

MINUTES

1. Call to Order

Vice Mayor Daggett called the Work Session held November 9, 2021, to order at 3:04 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

Present: Mayor Paul Deasy (arrived 4:43 p.m.)
Vice Mayor Becky Daggett
Councilmember Austin Aslan (arrived 3:05 p.m.)
Councilmember Jim McCarthy
Councilmember Regina Salas
Councilmember Adam Shimoni
Councilmember Miranda Sweet

Staff Present: City Manager Greg Clifton; City Attorney Sterling Solomon

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

The Council and attendees recited the pledge of allegiance, Councilmember Shimoni read the Mission Statement of the City of Flagstaff, and Councilmember Aslan 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.

Vice Mayor Daggett acknowledged Coordinator of Indigenous Initiatives Rose Toehe for her work on the land acknowledgement.

City Manager Clifton provided an explanation on the absence of Mayor Deasy. He stated that Mayor Deasy is currently at a meeting with the Forest Service and County officials and will arrive around 4:30 p.m.

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.

Ms. Deborah Harris addressed Council regarding the documentary titled Reckoning in Boston that addresses historical and contemporary racism among other topics. She stated its relevance to the crisis Flagstaff is in. She also spoke about the Mexican Grey Wolf and related the interest from the community.

Deputy City Manager Shannon Anderson addressed Council and recognized Risk Manager Dean Coughenour on his retirement and introduced the new Risk Manager Maria Robinson. Finance Director Brandi Suda presented Mr. Coughenour a plaque to thank him for his service. Mr. Coughenour spoke on his retirement and Ms. Robinson addressed Council.

Indigenous Coordinator Rose Toehe acknowledged some of the community members, traditional practitioners, NAU students, staff, and Indigenous Commission members who attended the meeting to witness the land acknowledgement.

5. Recognition: Mrs. Cleo Wilson Murdoch

Postponed to the meeting of November 16, 2021.

6. Review of Draft Agenda for the November 16, 2021 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.

None

7. Discussion about a citywide comprehensive cost recovery policy

Management Services Director and City Treasurer Rick Tadder led a discussion about a citywide comprehensive cost recovery policy. The presentation slides included:

- Fees and Service Charges
- Full Cost of Service
- Cost Recovery Decision Making

Councilmember Salas spoke about why she requested this FAIR item in February and how cost recovery is directly related to resource allocations. She offered examples of cost-recovery and discussed having a state-wide cost recovery policy in place. She addressed using the cost recovery decision making slide as a pyramid rather than a chart and how fees should be charged for individual gain if it is not for public benefit. She asked Mr. Tadder what the next step would be to develop a cost recovery policy.

Mr. Tadder stated that the next steps would be for staff to look at best practices on cost recovery policies and that his staff would draft a comprehensive fee policy and how often to review the rates.

Councilmember Shimoni stated that he likes the direction, and he sees the value in it. He asked what the City's operations are currently and what other communities are doing. Mr. Tadder stated that there has never been a formal policy and that fees have been discussed individually. He added that there is

a lengthy process currently on fees and that the work takes a lot of time. The fees are reviewed as needed. Councilmember Shimoni added that this policy could be a layer to the Priority Based Budgeting and asked if there was a consultant that could help with this. Mr. Tadder stated that the City could utilize a consultant to help develop a policy. Councilmember Shimoni added that the community value should be taken into account when discussing fee recovery.

Councilmember McCarthy stated that the major goal would be to review the fees more frequently and that would take a lot of staff time. He asked what the benefit would be to offset the time used by staff. Mr. Tadder stated that the policy would benefit staff by making it easier to review and create fees.

Councilmember Shimoni stated that maybe a continuation of what the City is currently doing as a policy would be helpful.

Councilmember Salas stated that a cost recovery policy would be beneficial to staff and management on structuring fees in the future.

Mr. Tadder stated that staff will work on a policy to bring back to Council.

8. Review the current tax code with respect to exemptions on rental, leasing, and licensing of real property.

Management Services Director and City Treasurer Rick Tadder presented to Council on the current tax code with respect to exemptions on rental, leasing, and licensing of real property. Slides included:

- Background
- Real Property TPT
- Tangible Personal Property TPT

Armando Bernasconi asked for staff to move forward with this policy so that it is clearer for non-profits.

Councilmember Salas stated that this FAIR was sparked by information from local non-profits and that they are sometimes charged for TPT and sometimes not depending on the property owner.

Councilmember Shimoni stated that he has the same thoughts as Councilmember Salas and he would like clearer communication for non-profits.

Councilmember McCarthy stated he understands that a home rental from one person to another is not subject to TPT. Mr. Tadder stated as long as it is for lodging purposes. Councilmember McCarthy asked if that also applies to apartment complexes and Mr. Tadder stated that it does. He asked if there is a way to tax a second home at a higher rate, and Mr. Tadder stated that it is in the realm of property tax rather than sales tax.

Vice Mayor Daggett stated that Councilmember Shimoni's suggestion on communication on the potential exemption of TPT tax for non-profits is a good suggestion and to reach out the Coconino County Continuum of Care.

9. Northern Arizona Healthcare Update

City Manager Clifton introduced the topic and introduced Vice President for Construction and Real Estate Development for Northern Arizona Healthcare (NAH) Steve Eiss who provided a PowerPoint presentation that covered the following:

About Northern Arizona Healthcare
The NAH Health Village Vision
The NAH Health Village Concept
Phases of Development
City of Flagstaff and Communities
Energy Efficiency
Transportation
Existing Campus Reuse for Hospital

Existing Campus Redevelopment Examples of Potential Reuse

Kate Morley, Deputy General Manager at Mountain Line, addressed Council regarding transit needs for the new campus and new funding options. Their ultimate goal is to ensure that the facility does not move forward without transit service to the new campus. Councilmember Shimoni asked about the cost and sustainability of a new transit route. Ms. Morley of stated the route should run every 20 minutes, costing about \$1.2 million annually, with NAH expected to contribute 20%. Ongoing funding remains a challenge.

Councilmember Aslan emphasized the need for a clear transit funding plan and suggested extending the route to the airport. He also noted the importance of repurposing the old hospital site and expressed support for infill housing ideas.

Vice Mayor Daggett praised NAH's outreach efforts but requested more engagement with neighborhoods near the current campus. Councilmember Salas inquired about traffic impacts, ADOT involvement, workforce housing, environmental and economic impacts. Mr. Eiss responded that studies have been completed or are in progress, with positive early findings and ongoing discussions with housing developers.

Councilmember Shimoni urged investment in transit over parking and encouraged affordable, vertical infill housing, including tax-credit partnerships. There was also discussion about a potential behavioral health treatment facility on the new campus, which NAH is exploring with partners.

Councilmember Aslan raised the importance of dark sky compliance, which NAH is just beginning to explore with a consultant. Vice Mayor Daggett asked about job growth, and NAH projected several hundred new jobs, with transition planning for the move already underway. NAH expressed commitment to helping Mountain Line succeed, recognizing the new hospital's regional significance.

Councilmember Aslan asked for NAH to speak about air traffic control when they return.

10. Adjournment

The Work Session held November 9, 2021 adjourned at 5:02 p.m.

SPECIAL MEETING

Mayor Deasy called the Special Meeting held November 9, 2021, to order at 5:24 p.m.

1. Request from Lowell Observatory for letter from City Council supporting proposed bill regarding Section 17.

Deputy City Attorney Kevin Fincel, Community Development Director Dan Folke, City Manager Greg Clifton, and Dr. Jeff Hall, Executive Director of Lowell Observatory, provided a PowerPoint presentation that covered the following:

- Discussion Outline
- Background
- Overview of Section 17
- Recap of Lowell's Request and Intentions for Section 17
- Council Decision Points

Lowell Observatory owns a 640-acre parcel of land, known as Section 17, which is deeded for "observatory purposes" under a 1910 Act of Congress. Lowell representatives, including Dr. Hall, have been discussing the long-term vision for this land, most recently presenting an overview at the February 21 meeting. A draft letter of support and a draft Development Agreement (DA) have been shared, along with discussions about potentially introducing a bill to Congress to allow broader use of the land in alignment with Lowell's mission.

Mr. Folke provided a land use overview, explaining that while Section 17 is currently zoned Rural Residential (RR), the nearby Lowell property is zoned Public Facility (PF). RR zoning is typically intended for low-density, single-family housing and light agriculture, helping to preserve the rural character on the outskirts of the city. Section 17 is shown on the regional plan's future growth illustration map as a "special study area" but has not been assigned a specific future area type, leaving room for interpretation and planning.

Councilmember Shimoni inquired about the process for creating a specific plan for the area, which Mr. Folke explained as involving significant public engagement, analysis, and formal adoption by boards, commissions, and the City Council. A specific plan would ultimately be incorporated into the regional plan, as was done for Southside, La Plaza Vieja, and High Occupant Housing.

Dr. Hall emphasized Lowell's need to plan for the future while remaining compliant with its historic congressional mandate. He reiterated that under the current legislation, Section 17 must be used solely for the vitality of the observatory, and any new development would require legislative changes.

- About Section 17 -- one square mile
- Off the table
 - no publicly available residential development
 - no second road
 - Lowell cannot be sold, and neither can Section 17
 - Have not presented a plan because we are offering to have the community join us in designing a plan
- All inquires about Section 17 thus far:
 - TGEN -- possible
 - FlagShakes -- possible
 - Arboretum -- off the table
 - Creative Flagstaff -- off the table
 - No Outside Purchases
- Why amend the 1910 "observatory purposes?"
 - It forbids things they want to do (e.g., give part of the section for open space with trail
 - We cannot develop a plan with the City and public without changes to the act.
 - The development agreement will allow collaboration with the public to develop a plan

Dr. Hall shared a vision for the future of the organization and its 640-acre Section 17 parcel, emphasizing Lowell's continued commitment to being a vital, healthy institution and a responsible community steward. He expressed a desire to eventually offer part of the land to the Flagstaff community while ensuring Lowell remains its steward in perpetuity. He addressed public concerns, stating that it has been distressing to see assumptions of negative intent, given Lowell's 127-year history in the community and its long-standing commitment to acting in the public's best interest.

Councilmember Shimoni asked about the timing and Dr. Hall explained that Lowell has been working on this effort for four years, but progress was slowed due to community discomfort and delays in congressional action. With limited opportunities to introduce legislation each year and the upcoming election cycle potentially affecting Congressional focus, the window to act is narrow. Dr. Hall acknowledged that the current federal designation of "observatory purposes" is broad and could, in theory, allow uses that the community might oppose. This is part of the reason Lowell seeks a multi-use designation--to create clearer protections and better alignment with community values.

Councilmember Aslan spoke of dark sky concerns, Dr. Hall reaffirmed Lowell's leadership in light pollution protection since 1958. He highlighted collaboration with the City on outdoor LED lighting standards and reassured Council that the Observatory has no intent to develop lighting-intensive uses like residential subdivisions on Section 17.

Councilmember Aslan thanked Dr. Hall for his candid and heartfelt comments, noting that new insights were shared. Councilmember Salas asked Dr. Hall to articulate Lowell's mission, which he described as advancing science, communicating its importance, and fostering open-mindedness and curiosity to help build a better society. When asked to reflect on the February presentation, Dr. Hall aligned the vision for Section 17 with Lowell's broader mission, while clarifying that the proposed world-class

astronomy center mentioned previously would be separate and specific to astronomy education.

The following individuals addressed Council in opposition to the Section 17 proposal:

- Emily Melhorn
- Steve Alston
- Mimi Murov
- Steven Massey
- Marilyn Wisemann
- Jerry McLaughlin
- Lisa Hutchinson
- Chris Dunwoody
- Joseph Shannon
- Chris Denlevy
- Emily Tice
- Bob Quinn
- Sean Tici
- Darrell Marks
- Duffie Westheimer
- Charlie Silver
- David McCain
- Hilary Giovalle
- Deborah Block
- Michael Collier
- Allison Gitlin -- representing Sierra Club
- Michele James, Executive Director for Friends of Flagstaff Future
- Amy Martin

The following comments were received:

- Against removal of reversion
- Against development of property
- Need more public comment
- Mistrust
- Worry about unintended consequences
- Worry about second road
- Observatory can do a lot under current restrictions
- No community benefit
- Change a bit of the wording for open space and tie trails to observatory purposes
- Will be expensive
- Lack of transparency
- Traffic impacts
- Loss of wildlife, natural space, open space
- Lack of communication.

The following individuals addressed Council in support of the Section 17 proposal:

- Dr. Nat White
- Leo Crowley
- David Hayward
- George Colbath

The following comments were received:

- Do not limit research that would benefit Lowell and Flagstaff after 100 years of progress
- Discovery of the unknown
- Century-old wording requested by Percival Lowell
- Lowell has specific plan for a Development Agreement and to engage the public
- Exciting stuff and lots of opportunities
- Clearing out old congressional language

- Good for Flagstaff
- Offers protection we currently do not have

The following individuals submitted written comments in support of the Section 17 Bill:

- Marj and Sam McClanahan
- Dr. Joseph Marcus
- Densie Hudson

The following individuals submitted written comments requesting more time for consideration and outreach of the public:

- Karen Enyedy
- Sandra Lubarsky
- Cristy Zeller
- Dr. Steve Alston
- Michelle James, on behalf of Friends of Flagstaff's Future
- James Madison
- Stephen Massey
- Tyler Blevins
- Zoe Scanlon
- Karen Massey
- Sean Tici

Councilmember Salas asked Dr. White if he thinks that changing the language of the act will allow Lowell Observatory for more than observatory purposes and will further the mission of the observatory. Dr. White stated that it would further the mission and it is time to take that opportunity. This is the first time that a plan has been worked in reverse. Councilmember Salas also asked if Dr. White shares the vision of access to Observatory Mesa, protecting open spaces, design and protect trails, and create a hub for scientific research. Dr. White stated that he does share that, he sees this as an exciting opportunity and that is what the Development Agreement is trying to do.

Councilmember Shimoni asked Dr. White if he is involved with Friends of Flagstaff Future (F3) and asked about F3's concerns. Dr. White is on the advisory board and speaks on his own behalf. He wrote to the Executive Director on his changes to the letter, but that is as far as he was involved.

Councilmember Salas asked Mr. Hayward if the draft development agreement which also aims to put together specific plan a sufficient guardrail. Mr. Hayward stated that if the City Attorney cannot put together a Development Agreement better than the three words in the previous legislation, than he does not do a good job.

Mayor Deasy a break at 7:20 p.m. through 7:30 p.m.

Mr. Clifton discussed staff's efforts to create a draft federal bill and letter of support aimed at establishing strong "guardrails" for the future use of Lowell Observatory's Section 17 parcel. He emphasized that the draft DA was thoroughly vetted by legal counsel and that the proposed citizen advisory committee would be formed neutrally, appointed by the City Manager. He asked whether Council supports submitting a letter of support and whether the draft includes adequate safeguards to justify that support.

Councilmember McCarthy raised historical concerns, questioning whether Lowell Observatory should be exempt from the original 1910 federal language that restricts the land to "observatory purposes." He argued that current efforts run contrary to Percival Lowell's original intent and stated his opposition to removing the congressional restriction, believing it is inconsistent and potentially inappropriate.

Councilmember Sweet expressed gratitude for the work done by Lowell and City staff. She acknowledged that while Lowell has been a valued partner for over a century, helping to make Flagstaff the first Dark Sky City and bringing high-paying jobs, their recent lack of public engagement caused concern. However, she emphasized that she believes the lack of outreach was not intentional and that a path forward exists.

Councilmember Aslan praised the integrity and contributions of Lowell but criticized the process, stating that it feels backwards. He called for a pause in the letter of support, suggesting a public work session to review the Development Agreement and letter. Councilmember Aslan emphasized the need for community engagement and transparency, suggesting the timeline extend beyond the end of the year to allow for deeper public involvement and revision of the letter.

Vice Mayor Daggett also expressed appreciation for Lowell and acknowledged the importance of Observatory Mesa's open space and trails. She agreed that the process should be slowed down to allow more community input and careful deliberation.

Councilmember Shimoni voiced strong support for Lowell, noting their longstanding commitment to Flagstaff, dark sky preservation, and workforce values such as STEAM education and employee housing. He stated that Lowell has shown integrity and is a trusted partner. Councilmember Shimoni argued that the city risks losing influence over the outcome if it does not support the letter and the Development Agreement now, since Lowell can proceed independently. He stressed that the Development Agreement includes binding provisions, and that public accountability can only be secured through this collaborative planning process.

Councilmember Salas emphasized Lowell's integral role in Flagstaff's identity and economy. She supported changing the outdated federal language and endorsing the letter and the Development Agreement. She underscored that the community-led planning process, backed by Council approval, would ensure accountability and alignment with community values.

Mayor Deasy expressed disappointment with how the process unfolded and noted previous instances of letters being sent without sufficient public input. While recognizing that Lowell lacks a public relations department and did not act with bad intent, he raised concerns about the Development Agreement and declared he could not support the letter in its current form.

In summary, Council expressed a range of views, from strong support and urgency to proceed, to calls for delay and more public involvement. While most acknowledged Lowell Observatory's contributions and integrity, several Councilmembers stressed the need for better community engagement and clarity in the development process before advancing legislative changes.

Moved by Councilmember Adam Shimoni, seconded by Councilmember Miranda Sweet to approve a letter of support from the City Council supporting proposed bill regarding Section 17.

Vote: 3 - 4

AYE: Vice Mayor Becky Daggett
Councilmember Regina Salas
Councilmember Adam Shimoni

- 2. Consideration and Adoption of Resolution No. 2021-53:** A resolution of the Flagstaff City Council, authorizing a development agreement between Lowell Observatory and the City of Flagstaff related to the development of approximately 615 acres of land located west of Lowell Observatory, commonly referred to as Section 17.

Council chose not to consider the development agreement.

- 3. Consideration and Adoption of Resolution No. 2021-54:** A resolution of the Flagstaff City Council in support of the Endangered Species Act

City Clerk Stacy Saltzburg introduced the topic and stated that the resolution is in response to the Council's request. Councilmember Salas's asked about including the state agency and why it was found to not be applicable. City Attorney Solomon added that the State of Arizona and the Arizona Game and Fish could be picked up in a separate resolution so there was not a connection that would allow us to add them to this resolution.

Moved by Mayor Paul Deasy (arrived 4:43 p.m.), **seconded by** Councilmember Jim McCarthy to read Resolution No. 2021-54 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL IN SUPPORT OF THE ENDANGERED SPECIES ACT

Moved by Mayor Paul Deasy (arrived 4:43 p.m.), **seconded by** Councilmember Austin Aslan (arrived 3:05 p.m.) to adopt Resolution No. 2021-54.

Vote: 7 - 0 - Unanimously

4. Public Participation

None

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

Councilmember Shimoni stated that the Independent Redistricting Committee (IRC) was meeting later that week at the High County Conference Center. He thanked councilmembers for speaking at meeting.

Vice Mayor Daggett stated that there was a tour of flooding areas where they discussed flood mitigation. She stated she did not get on list at the IRC meeting for speaking but would be in attendance.

Councilmember McCarthy stated that he would be at the redistricting meeting later that week.

Councilmember Salas stated that she attended High Country Humane breakfast that morning and they have some needs that will be submitted to Council. She reminded the community that later that week was Veteran's Day and there was also a reception for MoonShot at NACET. She also stated that over the weekend the Stuff the Bus food drive with the Flagstaff Family Food Center would be going on and it would also be the last home game for NAU football.

6. Adjournment

The Special Meeting held November 9, 2021 adjourned at 8:36 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on November 9, 2021. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 16th day of December, 2025

CITY CLERK