

## MINUTES

### 1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held October 3, 2023, to order at 3:01 p.m.

#### NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for discussion and consultation 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.*

PRESENT:

ABSENT:

MAYOR DAGGETT (virtually)  
VICE MAYOR ASLAN (virtually)  
COUNCILMEMBER HARRIS  
COUNCILMEMBER HOUSE  
COUNCILMEMBER MATTHEWS  
COUNCILMEMBER MCCARTHY  
COUNCILMEMBER SWEET (virtually)

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

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

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

#### MISSION STATEMENT

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

#### LAND ACKNOWLEDGEMENT

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

#### 4. PUBLIC PARTICIPATION

*Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.*

Jonathon Diouisio addressed Council with concerns about discrimination in Flagstaff and at NAU.

Stephen Puhr addressed Council and spoke about Northern Arizona Healthcare's prediction for long term growth in the Flagstaff region. Based on his research there would be zero population growth by 2050. He encouraged the Council to seek out more information from the Brookings Institute.

Community Development Director Dan Folke addressed Council and shared some recognitions of the Community Development Team. The Housing Section was recognized by the Arizona Chapter of the American Planning Institute for the 10-Year Housing Plan. The second recognition was for a Distinguished Citizen Planner which was awarded to Devonna McLaughlin of Housing Solutions for her leadership in the declaration of the Housing Emergency as well as her participation in the development of the Housing Bond measure.

Andy Fernandez addressed Council and expressed a number of concerns.

Jonathon Diouisio submitted written comments regarding discrimination in Flagstaff.

#### 5. PROCLAMATIONS AND RECOGNITIONS

##### A. Proclamation: Indigenous Peoples' Day

Councilmember Matthews read and presented the proclamation to members of the Indigenous Commission. Coordinator for Indigenous Initiatives Rose Toehe offered comments about Indigenous Peoples' Day celebration events later in the month.

#### 6. COUNCIL LIAISON REPORTS

Vice Mayor Aslan reported that the Tourism Commission did not meet due to a lack of quorum. The Coconino Plateau Water Advisory Council (CPWAC) had its annual field trip. They went to the Page area and met with Tribal Water Directors and Page Mayor Bill Diak. He noted that Ron Doba, the coordinator of CPWAC, was named an Arizona Leader of the Year by the Arizona Capital Times. He also reported that he attended the International Downtown Association annual conference, where he was able to learn about best practices for downtowns and coordination between the Flagstaff Downtown Business Alliance and city staff.

Councilmember Matthews stated that she attended the Mountain Line Board Meeting where they developed a scorecard to capture key performance indicators to measure six areas of their Strategic Plan. She also reported that ridership was 20% higher than last fiscal year and they were projected to reach 2019 ridership levels in 2026. She noted that Mountain Line continued to receive Transit Intensive Cities federal funding which was an extra \$3 million to offset local revenues.

Councilmember McCarty reported that he, Councilmember Sweet, and Mayor Daggett, met with Amtrak and discussed several things, including ridership through Flagstaff. They also discussed that the Senate was on board for full Amtrak funding, but there were concerns that the House of Representatives may want to make significant cuts to the Amtrak budget.

Councilmember Sweet reported that she also attended the International Downtown Association annual

conference and was looking forward to further discussion and collaboration with the downtown. She reported that Mountain Line deployed their two electric buses and she encouraged everyone to take a ride on one of them. She would also be attending the upcoming MetroPlan meeting.

Councilmember House reported that the Housing Commission met and welcomed their new members and selected a new Chair and Vice-Chair. The commission received presentations on the Community Homebuyer Assistance Program and the Employer Assistance Housing Program along with continued movement on the draft Incentive Bond Program.

Mayor Daggett reported that the Commission on Inclusion and Adaptive Living would be presenting to the Council at the next Council Meeting, and she looked forward to that discussion.

## 7. CONSENT AGENDA

*All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.*

**Moved by Councilmember Jim McCarthy, seconded by Councilmember Lori Matthews** to approve the Consent Agenda as posted.

**Vote:** 7 - 0 - Unanimously

- A. **Consideration and Approval of Cooperative Purchase Contract:** Purchase of All-Risk Velocity Fire Engine from Hughes Fire Equipment, Inc. in the amount of \$1,017,125.67.
1. Approve the Cooperative Purchase Contract of a new Pierce Manufacturing, Inc. All-Risk Velocity Fire Engine in the amount of \$1,017,125.67 from Hughes Fire Equipment, Inc. through Sourcewell utilizing cooperative purchase Contract No. 113021-OKC-1; and
  2. Authorize the City Manager to execute the necessary documents.
- B. **Consideration and Approval of Contract:** A Cooperative Purchase Contract with Hughes Fire Equipment, Inc. in the amount of \$1,132,683.10 for two new Pierce Wildfire Type 3 Fire Engines.
1. Approve the Cooperative Purchase Contract with Hughes Fire Equipment, Inc. for two new Pierce Wildfire Type 3 Fire Engines in the amount of \$1,132,683.10 utilizing a cooperative agreement with Sourcewell (Contract No. 113021-OKC-1); and
  2. Authorize the City Manager to execute the necessary documents.
- C. **Consideration and Approval of Contract:** This agreement is between the City of Flagstaff and the Flagstaff Youth Hockey Association (FYHA). The Agreement outlines the responsibilities for both parties including the rental of ice time at the City of Flagstaff Jay Lively Activity Center.
1. Approve the license agreement between the City of Flagstaff and the Flagstaff Youth Hockey Association with anticipated revenue of approximately \$60,000.
  2. Authorize the City Manager to execute the necessary documents.
- D. **Consideration and Approval of Contract:** First Amendment to the Employee Staffing Agreement with Educational Services, LLC for a phased retirement program through a Mohave Cooperative Purchase Contract 21N-ESI3-0318 in an amount not to exceed \$400,000 annually, plus applicable taxes.
1. Approve the First Amendment to the Employee Staffing Agreement with Educational Services, LLC and grant the City Manager authority to renew the agreement on annual basis for up to five years in an annual amount not to exceed \$400,000, plus applicable taxes; and
  2. Authorize the City Manager to execute all necessary documents.

## 8. REGULAR AGENDA

### A. Consideration and Approval of Budget Adjustment: Fiscal Year 2023-24 Budget Adjustment for Housing Incentive Program Funds with possible allocation of incentive funds for affordable housing within Block 1 of the Timber Sky Final Block Plat.

Mr. Clifton offered comments as to why the request was before Council. There was a letter that suggested that the city's involvement in the matter was a result of some effective lobbying efforts by a private developer, and he wanted to clarify. The City Manager's office had first-hand engagement in many projects and programs over the years. He referenced the following projects:

- Refinancing of the unfunded pension liability
- Implementation of the Recession Plan
- Improvement of Airport parking
- Institution of term contracts for the use of city buildings for community services
- Response to serious post-wildfire flooding including access easements for residents who lost access to their homes
- Enhancement of downtown with flower boxes
- The repurposing of a vacant fire station in the Sunnyside neighborhood
- Implementation of a policy regarding sex trafficking in vice operations at the Police Department
- Funding and prioritization of new digesters at the Rio de Flag Wastewater Treatment Plant
- Secured funding and solidified partnerships for the Rio de Flag Flood Control Project
- Oversaw the Citizen Bond Committee
- The formation of an incentive policy for reduced parking infrastructure and other zoning requirements for projects that provided 100% affordable housing

The City Manager's Office got involved in projects throughout the organization when necessary and when time was of the essence; not to intrude on other areas of discipline or expertise, but to collaborate in the interest of moving things to completion.

Before the Council there were two things. First, the approval of the transfer of a budget appropriation from the General Fund contingency in the amount of \$1.1 million dollars. The second was to authorize staff to approve the allocation of incentive funds out of the Affordable Housing Incentive Program for the waiver and reimbursement of fees for affordable housing to be constructed in Block One of the Timber Sky Final Block Plat. He noted that the allocation was entirely separate from the bond fund. The Incentive Policy had been in place for a while but had not been budgeted regularly which was why the reallocation was being requested for approval by Council.

Lastly, Mr. Clifton emphasized that the request to Council was not at all a product of lobbying by any developer. The request came to Council because staff felt that it was the right thing to do, and they felt that the project was a good candidate for the assistance the policy offered.

Mr. Clifton turned the discussion over to Finance Director Brandi Suda who stated that the request was to approve a Fiscal Year 2023-24 budget adjustment to reallocate \$1.1 million of the city's General Fund contingency funds to enhance funding available for the Affordable Housing Incentive Program.

Ms. Suda noted that per state statute, the city was unable to increase the total budget once it had been adopted. However, cities were able to reallocate budget appropriations between departments so long as money was available and if it was in the public interest. The money was available and as part of the Fiscal Year 2023-24 adopted budget, Council approved a contingency set aside within the General Fund. A portion of the contingency fund related to the Public Safety Personnel Retirement System was set aside in accordance with the Contingency Reserve Policy. The Police and Fire plans were both at about 105% funding and were not anticipated to need to utilize the \$1.1 million. In past years when funding had not been needed, it had been repurposed for other one-time needs in a future fiscal year.

In regard to the public interest and need requirement, Ms. Suda stated that the declared Housing

Emergency demonstrated the need. The Affordable Housing Incentive Program was provided \$130,000 of new money in the current fiscal year however, staff had received several requests to utilize the funding. Staff continued to discuss the ability to increase the funding for future years but instead of waiting for the next fiscal year staff desired to seek Council approval for a mid-year reallocation.

Councilmember Matthews stated that she would support the reallocation. The policy was in place to incentivize builders to bring affordable housing projects and market-rate units. There had been a declared Housing Crisis and the project would bring 224 affordable rental units to the market. The incentive fund needed to be better funded in future years.

Councilmember House voiced her support for the reallocation. She asked what the process would be to better fund the incentive fund more permanently. Mr. Clifton stated that the matter had already been discussed with the Budget Team, and the intent was to see it be funded on a regular basis. The amount was unknown but that would be determined through the annual budget process.

Lindsay Schube, on behalf of the developer, offered words of gratitude for the funding of the incentive fund. She indicated that the fund, coupled with code modifications were a great tool for Council to incentivize affordable housing. She clarified that the project would bring 221 affordable units and that they were nearing shovel-ready status.

Mayor Daggett asked what the Area Median Income (AMI) percentage the project would serve along with the length of affordability. Ms. Schube stated that the project would serve 60% AMI or less, and the state funding was tied to a 15-year term. However, the city had requested a 30-year affordability term which they agreed to.

Councilmember Harris stated that the housing crisis was a problem for the entire city. She was grateful for a project that would ensure 221 affordable units for thirty years.

Andy Fernandez addressed Council and spoke in opposition to the item.

Councilmember Sweet offered appreciation to the City Manager and staff for advancing the matter to Council. The community continued to struggle with housing and businesses were having difficulty recruiting employees due to the cost of housing.

Councilmember House also expressed her appreciation. She appreciated the creative approach to find a solution. 221 units were not insignificant, and they were seeing possibilities for the future.

Councilmember McCarthy indicated that he was very supportive.

Vice Mayor Aslan stated that he was also supportive. It was something to be celebrated, and he was proud to be part of the team that brought the project to fruition.

Mayor Daggett echoed the sentiments of appreciation and the creative approach to find a solution.

**Moved by** Councilmember Lori Matthews, **seconded by** Councilmember Khara House to approve the transfer of budget appropriations from the General Fund Contingency account to the Housing and Community Services Fund's Affordable Housing Incentives program in the amount of \$1,100,000.

**Vote:** 7 - 0 - Unanimously

**Moved by** Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to direct City Manager and staff to approve the allocation of incentive funds (waiver and/or reimbursement of applicable fees as set forth in the Incentive Policy for Affordable Housing) for affordable housing to be constructed in Block 1 of the Timber Sky Final Block Plat.

**Vote:** 7 - 0 - Unanimously

- B. Consideration and Adoption of Ordinance No. 2023-21:** An Ordinance of the City Council of the City of Flagstaff, extending and increasing the corporate limits of the City pursuant to the provisions of Title 9, Chapter 4, Arizona Revised Statutes, by annexing approximately 1.82 acres of land located at 2445 S. Woody Mountain Road, which certain land is contiguous to the existing corporate limits of the City of Flagstaff, and establishing city zoning for said land as Rural Residential (RR); providing for severability, authority for clerical corrections, and establishing an effective date.

Councilmember McCarthy stated that during the first read of the ordinance it was agreed that there would be no gates to the development with the exception of one for the fire access. He asked if that was incorporated into the final ordinance. Current Planning Manager Alax Pucciarelli explained that the gate modification was incorporated as part of the rezone and that second read and adoption was slated later in the agenda.

Councilmember McCarthy also noted that there was discussion regarding the installation of EV chargers in the garages. Ms. Pucciarelli stated that there was a request to have EV chargers in the garages and the developer was in agreement. That provision would be included as part of the development agreement.

Andy Fernandez addressed Council and spoke in opposition of the ordinance.

**Moved by Councilmember Khara House, seconded by Councilmember Jim McCarthy to read Ordinance No. 2023-21 by title only for the final time.**

**Vote:** 7 - 0 - Unanimously

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARIZONA REVISED STATUTES, BY ANNEXING CERTAIN LAND TOTALING APPROXIMATELY 1.82 ACRES LOCATED AT 2445 SOUTH WOODY MOUNTAIN ROAD, WHICH LAND IS CONTIGUOUS TO THE EXISTING CORPORATE LIMITS OF THE CITY OF FLAGSTAFF, AND ESTABLISHING CITY ZONING FOR SAID LAND AS RURAL RESIDENTIAL, RR, WITH A RESOURCE PROTECTION OVERLAY, RPO*

**Moved by Councilmember Khara House, seconded by Councilmember Lori Matthews to adopt Ordinance No. 2023-21.**

**Vote:** 7 - 0 - Unanimously

- C. Consideration and Adoption of Ordinance No. 2023-22:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to rezone approximately 13.01 acres of real property generally located at 2445 S Woody Mountain Road from the Rural Residential (RR) zone within the Resource Protection Overlay (RPO) zone to the High Density Residential (HR) zone within the RPO zone, providing for severability, authority for clerical corrections, and establishing an effective date.

**Moved by Councilmember Khara House, seconded by Councilmember Jim McCarthy to read Ordinance No. 2023-22 by title only for the final time.**

**Vote:** 7 - 0 - Unanimously

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 13.01 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 2445 SOUTH WOODY MOUNTAIN ROAD, APN 112-01- 712, FROM THE RURAL RESIDENTIAL (RR) ZONE WITH A RESOURCE PROTECTION OVERLAY (RPO) TO THE HIGH DENSITY RESIDENTIAL (HR) ZONE WITH A RESOURCE PROTECTION OVERLAY (RPO); PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE*

**Moved by Councilmember Khara House, seconded by Councilmember Miranda Sweet to adopt Ordinance No. 2023-22.**

**Vote: 7 - 0 - Unanimously**

- D. Consideration and Adoption of Resolution No. 2023-50:** A resolution authorizing the execution of the Development Agreement between City of Flagstaff and VP 66 & Woody Mountain, LLC for Liv Timber Sky, related to the development of approximately 13.01 acres of real property generally located at 2445 S Woody Mountain Road.

Ms. Pucciarelli provided a PowerPoint presentation that covered the following:  
LIV TIMBER SKY RESOLUTION FOR A DEVELOPMENT AGREEMENT  
DEVELOPMENT AGREEMENT  
PURPOSE OF AGREEMENT  
COUNCIL OPTIONS

Councilmember McCarthy asked for clarification on the EV chargers in the garage and it being included in the development agreement. Ms. Schube explained that the chargers were required as part of the city code, but they would add a provision in the development agreement that noted the requirement.

**Moved by Councilmember Jim McCarthy, seconded by Councilmember Miranda Sweet to read Resolution No. 2023-50 by title only with the addition that the garages will be wired for EV charging.**

**Vote: 7 - 0 - Unanimously**

*A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF FLAGSTAFF AND VP 66 & WOODY MOUNTAIN, LLC FOR THE LIV TIMBER SKY, RELATED TO THE DEVELOPMENT OF APPROXIMATELY 13.01 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 2445 SOUTH WOODY MOUNTAIN ROAD AND ESTABLISHING AN EFFECTIVE DATE*

**Moved by Councilmember Jim McCarthy, seconded by Councilmember Khara House to adopt Resolution No. 2023-50 as amended.**

**Vote: 7 - 0 - Unanimously**

**9. DISCUSSION ITEMS**

- A. Discussion of the Wildland Fire Mitigation and Management Commission Report**

ITEM POSTPONED TO OCTOBER 17, 2023 COUNCIL MEETING

- B. Discussion and Direction regarding possible Joint Council/Water Commission Meeting**

Water Resources Manager Erin Young addressed Council and asked if they would like to schedule a Joint City Council / Water Commission meeting on Monday, October 23, 2023. She noted that it would be a two-hour meeting.

Council was supportive of the meeting request.

**10. FUTURE AGENDA ITEM REQUESTS**

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

- A. Future Agenda Item Request (F.A.I.R.):** A request by Councilmember House to place on a future agenda a discussion about the Walk Friendly Community Designation, the levels within the designation, and working toward the next level.

Councilmember House stated that she would like support to have further conversation about the Walk Friendly Community Designation. There was discussion about the walkability and biking infrastructure, particularly in the downtown area. Flagstaff prided itself on being a walkable community, but there was infrastructure that did not support that. She found that Flagstaff was ranked at a silver level, and she believed that it went up to platinum. She would like to understand what it would take for Flagstaff to achieve the next level or higher.

Dapper Dre addressed Council and spoke in support of advancing the item forward to a future discussion. He indicated that anything that helped walkability was a benefit for everyone. He commented on the challenges associated with snow and cinders on sidewalks and in bike lanes.

There was requisite Council support to advance the item to a future agenda for discussion.

11. **PUBLIC PARTICIPATION**

None

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

Councilmember Matthews requested a FAIR item to consider adding the 10-Year Housing Plan to the weekly agenda policy impact section.

Councilmember House shared that the Out of the Darkness community walk was coming up on Saturday, October 7, 2023 at Buffalo Park.

13. **ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held October 3, 2023, adjourned at 4:39 p.m.

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MAYOR

ATTEST:

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CITY CLERK

**CERTIFICATION**

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on October 3, 2023. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 19th day of March, 2024

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CITY CLERK