466)
Total adjustments	3,000,702	105,610	3,106,312
Net cash provided (used) by operating activities	$ (750,028)	$ (5,581,323)	$ (6,331,351)

Noncash investing, capital and financing activities:
None

(concluded)

Other Supplementary Information

	Page
Capital Assets Used in the Operation of Governmental Funds	
Schedule by Function and Activity	112
Schedule of Changes by Function and Activity	114
Budgetary Comparison Schedules - Governmental Funds	
Housing and Community Services Fund	115
Metropolitan Planning Organization Fund	116
Library Fund	117
BBB Fund	118
Parking District Fund	119
Water Resource & Infrastructure Protection Fund	120
General Obligation Bond Fund	121
Secondary Property Tax Revenue Fund	122
Pension Bond Fund	123
Special Assessment Bond Fund	124
Capital Project Bond Construction	125
Financial Data Submission Schedules	
Net Position Accounts	126
Revenue, Expenses, and Changes in Fund Net Position Accounts	130
Revenue, Expenses, and Changes in Fund Net Position Accounts-Public Housing-Consolidated	138

City of Flagstaff, Arizona
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2021

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Program	Land	Buildings	Improvements
General government	$ 3,694,610	$ 33,225,150	$ 2,975,160
Public safety	3,936,522	27,151,960	113,946
Public works	3,338,900	22,439,826	307,810
Economic and physical development	932,354	13,836,950	254,590
Culture and recreation	24,151,772	24,439,303	17,946,040
Highway and streets	32,366,525	3,789,370	2,547,868
Subtotal	68,420,683	124,882,559	24,145,414
Less: accumulated depreciation	-	(33,576,272)	(20,145,607)
Total governmental funds capital assets	$ 68,420,683	$ 91,306,287	$ 3,999,807

Machinery and Equipment	Construction In Progress	Infrastructure	Total
$ 1,652,955	$ 14,160	$ 219,751	$ 41,781,786
18,424,154	-	-	49,626,582
1,615,892	598,547	1,117,224	29,418,199
1,828,031	111,828	899,774	17,863,527
4,144,927	997,701	12,739,207	84,418,950
11,429,807	22,912,187	343,796,316	416,842,073
39,095,766	24,634,423	358,772,272	639,951,117
(27,682,339)	-	(201,026,441)	(282,430,659)
$ 11,413,427	$ 24,634,423	$ 157,745,831	$ 357,520,458

City of Flagstaff, Arizona
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
June 30, 2021

Program	Balance July 1, 2020	Additions	Retirements	Transfers In (out)	Balance June 30, 2021
General government	$ 36,944,511	$ 5,417,910	$ (556,750)	$ (23,885)	$ 41,781,787
Public safety	49,633,599	127,051	(134,068)	-	49,626,582
Public works	28,605,166	813,033	-	-	29,418,199
Economic and physical development	19,173,186	-	(1,309,659)	-	17,863,527
Culture and recreation	83,310,351	1,752,790	(271,325)	(372,866)	84,418,950
Highway and streets	400,097,138	17,492,128	(1)	(747,192)	416,842,073
Total	$ 617,763,951	$ 25,602,912	$ (2,271,803)	$ (1,143,943)	$ 639,951,118

City of Flagstaff, Arizona
Housing & Community Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Grants and entitlements	$ 2,259,953	$ 2,259,953	$ 1,365,160	$ (894,793)
Rent	-	-	11,070	11,070
Contributions	-	-	510,200	510,200
Investment earnings	4,000	4,000	8,827	4,827
Miscellaneous	-	-	471,958	471,958
Total revenues	2,263,953	2,263,953	2,367,215	103,262
Expenditures:				
Current:				
Economic and physical development	2,935,545	2,935,545	1,934,272	1,001,273
Total expenditures	2,935,545	2,935,545	1,934,272	1,001,273
Net change in fund balances	(671,592)	(671,592)	432,943	1,104,535
Fund balances, beginning of year	830,901	830,901	1,036,822	205,921
Fund balances, end of year	$ 159,309	$ 159,309	$ 1,469,765	$ 1,310,456

City of Flagstaff, Arizona
Metropolitan Planning Organization Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses):				
Transfers out	$ (37,778)	$ (37,778)	$ (34,130)	$ 3,648
Total other financing sources (uses)	(37,778)	(37,778)	(34,130)	3,648
Net change in fund balances	(37,778)	(37,778)	(34,130)	3,648
Fund balances, beginning of year	37,778	37,778	34,130	(3,648)
Fund balances, end of year	$ -	$ -	$ -	$ -

City of Flagstaff, Arizona
Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	$ 3,738,235	$ 3,738,235	$ 3,837,589	$ 99,354
Grants and entitlements	55,000	55,000	66,120	11,120
Investment earnings	67,158	67,158	35,779	(31,379)
Contributions	-	-	65,652	65,652
Miscellaneous	41,000	41,000	513	(40,487)
Total revenues	3,901,393	3,901,393	4,005,653	104,260
Expenditures:				
Current:				
Culture and recreation	6,338,298	6,338,298	4,739,107	1,599,191
Capital outlay	1,020,390	1,020,390	164,592	855,798
Contingency	100,000	100,000	-	100,000
Total expenditures	7,458,688	7,458,688	4,903,699	2,554,989
Excess (deficiency) of revenues over (under) expenditures	(3,557,295)	(3,557,295)	(898,046)	2,659,249
Other Financing Sources (Uses):				
Transfers in	1,636,911	1,636,911	1,624,835	(12,076)
Total other financing sources (uses)	1,636,911	1,636,911	1,624,835	(12,076)
Net change in fund balances	(1,920,384)	(1,920,384)	726,789	2,647,173
Fund balances, beginning of year	3,524,630	3,524,630	3,958,263	433,633
Fund balances, end of year	$ 1,604,246	$ 1,604,246	$ 4,685,052	$ 3,080,806

City of Flagstaff, Arizona
BBB Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 9,327,501	$ 9,327,501	$ 9,051,526	$ (275,975)
Charges for services	119,893	119,893	121,910	2,017
Licenses and permits	-	-	3,575	3,575
Rents	433,578	433,578	336,785	(96,793)
Investment earnings	60,267	60,267	94,026	33,759
Miscellaneous	-	-	2,286	2,286
Total revenues	9,941,239	9,941,239	9,610,108	(331,131)
Expenditures:				
Current:				
Economic and physical development	4,429,718	4,429,718	3,230,585	1,199,133
Culture and recreation	1,070,796	1,070,796	995,695	75,101
Highways and streets	-	-	832	(832)
Debt service:				
Principal retirement	155,000	155,000	155,000	-
Interest and other charges	92,088	92,088	92,054	34
Capital outlay	4,989,409	4,989,409	162,968	4,826,441
Contingency	115,000	115,000	-	115,000
Total expenditures	10,852,011	10,852,011	4,637,134	6,214,877
Excess (deficiency) of revenues over (under) expenditures	(910,772)	(910,772)	4,972,974	5,883,746
Other Financing Sources (Uses):				
Transfers in	247,000	247,000	247,000	-
Transfers out	(3,536,837)	(3,536,837)	(3,180,681)	356,156
Total other financing sources (uses)	(3,289,837)	(3,289,837)	(2,933,681)	356,156
Net change in fund balances	(4,200,609)	(4,200,609)	2,039,293	6,239,902
Fund balances, beginning of year	10,918,637	10,918,637	12,277,844	1,359,207
Fund balances, end of year	$ 6,718,028	$ 6,718,028	$ 14,317,137	$ 7,599,109

Adjustment from budgetary basis to GAAP basis net change in fund balances	$ 2,039,293
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis.	603,401
Adjusted net change in fund balance - GAAP basis	$ 2,642,694

City of Flagstaff, Arizona
Parking District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for service	$ 1,254,378	$ 1,254,378	$ 357,090	$ (897,288)
Investment earnings	23,100	23,100	10,836	(12,264)
Miscellaneous	-	-	1,136	1,136
Total revenues	1,277,478	1,277,478	369,062	(908,416)
Expenditures:				
Current:				
Highways and streets	825,086	825,086	519,241	305,845
Debt service:				
Principal retirement	96,085	96,085	96,085	-
Interest and other charges	15,941	15,941	18,940	(2,999)
Contingency	30,000	30,000	-	30,000
Capital outlay	874,191	874,191	-	874,191
Total expenditures	1,841,303	1,841,303	634,266	1,207,037
Excess (deficiency) of revenues over (under) expenditures	(563,825)	(563,825)	(265,204)	298,621
Other Financing Sources (Uses):				
Transfers out	(96,349)	(96,349)	(96,349)	-
Total other financing sources (uses)	(96,349)	(96,349)	(96,349)	-
Net change in fund balances	(660,174)	(660,174)	(361,553)	298,621
Fund balances, beginning of year	1,537,480	1,537,480	1,390,727	(146,753)
Fund balances, end of year	$ 877,306	$ 877,306	$ 1,029,174	$ 151,868

City of Flagstaff, Arizona
Water Resource & Infrastructure Protection Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Grants and entitlements	$ -	$ -	$ 8,863	$ (8,863)
Charges for services	1,120,000	1,120,000	1,240,175	(120,175)
Investment earnings	-	-	2,145	(2,145)
Total revenues	1,120,000	1,120,000	1,251,183	(131,183)
Expenditures:				
Public safety	1,038,121	1,038,121	363,568	674,553
Total expenditures	1,038,121	1,038,121	363,568	674,553
Excess (deficiency) of revenues over (under) expenditures	81,879	81,879	887,615	805,736
Other Financing Sources (Uses):				
Transfers out	-	-	(72,551)	(72,551)
Total other financing sources (uses)	-	-	(72,551)	(72,551)
Net change in fund balances	81,879	81,879	815,064	733,185
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ 81,879	$ 81,879	$ 815,064	$ 733,185

City of Flagstaff, Arizona
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	$ 5,606,115	$ 5,606,115	$ 5,606,115	$ -
Interest and other charges	1,772,221	1,772,221	1,697,255	74,966
Total expenditures	7,378,336	7,378,336	7,303,370	74,966
Excess (deficiency) of revenues over (under) expenditures	(7,378,336)	(7,378,336)	(7,303,370)	74,966
Other Financing Sources (Uses):				
Transfers in	7,378,336	7,378,336	7,303,370	(74,966)
Total other financing sources (uses)	7,378,336	7,378,336	7,303,370	(74,966)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

City of Flagstaff, Arizona
Secondary Property Tax Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 7,406,121	$ 7,406,121	$ 7,385,677	$ (20,444)
Investment earnings	10,000	10,000	24,642	14,642
Total revenues	7,416,121	7,416,121	7,410,319	(5,802)
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	7,416,121	7,416,121	7,410,319	(5,802)
Other Financing Sources (Uses):				
Transfers out	(7,378,336)	(7,378,336)	(7,303,370)	74,966
Total other financing sources (uses)	(7,378,336)	(7,378,336)	(7,303,370)	74,966
Net change in fund balances	37,785	37,785	106,949	69,164
Fund balances, beginning of year	7,161,388	7,161,388	7,142,642	(18,746)
Fund balances, end of year	$ 7,199,173	$ 7,199,173	$ 7,249,591	$ 50,418

City of Flagstaff, Arizona
Pension Bond Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	$ -	$ -	$ 4,527	$ 4,527
Total revenues	-	-	4,527	4,527
Expenditures:				
Current:				
Non-departmental	122,002,500	122,002,500	120,578,514	1,423,986
Total expenditures	122,002,500	122,002,500	120,578,514	1,423,986
Excess (deficiency) of revenues over (under) expenditures	(122,002,500)	(122,002,500)	(120,573,987)	1,428,513
Other Financing Sources (Uses):				
Bond issuance	130,000,000	130,000,000	131,000,000	1,000,000
Transfers in	2,002,500	2,002,500	3,818,453	1,815,953
Total other financing sources (uses)	132,002,500	132,002,500	134,818,453	2,815,953
Net change in fund balances	10,000,000	10,000,000	14,244,466	4,244,466
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ 10,000,000	$ 10,000,000	$ 14,244,466	$ 4,244,466

Adjustment of budgetary basis to GAAP basis net change in fund balances	$ 14,244,466
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis.	7,918
Adjusted net change in fund balance - GAAP basis	$ 14,252,384

City of Flagstaff, Arizona
Special Assessment Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	$ -	$ -	$ 163	$ 163
Total revenues	-	-	163	163
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	163	163
Other Financing Sources (Uses):				
Transfers out	(122,509)	(122,509)	(122,989)	(480)
Total other financing sources (uses)	(122,509)	(122,509)	(122,989)	(480)
Fund balances, beginning of year	122,509	122,509	122,826	317
Fund balances, end of year	$ -	$ -	$ -	$ -

City of Flagstaff, Arizona
Capital Projects Bond Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2021

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Grants and entitlements	$ 889,000	$ 889,000	$ 276,005	$ (612,995)
Investment earnings	3,000	3,000	10,763	7,763
Miscellaneous	2,000,000	2,000,000	-	(2,000,000)
Total revenues	2,892,000	2,892,000	286,768	(2,605,232)
Expenditures:				
Current:				
General government	1,667,115	1,667,115	491,011	1,176,104
Public safety	210,000	210,000	120,377	89,623
Economic and physical development	-	-	22,265	(22,265)
Capital outlay	18,469,066	18,469,066	6,134,946	12,334,120
Total expenditures	20,346,181	20,346,181	6,768,599	13,577,582
Excess (deficiency) of revenues over (under) expenditures	(17,454,181)	(17,454,181)	(6,481,831)	10,972,350
Other Financing Sources (Uses):				
Loan issuance	10,000,000	10,000,000	3,094,937	(6,905,063)
Transfers in	637,938	637,938	474,395	(163,543.00)
Transfers out	(30,075)	(30,075)	(30,075)	-
Total other financing sources (uses)	10,607,863	10,607,863	3,539,257	(7,068,606)
Net change in fund balances	(6,846,318)	(6,846,318)	(2,942,574)	3,903,744
Fund balances, beginning of year	6,846,318	6,846,318	5,212,663	(1,633,655)
Fund balances, end of year	$ -	$ -	$ 2,270,089	$ 2,270,089

City of Flagstaff, Arizona
Financial Data Submission Summary
Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Assets:					
Current Assets:					
Cash:					
Cash - Unrestricted	$ 1,418,404	$ -	$ -	$ 140,869	$ 90,563
Cash - Other Restricted	-	-	98,280	-	24,972
Cash - Tenant Security Deposits	75,594	-	-	-	-
Cash - Restricted - Payment of Current Liabilities	-	-	-	-	-
Total Cash	1,493,998	-	98,280	140,869	115,535
Accounts Receivables:					
Accounts Receivable - PHA Projects	-	-	-	-	-
Accounts Receivable - HUD Other Projects	18,016	-	-	-	-
Accounts Receivable - Other Government	-	-	-	-	-
Accounts Receivable - Miscellaneous	25,665	-	-	27,224	6,473
Accounts Receivable - Tenants	30,933	-	-	-	15,955
Allowance for Doubtful Accounts - Tenants	(7,435)	-	-	-	(15,955)
Allowance for Doubtful Accounts - Other	-	-	-	-	(612)
Fraud Recovery	19,831	-	-	-	-
Allowance for Doubtful Accounts - Fraud	(19,831)	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-
Total Receivables, Net	67,179	-	-	27,224	5,861
Current investments					
Investments - Unrestricted	-	-	-	-	-
Investments - Restricted	-	-	-	-	-
Investments - Restricted for Payment of Current Liability	-	-	-	-	-
Prepaid Expenses and Other Assets	57,846	-	-	2,273	372,958
Inventories	-	-	-	-	-
Allowance for Obsolete Inventories	-	-	-	-	-
Inter Program Due From	5,549	-	-	-	1,322
Assets Held for Sale	-	-	-	-	-
Total Current Assets	1,624,572	-	98,280	170,366	495,676
Noncurrent Assets:					
Capital Assets:					
Land	921,950	-	-	-	-
Buildings	10,993,285	-	-	-	-
Furniture, Equipment & Machinery - Dwellings	1,008,349	-	-	-	-
Furniture, Equipment & Machinery - Administration	451,930	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Accumulated Depreciation	(9,211,745)	-	-	-	-
Construction in Progress	-		-	-	-
Total Capital Assets, Net	4,163,769	-	-	-	-
Notes receivable - Noncurrent	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Non-Current Assets	4,163,769	-	-	-	-
Deferred Outflow of Resources	257,640	-	-	89,304	67,456
Total Assets and Deferred Outflow of Resources	$ 6,045,981	$ -	$ 98,280	$ 259,670	$ 563,132

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
$ -	$ 10,742	$ 17,513	$ -	$ 1,678,091
-	50,750	-	-	174,002
-	-	-	-	75,594
-	-	-	-	-
-	61,492	17,513	-	1,927,687
-	-	-	-	-
-	-	-	-	18,016
-	-	-	-	-
-	-	-	-	59,362
-	-	-	-	46,888
-	-	-	-	(23,390)
-	-	-	-	(612)
-	-	-	-	19,831
-	-	-	-	(19,831)
-	-	-	-	-
-	-	-	-	100,264
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	433,077
-	-	-	-	-
-	-	-	-	-
-	-	-	(6,871)	-
-	-	-	-	-
-	61,492	17,513	(6,871)	2,461,028
-	-	-	-	921,950
-	-	-	-	10,993,285
-	-	-	-	1,008,349
-	-	-	-	451,930
-	-	-	-	-
-	-	-	-	(9,211,745)
-	-	-	-	-
-	-	-	-	4,163,769
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,163,769
-	-	-	-	414,400
$ -	$ 61,492	$ 17,513	$ (6,871)	$ 7,039,197

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Liabilities and Net Position:					
Liabilities:					
Current Liabilities:					
Bank Overdraft	$ -	$ -	$ -	$ -	$ -
Accounts Payable <= 90 Days	115,715	-	-	15,968	14,325
Accrued Wage/Payroll Taxes Payable	40,495	-	-	12,643	9,351
Accrued Compensated Absences	86,854	-	-	-	5,969
Accrued Contingency Liability	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Accounts Payable - HUD PHA Programs	-	-	-	-	4,978
Account Payable - PHA Projects	-	-	-	-	-
Accounts Payable - Other Government	91,521	-	-	-	-
Tenant Security Deposits	73,594	-	-	-	-
Unearned Revenues	34,801	-	-	-	-
Current Portion of L-T Debt - Capital	-	-	-	-	-
Current Portion of L-T Debt - Operating	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Accrued Liabilities - Other	-	-	-	-	-
Inter Program - Due To	-	-	1,577	-	3,630
Total Current Liabilities	442,980	-	1,577	28,611	38,253
Noncurrent Liabilities					
Long-term Debt, Net of Current - Capital	-	-	-	-	-
Long-term Debt, Net of Current - Operating	-	-	-	-	-
Non-current Liabilities - Other	-	-	-	-	-
Accrued Compensated Absences	81,682	-	-	-	4,497
Accrued Pension and OPEB Liabilities	1,748,707	-	-	519,871	332,475
Total Non-Current Liabilities	1,830,389	-	-	519,871	336,972
Total Liabilities	2,273,369	-	1,577	548,482	375,225
Deferred Inflow of Resources	118,781	-	-	38,491	13,771
Net Position:					
Net Investment in Capital Assets	4,163,769	-	-	-	-
Restricted Net Position	-	-	98,280	-	24,972
Unrestricted Net Position	(509,938)	-	(1,577)	(327,303)	149,164
Total Equity/Net Position	3,653,831	-	96,703	(327,303)	174,136
Total Liabilities, Deferred Inflows of Resources and Equity/ Net Position	$ 6,045,981	$ -	$ 98,280	$ 259,670	$ 563,132

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
$ -	$ -	$ -	$ -	$ -
-	-	-	-	146,008
-	-	-	-	62,489
-	-	-	-	92,823
-	-	-	-	-
-	-	-	-	-
-	-	8,967	-	13,945
-	-	-	-	-
-	-	-	-	91,521
-	-	-	-	73,594
-	50,750	-	-	85,551
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,664	-	(6,871)	-
-	52,414	8,967	(6,871)	565,931
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	86,179
-	-	-	-	2,601,053
-	-	-	-	2,687,232
-	52,414	8,967	(6,871)	3,253,163
-	-	-	-	171,043
-	-	-	-	4,163,769
-	-	-	-	123,252
-	9,078	8,546	-	(672,030)
-	9,078	8,546	-	3,614,991
$ -	$ 61,492	$ 17,513	$ (6,871)	$ 7,039,197

(concluded)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Revenues:					
Net Tenant Rental Revenue	$ 1,296,455	$ -	$ -	$ -	$ -
Tenant Revenue - Other	12,203	-	-	-	-
Total Tenant Revenue	1,308,658	-	-	-	-
HUD PHA Operating Grants	850,231	71,487	98,280	-	4,447,838
Capital Grants	673,092	-	-	-	-
Management Fee	-	-	-	-	-
Asset Management Fee	-	-	-	-	-
Bookkeeping Fee	-	-	-	-	-
Front Line Service Fee	-	-	-	-	-
Other Fees	-	-	-	-	-
Other Government Grants	-	-	-	-	-
Investment Income - Unrestricted	1,506	-	-		555
Mortgage Interest Income	-	-	-	-	-
Proceeds -Disposition of Assets Held for Sale	-	-	-	-	-
Cost of Sale of Assets	-	-	-	-	-
Fraud Recovery	30,917	-	-	-	25,416
Other Revenue	7,702	-	-	413,867	558,024
Gain or Loss on Sale of Capital Assets	20,640	-	-	-	-
Investment Income - Restricted	-	-	-	-	-
Total Revenue	2,892,746	71,487	98,280	413,867	5,031,833
Expenses:					
Administrative					
Administrative Salaries	479,979	4,499	1,058	104,051	109,119
Auditing Fees	6,846	-	-	-	978
Management Fee	-	-	-	-	-
Bookkeeping Fee	-	-	-	-	-
Advertising and Marketing	1,986	44	-	163	25
Employee Benefit - Administrative	263,127	1,342	519	91,901	44,958
Office Expenses	56,693	6,203	-	20,382	15,784
Legal Expense	1,678	-	-	-	-
Travel	3,541	-	-	78	1,141
Allocated Overhead	-	-	-	-	-
Other	6,819	696	-	2,317	290
Total Administrative	820,669	12,784	1,577	218,892	172,295
Tenant Services					
Asset Management Fee	-	-	-	-	-
Tenant Services - Salaries	-	-	-	-	-
Relocation Costs	-	-	-	-	-
Employee Benefit - Tenant Services	-	-	-	-	-
Tenant Services - Other	-	-	-	-	-
Total Tenant Services	-	-	-	-	-

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
$ -	$ -	$ -	$ -	$ 1,296,455
-	-	-	-	12,203
-	-	-	-	1,308,658
143,583	11,600	88,641	-	5,711,660
-	-	-	-	673,092
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,061
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	287	-	56,620
-	-	-	-	979,593
-	-	-	-	20,640
-	-	-	-	-
143,583	11,600	88,928	-	8,752,324
80,545	1,693	-	-	780,944
-	-	1,086	-	8,910
-	-	-	-	-
-	-	-	-	-
187	-	-	-	2,405
23,952	829	-	-	426,628
32,284	-	-	-	131,346
-	-	-	-	1,678
198	-	-	-	4,958
-	-	-	-	-
552	-	11,852	-	22,526
137,718	2,522	12,938	-	1,379,395
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Utilities					
Water	189,197	-	-	-	-
Electricity	18,590	-	-	1,090	-
Gas	99,668	-	-	313	-
Fuel	-	-	-	-	-
Labor	-	-	-	-	-
Sewer	79,327	-	-	-	-
Employee Benefit - Utilities	-	-	-	-	-
Other Utilities Expense	-	-	-	-	-
Total Utilities	386,782	-	-	1,403	-
Ordinary Maintenance and Operations					
Labor	378,835	-	-	166,120	-
Materials and Other	65,404	57,218	-	3,135	-
Ordinary Maintenance and Operations Contracts	151,878	1,448	-	591	-
Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-
Total Maintenance	596,117	58,666	-	169,846	-
Protective Services					
Protective Services - Labor	-	-	-	-	-
Protective Services - Other Contract Costs	34,759	-	-	10,461	-
Protective Services - Other	-	-	-	-	-
Employee Benefit - Protective Services	-	-	-	-	-
Total Protective Services	34,759	-	-	10,461	-
General Expense					
Property Insurance	70,905	-	-	-	-
Liability Insurance	10,796	-	-	-	-
Workmen's Compensation	7,715	37	-	3,395	987
All Other Insurance	1,945	-	-	1,720	575
Total insurance Premiums	91,361	37	-	5,115	1,562
Other General Expenses	-	-	-	-	24
Compensated Absences	-	-	-	-	-
Payments in Lieu of Taxes	91,521	-	-	-	-
Bad debt - Tenant Rents	4,102	-	-	-	-
Bad debt - Mortgages	-	-	-	-	-
Bad debt - Other	2,862	-	-	-	-
Severance Expense	-	-	-	-	-
Total General Expenses	98,485	-	-	-	24
Financial Expenses					
Interest Expense - Mortgage Payable	-	-	-	-	-
Interest on Notes Payable (Short & Long Term)	-	-	-	-	-
Amortization of Bond Issue Costs	-	-	-	-	-
Total Financial Expenses	-	-	-	-	-
Total Operating Expenses	2,028,173	71,487	1,577	405,717	173,881
Excess of Operating Revenue over Operating Expenses	864,573	-	96,703	8,150	4,857,952

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
-	-	-	-	189,197
-	-	-	-	19,680
-	-	-	-	99,981
-	-	-	-	-
-	-	-	-	-
-	-	-	-	79,327
-	-	-	-	-
-	-	-	-	-
-	-	-	-	388,185
-	-	-	-	544,955
-	-	-	-	125,757
-	-	-	-	153,917
-	-	-	-	-
-	-	-	-	824,629
-	-	-	-	-
-	-	-	-	45,220
-	-	-	-	-
-	-	-	-	-
-	-	-	-	45,220
-	-	-	-	70,905
-	-	-	-	10,796
701	-	-	-	12,835
3,264	-	-	-	7,504
3,965	-	-	-	102,040
1,900	-	-	-	1,924
-	-	-	-	-
-	-	-	-	91,521
-	-	-	-	4,102
-	-	-	-	-
-	-	-	-	2,862
-	-	-	-	-
1,900	-	-	-	100,409
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
143,583	2,522	12,938	-	2,839,878
-	9,078	75,990	-	5,912,446

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Other Expenses					
Extraordinary Maintenance	34,819	-	-	-	-
Casualty Losses - Non-capitalized	-	-	-	-	-
Housing Assistance Payments	-	-	-	-	4,161,653
HAP Portability-In	-	-	-	-	525,346
Depreciation Expense	384,087	-	-	-	-
Fraud Losses	10,031	-	-	-	-
Capital Outlays - Governmental Funds	-	-	-	-	-
Debt Principal Payment - Governmental Funds	-	-	-	-	-
Dwelling Units Rent Expense	-	-	-	-	-
Total Other Expense	428,937	-	-	-	4,686,999
Total Expenses	2,457,110	71,487	1,577	405,717	4,860,880
Other Financing Sources (Uses)					
Operating Transfer In	120,000	-	-	-	-
Operating Transfer Out	(120,000)	-	-	-	-
Operating Transfers from/to Primary Government	-	-	-	-	-
Operating Transfers from/to Component Unit	-	-	-	-	-
Proceeds from Notes, Loans and Bonds	-	-	-	-	-
Proceeds from Property Sales	-	-	-	-	-
Extraordinary Items, Net Gain/Loss	-	-	-	-	-
Special Items (Net Gain/Loss)	-	-	-	-	-
Inter Project Excess Cash Transfer In	-	-	-	-	-
Inter Project Excess Cash Transfer Out	-	-	-	-	-
Transfers between Program and Project - In	-	-	-	-	-
Transfers between Project and Program - Out	-	-	-	-	-
Transfer of Funds	-	-	-	-	-
Transfer of Equity	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-
Total Other financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	435,636	-	96,703	8,150	170,953
Beginning Net Position	3,218,195	-	-	(335,453)	3,183
Required Annual Debt Principal Payments	-	-	-	-	-
Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-
Changes in Compensated Absence Balance	-	-	-	-	-
Changes in Contingent Liability Balance	-	-	-	-	-
Changes in Unrecognized Pension Transition Liability	-	-	-	-	-
Changes in Special Term/Severance Benefits Liability	-	-	-	-	-
Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-
Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-
Ending Net Position	$ 3,653,831	$ -	$ 96,703	$ (327,303)	$ 174,136

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
-	-	-	-	34,819
-	-	-	-	-
-	-	75,990	-	4,237,643
-	-	-	-	525,346
-	-	-	-	384,087
-	-	-	-	10,031
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	75,990	-	5,191,926
143,583	2,522	88,928	-	8,031,804
-	-	-	(120,000)	-
-	-	-	120,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,078	-	-	720,520
-	-	8,546	-	2,894,471
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ -	$ 9,078	$ 8,546	$ -	$ 3,614,991

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Year Ended June 30, 2021

	Public Housing 14.850 & 14.872	Public Housing CARES Act 14.PHC	Mainstream CARES Act 14.MSC	Business Activities	Housing Choice Vouchers 14.871
Administrative Fee Equity	$ -	$ -		$ -	$ 149,164
Housing Assistance Payments Equity	-	-	-	-	24,972
Unit Months Available	3,180	-	-	-	5,268
Number of Unit Months Leased	3,131	-	-	-	4,913
Excess Cash	963,666	-	-	-	-
Land Purchases	234,285	-	-	-	-
Building Purchases	361,478	-	-	-	-
Furniture & Equipment - Dwelling Purchases	77,329	-	-	-	-
Furniture & Equipment - Administrative Purchases	34,147	-	-	-	-
Leasehold Improvements Purchases	-	-	-	-	-
Infrastructure Purchases	-	-	-	-	-
CFFP Debt Service Payments	-	-	-	-	-
Replacement Housing Factor Funds	-	-	-	-	-

HCV CARES Act 14.HCC	Emergency Housing Voucher 14.EHV	Moderate Rehabilitation 14.856	Elimination	Total
$ -	$ -	$ -	$ -	$ 149,164
-	-	-	-	24,972
-	-	144	-	8,592
-	-	129	-	8,173
-	-	-	-	963,666
-	-	-	-	234,285
-	-	-	-	361,478
-	-	-	-	77,329
-	-	-	-	34,147
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Public Housing - Consolidated
Year Ended June 30, 2021

	Operating Fund Program	Capital Fund Grants	Other Project Total
Revenues:			
Net Tenant Rental Revenue	$ 1,296,455	$ -	$ 1,296,455
Tenant Revenue - Other	12,203	-	12,203
Total Tenant Revenue	1,308,658	-	1,308,658
HUD PHA Operating Grants	588,200	262,031	850,231
Capital Grants	-	673,092	673,092
Management Fee	-	-	-
Asset Management Fee	-	-	-
Bookkeeping Fee	-	-	-
Front Line Service Fee	-	-	-
Other Fees	-	-	-
Other Government Grants	-	-	-
Investment Income - Unrestricted	1,506	-	1,506
Mortgage Interest Income	-	-	-
Fraud Recovery	30,917	-	30,917
Other Revenue	7,702	-	7,702
Gain or Loss on Sale of Capital Assets	20,640	-	20,640
Investment Income - Restricted	-	-	-
Total Revenue	1,957,623	935,123	2,892,746
Expenses:			
Administrative			
Administrative Salaries	442,798	37,181	479,979
Auditing Fees	5,758	1,088	6,846
Management Fee	-	-	-
Bookkeeping Fee	-	-	-
Advertising and Marketing	1,141	845	1,986
Employee Benefit - Administrative	253,210	9,917	263,127
Office Expenses	56,693	-	56,693
Legal Expense	1,678	-	1,678
Travel	830	2,711	3,541
Allocated Overhead	-	-	-
Other	6,819	-	6,819
Total Administrative	768,927	51,742	820,669
Tenant Services			
Tenant Services - Salaries	-	-	-
Relocation Costs	-	-	-
Employee Benefit - Tenant Services	-	-	-
Tenant Services - Other	-	-	-
Total Tenant Services	-	-	-
Utilities			
Water	189,197	-	189,197
Electricity	18,590	-	18,590
Gas	99,668	-	99,668
Sewer	79,327	-	79,327
Employee Benefit - Utilities	-	-	-
Other Utilities Expense	-	-	-
Total Utilities	386,782	-	386,782

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Public Housing - Consolidated
Year Ended June 30, 2021

	Operating Fund Program	Capital Fund Grants	Other Project Total
Ordinary Maintenance and Operations			
Labor	376,900	1,935	378,835
Materials and Other	47,511	17,893	65,404
Contracts	116,555	35,323	151,878
Employee Benefit Contributions	-	-	-
Total Maintenance	540,966	55,151	596,117
Protective Services			
Protective Services - Labor	-	-	-
Protective Services - Other Contract Costs	34,759	-	34,759
Protective Services - Other	-	-	-
Employee Benefit - Protective Services	-	-	-
Total Protective Services	34,759	-	34,759
General Expense			
Property Insurance	70,905	-	70,905
Liability Insurance	10,796	-	10,796
Workmen's Compensation	7,396	319	7,715
All Other Insurance	1,945	-	1,945
Total insurance Premiums	91,042	319	91,361
Other General Expenses			
Compensated Absences	-	-	-
Payments in Lieu of Taxes	91,521	-	91,521
Bad debt - Tenant Rents	4,102	-	4,102
Bad debt - Mortgages	-	-	-
Bad debt - Other	2,862	-	2,862
Severance Expense	-	-	-
Total Other General Expenses	98,485	-	98,485
Financial Expenses			
Interest Expense - Mortgage Payable	-	-	-
Amortization of Bond Issue Costs	-	-	-
Total Financial Expenses	-	-	-
Total Operating Expenses	1,920,961	107,212	2,028,173
Excess of Operating Revenue over Operating Expenses	36,662	827,911	864,573
Other Expenses			
Extraordinary Maintenance	-	34,819	34,819
Casualty Losses - Non-capitalized	-	-	-
Housing Assistance Payments	-	-	-
HAP Portability-In	-	-	-
Depreciation Expense	384,087	-	384,087
Fraud Losses	10,031	-	10,031
Total Other Expense	394,118	34,819	428,937
Total Expenses	2,315,079	142,031	2,457,110

(continued)

City of Flagstaff, Arizona
Financial Data Submission Summary
Revenue, Expense, and Changes in Fund Net Position Accounts
Public Housing - Consolidated
Year Ended June 30, 2021

	Operating Fund Program	Capital Fund Grants	Other Project Total
Other Financing Sources (Uses)			
Operating Transfer In	120,000	-	120,000
Operating transfer Out	-	(120,000)	(120,000)
Operating Transfers from/to Primary Government	-	-	-
Operating Transfers from/to Component Unit	-	-	-
Proceeds from Notes, Loans and Bonds	-	-	-
Proceeds from Property Sales	-	-	-
Extraordinary Items, Net Gain/Loss	-	-	-
Special Items (Net Gain/Loss)	-	-	-
Inter Project Excess Cash Transfer In	-	-	-
Inter Project Excess Cash Transfer Out	-	-	-
Transfers between Program and Project - In	-	-	-
Transfers between Project and Program - Out	-	-	-
Transfer of Funds	-	-	-
Transfer of Equity	-	-	-
Prior Period Adjustments	-	-	-
Total Other financing Sources (Uses)	120,000	(120,000)	-
Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(237,456)	673,092	435,636
Beginning Net Position	3,218,195	-	3,218,195
Required Annual Debt Principal Payments	-	-	-
Prior Period Adjustments, Equity Transfers and Correction of Errors	673,092	(673,092)	-
Changes in Compensated Absence Balance	-	-	-
Changes in Contingent Liability Balance	-	-	-
Changes in Unrecognized Pension Transition Liability	-	-	-
Changes in Special Term/Severance Benefits Liability	-	-	-
Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-
Changes in Allowance for Doubtful Accounts - Other	-	-	-
Ending Net Position	$ 3,653,831	$ -	$ 3,653,831
Administrative Fee Equity	$ -	$ -	$ -
Housing Assistance Payments Equity	-	-	-
Unit Months Available	3,180	-	3,180
Number of Unit Months Leased	3,131	-	3,131
Excess Cash	963,666	-	963,666
Land Purchases	-	234,285	234,285
Building Purchases	-	361,478	361,478
Furniture & Equipment - Dwelling Purchases	-	77,329	77,329
Furniture & Equipment - Administrative Purchases	34,147	-	34,147
Leasehold Improvements Purchases	-	-	-
Infrastructure Purchases	-	-	-
CFFP Debt Service Payments	-	-	-
Replacement Housing Factor Funds	-	-	-

(concluded)

Statistical Section

This part of the City of Flagstaff's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents:

	Page
Financial Trends	142
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	148
These schedules contain information to help the reader assess the City's most significant local revenue source, sales tax.	
Debt Capacity	151
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	166
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	169
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Schedule 1
City of Flagstaff
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011-2012	2012-2013	2013-2014	2014-2015[1]	2015-2016	2016-2017	2017-2018[2]	2018-2019	2019-2020	2020-2021
Governmental activities										
Net investment in capital assets	$ 219,112,469	$ 222,690,985	$ 227,347,151	$ 230,658,509	$ 246,897,365	$245,638,486	$251,337,203	$262,523,967	$275,765,434	$291,276,562
Restricted	34,679,441	43,856,244	43,761,156	53,192,347	60,981,953	86,071,589	86,287,362	81,804,376	90,040,134	115,107,926
Unrestricted	37,309,699	32,288,032	37,176,483	(65,530,075)	(72,922,639)	(92,822,132)	(91,938,637)	(91,237,974)	(84,540,350)	(94,523,757)
Total governmental activities net position	$ 291,101,609	$ 298,835,261	$ 308,284,790	$ 218,320,781	$ 234,956,679	$ 238,887,943	$245,685,928	$253,090,369	$281,265,218	$ 311,860,731
Business-type activities										
Net investment in capital assets	$ 304,418,393	$ 304,560,897	$ 310,552,949	$ 311,963,433	$ 311,644,865	$ 317,301,221	$ 327,068,826	$ 320,224,485	$ 326,373,816	$ 349,763,437
Restricted	2,805,002	2,694,262	2,492,562	2,664,263	2,903,553	3,142,245	-	-	-	123,252
Unrestricted	23,968,903	29,195,853	31,128,319	18,390,515	20,537,654	26,426,890	24,117,982	37,550,330	41,842,104	37,896,424
Total business-type activities and net positio	$ 331,192,298	$ 336,451,012	$ 344,173,830	$ 333,018,211	$ 335,086,072	$ 346,870,356	$ 351,186,808	$ 357,774,815	$ 368,215,920	$ 387,783,113
Primary government										
Net investment in capital assets	$ 523,530,862	$ 527,251,882	$ 537,900,100	$ 542,621,942	$ 558,542,230	$ 562,939,707	$ 578,406,029	$ 582,748,452	$ 602,139,250	$ 641,039,999
Restricted	37,484,442	46,550,506	46,253,718	55,856,610	63,885,506	89,213,834	86,287,362	81,804,376	90,040,134	115,231,178
Unrestricted	61,278,603	61,483,885	68,304,802	(47,139,560)	(52,384,985)	(66,395,242)	(67,820,655)	(53,687,644)	(42,698,246)	(56,627,333)
Total primary government net position	$ 622,293,907	$ 635,286,273	$ 652,458,620	$ 551,338,992	$ 570,042,751	$ 585,758,299	$ 596,872,736	$ 610,865,184	$ 649,481,138	$ 699,643,844

(1) In fiscal year 2014-2015, beginning net position was restated due to the implementation of GASB Statement No. 68
(2) In fiscal year 2017-2018, beginning net position was restated due to the implementation of GASB Statement No. 75

Source: Statement of Net Position prepared for the ACFR.

Schedule 2
City of Flagstaff
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Expenses										
Governmental activities:										
General government	$ 9,406,406	$ 10,442,808	$ 10,732,510	$ 17,625,846	$ 17,210,187	$ 19,320,158	$ 20,893,077	$ 20,428,990	$ 18,404,198	$ 17,978,407
Public safety	27,175,720	27,269,325	28,730,111	35,255,450	34,711,251	42,090,228	39,801,651	42,341,569	44,262,923	44,568,463
Public works	1,615,941	1,718,767	1,573,541	1,664,308	1,650,323	1,895,576	1,477,756	1,982,339	2,130,869	1,788,521
Economic and physical development	9,639,003	9,210,500	9,018,496	9,343,417	10,259,240	9,833,154	10,401,134	10,295,023	11,019,964	11,843,707
Culture and recreation	12,434,695	13,342,588	12,919,475	12,511,424	12,974,830	13,563,829	14,521,931	14,138,231	15,631,659	13,206,098
Highways and streets	16,328,771	15,431,985	17,698,346	18,174,944	13,059,212	15,849,094	16,992,461	19,316,189	17,417,183	19,486,590
Interest on long-term debt	2,944,057	2,902,196	2,946,685	2,944,000	2,295,418	2,743,633	2,623,267	2,163,451	2,076,671	4,009,038
Total governmental activities expense	79,544,593	80,318,169	83,619,164	97,519,389	92,160,461	105,295,672	106,711,277	110,665,792	110,943,467	112,880,824
Business-type activities:										
Water	22,708,636	22,568,661	24,366,128	14,307,902	14,674,337	15,454,108	15,173,129	16,152,593	18,421,251	18,668,402
Wastewater and reclaimed	-	-	-	10,879,594	10,490,816	11,150,309	11,055,308	10,992,004	10,045,850	10,554,029
Environmental	7,828,286	11,671,366	11,637,566	12,071,509	12,087,144	12,337,663	17,913,116	12,533,960	12,643,566	13,268,587
Airport	4,268,099	5,226,977	4,118,280	4,540,208	4,307,615	5,080,905	4,790,967	4,833,095	5,553,096	5,342,801
Housing authority	6,165,612	5,986,508	6,090,790	6,084,019	6,125,950	6,657,398	6,981,632	7,241,036	7,687,704	8,031,804
Stormwater	1,361,658	1,196,589	1,576,865	1,184,464	1,245,532	1,180,230	1,437,221	1,401,054	1,431,353	1,594,807
Total business-type activities expense	42,332,291	46,650,101	47,789,629	49,067,696	48,931,394	51,860,613	57,351,373	53,153,742	55,782,820	57,460,430
Total primary government expense	$ 121,876,884	$ 126,968,270	$ 131,408,793	$ 146,587,085	$ 141,091,855	$ 157,156,285	$ 164,062,650	$ 163,819,534	$ 166,726,287	$ 170,341,254
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 3,364,479	$ 3,448,665	$ 4,568,438	$ 3,091,342	$ 3,241,987	$ 3,143,969	$ 2,685,942	$ 2,759,870	$ 2,418,517	$ 2,431,158
Public safety	1,611,109	1,491,842	628,038	879,755	647,910	832,352	888,558	885,484	665,670	2,134,346
Public works	1,551,419	1,611,306	1,215	520	605	740	940	6,160	1,198	135
Economic and physical development	53,747	52,386	903,233	2,329,258	3,767,060	3,785,805	4,334,694	4,284,343	6,152,909	6,560,474
Culture and recreation	1,455,067	1,507,855	1,656,628	1,605,120	1,633,338	1,785,874	1,845,794	1,754,950	1,264,523	413,078
Highways and streets	-	-	-	-	-	173,960	1,346,238	1,547,532	1,326,992	514,833
Operating grants and contributions	7,414,767	6,866,279	7,071,557	6,670,678	7,726,612	7,723,935	7,220,425	7,685,026	15,851,393	11,136,533
Capital grants and contributions	12,200,969	11,318,522	14,603,667	13,008,629	11,806,049	8,774,146	11,096,549	10,023,919	11,977,909	14,728,894
Total governmental activities program revenues	27,651,557	26,296,855	29,432,776	27,585,302	28,823,561	26,220,781	29,419,140	28,947,284	39,659,111	37,919,451
Business-type activities:										
Charges for services:										
Water	19,937,196	22,629,862	23,432,153	14,043,177	14,589,041	15,973,118	16,156,035	16,219,453	17,480,478	18,463,575
Wastewater and reclaimed	-	-	-	8,907,760	9,387,949	9,943,603	10,594,304	11,137,492	11,388,928	12,321,969
Environmental	12,030,990	12,000,124	12,490,237	12,646,619	12,760,747	13,047,045	12,891,528	12,674,791	12,863,428	14,231,558
Airport	1,492,559	1,486,247	1,504,703	1,528,202	1,603,852	1,503,945	1,624,593	1,741,470	1,641,859	1,549,584
Housing authority	1,299,987	994,123	974,184	1,027,945	1,455,715	1,605,422	1,824,876	2,025,923	2,220,494	2,344,871
Stormwater	1,446,602	1,455,405	1,465,522	1,466,347	1,495,296	1,598,913	2,109,364	2,704,123	4,383,791	4,413,157
Operating grants and contributions	4,624,234	4,884,129	4,051,236	4,742,685	4,775,797	4,953,619	4,806,729	5,359,352	6,826,998	8,368,732
Capital grants and contributions	7,960,357	6,622,143	7,835,529	4,749,158	4,339,777	13,162,230	10,117,475	4,523,132	6,000,761	11,476,527
Total business-type activities program revenues	48,791,925	50,072,033	51,753,564	49,111,893	50,408,174	61,787,895	60,124,904	56,385,736	62,806,737	73,169,973
Total primary government program revenues	$ 76,443,482	$ 76,368,888	$ 81,186,340	$ 76,697,195	$ 79,231,735	$ 88,008,676	$ 89,544,044	$ 85,333,020	$ 102,465,848	$ 111,089,424

Schedule 2 (continued)
City of Flagstaff
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Net (Expense)/Revenue										
Governmental activities	$ (51,893,036)	$ (54,021,314)	$ (54,186,388)	$ (69,934,087)	$ (63,336,900)	$ (79,074,891)	$ (77,292,137)	$ (81,718,508)	$ (71,284,356)	$ (74,961,373)
Business-type activities	6,459,634	3,421,932	3,963,935	44,197	1,476,780	9,927,282	2,773,531	3,231,994	7,023,917	15,709,543
Total primary government net expense	$ (45,433,402)	$ (50,599,382)	$ (50,222,453)	$ (69,889,890)	$ (61,860,120)	$ (69,147,609)	$ (74,518,606)	$ (78,486,514)	$ (64,260,439)	$ (59,251,830)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 11,974,341	$ 11,821,650	$ 11,044,817	$ 11,211,038	$ 11,339,774	$ 11,674,553	$ 12,482,546	$ 13,541,400	$ 14,100,719	$ 14,358,593
Sales taxes	33,401,021	35,188,913	37,675,638	42,539,371	48,343,259	53,582,850	53,833,727	52,515,201	60,666,358	69,893,143
State shared sales taxes - unrestricted	13,189,822	14,630,891	15,666,968	16,683,665	17,080,154	18,139,582	19,024,571	19,400,339	20,664,280	23,958,572
Investment earnings	322,126	(396,124)	749,038	1,179,131	1,668,431	(447,324)	(477,888)	5,097,974	5,415,354	(564,917)
Miscellaneous	510,695	1,285,289	1,813,164	645,571	1,404,390	1,123,129	2,059,029	692,049	578,352	924,099
Gain on sale of capital assets	-	18,173	241,231	65,201	-	-	121,321	4,626	76,017	32,710
Contributions to permanent fund	15,474	23,935	18,700	16,821	15,470	6,950	8,490	26,460	17,590	19,910
Transfers in (out)	(1,134,382)	(817,761)	(2,908,700)	(1,407,710)	121,320	(1,073,585)	(1,240,613)	(2,155,100)	(2,059,465)	(3,065,224)
Total governmental activities	58,279,097	61,754,966	64,300,856	70,933,088	79,972,798	83,006,155	85,811,183	89,122,949	99,459,205	105,556,886
Business-type activities:										
Investment earnings	118,247	194,306	213,335	303,863	336,685	406,101	588,404	1,077,312	1,159,898	545,272
Miscellaneous	173,313	581,015	567,079	1,119,502	375,716	377,316	270,192	123,601	197,825	200,014
Gain (loss) on sale of capital assets	-	243,700	73,916	493,358	-	-	122,837	-	-	47,140
Transfers in (out)	1,134,382	817,761	2,908,700	1,407,710	(121,320)	1,073,585	1,240,613	2,155,100	2,059,465	3,065,224
Total business-type activities	1,425,942	1,836,782	3,763,030	3,324,433	591,081	1,857,002	2,222,046	3,356,013	3,417,188	3,857,650
Total primary government	$ 59,705,039	$ 63,591,748	$ 68,063,886	$ 74,257,521	$ 80,563,879	$ 84,863,157	$ 88,033,229	$ 92,478,962	$ 102,876,393	$ 109,414,536
Change in Net Position										
Governmental activities	$ 6,386,061	$ 7,733,652	$ 10,114,468	$ 999,001	$ 16,635,898	$ 3,931,264	$ 8,519,046	$ 7,404,441	$ 28,174,849	$ 30,595,513
Business-type activities	7,885,576	5,258,714	7,726,965	3,368,630	2,067,861	11,784,284	4,995,577	6,588,007	10,441,105	19,567,193
Total primary government	$ 14,271,637	$ 12,992,366	$ 17,841,433	$ 4,367,631	$ 18,703,759	$ 15,715,548	$ 13,514,623	$ 13,992,448	$ 38,615,954	$ 50,162,706

Source: From Statement of Activities prepared for ACFR.

Schedule 3
City of Flagstaff
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
General Fund										
Nonspendable	$ 359,923	$ 390,882	$ 440,644	$ 323,792	$ 335,134	$ 342,576	$ 371,817	$ 265,682	$ 252,089	$ 350,993
Restricted	758,303	800,953	1,698,333	1,951,220	2,255,454	1,750,086	2,338,644	2,646,337	3,109,659	2,956,942
Committed	282,888	386,518	-	-	-	-	-	-	-	-
Assigned	7,075,902	7,335,230	8,063,998	8,192,178	8,903,561	8,011,051	6,879,808	5,527,570	4,936,669	4,954,453
Unassigned	17,203,207	19,410,597	21,559,814	23,153,900	27,425,564	30,361,068	27,458,215	31,212,732	44,386,623	56,817,489
Total general fund	$ 25,680,223	$ 28,324,180	$ 31,762,789	$ 33,621,090	$ 38,919,713	$ 40,464,781	$ 37,048,484	$ 39,652,321	$ 52,685,040	$ 65,079,877
All Other Governmental Funds										
Nonspendable	$ 219,564	$ 247,436	$ 271,477	$ 293,238	$ 8,379,744	$ 309,428	$ 318,437	$ 664,118	$ 664,652	$ 392,298
Restricted	33,743,091	42,466,792	48,320,324	51,003,624	47,948,587	81,723,554	82,267,232	78,490,415	86,291,252	110,475,662
Assigned	-	-	-	-	-	2,078,968	1,864,086	3,101,098	3,235,171	3,415,545
Unassigned	-	-	-	(282,178)	(2,934,084)	(2,669,832)	(70,068)	(77,271)	(3,013,281)	(465,007)
Total all other governmental funds	$ 33,962,655	$ 42,714,228	$ 48,591,801	$ 51,014,684	$ 53,394,247	$ 81,442,118	$ 84,379,687	$ 82,178,360	$ 87,177,794	$ 113,818,498

*Implementation of GASB-54 Fund Balance Classification

Schedule 4
City of Flagstaff
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Revenues:										
Taxes	$ 45,577,128	$ 47,084,446	$ 48,806,758	$ 53,725,196	$ 59,711,556	$ 65,263,433	$ 66,323,666	$ 65,994,613	$ 74,787,774	$ 84,239,882
Intergovernmental	17,230,696	18,713,646	19,584,399	20,549,000	21,355,708	22,504,605	23,382,237	24,156,065	25,595,311	29,000,278
Grants and entitlements	9,721,569	11,369,392	15,313,742	13,483,604	11,023,491	10,850,138	11,536,639	11,492,794	19,395,450	15,172,507
Charges for services	3,220,137	3,237,728	2,894,898	2,986,151	4,747,237	3,454,567	4,470,735	5,074,859	4,168,019	4,248,292
Special assessments	8,286,453	722,733	2,734,095	1,857,884	2,916,164	202,243	2,031,111	-	-	-
Licenses and permits	1,681,874	1,656,135	1,952,731	1,866,792	3,153,135	3,013,367	3,794,725	3,338,493	5,135,611	5,336,572
Fines and forfeitures	1,601,044	1,540,989	1,428,401	1,389,663	1,524,856	1,430,686	1,350,689	1,416,062	1,217,311	932,592
Rents	1,605,166	1,667,562	1,651,032	1,660,635	1,696,070	1,805,457	1,493,712	1,491,859	1,474,631	1,442,760
Investment earnings	296,241	(429,656)	722,878	1,145,686	1,636,650	(476,690)	(506,658)	5,037,413	5,362,308	(597,587)
Contributions	390,253	252,377	541,340	368,057	1,962,364	869,484	634,077	457,752	1,207,925	1,536,546
Miscellaneous	492,971	1,261,507	1,813,164	645,571	1,404,390	1,123,129	2,015,501	712,452	496,703	866,789
Total revenues	90,103,532	87,076,859	97,443,438	99,678,239	111,131,621	110,040,419	116,526,434	119,172,362	138,841,043	142,178,631
Expenditures:										
General governmental	7,453,963	8,480,086	9,041,946	14,974,692	14,561,513	16,652,590	19,536,579	20,981,728	18,273,876	16,878,564
Public safety	25,301,495	25,099,149	26,567,511	27,583,880	30,074,183	30,849,989	32,472,034	35,849,066	38,925,229	149,188,134
Public works	1,146,692	1,219,324	1,031,983	1,216,083	1,207,776	1,472,485	1,254,865	1,471,557	1,472,864	1,213,180
Economic and physical development	8,584,826	8,296,367	8,212,772	8,506,794	9,530,781	8,989,673	10,136,274	10,244,779	10,568,736	10,519,174
Culture and recreation	10,576,877	11,292,517	11,446,096	11,029,832	11,441,848	11,854,511	12,629,499	12,169,197	13,360,279	11,057,344
Highways and streets	9,593,074	9,039,032	10,621,311	8,035,221	5,916,632	8,443,609	7,504,589	10,135,258	7,781,311	9,498,332
Debt service:										
Principal retirement	13,654,681	6,175,303	8,287,457	8,313,298	12,980,269	14,154,904	6,998,627	10,883,271	9,486,466	10,705,542
Interest and other charges	3,346,253	2,902,196	3,126,469	2,798,182	2,520,596	2,534,621	2,679,888	2,560,775	2,348,940	4,812,854
Capital outlay	11,951,834	16,656,392	24,062,755	16,944,654	16,090,690	14,002,895	40,661,963	13,351,467	35,522,798	21,468,334
Total expenditures	91,609,695	89,160,366	102,398,300	99,402,636	104,324,288	108,955,277	133,874,318	117,647,098	137,740,499	235,341,458
Excess of revenues over (under) expenditures	(1,506,163)	(2,083,507)	(4,954,862)	275,603	6,807,333	1,085,142	(17,347,884)	1,525,264	1,100,544	(93,162,827)
Other Financing Sources (Uses):										
Proceeds of refunding bonds	13,924,136	-	8,270,000	-	-	-	-	-	-	-
Loan issuance	-	-	-	-	-	-	-	-	-	3,094,937
Bond issuance	16,797,287	12,474,557	6,600,000	-	204,956	26,168,531	9,700,000	-	14,935,000	131,000,000
Payment to bond refunding escrow agent	(15,394,336)	-	(9,382,710)	-	-	-	-	-	-	-
Bond premium	2,264,386	542,689	1,317,667	-	-	3,500,813	449,519	-	1,628,687	-
Sale of capital assets	43,890	49,750	727,996	3,013,051	5,325	-	121,200	20,995	307,013	42,805
Transfers in	14,872,935	12,870,788	12,102,855	17,376,813	15,891,921	22,308,323	27,563,166	15,966,592	21,404,875	17,810,600
Transfers out	(15,074,950)	(12,458,747)	(11,659,441)	(16,384,283)	(15,231,349)	(23,469,870)	(20,964,729)	(17,110,341)	(21,343,966)	(19,749,974)
Total other financing sources (uses)	17,433,348	13,479,037	7,976,367	4,005,581	870,853	28,507,797	16,869,156	(1,122,754)	16,931,609	132,198,368
Net change in fund balances	$ 15,927,185	$ 11,395,530	$ 3,021,505	$ 4,281,184	$ 7,678,186	$ 29,592,939	$ (478,728)	$ 402,510	$ 18,032,153	$ 39,035,541
Debt service as a percentage of non capital expenditures	21.34%	12.52%	14.57%	13.48%	17.57%	17.58%	10.38%	12.89%	11.58%	7.26%

Schedule 5
City of Flagstaff
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

Fiscal Year	General Property Tax	Secondary Property Tax	Franchise and Other Taxes	City Sales Tax	Bed, Board and Booze Tax	Transportation Tax	Total
2011-2012	$ 5,473	$ 6,703	$ 2,348	$ 14,900	$ 5,626	$ 10,527	$ 45,577
2012-2013	5,472	6,423	2,303	15,760	5,911	11,215	47,084
2013-2014	5,571	5,560	2,487	17,042	6,310	11,837	48,807
2014-2015	5,597	5,586	2,467	17,845	7,022	15,208	53,725
2015-2016	5,650	5,719	2,567	19,090	7,539	19,147	59,712
2016-2017	5,764	5,916	2,439	21,174	8,642	21,328	65,263
2017-2018	6,206	6,284	2,504	21,128	8,602	21,600	66,324
2018-2019	6,732	6,748	2,231	20,508	8,893	20,883	65,995
2019-2020	6,886	7,236	2,367	22,588	7,991	27,720	74,788
2020-2021	6,961	7,386	2,156	26,535	9,655	31,547	84,240
Change 2012-2021	27.19%	10.19%	-8.18%	78.09%	71.61%	199.68%	84.83%

Schedule 6
City of Flagstaff
Intergovernmental Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	State Sales Tax	State Income Tax	County Auto In-Lieu Tax	Highway User Tax	Federal Grants	State Grants & Other State	County LEAF IGA	County Library District Funding	Other	Total
2011-2012	$ 5,147,101	$ 5,559,476	$ 2,483,245	$ 5,576,167	$ 3,544,253	$ 601,149	$ 759,606	$ 3,163,052	$ 118,216	$ 26,952,265
2012-2013	5,391,580	6,728,479	2,510,832	6,007,741	2,105,827	3,255,824	791,906	3,214,133	76,716	30,083,038
2013-2014	5,733,507	7,342,048	2,591,413	6,168,102	2,281,211	6,864,429	793,898	3,063,343	60,190	34,898,141
2014-2015	6,019,776	7,973,971	2,689,916	6,884,173	4,993,449	1,605,982	800,478	2,969,669	95,190	34,032,604
2015-2016	6,238,827	7,930,739	2,910,589	7,292,355	2,867,675	863,461	902,472	3,088,137	284,944	32,379,199
2016-2017	6,445,302	8,603,145	3,091,134	7,982,504	2,129,657	737,977	943,955	3,210,071	210,998	33,354,743
2017-2018	6,868,398	8,850,877	3,305,297	8,206,025	2,269,467	1,173,691	855,094	3,307,497	82,530	34,918,876
2018-2019	7,256,536	8,716,163	3,427,640	8,463,878	2,093,085	935,832	942,929	3,536,147	276,649	35,648,859
2019-2020	7,649,078	9,564,616	3,450,585	8,504,478	9,724,980	1,003,118	974,153	3,721,854	397,899	44,990,761
2020-2021	9,037,429	10,723,977	4,197,164	9,191,151	4,583,681	1,178,620	1,003,560	3,837,589	419,614	44,172,785

Schedule 7
City of Flagstaff
Full Cash Value of Taxable Property
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Centrally Valued Property	Commercial Property	Vacant, Agricultural, and Government Property	Residential Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011-2012	$ 25,750,042	$ 274,992,074	$ 146,079,309	$ 502,351,037	$ 85,132,993	$ 864,039,469	1.5283
2012-2013	26,651,155	265,230,915	133,909,755	447,421,001	81,844,375	791,368,451	1.5497
2013-2014	28,837,059	255,823,684	124,373,673	436,787,954	80,555,433	765,266,937	1.6795
2014-2015	28,918,422	215,081,441	123,988,197	389,760,175	87,055,619	670,692,616	1.6784
2015-2016	30,046,573	217,466,880	123,834,908	429,223,625	88,064,490	712,507,496	1.6600
2016-2017	29,641,213	225,831,427	124,316,511	467,023,686	88,231,085	758,581,752	1.6487
2017-2018	30,661,448	248,007,081	129,081,114	522,745,630	90,820,473	839,674,800	1.6599
2018-2019	33,818,400	261,374,313	118,307,041	540,204,785	84,897,892	868,806,647	1.6700
2019-2020	33,985,335	275,149,838	122,861,079	583,857,312	90,088,474	925,765,090	1.6300
2020-2021	35,070,782	287,022,502	127,406,770	625,128,467	95,131,815	979,496,706	1.5510

Source: State of Arizona Department of Revenue, State and County Abstract of the Assessment Roll

Note: A portion of city property is reassessed every year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value.

Schedule 8
City of Flagstaff
City Taxable Revenue for Major Categories
Last Ten Fiscal Years
(dollars in thousands)

	2011-2012	2012-2013*	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Construction	$ 150,868	$ 164,971	$ 169,933	$ 191,297	$ 176,741	$ 184,381	$ 266,900	$ 188,160	$ 199,152	$ 235,259
Building Materials	62,665	-	-	-	-	-	-	-	-	-
Restaurants and Bars	277,954	206,617	218,790	243,560	251,654	260,364	281,133	289,846	282,089	293,283
Hotel/Motel	-	88,924	95,263	108,913	120,995	131,310	146,306	152,568	135,330	159,293
Retail and Auto Sales	678,671	779,109	801,799	852,696	946,522	955,737	1,037,300	1,001,331	1,134,082	1,393,663
Other	154,497	196,534	200,109	213,248	246,500	269,232	274,981	286,815	361,541	406,871
Utilities	116,273	92,968	103,895	109,578	108,474	104,115	107,164	107,320	103,512	104,871
Total	$ 1,440,928	$ 1,529,123	$ 1,589,789	$ 1,719,292	$ 1,850,886	$ 1,905,139	$ 2,113,784	$ 2,026,040	$ 2,215,706	$ 2,593,240

Notes:
(1) Data is based on collections versus the accrual basis.
(2) FY 2012-2013 reflects a change in tax categories reported to proactively reflect possible new state sales tax codes.
a) Building Materials is no longer tracked individually, now is tracked as part of Retail
b) Prior to FY 2012-2013, Hotel/Motel was included with Restaurant and Bars

Schedule 9
City of Flagstaff
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Total City	1.5283	1.5497	1.6795	1.6784	1.6600	1.6487	1.6599	1.6700	1.6299	1.5510
Primary		0.7131	0.8429	0.8418	0.8234	0.8121	0.8233	0.8334	0.7933	0.7510
Secondary		0.8366	0.8366	0.8366	0.8366	0.8366	0.8366	0.8366	0.8366	0.8000
School District	4.9458	4.8712	5.1939	5.1867	5.4555	5.5681	5.1816	5.1475	5.1174	4.9676
Maintenance		3.6182	3.9803	3.7886	4.0824	4.2405	4.0143	3.8173	3.7092	3.5832
Adjacent Ways		0.0459	0.0096	0.0259	0.0216	0.0284	0.0392	0.0000	0.0000	0.0361
15% M&O Override		0.6126	0.7061	0.7138	0.7265	0.737	0.7120	0.7070	0.6672	0.6387
Capital Override		0.1833	0.0000	0.0357	0.1735	0.1219	0.0000	0.0000	0.0000	0.0000
Class B Bond		0.4112	0.4979	0.6227	0.4515	0.4403	0.4161	0.4389	0.5691	0.5478
Desegregation		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1843	0.1719	0.1618
Community College	0.4734	0.4927	0.5879	0.6056	0.6105	0.6214	0.6142	0.5959	0.4592	0.4490
Maintenance		0.3875	0.4636	0.4788	0.4864	0.4909	0.4816	0.4741	0.4592	0.4490
Bond		0.1052	0.1243	0.1268	0.1241	0.1305	0.1326	0.1218	0.0000	0.0000
County	0.7656	0.7847	0.9022	0.9202	0.9291	0.9344	0.9234	0.9145	0.8969	0.8849
General Fund		0.4480	0.5466	0.5646	0.5735	0.5788	0.5678	0.5589	0.5413	0.5293
Library District		0.2367	0.2556	0.2556	0.2556	0.2556	0.2556	0.2556	0.2556	0.2556
Fire District Assistance		0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Total	7.7131	7.6983	8.3635	8.3909	8.6551	8.7726	8.3791	8.3279	8.1034	7.8525

Note: Tax rates are per $100 assessed valuation.

Schedule 10
City of Flagstaff
Principal Property Tax Payers
Current Year and Ten Years Ago

	2020-2021			2010-2011		
Taxpayer *	Total Assessed Value	Rank	As a Percentage of the City Total Secondary Assessed Valuation	Total Assessed Value	Rank	As a Percentage of the City Total Secondary Assessed Valuation
Arizona Public Service Company	$ 21,200,032	1	2.29%	$ 15,448,320	1	1.76%
W L Gore & Associates	20,054,525	2	2.17%	14,307,506	2	1.63%
Nestle Purina PetCare Co.	8,744,641	3	0.94%	4,634,404	5	0.53%
Standared at Flagstaff LLC	8,352,817	4	0.90%	-		0.00%
CCC-Flagstaff LLC	7,315,207	5	0.79%	-		0.00%
Unisource Energy Corporation	5,932,996	6	0.64%	-		0.00%
Little America Hotels & Resorts Inc.	5,098,617	7	0.55%	-		0.00%
Village at Aspen Place LLC	4,673,311	8	0.50%	-		0.00%
Core Campus Flagstaff LLC	4,596,188	9	0.50%	-		0.00%
Wal-Mart Stores	4,088,183	10	0.44%	-		0.00%
MMV DEVCO LLC	3,400,641	11	0.37%	-		0.00%
Cypress Flagstaff Mall LP	3,197,472	12	0.35%	-		0.00%
Ridget at Clear Creek Apts. LLC	3,117,506	13	0.34%	-		0.00%
WCW Mountain Trail LP	3,107,425	14	0.34%	-		0.00%
Elevation Flagstaff AZ LLC	3,003,426	15	0.32%	-		0.00%
BNSF Railway Company	2,747,587	16	0.30%	-		0.00%
Total Principal Taxpayers	$ 108,630,574		11.74%	$ 34,390,230		3.92%

Source: Coconino County Assessor Office

Schedule 11
City of Flagstaff
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011-2012	$ 11,993,022	$ 11,635,211	97.0%	$ 308,409	$ 11,943,620	99.6%
2012-2013	11,834,969	11,553,471	97.6%	254,471	11,807,942	99.8%
2013-2014	11,039,655	10,778,695	97.6%	234,634	11,013,329	99.8%
2014-2015	11,199,924	11,002,896	98.2%	162,354	11,165,250	99.7%
2015-2016	11,344,815	11,156,213	98.3%	158,069	11,305,158	99.7%
2016-2017	11,708,122	11,500,020	98.2%	165,236	11,665,256	99.6%
2017-2018	12,459,025	12,297,839	98.7%	148,398	12,446,237	99.9%
2018-2019	13,527,514	13,311,900	98.4%	152,925	13,464,825	99.5%
2019-2020	14,158,001	13,834,856	97.7%	258,558	14,093,414	99.5%
2020-2021	14,367,679	14,129,497	98.3%	-	14,129,497	98.3%

Schedule 12
City of Flagstaff
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City General Sales Tax	City Bed, Board & Beverage	City Transportation	State of Arizona	Coconino County	Total
2011-2012	1.0000%	2.0000%	0.7210%	6.6000%	1.1250%	11.4460%
2012-2013	1.0000%	2.0000%	0.7210%	6.6000%	1.1250%	11.4460%
2013-2014	1.0000%	2.0000%	0.7210%	5.6000%	1.1250%	10.4460%
2014-2015	1.0000%	2.0000%	1.0510%	5.6000%	1.3000%	10.9510%
2015-2016	1.0000%	2.0000%	1.0510%	5.6000%	1.3000%	10.9510%
2016-2017	1.0000%	2.0000%	1.0510%	5.6000%	1.3000%	10.9510%
2017-2018	1.0000%	2.0000%	1.0510%	5.6000%	1.3000%	10.9510%
2018-2019	1.0000%	2.0000%	1.0510%	5.6000%	1.3000%	10.9510%
2019-2020	1.0000%	2.0000%	1.2810%	5.6000%	1.3000%	11.1810%
2020-2021	1.0000%	2.0000%	1.2810%	5.6000%	1.3000%	11.1810%

Source: City of Flagstaff - Sales Tax / Business Licenses
http://www.flagstaff.az.gov/index.aspx?nid=53

Schedule 13
City of Flagstaff
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

	Governmental Activities						Business-Type Activities						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Loan Payable	Municipal Facility Corporation Bonds	COP Capital Leases	General Obligation Debt	Revenue Bonds	Term Loan Payable	COP Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2011-2012	$ 38,449	$ 11,365	$ 15,615	$ -	$ 3,205	$ 5,200	$ 3,125	$ 3,972	$ 35,689	$ 3,075	$ 119,695	2.7%	$ 1,817
2012-2013	48,134	11,055	16,328	-	1,260	5,335	1,748	3,634	33,873	4,686	126,053	2.8%	1,914
2013-2014	55,571	* 8,639	16,603	-	1,260	4,400	1,752	3,635	33,873	4,431	130,164	2.8%	1,976
2014-2015	50,857	6,737	15,781	-	860	3,625	1,441	3,285	31,909	3,972	118,467	2.4%	1,755
2015-2016	45,820	2,245	13,495	-	-	3,226	1,375	-	32,800	3,489	102,450	1.9%	1,476
2016-2017	52,695	2,148	21,468	-	-	3,689	1,308	-	30,346	2,984	114,638	1.9%	1,600
2017-2018	48,934	2,046	28,895	-	-	2,944	1,238	17,129	11,787	6,551	119,524	2.0%	1,638
2018-2019	43,122	-	26,081	-	-	2,170	1,166	25,707	10,017	6,823	115,086	1.8%	1,540
2019-2020	49,479	-	22,779	-	-	5,485	1,092	24,750	6,884	6,303	116,772	1.6%	1,530
2020-2021	43,232	-	19,525	3,095	-	134,549	1,016	23,202	6,245	5,463	236,327	3.0%	3,046

* - As restated due to refunding loss

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: These amounts are presented on the accrual basis of accounting.

Schedule 14
City of Flagstaff
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding: Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Restricted for General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2011-2012	$ 48,134	$ 1,748	$ (6,234)	$ 43,648	4.5%	$ 537
2012-2013	47,035	1,752	(8,821)	39,966	5.2%	607
2013-2014	53,340	1,752	(13,822)	41,270	6.2%	627
2014-2015	48,920	1,441	(14,091)	36,270	5.1%	537
2015-2016	43,817	1,375	(13,204)	31,988	4.2%	461
2016-2017	48,520	1,308	(6,164)	43,664	5.2%	609
2017-2018	44,900	1,238	(7,149)	38,989	4.6%	534
2018-2019	39,414	1,166	(6,880)	33,700	3.9%	451
2019-2020	44,893	1,092	(7,143)	38,842	4.2%	509
2020-2021	39,287	1,015	(7,250)	33,052	3.4%	426

Note: These amounts are presented on the accrual basis of accounting.

Schedule 15
City of Flagstaff
Direct and Overlapping Governmental Activities Debt
(dollars in thousands, except per capita)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Flagstaff Unified School District	$ 70,745,000	83.24%	$ 58,889,705
City direct debt			197,306
Total direct and overlapping debt			59,087,011

Source: Assessed value data used to estimate applicable percentages provided by the Coconino Finance Department. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Flagstaff. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Schedule 16
City of Flagstaff
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
20% Debt Limit:										
Debt limit equal to 20% of assessed valuation	$ 172,808	$ 158,274	$ 153,053	$ 134,139	$ 142,501	$ 151,716	$ 167,935	$ 173,761	$ 185,153	$ 195,899
Total net debt applicable to 20% limit	41,841	48,788	55,388	50,361	45,193	49,828	46,137	40,579	45,985	40,302
Legal debt margin (Available borrowing capacity)	$ 130,967	$ 109,486	$ 97,665	$ 83,778	$ 97,308	$ 101,888	$ 121,798	$ 133,182	$ 139,168	$ 155,597
Total net debt applicable to the 20% limit as a percentage of legal debt margin	31.95%	44.56%	56.71%	60.11%	46.43%	48.90%	37.88%	30.47%	33.04%	25.90%
6% Debt Limit:										
Debt limit equal to 6% of assessed valuation	$ 51,842	$ 47,482	$ 45,916	$ 40,242	$ 42,750	$ 45,515	$ 50,380	$ 52,128	$ 55,546	$ 58,770
Total net debt applicable to 6% limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (Available borrowing capacity)	$ 51,842	$ 47,482	$ 45,916	$ 40,242	$ 42,750	$ 45,515	$ 50,380	$ 52,128	$ 55,546	$ 58,770
Total net debt applicable to the 6% limit as a percentage of legal debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule 16 (continued)
City of Flagstaff
Legal Debt Margin Information

Legal Debt Margin Calculation for Fiscal Year 2020-2021

Net Secondary Assessed Value as of June 30, 2021	$ 979,496,706
20% Limitation	
Debt Limit of 20% of Assessed Value	$ 195,899,341
Debt applicable to limit:	
General Obligation Bonds	40,301,900
Legal 20% debt margin (Available borrowing capacity)	$ 155,597,441
6% Limitation	
Debt Limit of 6% of Assessed Value	$ 58,769,802
Debt applicable to limit:	
General Obligation Bonds	-
Legal 6% debt margin (Available borrowing capacity)	$ 58,769,802

Schedule 17
City of Flagstaff
Pledged Revenue Coverage
Last Ten Fiscal Years

Water and Sewer Revenue Bonds

Fiscal Year	Gross Revenues (1)	Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal (3)	Interest (4)	Total	
2011-2012	$ 19,996,116	$ 12,655,773	$ 7,340,343	$ 2,540,658	$ 1,449,842	$ 3,990,500	1.84
2012-2013	22,846,487	12,810,177	10,036,310	2,252,132	807,256	3,059,388	3.28
2013-2014	23,642,792	14,739,788	8,903,004	2,252,132	785,567	3,037,699	2.93
2014-2015	23,453,378	15,345,504	8,107,874	2,328,839	741,086	3,069,925	2.64
2015-2016	24,234,384	15,140,298	9,094,086	2,342,259	672,497	3,014,756	3.02
2016-2017	26,250,953	16,802,115	9,448,838	2,426,708	625,900	3,052,608	3.10
2017-2018	27,335,107	16,297,564	11,037,543	2,578,384	612,561	3,190,945	3.46
2018-2019	28,073,873	17,396,844	10,677,029	2,869,777	592,563	3,462,340	3.08
2019-2020	29,800,806	18,506,397	11,294,409	4,164,505	542,221	4,706,726	2.40
2020-2021	31,402,249	18,649,020	12,753,229	2,186,964	646,475	2,833,439	4.50

(1) Includes total operating revenues and investment income of the water and wastewater fund.
(2) Includes total operating expenses of the water and wastewater fund less depreciation.
(3) Includes principal for water and sewer revenue bonds, water infrastructure finance authority (WIFA).
(4) Bond interest payments only. Does not include amortization of loss on refunding, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net position.

Schedule 17 (continued)
City of Flagstaff
Pledged Revenue Coverage
Last Ten Fiscal Years

Highway User Revenue Bonds

Fiscal Year (3)	Highway User Tax Revenue	Debt Service Requirements			Coverage
		Principal (1)	Interest (2)	Total	
2011-2012	$ 5,576,167	$ 1,725,000	$ 94,875	$ 1,819,875	3.06

(1) Includes 1992 Junior Lien bonds and Series 2003 Refunding bonds.
(2) Bond interest payments only. Does not include agent fees that are included in interest expense on the statement of revenues, expenses, and changes in fund balances.
(3) All bonds were paid off in FY 2011-2012, therefore future years are not presented above.

Schedule 17 (continued)
City of Flagstaff
Pledged Revenue Coverage
Last Ten Fiscal Years

Municipal Facility Corporation Bonds
MFC Debt other than Transportation

Fiscal Year (4)	Revenue (1)	Debt Service Requirements			Coverage
		Principal (2)	Interest (3)	Total	
2011-2012	$ 10,247,131	$ 365,000	$ 94,446	$ 459,446	22.30
2012-2013	11,657,403	385,000	77,656	462,656	25.20
2013-2014	12,621,802	385,000	68,753	453,753	27.82
2014-2015	13,543,397	400,000	50,350	450,350	30.07
2015-2016	13,286,939	860,000	22,627	882,627	15.05

(1) State sales tax, state income tax less debt service requirements for MFC debt other than transportation.
(2) MFC 1992 Refunding series 12 2001 - USGS projects.
(3) Bond interest payments only. Does not include agent fees that are included in interest expense on the statement of revenues, expenses, and changes in fund balances.
(4) All bonds were paid off in FY 2015-2016, therefore future years are not presented above.

Schedule 17 (continued)
City of Flagstaff
Pledged Revenue Coverage
Last Ten Fiscal Years

Municipal Facility Corporation Bonds As Partial Refunded with Pledged Revenue Bonds
Transportation MFC Debt

Fiscal Year	Revenue (1)	Debt Service Requirements			Coverage
		Principal (2)	Interest	Total	
2011-2012	$ 25,880,472	$ 1,500,000	$ 574,838	$ 2,074,838	12.47
2012-2013	27,255,501	1,560,000	542,575	2,102,575	12.96
2013-2014	29,928,813	1,560,000	511,375	2,071,375	14.45
2014-2015	31,266,313	695,000	469,750	1,164,750	26.84
2015-2016	33,176,241	1,795,000	432,400	2,227,400	14.89
2016-2017	33,419,449	1,855,000	370,875	2,225,875	15.01
2017-2018	33,215,273	1,920,000	293,775	2,213,775	15.00
2018-2019	36,683,941	2,010,000	208,525	2,218,525	16.54
2019-2020	39,661,897	2,090,000	126,725	2,216,725	17.89

(1) Pledged revenues on the Municipal Facility Corporation Bonds include the city base rate sales tax, transportation sales tax, franchise, sales tax, licenses and permits, charges for services, fine and forfeits, other revenue, state sales tax, and state revenue sharing. Less the debt service requirements for transportation MFC bonds. Refunding Series 2012 excludes state revenue sharing income and sales tax.
(2) MFC revenue bond series 2004 Fourth Street, partial advance refunding pledged revenue series 2012.
(3) All bonds were paid off in FY 2019-2020, therefore future years are not presented above.

Schedule 17 (continued)
City of Flagstaff
Pledged Revenue Coverage
Last Nine Fiscal Years

Greater Arizona Development Authority Revenue Bonds

Fiscal Year	Revenue (1)	Debt Service Requirements			Coverage
		Principal (2)	Interest	Total	
2011-2012	$ 7,657,621	$ 120,000	$ 133,638	$ 253,638	30.19
2012-2013	9,340,790	120,000	130,037	250,037	37.36
2013-2014	10,302,188	120,000	128,237	248,237	41.50
2014-2015	12,129,085	125,000	124,562	249,562	48.60
2015-2016	10,809,451	130,000	120,088	250,088	43.22
2016-2017	12,572,785	135,000	114,788	249,788	50.33
2017-2018	13,256,213	140,000	109,288	249,288	53.18
2018-2019	13,505,586	145,000	103,588	248,588	54.33
2019-2020	14,749,282	150,000	97,688	247,688	59.55
2020-2021	19,379,382	155,000	91,588	246,588	78.59

(1) Pledged revenues on the Greater Arizona Development Authority Bonds include the state revenue sharing less the debt service .
(2) GADA infrastructure revenue bond series 2010A.

Schedule 17 (continued)
City of Flagstaff
Pledged Revenue Coverage
Last Three Fiscal Years

Road Street Repair and Safety Revenue Bonds

Fiscal Year (1)	Revenue (2)	Debt Service Requirements			Coverage
		Principal (3)	Interest	Total	
2016-2017	$ 6,665,630	$ -	$ 133,125	$ 133,125	50.07
2017-2018	6,445,644	475,000	332,750	807,750	7.98
2018-2019	5,598,205	450,000	508,822	958,822	5.84
2019-2020	5,520,998	830,000	656,663	1,486,663	3.71
2020-2021	6,589,410	855,000	628,388	1,483,388	4.44

(1) New issue no trend information available prior to fiscal year 2016-2017.
(2) Pledged revenues on the Road Repair/Street Safety obligations include excise tax revenues less the debt service. Excise tax revenues are revenues from the restricted transaction privilege tax of 0.33% approved at an election held in and for the City on November 4, 2014, which will expire on December 31, 2034.

Schedule 18
City of Flagstaff
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars) (1)	Per Capita Personal Income	Median Age	Education Level - Percent High School Grad or Higher	Education Level - Percent Bachelor's Degree or Higher	School Enrollment	Unemployment Rate
2012	65,870	$ 4,481,137	$ 48,371	26.6 *	90.6% *	41.8% *	10,623	9.20%
2013	65,870	4,620,811	47,363	26.6 *	90.6% *	41.8% *	10,623	8.10%
2014	67,502	4,906,294	51,809	26.6 *	90.6% *	41.8% *	10,623	6.90%
2015	69,391	5,399,899	52,509	26.6 *	90.6% *	41.8% *	11,766	6.48%
2016	70,643	5,489,486	38,958	26.6 *	90.6% *	41.8% *	12,505	6.18%
2017	71,656	6,360,600	45,076	26.6 *	90.6% *	41.8% *	11,910	4.70%
2018	72,961	6,506,300	45,545	26.6 *	90.6% *	41.8% *	11,991	4.40%
2019	74,736	7,057,376	49,189	26.6 *	90.6% *	41.8% *	11,873	4.20%
2020	76,338	7,410,245 *	49,878 *	26.6 *	90.6% *	41.8% *	11,825	4.60%
2021	77,590	7,780,757 *	50,576 *	25.2	94.1%	47.1%	12,515	6.20%

(*) Estimated
(1) Reflects Coconino County Personal Income

Sources:

Population - Arizona Department of Administration--Employment and Population Statistics
Personal Income - Economic Research Federal Reserve Bank of St. Louis for Coconino County
Per Capita Income - Economic Research Federal Reserve Bank of St. Louis
Median Age - 2010 US Census/2020 US Census
Education Level - 2010 US Census/2020 US Census
School Enrollment - National Center for Education Statistics
Unemployment - Arizona Department of Administration - Office of Employment and Population Statistics

Schedule 19
City of Flagstaff
Principle Employers
Current Year and Nine Years Prior

	2021				2012		
Employer	Employees		Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northern Arizona University	4,394	(1)	1	8.81%	2,571	1	4.66%
W.L. Gore & Associates	2,500	(1)	2	5.01%	1,950	3	3.53%
Flagstaff Medical Center	2,450	(1)	3	4.91%	2,200	2	3.99%
Flagstaff Unified School District	1,295	(1)	4	2.60%	1,375	4	2.49%
Coconino County	1,188	(1)	5	2.38%	1,200	5	2.18%
City of Flagstaff	932	(2,3)	6	1.87%	657	6	1.19%
Arizona Snowbowl	704	(1)	7	1.41%			
North Country Healthcare	531	(1)	8	1.06%			
Coconino Community College	330	(1)	9	0.66%			
Nestle Purina	323	(1)	10	0.65%	240	10	0.44%
US Forest Service	239	(1)	11	0.48%			
Little America Hotel	230	(1)	12	0.46%			
Guidance Center	199	(1)	13	0.40%			
Walmart - Woodland Village	180	(1)	14	0.36%	630	7	1.14%
Joy Cone	177	(1)	15	0.35%			
Fry's Foods	170	(1)	16	0.34%			
Peaks Senior Living Center	162	(1)	17	0.32%			
Lowell Observatory	135	(1)	18	0.27%			
Hozhoni Foundation	115	(1)	19	0.23%			
Prent Thermoforming	75	(1)	20	0.15%			
Walgreens Distribution Center (Closed 2015)	-				407	8	0.74%
Total	16,329			32.72%	11,230		20.36%
2020 & 2010 U.S. Census Labor Force	49,900	Estimated			55,170		

Source:

(1) Community Investment Section - Economic Vitality
(2) City of Flagstaff Human Resources
(3) Includes all positions reflected by FTE hours in Schedule 20

Schedule 20
City of Flagstaff
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
General Government										
Management services	84.55	85.00	86.00	87.25	91.00	97.25	99.57	99.25	103.50	105.50
Capital management	8.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
City Court	25.18	24.18	24.35	25.35	26.35	29.35	29.35	29.55	29.55	29.55
Public Safety										
Police	172.00	171.00	169.00	169.00	167.00	167.00	173.00	176.00	176.00	177.00
Fire	85.00	85.00	85.00	87.00	88.00	89.00	95.00	94.00	94.00	94.00
Public Works	26.50	26.00	25.00	25.00	25.50	25.50	27.50	27.50	29.50	30.50
Economic and physical development										
Building	39.20	39.20	41.50	43.98	44.98	45.50	48.98	50.50	54.00	55.00
Planning	22.88	21.88	20.88	13.88	14.88	19.88	21.88	24.88	25.80	19.75
Tourism	12.49	12.49	12.93	13.93	13.93	14.15	15.15	15.15	16.15	17.15
Culture and recreation										
Library	51.40	51.40	51.40	52.30	53.43	54.49	55.38	55.08	55.32	55.32
Parks, recreation, and beautification	88.81	84.88	86.03	85.50	90.13	91.69	93.54	94.50	93.85	93.85
Highways and Streets	36.31	34.97	35.52	35.52	33.02	32.02	33.02	33.02	31.52	32.27
Water and wastewater	61.50	61.50	62.00	64.00	66.00	67.00	71.00	73.46	74.42	76.16
Environmental services	59.60	58.50	55.43	55.00	56.25	57.00	57.00	56.00	54.49	55.49
Airport	9.50	9.50	9.50	9.50	9.50	9.50	9.50	11.50	14.50	12.75
Stormwater	6.00	6.00	5.50	4.50	4.50	5.50	5.50	5.50	5.00	7.00
Flagstaff Housing Authority	23.50	24.00	22.00	22.00	21.60	21.28	21.28	21.28	21.80	21.80
Total	812.42	802.50	799.04	801.71	814.07	834.10	865.65	876.17	888.40	892.09

(1) City-wide reorganization affected distribution of employees. Customer Service moved from Water/Wastewater to Management Services.

Schedule 21
City of Flagstaff
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Court										
Criminal Filings	8,857	8,695	8,375	7,273	6,924	7,208	6,364	5,819	7,105	6,752
Traffic filings	9,217	8,340	7,726	8,428	8,190	6,437	6,068	5,315	5,933	4,817
Non-Criminal / Other	547	477	468	554	1,357	4,668	2,250	1,579	1,750	1,486
Purchasing										
Credit card rebates received	$ 33,923	$ 34,395	$ 48,128	$ 72,037	$ 94,873	$ 104,522	$ 111,281	$ 114,462	$ 110,582	$ 92,204
Fire										
Emergency incidents	7,438	8,023	8,730	9,432	12,775	12,700	14,415	14,626	14,958	15,951
Fire incidents	213	185	177	184	168	190	218	314	153	163
Other calls	2,226	2,298	2,532	2,654	742	3,017	3,296	3,036	3,676	3,695
Inspections assigned	1,468	1,411	1,340	2,341	2,217	1,775	1,775	1,730	1,730	502
Plan Reviews	535	559	512	659	639	743	945	965	960	537
Fuel Management										
Plan Assessment (Acres)	N/A	N/A	N/A	2,300	1,500	1,723	667	345	723	1,013
Site Marking (Acres)	128	284	511	70	555	921	586	79	73	50
Site Thinning (Acres)	197	276	541	820	700	1,381	1,135	1,877	642	140
Prescription Burn (Acres)	697	540	778	333	650	948	860	759	288	745
Police										
Felony reports	2,940	2,910	2,564	2,511	2,769	2,945	2,908	2,881	2,863	2,858
Misdemeanor reports	11,253	11,040	10,383	8,980	9,553	9,531	9,045	8,776	9,222	7,907
Domestic violence incidents	1,961	2,023	1,688	1,550	1,541	1,513	1,478	1,661	1,857	1,908
Non-crime reports	9,886	9,841	7,174	6,036	6,660	6,604	6,070	6,756	7,258	6,637
Accident reports	2,574	2,568	2,180	2,590	2,985	2,926	2,803	2,828	2,519	2,418
Calls dispatched to Police/Sheriff	57,188	60,003	56,373	58,590	62,228	65,566	62,597	61,230	60,479	73,852
Calls dispatched to Fire	13,320	11,497	11,464	11,777	13,565	14,497	14,550	14,749	15,529	23,568

Schedule 21 (continued)
City of Flagstaff
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Streets										
Potholes repaired	1,877	2,054	3,605	1,174	1,437	2,367	2,127	886	296	153
Airport										
Fuel Flowage (Gallons Sold)	526,406	490,401	544,028	566,387	603,382	588,506	645,367	855,383	1,267,517	1,295,326
Enplanements	62,872	60,190	61,691	62,578	69,485	65,887	74,707	87,993	111,035	86,544
Refuse collection										
Refuse collected (Landfill tonnage)	137,815	145,793	144,411	143,528	143,639	145,960	109,776	91,105	91,941	104,971
Recyclables collected (total tons)	8,101	8,388	8,343	8,340	12,191	9,452	9,198	9,140	8,285	7,454
Community Development										
Permit Valuation	$ 85,638,067	$ 58,089,290	$ 95,467,771	$ 93,918,660	$ 177,068,294	$ 217,767,173	$ 149,723,688	$ 167,323,988	$ 235,395,255	(1)
Library										
Visits	739,706	715,033	687,735	673,246	660,974	662,838	660,030	617,813	444,396	9,268
Circulation	1,182,956	1,164,789	1,117,652	1,002,125	1,055,176	1,001,074	929,333	954,071	555,361	293,503
Tourism										
Revenue Per Available Room	$ 50.94	$ 54.61	$ 59.99	$ 69.19	$ 74.14	$ 76.06	$ 75.49	$ 75.64	$ 59.72	$ 75.39

Sources: Various City divisions

(1) This information is tracked on a calendar year basis.

Schedule 22
City of Flagstaff
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Public Safety										
Police patrol units (Includes Motorcycle units)	37	37	37	37	39	39	39	40	43	43
Number of fire hydrants	3,179	3,242	3,242	3,254	3,254	3,257	3,263	3,350	3,397	3,397
Number of fire stations	7	6	6	6	6	6	6	6	6	7
Culture and recreation										
Number of developed parks	23	23	23	23	23	23	23	23	23	24
Number of undeveloped parks	4	4	4	4	5	5	5	5	5	5
Park acreage	680	710	710	736	741	741	741	741	741	741
Flagstaff Urban Trail System - Miles	53	55	55	55	56	56	56	59	59	59
Recreational Buildings	4	4	4	4	4	4	4	4	5	5
Highways and Streets										
Miles of streets, alleys, and sidewalks	814	814	844	844	844	844	844	844	1,018	1,018
Number of street lights	3,466	3,466	3,466	3,466	3,466	3,502	3,502	3,502	3,929	3,951
Water and wastewater										
Miles of sewer	271	274	274	276	276	294	294	294	374	350
Number of manholes	7,308	7,403	7,403	7,493	7,493	7,514	7,514	7,662	7,734	7,734
Total active water accounts	19,020	20,107	19,961	19,934	20,717	20,327	21,483	21,023	21,154	21,156
Average gallon water usage per household per month	5,339	6,326	5,022	4,562	3,901	4,867	4,153	4,170	4,297	4,745
Airport										
Fixed base operators	1	1	1	1	1	1	1	1	1	1
Locally based aircraft	125	209	134	134	132	132	117	117	112	112
Tiedowns	11	11	11	11	12	12	12	12	18	18
Enclosed hangars	61	61	61	61	61	61	61	61	61	62
Open hangars	48	48	48	48	36	44	44	44	48	48

Schedule 23
City of Flagstaff
Insurance Summary
Effective July 1, 2020 to June 30, 2021

Coverage	Limit of Liability	
Liability Insurance:		
General Liability*	$ 2,000,000	/ per occurrence
(Includes 2 skateboard parks, bike freestyle park, EMT's)	$ 6,000,000	/ aggregate
Products-Completed Operations	$ 2,000,000	
Each Claim - Occurrence/Offense	$ 250,000	/ per occurrence
	$ 500,000	/ aggregate
Each Claim - Wrongful Act	$ 250,000	/ per occurrence
	$ 500,000	/ aggregate
Medical Payments	$ 25,000	/ $5,000 deductible
Back Wages	$ 50,000	/ $25,000 deductible
Fire Damage	$ 300,000	
Land Use Liability	$ 1,000,000	
Organic Pathogens	$ 100,000	/ $25,000 deductible
Pollution Liability	$ 100,000	/ $25,000 deductible
Aggregate Deductible	$ 250,000	/ per occurrence
	$ 500,000	/ aggregate
No-Fault Sewer Backup	$ 5,000	/ $2,500 deductible
Sewer Backup	$ 1,000,000	
Property Insurance:		
Property Deductible		$100,000 deductible
Municipal Mobile Equipment	$ 10,015,346	/ $10,000 deductible
Miscellaneous Equipment	$ 284,882	$10,000 deductible
EDP	$ 1,988,500	/ $10,000 deductible
Fine Arts	$ 78,700	/ $10,000 deductible

Coverage	Limit of Liability	
Auto Insurance:		
Liability	$ 2,000,000	/ $100,000 deductible
Physical Damage Comprehensive		$5,000 deductible
Physical Damage Collision		$5,000 deductible
Hired & Non-Owned	$ 2,000,000	
Auto Extension		
Rental Reimbursement	$ 3,000	
Roadside Assistance	$ 200	
Towing	$ 250	
Trip Interruption	$ 600	
Crime:		
Blanket Public Employees and Treasurer	$ 1,000,000	
Dishonesty Bond Including Faithful Performance of Duty		
Employee Theft - Per Loss	$ 1,000,000	/ $5,000 deductible
Forgery	$ 1,000,000	
Theft - Inside, Money & Securities	$ 100,000	/ $250 deductible
Theft - Inside, Robbery	$ 100,000	/ $250 deductible
Theft - Outside, Money & Securities	$ 100,000	/ $250 deductible
Computer Fraud	$ 1,000,000	/ $250 deductible
Funds Transfer Fraud	$ 1,000,000	/ $250 deductible
Money Orders/Counterfeit	$ 100,000	/ $250 deductible
Cyber Coverage Aggregate	$ 2,000,000	/ $50,000 deductible
Municipal Property Extension	$ 250,000	


CITY OF FLAGSTAFF
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CITY OF FLAGSTAFF, ARIZONA

SINGLE AUDIT ACT REPORTS

YEAR ENDED JUNE 30, 2021



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CITY OF FLAGSTAFF, ARIZONA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**1**
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AS REQUIRED BY THE UNIFORM GUIDANCE	**3**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SUMMARY OF AUDITORS' RESULTS	**6**
FINANCIAL STATEMENT FINDINGS	**7**
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	**7**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**8**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	**11**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
City of Flagstaff, Arizona
Flagstaff, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagstaff, Arizona (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

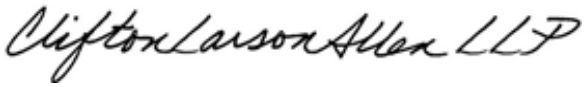
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 16, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Flagstaff, Arizona
Flagstaff, Arizona

Report on Compliance for Each Major Federal Program

We have audited the City of Flagstaff, Arizona's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City of Flagstaff, Arizona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

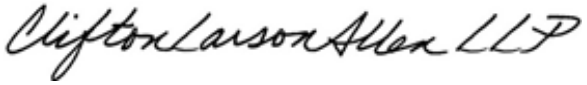
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and Members of the City Council
City of Flagstaff, Arizona

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 16, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
June 1, 2022

CITY OF FLAGSTAFF, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiency(ies) identified? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes __X__ no
- Significant deficiency(ies) identified? _____ yes __X__ none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes __X__ no

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program
21.019	COVID-19 Coronavirus Relief Fund
14.218	CDBG – Entitlement Grants Cluster
14.850	Public and Indian Housing
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? _____ yes __X__ no

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

CITY OF FLAGSTAFF, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Agriculture				
Passed through Arizona Department of Forestry and Fire Management:				
Cooperative Forestry Assistance - Hazardous Fuels Program	10.664	WFHF 17-203	$ 69,957	$ -
Cooperative Forestry Assistance - Invasive Plant Program	10.664	IPG 18-701	851	-
Cooperative Forestry Assistance - Resource Enhancement and Engagement Program	10.664	TREE 18-102	2,000	-
Total 10.664			72,808	-
Cooperative Forestry Assistance - Hazardous Fuels Program	10.697	WFHF 18-203	35,927	-
Cooperative Forestry Assistance - Hazardous Fuels Program	10.697	WFHF 19-205	43,454	-
Total 10.697			79,381	-
Passed through The Watershed Training and Research Center:				
Cooperative Forestry Assistance - Adapted Learning Communities Network	10.698	329-20-150	4,002	-
Total Department of Agriculture			156,191	-
Department of Housing and Urban Development				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant 2018-2019	14.218	N/A	-	-
Community Development Block Grant 2019-2020	14.218	N/A	-	-
Community Development Block Grant 2020-2021	14.218	N/A	457,253	448,327
COVID-19 Community Development Block Grant	14.218	N/A	907,907	885,338
Program Income	14.218	N/A	292,460	-
Total CDBG - Entitlement Grants Cluster			1,657,620	1,333,665
Public and Indian Housing	14.850	N/A	273	-
Public and Indian Housing	14.850	N/A	103,497	-
Public and Indian Housing	14.850	N/A	151,413	-
Public and Indian Housing	14.850	N/A	250	-
Public and Indian Housing	14.850	N/A	143,025	-
Public and Indian Housing	14.850	N/A	189,945	-
COVID-19 Public and Indian Housing	14.850	N/A	29,979	-
COVID-19 Public and Indian Housing	14.850	N/A	41,508	-
Total 14.850			659,890	-
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program - Section 8 Moderate Rehab	14.856	N/A	88,641	-
Housing Voucher Cluster				
Section 8 Housing Choice Voucher	14.871	N/A	4,447,838	-
COVID-19 Section 8 Housing Choice Voucher	14.871	N/A	143,583	-
COVID-19 Emergency Housing Voucher	14.871	N/A	2,522	-
Total 14.871			4,593,943	-
COVID-19 Mainstream CARES Act Funding	14.879	N/A	1,577	-
Total Housing Voucher Cluster			4,595,520	-
Public Housing Capital Fund	14.872	N/A	196,733	-
Public Housing Capital Fund	14.872	N/A	644,589	-
Public Housing Capital Fund	14.872	N/A	15,073	-
Public Housing Capital Fund	14.872	N/A	78,728	-
Total 14.872			935,123	-
Total Department of Housing and Urban Development			7,936,794	1,333,665
Department of Interior				
Direct Programs:				
National Park Service Dispatch Services	15.954	N/A	5,000	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF FLAGSTAFF, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Justice				
Direct Programs:				
BJA FY 20 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	$ 20,093	$ -
Passed through Arizona Criminal Justice Commission:				
COVID-19 Arizona Coronavirus Emergency Supplemental Funding Program	16.034	ACESF-21-011	65,331	-
Total 16.034			85,424	-
Direct Programs:				
Bulletproof Vest Partnership Program 2018	16.607	N/A	(378)	-
Bulletproof Vest Partnership Program 2020	16.607	N/A	9,067	-
Total 16.607			8,689	-
Passed through Phoenix Police Department:				
Arizona Internet Crimes Against Children Task Force	16.543	IGA-2019-162-AG2	8,572	-
Direct Programs:				
COPS Office Community Policing Development Micro Grants II - Officer Safety and Wellness Project	16.710	N/A	24,936	-
Passed through Arizona Criminal Justice Commission:				
Public Safety Partnership and Community Policing Grant	16.710	2017UMWX0125	5,450	-
Total 16.710			30,386	-
Direct Programs:				
Justice Assistance Grant Program	16.738	N/A	7,903	-
Justice Assistance Grant Program	16.738	N/A	14,321	-
Justice Assistance Grant Program	16.738	N/A	3,538	-
Passed through Arizona Criminal Justice Commission:				
Edward Byrne Memorial Justice Assistance Grant Program Cycle 34	16.738	DC-21-002	99,223	-
Total 16.738			124,985	-
Total Department of Justice			258,056	-
Department of Transportation				
Direct Programs:				
Airport Improvement Program - AIP 40 (Airport Wildlife Hazard Assessment)	20.106	N/A	(1)	-
Airport Improvement Program - AIP 42 (ARFF Vehicle and Equipment)	20.106	N/A	99,649	-
Airport Improvement Program - AIP 43 (Snow Removal Equipment)	20.106	N/A	1,338,084	-
Airport Improvement Program - AIP 44 (Snow Removal Equipment Building Design)	20.106	N/A	193,746	-
COVID-19 CARES Act Airport Improvement Program	20.106	N/A	2,267,498	-
Total 20.106			3,898,976	-
Highway Safety Cluster				
Passed through Arizona's Governor's Office of Highway Safety:				
State and Community Highway Safety - STEP Enforcement Materials, Supplies and Equipment	20.600	2021-PTS-021	5,398	-
Passed through Arizona's Governor's Office of Highway Safety:				
State and Community Highway Safety - AZ TraCS Equipment	20.616	2020-405c-004	-	-
State and Community Highway Safety - DUI Enforcement OT	20.616	2020-405d-013	1,456	-
State and Community Highway Safety - DUI Enforcement OT	20.616	2021-405d-014	7,753	-
State and Community Highway Safety - Youth Alcohol Enforcement	20.616	2020-405d-014	4,455	-
State and Community Highway Safety - Youth Alcohol Enforcement	20.616	2021-405d-013	3,367	-
Total 20.616			17,031	-
Total Highway Safety Cluster			22,429	-
Total Department of Transportation			3,921,405	-
Department of Treasury				
Passed through the Arizona Governor's Office:				
COVID-19 Coronavirus Relief Fund	21.019	ERMT-20-036	1,934,046	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF FLAGSTAFF, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Institute Of Museum And Library Services				
Passed through Arizona State Library, Archives and Public Records:				
Grants to States - Indigenous Library Materials	45.310	2019-0010-0-H	$ 2,671	$ -
Grants to States - Xeriscape Garden at Tuba City	45.310	2020-0170-04	5,539	-
Grants to States - WiFi Expansion	45.310	2019LL-0030-WiFiEx	18,739	-
COVID-19 CARES Act Expanded - Accoutrements	45.310	2020-0720-22	2,277	-
COVID 19 - CARES Act Expanded - Laptops and Hotspots	45.310	2020-0720-21	1,894	-
Total Institute of Museum and Library Services			31,120	-
Environmental Protection Agency				
Passed through Water Infrastructure Finance Authority of Arizona:				
Clean Water State Revolving Fund Cluster				
Flagstaff Watershed Protection Project	66.458	CW-005-2020	331,977	-
Department of Homeland Security				
Direct Programs:				
Assistance to Firefighters - Regional Training	97.044	N/A	187,242	-
Assistance to Firefighters Grant - Breathing Apparatus	97.044	N/A	469,091	-
COVID-19 Assistance to Firefighters Grant - COVID PPE	97.044	N/A	15,659	-
Total 97.044			671,992	-
FEMA Floodplain Management Plan	97.045	N/A	47,122	-
FEMA SAFER Hiring	97.083	N/A	61,245	-
Passed through Arizona Department of Homeland Security:				
Strengthen Interoperable Communications	97.067	20-AZDOHS-HSGP-200103-01	7,780	-
Total Department of Homeland Security			788,139	-
Total Expenditures of Federal Awards			$ 15,362,728	$ 1,333,665

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF FLAGSTAFF, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Flagstaff, Arizona under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Flagstaff, Arizona.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST

The City did not elect the ten percent de minimus indirect cost rate.

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Honorable Mayor and Members of City Council
City of Flagstaff, Arizona
Flagstaff, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Flagstaff, Arizona (City) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 16, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the capital assets' depreciation and remaining useful lives is based on an analysis of the current rate of use of certain assets. We evaluated the key factors and assumptions used to develop depreciation and the remaining useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the fair value of investments is based on a market comparison and value of similar type investments. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that they are reasonable in relation to the financial statements taken as a whole.

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- Management's estimate of the allowance for uncollectible accounts related to the City's sales tax, court revenues, and utility receivables is based on an analysis of the history of sales tax, court, and utility receivable collections. We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts related to the City's receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the Other Postemployment Benefit Liability (OPEB) is based on actuarial methods and assumptions of the substantive benefit plan. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the current and long-term portion of the compensated absence liability, as well as the amounts earned and used is based on actual payouts made during the first two months of the fiscal year under audit and amounts earned and used over an average of the past two years, respectively. We evaluated the key factors and assumptions used to develop the current and long-term portion, earned, and used amounts of the compensated absence liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the landfill closure and postclosure care liability is based on an engineer's estimate of landfill capacity used and projected estimated costs utilizing inflation factors. We evaluated the key factors and assumptions used to develop the estimated closure and postclosure care costs in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability related to the Arizona State Retirement System, Elected Officials pension plans and Public Safety Personnel Retirement System Plan benefits are based on actuarial reports prepared by other professionals. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of the uncorrected misstatements on the following page on the financial statements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

- An invoice at or near year-end in fiscal year 2020, was not accrued as a payable and expenditure in the capital projects fund in the amount of $33,095 and was recorded as an expenditure in fiscal year 2021.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 16, 2021.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other Matters

The single audit and required reports have not yet been completed due to an increase in the number of federal programs required to be audited.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of passenger facility charges (Schedule) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the Schedule to determine that the Schedule complies with the requirements of the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration, the method of preparing it has not changed from the prior period or the reasons for such changes, and the Schedule is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the Schedule to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 16, 2021.

With respect to the combining and individual nonmajor fund financial statements and the supplemental information (capital assets used in the operations of the governmental funds, budgetary comparison schedules for nonmajor governmental funds and the financial data submission schedules) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 16, 2021.

The introductory and statistical sections accompanying the financial statements, which are of a nonaccounting nature and which are the responsibility of management, were prepared for purposes of additional analysis and are not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the mayor, members of City Council and management of the City of Flagstaff, Arizona and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 16, 2021

City of Flagstaff
June 30, 2021 Audit

July 5, 2022

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June 30, 2021 Summary

- Reports Issued
  - Annual Comprehensive Financial Report
  - Governance Communication
  - Single Audit Report
  - Highway User Revenue Examination Report
  - Annual Expenditure Limitation Examination Report
  - Passenger Facilities Charge Report
  - Landfill Agreed-Upon Procedures Report

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June 30, 2021 at a Glance

Governance Communication

- Significant estimates:
  - Estimated useful lives of assets
  - Estimate of fair value of investments
  - Allowance for uncollectibles
  - Unfunded pension/OPEB liability
  - Landfill closure and postclosure liability
  - Compensated absences
- No difficulties encountered
- One uncorrected misstatement
- No material audit adjustment
- No disagreements with management
- Obtain management representation
- No management consultation with other independent accountants
- No significant issues discussed with management

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June 30, 2021 at a Glance

Annual Comprehensive Financial Report (ACFR)

- Unmodified (“clean”) opinion
- Audit basic financial statements
- Provide an in-relation-to opinion on the combining and individual nonmajor fund financial statements and schedules, and the financial data schedules (FDS)
- Disclaim an opinion on the required supplementary information, introductory section and statistical section
- GFOA Certificate of Excellence – 2020
- Submit 2021 ACFR for GFOA Award Program
- $131 million issued in certificates of participation
- $1.1 million increase in the single employer OPEB plan
- $9.4 million increase in net pension liability
- $3.1 million drawn down on a $5.0 million WIFA loan

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June 30, 2021 at a Glance

Single Audit Report	• GAS - No significant deficiencies; No material weaknesses • UG – Unmodified (“clean”) opinion; no matters of noncompliance no control deficiencies
Highway User Revenue Examination (HURF)	• Unmodified (“clean”) opinion
Annual Expenditure Limitation Examination (HURF)	• Unmodified (“clean”) opinion • Reconcile to the audited financial statements • Test material additions, subtractions and exemptions

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June 30, 2021 at a Glance

- **Passenger Facilities Report (PFC)**
  - Do not provide an opinion on controls, but report on controls.
  - Unmodified (“clean”) opinion on compliance
- **Landfill Agreed-Upon Procedures**
  - Do not provide an opinion
  - Report any deviations from the agreed-upon procedures
  - No findings reported

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Single Audit

- *Government Auditing Standards* Report – Report on internal controls; do not provide an opinion
  - No material weaknesses
  - No significant deficiencies

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Single Audit Report

- Report on compliance for each major program, on internal control over compliance and the schedule of federal expenditures
  - Provide an opinion on compliance
  - Do not provide an opinion on controls, but report on controls
  - Provide an in-relation-to opinion on the schedule of federal expenditures

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Single Audit Report

- Major Programs Tested
  - **20.106 Airport Improvement Program**
    - $3,898,976 in federal expenditures
  - **21.019 COVID-19 Coronavirus Relief Fund**
    - $1,934,046 in federal expenditures
  - **14.218 CDBG – Entitlement Grants Cluster**
    - $1,657,620 in federal expenditures
  - **14.850 Public and Indian Housing**
    - $659,890 in federal expenditures
  - **14.872 Public Housing Capital Fund**
    - $935,123 in federal expenditures

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Single Audit Report

- Total Federal Expenditures: $15,362,728
- Total Federal Expenditures Tested: $9,085,655
- Total Required Coverage: 40%
- Total Actual Coverage: 59.1%
- Unmodified (“clean”) opinion
- Current Year Compliance Findings
  - Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a)
- Prior Year Findings
  - There were no prior year matters required to be reported in accordance with 2 CFR 200.516(a)

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Items of Significance for 2022

- Governmental Accounting Standards Board Statement (GASBS) No. 87 – *Leases*

- 2022 Compliance Supplement was issued in April 2022

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Dennis J. Osuch, CPA
Principal

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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

11. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Brandi Suda, Finance Director
Co-Submitter:	Heidi Derryberry
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Adoption of Ordinance No. 2022-16: An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars ($100.00) of valuation sufficient to raise the amount estimated to be required in the Annual Budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June 2023. **(Primary and secondary property tax levies for FY 2022-2023)**

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-16 by title only for the final time
2) City Clerk reads Ordinance No. 2022-16 by title only (if approved above)
3) Adopt Ordinance No. 2022-16

Executive Summary:

The City Council is required to fix and levy the amount to be raised from property taxation after the adoption of the final budget, per A.R.S. Section 42-17151. The final budget is anticipated to be adopted on June 21, 2022.

Financial Impact:

The City is proposing a flat primary property tax levy of $7,043,086 on existing properties, plus a levy of $90,600 on new construction, for a total primary property tax levy in Fiscal Year (FY) 2022-2023 of $7,133,686. The primary property tax rate to support this levy is $0.6954 per $100 of assessed valuation (lower than the prior fiscal year). The proposed levy is less than the maximum allowable primary property tax levy allowed for FY 2022-2023, which is $7,569,668.

The City is proposing a secondary property tax levy of $8,102,485 on existing properties, plus a levy of $104,229 on new construction, for a total secondary property tax levy in FY 2021-2022 of $8,206,714. The proposed secondary property tax rate is $0.8000 per $100 of assessed valuation (same as the prior fiscal year).

Policy Impact:

Adoption of the proposed property tax levies will generate revenues to help fund the community needs as identified in the FY 2022-2023 Final Budget and policies reflected therein.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

The adoption of the Annual Budget and Financial Plan provides direction and financial resources to support the Key Community Priorities and Objectives, Regional Plan and Carbon Neutrality Plan .The property tax adoption is part of the overall City budget adoption.

Has There Been Previous Council Decision on This:

Property tax information has been discussed or presented at the following public meetings:

- December Budget Retreat on December 9, 2021
- February Budget Retreat on February 3, 2022 and February 4, 2022
- March Capital Improvement Program Budget Retreat on March 31, 2022
- Council Budget Work Session on April 21, 2022 and April 22, 2022
- Tentative Budget Adoption on June 7, 2022

Options and Alternatives:

1) Adopt the primary and secondary property tax rates as proposed.
2) Adopt lower primary and secondary property tax rates than proposed.
3) Adopt higher tax rates than proposed, however, this action may be barred by Truth in Taxation Notice publication deadlines or other legal considerations.

Background/History:

Primary property tax revenues may be used for all purposes. Primary property tax levies are limited, per A.R.S. Section 42-17051. The City has the ability to increase the amount received from the primary property tax levy by a maximum of 2% each year excluding new construction. The maximum allowable increase for FY 2022-2023 is 6.0%. FY 2022-2023 proposed primary property tax levy is set at $7,133,686, which is less than the maximum allowable levy of $7,569,668.

Primary property tax levies are also subject to "Truth in Taxation" notice and hearing requirements, per A.R.S. Section 42-17107. On or before February 10 of each year, the county assessor must transmit to each city and town an estimate of the total net assessed valuation of the city, including new property added to the tax roll. If the proposed primary tax levy amount, excluding amounts attributable to new construction, is greater than the levy amount in the previous year, the city must follow the "Truth in Taxation" procedures. It is important to note that it is the levy amount and not the rate which triggers the "Truth in Taxation" procedures. The proposed FY2022-2023 primary tax levy amount did not trigger the "Truth in Taxation" procedures.

Secondary property tax revenues may only be used by cities and towns to retire the principal and interest or redemption charges on general obligation bonds issued to pay for capital projects. Secondary property tax levies are not limited.

The adoption of the property tax levy is the final step in the entire budget approval process.

Key Considerations:

The key dates for budget and property tax levy adoption have been determined and have been followed throughout this process. The County will adopt the property tax levy as approved by the City in August 2022.

Expanded Financial Considerations:

The City is budgeting primary property tax revenues of $7,046,000 in its FY 2022-2023 Budget. This budgeted amount is less than the levy amount because the City is allowing for approximately 1.2% in bad debt (taxes not able to be collected). The City anticipates an overall 1.0**%** increase in primary property tax revenues in FY 2022-2023, due to the increase from new construction (properties added to tax roll). Primary property tax revenues may be used for any general purpose use of the City government. Statutorily, the maximum allowable primary property levy for FY 2022-2023 is $7,569,668

The City has budgeted a total of $8,206,714 in FY 2022-2023 secondary property tax, an approximate 5% increase over the FY 2021-2022 budget ($7,835,974). The increase is directly related to the increased assessed valuation (increase in property values) and new construction. Secondary property tax revenues are used to pay general obligation debt issued for City capital projects.

Five years of historical data is shown below:

Property Tax Rates	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023 Proposed
Primary	0.8334	0.7933	0.7510	0.7186	0.6954
Secondary	0.8366	0.8366	0.8000	0.8000	0.8000
Total	1.6700	1.6299	1.5510	1.5186	1.4954

Primary property taxes account for 7% of the General Fund revenues budgeted for FY 2022-2023.

Community Benefits and Considerations:

Primary property taxes help support a number of City services including public safety, parks and recreation, other public works services, and general administrative and management functions within the City.

Secondary property taxes support the debt service payment on numerous city capital projects including Aquaplex, Fire Stations, Open Space, numerous street/utility projects, Forest Restoration, Core Services Facility, and the Courthouse.

Community Involvement:

Inform & Involve: Budget legal schedules were published in the June 9, 2022, and June 16, 2022, Arizona Daily Sun to allow for additional community review. In addition, the legal and other budget schedules were made available at City Hall, and on the official city website or by request. At a public hearing on June 21, 2022, the final budget adoption and the property tax levy is open for public comment and allows citizens to provide input. The final opportunity for public input on the tax levy will be at the July 5, 2022, Council Meeting.

Attachments: Ord. 2022-16

ORDINANCE NO. 2022-16

AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2023

RECITALS:

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2022-2023 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. There is hereby levied on each one hundred dollars ($100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of 0.6954 for the fiscal year ending on the 30th day of June 2023. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars ($100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of 0.8000 for the fiscal year ending June 30, 2023.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona.

SECTION 6. Effective Date. The tax levies imposed by this Ordinance shall take effect August 4, 2022.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2022.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

11. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jeanie Gallagher, Human Resources Director

Co-Submitter: Dietrich Sauer

Date: 06/27/2022

Meeting Date: 07/05/2022

TITLE:

Consideration and Adoption of Ordinance No. 2022-15: An ordinance amending Flagstaff City Code, Chapter 1-14, Personnel System, and the Employee Handbook of Regulations Section 1-10-70, Employee Advisory Committee, to reorganize and add member representation based on recent changes to the City's organizational chart and authorized Full Time Equivalents (FTE's).

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-15 by title only for the final time
2) City Clerk reads Ordinance No. 2022-15 by title only (if approved above)
3) Adopt Ordinance No. 2022-15

Executive Summary:

In accordance with City Code and thereby the Employee Handbook of Regulations, the Employee Advisory Committee shall have the following membership:

Each group will be assigned a number of members based on the number of tenured, tenure-eligible and exempt employees.
1. A group with less than 50 employees is assigned one (1) EAC member.
2. A group with 50 to 100 employees is assigned two (2) EAC members.
3. A group with more than 100 employees is assigned three (3) EAC members.

Based upon organizational structure changes, two new employee groups are added: 1) City Engineering, and 2) Parks, Recreation, Open Space, Events.

Additionally, the number of employees per group are to be evaluated each year and if the number of members at the time of election is too low, the appropriate number of regular and alternate members will be added. The result of this evaluation is to add eight (8) new Regular and eight (8) new alternate members.

Financial Impact:

Minimal financial impact is anticipated. Members are paid to attend meetings during regular work hours.

Policy Impact:

There is no anticipated policy impact for these changes.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

High Performing Governance: Implement innovative local government programs, new ideas &best practices; be recognized as a model for others to follow. Be an employer oc choice through inclusive recruitment & by providing employees with the necessary tools, training, support & compensation.

Carbon Neutrality Plan

Not applicable.

Regional Plan

Not applicable.

Has There Been Previous Council Decision on This:

Yes. Modifications to membership are made as required by existing Code. Modifications to employee membership have not been made since 2020.

Attachments: Ord. 2022-15

ORDINANCE NO. 2022-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING THE FLAGSTAFF CITY CODE, CHAPTER 1-14, PERSONNEL SYSTEM, AND THE EMPLOYEE HANDBOOK OF REGULATIONS, SECTION 1-10-070, EMPLOYEE ADVISORY COMMITTEE; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Flagstaff City Code section 1-14-001-006 establishes the City's Employee Advisory Committee (EAC); and

WHEREAS, the purpose of the EAC is to foster ongoing employee-employer relations by providing a process and forum for employees to recommend changes to the City Manager concerning employment-related policies and procedures, safety, compensation and benefits; and

WHEREAS, the proposed amendments to the City Code sections pertaining to the EAC will reorganize and add member representation based on recent changes to the City's organizational chart and authorized Full Time Equivalents (FTE's) by work group; and

WHEREAS, the City Code sections pertaining to the EAC are copied into section 1-10-070 of the Employee Handbook of Regulations; thus, any amendments to the EAC sections in the Code will also amend section 1-10-070 of the Handbook; and

WHEREAS, the City Council has authority to approve the proposed amendments to the Flagstaff Employee Handbook of Regulations pursuant to the Flagstaff City Charter, Article IV; and

WHEREAS, the proposed amendments have been reviewed by the EAC, and the EAC has recommended approval of these amendments.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

Section 1: In General,

The Flagstaff City Code, Chapter 1-14 *Personnel System*, is hereby amended as shown below (additions are underlined and in caps, deletions are stricken). These amendments will also amend Section 1-10-070 of the Employee Handbook of Regulations, which mirrors the amended sections.

1-14-001-0006.5 Structure

A. The Employee Advisory Committee shall consist of the following members, by group, excluding ineligible employees except for the Human Resources Director, or designee,

who shall serve as a non-voting member, and shall provide information to the EAC as needed:

1. Administrative Services - (City Manager's Office, Information Technology, Legal, Human Resources/RISK MANAGEMENT, Public Affairs, ~~Risk Management,~~ Sustainability and City Clerk's Office) – ~~one~~ TWO (~~1~~2) memberS

2. Management Services - (Finance, Payroll, Revenue and Purchasing) – two (2) members

3. Police - (Commissioned ~~two~~ THREE members and Non-Commissioned ~~one~~ TWO memberS) - ~~three~~ FIVE (~~3~~5) members

4. Fire - ~~two~~ THREE (~~2~~3) members

5. Public Works - (Public Works Administration, Solid Waste, Streets, ~~Parks and Recreation~~, Fleet, Facility Maintenance ~~and Environmental Management~~) - three (3) members

6. Community Development - (Planning & Development, Housing, ~~Engineering,~~ and Real Estate) - two (2) members

7. Water Services - two (2) members

8. City Court - one (1) member

9. Economic Vitality - (Convention & Visitors Bureau, Airport, Community Investment, and Library) - ~~two~~ THREE (~~2~~3) members

10. CITY ENGINEERING – ONE (1) MEMBER

11. PARKS, RECREATION, OPEN SPACE, EVENTS – TWO (2) MEMBERS

~~10~~12. The Human Resources Director, or designee, is a permanent, non-voting member.

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 5th day of July, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

11. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Genevieve Pearthree, Senior Planner
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Preliminary Plat: RP4V, LLC and RP40, LLC request approval of the Preliminary Plat for Rio Homes Unit 4, a 6-unit multi-family residential townhome subdivision (PZ-19-00019-07). The 5.1-acre site is located at 1221 East Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

Staff recommends the City Council, in accordance with the findings presented in this report and the Planning and Zoning Commission recommendation of approval on June 22, 2022, approve the Preliminary Plat.

Executive Summary:

A request for Preliminary Plat approval for Rio Homes Unit 4, a 6-unit multi-family residential townhome subdivision. The developer is proposing to modify (replat) the previous Rio Homes Unit 4 plat to erase existing lot lines, and clarify parking and access issues, so that 40 additional multifamily residential housing units currently being built on the site can be sold individually as condos (the condominium plat is being processed concurrently through Preliminary Plat application PZ-19-00019-06).

Financial Impact:

No financial impacts are anticipated with this Preliminary Plat.

Policy Impact:

No policy impacts are affiliated with this Preliminary Plat.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Carbon Neutrality Plan

- DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

PBB Key Community Priorities/Objectives

- Robust Resilient Economy - Grow and strengthen a more equitable and resilient economy.

Regional Plan Policies and Goals

- 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.
- Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.
- Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary.

Has There Been Previous Council Decision on This:

- 2002: City Council approved the Ordinance No. 2002-03, An Ordinance Authorizing the Sale of City Owned Real Property for Affordable Housing in the Rio Homes Development
- 2005: City Council approved the Rio Homes Final Plat
- 2020: City Council approved the Rio Homes Unit 4 Final Plat on October 20th

Options and Alternatives:

1. Approve the Preliminary Plat with no conditions.
2. Approve the Preliminary Plat with conditions.
3. Deny the Preliminary Plat based on non-compliance with the Zoning Code, the Subdivision Code, and/or the Engineering Standards and Specifications for New Infrastructure.

Background/History:

Development History

The subject site is located at located at 1221 E. Emma Dr. on the north side of East Pine Knoll Drive and east of Lone Tree Road. The Rio Homes Unit 4 development was originally intended in the mid-2000s to be a cohousing type of community and included a larger parcel intended for a common house. The original 2005 subdivision plat proposed variety of detached and attached residential building types across 21 lots and 9 tracts. The only structures from the original development plan that were ultimately built were six townhome units, each with an associated detached garage (two of the garages have an accessory dwelling unit on the second floor).

A first amendment to the Rio Homes Unit 4 subdivision was recorded in 2021 to allow for the development of 40 additional multifamily residential units. The amendment modified the 2005 plat to create 12 lots and 3 tracts to allow for the development of 40 multifamily residential units (rental apartments). It maintained the lot lines for the townhomes and garages that had already been developed but removed most of the lot lines that had not been developed. City staff approved the Site Plan for the 40 residential units on March 26, 2020 (Civil Plans were approved on July 10, 2020, and Building Permits were approved on November 11, 2021).

The developer has decided to turn the 40 multifamily residential units into condominiums so that they can be sold individually. The condominiums are located on Tracts B and C of the Rio Homes Unit 4 subdivision plat and are being processed as a separate Preliminary Plat (PZ-19-00019-06).

The focus of this Preliminary Plat approval request is a second amendment to the Rio Homes Unit 4 subdivision plat. The purpose of the request is to erase the property lines for four townhome lots that were never developed so that the multifamily residential units being built in these locations can be sold individually. The amendment also clarifies parking/access between the townhome and condominium owners. Staff also administratively approved this plat on May 26, 2022

Type of Plat

This Preliminary Plat amendment is for a townhome subdivision consisting of 6 townhome lots and associated garages. All areas in the subdivision not allocated as lots are reserved as tracts. There are three tracts. The purposes of Tract A are: access easement, ingress/egress, parking, common element,

and open space. The purposes of Tract B are: common element, open space, resource protection, drainage maintenance easement, and multifamily development. The purposes of Tract C are: ingress/egress, parking, common element, and open space.

Key Considerations:

The City Council shall find the proposed Final Plat meets the requirements of City Code Title 10, Flagstaff Zoning Code; City Code Title 11, General Plans and Subdivisions; and City Code Title 13, Engineering Design Standards and Specifications.

Community Benefits and Considerations:

This amendment will facilitate the addition of 40 new for-sale housing units to the existing six townhome units on the Rio Homes Unit 4 site (through the concurrent Preliminary Plat for Rio Homes Unit 4 Condominiums, case number PZ-19-00019-06). The new housing will be a mix of one-bedroom and two-bedroom apartments.

Community Involvement:

Inform. No public hearings or public outreach are required by either the Zoning Code or the Subdivision Code as part of a Preliminary Plat subdivision review process.

Attachments:

Staff Presentation
P&Z Staff Report
Application
Preliminary Plat
Natural Resource Protection Plan
Vicinity Map
Utility Notification Letters

Rio Homes Unit 4

Preliminary Plat Amendment (PZ-19-00019-07)

Preliminary Condominium Plat (PZ-19-00019-06)

City Council | July 5, 2022

Genevieve Pearthree | Senior Planner

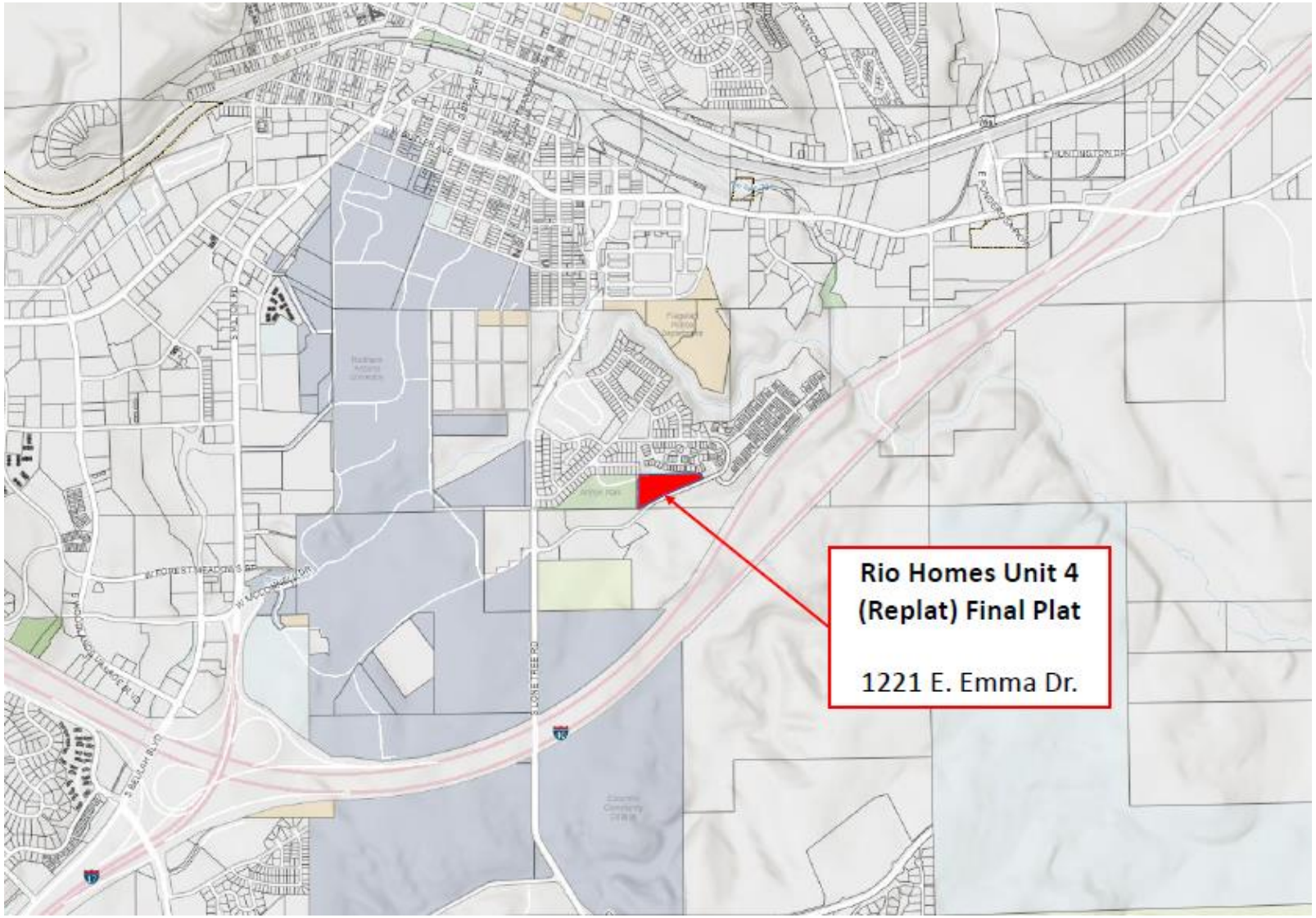
TEAM FLAGSTAFF
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Request Overview

- RP4V, LLC and RP40, LLC request approval of 2 Preliminary Plats
  - Preliminary Plat for Rio Homes Unit 4 Multi-Family (PZ-19-00019-07)
  - Preliminary Condominium Plat for Rio Homes Unit 4 Multi-Family (PZ-19-00019-06)

Purpose is to allow 40 new multifamily units to be sold individually as condominiums (project currently under construction as rental units)

Vicinity Map



Site Information

- 1221 E. Emma Drive
- 5.1 acres
- Medium Density Residential (MR) zoning with a Resource Protection Overlay (RPO)
- Part of larger Rio Homes development
  - Original Rio Homes Unit 4 plat from 2005 proposed a variety of detached and attached residential building types across 21 lots and 9 tracts
  - 6 townhomes were built with detached garages (2 garages have accessory dwelling units on the second story)

Site Information (continued)

- City Council approved updated Final Plat in October 2020
  - P&Z recommended Preliminary Plat approval on May 27, 2020
  - Maintained lot lines for developed townhomes and garages; removed most undeveloped lot lines
  - Allowed construction of 40 new multifamily residential units (rental apartments)
- 40 new units currently under construction (building permits approved in November 2021)
- 46 units total (6 existing townhomes, 40 new units)

Purpose of current requests

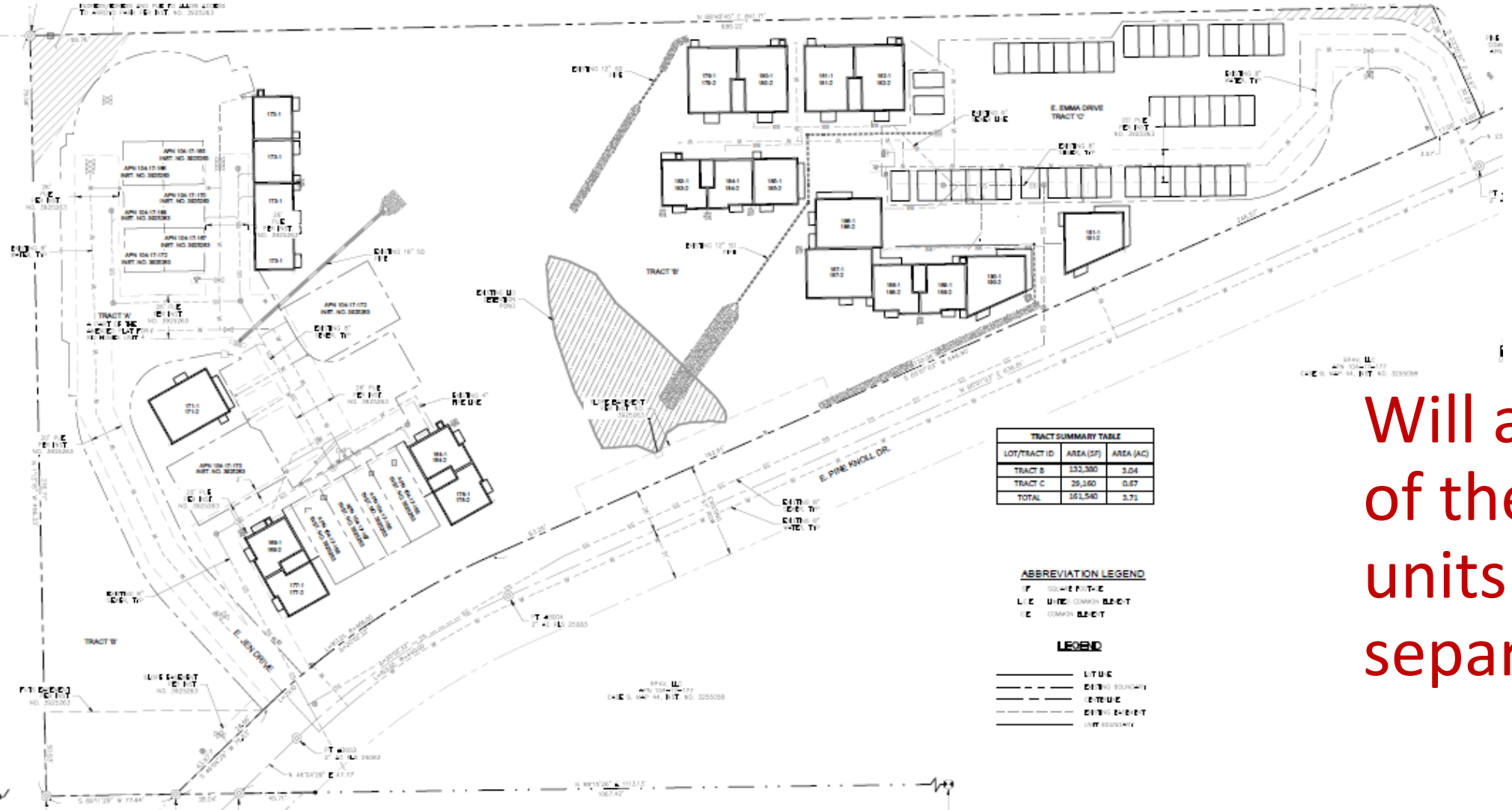
- Developer wants to turn 40 multifamily residential units into condominiums so that they can be sold individually (Condominium Plat PZ-19-00019-06)
- Current townhome plat (PZ-19-00019-07) must be amended before condominium plat can be approved to:
  - Erase lot lines for undeveloped townhome lots (condominiums are currently proposed in these locations)
  - Clarify parking and access issues between townhome and condominium owners

Building rendering – for reference only



Condominium Plat (PZ-19-00019-06)

Preliminary Condominium Plat for Rio Homes Unit 4 Multi-Family

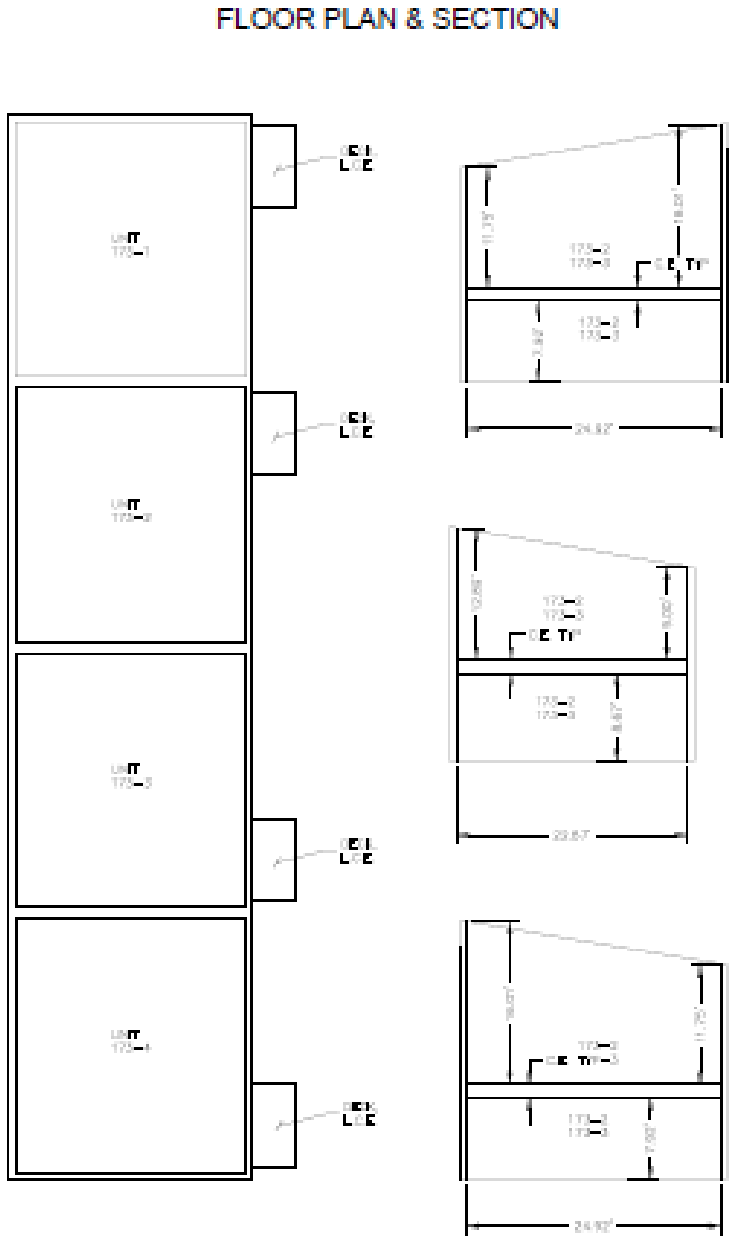


Will allow each of the 40 new units to be sold separately

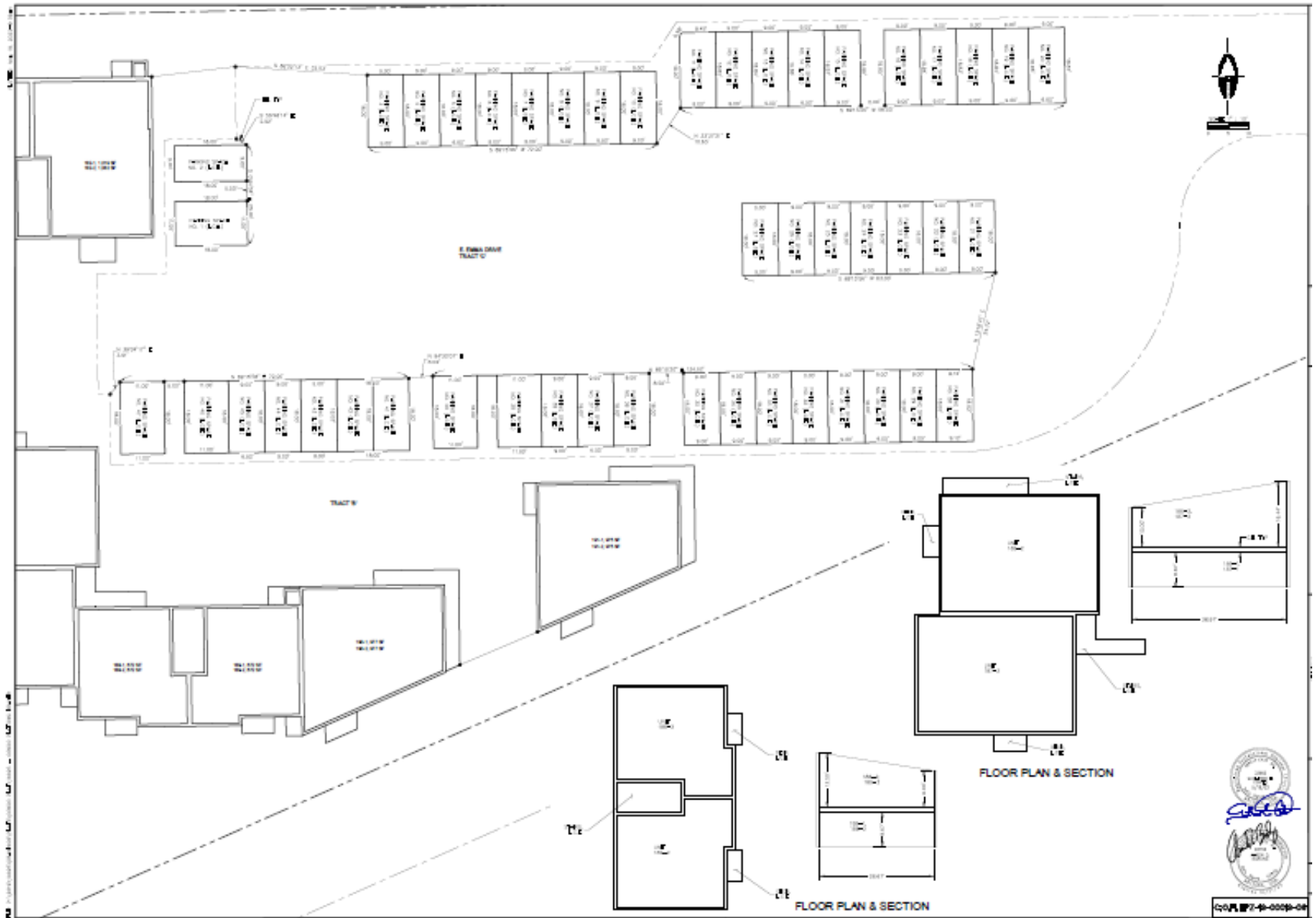
Condominium Plat (PZ-19-00019-06)

Identifies vertical & horizontal boundaries of each unit (airspace)

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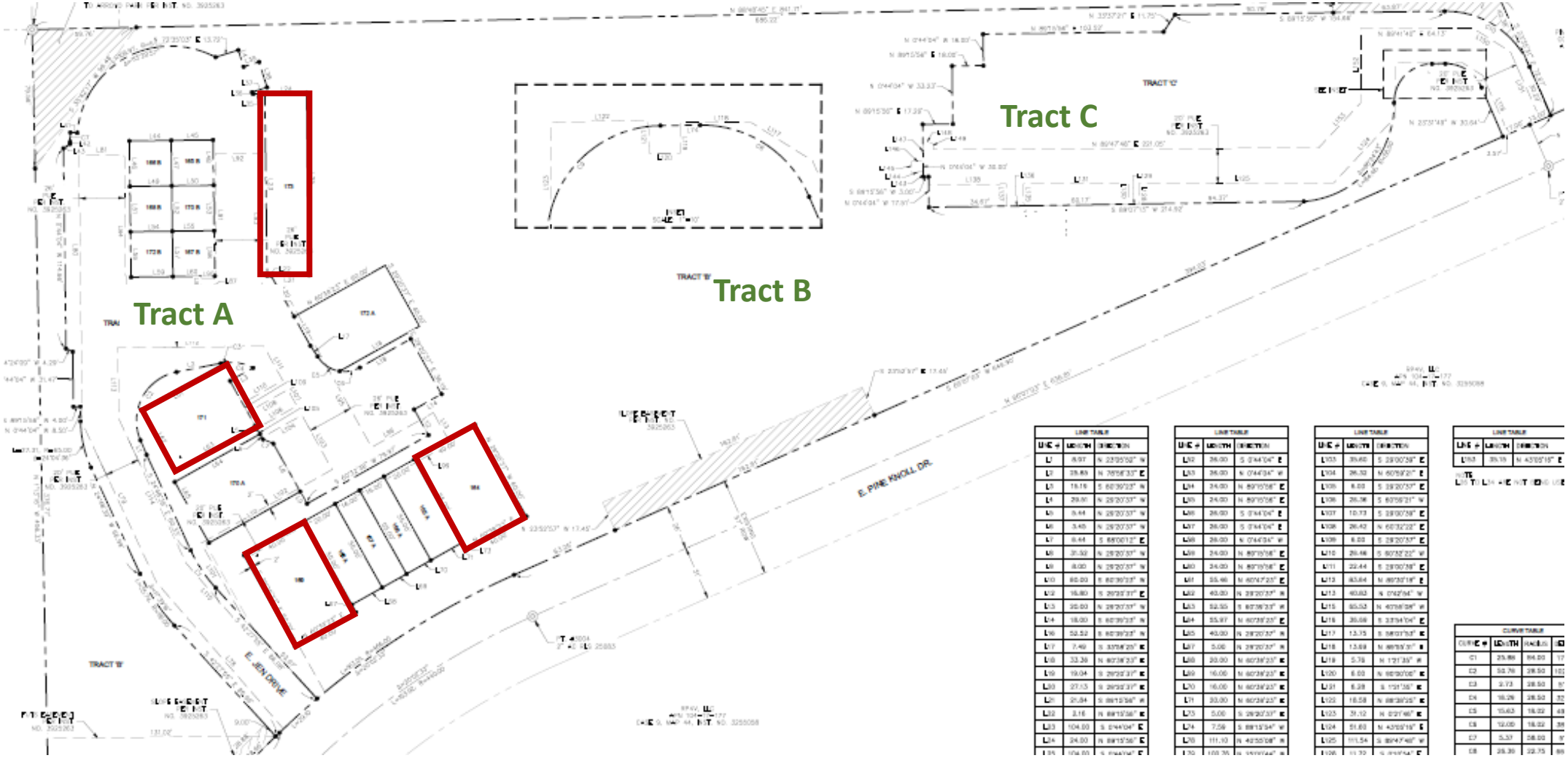


Condominium Plat (PZ-19-00019-06)



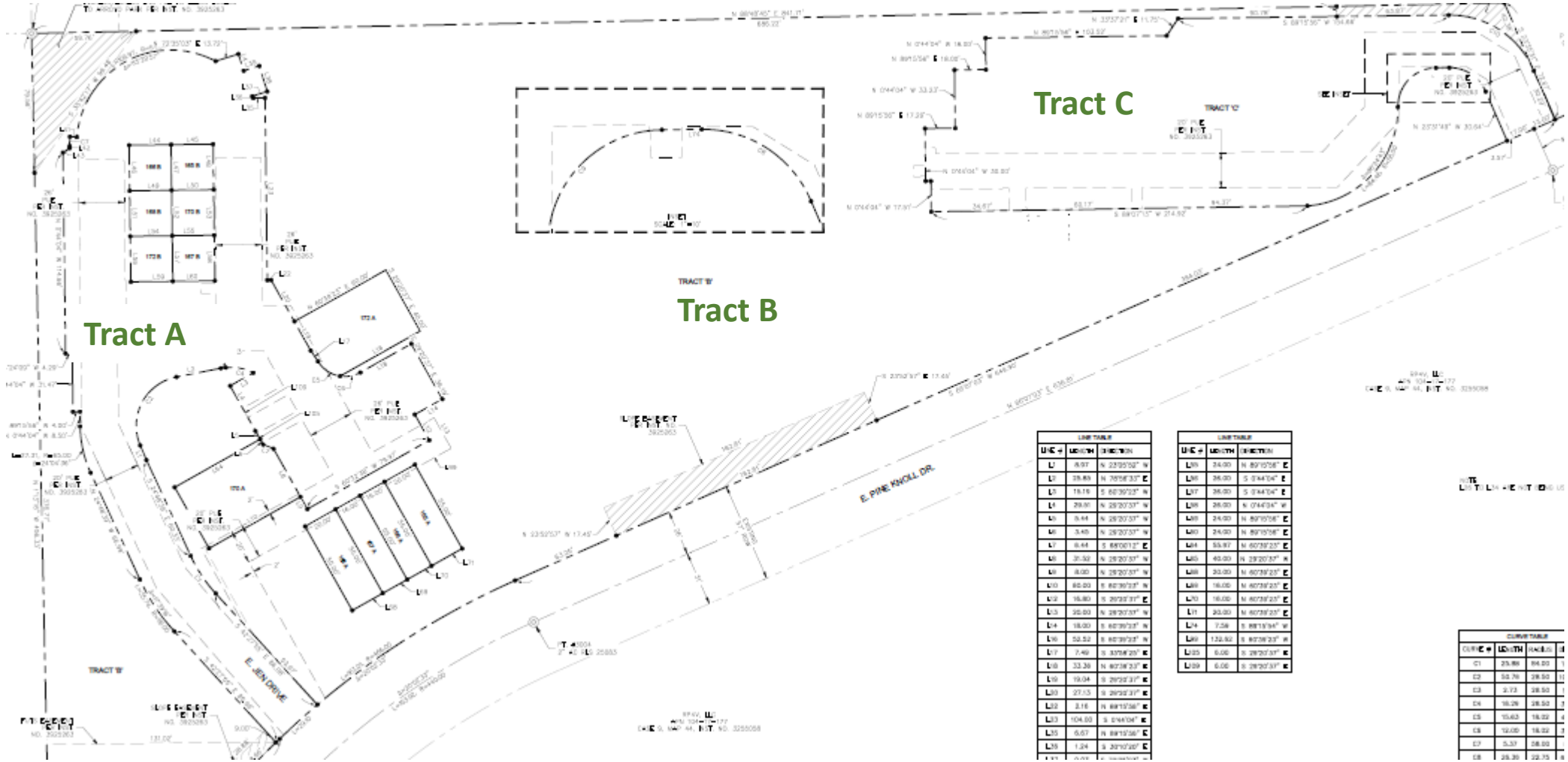
Townhome Plat (PZ-19-00019-07)

Existing Preliminary Plat for Rio Homes Unit 4 Multi-Family



Townhome Plat (PZ-19-00019-07)

Amendment to Preliminary Plat for Rio Homes Unit 4 Multi-Family



Findings for Approval

- **Findings** (criteria) **for approval of subdivision plats are compliance with these City Code** sections:
  - City Code Title 10, Flagstaff Zoning Code
  - City Code Title 11, General Plans and Subdivisions
  - City Code Title 13, Engineering Design Standards and Specifications
- Staff and P&Z determined both **plats meet these findings**
- Staff and the Planning and Zoning Commission (4-0 vote in favor on June 22, 2022) recommend the **City Council approve both Preliminary Plats**

Required Finding #1: Zoning Code (Title 10)

- Medium Density Residential (MR) zone standards for density, lot coverage, height, setbacks
- Parking
  - 85 parking spaces required, 87 provided
  - 4 bike spaces required, 10 provided
- Landscaping
  - Landscaping plan approved with Civil Plans on July 10, 2020
  - Landscaping requirements for street buffer, building foundation, parking lot & peripheral (rear) buffer landscaping met through new and existing trees
- Pedestrian Connectivity
  - New FUTS easement dedicated with previous amendment
  - Pedestrian connections from Pine Knoll Dr. and between units

Required Finding #1: Zoning Code (Title 10)

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Meets Resource Protection Standards



UNIT 4 (SEE SHEET RS02 OF ORIGINAL NRPP FOR UNIT 2 AND 3 CALCULATIONS)

EXISITNG TREE CANOPY=36,163 S.F.
REQUIRED TREE CANOPY PRESERVATION (40%)=14,465 S.F.
PRESERVED TREE CANOPY=3,912 S.F.
FLEXIBLE MEASURE TREE CANOPY=2,101 S.F.
USEABLE FLEXIBLE TREE CANOPY=723 S.F.
TOTAL PRESERVED TREE CANOPY (WITH FLEX TREES)=4,635 S.F.
TREE CANOPY DEFICIT=9,830 S.F.

EXISTING 17–24.9% SLOPE=41,172 S.F.
REQUIRED 17–24.9% SLOPE PRESERVATION (56%)=23,056 S.F.
PRESERVED 17–24.9% SLOPE=~~31,967 S.F.~~ 27,901 S.F.
17–24.9% SLOPE EXCESS=~~8,911 S.F.~~ 4,845 S.F.

EXISTING 25% & GREATER SLOPE=54,004 S.F.
REQUIRED 25% & GREATER SLOPE PRESERVATION (64%)=34,563 S.F.
PRESERVED 25% & GREATER SLOPE=~~33,580 S.F.~~ 33,010 S.F.
25% & GREATER SLOPE DEFICIT=~~983 S.F.~~ 1,553 S.F.

UNIT 4 RESOURCE BANKING SUMMARY

UNIT 3 RESOURCE EXCESS=+7,406 S.F.
UNIT 4 TREE DEFICIT=–9,830 S.F.
UNIT 4 17–24.9% SLOPE EXCESS=~~+8,911 S.F.~~ +4,845 S.F.
UNIT 4 25% & GREATER SLOPE DEFICIT=~~–983 S.F.~~ –1,553 S.F.
868 S.F.
UNIT 4 EXCESS=~~5,504 S.F.~~ (TOTAL FOR THE PROJECT)

Meets Engineering Standards

- Traffic Impact Analysis
  - TIA approved for original Rio Homes development; new TIA not required
  - Access off Jen Drive and Emma Drive
  - Driveways expanded to accommodate fire and trash vehicles
- Water and Wastewater
  - Water Sewer Impact Analysis (WSIA) approved for original development; new WSIA not required
  - New 8” water and sewer lines will be installed on site
  - All other required improvements already completed
- Stormwater
  - Updated drainage letter approved in 2020
  - Development meets current low impact development (LID) requirements

Required Finding #3: Subdivisions Standards (Title 11)

Meets Subdivision and Land Split Regulations (Chapter 11-20)

- Preliminary Plat procedures, application requirements
- Minimum Required Subdivision Improvements
  - Identified in public systems analyses (previous slides)
- Subdivision Standards and Regulations
  - Not applicable

Findings and Recommendation

Required Findings

- Staff and the Planning and Zoning Commission have found both **Preliminary Plats meet the required findings for approval,** which include conformance with:
  - City Code Title 10, Flagstaff Zoning Code
  - City Code Title 11, General Plans and Subdivisions
  - City Code Title 13, Engineering Design Standards and Specifications

Staff Recommendation

- Staff and the Planning and Zoning Commission (4-0 vote in favor on June 22, 2022) recommend the **City Council approve both Preliminary Plats**

PLANNING & DEVELOPMENT SERVICES REPORT

Preliminary Plat for Rio Homes Unit 4 Multi-Family

PZ-19-00019-07

DATE: **May 18, 2022**
MEETING DATE: **June 22, 2022**
REPORT BY: **Genevieve Pearthree**

REQUEST:
A request by RP4V, LLC and RP40, LLC for Preliminary Plat approval for Rio Homes Unit 4 Multifamily, a 6-unit multi-family residential townhome subdivision. The 5.1-acre site is located at 1221 East Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO) zone. The developer is proposing to modify the previous final plat to erase existing lot lines, and clarify parking and access issues, so that 40 additional multifamily residential housing units currently being built on the site can be sold individually as condos (the condominium plat is being processed concurrently through Preliminary Plat application PZ-19-00019-06).

PRESENT LAND USE:
The present land use is partially developed residential property with six (6) townhome units and associated garages, and six undeveloped townhome lots. The plat contains three tracts in addition to the townhome lots.

PROPOSED LAND USE:
The Rio Homes Unit 4 Multifamily second amendment will erase the four undeveloped townhome lots and will leave the six existing townhome units and associated garages as-is. An additional 40 attached multifamily residential units are currently under construction on Tract B and Tract C of the Rio Homes Unit 4 subdivision plat. These units are subject to a separate condominium plat (PZ-19-00019-06) to allow the units to be sold individually.

NEIGHBORHOOD DEVELOPMENT:
See the attached vicinity map for more information.

North: Pine Knoll Village subdivision; MR, Medium Density Residential Zone
South: E. Pine Knoll Drive; then open space zoned MR, Medium Density Residential Zone
East: Rio Homes subdivision; MR, Medium Density Residential Zone
West: Arroyo Park; PF, Public Facility Zone

REQUIRED FINDINGS:
The Planning and Zoning Commission shall find the Preliminary Plat meets the findings for approval, which is compliance with the following City Code sections:

1. City Code Title 10, Flagstaff Zoning Code
2. City Code Division 11-20, Subdivision and Land Split Regulations
3. City Code Title 13, Engineering Design Standards and Specifications.

These findings are addressed in the next sections of this report.

STAFF RECOMMENDATION:
Staff recommends the Planning and Zoning Commission, in accordance with the findings for approval presented in this report, forward the Preliminary Plat to the City Council with a recommendation of approval.

STAFF REVIEW:

I. Project Information

A. Background

The subject site is located at located at 1221 E. Emma Dr. on the north side of East Pine Knoll Drive and east of Lone Tree Road. The Rio Homes Unit 4 development was originally intended in the mid-2000s to be a cohousing type of community and included a larger parcel intended for a common house. The original 2005 subdivision plat proposed variety of detached and attached residential building types across 21 lots and 9 tracts. The only structures from the original development plan that were ultimately built were six townhome units, each with an associated detached garage (two of the garages have an accessory dwelling unit on the second floor).

A first amendment to the Rio Homes Unit 4 subdivision was recorded in 2021 to allow for the development of 40 additional multifamily residential units. The amendment modified the 2005 plat to create 12 lots and 3 tracts to allow for the development of 40 multifamily residential units (rental apartments). It maintained the lot lines for the townhomes and garages that had already been developed but removed most of the lot lines that had not been developed. City staff approved the Site Plan for the 40 residential units on March 26, 2020 (Civil Plans were approved on July 10, 2020, and Building Permits were approved on November 11, 2021.

The developer has decided to turn the 40 multifamily residential units into condominiums so that they can be sold individually. The condominiums are located on Tracts B and C of the Rio Homes Unit 4 subdivision plat and are being processed as a separate Preliminary Condominium Plat (PZ-19-00019-06, which City staff administratively approved on May 26, 2022).

The focus of this Preliminary Plat approval request is a second amendment to the Rio Homes Unit 4 Multifamily subdivision plat. The purpose of the request is to erase the property lines for four townhome lots that were never developed so that the multifamily residential units being built in these locations can be sold individually. The amendment also clarifies parking/access between the townhome and condominium owners. Staff also administratively approved this plat on May 26, 2022

B. Type of Plat

This Preliminary Plat amendment is for a townhome subdivision consisting of 6 townhome lots and associated garages. All areas in the subdivision not allocated as lots are reserved as tracts. There are three tracts. The purposes of Tract A are: access easement, ingress/egress, parking, common element, and open space. The purposes of Tract B are: common element, open space, resource protection, drainage maintenance easement, and multifamily development. The purposes of Tract C are: ingress/egress, parking, common element, and open space. Tract A of the Rio Homes Unit 4 Amended plat is not included in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily.

II. Required Findings: Conformance with City Development Standards and Regional Plan

Staff reviewed and approved the Preliminary Plat based on conformance with City Code Title 10, Flagstaff Zoning Code; City Code Division 11-20, Subdivision and Land Split Regulations; and City Code Title 13, Engineering Design Standards and Specifications.

A. City of Flagstaff Zoning Code

i. Medium Density Residential (MR) Zone

Any subdivision shall be designed to comply with the requirements of the specific zoning district within which it is located. The subject property is zoned MR, Medium Density Residential and has a Resource Protection Overlay (RPO) zone. The MR zone requires a minimum density of 6 dwelling units per acre (DU/AC) and a maximum of 9 DU/AC if subject to the Resource Protection Overlay. The proposed density for this site is 9 dwelling units per acre (46 units divided by 5.1 acres), which complies with the density standard. Maximum permitted lot coverage on the MR zone is 40 percent; the proposed coverage is approximately 12 percent.

The new condominium units comply with MR zone standards for setbacks and height. This is discussed in detail in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily (PZ-19-00019-06) staff report.

ii. Natural Resources

The subject property is located within a Resource Protection Overlay (RPO) Zone. A Natural Resource Protection Plan (NRPP) was approved on July 10, 2020 as part of Civil Plan review for the 40 new residential units. The NRPP accounts for proposed changes to the original development and is an update to the NRPP for Unit 4 originally approved on March 24, 2004. The 2020 NRPP is attached and is discussed in detail in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily (PZ-19-00019-06) staff report.

iii. Parks, Open Space, Pedestrian, and Bicycle Facilities

The site is adjacent to Arroyo Park. A FUTS easement on the southwest corner of the site was dedicated with the previous amendment. New paver crosswalks will be installed to provide pedestrian access in the parking areas.

vi. Landscaping

Required landscaping for the townhomes was reviewed and approved as part of the original Site Plan for the development in 2003 and 2004. Landscaping for the condominiums is discussed in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily (PZ-19-00019-06) staff report.

vii. Parking

Parking area access for the six townhome units is from E. Jen Drive off E. Pine Knoll Drive. Fifteen spaces are required for the townhomes, all of which are provided on E. Jen Drive as surface parking spaces or detached garages. Parking requirements for the condominiums are discussed in detail in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily (PZ-19-00019-06) staff report.

B. City of Flagstaff Subdivision Standards

i. Preliminary Plat Application Requirements and Procedures

Preliminary Plats require submittal and staff review of traffic, preliminary stormwater, and water and/or sewer analyses. The subdivider is also required to inform public utility, cable and communication companies, school district, Soil Conservation Service, County Health Department, ADOT (if site abuts a state highway); Flood Control District; and, County Community Development Department (if site is adjacent to an unincorporated area). The applicant sent the required letters and has provided copies of any responses by the review agencies.

The information required to be shown as part of the Preliminary Plat submittal is extensive and includes, for example, existing and proposed rights-of-way and easements within the subdivision; adjacent street dedications and lot lines; size of each lot; location and description of proposed and existing utilities; and lot and tract dimensions. Approval of a Preliminary Plat is valid for a period of two years from the date of City Council approval.

ii. Subdivision Design Standards and Requirements

This section includes standards for the design of lots, streets, easements, and city blocks. It requires all new lots or parcels created by the subdivision of land to have their own frontage to a public or private street. It also requires public and private streets to be designed and improved to public street standards. This plat is not creating any new lots, streets, or city blocks, but is instead erasing lot lines for four townhome units that were never developed. The existing townhome lots do not have frontage on a public or private street, and are thus considered legal-nonconforming (they do not meet current standards, but they met the standards in place when they were first platted in 2005). This second amendment is reducing the number of legal-nonconforming lots on site. All easements shown in the plat meet current standards and were approved with the previous amendment (no new easements are being created with this plat).

iii. Minimum Required Subdivision Improvements

Minimum required subdivision improvements are identified through public systems analysis for traffic, stormwater, water, and wastewater. These analyses are described in the City of Flagstaff Engineering Standards section below.

C. City of Flagstaff Engineering Standards

Preliminary Plats are required to comply with Engineering Standards. Staff conducted an initial public systems analysis as part of Site Plan review for the 40 multifamily units, and a final analysis as part of Civil Plan review. The development received Civil Plan approval on July 10, 2020, thereby signifying compliance with all relevant Engineering Standards. These analyses are discussed in detail in the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily (PZ-19-00019-06) staff report.

Attachments:

- Application
- Preliminary Plat
- Natural Resource Protection Plan
- Vicinity Map
- Utility notification letters

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) RP4V LLC & RP40 LLC		**Phone**
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email** tom@aznorth.com
Applicant(s) AZ North Realty		**Phone**
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email**
Project Representative Blake Schraufnagel		**Phone** 928-774-6637
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email** blake@schraufrealestate.com
Requested Review: ☐ Development Master Plan	☐ Conceptual Plat	☐ Preliminary Plat P&Z and Council
☐ Modified Subdivision	■ Preliminary Plat Amendment	☐ Final Plat- Council

Project Name: Rio Homes Unit 4	**Site Address** Emma Drive & Jen Drive		**Parcel Number** 104-17-154 through 107-17-187
Proposed Use Residential - Apartments	**Existing Use** Residential - Apartments		**Subdivision, Tract & Lot Number** Rio Homes Unit 4
Zoning District Medium Density Residential (MR)	**Regional Plan Category** Suburban	**Flood Zone** Zone X	**Size of Site (Sq. ft. or Acres)** 5.1 acres

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	North	South	East	West
(Res, Com, Ind)	Residential	Residential/Undeveloped	Residential	Public Facility - Park

Proposed Use:	Number of Lots	Number of Units	Number of acres per use	Building Square Feet
			5.1 acres	

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: 4/2/22	Applicant Signature:	Date:

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

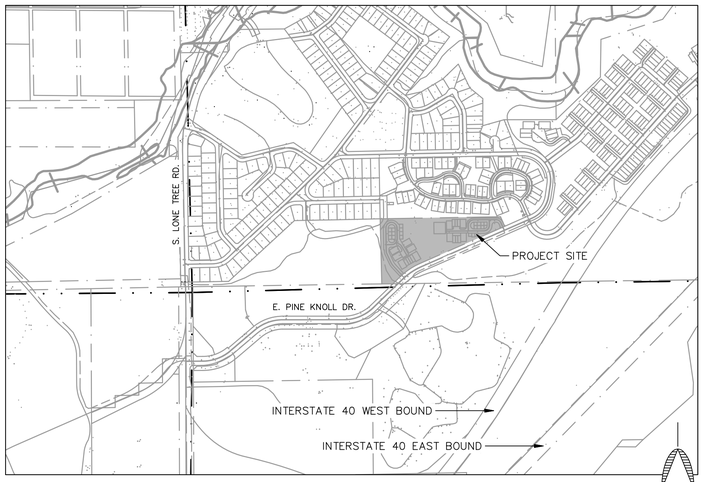
Staff Assignments	Planning	Engineering	Fire	Public Works/Utilities	Stormwater

PLOTTED: May 19, 2022–10:07am

PRELIMINARY PLAT
FOR
RIO HOMES UNIT 4
MULTI-FAMILY
FLAGSTAFF, ARIZONA

AN AMENDED PLAT FOR RIO HOMES UNIT 4, ACCORDING TO THE FINAL PLAT FOR RIO HOMES UNIT 4, INSTRUMENT #3925263, OFFICIAL RECORDS COCONINO COUNTY, ARIZONA.

LOCATED IN SOUTH HALF OF SECTION 22, TOWNSHIP 21 NORTH, RANGE 7 EAST, GILA AND SALT BASE AND MERIDIAN, COCONINO COUNTY, FLAGSTAFF, ARIZONA



VICINITY MAP
1"=500'

PROJECT INFORMATION

RIO HOMES UNIT 4
EMMA DRIVE & JEN DRIVE
FLAGSTAFF, AZ 86001

NUMBER OF LOTS/TRACTS: 9
BUILDING TYPE: MEDIUM DENSITY RESIDENTIAL (MR)
GROSS/NET AREA: 5.1 ACRES

EXISTING ZONING: MR (MEDIUM DENSITY RESIDENTIAL)

1.1. TRACT 'A' FOR THE PURPOSES OF ACCESS EASEMENT, INGRESS/EGRESS, PARKING, COMMON ELEMENT AND OPEN SPACE AS SHOWN HEREON.
1.2. TRACT 'B' FOR THE PURPOSES OF OPEN SPACE, RESOURCE PROTECTION, DRAINAGE MAINTENANCE EASEMENT AND FUTURE DEVELOPMENT AS SHOWN HEREON.
1.3. TRACT 'C' FOR THE PURPOSE OF INGRESS/EGRESS, PARKING, COMMON ELEMENT AND OPEN SPACE AS SHOWN HEREON.

SUMMARY OF TRACTS

1. TRACT A: 31,057 SF, 0.71 ACRES
2. TRACT B: 149,890 SF, 3.44 ACRES
3. TRACT C: 29,160 SF, 0.67 ACRES

UTILITY COMPANY CONTACTS

APS
CONTACT: CHAD BROOKS
2200 E. HUNTINGTON
FLAGSTAFF, AZ 86004
CHAD.BROOKS@APS.COM
PHONE: (928) 773–6440

UNISOURCE ENERGY SERVICES
CONTACT: MARTIN CONBOY
2901 W SHAMRELL BLVD #110
FLAGSTAFF, AZ 86001
MCONBOY@UESAZ.COM
PHONE: (928) 226–2269

CENTURYLINK
CONTACT: MANUEL HERNANDEZ
112 NORTH BEAVER STREET
FLAGSTAFF, AZ 86001
MANUEL.HERNANDEZ4@CENTURYLINK.COM
PHONE: (928) 779–4935

ALTICE USA
CONTACT: SANFORD YAZZIE
1601 SOUTH PLAZA WAY
FLAGSTAFF, AZ 86001
SANFORD.YAZZIE@ALTICEUSA.COM
PHONE: (928) 266–0672

UTILITY COMPANY APPROVAL

ARIZONA PUBLIC SERVICE

CHAD BROOKS (BY LETTER) 10–4–2021
BY: CHAD BROOKS DATE:

UNISOURCE ENERGY SERVICES

MARTIN CONBOY (BY LETTER) 10–4–2021
BY: MARTIN CONBOY DATE:

CENTURYLINK

MANUEL HERNANDEZ (BY LETTER) 10–18–2021
BY: MANUEL HERNANDEZ DATE:

ALTICE USA

SANFORD YAZZIE (BY LETTER) 10–18–2021
BY: SANFORD YAZZIE DATE:

UTILITY CONFLICT NOTE

THERE ARE NO APPARENT UTILITY CONFLICTS WITH APS, CENTURYLINK, UNISOURCE, OR ALTICE USA; HOWEVER, THEY DO HAVE EXISTING FACILITIES IN THE AREA THAT WILL NEED TO BE PROTECTED AND/OR RELOCATED.

FLOOD ZONE CLASSIFICATION:

THE SUBJECT PARCEL IS LOCATED WITHIN ZONE X OF FEMA FIRM MAP #04005C6816G, EFFECTIVE SEPTEMBER 3, 2010. ZONE X IS DESCRIBED AS AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

RESOURCE PROTECTION :

THE PROJECT FALLS WITHIN THE CITY OF FLAGSTAFF RESOURCE PROTECTION OVERLAY ZONE. BASED ON THE APPROVED RIO HOMES NATURAL RESOURCE PROTECTION PLAN FOR UNIT 4, DATED FEBRUARY 18, 2021, AND THE PROPOSED DEVELOPMENT, THERE ARE RESOURCES THAT REQUIRE PRESERVATION.

SOURCE OF PROJECT INFORMATION

TOPOGRAPHIC, BOUNDARY, EASEMENTS, AND EXISTING IMPROVEMENTS WERE PROVIDED BY THE CITY OF FLAGSTAFF AND ARE FROM A RECORD OF SURVEY, RECORDED IN BOOK 18, PAGES 3 AND 3A, PREPARED BY WFM, INC. ENGINEERS AND SURVEYORS AND SEALED BY JAMES A. FOLKERS ON 9–7–2001. A SUPPLEMENTAL TOPOGRAPHIC SURVEY WAS PERFORMED BY SHEPHARD–WESNITZER, INC., DATED 8–13–2019.

ADEQUATE WATER SUPPLY NOTE:

THE CITY OF FLAGSTAFF PROVIDES WATER [UTILITY] SERVICE PURSUANT TO STATE LAW, AND IS CURRENTLY OPERATING UNDER A DESIGNATION OF ADEQUATE WATER SUPPLY GRANTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES, APPLICATION NO. 41–900002.0002.

COORDINATE SYSTEM DETAILS

LINEAR UNIT: INTERNATIONAL FEET
GEODETIC DATUM: NAD 83 (CONUS)
VERTICAL DATUM: NAVD 88, REFERENCED FROM NGS CORS STATION 'AZFL'
SYSTEM: CITY OF FLAGSTAFF LOW DISTORTION PROJECTION (1992)

PROJECTION:
TRANSVERSE MERCATOR
LATITUDE OF GRID ORIGIN: 31.000000000 N
LONGITUDE OF CENTRAL MERIDIAN: 111.916666667 W
NORTHING AT GRID ORIGIN: −48563.550 FT
EASTING AT CENTRAL MERIDIAN: −1475125.575 FT
CENTRAL MERIDIAN SCALE FACTOR: 1.0003162016

ALL MEASURED DISTANCES AND BEARINGS SHOWN HEREON ARE GRID VALUES BASED ON THE PRECEDING PROJECTION DEFINITION. THE PROJECTION WAS DEFINED SUCH THAT GRID DISTANCES ARE EQUIVALENT TO "GROUND" DISTANCES IN THE PROJECT AREA.

THE BASIS OF BEARINGS IS TRUE GEODEDIC NORTH; NOTE THAT THE MEASURED GRID BEARINGS SHOWN HEREON (OR IMPLIED BY GRID COORDINATES) DO NOT EQUAL GEODETIC BEARINGS DUE TO MERIDIAN CONVERGENCE.

ORTHOMETRIC HEIGHTS (ELEVATIONS) WERE TRANSFERRED TO THE SITE FROM NGS CONTROL POINT "AZFL" USING GPS WITH NGS GEOID MODEL "GEOID03". ELEVATIONS SHOWN HEREON ARE REFERENCED TO THE PUBLISHED ELEVATION OF THIS STATION.

THE SURVEY WAS CONDUCTED USING GPS REFERENCED TO THE NATIONAL SPATIAL REFERENCE SYSTEM. A PARTIAL LIST OF POINT COORDINATES FOR THIS SURVEY IS GIVEN BELOW (ADDITIONAL COORDINATES ARE AVAILABLE UPON REQUEST). LOCAL NETWORK ESTIMATES ARE GIVEN AT THE 95% CONFIDENCE LEVEL AND ARE BASED ON A LEAST–SQUARES ADJUSTMENT OF STATISTICALLY INDEPENDENT OBSERVATIONS.

POINT #3003 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.181316209 NORTHING = 46905.651 FT
LONGITUDE = W 111.643120982 EASTING = 33208.715 FT
ELLIPSOID HEIGHT = 6864.461 FT ELEVATION = 6940.464 FT

POINT #3004 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.181528385 NORTHING = 46983.232 FT
LONGITUDE = W 111.642723891 EASTING = 33327.207 FT
ELLIPSOID HEIGHT = 6865.395 FT ELEVATION = 6941.398 FT

POINT #3005 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.182232027 NORTHING = 47241.044 FT
LONGITUDE = W 111.640773788 EASTING = 33909.449 FT
ELLIPSOID HEIGHT = 6891.863 FT ELEVATION = 6967.871 FT

LEGEND

ROW BOUNDARY
EX. EASEMENT
ROAD CENTERLINE
LOT LINE
EASEMENT
SECTION LINE
FOUND MONUMENTS
SECTION CORNER AS NOTED
CALCULATED POINT

Sheet List Table		
Sheet Number	Sheet Number	Sheet Title
1	CVR	COVER
2	EP01	EXISTING BOUNDARIES & EASEMENTS
3	PP01	PRELIMINARY PLAT

PROJECT OWNER/DEVELOPER:

RP4Q, LLC & RP4V, LLC
THOMAS BREWSTER, MANAGER
2410 E. ROUTE 66
FLAGSTAFF, AZ 86004
(928) 774–6637

CIVIL ENGINEER:

SHEPHARD WESNITZER INC.
GUILLERMO E. CORTES, PE
110 WEST DALE AVE
FLAGSTAFF, AZ 86001
(928) 773–0354

SURVEYOR:

SHEPHARD–WESNITZER, INC.
AARON BORLING, RLS #48756
110 WEST DALE AVE
FLAGSTAFF, AZ 86001
(928) 773–0354

LEGAL DESCRIPTION

RIO HOMES UNIT 4, ACCORDING TO THE CITY OF FLAGSTAFF FINAL PLAT FOR RIO HOMES UNIT 4, INSTRUMENT #3925263, OFFICIAL RECORDS OF COCONINO COUNTY, LOCATED IN THE SOUTH HALF OF SECTION 22, TOWNSHIP 21 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA.

CERTIFICATE OF LAND SURVEYOR

THIS IS TO CERTIFY THAT THE SURVEY OF THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT. I ALSO CERTIFY THAT THE PLAT IS IN SUBSTANTIAL CONFORMANCE TO THE APPROVED TENTATIVE PLAT AND THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Aaron D. Borling, RLS 48756

Registered Professional Engineer (Civil) CERTIFICATE NO. 33983 GUILLERMO E. CORTES 5/19/22 Date Signed STATE OF ARIZONA USA

Registered Land Surveyor CERTIFICATE NO. 48756 AARON D. BORLING Date Signed 5/19/22 STATE OF ARIZONA USA Expires 12/31/23

C.O.F. #PZ-19-00019-07

FLAGSTAFF ARIZONA
RIO HOMES UNIT 4 PRELIMINARY PLAT
COVER SHEET

JOB NO: 19025
DATE: MAY 22
SCALE: AS SHOWN
DRAWN: JEE
DESIGN: KMF/JEE
CHECKED: ADB/JEC

REVISIONS

NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.8934 fax
www.swiaz.com
Shephard Wesnitzer, Inc.

Call at least two full working days before you begin excavation
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
CVR

SHT NO. 1 OF 3

FILE: P:\2019\19025\DRAWINGS\PLATS\REPLAT 21\19025 – COVER SHEET.DWG KBAYER

PLOTTED: May 19, 2022–10:08am

E. RIDGECREST DR.

VILLAS OLIVIA
APN 104–10–015

PINE KNOLL VILLAGE COMMUNITY ASSOCIATION
APN 104–18–069

PINE KNOLL VILLAGE
CASE 9, MAP 76, INST. NO. 3402095

PINE KNOLL VILLAGE
COMMUNITY ASSOC
APN 104–18–069

RP4V, LLC
APN 104–17–177
CASE 9, MAP 44, INST. NO. 3255058

RIDGE AT CLEAR CREEK APARTMENTS LLC
APN 104–14–003R
CASE 8, MAP 25, INST. NO. 3056854

CONSOLIDATED INVESTMENT CO INC.
APN 104–14–003J
INST. NO. 3053324

CITY OF FLAGSTAFF – ARROYO PARK
APN 104–08–011A

E. PINE KNOLL DR.

E. JEN DRIVE

TRACT 'A'

TRACT 'B'

TRACT 'C'

INSET
SCALE: 1"=10'

SEE INSET

⅝" REBAR W/ PLASTIC CAP RLS 18215

INGRESS/EGRESS AND PUE TO ALLOW ACCESS TO ARROYO PARK PER INST. NO. 3925263

INGRESS/EGRESS AND PUE PER INST. NO. 3925263

20' PUE PER INST. NO. 3925263

26' PUE PER INST. NO. 3925263

SLOPE EASEMENT PER INST. NO. 3925263

FUTS EASEMENT PER INST. NO. 3925263

PT. #3005
2" AC RLS 27253

PT. #3004
2" AC RLS 25083

PT. #3003
2" AC RLS 25083

½" REBAR W/ PLASTIC CAP RLS 18215

½" REBAR

2" AC RLS 25083

COF #2118200
⅝" REBAR IN CENTERLINE OF LONE TREE SW COR SEC. 22

COF #2119200
2" BC
S ¼ COR SEC. 22

SCALE 1" : 30'
0 15 30

LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	8.97	N 23°05'52" W
L2	25.85	N 78°56'33" E
L3	15.19	S 60°39'23" W
L4	29.51	N 29°20'37" W
L5	5.44	N 29°20'37" W
L6	3.45	N 29°20'37" W
L7	6.44	S 68°00'12" E
L8	31.52	N 29°20'37" W
L9	8.00	N 29°20'37" W
L10	60.00	S 60°39'23" W
L12	16.80	S 29°20'37" E
L13	20.00	N 29°20'37" W
L14	18.00	S 60°39'23" W
L16	52.52	S 60°39'23" W
L17	7.49	S 33°58'25" E
L18	33.36	N 60°39'23" E
L19	19.04	S 29°20'37" E
L20	27.13	S 29°20'37" E
L21	21.84	S 89°15'56" W
L22	2.16	N 89°15'56" E
L23	104.00	S 0°44'04" E
L24	24.00	N 89°15'56" E
L25	104.00	S 0°44'04" E
L35	6.67	N 89°15'56" E
L36	1.24	S 30°10'20" E
L37	9.03	S 72°35'03" W
L38	15.33	S 17°24'57" E
L39	9.33	N 72°35'03" E
L40	10.00	S 17°24'57" E
L41	4.00	S 85°25'45" E
L42	1.31	N 0°44'04" W
L43	4.53	N 57°16'29" E
L44	24.00	N 89°15'56" E
L45	24.00	N 89°15'56" E
L46	26.00	S 0°44'04" E
L47	26.00	S 0°44'04" E
L48	26.00	N 0°44'04" W
L49	24.00	N 89°15'56" E
L50	24.00	N 89°15'56" E
L51	26.00	S 0°44'04" E

LINE TABLE		
LINE #	LENGTH	DIRECTION
L52	26.00	S 0°44'04" E
L53	26.00	N 0°44'04" W
L54	24.00	N 89°15'56" E
L55	24.00	N 89°15'56" E
L56	26.00	S 0°44'04" E
L57	26.00	S 0°44'04" E
L58	26.00	N 0°44'04" W
L59	24.00	N 89°15'56" E
L60	24.00	N 89°15'56" E
L61	55.46	N 60°47'23" E
L62	40.00	N 29°20'37" W
L63	52.55	S 60°39'23" W
L64	55.97	N 60°39'23" E
L65	40.00	N 29°20'37" W
L67	5.00	N 29°20'37" W
L68	20.00	N 60°39'23" E
L69	16.00	N 60°39'23" E
L70	16.00	N 60°39'23" E
L71	20.00	N 60°39'23" E
L73	5.00	S 29°20'37" E
L74	7.59	S 89°15'54" W
L78	111.10	N 40°55'08" W
L79	100.76	N 25°00'44" W
L80	153.49	N 0°42'54" W
L81	26.00	N 89°16'12" E
L84	84.59	S 0°42'54" E
L85	51.81	N 89°30'18" E
L86	7.00	N 0°25'01" W
L87	8.59	S 89°34'59" W
L88	6.00	S 0°25'01" E
L90	8.59	N 89°34'59" E
L91	71.49	S 0°25'01" E
L92	26.00	N 89°34'59" E
L93	84.46	S 0°25'01" E
L94	16.39	N 89°30'18" E
L95	96.08	S 29°00'39" E
L96	40.53	N 60°39'23" E
L99	132.62	S 60°39'23" W
L101	69.88	S 29°20'37" E
L102	86.09	S 60°39'23" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L103	35.60	S 29°00'39" E
L104	26.32	N 60°59'21" E
L105	6.00	S 29°20'37" E
L106	26.36	S 60°59'21" W
L107	10.73	S 29°00'39" E
L108	26.42	N 60°32'22" E
L109	6.00	S 29°20'37" E
L110	26.46	S 60°32'22" W
L111	22.44	S 29°00'39" E
L112	83.64	N 89°30'18" E
L113	40.83	N 0°42'54" W
L115	65.53	N 40°55'08" W
L116	36.69	S 23°54'04" E
L117	13.75	S 58°07'53" E
L118	13.69	N 89°55'31" E
L119	5.76	N 1°21'35" W
L120	6.00	N 90°00'00" E
L121	6.28	S 1°21'35" E
L122	18.58	N 88°38'25" E
L123	31.12	N 0°21'46" E
L124	51.60	N 43°05'16" E
L125	111.54	S 89°47'48" W
L128	11.72	S 0°10'54" E
L129	6.00	S 89°07'13" W
L130	11.79	N 0°10'54" W
L131	60.29	S 89°47'48" W
L135	12.50	S 0°44'04" E
L136	10.00	S 89°07'13" W
L137	12.62	N 0°44'04" W
L138	34.67	S 89°47'48" W
L143	2.66	N 0°44'04" W
L144	6.81	S 89°47'48" W
L145	6.00	N 0°12'12" W
L146	6.75	N 89°47'48" E
L147	11.34	N 0°44'04" W
L148	5.75	N 89°49'48" E
L149	4.33	S 0°11'39" E
L150	25.63	S 58°07'53" E
L151	42.85	S 23°54'04" E
L152	42.78	N 0°00'25" W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L153	35.15	N 43°05'16" E

NOTE:
L26 TO L34 ARE NOT BEING USED

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	25.88	84.00	17°39'16"
C2	50.76	28.50	102°02'24"
C3	2.73	28.50	5°28'50"
C4	16.29	28.50	32°44'35"
C5	15.63	18.02	49°42'21"
C6	12.00	18.02	38°09'28"
C7	5.37	58.00	5°18'19"
C8	26.36	22.75	66°23'03"
C9	34.56	22.00	89°59'58"
C10	61.73	52.15	67°49'40"

LOT/TRACT SUMMARY TABLE			
LOT/TRACT ID	AREA (SF)	AREA (AC)	OWNERSHIP
TRACT A	31,057	0.71	RP4V
TRACT B	140,389	3.22	RP4V
TRACT C	29,160	0.67	RP4V
164 A/B	2,400	0.06	RP4V
165 A/B	1,724	0.04	RP4O
166 A/B	1,504	0.03	RP4V
167 A/B	1,504	0.03	RP4O
168 A/B	1,724	0.04	RP4O
169 A/B	2,400	0.06	RP4V
170 A/B	3,000	0.07	RP4O
171 A/B	2,205	0.05	RP4V
172 A/B	2,984	0.07	RP4O
173 A/B	2,496	0.06	RP4V

Registered Professional Engineer
CERTIFICATE NO.
33983
GUILLERMO E. CORTES
5/19/22
Date Signed
ARIZONA, USA

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
48756
AARON D. BORLING
Date Signed 5/19/22
ARIZONA, USA
Expires 12/31/23

C.O.F. #PZ-19-00019-07

FLAGSTAFF
ARIZONA

RIO HOMES UNIT 4 PRELIMINARY PLAT

EXISTING BOUNDARIES & EASEMENTS

JOB NO:	19025
DATE:	APR '21
SCALE:	1"=30'
DRAWN:	JEE
DESIGN:	KMF
CHECKED:	AOB/JEC

REVISIONS			
NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.6934 fax
www.swoz.com

Shephard Wesnitzer, Inc.

Call at least two full working days before you dig in Arizona
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
EP01

SHT NO. 2 OF 3

FILE: P:\2019\19025\DRAWINGS\PLATS\REPLAT 2\19025 – EXISTING PLAT.DWG KBAYER

PLOTTED: May 19, 2022–10:08am

E. RIDGECREST DR.

VILLAS OLIVIA
APN 104–10–015

⅝" REBAR W/ PLASTIC CAP RLS 18215

INGRESS/EGRESS AND PUE TO ALLOW ACCESS TO ARROYO PARK PER INST. NO. 3925263

PINE KNOLL VILLAGE COMMUNITY ASSOCIATION
APN 104–18–069

PINE KNOLL VILLAGE
CASE 9, MAP 76, INST. NO. 3402095

INGRESS/EGRESS AND PUE PER INST. NO. 3925263

PINE KNOLL VILLAGE COMMUNITY ASSOC
APN 104–18–069

N 88°48'45" E 841.71'
686.22'

N 72°35'03" E 13.72'

59.76'

L=106.97, R=53.50, Δ=113°29'57"

S 35°12'17" W 89.45'

N 1°15'14" W 5.81'

N 33°37'21" E 11.75'

N 89°15'56" E 103.52'

N 0°44'04" W 18.00'

N 89°15'56" E 18.00'

N 0°44'04" W 33.23'

N 89°15'56" E 17.29'

N 0°44'04" W 30.00'

N 0°44'04" W 17.51'

90.78'

95.73'

63.87'

S 89°15'56" W 154.66'

R=28.50, Δ=75°23'55", L=37.50'

S 23°56'55" E 72.67'

SEE INSET

20' PUE PER INST. NO. 3925263

TRACT 'C'

20' PUE PER INST. NO. 3925263

N 23°31'49" W 30.64'

13.00'

12.00'

3.57'

N 23°41'28" W 26.00'

PT. #3005
2" AC RLS 27253

L=86.24, R=56.00, Δ=88°14'47"

34.67'

60.17'

94.37'

S 89°07'13" W 214.92'

INSET
SCALE: 1"=10'

C9

L74

C8

TRACT 'B'

26' PUE PER INST. NO. 3925263

TRACT 'A'

26' PUE PER INST. NO. 3925263

26' PUE PER INST. NO. 3925263

26' PUE PER INST. NO. 3925263

166 B

165 B

168 B

170 B

172 B

167 B

L44 L45 L46 L47 L48 L49 L50 L51 L52 L53 L54 L55 L56 L57 L58 L59 L60

L22 L23

N 64°24'09" W 4.29'

N 0°44'04" W 31.47'

S 89°15'56" W 4.00'

N 0°44'04" W 8.50'

L=27.31, R=65.00, Δ=24°04'36"

20' PUE PER INST. NO. 3925263

N 24°48'39" W 66.89'

N 0°44'04" W 114.66'

N 0°44'04" W 176.77'

N 0°44'04" W 436.35'

CITY OF FLAGSTAFF – ARROYO PARK
APN 104–08–011A

L=35.74', R=115.00', Δ=17°48'36"

S 24°48'39" E 60.33'

S 42°27'55" E 85.08'

S 42°27'55" E 85.99'

L=63.01, R=466.00, Δ=7°44'52"

L=53.92, R=440.00, Δ=7°00'33"

L=29.10'

N 60°39'23" E 60.00'

S 29°20'37" E 40.00'

S 29°20'37" E 36.19'

172 A

170 A

166 A

167 A

168 A

C1 C2 C3 C4 C5 C6

L1 L2 L3 L4 L5 L6 L7 L8 L9 L10 L12 L13 L14 L16 L17 L18 L19 L20 L99 L105 L109

S 60°32'38" W 78.97'

20.00' 16.00' 16.00' 20.00' 55.00' 55.00' 55.00' 55.00'

L68 L69 L70 L71

2' 20' 2'

SLOPE EASEMENT PER INST. NO. 3925263

FUTS EASEMENT PER INST. NO. 3925263

131.02'

9.00'

28.66'

N 46°04'29" W 70.53'

43.97'

S 46°04'29" E 47.77'

PT. #3003
2" AC RLS 25083

N 89°15'26" E 1113.13'
1067.42'

S 89°11'29" W 77.64'

38.04'

45.71'

½" REBAR W/ PLASTIC CAP RLS 18215

½" REBAR

2" AC RLS 25083

S 89°15'04" W 1371.75'

COF #2118200
⅝" REBAR IN CENTERLINE OF LONE TREE SW COR SEC. 22

CONSOLIDATED INVESTMENT CO INC.
APN 104–14–003J
INST. NO. 3053324

RIDGE AT CLEAR CREEK APARTMENTS LLC
APN 104–14–003R
CASE 8, MAP 25, INST. NO. 3056854

COF #2119200
2" BC
S ¼ COR SEC. 22

RP4V, LLC
APN 104–17–177
CASE 9, MAP 44, INST. NO. 3255058

RP4V, LLC
APN 104–17–177
CASE 9, MAP 44, INST. NO. 3255058

SLOPE EASEMENT PER INST. NO. 3925263

S 23°52'57" E 17.45'

S 66°07'03" W 649.90'

N 66°07'03" E 636.81'

394.03'

N 23°52'57" W 17.45'

162.61'

162.61'

63.25'

E. PINE KNOLL DR.

EXISTING 57' ROW

26'

31'

PT. #3004
2" AC RLS 25083

E. JEN DRIVE

NORTH

SCALE 1" : 30'
0 15 30

NOTE:
L26 TO L34 ARE NOT BEING USED

LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	8.97	N 23°05'52" W
L2	25.85	N 78°56'33" E
L3	15.19	S 60°39'23" W
L4	29.51	N 29°20'37" W
L5	5.44	N 29°20'37" W
L6	3.45	N 29°20'37" W
L7	6.44	S 68°00'12" E
L8	31.52	N 29°20'37" W
L9	8.00	N 29°20'37" W
L10	60.00	S 60°39'23" W
L12	16.80	S 29°20'37" E
L13	20.00	N 29°20'37" W
L14	18.00	S 60°39'23" W
L16	52.52	S 60°39'23" W
L17	7.49	S 33°58'25" E
L18	33.36	N 60°39'23" E
L19	19.04	S 29°20'37" E
L20	27.13	S 29°20'37" E
L22	2.16	N 89°15'56" E
L23	104.00	S 0°44'04" E
L35	6.67	N 89°15'56" E
L36	1.24	S 30°10'20" E
L37	9.03	S 72°35'03" W
L38	15.33	S 17°24'57" E
L39	9.33	N 72°35'03" E
L40	10.00	S 17°24'57" E
L41	4.00	S 85°25'45" E
L42	1.31	N 0°44'04" W
L43	4.53	N 57°16'29" E
L44	24.00	N 89°15'56" E
L45	24.00	N 89°15'56" E
L46	26.00	S 0°44'04" E
L47	26.00	S 0°44'04" E
L48	26.00	N 0°44'04" W
L49	24.00	N 89°15'56" E
L50	24.00	N 89°15'56" E
L51	26.00	S 0°44'04" E
L52	26.00	S 0°44'04" E
L53	26.00	N 0°44'04" W
L54	24.00	N 89°15'56" E

LINE TABLE		
LINE #	LENGTH	DIRECTION
L55	24.00	N 89°15'56" E
L56	26.00	S 0°44'04" E
L57	26.00	S 0°44'04" E
L58	26.00	N 0°44'04" W
L59	24.00	N 89°15'56" E
L60	24.00	N 89°15'56" E
L64	55.97	N 60°39'23" E
L65	40.00	N 29°20'37" W
L68	20.00	N 60°39'23" E
L69	16.00	N 60°39'23" E
L70	16.00	N 60°39'23" E
L71	20.00	N 60°39'23" E
L74	7.59	S 89°15'54" W
L99	132.62	S 60°39'23" W
L105	6.00	S 29°20'37" E
L109	6.00	S 29°20'37" E

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	25.88	84.00	17°39'16"
C2	50.76	28.50	102°02'24"
C3	2.73	28.50	5°28'50"
C4	16.29	28.50	32°44'35"
C5	15.63	18.02	49°42'21"
C6	12.00	18.02	38°09'28"
C7	5.37	58.00	5°18'19"
C8	26.36	22.75	66°23'03"
C9	34.56	22.00	89°59'58"
C10	61.73	52.15	67°49'40"

LOT/TRACT SUMMARY TABLE			
LOT/TRACT ID	AREA (SF)	AREA (AC)	OWNERSHIP
TRACT A	31,057	0.71	RP4V
TRACT B	149,890	3.44	RP4V
TRACT C	29,160	0.67	RP4V
165 A/B	1,724	0.04	RP4V
166 A/B	1,504	0.03	RP4O
167 A/B	1,504	0.03	RP4O
168 A/B	1,724	0.04	RP4O
170 A/B	3,000	0.07	RP4O
172 A/B	2,984	0.07	RP4V

Registered Professional Engineer
CERTIFICATE NO.
33983
GUILLERMO E. CORTES
5/19/22
Date Signed
ARIZONA, USA

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
48756
AARON D. BORLING
Date Signed 5/19/22
ARIZONA, USA
expires 12/31/23

C.O.F. #PZ-19-00019-07

FLAGSTAFF
ARIZONA

PRELIMINARY PLAT

RIO HOMES UNIT 4 PRELIMINARY PLAT

JOB NO:	19025
DATE:	APR '21
SCALE:	1"=30'
DRAWN:	JEE
DESIGN:	KMF/JEE
CHECKED:	AOB/GEC

REVISIONS			
NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.6934 fax
www.swiaz.com

Shephard Wesnitzer, Inc.

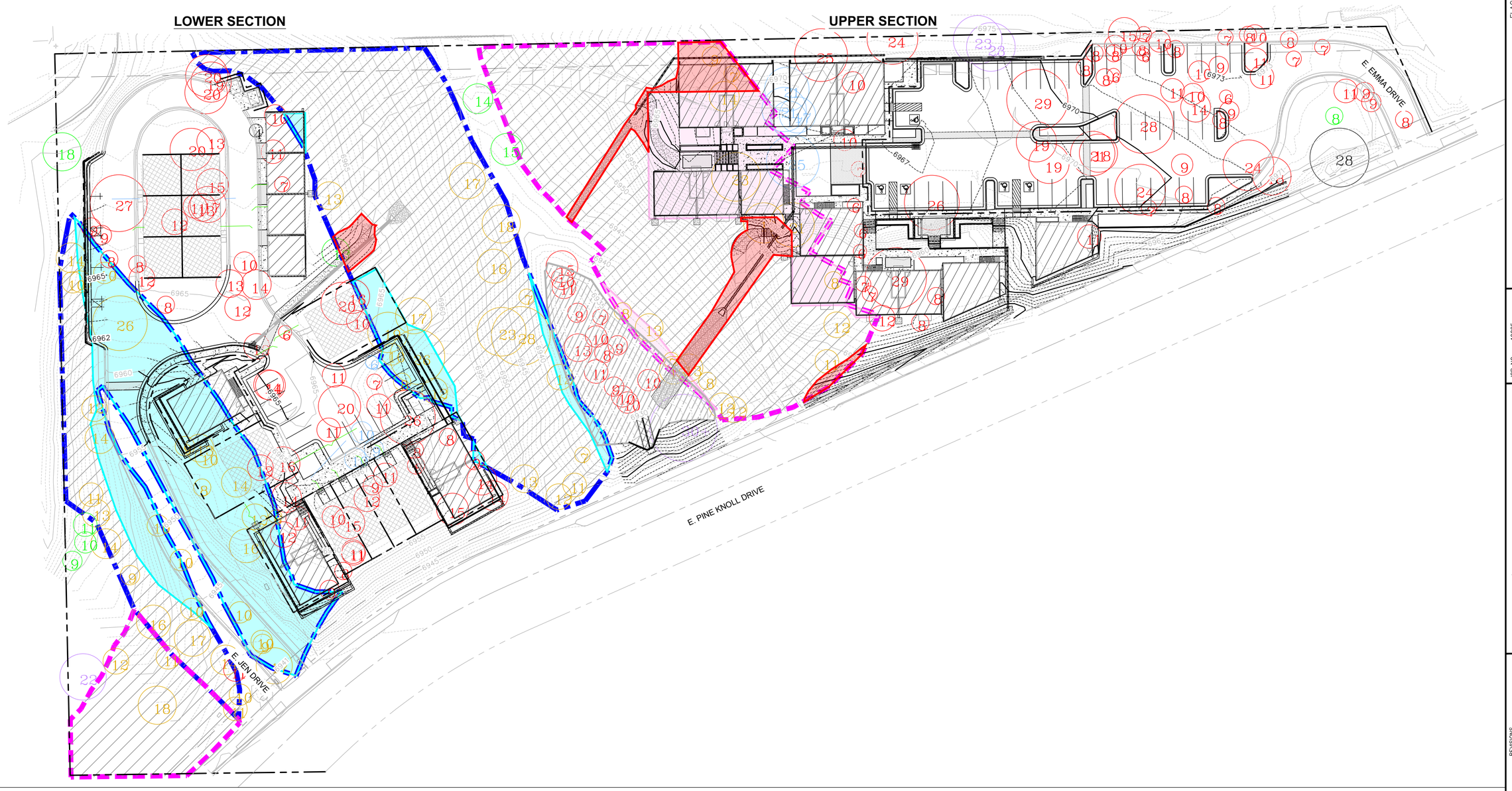
Call at least two full working days before you plan to excavate
ARIZONA 811
Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
PP01

SHT NO. 3 OF 3

FILE: P:\2019\19025\DRAWINGS\PLATS\REPLAT 2\19025 – PRELIMINARY PLAT.DWG KBAYER

PLOTTED: Aug 25, 2020 - 2:51pm



LEGEND

- 17–24.9% SLOPE
- DISTURBED AREA AND SLOPE
- ADDED DISTURBED AREA AND SLOPE (BASED ON PROPOSED IMPROVEMENTS)
- 25% AND GREATER SLOPE
- DISTURBED AREA AND SLOPE
- DISCRETIONARY TREE
- SAVE TREE
- REMOVE TREE
- FLEX TREE
- SLOPE TREE
- BURNT/BEETLE TREE

UNIT 4 (SEE SHEET RS02 OF ORIGINAL NRPP FOR UNIT 2 AND 3 CALCULATIONS)

EXISITNG TREE CANOPY=36,163 S.F.
REQUIRED TREE CANOPY PRESERVATION (40%)=14,465 S.F.
PRESERVED TREE CANOPY=3,912 S.F.
FLEXIBLE MEASURE TREE CANOPY=2,101 S.F.
USEABLE FLEXIBLE TREE CANOPY=723 S.F.
TOTAL PRESERVED TREE CANOPY (WITH FLEX TREES)=4,635 S.F.
TREE CANOPY DEFICIT=9,830 S.F.

EXISTING 17–24.9% SLOPE=41,172 S.F.
REQUIRED 17–24.9% SLOPE PRESERVATION (56%)=23,056 S.F.
PRESERVED 17–24.9% SLOPE=~~31,967 S.F.~~ 27,901 S.F.
17–24.9% SLOPE EXCESS=~~8,911 S.F.~~ 4,845 S.F.

EXISTING 25% & GREATER SLOPE=54,004 S.F.
REQUIRED 25% & GREATER SLOPE PRESERVATION (64%)=34,563 S.F.
PRESERVED 25% & GREATER SLOPE=~~33,580 S.F.~~ 33,010 S.F.
25% & GREATER SLOPE DEFICIT=~~983 S.F.~~ 1,553 S.F.

UNIT 4 RESOURCE BANKING SUMMARY

UNIT 3 RESOURCE EXCESS=+7,406 S.F.
UNIT 4 TREE DEFICIT=-9,830 S.F.
UNIT 4 17–24.9% SLOPE EXCESS=~~+8,911 S.F.~~ +4,845 S.F.
UNIT 4 25% & GREATER SLOPE DEFICIT=~~-983 S.F.~~ -1,553 S.F.
~~868 S.F.~~
UNIT 4 EXCESS=~~5,504 S.F.~~ (TOTAL FOR THE PROJECT)

NOTES:
1. THIS PRELIMINARY NATURAL RESOURCE PROTECTION PLAN (NRPP) PROVIDED HEREON IS BASED ON THE ORIGINALLY APPROVED NRPP & ASSOCIATED CALCULATIONS FOR THE RIO HOMES SUBDIVISION. SEE SHEET RS01 AND RS02 FOR THE ORIGINAL NRPP. THIS PRELIMINARY NRPP IS A RE-REPRESENTATION OF THE ORIGINAL NRPP WITH THE PROPOSED DEVELOPMENT AND ASSOCIATED RESOURCE REVISIONS.

SCALE 1" : 30'
0 15 30

Registered Professional Engineer CERTIFICATE NO. 63341 BRADLEY T. DIXON 8/25/20 (CIVIL) Date Signed ARIZONA U.S.A.

C.O.F. #PZ-19-00019

FLAGSTAFF ARIZONA

RIO HOMES UNIT 4

NATURAL RESOURCE PROTECTION PLAN

JOB NO: 19025
DATE: AUG 20
SCALE: AS SHOWN
DRAWN: KMF
DESIGN: KMF
CHECKED: GEC/BTD

REVISIONS

NO.	DESCRIPTION	DATE	BY

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.8934 fax
www.swiaz.com

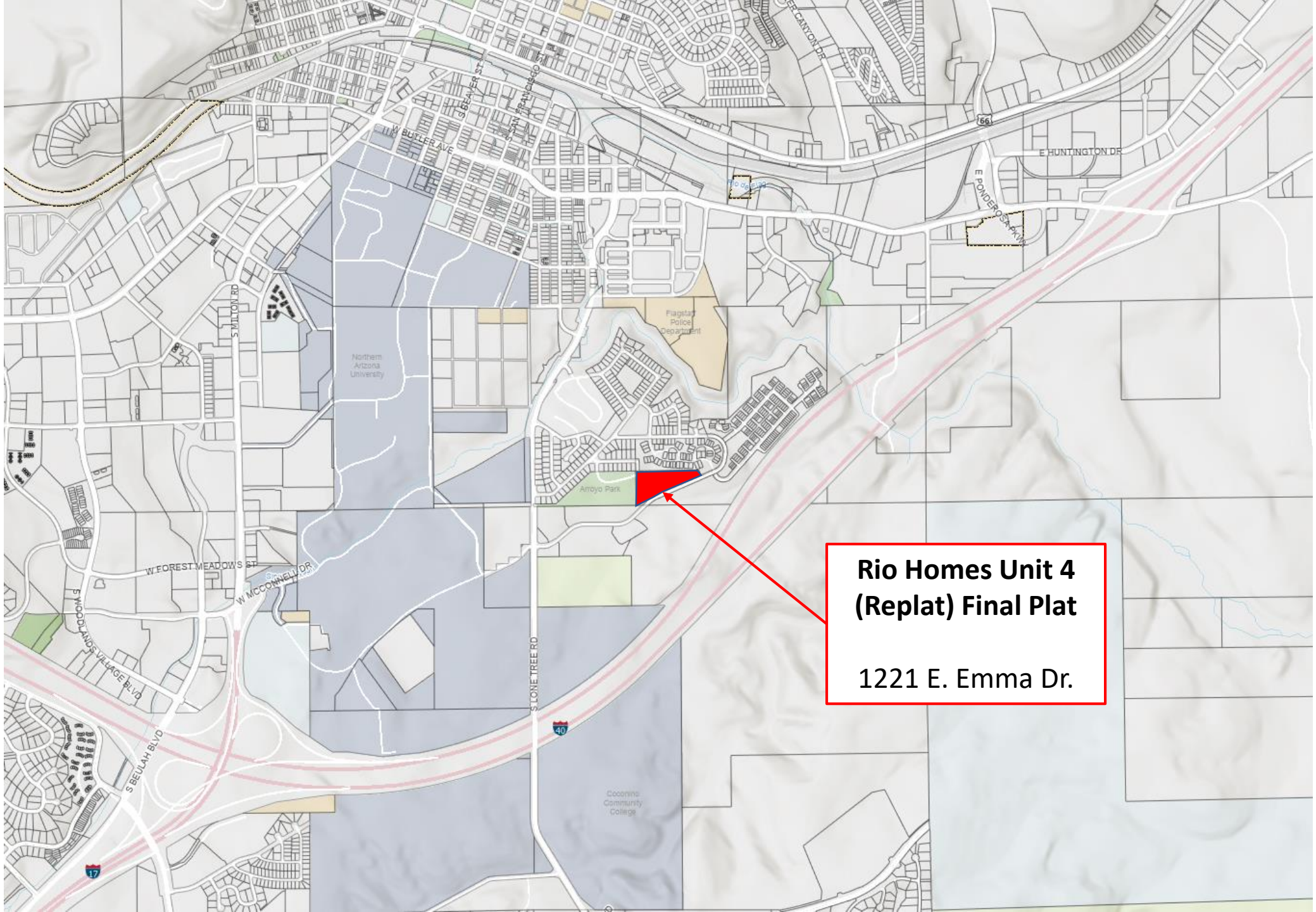
SWI
Shephard Wesnitzer, Inc.

Call at least two full working days before you dig, it's the law!
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
NRPP

SHT NO. 18 OF 18

FILE: P:\2019\19025\DRAWINGS\CONSTRUCTION PLANS\19025 - FINAL NATURAL RESOURCE PROTECTION PLAN.DWG KBAYER


Rio Homes Unit 4
(Replat) Final Plat
1221 E. Emma Dr.
W BUTLER AVE
S MILTON RD
S BEAVER ST
N SAN FRANCISCO ST
E HUNTINGTON DR
E PONDEROSA PKWY
Northern Arizona University
Flagstaff Police Department
Arroyo Park
W FOREST MEADOWS ST
W MCCONNELL DR
S WOODLANDS VILLAGE BLVD
S BEULAH BLVD
S LONE TREE RD
Coconino Community College
66
40
17

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110 West Dale Avenue
Flagstaff, AZ 86001

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928.774.8923

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: AlticeUSA

Sanford Yazzie
1601 S Plaza Way
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing Altice USA utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

_____ APPROVED WITHOUT COMMENT

X APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

Altice/Suddenlink has existing plant on Jen Drive, if any CATV that will need to be relocated it will be at the on the developer to coordinate with Altice/Suddenlink on the both the cost & moving the lines. On Emma Drive there are currently no facilities on the property except at the entrance of the property that goes over to Pine Knoll Lane.

SIGNED: Sanford Yazzie **TITLE:** Supervisor Operations Construction

AGENCY: Suddenlink/Altice **DATE:** 10-18-2021

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

Lumen Conflict Memorandum

Date: October 18, 2021

To: Kayla Fleishma (Shepard Wesnitzer, Inc.)
kfleishman@swiaz.com

From: Kevin Wagner, Terra Technologies LLC

Subject: Lumen – Conflict Memo – Project No. 19025 – Rio Homes Unit 4 Multi-Family, Flagstaff

---

Terra Technologies is in receipt of the plans and a letter dated October 4, 2021. Below you will see an overview of Lumen facilities within the project limits, and a brief project overview along with comments regarding any Lumen facilities with respect to the proposed project.

Inventory of Lumen Facilities
Lumen has facilities within the project limits. Terra Technologies anticipates that due to the site improvements that the Lumen facilities (buried cable & pedestals) should not be impacted. Plan markups have been attached showing approximate locations of Lumen facilities.

Project Overview
The design intent of this project appears to be developing a vacant parcel of land for a residential multi-family homes.

Facility Locations and Impacts
Plans have been reviewed for conflicts with Lumen facilities based on NDS mapping which show a general location of utility locations. Neither Terra Technologies LLC nor Lumen makes any representation regarding the completeness or accuracy of vertical and horizontal utility information used to determine conflicts or no conflicts.

Based on Lumen mapping and the construction drawings provided there appear to be **no conflicts.**

Utility conflicts with this private development project will be 100% reimbursable. Payment for design and mitigation of conflicts is to be coordinated prior to work commencing.

Lumen Conflict Memorandum

In accordance with state law, Blue Staking for location of Lumen facilities must be completed prior to any construction. When crossing Lumen facilities, you will be required to pothole to determine depth and maintain a minimum of 12 inch vertical and horizontal separation from facilities.

Pursuant to state law, support and protection is required for all Lumen facilities during construction.

Should the Contractor locate or expose an unknown Lumen facility, please contact Lumen as soon as possible.

In the event Lumen facilities need to be removed/relocated, some or all cost may be at the expense of the sponsoring agency.

If you have any questions or concerns regarding this review feel free to contact me immediately, either by phone or email at the number/address provided below. The contractor is also responsible for contacting Lumen prior to construction around the Lumen facilities.

Notification List

Terra Technologies LLC Kevin Wagner, Project Manager kwagner@terratechllc.net 815-245-9640	**Terra Technologies LLC** Jason Jensen, P.E. jjensen@terratechllc.net 801-735-2464
Lumen (Engineer II) Manny Hernandez Manuel.Hernandez@lumen.com 112 N Beaver Street Flagstaff AZ 86001 Work: 928-779-4935	**Lumen™ (SR Account Mgr – BDP/MDU-GF)** John West John.West1@lumen.com Work: 480-423-4737

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: CenturyLink

Manual Hernandez
112 North Beaver Street
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing CenturyLink utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

__X__ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: Kevin S. Wagner **TITLE:** Project Manager

AGENCY: Terra Technologies / Lumen **DATE:** October 18, 2021

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: USDA Natural Resources Conservation Service

Sierra Frydenlund
1585 South Plaza Way
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

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We acknowledge that we have received your forms and want to clarify that USDA-NRCS is not an approving agency and we typically do not receive these requests. We have attached a soils report from Web Soil Survey for the entire work area. For the P Plat, we would like to point out the clay content of the soil, which has shrink-swell potential. This is important to note for load support when building foundations for housing structures. Another soil property to note is the shallow depth to bedrock. These are aspects of the soil that should be considered thoroughly before construction.

SIGNED: _____ **TITLE:** Soil Conservationist

AGENCY: NRCS **DATE:** 10/12/21

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Coconino County Flood Control District

Jamie Brown-Esplain
2500 North Fort Valley Road, Bldg. 1
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

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__X__ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

Review of submitted document completed. Parcel is located outside of Coconino County Unincorporated area.

SIGNED: Jamie Brown-Esplain **TITLE:** Engineering Technician

AGENCY: Coconino County Community Development **DATE:** 10/06/21

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: CC Community Development

Jay Christelman
2500 North Fort Valley Road, Bldg. 1
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

X APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: _____ **TITLE:** CD Director

AGENCY: CoCo Community Dev. **DATE:** 10.4.21

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

Shephard Wesnitzer Inc.

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928.774.8923

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Flagstaff Unified School District

Bob Kuhn
3285 E. Sparrow Avenue
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

✓ _____ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: [signature] **TITLE:** Director of Operations

AGENCY: FUSD **DATE:** 10/18/21

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Unisource Energy Services

Martin Conboy
1459 East Butler Ave.
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing Unisource utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

__X__ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: Martin Conboy **TITLE:** Gas Engineering Supervisor

AGENCY: UNS Gas, Inc. **DATE:** October 4, 2021

11. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Genevieve Pearthree, Senior Planner
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Approval of Preliminary Plat: RP4V, LLC and RP40, LLC request approval of the Preliminary Condominium Plat for Rio Homes Unit 4 (PZ-19-00019-06), a 40-unit multi-family residential condominium subdivision. The 4.11-acre site is located at 1221 E. Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

Staff recommends the City Council, in accordance with the findings presented in this report and the Planning and Zoning Commission recommendation of approval on June 22, 2022, approve the Preliminary Plat.

Executive Summary:

Rio Homes Condominiums is a residential condominium subdivision development that consists of 40 dwelling units and is located on 4.11 acres. The site also contains parking and landscaping, in addition to six townhome units from a previous development plan. These condominiums are being platted on top of Tract B and Tract C of the Rio Homes Unit 4 Subdivision plat, which governs the six existing townhome units on the site and the land underneath the townhome units. A concurrent amendment to the Rio Homes Unit 4 Subdivision Plat is also being processed (case number PZ-19-00019-07) to allow for the 40 new units to be sold individually as condominiums (the amendment will erase the property lines for six townhome lots that were never developed and clarify parking/access between the townhome and condominium owners).

Financial Impact:

No financial impacts are anticipated with this Preliminary Plat.

Policy Impact:

No policy impacts are affiliated with this Preliminary Plat.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Carbon Neutrality Plan

- DD-1: Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.

PBB Key Community Priorities/Objectives

- Robust Resilient Economy - Grow and strengthen a more equitable and resilient economy.

Regional Plan Policies and Goals

- 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.
- Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.
- Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary.

Has There Been Previous Council Decision on This:

- 2002: City Council approved the Ordinance No. 2002-03, An Ordinance Authorizing the Sale of City Owned Real Property for Affordable Housing in the Rio Homes Development
- 2005: City Council approved the Rio Homes Final Plat
- 2020: City Council approved the Rio Homes Unit 4 Final Plat on October 20th

Options and Alternatives:

1. Approve the Preliminary Plat with no conditions.
2. Approve the Preliminary Plat with conditions.
3. Deny the Preliminary Plat based on non-compliance with the Zoning Code, the Subdivision Code, and/or the Engineering Standards and Specifications for New Infrastructure.

Background/History:

Development History

The subject site is located at located at 1221 E. Emma Dr. on the north side of East Pine Knoll Drive and east of Lone Tree Road. The Rio Homes Unit 4 development was originally intended in the mid-2000s to be a cohousing type of community and included a larger parcel intended for a common house. The original 2005 subdivision plat proposed variety of detached and attached residential building types across 21 lots and 9 tracts. The only structures from the original development plan that were ultimately built were six townhome units, each with an associated detached garage (two of the garages have an accessory dwelling unit on the second floor).

A first amendment to the Rio Homes Unit 4 subdivision was recorded in 2021. The amendment modified the 2005 plat to create 12 lots and 3 tracts to allow for the development of 40 multifamily residential units (rental apartments). It maintained the lot lines for the townhomes and garages that had already been developed but removed most of the lot lines that had not been developed. City staff approved the Site Plan for the 40 residential units on March 26, 2020 (Civil Plans were approved on July 10, 2020, and Building Permits were approved on November 11, 2021).

The developer has decided to turn the 40 multifamily residential units into condominiums so that they can be sold individually. The condominiums are located on Tracts B and C of the Rio Homes Unit 4 subdivision plat. City staff administratively approved the Rio Homes Unit 4 Condominiums Preliminary Plat on May 26, 2022.

A second amendment to the Rio Homes Unit 4 subdivision plat is being processed concurrently with the Preliminary Condominium Plat for Rio Homes Unit 4. The purpose of the concurrent amendment (case number PZ-19-00019-07) is to erase the property lines for four townhome lots that were never developed. The amendment also clarifies parking/access between the townhome and condominium owners.

Type of Plat

This application is for a condominium plat, which takes a multi-unit complex, such as the subject property, and creates the potential for individually owned units. The Preliminary Plat delineates all the elements affiliated with the individual units. In this case, the units are defined as the airspace within each unit. The vertical boundaries start at the finish floor elevation (FFE) of each unit and extend to the ceiling of that unit. The horizontal boundaries start at the inside of the walls enclosing each unit. Decks, porches, external stairs, and parking spaces associated with specific units are also being platted as Limited Common Elements (LCEs). All areas outside of the units and the LCEs are platted as Common Elements (CEs).

The condominiums are also being platted on top of Tracts B and C of the Rio Homes Unit 4 Amended Plat. Tract A of the Rio Homes Unit 4 Amended plat is not included in the Condominium Plat for Rio Homes Unit 4.

Key Considerations:

The City Council shall find the Preliminary Plat meets the findings for approval, which is compliance with the following City Code sections:

1. City Code Title 10, Flagstaff Zoning Code
2. City Code Division 11-20, Subdivision and Land Split Regulations
3. City Code Title 13, Engineering Design Standards and Specifications

Community Benefits and Considerations:

The proposed Preliminary Plat amendment facilitates the addition of 40 new for-sale housing units to the existing six townhome units on the Rio Homes Unit 4 site. The new housing will be a mix of one-bedroom and two-bedroom apartments.

Community Involvement:

Inform. No public hearings or public outreach are required by either the Zoning Code or the Subdivision Code as part of a Preliminary Plat subdivision review process.

Attachments:

Staff Presentation
P&Z Staff Report
Application
Preliminary Plat
Natural Resource Protection Plan
Vicinity Map
Utility Notification Letters

Rio Homes Unit 4

Preliminary Plat Amendment (PZ-19-00019-07)

Preliminary Condominium Plat (PZ-19-00019-06)

City Council | July 5, 2022

Genevieve Pearthree | Senior Planner

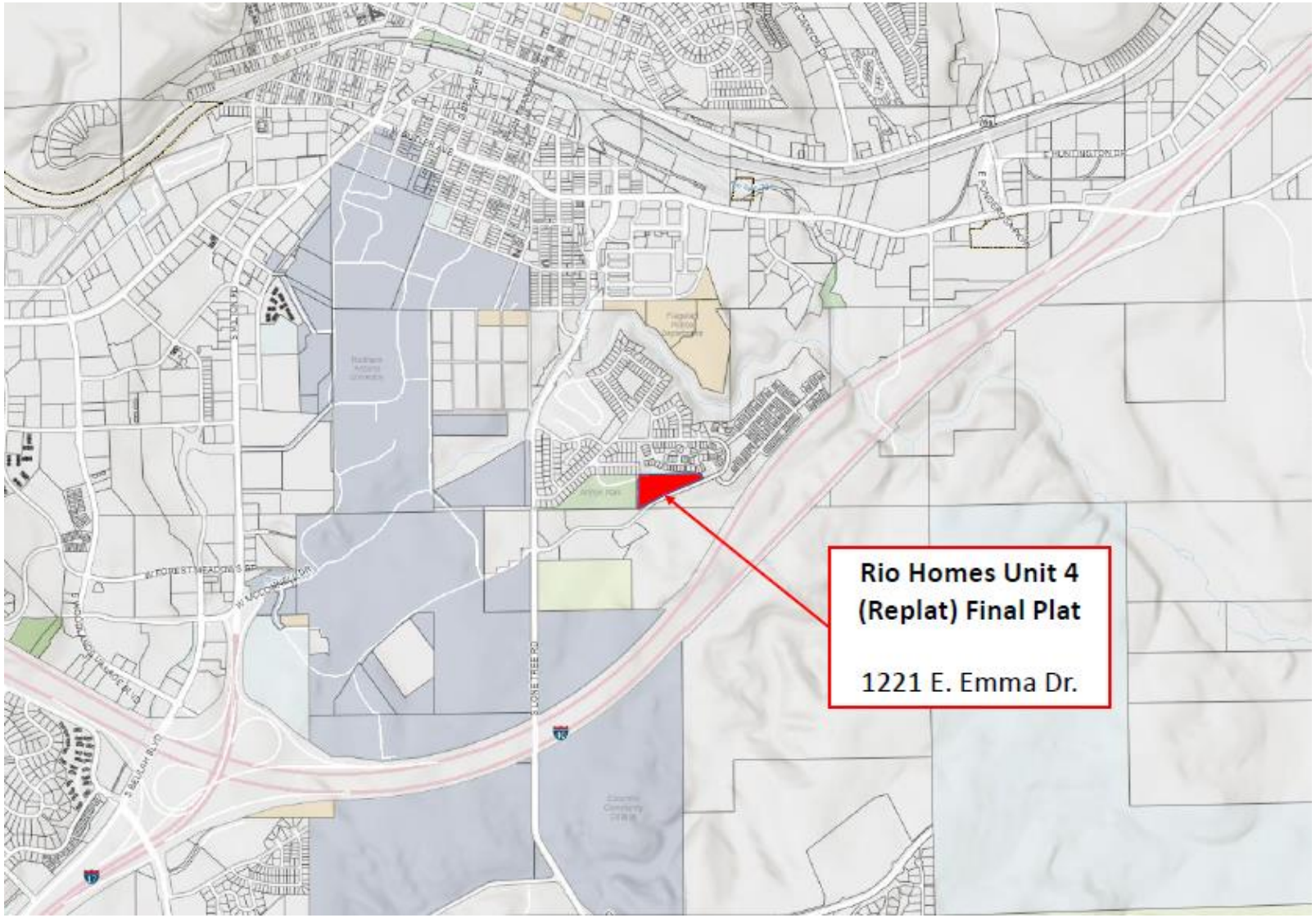
TEAM FLAGSTAFF
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Request Overview

- RP4V, LLC and RP40, LLC request approval of 2 Preliminary Plats
  - Preliminary Plat for Rio Homes Unit 4 Multi-Family (PZ-19-00019-07)
  - Preliminary Condominium Plat for Rio Homes Unit 4 Multi-Family (PZ-19-00019-06)

Purpose is to allow 40 new multifamily units to be sold individually as condominiums (project currently under construction as rental units)

Vicinity Map



Site Information

- 1221 E. Emma Drive
- 5.1 acres
- Medium Density Residential (MR) zoning with a Resource Protection Overlay (RPO)
- Part of larger Rio Homes development
  - Original Rio Homes Unit 4 plat from 2005 proposed a variety of detached and attached residential building types across 21 lots and 9 tracts
  - 6 townhomes were built with detached garages (2 garages have accessory dwelling units on the second story)

Site Information (continued)

- City Council approved updated Final Plat in October 2020
  - P&Z recommended Preliminary Plat approval on May 27, 2020
  - Maintained lot lines for developed townhomes and garages; removed most undeveloped lot lines
  - Allowed construction of 40 new multifamily residential units (rental apartments)
- 40 new units currently under construction (building permits approved in November 2021)
- 46 units total (6 existing townhomes, 40 new units)

Purpose of current requests

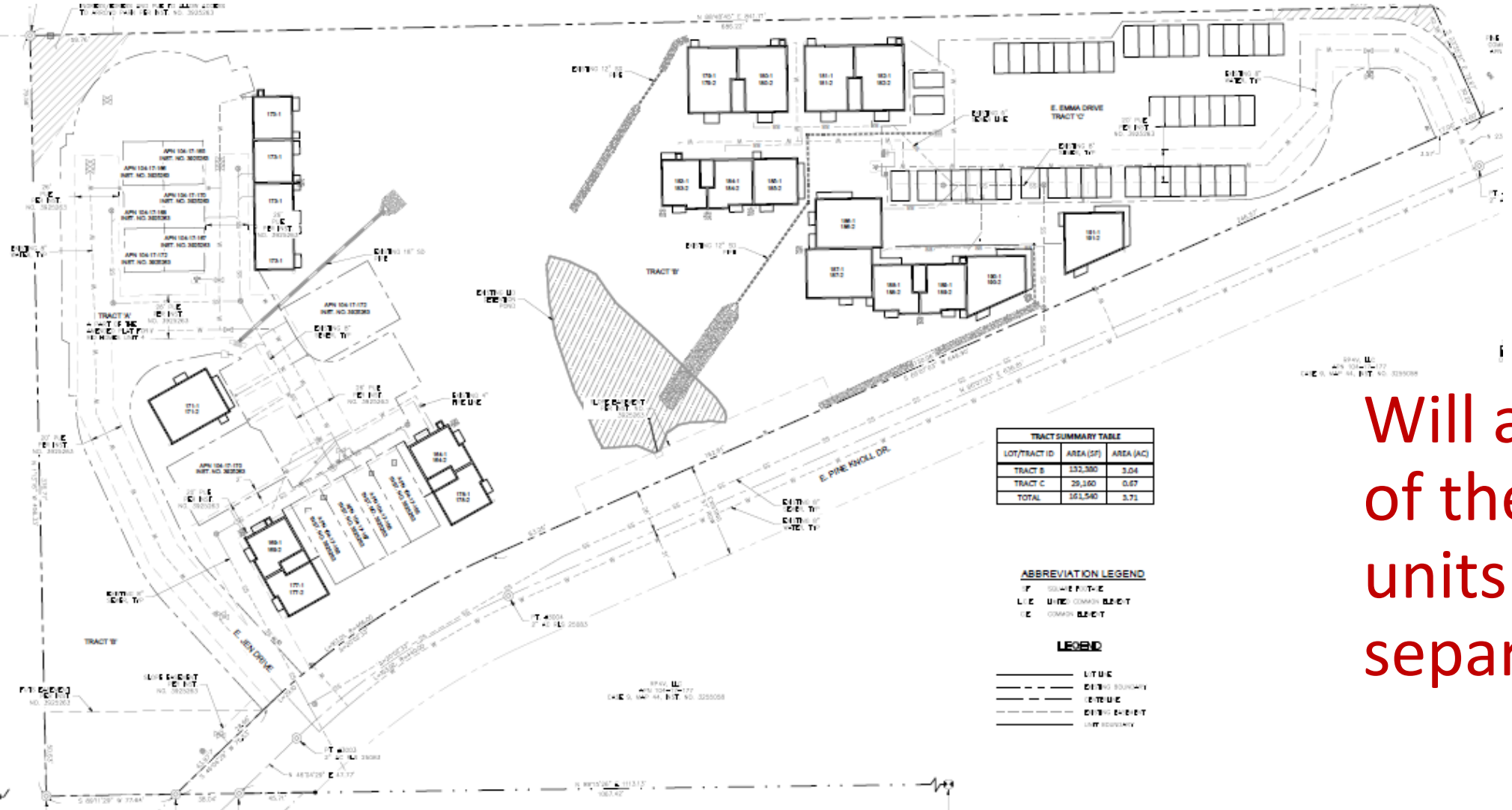
- Developer wants to turn 40 multifamily residential units into condominiums so that they can be sold individually (Condominium Plat PZ-19-00019-06)
- Current townhome plat (PZ-19-00019-07) must be amended before condominium plat can be approved to:
  - Erase lot lines for undeveloped townhome lots (condominiums are currently proposed in these locations)
  - Clarify parking and access issues between townhome and condominium owners

Building rendering – for reference only



Condominium Plat (PZ-19-00019-06)

Preliminary Condominium Plat for Rio Homes Unit 4 Multi-Family

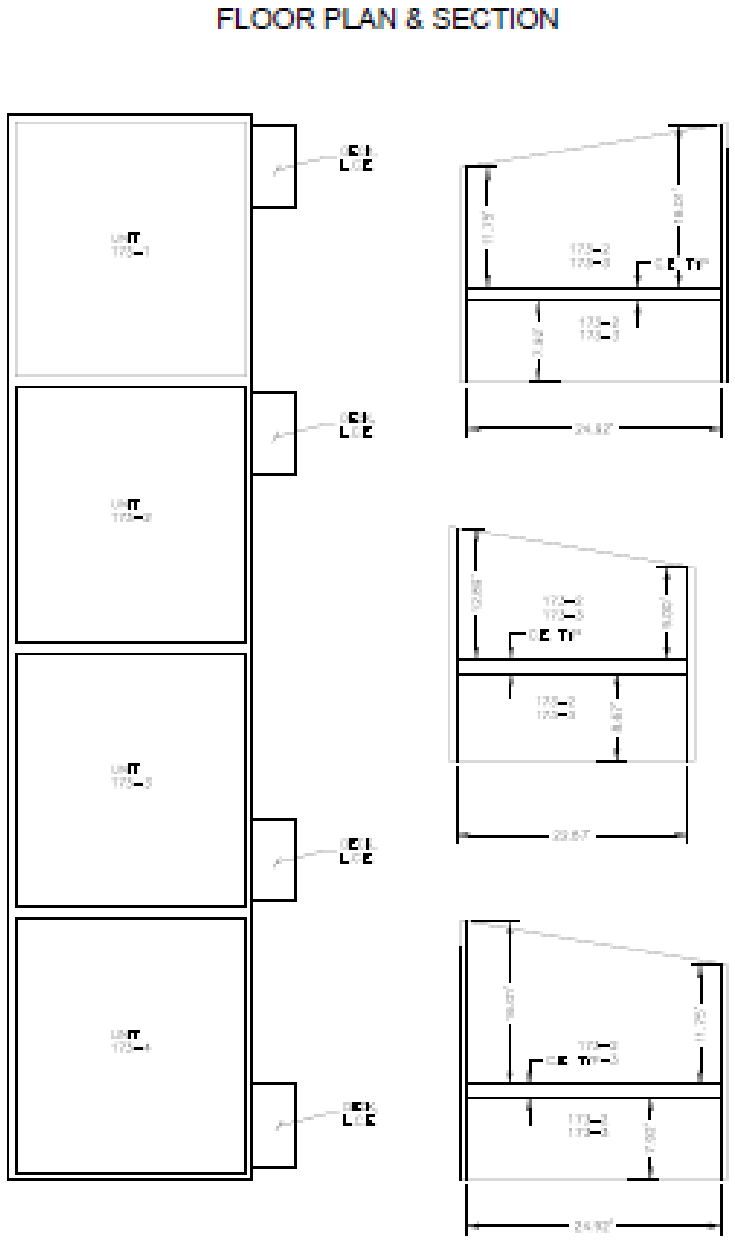


Will allow each of the 40 new units to be sold separately

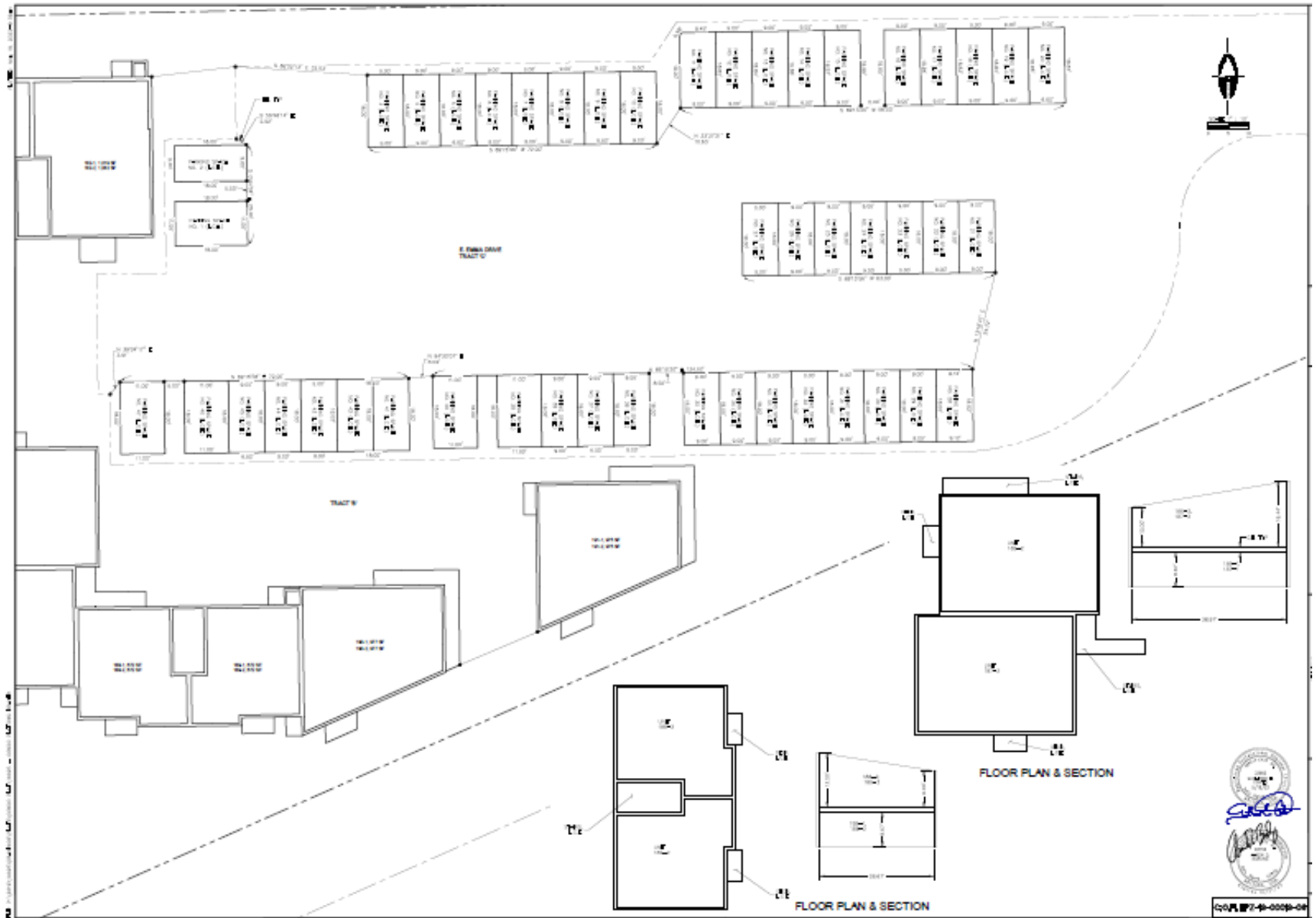
Condominium Plat (PZ-19-00019-06)

Identifies vertical & horizontal boundaries of each unit (airspace)

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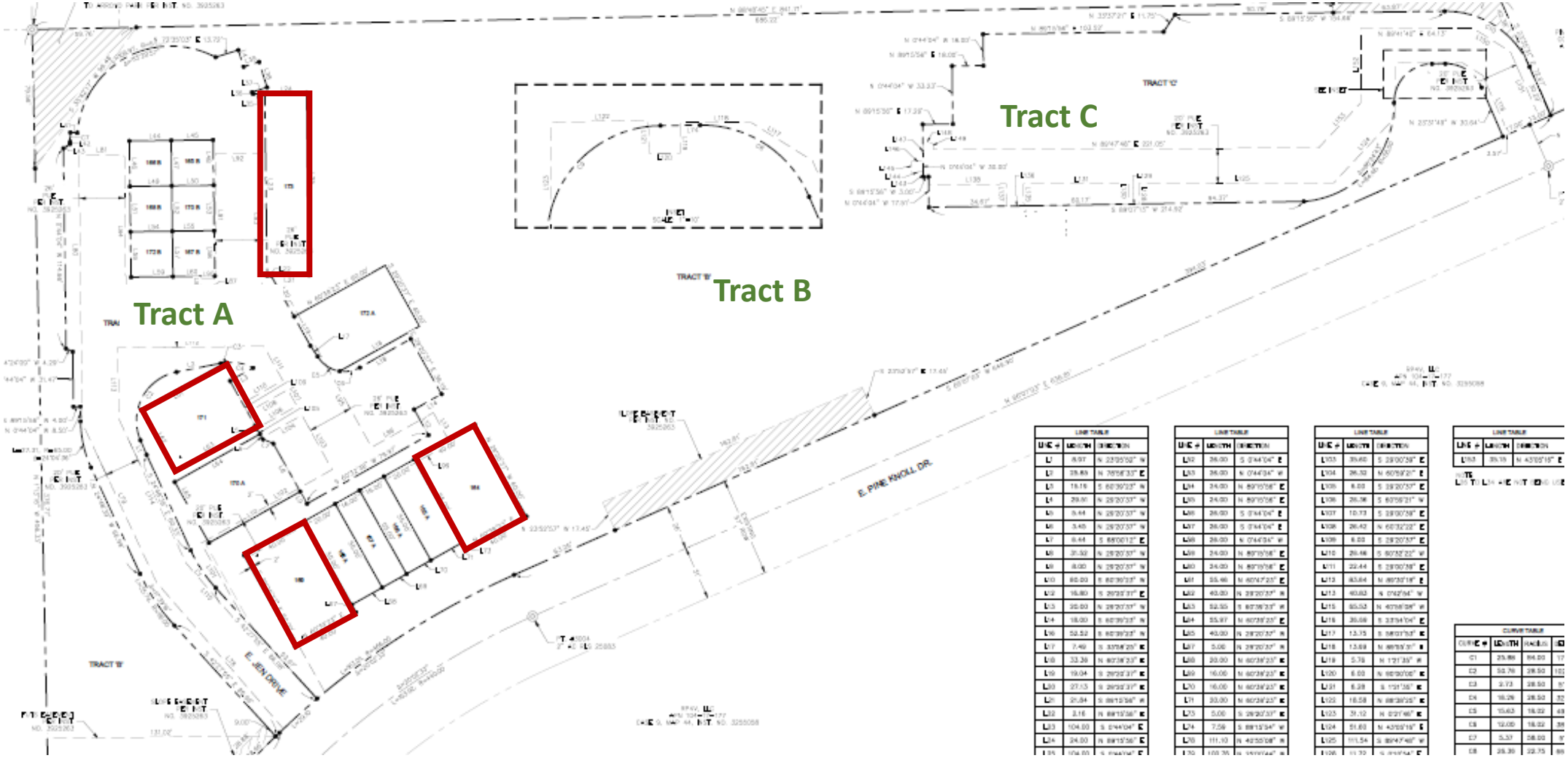


Condominium Plat (PZ-19-00019-06)



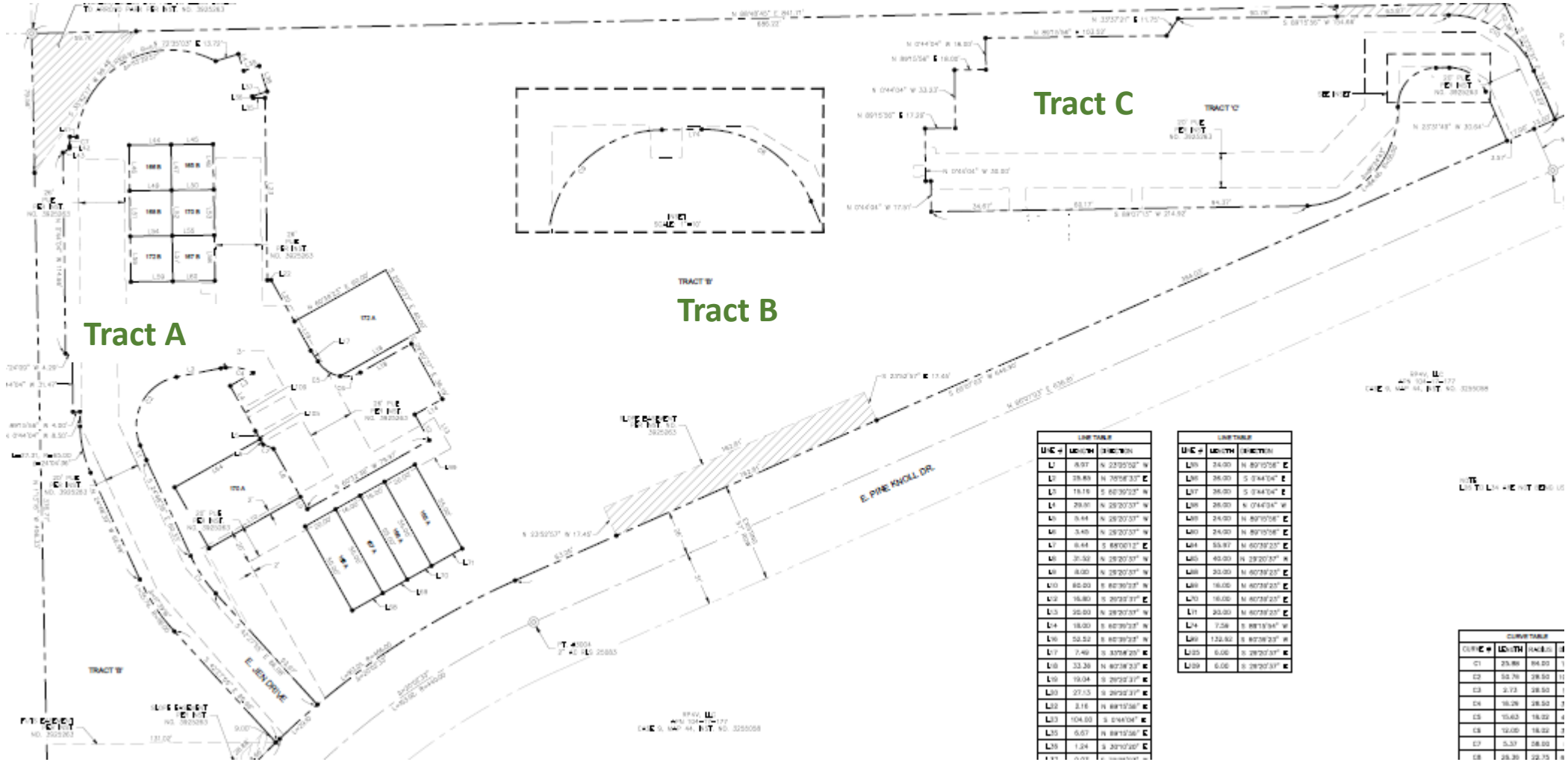
Townhome Plat (PZ-19-00019-07)

Existing Preliminary Plat for Rio Homes Unit 4 Multi-Family



Townhome Plat (PZ-19-00019-07)

Amendment to Preliminary Plat for Rio Homes Unit 4 Multi-Family



Findings for Approval

- **Findings** (criteria) **for approval of subdivision plats are compliance with these City Code** sections:
  - City Code Title 10, Flagstaff Zoning Code
  - City Code Title 11, General Plans and Subdivisions
  - City Code Title 13, Engineering Design Standards and Specifications
- Staff and P&Z determined both **plats meet these findings**
- Staff and the Planning and Zoning Commission (4-0 vote in favor on June 22, 2022) recommend the **City Council approve both Preliminary Plats**

Required Finding #1: Zoning Code (Title 10)

- Medium Density Residential (MR) zone standards for density, lot coverage, height, setbacks
- Parking
  - 85 parking spaces required, 87 provided
  - 4 bike spaces required, 10 provided
- Landscaping
  - Landscaping plan approved with Civil Plans on July 10, 2020
  - Landscaping requirements for street buffer, building foundation, parking lot & peripheral (rear) buffer landscaping met through new and existing trees
- Pedestrian Connectivity
  - New FUTS easement dedicated with previous amendment
  - Pedestrian connections from Pine Knoll Dr. and between units

Required Finding #1: Zoning Code (Title 10)

TEAM FLAGSTAFF
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Meets Resource Protection Standards



UNIT 4 (SEE SHEET RS02 OF ORIGINAL NRPP FOR UNIT 2 AND 3 CALCULATIONS)

EXISITNG TREE CANOPY=36,163 S.F.
REQUIRED TREE CANOPY PRESERVATION (40%)=14,465 S.F.
PRESERVED TREE CANOPY=3,912 S.F.
FLEXIBLE MEASURE TREE CANOPY=2,101 S.F.
USEABLE FLEXIBLE TREE CANOPY=723 S.F.
TOTAL PRESERVED TREE CANOPY (WITH FLEX TREES)=4,635 S.F.
TREE CANOPY DEFICIT=9,830 S.F.

EXISTING 17–24.9% SLOPE=41,172 S.F.
REQUIRED 17–24.9% SLOPE PRESERVATION (56%)=23,056 S.F.
PRESERVED 17–24.9% SLOPE=~~31,967 S.F.~~ 27,901 S.F.
17–24.9% SLOPE EXCESS=~~8,911 S.F.~~ 4,845 S.F.

EXISTING 25% & GREATER SLOPE=54,004 S.F.
REQUIRED 25% & GREATER SLOPE PRESERVATION (64%)=34,563 S.F.
PRESERVED 25% & GREATER SLOPE=~~33,580 S.F.~~ 33,010 S.F.
25% & GREATER SLOPE DEFICIT=~~983 S.F.~~ 1,553 S.F.

UNIT 4 RESOURCE BANKING SUMMARY

UNIT 3 RESOURCE EXCESS=+7,406 S.F.
UNIT 4 TREE DEFICIT=–9,830 S.F.
UNIT 4 17–24.9% SLOPE EXCESS=~~+8,911 S.F.~~ +4,845 S.F.
UNIT 4 25% & GREATER SLOPE DEFICIT=~~–983 S.F.~~ –1,553 S.F.
868 S.F.
UNIT 4 EXCESS=~~5,504 S.F.~~ (TOTAL FOR THE PROJECT)

Meets Engineering Standards

- Traffic Impact Analysis
  - TIA approved for original Rio Homes development; new TIA not required
  - Access off Jen Drive and Emma Drive
  - Driveways expanded to accommodate fire and trash vehicles
- Water and Wastewater
  - Water Sewer Impact Analysis (WSIA) approved for original development; new WSIA not required
  - New 8” water and sewer lines will be installed on site
  - All other required improvements already completed
- Stormwater
  - Updated drainage letter approved in 2020
  - Development meets current low impact development (LID) requirements

Required Finding #3: Subdivisions Standards (Title 11)

Meets Subdivision and Land Split Regulations (Chapter 11-20)

- Preliminary Plat procedures, application requirements
- Minimum Required Subdivision Improvements
  - Identified in public systems analyses (previous slides)
- Subdivision Standards and Regulations
  - Not applicable

Findings and Recommendation

Required Findings

- Staff and the Planning and Zoning Commission have found both **Preliminary Plats meet the required findings for approval,** which include conformance with:
  - City Code Title 10, Flagstaff Zoning Code
  - City Code Title 11, General Plans and Subdivisions
  - City Code Title 13, Engineering Design Standards and Specifications

Staff Recommendation

- Staff and the Planning and Zoning Commission (4-0 vote in favor on June 22, 2022) recommend the **City Council approve both Preliminary Plats**

PLANNING & DEVELOPMENT SERVICES REPORT

Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily

PZ-19-00019-06

DATE: **May 18, 2022**
MEETING DATE: **June 22, 2022**
REPORT BY: **Genevieve Pearthree**

REQUEST:
A request by RP4V, LLC and RP40, LLC for approval of the Preliminary Condominium Plat for Rio Homes Unit 4 Multifamily, a 40-unit multi-family residential condominium subdivision. The 4.11-acre site is located at 1221 E. Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO) zone. The developer is proposing to condo 40 attached multifamily residential units currently under construction so that they can be sold individually.

PRESENT LAND USE:
The present land use is a partially developed residential property with six townhome units and associated garages.

PROPOSED LAND USE:
Rio Homes Unit 4 Condominiums is a 40-unit residential condominium subdivision. After these units are constructed, there will be 46 units total (40 condominium units and six townhome units).

NEIGHBORHOOD DEVELOPMENT:
See the attached vicinity map for more information.

North: Pine Knoll Village subdivision; MR, Medium Density Residential Zone
South: E. Pine Knoll Drive; then open space zoned MR, Medium Density Residential Zone
East: Rio Homes subdivision; MR, Medium Density Residential Zone
West: Arroyo Park; PF, Public Facility Zone

REQUIRED FINDINGS:
The Planning and Zoning Commission shall find the Preliminary Plat meets the findings for approval, which is compliance with the following City Code sections:

1. City Code Title 10, Flagstaff Zoning Code
2. City Code Division 11-20, Subdivision and Land Split Regulations
3. City Code Title 13, Engineering Design Standards and Specifications.

These findings are addressed in the next sections of this report.

STAFF RECOMMENDATION:
Staff recommends the Planning and Zoning Commission, in accordance with the findings for approval presented in this report, forward the Preliminary Plat to the City Council with a recommendation of approval.

STAFF REVIEW:

I. Project Information

A. Background

The subject site is located at located at 1221 E. Emma Dr. on the north side of East Pine Knoll Drive and east of Lone Tree Road. The Rio Homes Unit 4 development was originally intended in the mid-2000s to be a cohousing type of community and included a larger parcel intended for a common house. The original 2005 subdivision plat proposed variety of detached and attached residential building types across 21 lots and 9 tracts. The only structures from the original development plan that were ultimately built were six townhome units, each with an associated detached garage (two of the garages have an accessory dwelling unit on the second floor).

A first amendment to the Rio Homes Unit 4 subdivision was recorded in 2021 to allow for the development of 40 additional multifamily residential units. The amendment modified the 2005 plat to create 12 lots and 3 tracts to allow for the development of 40 multifamily residential units (rental apartments). It maintained the lot lines for the townhomes and garages that had already been developed but removed most of the lot lines that had not been developed. City staff approved the Site Plan for the 40 residential units on March 26, 2020 (Civil Plans were approved on July 10, 2020, and Building Permits were approved on November 11, 2021.

The developer has decided to turn the 40 multifamily residential units into condominiums so that they can be sold individually. The condominiums are located on Tracts B and C of the Rio Homes Unit 4 subdivision plat. City staff administratively approved the Rio Homes Unit 4 Condominiums Preliminary Plat on May 26, 2022.

A second amendment to the Rio Homes Unit 4 subdivision plat is being processed concurrently with the Preliminary Condominium Plat for Rio Homes Unit 4. The purpose of the concurrent amendment (case number PZ-19-00019-07) is to erase the property lines for four townhome lots that were never developed. The amendment also clarifies parking/access between the townhome and condominium owners.

B. Type of Plat

This application is for a condominium plat, which takes a multi-unit complex, such as the subject property, and creates the potential for individually owned units. The Preliminary Plat delineates all the elements affiliated with the individual units. In this case, the units are defined as the airspace within each unit. The vertical boundaries start at the finish floor elevation (FFE) of each unit and extend to the ceiling of that unit. The horizontal boundaries start at the inside of the walls enclosing each unit.

Each unit has one or more decks and/or porches, and second floor units have external stairs. The porches, decks, and stairs associated with specific units are being platted as 'limited common elements' (LCEs). Parking spaces are also being platted as LCEs. Shared areas, including the floor plates between the walls, stairways serving multiple units, and all other areas outside of the condominiums, are considered "common elements" (CEs).

The condominiums are also being platted on top of Tracts B and C of the Rio Homes Unit 4 Amended Plat. The purposes of Tract B are: common element, open space, resource protection, drainage maintenance easement, and multifamily development. The purposes of Tract C are: ingress/egress, parking, common element, and open space. Tract A of the Rio Homes Unit 4 Amended plat is not included in the Condominium Plat for Rio Homes Unit 4.

II. Required Findings: Conformance with City Development Standards and Regional Plan

Staff reviewed and approved the Preliminary Plat based on conformance with City Code Title 10, Flagstaff Zoning Code; City Code Division 11-20, Subdivision and Land Split Regulations; and City Code Title 13, Engineering Design Standards and Specifications.

A. City of Flagstaff Zoning Code

i. Medium Density Residential (MR) Zone

Any subdivision shall be designed to comply with the requirements of the specific zoning district within which it is located. The subject property is zoned MR, Medium Density Residential and has a Resource Protection Overlay (RPO) zone. The MR zone requires a minimum density of 6 dwelling units per acre (DU/AC) and a maximum of 9 DU/AC if subject to the Resource Protection Overlay. The proposed density for this site is 9 dwelling units per acre (46 units divided by 5.1 acres), which complies with the density standard. Maximum permitted lot coverage on the MR zone is 40 percent; the proposed coverage is approximately 12 percent.

The required setbacks for the MR zone are: Front 10' min.; Side 5' min.; Rear 15' min. The proposed development complies with these setbacks.

Maximum permitted height in the MR zone is 35 feet. The height of the condominium units will range from 26'-8" to 34'-9".

ii. Natural Resources

The subject property is located within a Resource Protection Overlay (RPO) Zone. A Natural Resource Protection Plan (NRPP) was approved on July 10, 2020 as part of Civil Plan review for the 40 new residential units. The NRPP accounts for proposed changes to the original development and is an update to the NRPP for Unit 4 originally approved on March 24, 2004.

The 2020 NRPP documents an increase in the disturbance of slopes with 17-24.99% grade due to reconfiguration of buildings on the upper loop. The 2004 NRPP protected 8,911 sq. ft. of steep slopes beyond the minimum required; the excess slope area protected on the 2021 NRRP is 6,267 sq. ft.

No forest resources (pine trees) will be removed for this development. Forest resources on Unit 4 were originally calculated as meeting resource protection standards by banking resources from Unit 3, an undeveloped area of Rio Homes south of E. Pine Knoll Drive. This area will not be developed due to steep slopes per the original agreement for the Rio Homes subdivision. The 2020 NRPP is attached.

iii. Parks, Open Space, Pedestrian, and Bicycle Facilities

The site is adjacent to Arroyo Park. A FUTS easement on the southwest corner of the site was dedicated with the previous amendment. New paver crosswalks will be installed to provide pedestrian access in the parking areas.

vi. Landscaping

A landscaping plan was submitted and approved in conjunction with the site plan for the Rio Homes Unit 4 residential development. Existing and new vegetation will be utilized to meet the requirements for street buffer, building foundation, parking lot and peripheral (rear) buffer landscaping.

vii. Parking

Parking area access is from E. Jen Drive and E. Emma Drive, both off E. Pine Knoll Drive. The minimum required parking for the 6 existing townhome units and the 40 new condominium units is 89 spaces (15 spaces are required for the existing units; 74 spaces are required for the new units). A bike parking reduction of 5% (4 parking spaces) brings the requirement down to 85 spaces. A total of 87 vehicle parking spaces and 10 bicycle parking spaces are provided for all units.

Parking for the six existing townhome units is provided as detached garages and as surface parking spaces, all of which are located on Tract A of the Rio Homes Unit 4 Amended Plat (not a part of the Rio Homes Condominium Plat). Parking for the 40 new condominium news will be provided on Tract A and on Tract C. The owner/developer

of the Rio Homes Unit 4 subdivision will record a shared parking agreement with the HOA of the 40 condominium units, which will allow residents of the condominiums to park on Tracts A and C.

Parking spaces for condominium residents who take access off Emma Dr. (Tract C) are identified as "limited common elements" on the plat, and will be assigned to residents of those units. Parking for residents who take access off Jen Dr. (Tract A) will be assigned by the HOA as part of the shared parking agreement. These parking spaces cannot be platted as "limited common elements" because Tract A is not included in the condominium plat.

B. City of Flagstaff Subdivision Standards

i. Preliminary Plat Application Requirements and Procedures

Preliminary Plats require submittal and staff review of traffic, preliminary stormwater, and water and/or sewer analyses. A summary of these analyses is provided later in this report. The subdivider is also required to inform public utility, cable and communication companies, school district, Soil Conservation Service, County Health Department, ADOT (if site abuts a state highway); Flood Control District; and, County Community Development Department (if site is adjacent to an unincorporated area). The applicant sent the required letters and has provided copies of any responses by the review agencies.

The information required to be shown as part of the Preliminary Plat submittal is extensive and includes, for example, existing and proposed rights-of-way and easements within the subdivision; adjacent street dedications and lot lines; size of each lot; location and description of proposed and existing utilities; and lot and tract dimensions. Approval of a Preliminary Plat is valid for a period of two years from the date of City Council approval.

City Code also requires condominium plats to include the additional information per by A.R.S. § 33-1219, such as identifying the vertical and horizontal boundaries of each condominium unit. The applicant has provided all information for a condominium subdivision as required by City Code.

ii. Subdivision Design Standards and Requirements

This plat is not creating any new lots, streets, easements, or blocks, so this section does not apply.

iii. Minimum Required Subdivision Improvements

Minimum required subdivision improvements are identified through public systems analysis for traffic, stormwater, water, and wastewater. These analyses are described in detail in the City of Flagstaff Engineering Standards section below.

C. City of Flagstaff Engineering Standards

Preliminary Plats are required to comply with Engineering Standards. Staff conducted an initial public systems analysis as part of Site Plan review for the 40 multifamily units, and a final analysis as part of Civil Plan review. The development received Civil Plan approval on July 10, 2020, thereby signifying compliance with all relevant Engineering Standards. A summary of the public systems analyses is presented below.

i. Access and Traffic

The subject property is located on the north side of East Pine Knoll, a minor collector, east of Lone Tree Road. Rio Homes Unit 4 has two development loops: E. Emma Drive, the "Upper Loop", and E. Jen Drive, the "Lower Loop." Access to the site is provided by two driveways on East Pine Knoll. The 40 new residential units shown on this plat will take access off E. Jen Drive and E. Emma Drive. For this project, the driveways were expanded to accommodate fire and trash vehicles, including space for a 45' turning radius, backing up, and fire department access points for the required 150' hose reach. Fire department access requires driveways have a minimum 26' width. Onsite there are

pedestrian walkways from all residential units which are connected to pathways and/or the internal driveway throughout the development. An existing foot path connects E. Jen Drive and E. Emma Drive through the large open space area in the middle of the site.

ii. Water and Wastewater

On August 6, 2019, the City of Flagstaff Water Services Division waived the requirement for a Water & Sewer Impact Analysis because the Division determined that 40 residential units would have no significant impact to off-site water or sewer infrastructure (the infrastructure developed for the original designed proposed in 2005 has the capacity to serve the new Rio Homes Unit 4 project). Water and sewer lines are shown on sheet 2 of the Preliminary Plat. Sewer will be provided by existing 8" sewer services through E. Jen Drive and E. Emma Drive. Water service will be provided by existing 8" water mains also through E. Jen and E. Emma Drives. Per City of Flagstaff Engineering standards, the previous Rio Homes Unit 4 amendment dedicated easements to serve the required infrastructure and abandoned easements that were no longer necessary.

iii. Stormwater

The City of Flagstaff Stormwater Section reviewed and approved a drainage letter by the developer's engineer as part of the site plan application for the 40 additional units. The drainage letter discussed the analysis of the proposed changes from the original design proposed in 2005, as well as requirements for Low Impact Development. Stormwater required the applicant to provide a statement of intent to comply with the Low Impact Development (LID) requirements including retention and water quality components. With civil plans the applicant provided an expanded drainage letter and a LID O&M Manual.

Attachments:

- Application
- Preliminary Plat (6 sheets, 24 x 36")
- Natural Resource Protection Plan
- Vicinity Map
- Utility notification letters

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) RP4V LLC & RP40 LLC		**Phone**
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email** tom@aznorth.com
Applicant(s) AZ North Realty		**Phone**
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email**
Project Representative Blake Schraufnagel		**Phone** 928-774-6637
Mailing Address 2410 E. Route 66	**City, State, Zip** Flagstaff, AZ 86004	**Email** blake@aznorth.com

Requested Review:
☐ **Development Master Plan** ☐ **Conceptual Plat** ☐ **Preliminary Plat P&Z and Council**
☐ **Modified Subdivision** ■ **Preliminary Plat** Condominiums ☐ **Final Plat- Council**

Project Name: Rio Homes Unit 4	**Site Address** Emma Drive & Jen Drive		**Parcel Number** 104-17-154 through 107-17-187
Proposed Use Residential - Condominiums	**Existing Use** Residential - Apartments	**Subdivision, Tract & Lot Number** Rio Homes Unit 4	
Zoning District Medium Density Residential (MR)	**Regional Plan Category** Suburban	**Flood Zone** Zone X	**Size of Site (Sq. ft. or Acres)** 5.1 acres

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	**North**	**South**	**East**	**West**
(Res, Com, Ind)	Residential	Residential/Undeveloped	Residential	Public Facility - Park

Proposed Use:	**Number of Lots**	**Number of Units**	**Number of acres per use**	**Building Square Feet**
Residential - Condos	3 ex. tracts	46 units (incl. 6 ex.)	5.1 acres	

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:**
RP4V LLC	9/23/21		9/23/21

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**

PLOTTED: May 19, 2022–9:38am

PRELIMINARY CONDOMINIUM PLAT

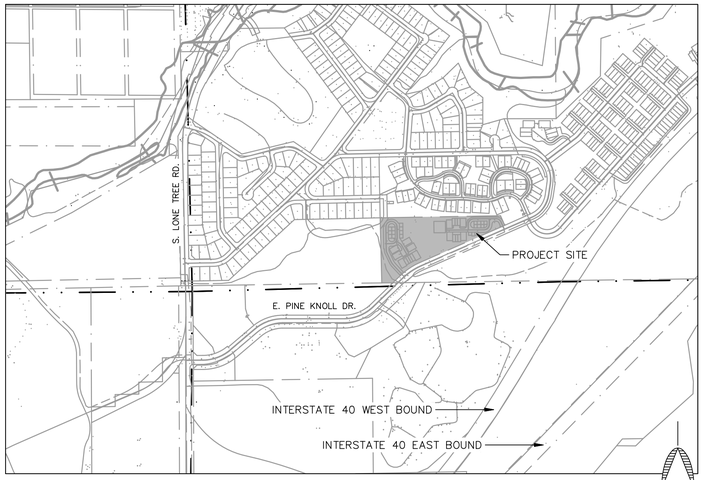
FOR

RIO HOMES UNIT 4
MULTI-FAMILY

FLAGSTAFF, ARIZONA

A CONDOMINIUM SUBDIVISION OF TRACTS B AND C OF THE AMENDED PLAT FOR RIO HOMES UNIT 4, ACCORDING TO THE FINAL PLAT FOR RIO HOMES UNIT 4, INST. NO. 3925263, OFFICIAL RECORDS COCONINO COUNTY, ARIZONA.

LOCATED IN SOUTH HALF OF SECTION 22, TOWNSHIP 21 NORTH, RANGE 7 EAST, GILA AND SALT BASE AND MERIDIAN, COCONINO COUNTY, FLAGSTAFF, ARIZONA



VICINITY MAP
1"=500'

PROJECT INFORMATION

RIO HOMES UNIT 4
EMMA DRIVE & JEN DRIVE
FLAGSTAFF, AZ 86001

NUMBER OF PROPOSED UNITS: 40
BUILDING TYPE: MEDIUM DENSITY RESIDENTIAL (MR)
GROSS/NET AREA: 3.71 ACRES

EXISTING ZONING: MR (MEDIUM DENSITY RESIDENTIAL)

UTILITY COMPANY CONTACTS

APS
CONTACT: CHAD BROOKS
2200 E. HUNTINGTON
FLAGSTAFF, AZ 86004
CHAD.BROOKS@APS.COM
PHONE: (928) 773-6440

UNISOURCE ENERGY SERVICES
CONTACT: MARTIN CONBOY
2901 W SHAMRELL BLVD #110
FLAGSTAFF, AZ 86001
MCONBOY@UESAZ.COM
PHONE: (928) 226-2269

CENTURYLINK
CONTACT: MANUEL HERNANDEZ
112 NORTH BEAVER STREET
FLAGSTAFF, AZ 86001
MANUEL.HERNANDEZ4@CENTURYLINK.COM
PHONE: (928) 779-4935

ALTICE USA
CONTACT: SANFORD YAZZIE
1601 SOUTH PLAZA WAY
FLAGSTAFF, AZ 86001
SANFORD.YAZZIE@ALTICEUSA.COM
PHONE: (928) 266-0672

UTILITY COMPANY APPROVAL

ARIZONA PUBLIC SERVICE

CHAD BROOKS (BY LETTER) 10-4-2021
BY: CHAD BROOKS DATE:

UNISOURCE ENERGY SERVICES

MARTIN CONBOY (BY LETTER) 10-4-2021
BY: MARTIN CONBOY DATE:

CENTURYLINK

MANUEL HERNANDEZ (BY LETTER) 10-18-2021
BY: MANUEL HERNANDEZ DATE:

ALTICE USA

SANFORD YAZZIE (BY LETTER) 10-18-2021
BY: SANFORD YAZZIE DATE:

UTILITY CONFLICT NOTE

THERE ARE NO APPARENT UTILITY CONFLICTS WITH APS, CENTURYLINK, UNISOURCE, OR ALTICE USA; HOWEVER, THEY DO HAVE EXISTING FACILITIES IN THE AREA THAT WILL NEED TO BE PROTECTED AND/OR RELOCATED.

SUMMARY OF TRACTS

		DESCRIPTION
2.	TRACT B: 132,380 SF, 3.04 ACRES	TRACT 'B' FOR THE PURPOSES OF COMMON ELEMENT, OPEN SPACE, RESOURCE PROTECTION, DRAINAGE MAINTENANCE EASEMENT AND THE MULTI-FAMILY DEVELOPMENT AS SHOWN HEREON.
3.	TRACT C: 29,160 SF, 0.67 ACRES	TRACT 'C' FOR THE PURPOSE OF INGRESS/EGRESS, PARKING, COMMON ELEMENT AND OPEN SPACE AS SHOWN HEREON.

RESOURCE PROTECTION

THE PROJECT FALLS WITHIN THE CITY OF FLAGSTAFF RESOURCE PROTECTION OVERLAY ZONE. BASED ON THE APPROVED RIO HOMES NATURAL RESOURCE PROTECTION PLAN FOR UNIT 4, DATED FEBRUARY 18, 2021, AND THE PROPOSED DEVELOPMENT, THERE ARE RESOURCES THAT REQUIRE PRESERVATION.

FLOOD ZONE CLASSIFICATION:

THE SUBJECT PARCEL IS LOCATED WITHIN ZONE X OF FEMA FIRM MAP #04005C6816G, EFFECTIVE SEPTEMBER 3, 2010. ZONE X IS DESCRIBED AS AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

WATER AND SEWER IMPACT ANALYSIS

THE PRELIMINARY PLAT DOES NOT HAVE SIGNIFICANT IMPACT TO THE EXISTING OFF-SITE WATER OR SEWER INFRASTRUCTURE. THE W.S.I.A. WAS WAIVED BY THE BY THE CITY OF FLAGSTAFF UTILITIES DEPARTMENT, DATED AUGUST 6, 2019.

ADEQUATE WATER SUPPLY NOTE:

THE CITY OF FLAGSTAFF PROVIDES WATER [UTILITY] SERVICE PURSUANT TO STATE LAW, AND IS CURRENTLY OPERATING UNDER A DESIGNATION OF ADEQUATE WATER SUPPLY GRANTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES, APPLICATION NO. 41-900002.0002.

SOURCE OF PROJECT INFORMATION

TOPOGRAPHIC, BOUNDARY, EASEMENTS, AND EXISTING IMPROVEMENTS WERE PROVIDED BY THE CITY OF FLAGSTAFF AND ARE FROM A RECORD OF SURVEY, RECORDED IN BOOK 18, PAGES 3 AND 3A, PREPARED BY WFM, INC. ENGINEERS AND SURVEYORS AND SEALED BY JAMES A. FOLKERS ON 9-7-2001. A SUPPLEMENTAL TOPOGRAPHIC SURVEY WAS PERFORMED BY SHEPHARD-WESNITZER, INC., DATED 8-13-2019.

A.R.S. 33-1212. UNIT BOUNDARIES
EXCEPT AS PROVIDED BY THE DECLARANT

1. IF WALLS ARE DESIGNATED AS BOUNDARIES OF A UNIT, ALL LATH FURRING, WALLBOARD, PLASTERBOARD, PLASTER, PANELING, TIES, WALL PAPER, PAINT, AND ANY OTHER MATERIALS CONSTITUTING AS PART OF THE FINISHED SURFACE ARE A PART OF THE UNIT, AND ALL OTHER PORTIONS OF THE WALLS ARE PART OF THE COMMON ELEMENT.
2. IF ANY DUCT, WIRE, CONDUIT, BEARING WALL, BEARING COLUMN, OR OTHER FIXTURE LIES PARTIALLY WITH IN THE AN PARTIALLY OUTSIDE THE DESIGNATED BOUNDARIES OF A UNIT, ANY PORTION SERVING MORE THAN ONE UNIT OR ANY PORTION OF THE COMMON ELEMENTS IS A PART OF THE COMMON ELEMENT.
3. ALL SPACES, INTERIOR PARTITIONS AND OTHER FIXTURES AND IMPROVEMENTS WITHIN THE BOUNDARIES OF A UNIT ARE PART OF THE UNIT.
4. ANY SHUTTERS, AWININGS, WINDOW BOXES, DOORSTEPS, STOOPS, PORCHES, BALCONIES, ENTRYWAYS, OR PATIOS, AND ALL EXTERIOR DOORS AND WINDOWS OR OTHER FIXTURES DESIGNED TO SERVE A SINGLE UNIT, BUT LOCATED OUTSIDE THE UNITS BOUNDARIES ARE LIMITED COMMON ELEMENTS ALLOCATED EXCLUSIVE TO THAT UNIT.

COORDINATE SYSTEM DETAILS

LINEAR UNIT: INTERNATIONAL FEET
GEODETIC DATUM: NAD 83 (CONUS)
VERTICAL DATUM: NAVD 88, REFERENCED FROM NGS CORS STATION 'AZFL'
SYSTEM: CITY OF FLAGSTAFF LOW DISTORTION PROJECTION (1992)

PROJECTION:
TRANSVERSE MERCATOR
LATITUDE OF GRID ORIGIN: 31.000000000 N
LONGITUDE OF CENTRAL MERIDIAN: 111.916666667 W
NORTHING AT GRID ORIGIN: -48563.550 FT
EASTING AT CENTRAL MERIDIAN: -1475125.575 FT
CENTRAL MERIDIAN SCALE FACTOR: 1.0003162016

ALL MEASURED DISTANCES AND BEARINGS SHOWN HEREON ARE GRID VALUES BASED ON THE PRECEDING PROJECTION DEFINITION. THE PROJECTION WAS DEFINED SUCH THAT GRID DISTANCES ARE EQUIVALENT TO "GROUND" DISTANCES IN THE PROJECT AREA.

THE BASIS OF BEARINGS IS TRUE GEODEDIC NORTH; NOTE THAT THE MEASURED GRID BEARINGS SHOWN HEREON (OR IMPLIED BY GRID COORDINATES) DO NOT EQUAL GEODETIC BEARINGS DUE TO MERIDIAN CONVERGENCE.

ORTHOMETRIC HEIGHTS (ELEVATIONS) WERE TRANSFERRED TO THE SITE FROM NGS CONTROL POINT "AZFL" USING GPS WITH NGS GEOID MODEL "GEOID03". ELEVATIONS SHOWN HEREON ARE REFERENCED TO THE PUBLISHED ELEVATION OF THIS STATION.

THE SURVEY WAS CONDUCTED USING GPS REFERENCED TO THE NATIONAL SPATIAL REFERENCE SYSTEM. A PARTIAL LIST OF POINT COORDINATES FOR THIS SURVEY IS GIVEN BELOW (ADDITIONAL COORDINATES ARE AVAILABLE UPON REQUEST). LOCAL NETWORK ESTIMATES ARE GIVEN AT THE 95% CONFIDENCE LEVEL AND ARE BASED ON A LEAST-SQUARES ADJUSTMENT OF STATISTICALLY INDEPENDENT OBSERVATIONS.

POINT #3003 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.181316209 NORTHING = 46905.651 FT
LONGITUDE = W 111.643120982 EASTING = 33208.715 FT
ELLIPSOID HEIGHT = 6864.461 FT ELEVATION = 6940.464 FT

POINT #3004 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.181528385 NORTHING = 46983.232 FT
LONGITUDE = W 111.642723891 EASTING = 33327.207 FT
ELLIPSOID HEIGHT = 6865.395 FT ELEVATION = 6941.398 FT

POINT #3005 = 2" ALUMINUM CAP IN CENTERLINE OF PINE KNOLL DRIVE
LATITUDE = N 35.182232027 NORTHING = 47241.044 FT
LONGITUDE = W 111.640773788 EASTING = 33909.449 FT
ELLIPSOID HEIGHT = 6891.863 FT ELEVATION = 6967.871 FT

LEGEND

- ROW BOUNDARY
- EX. EASEMENT
- ROAD CENTERLINE
- LOT LINE
- EASEMENT
- SECTION LINE
- FOUND MONUMENTS
- SECTION CORNER AS NOTED
- CALCULATED POINT

Sheet List Table		
Sheet Number	Sheet Number	Sheet Title
1	CVR	COVER
2	CP01	PRELIMINARY CONDO PLAT OVERVIEW
3	CP02	CONDO PLAT (1)
4	CP03	CONDO PLAT (2)
5	CP04	CONDO PLAT (3)
6	CP05	CONDO PLAT (4)

LEGAL DESCRIPTION

TRACTS B AND C OF RIO HOMES UNIT 4, ACCORDING TO THE CITY OF FLAGSTAFF FINAL PLAT FOR RIO HOMES UNIT 4, NO. 3925263, OFFICIAL RECORDS OF COCONINO COUNTY, LOCATED IN THE SOUTH HALF OF SECTION 22, TOWNSHIP 21 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA.

EARTHWORK SUMMARY:

SITE GRADING:

UNADJUSTED CUT: 2,170 CY
UNADJUSTED FILL: 2,730 CY

EARTHWORK VOLUMES SHOWN ABOVE ARE BASED ON IN-PLACE VOLUMES REQUIRED FOR SITE GRADING. QUANTITIES ARE NOT ADJUSTED FOR SHRINKAGE (SEE GEOTECH REPORT FOR ESTIMATED SHRINKAGE FACTORS). THESE RESULTS MAY NOT REFLECT THE FINAL CONSTRUCTED QUANTITIES. THE CONTRACTOR IS RESPONSIBLE FOR MAKING HIS OWN QUANTITY DETERMINATIONS. ADDITIONAL EARTHWORK QUANTITIES SHALL BE CONSIDERED INCIDENTAL TO BUILDING CONSTRUCTION. ANY WASTE MATERIAL SHALL BE INCIDENTAL TO CONSTRUCTION.

CERTIFICATE OF LAND SURVEYOR

THIS IS TO CERTIFY THAT THE SURVEY OF THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT. I ALSO CERTIFY THAT THE PLAT IS IN SUBSTANTIAL CONFORMANCE TO THE APPROVED TENTATIVE PLAT AND THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
Aaron D. Borling, RLS 48756

Registered Professional Engineer Certificate No. 33983 GUILLERMO E. CORTES 5/19/22 Date Signed ARIZONA, U.S.A.

Registered Land Surveyor Certificate No. 48756 AARON D. BORLING 5/20/22 Date Signed ARIZONA, U.S.A. Expires 12/31/23

C.O.F. #PZ-19-00019-06

FLAGSTAFF ARIZONA
RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT
COVER

JOB NO: 19025
DATE: MAY 22
SCALE: AS SHOWN
DRAWN: JEE
DESIGN: KMF
CHECKED: ADB

REVISIONS

NO.	DESCRIPTION	DATE	BY

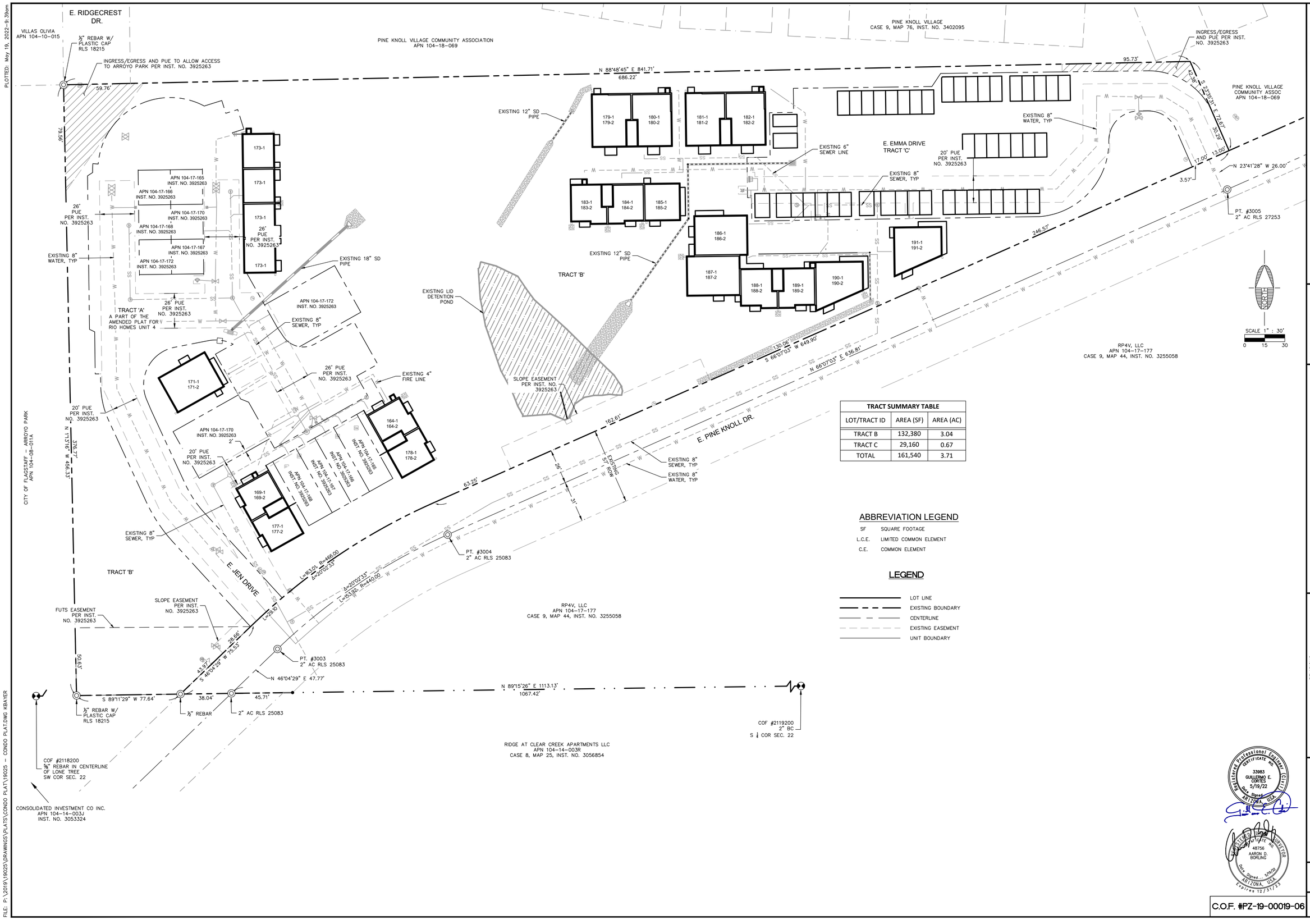
110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0354
928.774.8934 fax
www.SWGZ.com
Shephard Wesnitzer, Inc.

Call at least two full working days before you begin excavation
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
CVR

SHT NO. 1 OF 6

FILE: P:\2019\19025\DRAWINGS\PLATS\CONDO PLAT\19025 - COVER SHEET.DWG KBAYER



TRACT SUMMARY TABLE		
LOT/TRACT ID	AREA (SF)	AREA (AC)
TRACT B	132,380	3.04
TRACT C	29,160	0.67
TOTAL	161,540	3.71

ABBREVIATION LEGEND

SF	SQUARE FOOTAGE
L.C.E.	LIMITED COMMON ELEMENT
C.E.	COMMON ELEMENT

LEGEND

- LOT LINE
- EXISTING BOUNDARY
- CENTERLINE
- EXISTING EASEMENT
- UNIT BOUNDARY

Registered Professional Engineer CERTIFICATE NO. 33983 GUILLERMO E. CORTES 5/19/22 Date Signed ARIZONA, USA

REGISTERED LAND SURVEYOR CERTIFICATE NO. 48756 AARON D. BORLING Date Signed 5/19/22 ARIZONA, USA Expires 12/31/23

C.O.F. #PZ-19-00019-06

PLOTTED: May 19, 2022–9:39am

FILE: P:\2019\19025\DRAWINGS\PLATS\CONDO PLAT\19025 – CONDO PLAT.DWG KBAYER

FLAGSTAFF ARIZONA

RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT

PRELIMINARY CONDO PLAT OVERVIEW

JOB NO:	19025
DATE:	MAY 22
SCALE:	1"=30'
DRAWN:	JEE
DESIGN:	KMF
CHECKED:	AOB

110 W. Dale Avenue
Flagstaff, AZ 86001
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928.774.8934 fax
www.swiaz.com

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NO.	DESCRIPTION	DATE	BY
	REVISIONS		

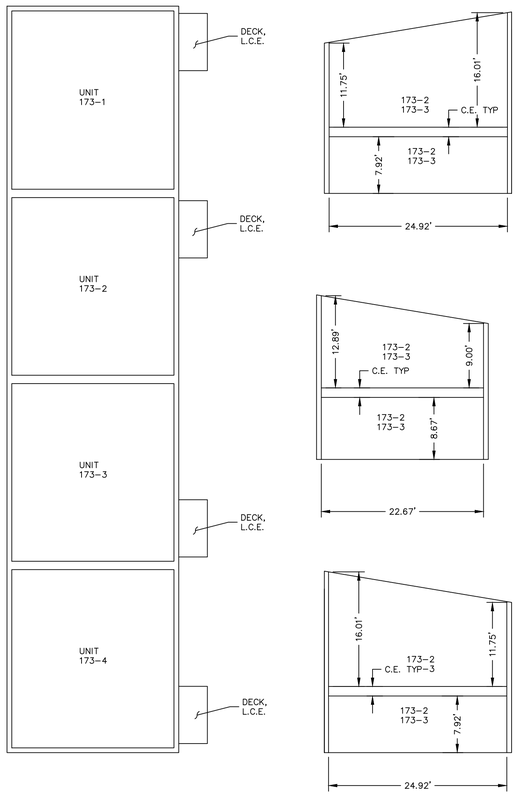
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ARIZONA811 Arizona Blue Stake, Inc.
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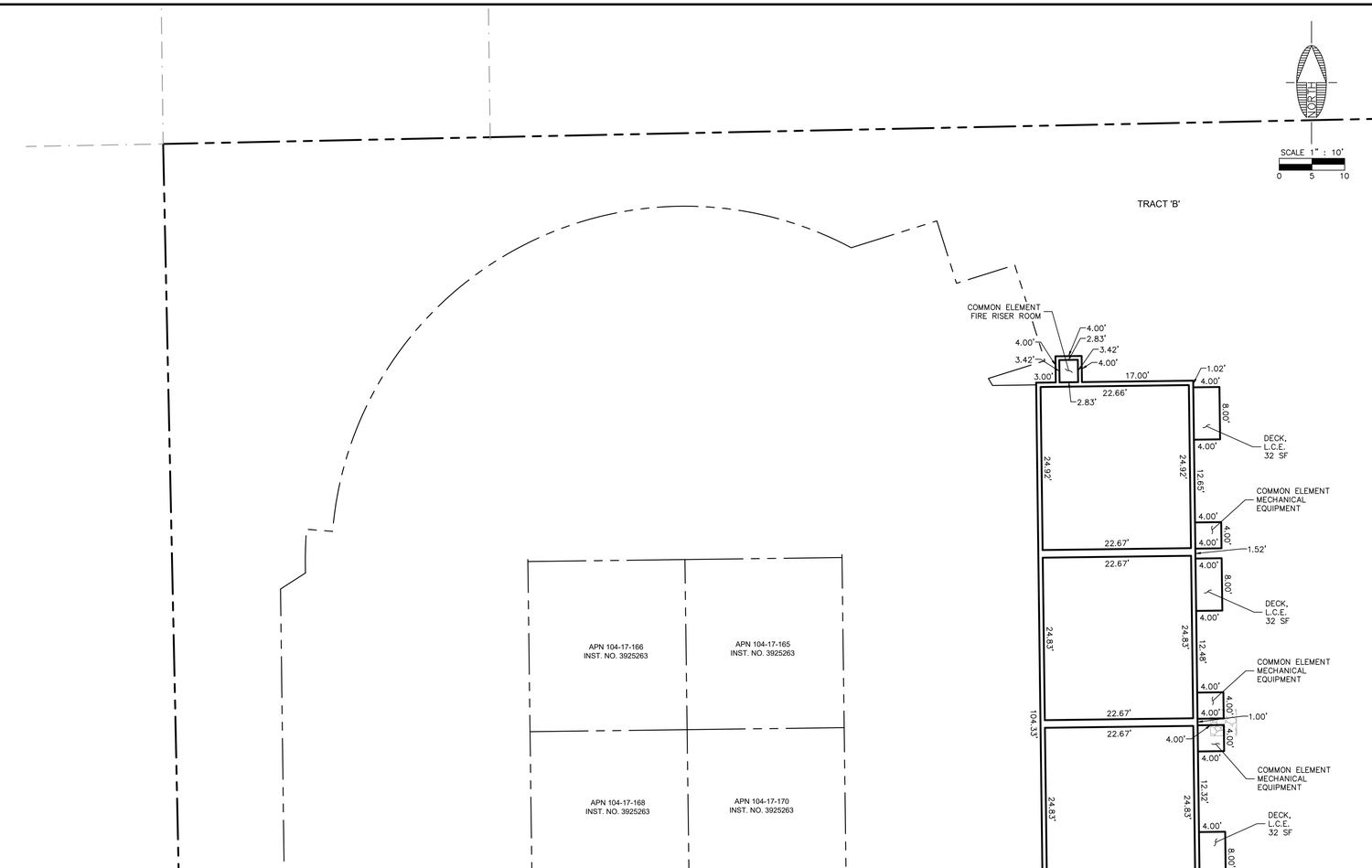
DRAWING NO.
CP01

SHT NO. 2 OF 6

PLOTTED: May 19, 2022-9:39am

FLOOR PLAN & SECTION





FILE: P:\2019\19025\DRAWINGS\PLATS\CONDO PLAT\19025 - CONDO PLAT.DWG KBAYER

FLAGSTAFF ARIZONA

RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT

CONDO PLAT (1)

JOB NO: 19025
DATE: MAY 22
SCALE: 1"=10'
DRAWN: JEE
DESIGN: KMF
CHECKED: ADB

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928.774.8934 fax
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	REVISIONS		

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Arizona Blue Stake, Inc.
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Registered Professional Engineer CERTIFICATE NO. 33983 GUILLERMO E. CORTES 5/19/22 Date Signed ARIZONA, USA

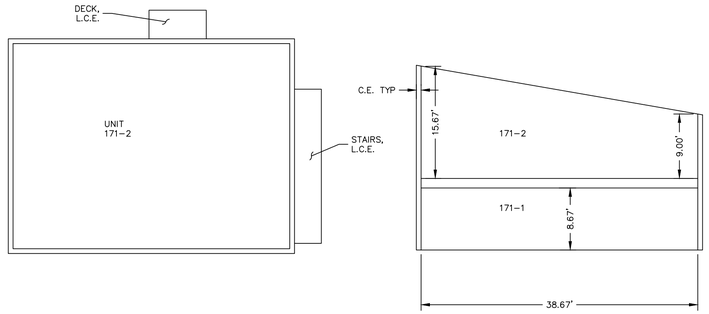
REGISTERED LAND SURVEYOR CERTIFICATE NO. 48756 AARON D. BORLING Date Signed 5/19/22 ARIZONA, USA Expires 12/31/23

DRAWING NO.
CP02

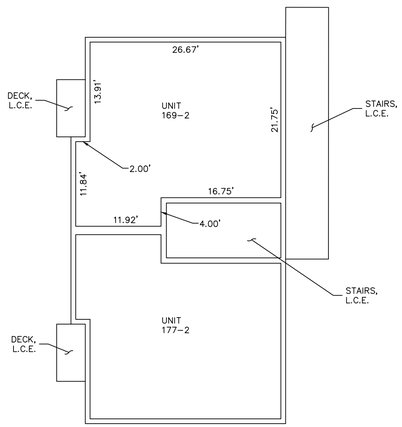
SHT NO. 3 OF 6

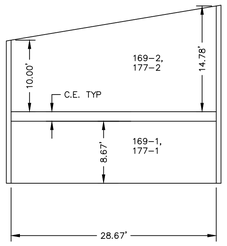
C.O.F. #PZ-19-00019-06

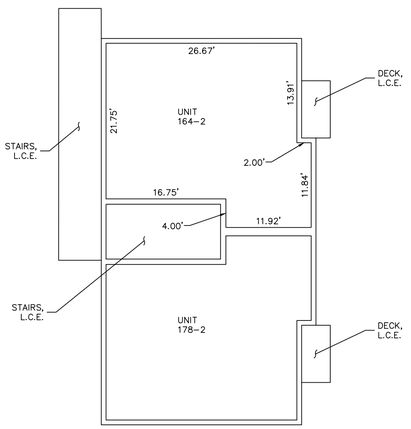
PLOTTED: May 19, 2022–9:39am

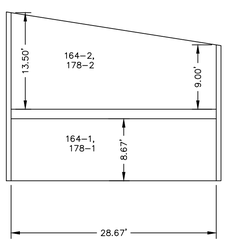


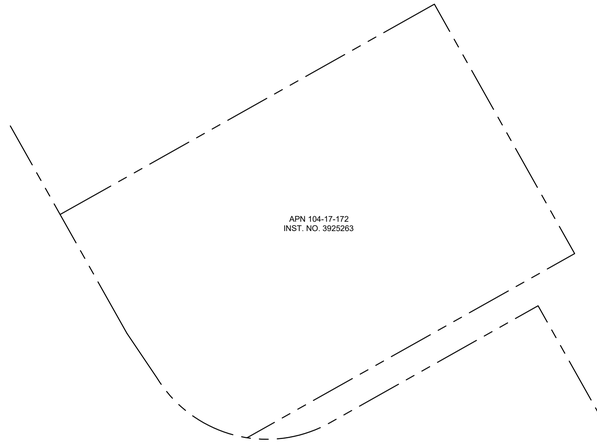
FLOOR PLAN & SECTION

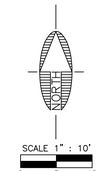


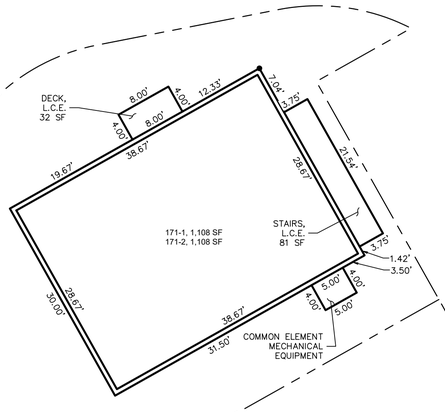






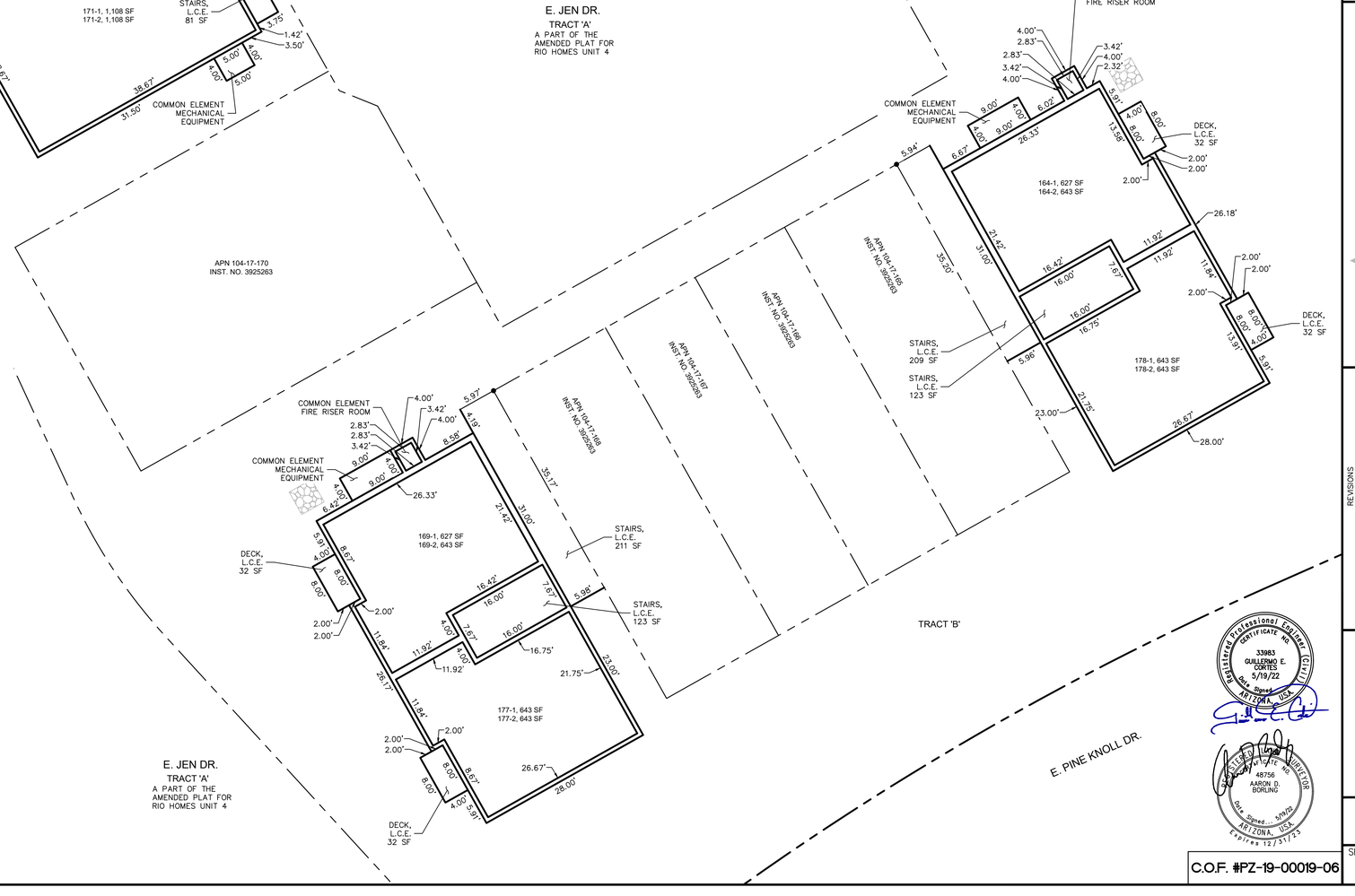






E. JEN DR.

TRACT 'A'
A PART OF THE
AMENDED PLAT FOR
RIO HOMES UNIT 4



Registered Professional Engineer
CERTIFICATE NO.
33983
GUILLERMO E. CORTES
5/19/22
Date Signed
ARIZONA, USA
(Seal)

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
48756
AARON D. BORLING
Date Signed 5/19/22
ARIZONA, USA
Expires 12/31/23

C.O.F. #PZ-19-00019-06

FLAGSTAFF
ARIZONA

RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT

CONDO PLAT (2)

JOB NO:	19025
DATE:	MAY 22
SCALE:	1"=10'
DRAWN:	JEE
DESIGN:	KMF
CHECKED:	AOB

110 W. Dale Avenue
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928.774.6934 fax
www.swiaz.com

Shephard Wesnitzer, Inc.

REVISIONS			
NO.	DESCRIPTION	DATE	BY

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ARIZONA811
Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
CP03

SHT NO. 4 OF 6

FILE: P:\2019\19025\DRAWINGS\PLATS\CONDO PLAT\19025 – CONDO PLAT.DWG KBAYER

PLOTTED: May 19, 2022 - 9:39am

SCALE 1" : 10'
0 5 10

COMMON ELEMENT MECHANICAL EQUIPMENT
COMMON ELEMENT FIRE RISER ROOM
TRACT 'B'
TIE
S 34°33'07" W 28.71'
N 83°10'25" E 21.03'
L223
DECK, L.C.E. 54 SF
STAIRS, L.C.E. 146 SF
179-1, 1,027 SF
179-2, 1,032 SF
180-1, 1,018 SF
180-2, 1,032 SF
181-1, 1,027 SF
181-2, 1,032 SF
182-1, 1,019 SF
182-2, 1,032 SF

FLOOR PLAN & SECTION

UNIT 179–2 181–2
UNIT 180–2 182–2
DECK, L.C.E.
STAIRS, L.C.E.
C.E. TYP
179–2, 180–2, 181–2, 182–2
179–1, 180–1, 181–1, 182–1

E. EMMA DRIVE
TRACT 'C'

FLOOR PLAN & SECTION

COMMON ELEMENT MECHANICAL EQUIPMENT
COMMON ELEMENT FIRE RISER ROOM
STAIRS, L.C.E. 123 SF
STAIRS, L.C.E. 79 SF
STAIRS, L.C.E. 97 SF
STAIRS, L.C.E. 154 SF
TRACT 'B'
N 70°14'16" E 10.58'
N 67°02'34" E 21.03'
DECK, L.C.E. 32 SF
DECK, L.C.E. 35 SF
183-1, 658 SF
183-2, 658 SF
184-1, 651 SF
184-2, 660 SF
185-1, 687 SF
185-2, 687 SF
186-1, 1,111 SF
186-2, 1,111 SF
187-1, 1,113 SF
187-2, 1,113 SF
188-1, 672 SF
188-2, 672 SF
189-1, 672 SF
189-2, 672 SF
190-1, 977 SF
190-2, 977 SF
191-1, 975 SF
191-2, 975 SF

FLOOR PLAN & SECTION

UNIT 183–2
UNIT 184–2
UNIT 185–2
183–2, 184–2, 185–2
183–1, 184–1, 185–1
UNIT 190–2
190–2
190–1
UNIT 191–2
191–2
191–1

FLOOR PLAN & SECTION

C.O.F. #PZ-19-00019-06

FLAGSTAFF ARIZONA

RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT

CONDO PLAT (3)

JOB NO:	19025
DATE:	MAY 22
SCALE:	1"=10'
DRAWN:	JEE
DESIGN:	KMF
CHECKED:	ADB

NO.	DESCRIPTION	DATE	BY
REVISIONS			

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928.774.8934 fax
www.swiaz.com

SWI Shephard Wesnitzer, Inc.

Registered Professional Engineer
CERTIFICATE NO. 33983
GUILLERMO E. CORTES
5/19/22
Date Signed
ARIZONA, USA

REGISTERED LAND SURVEYOR
CERTIFICATE NO. 48756
AARON D. BORLING
Date Signed 5/19/22
ARIZONA, USA
Expires 12/31/23

Call at least two full working days before you plan to excavate
ARIZONA811 Arizona Blue Stake, Inc.
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DRAWING NO.
CP04

SHT NO. 5 OF 6

FILE: P:\2019\19025\DRAWINGS\PLATS\CONDO PLAT\19025 - CONDO PLAT.DWG KBAYER

PLOTTED: May 19, 2022–9:39am

CONDO PLAT (4)

RIO HOMES UNIT 4 PRELIMINARY CONDO PLAT
FLAGSTAFF ARIZONA

182-1, 1,019 SF
182-2, 1,032 SF

S 86°22'13" E 32.93'

TIE, TYP

S 59°46'14" E 2.92'

PARKING SPACE NO. 2 (L.C.E.)

PARKING SPACE NO. 1 (L.C.E.)

S 69°41'04" E 25.00'

PARKING SPACE NO. 3 (L.C.E.) … PARKING SPACE NO. 10 (L.C.E.)

S 89°15'56" W 72.00'

0.98'

N 33°37'21" E 10.63'

PARKING SPACE NO. 11 (L.C.E.) … PARKING SPACE NO. 20 (L.C.E.)

S 89°15'56" W 96.00'

SCALE 1" : 10'
0 5 10

NORTH

E. EMMA DRIVE
TRACT 'C'

PARKING SPACE NO. 21 (L.C.E.) … PARKING SPACE NO. 27 (L.C.E.)

S 89°15'56" W 63.00'

N 13°14'22" E 24.22'

N 89°15'30" E 134.62'

8.50'

N 84°30'07" E 6.02'

N 89°15'56" E 72.00'

N 39°04'17" E 3.91'

PARKING SPACE NO. 28 (L.C.E.) … PARKING SPACE NO. 47 (L.C.E.)

TRACT 'B'

191-1, 975 SF
191-2, 975 SF

190-1, 977 SF
190-2, 977 SF

188-1, 672 SF
188-2, 672 SF

189-1, 672 SF
189-2, 672 SF

STAIRS, L.C.E.

DECK, L.C.E.

UNIT 186–2

UNIT 187–2

186–2, 187–2

186–1, 187–1

C.E. TYP

10.00'

16.44'

8.67'

38.67'

FLOOR PLAN & SECTION

UNIT 188–2

UNIT 189–2

188–2, 189–2

188–1, 188–2

13.50'

9.00'

8.67'

28.67'

FLOOR PLAN & SECTION

C.O.F. #PZ-19-00019-06

Registered Professional Engineer (Civil)
CERTIFICATE NO.
33983
GUILLERMO E. CORTES
5/19/22
Date Signed
ARIZONA, USA

Registered Professional Land Surveyor
CERTIFICATE NO.
48756
AARON D. BORLING
Date Signed 5/19/22
ARIZONA, USA
Expires 12/31/23

JOB NO:	19025
DATE:	MAY 22
SCALE:	1"=10'
DRAWN:	JEE
DESIGN:	KMF
CHECKED:	ADB

REVISIONS

NO.	DESCRIPTION	DATE	BY

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928.774.6934 fax
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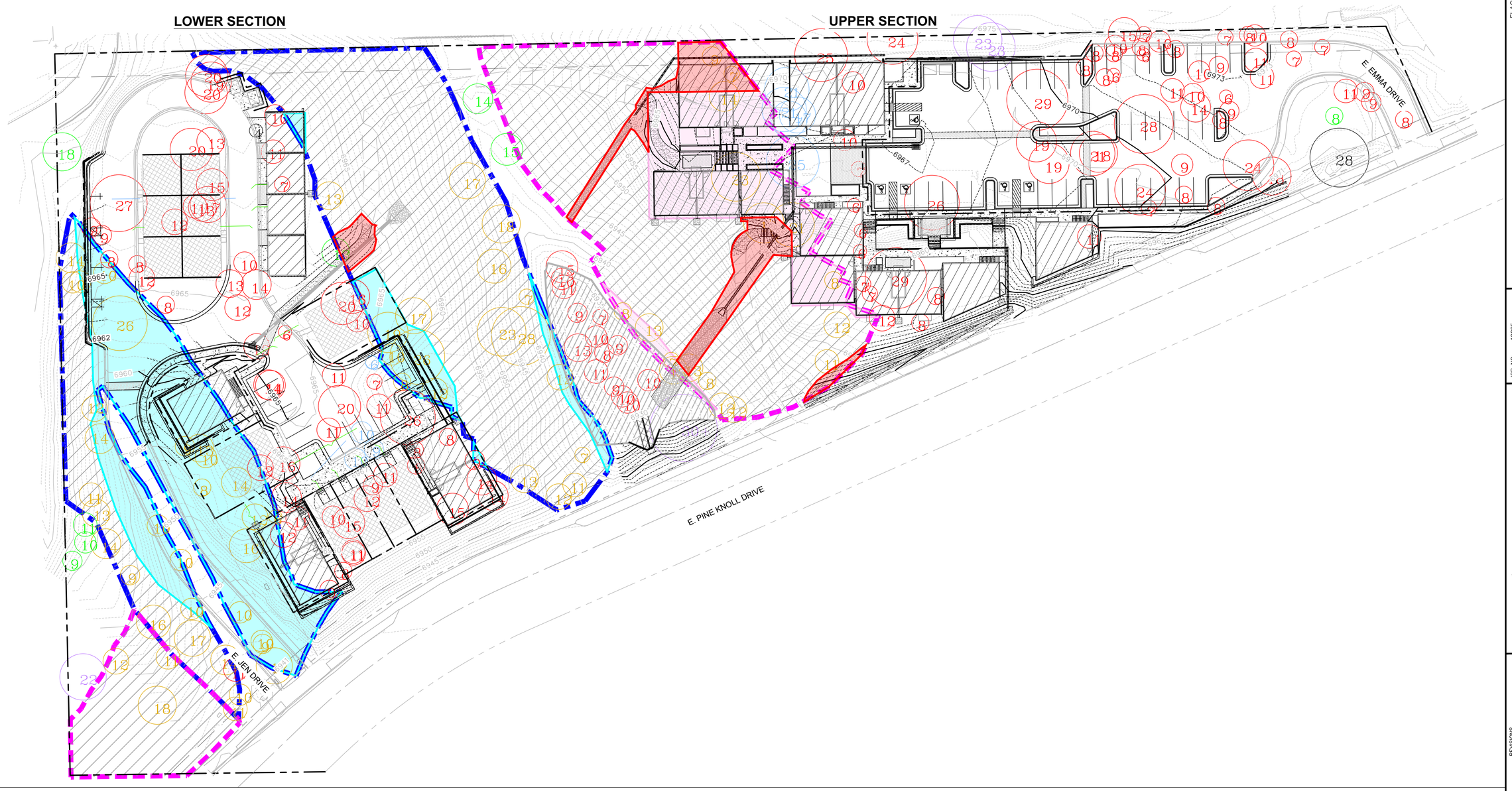
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DRAWING NO.
CP05

SHT NO. 6 OF 6

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PLOTTED: Aug 25, 2020 - 2:51pm



LEGEND

- 17–24.9% SLOPE
- DISTURBED AREA AND SLOPE
- ADDED DISTURBED AREA AND SLOPE (BASED ON PROPOSED IMPROVEMENTS)
- 25% AND GREATER SLOPE
- DISTURBED AREA AND SLOPE
- DISCRETIONARY TREE
- SAVE TREE
- REMOVE TREE
- FLEX TREE
- SLOPE TREE
- BURNT/BEETLE TREE

UNIT 4 (SEE SHEET RS02 OF ORIGINAL NRPP FOR UNIT 2 AND 3 CALCULATIONS)

EXISITNG TREE CANOPY=36,163 S.F.
REQUIRED TREE CANOPY PRESERVATION (40%)=14,465 S.F.
PRESERVED TREE CANOPY=3,912 S.F.
FLEXIBLE MEASURE TREE CANOPY=2,101 S.F.
USEABLE FLEXIBLE TREE CANOPY=723 S.F.
TOTAL PRESERVED TREE CANOPY (WITH FLEX TREES)=4,635 S.F.
TREE CANOPY DEFICIT=9,830 S.F.

EXISTING 17–24.9% SLOPE=41,172 S.F.
REQUIRED 17–24.9% SLOPE PRESERVATION (56%)=23,056 S.F.
PRESERVED 17–24.9% SLOPE=~~31,967 S.F.~~ 27,901 S.F.
17–24.9% SLOPE EXCESS=~~8,911 S.F.~~ 4,845 S.F.

EXISTING 25% & GREATER SLOPE=54,004 S.F.
REQUIRED 25% & GREATER SLOPE PRESERVATION (64%)=34,563 S.F.
PRESERVED 25% & GREATER SLOPE=~~33,580 S.F.~~ 33,010 S.F.
25% & GREATER SLOPE DEFICIT=~~983 S.F.~~ 1,553 S.F.

UNIT 4 RESOURCE BANKING SUMMARY

UNIT 3 RESOURCE EXCESS=+7,406 S.F.
UNIT 4 TREE DEFICIT=-9,830 S.F.
UNIT 4 17–24.9% SLOPE EXCESS=~~+8,911 S.F.~~ +4,845 S.F.
UNIT 4 25% & GREATER SLOPE DEFICIT=~~-983 S.F.~~ -1,553 S.F.
~~868 S.F.~~
UNIT 4 EXCESS=~~5,504 S.F.~~ (TOTAL FOR THE PROJECT)

NOTES:
1. THIS PRELIMINARY NATURAL RESOURCE PROTECTION PLAN (NRPP) PROVIDED HEREON IS BASED ON THE ORIGINALLY APPROVED NRPP & ASSOCIATED CALCULATIONS FOR THE RIO HOMES SUBDIVISION. SEE SHEET RS01 AND RS02 FOR THE ORIGINAL NRPP. THIS PRELIMINARY NRPP IS A RE-REPRESENTATION OF THE ORIGINAL NRPP WITH THE PROPOSED DEVELOPMENT AND ASSOCIATED RESOURCE REVISIONS.

SCALE 1" : 30'
0 15 30

Registered Professional Engineer (Civil) CERTIFICATE NO. 63341 BRADLEY T. DIXON 8/25/20 Date Signed ARIZONA U.S.A.

C.O.F. #PZ-19-00019

FLAGSTAFF ARIZONA

RIO HOMES UNIT 4

NATURAL RESOURCE PROTECTION PLAN

JOB NO:	19025
DATE:	AUG 20
SCALE:	AS SHOWN
DRAWN:	KMF
DESIGN:	KMF
CHECKED:	GEC/BTD

REVISIONS

NO.	DESCRIPTION	DATE	BY

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928.774.8934 fax
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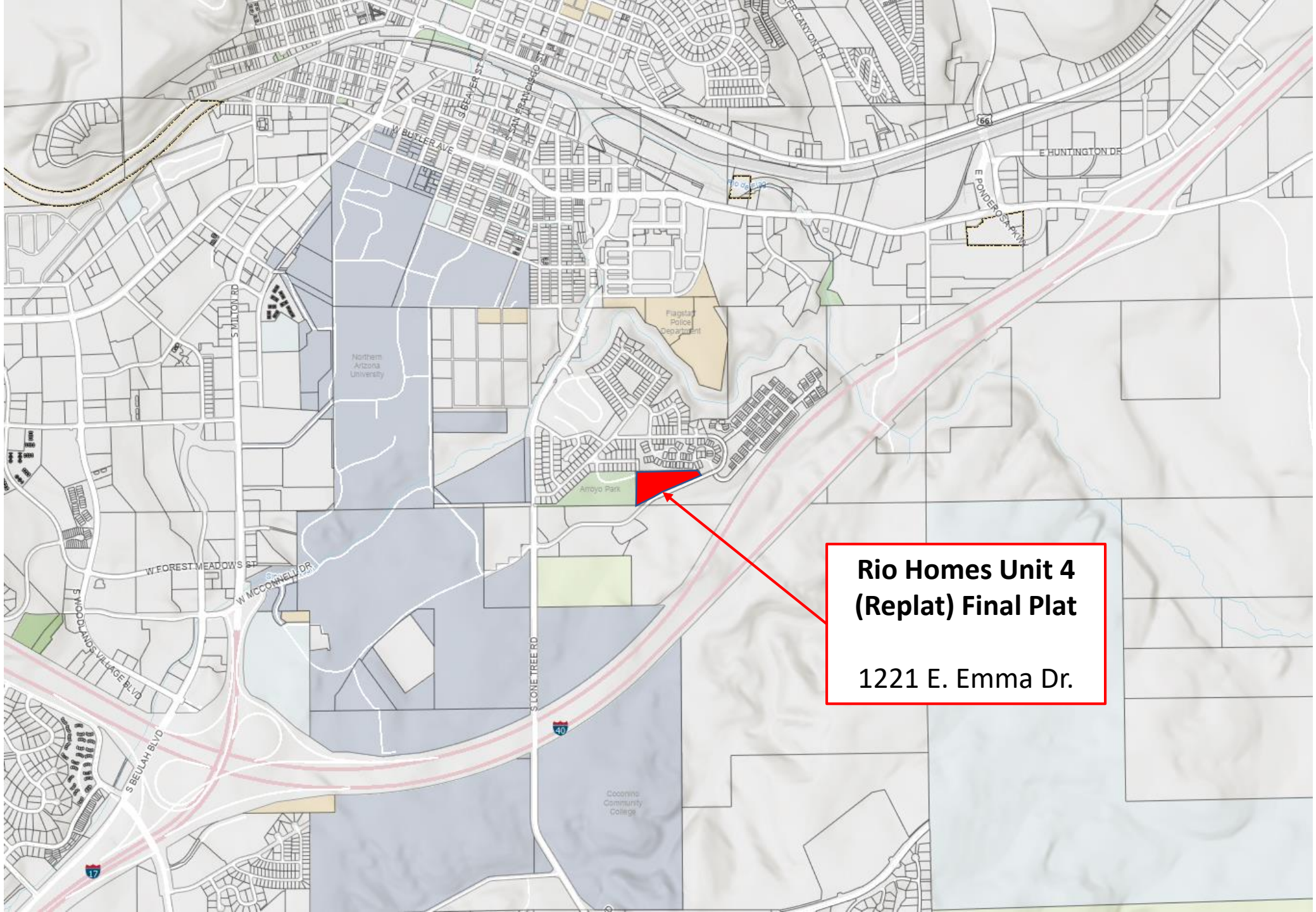
SWI Shephard Wesnitzer, Inc.

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DRAWING NO.
NRPP

SHT NO. 18 OF 18

FILE: P:\2019\19025\DRAWINGS\CONSTRUCTION PLANS\19025 - FINAL NATURAL RESOURCE PROTECTION PLAN.DWG KBAYER


Rio Homes Unit 4
(Replat) Final Plat
1221 E. Emma Dr.
W BUTLER AVE
S MILTON RD
S BEAVER ST
N SAN FRANCISCO ST
E HUNTINGTON DR
E PONDEROSA PKWY
Northern Arizona University
Flagstaff Police Department
Arroyo Park
W FOREST MEADOWS ST
W MCCONNELL DR
S WOODLANDS VILLAGE BLVD
S BEULAH BLVD
S LONE TREE RD
Coconino Community College
66
40
17

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Flagstaff, AZ 86001

928.773.0354
928.774.8923

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: AlticeUSA

Sanford Yazzie
1601 S Plaza Way
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing Altice USA utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

_____ APPROVED WITHOUT COMMENT

X APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

Altice/Suddenlink has existing plant on Jen Drive, if any CATV that will need to be relocated it will be at the on the developer to coordinate with Altice/Suddenlink on the both the cost & moving the lines. On Emma Drive there are currently no facilities on the property except at the entrance of the property that goes over to Pine Knoll Lane.

SIGNED: Sanford Yazzie **TITLE:** Supervisor Operations Construction

AGENCY: Suddenlink/Altice **DATE:** 10-18-2021

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

Lumen Conflict Memorandum

Date: October 18, 2021

To: Kayla Fleishma (Shepard Wesnitzer, Inc.)
kfleishman@swiaz.com

From: Kevin Wagner, Terra Technologies LLC

Subject: Lumen – Conflict Memo – Project No. 19025 – Rio Homes Unit 4 Multi-Family, Flagstaff

---

Terra Technologies is in receipt of the plans and a letter dated October 4, 2021. Below you will see an overview of Lumen facilities within the project limits, and a brief project overview along with comments regarding any Lumen facilities with respect to the proposed project.

Inventory of Lumen Facilities
Lumen has facilities within the project limits. Terra Technologies anticipates that due to the site improvements that the Lumen facilities (buried cable & pedestals) should not be impacted. Plan markups have been attached showing approximate locations of Lumen facilities.

Project Overview
The design intent of this project appears to be developing a vacant parcel of land for a residential multi-family homes.

Facility Locations and Impacts
Plans have been reviewed for conflicts with Lumen facilities based on NDS mapping which show a general location of utility locations. Neither Terra Technologies LLC nor Lumen makes any representation regarding the completeness or accuracy of vertical and horizontal utility information used to determine conflicts or no conflicts.

Based on Lumen mapping and the construction drawings provided there appear to be **no conflicts.**

Utility conflicts with this private development project will be 100% reimbursable. Payment for design and mitigation of conflicts is to be coordinated prior to work commencing.

Lumen Conflict Memorandum

In accordance with state law, Blue Staking for location of Lumen facilities must be completed prior to any construction. When crossing Lumen facilities, you will be required to pothole to determine depth and maintain a minimum of 12 inch vertical and horizontal separation from facilities.

Pursuant to state law, support and protection is required for all Lumen facilities during construction.

Should the Contractor locate or expose an unknown Lumen facility, please contact Lumen as soon as possible.

In the event Lumen facilities need to be removed/relocated, some or all cost may be at the expense of the sponsoring agency.

If you have any questions or concerns regarding this review feel free to contact me immediately, either by phone or email at the number/address provided below. The contractor is also responsible for contacting Lumen prior to construction around the Lumen facilities.

Notification List

Terra Technologies LLC Kevin Wagner, Project Manager kwagner@terratechllc.net 815-245-9640	**Terra Technologies LLC** Jason Jensen, P.E. jjensen@terratechllc.net 801-735-2464
Lumen (Engineer II) Manny Hernandez Manuel.Hernandez@lumen.com 112 N Beaver Street Flagstaff AZ 86001 Work: 928-779-4935	**Lumen™ (SR Account Mgr – BDP/MDU-GF)** John West John.West1@lumen.com Work: 480-423-4737

Shephard Wesnitzer, Inc.
Engineering an environment of excellence

110 West Dale Avenue
Flagstaff, AZ 86001

928.773.0354
928.774.8923

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: CenturyLink

Manual Hernandez
112 North Beaver Street
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing CenturyLink utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

__X__ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: Kevin S. Wagner **TITLE:** Project Manager

AGENCY: Terra Technologies / Lumen **DATE:** October 18, 2021

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: USDA Natural Resources Conservation Service

Sierra Frydenlund
1585 South Plaza Way
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

_____ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

__X__ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

We acknowledge that we have received your forms and want to clarify that USDA-NRCS is not an approving agency and we typically do not receive these requests. We have attached a soils report from Web Soil Survey for the entire work area. For the P Plat, we would like to point out the clay content of the soil, which has shrink-swell potential. This is important to note for load support when building foundations for housing structures. Another soil property to note is the shallow depth to bedrock. These are aspects of the soil that should be considered thoroughly before construction.

SIGNED: _____ **TITLE:** Soil Conservationist

AGENCY: NRCS **DATE:** 10/12/21

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Coconino County Flood Control District

Jamie Brown-Esplain
2500 North Fort Valley Road, Bldg. 1
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

_____ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

__X__ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

Review of submitted document completed. Parcel is located outside of Coconino County Unincorporated area.

SIGNED: Jamie Brown-Esplain **TITLE:** Engineering Technician

AGENCY: Coconino County Community Development **DATE:** 10/06/21

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: CC Community Development

Jay Christelman
2500 North Fort Valley Road, Bldg. 1
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

X APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: _____ **TITLE:** CD Director

AGENCY: CoCo Community Dev. **DATE:** 10.4.21

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

Shephard Wesnitzer Inc.

110 West Dale Avenue
Flagstaff, AZ 86001

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928.774.8923

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Flagstaff Unified School District

Bob Kuhn
3285 E. Sparrow Avenue
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

✓ _____ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: [signature] **TITLE:** Director of Operations

AGENCY: FUSD **DATE:** 10/18/21

110 W. Dale Ave.
Flagstaff, AZ 86001

Phone #: 928-773-0354

Email: kfleishman@swiaz.com

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October 4, 2021 **Job #19025**

PROJECT: ***Rio Homes Unit 4***

REVIEW AGENCY NOTIFICATION LETTER

TO: Unisource Energy Services

Martin Conboy
1459 East Butler Ave.
Flagstaff, AZ 86001

FROM: Shephard-Wesnitzer Inc.

Kayla Fleishman
110 W Dale Ave
Flagstaff, AZ 86001

In conformance with the City of Flagstaff subdivision development process, we have enclosed the Preliminary Condominium Plat for the Rio Homes Unit 4 development prepared by Shephard-Wesnitzer, Inc. The site is situated on the north side of E. Pine Knoll Drive.

Please provide any comments and return them to us as soon as possible. Please also provide maps of any existing Unisource utilities in the vicinity of the site for coordination purposes. Thank you for taking the time to complete, sign, date, and return this document. Your transmittal may be by mail or email as indicated on the bottom of this page.

__X__ APPROVED WITHOUT COMMENT

_____ APPROVED WITH COMMENT, AS FOLLOWS

_____ ACKNOWLEDGED, APPROVAL NOT REQUIRED, COMMENTS AS FOLLOWS

SIGNED: Martin Conboy **TITLE:** Gas Engineering Supervisor

AGENCY: UNS Gas, Inc. **DATE:** October 4, 2021

11. F.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Rick Tadder, Management Services Director

Co-Submitter: Sharon Gonzales, Billing/Collection Manager

Date: 06/27/2022

Meeting Date: 07/05/2022

TITLE:

Consideration and Approval of Municipal Services Accounts, Miscellaneous Account Receivable, Transaction Privilege Tax and Insufficient Funds Write-offs: Delinquency and Uncollectible Accounts for Fiscal Year 2021-22.

STAFF RECOMMENDED ACTION:

Approve the write-off of delinquent and uncollectible Municipal Services accounts, Miscellaneous Account Receivables, Transaction Privilege Tax accounts and Insufficient Funds in the combined amount of $101,748.15.

Executive Summary:

Council is requested to approve the write-offs of $101,748.15 in accounts receivable deemed to be uncollectible for the fiscal year ending June 30, 2022. Generally accepted business practices allow for the write-off of uncollectible accounts annually. City staff has exhausted collection efforts on the eligible accounts and will no longer actively collect them. Where possible, City reports amounts due to a credit reporting agency. As a result, debt that has previously been written off is occasionally paid sometime later to clear a customer's outstanding debt. Pursuant to state law, individual utility account information is not subject to public release.

Financial Impact:

Each year, the City reserves funds, anticipating there will be uncollectible Municipal Services accounts and Miscellaneous Account Receivables. At the end of each fiscal year, reserves are computed to project potential write-offs for the upcoming year. These are based on a calculation utilizing aged accounts, current year write-offs, as well as consideration of anomalies and anticipated changes in procedures impacting collections. The amount requested to write-off is below the reserve. Total write-offs for the Fiscal Year 2021-22 are broken down as follows:

Category	Amount
Municipal Service Accounts	$ 61,315.10
Miscellaneous Accounts Receivable	$ 2,541.32
Transaction Privilege Tax Receivable	$ 37,444.73
Insufficient Funds (NSF Checks)	$ 447.00
Total	$ 101,748.15

Policy Impact:

None.

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

High Performing Governance: Enhance the organization's fiscal stability and increase efficiency and effectiveness.

Previous Council Decision on This:

None.

Options and Alternatives:

1. Authorize the write-off of uncollectible Municipal Services, Miscellaneous Accounts Receivable, and Insufficient Funds.
2. Do not authorize the write-off of uncollectible Municipal Services, Miscellaneous Accounts Receivable, and Insufficient Funds, leave the outstanding receivables on our balance sheet, and continue collection efforts.

Background/History:

Municipal Services Bills are for monthly billings of water services, solid waste, and environmental services. Miscellaneous Account Receivables is monthly billing for lease revenue, retiree insurance, and a variety of fees. Transaction Privilege Tax receivables are for City Sales Tax accounts prior to 1/1/2017. Insufficient Funds are related to returned checks and disputed credit card charges at various city locations.

Before any account is eligible for a write-off, staff initiates collection efforts on each account after it becomes delinquent. When customers do not pay a past-due bill and do not respond to collection efforts, the City recoups a higher percentage of the delinquent amount by applying the higher deposit to the outstanding balance. Additionally, the higher deposit typically covers the amount due on final bills, reducing write-offs from customers who have moved and have not provided an accurate forwarding address. The other significant change relates to improved teamwork and timeliness of City collection efforts. Customer accounts are being disconnected prior to large unpaid balances accumulating. Customers are being contacted after their accounts are closed and before postal delivery forwarding orders have expired. At that time customers are being notified of the City's intent to report their accounts to a credit reporting agency if the final bills are not paid. To further improve the collection processes, we have begun sending out delinquency postcards and contacting customers via the customer's preferred method of choice, be it by phone or email.

When collection efforts are exhausted, the account is eligible for a write-off. If possible, any amounts due are applied to the customer's credit. If placed on the customer's credit, the amount owed remains active for 7 years after the delinquency date. Application against the credit of the debtor may lead to the recovery of some delinquent amounts in the future. This often occurs when customers apply for credit via other avenues (i.e. mortgages, car loans, apartment rentals, etc.).

Total Municipal Services billings for FY 2020-21 are estimated at $44.5 million with recommended write-off amounts of $61,315.10 or 0.14% of total revenues. Miscellaneous Accounts Receivables billings at $11.7 million with recommended write-off amounts of $2,541.32 or 0.02% of total billing statements.

During FY 2020-21, there was the City was not disconnecting services due to nonpayment because of the COVID 19 pandemic, therefore we anticipated Municipal Service billing will be higher last fiscal year.

While there was an increase from the FY 2021-22 write offs, we may continue to see a rise in this amount next fiscal year. We currently have 178 accounts on payment plans.

In January 2017, the Arizona Department of Revenue began collecting our local Transaction Privilege Tax. At the end of the Fiscal Year 2016-17, the City had a receivable balance from the City collected accounts of $928,293.06. Staff continued to work on collections of these accounts and as of June 30, 2021, our receivable balance was $222,823.38. This fiscal year to date $53,812.40 has been collected by staff efforts and working with the taxpayers. This year, staff is requesting the write-off of nine accounts totaling the amount of $37,444.73 which staff deems uncollectible. These accounts are related to companies that are no longer in business.

Below is a five-year history of the City's write-offs:

Municipal Services Account Write-Offs: 5-Year History

Write-Off Fiscal Year	Total Write-Off	Annual Amount Billed	% of Amount Billed
FY 2021-22	$ 61,315.10	$ 44,455,000	0.14%
FY 2020-21	$ 46,254.86	$ 40,851,000	0.11%
FY 2019-20	$ 61,628.61	$ 37,232,000	0.17%
FY 2018-19	$ 86,460.80	$ 36,450,000	0.24%
FY 2017-18	$ 117,902.90	$ 34,327,000	0.34%

Municipal Services Account Write-Off: Breakdown Information

Write-Off Fiscal Year	Total # of Accounts	Accounts Greater than $1,000	Accounts Between $500-$1,000	Accounts Less Than $500
FY 2021-22	137	11	20	106
FY 2020-21	166	6	20	140
FY 2019-20	257	5	24	228
FY 2018-19	395	13	37	345
FY 2017-18	493	18	38	437

Miscellaneous Accounts Receivable Write-Offs: 5-Year History

Write-Off Fiscal Year	Total Write-Off	Annual Amount Billed	% of Amount Billed
FY 2021-22	$ 2,541.32	$ 11,747,000	0.02%
FY 2020-21	$ 5,386.86	$ 11,411,000	0.05%
FY 2019-20	$ 1,033.72	$ 8,261,000	0.01%
FY 2018-19	$ 2,581.37	$ 7,898,000	0.03%
FY 2017-18	$ 38,212.57	$ 9,489,000	0.40%

Miscellaneous Accounts Receivable Write-Offs: Breakdown Information

Write-Off Fiscal Year	Total # of Accounts	Accounts Greater than $1,000	Accounts Between $500-$1,000	Accounts Less Than $500
FY 2021-22	3	1	0	2
FY 2020-21	5	2	0	5

FY 2019-20	3	0	1	2
FY 2018-19	7	0	2	5
FY 2017-18	27	8	2	17

Key Considerations:

When the City announce a declaration of emergency in March 2020 related to the COVID-19 pandemic, the practice of terminating service for non-payment was put on hold. We understood that during the pandemic, it is best to maintain water and trash/recycling services so that our customers have a safer environment. We continue to provide notices to our customers including monthly bills, post cards and door hangars. We have also mailed a flyer that provided financial resources that are available to pay bills to those with delinquent accounts. Most of our customers have maintained contact and we have several payment plans set up to assist them. The practice continued for the period of March 2020 to August 2021.

The practice to not terminate services is appropriate during the pandemic environment was expected to have an impact on future write-off of customers' accounts.

The City has reinstated our non-payment collection process in August 2021. For active customer accounts, staff works collections of accounts by using billing statements, postcards, letters, and telephone calls. When customers fail to make payment or set up a payment arrangement for their past due amount, services are terminated and a door hanger is left on the property with instructions on how to reestablish services. Terminated services could include turning off water services or removal of trash and recycle bins as an example. Services are reestablished after a payment and a possible payment arrangement is made or if a new customer request services at that location. If a customer opens a new account, the previous balance is transferred to the new account. If there is no new account and when possible, the amount owed is reported to a credit agency.

Expanded Financial Considerations:

It is sound fiscal management practice to reduce assets to reflect their true valuation. Failure to write-off accounts deemed uncollectible overstates the asset value of the City. The City sets up an annual allowance for uncollectible accounts and currently set at $364,000. The amount requested to write off falls below this allowance. Write-offs are charged back to the fund from which the service or fee had originated from.

Community Involvement:

Inform. Yearly write-offs ensure the City is following generally accepted business practices.

Attachments:

12. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Erin Young, Water Resources Manager
Co-Submitter:	Brad Hill
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Adoption of Resolution No. 2022-36: A resolution authorizing the submission of a grant application to the United States Department of Interior Bureau of Reclamation for a WaterSMART Drought Response Program Federal Grant beginning Fiscal Year 2022-2023 and authorizing the acceptance of any resulting grant award.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2022-36 by title only
2) City Clerk reads Resolution No. 2022-36 by title only (if approved above)
3) Adopt Resolution No. 2022-36

Executive Summary:

The U.S. Department of the Interior's (Department) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for Federal leadership and assistance to stretch and secure water supplies for future generations in support of the Department's priorities. Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to work cooperatively with States, Tribes, and local entities as they plan for and implement actions to increase water supply reliability through investments in existing infrastructure and attention to local water conflicts.

The Western United States is experiencing its worst drought this century. The WaterSMART Drought Response Program supports a proactive approach to drought by providing financial assistance to implement projects that will build long-term resilience to drought (Drought Resiliency Projects).

City of Flagstaff Water Services proposes to construct a recharge and recovery project to build drought resiliency and mitigate a drought or drought-induced Water Emergency as defined in Flagstaff City Code and covered in the City's Water Policies (2014). The City of Flagstaff is requesting U.S. Bureau of Reclamation funding in the amount of $4,225,551 or 50 percent of federal cost share for the completion of $8,589,440 of design, permitting, environmental compliance and construction that will be completed by December 2025.

Financial Impact:

The total project estimate is $8,586,440 with an anticipated 50/50 federal grant match. The Flagstaff Water Services 2022-2023 Capital Improvement Plan, which is part of the FY23 City-wide Budget, was adopted by City Council on June 14, 2022. The Capital Improvement Plan allocates funding for a new well and pumphouse (well site equipment) in the amount of $3.75 million across fiscal years 2023 through 2025. Should we be awarded the grant, future budget adoptions will include the total project cost and grant revenue.

Policy Impact:

The activities proposed in the grant application have a direct positive impact towards the following City Council adopted Water Policies (2014): B1 on use of renewable resources, C6 on aquifer recharge and recovery, D7 on drought planning, F1 on water system capacity redundancy.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Water Resources WR.1.Carbon Neutrality Plan
Community Resilience CR-1 & CR-2
Equitable Systems ES-1

Priority Based Budget Key Community Priorities and Objectives
Environmental Stewardship
Sustainable, Innovative Infrastructure

Regional Plan
Water Resources WR.1.1
Water Resources WR2.1
Water Resources WR3.3

Has There Been Previous Council Decision on This:

City Council provided majority support for submittal of the application at the June 14, 2022 meeting. City of Flagstaff Water Commission voted 5-1 in favor of submitting the application at the May 19, 2022 Commission meeting.

Attachments: Res. 2022-36

RESOLUTION NO. 2022-36

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE UNITED STATES DEPARTMENT OF INTERIOR BUREAU OF RECLAMATION FOR A WATERSMART DROUGHT RESPONSE PROGRAM FEDERAL GRANT BEGINNING FISCAL YEAR 2022-2023 AND AUTHORIZING THE ACCEPTANCE OF ANY RESULTING GRANT AWARD

RECITALS:

WHEREAS, the U.S. Department of Interior, Bureau of Reclamation ("BOR") is seeking proposals from states and local agencies in the Western United States for projects that support the sustainable use of water and related resources and the coordination of water conservation activities; and

WHEREAS, the City of Flagstaff (the "City") has identified a need for C-aquifer water recharge and recovery and desires to submit a grant application for funding for the Flagstaff Aquifer Recharge and Recovery Project (the "Project"); and

WHEREAS, the City is required to provide at least fifty percent of the Project cost as a local match; and

WHEREAS, the Mayor and Council of the City of Flagstaff ("City Council") desire to authorize (i) the submission of the grant application, (ii) the expenditure of any required local match and (iii) acceptance of any resulting grant award.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The City of Flagstaff Grants, Contracts, and Emergency Management Director is hereby authorized to complete and submit a WaterSMART grant application to the U.S. Department of the Interior Bureau of Reclamation on behalf of the City operated Water Services Division during the period beginning June 2022 through June 2023 for the Project.

SECTION 2. The City Manager and City Attorney is further authorized to (i) accept any resulting grant award in an amount not to exceed $4,300,000 (the "Grant Funds") and (ii) to expend funds toward the Project as a local match in an amount not to exceed the available approved budget authority.

SECTION 3. The City Council further authorizes the execution of any necessary grant agreement with BOR relating to the acceptance and administration of the Grant Funds (the "Agreement"), subject to the City Attorney's review and approval.

SECTION 4. The City Manager, the Grants, Contracts, Emergency Management Director, the Water Services Director, the Finance Director and the City Attorney are hereby authorized and

directed to execute any other necessary or desirable instruments in connection with the Grant Funds and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

12. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bryce Doty, Real Estate Manager
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Adoption of Resolution No. 2022-35: A resolution of the City Council of the City of Flagstaff, authorizing condemnation of real property for the Lone Tree Overpass project; providing for delegation of authority, and establishing an effective date

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2022-35 by title only
2) City Clerk reads Resolution No. 2022-35 by title only (if approved above)
3) Adopt Resolution No. 2022-35

Executive Summary:

City staff has entered negotiations for the acquisition in fee simple two properties and the relocation of the businesses for the Lone Tree Overpass Project according to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970--the property located at 510 E. Brannen Avenue and the property located at 633 E. Brannen Avenue. These negotiations are ongoing and will continue; however, the project timeline may require immediate possession of these parcels prior to successful negotiations. This resolution authorizes staff to file condemnation proceedings to acquire the properties.

Financial Impact:

The acquisitions will be funded by the Lone Tree Overpass Project Capital Improvements FY2021-2022 budget of $8,686,681 (Account No. 047-10-112-3054-6-4421)

Policy Impact:

None

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Safe and Healthy Community -

- Foster a safe, secure, and healthy community.
- Ensure the built environment is safe through the use of consistent standards, rules and regulations, and land use practices.

Inclusive and Engaged Community -

- Advance social equity and social justice in Flagstaff.

Sustainable, Innovative Infrastructure -

- Deliver outstanding services to residents through a healthy, well maintained infrastructure system.
- Utilize existing long-range plans that identify the community's future infrastructure needs and all associated costs.
- Identify smart traffic management, multi modal transportation, and alternative energy opportunities.

Environmental Stewardship -

- Implement sustainable building practices and alternative energy and transportation options.
- Implement, maintain and further the Climate Action and Adaptation Plan.

Regional Plan

- Improve transportation safety and efficiency for all modes**.**

Has There Been Previous Council Decision on This:

A previous City Council reviewed options for the Lone Tree Overpass bond proposition and directed staff to prepare ballot language for a bond to be funded through secondary property tax in the 2018 election, which was passed by the Flagstaff voters.

On July 6th, 2021, Council approved Ordinance 2021-15 authorizing acquisition of these properties, including others for the Lone Tree Overpass Project.

Background/History:

The Lone Tree Overpass has been a planned project for over a decade in the Flagstaff community. The Lone Tree Overpass Study, which evaluated conceptual design options for the bridge was completed in 2010. The goal of the Project is to provide congestion relief, connectivity for the City's transportation network, and a grade-separated crossing over the BNSF Railway corridor and the future Rio de Flag channel, which increases safety and convenience for multi-modal commuters.

The overpass also coordinates with the future planned improvements of the Lone Tree Corridor reconstruction which was studied in a report completed in 2006. The Lone Tree Corridor and Overpass serves to connect the southern area of town with the Route 66 corridor and provides an option that reduces congestion on other roadway corridors.

A portion of the Lone Tree Corridor from Sawmill Road to Butler Avenue is included in this Overpass design. This section of the corridor was included at this time to provide a coordinated improvement north and south of the Butler Avenue Intersection.

In November 2018, the voters were asked to approve a ballot measure to fund the overpass (Proposition 420) and a separate ballot measure to fund the corridor improvements (Proposition 419). Both propositions passed.

In the fall of 2020, Ames was selected by a six-member evaluation committee as the most qualified Design-Build service provider for the Project pursuant to the evaluation and ranking process per A.R.S. sec. 34-603.

On February 2, 2021, Council awarded the first design phase services agreement with Ames, and on September 7, 2021, Amendment 1 was approved.On January 18, 2022, the City Council awarded

Amendment 2 to the original design phase agreement.

To date, the City has acquired three, full-parcel acquisitions for the project:

- 424 Butler Ave
- 507-511 E. Brannen
- 3 S. Colorado

Attachments: Res. 2022-35
Resolution Exhibits 1 and 2

RESOLUTION NO. 2022-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING CONDEMNATION OF REAL PROPERTY FOR THE LONE TREE OVERPASS PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, on July 6, 2021, the Flagstaff City Council adopted Ordinance No. 2021-15 authorizing acquisition of real property interests for the Lone Tree Overpass Project;

WHEREAS, pursuant to Section 3 of the Ordinance No. 2021-15 the City Council may approve any condemnation necessary for public use, including site access, by resolution referencing this ordinance, and including a legal description and map of the properties sought to be condemned, which resolution shall be immediately effective.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AS FOLLOWS:

SECTION 1. In General

The City Council hereby authorizes the filing of a condemnation proceeding to acquire that certain real property located at 633 E. Brannen Avenue, Flagstaff, Arizona 86001, identified as Coconino County Assessor Parcel No. 104-04-011D and legally described in the attached Exhibit 1; and, that certain real property located at 510 E. Brannen Avenue, Flagstaff, Arizona 86001, identified as Coconino County Assessor Parcel No. 104-01-097D and legally described in the attached Exhibit 2, (such parcels collectively referred to hereafter as “the Property”), for a public use, the Lone Tree Railroad Overpass from Butler Avenue to Route 66, along with related pedestrian, bicycle, and street connections (“Lone Tree Overpass Project”).

SECTION 2. Delegation of Authority.

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, City Engineer, Real Estate Manager, or their delegates or agents, are hereby authorized and directed to take all steps and execute all documents necessary to acquire the Property and to carry out the purpose and intent of this resolution, and to acquire the Property through purchase, exchange, gift, donation, dedication, or condemnation.

SECTION 3. Effective Date

This Resolution shall be immediately effective.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:
Exhibit 1: Legal description
Exhibit 2: Legal description

Exhibit 1
Legal Description

PARCEL NO. 1:

That portion of The Burlington Northern and Santa Fe Railway Company's (formerly Atchison, Topeka and Santa Fe Railway Company) Station Ground Property at Flagstaff, Arizona, being of variable width on each side of said Railway Company's Main Track centerline, as located and constructed upon, over and across the North half of the Northwest quarter of Section 22, Township 21 North, Range 7 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona described as follows:

COMMENCING at a stone monument on the East line of said Northwest quarter of Section 22, distant 600.0 feet Southwesterly, as measured at right angles from the Original Main Track centerline as originally located and constructed, said monument marking the most Southerly corner of said Station Ground Property;

THENCE Northwesterly along the Southwesterly line of said Station Ground property, being a line drawn parallel and concentric with and distant 600.0 feet Southwesterly, as measured at right angles and/or radially from said Original Main Track centerline, a distance of 870.6 feet to the most Westerly corner of that certain parcel of land conveyed to Win Oil Co., Inc., by Quit Claim Deed dated November 11, 1998 from the Burlington Northern and Santa Fe Railway Company;

THENCE continuing Northwesterly along said Southwesterly line of said Station Ground property for a distance of 450.0 feet;

THENCE Northeasterly along a line hereinafter referred to as LINE “A”, drawn at right angles to the Railway Company’s spur track Number 14 centerline, as now located and constructed, for a distance of 140.0 feet,(recorded) 144.45 feet (Calculated) more or less to a line parallel with and distant 10.0 feet Northeasterly as measured at right angles from said Track Number 14 centerline, and being the TRUE POINT OF BEGINNING for the parcel herein described;

THENCE Southeasterly along said parallel line for a distance of 425.0 feet;

THENCE Northeasterly at right angles from last course for a distance of 235.0 feet;

THENCE Northwesterly along a direct line for a distance of 476 feet,(recorded) 426,36 feet (Calculated) more or less, to a point in the Northeasterly extension of said LINE "A”, distant Northeasterly 269.0 feet from the TRUE POINT OF BEGINNING;

THENCE Southwesterly along said LINE “A”, extension, for a distance of 269.0 feet to the TRUE POINT OF BEGINNING.

EXCEPTING AND RESERVING all coal, oil, gas, casing head gas, and all ores and minerals of every kind and nature, and all water, underlying the surface of said premises, as reserved in instrument recorded in Document No. 3044791 and re-recorded in Document No. 3100220.

PARCEL NO. 2:

An easement for access roadway, as granted in instrument recorded in Document No. 3121734, records of Coconino County, Arizona, over, upon and across the following described premises:

That portion of The Burlington Northern and Santa Fe Railway Company’s (formerly The Atchison, Topeka and Santa Fe Railway Company) Station Ground Property at Flagstaff, Arizona, being of variable width on each side of said Railway Company’s Main track centerline, as located and constructed upon, over and across the North half of the Northwest quarter of

Section 22, Township 21 North, Range 7 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona, described as follows:

COMMENCING at the Southwest corner of that property described in Vesting Deed recorded in Instrument No. 3044791, records of Coconino County, Arizona;

Exhibit 1
Legal Description cont'd.

THENCE South 66°09’00” East, along the South line of said property, a distance of 406.96 feet to the TRUE POINT OF BEGINNING;

THENCE continuing South 66°09’00” East, along said South line, a distance of 18.04 feet;

THENCE South 19°54’00” West, a distance of 182.77 feet to the Southwesterly line of said Station Ground property and the Northerly right-of-way line of Lumber Street, as described in Deed 240, page 354, records of Coconino County, Arizona;

THENCE North 61°12’09” West, along said Northerly right-of-way line, a distance of 18.22 feet;

THENCE North 19°54’00” East, a distance of 181.19 feet to the TRUE POINT OF BEGINNING.

Exhibit 2
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCONINO, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

A parcel of land situated in Section 22, Township 21 North, Range 7 East of the Gila & Salt River Base and Meridian, Coconino County, Arizona, lying within the Burlington Northern and Santa Fe Railway Company's (formerly Atchison, Topeka and Santa Fe Railway Company) Yard Property at Flagstaff, Arizona, more particularly described as follows:

COMMENCING at a T-rail monument 1 foot below ground level at the Southwest corner of said Yard Property, being on the Southerly extension of the Easterly line of Block 32 and 17.4 feet Westerly from the centerline of Cottage Avenue, as shown on the Revised Plat of Brannen Addition, a Subdivision of record in Book 1 of Maps, Page 42, records of Coconino County, Arizona;

THENCE South 68° 20' 09" East along the Southerly line of said Yard Property, a distance of 596.89 feet to a point of curve;

THENCE continuing Southeasterly along said Southerly property line, along a curve concave Southwesterly having a radius of 2270.66 feet, a central angle of 03° 40' 04", an arc length of 145.36 feet to the most Southerly corner of that certain parcel of land described in Quit Claim Deed dated August 11, 1992 from the Atchison, Topeka and Santa Fe Railway Company to Guifford W. Moore and Georgia M. Moore d/b/a G&G Company, and the TRUE POINT OF BEGINNING;

THENCE continuing Southeasterly along said Southerly property line and along said curve, an arc length of 178.68 feet;

THENCE South 60° 09' 34" East, a distance of 51.55 feet;

THENCE North 24° 40' 23" East, a distance of 122.02 feet to a point 10.00 feet Southwesterly, as measured at right angles from the centerline of an existing spur track;

THENCE North 65° 18' 31" West, parallel with said spur track centerline, a distance of 235.30 feet to the Easterly line of said parcel of land described in Quit Claim Deed dated August 11, 1992 from the Atchison, Topeka and Santa Fe Railway Company to Guifford W. Moore and Georgia M. Moore d/b/a G&G Company;

THENCE South 21° 44' 02" West, a distance of 108.52 feet to the TRUE POINT OF BEGINNING.

12. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bryce Doty, Real Estate Manager
Co-Submitter:	Erin Young
Date:	06/27/2022
Meeting Date:	07/05/2022

TITLE:

Consideration and Adoption of Ordinance No. 2022-17: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property for the Red Gap Ranch Pipeline project; providing for delegation of authority, subsequent Council approvals, severability, authority for clerical corrections, and declaring an emergency

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2022-17 by title only for the first time
2) City Clerk reads Ordinance No. 2022-17 by title only (if approved above)
3) Read Ordinance No. 2022-17 by title only for the final time (requires unanimous vote)
4) City Clerk reads Ordinance No. 2022-17 by title only (if unanimously approved above)
5) Adopt Ordinance No. 2022-17 (requires unanimous vote)

Executive Summary:

This ordinance authorizes the purchase of easements for the purpose of water transmission on lands controlled by the Arizona State Land Department in Coconino County. These easements are necessary in order to build the water transmission infrastructure from the Red Gap Ranch property to the City limits. The easements will be offered for sale at a public auction on a future date by the State Land Department.

Financial Impact:

Property acquisition for the Red Gap Ranch Pipeline Project is budgeted in Water Production account number 202-08-370-3426-0-4435.

Policy Impact:

None.

Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & 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
- Utilize existing long-range plan(s) that identify the community's future infrastructure needs and all associated costs

Carbon Neutrality Plan

CR-2: Strengthen existing community systems to create resilience to both short-term shocks and long-term change.

Regional Plan

WR.3 Satisfy current and future human water demands and the needs of the natural environment through sustainable and renwable water resources and strategic conservation measures.

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

Has There Been Previous Council Decision on This:

In 2004, Flagstaff voters approved a $15 million bond for Water Rights Acquisition and/or Water Development to provide for anticipated and demonstrated future water needs of the city in response to years of declining surface water supplies from drought. Subsequently in 2005, the City Council approved the purchase of Red Gap Ranch 40 miles east of Flagstaff for the purpose of developing a well field, pipeline and booster stations in order to provide for a long-term water supply to residences and businesses. In 2008, the City contracted with JACOBS Engineering to conduct a pipeline feasibility study to select the most feasible alignment for a pipeline and define a conceptual design and facility location. The first phase of that analysis was completed in 2009. After evaluating multiple alternative alignments, the frontage along Interstate 40 was selected as the preferred alignment. City staff subsequently started discussions with Arizona Department of Transportation and Federal Highway Administration in early 2010 about the use of the right-of-way along Interstate 40 as a proposed location for a pipeline. On January 19th, 2016, the City entered into an intergovernmental agreement between Arizona Department of Transportation which allows the City to utilize the Interstate 40 corridor within ADOT controlled right-of-way. City staff are currently working with JACOBS Engineering to complete the pipeline feasibility study. Early estimates of project cost were upwards of $280,000,000. The project would be constructed in phases with the buildout of the project able to meet community water demands at build-out based on current zoning and the Regional Plan 2030.

Key Considerations:

The project cannot be delivered in its current alignment without securing these property rights.

Attachments: Ord. 2022-17
Exhibits

ORDINANCE NO. 2022-17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF REAL PROPERTY FOR THE RED GAP RANCH PIPELINE PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, SUBSEQUENT COUNCIL APPROVALS, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND DECLARING AN EMERGENCY

RECITALS:

WHEREAS, Article VII, Section 5 of the Flagstaff City Charter provides that the City acquire real property by ordinance; and

WHEREAS, pursuant to Article I, Section of the Flagstaff City Charter the City may acquire real property, easements, and other real property interests by purchase, gift, devise, exchange, or condemnation; and

WHEREAS, in 2004 Flagstaff voters approved a $15,000,000 Water Rights Acquisition and or Development Bond to purchase Red Gap Ranch and its associated water rights, in order to secure long-term water supply resiliency to the City and surrounding region; and

WHEREAS, Red Gap Ranch is located north of the I-40 approximately 40 miles east of Flagstaff; and

WHEREAS, the City is working on a Red Gap Ranch Pipeline Project, to bring the water from the ranch to the City; and

WHEREAS, the City is working to secure property rights for the Red Gap Ranch Pipeline Project along the I-40 corridor; and

WHEREAS, in 2016, the City and the Arizona Department of Transportation (“ADOT) entered into an Intergovernmental Agreement dated January 19, 2016 which allows the City to utilize the I-40 corridor within ADOT controlled right-of-way; and

WHEREAS, the City seeks to acquire the necessary property rights to utilize Interstate 40 corridor lands owned by the Arizona State Land Department; and

WHEREAS, the City of Flagstaff has programmed funding for acquisition of necessary property rights for the Red Gap Ranch Pipeline Project right-of-way in its Capital Improvement Program; and

WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Flagstaff, Arizona, an emergency is declared to exist, and this ordinance shall become immediately operative and in force from and after the date of posting hereof.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The Flagstaff City Council hereby authorizes acquisition of the real property interests located in Coconino County as listed in the chart attached hereto as Exhibit 1, generally shown in the map attached hereto as Exhibit 2, and legally described in Exhibit 3 ("the Property Interests"), by means of purchase, exchange, donation or condemnation for a public use.

SECTION 2. Delegation of Authority

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, Water Services Director, Real Estate Manager, or their delegates or agents, are hereby authorized and directed to take all steps and execute all documents necessary to acquire the Property Interests and to carry out the purpose and intent of this ordinance.

City staff is directed to participate in any public land auction held by the Arizona State Land Department to acquire necessary Property Interests.

SECTION 3. Subsequent Council Approvals

City Council hereby gives its prior approval, and City Manager is hereby delegated authority to approve any purchase contract for the Property Interests without subsequent Council approval.

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

It is necessary for the preservation of the peace, health and safety of the City of Flagstaff, Arizona, an emergency is declared to exist, and this ordinance shall become immediately operative and in force from and after the date of adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

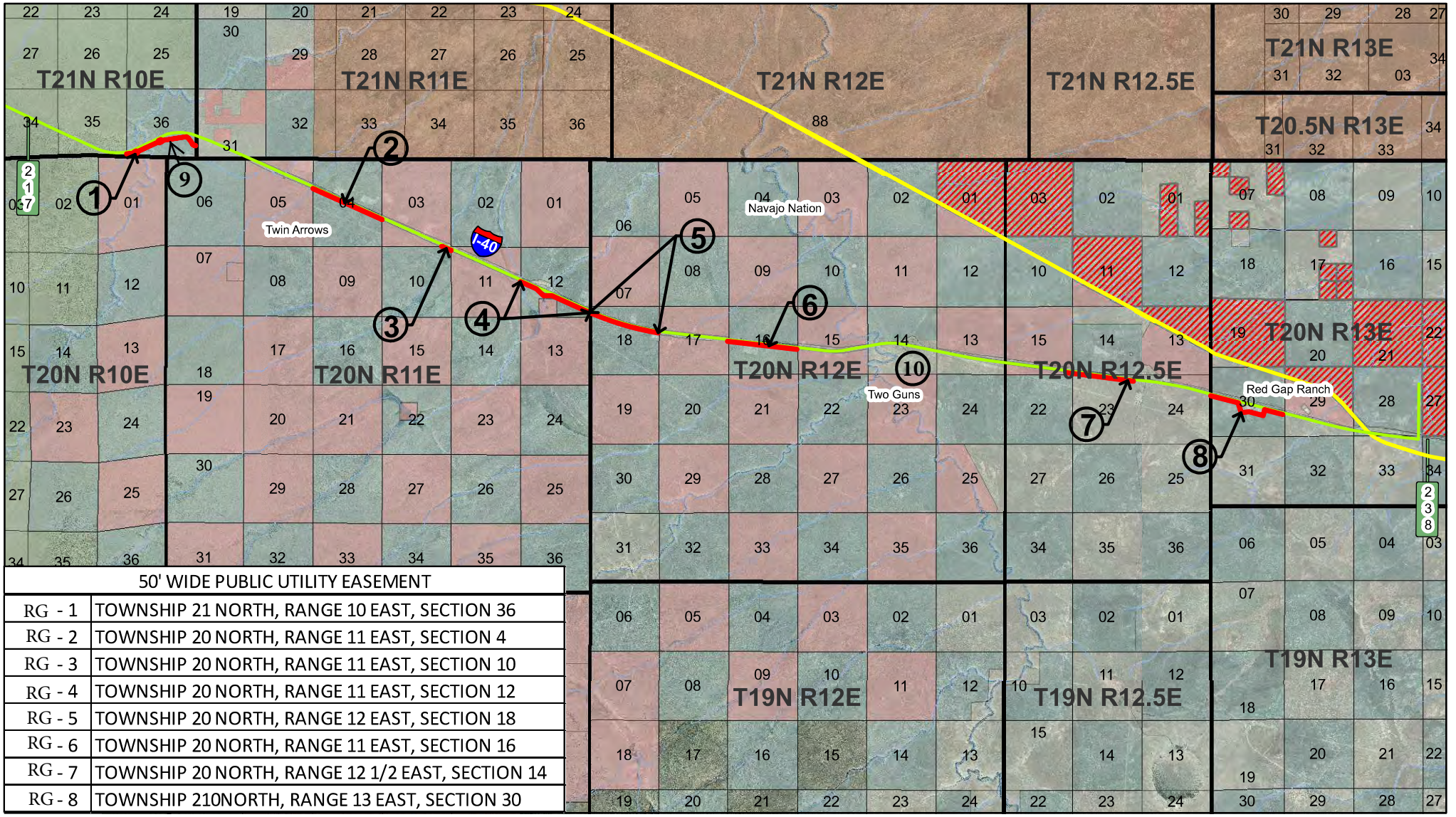
CITY ATTORNEY

Exhibits:
Exhibit 1 Chart
Exhibit 2 Overview Map
Exhibit 3 Legal descriptions for property interests to be acquired, including maps

EXHIBIT 1

CHART OF PROPERTIES TO BE ACQUIRED

FLAGSTAFF Parcel No.	Assesor's Parcel Number and/or Legal Description	Owner Site Address/ Owner Address	Acres	Property Interest Being Acquired
RG-01	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	8.19	Easement for Water Transmission
RG-02	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	6.64	Easement for Water Transmission
RG-03	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	0.85	Easement for Water Transmission
RG-04	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	6.76	Easement for Water Transmission
RG-05	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	6.25	Easement for Water Transmission
RG-06	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	6.12	Easement for Water Transmission
RG-07	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	0.90	Easement for Water Transmission
RG-08	See attached legal description	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	7.55	Easement for Water Transmission
RG-09	Portion of Land in Section 16, Township 21 North, Range 10 East	**State of Arizona through its Arizona State Land Department** 1616 West Adams Street Phoenix, Arizona 85007	Est. 2.00	Easement / Fee Simple for Water Booster Station
RG-10	406-62-001A	**Historic Two-Guns Properties, LLC** 302 N Verde St Flagstaff, AZ 86001	Est. 2.00	Easement / Fee Simple for Water Booster Station



50' WIDE PUBLIC UTILITY EASEMENT	
RG - 1	TOWNSHIP 21 NORTH, RANGE 10 EAST, SECTION 36
RG - 2	TOWNSHIP 20 NORTH, RANGE 11 EAST, SECTION 4
RG - 3	TOWNSHIP 20 NORTH, RANGE 11 EAST, SECTION 10
RG - 4	TOWNSHIP 20 NORTH, RANGE 11 EAST, SECTION 12
RG - 5	TOWNSHIP 20 NORTH, RANGE 12 EAST, SECTION 18
RG - 6	TOWNSHIP 20 NORTH, RANGE 11 EAST, SECTION 16
RG - 7	TOWNSHIP 20 NORTH, RANGE 12 1/2 EAST, SECTION 14
RG - 8	TOWNSHIP 210NORTH, RANGE 13 EAST, SECTION 30

Legend

- Easements
- Segment 1
- BNSF Railway
- Mile Markers
- Red Gap Fee Simple
- Hopi Tribal Trust
- State Trust
- Private
- Navajo Nation
- Forest Service

N

0 0.275 0.55 1.1 1.65 2.2 Miles

1 inch equals 10,417 feet

Red Gap Ranch Segment 1
Arizona State Land Easements
Along Interstate 40 Corridor
3/26/2020

The WLB Group WLB

March 6, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-1-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF THE SOUTH HALF OF SECTION 36, TOWNSHIP 21 NORTH, RANGE 10 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 36 (BEING MARKED BY A FOUND ALUMINUM CAP, RLS #25396), FROM WHICH THE EAST 1/4 CORNER OF SAID SECTION 36(BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°20'11" W, A DISTANCE OF 2,638.07 FEET;

THENCE N 00°20'11" W, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, A DISTANCE OF 886.52 FEET TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 411.37 FEET AND A RADIAL BEARING OF S 02°05'31" W, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 41°20'36", AN ARC LENGTH OF 296.84 FEET TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2,132.69 FEET AND A RADIAL BEARING OF N 62°01'39" E;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°09'44", AN ARC LENGTH OF 564.38 FEET;

THENCE N 50°33'48" W, A DISTANCE OF 160.94 FEET;

THENCE S 80°50'39" W, A DISTANCE OF 1,926.20 FEET;

THENCE S 26°26'44" E, A DISTANCE OF 88.29 FEET;

THENCE S 63°33'16" W, A DISTANCE OF 208.00 FEET;

THENCE N 26°26'44" W, A DISTANCE OF 89.00 FEET;

THENCE S 64°25'49" W, A DISTANCE OF 1,832.17 FEET;

THENCE S 26°26'44" E, A DISTANCE OF 88.89 FEET;

THENCE S 63°33'16" W, A DISTANCE OF 208.00 FEET;

THENCE N 26°26'44" W, A DISTANCE OF 88.02 FEET;

THENCE S 83°41'21" W, A DISTANCE OF 624.73 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 36 FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION 36(MARKED BY AN 8" X 6" LIMESTONE ROCK) BEARS S 00°31'00" E, A DISTANCE OF 67.99 FEET;

THENCE N 00°31'00" W, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 36, A DISTANCE OF 50.26 FEET;

THENCE DEPARTING SAID WEST LINE N 83°41'21" E, A DISTANCE OF 601.32 FEET;

THENCE N 26°26'44" W, A DISTANCE OF 66.72 FEET;

THENCE N 63°33'16" E, A DISTANCE OF 208.00 FEET;

THENCE S 26°26'44" E, A DISTANCE OF 69.10 FEET;

THENCE N 64°25'49" E, A DISTANCE OF 1,832.17 FEET;

THENCE N 26°26'44" W, A DISTANCE OF 69.00 FEET;

THENCE N 63°33'16" E, A DISTANCE OF 208.00 FEET;

THENCE S 26°26'44" E, A DISTANCE OF 67.34 FEET;

THENCE N 80°50'39" E, A DISTANCE OF 1,964.34 FEET;

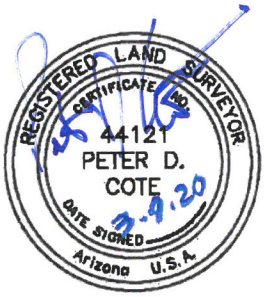
THENCE S 50°33'48" E, A DISTANCE OF 186.73 FEET TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2,182.69 FEET AND A RADIAL BEARING OF N 46°46'47" E;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 15°01'29", AN ARC LEGTH OF 572.37 FEET TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 361.37 FEET AND A RADIAL BEARING OF S 42°11'10" W;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 39°45'29", AN ARC LENGTH OF 250.76 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36;

THENCE S 00°20'11" E, ALONG SAID EAST LINE, A DISTANCE OF 50.05 FEET TO THE **POINT OF BEGINNING**.

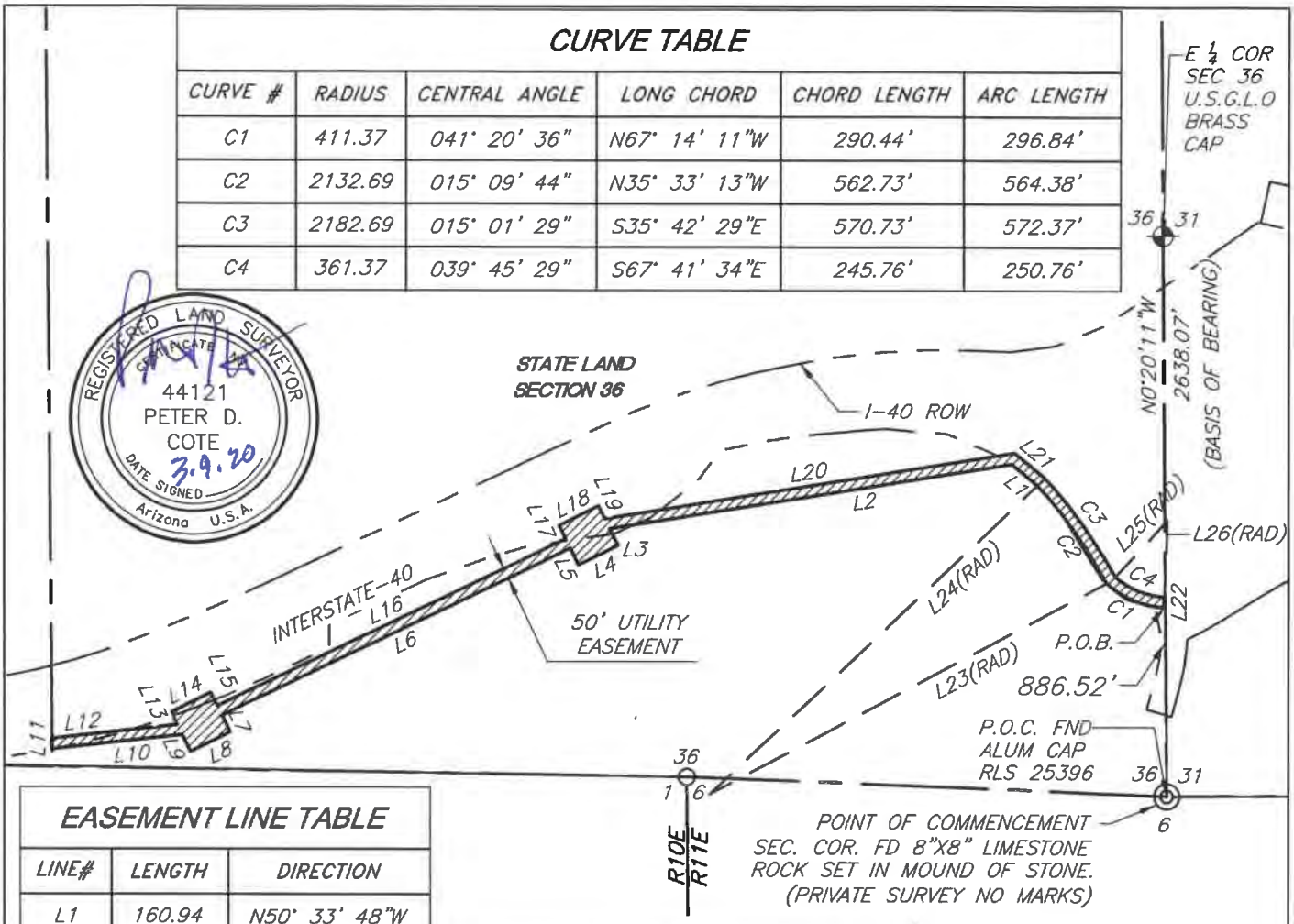
CONTAINING 356,814 SQUARE FEET OR 8.19 ACRES MORE OR LESS.



CURVE TABLE

CURVE #	RADIUS	CENTRAL ANGLE	LONG CHORD	CHORD LENGTH	ARC LENGTH
C1	411.37	041° 20' 36"	N67° 14' 11"W	290.44'	296.84'
C2	2132.69	015° 09' 44"	N35° 33' 13"W	562.73'	564.38'
C3	2182.69	015° 01' 29"	S35° 42' 29"E	570.73'	572.37'
C4	361.37	039° 45' 29"	S67° 41' 34"E	245.76'	250.76'

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
44121
PETER D.
COTE
DATE SIGNED
3.9.20
Arizona U.S.A.



EASEMENT LINE TABLE

LINE#	LENGTH	DIRECTION
L1	160.94	N50° 33' 48"W
L2	1926.20	S80° 50' 39"W
L3	88.29	S26° 26' 44"E
L4	208.00	S63° 33' 16"W
L5	89.00	N26° 26' 44"W
L6	1832.17	S64° 25' 49"W
L7	88.89	S26° 26' 44"E
L8	208.00	S63° 33' 16"W
L9	88.02	N26° 26' 44"W
L10	624.73	S83° 41' 21"W
L11	50.26	N00° 31' 00"W
L12	601.32	N83° 41' 21"E
L13	66.72	N26° 26' 44"W
L14	208.00	N63° 33' 16"E
L15	69.10	S26° 26' 44"E

EASEMENT LINE TABLE

LINE#	LENGTH	DIRECTION
L16	1832.17	N64° 25' 49"E
L17	69.00	N26° 26' 44"W
L18	208.00	N63° 33' 16"E
L19	67.34	S26° 26' 44"E
L20	1964.34	N80° 50' 39"E
L21	186.73	S50° 33' 48"E
L22	50.05	S00° 20' 11"E
L23	2132.69	N62° 01' 39"E
L24	2182.69	N46° 46' 47"E
L25	361.37	S42° 11' 10"W
L26	411.37	S02° 05' 31"W

N

LEGEND

- CALCULATED POSITION
- FOUND MONUMENT
- P.O.C.
- R/W I-40
- BASIS OF BEARING
- UTILITY EASEMENT
- EASEMENT AREA 356,814 SQ. FT. OR 8.19 ACRES +/-

CITY OF FLAGSTAFF ARIZONA

EXHIBIT "A" PUE-1
COCONINO COUNTY, ARIZONA
SECTION 36, T21N R10E

DRAWN BY: TR	SCALE: 1" = 800'
CHECKED BY: PC	JOB NUMBER: 308009B001

The WLB Group INC. WLB

The WLB Group Inc. WLB

March 3, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-2-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF SECTION 4, TOWNSHIP 20 NORTH, RANGE 11 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 4(BEING MARKED BY A FOUND 6" x 8" LIMESTONE ROCK), FROM WHICH THE EAST 1/4 CORNER OF SAID SECTION 4(BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°22'58" W, A DISTANCE OF 2,641.76 FEET;

THENCE N 00°22'58" W ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 4, A DISTANCE OF 2,015.75 FEET TO A FOUND A.D.O.T. ALUMINUM CAP ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID ALUMINUM CAP BEING THE **POINT OF BEGINNING**;

THENCE DEPARTING SAID EAST LINE, N 66°20'47" W ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 5,787.24 FEET TO A FOUND A.D.O.T. ALUMINUM CAP "1295+02.75" ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 4, THE WEST 1/4 CORNER OF SAID SECTION 4 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP) BEARS S 00°28'21" E, A DISTANCE OF 1,738.20 FEET;

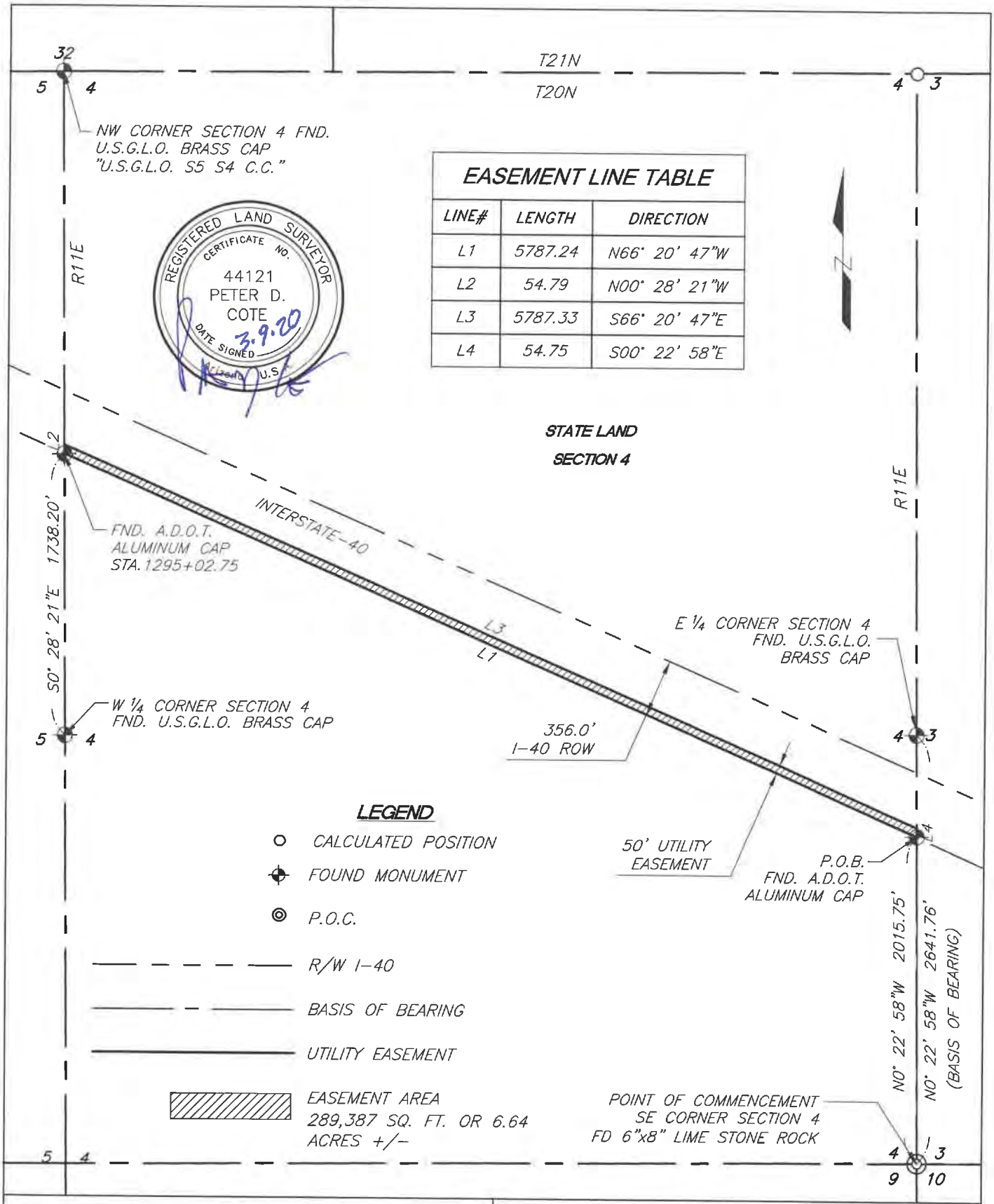
THENCE N 00°28'21" W ALONG SAID WEST LINE OF THE NORTHWEST QUARTER, A DISTANCE OF 54.79 FEET;

THENCE DEPARTING SAID WEST LINE S 66°20'47" E, ALONG A LINE THAT IS PARALLEL WITH AND 50.00 FEET NORTHEASTERLY OF SAID RIGHT-OF-WAY LINE, A DISTANCE OF 5,787.33 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 4;

THENCE S 00°22'58" E ALONG SAID EAST LINE, A DISTANCE OF 54.75 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 289,387 SQUARE FEET OR 6.64 ACRES MORE OR LESS.





CITY OF FLAGSTAFF ARIZONA

EXHIBIT "A"-PUE 2
COCONINO COUNTY, ARIZONA
SECTION 4, T20N R11E

DRAWN BY: TR	SCALE: 1" = 800'	The WLB Group, Inc. WLB	PAGE 2 OF 2
CHECKED BY: PC	JOB NUMBER: 308009B001		

March 3, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-3-50.0' WIDE WATER LINE EASEMENT

BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 20 NORTH, RANGE 11 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 10 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP), FROM WHICH THE NORTH 1/4 CORNER OF SAID SECTION 10 (BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 45°19'22" W, A DISTANCE OF 3,736.19 FEET;

THENCE N 00°28'32" W (CALCED) ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10, A DISTANCE OF 2,311.33 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE DEPARTING SAID EAST LINE, N 66°20'49" W ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 808.60 FEET TO A POINT ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10;

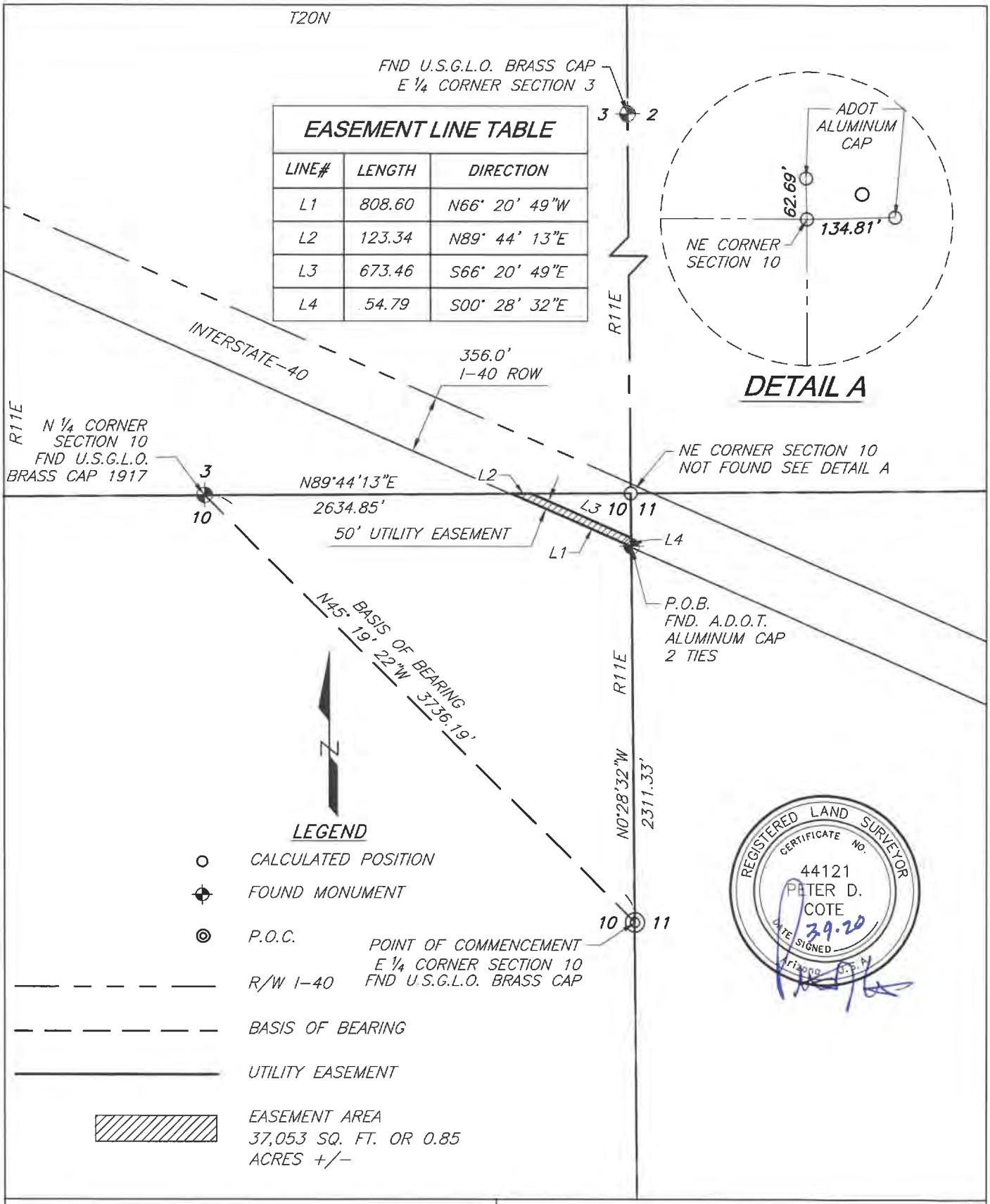
THENCE N 89°44'13" E ALONG SAID NORTH LINE OF THE NORTHEAST QUARTER, A DISTANCE OF 123.34 FEET;

THENCE DEPARTING SAID NORTH LINE S 66°20'49" E, ALONG A LINE THAT IS PARALLEL WITH AND 50.00 FEET NORTHEASTERLY OF SAID RIGHT-OF-WAY LINE, A DISTANCE OF 673.46 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SCTION 10;

THENCE S 00°28'32" E (CALCED) ALONG SAID EAST LINE, A DISTANCE OF 54.79 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 37,053 SQUARE FEET OR 0.85 ACRES MORE OR LESS.





CITY OF FLAGSTAFF
ARIZONA

EXHIBIT "A" PUE 3
COCONINO COUNTY, ARIZONA
SECTION 10, T20N R11E

DRAWN BY: TR	SCALE: 1" = 800'	The WLB Group INC. WLB	PAGE 2 OF 2
CHECKED BY: PC	JOB NUMBER: 308009B001		

The WLB Group Inc. WLB

March 5, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-4-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF THE SOUTH HALF OF SECTION 12, TOWNSHIP 20 NORTH, RANGE 11 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 12 (BEING MARKED BY A FOUND 6" X 6" LIMESTONE ROCK), FROM WHICH THE CORNER OF SECTIONS 12,7 & 18 (BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°32'42" W, A DISTANCE OF 828.82 FEET;

THENCE N 00°32'42" W ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 12, A DISTANCE OF 233.48 FEET TO A FOUND A.D.O.T. ALUMINUM CAP ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID ALUMINUM CAP BEING THE **POINT OF BEGINNING**;

THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 23,129.63, A RADIAL BEARING OF S 22°45'00" W, THROUGH A DELTA ANGLE OF 00°53'14", AN ARC LENGTH OF 358.12 FEET;

THENCE N 66°21'00" W ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 2,812.30 TO A FOUND A.D.O.T. ALUMINUM CAP;

THENCE S 88°18'18" W ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 599.17 FEET;

THENCE N 54°07'16" W, A DISTANCE OF 120.01 FEET TO A FOUND A.D.O.T. ALUMINUM CAP;

THENCE N 46°04'51" W ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 667.79 FEET TO A FOUND A.D.O.T. ALUMINUM CAP;

THENCE N 66°20'50" W ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 1,330.68 FEET TO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 12 FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION 12(BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP) BEARS S 00°28'51" E, A DISTANCE OF 2,587.09 FEET;

THENCE DEPARTING SAID RIGHT-OF-WAY, N 00°28'51" W ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 54.79 FEET TO A POINT ON A LINE THAT IS 50.00 FEET NORTHEASTERLY OF AND PARALLEL WITH SAID RIGHT-OF-WAY;

THENCE S 66°20'50" E ALONG SAID PARALLEL LINE, A DISTANCE OF 1,362.02 FEET;

THENCE S 46°03'51" E ALONG SAID PARALLEL LINE, A DISTANCE OF 671.82 FEET;

THENCE S 54°07'16" E ALONG SAID PARALLEL LINE, A DISTANCE OF 100.89 FEET;

THENCE N 88°18'18" E ALONG SAID PARALLEL LINE, A DISTANCE OF 593.40 FEET;

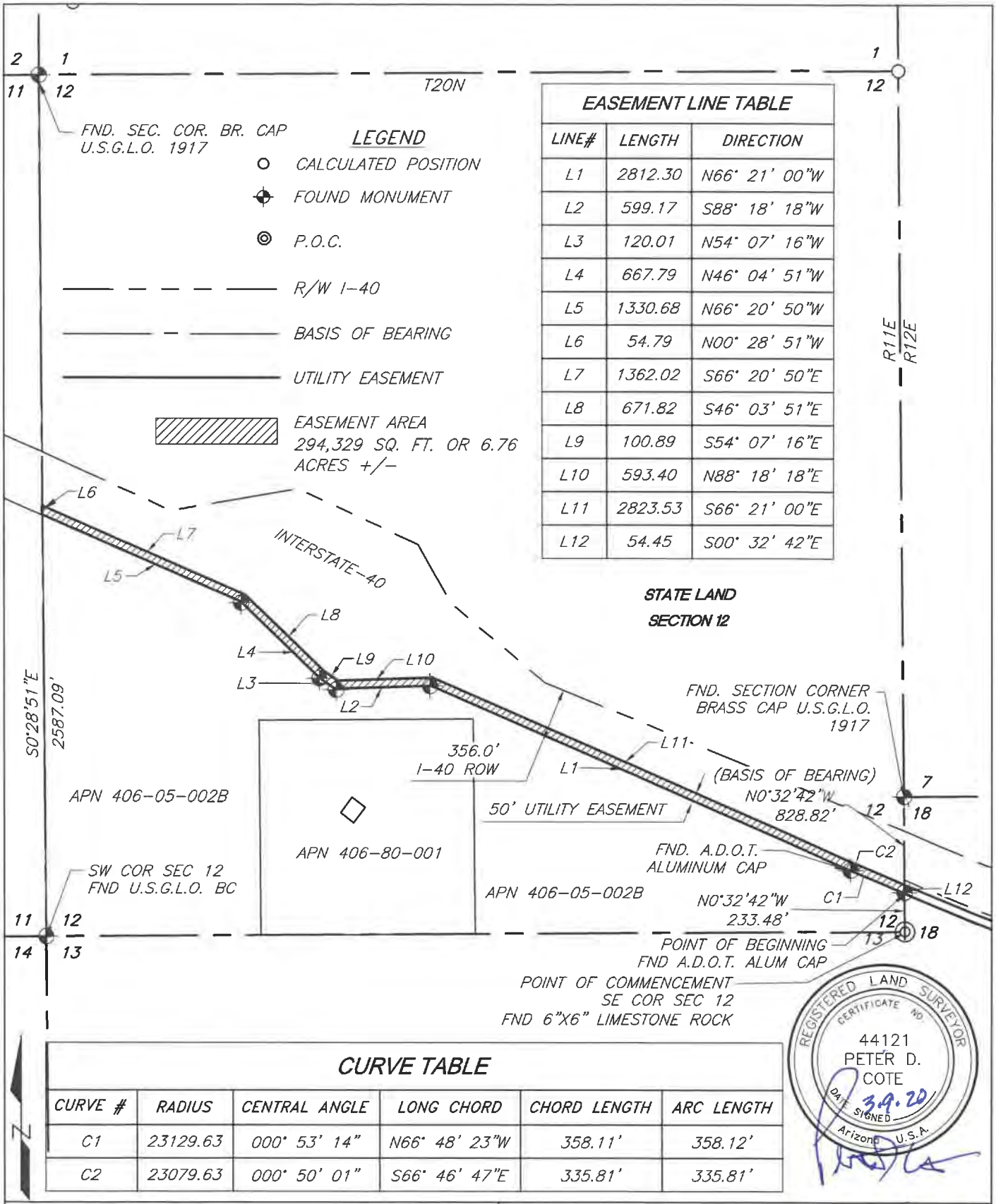
THENCE S 66°21'00" E ALONG SAID PARALLEL LINE, A DISTANCE OF 2,823.53 FEET TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 23,079.63 FEET, A RADIAL BEARING OF S 23°38'13" W;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, ALONG SAID PARALLEL LINE, THROUGH A DELTA ANGLE OF 00°50'01", AN ARC LENGTH OF 335.81 TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 12;

THENCE DEPARTING SAID PARALLEL LINE, S 00°32'42" E ALONG SAID EAST LINE, A DISTANCE OF 54.45 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 294,389 SQUARE FEET OR 6.76 ACRES MORE OR LESS.





EASEMENT LINE TABLE		
LINE#	LENGTH	DIRECTION
L1	2812.30	N66° 21' 00"W
L2	599.17	S88° 18' 18"W
L3	120.01	N54° 07' 16"W
L4	667.79	N46° 04' 51"W
L5	1330.68	N66° 20' 50"W
L6	54.79	N00° 28' 51"W
L7	1362.02	S66° 20' 50"E
L8	671.82	S46° 03' 51"E
L9	100.89	S54° 07' 16"E
L10	593.40	N88° 18' 18"E
L11	2823.53	S66° 21' 00"E
L12	54.45	S00° 32' 42"E

CURVE TABLE					
CURVE #	RADIUS	CENTRAL ANGLE	LONG CHORD	CHORD LENGTH	ARC LENGTH
C1	23129.63	000° 53' 14"	N66° 48' 23"W	358.11'	358.12'
C2	23079.63	000° 50' 01"	S66° 46' 47"E	335.81'	335.81'

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
44121
PETER D.
COTE
DATE SIGNED 3.9.20
Arizona U.S.A.

CITY OF FLAGSTAFF
ARIZONA

EXHIBIT "A" PUE 4
COCONINO COUNTY, ARIZONA
SECTION 12, T20N R11E

DRAWN BY: TR	SCALE: 1" = 800'
CHECKED BY: PC	JOB NUMBER: 308009B001

The WLB Group Inc. WLB

The WLB Group Inc. WLB

March 3, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-5-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF THE NORTH HALF OF SECTION 18, TOWNSHIP 20 NORTH, RANGE 12 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 18 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP), FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 18 (BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°32'00" W, A DISTANCE OF 2,641.11 FEET;

THENCE N 00°32'00" W ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18, A DISTANCE OF 507.79 FEET TO AN A.D.O.T. ALUMINUM CAP (1579+65.56) ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID ALUMINUM CAP BEING THE **POINT OF BEGINNING**;

THENCE DEPARTING SAID EAST LINE, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, ALONG THE ARC OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, WITH A RADIUS OF 23,129.63 FEET, A RADIAL BEARING OF S 09°16'06" W, THROUGH A DELTA ANGLE OF 13°28'53", AN ARC LENGTH OF 5,442.32 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 18 FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 18 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP) BEARS N 00°32'42" W, A DISTANCE OF 595.34 FEET;

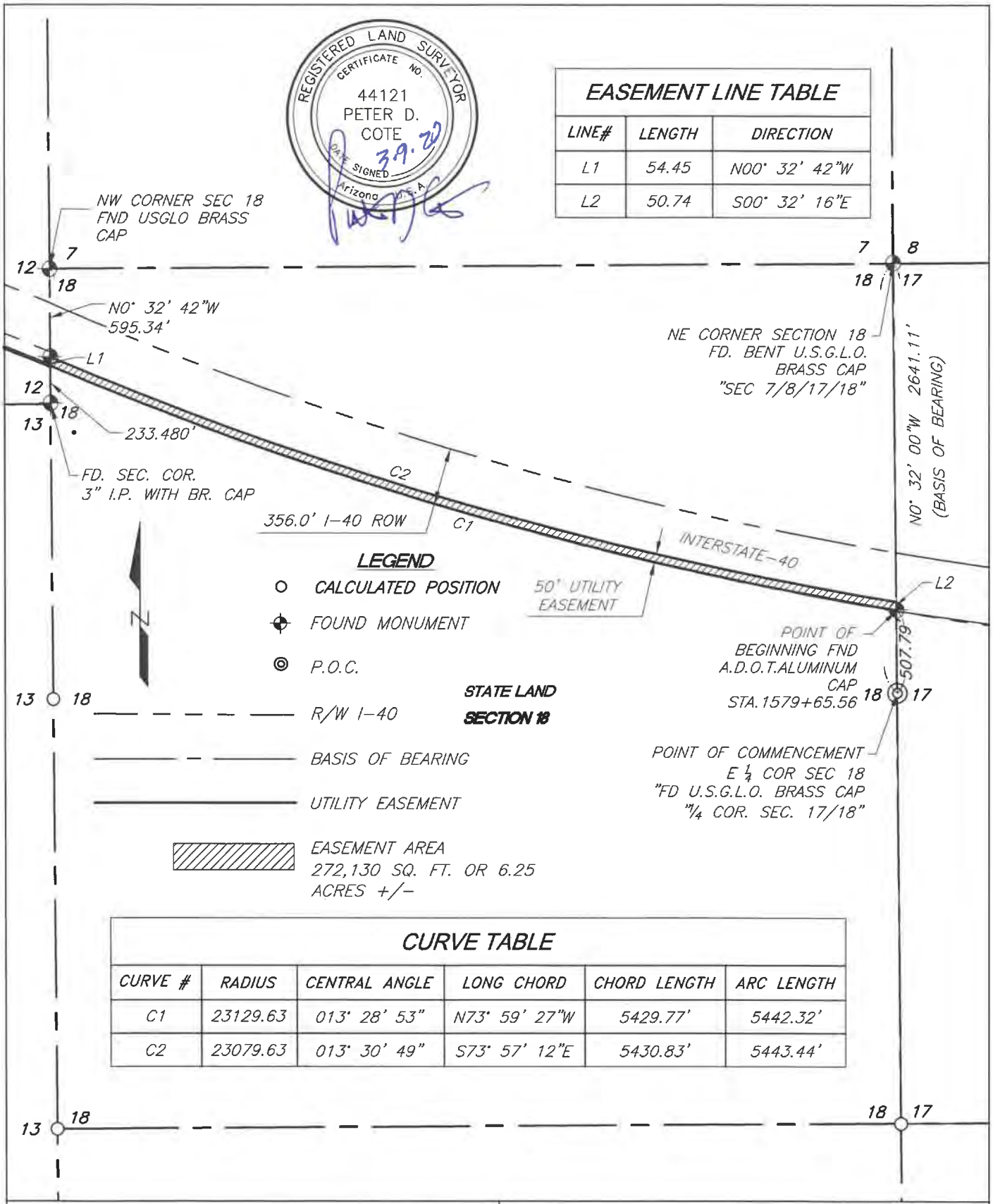
THENCE DEPAPARTING SAID RIGHT-OF-WAY LINE N 00°32'42" W ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 18, A DISTANCE OF 54.45 TO THE POINT OF CURVATURE FOR A NON-TANGENT CURVE, CONCAVE NORTHERLY, WITH A RADIUS OF 23,079.63 FEET, A RADIAL BEARING OF S 22°46'55" W;

THENCE DEPARTING SAID WEST LINE, SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A DELTA ANGLE OF 13°30'49", AN ARC LENGTH OF 5,443.44 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE S 00°32'16" E ALONG SAID EAST LINE, A DISTANCE OF 50.74 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 272,130 SQUARE FEET OR 6.25 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
44121
PETER D.
COTE
3.9.20
DATE SIGNED
Arizona U.S.A.



EASEMENT LINE TABLE

LINE#	LENGTH	DIRECTION
L1	54.45	N00° 32' 42"W
L2	50.74	S00° 32' 16"E

CURVE TABLE

CURVE #	RADIUS	CENTRAL ANGLE	LONG CHORD	CHORD LENGTH	ARC LENGTH
C1	23129.63	013° 28' 53"	N73° 59' 27"W	5429.77'	5442.32'
C2	23079.63	013° 30' 49"	S73° 57' 12"E	5430.83'	5443.44'

CITY OF FLAGSTAFF
ARIZONA

EXHIBIT "A" PUE-5
COCONINO COUNTY, ARIZONA
SECTION 18, T20N R12E

DRAWN BY: TR	SCALE: 1" = 800'
CHECKED BY: PC	JOB NUMBER: 308009B001

The WLB Group INC. WLB

The WLB Group Inc. WLB

March 5, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-6-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF THE SOUTH HALF OF SECTION 16, TOWNSHIP 20 NORTH, RANGE 12 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 16 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP), FROM WHICH THE EAST 1/4 CORNER OF SAID SECTION 16 (BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°29'39" W, A DISTANCE OF 2,640.78 FEET;

THENCE N 00°29'39" W ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16, A DISTANCE OF 1,908.63 FEET TO AN A.D.O.T. BRASS CAP (1686+21.80) ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID BRASS CAP BEING THE **POINT OF BEGINNING**;

THENCE DEPARTING SAID EAST LINE, N 83°59'21" W ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 5,332.05 FEET TO A FOUND A.D.O.T. ALUMINUM CAP (1632+89.57) ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 16, FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION 16(BEING MARKED BY A PILE OF LIMESTONE ROCKS) BEARS S 00°32'30" E, A DISTANCE OF 2,512.93 FEET;

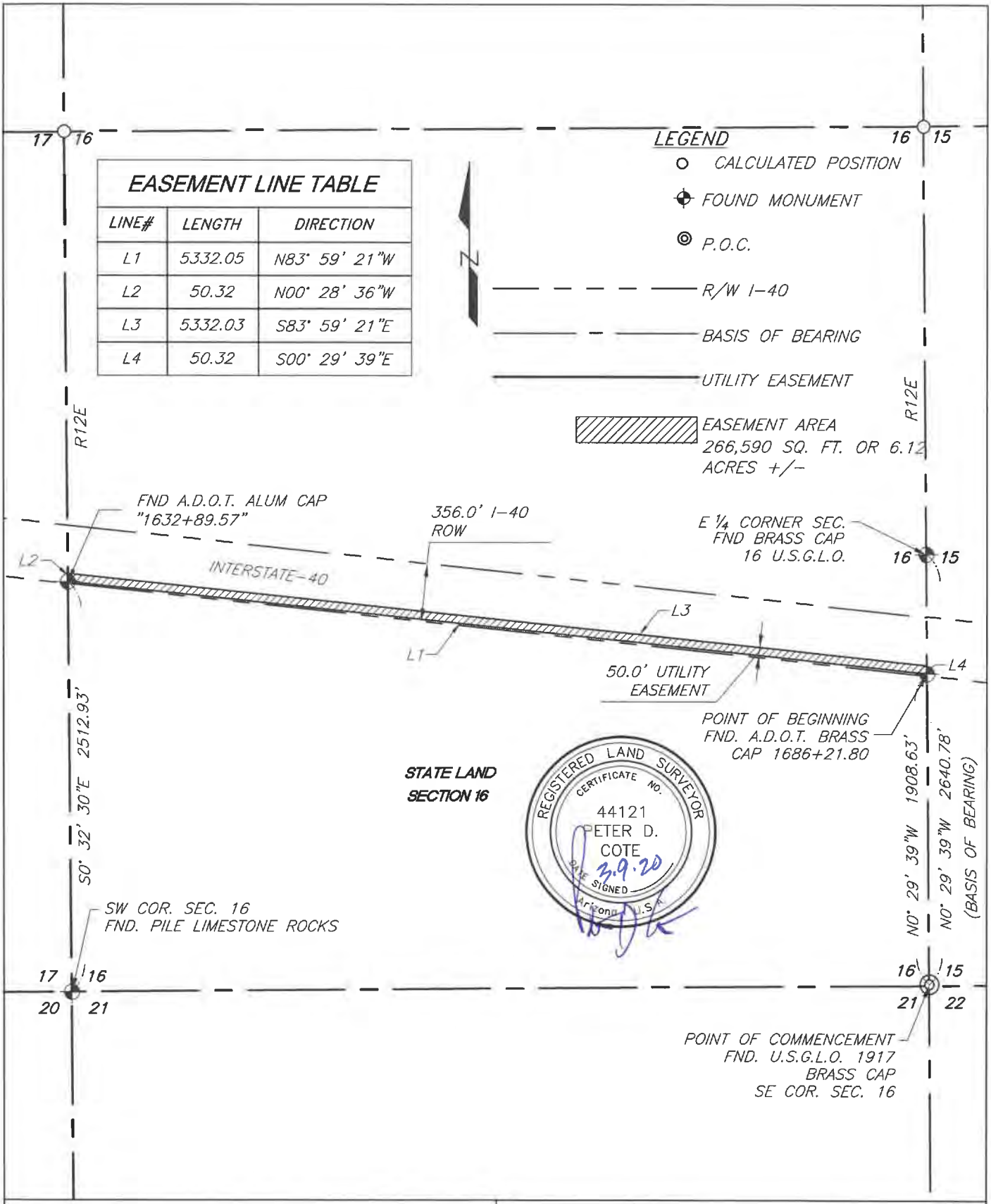
THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY LINE, N 00°28'36" W ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 16, A DISTANCE OF 50.32 FEET;

THENCE DEPARTING SAID WEST LINE, S 83°59'21" E, ALONG A LINE 50.00 FEET NORTHERLY OF AND PARALLEL WITH SAID RIGHT-OF-WAY LINE, A DISTANCE OF 5,332.03 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16;

THENCE S 00°29'39" E ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16, A DISTANCE OF 50.32 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 266,590 SQUARE FEET OR 6.12 ACRES MORE OR LESS.





CITY OF FLAGSTAFF
ARIZONA

EXHIBIT "A" PUE-6
COCONINO COUNTY, ARIZONA
SECTION 16, T20N R12E

DRAWN BY: TR	SCALE: 1" = 800'	The WLB Group, Inc. WLB	PAGE 2 OF 2
CHECKED BY: PC	JOB NUMBER: 308009B001		

RG-07

March 3, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-7-50.0' WIDE WATER LINE EASEMENT

BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 20 NORTH, RANGE 12 1/2 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 14 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP), FROM WHICH THE WEST 1/4 CORNER OF SAID SECTION 14 (BEING MARKED BY AN U.S.G.L.O. BRASS CAP) BEARS N 00°28'43" W, A DISTANCE OF 2,641.85 FEET;

THENCE N 00°28'43" W ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14, A DISTANCE OF 74.98 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE CONTINUING N 00°28'43" W ALONG SAID WEST LINE, A DISTANCE OF 50.40 FEET TO A POINT ON A LINE THAT IS 50.00 FEET NORTHERLY OF AND PARALLEL WITH SAID RIGHT-OF-WAY LINE;

THENCE S 83°12'58" E ALONG SAID PARALLEL LINE, A DISTANCE OF 990.16 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14;

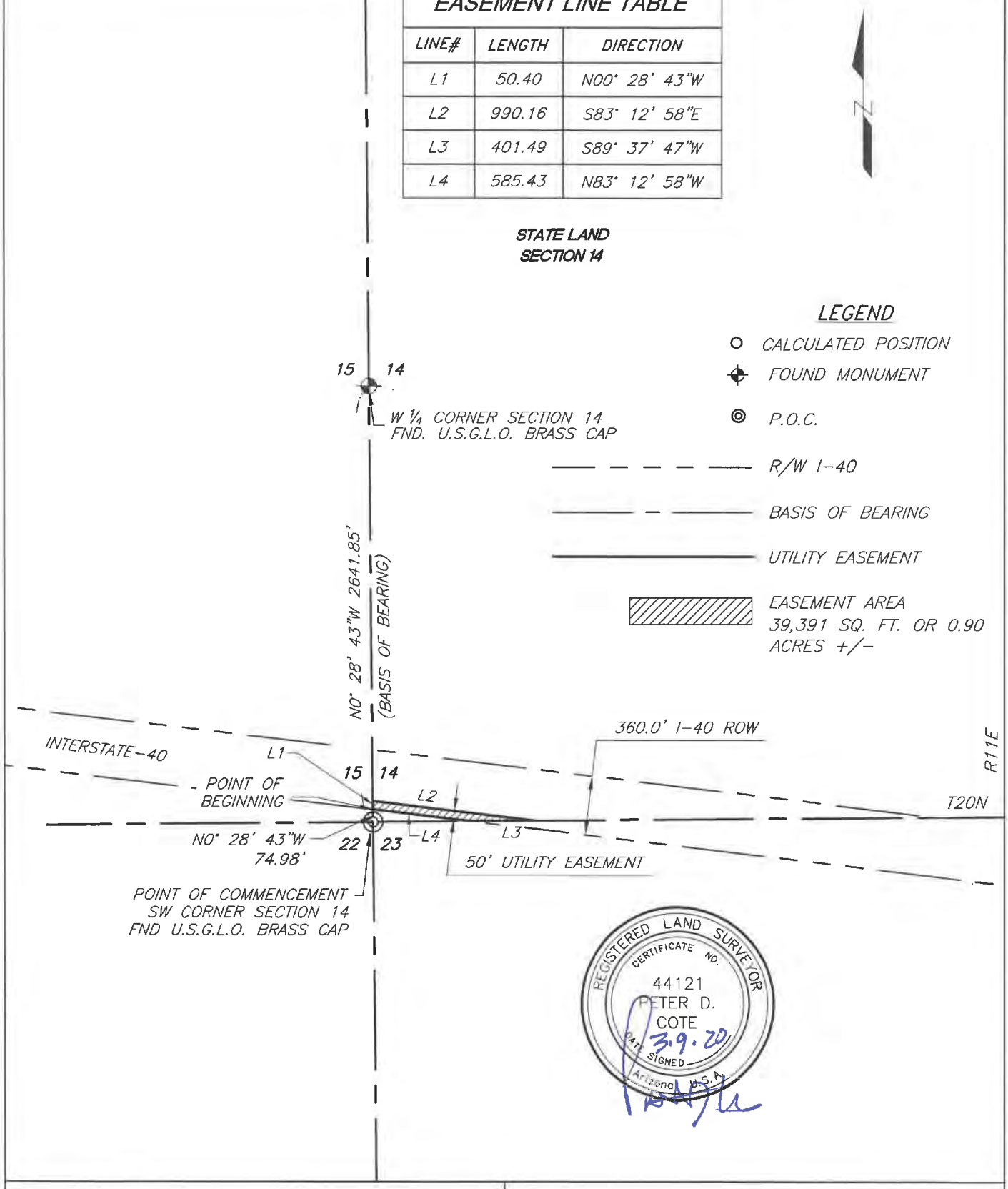
THENCE S 89°37'47" W ALONG SAID SOUTH LINE, A DISTANCE OF 401.49 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40;

THENCE N 83°12'58" W ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 585.43 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 39,391 SQUARE FEET OR 0.90 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
44121
PETER D.
COTE
3.9.20
DATE SIGNED
ARIZONA U.S.A.

EASEMENT LINE TABLE		
LINE#	LENGTH	DIRECTION
L1	50.40	N00° 28' 43"W
L2	990.16	S83° 12' 58"E
L3	401.49	S89° 37' 47"W
L4	585.43	N83° 12' 58"W



CITY OF FLAGSTAFF ARIZONA

EXHIBIT "A"-PUE 7
COCONINO COUNTY, ARIZONA
SECTION 14, T20N R12 - 1/2E

DRAWN BY: TR	SCALE: 1" = 800'
CHECKED BY: PC	JOB NUMBER: 308009B001

The WLB Group INC. WLB

The WLB Group Inc WLB

March 6, 2020
WLB No. 308009B001

EXHIBIT "A"
LEGAL DESCRIPTION
OF A
PUE-8-50.0' WIDE UTILITY EASEMENT

BEING A PORTION OF SECTION 30, TOWNSHIP 20 NORTH, RANGE 13 EAST OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 30 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP), FROM WHICH A FOUND A.D.O.T. ALUMINUM CAP ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 30 BEARS N 00°27'57" W, A DISTANCE OF 2015.29 FEET;

THENCE N 00°27'57" W ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 30, A DISTANCE OF 1,621.80 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE N 75°50'47" W, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 1,394.93 FEET;

THENCE, DEPARTING SAID RIGH-OF-WAY, S 14°07'51" W, A DISTANCE OF 471.49 FEET;

THENCE N 75°52'07" W, A DISTANCE OF 1,140.34 FEET;

THENCE S 82°55'37" W, A DISTANCE OF 625.79 FEET;

THENCE N 17°46'36"W, A DISTANCE OF 742.35 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40;

THENCE N 59°31'56" W, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 14.43 FEET;

THENCE N 75°57'30" W, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 2,120.20 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 30 (BEING MARKED BY A FOUND U.S.G.L.O. BRASS CAP) BEARS N 00°33'32"W, A DISTANCE OF 2210.18 FEET;

THENCE N 00°33'32" W, ALONG SAID WEST LINE OF THE NORTHWEST QUARTER, A DISTANCE OF 51.67 FEET TO A POINT ON A LINE THAT IS 50.00 FEET NORTHEASTERLY OF AND PARALLEL WITH SAID RIGHT-OF-WAY LINE;

THENCE S 75°57'30" E ALONG SAID PARALLEL LINE, A DISTANCE OF 2,140.44 FEET;

THENCE S 59°31'56"E, A DISTANCE OF 40.72;

THENCE S 17°46'36" E ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 795.07 FEET;

THENCE N 82°55'37" E ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 593.72 FEET;

THENCE S 75°52'07" E, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 1,099.70 FEET;

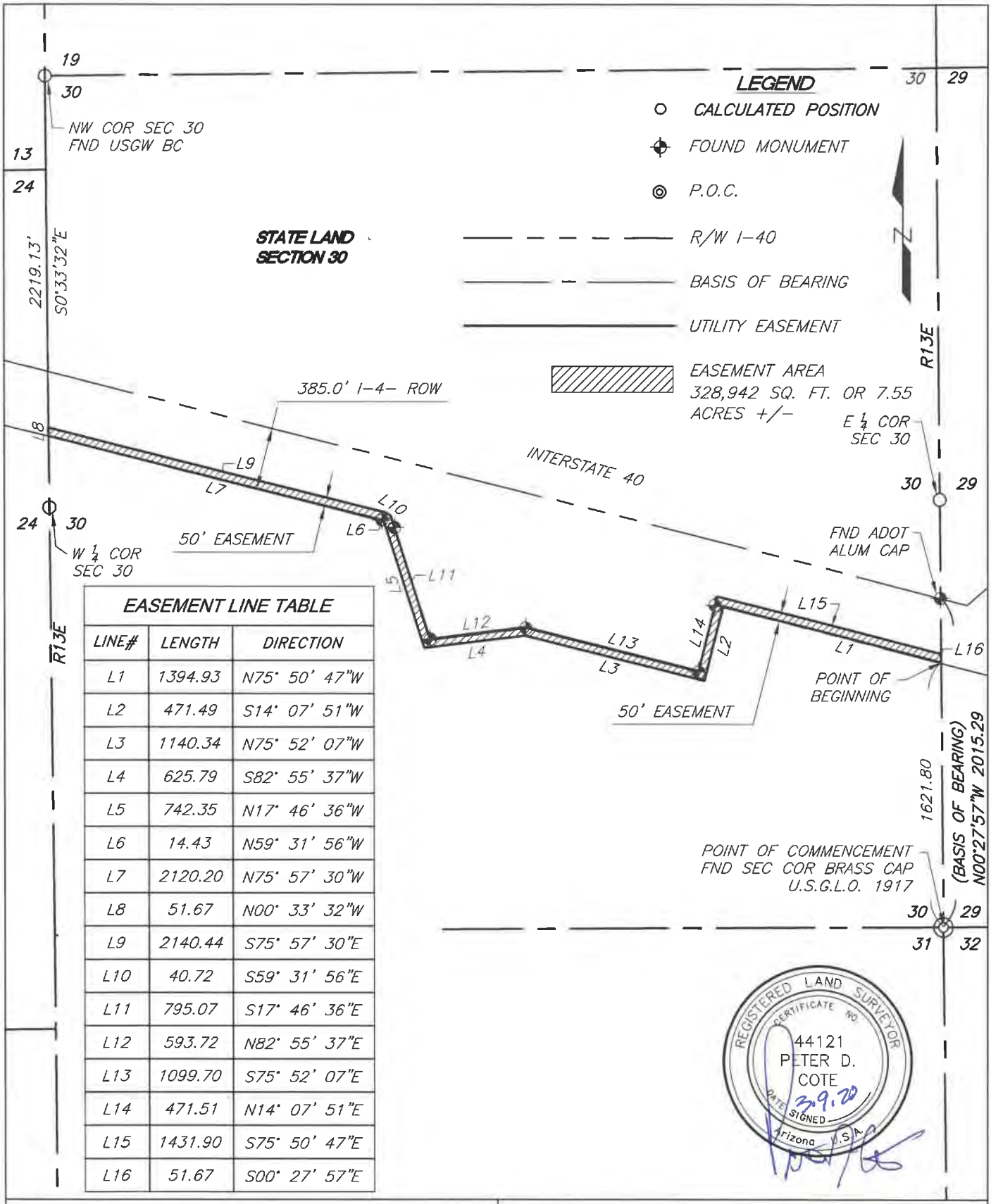
THENCE N 14°07'51" E, A DISTANCE OF 471.51 FEET TO A POINT ON A LINE THAT IS 50.00 FEET NORTHEASTERLY OF AND PARALLEL WITH SAID SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE 40;

THENCE S 75°50'47" E ALONG SAID PARALLEL LINE, A DISTANCE OF 1,431.90 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 30;

THENCE S 00°27'57" E ALONG SAID EAST LINE, A DISTANCE OF 51.67 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 328,942 SQUARE FEET OR 7.55 ACRES MORE OR LESS.





EASEMENT LINE TABLE		
LINE#	LENGTH	DIRECTION
L1	1394.93	N75° 50' 47"W
L2	471.49	S14° 07' 51"W
L3	1140.34	N75° 52' 07"W
L4	625.79	S82° 55' 37"W
L5	742.35	N17° 46' 36"W
L6	14.43	N59° 31' 56"W
L7	2120.20	N75° 57' 30"W
L8	51.67	N00° 33' 32"W
L9	2140.44	S75° 57' 30"E
L10	40.72	S59° 31' 56"E
L11	795.07	S17° 46' 36"E
L12	593.72	N82° 55' 37"E
L13	1099.70	S75° 52' 07"E
L14	471.51	N14° 07' 51"E
L15	1431.90	S75° 50' 47"E
L16	51.67	S00° 27' 57"E

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
44121
PETER D.
COTE
DATE SIGNED 3.9.20
Arizona U.S.A.

CITY OF FLAGSTAFF ARIZONA

EXHIBIT A
COCONINO COUNTY, ARIZONA
SECTION 30, T20N R13E

DRAWN BY: TR	SCALE: 1" = 800'
CHECKED BY: PC	JOB NUMBER: 308009B001

The WLB Group INC. WLB