

WORK SESSION AGENDA

CITY COUNCIL WORK SESSION
TUESDAY
OCTOBER 25, 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.

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 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. **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. **Public Participation**

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. **Review of Draft Agenda for the November 1, 2022 City Council Meeting**

Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.

6. **Proclamation: STEM City 10th Anniversary**

7. **City Manager Report** Information Only

8. **Thorpe Park Annex Community Engagement Results and Discussion**

Discuss and provide direction on the draft final concept for the redevelopment of the Thorpe Park Annex (old Public Works Yard).

9. **Annual Revisions to the Carbon Neutrality Plan**

This is an informational update on proposed annual revisions to Flagstaff Carbon Neutrality Plan.

- Pending Council discussion, this item will return to Council for consideration for adoption on December 6th, 2022.
- If Council would like more time to review the Plan revisions before adoption, staff can schedule a work session agenda item for November 29th, 2022.

10. **Stormwater Rate Adjustment Discussion**

Staff recommends moving forward with the Resolution and future first read of the Ordinance creating an updated Stormwater Utility Rate based on the 2022 Stormwater Rate Model Report.

11. **Public Participation**

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

13. 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

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 10/20/2022
Meeting Date: 10/25/2022



TITLE:

City Manager Report

DESIRED OUTCOME:

Information Only

EXECUTIVE SUMMARY:

These reports will be included in the City Council packet for regularly scheduled Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

INFORMATION:

Attachments: [City Manager Report](#)
[Economic Vitality Monthly Report](#)
[PROSE Newsletter](#)

City Manager's Report

October 21, 2022

Council and Colleagues, greetings. These reports will be included in the City Council packet for regularly scheduled Council Work Sessions. The reports are intended to be informational, covering miscellaneous events and topics involving the city organization.

Also, appended to this report are the monthly updates from Economic Vitality and PROSE.

In no particular order ...

Leadership Team

We are very pleased to welcome two new members of the Leadership Team: Randy Tracy, Human Resources Director; and Paul Mood, City Engineering and Capital Improvements Director. They will both be starting their tenures here on October 31st.

Randy Tracy is a results-focused leader who brings years of diverse leadership experience from a variety of industries. In Randy's early career, he served as a member of the executive leadership team in the service industry and private prisons where he was responsible for multiple HR functions, operations, training and revenue within his division.



Randy began his career in the public sector with Gila River Indian Community where he spent ten years in executive leadership including managing all aspects of HR. During this time, he earned his Bachelor's in Public Administration. Randy then went on to join Pinal County's HR team in 2015 where he served in multiple roles before assuming the Human Resources Deputy Director and Risk Management Director role where he supported over 2000 employees and managed a team of 25 HR professionals! Randy is also a Certified Internal Investigator, Certified Train-the-Trainer, and a Certified Mediator through the Arizona Attorney General's Office.

Randy said of his selection: "I am so excited to join team Flagstaff! I look forward to meeting and collaborating with all of the many stakeholders and departments. Public service is one of my passions and making a meaningful contribution and bringing value to this already great team is my primary goal. I am excited to support them in providing exceptional service to the City and to our citizens". Welcome, Randy!

Paul Mood will also commence his new duties with the City, as the City Engineer, on October 31st. He has been in the engineering industry for approximately 25 years -- 19 years in the public sector and six years in the private sector. During his public service career, Paul spent seven years with the Town of Gilbert managing its capital improvement program; seven years as Development Services Director and Public Works Director for the Town of Fountain Hills; and the past five years as the Town Engineer with Paradise Valley. He has been a registered Professional Civil Engineer since 2001 and graduated from the Michigan Technological University in 1997 with a Bachelor of Science degree in Environmental Engineering.



Paul and his spouse Sara have a five-year old son, Oliver, who keeps them busy with soccer, swimming and horseback riding. Paul and his family enjoy hiking, skiing and traveling. Paul, we welcome you and your family to Flagstaff!

Shannon Jones will start his new post with the City as Water Services Director in early February. Brad Hill will continue to assist us until the end of February, allowing for some transition and onboarding to occur. We are very grateful!



Shannon was born in Danville, Arkansas. Early on, his family moved around, living in both Arkansas and New Mexico before eventually settling in Santa Fe in 1988. Shannon is one of four children. He graduated from high school and attended Arkansas Tech University. Shannon returned to Santa Fe where he began to work for a local utility contractor. Shannon married his wife Nicole in 1996. Nicole and Shannon have three children. Shannon and his wife started a small construction company as he became a licensed general contractor.

Shannon began working for the City of Santa Fe in 1999 and worked 23 years in public utilities until retiring as the Public Utilities Department Director. He has considerable experience in the operations of water utilities. On his spare time, he enjoys hunting and playing golf when he can. We welcome Shannon to the team!

Police Department

- FPD hosted a three-day Emergency Medical Dispatch training in the LEAF Auditorium, with many dispatchers from other Communication Centers attending as well.
- Monday, October 3rd marked the opening day of the High Country Police Academy. Exciting stuff ... very exciting, actually, as we will now see our recruits trained locally and spending more time becoming acquainted with our community. It is a great partnership with the County, NAU, and the hosting facility – Coconino Community College.
- Officers and detectives responded to a break in at the Zombie's smoke shop in downtown flagstaff. The thief smashed a window and stole several packages of cigarettes. An attempt to locate was put out for the masked suspect. The investigation is ongoing.
- Detective Knott and the prosecution team were successful in obtaining a guilty verdict in Superior Court against a suspect who was found guilty of sexual assault, vulnerable adult abuse, and aggravated assault. His sentencing is pending. Great work Detective!
- Officer Pat Condon was named FPD Exchange Club Officer of the Year for 2022! In light of recent tragic events, law enforcement across the country has been looked to for training and response to active shooter events. Our department is lucky enough to have Pat, who is passionate about preparedness. Pat is our "go to" officer to conduct site assessments and training to our community on active shooter response. This is in addition to performing his daily patrol duties and coaching in his off-time. Pat has reached out to Flagstaff public schools, private schools and healthcare facilities and offered his time and expertise in Active Shooter Response. Over the Months of July and August, Pat organized meetings and met with staff from the City of Flagstaff, FUSD, Flagstaff Bone and Joint, Flagstaff Medical Center, Mountain View Pediatrics, and San Francisco De Asis Catholic Church to name a few. Officer Condon's trainings were well received.

Pat's commitment to the safety of our community and the success of the Flagstaff Police Department is unwavering. He is always going the extra mile to assist those in need of police services. Seldom does a week go by where the Chief does not get an e-mail or phone call from someone Pat has left a positive impression on. For Pat's exemplary service to community, we have selected him as our Exchange Club Officer of the Year. Congratulations Pat!



Public Works

- Evan Tyrell will be starting on October 31st as the new Solid Waste Section Director. We are quite happy with this and look forward to his leadership.

- Fleet services has been busy working on Police and Fire units, servicing the Airport equipment, meter reading truck repair, purchasing a new side loader into the solid waste fleet, and providing repairs to a hydraulic press from the welding shop.
- Facilities Maintenance took care of a NACET boiler, shelving in the downtown library, sustainability building garage door repair, replacement of the sand filtration of the Aquaplex hot tub, repair of rolling doors at Hal Jensen, and repair of windows, lighting and potholes at the USGS facility. Thanks to both the Fleet Team and Facilities Team!

Meetings, Etc.

- Mountain Line held its Advance for the Board and Technical Advisory Committee at the Aquaplex on October 19th. It was well attended. An array of topics were discussed with an eye toward the future in terms of new routes, electrified fleet, infrastructure, and of course the Downtown Connection Center. Props to the Mountain Line Team!



- The Vice Mayor and I toured the 'not so tiny' starter home being built by Habitat on Butler. The structure, well underway, is very cool and has a floor plan that is efficient and ... cozy. The exterior is attractive and inviting. Check out the images below. Thanks to Eric Wolverton with Habitat for Humanity of Northern Arizona for the nice tour and discussion.



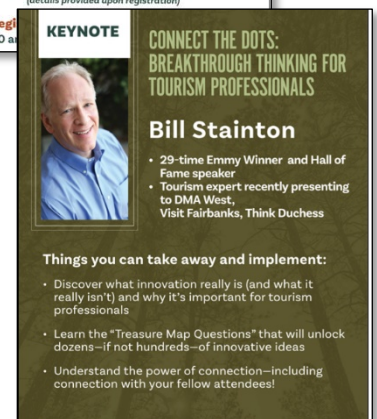
- Please mark your calendars! I will be out of the office next month, from November 17th and returning December 5th. Shannon Anderson will be acting City Manager in my absence.

Also, we have scheduled the Council retreats for 2023 to include the following:

- January 19th and 20th (Introductory Training and some Budget Overview)
- February 2nd and 3rd (Budget)
- April 27th and 28th (Budget)

- The Discover Flagstaff and EVD Annual Marketing Luncheon was held on October 20th and was a great success. Big props to Rose Toehe, Lori Pappas, Heidi Hansen, Dave McIntire, Trace Ward, Councilmember Regina Salas, and Councilmember Aslan for assisting in the presentations.

Bill Stainton, 29-time Emmy Award Winner and a Hall of Fame keynote speaker, was the highlight of the event with a wonderful discussion about innovation and creativity. The guy is simply hilarious, energizing, and enlightening with his very motivational stories and perspectives. The event was great! Thank you to the Discover Flagstaff and EVD Team for hitting it out of the park! Enjoy the images below.





Economic Vitality Division

Enhancing Quality of Life 365 Days a Year

AIRPORT • COMMUNITY INVESTMENT

LIBRARY • TOURISM

SEPTEMBER 2022



AIRPORT

ANNUAL AIRPORT CERTIFICATION: The FAA held the annual Airport Certification Inspection. No major items of default were identified. The two-day (night and day) inspection included examination of the runway, taxiway, infields, lighting, guidance equipment, fuel farms, emergency plans, and training records. **GREAT WORK AIRPORT TEAM!**

AIRPORT EMERGENCY PLAN (AEP): The annual review was held this month. This required FAA review includes the stakeholders involved in an airport emergency: airlines, fixed-based operator (FBO), Department of Public Safety Air Rescue, FBI, Flagstaff Police Department, Flagstaff Fire Department, Highlands Fire Department, Air Traffic Control Tower, Guardian Medical Transport, Airport ARFF, and Airport Administration. Staff and partners updated the aircraft incident response procedures and Unmanned Aircraft Systems (UAS) plan.

AIRPORT RESCUE FIRE FIGHTING (ARFF): Crews conducted foam testing on all the ARFF apparatuses. Testing ensures the foam percentages are in the appropriate range required by the FAA. Flagstaff Pulliam Airport uses an input-based testing system that does not require the actual dispensing of foam.

ON-CALL AIRPORT PLANNER: Airport and other City staff met with Coffman and Associates, the selected on-call airport planner to discuss scoping and request for information on several important upcoming projects. Environmental work is necessary for the FAA Grant that will move Taxilane Whiskey away from the commercial terminal by approximately 200' to improve safety of aircraft movement on the ground and prevent direct access from aircraft storage areas to the runway. Other projects discussed included a new Passenger Demand Analysis to assist in attracting a new air carrier.

FUTURE OF TRAVEL MOBILITY CONFERENCE: Staff attended the Future of Travel Mobility conference in



Washington D.C. Notable speakers included Robert Isom (CEO of American Airlines), Chrissy Taylor (CEO of Enterprise Holdings), and representatives from the FAA and Administration. Staff also met with Congressional staff to thank them for their support of our recent grant applications and to discuss emerging issues at the airport, and in the aviation industry.

PROJECTS:

- Staff continues working on additional job order contractor projects and anticipates several additional design and construction projects to begin soon. Pavement maintenance and repairs on the runway and taxiways are scheduled before the winter season arrives.
- Reconstruction of the Wiseman Aviation parking lot was completed as scheduled. The new striping in the lot was updated to better match their operations.
- Installation of a new fence around the Terminal Lot was completed ahead of schedule. The temporary fence that was previously around the lot was removed. A new gate was also installed to prevent vehicles from parking along the adjacent service road.



AIRPORT MARKETING:

- Please read our September issue of [FLG In-Flight](#)
- Our [Airport Media Kit](#) is now live on website. Staff has begun soliciting advertisers for the few available tension fabric displays and new LCD digital displays installed throughout the terminal.
- A [paw-stive \(positive\) story](#) on the airport was featured in local online news.



A Cocker Spaniel Pup Got Put On Flight To Flagstaff From Dallas-Fort Worth Tuesday, While Parents Were In Phoenix



via courtesy of Flagstaff's Pulliam Airport

A dog, who was aboard an American Airlines flight from Dallas-Fort Worth to Flagstaff, has quite the story about his travels. Flagstaff Pulliam Airport officials say Tony, a cocker spaniel pup, was placed on a flight by a breeder in Missouri to Dallas-Fort Worth at 3:30 a.m. Tuesday morning. While at the airport in Dallas, Tony was placed aboard a plane to Flagstaff. When Tony got off the plane, no one was there to get him. Airport officials say that's because his parents didn't know Tony had put on a plane to Flagstaff until he arrived, and airport staff called them. Tony's parents thought he was being flown to Phoenix. However, Flagstaff Airport staff had no problem looking after the pooch until they made it up the mountain take him home. Airport officials say Tony received a lot of love during his brief stay.



RECENT NEWS

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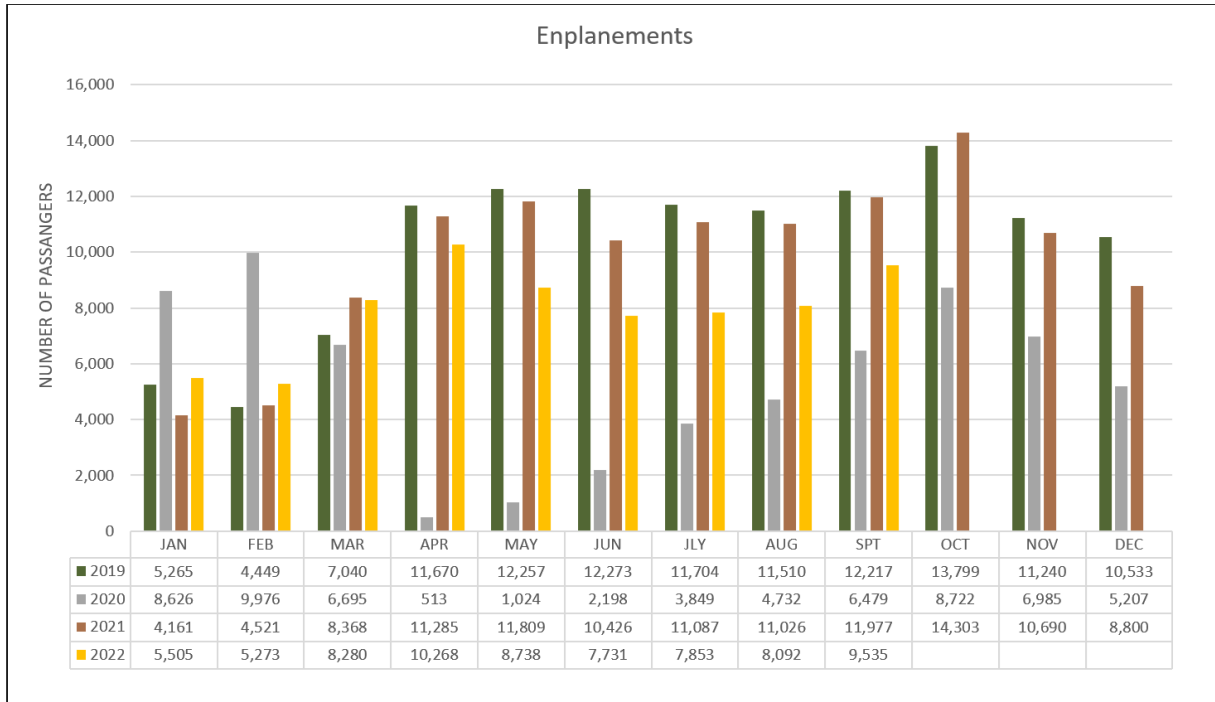
A Boy Who Was Shot Last Week Near A Camp Verde Cemetery Has Died
October 16, 2022 // 1:27 pm

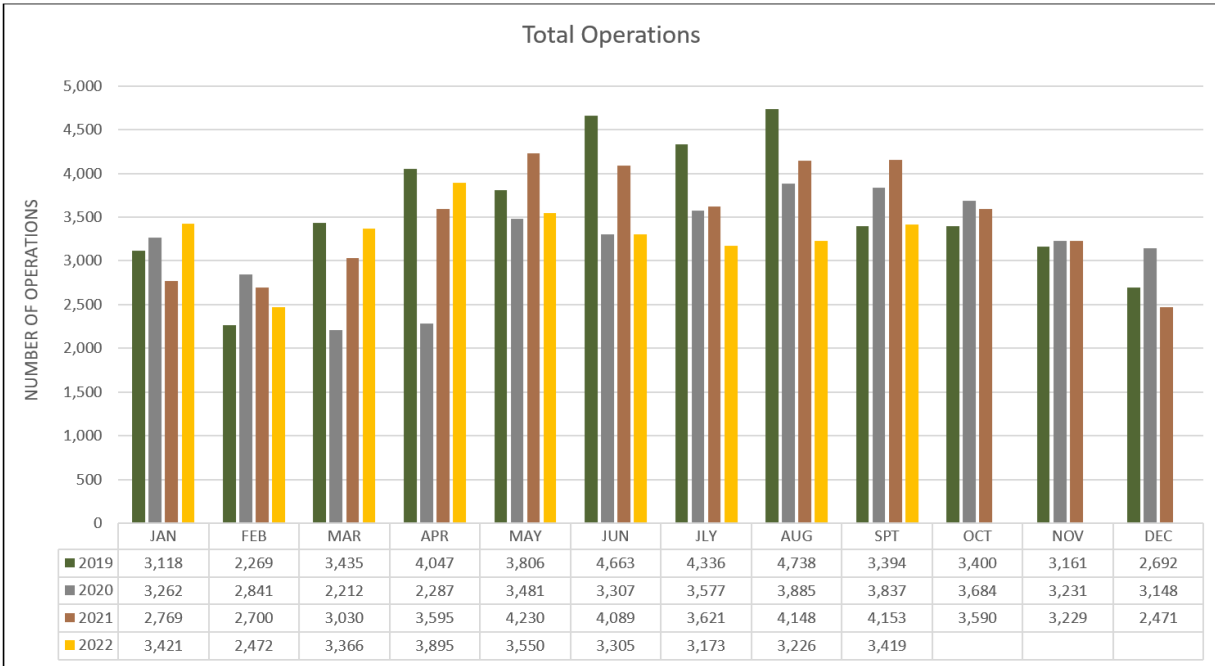
Yavapai County Sheriff's Deputies To Protect



ENPLANEMENTS & TOTAL OPERATIONS GRAPHS:

Total enplanements were over 2020 figures, but under 2021 due to the national crisis with pilot, crew, and plane shortages that kept our overall daily flight count lower than normal.





**CHOOSE
FLAGSTAFF**

COMMUNITY INVESTMENT

BEAUTIFICATION AND ARTS & SCIENCE:

COMPLETED PROJECT

Courthouse Art Plaque: *Among Trees* received its bronze plaque. *Thanks to our COF Facility Staff for assisting!*



ONGOING PROJECTS

- **Airport Art, Coconino Scroll:** Metal cutting for the fence commenced! Staff met with fabrication team and artist/fabricator sent specs for installation procurement. Finalized BAS edits for project brochure. Staff met with Airport and Discover Flagstaff re a fabric banner to help airport users locate the Coconino Scroll brochures.
- **Aspen Avenue Library Entry:** Alternate entry opened, main entry closed, and the plaza construction began. Artist contract amendment for revised footing and plaque reviewed by procurement, legal and artist. Staff reviewed concrete samples with team. The samples were initially rejected for not following the specs regarding joints and the finishes but approved for color and texture. Staff reviewed Beautification funding and corrected purchase order to reflect agreed-upon/budgeted-for amount.
- **Downtown Connection Center:** Determined that best approach for the Art Glass would be for the artists team to purchase the entire glass unit (not just the art layer within the glass) for the glass curtain wall segments that have the art in order to ease coordination and to not run afoul of federal grant funds that can't be used for art. Design team met on art glass, which focused on who is to purchase the specialized lighting. Must meet federal Buy America guidelines if Mountain Line consultant to purchase. Artist team will advise. Worked on getting Rhino drawings from design team for artist renderings of Southside Grove Sculpture. but ultimately late-October is projected delivery date. Will show revisions to upper management without best renderings but hope to have for BPAC and Council packages. Design team met separately on Southside Grove potential locations. Five locations were narrowed down to two. Artist team sent updates on sample mockups for sculpture, **one example of the star needles that introduces prisms is pictured.** Staff met with Mountain Line re cost sharing issues for integrated art.
- **Flowers and Enhanced Landscaping:** Staff met with Parks, Streets, and Discover Flagstaff about creating smaller metal planters to replace the wine barrels in Aspen Alley.
- **Lone Tree Overpass:** Staff met with artist and reviewed concept drawings. Overall project readying to submit 60% documents for City Review.
- **Phone Booth Library:** Staff worked on final steps of completion and installation. The painting is completed. Awaiting windows and hurricane leather straps to secure in storms due to arrive in next two weeks. Bookcase still to be installed. Staff set meeting to determine if a bulletin board or route 66 mural is to go on back and will seek a short contract extension with procurement as October 23rd deadline is unlikely to be met.
- **Route 66 – 3 monuments:** Project cost up to \$45,000 over FY23 line item. Staff determined that funds were available from unprogrammed beautification to go forward with the project.
- **Southside Community Garden:** Staff met with artist for update and next steps for October volunteer day to lay the woodchips.



PROGRAMS & OUTREACH

- **BPAC:** Staff reached out to Streets, Water & Sewer, and others re feasibility of new project ideas for upcoming Commission meeting. Staff followed up on a number of threads following the new projects discussion at September 12th Commission meeting, including: initiating conversation with Housing's Jennifer Mickelson re Habitat for Humanity parcel at Timber Sky; putting forth idea for NAU student driven BIA grant applications for temporary projects for the shoddy shotcrete on the Lone Tree underpass @ I40 to Commissioners Zecher and Johnson; relaying low marks to internal team re Route 66 project; and brainstorming common thread ideas. Staff booked Coconino Center for the Arts for the budget retreat at end of October and requested a facility and exhibition tour. Staff initiated draft agenda for October 28th retreat.
- **Beautification in Action Grants:** Staff continued outreach with reminders to interested parties of upcoming deadline on September 15th and presented at a joint grant workshop with Sustainability at East Flagstaff Library. Staff worked with applicants on completing their documents. Five applications were submitted, four of which were complete enough to bring to BPAC for review. Staff contacted applicants regarding their presentations in October BPAC meeting and finalized presentation schedule for applicants for the October BPAC meeting. Edited the spreadsheet for grant tracking and answered questions from applicants.
- **Collections Coordinator Position:** Staff and HR finalized criteria and position approved. Ready to requisition.
- **Project Administrator Position:** Requisition closed on September 16th. Staff reviewed and scored applicants, conducted six phone interviews, and set in-person interviews for October 6th & 7th for four finalists.

HIGHLIGHTED EVENTS IN SEPTEMBER BY A NONPROFITS SUPPORTED BY BBB TAX FUNDS

Creative Flagstaff's 2023 Innovation & Capacity grant application now open
Applications will remain open until September 30, 2022. Innovation and Capacity (project) Grants provide flexible funds to support a specific project designed to introduce a new program or experience, prove a concept, or build operational capacity in the art, science, and cultural sectors in greater Flagstaff. The funding period for these grants is January 1 – December 31, 2023. Creative Flagstaff expects to award between \$50,000 and \$80,000 through these grants. Link to further information: <https://creativeflagstaff.org/2023-project-grants-open/>



Local Flagstaff non-profit, Viola Award finalist and Creative Flagstaff grantee, **Ballet Folklórico de Colores** will be celebrating Hispanic Heritage Month at **multiple performances and events**. Formed in 2005 by Sergio Padilla, Ballet Folklórico de Colores is dedicated to teaching, performing, promoting, and preserving traditional Mexican folk dance. The following events were held:

- **Wednesday, September 21:** NAU Diversity Awards Celebration
- **Saturday, October 8:** Enchilada Sale at Puente de Hozho School
- **Tuesday, October 11:** Hispanic Heritage Month Performance

To learn more about Ballet Folklórico de Colores on their [website](#), and keep up with their events by following them on [Facebook](#) and [Instagram](#).

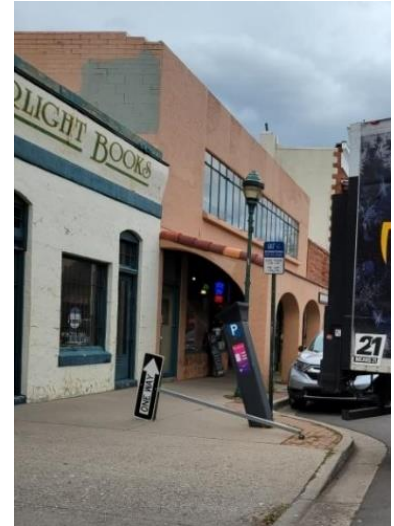


PARKFLAG:

PROGRAM UPDATES:

ParkFlag Team members completed the following tasks during the month of September

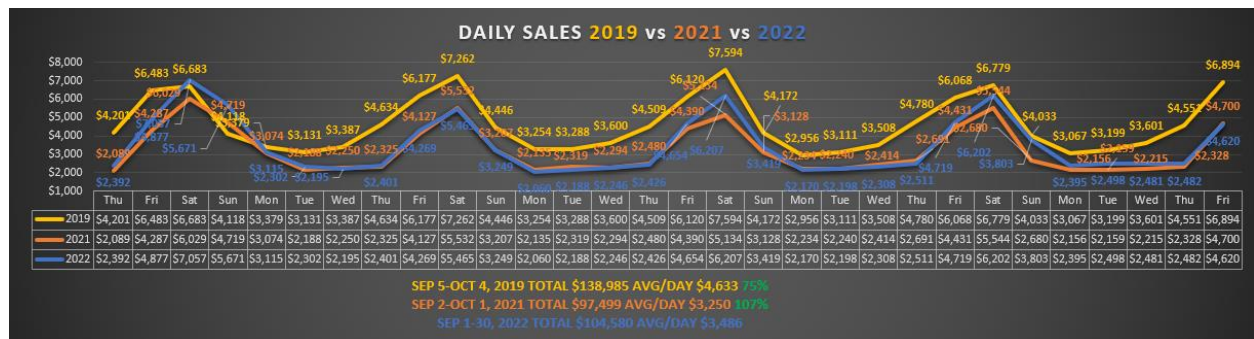
- Software updates on all kiosks located in the pay to park district
- Replacement of kiosk located on S. Mikes Pike
 - ALL kiosks in the pay to park district are operational
- Touched up yellow paint in loading zones on Aspen Ave.
- Reported and repaired a vandalized kiosk in the Lumberyard parking lot as well as a kiosk located on N Leroux struck by a downtown vendor.



RECRUITMENT: ParkFlag is hiring again! We posted the Parking Aide job listing online.

MONTHLY PARKFLAG REVENUE COMPARISONS:

ParkFlag revenues were at 107% in comparison to 2021, kiosk payments brought in over \$100,000 in revenues during the month of September.



COMMUNITY UPDATES:

- ParkFlag attended the monthly FDPA stakeholder meeting and discussed new loading zones located on Aspen Ave and Leroux St.
- ParkFlag along with traffic engineering walked the district to discuss the possible implementation residential ADA spaces, loading zones and red curbs.

BUSINESS ATTRACTION:

Attraction Efforts:

Woodsyn – City staff met with a new company this month that has a progressive solution to affordable housing and fire mitigation. Woodsyn is looking to have several new plants located in the Northern Arizona region that will take small diameter and other additives to make affordable building materials. This business would be an excellent fit for Flagstaff and has the potential to assist with excess lumber

from forest thinning efforts and create additional affordable housing options. Staff lead Woodsyn on a site tour this month and they are now considering several possible locations.

Conferences, Trainings & Professional Development:

- ICSC (International Council of Shopping Centers) hosted their western regional event in San Diego. Staff attended this event to gain new partnerships and connections that will hopefully spur the arrival of new retail, restaurant, and hospitality-based businesses to Flagstaff. The results from this event were promising and several businesses expressed their high desire to be in our community.
- AAED has scheduled their Fall Forum for 10/26 – 10/28 in the Valley this year. This is an excellent event to become more familiar with current economic development trends and network with various professionals in the industry. If you would like to view the forum's agenda to learn more about this great opportunity, please visit: [Arizona Association For Economic Development \(AAED\)](#)

Incentive Updates:

- The Sustainable Automotive Sales Tax Rebate program has seen significant use over the last two months. With a flurry of new applications, the program has now awarded over \$19,500 to 33 purchasers of fuel-efficient vehicles. To learn more about the program please visit: [Sustainable Automotive REBATE PROGRAM - Choose Flagstaff the City of Innovation](#)



Sustainable Automotive REBATE PROGRAM

Apply Today!!

The Goal

The City of Flagstaff seeks to promote purchases of fuel-efficient automotive vehicles to reduce air pollution, further the Climate Action and Adaptation Plan (CAAP), and to support local automotive dealers.

31.45 Acre Master Development:

- After a lengthy negotiation process, the 31.45-acre parcel located adjacent to the Flagstaff Pulliam Airport will go before Council soon to seek approval for a ground lease agreement. This development is expected to create over 800,000 sq. ft. of new space that will be used to attract businesses in the manufacturing, research and development, and retail sectors. This type of additional space is extremely needed and will be an excellent asset for Flagstaff to attract high quality companies.

Other Attraction Highlights:

- The former Bed Bath & Beyond location is currently being transformed to welcome their new tenant, [Home Goods](#). There has not been an official opening date released yet, but it is estimated that they will be open before the end of the year.
- Staff met with a new manufacturer that is looking to take ownership of the former Daily Sun building to expand their production operations. This business will create up to 30 new jobs immediately. Stay tuned!



- Our partners in the Community Development division have released the newest version of their Development Status Report (May 2022). This comprehensive list of ongoing/planned development can be found here: [Development-Status-Report-May-2022 \(az.gov\)](https://www.flagstaff.gov/development-status-report-may-2022)

BUSINESS RETENTION & EXPANSION:

PROJECT UPDATES:

CHOOSEFLAGSTAFF.COM WEBSITE: Community Investment staff met with indigo8; the new contractor who has been selected to upgrade the City of Flagstaff Economic Development website which is ChooseFlagstaff.com

INNOVATE WASTE: THE CARBON NEUTRALITY CHALLENGE: Economic Development and Sustainability staff met with Moonshot@NACET Executive Director to continue enhancement of the entrepreneurial challenge with a new name.

- Innovate Waste: The Carbon Neutrality Challenge is the new name for the program that invites entrepreneurship to provide carbon neutrality solutions and improve the environment.
- The team will work to provide instructional videos to guide participants through the process of ideation to action to operating a business.
- Articulating judging criteria and developing questions for the judges panel will also provide appropriate direction to guide this entrepreneurial challenge that focuses on environmental stewardship.
- The team will also prepare a list of workshops and a marketing strategy to provide entrepreneurial support and inspiration to make the next challenge an even greater success than it has been in the past years.

S.T.E.M. CITY BOARD OF DIRECTORS: The Board of Directors met to discuss organization activities.

- The Board is reviewing the Full STEAM Ahead program which pairs teachers with industry professionals to deliver greater exposure to all things S.T.E.M.

CREATING HELPFUL INCENTIVES to PRODUCE SEMICONDUCTORS (CHIPS ACT): The Staff attended a recent webinar from the Department of Commerce regarding the rollout of the program and related funding and activities.

- The presentation is one of what may be a growing number of informational webinars to successfully implement the CHIPS Act. This first webinar presented a high-level overview of programs that maybe developed and made available over the next few months.

MICROELECTRONICS FACILITIES: The President signed the bill into law and now the team is preparing to identify local area parcels that may house new microelectronics fabrication facilities. Staff has made

several community connections to facilitate the development team's success in identifying such parcels.

NORTHERN ARIZONA HEALTHCARE (NAH) AND DEPARTMENT OF TRANSPORTATION (DOT) BRIDGE GRANT: Prior to the Council retreat which included a productive conversation between staff, Council and NAH, staff presented to the Budget Team to request funding to complement an existing ADOT project and potential funds from NAH.

- The current opportunity is to provide ADOT \$5million to support the design and construction of a widened bridge that may be delivered to meet the near future development needs.
- Total funding could be identified and considered as a match in a larger future Department of Transportation grant.

ARIZONA@WORK COCONINO COUNTY (AZ@W-CC) WORKFORCE DEVELOPMENT BOARD (WDB): The Board held the regularly scheduled quarterly meeting.

- The National Association of Workforce Boards known as NAWB presented to the WDB providing information about methods of coordination and collaboration between workforce boards.
- While the AZ@W-CC WDB is still accepting applications to fill vacant positions, President and CEO of the Economic Collaborative of Northern Arizona (ECoNA), Gail Jackson was approved to sit on the WDB. Ms. Jackson has previously served as the Business Attraction for the City of Flagstaff, bringing a wealth of knowledge and experience to the local area WDB.

PROGRAM UPDATES:

BUSINESS RETENTION AND EXPANSION INCENTIVE: Staff spent time getting the word out about the next round of the BR&E Incentive with an article in the Flagstaff Business News and via numerous Instagram, LinkedIn and Facebook social media outlets of Discover Flagstaff, City of Flagstaff Community Engagement Office, ECoNA, and Moonshot@NACET. Staff was contacted directly by the following eleven separate businesses expressing interest and seeking additional information:

- Wiseman Aviation, Quality Connections, Crosswalk Labs, Yoga with Anne-Laure Peacuelle, Lifestyle Assisted Living, A M Forestry, RockCreekAZ, Diablo Burger, Do Good Be Good, and SD Miller and Associates.

Staff received six separate applications from the following businesses:

- The following businesses applied: the Physio Shop, OVR LND Campers, Do Good Be Good, SD Miller and Associates, Satchmo's, and Crosswalk Labs.

Staff is drafting two contracts for the two businesses that will be awarded in October.



LIBRARY | CITY & COUNTY

SEPTEMBER 2022 LIBRARY STATS:

		Sep-22	Sep-21	Difference
Circulation	Downtown	22,588	20,566	9.83%
	East Flagstaff	10,247	8,568	19.60%
	TOTAL	32,835	29,134	12.70%
Value of Loaned Materials	Downtown	\$411,567.95	\$364,918.89	12.78%
	East Flagstaff	\$184,496.83	\$139,422.90	32.33%
	TOTAL	\$596,064.78	\$504,341.79	18.19%
In-House Use	Downtown	17,180	16,465	4.34%
	East Flagstaff	6,098	5,170	17.95%
	TOTAL	23,278	21,635	7.59%
Door Count	Downtown	(No door count during front entrance construction)	11,152	-
	East Flagstaff	12,473	516	2317.25%
	TOTAL	12,473	11,668	6.90%
Wi-Fi Use	Downtown	2,974	2,785	6.79%
	East Flagstaff	1,671	943	77.20%
	TOTAL	4,645	3,728	24.60%
Public Computer Use	Downtown	2,615	1,520	72.04%
	East Flagstaff	1,963	537	265.55%
	TOTAL	4,578	2,057	122.56%
Number of Programs	Downtown	22	24	-8.33%
	East Flagstaff	14	9	55.56%
	TOTAL	36	33	9.09%
Program Attendance	Downtown	335	357	-6.16%
	East Flagstaff	150	123	21.95%
	TOTAL	485	480	1.04%
Reference Help	Downtown	2,073	2,253	-7.99%
	East Flagstaff	1,716	1,384	23.99%
	TOTAL	3,789	3,637	4.18%

EFCL LEGO Club Conversion: Two of our regular patrons, Josiah, and Connor, have been reluctant to come to LEGO club now that they are teenagers. At one session in Sept the challenge was to make catapults, and they reluctantly joined. Josiah's catapult worked better than anyone's and it totally turned them around. They are now excited to re-join future programs 😊.

EFCL Crafty Corner Lovers: This month at Crafty Corner, which happens at EFCL every Tuesday and is one of our longest-running programs, one of our regular families shared that they love Crafty Corner and missed it so much during the pandemic that they started hosting their own mini-Crafty Corners at home for the past year and a half! They are happy to be back at the library, but we were happy to hear that they were able to keep the tradition up at home.

EFCL Name Change Clinic: On Monday September 12, 7 people participated in a Name Change Clinic at EFCL where they got one on one legal counsel regarding the name change process. This program was offered in partnership with One-N-Ten and Aspey Watkins & Diesel, PLLC. One patron commented: *"Just wanted to let you know that THAT [points back towards community room with thumb] was a super-duper awesome service! Thank you, guys!"*

EFCL Leroux Springs Hike: On Sat, 9/3, 16 participants were led by two library staff through the old arboretum off Snowbowl Road, up to the cabin below Little Leroux Spring. On the way up to the cabin they found puffball mushrooms, lobster mushrooms, Russulas, and Caesar Amanitas, and learned best practices for mushroom identification. At the cabin and spring, the group discussed the history of settlement in the area, and the importance of riparian zones in the high mountain desert. On the way back the group learned to identify local wildflowers. Prior to the hike, Sarah Weatherby, who hosts this program, was contacted by Victoria Allen who is the Assistant Recreation Team Lead for Flagstaff District, USFS. She attended the hike with a ranger named Jody who was an excellent resource for forest policy-related questions! Sarah will be collaborating with Jody and Victoria for future hiking programs.



LIBRARY ALL STAFF DAY: City and County libraries were closed, and 51 staff members got the rare opportunity to be together in person and spend the entire day attending a wide variety of professional development offerings. This was made possible through an LSTA express grant and the Arizona State Library. Everyone attended a 2-hour keynote on restorative practices for public and workplace settings, and then chose between 4 sets of breakout sessions with 3 choices each. Some examples of choices for breakout sessions offerings were information sessions on local resources like CCHHS and Cline Library, departmental tours, and more niche trainings like story times for children with disabilities and metadata inclusiveness. Some staff comments included:

- "I think this was a great success and I look forward to more things like this in the future. I learned a lot and I'm excited to be able to put it to use."

- "It was a fantastic time! Super informative and helpful! I was able to meet a lot of staff I don't normally get to see and find out about departments and what they do. The presenters we had did an amazing job!"
- "This was an excellent, entertaining day of training that I think went very well overall. I hope we can do it again in the future!"

Big thank you to Felicia Fiedler who put a ton of effort into planning this event, and to Aspen Deli for catering the event within our very limited budget.

PATRON COMPLIMENT TO LIBRARY STAFF: We received the following patron compliment via email: *"I want to express how impressed I am that every single person I've spoken to from the Downtown library to the East in Flagstaff has been kind, helpful & present with me, including you! I've never experienced a more pleasant interaction with Library staff. I have always believed that how managers treat their employees, is how customers will be treated. I'm really looking forward to visiting both libraries. Thank you for your joyful leadership. I'm sure your boss is wonderful too 😊"*

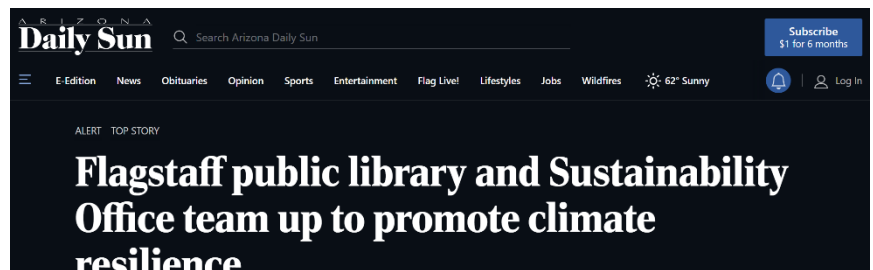
FESTIVAL OF SCIENCE BLOG POST: Kinney Anderson, Reference Department Library Specialist, wrote a "Festival Insights" blog post on the relationship between science and art and highlighting library programming for the Flagstaff Festival of Science website: ["Art, Anthropology, and Literacy with the Flagstaff Library"](#)



BANNED BOOK WEEK NEWS: Mary Corcoran, Reference Department Librarian, was interviewed by the Arizona Daily Sun for an article about Banned Book Week and the Banned Book Club discussion of *Fahrenheit 451*: ["Freedom to read: Banned book week creates a conversation about free speech in Flagstaff"](#)

PRAISE FROM AUTHOR JULIE MORRISON: The Southwest Reads book club discussed Arizona author Julie Morrison's memoir *Barbed* at the September 26th meeting and Morrison is coming to the Downtown Library for an author talk on October 5th. Morrison shared, "I am so appreciative of the library's gracious support of my book. Thank you for including me in the wonderful work you do on behalf of readers and writers!" with Pam Packard, the Reference Department Library Specialist who organized these events.

CLIMATE RESILIENCE PROJECT: The new Climate Resilience Project collaboration between the Library and Sustainability Office made the front page of the [Arizona Daily Sun on September 9th](#). An event highlight was also featured in *Green Living Magazine*. Twenty-eight people participated in the first program



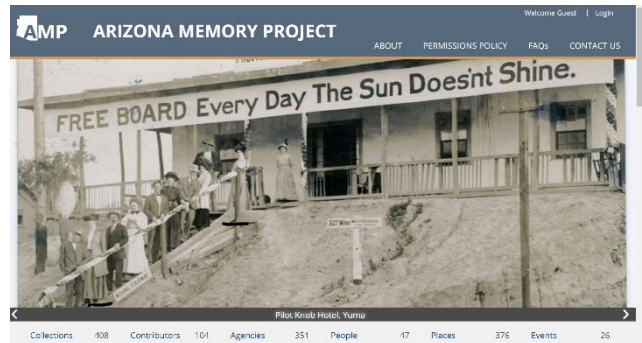
"Climate Conversation: Flagstaff's Climate Impacts and Vulnerabilities" at the Downtown Library on September 13th.

FESTIVAL SCIENCE & LEGOS: This year's Festival of Science Lego Club was a HUGE hit! We had 48 people attend our Pyramids of Egypt Lego Club on Mon, Sept. 26th at the Downtown Library. Two teams competed to see who could build the largest pyramid. Individuals created their own small pyramids to be displayed in the library.



COUNTY LIBRARIES:

- **Arizona Memory Project** encompassing digital collections from library and archival institutions across Arizona curated by the State Library has re-launched its website after a one-year process involving the migration from CONTENTdm to a new content management system (CMS) called Recollect. Our previous collections including our latest addition involving Coconino County Mining History can be found at <https://azmemory.azlibrary.gov/>



Forest Lakes Community Library

- Staff created 'Take and make' crafts for the rest of the year. We have many people come up for the snow/hunting etc. that bring their families
- Received local grant to purchase reading incentives for young people next summer
- Recently acquired Wonder books from the State Library and Vox books now available and on display

Grant Canyon Community Library

- Library Services were fully operational in the park with positive contributions among staff contributing to library services and children's programming in Tusayan
- Discussions and planning continued with NPS for the temporary move of library services during the planned structural renovation of the current library building projected to begin in January. No definitive location has been agreed upon at this time.

Jail Library

- **Long-time employee Sharyn Tafoya retired earlier this month after 29 years of library service.** Interviews are underway and it is hoped that her position will be filled in the coming weeks

Tuba City

- Attendance was up according to the re-installation of the old door counter with over 100 patrons attending per day
- Mask mandate remained in effect at library along with other social distancing measures as is the case for all institutions operating in Tuba City
- Staff member Trish Polacca had the opportunity to attend the "Reuniting Gathering of Arizona Tribal Libraries" Workshop learning about grant opportunities and other ways to improve library services in the Tuba City Library community.



TOURISM & VISITOR SERVICES

GREEN LIVING BEST WEEKEND GETAWAY AWARD:

CVB Director, Trace Ward,
was on hand to receive the award.
Another great example of all our
eco-tourism marketing and industry practices
going strong in our community!

Green Living AZ
 Green Living AZ is a program of the City of Flagstaff, Arizona. The program is designed to promote sustainable living and reduce environmental impact. It includes the Green Living Award, which recognizes individuals and businesses that have made significant contributions to the community's sustainability efforts.



TOURISM METRICS: *SEPTEMBER 2022*

Demand was up over last year for September. The accommodations providers took a balanced approach in yielding their product by only raising rates slightly over last year – resulting in an increase in RevPAR mainly driven by occupancy increases. It is a reasonable assumption that the same result was true for non-traditional accommodations (VRBO, Airbnb, shared economy, etc.) as well.

Discover Flagstaff continues to promote the destination and all the unique demand generators. We are still seeing strong demand from the drive-market as well as the direct flights and a slow but steady return of international and business travelers.

Following is a snapshot of the metrics for September 2022:

Sept	2021	2022	Diff
OCC	74.8%	77.2%	3.3%
ADR	\$130.88	\$132.02	.9%
RevPAR	\$97.85	\$101.97	4.2%

MARKETING & MEDIA RELATIONS:

22 print and 104 digital articles

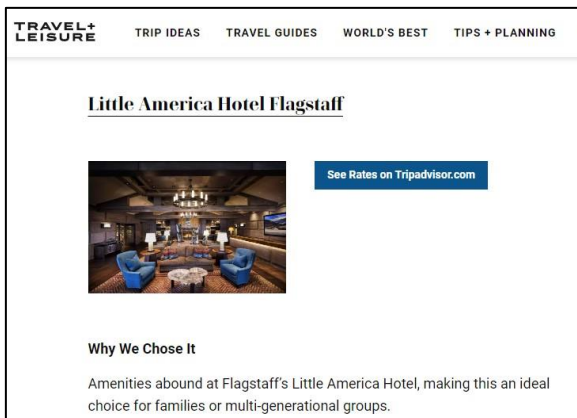
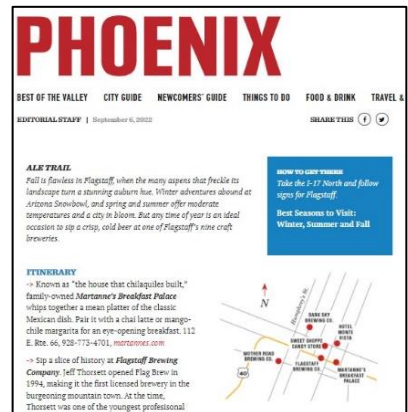
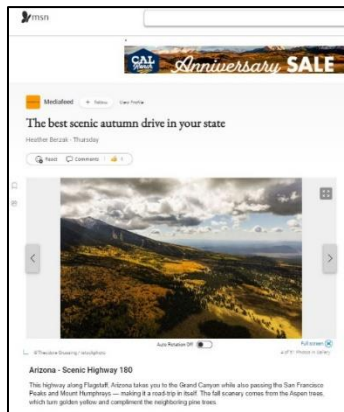
5 procured stories, 11 media assists

- September media coverage featured autumn colors, restaurants, and science.
- The turning seasons attracted articles on msn.com, inspired road trips in Phoenix magazine and was the talk of the town in broadcast.
- Media was drawn to Lowell Observatory due to their significant involvement with the NASA DART mission designed to demonstrate asteroid deflection, which was a great success!
- Broadcast coverage on radio and television showcased Phoenix stations with segments on High Country Motor Lodge, Lowell Observatory, and the County Fair.
- Other broadcast programming included Food Network's Diners Drive-ins and Dives, Arizona Highways, Aerial America, NOVA and Telemundo.
- Another highlight included a Travel and Leisure story that included Little America and High-Country Motor Lodge from travel writer, Jill Schildhouse. Jill was hosted last year at Little America and this great relationship continues to produce earned media in top tier outlets.
- Print (circ: 550k/value: \$10k) Broadcast (reach: 12m/value: \$692K) Digital (reach: 5.3m/value: \$792k) International Coverage (circ. 575m/value: \$1m). September 2022 resulted in a 123% increase in AVE in 2019 and REACH was maintained when compared to 2019. There were 1,645 digital article social echo shares on Facebook, Twitter and Redditt.

Enjoy more highlights:

- **Restaurant of the Week: Atria Flagstaff:**
<https://fabulousarizona.com/food-drink/restaurant-of-the-week-atria-flagstaff/>
- **Your Guide to What and Where to Eat in Flagstaff:**
<https://jnews.uk/your-guide-to-what-and-where-to-eat-in-flagstaff/>
- **A Supreme Gastronomic Experience: Atria Restaurant in Flagstaff, Arizona (USA):**
<https://worldnationnews.com/a-supreme-gastronomic-experience-atria-restaurant-in-flagstaff-arizona-usa/>
- **The best place in your state for a scenic fall drive:**
<https://www.msn.com/en-us/travel/tripideas/the-best-place-in-your-state-for-a-scenic-fall-drive/ss-AA125vtB?li=BBnbkIE>
- **Flagstaff Road Trip:**
<https://www.phoenixmag.com/2022/09/06/flagstaff-road-trip/>
- **Lowell Discovery Telescope plays key role in DART planetary defense test mission:**
https://www.spacedaily.com/reports/Discovery_Telescope_plays_key_role_in_DART_planetary_defense_test_mission_999.html

- **How will we know if NASA's DART mission successfully changed an asteroid's orbit?** <https://science.nasa.gov/science-news/how-will-we-know-if-nasa-s-dart-mission-successfully-changed-an-asteroids-orbit>
- **The Best Boutique Hotels in Flagstaff:** <https://unstoppablestaceytravel.com/best-boutique-hotels-in-flagstaff-az/>
- **Oktoberfest Arizona Round Up - Raising Arizona Kids Magazine:** <https://www.raisingarizonakids.com/2022/09/oktoberfest-round-up/>
- **Why Do Some People Believe Pluto Should Be a planet? Planetary Experts Argue Against the 2006 Controversial Ruling:** <https://www.sciencetimes.com/articles/39666/20220901/why-people-believe-pluto-planet-planetary-experts-argue-against-2006.htm>
- **Hotels to Book for a Trip to the Grand Canyon:** <https://www.travelandleisure.com/grand-canyon-hotels-to-book-6542853>



FILM:

- Film Commissioner met with the ACA Film Director, Matthew Earl Jones, and NAU film department professors - Kurt Lancaster and Bill Carter.
- Film Commissioner is reviewing a lead for a potential film intern.
- Film Commissioner continues to work on AFM logistics and secured AFM conference flights for councilmember, Austin Aslan.
- Film Commissioner assisted four location scouts.
- Film Commissioner is processing a film permit application for a NAU student film project.
- One film permit was issued in September:
 - Matter Films producing an Arizona Department of Health Services Covid commercial.



WEBSITE:

Analytics compare 2022 to pre-Covid 2019:

- Domestic sessions increased 5.14%, AZ was up 5.6%, and Tucson increased 8%, CO increased 245%, TX was flat, FL increased 77%, and other neighboring states were strong including NM, UT, and NV.
- Good news from the international markets -- Germany was up 331%, France increased 50%, UK was flat, Canada was down 56%.
- azcentral.com is our #2 referring website and this is a result of paid and earned media tactics and relationships.
- Landing pages: Our viewers are loving our four seasons and particularly the Leaf-ometer as it was the #1 most visited page with a 99% increase compared to Sept. 2019. Webcam landing page was #2, and events and festivals were up 8%. Astro tourism landing page had 4,330 views - this speaks to our paid advertising as we pushed out programmatic display beginning Sept. 1 with the support of AOT's VAI grant.
- Average session duration, compared to September 2019, increased 10%.
- Discover Flagstaff's booking engine provided 1,444 referrals (click-throughs to partner properties) and they are searching for stays of 2.3 days. The estimated referral value of is \$3,800.
- There were 1,587 stakeholder and partner outbound links.
- 200 VG requests.
- 158 newsletter sign-ups.

EMAIL CAMPAIGN:

- Email campaign benchmarks are set at 20% open rate by trustworthy sources such as Constant Contact, Mail Chimp and Campaign Monitor. A send time of 1pm Tues-Thurs is showing to be the most successful with a second send to non-openers the following week. The September email was sent to our master list of 21k contacts with a heavy focus on local events supporting the end of Summer and beginning of Fall, as well as a link to the new Discover Flagstaff Astrotourism landing page.
 - September 2021
 - Reach 2,456
 - Open Rate 42%
 - September 2022
 - Reach 21,101
 - Open Rate 42%
 - Sept. 21 was a segmented drip-style with 3 different emails that went to 3 different audiences (dining, overnight stayers, outdoors)
 - Reach % in/dec: 759%
 - Open Rate % in/dec: -
- The Flagstaff Local e-newsletter continues to perform strongly with people continuously scrolling to the bottom of the newsletter, with the click-through rate to prove it. A send-time of 9am Tues-Thurs is showing to be the most successful with a second send to non-openers the following week. Content routinely focuses on community support, such as volunteering and supporting local, which are the two most-clicked Flagstaff Local pillars.
 - September 2021
 - Reach 837
 - Open rate 26%
 - September 2022
 - Reach 836
 - Open 53%
 - Reach % in/dec: -0.1%
 - Open Rate % in/dec: 104%

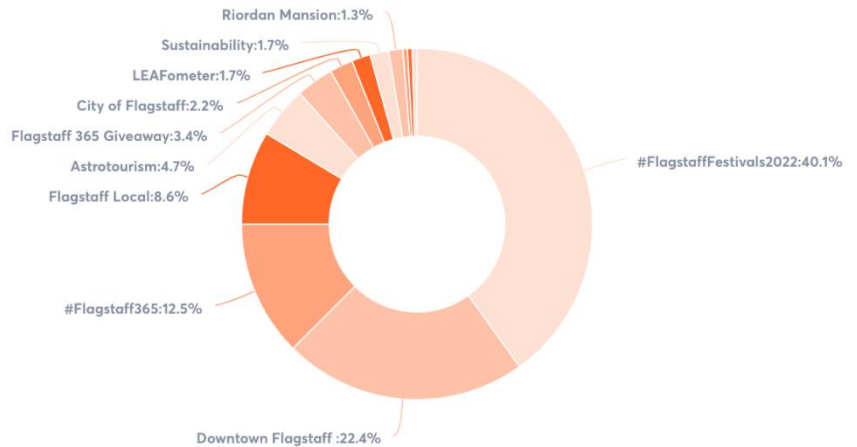
SWEEPSTAKES:

Sweepstakes are a way of creating hype and buzz, whether that's for an event or a business. Now we are running an ongoing festival sweepstakes from April 18-October 9, 2022. We are comparing results to 2019 "by this time" due to this being our previous benchmark year. Now that the 2022 sweepstakes has surpassed 2019 entries "by this time", it is now our top performing sweepstakes.

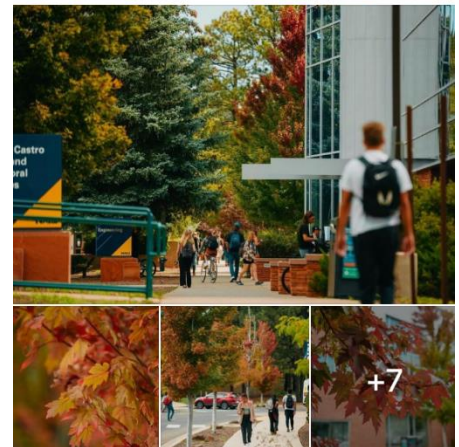
- 2019 Entries "by this time"
 - 12,532
- 2022 Entries
 - 23,397
 - % in/dec: 87%

SOCIAL MEDIA:

Along with the Discover Flagstaff business platforms our staff is also responsible for Flagstaff local and has, as of this year, taken on full responsibility of Flagstaff 365 platforms. We have established a new CRM platform for social media with Agorapulse and hope to not only track likes/follows but also track engagement and compare with industry benchmarks.



- Discover Flagstaff shows an engagement rate of .44% compared to the industry benchmark of .21%. Flagstaff Local shows an engagement rate of .31% compared to a 0.11% non-profit benchmark. <https://www.digitalmarketingcommunity.com/indicators/facebook-engagement-rate/>. Flagstaff 365 shows an engagement rate of .13% compared to a 0.11% non-profit benchmark.
- YouTube - shows an engagement rate of .55% compared to the September benchmark of .18%. Note: this is a benchmark based on YouTube overall not just Travel Tourism as above.
- Instagram - likes are back up with the use of "reels" but engagement is still low .64% compared to the industry benchmark of 1.13%.
- Twitter - engagement is good at .05% compared to the industry benchmark of .03%.
- TikTok - is above industry standard engagement at 6.15% compared to the industry benchmark 3.25%.
- Flagstaff Happenings has exceeded 2019 numbers.
- Flagstaff 365 Page views have grown by 33% and the Discover Flagstaff Events page has grown by 1% since 2021 and is the 7th highest page searched in September.



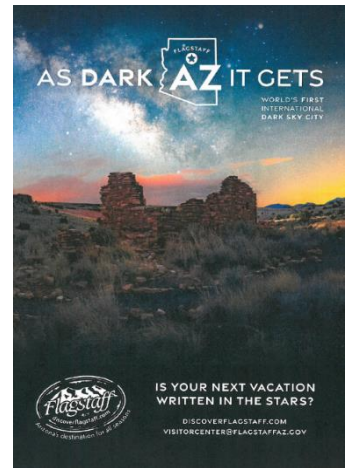
SALES:

International Travel Trade:

- Brand USA Travel Week Frankfurt, Germany/33 trade appointments
- Kintetsu Japan group tour lead (60 room nights)
- Trafalgar Tours 2023 tour series lead (550 room nights)
- Itinerary for Salt & Green, Munich site inspection
- Brand USA/AOT November 2022 Fam itinerary revision
- Brand USA Webinar

MARKETING & MEDIA:

- Visit USA France 2023 Travel Planner Content/Full page Ad
- Australian Ad – “Holidays with Kids”
- Quarterly Trade newsletter – first draft
- Visit USA France – October 2022 Banner Ad for website
- Visit USA Germany September newsletter content

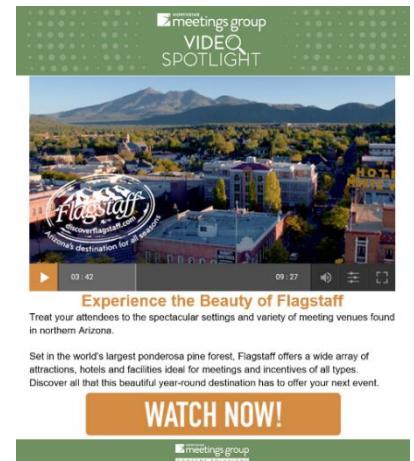


Meetings/Conference/Events:

CONFERENCE/ROOMS LEADS/BOOKINGS: 1 Lead was sent in the month of September for a total of 3,000 room nights and total estimated economic impact of \$897,000.

MEETINGS/CONFERENCE SERVICES: Staff attended Creative Flagstaff Board Meetings, FLP Board Meetings, EAC Meetings, Tourism Commission and attended meeting with the Flagstaff Disc Golf Club for upcoming world championships in July 2023.

MEETINGS MARKETING: Staff had spotlight video and email blast through NorthStar Meetings Groups to reach planners and showcase Flagstaff to planners.



VISITOR SERVICES:

- **WALK-INS & RETAIL:** Both areas continued to increase in September.
- **MODEL TRAIN:** The Model Train ran 142 times during the month of September.
- **BREWERY TRAIL:** Visitor Center gave out 169-pint glasses for brewery trail redemptions!
- **RETAIL:** Visitor Center Manager and Retail Lead attended the Las Vegas Resort wear and gift show, to look for new products and vendors for the gift shop.
- **INDIGENOUS ART MARKET:** arts market completed its final weekend, VC team met with NACA to discuss strengths and weaknesses and planned improvements the market for next summer.

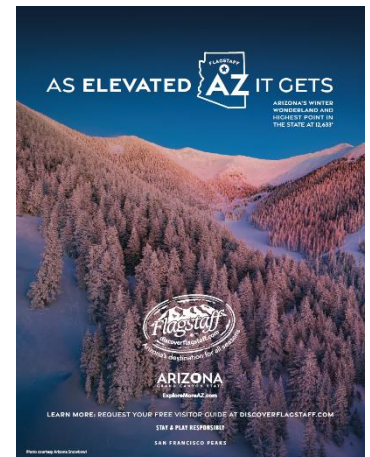
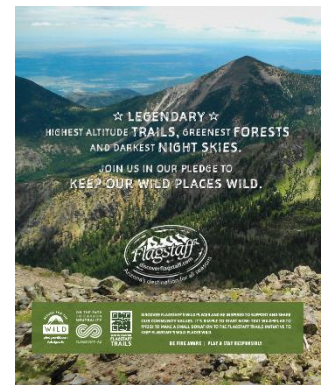
- **EV CHARGING STATIONS:** construction continued electric vehicle charging stations in the west parking lot of the Visitor Center, the next portion of construction requires a power outage that will need to be coordinated with APS and surrounding businesses that will be affected.

September	2020	2021	2022	+/- 2021	+/- 2020
Walk-ins	7,734	8,782	11,881	35%	54%
Retail Sales	\$22,126	\$27,192	\$33,198	22%	50%

CREATIVE SERVICES:

ADVERTISING:

- **DIGITAL ADVERTISING (DRIVE MARKET/OUT-OF-STATE):** Created campaigns for October **Datafy** supporting: October Flagstaff Festivals, Flagstaff Festival Sweepstakes, Leafometer/Fall colors, Pledge Wild, AZ Snowbowl Scenic Gondola Ride, Flagstaff breweries and NAU games.
- **DIGITAL ADVERTISING (ASTROTOURISM MARKETING GRANT):** Created special grant campaign with A/B testing for September/October **Datafy**.
- **PRINT ADVERTISING (DRIVE MARKET/OUT-OF-STATE):** Created print ads for *Los Angeles Magazine*, *Phoenix New Times*, and *The Hike Book* (*Phoenix Magazine* publication)
- **FY22 ANNUAL REPORT:** Layout completed and currently being printed. Signs, ad posters and other presentation materials in progress for October 20 event.
- **COCONINO SCROLL BROCHURE:** Layout completed. Brochures will be printed for the public art installation ribbon-cutting in late November, located at the Flagstaff Airport.
- **TOURISM SERVICE DAY:** Participated with trash pick-up along Lucky Lane.
- **PARTNER SUPPORT:** Attended Grand Opening party for High Country Motor Lodge.
- **LOCAL PRINT ADS:** Created the Arizona Daily Sun and Flagstaff Business News ads for October
- **HIGHLANDS LIVING LAYOUT:** Designed the Highlands Living November PSA layout
- **VC BROCHURES:** Updated and sent six different tour brochures to the printer
- **FOREIGN PUBLICATION ADS:** Designed the 'Visit USA France' and 'Holidays with Kid's' advertisements
- **VISIT. DISCOVER. GROW.:** Uploaded Visit. Discover. Grow. to [Calameo](https://www.calameo.com) and ordered 250 booklets



- **LCD AIRPORT DISPLAY AD:** Turned the TSA window wrap mockup into a digital graphic for the LCD display
- **DIGITAL AIRPORT ADS:** Designed three sets of airport digital ads for DATAFY
- **ANNUAL MEETING POWERPOINT:** Began designing the 2022 Annual Meeting PowerPoint

CITY JOBS:

- **CITY RECRUITMENT ADS:** Designed career ads for the AZ Daily Sun, Navajo Hopi Observer, and Flagstaff Business News
- **MINIMUM WAGE GRAPHIC:** Updated the minimum wage social media graphic
- **BOND:** Created ads for Flagstaff Business News and the Hopi Navajo Observer to promote the Bond Outreach
- **BOND:** Created Fact sheets for the Bond Outreach, Bond, Prop 441, and Prop 442 in both English and Spanish
- **ENGINEERING:** Created and scheduled printing for Engineering business cards
- **FINANCE:** Updated Org Chart for the Finance
- **BOND:** Bond outreach campaign digital ads for AZDS and DATAFY
- **BOND:** Assembled Bond outreach stands and delivered them to the Airport, Library, Aqua plex and City Hall



- **RECRUITMENT:** Working with FFD and videographer to create a recruitment video

VIDEO:

- **VIDEO:** Finalized fall video and sent to Datafy to be pushed out
- **VIDEO:** Collaborated with videographer on the fall Discover Flagstaff video
- **VIDEO:** Video shoot planning for Astrotourism video
- **ANNUAL MEETING:** Sent and updated RSVP list for the Annual Event
- **VIDEO:** Scheduled a video shoot to promote fall season

- **VIDEO:** Worked with videographer to finalize the Phase 3 Festival video
- **FALL:** Finalized [fall video](#) and sent to Datafy to be pushed out
- **ASTROTOURISM:** Video shoot planning for Astrotourism video
- **FESTIVALS:** Worked with videographer to finalize the [Phase 3 Festival video](#)



WEBSITE:

- **SUSTAINABILITY CONTENT:** Updated the Sustainability landing page on DiscoverFlagstaff.com
- **FESTIVAL CONTENT:** Updated festival content and photos on DiscoverFlagstaff.com
- **LEAFOMETER CONTENT:** Made updates to the leafometer page on DiscoverFlagstaff.com

The City of 7 WONDERS

TRAILS less traveled

Kachina Wetlands Trail - easy
Approx. 2.5 km loop trail near Flagstaff, Arizona. Generally considered an easy trail. It takes an average of 45 min to complete. This trail is great for hiking, and it's likely you'll encounter many other people while exploring.

Karen Cooper Trail - easy
The Karen Cooper Trail begins at Wheeler Park in downtown Flagstaff and generally follows the old highway 2.5 miles to the forest tract corner of town. The trail passes through a variety of natural areas, including wetland meadows, wetlands, stands of mature Ponderosa pines, and oak scrublands, and oak thickets. At times the trail also opens to magnificent views of the San Francisco Peaks.

Picta Canyon Trails - easy
Located 15 minutes from downtown Flagstaff, Picta Canyon is a natural and cultural gem in the heart of northern Arizona. Visit the site, see preserve to learn about wildlife, geology, and archaeology while participating in outdoor recreation.

EXPLORE OUR 7 WONDERS:

1. Grand Canyon National Park
2. Sunset Crater Volcano National Monument
3. Walnut Canyon National Monument
4. Wupatki National Monument
5. San Francisco Peaks
6. Coconino National Forest
7. Oak Creek Canyon

Learn more at discoverflagstaff.com

Flagstaff is part of a group of mountain towns supporting responsible tourism in wild places.

It's made a donation to the Flagstaff Trails Initiative. Text 480.442.1442 or visit discoverflagstaff.com/flagstair

2022 Festivals FLAGSTAFF, AZ

4 MUST-EXPERIENCE Festivals

BOOK YOUR ACCOMMODATIONS EARLY!

September
23-10/2 | FESTIVAL OF SCIENCE

October
1 | OKTOBERFEST
6-16 | SHAKESPEARE FESTIVAL
29-30 | CELEBRACIONES DE LA GENTE

December
8-18 | SHAKESPEARE FESTIVAL

MORE 2022 FESTIVALS AT DISCOVERFLAGSTAFF.COM

BE FIRE AWARE | STAY & PLAY RESPONSIBLY

Keep our wild places **WILD.** Learn how.

Flagstaff
discoverflagstaff.com
Arizona's destination for all seasons

BE FIRE AWARE
STAY & PLAY RESPONSIBLY

THANK YOU FOR YOUR CONTINUED PARTNERSHIP WITH THE CITY OF FLAGSTAFF'S ECONOMIC VITALITY DIVISION!

PROSE

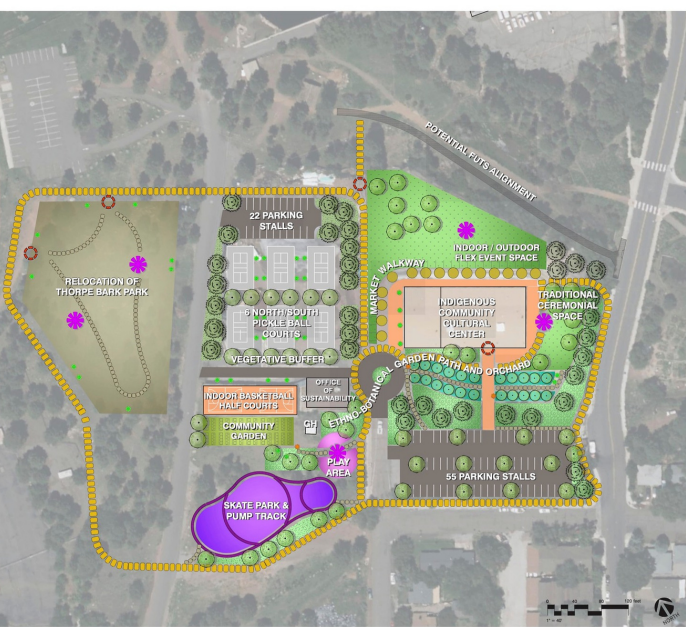
PARKS, RECREATION, OPEN SPACE, AND EVENTS

October 2022

Thorpe Park Annex









WHEAT DESIGN GROUP
LANDSCAPE ARCHITECTS



THORPE PARK ANNEX DRAFT FINAL CONCEPT

LEGEND:

- Re-Vegetation
- Pollinator
- Turf
- 15' Path
- 10' Path
- 5' Path
- Gathering Space
- Bench/Table
- Interpretive Signage
- Entry Point

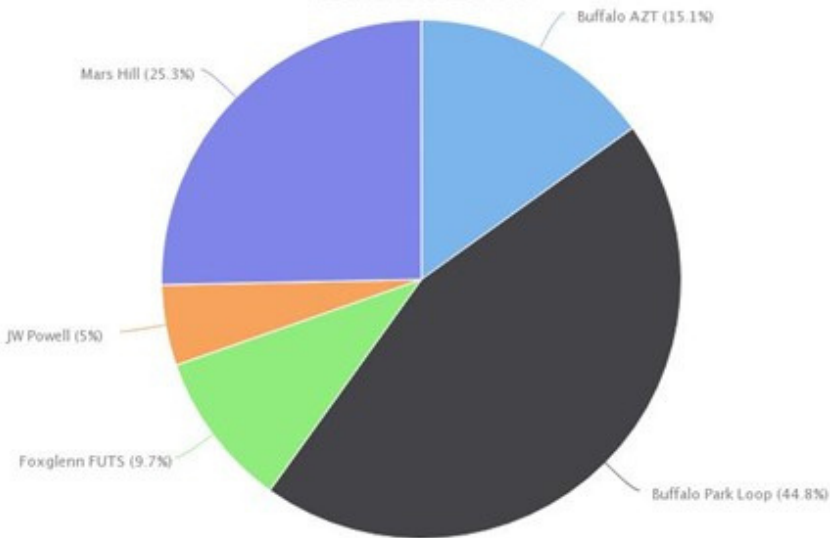








The greater than one-year public outreach process pertaining to over 8-acres within Thorpe Park, which is a regional 219-acre park, is culminating toward an adoption of a concept design that has been community driven through robust community engagement, focus, groups, and considerations with the Indigenous Community Cultural Center (ICCC) as a centrally crucial icon on the property. Elements such as complementary features and needs in the community were balanced to create a draft final concept that will be discussed with City Council later this month.

Parks

Compare Sites

2021-09-01 to 2022-09-30



Trail Counts

A drop in temperature doesn't keep our community away from using the trail system. Coming soon will be two new locations to add to the existing five trail counters along the 60-miles of FUTS. This will allow us to continue to monitor the usage to create a best practice as far as a funding source for when surface replacements are needed much like our roadway networks.

Accessibility and Buffalo Park

Have you experienced the new accessible trail surface at Buffalo Park? The Parks team has resurfaced over one-mile of the trail getting the project over the halfway point that is grant-funded by Arizona State Parks. The aggregate mix the City has been using the better part of the past five years is less audible than other larger granules, and creates a softer surface creating the accessible for all component that is the over-arching goal of the entire project.



Staff Spotlight

Amy Hagin

Assistant Parks and
Recreation Director



Amy has been working for the City of Flagstaff since December 2012 in roles that ranged from Procurement to Engineering, and specifically in PROSE since July 2018, which is inclusive of a recent promotion to Assistant Director of Parks and Recreation as the Division continues to reorganize to provide the best for our community. In her new position, she will oversee the Parks Section which maintains 24-parks, 60-miles of FUTS and many miles of streetscapes, the Recreation Section which provides programming for the community at 4-recreation centers, and the Events and Marketing team who permit over 700-local events per year as well as put on a few of our own. Amy is ecstatic to join the PROSE team in another role and capacity with a focus on planning and implementing projects, locating grant funded opportunities for the Division, working with the team to enhance outdoor recreation, and empowering coworkers to push the limits on what can be offered to our community. In her personal time, Amy enjoys the outdoors through backpacking, hiking, and all paddle sports while trying to keep up with her husband and daughter.

Recreation

As the seasons change so does some of our programming including some Halloween events at our Recreation Centers in October! Outside of celebrating the spooky fun, youth and adult hockey leagues go subzero at "The J" with packed schedules, the teen patronage at Hal Jensen are enjoying the indoors at a greater stride, a tick upwards in patronage is felt at the Aquaplex as the community breaks a sweat, and lastly, offerings such as annual flu shots are organized at Joe C. Montoya for our elders all with the overarching mantra of health and wellness.

One program to highlight is youth basketball which is currently holding registration and includes a free Phoenix Suns clinic on Saturday, October 22nd for the first 100 registrants! Registration can be found here <https://webtrac.flagstaffaz.gov/wbwsc/webtrac.wsc/splash>

Open Space



Picture Canyon Preserve

City Council authorized the grant agreement between the Arizona State Parks Board and the City of Flagstaff Parks, Recreation, Open Space, and Events for the Recreational Trails Program Grant to support the maintenance of Picture Canyon Preserve in the amount of \$126,270.00.

Funding will allow the restoration and repair of existing trails, mitigate and restore damage to areas surrounding trails through naturalizing closed roads/unauthorized trails, enforcement of existing rules and regulations with the installation of signs, and will provide interpretation and trail information.

Observatory Mesa

Arizona Conservation Corp sent five volunteers to Observatory Mesa this month to assist Open Space with repairs to sections of the barbed wire fence along the southern boundary of Observatory Mesa Natural Area.

Thank you AZ Conservation Corp!

Events



October brought a new wave of events along with a new staff member. Beck Thomas joined Events and Marketing this month and hit the ground running capturing the celebrations of many through her camera lens. Events staff assisted with Indigenous People's Day on October 10, sharing in a cultural celebration and meaningful discussion.

Staff has stayed busy working with our technology team to update various components of our recreation software, a necessity as we continue to improve the customer experience.



CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Amy Hagin, Assistant Parks and Recreation Director
Date: 10/10/2022
Meeting Date: 10/25/2022



TITLE:

Thorpe Park Annex Community Engagement Results and Discussion

DESIRED OUTCOME:

Discuss and provide direction on the draft final concept for the redevelopment of the Thorpe Park Annex (old Public Works Yard).

EXECUTIVE SUMMARY:

Southwest Decision Resources (SDR), an independent, third-party facilitation group, was hired to lead the community engagement process for the development of a Design Concept for the Thorpe Park Annex (TPA). Wheat Design Group (Wheat) was sub-contracted for the project as they have immense expertise in using community input for landscape design. SDR and Wheat were brought on in September of 2021 and worked initially with a core team of City staff to develop a collaborative and inclusive process for community engagement. Communication and coordination among and between the planning/core team (SDR, Wheat and City of Flagstaff) was essential throughout the entirety of the process design, community engagement and final concept development.

The community engagement was divided into three phases: Listening and Learning, Conversations and Design, and Refinement and Approval. The well-executed public engagement process resulted in two draft final concepts that the team believes best reflect community feedback. The only difference between the two concepts is the inclusion of an area for city employee housing, the only housing type that is allowed per zoning code (the area is currently zoned Public Facility (PF)). The team recognizes that the inclusion of housing is not consistent with Ordinance 425 that designated the area be used for park, recreation, or museum purposes. This will be a policy decision for the Council discussion. Staff anticipates that if Council provides direction to incorporate housing, a new series of public meetings would need to be scheduled regarding the existing ordinance.

Additionally, the Thorpe Park Annex area was included in a Land and Water Conservation Fund grant in the 1970s and 1980s, which states that the project area must be maintained in the grant-funded condition in perpetuity. Any kind of housing, including city employee housing, would not be consistent with the grant language. However, there is a conversion process that staff can research with Arizona State Parks if Council direction is to move forward with Concept 1b, which has the city employee housing option.

INFORMATION:



THORPE PARK

NEW ANNEX

N. THORPE RD.

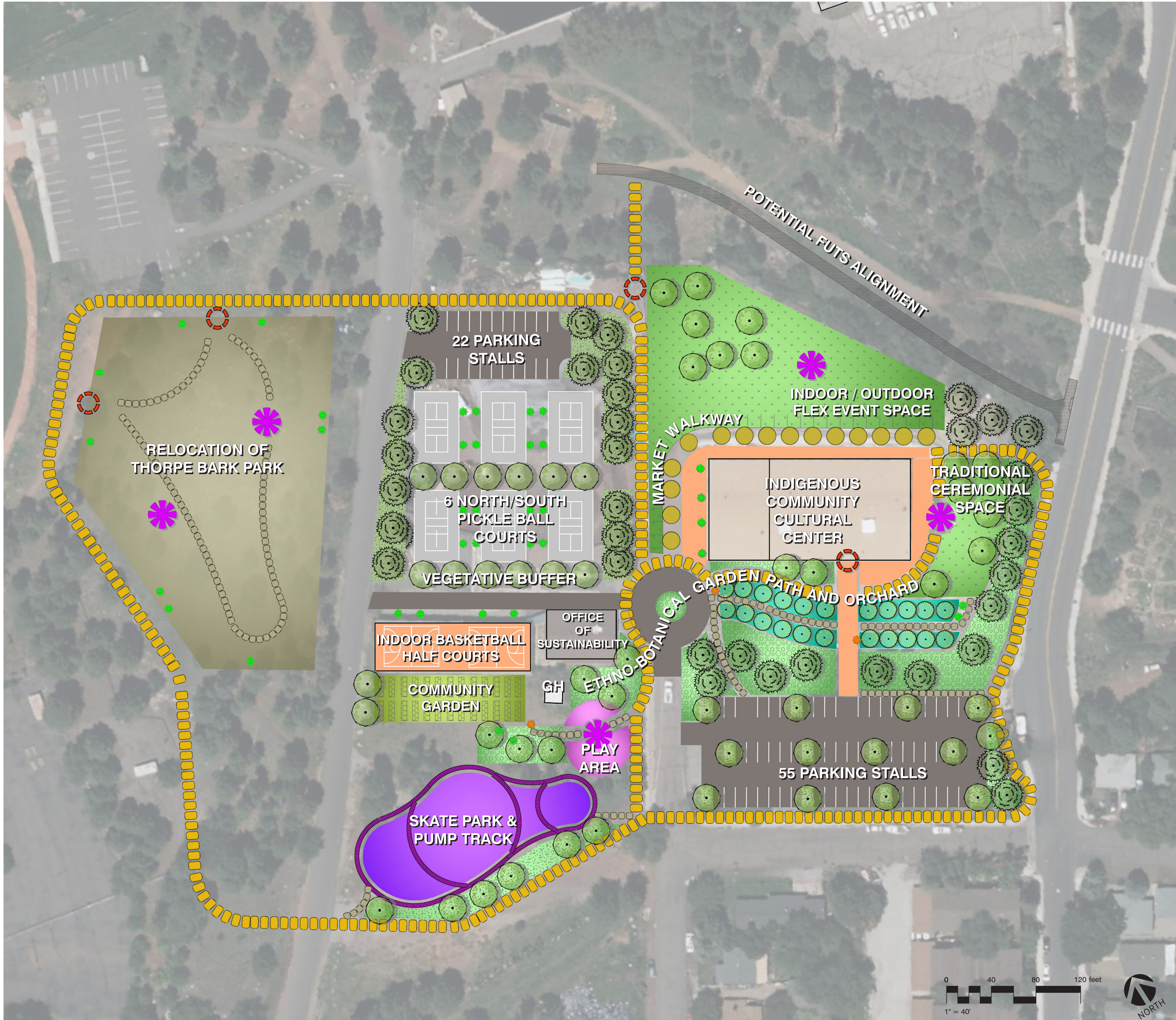
N. THORPE RD.

W. CHERRY AVE.

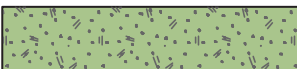
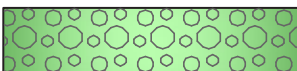








N. BONITO ST.



THORPE PARK ANNEX DRAFT FINAL CONCEPT

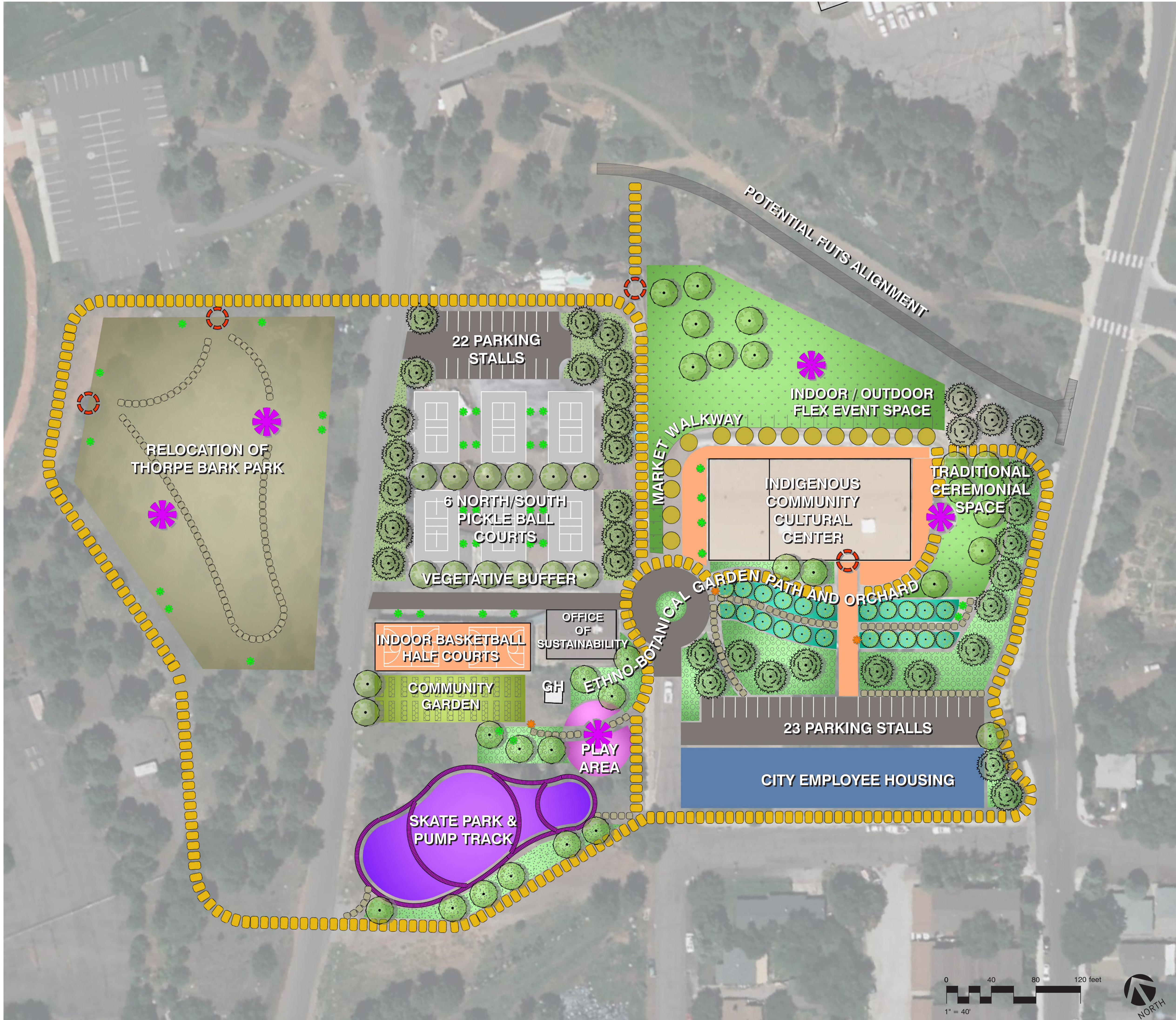


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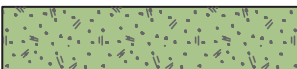
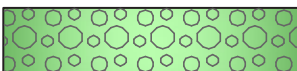








-  Re-Vegetation
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Thorpe Park Annex – Community Engagement Process
Flagstaff City Council Work Session, October 25th, 2022

Introduction to the Southwest Decision Resources and Wheat Design Group team

Southwest Decision Resources (SDR), an independent, third-party facilitation group, was hired to lead the community engagement process for the development of a planned concept for the Thorpe Park Annex (TPA). Wheat Design Group (Wheat) was sub-contracted for the project as they have expertise in translating community input into landscape designs. SDR and Wheat began in September of 2021 and worked initially with a core team of city staff to develop a collaborative and inclusive process for community engagement. Communication and coordination among and between the planning/core team (SDR, Wheat and City of Flagstaff) was essential throughout the entirety of the process design, community engagement and final draft concept development.

Collaborative Community Engagement

Recognizing the regional importance and cultural significance of the TPA within the Flagstaff community and northern Arizona region, it was imperative that community engagement be inclusive and interactive. The methods used to solicit community feedback included one-on-one and group assessment interviews, information sharing, online surveys, in-person presentations on site, small group discussions, and design charettes. Each method was intended to build on the information and input gathered from the previous method to refine details of a future and final draft concept led by community ideas.

The community engagement was divided into three phases **Listening and Learning, Conversations and Design, and Refinement and Approval**; these are described below.

Listening and Learning - Phase 1 (6 months)

This phase of community engagement highlighted multiple approaches including key stakeholder assessments, targeted presentations, virtual information sessions, project communication and outreach, and an initial community survey. Descriptions of each component of this phase are listed below:

Vested Partner Discussions - The assessment/interview portion of this phase was completed through conversations (individual and group conversations) with 41 vested partners, which included relevant city staff and key stakeholders in the community. Partners were identified, by city staff and other community members, as individuals with keen interest, knowledge, and expertise with the TPA. Many of these interviews were conducted in small groups based on stakeholder interests/expertise. The partner report can be made available to City Council upon request.

All interviewed participants were asked to identify aspects of Thorpe Park, including the Annex Parcel, that they valued. Corresponding responses indicated that there is a strong connection between the Flagstaff community and the park itself.

Values described by many included:

- **Nature and the natural resources** in and around Thorpe Park
- **Sense of community** and how the Flagstaff community interacts
- **Developed recreation**
- **Space for indigenous ceremonies and pow wows**

All participants were asked to envision what the Thorpe Park Annex would look like and/or the amenities it would provide to the greater Thorpe Park, these included:

- **Mixed/multi-use**
- Combination of **active and passive recreation** opportunities
- **Indigenous Community and Cultural Center** (in the existing large stone building)
- Additional visions included:
 - Community event space
 - Relocated dog park
 - Pickleball courts
 - Housing opportunities

Virtual Information sessions - Information sessions were used as a starting place for building community dialogue. This ensured that the public was all starting with the same information, which is imperative to a successful engagement process;

- 2, one-hour virtual information sessions; recorded and uploaded to the project website
- Content:
 - Robust historical context of the TPA
 - Existing guiding policy from the city
 - Community engagement opportunities in the coming months
- Participants:
 - Session 1 – 98 registrants
 - Session 2 – 124 registrants

Targeted presentations – Presentations to several groups highlighted the collaborative process with clear next steps. This was helpful in clarifying values and visions at the group level, which allowed for more robust feedback on values and visions of the TPA.

- Organized athletic groups
- Parks and Recreation Commission
- Indigenous Peoples Advisory Council
- Indigenous Commission

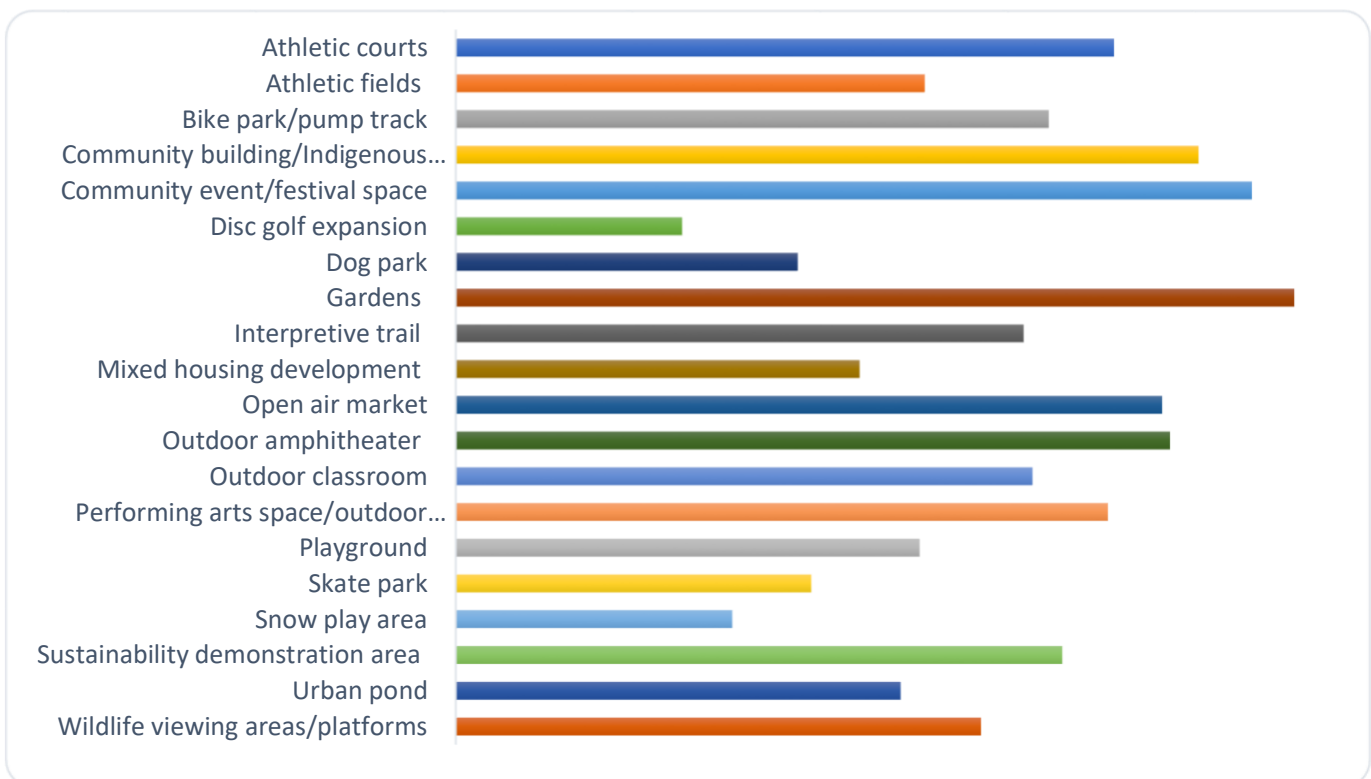
- Indigenous Circle of Flagstaff
- Organized Athletic Groups

Project communication/outreach - Ongoing communication and frequent updates, to the project website and social media, allowed for broader information sharing and feedback into the process.

- Project website: www.thorpecommunityinvolvement.com
- Facebook: [Thorpe Park Annex Community Involvement](#)
- Email communications (ongoing)

Community survey #1 – This survey was used to build upon what was heard during the stakeholder assessment interviews and feedback from targeted presentations. It also asked what kinds of future programming the community could envision.

- Survey description
 - Conducted in google forms
 - 8 questions
 - Open 6 weeks
 - 1,084 responses
- Graph below depicts the general level of interest across all potential programming areas



- Community values were consistent with those identified from stakeholder assessment, additional values included:
 - Walkability/bike-ability
 - Central location

- Angling opportunities at Frances Short Pond

Conversations and Design - Phase 2 (3 months)

This phase of the community engagement included two in-person opportunities and a second community survey. The second design session built on information gained from the first, and was accompanied by an identical online survey for community members who could not attend. Descriptions of each component of this phase are listed below:

Design Session 1 – Place-based meetings were essential in allowing for citizens to view the parcel, envision future programming and activities as well as build a sense of community.

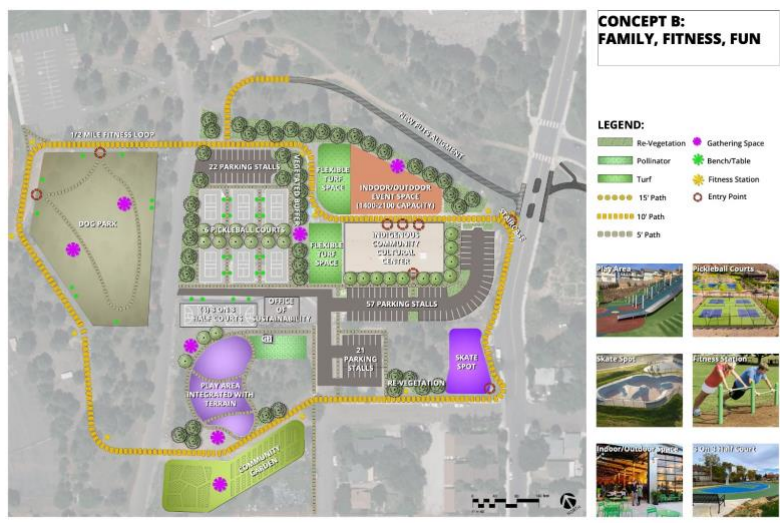
- April 30, 2022
- On site
- 150+ participants
- Get to know the parcel, presentation, and build-a-park design charette

Community survey #2 – Allowing for different methods of feedback using the same information is essential in reaching a broader audience and fostering more inclusive processes. Pairing an online survey with an in-person event increased the amount of feedback gathered on draft concepts.

- Community Forum through City of Flagstaff
- Concept design review and feedback (corresponding to the Design Session #2)
- 631 Survey responses, 1,435 open-ended answers

Initial Draft Concepts – Collectively, the initial assessment, the in person (on-site) meeting and the community survey informed the design of 3 draft concepts, see below.





Design Session 2 – This session allowed the public to provide feedback on whether the integration of feedback throughout the process produced concept designs that were reflective of that input.

- June 30,2022
- On site
- 100+ participants
- Review of 3 concepts
- Provide feedback
 - Rate each from “can’t imagine this” to “ I love this” (scale of 1-5)
 - What do you like and what would you change? (open ended)

Refine and Approval - Phase 3 (4 months)

This phase focused on coding, assessing and summarizing data gathered from the second design session, online survey and ideas presented throughout the process. Summarizations resulted in two final draft concepts. Descriptions of each component of this phase are listed below.

Analysis – A robust set of data was collected throughout the community engagement process and was coded using MAXQDA Software.

- Initial set of coded data
 - First 100 responses
 - Refined detail for final coding
- Full dataset coded
 - 631 responses with 1,435 open ended answers
 - By concept (A, B, or C) – support/no
 - By element (gardens, courts, event space) – support/with change/no
 - New element
 - Codebook and 2 coding reports (excel and word).
 - All data can be made available to City Council upon request

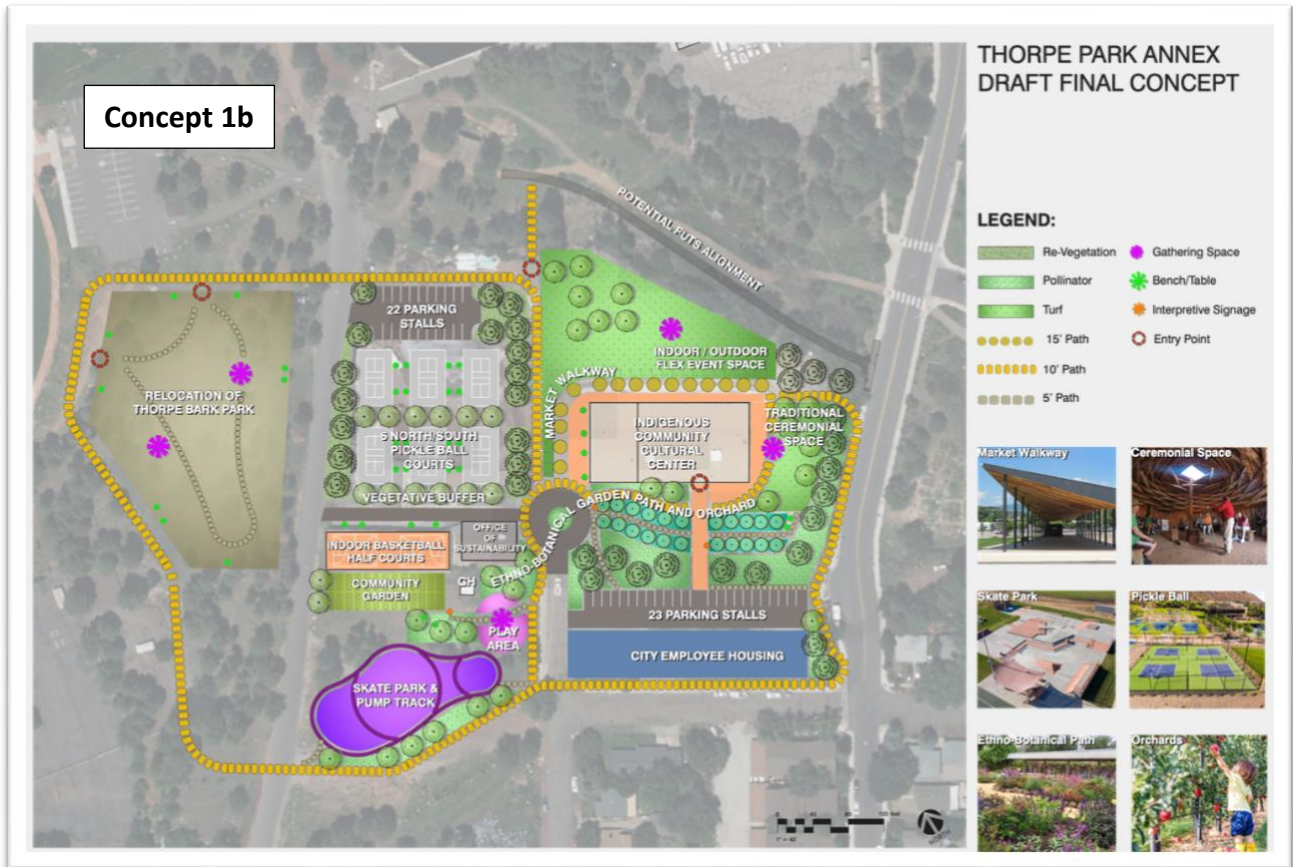
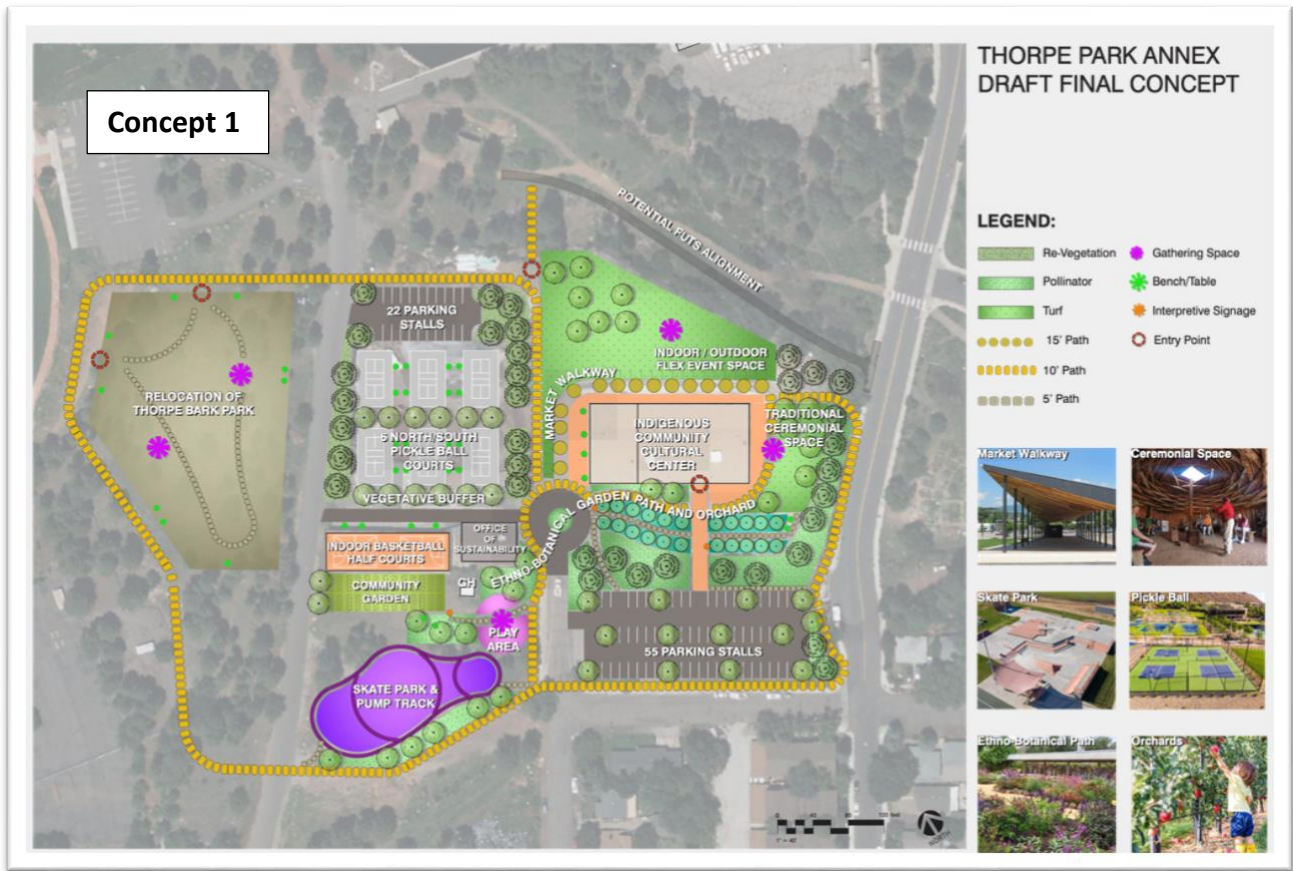
Using the Data – The results of the data coding were used to carry forward community supported elements (from the initial 3 draft concepts). Then SDR, City of Flagstaff and the Wheat team summarized the data into programming areas for the TPA.

- Core Planning Team Meeting
 - Data synthesis with design review – identify overlap
- Refine Concept Designs (Wheat)
 - Review and feedback based on data

Final Concepts – Two final draft concepts were produced with the same programming elements, plus the addition of housing in 1b (replacing some parking). It is recognized that the addition of housing (if chosen) will require further discussion and policy changes (as per Ordinance 425).

Elements common to both concepts include:

- Community garden
- Ethnobotanical garden and orchard
- Event space
- Fitness loop
- Indigenous Community and Cultural Center and Indigenous ceremonial space
- Pickleball and basketball courts
- Play area
- Skate park/pump track



Public Release - Final Concepts – Providing the community with the final concept designs combined with opportunities to voice support or concern is important to every process and there the follow steps were taken.

- Email blast to key stakeholders to show final draft concepts
- Invitation to City Council work session and/or City commission meetings
 - Where the public can provide feedback
- Final concept designs added to the project website and Facebook for viewing

Next steps

Commissions Inform and Discussion

- Indigenous Commission
- Parks and Recreation Commission

Council Inform and Discussion

- Discussion on outreach and measurable data driving design
- Feedback on design providing direction
- Adoption in November 2022 with final comments incorporated

Begin discussions on funding and phasing



THORPE PARK ANNEX

CITY COUNCIL WORK
SESSION

OCTOBER 25TH



Community
Engagement and
Design Concept
Development

THORPE PARK ANNEX COMMUNITY ENGAGEMENT

-  Introduction to the project & the team
-  Goals and Approach
-  Community Engagement Process
-  Refinement and Approval



Meet the Team for Collaboration and Design

Who we are:

- A team of facilitators and landscape architects contracted by the City of Flagstaff's Parks, Recreation, Open Space, & Events Division.
- And City Staff

Where we work:

- Flagstaff, Tucson, the southwest, and beyond

Our role for this project:

- Facilitate broad community engagement and help design a robust concept plan for the Annex parcel

Jenny Moscato



Andre Rioux



Laura Mielcarek



Jessica Archibald



Lisa Clark



Carrie Eberly



Andi Rogers



Amy Hagin



Rebecca Sayers



Rose Toehe



Mark Reavis





GOALS OF THE PROCESS

What: A community supported Design Concept Plan for approval by Flagstaff's City Council – Fall 2022

How: Through robust & transparent community dialogue across Flagstaff and beyond

COMMUNITY ENGAGEMENT APPROACH

- Fostered multiple methods
- Focused on inclusive, interactive, and iterative strategies
- Each method built on the feedback from the previous



LISTENING AND LEARNING

Vested partner discussions

Community Survey

Virtual information sessions

Values, Visions,
Potential
Programming

CONVERSATIONS & DESIGN

Design Session 1 Design Session 2

Get to know the
parcel

Design Concept A

Design Concept B

Design Concept C

Build a Park

REFINEMENT/APPROVAL

Data refinement/coding

City Council Review/approval

Public release

Concept A

Concept B

Selected
Final
Design

Fall 2021

Spring/Summer 2022

Fall 2022

LISTENING AND LEARNING (6 MONTHS)

ASSESSMENT

- Vested partner discussions (41 individuals)
 - Summary of what we learned
- Targeted presentations
 - Parks and Recreation Commission
 - Indigenous Peoples Advisory Council
 - Indigenous Commission
 - Indigenous Circle of Flagstaff
 - Organized athletic groups



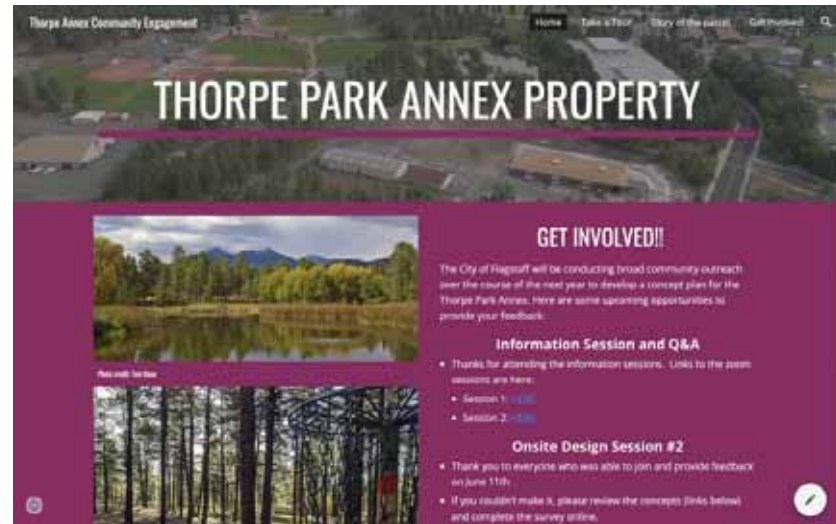
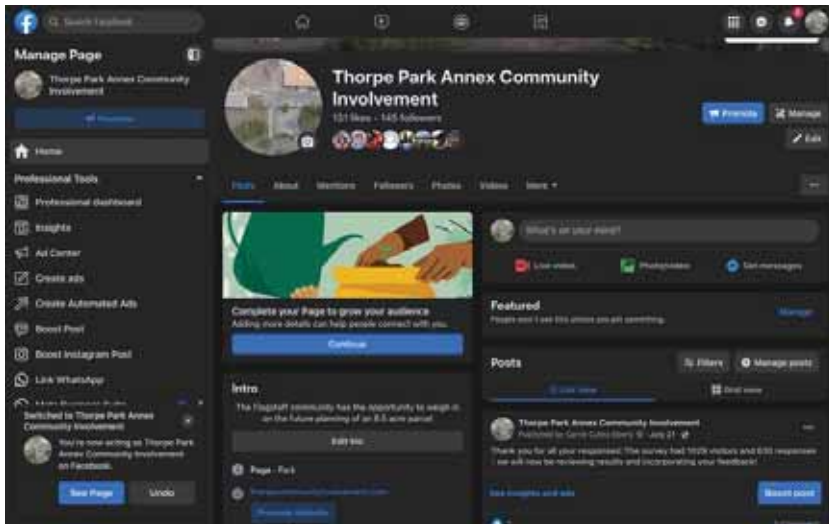
VISIONS/VALUES

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graph LR; A[VISIONS/VALUES] --> B[Nature and the natural area]; A --> C[Current mixed use (passive and active recreations)]; A --> D[Central location]; A --> E[Family centered atmosphere]; F[POTENTIAL PROGRAMMING] --> G[Indigenous Community and Cultural Center (ICCC)]; F --> H[Court sports such as pickleball]; F --> I[Relocated dog park]; F --> J[Community event space];
```

- Nature and the natural area
- Current mixed use (passive and active recreations)
- Central location
- Family centered atmosphere

POTENTIAL PROGRAMMING

- Indigenous Community and Cultural Center (ICCC)
- Court sports such as pickleball
- Relocated dog park
- Community event space

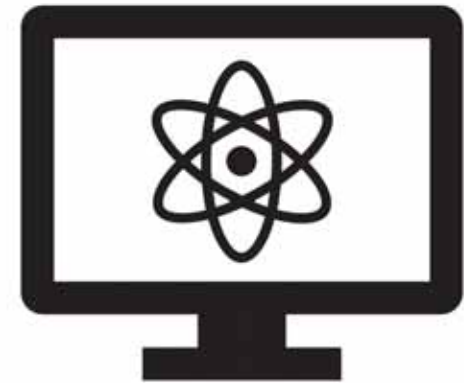


WEB-BASED OUTREACH AND ENGAGEMENT

Project Website
Facebook Page
Email outreach

LISTENING AND LEARNING
VIRTUAL INFORMATION SESSIONS

- ❖ Two virtual information sessions
 - ❖ Recorded
 - ❖ Posted to project website
- ❖ 200+ registered participants
 - ❖ History and background of the parcel
 - ❖ City guiding policy
 - ❖ Collaborative approach ahead



LISTENING AND LEARNING

COMMUNITY SURVEY #1

- Online survey using Google Forms
- Open to all community members
- Open for 6 weeks
- 1,084 Responses

Thorpe Park Community Survey

Southwest Decision Resources and Wheat Design Group (contracted with the City of Flagstaff's Parks, Recreation, Open Space and Events Division), are interested in your ideas, suggestions and feedback about the future of Thorpe Park.

The following 8-question survey will ask questions at two scales: First, at the Thorpe Regional Park level, and second, at the 8.5 acre Thorpe Park Annex Parcel level. Responses from this survey will help guide the community engagement process that aims to craft a concept plan for the property.

Survey findings will be synthesized by South Parks, Recreation, Open Space and Events D

ALSO, THIS SURVEY IS INTENDED TO GENERATE VOTING EXERCISE ON INDIVIDUAL IDEAS.

Thank you for your input into the future of T

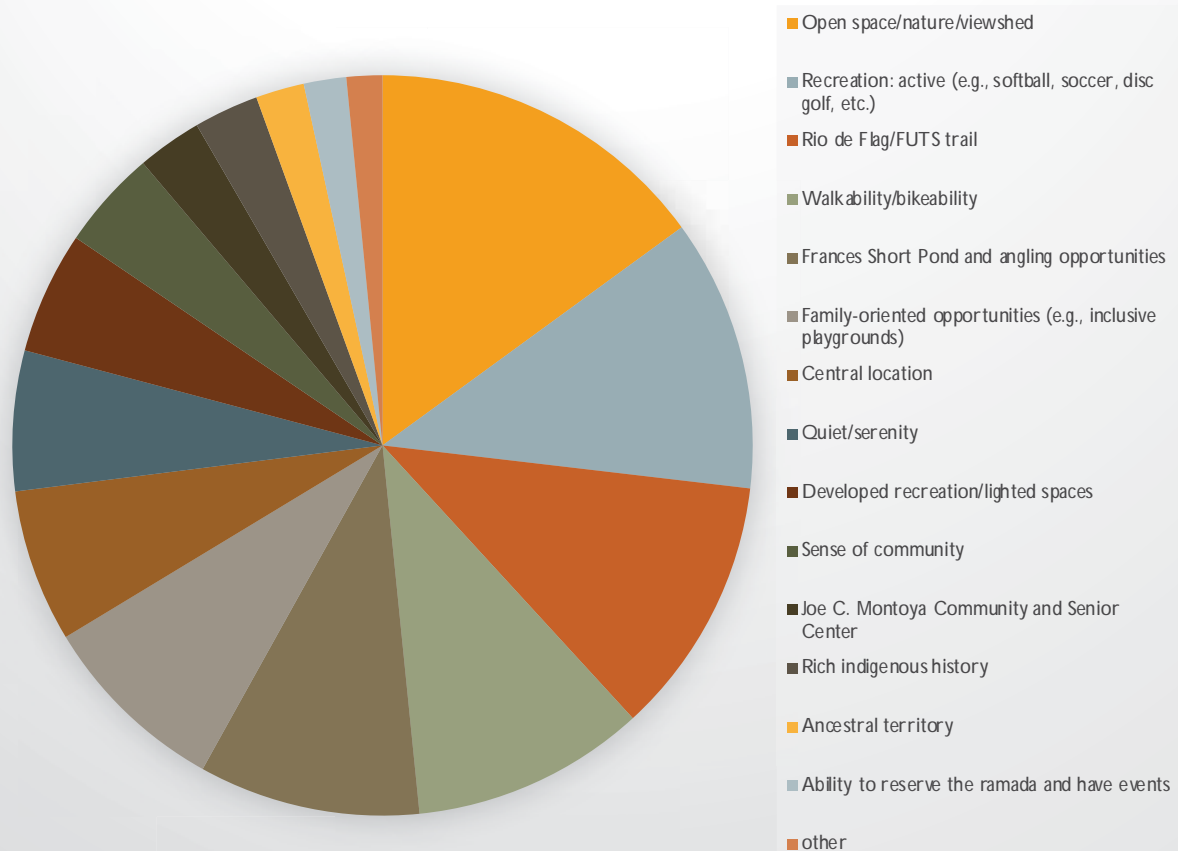


5. What kind of PROGRAMMING AND/OR ACTIVITIES do you envision throughout the parcel? Please indicate which programming opportunity you feel belongs in each outlined area.



	Area 1 (pink)	Area 2 (blue)	Area 3 (green)	Area 4 (orange)	Not interested
Athletic courts ...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Athletic fields (...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bike park/pum...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community bul...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community ev...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Thorpe Park Values



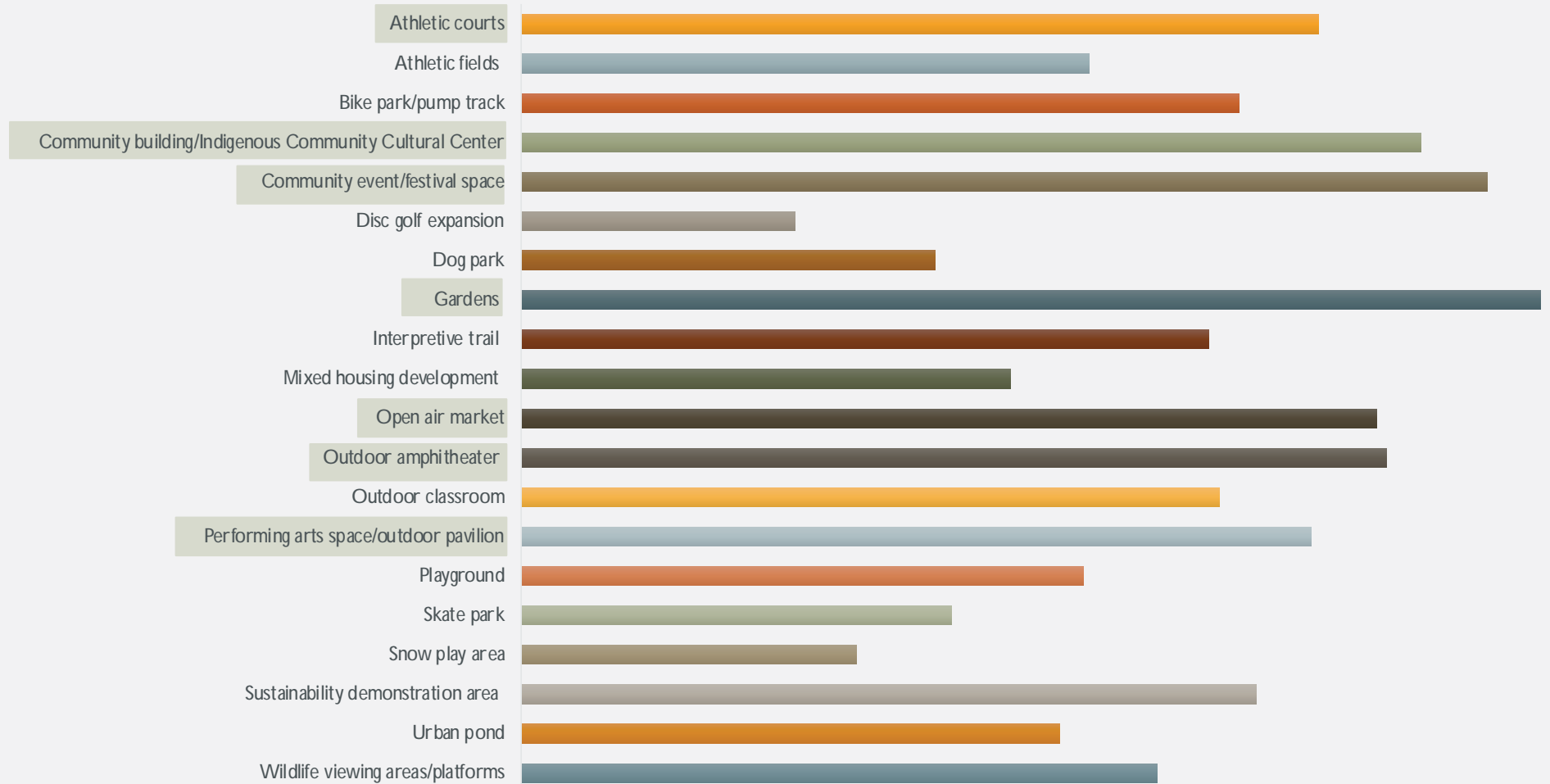
COMMUNITY SURVEY #1

COMMUNITY VALUES

- Consistent with early assessment (nature and indigenous values)
- Also included:
 - Walkability and bikeability
 - Central location
 - Frances Short Pond and angling opportunities

COMMUNITY SURVEY #1

GENERAL INTEREST IN PROGRAMMING ACTIVITIES



LISTENING AND LEARNING

Vested partner discussions

Community Survey

Virtual information sessions

Values, Visions,
Potential
Programming

CONVERSATIONS & DESIGN

Design Session 1 Design Session 2

Get to know the
parcel

Design Concept A

Design Concept B

Build a Park

Design Concept C

REFINEMENT/APPROVAL

Data refinement/coding

City Council Review/approval

Public release

Concept A

Concept B

Selected
Final
Design

Spring/Summer 2022

CONVERSATIONS AND DESIGN (3 MONTHS)

DESIGN SESSIONS

City of Flagstaff
Parks, Recreation,
Open Space and
Events

Thorpe Park Annex
Community Engagement:
Design Sessions

Connect. Discuss. Design.

- Join the Flagstaff Community to experience the Thorpe Annex Parcel
- Provide feedback on potential future uses
- Engage in a "Build a Park" activity



SATURDAY, APRIL 30th
12:00 - 2:00PM

FOOD TRUCKS AVAILABLE

Spend some time on-site and let us know:
Ideas for future concepts, what kinds of programming could go where, compatible uses, and more!





PLEASE JOIN US!

Design Session 1

Get to know the parcel

Build a Park



Design Session 2

Design Concept A

Design Concept B

Design Concept C

Thorpe Park Annex Parcel

DESIGN SESSION #2
JUNE 11, 2022 - 10:00AM-12:00PM
www.thorpecommunityinvolvement.com






??



- Review draft concept designs for the Thorpe Park Annex Parcel
- Provide feedback on draft concept designs that will inform the final design

10:00AM - Short presentation on how the Build-a-Park sessions, survey responses and other community feedback helped inform the 3 concept designs for community consideration.

10:30AM-12:00PM - Review the 3 concept designs, provide your feedback.

Meeting On-Site - please enter at the corner of Mogollon St. and Dale Ave., near downtown Flagstaff

CONVERSATIONS & DESIGN

DESIGN SESSION 1

- Outside stations and matrixes of experiences
- Review of survey results
- Build-a-park exercise (community members and parks staff participation)







COMMON ELEMENTS ACROSS ALL 3 CONCEPTS

- Indigenous Community Cultural Center (ICCC)
- Gardens and orchards
- Community event space
- Performing art space
- Open air markets

A. BACK TO NATURE

- ❖ Designed with an open-air emphasis, combining green space and market stalls (hard and softscape).
- ❖ Enhances the Indigenous Community Cultural Center as a centerpiece with traditional ceremonial space (east side), ethnobotanical area (south side), and performance space (north side).
- ❖ Ample hardscape event space with options for smaller and larger attendance (options to face north and east.)
- ❖ Promotes revegetation, vegetation buffers and multiple garden and orchard spaces.
- ❖ Integrates outdoor classroom space and opportunities for learning.
- ❖ Buffer: includes passive activities such as picnicking and walking.



B. FAMILY, FITNESS, FUN

- ❖ Designed with active recreation and intergenerational play in mind.
- ❖ Includes market entry points into the Indigenous Community Cultural Center (north side).
- ❖ Event space is intended to be flexible for both indoor and outdoor venues and variable capacities
- ❖ Includes active recreation types: Pickleball courts (6), 3-on-3 basketball courts (4 indoor), skate spot, a versatile play area.
- ❖ Fitness loop (1/2 mile) with multiple activity stations.
- ❖ Community garden adjacent to City-leased garden space.
- ❖ Buffer: Dog park with ramadas and benches.



C. SOMETHING FOR ALL

- ❖ Designed with multiple use focus: active and passive recreation, employee housing and green space
- ❖ Enhances circulation around the Indigenous Community Cultural Center while maintaining market and traditional ceremonial spaces.
- ❖ Feature north-facing amphitheater with flexible capacity
- ❖ Includes community garden and integrates the pollinator garden as a central feature
- ❖ Includes active recreation: pickleball courts (4), skate park, bike pump track (Buffer), centralized family play area
- ❖ Includes 7 units of employee housing (2-story max)



CONVERSATIONS &
DESIGN

*DESIGN SESSION 2 &
SURVEY #2*

Review of 3 concepts and
provide feedback

Rate each concept from
“can’t imagine this” to “I
love this”

What do you like about
each and what would you
change?

CONVERSATIONS & DESIGN

DESIGN SESSION 2

DATA SHEET for CONCEPT DESIGN FEEDBACK Thorpe Park Annex Community Meeting - June 11, 2022

Name (optional): _____

Instructions:

Please indicate your level of agreement for each Concept Design by filling in the on the line that best describes your opinion. Please describe why in the space provided on the next page (over).

Concept A - Back to Nature

_____ _____ _____ _____ _____

Can't imagine this design Love this idea

Concept B - Family, Fitness, Fun

_____ _____ _____ _____ _____

Can't imagine this design Love this idea



CONVERSATIONS & DESIGN

COMMUNITY SURVEY #2

- Online survey
Community Forum
- Open to all
community members
- Open for 5 weeks
- 631 Responses

Share your opinion on three design concepts for the Thorpe Park Annex.

This topic is closed

Introduction

Feedback

Your Response

Outcome

The City of Flagstaff Parks, Recreation, Open Space, and Events division with their partners at Southwest Decision Resources and Wheat Design Group invite the Flagstaff community to review and comment on 3 DRAFT design concepts for the future of the Thorpe Park Annex Parcel. These three designs were developed based on key stakeholder interviews, robust online community survey results, and an on-site initial design session.

Ultimately, the community supported elements from the three designs will be integrated into a final design concept for City Council's review and approval in the Fall of 2022.

LISTENING AND LEARNING

Vested partner discussions

Community Survey

Virtual information sessions

Values, Visions,
Potential
Programming

CONVERSATIONS & DESIGN

Design Session 1 Design Session 2

Get to know the
parcel

Design Concept A

Design Concept B

Design Concept C

Build a Park

REFINEMENT/APPROVAL

Data refinement/coding

City Council Review/approval

Public release

Concept 1

Concept 1b

Selected
Final
Design

Fall 2022

GETTING TO THE FINAL CONCEPT

- Combination of initial concepts A, B, and C
- Utilizing coded data and subsequent synthesis
 - 631 survey responses
 - 1,435 open ended answers
- Planning team review and refinement
- Coding outputs/reports

The screenshot shows a software interface for coding survey data. On the left, a list of coded items is displayed, each with a vertical bar and a colored circle indicating its status. The items are: Comment Concept A, ..Positive Hardscape Event Space, ..Positive Multi-use Lawn, ..Negative Concept B, Comment Concept B, ..Negative Pickleball Courts, ..Negative Fitness Station, ..Positive Outdoor Ampitheater, ..Positive Concept C, ..Positive Turf Space, ..Positive Skate Park, and ..Positive Bike Park/Pump Track. On the right, three survey comments are listed, each with a number in a box. Comment 1: 'I like the amount of multi-use lawn areas and incorporate some kind of amphitheater into 1'. Comment 2: 'I don't personally like this design as much. I being substantially under used for the amou'. Comment 3: 'This is my personal favorite design. I like the skatepark and a bicycle pump track are great use of the space having something for'.

Comment ID	Comment Text
1	I like the amount of multi-use lawn areas and incorporate some kind of amphitheater into 1
2	I don't personally like this design as much. I being substantially under used for the amou
3	This is my personal favorite design. I like the skatepark and a bicycle pump track are great use of the space having something for

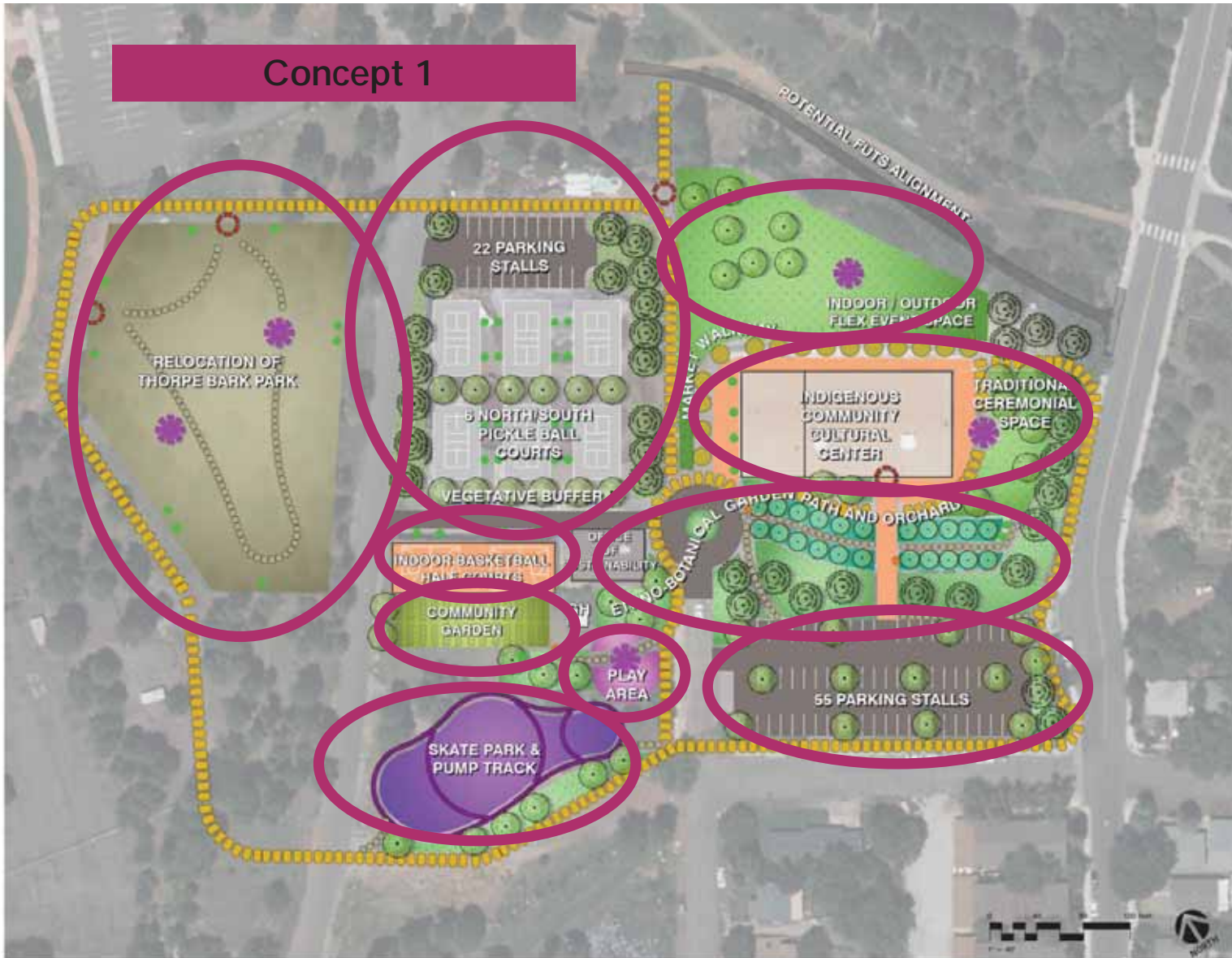
FINAL CONCEPTS FOR REVIEW

Elements common to both final concepts:

- Community garden
- Ethnobotanical garden and orchard
- Event space
- Fitness loop
- ICCC & Indigenous ceremonial space
- Market space
- Pickleball courts
- Play area
- Skate park/pump track



Concept 1

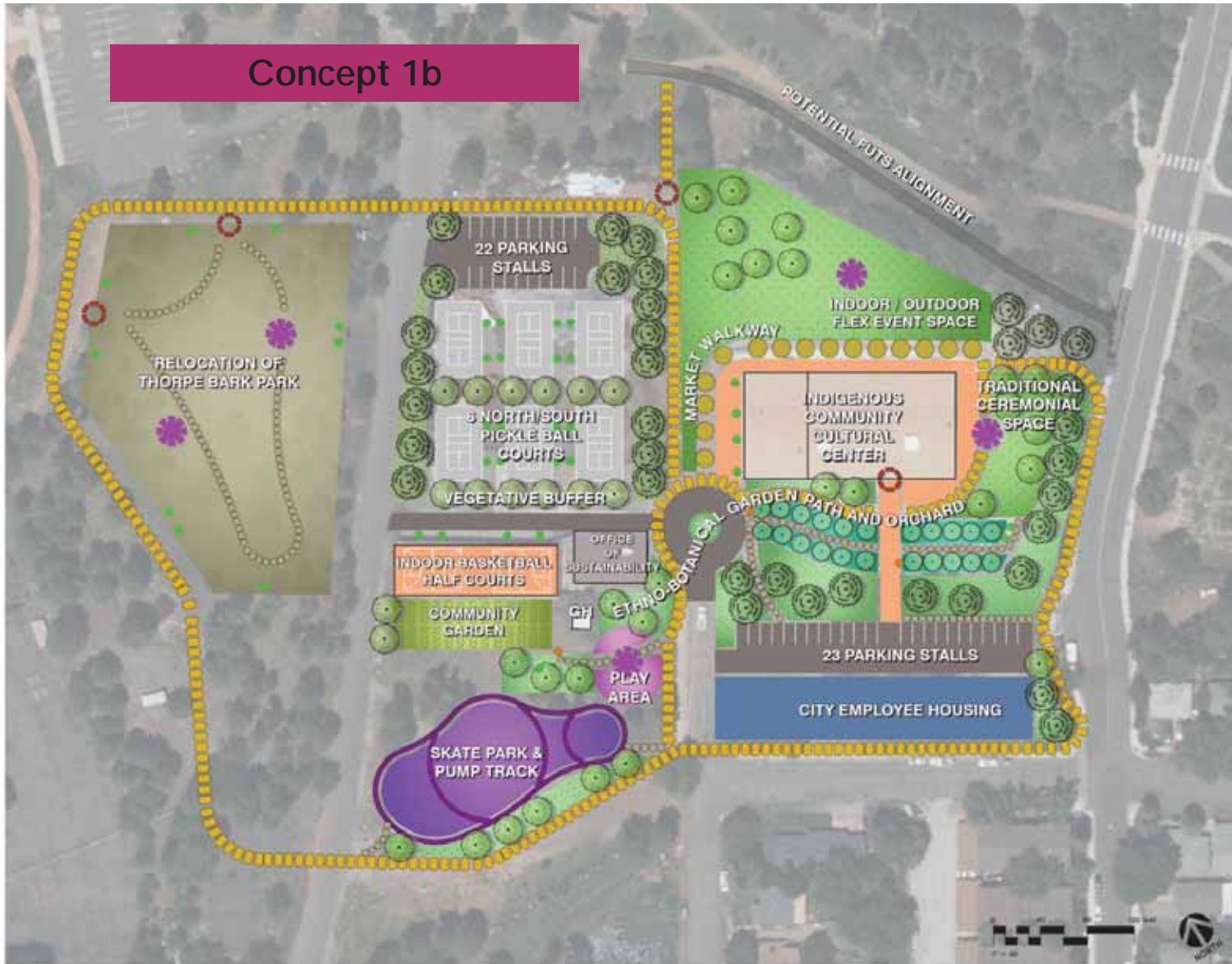


LEGEND:

- Re-Vegetation
- Pollinator
- Turf
- 15' Path
- 10' Path
- 5' Path
- Gathering Space
- Bench/Table
- Interpretive Signage
- Entry Point



Concept 1b



LEGEND:

-  Re-Vegetation
-  Gathering Space
-  Pollinator
-  Bench/Table
-  Turf
-  Interpretive Signage
-  15' Path
-  Entry Point
-  10' Path
-  5' Path



The background of the slide is dark with a pattern of light-colored question marks of varying sizes and opacities, creating a textured, inquisitive atmosphere.

QUESTIONS ABOUT HOW WE GOT
HERE?

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Jenny Niemann, Climate Program Manager
Co-Submitter: Nicole Antonopoulos
Date: 10/18/2022
Meeting Date: 10/25/2022



TITLE:

Annual Revisions to the Carbon Neutrality Plan

DESIRED OUTCOME:

This is an informational update on proposed annual revisions to Flagstaff Carbon Neutrality Plan.

- Pending Council discussion, this item will return to Council for consideration for adoption on December 6th, 2022.
- If Council would like more time to review the Plan revisions before adoption, staff can schedule a work session agenda item for November 29th, 2022.

EXECUTIVE SUMMARY:

Staff are in the process of revising the Flagstaff Carbon Neutrality Plan (CNP), adopted by City Council in June 2021. This revision is in accordance with the CNP implementation plan, which includes a commitment to annual revisions.

This is the first year of CNP revisions. Therefore, revisions will be limited and administrative in nature. Revisions will be focused into three key areas:

- Incorporation of new critical information
- Annual update to the greenhouse gas inventory
- Consolidation of the Climate Action and Adaptation Plan (2018) and the Carbon Neutrality Plan (2021)

The staff presentation will provide a high-level review of the revisions.

The most significant revisions relate to the consolidation of the Climate Action and Adaptation Plan (2018) with the Carbon Neutrality Plan (2021). The revisions will move the following resilience target areas, strategies and actions from the 2018 Flagstaff Climate Action and Adaptation Plan, into the Carbon Neutrality Plan:

- Water Resources
- Economic Prosperity and Recreation
- Public Health, Services, Facilities, and Safety

Staff are working with various stakeholders to incorporate these CAAP target areas into the CNP, including City staff from various divisions, Coconino County Health and Human Services, and advisory groups. These revisions will result in one climate planning document for Flagstaff that sets ambitious goals for both community resilience and deep emissions reductions.

INFORMATION:**FINANCIAL IMPACT:**

Revising the Carbon Neutrality Plan will not result in financial impacts to the City. The revised Plan will include new information on the total community investment required to achieve the City's climate goals.

Connection to Council Goal and/or Regional Plan:Regional Plan:

- Goal E&C.2 - Achieve carbon neutrality for the Flagstaff community by 2030.
- Goal E&C.3 - Prepare Flagstaff's community systems and resources to be more resilient to climate change impacts, and address climate change in a manner that prioritizes those most impacted and ensures the costs and benefits of climate adaptation and mitigation are equitably distributed.
 - Policy E&C.3.2. Review and revise existing regulations, standards, and plans (codes, ordinances, etc.) to reduce the community's vulnerability to climate change impacts and reduce the disproportionate impacts on vulnerable communities.
 - Policy E&C.3.5. Improve the ability of vulnerable community members to adapt and thrive amidst the pressures of climate change.

Has there been previous council decision on this:

Yes. The Carbon Neutrality Plan was adopted in June 2021, following the declaration of the Climate Emergency in June 2020.

The 10 Year Housing Plan was adopted in February 2022, following the declaration of a Housing Emergency in December 2020.

Attachments: [Powerpoint - Annual Revisions to the CNP](#)

CNP Revision Update

October 25, 2022

Jenny Niemann
Climate Program Manager
Flagstaff Sustainability Office



Agenda

Carbon Neutrality Plan Revisions

1. **Rationale**
2. **Three types of revisions to the Carbon Neutrality Plan (CNP)**
 - New information
 - Standard annual revisions
 - Plan consolidation
3. **Discussion**





Rationale



Why a revision?

- The CNP implementation plan includes a commitment to **annual revisions**.

What will be revised?

- Revisions will be limited and administrative in nature.
- We will not substantively change policies.



Three Types of Revisions



Incorporation of new information

- **Financial investment** needed
- Adoption of the **Flagstaff 10-year Housing Plan**
- **Partner** commitments: NAU, FUSD, County



Three Types of Revisions



Incorporation of new information

- Financial investment needed
- Adoption of the Flagstaff 10-year Housing Plan
- Partner commitments: NAU, FUSD, County

Standard annual revisions

- Update our **GHG emissions inventory**
- Minor edits



Three Types of Revisions



Incorporation of new information

- Financial investment needed
- Adoption of the Flagstaff 10-year Housing Plan
- Partner commitments: NAU, FUSD, County

Standard annual revisions

- Update our GHG emissions inventory
- Minor edits

Plan consolidation

- Incorporate **resilience strategies and actions** from the 2018 Climate Action and Adaptation Plan

Incorporation of New Information

Revisions will be made to incorporate significant new developments in the climate policy landscape.

This update focuses on three key pieces of new information:

- **Regional partner updates**
- **Flagstaff's 10-year Housing Plan**
- **Financial investment data**





New Information: Partners



2022 saw new, impactful climate commitments by key partners:

- **Northern Arizona University:** Carbon neutrality commitment
 - President Cruz Rivera has committed to achieving carbon neutrality by 2030
- **Coconino County:** Setting climate goals
 - Will develop a greenhouse gas inventory and a Climate Action and Adaptation Plan
- **Flagstaff Unified School District:** Establishing climate goals
 - Will set a greenhouse gas emissions reduction target by December 2022
 - Developing energy efficiency standards for new projects

CNP Revision: Update the regional partnership section with these new commitments.



New Information: Investment

In Spring 2022, staff developed an estimate of the total community investment needed to achieve CNP goals.

- **Total community investment needed:** \$ 599,389,000
- **Total community benefit:** \$ 621,727,000
- **Takeaways:**
 - This figure represents the community-wide investment needed. Investment will come a variety sources including federal grants, personal investments into homes, City projects and utility incentives.
 - Community climate action will result in \$22 million in net fiscal benefits.
 - The net benefit **figure does not include indirect benefits** such as health, equity, resilience, home health and safety, livability and more.

CNP Revision: Add community investment estimates to the investment section.



New Information: Housing Plan



Housing is **deeply connected** to both climate change AND climate action.

Equity:

- Increasing visitation and climate migration will likely lead to further housing challenges.
- Cost of living is impacted by housing, transportation, *and* utility costs.
- Climate change affect will be the most severe for our most vulnerable residents.

Emissions:

- We can reduce emissions from transportation through infill development, higher-density neighborhoods and mixed uses.
- We can reduce emissions from buildings when we build dense, efficient, electric-powered buildings.

Resilience:

- Housing security, passive survivability, and neighborhood strength all have large impacts on community resilience.



New Information: Housing Plan



The Flagstaff 10-year Housing Plan

- To reflect the February 2022 adoption of the 10-year Housing Plan, and the close ties between Housing and Climate goals, we will incorporate the Housing Plan into the CNP.
- To do this, we will make the following **CNP revisions**:
 - Create a new Target Area focused exclusively on Housing, incorporating the overarching housing goal into the CNP.
 - Create four new strategies, addressing the Housing Plan Policy initiatives: Create, Connect, Preserve, Protect





New Information: Housing Plan

THE FLAGSTAFF CARBON NEUTRALITY PLAN

Housing

Flagstaff will create a vibrant and more livable community through increased housing options for residents at all income levels and family sizes.

HOUSING IS A COLLECTIVE BENEFIT

There is a strong and growing movement among Flagstaff community members, housing advocates, and City Council to ensure all Flagstaff residents have access to affordable housing. On December 1, 2020, City Council declared a Housing Emergency in Flagstaff, committing to prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members. This Plan will begin with the basics, defining what affordable housing means and how affordable, accessible, and decent housing is of critical importance to our community's overall health and viability.

The United States Department of Housing and Urban Development (HUD) defines affordable housing as spending no more than 30% of monthly gross income on housing costs. Households that spend more than 30% on rent or mortgage costs are considered "housing cost burdened"; households spending more than 50% are "severely housing cost burdened." Throughout this Plan, "affordable housing" will be defined as households paying 30% or less of monthly gross income towards the home in which they reside, using HUD's definition.

In an expensive housing market like Flagstaff's, some form of subsidy is necessary for housing to be affordable for many lower income households. Housing subsidies come in many forms. Housing subsidy types include rental assistance, eviction prevention, and down payment assistance. Other forms include non-profit affordable housing, public housing, voucher programs, and some forms of co-operative and private sector housing. Throughout this Plan, the term "housing subsidy" is defined as any form of financial assistance aimed towards decreasing housing costs.

The stories we hear from residents and local reports verify that a lack of affordable housing is not just an individual problem, but rather a community problem that has collective consequences that negatively impact Flagstaff. This Plan demonstrates how the consequences of failing to create, preserve, and provide access to affordable housing in Flagstaff are linked to lasting negative effects on our neighborhoods,^{1,2,3} health, children,^{4,5} environment,⁶ and jobs.⁷ This Plan provides a path forward for the next ten years and solutions to reducing Flagstaff's Housing Emergency.



Annual Updates

Annual Carbon Neutrality Plan updates will include the City's updated greenhouse gas inventory.

This annual process provides an accounting of how Flagstaff is making progress towards its goals.



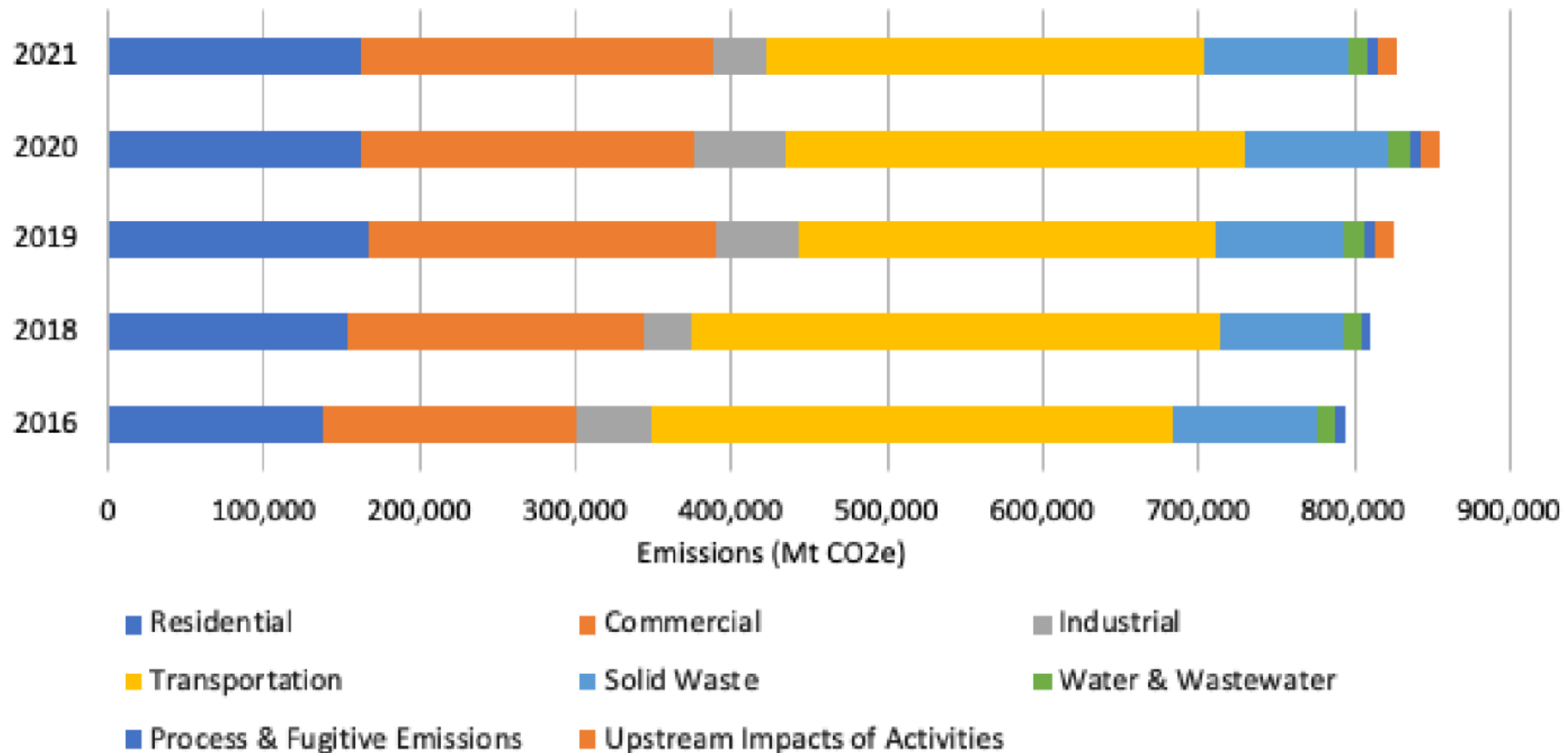


2021 Greenhouse Gas Inventory



FLAGSTAFF COMMUNITY GREENHOUSE GAS EMISSIONS OVER TIME

Figure 1. Comparison of Flagstaff's greenhouse gas emissions by sector



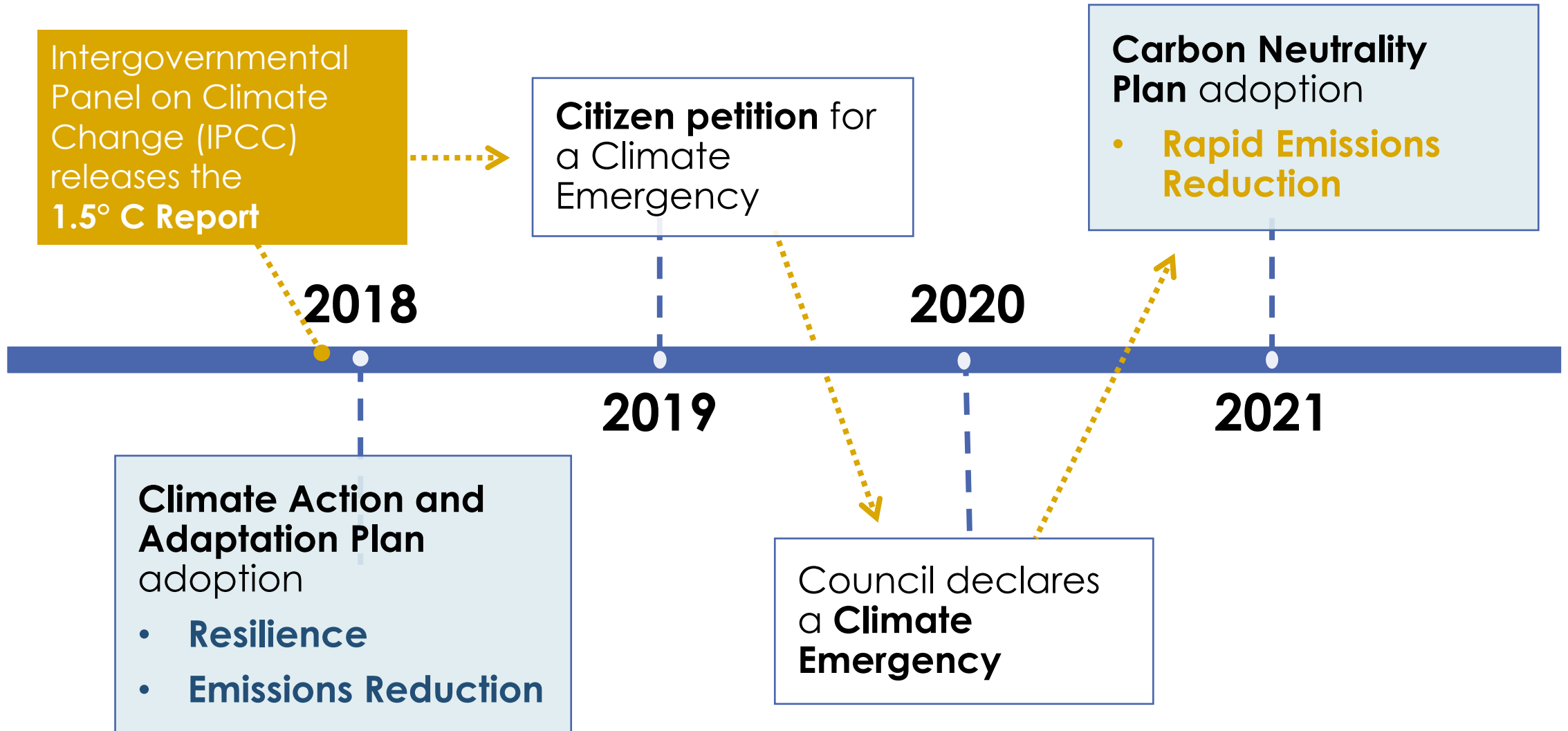
CAAP + CNP Consolidation

The CNP revisions will incorporate the resilience target areas, strategies and actions from the 2018 Flagstaff Climate Action and Adaptation Plan.

This update will result in ONE climate planning document for Flagstaff.



Timeline



Flagstaff's Climate is Changing

Compared to today, by 2050 we expect to have, on average...



Hotter temperatures



Lower snowpack, as overnight low temperatures increase



Increased **wildfire risk** and less healthy forests



Increased aridity and more severe **drought**

Resilience requires considering evolving risks

Tourism & Economy



Water



Land Use & Housing



Health



Climate change poses risks to everything from our **health** and **infrastructure** to local **ecosystems**.

Plan Comparison

2018 Climate Action and Adaptation Plan

- Moderate decarbonization
- Adaptation

Target Areas:

- Building energy, transportation, and waste target areas
- Natural Environment
- Water Resources
- Economic Prosperity and Recreation
- Public Health, Services, Facilities and Safety

←
resilience
focus

2021 Carbon Neutrality Plan

- Rapid decarbonization

Target Areas:

- Building energy, transportation, and waste target areas
- Building Electrification
- Carbon Dioxide Removal
- Equitable Systems
- Community Resilience

Plan Comparison

2018 Climate Action and Adaptation Plan

- Moderate decarbonization
- Adaptation

Target Areas:

- Building energy, transportation, and waste target areas
- Natural Environment
- Water Resources
- Economic Prosperity and Recreation
- Public Health, Services, Facilities and Safety

We'll incorporate these target areas into the CNP

2021 Carbon Neutrality Plan

- Rapid decarbonization

Target Areas:

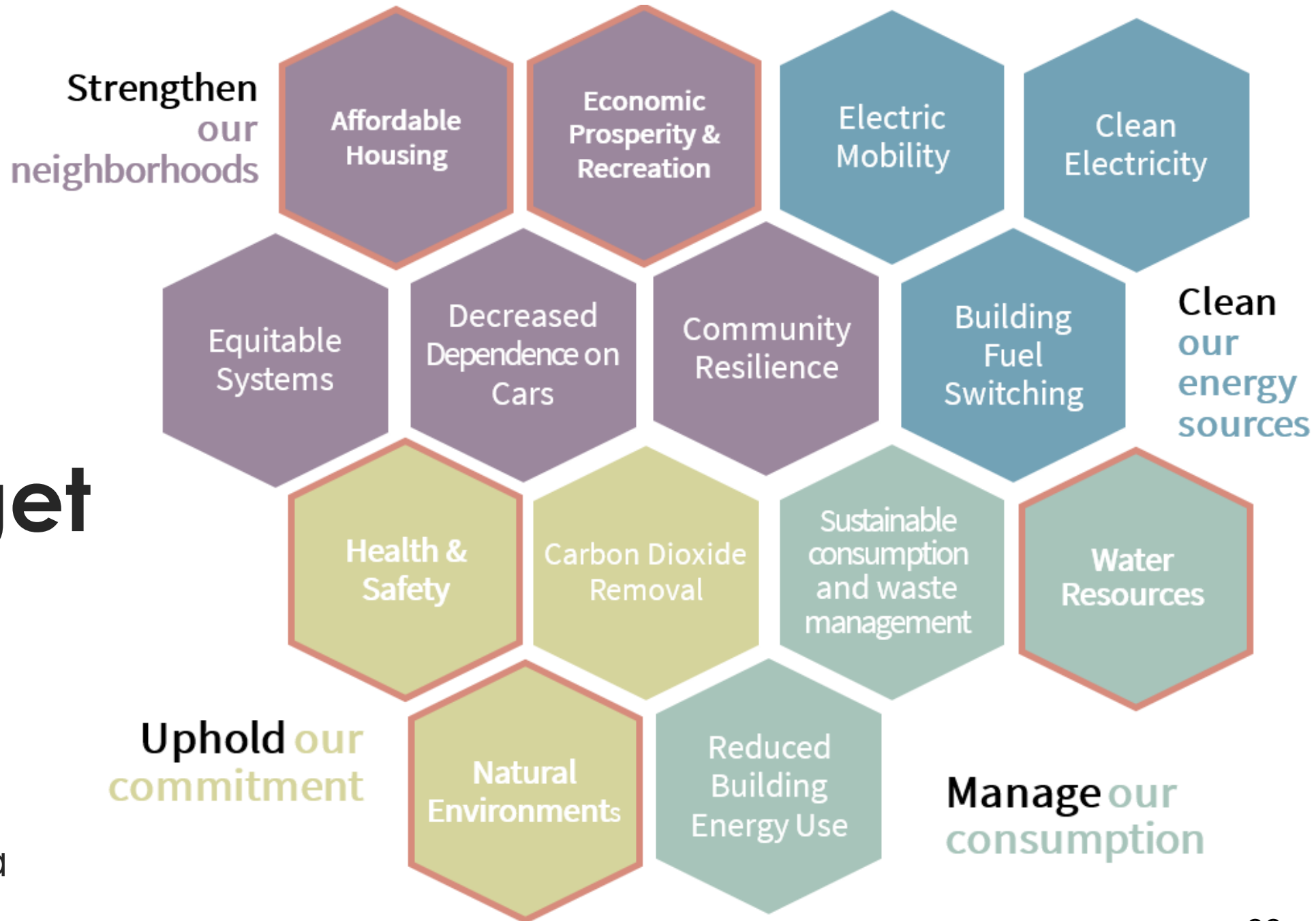
- Building energy, transportation, and waste target areas
- Building Electrification
- Carbon Dioxide Removal
- Equitable Systems
- Community Resilience

Current CNP target areas



The new CNP target areas

 New CNP target area





CAAP-CNP Integration



Staff are working with various stakeholders to incorporate CAAP target areas into the CNP.

- COF Sections:

- Housing
- Economic Vitality
- PROSE
- Wildland Fire
- Waster Services
- Planning
- Facilities
- Emergency Management
- Transportation

- Coconino County Health and Human Services

- External advisory groups:

- Sustainability Commission
- Business Climate Advisory Group



CAAP-CNP Integration



Strategy 4: Encourage diverse native plant ecosystems in the built environment.

Incorporating low-water native plants and climate-adapted native plants into Flagstaff's developed areas and neighborhoods helps to conserve water resources, provides habitat for animals and pollinators, and increases community resilience.

NE-4-A	Expand current incentive programs to encourage low-water and climate-adapted native landscaping.
NE-4-B	Strengthen current zoning code requirements for native landscaping to include the use of climate-adapted varieties of native species that can survive in changing conditions.
NE-4-C	NEW: Develop a municipal strategy for identifying and utilizing climate-adapted native plants.



CNP Revisions



**We welcome your questions,
comments, and suggestions**

Request for Direction: Would Council like to review the revised CNP at the November 29th work session?

The revised CNP will be presented to Council on December 6th for consideration and adoption.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Edward Schenk, Water Services Manager - Stormwater

Date: 10/18/2022

Meeting Date: 10/25/2022



TITLE:
Stormwater Rate Adjustment Discussion

DESIRED OUTCOME:

Staff recommends moving forward with the Resolution and future first read of the Ordinance creating an updated Stormwater Utility Rate based on the 2022 Stormwater Rate Model Report.

EXECUTIVE SUMMARY:

The Water Services Division - Stormwater Section has contracted with Water Resources Economics for a Stormwater utility rate analysis. The purpose of the rate adjustment considerations are to fund the budget gap created by new responsibilities, capital projects and workloads within the Section driven by the 2019 Museum Fire, 2022 Pipeline Fire and subsequent flooding, deteriorating watershed conditions on the south slope of Mount Elden, increased infrastructure maintenance needs, and addressing deferred infrastructure capital needs. The purpose of this agenda item is to provide Council a review of the Stormwater Utility Rate Adjustment Study results and staff's recommendations for rate changes in advance of the November 15, 2022 Council Meeting for a Public Hearing and 1st Read of an Ordinance for the rate adjustments at that time.

INFORMATION:

Summary,

1. Review the background on stormwater fund, a bit of history and future obligations.
2. Discuss the financial challenges associated with this fund
3. Discuss the importance of reserves, GO Bond initiatives, and level of service
4. Review the schedule / game plan
5. Receive input from Council

The Stormwater Enterprise Fund is funded through a Stormwater Utility rate assessment that is provided on the Municipal Services Bill ("water bill"). The rate is set based on Equivalent Rate Units (ERUs) of 1,500 square feet of impervious area that are themselves based on a calculation of impervious surface within an individual parcel. The rate is intended to fund all of the Stormwater Section's responsibilities including FEMA regulatory compliance, stormwater maintenance, stormwater development review, stormwater inspections, capital improvements, and master planning. The last rate adjustment was completed in 2018 and effective on July 1, 2019 to help support operations and major capital improvements which included \$32 million in debt finance.

The Water Services Division - Stormwater Section has taken on additional responsibilities, workloads and capital improvement needs since the 2019 rate implementation. These changes include flood response and capital improvements related to the 2019 Museum Fire and 2022 Pipeline Fire, flood response from incising steep slopes on the south slope of Mount Elden, general emergency and disaster responses, a better accounting of aging infrastructure and deferred maintenance and improvements related to aging infrastructure, increased runoff from forest thinning as well as forecasted near-term climate variability, and an increase in impervious area through better mapping and hydrologic modeling. The additional responsibilities are beyond the budget capacity as outlined in the 2019 rate.

To adjust to the current operational environment the Water Services - Stormwater Section solicited a rate adjustment study. Water Resources Economics is the consultant who conducted the study in cooperation with Management Services and Water Services Divisions. The intention is to provide City Council with two proposed rate structures dependent on the election results on Proposition 441 GO Bond.

Staff's intention is to bring an Ordinance to Council on November 15, 2022 for a Public Hearing and 1st Read. The 2nd Read and Adoption is planned for November 29, 2022 with implementation of the new rate in January 2023.

Attachments: [Presentation](#)
 [Stormwater Rate Report](#)

Stormwater Rate Assessment Update

City Council, October 25 2022





Stormwater Rate Assessment Update

Overview

- Staff will present the results of the Stormwater Rate Assessment
- Tonight's Discussion Points
 - Stormwater Program History
 - Purpose of Rate Adjustment
 - Rate Basis and Policy Recommendations
 - Timeline
 - City Council Feedback



Stormwater Rate & Program History

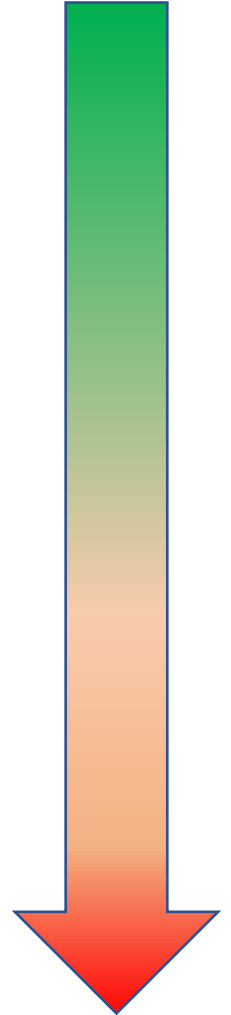
	2003	2005	2007	2009	2012	2018	2019	2021	2022
News:	Stormwater Section Created	First Rate Change and credit manual	Master Planning	ALERT network, LID Ordinance	FWPP	Rio De Flag Flood Control Project	Museum Fire, Climate Action Plan, Rio de Flag Project	Spruce Wash flooding	Pipeline Fire
Rate (\$/ERU month)	\$ 0.53	\$ 0.93	\$ 1.02	\$ 1.22	\$ 1.30	\$ 2.24	\$ 3.74	\$ 3.74	\$ 3.74
Responsibilities:	FEMA Floodplain Management Development review, Construction Inspections, Maintenance funding Water quality & MS4	Capital Improvement Drainage Investigation	NEAMDS Study	ALERT gauges LID ordinance	Regional Watershed Management	Rio De Flag Flood Control Project	Climate change planning Post-fire flood response Maintenance operations Asset Management/GIS Rio de Flag Project	Regional Flood Management	Individual Direct Assistance Detention Basin Maintenance



Utility Structure – Flagstaff is complex

- Water quality (NPDES, MS4, etc)
- Outreach and education
- Drainage development review
- Construction inspections (SWPP, erosion control plans, BMPs)
- Master planning and technical assistance
- Capital Improvements
- FEMA floodplain management
- “Green” infrastructure programs (LID)
- Stormwater maintenance
- Asset management, inventory, life cycle planning, GIS
- Climate change planning and management
- Rain and stream gauging (flood alert infrastructure)
- Floodproofing, property purchases, direct assistance
- Regional studies
- Regional flood management (including post-fire)
- Regional watershed management (forest thinning, water supply management, Natural Beneficial Floodplains)

Core services



Uncommon



Stormwater Rate Assessment Update

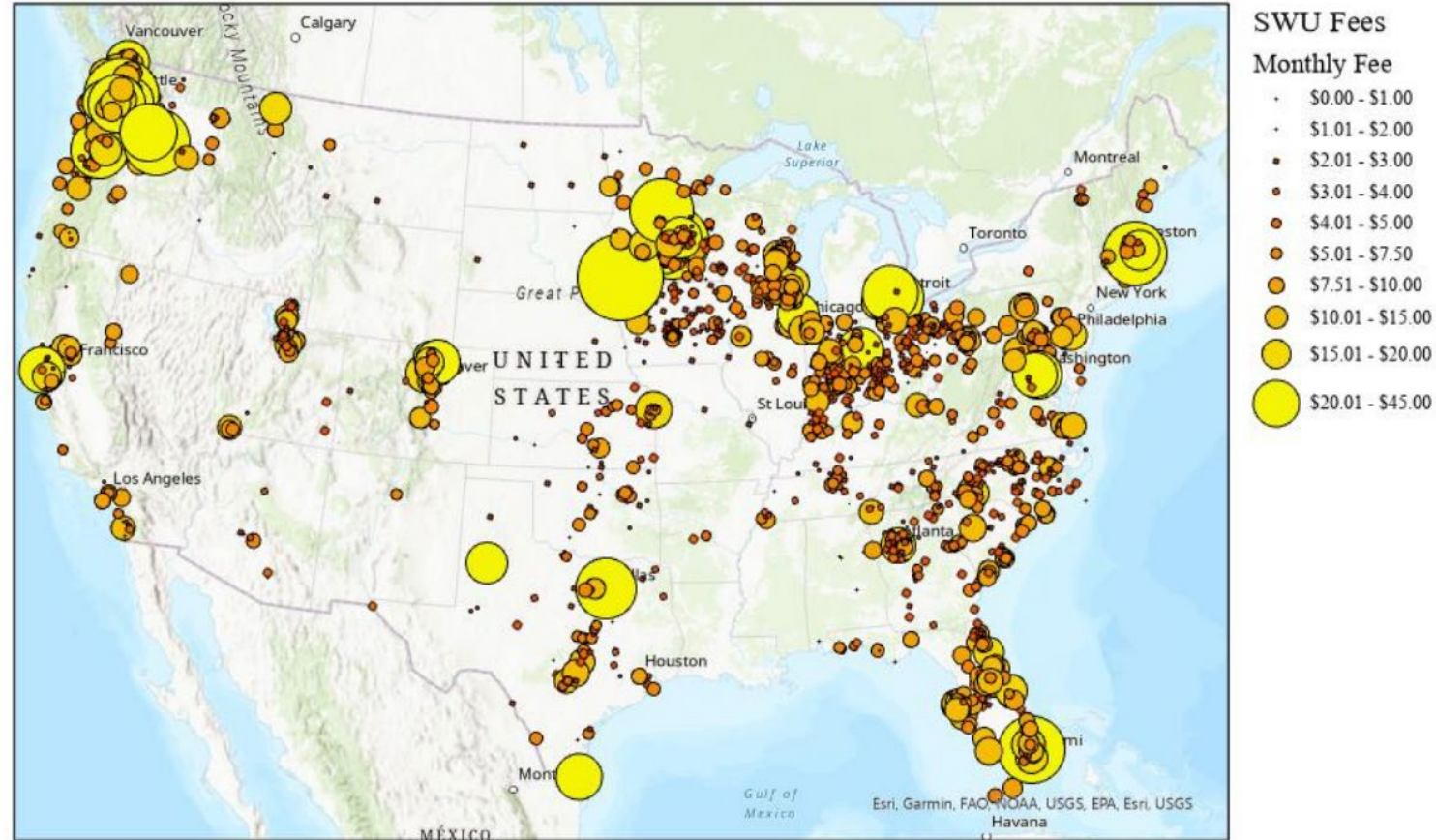


Current Rates

- Limited Capital Funding
 - \$600K annually
- Large increased Operating Cost
 - Temporary Flood Mitigation
 - Flood Response
 - Currently Unfunded
- Unsustainable Budget

Proposed Rates

- Increased Capital Funding
 - Permanent Flood Mitigation
 - GO Bond or Rates
- Increased Operating Cost
 - Pre-Season Flood Mitigation
 - Detention Basis Maintenance
 - Staffing & Equipment
 - Master Planning
- Sustainable Budget



Stormwater Utility Fees 2022



Figure 3. Spatial distribution of monthly stormwater fees.

Campbell and Bradshaw
2021

Campbell, Warren and
Bradshaw, Jerry, "Western
Kentucky University
Stormwater Utility Survey
2021" (2021). SEAS
Faculty Publications.
Paper 4.

https://digitalcommons.wku.edu/seas_faculty_pubs/4



Stormwater Rate Assessment Update



Reasons for the Purpose of Rate Adjustment

- Increased fire and flood events over the past few years have made current infrastructure insufficient
- Increased fire and flood events have increased demand on operations – staffing and equipment
- Mitigation costs for new flood areas, such as Spruce Wash and Schultz Creeks
- Construct some Capital Improvement Projects identified by 2010 Northeast Area Master Drainage Study
- Meet inflationary cost reality for construction projects.
- Completion of critical capital projects will reduce flood response operations costs



Stormwater Rate Assessment Update



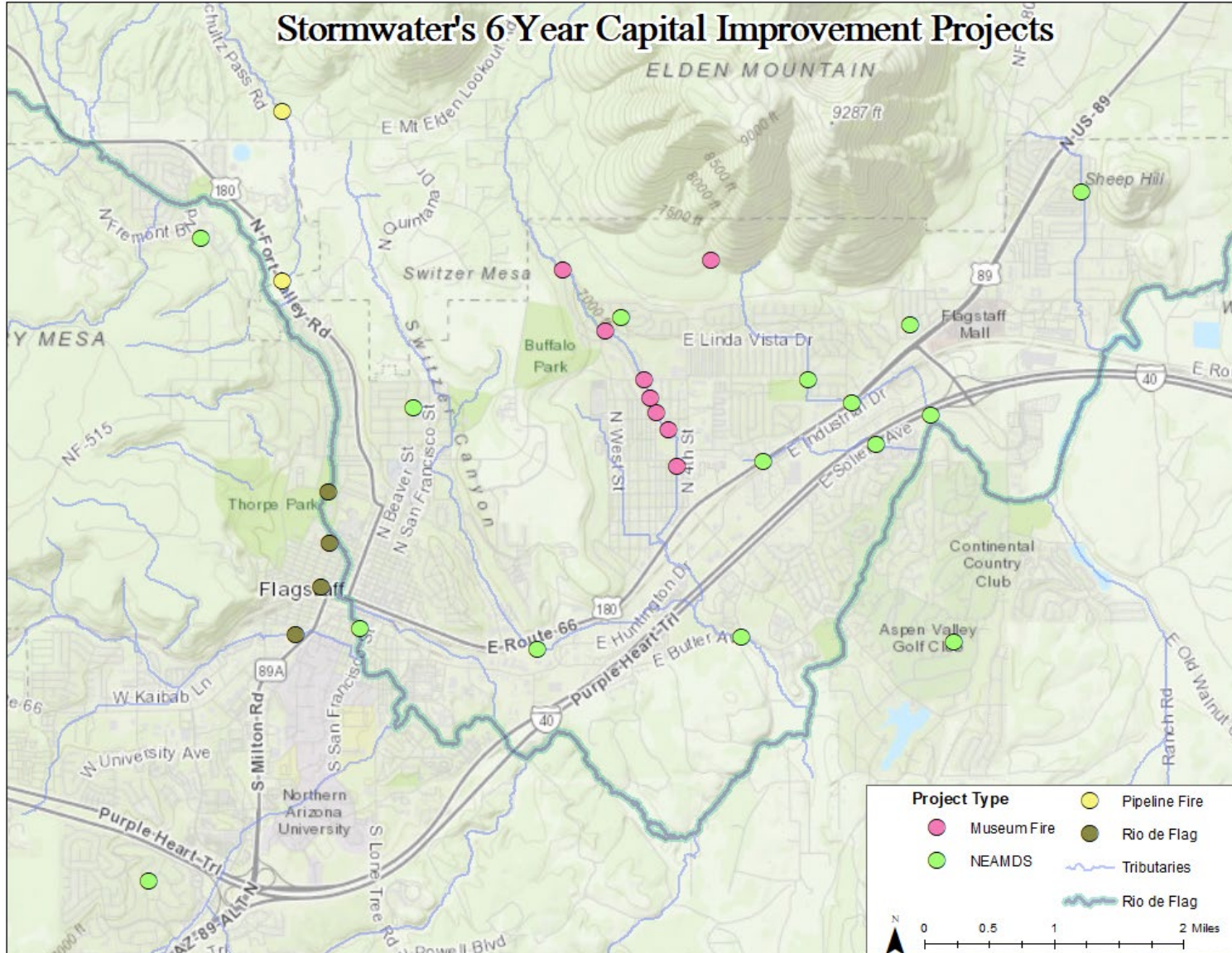
Purpose of Rate Adjustment

Stormwater Capital Proposal – Seven- year horizon

STORMWATER CAPITAL NEEDS - 7 YEAR HORIZON								
Project Area	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	TOTAL
Rio de Flag	\$ 4,135,744	\$ 16,209,000	\$ 218,405	\$ 570,583	\$ 834,763	\$ -	\$ -	\$ 21,968,495
Spot improvements	\$ 700,868	\$ 78,375	\$ 81,902	\$ 85,587	\$ 89,439	\$ 93,464	\$ 97,670	\$ 1,227,305
Post-fire projects	\$ 13,440,212	\$ 8,987,000	\$ 5,733,133	\$ 7,702,871	\$ 5,366,334	\$ -	\$ -	\$ 41,229,550
NEAMDS study	\$ 14,815	\$ 1,828,750	\$ 4,531,904	\$ 2,852,915	\$ 4,978,765	\$ 4,392,791	\$ 2,832,416	\$ 21,432,356
Future projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,745	\$ 2,344,914	\$ 2,843,659
TOTAL	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000	\$ 88,701,365



Stormwater Rate Assessment Update



Note: Points identify generalized CIP bundles and not individual projects.



Stormwater Rate Assessment Update



Rate Basis – ERU

- Stormwater Rates are based on Equivalent Rate Units (ERUs)
 - 1 ERU is equal to 1,500 square foot of impervious area
 - Residential properties have a maximum of 5 ERUs
 - Average Residential property for the City of Flagstaff has 3 ERUs
 - Commercial properties do not have a maximum ERU

Proposed Policy Recommendations

Staff Recommends Updating the Following Policy:

- Change maximum of 5 ERU's for Residential properties to 10
 - Within Rate Adjustment process



Development of Financial Plan

- Increase operating cost
 - Additional \$2.2M is needed in 2024
 - Detention basin maintenance is anticipated to be substantial
- Significant Capital Expenditure over the next 7 years
 - Projected annual need is \$12.7 million
- Mixture of Revenue Bonds, GO Bonds, Grants and Rate Revenue (cash) will be utilized to fund capital expenditure
 - November GO Bond election will impact the Rate Adjustment
 - Voter approved – Some capital projects funded by property tax revenue
 - Voter not approved – All capital projects funded by stormwater fee
 - Both scenarios will be presented



Projected Expenditures

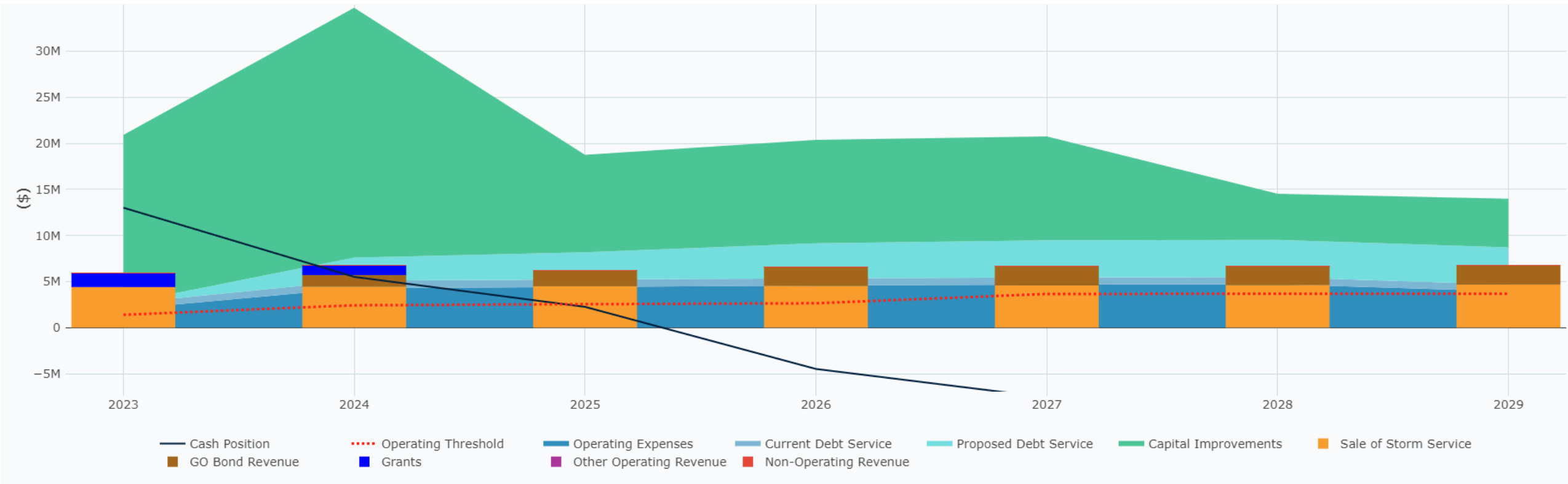
Operations Budget	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
O&M Budget	\$ 1,826,108	\$ 1,451,962	\$ 1,527,412	\$ 1,556,355	\$ 1,640,283	\$ 1,631,785	\$ 1,692,541
Additional O&M	\$ 175,000	\$ 2,836,706	\$ 2,899,637	\$ 3,013,594	\$ 3,030,118	\$ 3,097,752	\$ 2,234,146
Total O&M Needs	\$ 2,001,108	\$ 4,288,668	\$ 4,427,050	\$ 4,569,949	\$ 4,670,401	\$ 4,729,537	\$ 3,926,687

** Additional O&M covers increases in personnel, capital equipment, pre-season flood mitigation, detention basin maintenance and master planning

Capital Budget	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Rate Funded	\$ 9,491,639	\$ 1,071,125	\$ 4,765,342	\$ 411,957	\$ 8,269,301	\$ 4,985,000	\$ 5,275,000
Revenue Bond		\$ 16,000,000		\$ 6,500,000	\$ 3,000,000		
Grant Funded	\$ 1,500,000	\$ 1,045,000					
Go Bond	\$ 7,300,000	\$ 8,987,000	\$ 5,800,888	\$ 4,300,000	-	-	-
Total Capital	\$ 18,291,639	\$ 27,103,125	\$ 10,565,342	\$ 11,211,957	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000



Status Quo: Projected Cash Position





Summary of Status Quo

- Current revenues are not sufficient to pay for increased operating cost (flood mitigation/response) and future capital expenditures
- Significant rate increase will be needed to meet future stormwater obligations
- Two rate scenarios
 - GO Bonds approved - some capital funding through property tax
 - GO Bond not approved - Rates fund all capital projects, funded by customers

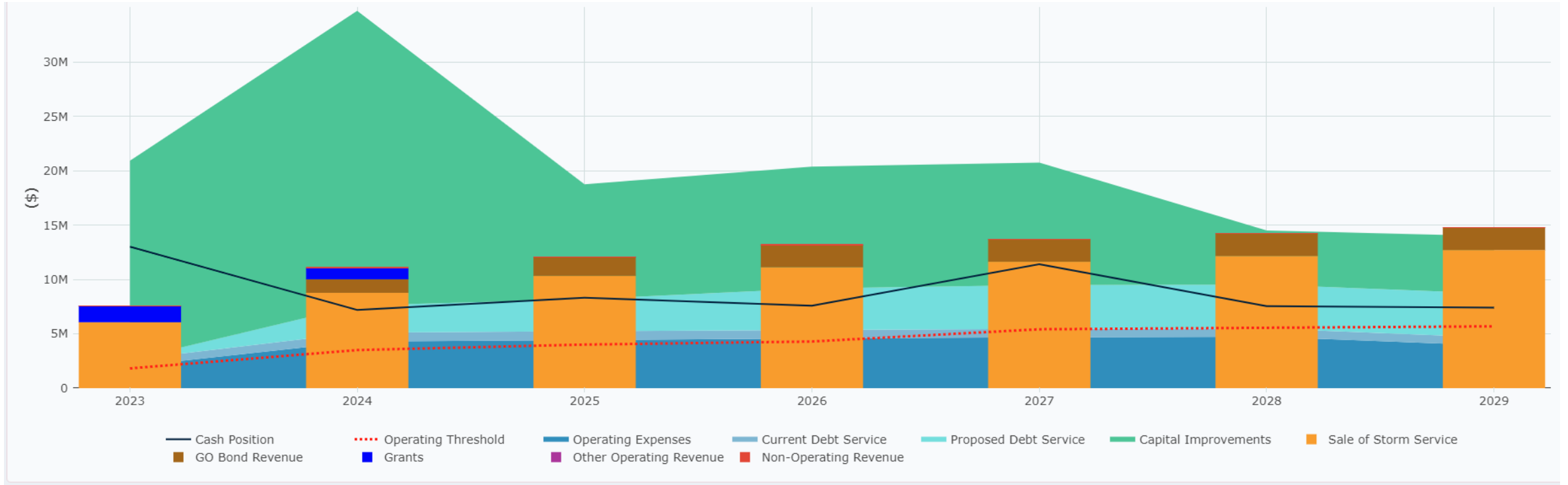


Proposed Rates

Proposed ERU Rates	Current	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29
Scenario 1: GO Bond Approved	\$ 3.74	\$ 6.55	\$ 8.18	\$ 9.00	\$ 9.31	\$ 9.64	\$ 9.98	\$ 10.33
Scenario 2: GO Bond not Approved	\$ 3.74	\$ 8.42	\$ 9.68	\$ 10.02	\$ 10.37	\$ 10.73	\$ 11.10	\$ 11.49
ERU Increase								
Scenario 1: GO Bond Approved		\$ 2.81	\$ 1.64	\$ 0.82	\$ 0.31	\$ 0.33	\$ 0.34	\$ 0.35
Scenario 2: GO Bond not Approved		\$ 4.68	\$ 1.26	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.38	\$ 0.39

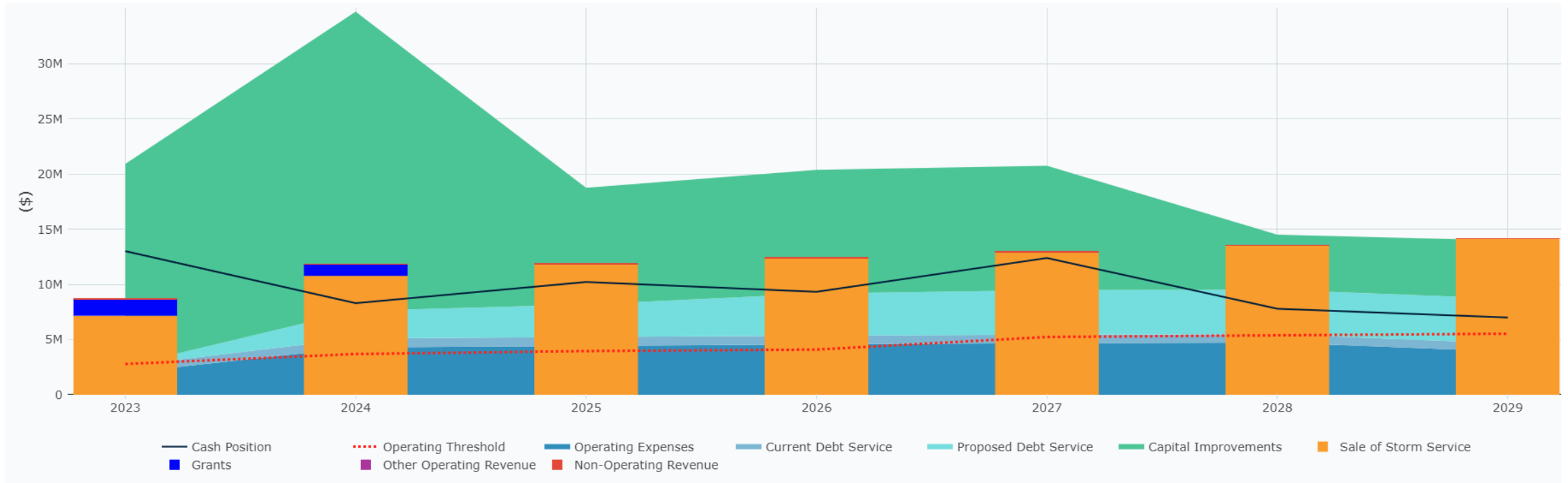


S1: Voter Approval of GO Bond





S2: GO Bond not Approved





Stormwater Service Charge



Year 1 Proposal/Impacts

Residential -Average 3 ERU's						
	Current 3 ERU		Proposed 3 ERU		Monthly Change	Annual Change
Scenario 1	\$	11.22	\$	19.64	\$ 8.42	\$ 100.98
Scenario 2	\$	11.22	\$	25.25	\$ 14.03	\$ 168.30



Stormwater Service Charge



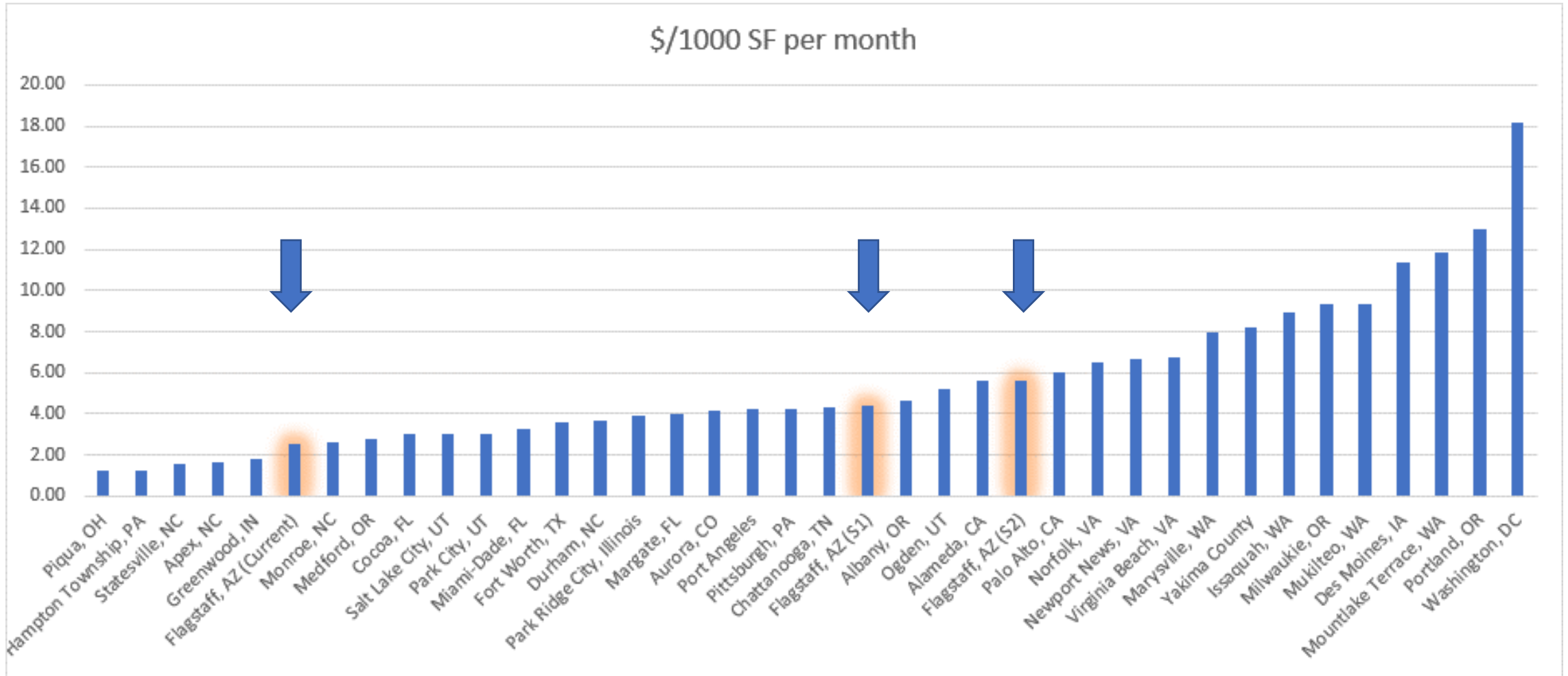
Year 1 Proposal/Impacts

Commercial - Average Big Box						
	Current 220 ERU	Proposed 220 ERU	Monthly Change	Annual Change		
Scenario 1	\$ 822.80	\$ 1,439.90	\$ 617.10	\$ 7,405.20		
Scenario 2	\$ 822.80	\$ 1,851.30	\$ 1,028.50	\$ 12,342.00		

Commercial - Average Restaurant						
	Current 14 ERU	Proposed 14 ERU	Monthly Change	Annual Change		
Scenario 1	\$ 52.36	\$ 91.63	\$ 39.27	\$ 471.24		
Scenario 2	\$ 52.36	\$ 117.81	\$ 65.45	\$ 785.40		



National Stormwater Survey





Stormwater Rate Assessment Update



Rate Implementation Timeline

8/23/2022	CM-Notice of Intent
9/15/2022	Rate Analysis Report
9/15/2022	Water Commission Meeting - Presentation
9/16/2022	Documents on Water Service Website
9/16/2022	60 Day Public Notice
Sept/Oct	Community Outreach
10/15/2022	Copy to City Clerk (no less than 30 days before PH)
10/25/2022	Council Work Session
10/26/2022	Newspaper Notice (no less than 20 days before PH)
11/15/2022	Council Meeting-Public Hearing, 1 st Read
11/29/2022	Council Meeting-Public Hearing, Ordinance 2nd Read
1/1/2023	Rate Effective 1/1/2023



Stormwater Rate Community Outreach

- Stormwater Rates Website:

<https://www.flagstaff.az.gov/4781/Stormwater-Rate-Adjustment>

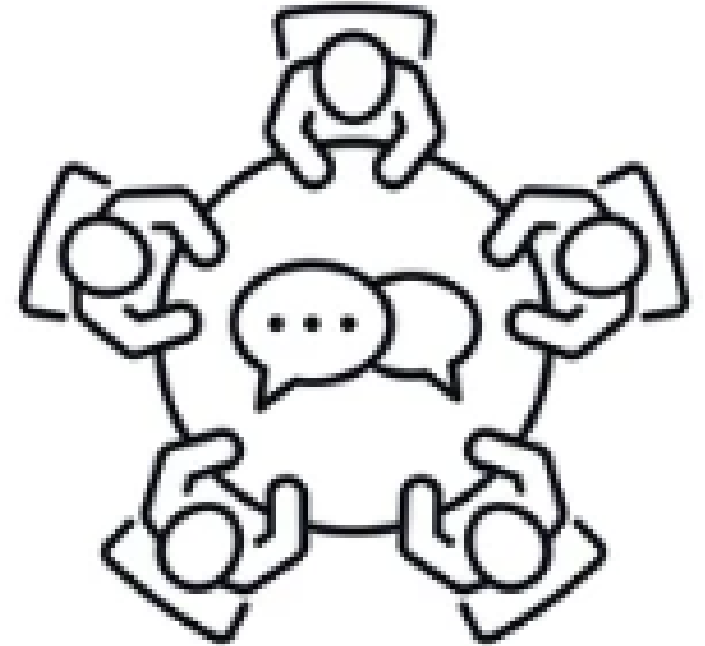
- Rate Analysis Report
- FAQ's
- Recorded Presentation

- Community Forums

- **October 26** at noon, virtual on Teams
- **November 10** at 4 pm, in-person at
City Council Chambers and on Teams
- **November 14** at 6 pm, virtual on Teams

- Roadshows

- Presentations to community groups





Stormwater Rate Assessment Update



QUESTIONS?



September 14, 2022

Edward Schenk
Stormwater Manager
City of Flagstaff Water Services
2323 N Walgreens Blvd, Ste 1
Flagstaff, AZ 86004

Subject: Stormwater Utility Rate Adjustment Study

The City of Flagstaff has maintained a separate stormwater utility since 2003, which is funded primarily by a stormwater utility rate assessed on an Equivalent Rate Unit (ERU) basis. The current stormwater rate of \$3.74/ERU generates just over \$4M in revenue annually and was set in 2018 to provide debt servicing associated with the Rio de Flag Flood Control Project and to supplement the existing Stormwater Capital Improvement Program. Several events since the most recent rate adjustment have combined to make the current stormwater rate insufficient to meet current and future community needs. These events include post-wildfire flood mitigation needs, critical infrastructure upsizing needs in multiple drainage areas, deferred CIP projects identified in the 2010 Northeast Area Master Drainage Study, and rapidly increasing materials and construction costs worldwide. Here, we intend to assess the overall financial condition of the stormwater utility and develop the appropriate rates to meet those needs.

Our financial condition analysis will be heavily impacted by November 2022 ballot proposition 441. If passed, this proposition would provide a total of \$26M in funding for critical stormwater infrastructure improvements through a general obligation bond issuance. If not passed, funding for these capital projects will need to come from revenue bonds and higher stormwater fees. Water Resources Economics (WRE) has evaluated both scenarios and developed the appropriate rates for each.

Operating costs for the stormwater fund have increased significantly in recent years. Increased wildfire activity around Flagstaff has resulted in the need for more regular flood response and stormwater infrastructure improvements, with the city spending over \$2M in the last two years on post-fire flood response. With climate change worsening, growing detention basin maintenance needs, and deferred capital projects still years away from completion, the trend of increased operating costs is expected to continue for the foreseeable future. WRE, along with city staff, has developed the following projections for operating costs for the stormwater fund through 2028/2029 (Table 1).

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
General Administration	\$ 186,722	\$ 194,299	\$ 202,193	\$ 210,417	\$ 218,985	\$ 227,913	\$ 237,214
Engineering and Master Planning	\$ 58,089	\$ 59,251	\$ 60,436	\$ 61,645	\$ 62,877	\$ 64,135	\$ 65,418
Development Review	\$ 126,402	\$ 131,801	\$ 137,432	\$ 143,304	\$ 149,428	\$ 155,814	\$ 162,475
Inspections and Monitoring	\$ 89,292	\$ 93,023	\$ 96,912	\$ 100,966	\$ 105,192	\$ 109,598	\$ 114,191
Floodplain Management	\$ 451,397	\$ 128,235	\$ 133,712	\$ 139,425	\$ 145,382	\$ 151,595	\$ 158,074
Open Channel and Infrastructure	\$ 218,797	\$ 225,966	\$ 233,398	\$ 241,104	\$ 249,096	\$ 257,383	\$ 265,978
Drainage Maintenance	\$ 218,781	\$ 226,886	\$ 235,313	\$ 244,076	\$ 253,189	\$ 262,666	\$ 272,522
Indirect	\$ 268,511	\$ 275,224	\$ 282,105	\$ 289,158	\$ 296,387	\$ 303,797	\$ 311,392
Water Fund	\$ 208,117	\$ 117,278	\$ 145,911	\$ 126,260	\$ 159,746	\$ 98,884	\$ 105,278
SUB TOTAL	\$ 1,826,108	\$ 1,451,962	\$ 1,527,412	\$ 1,556,355	\$ 1,640,283	\$ 1,631,785	\$ 1,692,541
Additional O&M Requirements							
Stormwater (SW) Admin	\$ -	\$ 104,091	\$ 106,173	\$ 108,297	\$ 110,463	\$ 112,672	\$ 114,925
SW Master Planning	\$ -	\$ 87,612	\$ 89,364	\$ 91,152	\$ 92,975	\$ 94,834	\$ 96,731
SW Development Review	\$ -	\$ 2,816	\$ 2,872	\$ 2,930	\$ 2,988	\$ 3,048	\$ 3,109
SW Inspections and Monitoring	\$ -	\$ 7,718	\$ 7,873	\$ 8,030	\$ 8,191	\$ 8,354	\$ 8,522
SW Floodplain Management	\$ -	\$ 1,982	\$ 2,021	\$ 2,062	\$ 2,103	\$ 2,145	\$ 2,188
SW Open Channel Maint	\$ -	\$ 88,446	\$ 90,215	\$ 92,020	\$ 93,860	\$ 95,737	\$ 97,652
Drainage Maint	\$ -	\$ 138,615	\$ 141,387	\$ 144,215	\$ 147,099	\$ 150,041	\$ 153,042
Pre-Season Flood Mitigation	\$ -	\$ 265,965	\$ 271,284	\$ 276,710	\$ 282,244	\$ 287,889	\$ 293,647
Detention Basin Maint	\$ -	\$ 1,800,000	\$ 1,836,000	\$ 1,872,720	\$ 1,910,174	\$ 1,948,378	\$ 1,000,000
Operating Capital Replacement	\$ 45,000	\$ 70,000	\$ 71,400	\$ 122,328	\$ 74,285	\$ 75,770	\$ 131,736
Stormwater Project Manager	\$ 60,000	\$ 125,160	\$ 130,542	\$ 136,155	\$ 142,010	\$ 148,116	\$ 154,485
Water Services Operator	\$ 70,000	\$ 144,300	\$ 150,505	\$ 156,977	\$ 163,727	\$ 170,767	\$ 178,110
SUB TOTAL	\$ 175,000	\$ 2,836,706	\$ 2,899,637	\$ 3,013,594	\$ 3,030,118	\$ 3,097,752	\$ 2,234,146
GRAND TOTAL	\$ 2,001,108	\$ 4,288,668	\$ 4,427,050	\$ 4,569,949	\$ 4,670,401	\$ 4,729,537	\$ 3,926,687

Additional Operation and Maintenance (O&M) Requirements are related to the growing needs of the community and stormwater fund. They cover things like increases in personnel, capital equipment, pre-season flood mitigation, detention basin maintenance, and master planning and modeling. Ongoing detention basin maintenance alone is projected to cost the fund in excess of \$1.8M each of the next five years -- more than the entire regular O&M budget in those same years and years past. Personnel costs are projected to increase 4.3% annually to account for salary and benefit increases, while most other costs are projected to increase by 2%. Even with these modest projections, the current stormwater rate will not generate sufficient revenue to meet ongoing O&M requirements or future capital improvement needs.

The stormwater fund is also facing significant capital expenditures in the coming years. This is due in large part to the recent wildfires and the associated stormwater infrastructure improvements required. However, there are also multiple deferred capital projects identified as critical in the 2010 Northeast Area Master Drainage Study (NEAMDS) that will require funding during the period. In total, over \$88M in capital projects will require funding over the life of this study. The completion of these critical capital projects is expected to reduce emergency response costs. The table below lists anticipated capital projects through fiscal year (FY) 2028/2029 (Table 2).

Project Area	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY2026/2027	FY2027/2028	FY2028/2029	Project Totals
Rio de Flag	\$ 4,135,744	\$ 16,209,000	\$ 218,405	\$ 570,583	\$ 834,763	\$ -	\$ -	\$ 21,968,495
Spot improvements	\$ 700,868	\$ 78,375	\$ 81,902	\$ 85,587	\$ 89,439	\$ 93,464	\$ 97,670	\$ 1,227,305
Post-fire projects	\$ 13,440,212	\$ 8,987,000	\$ 5,733,133	\$ 7,702,871	\$ 5,366,334	\$ -	\$ -	\$ 41,229,550
NEAMDS study	\$ 14,815	\$ 1,828,750	\$ 4,531,904	\$ 2,852,915	\$ 4,978,765	\$ 4,392,791	\$ 2,832,416	\$ 21,432,356
Future projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,745	\$ 2,344,914	\$ 2,843,659
Annual Total	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000	\$ 88,701,365

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

These capital projects will be funded through a combination of PayGo (cash funded), Revenue bonds, grant funded, and General Obligation (GO) bonds (if approved). The stormwater fund is planning to issue new debt to cover future capital improvement needs and to fill in any gaps in funding. If voters do not approve the GO bond, additional revenue bonds will need to be issued and paid by future stormwater fees. The table below shows the proposed funding distribution for these capital projects, assuming the GO bond is approved (Table 3).

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
TOTAL CIP	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000
PayGo (Cash Funded)	\$ 9,491,639	\$ 1,458,125	\$ 4,765,344	\$ 411,956	\$ 8,269,301	\$ 4,985,000	\$ 5,275,000
Revenue Bond	\$ -	\$ 16,000,000	\$ -	\$ 6,500,000	\$ 3,000,000	\$ -	\$ -
Grant Funded	\$ 1,500,000	\$ 1,045,000	\$ -	\$ -	\$ -	\$ -	\$ -
GO Bond	\$ 7,300,000	\$ 8,600,000	\$ 5,800,000	\$ 4,300,000	\$ -	\$ -	\$ -

In addition to these future anticipated debts, the stormwater fund has two recently issued debts with annual debt service payments averaging \$760,000 over the next five years. The debt service details for the fund’s current debts can be seen in the table below (Table 4).

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
WIFA -Stormwater Improvements	\$ 323,215	\$ 503,048	\$ 488,268	\$ 473,091	\$ 457,506	\$ 441,503	\$ 425,070
Utility System Revenue Obligations	\$ 300,679	\$ 313,165	\$ 312,411	\$ 312,511	\$ 312,450	\$ 312,229	\$ 311,847
Total Current Debt	\$ 623,894	\$ 816,213	\$ 800,679	\$ 785,601	\$ 769,956	\$ 753,732	\$ 736,917

For any future debt issuances, we assume a 20-year term and a 4.75% interest rate. The debt service schedule for the proposed new debt is included below (Table 5).

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Rio De Flag Project	\$ -	\$ 1,256,807	\$ 1,256,807	\$ 1,256,807	\$ 1,256,807	\$ 1,256,807	\$ 1,256,807
GO Bond	\$ -	\$ 1,248,952	\$ 1,704,545	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312
Revenue Bond	\$ -	\$ -	\$ -	\$ 510,578	\$ 746,229	\$ 746,229	\$ 746,229
Total	\$ -	\$ 2,505,759	\$ 2,961,352	\$ 3,809,697	\$ 4,045,348	\$ 4,045,348	\$ 4,045,348

Currently, the stormwater fund receives the bulk of its funding through a stormwater rate assessed on the monthly Municipal Services Bill. The rate is charged based on the “Equivalent Rate Units” (ERU) of a property, which is equal to the total square footage of impervious surface area divided by 1,500 square feet, with 1,500 determined to be the most equitable basis of distribution. Currently, residential properties have a maximum of 5 ERUs, while the average residential property has 3 ERUs. We propose raising this residential limit to 10 ERUs as part of this rate adjustment process. Commercial properties do not have a maximum number of ERUs, though we assume averages of 220 ERUs for commercial – big box and 14 ERUs for commercial – restaurants. There are approximately 100,000 ERUs currently being assessed the stormwater rate in the City and this number is expected to grow by about 1% annually due

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

to new development. This means that the current monthly rate of \$3.74/ERU generates roughly \$4.4M per year for the stormwater fund, which represents 99% of its total non-grant related revenue. Additionally, there are some miscellaneous revenues from Grading & Drain Fields and Drainage Reporting Reviews, though these amounts are largely immaterial for the purpose of this rate study. Similarly, grant revenue is extremely difficult to project past a couple years and we have no estimates beyond FY 2023/2024. The following table shows projected revenue under the status quo (Table 6).

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Stormwater Service Charge	\$ 4,409,705	\$ 4,453,802	\$ 4,498,340	\$ 4,543,323	\$ 4,588,757	\$ 4,634,644	\$ 4,680,991
GO Bond Reimbursement	\$ -	\$ 1,248,952	\$ 1,704,545	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312
Drainage Report Review	\$ 938	\$ 961	\$ 985	\$ 1,010	\$ 1,035	\$ 1,061	\$ 1,088
Grading & Drain Field Ins	\$ 29,232	\$ 29,963	\$ 30,712	\$ 31,480	\$ 32,267	\$ 33,074	\$ 33,901
Total Revenues	\$ 4,439,875	\$ 5,733,678	\$ 6,234,582	\$ 6,618,125	\$ 6,664,371	\$ 6,711,091	\$ 6,758,292

Note: GO Bond Reimbursement amount here is equal to the GO Bond debt service amount from above as it would be repaid through the voter approved property tax revenue. If GO Bonds are not approved, these will be additional Revenue Bonds.

The stormwater fund has a beginning balance of \$13,010,222 for FY 2022/2023, which includes the proceeds from its recent debt issuance. Its current reserve policy is to maintain an operating reserve of 25% of revenue. As evidenced by the wildfire and flood events of the last few years, an additional emergency reserve should be established and slowly built-up to respond to future natural disasters and climate change events. We propose gradually building an emergency reserve fund of \$2M by FY 2027/2028 in addition to maintaining the operating reserve at 25% of revenue.

We can now combine the stormwater fund's projected revenues, expenses (CIP and operating), debt (current and proposed), reserve targets, and beginning cash balance as described above to provide the projected cash flow statement through FY 2028/2029. Here, we summarize the assumptions used to produce the "status quo" financial plan (Table 7).

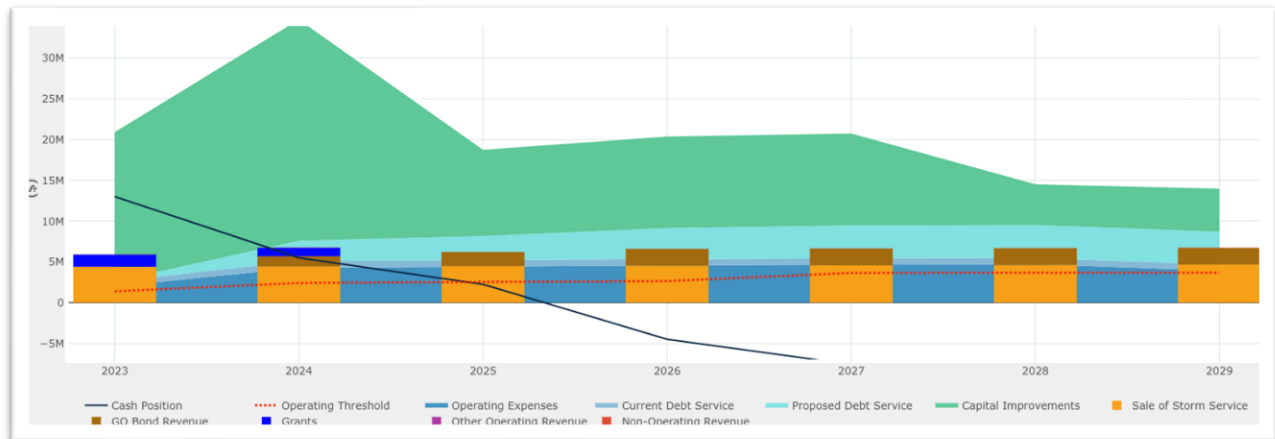
1. Stormwater rate remains constant at \$3.74/ERU
2. 1% annual growth in revenue base due to new development
3. Voters approve GO bonds for \$26M in November
4. Target emergency reserves of \$2M by FY 2028/2029
5. No grant revenue beyond FY 2023/2024
6. Beginning Balance of \$13,010,222 for FY 2022/2023

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

Status Quo Financial Plan

Table 7: Status Quo Financial Plan & Cash Flow Statement through FY 2028/2029							
	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Cash Position Opening Balance	\$ 13,010,222	\$ 5,516,893	\$ 2,258,792	\$ (4,483,074)	\$ (7,561,406)	\$ (18,914,177)	\$ (27,173,013)
Revenues							
Sale of Storm Service	\$ 4,409,705	\$ 4,453,802	\$ 4,498,340	\$ 4,543,323	\$ 4,588,757	\$ 4,634,644	\$ 4,680,991
GO Bond Revenue	\$ -	\$ 1,248,952	\$ 1,704,545	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312
Grants	\$ 1,500,000	\$ 1,045,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 938	\$ 961	\$ 985	\$ 1,010	\$ 1,035	\$ 1,061	\$ 1,088
Non-Operating Revenue	\$ 29,232	\$ 29,963	\$ 30,712	\$ 31,480	\$ 32,267	\$ 33,074	\$ 33,901
Borrowed Funds	\$ 7,300,000	\$ 24,600,000	\$ 5,800,000	\$ 10,800,000	\$ 3,000,000	\$ -	\$ -
Revenue SubTotal	\$ 13,239,875	\$ 31,378,678	\$ 12,034,582	\$ 17,418,125	\$ 9,664,371	\$ 6,711,091	\$ 6,758,292
Expenditures							
Operating Expenses	\$ 2,001,108	\$ 4,288,668	\$ 4,427,050	\$ 4,569,950	\$ 4,670,401	\$ 4,729,537	\$ 3,926,688
Capital Improvements	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000
Current Debt Service	\$ 623,894	\$ 816,213	\$ 800,679	\$ 785,602	\$ 769,956	\$ 753,732	\$ 736,917
Proposed Debt Service	\$ -	\$ 2,505,760	\$ 2,961,353	\$ 3,809,698	\$ 4,045,349	\$ 4,045,349	\$ 4,045,349
Expenditure SubTotal	\$ 20,916,641	\$ 34,713,766	\$ 18,754,425	\$ 20,377,206	\$ 20,755,007	\$ 14,513,618	\$ 13,983,954
Cash Position							
Net Surplus/Deficit	\$ (7,676,766)	\$ (3,335,088)	\$ (6,719,843)	\$ (2,959,080)	\$ (11,090,637)	\$ (7,802,527)	\$ (7,225,662)
Cash Position Before Interest	\$ 5,333,456	\$ 2,181,805	\$ (4,461,051)	\$ (7,442,154)	\$ (18,652,043)	\$ (26,716,704)	\$ (34,398,676)
Interest on Surplus	\$ 183,437	\$ 76,987	\$ (22,023)	\$ (119,252)	\$ (262,134)	\$ (456,309)	\$ (615,717)
Cash Position Closing Balance	\$ 5,516,893	\$ 2,258,792	\$ (4,483,074)	\$ (7,561,406)	\$ (18,914,177)	\$ (27,173,013)	\$ (35,014,392)
Debt Service Coverage Analysis							
	-2.91	-1.27	-1.18	-0.96	-1.02	-1.08	-0.95
Target Reserve							
	\$ 1,402,426	\$ 2,425,689	\$ 2,550,721	\$ 2,646,409	\$ 3,657,767	\$ 3,669,239	\$ 3,680,826



In the graphic above, the bars represent the fund’s revenue while the shaded areas represent expenses and debt service. The black line, which is constantly sloping downward under the status quo, represents the fund’s cash position, while the red dotted line represents the fund’s minimum operating threshold. Ideally, we would want these two lines to be approaching parallel (with the black line on top) by the end of the study, representing stabilization between the fund’s cash position and ongoing operating needs.

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

As we can see, under the status quo financial plan, the fund will go negative sometime during FY 2024/2025. The Debt Service Coverage Ratio remains negative throughout the length of the study and the fund's cash position at the end of FY 2028/2029 is negative \$35M. Current revenues are insufficient to meet the rising operating costs and future capital expenditure requirements of the stormwater fund. Without significant increases to the stormwater rate, the fund will not be able to meet the community's stormwater needs within the next three years.

Proposition 441, which would provide \$26M in GO bond revenue for stormwater capital projects if approved, will be the primary factor affecting our stormwater rate analysis. As such, WRE has evaluated two scenarios and developed the appropriate rates for each. Under Scenario 1: GO Bond Approved, voters pass Proposition 441 in November, providing \$26M in funding for stormwater capital improvements to be repaid through property tax revenue. Under Scenario 2: GO Bond Not Approved, voters do not pass Proposition 441 and that \$26M in funding comes from higher stormwater fees and an additional revenue bond. Both scenarios are presented, with annual rate increases assumed to be implemented in January each year (Table 8).

Table 8: Proposed Stormwater Rates through FY 2028/2029								
	Current	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29
Scenario 1: GO Bond Approved	\$ 3.74	\$ 6.55	\$ 8.18	\$ 9.00	\$ 9.31	\$ 9.64	\$ 9.98	\$ 10.33
Scenario 2: GO Bond Not Approved	\$ 3.74	\$ 8.42	\$ 9.68	\$ 10.02	\$ 10.37	\$ 10.73	\$ 11.10	\$ 11.49
Annual Change								
Scenario 1		\$ 2.81	\$ 1.64	\$ 0.82	\$ 0.31	\$ 0.33	\$ 0.34	\$ 0.35
Scenario 2		\$ 4.68	\$ 1.26	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.38	\$ 0.39

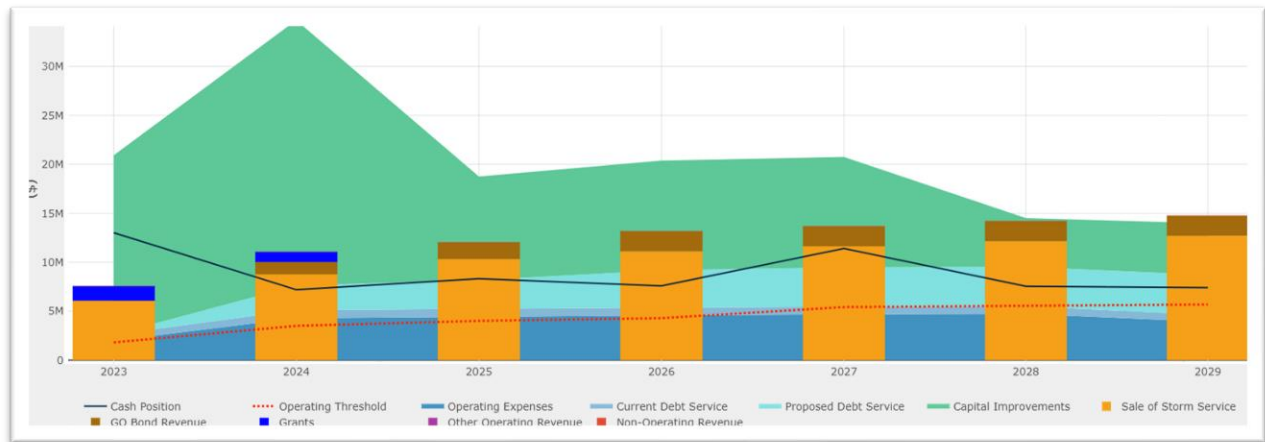
Under both scenarios, rate increases in the first two years of the study are significant on a percentage basis, though the current rate is low on the national level based on the complexity of the Stormwater Section (See Appendix A - Western Kentucky University Stormwater Utility 2021 Survey). Stormwater section responsibility varies between communities in that certain communities are focused on water quality issues. Initial large increases are followed by moderate increases averaging 3.5% annually over the final five years of the study under both scenarios. While it may seem like a large initial jump in the first year of the study, consider that Flagstaff has experienced multiple wildfires and devastating climate change events since the last time the rate was reviewed. Rate adjustments are necessary to align the stormwater rate with the fund's capital, operating, debt service, and reserve needs over the life of this rate study. The complete financial plans associated with each scenario are presented on the following pages (Table 9, 10).

Stormwater Utility Rate Adjustment Study

City of Flagstaff Water Services Division

Scenario 1: GO Bond Approved Financial Plan

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Cash Position Opening Balance	\$ 13,010,222	\$ 7,187,068	\$ 8,320,138	\$ 7,591,622	\$ 11,400,952	\$ 7,537,213	\$ 7,403,454
Revenues							
Sale of Storm Service	\$ 6,063,344	\$ 8,768,423	\$ 10,332,125	\$ 11,123,689	\$ 11,628,148	\$ 12,155,484	\$ 12,706,736
GO Bond Revenue	\$ -	\$ 1,248,952	\$ 1,704,545	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312	\$ 2,042,312
Grants	\$ 1,500,000	\$ 1,045,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 938	\$ 961	\$ 985	\$ 1,010	\$ 1,035	\$ 1,061	\$ 1,088
Non-Operating Revenue	\$ 29,232	\$ 29,963	\$ 30,712	\$ 31,480	\$ 32,267	\$ 33,074	\$ 33,901
Borrowed Funds	\$ 7,300,000	\$ 24,600,000	\$ 5,800,000	\$ 10,800,000	\$ 3,000,000	\$ -	\$ -
Revenue SubTotal	\$ 14,893,514	\$ 35,693,299	\$ 17,868,367	\$ 23,998,491	\$ 16,703,762	\$ 14,231,931	\$ 14,784,037
Expenditures							
Operating Expenses	\$ 2,001,108	\$ 4,288,668	\$ 4,427,050	\$ 4,569,950	\$ 4,670,401	\$ 4,729,537	\$ 3,926,688
Capital Improvements	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000
Current Debt Service	\$ 623,894	\$ 816,213	\$ 800,679	\$ 785,602	\$ 769,956	\$ 753,732	\$ 736,917
Proposed Debt Service	\$ -	\$ 2,505,760	\$ 2,961,353	\$ 3,809,698	\$ 4,045,349	\$ 4,045,349	\$ 4,045,349
Expenditure SubTotal	\$ 20,916,641	\$ 34,713,766	\$ 18,754,425	\$ 20,377,206	\$ 20,755,007	\$ 14,513,618	\$ 13,983,954
Cash Position							
Net Surplus/Deficit	\$ (6,023,127)	\$ 979,533	\$ (886,058)	\$ 3,621,285	\$ (4,051,245)	\$ (281,687)	\$ 800,082
Cash Position Before Interest	\$ 6,987,095	\$ 8,166,601	\$ 7,434,079	\$ 11,212,907	\$ 7,349,706	\$ 7,255,526	\$ 8,203,536
Interest on Surplus	\$ 199,973	\$ 153,537	\$ 157,542	\$ 188,045	\$ 187,507	\$ 147,927	\$ 156,070
Cash Position Closing Balance	\$ 7,187,068	\$ 8,320,138	\$ 7,591,622	\$ 11,400,952	\$ 7,537,213	\$ 7,403,454	\$ 8,359,606
Debt Service Coverage Analysis							
	6.88	1.78	2.07	1.92	1.91	2.01	2.3
Target Reserve							
	\$ 1,815,836	\$ 3,504,344	\$ 4,009,167	\$ 4,291,500	\$ 5,417,615	\$ 5,549,449	\$ 5,687,262



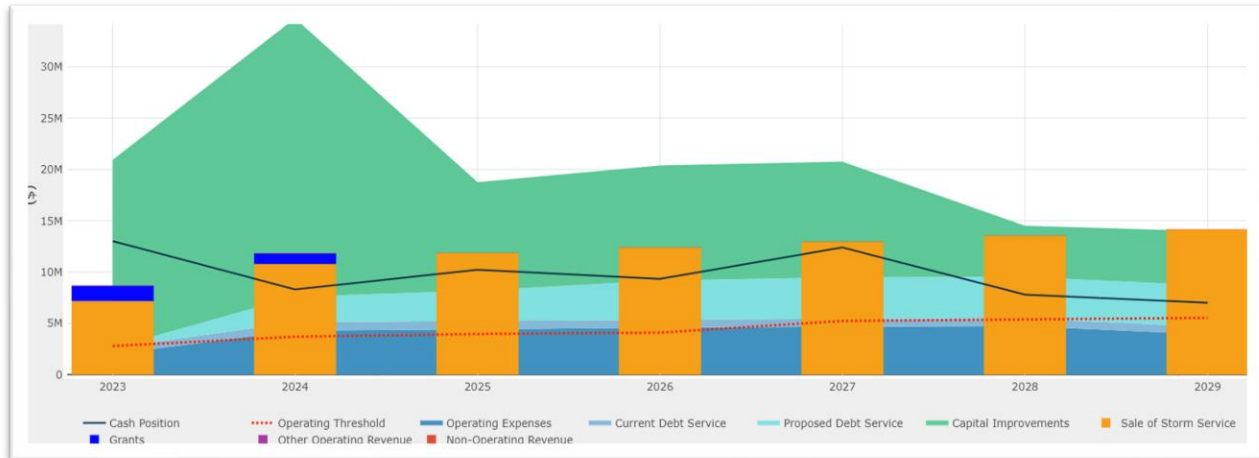
Under Scenario 1: Go Bond Approved, we can see that the bars representing stormwater rate revenue reflect a clear increase in 2023 and 2024, before somewhat leveling off in later years. The GO bond (dark brown) is the only other significant source of revenue beyond FY 2023/2024. Here, the fund's cash position is drawn down over the first two years of the study to pay for some large capital projects, though it stays positive throughout the study and is always above the fund's operating threshold.

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Scenario 2: GO Bond Not Approved Financial Plan

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Cash Position Opening Balance	\$ 13,010,222	\$ 8,300,519	\$ 10,218,670	\$ 9,332,664	\$ 12,383,189	\$ 7,803,023	\$ 6,998,672
Revenues							
Sale of Storm Service	\$ 7,165,771	\$ 10,772,634	\$ 11,843,145	\$ 12,380,232	\$ 12,941,676	\$ 13,528,581	\$ 14,142,102
GO Bond Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	\$ 1,500,000	\$ 1,045,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 938	\$ 961	\$ 985	\$ 1,010	\$ 1,035	\$ 1,061	\$ 1,088
Non-Operating Revenue	\$ 29,232	\$ 29,963	\$ 30,712	\$ 31,480	\$ 32,267	\$ 33,074	\$ 33,901
Borrowed Funds	\$ 7,300,000	\$ 24,600,000	\$ 5,800,000	\$ 10,800,000	\$ 3,000,000	\$ -	\$ -
Revenue SubTotal	\$ 15,995,941	\$ 36,448,558	\$ 17,674,842	\$ 23,212,722	\$ 15,974,978	\$ 13,562,716	\$ 14,177,091
Expenditures							
Operating Expenses	\$ 2,001,108	\$ 4,288,668	\$ 4,427,050	\$ 4,569,950	\$ 4,670,401	\$ 4,729,537	\$ 3,926,688
Capital Improvements	\$ 18,291,639	\$ 27,103,125	\$ 10,565,344	\$ 11,211,956	\$ 11,269,301	\$ 4,985,000	\$ 5,275,000
Current Debt Service	\$ 623,894	\$ 816,213	\$ 800,679	\$ 785,602	\$ 769,956	\$ 753,732	\$ 736,917
Proposed Debt Service	\$ -	\$ 2,505,760	\$ 2,961,353	\$ 3,809,698	\$ 4,045,349	\$ 4,045,349	\$ 4,045,349
Expenditure SubTotal	\$ 20,916,641	\$ 34,713,766	\$ 18,754,425	\$ 20,377,206	\$ 20,755,007	\$ 14,513,618	\$ 13,983,954
Cash Position							
Net Surplus/Deficit	\$ (4,920,700)	\$ 1,734,792	\$ (1,079,583)	\$ 2,835,516	\$ (4,780,030)	\$ (950,903)	\$ 193,136
Cash Position Before Interest	\$ 8,089,522	\$ 10,035,311	\$ 9,139,087	\$ 12,168,181	\$ 7,603,159	\$ 6,852,120	\$ 7,191,808
Interest on Surplus	\$ 210,997	\$ 183,358	\$ 193,578	\$ 215,008	\$ 199,863	\$ 146,551	\$ 141,905
Cash Position Closing Balance	\$ 8,300,519	\$ 10,218,670	\$ 9,332,664	\$ 12,383,189	\$ 7,803,023	\$ 6,998,672	\$ 7,333,713
Debt Service Coverage Analysis							
	8.66	2.02	2.03	1.75	1.77	1.87	2.17
Target Reserve							
	\$ 2,791,443	\$ 3,693,158	\$ 3,960,786	\$ 4,095,058	\$ 5,235,419	\$ 5,382,145	\$ 5,535,525



Under Scenario 2: GO Bond Not Approved, the lost GO bond revenue is replaced by an additional revenue bond and higher stormwater rates. After FY 2023/2024, 100% of the fund's revenue is represented by the orange bars -- stormwater rate revenue. There are slightly larger increases to the rate in the first two years, with most other aspects of the chart staying the same. The slight variation in the shape of the operating threshold line is due to the operating reserve being based on a percentage of revenue – since the stormwater rate is higher under Scenario 2: GO Bond Not Approved, the required operating reserve will also be higher.

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Finally, we must consider the impact of these changes on the average customer. For residential customers, we used an average of 3 ERUs; for commercial big box customers, we used an average of 220 ERUs; for restaurants, we used an average of 14 ERUs (Table 11, 12, 13).

Table 11: Impact on Average Residential Customer					
	Current 3 ERU	Proposed 3 ERU	Monthly Change	Annual Change	
Scenario 1	\$ 11.22	\$ 19.64	\$ 8.42	\$ 100.98	
Scenario 2	\$ 11.22	\$ 25.25	\$ 14.03	\$ 168.30	

Table 12: Impact on Average Commercial Big Box					
	Current 220 ERU	Proposed 220 ERU	Monthly Change	Annual Change	
Scenario 1	\$ 822.80	\$ 1,439.90	\$ 617.10	\$ 7,405.20	
Scenario 2	\$ 822.80	\$ 1,851.30	\$ 1,028.50	\$ 12,342.00	

Table 13: Impact on Average Commercial Restaurant					
	Current 14 ERU	Proposed 14 ERU	Monthly Change	Annual Change	
Scenario 1	\$ 52.36	\$ 91.63	\$ 39.27	\$ 471.24	
Scenario 2	\$ 52.36	\$ 117.81	\$ 65.45	\$ 785.40	

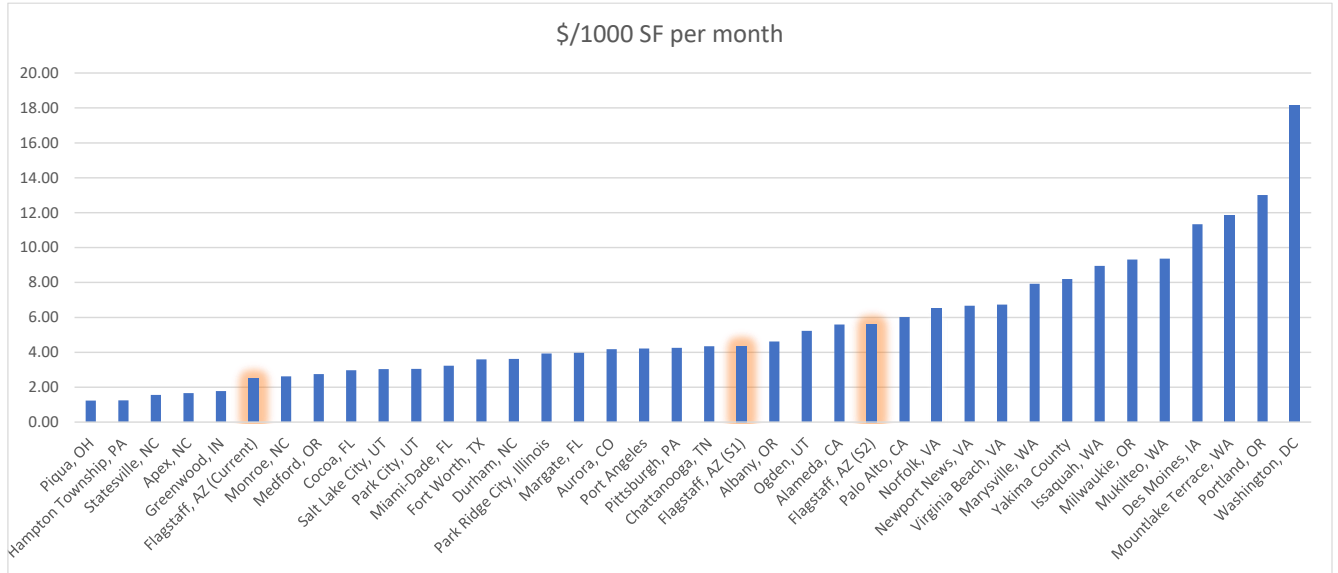
Here we can see the effect of Proposition 441 on the stormwater rates by considering the difference between the average monthly bill under each scenario. Under the more favorable Scenario 1: GO Bond Approved, the average residential customer would see their monthly bill increase by \$8.42. Likewise, the average commercial restaurant would see a monthly increase of \$39, while the average commercial big box would see an increase of \$617 per month under Scenario 1. Under Scenario 2: GO Bond Not Approved, the average residential customer would see their bill increase by \$14.03 per month, or \$168.30 in the first year.

It is important for customers to understand the growing and critical needs of the stormwater fund and the role the stormwater rate plays in achieving those needs. As the City of Flagstaff continues to recover from wildfires and climate change events, it is essential that the stormwater fund is prepared to serve its community's needs not just today but in the future. Despite current cash reserves in excess of \$13M, the stormwater fund would see a negative cash balance in FY 2024/2025 without some type of rate increase or service level reduction under the status quo financial plan. Therefore, staff is requesting that the City Council review the stormwater rates so that this enterprise fund is financially prepared for an uncertain future.

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Appendix A

Western Kentucky University Stormwater Utility 2021 Survey



City	\$/1,000 SF per month	City	\$/1,000 SF per month
Piqua, OH	1.24	Chattanooga, TN	4.35
Hampton Township, PA	1.25	Flagstaff, AZ (S1)	4.37
Statesville, NC	1.57	Albany, OR	4.62
Apex, NC	1.67	Ogden, UT	5.23
Greenwood, IN	1.79	Alameda, CA	5.59
Flagstaff, AZ (Current)	2.49	Flagstaff, AZ (S2)	5.61
Monroe, NC	2.63	Palo Alto, CA	6.02
Medford, OR	2.75	Norfolk, VA	6.53
Cocoa, FL	2.98	Newport News, VA	6.67
Salt Lake City, UT	3.04	Virginia Beach, VA	6.73
Park City, UT	3.05	Marysville, WA	7.93
Miami-Dade, FL	3.23	Yakima County	8.19
Fort Worth, TX	3.59	Issaquah, WA	8.95
Durham, NC	3.63	Milwaukie, OR	9.32
Park Ridge City, Illinois	3.93	Mukilteo, WA	9.37
Margate, FL	3.97	Des Moines, IA	11.34
Aurora, CO	4.18	Mountlake Terrace, WA	11.84
Port Angeles	4.22	Portland, OR	13.02
Pittsburgh, PA	4.26	Washington, DC	18.14