DRAFT AGENDA

REGULAR COUNCIL MEETING
TUESDAY
JUNE 16, 2026

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

All City Council Meetings are live streamed on the city's YouTube page
(https://www.youtube.com/@FlagstaffCityGovernment)

PUBLIC COMMENT

Verbal public comments not related to items appearing on the posted agenda may be provided during the "Open Call to the Public" at the beginning and end of the meeting and may only be provided in person.

Verbal public comments related to items appearing on the posted agenda may be given in person or online and will be taken at the time the item is discussed.

To provide online verbal comment on an item that appears on the posted agenda, use the link below.

ONLINE VERBAL PUBLIC COMMENT

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented in 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 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.

MAYOR DAGGETT
VICE MAYOR SWEET
COUNCILMEMBER ASLAN
COUNCILMEMBER GARCIA
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER SPENCE

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. OPEN CALL TO THE PUBLIC

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today'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 Open Call to the Public and Public Comment. 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.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Juneteenth National Independence Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

B. Recognition: Flagstaff Robotics

STAFF RECOMMENDED ACTION:

Read and present recognition.

6. COUNCIL LIAISON REPORTS

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.

STAFF RECOMMENDED ACTION:

Approve the Consent Agenda as posted.

A. Consideration and Approval of Contract Change Order: Change Order Number 8 with Peak Engineering, Inc., in the amount of $207,577.00 and add 214 calendar days for the work associated with completing the engineering design for the JWP Extension.

STAFF RECOMMENDED ACTION:

1. Approve Change Order Number 8 with Peak Engineering, Inc.; in the amount of $207,577.00;
2. Add 214 calendar days to the design services contract; and
3. Authorize the City Manager to execute the necessary documents.

B. Consideration and Approval of Contract: Amendment One to Cooperative Purchase Contract 2025-155 with Kaizen Laboratories, Inc. for a Point-of-Sale and Reservation Management System.

STAFF RECOMMENDED ACTION:

1. Approve the contract amendment to change the payment model from 5% per transaction, to a Software as a Service (SaaS) model at a cost of $70,000 annually for the initial three-year term of the contract, ending June 30, 2029
2. Authorize the City Manager to execute the necessary documents

C. Consideration and Approval of FY27 Liability Insurance Renewal Premiums

STAFF RECOMMENDED ACTION:

Approve the liability insurance renewal premiums for FY27 submitted by:

1. Arizona Municipal Risk Retentional Pool (AMRRP) for General Liability, Errors and Omission (E&O), Sexual Abuse and Molestation (SAM), Property, Auto, Marine, Crime, Cyber, Excess, and Workers' Compensation coverage;
2. Aon Risk Insurance Services West (Aon) for Airport Liability;
3. Aon for International Travel;
4. Industrial Commission of Arizona (ICA) to fund the Firefighters Presumptive Cancer Claims;
5. New automobile insurance premiums; and 6) Flood Coverage.

D. Consideration and Approval of Contract(s): Approve the Contracts for Residential Food Scrap Drop-Off Program with Sedona Compost Crowd, LLC and Restoration Soils, LLC.

STAFF RECOMMENDED ACTION:

1. Approve the Services Contract with **Sedona Compost Crowd LLC d/b/a Compost Crowd** for an annual expenditure of $11,700, for a contract term of up to five years and a total not-to-exceed amount of $58,500, to service, maintain, and compost food scraps collected at the drop-off locations for the Residential Food Scrap Drop-Off Program; and
2. Approved the Services Contract with **Restoration Soils, LLC** for an annual expenditure of $13,300, for a contract term of up to five years and a total not-to-exceed amount of $66,500, to service, maintain, and compost food scraps collected at the drop-off locations for the Residential Food Scrap Drop-Off Program
3. Authorize the City Manager to execute the necessary documents.

E. Consideration and Approval of Contract: Change Order No. 2 to an On-Call Professional Services Task Order with Ardurra Group, Inc. in the amount of $24,157.00 for the Downtown Lateral – Santa Fe Ave Project, for a total project contract amount of $123,809.79.

STAFF RECOMMENDED ACTION:

1. Approve Change Order No. 2 to an On-Call Professional Services Task Order with Ardurra Group, Inc. in the amount of $24,157.00, total project amount of $123,809.79; and
2. Authorize the City Manager to execute the necessary documents.

F. Consideration and Ratification of Letter of Support: State funding for the Arizona Office of Tourism

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support.

G. Consideration and Approval of Contract: Materials Purchase Contract with PFVT Motors, LLC DBA Peoria Ford Government to purchase (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles in the amount of $249,936.80, including all applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve the Materials Purchase Contract with PFVT Motors, LLC DBA Peoria Ford Government to purchase(5) Ford Police Interceptor Utility Hybrid Patrol Vehicles in the amount of $249,936.80, including all applicable taxes; and
2. Authorize the City Manager to execute the necessary documents.

H. Consideration and Approval of Contract: Approve Change Order No. 19 with Ardurra Group, Inc. (formerly SWI) in the amount of $264,070.00 and a 1,095-calendar-day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract.

STAFF RECOMMENDED ACTION:

1. Approve Change Order No. 19 with Ardurra Group, Inc. (formerly SWI) in the amount of $264,070.00 and a 1,095-calendar-day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract; and
2. Authorize the City Manager to execute the necessary documents.

I. Consideration and Approval of Agreement: Partial Satisfaction of Reimbursement Agreement with CBAR 19 Flagstaff, LLC in the amount of $112,486.43 related to the City's proportional share of the construction costs of Kitty Hawk Lane.

STAFF RECOMMENDED ACTION:

Approve the Partial Satisfaction of Reimbursement Agreement with CBAR 19 Flagstaff, LLC in the amount of $112,486.43.

8. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2026-12: An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to Direct to Ordinance Zoning Map Amendment to rezone approximately 18.24 acres located at 6500 E Route 66, APN 113-07-003S with the Heavy Industrial (HI) zone with the Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2026-12 by title only for the final time
2. City Clerk reads Ordinance No. 2026-12 by title only (if approved above)
3. Adopt Ordinance No. 2026-12

9. PUBLIC HEARING ITEMS

1. Open the Public Hearing
2. Presentations (Staff and/or Applicant)
3. Council Questions
4. Public Comment
5. Close the Public Hearing
6. Council Deliberation and Action

A. Public Hearing: Fiscal Year 2026-27 Budget, Property Tax Levy and Truth in Taxation

STAFF RECOMMENDED ACTION:

1. Hold the public hearing to receive citizen input
2. Convene Special Meeting

10. SPECIAL MEETING

A. Consideration and Adoption of Resolution No. 2026-32: A resolution of the Flagstaff City Council, adopting the Budget for the City of Flagstaff for Fiscal Year 2026-27

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-32 by title only
2. City Clerk reads Resolution No. 2026-32 by title only (if approved above)
3. Adopt Resolution No. 2026-32
4. Reconvene Regular Meeting

11. REGULAR AGENDA

A. Consideration and Approval: Primary Property Tax Levy of $7,801,497 in FY 2026-27 by roll call vote.

AND

Consideration and Adoption of Ordinance No. 2026-13: An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars ($100.00) of valuation sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June 2027. (Primary and secondary property tax levies for FY 2026-27).

STAFF RECOMMENDED ACTION:

At the June 16, 2026, Council Meeting:
1) By roll call vote approve the proposed increase in the primary property taxes by roll call vote as required by Truth in Taxation legislation.
2) Read Ordinance No. 2026-13 by title only for the first time
3) City Clerk reads Ordinance No. 2026-13 by title only (if approved above)

At the July 7, 2026, Council Meeting:
4) Read Ordinance No. 2026-13 by title only for the final time

5) City Clerk reads Ordinance No. 2026-13 by title only (if approved above)
6) Adopt Ordinance No. 2026-13

B. Consideration and Adoption of Resolution No. 2026-30: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the City of Flagstaff and Coconino County Fort Tuthill to provide fire and emergency medical services.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-30 by title only
2. City Clerk reads Resolution No. 2026-30 by title only (if approved above)
3. Adopt Resolution No. 2026-30

C. Consideration and Adoption of Resolution No. 2026-33: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement (IGA) between the City of Flagstaff and the State of Arizona, acting by and through the Arizona Department of Transportation (ADOT) for the design, procurement, construction, inspection operation and maintenance of a traffic signal at the intersection of W. Route 66 and Woody Mountain Road

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-33 by title only
2. City Clerk reads Resolution No. 2026-33 by title only (if approved above)
3. Adopt Resolution No.2026-33

D. Consideration and Adoption of Resolution No. 2026-35: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement (IGA) between the City of Flagstaff and the State of Arizona, acting by and through the Arizona Department of Transportation (ADOT), for the preliminary scoping design of improvements along Fort Valley Road, between Navajo Road and Sechrist Elementary School.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-35 by title only
2. City Clerk reads Resolution No. 2026-35 by title only (if approved above)
3. Adopt Resolution No. 2026-35

E. Consideration and Approval of Contract: Agreement for Purchase of Renewable Energy Credits with the Navajo Tribal Utility Authority.

STAFF RECOMMENDED ACTION:

Approve the Agreement for Purchase of Renewable Energy Credits with the Navajo Tribal Utility Authority for up to five years and authorize the City Manager to execute the contract.

F. Consideration and Adoption of Resolution No. 2026-38 and Ordinance No. 2026-17: Amending the Flagstaff City Code, Chapter 1-14, Personnel System, Section 1-14-001-0006, Employee Advisory Committee, and amending the Employee Handbook of Regulations Section 1-10-070, Employee Advisory Committee.

STAFF RECOMMENDED ACTION:

At the June 16th, 2026 Council Meeting:
1) Read Resolution No. 2026-38 by title only

2) City Clerk reads Resolution No. 2026-38 by title only (if approved above)
3) Read Ordinance No. 2026-17 by title only for the first time
4) City Clerk reads Ordinance No. 2026-17 by title only (if approved above)

At the July 7th Council Meeting:
3) Adopt Resolution No. 2026-38
4) Read Ordinance No. 2026-17 by title only for the final time
5) City Clerk reads Ordinance No. 2026-17 by title only (if approved above)
6) Adopt Ordinance No. 2026-17

G. Consideration and Adoption of Resolution No. 2026-34: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between Coconino County, the Coconino County Free Library District, and the City of Flagstaff for the administration, operation, maintenance, and capital improvement of the Tuba City Public Library.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-34 by title only
2. City Clerk reads Resolution No. 2026-34 by title only (if approved above)
3. Adopt Resolution No. 2026-34

H. Consideration and Adoption of Resolution No. 2026-39: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the Coconino County Community College District ("CCC") and the City of Flagstaff to lease a portion of CCC's Fourth Street campus for use as the East Flagstaff Community Library.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-39 by title only
2. City Clerk reads Resolution No. 2026-39 by title only (if approved above)
3. Adopt Resolution No. 2026-39

I. Consideration and Adoption of Ordinance No. 2026-15: An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value with Leroux Retail, L.L.C.; providing for delegation of authority, repeal of conflicting ordinances severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-15 by title only for the first time
2) City Clerk reads Ordinance No. 2026-15 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-15 by title only for the final time
4) City Clerk reads Ordinance No. 2026-15 by title only (if approved above)
5) Adopt Ordinance No. 2026-15
6) Approve Exchange Agreement

J. Consideration and Adoption of Ordinance No. 2026-16: An ordinance of the City Council of the City of Flagstaff, approving amended and restated easements on Observatory Mesa with the Hidden Bluff Homeowners Association; providing for delegation of authority, severability, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-16 by title only for the first time
2) City Clerk reads Ordinance No. 2026-16 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-16 by title only for the final time
4) City Clerk reads Ordinance No. 2026-16 by title only (if approved above)
5) Adopt Ordinance No. 2026-16

K. Consideration and Adoption of Ordinance No. 2026-14: An ordinance of the City Council of the City of Flagstaff, abandoning approximately 2,400 square feet of Right of Way in block of Townsite; providing for delegation of authority, repeal of conflicting ordinances, severability, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-14 by title only for the first time
2) City Clerk reads Ordinance No. 2026-14 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-14 by title only for the final time
4) City Clerk reads Ordinance No. 2026-14 by title only (if approved above)
5) Adopt Ordinance No. 2026-14

L. Consideration and Adoption of Resolution No. 2026-27: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between Coconino County and the City of Flagstaff for a jointly funded dark sky code compliance specialist position.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-27 by title only
2. City Clerk reads Resolution No. 2026-27 by title only (if approved above)
3. Adopt Resolution No. 2026-27

M. Consideration and Adoption of Ordinance No. 2026-18: An ordinance of the Flagstaff City Council authorizing the acquisition of approximately 14.7 acres of real property interests for the John Wesley Powell Extension Project.

STAFF RECOMMENDED ACTION:

At the June 16, 2026, Council Meeting:
1) Read Ordinance No. 2026-18 by title only for the first time
2) City Clerk reads Ordinance No. 2026-18 by title only (if approved above)

At the July 7, 2026, Council Meeting:
3) Read Ordinance No. 2026-18 by title only for the final time
4) City Clerk reads Ordinance No. 2026-18 by title only (if approved above)

5) Adopt Ordinance No. 2026-18

N. Consideration and Adoption of Resolution No. 2026-36: A resolution of the Flagstaff City Council, ordering and calling a Special Election of the City for November 3, 2026, in conjunction with the City's General Election, to submit a bond question to the qualified electors of Flagstaff with respect to selling and issuing general obligation bonds in the aggregate principal amount of $40,000,000, to be repaid with secondary property taxes for public safety infrastructure and equipment

AND

Consideration and Adoption of Resolution No. 2026-37: A resolution of the Flagstaff City Council, ordering and calling a Special Election of the City for November 3, 2026, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to the possible increase of the local Transaction Privilege Tax (Sales Tax) of an additional 0.5% for the purposes of enhanced public safety services

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-36 by title only
2. City Clerk reads Resolution No. 2026-36 by title only (if approved above)
3. Adopt Resolution No. 2026-36
4. Read Resolution No. 2026-37 by title only
5. City Clerk reads Resolution No. 2026-37 by title only (if approved above)
6. Adopt Resolution No. 2026-37

12. DISCUSSION ITEMS

A. Discussion: Land Availability & Site Suitability/Code Analysis Project (LASS + CAP) Code Recommendations Report.

STAFF RECOMMENDED ACTION:

Information only. No formal action is required.

13. OPEN CALL TO THE PUBLIC

14. ANNOUNCEMENTS AND UPDATES TO/FROM COUNCIL AND CITY MANAGER

15. ADJOURNMENT

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2026.

_____
Stacy Saltzburg, MMC, City Clerk

THE CITY OF FLAGSTAFF ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 213-2076 or email at stacy.saltzburg@flagstaffaz.gov to request an accommodation to participate in this public meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Flagstaff makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Flagstaff City Council meetings are live-streamed and recorded and may be viewed on the City of Flagstaff's website. If you permit your child to attend/participate in a televised Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jessica Matias, Chief of Staff

Date: 05/28/2026

Meeting Date: 06/16/2026

TITLE:
Proclamation: Juneteenth National Independence Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

Executive Summary:
NA

Financial Impact:
NA

Policy Impact:
NA

Previous Council Decision or Community Discussion:
NA

Options and Alternatives to Recommended Action:
NA

Connection to PBB Priorities and Objectives:
NA

Connection to Regional Plan:
NA

Connection to Carbon Neutrality Plan:
NA

Connection to 10-Year Housing Plan:
NA

Attachments: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

WHEREAS, Juneteenth, also known as Juneteenth National Independence Day, Jubilee Day, Freedom Day, and Emancipation Day, recognizes the anniversary of the events of June 19, 1865, when Union Major General Gordon Granger led some 2,000 Union troops into Galveston Bay, Texas to read the order announcing that the more than 250,000 enslaved Black persons in the state and other states "in rebellion against the United States" were free by executive decree; and

WHEREAS, Juneteenth is the oldest known public celebration of the end of slavery in the United States, and celebrates and commemorates both the legacies of Black liberation, endurance, and joy and the broader legacy of American freedom; and

WHEREAS, Juneteenth marks both the end of most Black American enslavement and the start of an era of great hope, resiliency, uncertainty, and continued struggle for newly freed Black persons in America. With it comes the call to reflect, remember, and never repeat the historic, dehumanizing impacts of slavery, segregation, racial violence, voter disenfranchisement, or the other historic and persistent examples of injustice witnessed throughout African American History; and

WHEREAS, collectively, Juneteenth reminds us of all the invaluable inalienable rights of life, liberty, and the pursuit of happiness, as well as the precious promises of freedom, equity, and opportunity core to so much of what our nation holds dear; and

WHEREAS, we take up and extend the call to action to celebrate and ensure true freedom for all, doing our part to collectively strive to close gaps of immeasurable distance between us, affirm the promises of the Declaration of Independence that all people have the right to life, liberty, and the pursuit of happiness, reject acts of violence and expand opportunities to understand and learn from our frank yet compassionate, challenging yet courageous conversations.

NOW, THEREFORE, I, Mayor Becky Daggett, Mayor of the City of Flagstaff, Arizona do hereby proclaim June 19, 2026, as

Juneteenth National Independence Day

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 06/04/2026

Meeting Date: 06/16/2026

TITLE

Recognition: Flagstaff Robotics

STAFF RECOMMENDED ACTION:

Read and present recognition.

Executive Summary:

Information:

Attachments: Flagstaff Christian School Warrior Bots
Flagstaff Christian School Quantum Warriors
CocoNuts

City of Flagstaff – Office of the Mayor

Certificate of Recognition

Presented to the Flagstaff Christian School Warrior Bots

WHEREAS, the members of the Flagstaff Christian School Warrior Bots have demonstrated exceptional dedication, ingenuity, and teamwork in the field of robotics; and

WHEREAS, through their participation in competitive robotics and STEM programming, these students have advanced the principles of science, technology, engineering, and mathematics within our community; and

WHEREAS, their commitment to learning, problem-solving, and collaboration reflects the very best of Flagstaff's spirit of innovation and curiosity; and

WHEREAS, the team has served as an inspiration to fellow students and as ambassadors for STEM outreach, encouraging the next generation of young people to pursue education and careers in technology and engineering; and

WHEREAS, the achievements of the Flagstaff Christian School Warrior Bots bring great pride and distinction to their families, their mentors, their coaches, and the entire Flagstaff community.

NOW, THEREFORE, Be It Resolved that Mayor and City Council of the City of Flagstaff, Arizona do hereby recognize and commend the Flagstaff Christian School Warrior Bots for their outstanding accomplishments in robotics and their valuable contributions to STEM outreach within the Flagstaff community and extend best wishes for their continued success.

PRESENTED this 16th day of June 2026

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

City of Flagstaff – Office of the Mayor

Certificate of Recognition

Presented to the Flagstaff Christian School Quantum Warriors

WHEREAS, the members of the Flagstaff Christian School Quantum Warriors have demonstrated exceptional dedication, ingenuity, and teamwork in the field of robotics; and

WHEREAS, through their participation in competitive robotics and STEM programming, these students have advanced the principles of science, technology, engineering, and mathematics within our community; and

WHEREAS, their commitment to learning, problem-solving, and collaboration reflects the very best of Flagstaff's spirit of innovation and curiosity; and

WHEREAS, the team has served as an inspiration to fellow students and as ambassadors for STEM outreach, encouraging the next generation of young people to pursue education and careers in technology and engineering; and

WHEREAS, the achievements of the Flagstaff Christian School Quantum Warriors bring great pride and distinction to their families, their mentors, their coaches, and the entire Flagstaff community.

NOW, THEREFORE, Be It Resolved that Mayor and City Council of the City of Flagstaff, Arizona do hereby recognize and commend the Flagstaff Christian School Quantum Warriors for their outstanding accomplishments in robotics and their valuable contributions to STEM outreach within the Flagstaff community and extend best wishes for their continued success.

PRESENTED this 16th day of June 2026

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

City of Flagstaff – Office of the Mayor

Certificate of Recognition

Presented to the Coconino CocoNuts

WHEREAS, the members of the Coconino CocoNuts have demonstrated exceptional dedication, ingenuity, and teamwork in the field of robotics; and

WHEREAS, through their participation in competitive robotics and STEM programming, these students have advanced the principles of science, technology, engineering, and mathematics within our community; and

WHEREAS, their commitment to learning, problem-solving, and collaboration reflects the very best of Flagstaff's spirit of innovation and curiosity; and

WHEREAS, the team has served as an inspiration to fellow students and as ambassadors for STEM outreach, encouraging the next generation of young people to pursue education and careers in technology and engineering; and

WHEREAS, the achievements of the Coconino CocoNuts bring great pride and distinction to their families, their mentors, their coaches, and the entire Flagstaff community.

NOW, THEREFORE, Be It Resolved that Mayor and City Council of the City of Flagstaff, Arizona do hereby recognize and commend the Coconino CocoNuts for their outstanding accomplishments in robotics and their valuable contributions to STEM outreach within the Flagstaff community and extend best wishes for their continued success.

PRESENTED this 16th day of June 2026

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David Pedersen, Capital Improvements Project Manager

Date: 06/01/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract Change Order: Change Order Number 8 with Peak Engineering, Inc., in the amount of $207,577.00 and add 214 calendar days for the work associated with completing the engineering design for the JWP Extension.

STAFF RECOMMENDED ACTION:

1. Approve Change Order Number 8 with Peak Engineering, Inc.; in the amount of $207,577.00;
2. Add 214 calendar days to the design services contract; and
3. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Change Order Number 8 will compensate Peak Engineering, Inc., and their sub consultants, to complete bridge design engineering, construction phase services, hydraulic modeling, and geotechnical engineering for the JWP Extension Project.

Financial Impact:

Funding for Change Order Number 8, $207,577.00, will come from account 048-10-117-3369-6-4441 which is funded by Proposition 419. Proposition 419 was approved by voters in November 2018 and has authorized funding of $6,520,000 for FY2025-26 and $25,780,000 for FY2026-27.

Policy Impact:

There are no policy impacts.

Previous Council Decision or Community Discussion:

The JW Powell Extension Project has been before City Council 17 times in the past 10 years.

- *25 October 2016* **(Council Work Session)** - Discussion on Infrastructure and Public Facilities Planning and Engineering in the John Wesley Powell Boulevard area.
- *6 February 2018* **(Council Meeting)** - Award of contract to Peak Engineering for design and planning services.
- *24 April 2020* **(Council Budget Retreat)** - JW Powell Blvd Extension discussed during the Capital Programming update.
- *27 October 2020* **(Council Work Session)** – Land Use Framework and engineering design update shared for the original alignment.
- *5 October 2021* **(Council Meeting)** – Project update and Change Order 4 approved by Council.
- *31 March 2022* **(Five-Year Summary Retreat)** – JW Powell Blvd Extension discussed in project prioritization.
- *22 April 2022* **(Council Budget Retreat)** – JW Powell Blvd Extension discussed during the Capital Programming update.
- *28 June 2022* **(Council Meeting)** – Council direction sought on proposed alignment for new roadway.

- *7 July 2022* **(Council Meeting)** – Council finalized proposed alignment for new roadway.
- 30 May 2023 **(Council Meeting)** – Project update and discussion on Specific Plan and Scope of Change Order 5.
- *9 April 2024* **(Council Meeting)** – Project update.
- *8 October 2024* **(Council Meeting)** – Project update.
- *3 December 2024* **(Council Meeting)** – Development Agreements discussion.
- *1 July 2025* **(Council Meeting)** – Project update and Change Order 6 approved by Council.
- *23 September 2025* **(Council Meeting)** – Project update.
- *17 February 2026* **(Council Meeting)** – JWP CMAR Design Phase Services
- *21 April 2026* **(Council Meeting)** – JWP CMAR GMP 1

Options and Alternatives to Recommended Action:

1. Approve Change Order Number 8 with Peak Engineering, Inc.; in the amount of $207,577.00 and add 214 calendar days as recommended; or
2. Reject Change Order Number 8, which will delay or cancel the project.

Background and History:

On 20 February 2018, City Council approved the contract with Peak Engineering, Inc. for the John Wesley Powell Area Specific Plan Study to develop a Specific Plan to guide the future private development of public infrastructure, utilities and public facilities (schools, fire/police stations, libraries, parks, etc.).

In November 2018, voters approved Proposition 419 which allocated funding for roadway and bike and pedestrian improvements along the future John Wesley Powell Boulevard extension.

On 27 October 2020, City Staff and the JW Powell Design Team presented an update to City Council regarding the current design work and the Land Use Framework.

On 28 January 2021, the JW Powell Design Team conducted a corporate meeting with the small-parcel property owners and consequential one-on-one meetings with small-parcel property owners who requested to meet regarding specifics to their respective parcels. Starting in May 2021, the JW Powell Design Team began to meet with the large-parcel property owners individually.

On 28 June and 7 July 2022, City Council, along with copious community input, selected the final alignment for the new JWP roadway extension. The final alignment shifts the alignment to the west and out of the South Fourth Street corridor.

In January 2025, the City entered into three separate Development Agreements (CDR, Little America, and Elk Ridge LLC) allowing for the right-of-way to move forward with engineering design with construction thereafter.

In February 2026, the City entered a contract with Banicki Construction for the design phase services to come alongside our design engineer, Peak Engineering, to value engineer the project. In April 2026, GMP 1 was awarded to Banicki Construction to begin the clearing of the new JWP corridor and establishing erosion controls.

Connection to PBB Priorities and Objectives:

Utilize existing long-range plan(s) that identify the community's future infrastructure needs and all associated costs.

Connection to Regional Plan:

Goal E&C.7. Give special consideration to environmentally sensitive lands in the development design and review process.

Connection to Carbon Neutrality Plan:
Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Connection to 10-Year Housing Plan:
This project will connect existing JWP Boulevard to South Fourth Street, which will aid in bringing copious housing opportunities to this portion of south-east Flagstaff.

Connection to Division Specific Plan:
This project supports the goals of the Engineering Division.

Attachments: Change Order 8
Vicinity Map
Context Map
Scope of Work

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 8
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO. ST3369 **PROJECT NAME:** J.W. Powell Specific Plan Study

FILE NO. 03-16010 **PROJECT MANAGER:** David Pedersen

FIRM NAME: Peak Engineering, Inc.

Purchase Order Number: 18-001394 | **Line Number:** 1 | **Current Amount** $ 1,750,716.21

Change Order originated by: ☑ CITY OF FLAGSTAFF ☐ CONTRACTOR ☐ DESIGN FIRM ☐ OTHER: _____

DETAILED DESCRIPTION:

Change Order 8 will provide the authorization of additional contractual time and funding to complete the engineering design for the JWP Extension Project. The scope of the work includes final bridge design (from 60% through final design), additional hydraulic modeling, additional geotechnical engineering for the bridge and slope stability, as well as some project administration fees by Peak Engineering.

JUSTIFICATION:

This change order will fulfill the mission of this purchase order (PO) with the completion of the JWP Extension engineering design. The City did not know a bridge would be possible until the City got the CMAR contractor on board. With the addition of the bridge comes additional bridge design, hydraulic modeling, geotechnical engineering, and project and sub-consultant administration that comes with the extra scope. All of these components are necessary for the final design and construction documents needed for construction.

TIME ANALYSIS:

The work associated with this change order will require an additional 214 calendar day contract time extension. The new contract duration will be 3,918 calendar days, ending 31 December 2026.

COST ANALYSIS:

The change order will request an additional $207,577.00 of funding and the new value of the purchase order shall become $1,958,293.21. The funding for this Change Order will come from account 048-10-117-3369-6-4421 and is accounted for with FY26 ($8,750,000) and FY27 ($22,875,000) funds.

CITY OF FLAGSTAFF	*PROJECT STATUS FORM*
PROJECT NAME: J.W. Powell Specific Plan Study	☑ Design ☐ Construction ☐ Other
PROJECT NO. ST3369	**FILE NO.** 03-16010
ACCT. NO. 048-10-117-3369-6-442 100.00 %	**GRANT FUNDED? NO** ☑ **YES** ☐ **% OF GRANT FUNDING -** 0
ACCT. NO. _____ %	**IF YES, WHAT IS GRANT NAME:** N/A
ACCT. NO. _____ %	**GRANT ACCOUNT NUMBER:** N/A
COUNCIL APPROVAL DATE: 02/20/2018	**ORIGINAL CONTRACT AMOUNT:** $ 316,299.00
PROJECT BUDGET (FY 26 **)** $ 8,750,000.00	**PROJECT BUDGET (FY** 27 **)** $ 22,875,000.00
NOTICE TO PROCEED DATE: 04/09/2018	**ORIGINAL CONTRACT PERIOD (calendar days):** 265
ORIGINAL COMPLETION DATE: 12/30/2018	**ORIGINAL CONTRACT ALLOWANCE:** $ 0.00
DESIGN FIRM: Peak Engineering, Inc.	

Change Orders / Revision Date	C.O. Amount / New Total	C.O. Days / New Total	Start Date / New Comp. Date	REASON FOR CHANGE
1				SEE DETAILS ON PAGES 4 AND 5.
2				
3				
4				
5				

COMMENTS: The allocations shown above are inclusive of all Change Orders shown.If there are more than 5 Change Orders, please request a separate form from Purchasing that includes additional spaces. Thank you!

END DATES

ORIGINAL CONTRACT PERIOD	265 **Days**	(12/30/2018)	**ORIGINAL CONTRACT**	$	$ 316,299.00
PRIOR TIME CHANGES	3439 **Days**	(05/31/2025)	**TOTAL PRIOR VALUE CHANGES**	$	$ 1,434,417.21
THIS TIME CHANGE	214 **Days**	(12/31/2026)	**VALUE OF THIS CHANGE**	$	$ 207,577.00
NEW CONTRACT PERIOD	3918 **Days**	(12/31/2026)	**NEW CONTRACT**	$	$ 1,958,293.21

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 8
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO. ST3369 **PROJECT NAME:** J.W. Powell Specific Plan Study

FILE NO. 03-16010 **PROJECT MANAGER:** David Pedersen

SIGNATURES

SUBMITTER

Project Manager	05/28/2026 Date	**Approved Signature**	
Division Head	05/22/2028 Date	**Approved Signature**	Paul Mood Digitally signed by Paul Mood Date: 2026.05.22 15:28:40 -07'00'

COMMITTEE

Water Services	2026-05-29 Date	**Approved Signature**	Douglas Slover Jr Digitally signed by Douglas Slover Jr Date: 2026.05.29 14:07:14 -07'00'
Public Works	5-29-2026 Date	**Approved Signature**	
City Engineering	06/01/2026 Date	**Approved Signature**	Paul Mood 2026.06.01 09:33:55 -07'00'
City Attorney	Date	**Approved Signature**	Christina A. Kinnear Digitally signed by Christina A. Kinnear Date: 2026.06.01 11:21:51 -07'00'
Finance	06/01/2026 Date	**Approved Signature**	Tammy L Ryan
Purchasing (Chair)	Date	**Approved Signature**	Patrick Brown Digitally signed by Patrick Brown Date: 2026.06.01 13:19:25 -07'00'

EXECUTIVE

City Manager	Date	**Approved Signature**	

Council Meeting Date (if required) 06/16/2026 **Council Approved?** Yes ☑ No ☐

We have given careful consideration to the proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, and perform all services necessary for the work specified.

FIRM NAME: Peak Engineering, Inc. **Signature:** Julie Leid Digitally signed by Julie Leid Date: 2026.05.22 14:45:02 -07'00'

Date: 05/22/2026 **Print Name and Title:** Julie Leid, Principal

Change Orders	C.O. Amount	C.O. Days	Council Date	REASON FOR CHANGE
Revision Date	New Total	New Total	New Comp. Date	
1	$ 12,925.00	265.00	2/20/2018	Change Order 1 - Alternative alignment study for South Fourth St./JWP
11/8/2018	$ 329,224.00	361.00	4/5/2019	
2	$ 0.00	30.00	2/20/2018	Field Order 1 - Project on Hold
3/28/2019	$ 329,224.00	391.00	5/5/2019	
3	$ 0.00	30.00	2/20/2018	Field Order 2 - Project on Hold
4/17/2019	$ 329,224.00	421.00	6/4/2019	
4	$ 0.00	30.00	2/20/2018	Field Order 3 - Project on Hold
6/4/2019	$ 329,224.00	451.00	7/4/2019	
5	$ 0.00	30.00	2/20/2019	Field Order 4 - Project on Hold
6/25/2019	$ 329,224.00	481.00	8/3/2019	
6	$ 0.00	30.00	2/20/2018	Field Order 5 - Project on Hold
8/3/2019	$ 329,224.00	511.00	9/2/2019	
7	$ 0.00	30.00	2/20/2018	Field Order 6 - Project on Hold
9/2/2019	$ 329,224.00	541.00	10/2/2019	
8	$ 0.00	30.00	2/20/2019	Field Order 7 - Project on Hold
9/30/2019	$ 329,224.00	571.00	11/1/2019	
9	$ 0.00	30.00	2/20/2018	Field Order 8 - Project on Hold
10/28/2019	$ 329,224.00	601.00	12/1/2019	
10	$ 0.00	30.00	2/20/2018	Field Order 9 - Project on Hold
11/27/2019	$ 329,224.00	631.00	12/31/2019	
11	$ 0.00	30.00	2/20/2018	Field Order 10 - Project on Hold
12/23/2019	$ 329,224.00	661.00	1/30/2020	
12	$ 0.00	30.00	2/20/2018	Field Order 11 - Project on Hold
1/15/2020	$ 329,224.00	691.00	2/29/2020	
13	$ 0.00	30.00	2/20/2018	Field Order 12 - Project on Hold
2/20/2018	$ 329,224.00	721.00	3/30/2020	
14	$ 0.00	30.00	2/20/2018	Field Order 13 - Project on Hold
3/25/2020	$ 329,224.00	751.00	4/29/2020	
15	$ 0.00	30.00	2/20/2018	Field Order 14 - Project on Hold
4/28/2020	$ 329,224.00	781.00	5/29/2020	
16	$ 0.00	30.00	2/20/2018	Field Order 15 - Project on Hold
5/26/2020	$ 329,224.00	811.00	6/28/2020	

17	$ 0.00	262.00	2/20/2018	Change Order 2 - Time extension necessary to complete project upon new time line and scope of work
6/24/2020	$ 329,224.00	1,073.00	3/17/2021	
18	$ 0.00	0.00	2/20/2018	Field Order 16 - Reallocation of unbilled line items to line items which increased in expense when planning
7/23/2020	$ 329,224.00	1,073.00	3/17/2021	
19	$ 41,401.25	30.00	2/20/2018	Change Order 3 - Additional public involvement during Phase 1
9/23/2021	$ 370,625.25	1,103.00	4/16/2021	
20	$ 115,353.34	540.00	2/20/2018	Change Order 4 - Additional design work and analysis, public involvement, and partner meetings for
9/23/2021	$ 485,978.59	1,643.00	10/8/2022	
21	$ 0.00	0.00	2/20/2018	Field Order 17 - Reallocation of unbilled line items to cover increased planning efforts for Specific Plan effort
1/27/2023	$ 485,978.59	1,643.00	10/8/2022	
22	$ 220,142.62	601.00	2/20/2018	Change Order 5 - Additional time and funding to complete a Specific Plan
3/16/2023	$ 706,121.21	2,244.00	5/31/2024	
23	$ 0.00	365.00	2/20/2018	Change Order 6 - Additional time for Specific Plan with the revised alignment
5/23/2024	$ 706,121.21	2,609.00	5/31/2025	
24	$ 1,044,595.00	1,096.00	2/20/2018	Change Order 7 - Engineering design services of new JWP Extension
7/1/2025	$ 1,750,716.21	3,704.00	5/31/2028	
25	$ 207,577.00	214.00	2/20/2018	Change Order 8 - Bridge design hydraulic modeling, geotech
6/16/2026	$ 1,958,293.21	3,918.00	12/31/2026	
26				
27				
28				
29				
30				
FINAL PAYMENT	$ 1,958,293.81	3918	12/31/2026	

Peak ENGINEERING, INC.

CHANGE ORDER #8 – JWP SPECIFIC PLAN STUDY, PHASE 1
JWP BOULEVARD BRIDGE DESIGN SCOPE OF SERVICES

Date:	May 13, 2026 Rev. 1 May 15, 2026
Project:	John Wesley Powell Specific Plan Study, Phase 1
COF Project No:	03-16010 (PO 18-001394)
Peak Project No:	17COF02
Prepared For:	David Pedersen, Capital Improvements Project Manager
Prepared By:	Julie Leid, P.E.

We have prepared this change order request to the John Wesley Powell Specific Plan Study, Phase 1 project for preparation of construction documents for the JW Powell Boulevard bridge crossing of the Rio de Flag. Specifically, this scope of services advances design of the bridge from a 60% design to construction ready documents and includes construction phase support services. Bridge design requires additional hydraulic modeling and geotechnical investigation.

Part of final design is preparation of a final plat for the land division created on the Elk Ridge property by the JWP right of way dedication. This work will occur after final design when extent of drainage and utility easements are determined. There is additional time included for creation of new sewer and water easements on Little America property.

The project requires crossing an APS transmission main and there are additional requirements for this crossing including loading calculations, extra protection and coordination of street lighting. The requirements are above and beyond typical engineering practice. This change order includes an allowance for coordination with APS and preparation of additional documentation to support crossing the transmission main.

Please refer to WSP's proposal, attached to and made part of this scope, for structural engineering of the bridge.

Please refer to JE Fuller's proposal, attached to and made part of this scope, for hydraulic analysis of the bridge design.

Please refer to Ninyo & Moore's proposal, attached to and made part of this scope, for geotechnical investigation and engineering for the bridge piers.

An allowance is included for additional geotechnical field work during construction for slope stability. The design requires significant cut through a portion of the Elk Ridge property. Should the cut be in competent rock, the cut slope could be steeper and would reduce the construction limits. This would be determined during construction and would require evaluation by a geotechnical engineer.

Peak ENGINEERING, INC.

FEE SUMMARY

Current Contract Amount:	**$1,750,716.21**
Peak Engineering	$11,700
WSP Bridge Final Design & Construction Phase Services:	$165,627*
JE Fuller Additional Hydraulic Modeling:	$5,500*
Ninyo & Moore Geotechnical Engineering for Bridge:	$21,450*
Geotechnical Engineering (Slope Stability)	$3,300*
Subtotal Change Order #8:	**$207,577.00**
Total PROPOSED Contract Amount:	**$1,958,293.21**

*Subconsultants include a 10% markup

Please refer the attached cost detail spreadsheet.

SCHEDULE EXTENSION

The current contract end date is May 31, 2028. Based on the tentative schedule from the CMAR Contractor, we request a schedule extension of **214 days** for a completion date of December 31, 2028.

Client Name: City of Flagstaff	**Client Information**
Project Name: JWP Roadway, CO#8	*Name: David Pedersen, CI PM*
Project Number: 17COF01	*Address:*

Project Budget Summary

Task	Task Description	Principal Engineer		Project Manager		Project Engineer		Designer		Technical Drafter		Clerical		Total Hours	Labor Cost per Task
	Hourly Rate:	$240		$215		$195		$150		$100		$90			
		Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars		
1	APS Transmission Main Crossing	-	$ -	13.00	$ 2,795	-	$ -	9.00	$ 1,350	-	$ -	-	$ -	22.00	$ 4,145
2	Final Plat (Elk Ridge)	2.00	$ 480	5.00	$ 1,075	-	$ -	40.00	$ 6,000	-	$ -	-	$ -	47.00	$ 7,555
3	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
4	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
5	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
6	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
7	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
8	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
9	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
10	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
	LABOR TOTAL:		$ 480		$ 3,870		$ -		$ 7,350				$ -		$ 11,700

Reimbursable Project Expenses

A	Printing & Reprographics	$ -
B	Mileage	$ -
C	Meals & Lodging	$ -
D	Equipment	$ -
E	Other (Parking)	$ -
F		$ -
G		$ -
	RPE TOTAL:	$ -

Sub-Consultants

WSP (Bridge Design)	$ 150,570	10%	$ 165,627	
JE Fuller (Bridge Hydr.)	$ 5,000.00	10%	$ 5,500	
N&M (Bridge Borings)	$ 19,500	10%	$ 21,450	
Geotech (Slope Stability)	$ 3,000	10%	$ 3,300	(Allowance)
		10%	$ -	
		10%	$ -	
		10%	$ -	
	SUB-CONSULTANT TOTAL:		$ 195,877	

PROJECT TOTAL:

$ 207,577

WSP USA
Subcontract to Peak Engineering, Inc
Peak Project No. 17COF02
City of Flagstaff Project No. ST3369

Scope of Work
For
Peak Engineering, Inc.
JW Powell Bridge Final Design Phase II & PDS
Contract Modification 1

May 2026

GENERAL DESCRIPTION OF WORK:

WSP USA (WSP) will provide Design Services for a proposed two-span slab bridge across the Rio de Flag as part of the JW Powell development for the City of Flagstaff as a subconsultant to Peak Engineering, Inc (PEAK). The general scope of this work includes the final design from 60% to PS&E bridge design and construction documents for the proposed bridge structure. Additional services for post design coordination are included in this scope.

This work will be performed in coordination with other disciplines from separate firms responsible for roadway and drainage components. It is anticipated that the duration of this task will be approximately 6 months. Extensions in time of this phase based on delays from obtaining input, feedback, or acceptance from Stakeholders of concepts evaluated will result in additional project costs.

PAYMENT TERMS:

WSP will provide the services outlined in this scope of work on a NOT TO EXCEED basis based on the RATE SCHEDULE shown below. Additional work not covered in this scope may be added as additional work through contract modification.

Rate Classification	Rate
Project Principal	$ 330.00
Sr Project Manager	$ 310.00
Project Manager	$ 260.00
Resident Engineer	$ 245.00
Project Engineer-Sr	$ 295.00
Project Engineer	$ 240.00
Engineer	$ 185.00
Designer - Sr.	$ 205.00
Designer	$ 125.00
Grapic Designer - Sr.	$ 160.00
Graphic Designer	$ 115.00
PI Specialist	$ 155.00
Geologist	$ 190.00
CADD Technician	$ 125.00
Environmental Coordinator/Program Manager	$ 225.00
Administrative	$ 120.00
Project Administrator	$ 140.00
Transportation Planner	$ 115.00
Transportation Planner - Sr.	$ 185.00
GIS Analyst/Technician	$ 230.00

TASK 1.0 – PROJECT MANAGEMENT AND COORDINATION

The work under this task will include general project management and coordination activities during the project. This task includes project management, meetings, and project documentation.

SUBTASKS:

TASK 1.1: Project Management work will include an additional 2 months of project management as assumed under this task.

DELIVERABLES:

Monthly Invoices (Electronic PDF)

TASK 1.2: Design Review Meetings will include additional meetings throughout this scope of work to coordinate with the design team. Four scheduled meetings are anticipated for this coordination and design review meetings with the team. Each meeting is anticipated to last one hour.

It is assumed that meetings will be virtual and do not require travel. WSP will not provide meeting agendas and minutes.

DELIVERABLES:

None.

ASSUMPTIONS:

1. No field visits are included in this scope of work.
2. No public involvement or attendance at council or committee meetings is included in this scope of work.

TASK 2.0 – STRUCTURES

The work under this will finalize the design calculations and final construction documents for the proposed JW Powell bridge over the Rio de Flag. The 60% design and plans will be advanced to 100% Final and submitted for review. After a final round of review and comment, the design and plans will be advanced to PS&E.

SUBTASKS:

TASK 2.1: No additional work.

DELIVERABLES:

None

TASK 2.2: No additional work.

DELIVERABLES:

None

TASK 2.3: WSP will advance design calculations for the JW Powell Bridge to a 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

Bridge Calculation Report (Final and PS&E) (Electronic PDF)
Bridge Load Rating Report (Final and PS&E) (Electronic PDF)

TASK 2.4: WSP will prepare a Final and PS&E level engineer's estimate of probable cost for the proposed structure cost.

DELIVERABLES:

Engineer's Estimate of Probable Cost (Final and PS&E) (Electronic PDF)

TASK 2.5: WSP will prepare special provisions of any structures related items to be incorporated into construction specifications. WSP is not responsible for a complete construction specification package as that work will be completed by other firms under a separate contract.

DELIVERABLES:

Structural Special Provisions (Final and PS&E) (Word Document)

TASK 2.6: Construction Plans will be advanced for the proposed bridge to a 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

Bridge Construction Plans (Final and PS&E) (Electronic PDF)

TASK 2.7: Quality Control/Assurance will follow WSP's internal Quality Management Plan (QMP) following ISO 9001 practices and procedures. The calculations, plans and estimate will be reviewed following the established QMP and the process reviewed for Quality Assurance.

DELIVERABLES:

None

TASK 3.0 – UTILITIES

The work under this task includes the preparation of design calculations and construction documents to assist PEAK coordinate the APS utility loading requirements.

SUBTASKS:

TASK 3.1: Utility detail and calculations will be coordinated with PEAK as required for APS Condor Loading requirements for 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

APS Condor Loading Calculations (Final and PS&E) (Electronic PDF)
APS Condor Loading Details (Final and PS&E) (Electronic PDF)

TASK 4.0 – POST DESIGN SERVICES (PDS)

The work under this task includes post design service through the construction phase for the JW Powell Bridge Design.

SUBTASKS:

TASK 4.1: Post Design Services Project Management work will include 6 months of project management.

DELIVERABLES:

Monthly Invoices (Electronic PDF)

TASK 4.2: Request for information (RFI) reviews and responses will be completed. WSP will review and respond to up to six RFIs submitted by the contractor to address interpretations, corrections, or unforeseen issues related to the construction documents, as requested

DELIVERABLES:

RFI response and plan sheet modifications, if applicable (Electronic PDF)

TASK 4.3: Shop drawing review will be completed. WSP will review shop drawings and material certifications as requested for up to four submittals.

DELIVERABLES:

Reviewed submittals/shop drawings (Electronic PDF)

TASK 4.4: As-built drawing completion will be coordinated as post design services for sheets prepared and signed by WSP. As-built plans will be completed as defined in the City Engineering Standards of the completed work based on information recorded on the contractor's redlined record drawings. All record drawings will be completed using a PDF comment editor.

DELIVERABLES:

Final as-built redlines/revisions (Electronic PDF)

TASK 4.5: Construction coordination meetings will include four in-person meetings. Additionally, four virtual meetings/month through July 2026 and two virtual meetings/month August 2026 through March 2027 have been included for construction coordination throughout this scope of work to coordinate with the design team, the Contractor, the client and stakeholders. Each meeting is anticipated to last one hour.

Authorized work will not exceed the estimated budget without prior authorization. WSP will stop work when the agreed upon budget limit is reached and will seek authorization to continue providing support through construction completion. Notification will be given to Peak when the authorized budget exceeds 50% and 75% of the agreed upon limit.

A $15,000 contingency is included in this proposal to be used for unanticipated post design project changes as agreed upon by PEAK and WSP. The use of contingency funds will require an email or written concurrence between WSP and PEAK. Upon request, WSP will prepare a scope and fee modification for any requests and will provide this to the PEAK PM. Work will not start until authorized by the PEAK PM.

EXCLUSIONS

Services excluded from this Scope of Work include, but are not limited to:

1. Evaluation of alternate structure types or bridge configurations.
2. Design of additional or secondary structures such as drainage structures or specialized barriers.
3. Collection of existing data such as survey information, subsurface utility exploration and geotechnical data will be performed by others. Boring log sheets have not been included in these scope of services.
4. Environmental and historical evaluations.
5. Construction inspection services are not included in PDS.
6. Materials conformance and testing are not included in PDS.

DESIGN SCHEDULE

The draft design schedule (DDS) is based on a NTP date of May 30, 2026. Potential changes to the DDS will be communicated between WSP and PEAK throughout the project. Identified delays will be communicated in writing by either party and an updated schedule will be agreed upon. Contract Time will be 18 months from NTP.

Key Design Deliverables			
Item	Requested By	60% Submittal	Final Submittal
Final Plans, Specs, EEOPC, Bridge Calculation, and Load Rating Report	--	--	July 31, 2026

Key Construction Schedule			
Item	Start		Finish
Construction	May 2026	--	November 2027
RFI		7 working day response	
Shop drawings		7 working day response	
As-Builts		10 working day response	

DIRECT EXPENSES

Direct Expenses are based upon the agreed upon rates as established by the Contract. See the attached cost proposal for additional information.

Contract No.: PEAK Project No. 17CF02

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

New Contract: X

Contract Mod:

DERIVATION OF COST PROPOSAL SUMMARY

ESTIMATED DIRECT LABOR

Classification	Manhours	% of Total Hours	Billable Hourly Rate	Estimated Labor Costs
Project Manager	40	5.0%	$260.00	$10,400.00
Project Engineer-Sr	24	3.0%	$295.00	$7,080.00
Project Engineer	210	26.1%	$240.00	$50,400.00
Designer	364	45.2%	$125.00	$45,500.00
CADD Technician	158	19.6%	$125.00	$19,750.00
Project Administrator	10	1.2%	$140.00	$1,400.00
TOTAL Hours	806			
			Sub-Total Labor Expense:	$134,530.00

ESTIMATED DIRECT EXPENSES

Outside Reproduction	$0.00
Courier/Postage	$0.00
Mileage	$840.00
Travel	$200.00
Miscellaneous Expenses	$0.00
Sub-Total Direct Expenses:	$1,040.00

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Subconsultant	Method of Compensation	DBE	Fee
0	Unit Rate	0	$0.00
0	Unit Rate	0	$0.00
	Unit Rate	0	$0.00
	Unit Rate	0	$0.00
		Sub-Total Outside Services Expense:	$0.00

ESTIMATED TOTAL

TOTAL ESTIMATED COST: $135,570.00

CONTRACT TIME: 2 months

CONTRACT ALLOWANCE: $15,000.00

Signature

Date

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II
Contract No. PEAK Project No. 17CF02

TASK/DISCIPLINE	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator	Total
1.0 PROJECT MGMT	6	0	4	0	0	4	14.0
2.0 STRUCTURES	11	8	112	244	150	0	525.0
3.0 UTILITIES	1	0	6	8	8	0	23.0
4.0 PDS	22	16	88	112	0	6	244.0
PROJECT TOTAL HOURS	40	24	210	364	158	10	806

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

1.0 PROJECT MGMT TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
1.1 Project Management (2 Month Duration)	8	4					4
1.2 Design Review Meetings (4 Total, 1 hour)	6	2		4			
SUBTOTAL 1.0 PROJECT MGMT	14	6	0	4	0	0	4

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

2.0 STRUCTURES TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
2.3 Calculations/Load Rating	182	2		60	120		
2.4 Engineers Estimate of Probable Cost	33	1		8	24		
2.5 Special Provisions	6	2		4			
2.6 Plan Documents (15 Sheets)	294	4		40	100	150	
2.7 QA/QC	10	2	8				
SUBTOTAL 2.0 STRUCTURES	525	11	8	112	244	150	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

3.0 UTILITIES TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
3.1 Utility Loading Calculations/Details	23	1		6	8	8	
SUBTOTAL 3.0 UTILITIES	23	1	0	6	8	8	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

4.0 PDS TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
4.1 PDS Project Management	6	6					6
4.2 Request For Information	72		8	24	40		
4.3 Shop Drawings	28		4	8	16		
4.4 As-Built	20		4	16			
4.5 Construction Coordination Meetings	112	16		40	56		
SUBTOTAL 4.0 PDS	238	22	16	88	112	0	6

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

4.0 ALLOWANCE TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
4.1 Additional Post Design Services (Meetings, RFI's, Field Reviews)	92	4	4	20	32	32	
SUBTOTAL 4.0 ALLOWANCE	92	4	4	20	32	32	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II
Contract No. PEAK Project No. 17C

DIRECT EXPENSES

ITEM	No.	Unit Cost	Cost
Outside Reproduction			
11"x17" Copies (Color)		$ 1.25	$ -
11"x17" Copies (B&W)		$ 0.50	$ -
8 ½" x 11" Copies (Color)		$ 0.75	$ -
8 ½" x 11" Copies B&W)		$ 0.25	$ -
5" x 10" card stock mailer (color, 50% bleed)		$ 0.50	$ -
		SUB-TOTAL:	$ -
Courier/Postage/Overnight Mail			
Courier	0	$ 7.95	$ -
Postage	0	$ 0.50	$ -
Overnight Mail	0	$ 5.00	$ -
		SUB-TOTAL:	$ -

Mileage								
Travel to site for Field Visit	4 mtgs	@	300 miles	roundtrip	1200	$ 0.700	$	840.00
Travel for Mayor & Council Meeting	0 mtgs	@	300 miles	roundtrip	0	$ 0.700	$	-
		@			0	$ 0.560	$	-
		@			0	$ 0.560	$	-
		@			0	$ 0.560	$	-
						SUB-TOTAL:	$	840.00

Travel*									
Meals during field visit	2 staff	@	4 trips	@	1 Days	8 Meals	$ 25.00	$	200.00
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
*Covers only travel 15 miles or more beyond the City Limits or by Frims from other than Flagstaff							SUB-TOTAL:	$	200.00

Miscellaneous Expenses			
		SUB-TOTAL:	$ -

TOTAL DIRECT EXPENSES

TOTAL:	**$ 1,040.00**

JE FULLER
define•communicate•solve

May 6, 2026

Julie Lead, PE
Peak Engineering, Inc.
201 E. Birch Avenue, Suite 3
Flagstaff, AZ 86001

Change Order Request for JW Powell at Rio de Flag Floodplain Modeling and FEMA Assistance

Julie

This letter summarizes additional work performed by JE Fuller on the JW Powell project that was beyond our agreed-upon scope of work, in support of a request for additional budget. Work we have done that was outside of our scope includes:

- Analysis to determine the survey bust. This was approximately $2,000 worth of effort.
- Revisions to the modeling after the survey issue was resolved. This was approximately $1,500 worth of effort.
- The bridge layout was changed after our initial CLOMR package was prepared and during our scour analysis. This added effort, which we did not anticipate, was on the order of $1,500.

The total additional effort is $5,000, for which we are requesting a change order.

Sincerely,

JE Fuller/Hydrology & Geomorphology, Inc.



Ian P. Sharp, P.E., Vice President/Project Manager

EXHIBIT A

April 16, 2026
Project No. 609083001

Ms. Julie Leid, PE
Peak Engineering
201 East Birch Avenue, Suite 3
Flagstaff, Arizona 86001

Subject: Proposal to Provide Supplemental Geotechnical Engineering Services
City of Flagstaff
JW Powell Boulevard Extension
Station 200+00 to 246+00
Flagstaff, Arizona

Dear Ms. Leid:

Ninyo & Moore is pleased to submit this proposal to provide supplemental geotechnical engineering services for the above-mentioned project. This proposal is based on the information that we received from your office and our subsequent conversation. It outlines our scope of services, project assumptions, anticipated schedule, and fee for this phase of work.

SITE/PROJECT DESCRIPTION

The project includes the design and construction of the JW Powell Boulevard Extension project from Station 200+00 to 246+00 within the City of Flagstaff, Arizona; a distance of about 4,620 linear feet. On February 6, 2026, Ninyo & Moore issued a Geotechnical Evaluation report for the project. Since that report was issued, we understand that the project design has changed to now include a bridge structure that will be supported of drilled shaft foundations. Structural loading provided by WSP indicates that the estimated axial shaft loads for the abutments are on the order of 300 kips (service) and 450 kips (strength). For the piers, the estimated loads are on the order of 650 kips (service) and 950 kips (strength). The shaft sizes are also assumed to be between 4- and 6-feet in diameter. We have been asked to prepare this proposal to provide supplemental geotechnical engineering support for the design and construction of the new bridge structure.

SCOPE OF SERVICES

The geotechnical scope of services we will perform for the phase of the project are summarized below:

- Review project related design documents.
- Obtain City of Flagstaff permission to conduct the field work.

- Conduct a field trip to mark out the exploration locations. Ninyo & Moore will confirm our exploration locations with your firm prior to our field work.

- Notify Arizona 811 of our boring locations for underground utility clearance prior to drilling.

- Perform a geotechnical exploration consisting of drilling/coring, logging, and sampling of three exploratory borings to depths up to 15 feet into competent bedrock or to75 feet below ground surface, whichever occurs first. The borings will be logged by a Ninyo & Moore employee and advanced with a truck-mounted drill rig using hollow-stem augers (HSAs). Rock coring will be performed in general accordance with ASTM D2113 and D6032.

- Collect soil samples in the borings for laboratory testing and analysis. Ninyo & Moore personnel will log the borings in general accordance with the Unified Soil Classification System and ASTM International (ASTM) D2488 by observing cuttings and split-spoon samples. We will collect soil samples in the borings at 2.5-foot intervals for the first 10 feet and 5.0-foot intervals thereafter using ASTM Methods D1586 (standard penetration test with split-barrel sampling of soils) and ASTM D3550 (ring-lined barrel sampling of soils) and/or Shelby tubes (ASTM D1587), if the soil conditions permit. Rock coring will be logged; core recovery and RQD data will be recorded; and cores will be photographed and placed in waxed cardboard boxes for laboratory testing and storage. The soil samples and rock cores will be transported to a Ninyo & Moore laboratory for testing.

- Backfill the boreholes with drilling spoils.

- Perform geotechnical laboratory testing on representative soil and rock samples to evaluate the on-site soil's and rock's index, strength, and chemical characteristics.

- Prepare an addendum to our previously submitted Geotechnical Evaluation report to include the seismic refraction survey results, as well as geotechnical engineering related to the design and construction of the new bridge structure. The report will include a cover letter sealed by a Professional Engineer licensed in the State of Arizona.

ASSUMPTIONS

We have made the following assumptions in the preparation of this proposal:

- The new bridge structure needs to be designed per American Association of State Highway and Transportation Officials (AASHTO) or Arizona Department of Transportation (ADOT) design standards.

- No traffic control services will be needed.

- Right of entry will be provided by others and site access will be granted.

- Some ground disturbance should be expected as a result of our field work.

SCHEDULE

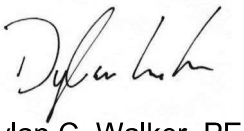
The fieldwork should be finished within about four weeks after we receive right of entry permission. The field work will take about one day to finish. We anticipate issuing our addendum within about four weeks from the date we finish the field work.

FEE

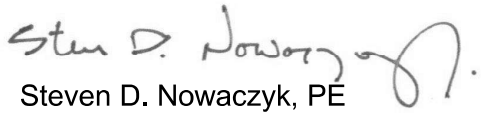
We propose to perform the above tasks for a lump sum fee of $19,500. Any additional services, not included in the aforementioned scope, will be charged on a time-and-materials basis in accordance with our current Schedule of Fees. To authorize our services, please sign and return the attached Work Authorization and Agreement.

We look forward to working with you.

Respectfully submitted,
NINYO & MOORE



Dylan C. Walker, PE
Project Engineer



Steven D. Nowaczyk, PE
Managing Principal Engineer

DCW/SDN/amg

Attachment: Work Authorization and Agreement

J.W. Powell
Project Sections

City Portion
Proposed Alignment
City Parcels
County Parcels

* Colors are only shown to differentiate parcels

E. Butler Ave.

40

AZ State Trust
17 Acres

International Church of the Four Square Gospel
12 Acres

Canyon del Rio
258 Acres

Little America
537 Acres

COF
37 Acres

Brighton
57 Acres

City Roadway Portion

STL405
405 Acres

Juniper Point
319 Acres

Elk Ridge
80 Acres

Multiple Owners
427 Acres

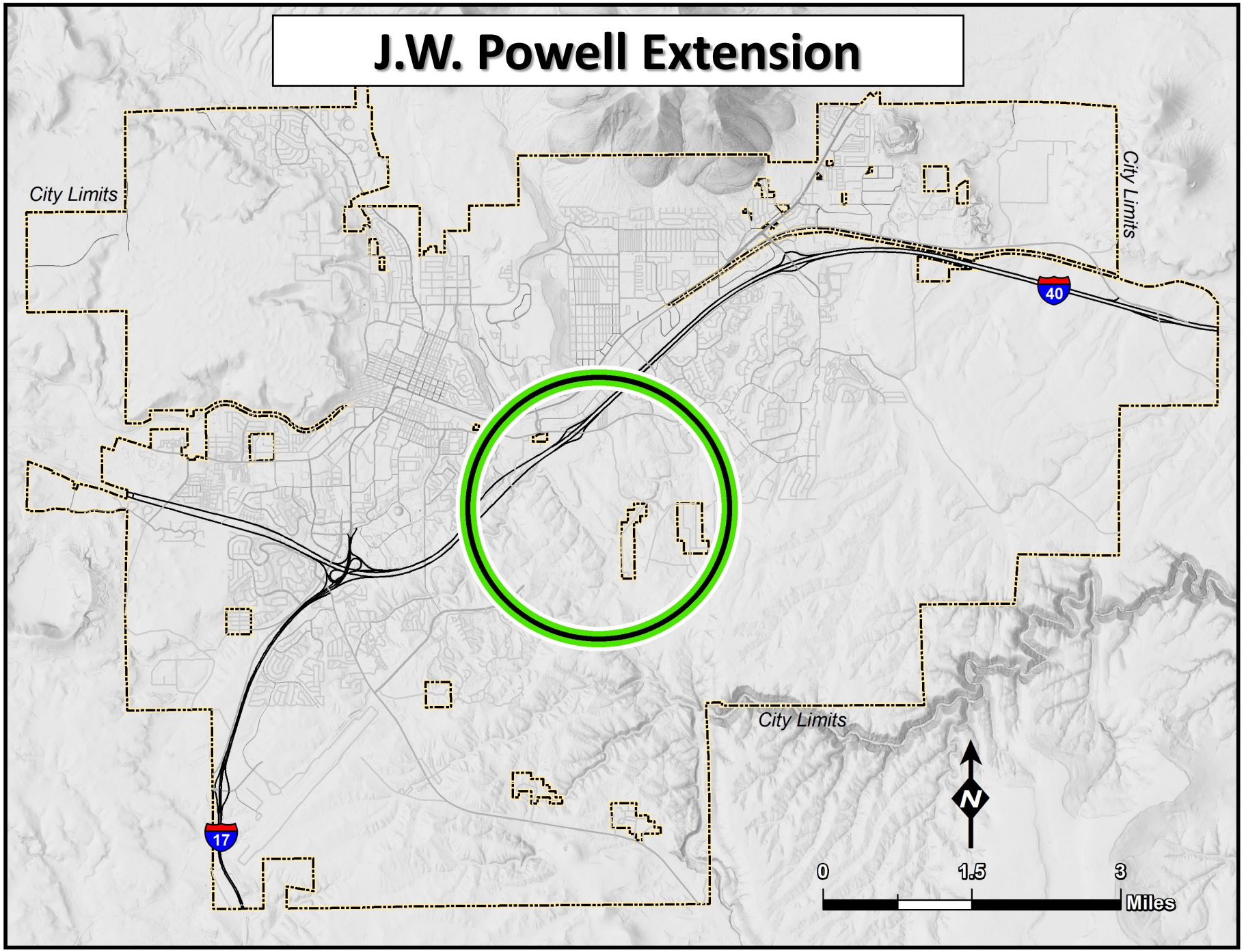
ABOR
NAU
CCC
156 Acres

COF
27 Ac.

ABOR
NAU
120 Acres

N

0 0.5 1 Mile


J.W. Powell Extension
City Limits
City Limits
City Limits
40
17
N
0
1.5
3
Miles

Peak ENGINEERING, INC.

CHANGE ORDER #8 – JWP SPECIFIC PLAN STUDY, PHASE 1
JWP BOULEVARD BRIDGE DESIGN SCOPE OF SERVICES

Date:	May 13, 2026 Rev. 1 May 15, 2026
Project:	John Wesley Powell Specific Plan Study, Phase 1
COF Project No:	03-16010 (PO 18-001394)
Peak Project No:	17COF02
Prepared For:	David Pedersen, Capital Improvements Project Manager
Prepared By:	Julie Leid, P.E.

We have prepared this change order request to the John Wesley Powell Specific Plan Study, Phase 1 project for preparation of construction documents for the JW Powell Boulevard bridge crossing of the Rio de Flag. Specifically, this scope of services advances design of the bridge from a 60% design to construction ready documents and includes construction phase support services. Bridge design requires additional hydraulic modeling and geotechnical investigation.

Part of final design is preparation of a final plat for the land division created on the Elk Ridge property by the JWP right of way dedication. This work will occur after final design when extent of drainage and utility easements are determined. There is additional time included for creation of new sewer and water easements on Little America property.

The project requires crossing an APS transmission main and there are additional requirements for this crossing including loading calculations, extra protection and coordination of street lighting. The requirements are above and beyond typical engineering practice. This change order includes an allowance for coordination with APS and preparation of additional documentation to support crossing the transmission main.

Please refer to WSP's proposal, attached to and made part of this scope, for structural engineering of the bridge.

Please refer to JE Fuller's proposal, attached to and made part of this scope, for hydraulic analysis of the bridge design.

Please refer to Ninyo & Moore's proposal, attached to and made part of this scope, for geotechnical investigation and engineering for the bridge piers.

An allowance is included for additional geotechnical field work during construction for slope stability. The design requires significant cut through a portion of the Elk Ridge property. Should the cut be in competent rock, the cut slope could be steeper and would reduce the construction limits. This would be determined during construction and would require evaluation by a geotechnical engineer.

FEE SUMMARY

Current Contract Amount:	**$1,750,716.21**
Peak Engineering	$11,700
WSP Bridge Final Design & Construction Phase Services:	$165,627*
JE Fuller Additional Hydraulic Modeling:	$5,500*
Ninyo & Moore Geotechnical Engineering for Bridge:	$21,450*
Geotechnical Engineering (Slope Stability)	$3,300*
Subtotal Change Order #8:	**$207,577.00**
Total PROPOSED Contract Amount:	**$1,958,293.21**

*Subconsultants include a 10% markup

Please refer the attached cost detail spreadsheet.

SCHEDULE EXTENSION

The current contract end date is May 31, 2028. Based on the tentative schedule from the CMAR Contractor, we request a schedule extension of **214 days** for a completion date of December 31, 2028.

Client Name: City of Flagstaff	**Client Information**
Project Name: JWP Roadway, CO#8	***Name:*** ***David Pedersen, CI PM***
Project Number: 17COF01	***Address:***

Project Budget Summary

Task	Task Description	Principal Engineer		Project Manager		Project Engineer		Designer		Technical Drafter		Clerical		Total Hours	Labor Cost per Task
	Hourly Rate:	$240		$215		$195		$150		$100		$90			
		Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars		
1	APS Transmission Main Crossing	-	$ -	13.00	$ 2,795	-	$ -	9.00	$ 1,350	-	$ -	-	$ -	22.00	$ 4,145
2	Final Plat (Elk Ridge)	2.00	$ 480	5.00	$ 1,075	-	$ -	40.00	$ 6,000	-	$ -	-	$ -	47.00	$ 7,555
3	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
4	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
5	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
6	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
7	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
8	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
9	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
10	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
	LABOR TOTAL:		$ 480		$ 3,870		$ -		$ 7,350				$ -		$ 11,700

Reimbursable Project Expenses

A	Printing & Reprographics	$ -
B	Mileage	$ -
C	Meals & Lodging	$ -
D	Equipment	$ -
E	Other (Parking)	$ -
F		$ -
G		$ -
	RPE TOTAL:	$ -

Sub-Consultants

WSP (Bridge Design)	$ 150,570	10%	$ 165,627	
JE Fuller (Bridge Hydr.)	$ 5,000.00	10%	$ 5,500	
N&M (Bridge Borings)	$ 19,500	10%	$ 21,450	
Geotech (Slope Stability)	$ 3,000	10%	$ 3,300	(Allowance)
		10%	$ -	
		10%	$ -	
		10%	$ -	
	SUB-CONSULTANT TOTAL:		$ 195,877	

PROJECT TOTAL:

$ 207,577

WSP USA
Subcontract to Peak Engineering, Inc
Peak Project No. 17COF02
City of Flagstaff Project No. ST3369

Scope of Work
For
Peak Engineering, Inc.
JW Powell Bridge Final Design Phase II & PDS
Contract Modification 1

May 2026

GENERAL DESCRIPTION OF WORK:

WSP USA (WSP) will provide Design Services for a proposed two-span slab bridge across the Rio de Flag as part of the JW Powell development for the City of Flagstaff as a subconsultant to Peak Engineering, Inc (PEAK). The general scope of this work includes the final design from 60% to PS&E bridge design and construction documents for the proposed bridge structure. Additional services for post design coordination are included in this scope.

This work will be performed in coordination with other disciplines from separate firms responsible for roadway and drainage components. It is anticipated that the duration of this task will be approximately 6 months. Extensions in time of this phase based on delays from obtaining input, feedback, or acceptance from Stakeholders of concepts evaluated will result in additional project costs.

PAYMENT TERMS:

WSP will provide the services outlined in this scope of work on a NOT TO EXCEED basis based on the RATE SCHEDULE shown below. Additional work not covered in this scope may be added as additional work through contract modification.

Rate Classification	Rate
Project Principal	$ 330.00
Sr Project Manager	$ 310.00
Project Manager	$ 260.00
Resident Engineer	$ 245.00
Project Engineer-Sr	$ 295.00
Project Engineer	$ 240.00
Engineer	$ 185.00
Designer - Sr.	$ 205.00
Designer	$ 125.00
Grapic Designer - Sr.	$ 160.00
Graphic Designer	$ 115.00
PI Specialist	$ 155.00
Geologist	$ 190.00
CADD Technician	$ 125.00
Environmental Coordinator/Program Manager	$ 225.00
Administrative	$ 120.00
Project Administrator	$ 140.00
Transportation Planner	$ 115.00
Transportation Planner - Sr.	$ 185.00
GIS Analyst/Technician	$ 230.00

TASK 1.0 – PROJECT MANAGEMENT AND COORDINATION

The work under this task will include general project management and coordination activities during the project. This task includes project management, meetings, and project documentation.

SUBTASKS:

TASK 1.1: Project Management work will include an additional 2 months of project management as assumed under this task.

DELIVERABLES:

Monthly Invoices (Electronic PDF)

TASK 1.2: Design Review Meetings will include additional meetings throughout this scope of work to coordinate with the design team. Four scheduled meetings are anticipated for this coordination and design review meetings with the team. Each meeting is anticipated to last one hour.

It is assumed that meetings will be virtual and do not require travel. WSP will not provide meeting agendas and minutes.

DELIVERABLES:

None.

ASSUMPTIONS:

1. No field visits are included in this scope of work.
2. No public involvement or attendance at council or committee meetings is included in this scope of work.

TASK 2.0 – STRUCTURES

The work under this will finalize the design calculations and final construction documents for the proposed JW Powell bridge over the Rio de Flag. The 60% design and plans will be advanced to 100% Final and submitted for review. After a final round of review and comment, the design and plans will be advanced to PS&E.

SUBTASKS:

TASK 2.1: No additional work.

DELIVERABLES:

None

TASK 2.2: No additional work.

DELIVERABLES:

None

TASK 2.3: WSP will advance design calculations for the JW Powell Bridge to a 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

Bridge Calculation Report (Final and PS&E) (Electronic PDF)
Bridge Load Rating Report (Final and PS&E) (Electronic PDF)

TASK 2.4: WSP will prepare a Final and PS&E level engineer's estimate of probable cost for the proposed structure cost.

DELIVERABLES:

Engineer's Estimate of Probable Cost (Final and PS&E) (Electronic PDF)

TASK 2.5: WSP will prepare special provisions of any structures related items to be incorporated into construction specifications. WSP is not responsible for a complete construction specification package as that work will be completed by other firms under a separate contract.

DELIVERABLES:

Structural Special Provisions (Final and PS&E) (Word Document)

TASK 2.6: Construction Plans will be advanced for the proposed bridge to a 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

Bridge Construction Plans (Final and PS&E) (Electronic PDF)

TASK 2.7: Quality Control/Assurance will follow WSP's internal Quality Management Plan (QMP) following ISO 9001 practices and procedures. The calculations, plans and estimate will be reviewed following the established QMP and the process reviewed for Quality Assurance.

DELIVERABLES:

None

TASK 3.0 – UTILITIES

The work under this task includes the preparation of design calculations and construction documents to assist PEAK coordinate the APS utility loading requirements.

SUBTASKS:

TASK 3.1: Utility detail and calculations will be coordinated with PEAK as required for APS Condor Loading requirements for 100% Final design level and submitted for review. After review and comment, WSP will address final comments and submit a sealed PS&E package.

DELIVERABLES:

APS Condor Loading Calculations (Final and PS&E) (Electronic PDF)
APS Condor Loading Details (Final and PS&E) (Electronic PDF)

TASK 4.0 – POST DESIGN SERVICES (PDS)

The work under this task includes post design service through the construction phase for the JW Powell Bridge Design.

SUBTASKS:

TASK 4.1: Post Design Services Project Management work will include 6 months of project management.

DELIVERABLES:

Monthly Invoices (Electronic PDF)

TASK 4.2: Request for information (RFI) reviews and responses will be completed. WSP will review and respond to up to six RFIs submitted by the contractor to address interpretations, corrections, or unforeseen issues related to the construction documents, as requested

DELIVERABLES:

RFI response and plan sheet modifications, if applicable (Electronic PDF)

TASK 4.3: Shop drawing review will be completed. WSP will review shop drawings and material certifications as requested for up to four submittals.

DELIVERABLES:

Reviewed submittals/shop drawings (Electronic PDF)

TASK 4.4: As-built drawing completion will be coordinated as post design services for sheets prepared and signed by WSP. As-built plans will be completed as defined in the City Engineering Standards of the completed work based on information recorded on the contractor's redlined record drawings. All record drawings will be completed using a PDF comment editor.

DELIVERABLES:

Final as-built redlines/revisions (Electronic PDF)

TASK 4.5: Construction coordination meetings will include four in-person meetings. Additionally, four virtual meetings/month through July 2026 and two virtual meetings/month August 2026 through March 2027 have been included for construction coordination throughout this scope of work to coordinate with the design team, the Contractor, the client and stakeholders. Each meeting is anticipated to last one hour.

Authorized work will not exceed the estimated budget without prior authorization. WSP will stop work when the agreed upon budget limit is reached and will seek authorization to continue providing support through construction completion. Notification will be given to Peak when the authorized budget exceeds 50% and 75% of the agreed upon limit.

A $15,000 contingency is included in this proposal to be used for unanticipated post design project changes as agreed upon by PEAK and WSP. The use of contingency funds will require an email or written concurrence between WSP and PEAK. Upon request, WSP will prepare a scope and fee modification for any requests and will provide this to the PEAK PM. Work will not start until authorized by the PEAK PM.

EXCLUSIONS

Services excluded from this Scope of Work include, but are not limited to:

1. Evaluation of alternate structure types or bridge configurations.
2. Design of additional or secondary structures such as drainage structures or specialized barriers.
3. Collection of existing data such as survey information, subsurface utility exploration and geotechnical data will be performed by others. Boring log sheets have not been included in these scope of services.
4. Environmental and historical evaluations.
5. Construction inspection services are not included in PDS.
6. Materials conformance and testing are not included in PDS.

DESIGN SCHEDULE

The draft design schedule (DDS) is based on a NTP date of May 30, 2026. Potential changes to the DDS will be communicated between WSP and PEAK throughout the project. Identified delays will be communicated in writing by either party and an updated schedule will be agreed upon. Contract Time will be 18 months from NTP.

Key Design Deliverables			
Item	Requested By	60% Submittal	Final Submittal
Final Plans, Specs, EEOPC, Bridge Calculation, and Load Rating Report	--	--	July 31, 2026

Key Construction Schedule			
Item	Start		Finish
Construction	May 2026	--	November 2027
RFI		7 working day response	
Shop drawings		7 working day response	
As-Builts		10 working day response	

DIRECT EXPENSES

Direct Expenses are based upon the agreed upon rates as established by the Contract. See the attached cost proposal for additional information.

Contract No.: PEAK Project No. 17CF02

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

New Contract: X

Contract Mod:

DERIVATION OF COST PROPOSAL SUMMARY

ESTIMATED DIRECT LABOR

Classification	Manhours	% of Total Hours	Billable Hourly Rate	Estimated Labor Costs
Project Manager	40	5.0%	$260.00	$10,400.00
Project Engineer-Sr	24	3.0%	$295.00	$7,080.00
Project Engineer	210	26.1%	$240.00	$50,400.00
Designer	364	45.2%	$125.00	$45,500.00
CADD Technician	158	19.6%	$125.00	$19,750.00
Project Administrator	10	1.2%	$140.00	$1,400.00
TOTAL Hours	806			
			Sub-Total Labor Expense:	$134,530.00

ESTIMATED DIRECT EXPENSES

Outside Reproduction	$0.00
Courier/Postage	$0.00
Mileage	$840.00
Travel	$200.00
Miscellaneous Expenses	$0.00
Sub-Total Direct Expenses:	$1,040.00

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Subconsultant	Method of Compensation	DBE	Fee
0	Unit Rate	0	$0.00
0	Unit Rate	0	$0.00
	Unit Rate	0	$0.00
	Unit Rate	0	$0.00
		Sub-Total Outside Services Expense:	$0.00

ESTIMATED TOTAL

TOTAL ESTIMATED COST: $135,570.00

CONTRACT TIME: 2 months

CONTRACT ALLOWANCE: $15,000.00

Signature

Date

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II
Contract No. PEAK Project No. 17CF02

TASK/DISCIPLINE	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator	Total
1.0 PROJECT MGMT	6	0	4	0	0	4	14.0
2.0 STRUCTURES	11	8	112	244	150	0	525.0
3.0 UTILITIES	1	0	6	8	8	0	23.0
4.0 PDS	22	16	88	112	0	6	244.0
PROJECT TOTAL HOURS	40	24	210	364	158	10	806

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

1.0 PROJECT MGMT TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
1.1 Project Management (2 Month Duration)	8	4					4
1.2 Design Review Meetings (4 Total, 1 hour)	6	2		4			
SUBTOTAL 1.0 PROJECT MGMT	14	6	0	4	0	0	4

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

2.0 STRUCTURES TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
2.3 Calculations/Load Rating	182	2		60	120		
2.4 Engineers Estimate of Probable Cost	33	1		8	24		
2.5 Special Provisions	6	2		4			
2.6 Plan Documents (15 Sheets)	294	4		40	100	150	
2.7 QA/QC	10	2	8				
SUBTOTAL 2.0 STRUCTURES	525	11	8	112	244	150	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

3.0 UTILITIES TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
3.1 Utility Loading Calculations/Details	23	1		6	8	8	
SUBTOTAL 3.0 UTILITIES	23	1	0	6	8	8	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

4.0 PDS TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
4.1 PDS Project Management	6	6					6
4.2 Request For Information	72		8	24	40		
4.3 Shop Drawings	28		4	8	16		
4.4 As-Built	20		4	16			
4.5 Construction Coordination Meetings	112	16		40	56		
SUBTOTAL 4.0 PDS	238	22	16	88	112	0	6

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II

Contract No. PEAK Project No. 17CF02

4.0 ALLOWANCE TASK DESCRIPTION	Total Hours	Project Manager	Project Engineer-Sr	Project Engineer	Designer	CADD Technician	Project Administrator
4.1 Additional Post Design Services (Meetings, RFI's, Field Reviews)	92	4	4	20	32	32	
SUBTOTAL 4.0 ALLOWANCE	92	4	4	20	32	32	0

Peak Engineering, Inc. - City of Flagstaff - JW Powell Bridge Ph II
Contract No. PEAK Project No. 17C

DIRECT EXPENSES

ITEM	No.	Unit Cost	Cost
Outside Reproduction			
11"x17" Copies (Color)		$ 1.25	$ -
11"x17" Copies (B&W)		$ 0.50	$ -
8 ½" x 11" Copies (Color)		$ 0.75	$ -
8 ½" x 11" Copies B&W)		$ 0.25	$ -
5" x 10" card stock mailer (color, 50% bleed)		$ 0.50	$ -
		SUB-TOTAL:	$ -
Courier/Postage/Overnight Mail			
Courier	0	$ 7.95	$ -
Postage	0	$ 0.50	$ -
Overnight Mail	0	$ 5.00	$ -
		SUB-TOTAL:	$ -

Mileage								
Travel to site for Field Visit	4 mtgs	@	300 miles	roundtrip	1200	$ 0.700	$	840.00
Travel for Mayor & Council Meeting	0 mtgs	@	300 miles	roundtrip	0	$ 0.700	$	-
		@			0	$ 0.560	$	-
		@			0	$ 0.560	$	-
		@			0	$ 0.560	$	-
						SUB-TOTAL:	$	840.00

Travel*										
Meals during field visit	2 staff	@	4 trips	@	1 Days	8 Meals	$ 25.00	$	200.00
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
		@		@		0	$ -	$	-
*Covers only travel 15 miles or more beyond the City Limits or by Frims from other than Flagstaff							SUB-TOTAL:	$	200.00

Miscellaneous Expenses			
		SUB-TOTAL:	$ -

TOTAL DIRECT EXPENSES

TOTAL:	**$ 1,040.00**

JE FULLER
define•communicate•solve

May 6, 2026

Julie Lead, PE
Peak Engineering, Inc.
201 E. Birch Avenue, Suite 3
Flagstaff, AZ 86001

Change Order Request for JW Powell at Rio de Flag Floodplain Modeling and FEMA Assistance

Julie

This letter summarizes additional work performed by JE Fuller on the JW Powell project that was beyond our agreed-upon scope of work, in support of a request for additional budget. Work we have done that was outside of our scope includes:

- Analysis to determine the survey bust. This was approximately $2,000 worth of effort.
- Revisions to the modeling after the survey issue was resolved. This was approximately $1,500 worth of effort.
- The bridge layout was changed after our initial CLOMR package was prepared and during our scour analysis. This added effort, which we did not anticipate, was on the order of $1,500.

The total additional effort is $5,000, for which we are requesting a change order.

Sincerely,

JE Fuller/Hydrology & Geomorphology, Inc.



Ian P. Sharp, P.E., Vice President/Project Manager

EXHIBIT A

April 16, 2026
Project No. 609083001

Ms. Julie Leid, PE
Peak Engineering
201 East Birch Avenue, Suite 3
Flagstaff, Arizona 86001

Subject: Proposal to Provide Supplemental Geotechnical Engineering Services
City of Flagstaff
JW Powell Boulevard Extension
Station 200+00 to 246+00
Flagstaff, Arizona

Dear Ms. Leid:

Ninyo & Moore is pleased to submit this proposal to provide supplemental geotechnical engineering services for the above-mentioned project. This proposal is based on the information that we received from your office and our subsequent conversation. It outlines our scope of services, project assumptions, anticipated schedule, and fee for this phase of work.

SITE/PROJECT DESCRIPTION

The project includes the design and construction of the JW Powell Boulevard Extension project from Station 200+00 to 246+00 within the City of Flagstaff, Arizona; a distance of about 4,620 linear feet. On February 6, 2026, Ninyo & Moore issued a Geotechnical Evaluation report for the project. Since that report was issued, we understand that the project design has changed to now include a bridge structure that will be supported of drilled shaft foundations. Structural loading provided by WSP indicates that the estimated axial shaft loads for the abutments are on the order of 300 kips (service) and 450 kips (strength). For the piers, the estimated loads are on the order of 650 kips (service) and 950 kips (strength). The shaft sizes are also assumed to be between 4- and 6-feet in diameter. We have been asked to prepare this proposal to provide supplemental geotechnical engineering support for the design and construction of the new bridge structure.

SCOPE OF SERVICES

The geotechnical scope of services we will perform for the phase of the project are summarized below:

- Review project related design documents.
- Obtain City of Flagstaff permission to conduct the field work.

- Conduct a field trip to mark out the exploration locations. Ninyo & Moore will confirm our exploration locations with your firm prior to our field work.

- Notify Arizona 811 of our boring locations for underground utility clearance prior to drilling.

- Perform a geotechnical exploration consisting of drilling/coring, logging, and sampling of three exploratory borings to depths up to 15 feet into competent bedrock or to75 feet below ground surface, whichever occurs first. The borings will be logged by a Ninyo & Moore employee and advanced with a truck-mounted drill rig using hollow-stem augers (HSAs). Rock coring will be performed in general accordance with ASTM D2113 and D6032.

- Collect soil samples in the borings for laboratory testing and analysis. Ninyo & Moore personnel will log the borings in general accordance with the Unified Soil Classification System and ASTM International (ASTM) D2488 by observing cuttings and split-spoon samples. We will collect soil samples in the borings at 2.5-foot intervals for the first 10 feet and 5.0-foot intervals thereafter using ASTM Methods D1586 (standard penetration test with split-barrel sampling of soils) and ASTM D3550 (ring-lined barrel sampling of soils) and/or Shelby tubes (ASTM D1587), if the soil conditions permit. Rock coring will be logged; core recovery and RQD data will be recorded; and cores will be photographed and placed in waxed cardboard boxes for laboratory testing and storage. The soil samples and rock cores will be transported to a Ninyo & Moore laboratory for testing.

- Backfill the boreholes with drilling spoils.

- Perform geotechnical laboratory testing on representative soil and rock samples to evaluate the on-site soil's and rock's index, strength, and chemical characteristics.

- Prepare an addendum to our previously submitted Geotechnical Evaluation report to include the seismic refraction survey results, as well as geotechnical engineering related to the design and construction of the new bridge structure. The report will include a cover letter sealed by a Professional Engineer licensed in the State of Arizona.

ASSUMPTIONS

We have made the following assumptions in the preparation of this proposal:

- The new bridge structure needs to be designed per American Association of State Highway and Transportation Officials (AASHTO) or Arizona Department of Transportation (ADOT) design standards.

- No traffic control services will be needed.

- Right of entry will be provided by others and site access will be granted.

- Some ground disturbance should be expected as a result of our field work.

SCHEDULE

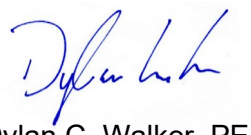
The fieldwork should be finished within about four weeks after we receive right of entry permission. The field work will take about one day to finish. We anticipate issuing our addendum within about four weeks from the date we finish the field work.

FEE

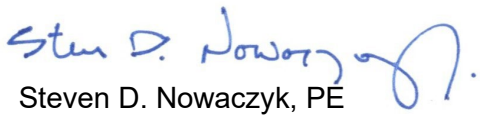
We propose to perform the above tasks for a lump sum fee of $19,500. Any additional services, not included in the aforementioned scope, will be charged on a time-and-materials basis in accordance with our current Schedule of Fees. To authorize our services, please sign and return the attached Work Authorization and Agreement.

We look forward to working with you.

Respectfully submitted,
NINYO & MOORE



Dylan C. Walker, PE
Project Engineer



Steven D. Nowaczyk, PE
Managing Principal Engineer

DCW/SDN/amg

Attachment: Work Authorization and Agreement

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Rebecca Sayers, Parks, Recreation, Open Space, and Events Director

Date: 05/15/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract: Amendment One to Cooperative Purchase Contract 2025-155 with Kaizen Laboratories, Inc. for a Point-of-Sale and Reservation Management System.

STAFF RECOMMENDED ACTION:

1. Approve the contract amendment to change the payment model from 5% per transaction, to a Software as a Service (SaaS) model at a cost of $70,000 annually for the initial three-year term of the contract, ending June 30, 2029
2. Authorize the City Manager to execute the necessary documents

Executive Summary:

The City entered into a cooperative purchase contract with Kaizen Laboratories, Inc in November 2025 to implement point-of-sale and reservation management software for the Parks, Recreation, Open Space, and Events (PROSE) Division. The initial payment terms were based on 5% of anticipated annual revenue, not to exceed $90,000. Implementation of the software is fully underway, with ramada reservations beginning in April 2026, recreation centers in May 2026, and athletics registrations in May 2026. Kaizen has requested a change in payment terms from a percent of revenue model to a Subscription as a Service (SaaS) model, with an annual cost of $70,000, with no cost increases during the initial contract term of three years. Kaizen will invoice the city the full annual amount in July 2026 with a 30-day payment term.

The initial contract term would have ended in November 2028, but Kaizen has agreed to extend the initial term to align with the updated payment terms. The new contract ending date will be June 30, 2029, with an option for three additional one-year terms. Kaizen has agreed to keep the annual payment at $70,000 for the initial three-year term. The contract allows for negotiated increases afterward.

Financial Impact:

Project Name: Point-of-sale and Reservation Management System by Kaizen Laboratories, Inc.
Cost: $70,000.00
Account Number Budgeted: 001-11-156-0580-5-4290 ($53,250) and 055-11-158-3067-5-4433 ($16,750)
FY2026-27 Budgeted Amount: $90,000
Grant Funded: No
Funding Source: General fund and BBB Recreation

Policy Impact:

Only the payment model and contract period are being changed with this amendment. The updated cost is a savings of $20,000 to the city. Note that should PROSE user fees and rates be considered for adjustment in the future, the annual cost of the software subscription should be considered to be recovered with those revenues.

Previous Council Decision or Community Discussion:
Council approved the original cooperative purchase contract on November 4, 2025.

Options and Alternatives to Recommended Action:

1. Approve the contract amendment as recommended
2. Not approve the amendment and provide direction to staff

Connection to PBB Priorities and Objectives:
High performing governance.

Connection to Regional Plan:
There is no connection to the Regional Plan.

Connection to Carbon Neutrality Plan:
There is no connection to the Carbon Neutrality Plan.

Connection to 10-Year Housing Plan:
There is no connection to the 10-year Housing Plan.

Connection to Division Specific Plan:
There is no connection to a Division Specific Plan.

Attachments: Original contract
Amendment #1

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-155

This Cooperative Purchase Contract is made and entered into on November 21, 2025, by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City"), and **Kaizen Laboratories Inc.** ("Contractor").

RECITALS:

A. Contractor is a fully authorized vendor of **Point-of-Sale and Reservation Management Systems.**

B. Pima County, a political subdivision of the State of Arizona, conducted a competitive and open procurement process through Request for Proposal **RFP-PO-2400008** that resulted in Contract No. **MA-PO-24-162** with Contractor ("Agency Contract").

C. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

NOW, THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Materials and/or Services Purchased: Contractor shall provide to the City the materials and/or services, as specified in the Scope of Work attached as *Exhibit A*, and in accordance with the Agency Contract. A general description of materials and/or services being provided is:

Point-of-Sale and Reservation Management System

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as *Exhibit A* and incorporated by reference.

3. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as *Exhibit B*, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically, changes in price for materials and/or services. If any terms or conditions in the Agency Contract conflict with the terms and conditions in this Contract, the terms and conditions in this Contract, including Exhibit A to this Contract, will supersede the conflicting term or condition in the Agency Contract.

4. Payment:

   4.1 For all transactions, including those paid via cash or check, the Contractor shall receive a 5% transaction fee. The 5% transaction fee shall be calculated solely on the user fee and/or retail price of goods or services sold and shall not be assessed on the total transaction amount, which may include applicable sales taxes and electronic payment transaction fees. To collect the applicable 5% fee, Contractor will invoice the City monthly.

   4.2 Any adjustment to the transaction fee described in section 4.1 must be approved by mutual written consent of the parties through a formal amendment.

4.3 The following electronic payment processing fees will be charged and collected by Contractor for online payments (these electronic payment processing fees will not be remitted to the City):

- 2.9% plus $0.30 per transaction for online payments made via credit card, debit card, Apple Pay, or Google Pay;
- 0.8% per transaction (capped at $5.00) for payments made via direct bank account/ACH;
- 2.7% plus $0.05 per transaction for in-person payments made via credit card.

Kaizen shall notify the City in writing at least sixty (60) days in advance of any proposed changes to the electronic payment processing fees above. Any increases to the electronic payment processing fees shall not exceed a maximum of 1.5% above the then-current rate unless otherwise agreed in writing by the City.

Although Kaizen maintains the account management for electronic payment processing fees with its designated payment processor (currently Stripe), the City shall be granted administrative access to the platform for purposes of viewing, managing, and reconciling transaction records and payment activity associated with the City's use of the system.

4.4 Notwithstanding the Agency Contract, the City's total payments to Contractor under this Contract (collected as described in Section 4.1), including any applicable sales taxes, may not exceed $90,000.00 per year (the "NTE Amount"), or five percent of the estimated annual revenue of $1,800,000.00, plus applicable sales taxes earned by City's use of the **Point-of-Sale and Reservation Management System**. If the estimated annual revenue exceeds $1,800,000.00, the parties will increase the NTE Amount.

5. Certificates of Insurance: All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Term and Extensions: This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue for a period of three (3) years ("Initial Term") with an option for three (3) additional one (1) year extensions presuming that the underlying Agency Contract has not expired or been terminated, or the Contractor has agreed to continue to provide to the City the materials and/or services in the Scope of Work pursuant to the same terms in the Agency Contract. The contract may be extended by mutual written consent of both parties.

7. Choice of Law; Venue: The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Contract. Any action relating to this Contract must be filed and maintained in the appropriate court of the State of Arizona in Coconino County.

8. Notice: Any formal notice required under the Contract shall be in writing and sent by certified mail and email as follows:

To the City:	To Contractor:

Rebecca Sayers
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
rsayers@flagstaffaz.gov

Nikhil Reddy
Chief Executive Officer
Kaizen Laboratories, Inc.
17 W. 20th St., FL 5
New York, NY 10011
nikhil@kaizenlabs.co
(408) 623-7000

With a copy to:
Teddy Callan
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Teddy.callan@flagstaffaz.gov

9. Authority: Each party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into the Contract.

KAIZEN LABORATORIES, INC.:

By: Kshitij Shah

Title: Co-Founder & COO

CITY OF FLAGSTAFF

By:

Joanne K. Keene signed on 11/20/2025 2:20:47 PM

Title: City Manager

ATTEST:

Stacy Saltzburg

City Clerk

Stacy Saltzburg signed on 11/21/2025 9:04:32 AM

APPROVED AS TO FORM:

Kevin Fincel signed on 11/17/2025 8:27:50 AM

City Attorney's Office

Notice to Proceed issued: _____, 20___

Exhibit A - Scope of Work

Scope of Work

Kaizen Laboratories Inc. will implement its recreation management system for Flagstaff's recreation centers, visitor centers, and facilities to support POS transactions, rentals,reservations, memberships, and event management. These dates are initial estimates and will be refined collaboratively during the first phase ofimplementation when we develop a full project plan with Flagstaff staff.

Contract Execution

Target Date: Week of November 3, 2025

Upon execution of the service agreement, Kaizen will coordinate with Flagstaff's project team to initiate setup and scheduling. This milestone activates onboarding timelines, assigns a dedicated Kaizen implementation lead, and ensures resource availability for the full rollout schedule.

Project Kickoff

Target Date: Week of Thanksgiving (November 24, 2025)

We'll begin with a formal kickoff meeting between Kaizen and key leaders from Flagstaff's Parks & Recreation, IT, and Finance departments. This meeting will confirm the project plan, integrations, responsibilities, and desired outcomes — setting a clear foundation for a successful rollout.

Department Discovery

Target Date: Week of December 1, 2025

Kaizen will hold in-depth discovery sessions with program managers, front-line staff, and administrative teams. These interviews will help us understand current workflows, system frustrations, and goals — ensuring the new platform directly supports Flagstaff's daily operations.

Core Module Configuration

Target Date: Week of December 8, 2025

Our team will translate discovery findings into a complete system blueprint, documenting user roles, approval chains, facility logic, and financial mapping. This technical framework becomes the roadmap for building Flagstaff's custom platform.

Reporting & Financial Setup

Target Date: Week of December 15, 2025

We'll work with Flagstaff's Finance team to configure internal reporting fields, GL code alignment, and departmental tagging. This setup supports cross-functional transparency, audit readiness, and real-time access to clean financial data directly within the admin dashboard.

Data Migration & QA

Target Date: September 15 – December 15, 2025

Kaizen will migrate critical legacy data into the new system. Our QA engineers will run full platform checks to validate workflows, flag conflicts, and verify staff permissions across all configured tools.

Staff Training Begins

Target Date: Week of January 5, 2026

We'll host hands-on training sessions with Flagstaff's staff across departments. These sessions include test transactions, sandbox environments, live walkthroughs, and custom guides tailored to your use cases — ensuring confidence before the system goes live.

Internal UAT & Feedback Loop

Target Date: Week of January 19, 2026

Flagstaff's key users will run through their daily tasks in the live system during internal User Acceptance Testing (UAT). We'll collect feedback, resolve issues, and fine-tune the platform ahead of public launch.

Soft Launch

Target Date: TBD

We'll launch a subset of Flagstaff's facilities or programs — such as the Aquaplex or youth sports — to simulate live resident use in a controlled setting. This gives staff time to acclimate while ensuring that the system functions seamlessly in real-world conditions.

Public Go-Live

Target Date: TBD

Flagstaff's full platform goes live to the public. Residents will be able to browse, register, reserve, and pay across devices. Kaizen will provide real-time support during launch week to ensure a smooth experience for residents and staff.

Post-Launch Optimization

Begins Week of TBD (Ongoing)

After go-live, Kaizen remains closely involved. We'll provide support, deliver reporting enhancements, and discuss optional modules or future phases. Our relationship doesn't end at launch — we're here to ensure the platform grows with Flagstaff's evolving needs.

January 13, 2025

Mr. Teddy Callan
Procurement Specialist, City of Flagstaff
City of Flagstaff
211 W Aspen Ave Flagstaff, AZ 86001

Confirmation of Agreement Terms Between City of Flagstaff and Kaizen

To Whom It May Concern

We are pleased to confirm the financial terms of the agreement between Kaizen Labs and the City of Flagstaff under the cooperative agreement with Pima County. Specifically;

• The City of Flagstaff incurs no upfront or recurring costs for the hardware, software, or platform associated with this agreement.

• Kaizen Labs collects a 5% transactional fee directly from City of Flagstaff customers for payments processed through the platform.

• This agreement with the City of Flagstaff is consistent with the terms outlined in the Pima County cooperative contract.

If you have any further questions or require additional information, please do not hesitate to contact us.

Thank you for your collaboration, and we look forward to supporting the City of Flagstaff through this partnership.

Sincerely,

Nikhil Reddy
CEO & Co-Founder, Kaizen

Pima County Procurement Department
Administering Department: Information Technology, on behalf of Natural Resources, Parks and Recreation

Project: Point-of-Sale and Reservation Management System

Contractor: Kaizen Laboratories, Inc.
453 S Spring Street, Suite 400
Los Angeles, CA 90013

Amount: $ 90,000.00

Contract No.: MA-PO-24-162

PROFESSIONAL SERVICES CONTRACT

1. Parties, Background and Purpose.

1.1. Parties. This Contract is between Pima County, a political subdivision of the State of Arizona ("County"), and Kaizen Laboratories, Inc. ("Contractor").

1.2. Purpose. The Pima County Natural Resources, Parks and Recreation Department ("NRPR") requires a cloud-based point-of-sale and scheduling software to manage the reservations of NRPR facilities by County guests and residents.

1.3. Authority. County selected Contractor pursuant to and consistent with County's Procurement Code 11.12.020 Competitive Sealed Proposals.

1.4. Solicitation. County previously issued Solicitation No. RFP-PO-2400008 for certain services (the "Solicitation"). Requirements and specifications contained in the Solicitation, all documents included in the Solicitation, and any information and documentation submitted by Contractor in response to the Solicitation, are incorporated into this Contract by reference.

1.5. Contractor's Response. Contractor submitted the most advantageous proposal to the Solicitation.

2. Term.

2.1. Initial Term. The term of this Contract commences on May 7, 2024 and will terminate on May 6, 2026 ("Initial Term" or "Initial Service Term"). "Term," when used in this Contract, means the Initial Term plus any exercised extension options under Section 2.2. If the commencement date of the Initial Term is before the signature date of the last party to execute this Contract, the parties will, for all purposes, deem the Contract to have been in effect as of the commencement date.

2.2. Extension Options. County may renew this Contract for up to three (3) additional periods of one-year each (each an "Extension Option" or "Renewal Term"). An Extension Option will be effective only upon execution by the Parties of a formal written amendment, to include an Order Form (as defined in Section 36.3).

2.3. License/Subscription Term. Any License or Subscription Term that is not coterminous with this Contract shall be from the date of order for the License or Subscription and shall renew pursuant to Contractor's standard renewal method as stated on the Contractor's related order form or, absent any such stated method, shall renew upon issuance of a new Order Form signed by Contractor and County. No License or Subscription Term ordered by County may be renewed after the expiration of the term of this Contract, unless the Parties have negotiated and executed a new agreement.

3. **Scope of Services.** Contractor will provide County with the implementation, training, and ongoing licensing and support of the Point-of-Sale and Reservation Management System (the "Platform" or "Company Platform") as described in the **Exhibit C: Proposed Point-of-Sale and Reservation Management System** (47 pages). Contractor will implement the Platform and train County users as described in **Exhibit A: Implementation & Training Plans** (36 pages) and provide the required ongoing support as described in **Exhibit B: Ongoing Support Program** (8 pages), **Exhibit E: Kaizen Digital Services Terms and Conditions** (15 pages), and **Exhibit F: Kaizen Disaster Recovery Plan** (3 pages). County's use of the Platform is subject to the terms of this Contract, and the other incorporated documents referenced in Section 37.

4. **Key Personnel.** Contractor will employ suitably trained and skilled professional personnel to perform all services under this Contract. Prior to changing any key personnel, especially those key personnel County relied upon in making this Contract, Contractor will obtain the approval of County. The key personnel include the following staff:

Name:	Nikhil Reddy	Title:	CEO and Co-Founder
Name:	KJ Shah	Title:	COO and Co-Founder
Name:	Emeline Wu	Title:	Product Lead

5. **Compensation and Payment.**

5.1. Rates; Adjustment. Contractor shall collect as payment five (5) percent of each payment collected by the Platform during the Initial Term. That rate of five percent will remain in effect during the Initial Term. Ninety (90) days prior to the end of the then current service term, or at the time the County informs Contractor that the County intends to extend the Term, whichever is earlier, for each Extension Term the parties will mutually agree to any adjustments to those rates, if necessary. Contractor must provide the reasons for any adjustments for County review.

5.2. Not-To-Exceed (NTE) Amount. County's total payments, collected as described in **Section 5.1**, to Contractor under this Contract, including any applicable sales taxes, may not exceed $ 45,000.00 per year (the "NTE Amount"), or five percent of the estimated annual revenue of $ 750,000.00, plus applicable sales taxes. earned by County's use of the Platform. If the estimated annual revenue exceeds $ 750,000.00, the Parties will increase the NTE Amount. The NTE Amount can only be changed by a formal written amendment executed by the Parties. Contractor is not required to provide any services, payment for which will cause the County's total payments under this Contract to exceed the NTE Amount; if Contractor does so, it is at the Contractor's own risk.

5.3. Sales Taxes. The payment amounts or rates in **Section 5.1** do not include sales taxes. Contractor may collect, in the same manner as payments described in **Section 5.1,** any applicable sales taxes that Contractor is required to pay under this Contract. Contractor will show sales taxes as a separate line item on invoices.

5.4. Timing of Invoices. Contractor will invoice County on a monthly basis. County must receive invoices no more than 90 days after the end of the billing period in which Contractor delivered the invoiced products or services to County. County may refuse to pay for any product or service for which Contactor does not timely invoice the County and, pursuant to A.R.S. § 11-622(C), will not pay for any product or service invoiced more than 6-months late.

5.5. Content of Invoices. Contractor will include detailed documentation as applicable in support of its invoices and assign each amount billed to an appropriate line item. For amounts Contractor collects through payments made in the Platform, Contractor will show those amounts on the invoice as paid.

5.6. Invoice Submittal. Invoices are to be sent to:

Robert Padilla, Deputy Director of Natural Resources, Parks and Recreation
robert.padilla@pima.gov

5.7. Invoice Adjustments. County may, at any time during the Term and during the retention period set forth in Section 24 below, question any payment under this Contract. If County raises a question about the propriety of a past payment, Contractor will cooperate with County in reviewing the payment. County may not set-off any overpayment against amounts due to Contractor under this or any other contract between County and Contractor. Contractor will promptly pay to County any undisputed overpayment.

6. Insurance. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. Contractor's insurance shall be placed with companies licensed in the State of Arizona and the insureds shall have an "A.M. Best" rating of not less than A- VII, unless otherwise approved by County. County in no way warrants that the minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

6.1. Minimum Scope and Limits of Insurance. Contractor will procure and maintain at its own expense, until all contractual obligations have been discharged, the insurance coverage with limits of liability not less than stated below. County in no way warrants that the minimum insurance limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract. If necessary, Contractor may obtain commercial umbrella or excess insurance to satisfy the County's Insurance Requirements.

6.1.1. Commercial General Liability (CGL). Occurrence Form with limits of $2,000,000 Each Occurrence and $2,000,000 General Aggregate. Policy shall include cover for liability arising from premises, operations, independent contractors, personal injury, bodily injury, property damage, broad form contractual liability coverage, personal and advertising injury and products – completed operations.

6.1.2. Business Automobile Liability. Bodily Injury and Property Damage for any owned, leased, hired, and/or non-owned automobiles assigned to or used in the performance of this Contract with a Combined Single Limit (CSL) of $1,000,000 Each Accident.

6.1.3. Workers' Compensation (WC) and Employers' Liability. Statutory requirements and benefits for Workers' Compensation. In Arizona, WC coverage is compulsory for employers of one or more employees. Employers' Liability coverage with limits of $1,000,000 each accident and $1,000,000 each person - disease.

6.1.4. Network Security (Cyber)/Privacy Insurance. Coverage shall have minimum limits not less than $2,000,000 Each Claim with a $2,000,000 Annual Aggregate.

Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.

In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor must warrant that either continuous coverage will be maintained as outlined under "Additional Insurance Requirements – Claims-Made Coverage" section, or an extended discovery period will be exercised for a period of two (2) years beginning at the time of work under this Contract is completed.

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

6.2.1. Claims Made Coverage. If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date must precede the effective date of this Contract, and Contractor must maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

6.2.2. Additional Insured Endorsement. The General Liability and Business Automobile, Liability policies must each be endorsed to include Pima County and all its related special districts, elected officials, officers, agents, employees and volunteers (collectively "County and its Agents") as additional insureds with respect to vicarious liability arising out of the activities performed by or on behalf of the Contractor. The full policy limits and scope of protection must apply to the County and its Agents as an additional insured, even if they exceed the Insurance Requirements.

6.2.3. Subrogation Endorsement. The General Liability, Business Automobile Liability, and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of County and its departments, districts, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

6.2.4. Primary Insurance Endorsement. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by Pima County, its agents, officials, or employees shall be excess and not contributory insurance. The Required Insurance policies may not obligate the County to pay any portion of a Contractor's deductible or Self Insurance Retention (SIR).

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

6.2.5. Subcontractors. Contractor must either (a) include all subcontractors as additional insureds under its Required Insurance policies, or (b) require each subcontractor to separately meet all Insurance Requirements and verify that each subcontractor has done so, Contractor must furnish, if requested by County, appropriate insurance certificates for each subcontractor. Contractor must obtain County's approval of any subcontractor request to modify the Insurance Requirements as to that subcontractor.

6.3. Notice of Cancellation. Each Required Insurance policy must provide, and certificates specify, that County will receive not less than thirty (30) days advance written notice of any policy cancellation, except 10-days prior notice is sufficient when the cancellation is for non-payment of a premium. Notice must be mailed, emailed, hand-delivered or sent via facsimile transmission to the County Contracting Representative, and must include the County project or contract number and project description.

6.4. Verification of Coverage. Upon contract award, and thereafter upon written request (email sufficient), Contractor shall furnish County with certificates of insurance (valid ACORD form or equivalent approved by County) as required by this Contract. An authorized representative of the insurer shall sign the certificates. Each certificate must include.

6.4.1. The Pima County tracking number for this Contract, which is shown on the first page of the Contract, and a project description, in the body of the Certificate.

6.4.2. A notation of policy deductibles or SIRs relating to the specific policy.

6.4.3. Certificates must specify that the appropriate policies are endorsed to include additional insured and subrogation waiver endorsements for the County and its Agents.

All certificates and endorsements, as required by this written agreement, are upon contract award, and thereafter upon written request (email sufficient) to be received and approved by County before, and be in effect not less than 15 days prior to, commencement of work. A renewal certificate must be provided to County upon written request (email sufficient) not less than 15 days prior to the policy's expiration date to include actual copies of the additional insured and waiver of subrogation endorsements.

Failure to maintain the insurance coverages or policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract if not cured within 30 (thirty) days of written notice thereof.

All certificates required by this Contract shall be sent directly to the requesting County Department. The Certificate of Insurance shall include the County project or contract number and project description on the certificate. County reserves the right to require complete copies of all insurance policies required by this Contract at any time.

6.5. Approval and Modifications. County's Risk Manager may request modifications to the Insurance Requirements at any point during the Term of this Contract. This can be done administratively, with written notice from the Risk Manager, and also requires a formal Contract amendment signed by both parties. Neither the County's failure to obtain a required insurance certificate or endorsement, the County's failure to object to a non-complying insurance certificate or endorsement, nor the County's receipt of any other information from the Contractor, its insurance broker(s) and/or insurer(s), constitutes a waiver of any of the Insurance Requirements.

7. Indemnification.

7.1. Indemnification by Contractor. To the fullest extent permitted by law, Contractor will defend, indemnify, and hold harmless County and any related taxing district, and the officials and employees of each of them (collectively, "Indemnitee") from and against any and all third party claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Contractor or any of Contractor's directors, officers, agents, employees, volunteers, or subcontractors to the extent such Claim is based upon Contractor's provision of services hereunder. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnitee will, in all instances, except for Claims arising solely from the acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all Claims. Contractor is responsible for primary loss investigation, defense and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Contract.

7.2. Indemnification by County. County is not permitted to offer indemnification, therefore any such requirement in the Contract or its incorporated documents is hereby null and void.

8. LIMITATION OF LIABILITY. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT FOR MATTERS ARISING FROM NEGLIGENCE OR MISCONDUCT: (a) NEITHER PARTY WILL BE LIABLE FOR INDIRECT DAMAGES OR LOSSES (IN CONTRACT, STATUTE, TORT, OR OTHERWISE), INCLUDING INDIRECT DAMAGES OR LOSSES, LOST PROFITS OR REVENUE, LOST SAVINGS, COST OF REPLACEMENT SERVICES, LOST DATA, LOSS OF USE OF INFORMATION OR SERVICES, OR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR SPECIAL DAMAGES, WHETHER OR NOT IT HAS PREVIOUSLY BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (b) EACH PARTY'S TOTAL AGGREGATE LIABILITY FOR ALL MATTERS ARISING

FROM OR RELATED TO THIS AGREEMENT IS LIMITED TO THE AMOUNT OF FEES PAID OR PAYABLE BY COUNTY AS CONSIDERATION FOR THE SPECIFIC PRODUCT UNDER THE APPLICABLE ORDER FORM GIVING RISE TO SUCH CLAIMS DURING THE 12 MONTH PERIOD PRECEDING THE DATE ON WHICH THE FIRST CAUSE OF ACTION AROSE.

9. Laws and Regulations.

9.1. Compliance with Laws. Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders.

9.2. Licensing. Contractor warrants that it is appropriately licensed to provide the services under this Contract and that its subcontractors will be appropriately licensed.

9.3. Choice of Law; Venue. The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Contract. Any action relating to this Contract must be filed and maintained in the appropriate court of the State of Arizona in Pima County.

10. Independent Contractor. Contractor is an independent contractor. Neither Contractor, nor any of Contractor's officers, agents or employees will be considered an employee of County for any purpose or be entitled to receive any employment-related benefits, or assert any protections, under County's Merit System. Contractor is responsible for paying all federal, state and local taxes on the compensation received by Contractor under this Contract and will indemnify and hold County harmless from any and all liability that County may incur because of Contractor's failure to pay such taxes.

11. Subcontractors. Contractor is fully responsible for all acts and omissions of any subcontractor, and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts any of them may be liable, to the same extent that the Contractor is responsible for the acts and omissions of its own employees. Nothing in this Contract creates any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.

12. Assignment. Contractor may not assign its rights or obligations under this Contract, in whole or in part, without the County's prior written approval. County may withhold approval at its sole discretion.

13. Non-Discrimination. Contractor will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this Contract, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Contract, Contractor will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

14. Americans with Disabilities Act. Contractor will comply with Title II of the Americans with Disabilities Act (Public Law 110-325, 42 U.S.C.§§ 12101-12213) and the federal regulations for Title II (28 CFR Part 35).

15. **Authority to Contract.** Contractor warrants its right and power to enter into this Contract. If any court or administrative agency determines that County does not have authority to enter into this Contract, County will not be liable to Contractor or any third party by reason of such determination or by reason of this Contract.

16. **Full and Complete Performance.** The failure of either party to insist, in one or more instances, upon the other party's complete and satisfactory performance under this Contract, or to take any action based on the other party's failure to completely and satisfactorily perform, is not a waiver of that party's right to insist upon complete and satisfactory performance, or compliance with any other covenant or condition in this Contract, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

17. **Cancellation for Conflict of Interest.** This Contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Contract by reference.

18. **Termination by County.**

    18.1. Without Cause. County may terminate this Contract at any time, without cause, by serving a written notice upon Contractor at least 30 days before the effective date of the termination, provided that such termination will only be effective as of the end of the then-current Term. In the event of such termination, County's only obligation to Contractor will be payment for services rendered up to the effective date of termination.

    18.2. With Cause. County may terminate this Contract at any time without advance notice and without further obligation to County when County finds Contractor to be in material breach of any provision of this Contract which Contractor has not cured within 30 days of receiving County's written notice of such.

    18.3. Non-Appropriation. Notwithstanding any other provision in this Contract, County may terminate this Contract if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of such termination, County will have no further obligation to Contractor, other than to pay for services rendered prior to termination.

19. **Notice.** Any notice required or permitted to be given under this Contract must be in writing and be served by personal delivery or by certified mail upon the other party as follows:

County:	Contractor:
Terri Spencer, Procurement Director	Nikhil Reddy, CEO
Pima County Department	Kaizen Laboratories, Inc.
150 W Congress, 5th Floor	453 S Spring Street, Suite 400
Tucson, AZ 85701	Los Angeles, CA 90013
520.724.3722	408.623.7000
terri.spencer@pima.gov	nikhil@kaizenlabs.co

20. **Non-Exclusive Contract.** Contractor understands that this Contract is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.

21. **Remedies.** Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Contract.

22. **Severability.** Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

23. **Use of County Data.** Unless it receives County's prior written consent, Contractor: (a) shall not access, process, or otherwise use County Data other than as necessary to provide contracted services or products; and (b) shall not intentionally grant any third party access to County Data, including without limitation Contractor's other customers, except subcontractors that are subject to a reasonable nondisclosure agreement. Notwithstanding the foregoing, Contractor may disclose County Data as required by applicable law or by proper legal or governmental authority. Contractor shall give County prompt notice of any such legal or governmental demand and reasonably cooperate with County in any effort to seek a protective order or otherwise to contest such required disclosure, at County's expense. Upon termination or completion of the Contract, Contractor will, within 60 calendar days, either return all County Data to County or will destroy County Data and confirm destruction to County in writing. As between the parties, County retains ownership of County Data. "County Data" means data in electronic or paper form provided to Contractor by County, including without limitation personal identifying information as defined in A.R.S. § 13-2001(10).

24. **Books and Records.** Contractor will keep and maintain proper and complete books, records and accounts applicable to its performance of the services hereunder, which will be open at all reasonable times for inspection and audit by duly authorized representatives of County upon 30 days prior written notice. In addition, Contractor will retain all records relating to this Contract for at least five (5) years after its expiration or termination or, if later, until any related pending proceeding or litigation has concluded.

25. **Public Records.**

    25.1. Disclosure. Pursuant to A.R.S. § 39-121 et seq., all documents related to this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.

    25.2. Records Marked Confidential; Notice and Protective Order. If Contractor reasonably believes that some of its records contain proprietary, trade-secret or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL" before submitting them to County. In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction in Arizona, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

26. Legal Arizona Workers Act Compliance.

26.1. Compliance with Immigration Laws. Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. § 41-4401 (together the "State and Federal Immigration Laws"). Contractor will further ensure that each subcontractor who performs any work for Contractor under this Contract likewise complies with the State and Federal Immigration Laws.

26.2. Books & Records. County has the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

26.3. Remedies for Breach of Warranty. Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Contractor.

26.4. Subcontractors. Contractor will advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section 25 by including a provision in each subcontract substantially in the following form:

> "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

27. Reserved.

28. Written Orders. County will order products or services under this Contract by mutually executing with Contractor an Order Form document. Order Forms will be shared by the parties via e-mail.

Contractor must not supply materials or services pursuant to the contract that are not documented or authorized by an executed Order Form at the time of provision. County accepts no responsibility for control of or payment for materials or services not documented by an executed Order Form.

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this Contract. In particular, Contractor will not provide goods or services other than those described in this Contract, after the Term of the Contract has ended, without an Order Form properly executed by County and Contractor, as provided below. Any items provided in excess of that stated in this Contract are at Contractor's own risk.

29. **Cooperative Use of Contract.** As allowed by law, County has entered into cooperative procurement agreements that enable other public agencies to utilize procurement agreements that County has developed. Participating public agencies may contact Contractor with requests to provide services and products pursuant to the pricing, terms, and conditions defined in this Contract. Minor adjustments are allowed subject to agreement by both Contractor and participating public agency to accommodate additional cost or other factors not present in County's agreement and required to satisfy particular public agency code or functional requirements and within the intended scope of the solicitation and resulting contract. The parties to the cooperative procurement will negotiate and transact any such usage in accordance with State and other public agency procurement rules, regulations, and requirements. Contractor will hold harmless County, its officers, employees, and agents from and against all liability, including without limitation payment and performance associated with cooperative use of this Contract. Contractor may view a list of agencies that are authorized to use County contracts at the Procurement Department Internet home page: https://www.pima.gov/163/Procurement by selecting the link titled County Cooperative Agreements – Authorized Agencies.

30. **Counterparts.** The parties may execute the Contract that County awards pursuant to the solicitation in any number of counterparts, each counterpart is considered an original, and together such counterparts constitute one and the same instrument.

31. **Israel Boycott Certification.** Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of $100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

32. **Forced Labor of Ethnic Uyghurs.** Pursuant to A.R.S. § 35-394 if Contractor engages in for-profit activity and has 10 or more employees, Contractor certifies it is not currently using, and agrees for the duration of this Contract to not use (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Contractor becomes aware during the term of the Contract that the Company is not in compliance with A.R.S. § 35-394, Contractor must notify the County within five business days and provide a written certification to County regarding compliance within one hundred eighty days.

33. **Amendment.** The parties may modify, amend, alter or extend this Contract only by a written amendment signed by the parties.

34. Order of Precedence. All documents included in the Solicitation, and any information and documentation submitted by Contractor in response to the Solicitation, are incorporated into this Contract. In the event of conflicting terms between the incorporated agreement documents, the following is the order of precedence, superior to subordinate, to resolve the conflict.

34.1. This Professional Services Contract.

34.2. Exhibit D: Pima County Licensed Software / SaaS Standard Terms & Conditions.

34.3. Any Order Form signed by County and Contractor referencing this Contract, and any mutually agreed agreements attached to that DO. “Order Form,” when used in this Contract, means an order form, quote or other similar document that: (a) sets forth the SaaS (as such term is defined in Exhibit D), the pricing therefor, and the Initial Term or Extension Option, as applicable; (b) references this Contract; and (c) is executed by the parties.

34.4. Exhibit G: Kaizen Digital Services Terms and Conditions.

34.5. Exhibit E: Kaizen Service Level Agreement.

34.6. The solicitation documents of RFP-PO-2400008, to include its Attachments, and all Amendments issued to that solicitation.

35. Entire Agreement. This document constitutes the entire agreement between the parties pertaining to the subject matter it addresses, and this Contract supersedes all prior or contemporaneous agreements and understandings, oral or written. All pre-printed, online, or click-through terms of any (a) County purchase order, or (b) Contractor portal will have no effect.

36. Effective Date. This Contract will become effective when all parties have signed it. The effective date of the Contract will be the date this Contract is signed by the last party (as indicated by the date associated with that party’s signature).

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

This Contract will become effective when all parties have signed it. The effective date of the Contract will be the date this Contract is signed by the last party (as indicated by the date associated with that party's signature).

IN WITNESS WHEREOF, the parties have approved this Professional Services Agreement and agree to be bound by the terms and conditions of the Contract on the dates written below.

PIMA COUNTY

Adelita S. Grijalva

Chair, Board of Supervisors

MAY 07 2024

Date

KAIZEN LABORATORIES, INC.

Authorized Officer Signature

Nikhil Reddy, CEO

Printed Name and Title

04/12/2024

Date

ATTEST

Clerk of the Board

MAY 07 2024

Date

APPROVED AS TO FORM

Deputy County Attorney

Rachelle Barr 04/19/2024

Print DCA Name

EXHIBIT A: IMPLEMENTATION & TRAINING PLANS (36 PAGES)

(Attached)

EXHIBIT A: IMPLEMENTATION & TRAINING PLANS
(36 PAGES)

Pima County, CO

Implementation Plan



Implementation Plan

Project Plan Overview

Please find our detailed project plan which the Kaizen team is happy to directly share in different formsupon request by the Pima County team.

Project Milestone	Estimated Time To Complete
Research and Creative Requirements	~2 weeks
Design, Protoyping, and Error Identification	~3 weeks
Data Conversions and Tyler Technologies Integration	~3 weeks
Hosting, Data Upload, and User Management	~1 week
Initial Build of Core Feature Requirements	~4 weeks
Iterate and Transfer Critical User Data	~4 weeks
Metrics and Analytics	~1 week

The Kaizen team will commence full performance of the completed point-of-sale and reservation management system by **August 1st, 2024.**

Research and Creative Requirements

In this phase we use a combination of qualitative and quantitative research methods to identify the following:

- Key users of the current platform and the paint points that define their current experience with graphics, interaction and navigation of existing recreation interfaces.
- Upon interviewing Pima County staff, the Kaizen team will uncover key requirements that inform special user elements and workflows that our design team will pay special attention to while constructing the interface. Examples include the following:
  - Desired report types and financial close process
  - Required documentation and customizations for facility rentals or reservations
  - Templated disclaimers, forms, and activity settings from program registrations
  - Templated messages for scheduled e-mail or text message notifications
  - Desired administrator notification settings, reminder settings, and user preferences
  - Desired settings for instructor dashboards
  - Analysis of stored household and customer records
    - Desired settings that must be transferred into new user profiles
  - Analysis of prior program settings
    - Desired programs and settings that must be transferred into the new platform for user convenience
  - Analysis of membership settings
    - Desired memberships and settings that must be transferred into the new platform for user convenience
  - Analysis of POS settings
    - Desired POS and settings that must be transferred into the new platform for user convenience
  - Related activities and processes that will inform a seamless transition between recreation platforms

Design, Protoyping, Error Identification

In this phase, we create and refine various prototypes to be tested and deployed, including:

- Design wireframes and a user testing plan for review and approval by the Pima County.
- A live, accessible sandbox system that includes the following:
  - A full test environment for project users to use the new point-of-sale and reservation management system and make test registrations, memberships, POS items, summer camps, facility rentals, and other required feature workflows.
  - Newly designed landing pages that include information fully styled to the new branding aesthetic defined by the Pima County team including but not limited to: fonts, logos images, color palettes, and other assets.
  - Full reporting, resident workflows and payments.

In this phase, the Kaizen team will also establish a process for identifying and correction errors throughout the course of implementation. The frequent and rapid weekly feedback cycles that exists in this phase between Pima County Staff and Kaizen implementation specialists will allow the Pima County team to provide written feedback to our team every week, and iteratively resolve errors or feedback based on required deliverables produced by the Kaizen team. **Our team relies on the information gathered from this stage to quickly understand the needs of staff members, user identify of Pima County residents, and important prioritization of the most critical needs.**

Data Conversion and Tyler Technologies Integrations

In this phase, Kaizen representatives will scope out requirements and integrations required to support the requested integration with the following Pima County systems:

- Tyler Financial System
- Bank of America Financial Services
- ActiveNet

Tyler Financial System and ERP

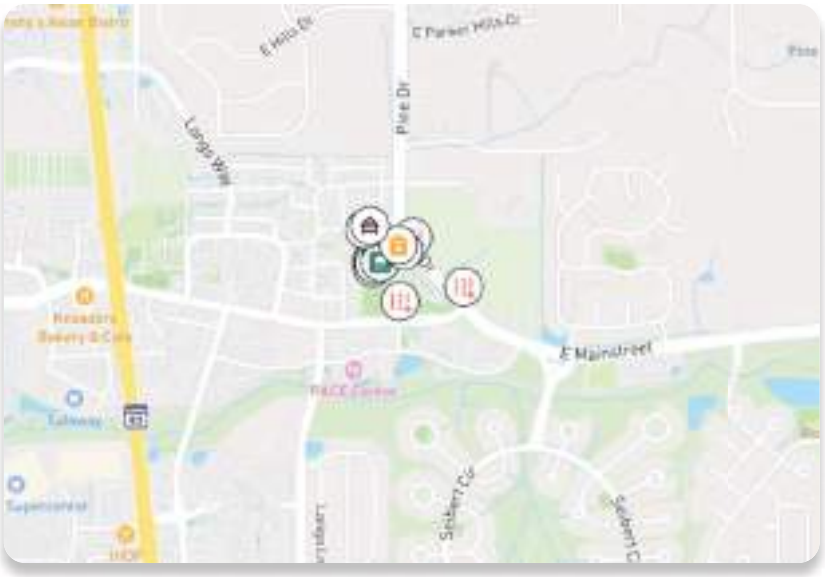
- Our integration team has integrated on multiple occasions with the Tyler Payments API, and our system will natively integrate into payment endpoints provided by the Tyler Payments system. Users on the Kaizen platform will administer payments normally for charges, refunds, invoices, and other payment needs, and our system will communicate with the Tyler Payments API on the system backend.
- Our system supports a bi-directional sync with this data via a polling API model such that data that lives outside our system and exclusively in Tyler Payments can be back-synced into the Kaizen platform at anytime.
- Our robust reporting engine supports out-of-the-box integrations with the entire suite of Tyler ERP systems - ERP Pro, New World, Eden, and other compatible versions. Our integrations team will configure all reporting features with an “Export To ERP” button that will communicate directly with a **physically hosted SQL server** that is managed by the County.
- Report data can be requested at any time, scheduled by administrators and sent to the Tyler ERP via a bi-directional sync.

ActiveNet

- Almost 50% of the communities that we have worked with thus far have used ActiveNet as a prior vendor and have (in some cases) decades worth of data to transfer. Our team is incredibly experienced in exporting ActiveNet data that can be easily ingested into our system before launch. County staff will provision Kaizen administrators with access to the ActiveNet system, and our engineering team will run report exports that will be passed to a scripting engine that will automatically import data into the Kaizen system.
- Our system is capable of importing user information, prior registrations, memberships, facility reservations, calendar data, household information, class registrations, and similar data models.

ArcGIS

- Our ArcGIS integration is capable of streaming all GIS data from a cloud-hosted or self-hosted ArcGIS instance. This data can be visualized on the Kaizen platform via our own map-tiling system.
- Our system supports out-of-the-box integrations with Google Maps and Mapbox to overlay realtime GIS data onto the latest generation map-tiles.



The Kaizen mapping system that integrates with upstream ArcGIS data and is beautifully rendered in our platform.

Initial Build of Core Features and Requirements

In this phase, Kaizen Labs will configure the interface that meets the most important and core requirements of the new Point-of-sale and reservation management System.

- Onsite Activity Registrations – with kiosk hook-ups.
- Program/Activity Registration (team or individual) with efficient copy /paste for ongoing programs with multiple classes, such as swimming lessons.
- Internet/App Registration and Enrollment (commonly-available computers and mobiledevices)o Facility Management/Booking/ Permits (in real time)
- Outdoor Sport Court/Field Permit Reservationso Equipment Rental (tables, chairs, AV, etc.)
- Cemetery plot sales and agreementso Community Garden Plot booking
- Aquatic Lane Use Booking/Reservation
- Tennis Court Reservations
- Park Site Reservations
- Golf Course Management
  - Tee time management
  - Tee sheet scheduling
  - Digital and mobile scorecard
- Direct Payment Processing from Customers
- Ability to auto-collect monthly fees: bank ACH scheduled renewal payments with minimal fees.
- Advanced Communications Features
  - Custom Activity Survey capability
  - Pre-designed templates including various email elements
  - Emailing capabilities including customers of like interests, etc.
  - Ability to print customer mailing labels.
  - Text Messaging (single and bulk)
  - Automated messages for birthdays, membership anniversaries, etc.
- Automated membership and locker rental renewal notices.
- League Scheduling
- Advanced POS Features
  - Beverage and food cart, merchandise, sponsorships, fee collection, and inventory.

- Childcare/Summer Camp Scheduling Reports/Booking and Attendance
- Locker Rental booking and payments
- Calendars: Activity/Facility/Event
- Volunteer Management: volunteer registration/sign-up, communication tools,
- Volunteer tracking, reporting.
- Ticketing capabilities; Events, Reserved Seating w/site map and seat assignments.
- Customer Gift Card purchases
- Fully customized and tailored reporting
    - Standard Reports in different formats: Facility/Court/Golf Course/Rentals Use, Memberships, marketing, financials, sales, Rosters, multiple users allowed.
    - Ability to export reports as pdf, Excel, etc.
    - Financial Reports for multiple GL accounts
    - Program/Marketing Reports
    - Member Reports
    - Program attendance rosters
    - Usage reports for members and drop-in customers
    - Ability to create and save ADHOC reports
    - Ability to schedule generated reports, weekly/daily/ etc. and emailed to designated staff member(s).
    - Facility utilization reports
    - Customer population reporting
    - Single entry of class descriptions across platforms (catalog, social media, marketing)
    - Payment by Customer / Processing Fee:
        - County is to receive full payment for all RMS transaction by Customers.
        - County will issue payment to RMS Provider for Customer’s transactions.
    - On-going Training opportunities, both Virtual and On-Site
    - Membership entry compatible with unique access code
    - Mobile compatibility
    - Cloud-based functionality
    - Fully compatible with existing equipment
    - Musco-lighting integration
    - Full cybersecurity adherence

- Optimal performance on Chrome or Edge
- Graphic elements that are customizable by County, e.g., branding design elements, logo and editable headers and footers
- Full import and data conversion from ActiveNet

Iterate and Transfer Critical Data

In this phase, Kaizen Labs will complete the application build-out, and transfer critical user data from the existing recreation software and prepare for launch.

User Account Information: Our team is experienced in exporting all user information from the existing ActiveNet and CourtReserve systems in long-form data formats like CSV or XLSX. At this point, Kaizen administrators can import this information into the new system using a bi-directional data sync that can be easily run at automated periods suggested by the Pima County team. This will ensure that the latest user information is transferred up until the desired go-live-date. We are capable of transferring all user information that does not violate any State defined PII (personally identifiable information) statues or clauses.

Calendars, Past Programs, Reservations, and Memberships: Using a similar data export process, our team will export critical registration and reservation information from the existing recreation software and begin syncing data into the new platform. Our system is capable of transferring one million data records every hour, and in many cases our transfer process is complete with 72 hours. Data is then ingested into our platform using a bi-directional data sync that can easily be automated to run at periods suggested by the Pima County team. Data that can be transferred includes but is not limited to:

- Prior or currently active facility rentals and reservations
- Customer and POS information
- Prior or currently active calendars, scheduled events, and programs
- Prior or currently active program registrations, camp registrations, rosters, and disclaimers
- Prior or currently active form submissions, stored documents, and non-expired waivers
- Prior or currently active membership registrations and payment statuses
- The Kaizen team is happy to write an additional integration to transfer data forms not mentioned above. This comes at **no cost to the Pima County team.**

Metrics and Analytics

Kaizen Labs harvests two (2) classes of analytics. The first class comprises web interactions like the following:

- Unique visitors
- Number of application visits
- Time spent on each page
- Outbound link clicks
- Button clicks
- Geographic region of access
- Bounce rate
- Device used
- Top pages

The data for these interactions is never sold, manipulated or viewed by any third party. We take great care to secure these metrics and contractually ensure that they are owned and used entirely by the Pima County team..

The second class of metrics comprises custom, project-specific analytics. **We support an unlimited amount of custom additions and never charge for this service.** In this case, Kaizen Labs would create an analytics dashboard for administrators that would delightfully visualize empirical data for the following:

- Number of application page visits filterable by periods of time
- Number of actions, transactions and customer service requests
- Application searches grouped by category, keyword and view result
- Number of requests and responses per department
- Weekly, monthly and yearly snapshots of application performance
- Facility reservations, membership usage data, inventory reporting and more
- Programs, rosters, camp registrations, and recreation center usage
- POS usage
- Kiosk usage

Hosting, Data Upload and Number of Users

Kaizen Labs offers a white-glove service for all of its products. Part of this service includes free hosting and data storage with no constraints on storage limits or bandwidth usage. We will use Google Cloud to host and run all web services, which is a cost and overhead completely assumed by us. At scheduled intervals determined and approved by the Pima County team, we will perform maintenance of the system where new design improvements, requested changes and performance enhancement will be made to the application. At the request of the Pima County, Kaizen Labs will provide coding and development documentation and artifacts.

Our products are also capable of having over 10,000 concurrent user sessions, meaning that 10,000 individuals can freely use our interfaces at the same time with no performance degradation. We perform monthly tests to confirm this metric, distribute our services across data centers around the world, and ensure that all applications load seamlessly under high-volume usage.

Team Structure

Please meet our experienced and credentialed team for the Pima County's Point-of-sale and reservation management System project (additional team members can be assigned at the request of the County):



Nikhil Reddy

Co-Founder & CEO

Education

- UC Berkeley
  - BS, Electrical Engineering
  - BS, Computer Science
  - Minor, Urban Planning
  - Minor, Philosophy

Resume

- Early engineer at Anduril Industries
- Engineer at Tesla Motors

Key Responsibilities

- Key Project Lead
- Engineering Lead
- 5 years in role

Nikhil Reddy is a graduate of the University of California, Berkeley where he earned a Bachelor's in Electrical Engineering and a Bachelor's in Computer Science and minored in Urban Planning and Philosophy. He was an early engineer at Anduril Industries, a next-generation defense company working on the autonomous future of national security. He led large engineering and design teams in the development of drone interfaces for military operators around the world. He was a founding engineer at Archive Resale, a design startup building native, customizable, resale marketplaces for the world's best fashion brands. Nikhil has 8 patents for complex software systems related to drone flights-planning, and has won multiple design awards for his work building beautiful web-applications and e-commerce systems.



Debra Bilbrey-Honsowetz

Strategic Advisor and Former Parks & Recreation Director

Education

- Eastern Michigan University
  - Bachelor of Science

Resume

- Director of Canton Leisure Services, 30 years
- Director of Northville Recreation, 2 years

Key Responsibilities

- Project Advisor
- Product Guidance
- Strategic Accountability
- 1 year in role

Deb has more than 33 years experience in the Parks and Recreation field. Most recently, she successfully led Northville and Canton Township's Recreation Departments for a combined 30+ years. She is known as a leader whose strengths include fostering development of innovative recreation programs, while managing a $10 million operating budget and capital improvement projects, along with 56 full-time and 300 part-time employees.

After her retirement, Debra joined Kaizen as a strategic advisor. She keeps the Kaizen team grounded and focused on building core product that genuinely makes the lives of Parks & Recreation Staff easier. Her direct experience and unique focus on the pain-points of Parks & Recreation teams allows our team to maintain accountability and build the best possible product for our partners.



Sue Martin

Strategic Avisor and Former Parks & Recreation General Manager

Education

- Michigan State University
  - BS, Psychology

Resume

- General Manager of Sarasota Parks & Recreation, 19 years

Key Responsibilities

- Project Advisor
- Product Guidance
- Strategic Accountability
- 1 year in role

Sue brings nearly 20 years of experience to Kaizen after a two-decade long tenure at the Sarasota Parks & Recreation Department.

She has managed nearly every aspect of the thriving department, and joined Kaizen as a strategic advisor in 2023.



KJ Shah

Finance Lead

Education

- UC Berkeley
  - BS, Business Administration
  - Minor, Education

Resume

- Investment Analyst at William Blair
- Chief of Staff at Flockjay

Key Responsibilities

- Project Manager
- Training Lead
- Finance Lead
- 5 years in role

Before he co-founded Kaizen, KJ began his career in finance and technology. As an Investment Banking Analyst at William Blair, he contributed to transactions worth over $2B, including IPOs, M&A, and equity raises for high-growth software firms. He also assisted in projects focused on civic technology clients.

Later, KJ joined Flockjay, an edtech firm, as Chief of Staff to the CEO, where he handled investor relations, finance, business operations, and strategic planning. KJ is also a passionate hiker and backpacker, and has transformed his hobby into a successful photography business, showcasing his work to a global audience.



John Puma

Customer Success Lead

Education

- Northeastern University
  - BS, Management & Entrepreneurship
  - Minor, Health Sciences

Resume

- Head of Ops at AbstractOps
- Head of Ops at Places For Less

Key Responsibilities

- Customer Sucess Manager
- Operations Lead
- 2 years in role

John is a seasoned startup professional with 7 years of experience and expertise as a former founder in the real estate technology market. Equipped with a degree in Management and Entrepreneurship from Northeastern University, John launched a company during college that was successfully acquired.

His early-stage startup knowledge has been instrumental in scaling operations for 12+ startups and contributed to fundraising efforts of over $90M. Prior to joining Kaizen, John led operations at AbstractOps where he helped organizations navigate payroll tax compliance with state agencies and local municipalities.



Emeline Wu

Implementation Manager

Education

- Stanford University
  - BS, Computer Science
  - Minor, Mathematics

Resume

- Product Manager at Palantir
- Software Engineer at Palantir

Key Responsibilities

- Product Manager
- Implementation Lead
- 5 years in role

Emeline is an engineer-turned-product manager who has spent 8 years leading software engineering and design teams. Before joining Kaizen, she focused on data analytics solutions servicing both government and commercial customers at Palantir Technologies.

She worked directly with customers to utilize their data to solve critical business problems. Prior to Palantir, she worked in bioengineering: at a genomic sequencing startup and orthopedic surgery research lab.



Rachel Rose Waterhouse

Design Lead

Education

- UC Irvine
  - BS, Informatics
  - BA, Anthropology
- ArtCenter College of Design
  - MFA, Media Design Practices
- University of Washington
  - MS, Human Centered Design & Engineering

Resume

- Engineer and Designer at Rivian
- Creative Technologist at SF MoMA
- Designer at NASA
- Designer at CalTech

Key Responsibilities

- Front-End Engineering Manager
- Design Lead
- Product Lead
- 5 years in role

Rachel Rose Waterhouse is a designer and engineer with expertise in qualitative UX research, systems thinking, and iterative design and development. Rachel excels in hybrid roles within multidisciplinary teams, where she tackles complex domains and open-ended challenges to craft creative and engaging solutions. Prior to joining Kaizen Labs, Rachel worked as a frontend engineer and designer at Rivian, where she designed and built scalable software tools to support manufacturing. She also designed and developed data visualization tools for NASA JPL and CalTech, interpreting deep sea ocean sediment and cloud simulation data. Rachel's portfolio includes work for clients such as SFMoMA, Intel, Google, California College of the Arts, and independent media artists as a creative technologist.



Apollo Jain

Deployment Manager

Education

- UC Berkeley
  - BS, Electrical Engineering & Computer Science
  - MS, Electrical Engineering & Computer Science

Resume

- CTO at Associated Students of UC
- Engineer at Anduril Industries
- Engineer and Scientist at STR

Key Responsibilities

- Back-End Engineering Manager
- 5 years in role

Apollo was the Chief Technology Officer at the Associated Students of the University of California, where he led several software projects for the undergraduates. He also conducted renewable grid County planning research at the Renewable and Appropriate Energy Lab (RAEL), where his team won the United Nations Global Pulse Award. Apollo interned at Tesla Motors and Palantir Technologies before joining Anduril Industries, where he contributed to the company's Counter-Drone Portfolio, winning a $99M contract through the Defense Innovation Unit (DIU).

He later worked at Systems & Technology Research (STR) as an Engineer in the Intelligence Tools & Applications Team, where he developed analytics software tools for the US Government and her allies.

County Staffing and Resource Requirements

In order to ensure the success of the project work plan and implementation plan, we have outlined our expectations for the Pima County's involvement below.

Project Responsibility of County Personnel	Description	# of FTEs
Project Lead	See next page	**0.05 FTEs**
Test Staff	See next page	**0.05 FTEs**
IT Staff	See next page	**0.025 FTEs**
Finance Staff	See next page	**0.05 FTEs**

- **Project Lead:** The County will appoint a skilled project lead who will act as our primary liaison. This person can be a senior recreation coordinator, management analyst, assistant director, or similar profile. This person will offer expert guidance to ensure the project's success. Involvement can include the following: arranging important meetings to track progress, promptly escalating any concerns or obstacles that arise with the platform, and providing guidance on key design or implementation decisions.
- **Test Staff:** We anticipate that department staff will be the most active internal users of the new platform. These individuals will be responsible for utilizing the platform as part of their daily workflow and will have the opportunity to provide valuable feedback to their department heads. This feedback can then be shared with Kaizen for ongoing improvements to the platform.
- **IT Staff:** The County will appoint a key IT staff member that will be contacted for tasks such as: final domain DNS pointer management, domain whitelisting, and other small IT tasks that should be able to be completed in 30-45 minutes.
- **Finance Staff:** The County will designate key finance staff members to facilitate any integrations with preferred payment gateways. These staff members will collaborate closely with Kaizen staff to guarantee that all necessary configurations, including accounting and reporting, are accurately set up.

Compatibility

One of our proudest accomplishments is the ability for our software to remain performant, stunning, and usable across all computer devices, regardless of platform or form factor. **The only requirement for our platforms is an internet connection and access to a web-browser like Chrome, Microsoft Edge, Opera, or Firefox.**

Minimum Browser Version

- Chrome Version 84
- Microsoft Edge Version 99
- Opera Version 10
- Firefox Version 100



iPhone



iPad



Desktop

Your Strongly Desired Capabilities At A Glance

We invite you to explore the full range of our offering in our provided attachments, but the Kaizen team wanted to specifically highlight a few of the capabilities that the Pima County team specifically listed as high value for its staff and residents.

Discovery

Our Point-of-sale and reservation management System is designed to provide a beautiful and informative discovery experience, making it easy for both residents and visitors to explore and engage with your County's parks, facilities, and other communal spaces. By enabling seamless navigation of your County, our software empowers users to spend more time enjoying the County's offerings and generates greater revenue for your department.

Facility, Court, and Campground Reservations

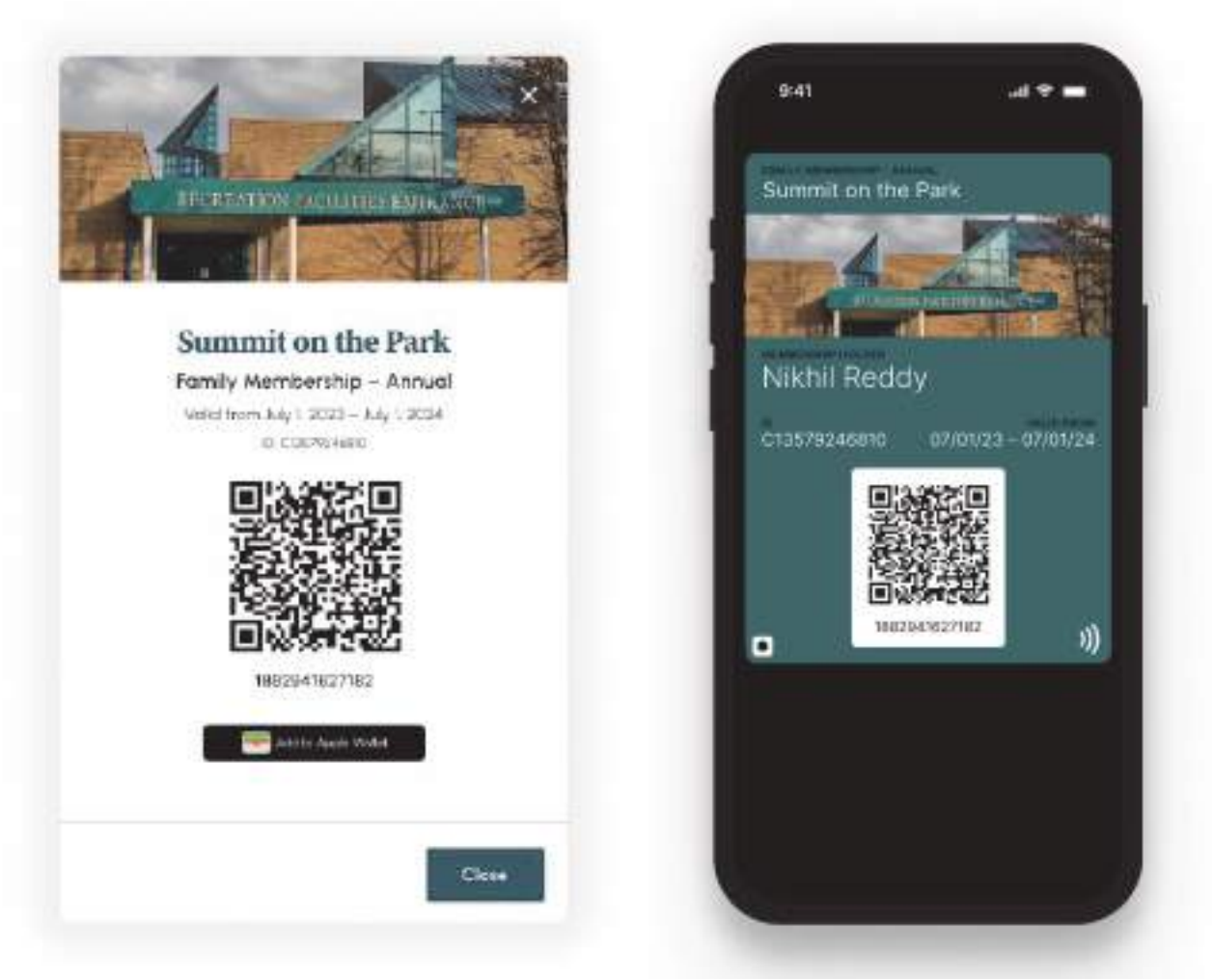
Our software enables efficient management of reservations across all your department's facilities, courts, fields, and other shared spaces, both in-person and online. Administrators can create and set custom filters to easily identify availability across search criteria. Each facility is showcased on its own dedicated page, with high-resolution photos, detailed descriptions, rates, location, and any other relevant information you wish to include. Our integrated master calendar ensures no double bookings occur, and our comprehensive reservation and checkout process includes deposits, permits, custom forms, and waivers that can be generated and emailed to customers or accessed directly through their platform accounts.

Activity and Program Registrations

Our software empowers County staff to efficiently create and modify activities and programs within your department, adjust pricing, generate digital forms, and assign relevant roles. We enable residents and visitors to securely register from any device they choose and provide the tools for staff to support the registration process. Our system assists in managing program participants by creating program rosters, tracking attendance records, wait lists and instructor payment records. We offer automated email receipts for registrations/permits upon checkout, ensuring a smooth and hassle-free experience. Whether it's a summer camp or a tennis match, our software streamlines the registration process and allows residents to fully participate in all the exciting activities and programs your County has to offer.

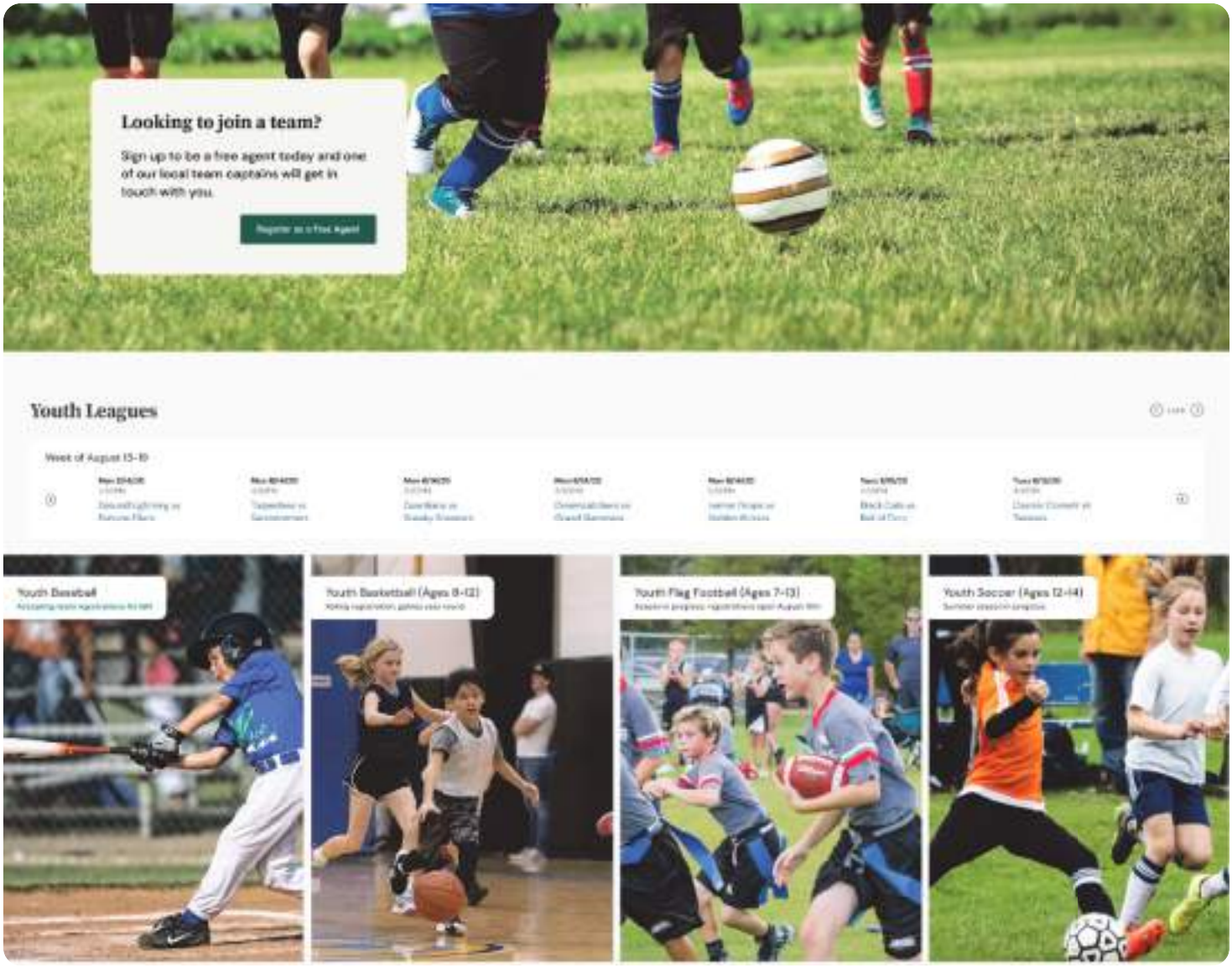
Membership Pass Management

Dynamic membership management capabilities are essential to any parks & recreation department. Kaizen's software supports a broad range of membership types, fully backed by member registration and onboarding flows, membership renewals and payments, member communication tools such as email and SMS, member event and program management, and data analytics to track member engagement and retention. By working with Kaizen, cities can streamline their operations, improve member experience, and increase retention rates. The software can also help with targeted marketing efforts to attract new members and grow the organization's community.



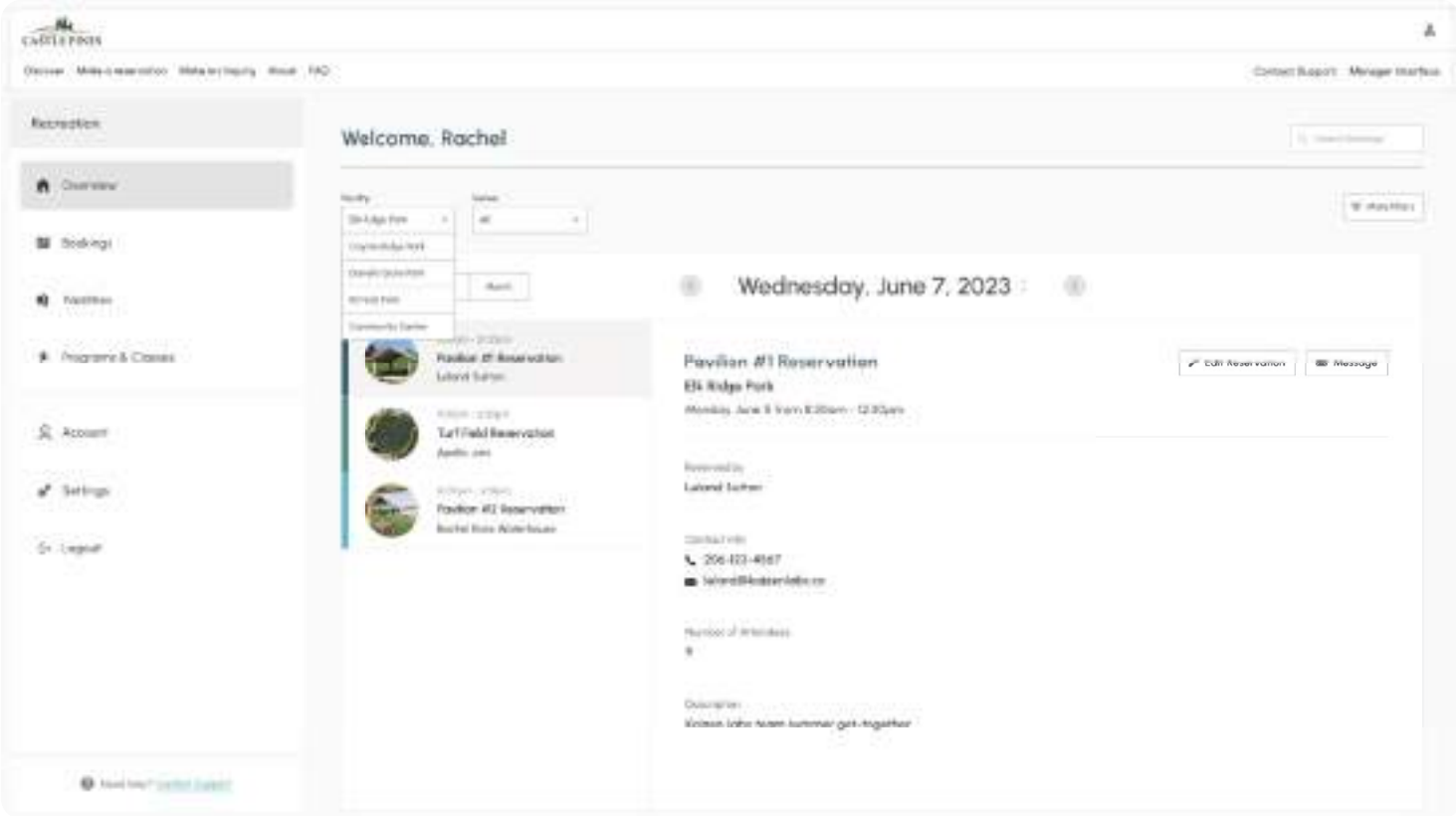
Next-Generation League Management

Our software offers comprehensive league management capabilities to streamline the organization and operation of sports leagues in your County. Depending on the needs of your department, these capabilities can include online registration and payment processing, scheduling and team management, scorekeeping and standings tracking, communication tools for coaches and players, and the ability to generate custom reports and analytics. With Kaizen, cities save time, reduce administrative burden, and improve the overall experience for local athletes.



Calendar Integrations

At Kaizen Labs, we understand the importance of keeping track of events and availability. That's why our system includes calendar integrations for both activities and programs as well as registration purposes. By integrating with popular scheduling providers like Google Calendar, we make planning easy and streamlined. Residents can easily manage their registrations, reservations, and other local engagements through their own dedicated calendar, centrally located in their platform account.



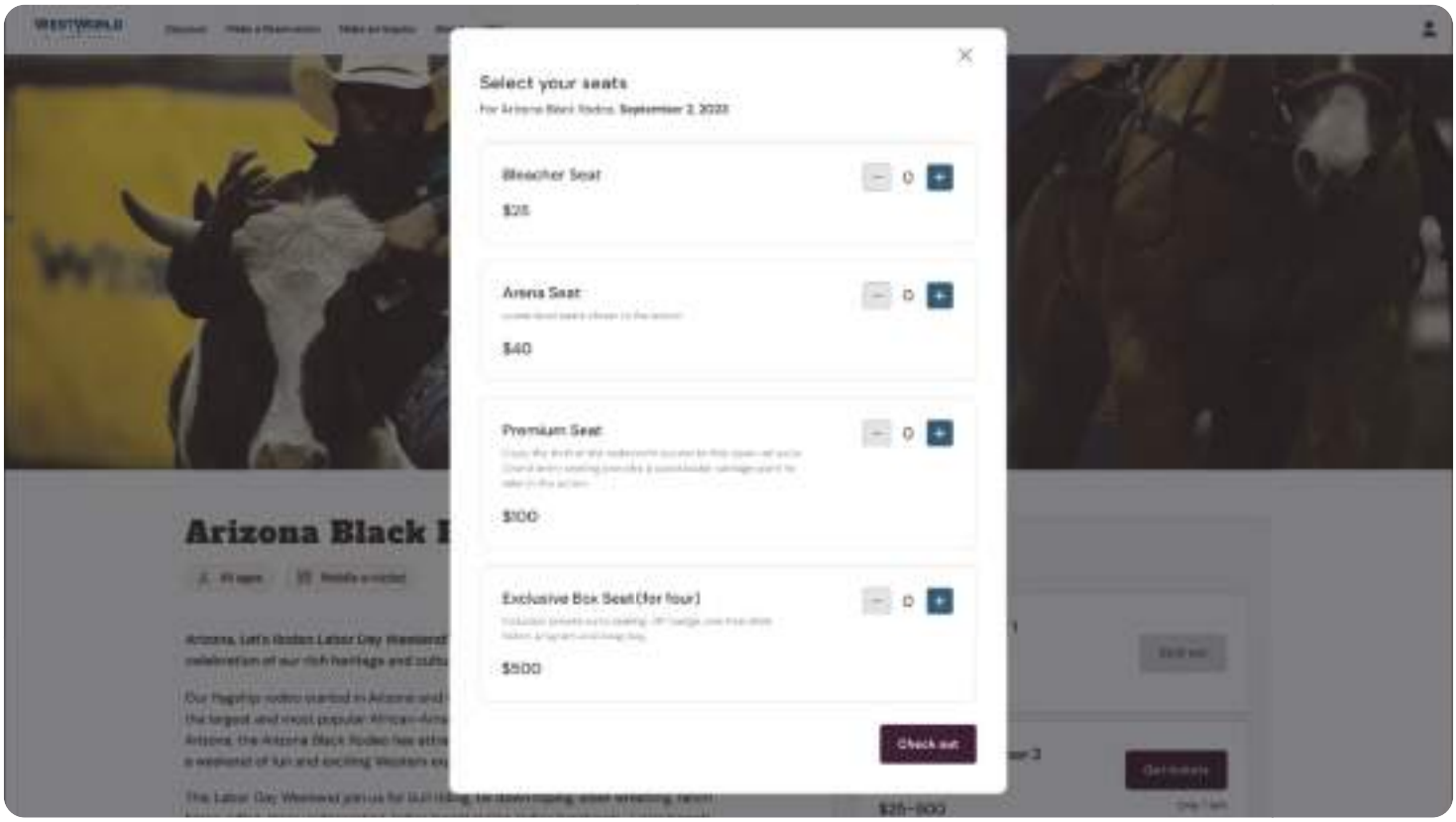
Real-Time Data Analytics, Financial, and Reporting

Kaizen Labs has developed a powerful and adaptable reporting tool that gives staff complete control over their department's data and how it is used. The tool is equipped with filters, fields, and tagging to streamline the process of retrieving information, and integrated communication flows make it easy to sort, save, and send custom reports.



Ticketing and Event Management

Community events play a vital role in enhancing the social, economic, and cultural fabric of any community. With Kaizen's Point-of-sale and reservation management System module, cities can easily generate and distribute tickets or registration proof for various community events. Users will receive their tickets and receipts via email and can retrieve them on their mobile device using QR code. Meanwhile, administrators can access a comprehensive management interface to verify purchases, registrations, and modify user access to events.



Physical and Digital Point-of-Sale

Kaizen's Point-of-Sale (POS) interface streamlines the transaction process for County staff, allowing them to quickly enroll participants in local programming, reserve facilities, and sell merchandise and concessions. Our integrated inventory control system allows for real-time tracking of product availability across all relevant locations, providing staff with accurate information on item stock levels. With the ability to seamlessly integrate with cash drawers, barcode readers, receipt printers, and credit card readers, this PCI-compliant gateway offers a streamlined approach to managing customer payments.

Mobile Responsiveness

Kaizen Labs is dedicated to providing a seamless digital experience across devices, whether users are using desktop, mobile, or tablet. By providing a responsive mobile experience, Kaizen helps cities ensure that their most vital services meet WCAG standards and stay open and accessible to everyone.

Resident Surveys and Inquiries

We make it easy to listen to your community! Kaizen Labs enables integrated surveys and feedback portals. This allows your County to capture public sentiment, triage any concerns, and respond to resident inquiries in a way that reaffirms their voices are being heard.

Marketing and Mass Comms with E-mail and SMS

Keep your residents in the loop! Whether it’s a community meeting, or a last-minute cancellation, schedule and send emails or SMS messages efficiently to ensure that your community stays informed and gets updates in real-time.

Implementation Plan

Cybersecurity Policies

All of our services are hosted on cloud servers (exclusively Google Cloud), and we maintain a quarterly security audit where our systems are vulnerability scanned, penetration tested, and cloud audited for regulatory changes, access control issues, and other security controls.

Data Storage

All of our data is stored on Linux-based, high-throughput cloud Postgres databases provisioned by Google Cloud. We have multiple redundancy zones for each database cluster. All data, including PI, SI, and PII information is backed up nightly and transferred to a fully encrypted cold storage cloud environment also provisioned by Google Cloud.

Data Encryption, Protection, Retention, and Disposal

All data is encrypted at rest, ensuring that it can only be accessed by authorized roles and services, with audited access keys. Data is first chunked and each chunk is encrypted with its own private key, and the key itself is also re-encrypted. If a chunk of data is updated, it is encrypted with a new key, rather than by reusing the existing key.

Data Backups

Data will be routinely backed up, as outlined under the ‘Data Storage’ section. All of our data backups exist as zipped SQL files that are stored in multiple redundant cold storage cloud solutions. Upon request, we provision and ship physical encrypted hard-drives to our customers.

All digital backups are fully encrypted using AES 256-bit encryption techniques. The service master key is automatically generated and stored in the system master database when provision the database. This key will be used to encrypt the database master key, which is unique to each instance and used to protect the certificate. The certificate is an asymmetric key that is actually used to encrypt the database backup.

Security and Privacy

In order to ensure that we deliver outstanding support to our partners, we prioritize security as our topmost concern. We remain compliant with the best security practices such as SOC2, HIPAA, and ISO27001 frameworks to safeguard sensitive resident data, including PHI, from loss, theft, or misuse. We also follow a secure-by-design approach and constantly integrate new security controls to monitor and address any suspicious activity. Our payment processing engine is PCI Level-1 Compliant, which is the most rigorous standard industry wide. We test this integration every day to ensure proper compliance standards and uptime. This PCI-compliant gateway offers a secure approach to managing customer payments.

Flexible Architecture

Flexibility Without Corruption

As inevitably is the case during long engagements with municipalities, customization and new integrations are important. Needs change, but that doesn't mean that systems should lose or invalidate data.

When we work with different communities, we make it clear that data that we import from other systems can be converted, manipulated, and imported without fear of corruption or loss.

To begin, all data is routinely backed up every 12 hours. These backups exist as zipped sQL files that are redundantly stored in multiple cloud locations. When data is transformed and imported into our platform, it goes through multiple rounds of escalation, first being imported into a development instance that has no impact on real customers or residents. If and only if data is processed successfully is the data transport escalated to our staging environment, which is an exact replica of our production environment. Finally after 2 rounds of exhaustive testing, cleaned data will be imported into our production interface for official import.

Full Configurability Out Of The Box

Whether it's handing a summer camp registration, tinkering with a facility reservation, or managing a community center membership, different municipalities require different system behavior. At Kaizen, this desired level of configurability isn't a system limitation, it's one of our biggest strengths. All of our interface come equipped with extremely powerful administrator dashboard that allow our partners to toggle everything from allowed booking types, supported payment methods, unique structures for pattern reservations, and similar functionalities out-of-the-box. By building for customization from the get-go, our platforms give maximum authority to the Pima County team to decide how the system should perform and for administrators and residents.

Steve Reilly Parks & Recreation Director, Weymouth MA

"The Kaizen platform has out-of-the-box configurability unlike any platform I have used in more than 25 years working in Parks & Recreation."

Implementation Plan

Test and Production Environments

For all of our deployments, the Kaizen team follows an incredibly rigorous and well-tested deployment procedure to ensure system efficacy and usability. Here is a brief outline of how we delegate responsibility and system function across multiple environments and escalate our final interface deployment into a production setting.

1. **Test Environment Setup**
   - Set up a dedicated test environment that mirrors the production environment as closely as possible.
   - Ensure the test environment includes all necessary hardware, software, and infrastructure components.
   - Populate the test database with a representative dataset that covers a wide range of scenarios and use cases.

2. **Unit Testing:**
   - Conduct unit testing for each individual detailed process and transaction.
   - Develop test cases for each unit of code to ensure its functionality meets the specified requirements.
   - Utilize automated testing tools and scripts where possible to streamline the testing process and ensure consistency.

3. **Parallel Testing:**
   - Conduct parallel testing, if appropriate, to compare the performance and results of the new system with the existing system.
   - Run transactions and processes simultaneously in both systems to ensure consistency and accuracy.
   - Identify any discrepancies or issues between the old and new systems and address them accordingly.

4. **System Testing:**
   - Perform comprehensive system testing to validate all processes, interfaces, and conversions.
   - Develop test scenarios that cover all possible workflows and user interactions within the system.
   - Test all interfaces to ensure seamless communication between different modules and external systems.
   - Verify the accuracy of data conversions by comparing the data in the new system with the original source data.
   - Execute test cases to validate the functionality of reports, account history, notes, and ad-hoc reporting features.

5. **Verification Methods:**
   - Implement methods to verify the accuracy of information relative to transaction processing and data conversion.
   - Conduct data reconciliation to ensure consistency between different data sources and modules within the system.
   - Perform end-to-end testing of critical processes to verify the integrity and completeness of transactions.
   - Utilize sampling techniques to validate a representative sample of transactions and data elements.
   - Engage end-users and stakeholders in user acceptance testing (UAT) to validate the system against their requirements and expectations.

6. **Production Environment Setup:**
   - Set up a production environment that mirrors the test environment, including a complete mirrored database.
   - Ensure all functional, technical, and performance requirements are successfully demonstrated in the production environment.
   - Validate the production environment through rigorous testing before transitioning to live operations.

7. **Documentation and Reporting:**
   - Document all test cases, test results, and issues encountered during testing.
   - Provide clear and detailed reports on the testing process, including any deviations from expected results and their resolutions.
   - Maintain comprehensive documentation for future reference and audit purposes.

Implementation Plan

Schedule

Our deployment team will complete the development and delivery of a flagship point-of-sale and reservation management interface for full launch by August 1st, 2024.

Milestone	Estimated Date(s) of Completion
Phase 1: • Stakeholder engagement • Final project scope confirmation	March 2024
Phase 2: • Functional design prototypes • Initial platform construction	April 2024
Phase 3: • Data, reporting and CMS • Data conversion, import, and account transfer	May 2024
Phase 4: • Deployment and testing • Staff training sessions 1-4	June 2024
Phase 5 • Complete build and host application • Capture key metrics and analytics	July 2024

Pima County, CO

Training Plan



Training Plan Overview

Our user training sessions typically consist of four (4), two (2)-hour sessions. Kaizen Labs takes a hands-on, personal approach to user training. Rather than providing a mere manual, we provide in-person training sessions, supplemented by additional virtual trainings, to ensure everyone is fully trained and confident in their new knowledge. It is important to us that everyone is as comfortable navigating and editing the system as we are. Our team can guarantee that senior level personnel will provide training themselves. Digital resources will be combined with our personal experience to provide the best training possible at each session. After initial training, the County will be equipped to implement the **Train the Trainer Approach**, at it's discretion.

It is recommended to do all training sessions in person. However, our team is prepared to create any type of training format that best suits the County. We offer this training as ongoing support throughout the deployment phases. We further understand that County staff will require help desk support in order to handle any technical issues that may arise. Please review our four (4) session training model in detail as follows:

- **Session 1** provides training to administrators on the complete citizen-facing workflow so they can easily answer support queries, suggest improvements and learn about each step of the reservation or management process.
- **Session 2** provides training on all administrator interfaces and portals. This training covers administrative actions, support edge cases and every feature related to processing an inquiry.
- **Session 3** provides training related to all third-party integrations and reporting. We provide training to administrators on analytics dashboards that promote good digital hygiene around analytics, weekly reporting and sharing success metrics with other departments.
- **Session 4** provides a live play test where we work closely with administrators to simulate a series of citizen interactions including customer support requests and physical scenarios like in-person payouts or registration. Our focus in this session is to cover all major features of the platform, ensure system efficacy and prepare administrators for production deployment.

Documentation and Recorded Videos

Kaizen is fully committed to meeting the documentation requirements outlined in the RFP. We understand the critical importance of providing comprehensive support for the system post-implementation. As part of our commitment, we will diligently prepare and maintain all necessary documentation, including but not limited to training materials, online help resources, product documentation, how-to guides, and any training delivery documentation. Our aim is to ensure that the system operates seamlessly and can be efficiently maintained by your team. Kaizen is dedicated to delivering a holistic solution, and we take pride in our proactive approach to documentation and support.



The Director gives it a try



Making friends and talking Parks



Diving deep into our rich new features



Ideating on the future of the platform



Our engineers, product leads, and the Weymouth team

Will Ashworth Facilities Coordinator, Weymouth MA

"The best user training I've ever had. I finally felt like I was using an application built in this century."

To begin, Kaizen never charges an additional fee or hourly rate for any training. We bear the cost of all transportation, lodging, meals, during training sessions. We stand behind our products and do not believe that our customers should have to pay to be trained to use our products.

Training In Different Contextual Settings:

- A dedicated training team will be responsible for conducting in-person training for both on and off-site classes. This team is comprised of our company's product managers and customer success specialists. They are technical individuals who have been trained extensively with our platform and work directly with engineering teams to build new features. These trainings happen on a quarterly basis, and our in-person team commits to staying on customer location for the entire week to conduct trainings for staff, customers, and other individuals.
  - Our team often collaborates directly with the Communication and NRPR teams to organize in-person trainings for residents that want to learn how to use the new system if interesting to the community.
- This team at Kaizen is also responsible for providing **unlimited** virtual trainings via Microsoft Teams or virtual call. These trainings can be requested as frequently as necessary by County staff, and are designed to provide quality guidance on how to use our platforms. These sessions are recorded and sent to staff for future references, and customers can request a session at any time via direct message, e-mail, or phone call.
- Core Project team training is conducted as a series of in-person classroom workshops as described in the previous page. Our intention is to thoughtfully integrate with the core users of our platform and make sure they are fully trained on every interaction method.
- Technical training for administration and data related services are also conducted in-person and virtually. Every deployment team at Kaizen that conducts an in-person training session is also equipped with an integration and data engineer at the company, meaning that staff time can be scheduled at anytime during our in-person week with this individual. Additionally, they are also present during virtual trainings.

County Role During Training

- Our intention is that the County shall bear no responsibility for designing and implementing the training plan, and developing training materials.
- The Kaizen team offers a white-glove training service, meaning that it is our responsibility to compile all these materials and design a training plan that is compatible with the County.
- The County's primary role will involve helping with the logistics around choosing dates for in-person trainings and organizing staff in a central room location or facility. Before trainings start, the Kaizen team will reach out to Core Project resources as a part of the County to better understand what areas of training should receive more focus. Our hope is that the County team is also involved in this process of feedback and iteration so we can conduct the best possible training sessions.

On-Going Training

- On-going trainings can be requested at any time by County staff, and the Kaizen team contractually agrees to free in-person training and feedback sessions once a quarter. This process is free-of-charge, and our in-person deployment team will work with the County to plan these quarterly in-person training sessions well in advance.
- We believe deeply in running in-person training sessions quarterly because our platform is dynamic and constantly improves - our goal is to push updates that improve the overall experience for residents and staff as frequently as we can, and quarterly training sessions are important for our team to acquaint ourselves with staff and ensure that there is close collaboration between our team and the County's when these new features are released.
- Virtual training can be requested for free at any time via e-mail, phone, or direct message. There is no limit on these trainings and the Kaizen team contractually agrees to scheduling virtual training sessions with staff within one week of request.
- Topics for training sessions when not centered around specific queries or workflows requested by the County will be focused around new product features, platform features, end-user experiences, administrator features,and reporting export.

Customizing our out-of-the-box training

- As expressed throughout this proposal submission, our company's core competency is the customization of our interfaces, design, process, and implementation to match the needs of the County's specific workflows. The same applies to our training process. If the County requests that specific information or process be conducted during training session, our team is welcome to feedback to iterate and define new process.
- 2 weeks before any in-person training session, our team will submit an official training plan outlining a schedule and key objectives of the training. If the County has any modifications to this process, we ask for a one-week resolution period so our team has enough time to prepare for a revised training process.
- For virtual trainings, custom requests can be made and the virtual meeting will include relevant staff members that are most helpful for County staff to walk through specific workflows, requested changes, and other key processes.

At-will and online-help

- As we encourage readers to view in our support and training section, the Kaizen team is incredibly committed to the production of training manuals, instructional videos, frequently updated private forums for our customers. Our intention is to share learnings with different communities and encourage a culture of feedback and iteration. These services come at no cost to Pima County, and are in addition to our personalied in-person and virtual training sessions with direct Pima County staff.

EXHIBIT B: ONGOING SUPPORT PROGRAM (8 PAGES)

(Attached)

EXHIBIT B: ONGOING SUPPORT PROGRAM (8 PAGES)

Pima County, CO

Support Program



Support Program

Support and On-Going Maintenance

Kaizen Labs is committed to providing the Pima County with the necessary support to guarantee the ongoing success of our proposed platform. Our team of live support personnel, based in the United States, is available to answer any questions that your staff members may have and provide them with the necessary guidance to ensure their confidence in using the platform around-the-clock.

1. **Technical Support Staff**
   - Kaizen will assign a team of five dedicated technical support staff, including two system administrators, two database administrators, and one technical support specialist. These rotating staff members will be available 24/7 to assist the County with any technical issues that arise. Communication methods include phone, e-mail or Microsoft Teams direct message These team members are required to have a minimum of five years of experience performing customer support and technical partnerships work at similar companies serving customers like Pima County. These teams work directly out of company headquarters located in both Los Angeles and New York City.

2. **Emergency and 24x7 Support:**
   - Enhanced emergency support will be available 24/7 for critical issues that require immediate attention. County staff can contact our on-call support team at any time by contacting via e-mail, Microsoft Teams message, or phone. An on-call member of our technical staff is available to troubleshoot issues and is equipped with multiple escalation procedures to ensure prompt resolution in the case of severe issues like outages.

3. **Service Level Agreements:**
   - SLAs will be established for repairing standard system problems.
     a. **Critical Issues:**
        - Level 1: Response time of 15 minutes, resolution target of 1 hour.
        - Level 2: Response time of 30 minutes, resolution target of 4 hours.
        - Level 3: Response time of 1 hour, resolution target of 8 hours.

     b. **High-Priority Issues:**
        - Level 1: Response time of 30 minutes, resolution target of 4 hours.
        - Level 2: Response time of 1 hour, resolution target of 8 hours.
        - Level 3: Response time of 2 hours, resolution target of 16 hours.

     c. **Low Priority Issues:**
        - Level 1: Response time of 1 hour, resolution target of 8 hours.
        - Level 2: Response time of 2 hours, resolution target of 16 hours.
        - Level 3: Response time of 4 hours, resolution target of 24 hours.

4. **Future Enhancements and Upgrades:**
   - A dedicated product development team will be responsible for evaluating, prioritizing, and developing future enhancements and upgrades. Regular meetings with the County's stakeholders will be held to gather feedback and prioritize development efforts, with quarterly releases of new features and enhancements.
   - In many cases, these improvements get rolled out on a monthly basis,
   - **Kaizen never charges an additional fee or hourly rate for these changes. We feel like our platforms should behave like a flagship application on your favorite App Store. It should frequently update with the latest features and improvements without prompting you for additional payment.**

5. **Tiered Support Options:**
   - Enhanced support is available for all of our communities at no additional charge. We do not bucket our customers into support tiers. Instead, we invest heavily in our support mechanisms and provide the best possible support to every community that signs on with us.

6. **Extended Agreements:**
   - That said, extended agreements will be available to provide additional services or benefits, such as extended support hours, dedicated account management, or custom development services, if desired by the Pima County team.

7. **Hourly Cost for On-Site Technicians:**
   - On-site technicians will be provided for **free** during regular business hours and after-hours support, with **no minimum charge per visit**. Additionally, remote support tools will be provided to expedite issue resolution and reduce downtime. We stand behind the products we build, and if something is wrong, it is not Pima County's responsibility to pay for a resolution.

8. **User-based Support Groups:**
   - User-based support groups or programs will be established, such as an online community forum, where users can ask questions, share best practices, and provide feedback to the proposer. Monthly webinars and training sessions are conducted to educate users on new features and best practices..

9. **Implementation Support Services:**
   - Comprehensive implementation support services will be provided to assist the County with the initial setup and deployment of the solution. This will include on-site training, documentation, and technical assistance during the implementation phase. A dedicated implementation team will be assigned to the County to ensure a smooth transition.

10. **Implementation Support Services:**
    - Comprehensive implementation support services will be provided to assist the County with the initial setup and deployment of the solution. This will include on-site training, documentation, and technical assistance during the implementation phase. A dedicated implementation team will be assigned to the County to ensure a smooth transition.

11. **Client Requests for Enhancements**
    - Client requests for enhancements or corrections to the software will be evaluated based on their impact and feasibility. Requests that are deemed beneficial to the majority of clients will be included in future upgrades at no additional charge. A dedicated feedback portal will be provided for clients to submit and track enhancement requests.

12. **Support Methods and Hours**
    - Enhanced support methods, such as phone, email, and Microsoft Teams chat will be available 24/7, with guaranteed response times of 30 minutes for critical issues and 2 hours for non-critical issues. Additionally, a dedicated support portal will be provided for clients to submit and track support requests.

13. **Senior Technical Advisor Availability:**
    - A senior technical advisor will be available 24/7 with cellular phone support for the duration of special processes or events, ensuring that the County has access to expert technical support when needed. Quarterly business reviews will be conducted with the County's stakeholders to review performance and discuss any upcoming needs or enhancements.

14. **Sample Annual Maintenance Agreement:**
    - A sample of the annual maintenance agreement will be provided, outlining the terms and conditions of the maintenance agreement, including support levels, fees, and terms of service. The agreement will be flexible to accommodate the County's evolving needs and requirements.

Schedule For Addressing Issues Or Defects

Ranking Scale

- Critical: Issues that cause system downtime or significantly impact core functionality.
- High: Issues that impact multiple users or critical processes but do not cause system downtime.
- Low: Minor issues or cosmetic defects that do not impact functionality.
- Problem types include but are not limited to: system crashes, data corruption, security vulnerabilities, functionality errors, performance degradation, user interface issues, cosmetic defects, usability improvements.

Issue Resolution Process

- Critical: Immediate escalation to Level 1 support for resolution within 1 hour.
- High: Escalation to Level 2 support for resolution within 4 hours.
- Medium: Escalation to Level 3 support for resolution within 24 hours.
- Low: Added to backlog for resolution based on priority and resources.
- Clients can submit enhancement or correction requests through the support portal.
- Requests are reviewed by the product development team and prioritized based on impact and feasibility. **These requests are shared with all of our partners during recurring scheduled update meetings. Approved enhancements are added to the product roadmap for inclusion in future releases. Enhancements are included in regular software updates and made available to all clients at no additional charge.**

Support Program

Hardware Maintenance

Kaizen Labs is committed to providing the Pima County with the very best hardware to serve residents and staff. We supply card readers, iPad Kiosks, mobile workstations, and the desktop computers required to support a healthy, thriving operation. We are also capable of integrating with existing County hardware and adhere to the following maintenance practices for appropriate hardware.

1. **Credit Card Readers**
   - Regular inspection and cleaning of card reader heads to ensure proper functionality.
   - Regular software updates that happen over-the-air while readers are charging over night.
   - Firmware updates to address security vulnerabilities and improve performance.
   - Replacement of worn-out parts, such as card reader heads or cables, as needed.

2. **iPad Kiosks:**
   - Regular software updates to ensure compatibility with the latest operating system.
   - Physical inspection for signs of damage or wear, with replacement of damaged parts.
   - Battery health checks and replacement if battery life becomes a concern.

3. **Mobile Workstations:**
   - Regular software updates and security patches to ensure data security.
   - Inspection of hardware components, such as screens, keyboards, and batteries, for signs of wear or damage.
   - Replacement of batteries and other consumable parts as needed.

4. **Desktop Workstations:**
   - Regular software updates and security patches to maintain system integrity.
   - Cleaning of dust and debris from internal components to prevent overheating.
   - Upgrades to hardware components, such as RAM or storage, to improve performance and extend lifespan.

5. **Desktop Workstations:**
   - Implementation of a regular maintenance schedule for all hardware components. Once every three years, our customers are eligible for a complete replacement of all Kaizen-provided hardware.
   - Monitoring hardware performance metrics to identify potential issues before they become critical.

Support Program

Software Updates

We started Kaizen because we believed there was a leap that municipal software could take, and a large part of that was in the way these systems were updated over time. Too often, a piece of software becomes stagnant by the time its deployed, and updates cost a small fortune. We build our software with the principle that it should function like an application on the App Store - frequently updated with the latest improvements, fixes, and performance enhancements without costing an extra dime. Our incentive is to build the best possible product and have the happiest customers, and we find that this relentless commitment to upgrading and improving our software for free is key to fulfilling that promise.

1. **Defining Software Upgrade**
   - An upgrade to software refers to a significant release of the software that introduces new features, functionalities, fixes, or improvements to existing features. Upgrades are usually denoted by a change in the version number (e.g., from version 1.0 to 2.0) and may require additional installation steps or configuration changes. Upgrades are often optional but can provide substantial benefits in terms of performance, security, and functionality.

2. **Defining Software Update**
   - An update to software refers to a minor release of the software that typically includes bug fixes, security patches, and minor enhancements. Updates are usually denoted by a change in the version number (e.g., from version 1.0 to 1.1) and are often recommended to ensure the software remains stable, secure, and compatible with other systems. Updates can be installed easily without requiring significant changes to the system configuration.

In each case, the Pima County team will receive these updates **free of charge for the duration of our entire contract with the County. We believe deeply in making the best possible product, and we feel that our platforms should improve over the lifetime of our engagement with our partners, not remain stagnant.**

Upgrade Schedule

We upgrade our software on a monthly basis. Each of our deployment teams have monthly feedback and client requests meetings with our partners, during which clients can submit enhancement or correction requests live to our team. Requests are reviewed by the product development team and prioritized based on impact and feasibility. **These requests are shared with all of our partners during recurring scheduled update meetings. Approved enhancements are added to the product roadmap for inclusion in future releases, and these enhancements are included in regular software updates and released monthly to all clients at no additional charge.**

Support Program

Security Access

System security regarding access privileges and control of information by the proposed module will be implemented using a combination of authentication, authorization, and encryption mechanisms. Here is a detailed description of the security measures:

Authentication

Users will be required to authenticate themselves using a username and password before accessing the system. Social authentication methods such as logging in with a Google or Facebook account are also permitted. Strong password policies, such as minimum length and complexity requirements, will be enforced to prevent unauthorized access.

Authorization

Access to different modules and functionalities within the system will be controlled based on the user's role and privileges. Role-based access control (RBAC) will be implemented to ensure that users only have access to the information and functionalities necessary for their role.

Encryption

All sensitive information, such as user credentials, transaction data, and personal information, will be encrypted using strong encryption algorithms (e.g., AES-256) to protect it from unauthorized access. Encryption will be used both in transit (e.g., HTTPS) and at rest (e.g., database encryption).

All digital backups are fully encrypted using AES 256-bit encryption techniques. The service master key is automatically generated and stored in the system master database when provision the database. This key will be used to encrypt the database master key, which is unique to each instance and used to protect the certificate. The certificate is an asymmetric key that is actually used to encrypt the database backup.

Access Control

Access to the system will be restricted based on the principle of least privilege, ensuring that users have only the minimum level of access necessary to perform their job functions. Access control lists (ACLs) will be used to enforce these restrictions.

Audit Logging

All access and modification of sensitive information will be logged and audited. Audit logs will include details such as the user who accessed or modified the information, the date and time of access, and the type of access (read, write, etc.). This will help in tracking and investigating unauthorized access or data breaches.

Security Policies

Comprehensive security policies will be established and enforced to govern the use of the system and protect sensitive information. These policies will cover areas such as password management, data encryption, access control, and incident response.

Regular Security Audits

Regular security audits and vulnerability assessments will be conducted to identify and address potential security risks. These audits will be performed by independent third-party security experts to ensure objectivity and thoroughness.

User Training

Users will receive training on security best practices, including how to recognize and respond to phishing attacks, how to create strong passwords, and how to use the system securely. Ongoing security awareness programs will be conducted to keep users informed of the latest threats and mitigation strategies.

Compliance & Privacy

In order to ensure that we deliver outstanding support to our partners, we prioritize security as our topmost concern. To accomplish this goal, we have partnered with Vanta; an automated security and compliance platform. By working with Vanta, we remain compliant with the best security practices such as SOC2, HIPAA, and ISO27001 frameworks to safeguard sensitive resident data, including PHI, from loss, theft, or misuse. We also follow a secure-by-design approach and constantly integrate new security controls to monitor and address any suspicious activity. Our platforms use Stripe to process payments, which is the most rigorous, modern and privacy-compliant payment processing engine in the world. We test this integration every day to ensure proper compliance standards and uptime. This PCI-compliant gateway offers a secure approach to managing customer payments.

EXHIBIT C: PROPOSED POINT-OF-SALE AND RESERVATION MANAGEMENT SYSTEM (47 PAGES)

(Attached)

EXHIBIT C: PROPOSED POINT-OF-SALE AND RESERVATION MANAGEMENT SYSTEM

(47 PAGES)

Pima County, CO

Proposed Point-of-Sale and Reservation Management System



Meeting Your Critical Needs

Proposed point-of-sale and reservation management system must support all modern payment methods, including but not limited to Apple Pay, Google Pay, and Tap-to-Pay for all online and electronic transactions.

Kaizen's world class Point-of-Sale (POS) is backed by Stripe, the same financial engine that powers companies like Amazon, Instacart, and Alaska Airlines. Not only do we provide all point-of-sale equipment **free-of-charge with zero usage restrictions,** but our payments infrastructure supports the most modern payment methods, available out-of-the-box for every one of our deployments. Our supported payment methods include:

- Apple Pay
- Google Pay
- Cash App Pay
- PayPal
- Tap-To-Pay on iOS, Android, and all physical reader devices.
- Major credit and debit cards including Visa, Mastercard, American Express, Discover, Diners Club, JCB, and Union Pay
- Buy Now Pay Later methods like Affirm, AfterPay, and Klarna
- ACH Direct Debit
- Bank Transfer

Please find our full payment method report attached to this proposal.



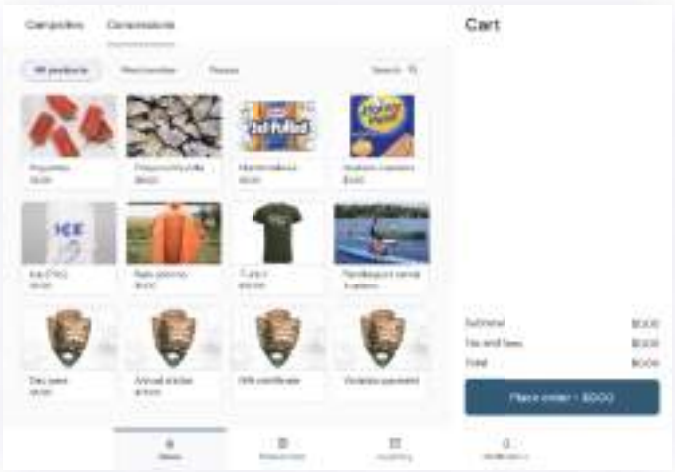
Beautiful check-out flows



Tap-to-Pay on iPhone & Android



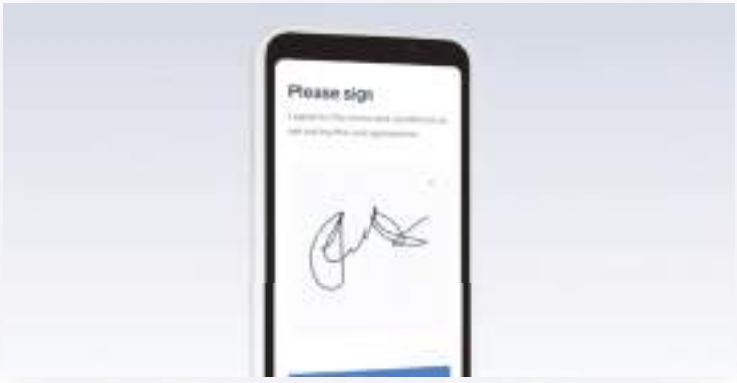
Customizable payment links in just a few seconds



Simple, intuitive concessions and POS



Fully custom invoice creation and scheduling



Fully customizable payment screens for physical readers



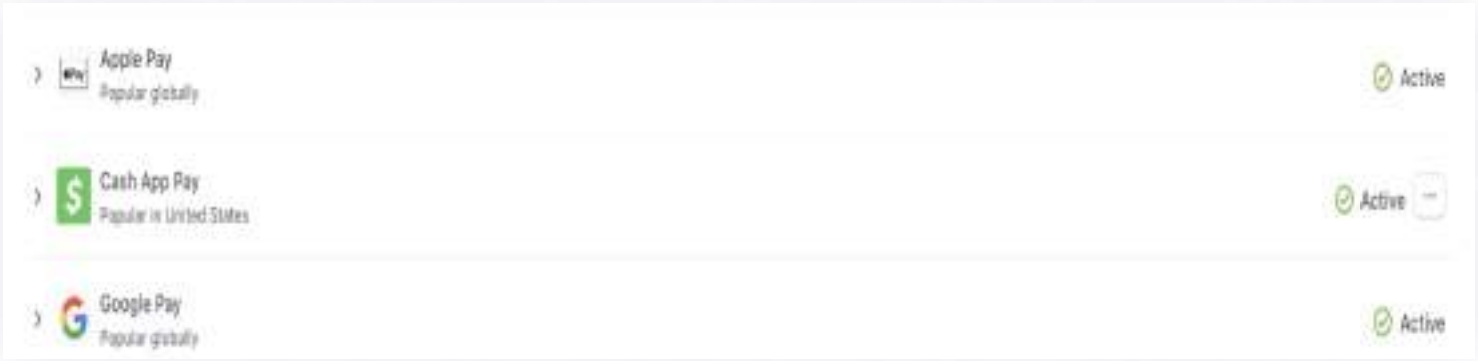
Modern & PCI-Compliant hardware readers

Proposed point-of-sale and reservation management system must be easily accessible and usable across all devices, including but not limited to personal computers, mobile phones, and tablets. Mobile and tablet accessibility ease should also apply to specific administrator dashboards specified by County and NRPR staff. Ease of access should not be dependent on the use of mobile application, such as those downloaded from the Apple Store, Google Play Store, or elsewhere.

We started Kaizen because we believed that the quality of these Point-Of-Sale and Reservation Management platforms could be far more user-friendly and accessible across all devices. Every one of our platforms has been designed by leading product teams at companies like Airbnb and Microsoft - they are usable and seamless on all devices, including but not limited to:

- Personal computers like desktops, laptops, and monitor-connected workstations.
- Tablets like iPads and other Android devices.
- All mobile phones including iPhones and other Android or Windows devices.

Additionally, to use our platforms users **do not need** to download a mobile application from the Apple Store, Google Play Store, or elsewhere. They **simply need their device to support a web-browser** and they can easily access our platforms from the device or their choosing.



Turn your desired payment methods on with a click of a button

One of our proudest accomplishments is the ability for our software to remain performant, stunning, and usable across all computer devices, regardless of platform or form factor. **The only requirement for our platforms is an internet connection and access to a web-browser like Chrome, Microsoft Edge, Opera, or Firefox.**

Minimum Browser Version

- Chrome Version 84
- Microsoft Edge Version 99
- Opera Version 10
- Firefox Version 100



Mobile Phone



Tablet



Desktop

Proposed point-of-sale and reservation management system must support ready-to-deploy integrations with Buy Now, Pay Later technologies such as Klarna, AfterPay, and Affirm.

As may be the use-case in different communities, certain classes, programs, camps, or reservations can be expensive for residents or families. Our world class Point-of-Sale (POS) supports native and ready-to-deploy integrations for Buy Now, Pay Later technologies that allow users to pay in installments over time.

Most importantly, the Pima County team is immediately paid in full and customers pay nothing or a portion of the total at purchase time. Our supported Buy now, Pay later technologies include:

- Klarna
- AfterPay
- Affirm
- ClearPay
- ZipPay

Please find our attached Buy Now Pay Later report attached to this proposal.



Turn your desired payment methods on with a click of a button

How do our Buy Now, Pay Later Technologies Work?



Pima County is paid immediately and in full, while your customers have simple, interest-free payment options



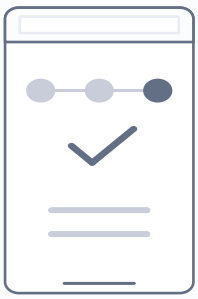
Customer chooses to pay by installments



Customer creates an account with a 3rd party installments service, like Afterpay Clearpay



Customer accepts or declines terms of repayment plan



Customer returns to business' site

Proposed point-of-sale and reservation management system must support social authentication methods to easily log into the platform with Google, Facebook, LinkedIn, and Apple accounts.

Often times, one of the biggest pain-points our customers experience with their point-of-sale and recreation management software is with duplicate accounts and long registration processes that dissuade users from completing registrations or reservations, and generally make for a poor user experience.

All of our platforms support seamless authentication with popular social accounts to allow users to securely authenticate in just a few seconds.These authentication methods fall in-line with our uncompromising security standards and are fully compatible with our SOC2 Type I and Type II cyber-security certifications. In all cases, strong password policies, such as minimum length and complexity requirements, will be enforced to prevent unauthorized access.

Our enterprise authentication methods include:

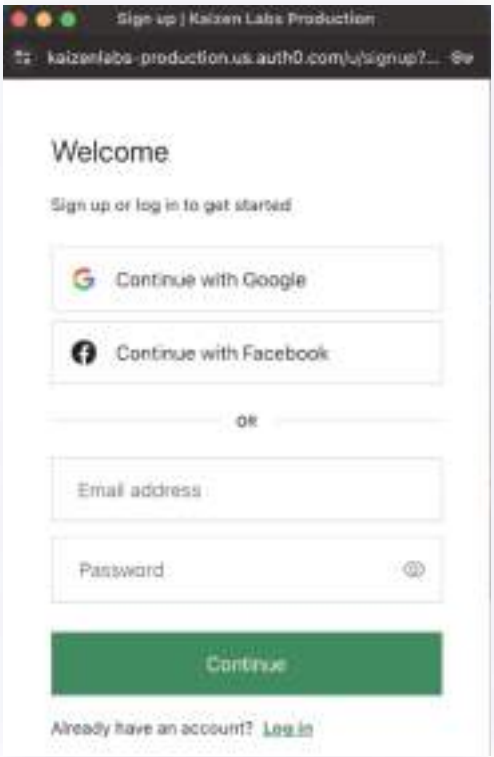
- Azure AD SSO
- Okta Workforce
- Microsoft ADSF
- SAML-based authentication
- Active Directory / LDAP authentication
- Google Workspace SSO

Our social authentication methods include:

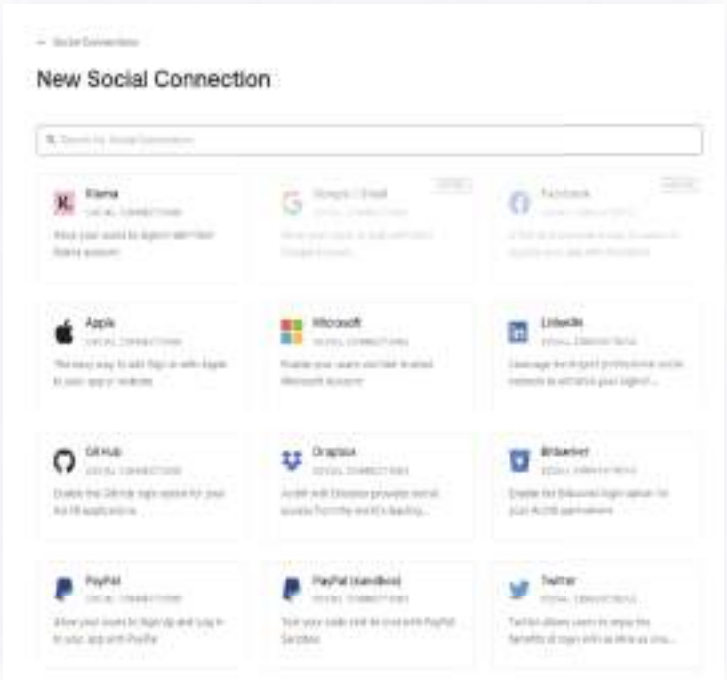
- Facebook
- Google
- Apple
- LinkedIn
- PayPal
- Amazon
- Slack
- Twitter
- and 15 other social methods including custom integrations



Sign in with a click of a button



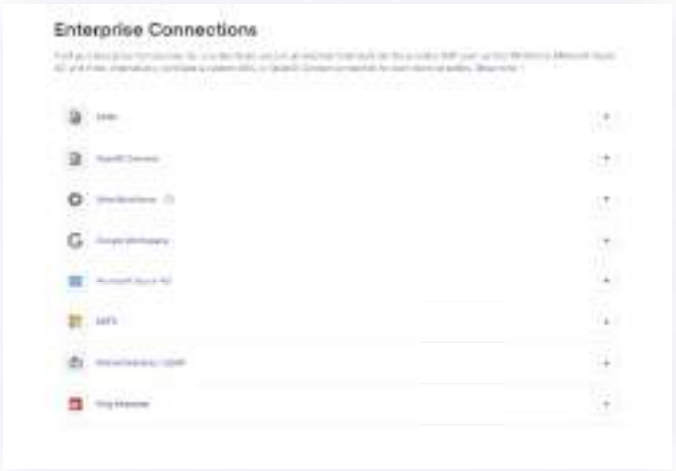
Standard username & password authentication fully supported



Dozens of social authentication methods



Add a new connection in just a few minutes



Full support for enterprise SSO and County log-ins

Proposed point-of-sale and reservation management system must provide a solution for special events permitting that can easily be integrated into this platform free of charge.

In addition to our world-class POS and reservation management system, one of our most popular products is our special events permitting platform that allows for organizers to seamlessly apply for a community event permit within their community, with full approval and management functionality for administrators to track approvals, issue permits, and communicate across departments.

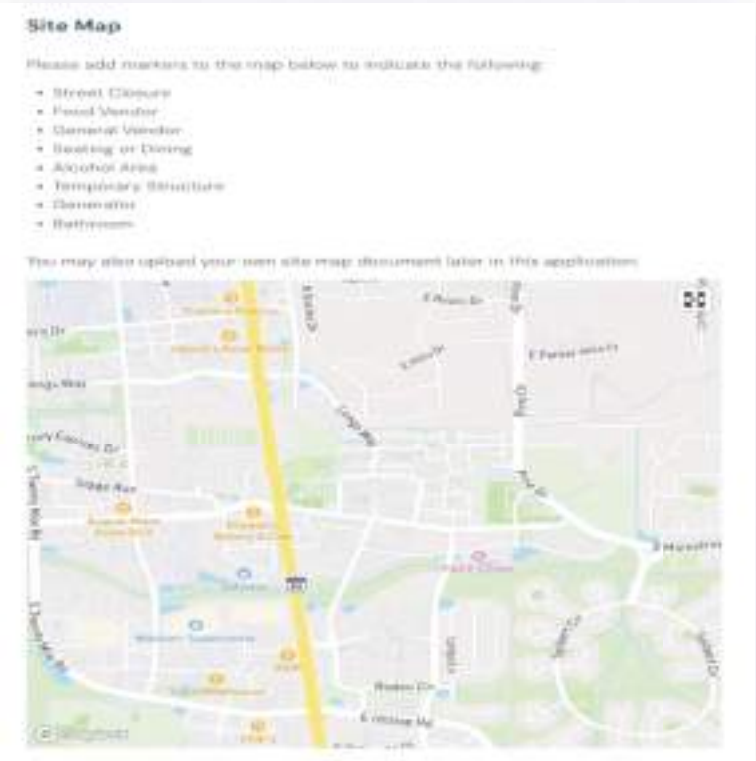
This platform will be easily integrated into the point-of-sale and recreation management system free of charge.

To learn more about the special events permitting solution that we provide, please reference the following screenshots and reference to our deployment with Parker, CO.

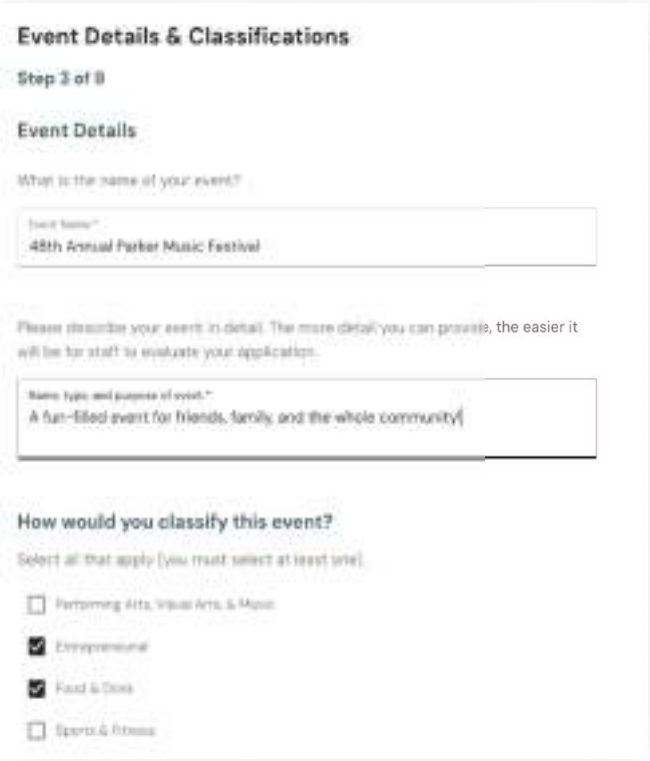
Additionally, if you would like a full demonstration of this platform, please visit one of our live communities: **https://communityevents.parkeronline.org**.

Brooke Spain Community Events Coordinator, Parker, CO

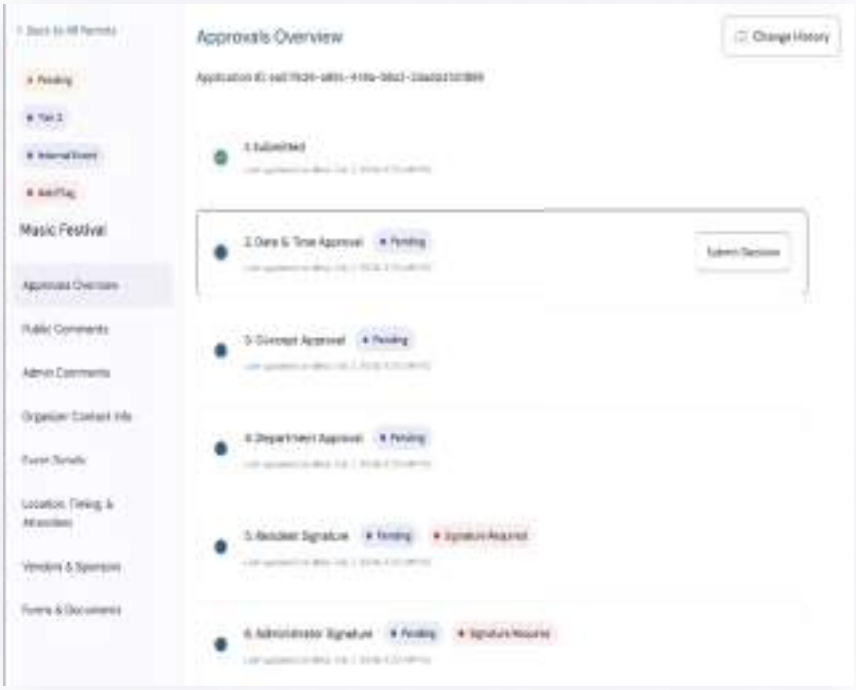
"The Kaizen team has done wonders for our events process. We've received so many compliments from staff and residents about how seamless and intuitive the entire system is."



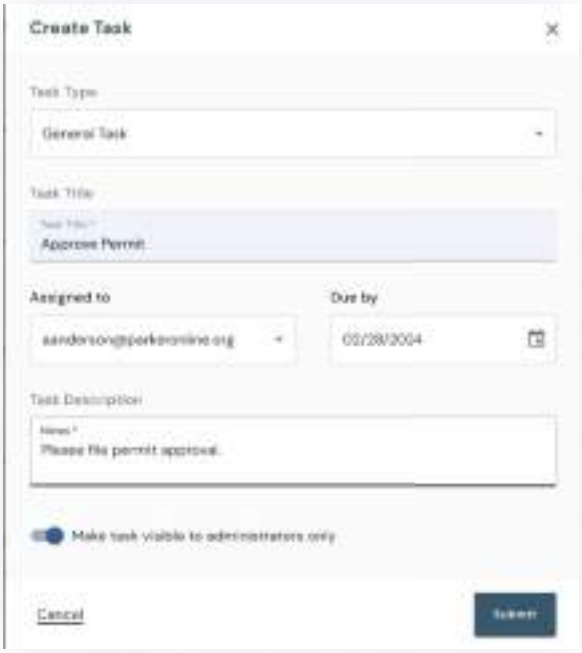
Fully digital site-map with custom icons, markers, and GIS layers



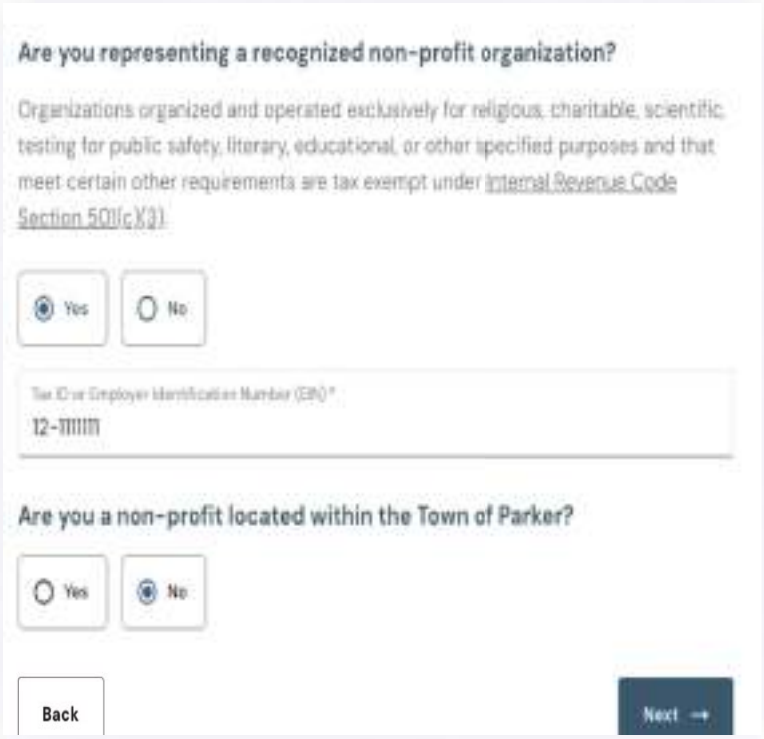
Customized forms tailored around your event process



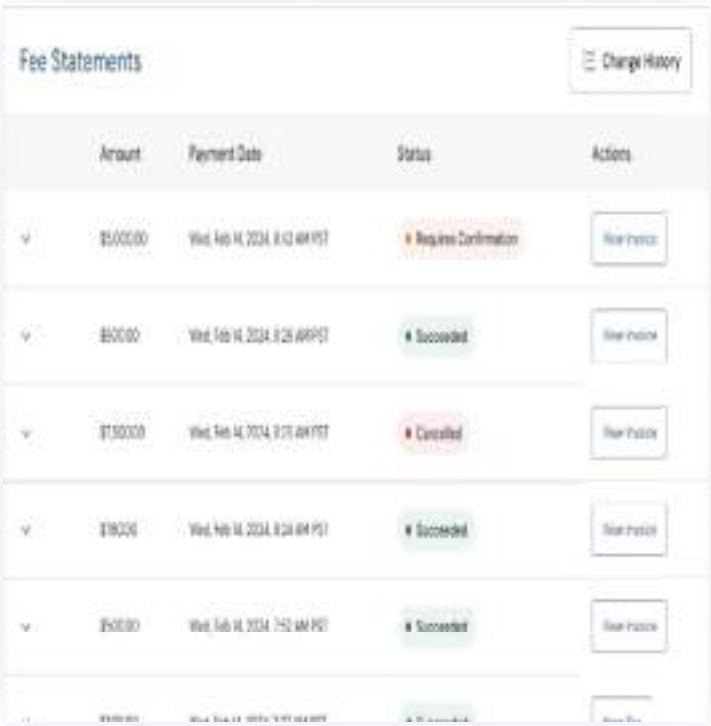
Seamless back-end to approve and administer permits across departments



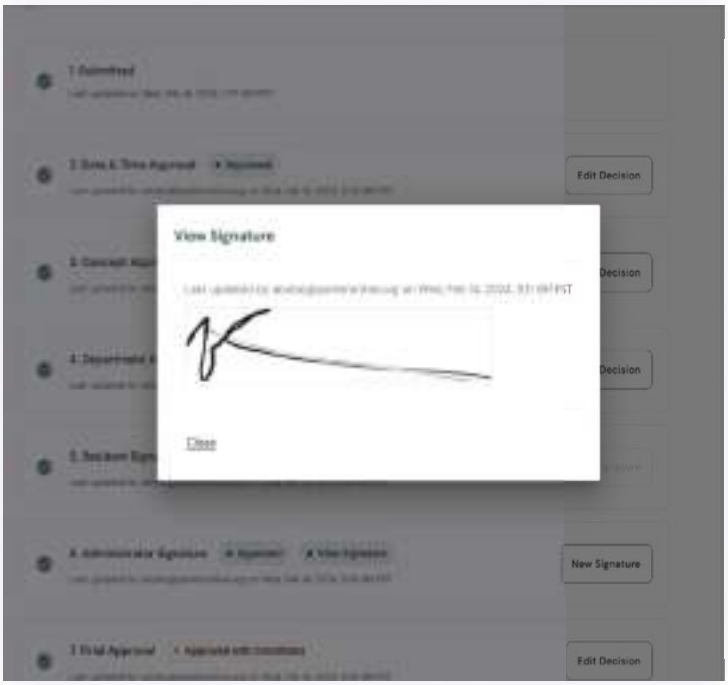
Dynamic tasking engine to communicate requests



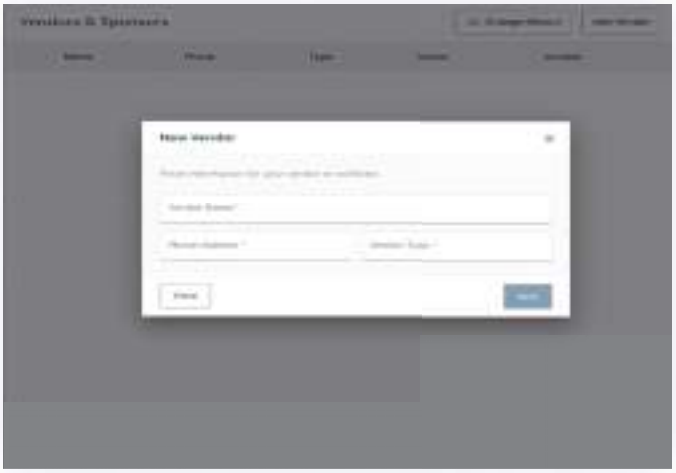
Automatic non-profit verification



Dynamic fee management



Digital signature management



Full support for external vendor management

Proposed point-of-sale and reservation management system must provide a solution for special events permitting that can easily be integrated into this platform free of charge.

In addition to our world-class POS and reservation management system, one of our most popular products is our special events permitting platform that allows for organizers to seamlessly apply for a community event permit within their community, with full approval and management functionality for administrators to track approvals, issue permits, and communicate across departments.

This platform will be easily integrated into the point-of-sale and recreation management system free of charge.

To learn more about the special events permitting solution that we provide, please reference the following screenshots and reference to our deployment with Parker, CO.

Additionally, if you would like a full demonstration of this platform, please visit one of our live communities: **https://communityevents.parkeronline.org**.

Brooke Spain Community Events Coordinator, Parker, CO

"The Kaizen team has done wonders for our events process. We've received so many compliments from staff and residents about how seamless and intuitive the entire system is."

Proposed point-of-sale and reservation management system must be SOC2 Type I and Type II compliant, HIPAA compliant, and PCI Level 1 compliant for all financial systems.

At Kaizen, maintaining rigorous cybersecurity practices is a tenant of our goal to build modern, performant municipal software. We are proud to share that our software, systems, and integrations have been certified by an award-winning cybersecurity audit firm and third party audits.

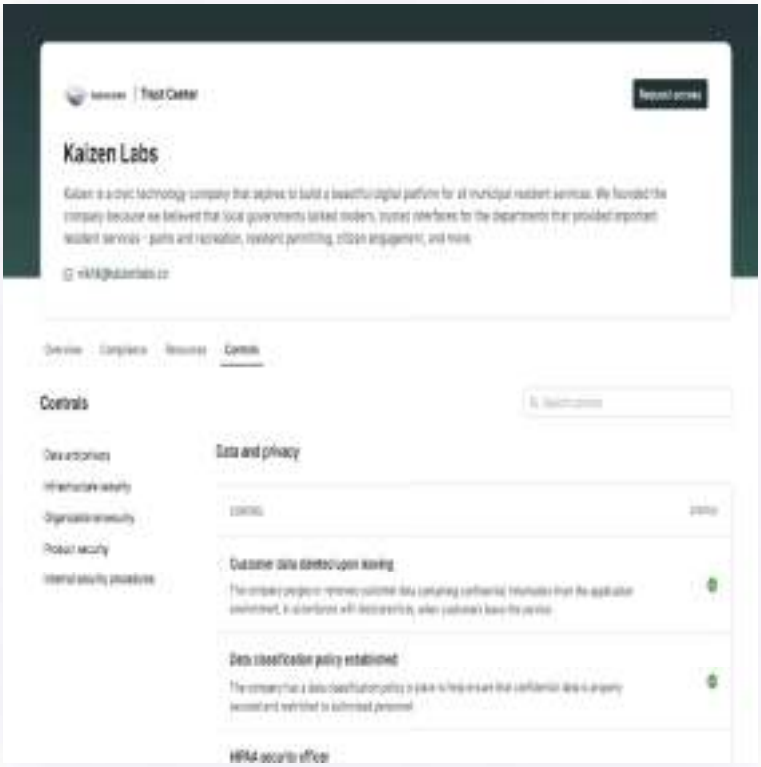
The Kaizen Point-Of-Sale and Reservation Management system has the following cybersecurity compliances:

- SOC 2 Type I Compliance ✅
- SOC 2 Type II ✅
- HIPAA Compliance ✅
- PCI Level 1 Compliance for all financial hardware, software, and payments related infrastructure ✅
  - A PCI-certified auditor evaluated our financial system and certified it to PCI Service Provider Level 1. This is the most stringent level of certification available in the payments industry. This audit includes both our Card Data Vault (CDV) and the secure software development of our integration code.

All of our systems are audited quarterly by a cybersecurity audit partner, and all of our cloud services are penetration-tested by third-party firms. Additionally, these cloud services are automatically scanned by our vulnerability scanners that run 24/7 365 against our systems, and manually each time code is deployed to our production systems.

Our cybersecurity audit partner, Vanta, identifies security flaws and privacy gaps in a company's security posture by connecting to core systems to continuously monitor an organization's cloud infrastructure, endpoints, corporate procedures, enterprise risk, and employee accounts.

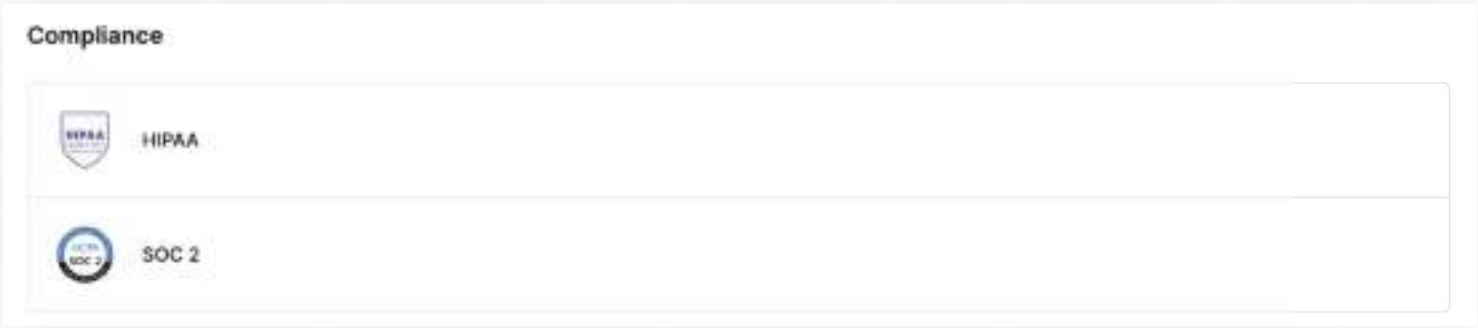
Additionally, the Kaizen teams maintains a ready-to-view trust center that includes copies of our certifications, continuously monitored access to our real-time systems, and general overviews regarding our cybersecurity posturings. This password protected link can be requested by any of the Pima County team at their interest.



Security resource center with full reports upon requests



Live controls and tested monitored real-time



The most rigorous cybersecurity certifications

Proposed point-of-sale and reservation management system must support dynamic language translation of all interface copy, text, and pages. Google Translate or other automated language translation services are not acceptable alternatives.

At Kaizen, our platforms are designed to be accessible for all users, including and especially those for whom English is not a first-language. Our communities are comprised of diverse individuals and language translation support is a major part of our offering.

The Kaizen Point-Of-Sale and Reservation Management can be translated completely into different languages, including any and all:

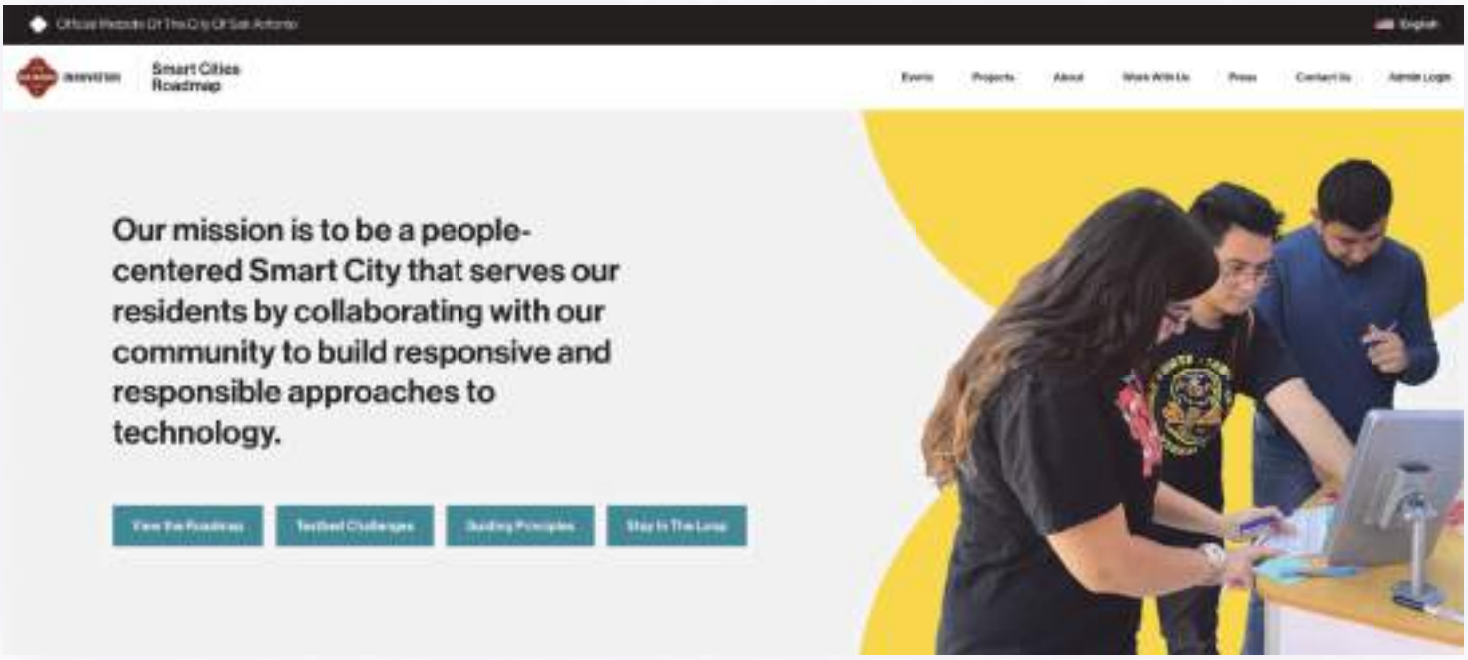
- Typography ✅
- Support Documentation like FAQs and About Pages✅
- Website Copy ✅
- All Website Pages ✅
- Application Flows ✅
  - All text related to reservations, memberships, registrations, and guidelines.

More importantly, we do not pass our platform through Google translate or other automated language translation services. Our translation engine is fully native in the platform.

Our translation engine maps every keyword referenced on our sites to an individual identifying code that is then translated by community language experts and updated real-time as website copy changes.

Our website is capable of translating website content instantly, and we strongly encourage the Pima County team to reference our work with the City of San Antonio, where language translation into Spanish was required for their team.





Our native language translation system in action with San Antonio



Our native language translation system in action with San Antonio

Proposed point-of-sale and reservation management system must be capable of supporting more than 5,000 concurrent user sessions with no performance degradation. If uptime is not guaranteed to County specifications, County must be entitled to renumeration or contract cancellation without penalty.

At Kaizen, performant systems that function seamlessly during high loads are one of our top priorities.

Our engineering team comes from the world's leading technology companies like Tesla, Rivian, Airbnb, Palantir, Google, Meta, and more. Our programmers have had decades of experience building applications that are used by millions of users from different geographies.

The Kaizen platform is capable of supporting 10,000 concurrent user sessions with no performance degradation. These standard has been extensively tested in third-party settings, cybersecurity audits, and internal engineering load testing.

Additionally, if system uptime is not guaranteed to County specifications, the County is entitled to renumeration or contract cancellation without penalty. Please reference our contract example referencing these kinds of uptime clauses on the following pages.

We stand behind our work and each of our deployed systems comes with the following performance features:

- Support for 10,000 concurrent user sessions with no performance degradation ✅
- Our Edge Network enables us to store content close to our customers geographically and run compute in regions close to their data, reducing latency and improving end-user performance. ✅
- Our Edge Network is both a Content Delivery Network (CDN) and a globally distributed platform for running compute in regions around the country. ✅
- Protective clauses for our customers regarding customer service, uptime, and other performance metrics. ✅



Real-time performance analytics with servers capable of handling over 10,000 concurrent user sessions.

(b) Penalties for Failure to Reach Agreed Level of Service

i. If Availability is below the agreed level of Availability for the Subscription Services, the Town is entitled to a price reduction of the pro-rata Fee for the Subscription Services, calculated on a monthly basis, as shown below.

Monthly Availability Percentage	Monthly Price Reduction
98 – 98.9%	2%
97 – 97.9%	4%
96 – 96.9%	8%
95 – 95.9%	16%
94 – 94.9%	20%
Below 94% two times in any six month period (within the same Subscription Period)	The Town shall be entitled to termination

The maximum monthly price reduction in the event of failure to meet Availability that can be credited to the Town is 20% of the monthly Fee for the Subscription Services. Any failure below 94% that occurs during two (2) months in any six (6) month period (within the same Subscription Period) shall entitle the Town to terminate this Agreement and receive a refund for any prepaid, unused Fees. Kaizen shall include the credit in the next invoice for the Subscription Services, which may be for a Renewal Subscription Period. If the Town elects not to renew this Agreement or if the Agreement is terminated, any such services credits shall be paid to the Town in the form of a check or ACH payment promptly following such termination or non-

Real contract language reflecting renumeration and entitlement to cancellation if we don't meet key uptime requirements. Fully available upon request.

Proposed point-of-sale and reservation management system must come with unlimited support for customized reports for all program, membership, rental, and financial reports free of charge.

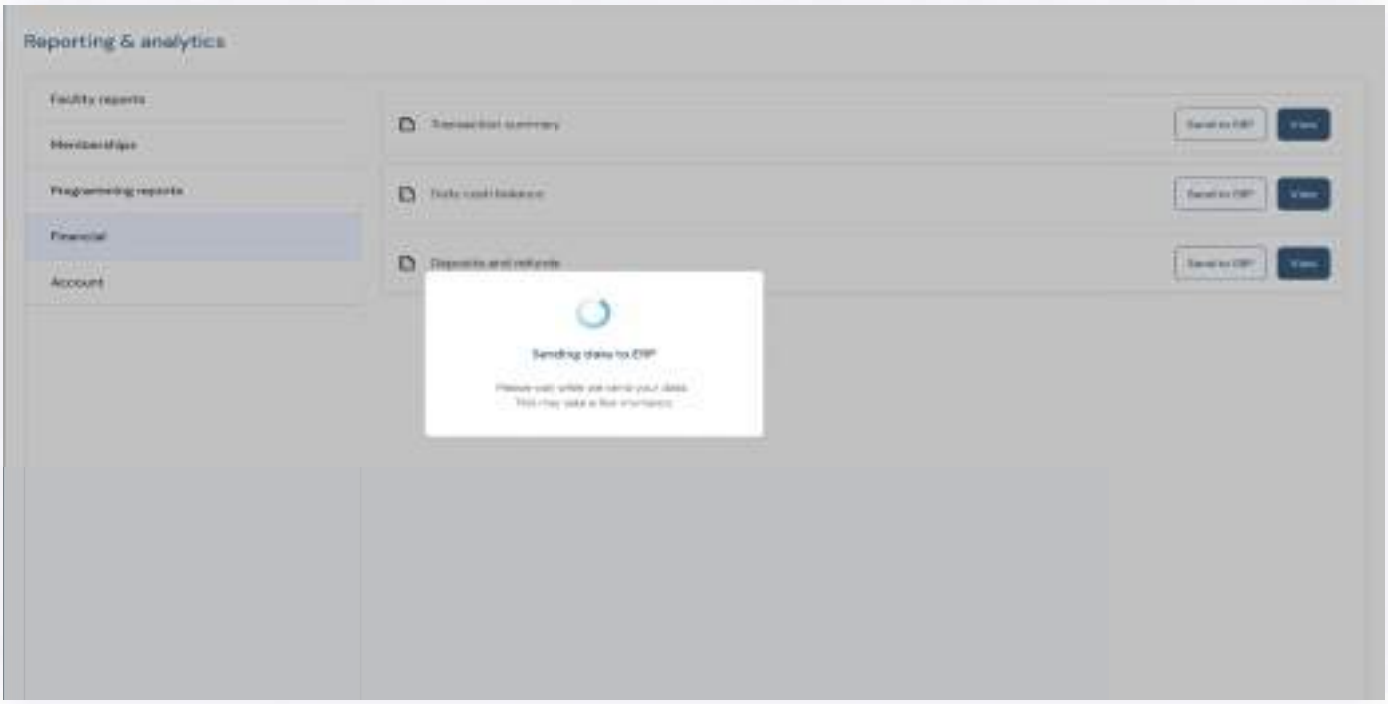
As we hope is evident in our business model, customer references, and company philosophy, free customization is how we operate. Our intention is not to sell a community several different modules for fixed costs that accrue additional fees every time a custom ask or feature request is made.

Instead, we aspire to build the best possible product that will improve your workflow. **This includes financial reports** and related workflows:

- Unlimited customized reports for program, membership, rental information ✅
- Unlimited customized reports for all financial information and exports ✅
- Native integration into a County ERP or Financial System. We have ready-to-deploy native integrations with the following ERP and financial systems ✅:
  - Tyler Munis
  - Tyler New World
  - Tyler Eden
  - Workday
  - Oracle Netsuite



Fully custom reporting and data visualization depending on the County's needs



Automatically sync reports and financial information to the County ERP system. We can readily demonstrate an integration real-time upon request.

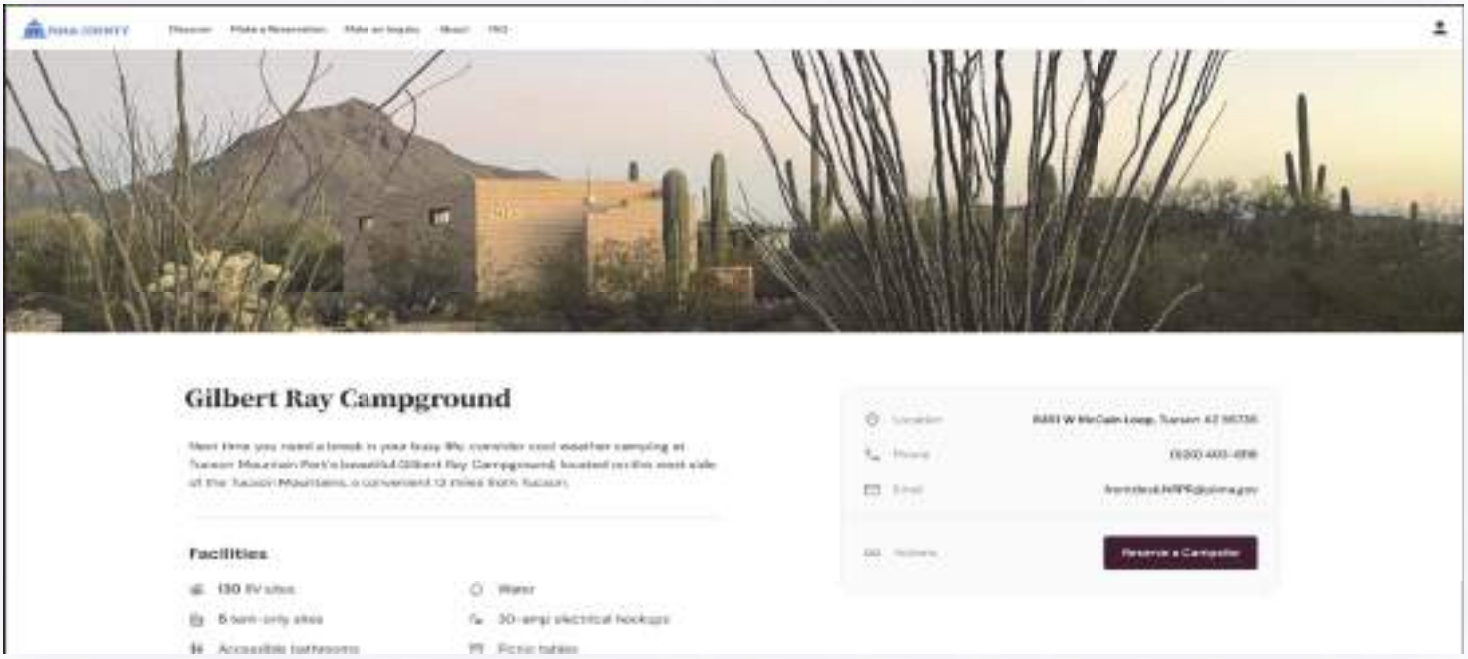
Proposed point-of-sale and reservation management system must be completely customizable with different topography, branding, and marketing materials that are specified by County and NRPR staff.

As we hope is evident in our business model, customer references, and company philosophy, free customization is how we operate.

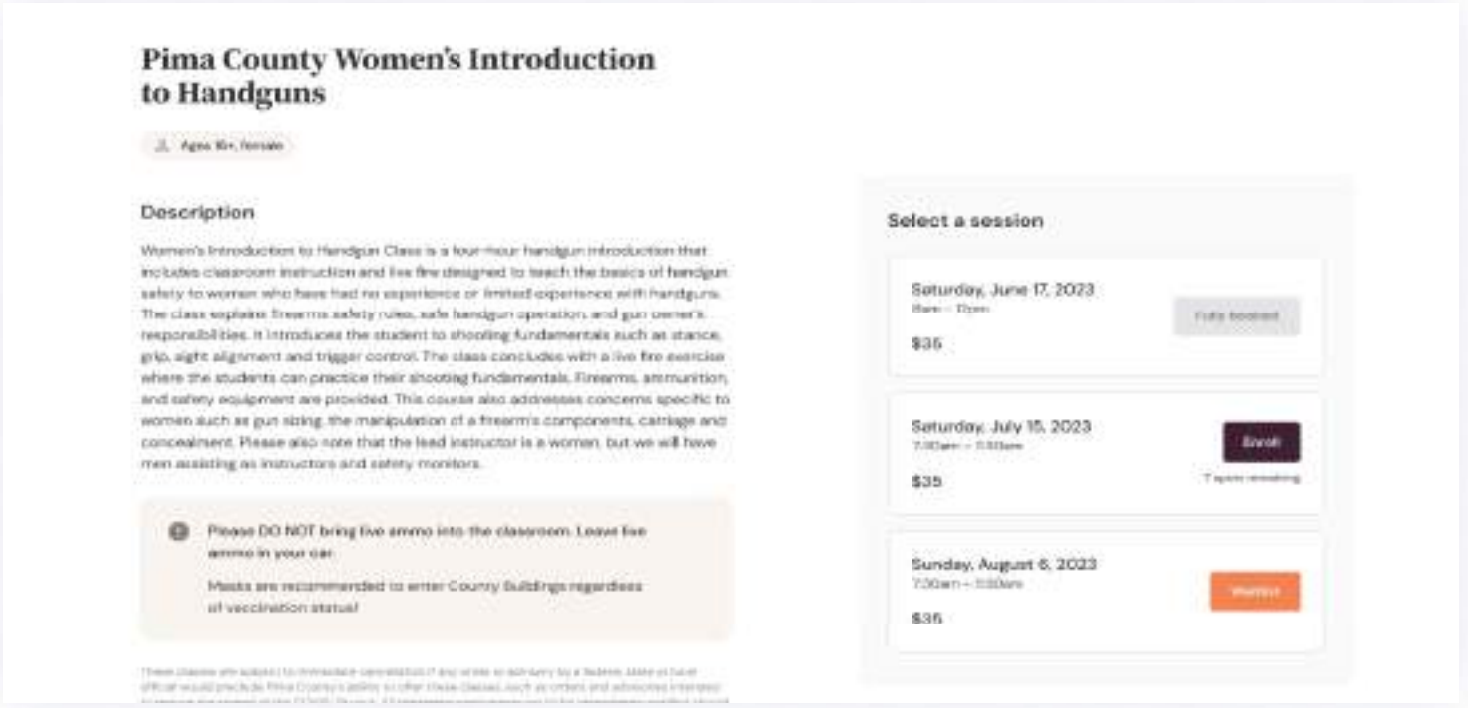
Our team has won awards and recognition around State Parks & Recreation associations around the country for how customizable our products are - we build a platform with the expectation that it looks and feels like it has been built exclusively for Pima County.

We provide deep and rich customization to the overall website that powers our platform, including the following essential pieces **free-of-charge:**

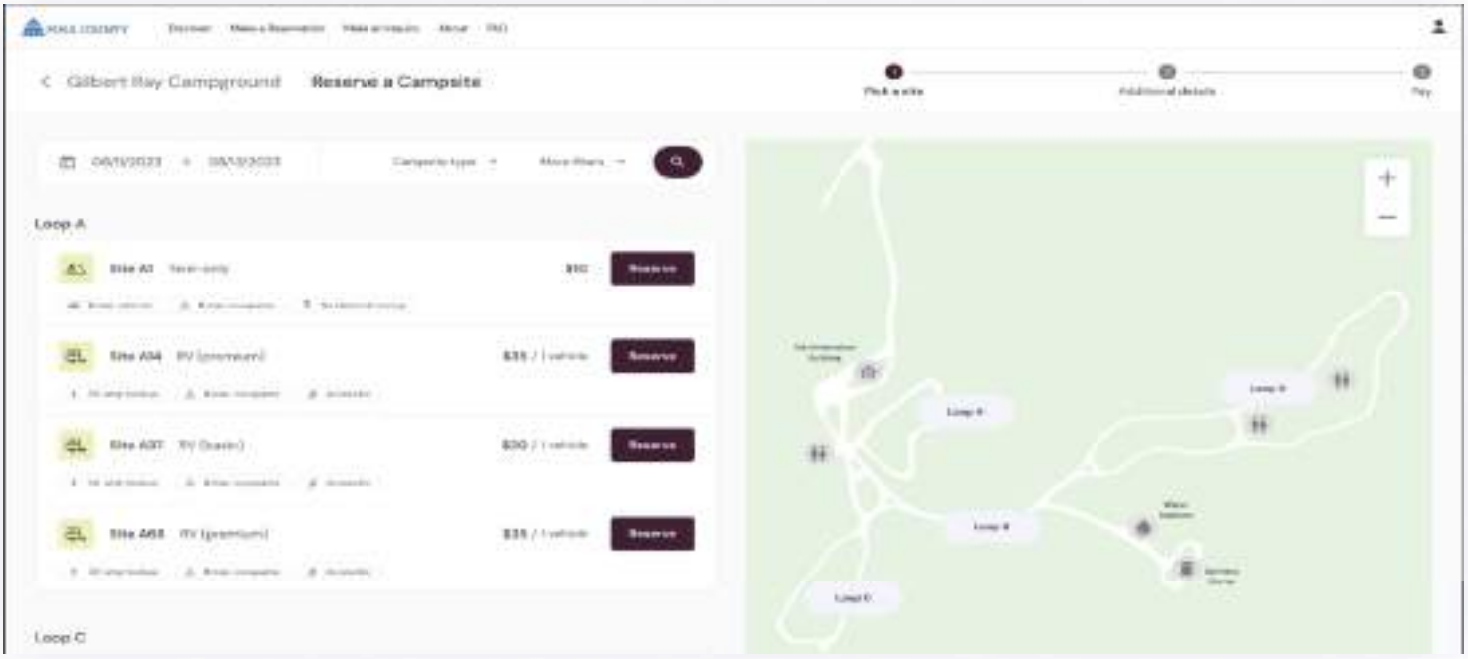
- Unlimited customized website pages, typography, branding materials, and more ✅
- Rich photography of facilities, activities, and events to aid website aesthetic ✅
- Seamless integration into County website to prevent user from having to make several clicks to get to the one reservation page ✅
- Integration into an official sub-domain of the County (like reservations.pima.gov) to improve SEO ranking and resident trust ✅
- Fully visualized and custom map layers for campground facilities ✅
- Custom iconography ✅



Custom typography, coloring, and branding to match mainline County or City website aesthetic



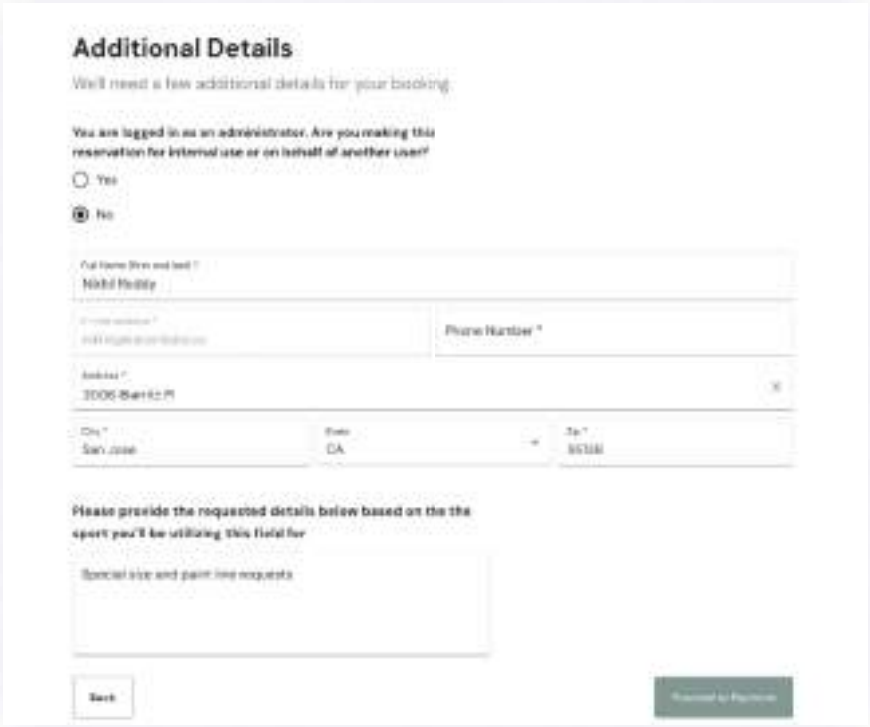
Smart, clean visualization of important activities



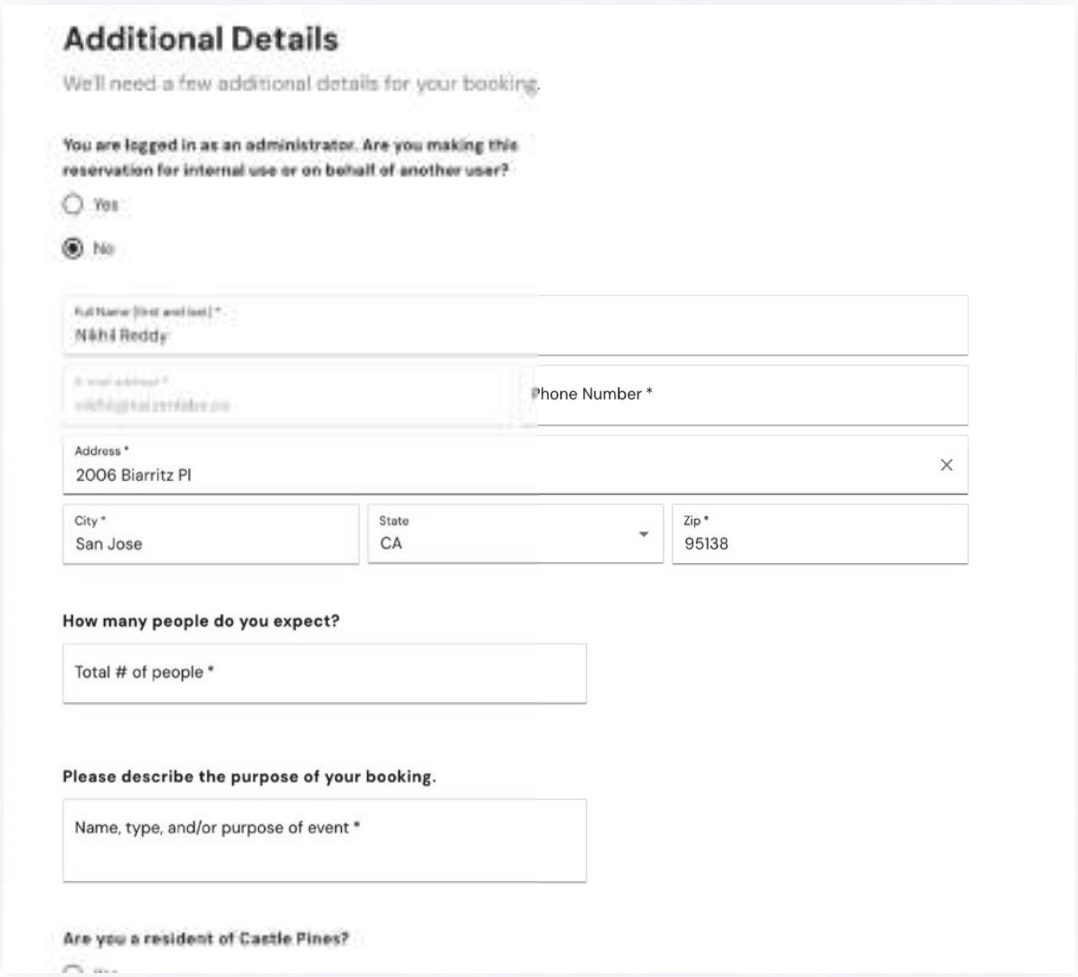
Custom typography, coloring, and branding to match mainline County or City website aesthetic



Custom map layers that match your facility



Customized question workflows for different reservation types



Automatically sync reports and financial information to the County ERP system. We can readily demonstrate an integration real-time upon request.



Custom typography, coloring, and branding to match mainline County or City website aesthetic





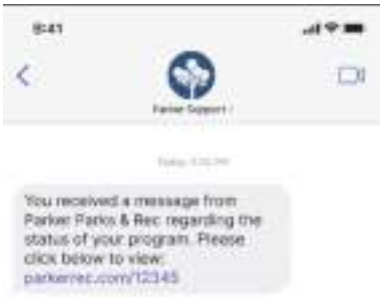
Native integration of videography onto bold website pages

Proposed point-of-sale and reservation management system must support text and email based scheduled messaging.

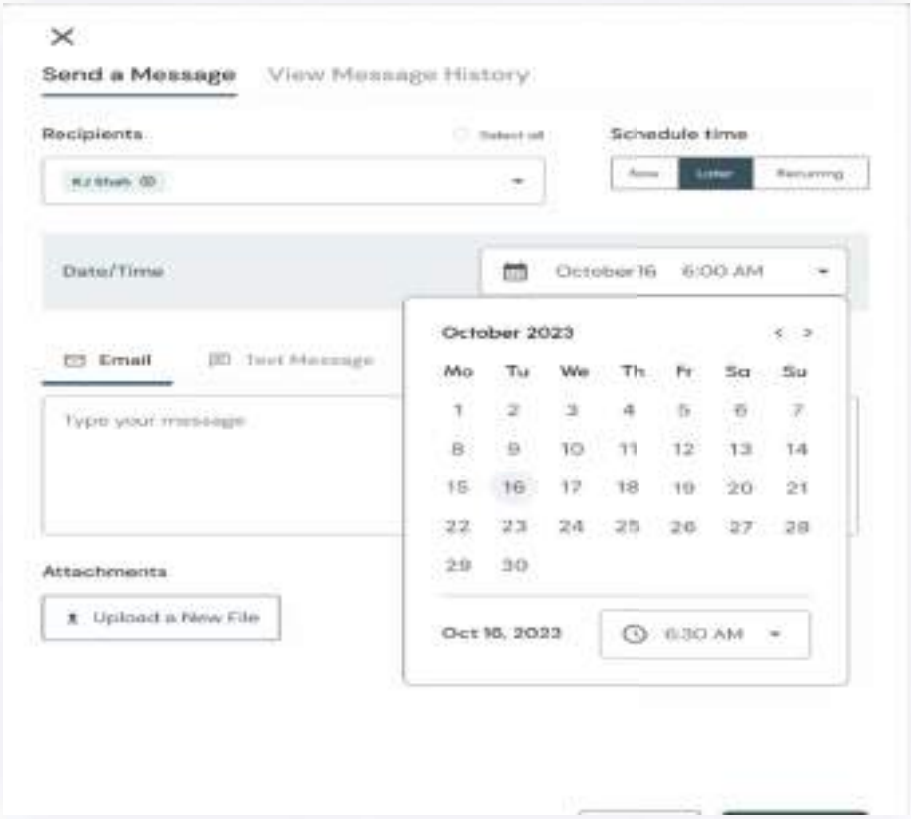
Our platform natively supports text or e-mail based schedule messaging. Often times, administrators may want to inform program registrants, a newsletter list, or generally notify individuals during severe weather or emergencies.

We have built a robust text and e-mail based messaging feature that allows for:

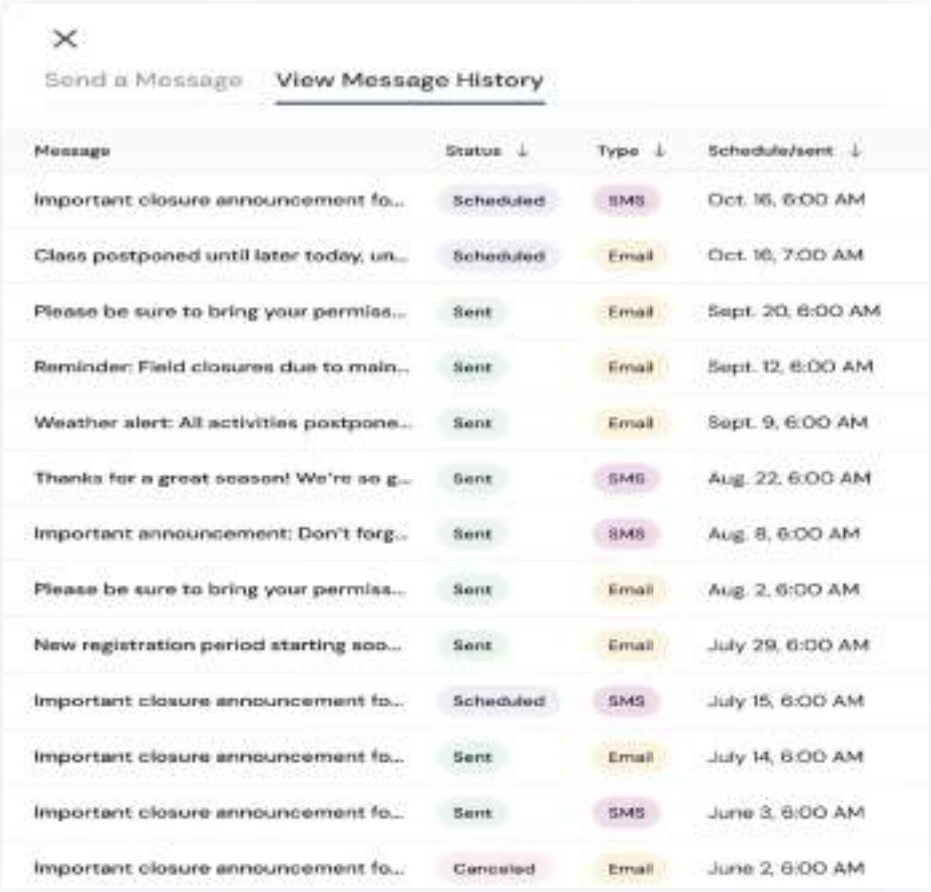
- Sending individuals or an entire roster or database a message ✅
  - Through SMS
  - Through e-mail
- Simple visualization of message history ✅
- Recurring schedules are allows ✅
- Adding attachments ✅
- Smart reminders ✅
- Notifications when e-mails land in spam or are not opened ✅







Send via text or e-mail, add attachments, and configure a schedule



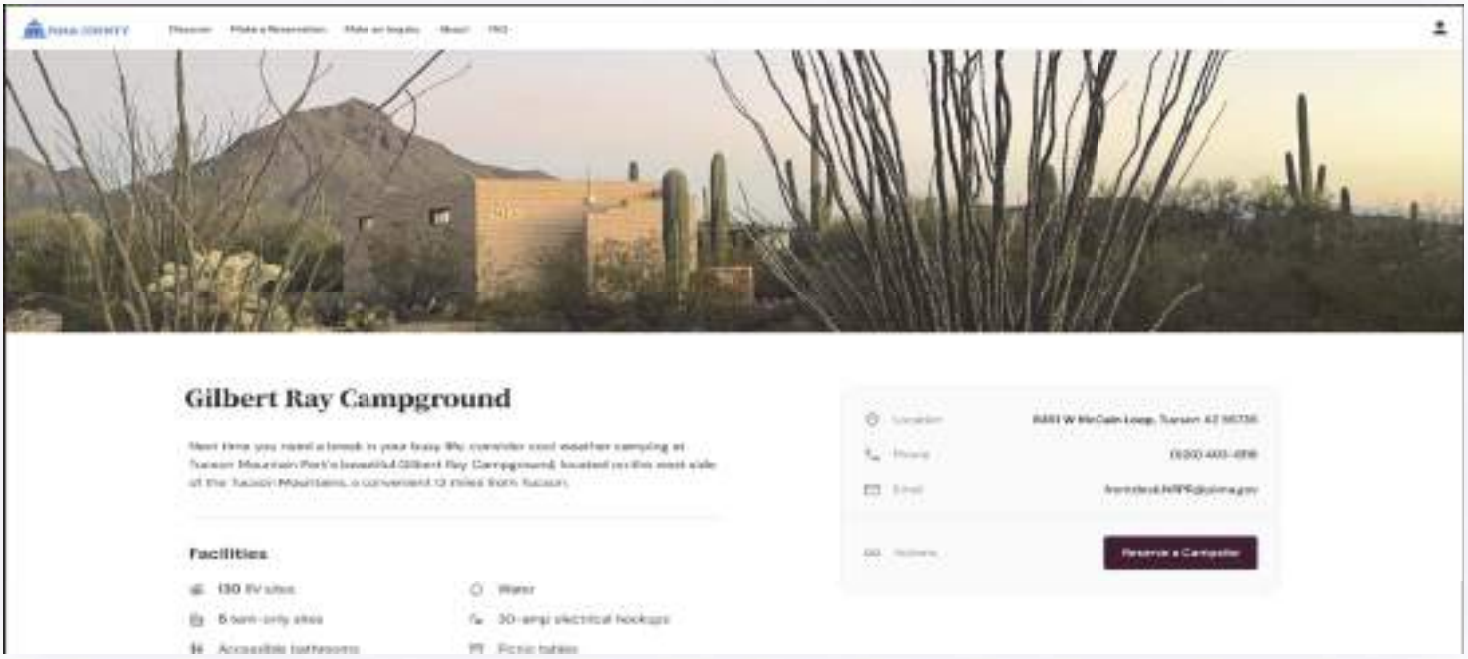
Easily view past messages

Proposed point-of-sale and reservation management system must have the following specific modules: campground reservations, merchandise and concession sales, and programs, camps, class, and membership registration.

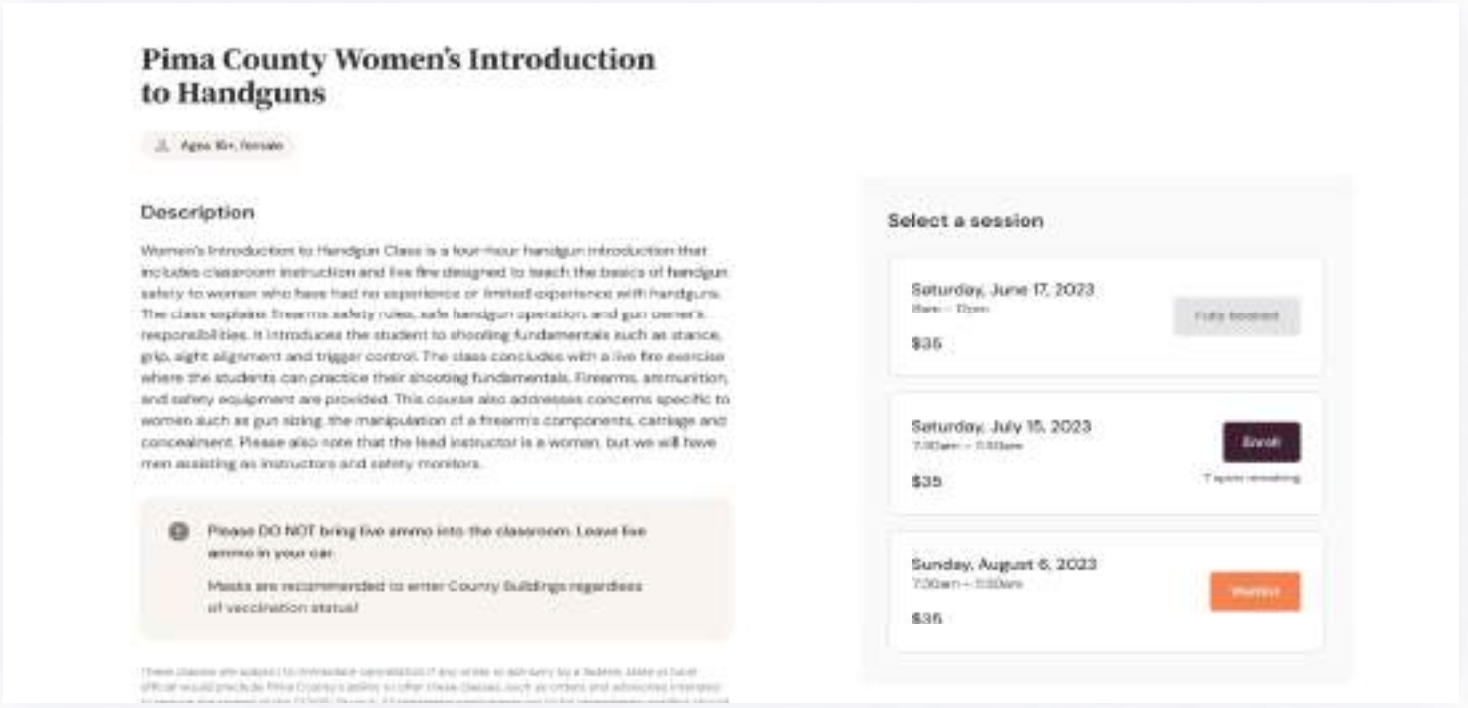
Our platform natively supports several different modules that power a robust set of features and needs across all of Pima County's different needs.

The Kaizen platform allows for seamless configuration of different modules for the following features. Enabling any of these modules comes free-of-charge with seamless administrator configuration:

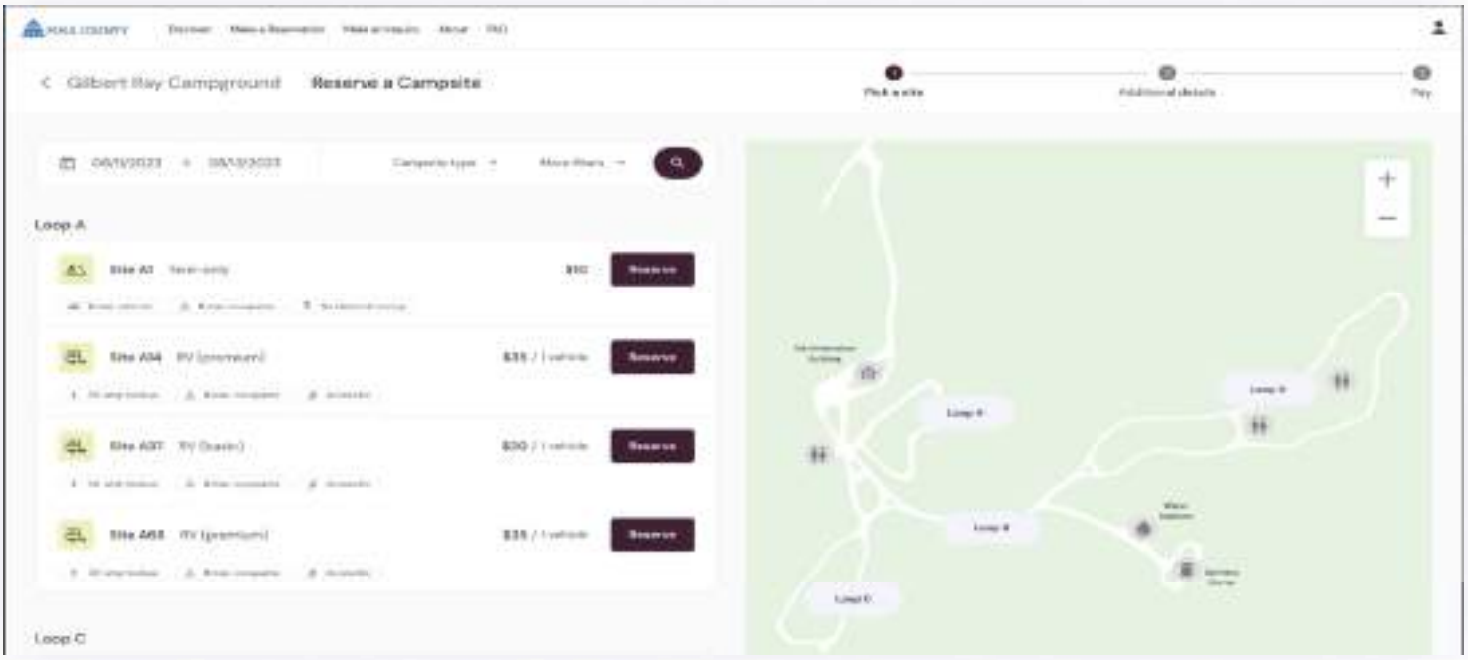
- Campground reservations ✅
  - Native and customized visualizations for your specific campground(s)
  - Seamless booking workflows that are mobile-optimized for staff and residents
- Point-of-Sale systems to support Merchandise and Concessions sales ✅
  - Customizable POS interfaces to easily checkout users and process payments
  - Mobile workflows to support maximum flexibility for customers
  - Powerful analytics and tooling like inventory management, scheduled messaging, and
- Programs, classes, and memberships registrations ✅
  - Seamless discovery of events, classes, and programs hosted by the Pima County NRPR team
  - An easy registration workflow to sign custom waivers, upload documentation, and pay for these programs
  - Efficient membership registration according to different user groupings and types.
  - Digital pass management to allow memberships to be accessed via Apple and Android wallet
- Live ticketing and event management ✅
- League management ✅



Seamless discovery of community facilities



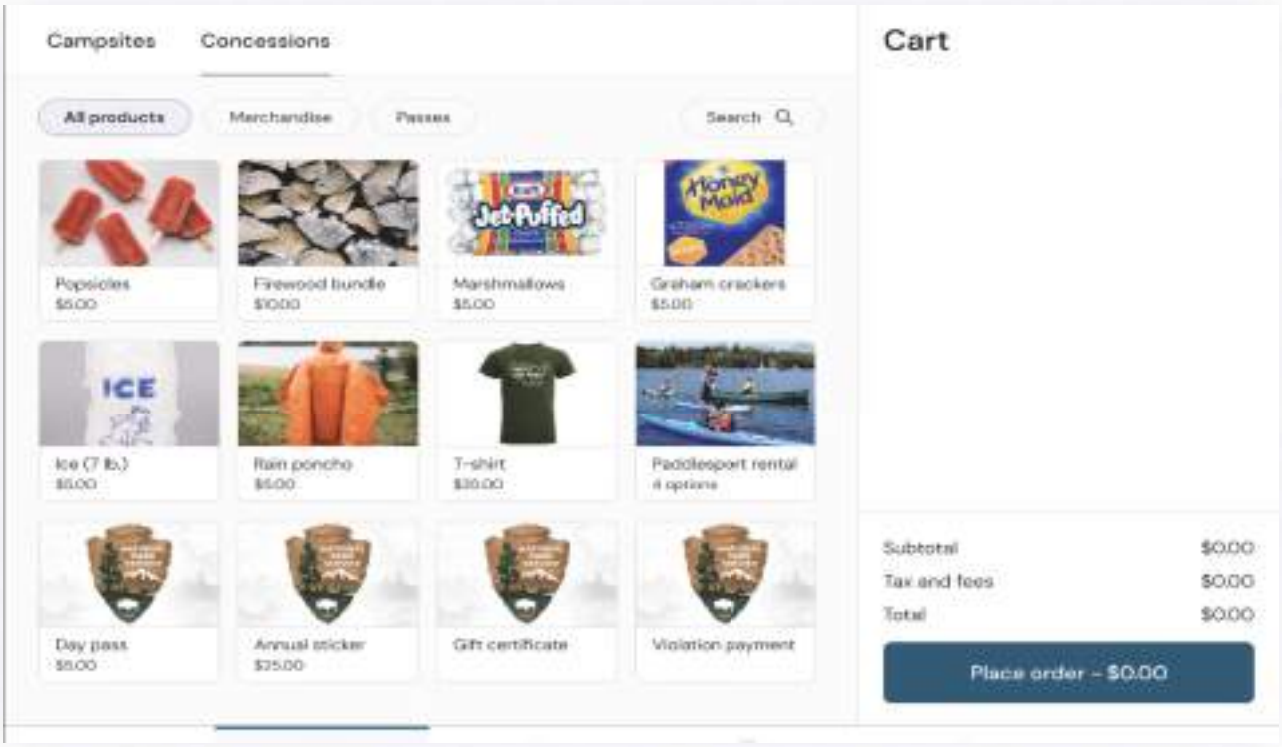
Smart, clean visualization of important activities and programs



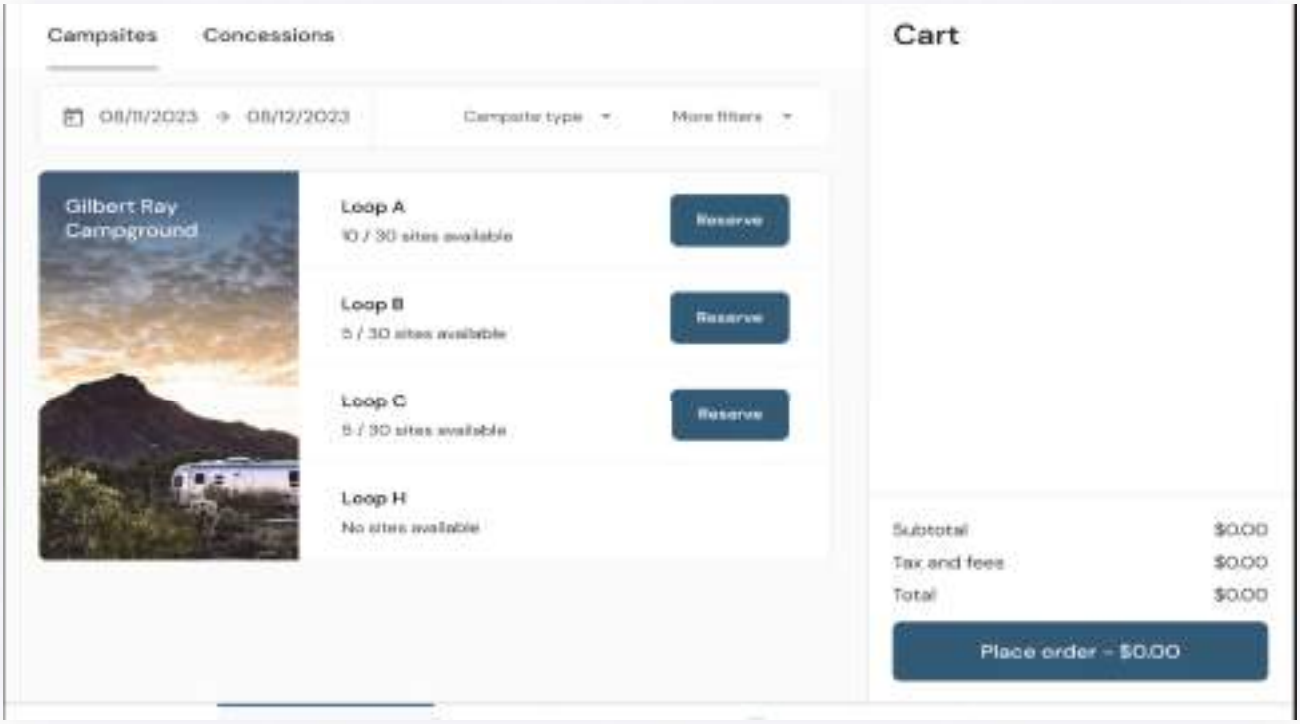
Custom reservation flow for campgrounds



Custom map layers that match your facility



Stunningly simple POS for staff



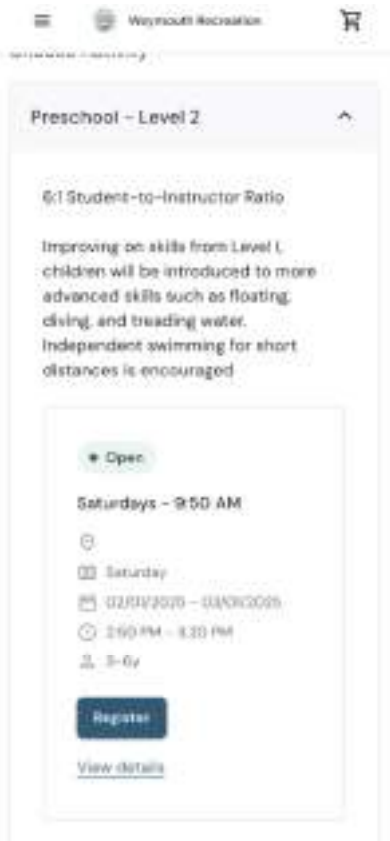
Customizable across various product types and needs



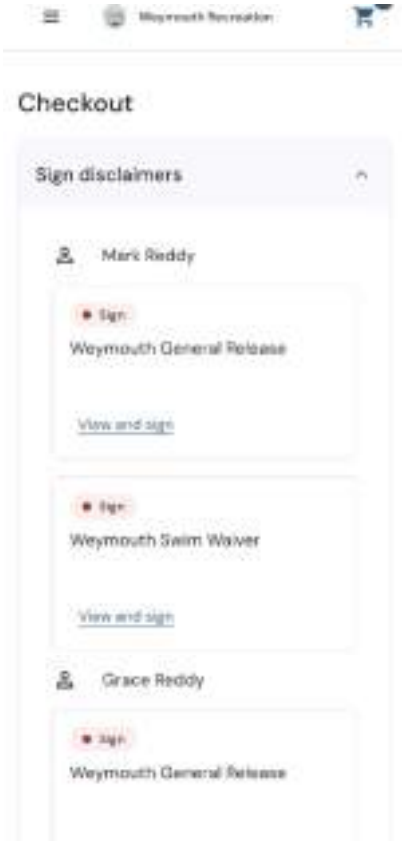
Seamless program discovery



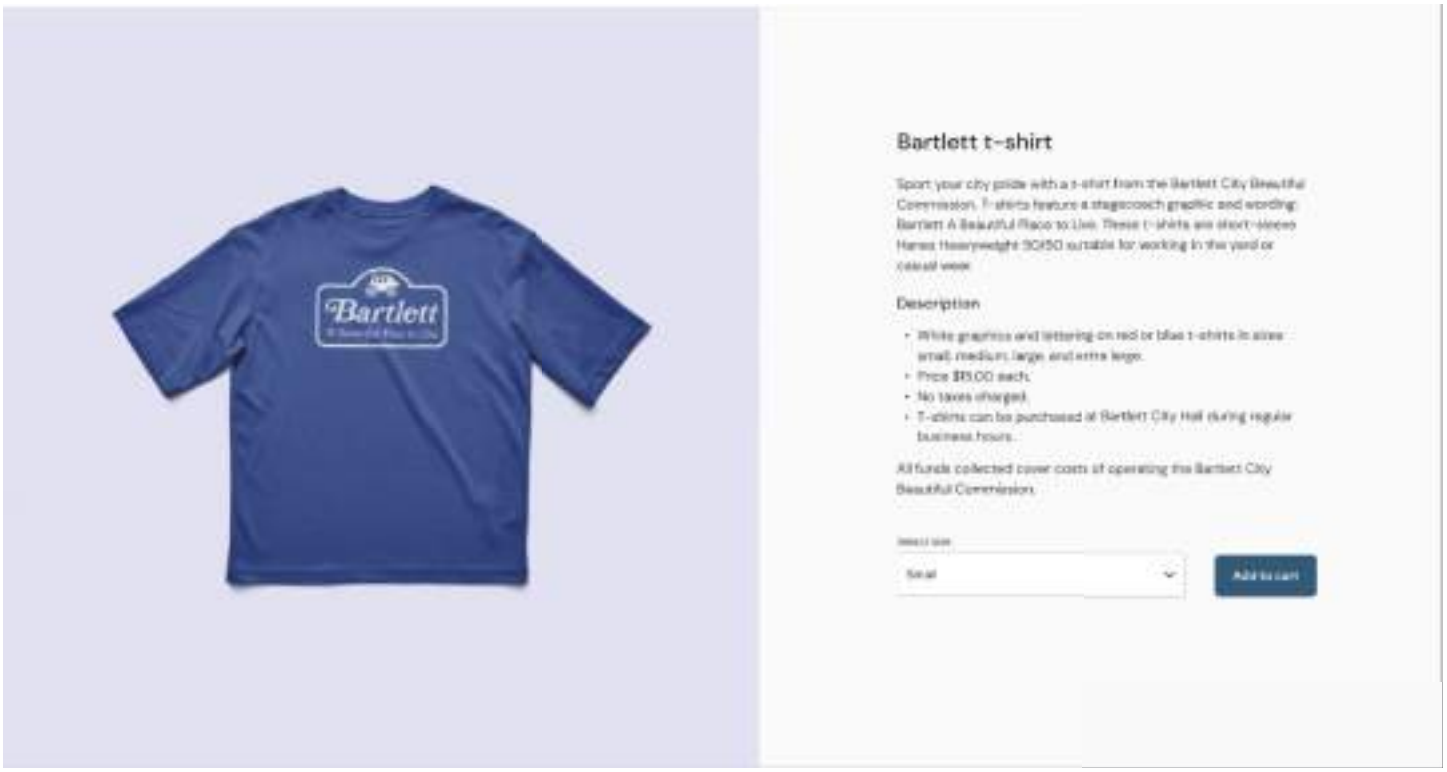
Built for mobile



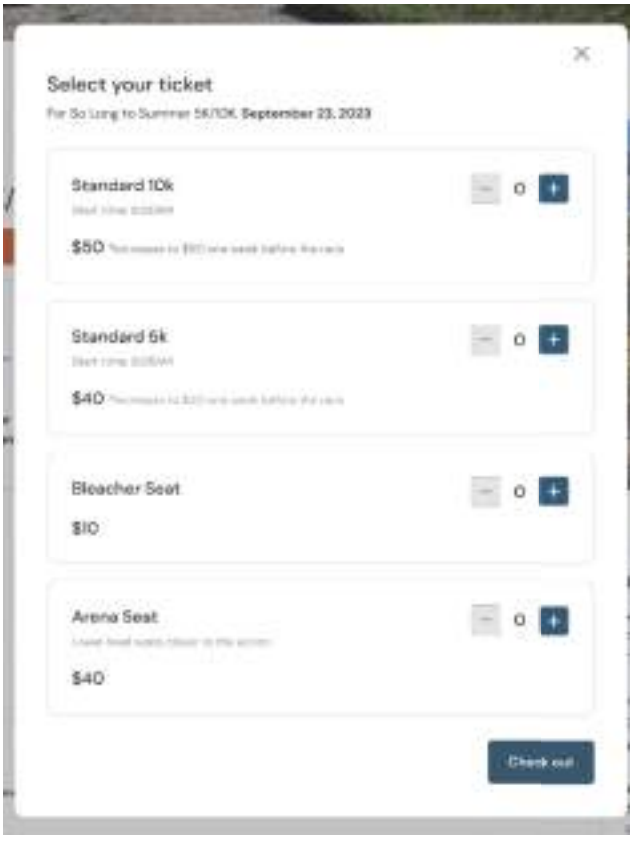
Seamless registration experience



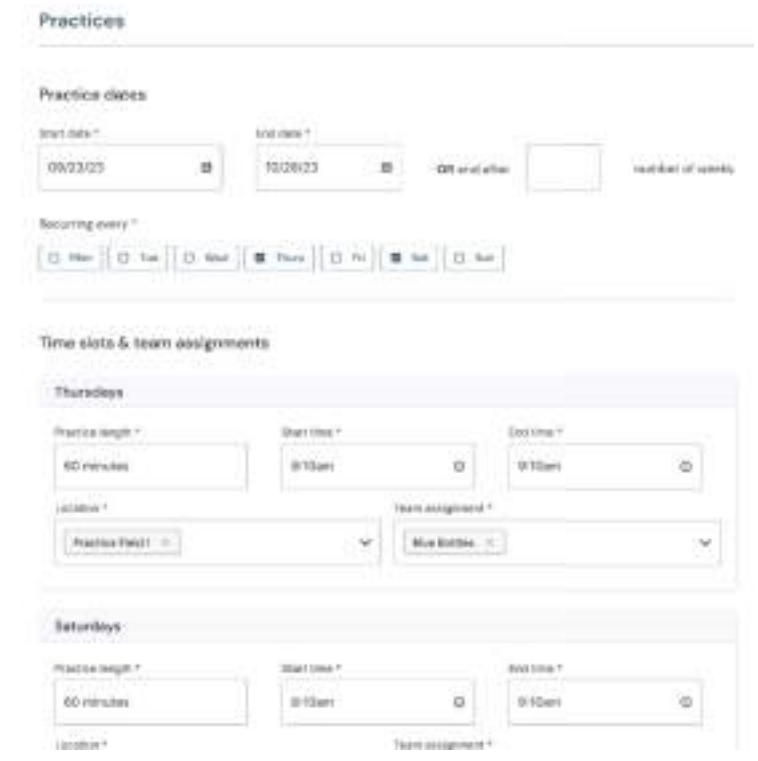
Fully digital waiver management



Built-in merchandising



Built-in event ticketing & management



Built-in league management

Proposed point-of-sale and reservation management system must have a Google Lighthouse score greater than 90 to meet various accessibility standards and load times.

We take great pride in our commitments to accessibility, usability, and a modern feel across all of our platforms. By making the technologies are are more accessibility-friendly and usable for all groups of people across all devices, we believe strongly in our ability to help our communities serve more people with higher quality service.

Please find our accessibility commitments and audited standards below:

- Google Lighthouse score greater than 90 ✅
  - Google Lighthouse is a free analytics tool that analyzes performance of web-applications across various usability and accessibility metrics. We are broad to boast an average score of 97 across all of our applications.
  - These tests are re-run on a a quarterly basis and passed to our engineering team for frequent revision and improvement.
- SOC 2 Type I, Type II, and HIPAA Compliance ✅
  - We hold ourselves to the most rigorous cybersecurity standards to ensure our platforms are secure and built upon the latest innovations in web-development technologies.
  - As a requirement to maintain our various certifications, we perform quarterly penetration testing, accessibility auditing, and performance analysis.
- Award-winning engineering and design team ✅
  - Our design and engineering team have won countless awards in product design, branding, marketing, and software engineering .
  - Our stellar team has come from the world's leading technology companies like Apple, Google, Meta, and Airbnb, and along with our rich advisory team made up of former Parks & Recreation professionals, we can build the best application possible.



An example report of running a Lighthouse analysis on one of our platforms. A full summary can be requested at anytime by our team.

Proposed point-of-sale and reservation management system must be built upon the latest web development frameworks that are optimized for mobile-friendliness and scale, such as React, Vue, or NextJS.

We take great pride in our commitments to building a modern web-application that looks, feels, and performs like the consumer technology applications we use on a daily basis. Part of this effort includes committing to the latest web development technologies, frameworks, and programming frameworks.

When we use the latest and most performant technologies to build our software, our customers have a higher quality experience, the system is faster and less prone to performance degradation, and most importantly, we are deploying systems that can last for a new generation of use cases.

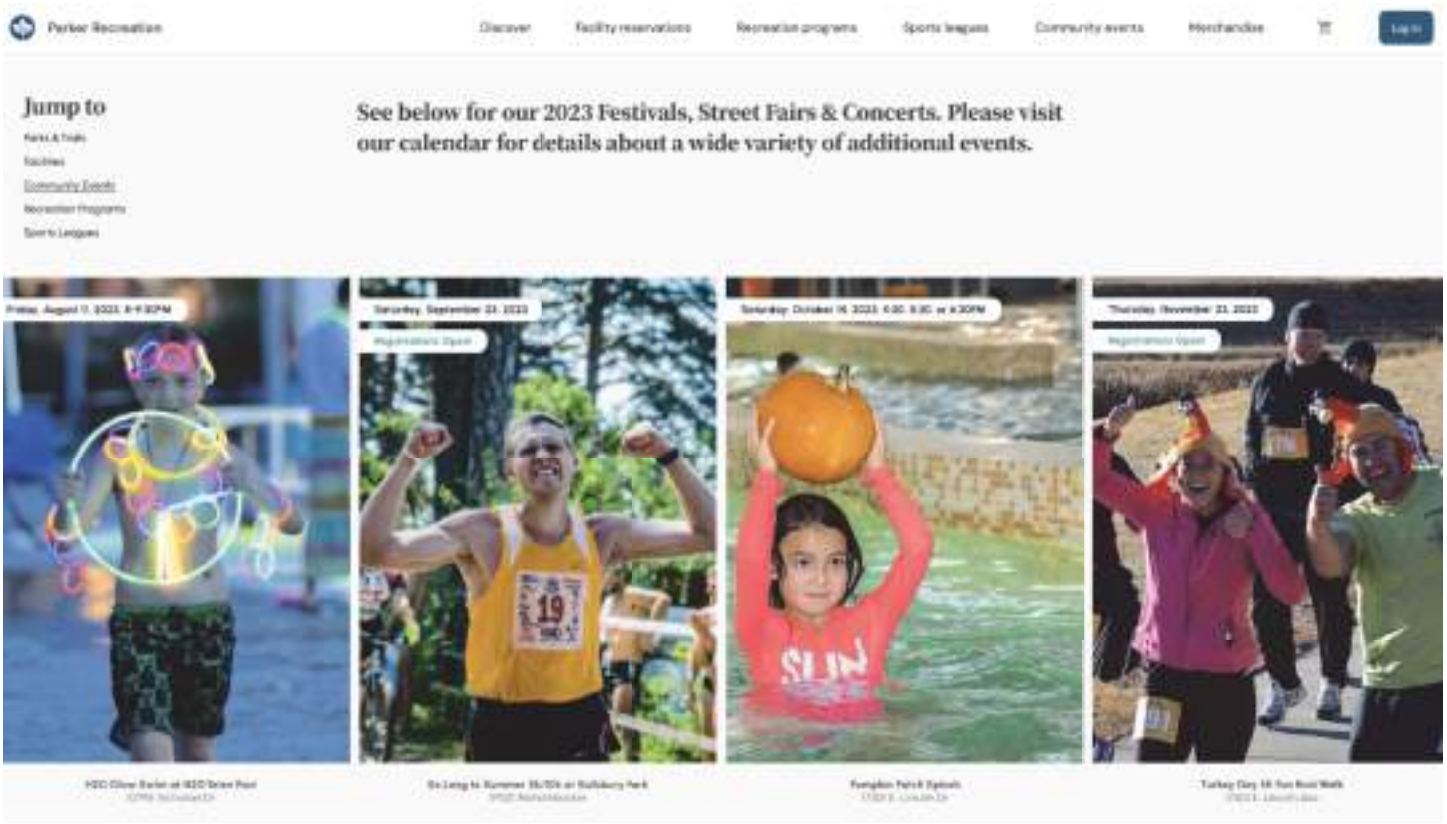
Our platform is **100% built, designed, and implemented** using the following web development frameworks:

- NextJS ✅
  - NextJS is a React framework that enables several extra features, including server-side rendering and generating static websites React is a JavaScript library that is traditionally used to build web applications rendered in the client's browser with JavaScript Developers recognize several problems with this strategy however, such as not catering to users who do not have access to JavaScript or have disabled it, potential security issues, significantly extended page loading times, and harm to the site's overall search engine optimization Frameworks such as NextJS sidestep these problems by allowing some or all of the website to be rendered on the server-side before being sent to the client.
  - Google has contributed to the NextJS, and as of March 2024, the framework is used by many large companies, including Walmart, Apple, Nike, Netflix, Uber, Lyft, and Starbucks.
- React ✅
  - React is a free and open-source front-end JavaScript library for building user interfaces based on components. It is maintained by Meta (formerly Facebook) and a community of individual developers and hundreds of thousands of companies and organizations.
  - React can be used to develop single-page, mobile, or server-rendered applications with frameworks like NextJS.

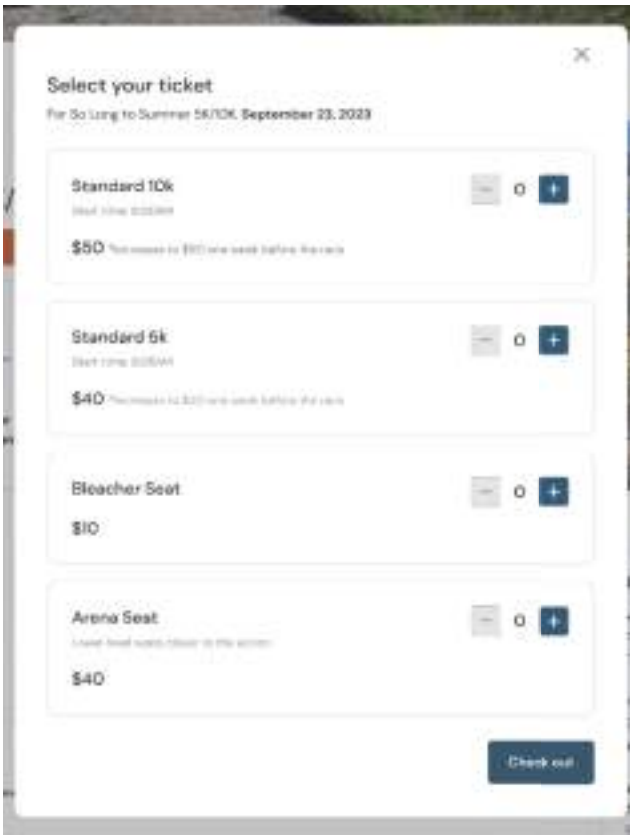
Proposed point-of-sale and reservation management system must include a native event ticketing platform or integrate with an outside platform with that functionality that Proposer provides at no additional cost.

The Kaizen platform allows for seamless configuration of a native event and live-ticketing module that is available free-of-charge:

- Purchasing different ticket types ✅
- Gorgeous discovery of events and browsing experiences ✅
  - Shareable calendar links
  - Sending e-mail or text message notifications to guests
- QR-code based ticketing with functionality to add to digital wallet ✅
- Seamless support options to communicate with staff ✅
- Real-time event tracking and analytics ✅



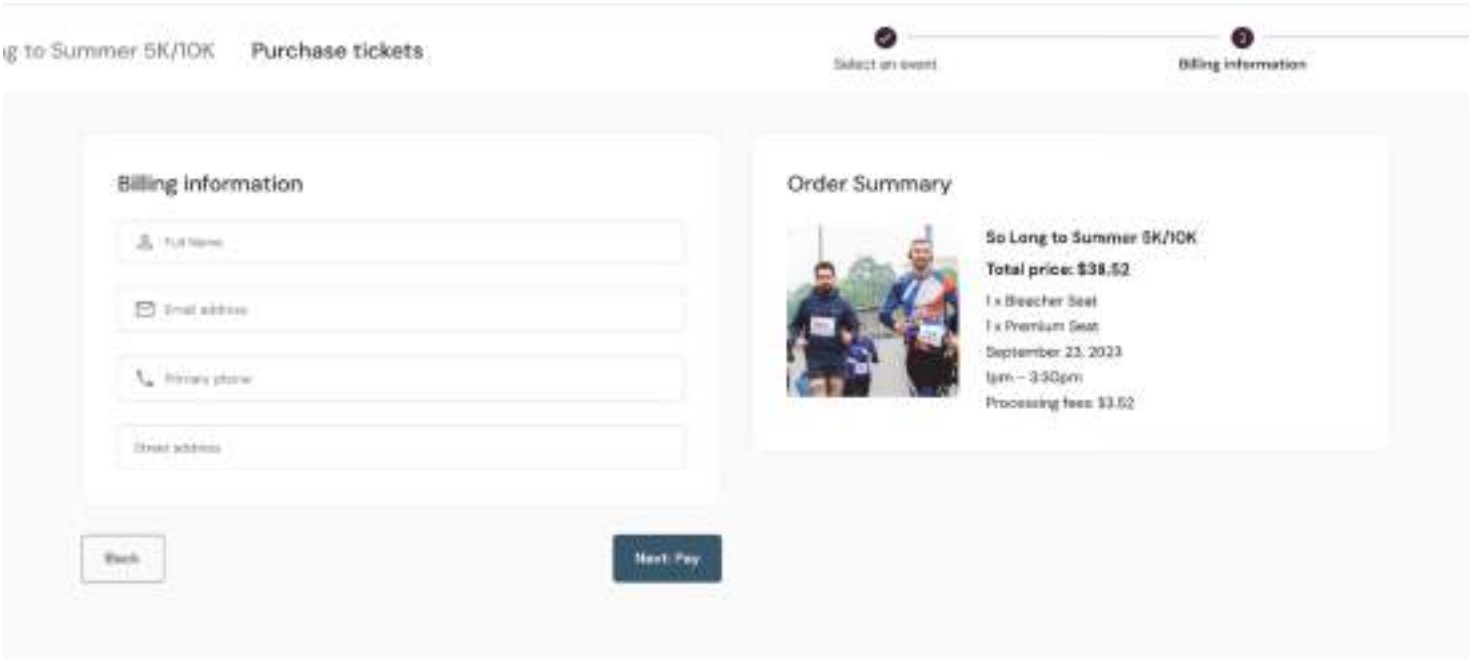
Beautiful discovery of events to register and buy tickets for



Support for various ticket types



Shareable links and rich photo-driven discovery experience



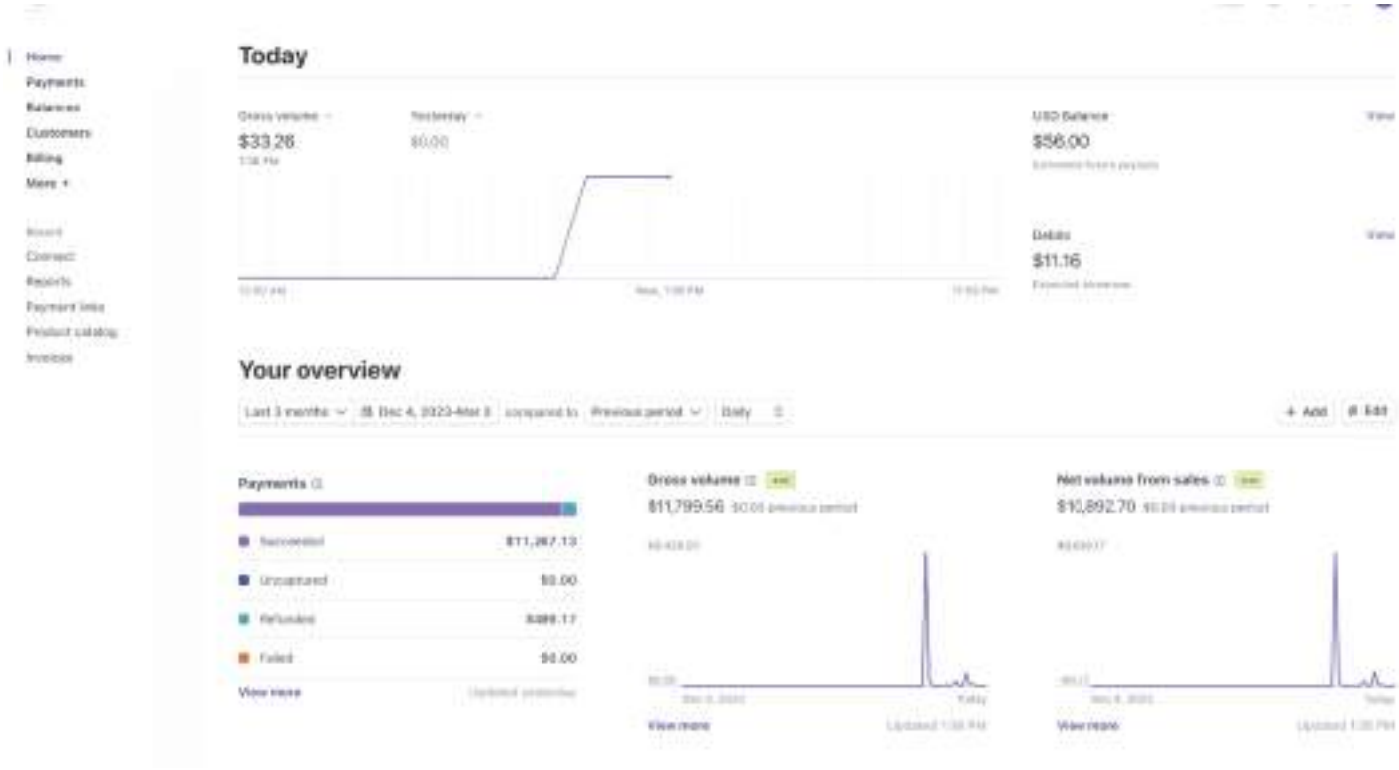
Seamless check-out flow



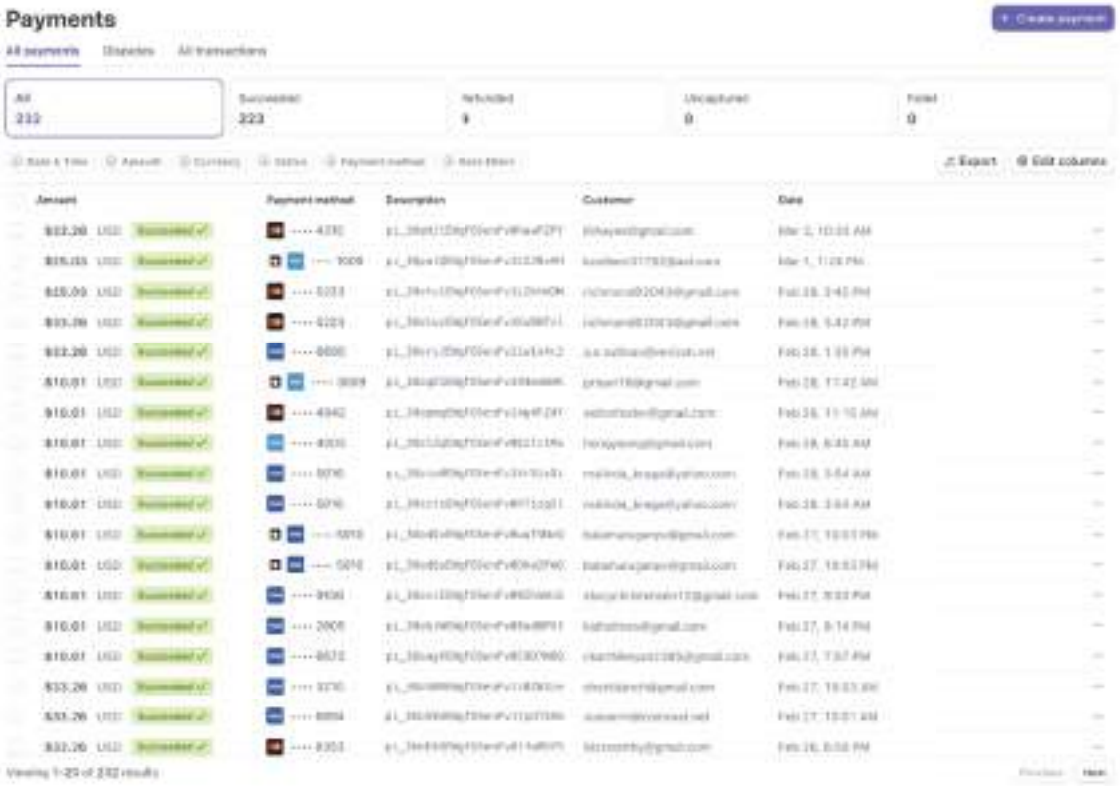
Fully digital passes and tickets

Proposed point-of-sale and reservation management system must integrate directly into Stripe for processing and reporting of all electronic payments.

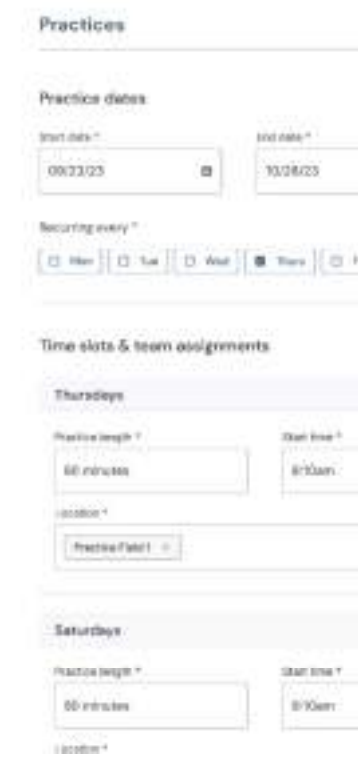
Our platform's financial engine is built and integrated 100% with Stripe for processing and reporting of all electronic payments ✅.



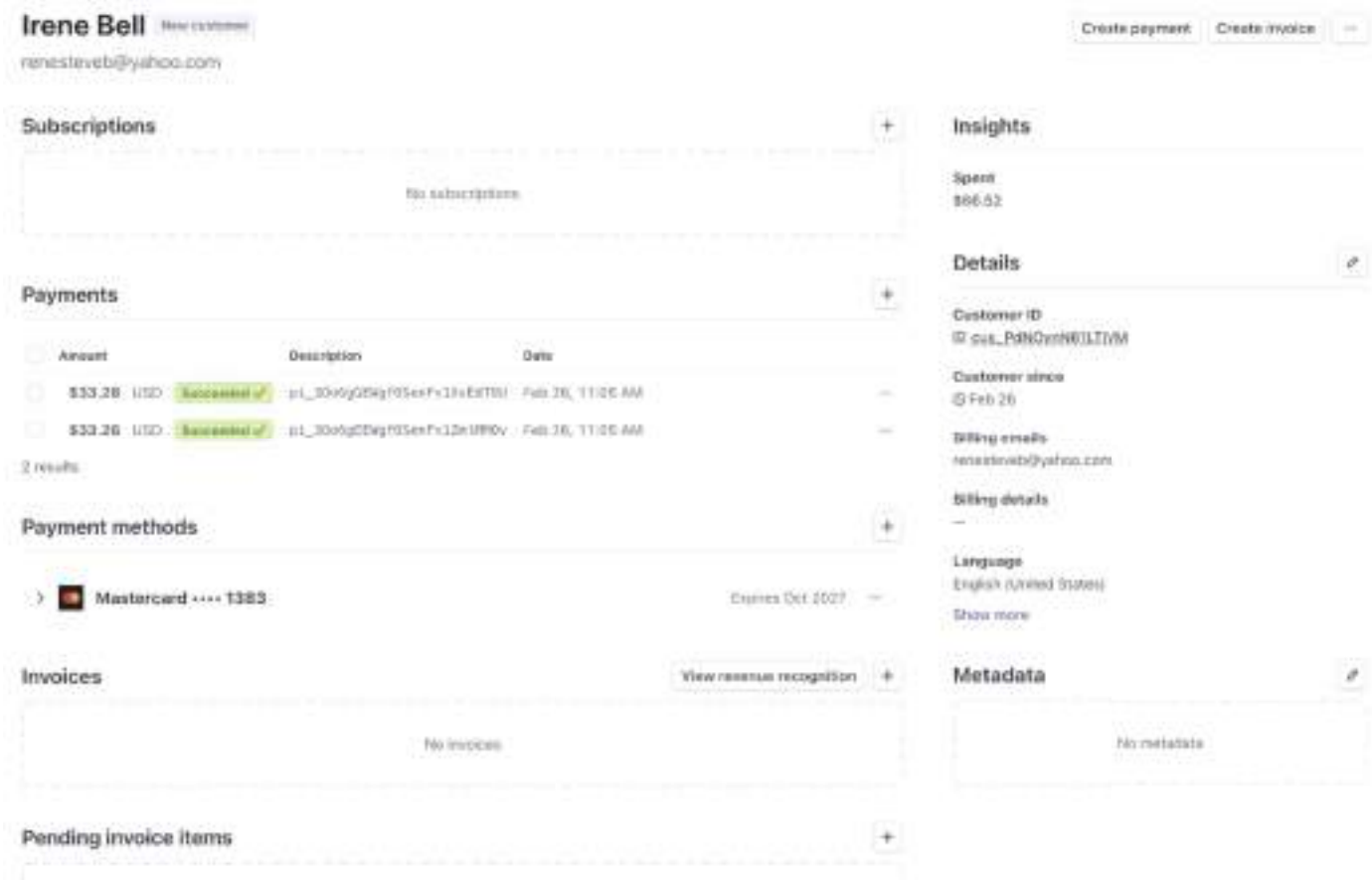
Gorgeous payment dashboards



Full payment analytics and breakdowns



Built-in league management



Powerful customer management capabilities





Digital invoice capability with automatic payment links and PDF previews

Digital payment links and QR-code based payment

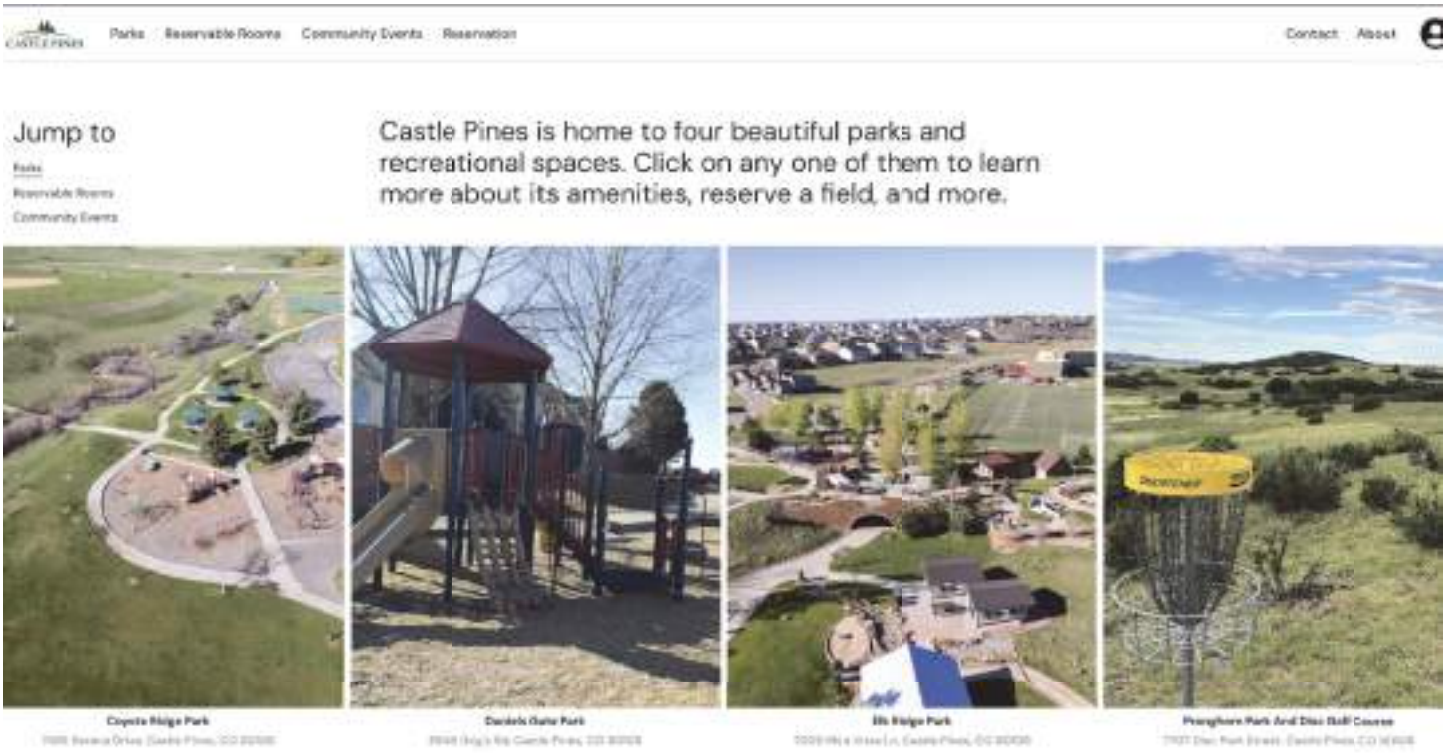
Proposed point-of-sale and reservation management system must provide a photo-driven discovery experience to view and browse all programs, facilities, and memberships.

As a key part of building our platforms, it is important to us and our customers that when users click onto the point-of-sale and reservation management system, they can form a rich understanding of specific community amenities, facilities, and experiences that are available to them.

Often times, external resources like Google Maps or program brochures are the only place to find high-quality, recent imagery of facilities and programs. This makes it difficult for users to find centralized, modern information about the services they are trying to sign up for, and as is often the result, communities can lose customers because how disparate this essential information is.

On the Kaizen platform, users are greeted with a rich discovery experience to view and browse all programs facilities and memberships:

- Users can seamlessly browse these photos and click on one to learn more about a specific facility, amenity, membership or program ✅
- This experience is fully optimized for mobile devices and tablets ✅
- Kaizen staff members and producers pay for all high-quality, professional photography at no cost to the County ✅
- Users have access to rich filters to quickly scope down results to only the information they want to see ✅
- Administrators have powerful capacity to edit and change the layout, look, and content that powers this discovery experience ✅



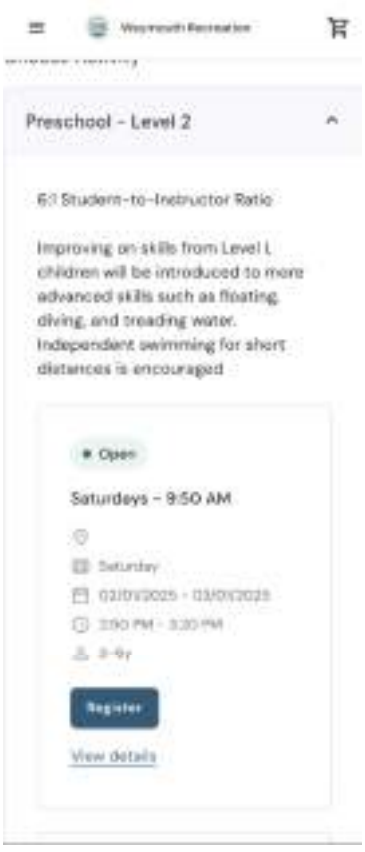
Latest, stunning photography to power discovery experiences



Simple and intuitive on mobile



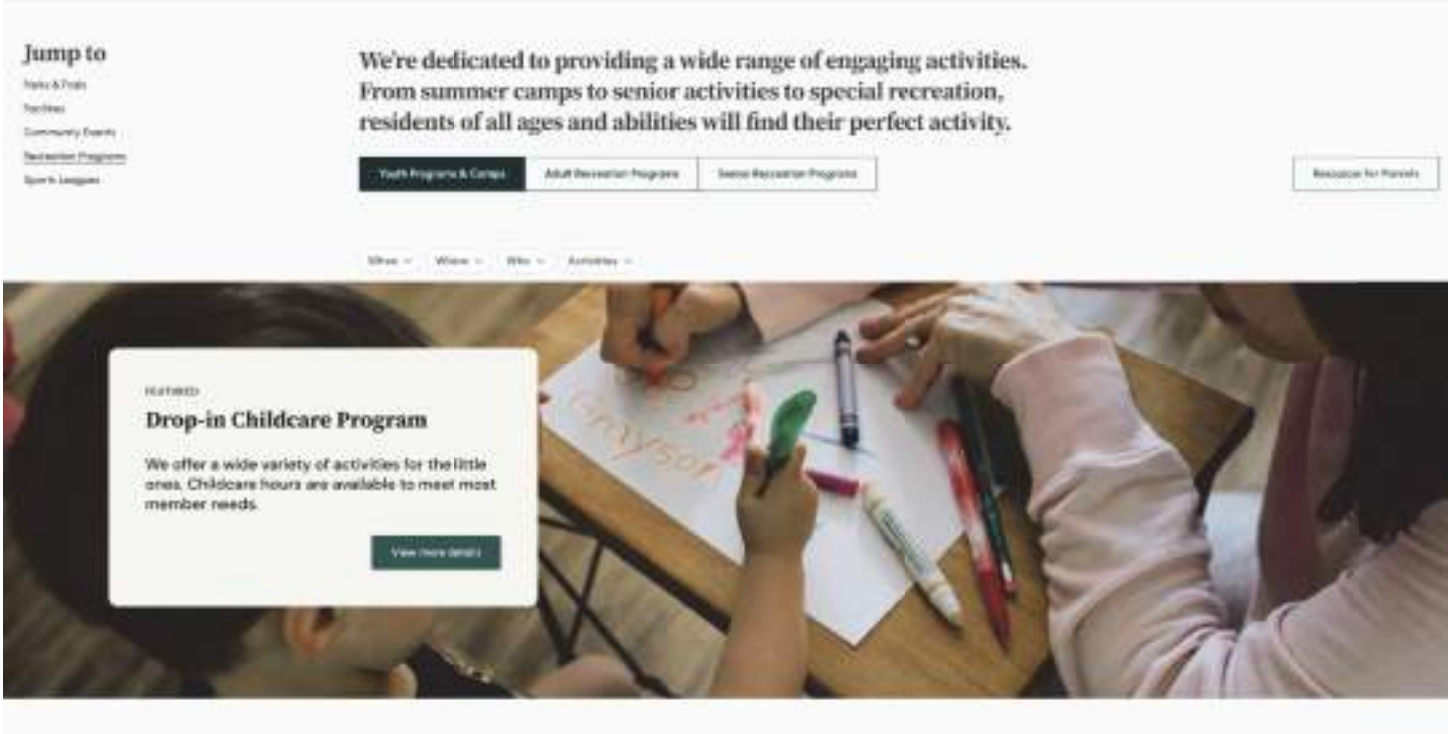
Browse images with a swipe



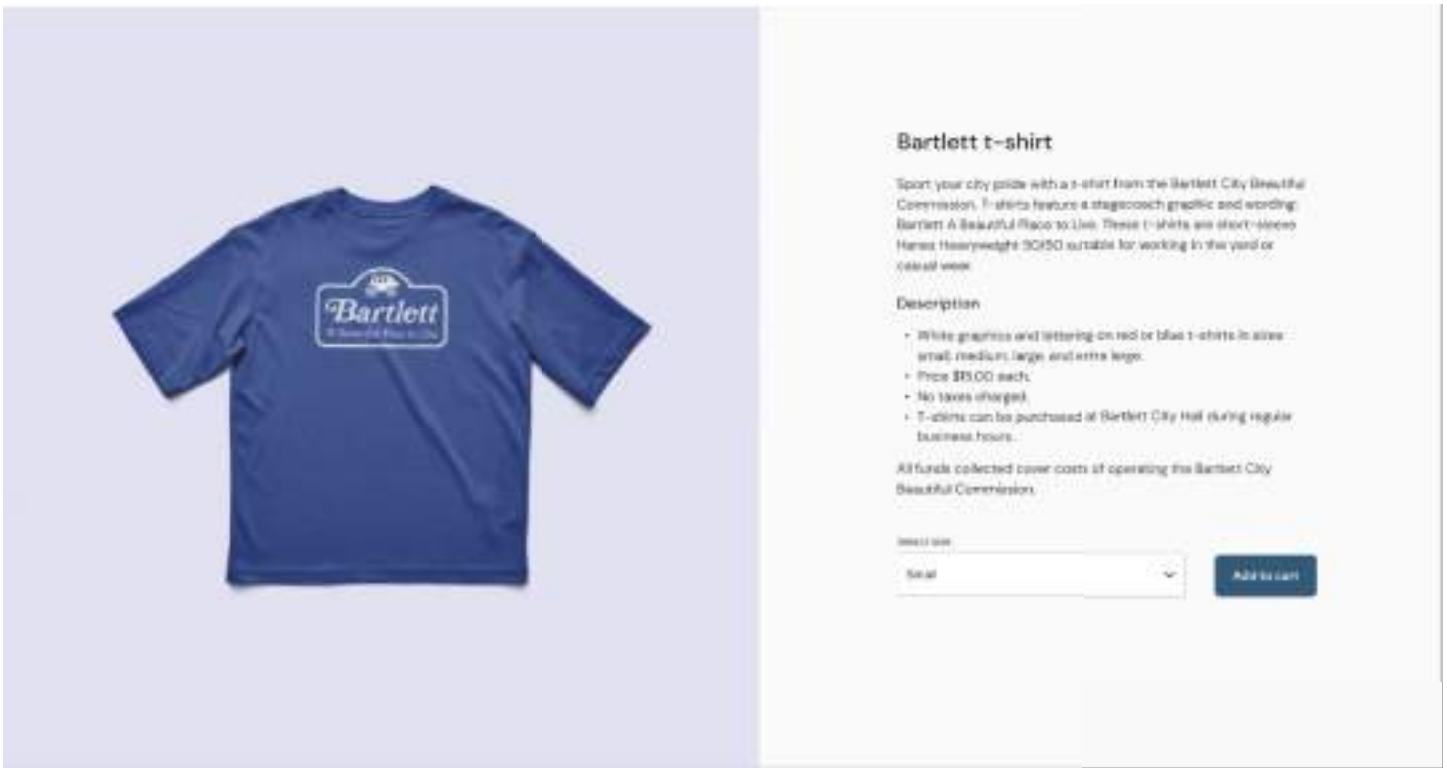
Applies across all pages



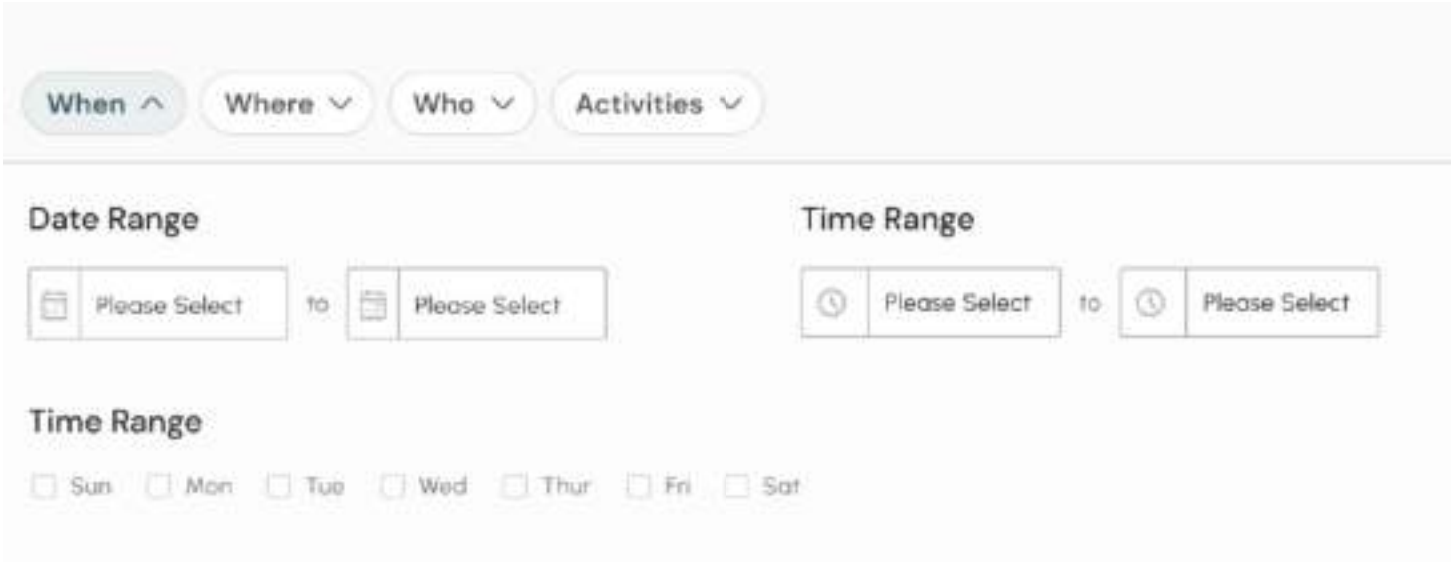
Customizable grid layouts for maximum flexibility



Browse across programs, memberships, events, and more



Easy discovery of all merchandise and concessions



Simple, functional filters to provide a easy browsing experience

EXHIBIT D: PIMA COUNTY LICENSED SOFTWARE / SaaS STANDARD TERMS & CONDITIONS (8 PAGES)

In Sections 1 through 12 below: references to Licensed Software, SaaS, and Software/SaaS Addendums will be inapplicable unless and until the parties execute a Software/SaaS Addendum.

1. **Definitions.** The following terms will have the meanings set forth in this Section 1 when used in this Exhibit C.

   1.1. [Intentionally omitted]

   1.2. Addendum. An addendum addressing Software/SaaS executed by authorized representatives of each party. References to Addendums include any attachments to those Addendums, except where this Contract specifically addresses attachments separately.

   1.3. Confidential Information. As defined in Section 4 (Confidentiality) below.

   1.4. Data Breach. An unauthorized disclosure or exposure of Project Data.

   1.5. [Intentionally omitted.]

   1.6. Project Data. All information processed or stored on computers or other electronic media by County or on County's behalf, or provided to Contractor for such processing or storage, as well as any information derived from such information. Project Data includes, without limitation: (a) information on paper or other non-electronic media provided to Contractor for computer processing or storage, or information formerly on electronic media; (b) information provided to Contractor by County or other users or by other third parties; and (c) personally identifiable information from such County's, users, or other third parties, including from County's employees.

   1.7. Software-as-a-Service ("SaaS"). Software that Contractor hosts (directly or indirectly) for County's use. For the avoidance of doubt, SaaS does not include Licensed Software.

   1.8. Specifications. Technical and functional specifications for Licensed Software or SaaS.

2. **Addendums.**

   2.1. Any Addendum entered into by the parties is incorporated into and forms a part of this Contract. No change in the scope of work, fee arrangements, or other provisions of an Addendum will be effective unless and until each party accepts such change through an executed contract amendment. No Addendum will be construed to amend this main body of this Contract.

   2.2. Contractor will provide to County such Licensed Software or SaaS, and other products and services as are set forth in each Addendum.

3. **[Intentionally omitted]**

4. **Confidentiality.** It is expressly agreed that the terms of Section 5 ("Confidentiality") of the Kaizen Digital Services Terms and Conditions shall supplement this Section 4.

4.1. Confidential Information. Confidential Information refers to the following items County discloses to Contractor: (a) any document County marks "confidential"; (b) any information County orally designates as "confidential" at the time of disclosure, provided County confirms such designation in writing within 15 business days; (c) and all personal identifying information protected by A.R.S. § 44-1373, whether or not marked "confidential." County's Confidential Information also includes (d) any other nonpublic, sensitive information Contractor should reasonably consider as otherwise confidential. Notwithstanding the foregoing, Confidential Information does not include information that: (i) is in Contractor's possession at the time of disclosure; (ii) is independently developed by Contractor without use of or reference to Confidential Information; (iii) becomes known publicly, before or after disclosure, other than as a result of Contractor's improper action or inaction; or (iv) is approved for release in writing by County.

4.2. Nondisclosure. Contractor will not use Confidential Information for any purpose other than to facilitate the provision of products and services to County pursuant to this Agreement. Contractor: (a) will not disclose Confidential Information to any employee or contractor of Contractor unless such person needs access for such purpose and, in the case of Contractor's employees and contractors, is subject to a nondisclosure agreement with Contractor/Contractor with terms no less restrictive than those of this Agreement; and (b) will not disclose Confidential Information to any other third party without County's prior written consent. Without limiting the generality of the foregoing, Contractor will protect Confidential Information with the same degree of care it uses to protect its own confidential information of similar nature and importance, but with no less than reasonable care. Contractor will promptly notify County of any misuse or misappropriation of Confidential Information that comes to Contractor's attention. Notwithstanding the foregoing, Contractor may disclose Confidential Information as required by applicable law or by proper legal or governmental authority. Contractor will give County prompt notice of any such legal or governmental demand and reasonably cooperate with County in any effort to seek a protective order or otherwise to contest such required disclosure, at County's expense.

4.3. Termination & Return. Upon termination or completion of this Agreement, Contractor will return all copies of Confidential Information to County or will destroy such data and confirm destruction in in writing in a timely manner not to exceed 60 calendar days.

4.4. Retention of Rights. This Agreement does not transfer ownership of Confidential Information or grant a license thereto, unless this Agreement specifically provides to the contrary. Each party will retain all right, title, and interest in and to all of their Confidential Information.

5. Data Management & Security.

5.1. The provisions of this Section 5 apply only if Contractor receives access to Project Data. Contractor recognizes and agrees that Project Data may contain personally identifiable information or other private information, even if the presence of such information is not labeled or disclosed. An Addendum may waive or modify the obligations of this Section 5 with respect to the subject matter of such Addendum.

5.2. Data Management.

5.2.1. *Access, Use, & Legal Compulsion*. Unless it receives County's prior written consent, Contractor: (i) will not access, process, or otherwise use Project Data other than as necessary to perform as required in this Agreement; (ii) will not give any of its employees access to Project Data except to the extent that such individual needs access to facilitate the provision of products and services to County pursuant to this Agreement and is subject to a reasonable written agreement with Contractor protecting such data, with terms reasonably consistent with those of this Section 5.2 (Data Management) and of Section 5.3 (Data Security) below; and (iii) will not give any third party access to Project Data, including without limitation Contractor's other customers, except subcontractors subject to Subsection 5.2.4 below. Notwithstanding the foregoing, Contractor may disclose Project Data as required by applicable law or by proper legal or governmental authority. Contractor will give County prompt notice of any such legal or governmental demand and reasonably cooperate with County in any effort to seek a protective order or otherwise to contest such required disclosure, at County's expense.

5.2.2. *County's Rights.* County possesses and retains all right, title, and interest in and to Project Data, and Contractor's use and possession thereof is solely on County's behalf. County may access and copy any Project Data in Contractor's possession at any time, and Contractor will reasonably facilitate such access and copying promptly after County's request. The parties recognize and agree that Contractor is a bailee for hire with respect to Project Data.

5.2.3. *Handling, Retention, & Deletion.* Contractor will not erase Project Data, or any copy thereof, without County's prior written consent and will follow any written instructions from County regarding retention and erasure of Project Data. Unless prohibited by applicable law, Contractor will purge all systems under its control of all Project Data at such time as County may request. Promptly after erasure, Contractor will certify such erasure to County in writing. In purging or erasing Project Data as required by this Agreement, Contractor will leave no data recoverable on its computers or other media, to the maximum extent commercially feasible. Finally, Contractor will not transfer Project Data outside the continental United States of America, including Alaska and Hawaii (the "Approved Region") without County's prior written consent. Contractor's obligations set forth in this Subsection (without limitation) apply likewise to Contractor's successors, including without limitation any trustee in bankruptcy.

5.2.4. *Subcontractors.* Contractor will not permit any subcontractor to access Project Data except to the extent that such subcontractor needs access to facilitate the provision of products and services to County pursuant to this Agreement and is subject to a written contract with Contractor protecting the data, with terms reasonably consistent with those of this Section 5.2 (Data Management) and of Section 5.3 (Data Security), specifically including without limitation terms consistent with those of Subsection 5.2.1 (ii) above as applied to subcontractor employees. Contractor will exercise reasonable efforts to ensure that each subcontractor complies with all of the terms of this Agreement related to Project Data. As between Contractor and County, Contractor will pay any fees or costs

related to each subcontractor's compliance with such terms, including without limitation terms in Section 5.3 (Data Security) below governing audits and inspections.

5.2.5. *Applicable Law.* Contractor will comply with all applicable laws and regulations governing the handling of Project Data and will not engage in any activity related to Project Data that would place County in violation of any applicable law or regulation.

5.3. Data Security.

5.3.1. In addition to the requirements below of this Section 5.3, Contractor will exercise commercially reasonable efforts to prevent unauthorized exposure or disclosure of Project Data and will observe any data security procedures set forth in the applicable Addendum.

5.3.2. *DataSec Program.* Contractor will maintain, implement, and comply with a written data security program (the "DataSec Program") that requires commercially reasonable policies and procedures to ensure compliance with this Section 5.3 and with Section 5.2 above (Data Management). The DataSec Program's policies and procedures will contain administrative, technical, and physical safeguards, including without limitation: (i) guidelines on the proper disposal of Project Data after it is no longer needed to carry out the purposes of the Agreement; (ii) access controls on electronic systems used to maintain, access, or transmit Project Data; (iii) access restrictions at physical locations containing Project Data; (iv) encryption of electronic Project Data; (v) dual control procedures; (vi) testing and monitoring of electronic systems; and (vii) procedures to detect actual and attempted attacks on or intrusions into the systems containing or accessing Project Data. Contractor will review the DataSec Program and all other Project Data security precautions regularly, but no less than annually, and update and maintain them to comply with applicable laws, regulations, technology changes, and best practices.

5.3.3. *[Intentionally omitted.]*

5.3.4. *Audits & Testing*.

5.3.4.1. Contractor will retain a certified public accounting firm to perform an annual audit of the Services' data protection features and to provide a SOC 2 Type II report, pursuant to the standards of the American Institute of Certified Public Accountants (the "AICPA"). The most current report was provided to County as part of Contractor's response to the RFP and will be provided thereafter annually within 15 business days of Contractor's receipt of County's written request (email sufficient). If the AICPA revises its relevant reporting standards, Contractor will provide the report that then most closely resembles a SOC 2 Type II report. In addition, Contractor will annually conduct its own internal security audit and address security gaps in compliance with its security policies and procedures, including without limitation the DataSec Program.

5.3.4.2. If requested by County in writing with 30 days' notice (email sufficient), Contractor will, on no more than an annual basis: (A) permit security reviews (e.g., intrusion detection, firewalls, routers) by County on systems storing or processing Project Data and on Contractor policies and procedures relating to the foregoing; and (B) permit unannounced inspection of any or all security processes and procedures during the term of this Agreement, including without limitation penetration tests, provided Contractor is not required to permit any review or inspection that may compromise the security of Contractor's other customers or of their data.

5.3.4.3. Any report or other result generated through the tests or audits required by this Subsection 5.3.4.3 will be Contractor's Confidential Information. If any audit or test referenced above uncovers deficiencies or identifies suggested changes in Contractor's performance of the Services, Contractor will exercise reasonable efforts promptly to address such identified deficiencies and suggested changes, including without limitation by revising the DataSec Program.

5.3.5. *Data Breaches.* Contractor will implement and maintain a program for managing actual or suspected Data Breaches. In the event of a Data Breach, or in the event that Contractor suspects a Data Breach, Contractor will (i) promptly notify County by telephone or in person and (ii) cooperate with County and law enforcement agencies, where applicable, to investigate and resolve the Data Breach, including without limitation by providing reasonable assistance to County in notifying injured third parties. In addition, Contractor will provide 1 year of credit monitoring service to any affected individual, unless the Data Breach resulted from County's act or omission. Contractor will give County prompt access to such records related to a Data Breach as County may reasonably request; provided such records will be Contractor's Confidential Information, and Contractor will not be required to provide County with records belonging to, or compromising the security of its other customers. The provisions of this Subsection 5.3.5 do not limit County's other rights or remedies, if any, resulting from a Data Breach.

6. Right to Audit.

6.1. During the Term, and for a period of five (5) years thereafter, or such longer period as may be required by any law, rule, or regulation applicable to County, Contractor shall maintain and provide, and shall ensure that its subcontractors maintain and provide, access, electronic or otherwise, to complete and accurate books, records, documents, data (specifically excluding County Data), and information relating to Contractor's performance (and any Contractor subcontractor's performance) pursuant to this Agreement, (the "Records").

6.2. All such records, documents, data and information shall be maintained in such form (for example, in paper or electronic form) as County may reasonably direct. County shall have the right, during business hours, at its own expense (except as otherwise provided herein), and upon 30 days' prior written notice (except to the extent County is unable, using commercially reasonable efforts, to provide such notice and comply with

applicable law or the requests of legal authorities), to audit, review, and copy the Records for any reasonable business purpose relating to Contractor's performance (and any Contractor subcontractor's performance) pursuant to this Agreement.

6.3. Contractor shall provide to County such assistance as it reasonably requires in connection with audits or examinations pursuant to this Section. Contractor shall reasonably cooperate with County and its designees in connection therewith audit functions and with regard to examinations by legal authorities, if required.

6.4. If any audit or examination reveals that Contractor's invoices for the audited period are not correct, Contractor shall promptly reimburse County for the amount of any overcharges, or County shall promptly pay Contractor for the amount of any undercharges subject to the terms of the Agreement.

6.5. If any audit reveals a discrepancy of more than five percent (5%) of the invoiced amount for any period audited or any non-trivial breach(s) of Contractor's obligation to timely and properly provide and perform the Services, Contractor shall bear the cost of such audit.

6.6. Nothing in the Agreement shall limit or restrict the rights of either party in discovery proceedings pursuant to any civil litigation or governmental, regulatory or criminal proceeding.

7. Contractor's Warranties.

7.1. Preexisting Confidential Information. Contractor represents and warrants that it has, before the effective date, maintained confidential and secret any Confidential Information as required by Section 4 above and protected any Project Data as required by Section 5 above.

7.2. Intellectual Property. Contractor represents and warrants that neither the Professional Services nor any Licensed Software, SaaS, or Deliverable will infringe a patent, copyright, trade secret, or other intellectual property right of any third party, and that it has and will maintain the full power and authority to grant the intellectual property rights set forth in this Agreement without the further consent of any third party, including without limitation Contractor's employees and contractors. In case the use of any portion of a Deliverable, Licensed Software, or SaaS is enjoined, Contractor will, at its own expense: (a) procure for County the right to continue use of the Deliverable, Licensed Software, or SaaS; (b) replace the Deliverable, Licensed Software, or SaaS with a non-infringing version of comparable functionality; or if County consents in writing, (c) issue a full refund of fees paid pursuant to such Addendum. The preceding sentence does not limit any County right to recover fees paid pursuant to other Addendums where products or services provided thereunder are compromised or of reduced value as a result of the breach of warranty.

7.3. No Viruses. Contractor represents and warrants that it has made commercially reasonable efforts to avoid introducing into the Deliverables, SaaS, and any other software used or provided by Contractor, as well as any media used to distribute or support them, viruses or other computer instructions or technological means intended to disrupt, damage, or interfere with the use of computers or related systems.

7.4. DISCLAIMER. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 7, AND SECTION 12, OR IN AN ADDENDUM, CONTRACTOR OFFERS NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. **Survival & Data Return.** The following provisions of this Agreement will survive any expiration or termination of this Agreement: Sections 4, 5.2, 5.3 (to the extent, if any, that Contractor retains Project Data), 6, and 9, as well as any provision that must survive to fulfill its essential purpose. Furthermore, a grant of property or intellectual property rights to County that by its terms continues for longer than the duration of this Agreement will survive expiration or termination of this Agreement, except termination for County's breach of its obligations to pay for such property or rights. Promptly after termination or expiration of an Addendum or of this Agreement, Contractor will within 60 calendar days return to County all Project Data and all other County data in such format as County may reasonably require and permanently erase all copies thereof or will destroy Project Data and all other County data and confirm such destruction to County in writing; provided the terms of an Addendum may alter the requirements of this sentence.

9. **License, Subscription, & Software/SaaS Addendums.** Contractor hereby grants County a subscription to access and use the SaaS. The license and subscription in the preceding sentence grant rights no less than is consistent with the goals and requirements of the Software/SaaS Addendum. County has the absolute right to upgrade or replace any equipment in the County network and continue to use the Licensed Software on the network. County will not be required to Contractor any additional licensing fee or other fees as a result of using the Licensed Software in conjunction with the upgraded or replacement equipment on the network. County may make a reasonable number of back-up copies of the Licensed Software and related documentation as is strictly necessary for its lawful use. County will maintain records of the number and location of all such copies of the Licensed Software and related documentation. County has the right to deploy a test, production, staging, training, and business backup and/or disaster continuity instance with unrestricted copy restrictions.

10. Service Levels & Maintenance.

10.1. [Intentionally omitted]

10.2. SaaS Service Level Agreement. Except to the extent that a Software/SaaS Addendum provides to the contrary, Contractor will make commercially reasonable efforts to maintain the SaaS so that it performs according to the Service Level Agreement attached to the Contract as Exhibit E.

11. Timing of Maintenance Fees & SaaS Subscriptions.

11.1. Notwithstanding any provision of an Addendum to the contrary:

11.1.1. No fees for maintenance of Licensed Software or SaaS, including without limitation for Upgrades (as defined in Subsection 10.1.2 above), will accrue before Go-Live (as defined below); and

11.1.2. No period before Go-Live will be counted against the time covered by any maintenance period.

11.2. Unless the applicable Software/SaaS Addendum provides to the contrary:

11.2.1. No fees for use of SaaS will accrue before Go-Live; and

11.2.2. No period before Go-Live will be counted against the time covered by any SaaS subscription fees.

11.3. This Section 11 limits the potential periods of maintenance and of SaaS subscriptions and will not be construed to extend or otherwise define such periods. “Go-Live” refers to the County’s first use of the SaaS in production, other than a beta use or test.

12. **Functionality & Related Warranties.** Except to the extent that a Software/SaaS Addendum provides to the contrary:

12.1. [Intentionally omitted]

12.2. SaaS Warranties. Contractor warrants that the SaaS will materially conform to its Specifications. The preceding sentence: (a) does not limit any County right to recover fees paid pursuant to other Addendums where products or services provided thereunder are compromised or of reduced value as a result of the breach of warranty; and (b) does not limit any service level commitments set forth in Subsection 10.2 above or in a Software/SaaS Addendum.

12.3. Supporting Services. Contractor represents and warrants that it will provide any service that supports Licensed Software or SaaS, including without limitation maintenance services, in a professional and workmanlike manner.

END OF EXHIBIT D

EXHIBIT E: KAIZEN DIGITAL SERVICES TERMS AND CONDITIONS (15 PAGES)

(Attached)

EXHIBIT E:
KAIZEN DIGITAL SERVICES TERMS AND CONDITIONS

These Digital Services Terms and Conditions (the "**Terms**") are hereby incorporated into Master Agreement MA-PO-24-162 ("the **Agreement**" or "**Contract**"), and sets forth the terms and conditions pursuant to which Pima County, a political subdivision of the State of Arizona, (herein referred to as the "**Customer**" or "**County**"**)** receives the services and materials set forth in an Order Form (collectively, the "**Services**") by Kaizen Laboratories Inc. (herein referred to as the "**Company**" or "**Contractor**"). If there is a conflict between the Terms and an Order Form, the terms of the Order Form will control.

1. DEFINITIONS

1.1. "**Authorized User(s)**" means any employee or contractor of Customer that is authorized by Customer to use the Services on its behalf and has created an account in accordance with Section 2.3.

1.2. "**Company Platform**" means Company's proprietary, web-based platform, which provides certain features and functionality relating to administration of municipal spaces.

1.3. "**Customer Data**" means any data, content, or information that is uploaded, transmitted, submitted, provided, or otherwise made available on the Company Platform by or on behalf of Customer.

1.4. "**Documentation**" means any user documentation, in all forms (e.g., user manuals, on-line help files) provided by Company which relate to the Services.

1.5. "**Order Form**" means an order form, quote or other similar document that: (a) sets forth the Services, the pricing therefor, and the Initial Service Term; (b) references these Terms; and (c) is executed by the parties.

1.6. "**Scope Limitations**" means the limitations on Customer's use of the Services specified in the Order Form.

1.7. "**Services**" means the services and materials set forth in an Order Form.

1.8. "**Usage Data**" means any performance, analytical, or usage information relating to Customer's and Users' use of the Services which is generated or otherwise collected by the Services and is in aggregated or de-identified form only.

1.9. "**User(s)**" means any individual who uses the Services.

2. SERVICES

2.1. Use of the Services. Subject to the terms and conditions of this Agreement, Company grants to Customer and its Authorized Users a limited, worldwide, non-exclusive, non-transferable (except as permitted in Section 12.4) right during the Term (defined below) to use the Services solely in connection with Customer's internal business operations. Customer's and its Authorized Users' right to use the Services is subject to the Scope Limitations and contingent upon their compliance with the Scope Limitations.

2.2. Use of the Documentation. Subject to the terms and conditions of this Agreement, Company grants to Customer and its Authorized Users a limited, worldwide, non-exclusive, non-transferable (except as permitted in Section 12.4) license, without right of sublicense, during the Term to reproduce, without modification, and internally use a reasonable number of copies of the Documentation solely in connection with their use of the Services in accordance with this Agreement.

2.3. Authorized Users. To access the Services, Customer and its Authorized Users will be required to register for an account. When registering for an account, Customer and its Authorized Users will be required to provide

Company with certain registration information (including, the Customer's name, email address, account password, and other contact information). Customer acknowledges and agrees that the information provided to Company is accurate, complete, and not misleading, and that Company will, and will require that its Authorized Users, keep such information accurate and up to date at all times. Each account created by a Authorized User is personal to that specific individual and may not be transferred, sold or otherwise assigned to or shared with any other individual or entity. Customer is solely responsible for maintaining the confidentiality of its account and password and those of its Authorized Users, and Customer accepts responsibility for all activities that occur under its and its Users' accounts. Customer will immediately notify Company upon becoming aware, or having a reasonable basis to believe, that its or its Users' accounts are no longer secure.

2.4. Use Restrictions. Except as otherwise explicitly provided in this Agreement or as may be expressly permitted by applicable law, Customer will not, and will not permit or authorize third parties or its Users to: (a) rent, lease, or otherwise permit third parties to use the Services or related Documentation; (b) use the Services to provide services to third parties (e.g., as a service bureau); (c) use the Services for any benchmarking activity or in connection with the development of any competitive product; (d) circumvent or disable any security or other technological features or measures of the Services; (e) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know how or algorithms relevant to the Services or any software, Documentation or data related to the Services; or (f) remove any proprietary notices or labels included as part of the Services. Company may immediately suspend access to or use of the Service by Customer and its Authorized Users upon notice to Customer for any breach of this Section 2.4.

2.5. Reservation of Rights. Company grants to Customer a limited right to use the Services and related Documentation under this Agreement. Customer will not have any rights to the Services, related Documentation, or Usage Data except as expressly granted in this Agreement. Customer acknowledges that all right, title and interest in and to all works of authorship, inventions, discoveries, improvements, methods, processes, formulas, designs, techniques, information, and other intellectual property (a) conceived, discovered, developed or otherwise made (as necessary to establish authorship, inventorship, or ownership) by Company, solely or in collaboration with others, in the course of performing the Services; or (b) that form all or part of a deliverable provided as part of the Services, whether developed as part of the Services or separately, but excluding third party materials, and all derivatives thereof as well as the Documentation and Usage Data is and shall remain exclusively with Company. Company reserves to itself all rights to the Services, related Documentation, and Usage Data not expressly granted to Customer in accordance with this Agreement.

2.6. Feedback. If Customer or any of its Authorized Users provides any feedback to Company concerning the functionality and performance of the Services (including identifying potential errors and improvements), Customer hereby grants Company an unrestricted, perpetual, irrevocable, non-exclusive, fully paid-up, royalty-free license to exploit such feedback in any manner and for any purpose, including to improve the Services and create other products and services. Company will have no obligation to provide Customer or its Authorized Users with attribution for any such feedback.

2.7. Customer Data License. Customer hereby grants Company, during the term of this Agreement, a worldwide, non-exclusive, royalty-free, fully paid-up, irrevocable, non-sublicensable, non-transferable (except as permitted in Section 12.4) license to collect,

use, store, modify, disclose, publicly display, reproduce, transmit, and otherwise process Customer Data solely: (1) in connection with the Services and Company's related applications; and (2) as otherwise provided for under this Agreement, including to collect, generate, and derive Usage Data. Company will maintain an industry-standard security program that is designed to prevent unauthorized access to or use of Customer Data. For purposes of this Agreement, confidential information of Customer does not include Customer Data.

2.8. Usage Data. Company and the Services collect, generate, and derive Usage Data for Company's business purposes, including to: (a) track usage for billing purposes; (b) monitor the performance, security, integrity, availability, and stability of the Services; (c) prevent or address technical issues with the Services; and (d) improve the Services and develop derivative and new products and services. Customer will not, and will require that its Authorized Users do not, interfere with the collection of Usage Data. As between the parties, Company owns all right, title, and interest, including all intellectual property rights in and to, the Usage Data, the know-how and analytical results generated in the processing and use of Usage Data, and any new products, services, and developments, modifications, customizations, or improvements to the Services made based on the Usage Data. Company will not disclose Usage Data externally, including in benchmarks or reports, unless such Usage Data has been (a) de-identified so that it does not individually identify Customer or any User and (b) aggregated with usage data from other Users of the Service.

Maintenance. Company will schedule routine maintenance for items such as releasing new functionality, updating existing features, or bringing the website down for maintenance ("Routine Maintenance"), between 1:00 a.m. and 5:00 a.m., US/Eastern time unless extenuating circumstances exist. If maintenance must be conducted during business hours, Kaizen shall give the Customer written notice at least seven (7) days in advance of performing such maintenance. The notice shall include Kaizen's estimate of the amount of permitted downtime. Kaizen warrants that all Routine Maintenance and other maintenance services will be provided with reasonable skill and care confirming to generally accepted industry standards. These maintenance services include database updates, new feature rollouts, design improvements, and other critical bug fixes. If the maintenance services are not performed as warranted, then, upon the Customer's written request, Kaizen shall promptly re-perform, or cause to be re-performed, such maintenance services at no additional charge to the Customer.

3. CUSTOMER RESPONSIBILITIES

3.1. Protection against Unauthorized Use. Customer will, and will require that its Users, use reasonable efforts to prevent any unauthorized use of the Services and related Documentation and will immediately notify Company in writing of any unauthorized use that comes to Customer's attention. If there is unauthorized use by anyone who obtained access to the Services directly or indirectly through Customer or its Users, Customer will take all steps reasonably necessary to terminate the unauthorized use. Customer will cooperate and assist with any actions taken by Company to prevent or terminate unauthorized use of the Services or related Documentation.

3.2. Compliance with Laws. Customer will, and will require that its Authorized Users, use the Services and related Documentation only in compliance with Company's Cookie Policy, Privacy Policy, and all applicable laws and regulations. Although Company has no obligation to monitor Customer's use of the Services, Company may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of the foregoing.

3.3. Export Controls. Customer will not remove or export from the United States or allow the export or re-export of the Services, or anything related thereto or any direct product thereof, in violation of any

restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign agency or authority. As defined in FAR section 2.101, the Company Platform and Documentation are "commercial items" and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

3.4. Related Equipment. Customer is responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, the "**Equipment**"). Customer is responsible for maintaining the security of the Equipment and related Customer accounts on the Equipment, and for all uses of the Equipment.

4. FEES AND PAYMENT

4.1. Fees and Payment Terms. Customer will pay Company the fees and any other amounts owing under this Agreement, as specified in the applicable Order Form. Any additional services or hardware not set forth in an Order Form may be subject to additional fees. Unless otherwise specified in the Order Form, Customer will pay all amounts due within 30 days of the date of the applicable invoice. Any amount not paid when due will be subject to finance charges equal to 1.5% of the unpaid balance per month or the highest rate permitted by applicable usury law, whichever is less, determined and compounded daily from the date due until the date paid. Amounts due from Customer under this Agreement may not be withheld or offset by Customer against amounts due to Customer for any reason. All amounts payable under this Agreement are denominated in United States dollars, and Customer will pay all such amounts in United States dollars.

4.2. Fee Disputes. If Customer believes that Company has billed Customer incorrectly, Customer must contact Company no later than 60 days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to Company's customer support department.

5. CONFIDENTIALITY

5.1. Definition of Confidential Information. As used herein, "Confidential Information" means all information of a party ("Disclosing Party") which the Disclosing Party designates in writing as being confidential when it discloses such information to the other party ("Receiving Party") or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure including, without limitation, business and marketing plans, technology and technical information, product designs, and business processes (whether in tangible or intangible form, in written or in machine readable form, or disclosed orally or visually). Confidential Information of Company includes the Services, Usage Data, and Documentation. The terms and conditions of this Agreement shall be the Confidential Information of both parties. Confidential Information shall not include any information that (a) is or becomes generally known to the public without the Receiving Party's breach of any obligation owed to the Disclosing Party; (b) was independently developed by the Receiving Party without the Receiving Party's breach of any obligation owed to the Disclosing Party; or (c) is received from a third party who obtained such Confidential Information without any

third party's breach of any obligation owed to the Disclosing Party.

5.2. Confidentiality. The Receiving Party shall not disclose or use any Confidential Information of the Disclosing Party except as reasonably necessary to perform its obligations or exercise its rights under this Agreement. Without limiting the foregoing, the Receiving Party shall use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind, but in no event less than reasonable care. The Receiving Party shall ensure that any employees or any third parties who receive access to the Confidential Information of the Disclosing Party are subject to a written agreement containing terms regarding the use and disclosure of Confidential Information consistent with those herein. Each party agrees to protect the confidentiality of the Confidential Information of the other party in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind, but in no event shall either party exercise less than reasonable care in protecting such Confidential Information. If the Receiving Party discloses or uses (or threatens to disclose or use) any Confidential Information of the Disclosing Party in breach of this Section 5, the Disclosing Party shall have the right, in addition to any other remedies available to it, to seek injunctive relief to enjoin such acts, it being specifically acknowledged by the parties that any other available remedies are inadequate.

5.3. Required Disclosures. Nothing in this Agreement prohibits either party from making disclosures, including of Confidential Information, if required by law, subpoena or court order, provided (if permitted by law) it notifies the other party in advance and cooperates in any effort to obtain confidential treatment.

6. TERM AND TERMINATION

6.1. Term. This Agreement will commence upon the Effective Date and continue for the Initial Service Term specified in the first Order Form hereunder unless this Agreement is terminated earlier in accordance with the terms of this Agreement. Upon expiration of the Initial Service Term, this Agreement may be renewed for the Renewal Term defined as three years (the Initial Service Term plus any Renewal Terms, collectively, the "**Term**"), unless either party requests termination or changes to terms at least one hundred and eighty (180) days prior to the end of the then-current term.

6.2. Termination for Material Breach. Either party may terminate this Agreement (including all Order Forms) if the other party does not cure its material breach of this Agreement within 30 days of receiving written notice of the material breach from the non-breaching party. Termination in accordance with this Section 6.2 will take effect when the breaching party receives written notice of termination from the non-breaching party, which notice must not be delivered until the breaching party has failed to cure its material breach during the 30-day cure period. If Customer fails to timely pay any undisputed fees, Company may, without limitation to any of its other rights or remedies, suspend performance of the Services until it receives all amounts due.

6.3. Post-Termination Obligations. If this Agreement is terminated for any reason, (a) Customer will pay to Company any fees or other amounts that have accrued prior to the effective date of the termination, (b) any and all liabilities accrued prior to the effective date of the termination will survive, and (c) Customer will provide Company with a written certification signed by an authorized Customer representative certifying that all use of the Services and related Documentation by Customer and its Users has been discontinued. All definitions and the following provisions shall survive termination or expiration of this Agreement: Sections 1, 2.6, 5, 6.3, 7, 8, 9, 10, and 12.

6.4. Non-Appropriation. Customer reserves the right to withdraw from the Agreement at the end of the then-current Term if its governing body

fails to appropriate funds necessary for the extension of the Agreement. It is expressly agreed that Customer shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations.

7. WARRANTY AND DISCLAIMER

7.1. Warranties. Each party represents and warrants to the other that: (a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against such party in accordance with its terms; and (b) no authorization or approval from any third party is required in connection with such party's execution, delivery, or performance of this Agreement; and (c) it will comply with all applicable laws in its provision or use of the Services, as applicable. Company represents and warrants that the Services will perform materially in accordance with its Documentation, and will be provided in a workmanlike manner consistent with applicable laws. Customer represents and warrants to Company that: (a) it and its Authorized Users will comply with all applicable laws in connection with its obligations under this Agreement and their use of the Services; and (b) it has provided all notices to and obtained all necessary and sufficient rights, permissions, capacity, consents, and authority to fully comply with its obligations under this Agreement without violating applicable laws, infringing, misappropriating, or otherwise diluting any third-party rights (including intellectual property, privacy, or other proprietary rights), or breaching any terms or conditions in any agreement or privacy policies with a third party.

7.2. Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES STATED IN THIS SECTION 7, COMPANY MAKES NO ADDITIONAL REPRESENTATION OR WARRANTY OF ANY KIND WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), OR STATUTORY, AS TO ANY MATTER WHATSOEVER. COMPANY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, TITLE, AND NON-INFRINGEMENT. COMPANY DOES NOT WARRANT AGAINST INTERFERENCE WITH THE ENJOYMENT OF THE SERVICES. COMPANY DOES NOT WARRANT THAT THE SERVICES ARE ERROR-FREE OR THAT OPERATION OF THE SERVICES WILL BE SECURE OR UNINTERRUPTED. COMPANY DOES NOT WARRANT THAT ANY INFORMATION PROVIDED THROUGH the SERVICES IS ACCURATE OR COMPLETE OR THAT ANY INFORMATION PROVIDED THROUGH THE SERVICES WILL ALWAYS BE AVAILABLE. COMPANY EXERCISES NO CONTROL OVER AND EXPRESSLY DISCLAIMS ANY LIABILITY ARISING OUT OF OR BASED UPON THE RESULTS OF CUSTOMER'S USE OF THE SERVICES.

8. INTELLECTUAL PROPERTY INFRINGEMENT

8.1. Defense of Infringement Claims. Company will, at its expense, either defend Customer from or settle any claim, proceeding, or suit brought by a third party ("**Claim**") against Customer alleging that Customer's use of the Services infringes or misappropriates any patent, copyright, trade secret, trademark, or other intellectual property right during the term of this Agreement if: (a) Customer gives Company prompt written notice of the Claim; (b) Customer grants Company full and complete control over the defense and settlement of the Claim; (c) Customer provides assistance in connection with the defense and settlement of the Claim as Company may reasonably request; and (d) Customer complies with any settlement or court order made in connection with the Claim (e.g., relating to the future use of any infringing Services). Customer will not defend or settle any Claim without Company's prior written consent. Customer will have the right to participate in the defense of the Claim at its own expense and with counsel of its own choosing, but Company will have sole control over the defense and settlement of the Claim

provided that any settlement by Company does not include an admission of liability by Customer.

8.2. Indemnification of Infringement Claims. Company will indemnify Customer from and pay (a) all damages, costs, and attorneys' fees finally awarded against Customer in any Claim under Section 8.1; (b) all out-of-pocket costs (including reasonable attorneys' fees) reasonably incurred by Customer in connection with the defense of a Claim under Section 8.1 (other than attorneys' fees and costs incurred without Company's consent after Company has accepted defense of the Claim); and (c) all amounts that Company agrees to pay to any third party to settle any Claim under Section 8.1.

8.3. Exclusions from Obligations. Company will have no obligation under this Section 8 for any infringement or misappropriation to the extent that it arises out of or is based upon (a) use of the Services in combination with other products or services if such infringement or misappropriation would not have arisen but for such combination; (b) the Services are provided to comply with designs, requirements, or specifications required by or provided by Customer, if the alleged infringement or misappropriation would not have arisen but for the compliance with such designs, requirements, or specifications; (c) use of the Services by Customer or its Authorized Users for purposes not intended or outside the scope of the license granted to Customer; (d) Customer's or its Authorized Users' failure to use the Services in accordance with instructions provided by Company, if the infringement or misappropriation would not have occurred but for such failure; or (e) any modification of the Services not made or authorized in writing by Company where such infringement or misappropriation would not have occurred absent such modification.

8.4. Limited Remedy. This Section 8 states Company's sole and exclusive liability, and Customer's sole and exclusive remedy, for the actual or alleged infringement or misappropriation of any third-party intellectual property right by the Services.

9. [INTENTIONALLY OMITTED]

10. LIMITATIONS OF LIABILITY

10.1 . Disclaimer of Indirect Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY WILL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOSS OF BUSINESS, EVEN IF SUCH PARTY IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

10.2 . Cap on Liability. UNDER NO CIRCUMSTANCES WILL COMPANY'S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO WARRANTY CLAIMS), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT, OR OTHERWISE, EXCEED $10,000. THE COMPANY RESERVES THE RIGHT TO REEVALUTE THIS AMOUNT UPON AGREEMENT RENEWAL DATES.

10.3 . Independent Allocations of Risk. EACH PROVISION OF THIS AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS TO ALLOCATE THE RISKS OF THIS AGREEMENT BETWEEN THE PARTIES. THIS ALLOCATION IS REFLECTED IN THE PRICING OFFERED BY COMPANY TO CUSTOMER AND IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES. EACH OF THESE PROVISIONS IS SEVERABLE AND INDEPENDENT OF ALL OTHER PROVISIONS OF THIS AGREEMENT. THE LIMITATIONS IN THIS SECTION 10 WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY IN THIS AGREEMENT.

11. INSURANCE

11.1 During performing services under this Agreement, Company agrees to maintain the following levels of insurance: (a) Commercial General Liability of at least $1,000,000; (b) Automobile Liability of at least $1,000,000; (c) Professional Liability of at least $1,000,000; and (d) Workers Compensation complying with applicable statutory requirements. Company will provide Customer with copies of certificates of insurance upon written request.

12. GENERAL

12.1 Independent Contractors.. The parties will be and act as independent contractors (and not as the employer, employee, agent or representative of the other party) in the performance of this Agreement, and nothing herein shall constitute both parties as joint venturers or partners for any purpose.

12.2 . Publicity. Company may include Customer and its trademarks in Company's customer lists and promotional materials but will cease further use at Customer's written request.

12.3 . Assignability. Neither party may assign its right, duties, and obligations under this Agreement without the other party's prior written consent, which consent will not be unreasonably withheld or delayed, except that Company may assign this Agreement without Customer's consent to a successor (including a successor by way of merger, acquisition, sale of assets, or operation of law) if the successor agrees to assume and fulfill all of the Company's obligations under this Agreement.

12.4 . Subcontractors. Company may utilize a subcontractor or other third party to perform its duties under this Agreement so long as Company remains responsible for all of its obligations under this Agreement.

12.5 Notices. Any notice required or permitted to be given in accordance with this Agreement will be effective if it is in writing and sent by (a) certified or registered mail, or insured courier, return receipt requested, or (b) by email to the appropriate party at the address set forth on the signature page of this Agreement and with the appropriate postage affixed. Either party may change its address for receipt of notice by notice to the other party in accordance with this Section 12.6. Notices are deemed given two business days following the date of mailing or one business day following delivery to a courier.

12.6 Force Majeure. Neither party will be liable for, or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any cause or condition beyond its reasonable control, so long as that party uses all commercially reasonable efforts to avoid or remove the causes of non-performance.

12.7 Governing Law. This Agreement shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in Arizona.

12.8 Waiver. The waiver by either party of any breach of any provision of this Agreement does not waive any other breach. The failure of any party to insist on strict performance of any covenant or obligation in accordance with this Agreement will not be a waiver of such party's right to demand strict compliance in the future, nor will the same be construed as a novation of this Agreement.

12.9 Severability; Counterparts. If any part of this Agreement is found to be illegal, unenforceable, or invalid, the remaining portions of this Agreement will remain in full force and effect. If any material limitation or restriction on the use of the Services under this Agreement is found to be illegal, unenforceable, or invalid, Customer's right to use the Services will immediately terminate. This Agreement may be executed in any number of identical counterparts, notwithstanding that the parties have not signed the same counterpart, with the same effect as if the parties had signed the same document. All counterparts will be construed as and constitute the same agreement. This Agreement may also be executed and

delivered by facsimile and such execution and delivery will have the same force and effect of an original document with original signatures.

12.10 Entire Agreement. This Agreement, including all applicable exhibits, is the final and complete expression of the agreement between these parties regarding Customer's and its Users' use of the Services. This Agreement supersedes, and the terms of this Agreement govern, all previous oral and written communications regarding these matters, all of which are merged into this Agreement. No employee, agent, or other representative of Company has any authority to bind Company with respect to any statement, representation, warranty, or other expression unless the same is specifically set forth in this Agreement. No usage of trade or other regular practice or method of dealing between the parties will be used to modify, interpret, supplement, or alter the terms of this Agreement. This Agreement may be changed only by a written mutual agreement signed by an authorized agent of both Parties. Company will not be bound by, and specifically objects to, any term, condition, or other provision that is different from or in addition to this Agreement (whether or not it would materially alter this Agreement) that is proffered by Customer in any receipt, acceptance, confirmation, correspondence, or otherwise, unless Company specifically agrees to such provision in writing and signed by an authorized agent of Company.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

This Agreement will become effective when all parties have signed master document MA-PO-24-162. The effective date of the Agreement will be the date this Agreement is signed by the last party (as indicated by the date associated with that party's signature).

EXHIBIT A

HARDWARE TERMS

Company will analyze and predetermine Customer need for self-service iPad kiosks and physical card readers to be used for the facilitation of payments, as outlined on the first page of the Agreement. The Company is responsible for all costs associated with the purchasing and shipping of these hardware products. The Company may provide Customer with additional hardware if a need is determined upon a written notice from the Customer.

EXHIBIT B
MAINTENANCE SERVICES

1. **MAINTENANCE GENERALLY**. Kaizen will schedule routine maintenance for items such as releasing new functionality, updating existing features, or bringing the website down for maintenance ("Routine Maintenance"), between 1:00 a.m. and 5:00 a.m., US/Eastern time unless extenuating circumstances exist. If maintenance must be conducted during business hours or if Kaizen will take the Subscription Services offline, Kaizen shall give the Customer written notice at least seven (7) days in advance of performing such maintenance. The notice shall include Kaizen's estimate of the amount of Permitted Downtime.

2. **MAINTENANCE SERVICES WARRANTY**. Kaizen warrants that all Routine Maintenance and other maintenance services will be provided with reasonable skill and care confirming to generally accepted industry standards. These maintenance services include database updates, new feature rollouts, design improvements, and other critical bug fixes. If the maintenance services are not performed as warranted, then, upon the Customer's written request, Kaizen shall promptly re-perform, or cause to be re-performed, such maintenance services at no additional charge to the Customer.

3. **CUSTOMER SUPPORT**. Kaizen will provide technical support to the Customer via telephone, instant messaging, and electronic mail on weekdays during the hours of 9:00 a.m. through 6:00 p.m. US/Eastern time, with the exclusion of Federal Holidays ("Support Hours"). The Customer may initiate a helpdesk ticket during Support Hours by using a pre-established communication channel with Kaizen.

4. **RESPONSE/RESOLUTION TIMES**. Kaizen shall use commercially reasonable efforts to respond to and resolve the Priority Levels set out below in the time periods described below, provided that classification of any problem among Priority Levels shall be reasonably in accordance with the definitions specified below, which shall be determined by Kaizen in its reasonable discretion.

Priority Level	Description
1	The Subscription Services are down and cannot be accessed
2	The Subscription Services are running but substantial errors occur
3	Errors in the Subscription Services affect users' ability to benefit fully from it
4	The Subscription Services display some minor errors

The following response and resolution times are applied.

Priority Level	Initial Response	Temporary Fix or Workaround
1	Within 8 Hours	Within 1 Calendar Day
2	Within 1 Calendar Day	Within 2 Calendar Days
3	Within 1 Calendar Day	Within 3 Calendar Days
4	Within 2 Calendar Days	Within 5 Calendar Days, unless otherwise indicated in response

A "Calendar Day" is a 24-hour span beginning at 12:00 a.m. and ending at 11:59 p.m. An "Hour" is measured as a one-hour span.

5. **REMEDIES**. If Kaizen chronically fails to respond to or resolve problems in accordance with the table set forth above, the remedies set forth in this paragraph shall apply. Upon an initial determination that Kaizen has chronically failed to respond to or resolve problems identified by the Customer in accordance with this paragraph, the Customer shall send Kaizen notice of Kaizen's chronic failure, which notice may be sent electronically. Within two (2) weeks of the Customer sending the notice of chronic failure, the parties shall meet to discuss a resolution. If Kaizen chronically fails to respond to or resolve problems identified by the Customer with a temporary fix or workaround at least four (4) times in any consecutive three (3) month period during the term, the Customer may terminate this Agreement upon written notice to Kaizen. For purposes of this paragraph, "chronically" or "chronic failure" shall mean that Kaizen is at least three

(3) Hours late in response times or at least two (2) Calendar Days late in delivering any temporary fix or workaround for any Priority Level 1 or 2 issue at least two (2) times in any consecutive three (3) month period during the term.

6. **MAINTENANCE**. Updates and Upgrades, as defined below, will be provided to the Customer during a License Term or Subscription Period, upon a request by the Customer. Kaizen reserves the right to address defects in the next release of the Subscription Services (as applicable). Kaizen will not be responsible to provide service or support when the problem is the result of faulty hardware or software that (a) Kaizen did not provide or (b) Kaizen has not contracted with the Customer to support under this Agreement. Kaizen reserves the right to bill the Customer for such non-supported service at Kaizen's standard time and materials charge for services that fulfill these criteria.

7. **UPDATES AND UPGRADES**. "Update(s**)**" means interim releases of Subscription Services incorporating standard maintenance, improvements, patches, error corrections and enhancements that are provided by Kaizen to customers who are covered by Kaizen's Services. Updates are designated by all digit(s) to the right of the decimal point (e.g., 3.x.x), and the content and timing of all Updates shall be decided upon by Kaizen in its sole discretion. "Upgrades" mean full product releases of the Subscription Services, which contain substantial functional enhancements. Upgrades are also provided by Kaizen to customers who are covered by Kaizen's Maintenance Services. Upgrades are designated by the digit to the left of the decimal point (e.g., x.0), and the content and timing of all Upgrades shall be decided by Kaizen in its sole discretion. Upgrades do not include any products that are marketed and priced separately by Kaizen or which Kaizen does not make available to its customers who are covered by Kaizen's Maintenance Services.

8. **MAINTENANCE SERVICES WARRANTY**. Kaizen warrants that all Maintenance Services will be provided with reasonable skill and care conforming to generally accepted industry standards. If the Maintenance Services are not performed as warranted, then, only upon the Customer's written request within five (5) days from the date of delivery of such Maintenance Services, Kaizen shall promptly re-perform, or cause to be re-performed, such Maintenance Services, at no additional charge to the Customer.

EXHIBIT F: KAIZEN DISASTER RECOVERY PLAN (3 PAGES)

(Attached)

EXHIBIT F: KAIZEN DISASTER RECOVERY PLAN

(3 PAGES)

Business Continuity and Disaster Recovery (BC/DR)

Policy Owner: Nikhil Reddy

Effective Date: 08/15/2023

Purpose

The purpose of this business continuity plan is to prepare Kaizen Labs in the event of service outages caused by factors beyond our control (e.g., natural disasters, man-made events), and to restore services to the widest extent possible in a minimum time frame.

Scope

All Kaizen Labs IT systems that are business critical. This policy applies to all employees of Kaizen Labs and to all relevant external parties, including but not limited to Kaizen Labs consultants and contractors.

The following scenarios are excluded from the BC/DR plan scope:

- Loss of availability for a production hosting service provider (i.e., Google Cloud, AWS, and Render)
- Loss of availability of Kaizen Labs satellite offices (these will be considered incidents)

In the event of a loss of availability of a hosting service provider, the Head of Product Management will confer with the Staff Engineering Lead to determine an appropriate response strategy.

Policy

In the event of a major disruption to production services and a disaster affecting the availability and/or security of the Kaizen Labs office, senior managers and executive staff shall determine mitigation actions.

A disaster recovery test, including a test of backup restoration processes, shall be performed on an annual basis.

Continuity of information security shall be considered along with operational continuity.

In the case of an information security event or incident, refer to the Incident Response Plan.

Alternate Work Facilities

If the Kaizen Labs office becomes unavailable due to a disaster, all staff shall work remotely from their homes or any safe location.

Communications and Escalation

Executive staff and senior managers should be notified of any disaster affecting Kaizen Labs facilities or operations.

Communications shall take place over any available regular channels including slack, e-mail, phone, and Microsoft Teams.

Key contacts shall be maintained on the on-call schedule, viewable upon request.

Roles and Responsibilities

Role	Responsibility
Staff Engineering Lead	The Staff Engineering Lead shall lead BC/DR efforts to mitigate losses and recover the corporate network and information systems.
Department Heads	Each department head shall be responsible for communications with their departmental staff and any actions needed to maintain continuity of their business functions. Departmental heads shall communicate regularly with executive staff and the Staff Engineering lead.
Manager	Managers shall be responsible for communicating with their direct reports and providing any needed assistance for staff to continue working from alternative locations.
Head of Customer Successs	The Head of Customer Success, in conjunction with the CEO and CFO shall be responsible for any external and client communications regarding any disaster or business continuity actions that are relevant to customers and third parties.
VP of Engineering	The VP of Engineering, in conjunction with the Head of Customer Success, shall be responsible for leading efforts to maintain continuity of Kaizen Labs services to customers during a disaster.
Head of HR	The CHRO shall be responsible for internal communications to employees as well as any action needed to maintain physical health and safety of the workforce. The CHRO shall work with the Staff Engineering Leadto ensure continuity of physical security at the Kaizen Labs office.

Continuity of Critical Services

Procedures for maintaining continuity of critical services in a disaster can be found in Appendix A.

Recovery Time Objectives (RTO) and Recovery Point Objects (RPO) can be found in Appendix B.

Strategy for maintaining continuity of services can be seen in the following table:

KEY BUSINESS PROCESS	CONTINUITY STRATEGY
Customer (Production) Service Delivery	Rely on AWS availability commitments and SLAs
IT Operations	Not dependent on HQ. VPN is redundant between HQ and Colo. Critical data is backed up to alternate locations.
Email	Utilize Gmail and its distributed nature, rely on Google's standard service level agreements.
Finance, Legal and HR	All systems are vendor-hosted SaaS applications.
Sales and Marketing	All systems are vendor-hosted SaaS applications.

Plan Activation

This BC/DR shall be automatically activated in the event of the loss or unavailability of the Kaizen Labs office, or a natural disaster (i.e., severe weather, regional power outage, earthquake) affecting the larger <describe the location of your company's headquarters, e.g., San Francisco, CA> region.

Version	Date	Description	Author	Approved by
1.0	08/15/2023	Initial Version	Nikhil Reddy	Nikhil Reddy

AMENDMENT #1 TO
COOPERATIVE PURCHASE CONTRACT

This Amendment to the Cooperative Purchase Contract (this "Amendment #1") is entered into as of the 1st day of July, 2026 (the "Amendment Effective Date"), by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City"), and Kaizen Laboratories Inc., a Delaware corporation ("Contractor") (City and Contractor are sometimes referred to individually as a "Party" and collectively as the "Parties").

Recitals

WHEREAS, the City and Contractor entered into that certain Cooperative Purchase Contract No. 2025-155 (TER-2025-229-AG1), effective as of November 21, 2025 (the "Agreement"), wherein Contractor agrees to provide certain services to the City as described in the Agreement. All capitalized terms herein used but not defined shall have the meanings assigned to them in the Agreement; and

WHEREAS, as amended below, the Agreement provides for an Initial Term from the execution date (November 21, 2025) through June 30, 2029, with an option for three (3) additional one (1) year extensions pursuant to Section 6 of the Agreement, and the Agreement is currently in its Initial Term; and

WHEREAS, the Agreement currently provides for compensation to Contractor on a transaction revenue share basis, including a transaction fee of five percent (5%) of user fees and/or retail price of goods or services sold through the platform, as set forth and amended in Section 4.1 of the Agreement, subject to a Not-to-Exceed Amount of $90,000.00 per year as set forth in Section 4.4 of the Agreement; and

WHEREAS, the Parties wish to convert the compensation structure from a transaction revenue share model to a fixed annual Software-as-a-Service ("SaaS") subscription fee, effective as of the Amendment Effective Date; and

WHEREAS, the Parties wish to amend, modify, or add to the Agreement as mutually agreed to and set forth below as of the Amendment Effective Date.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Effect of Amendment. This Amendment #1 amends the Agreement by adding to, deleting from, and modifying the Agreement as set forth herein.

2. Conflict. In the event of any conflict between the main body of the Agreement and this Amendment #1, this Amendment #1 will control.

3. Amendments to Agreement.

A. Amendment to Section 4.1 (Compensation) – Conversion to SaaS Model.

Effective as of the Amendment Effective Date, Section 4.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "Compensation. The City shall pay Contractor a fixed annual subscription fee of Seventy Thousand Dollars ($70,000.00) per year (the "Annual SaaS Fee") for access to and use of the services described in the Agreement, including all software modules, support, maintenance, hosting, and implementation services previously covered under the revenue share model. The Annual SaaS Fee shall be invoiced annually in advance. The first Annual SaaS Fee shall be invoiced within thirty (30) days of July 1, 2026, and shall be due within thirty (30) days of receipt. Subsequent annual invoices shall be issued on each July 1 anniversary of the Amendment Effective Date and shall be due within thirty (30) days of receipt."

B. Amendment to Section 4.2.

Effective as of the Amendment Effective Date, Section 4.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"The Annual SaaS Fee of Seventy Thousand Dollars ($70,000.00) shall remain fixed for the remainder of the Initial Term of the Agreement (through June 30, 2029) with no annual escalation. For any Renewal Term exercised pursuant to Section 6 of the Agreement, the Parties shall mutually agree in writing upon the applicable Annual SaaS Fee, which may include an escalation adjustment, no later than ninety (90) days prior to the commencement of such Renewal Term."

C. Deletion of Section 4.4.

Effective as of the Amendment Effective Date, Section 4.4 of the Agreement is hereby deleted.

D. Amendment to Section 6.

Effective as of the Amendment Effective Date, Section 6 of the Agreement is hereby amended as follows (deletions shown with strikethrough and additions bolded in all caps):

"Term and Extensions: This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue **UNTIL JUNE 30, 2029** ~~for a period of three (3) years~~ ("Initial Term") with an option for three (3) additional one (1) year extensions presuming that the underlying Agency Contract has not expired or been terminated, or the Contractor has agreed to continue to provide to the City the materials and/or services in the Scope of Work pursuant to the same terms in the Agency Contract. The contract may be extended by mutual written consent of both parties."

4. Preservation of Electronic Payment Processing Fees.

For the avoidance of doubt, the conversion to a SaaS subscription model does not affect or modify any electronic payment processing fee obligations set forth in Section 4.3 of the Agreement. All transactions conducted through the Contractor's platform shall remain subject to electronic payment processing fees as set forth in Section 4.3, which shall remain in full force and effect.

The Parties acknowledge that the Agreement is currently in its Initial Term, running from November 21, 2025, through June 30, 2029, pursuant to Section 6 of the Agreement. The option for three (3) additional one (1) year extensions continues to be available pursuant to the terms of the Agreement. All other terms of Section 6, including termination rights, remain unchanged.

5. Legal Effect. The modifications set forth in this Amendment #1 are effective as of the Amendment Effective Date. Except as expressly amended or modified by this Amendment #1, all other terms of the Agreement shall remain unchanged and in full force and effect.

6. Counterparts. This Amendment #1 may be signed in any number of counterparts (which may be transmitted by facsimile, PDF, or like method of transmission), each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned, having set their hands and seals below, have duly executed this Amendment #1 as of the day and year first above written.

CITY OF FLAGSTAFF, ARIZONA	KAIZEN LABORATORIES INC.
By: _____	By: _____
Name: _____	Name: Nikhil Reddy
Title: _____	Title: CEO
Date: _____	Date: _____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Aaron Kaminski, Risk Manager

Date: 05/27/2026

Meeting Date: 06/16/2026

TITLE:
Consideration and Approval of FY27 Liability Insurance Renewal Premiums

STAFF RECOMMENDED ACTION:

Approve the liability insurance renewal premiums for FY27 submitted by:

1. Arizona Municipal Risk Retentional Pool (AMRRP) for General Liability, Errors and Omission (E&O), Sexual Abuse and Molestation (SAM), Property, Auto, Marine, Crime, Cyber, Excess, and Workers' Compensation coverage;
2. Aon Risk Insurance Services West (Aon) for Airport Liability;
3. Aon for International Travel;
4. Industrial Commission of Arizona (ICA) to fund the Firefighters Presumptive Cancer Claims;
5. New automobile insurance premiums; and 6) Flood Coverage.

Executive Summary:
Upon renewal, the new estimated insurance premiums will total $3,318,882. The request is for an amount not to exceed $3,500,000.

Breakdown of the individual costs by carrier are as follows:

1.a.	$1,538,042*	Liability coverage (AMRRP)
1.b.	$258,436*	Excess coverage (AMRRP)
1.c.	1,258,324	Workers' Compensation coverage (AMRRP)
2.	$17,821*	Aviation (Aon)
3.	$2,500*	Foreign travel (Aon)
4.	$202,778*	Firefighters Presumptive Cancer Reimbursement Fund (ICA)
5.	$21,000*	New automobiles insurance premiums (AMRRP)
6.	$19,981	Flood coverage for buildings in a flood zone (Flood Nerd)
Total:	$3,318,882*	

*Estimated

Staff recommends approval of the premium renewals offered by the current carriers.

Financial Impact:
The premium payments in the amount of $3,500,000 will be funded by the following accounts as authorized in the FY27 budget:

Vendor: Arizona Municipal Risk Retention Pool
Cost: $1,538,042.00, an increase of 16% over last year's premium
Account Number Budgeted: 600-09-406-1520-1-4253
Grant Funded: No
Funding Source: All funds

Vendor: Arizona Municipal Risk Retention Pool
Cost: $258,436.00, an increase of 20% over last year's premium
Account Number Budgeted: 600-09-406-1520-1-4253
Grant Funded: No
Funding Source: All funds

Vendor: Arizona Municipal Risk Retention Pool (Workers' Compensation)
Cost: $1,258,324.00, an increase of 17% over last year's premium
Account Number Budgeted: 600-09-406-1520-1-4160
Grant Funded: No
Funding Source: All funds

Vendor: Aon Risk Insurance Services West
Cost: $17,281.00
Account Number Budgeted: 600-09-406-1520-1-4253
FY26 Budgeted Amount: $25,000.00, an increase of 5% from last year's premium
Grant Funded: No
Funding Source: All funds

Vendor: Aon Risk Insurance Services West
Cost: $2,500.00
Account Number Budgeted: 600-09-406-1520-1-4253
FY26 Budgeted Amount: $2,500.00, a decrease of 0% from last year's premium
Grant Funded: No
Funding Source: All funds

Vendor: Firefighters Presumptive Cancer Reimbursement Fund
Cost: $202,778.00, an increase of 6% from last year's premium
Account Number Budgeted: 600-09-406-1520-1-4290
Grant Funded: No
Funding Source: General Fund, Airport Fund, and Water Resource Infrastructure Protection Fund

Vendor: Arizona Municipal Risk Retention Pool
Cost: $21,000.00, an increase of 1% over last year's premium
Account Number Budgeted: 600-09-406-1520-1-4253
Grant Funded: No
Funding Source: All funds

Vendor: Flood Nerd
Cost: $19,981.14, an increase of 573% over last year's premium since only 1 of 8 buildings in a flood zone was covered last year
Account Number Budgeted: 600-09-406-1520-1-4253
Grant Funded: No
Funding Source: All funds

Policy Impact:
None.

Previous Council Decision or Community Discussion:
Council has previously approved insurance coverage as outlined by the current carriers in prior fiscal years.

Options and Alternatives to Recommended Action:
No alternative options are recommended at this time.

Background and History:
In 2020, the City of Flagstaff made the decision to explore the feasibility of being a self-insured/self-

administered entity rather than being a member of an insurance pool. All primary lines of coverage were marketed, and it was determined that it was financially beneficial for the City of Flagstaff to become a member of AMRRP.

Connection to PBB Priorities and Objectives:
High Performing Governance – Maintain the organization's fiscal stability through strong financial policies and best practices.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
None.

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Cheresa Taing, Waste Prevention Specialist

Co-Submitter: Steven Thompson

Date: 05/27/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract(s): Approve the Contracts for Residential Food Scrap Drop-Off Program with Sedona Compost Crowd, LLC and Restoration Soils, LLC.

STAFF RECOMMENDED ACTION:

1. Approve the Services Contract with **Sedona Compost Crowd LLC d/b/a Compost Crowd** for an annual expenditure of $11,700, for a contract term of up to five years and a total not-to-exceed amount of $58,500, to service, maintain, and compost food scraps collected at the drop-off locations for the Residential Food Scrap Drop-Off Program; and
2. Approved the Services Contract with **Restoration Soils, LLC** for an annual expenditure of $13,300, for a contract term of up to five years and a total not-to-exceed amount of $66,500, to service, maintain, and compost food scraps collected at the drop-off locations for the Residential Food Scrap Drop-Off Program
3. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The City of Flagstaff launched the Residential Food Scrap Drop-Off Program in 2021 to provide residents with a free and convenient way to divert food scraps from the landfill. The United States generates an estimated 60 million tons of food waste each year, underscoring the need for accessible community solutions to reduce the amount of food waste sent to landfills, cut related greenhouse gas emissions, and provide residents with a convenient way to participate in waste diversion efforts. Since its inception, the program has grown to five neighborhood collection sites and now captures more than 37,000 pounds of food scraps annually. This waste diversion not only supports local composting efforts but also results in meaningful environmental benefits, including an estimated 26,543 pounds of CO_2 emissions avoided, equivalent to the annual emissions from consuming approximately 1,129 gallons of gasoline.

The Service Contracts with Sedona Compost Crowd (Compost Crowd) and Restoration Soils will provide a weekly collection of residential food scraps from designated drop-off sites. This scope of waste services includes maintaining collection bins, delivering collected material to a composting facility, reporting weekly metrics using the City's digital form including: total pounds of food scraps collected, contamination levels (high/medium/low), costs associated with composting facility disposal, and any additional revenue generated from this service.

Financial Impact:

Project Name: Residential Food Scrap Drop-Off Program
Cost: Sedona Compost year one $11,700 / Restoration Soils year one $13,300, total for both contracts $25,000 annually.
Account Number Budgeted: 214-12-170-0668-0-4290
FY Budgeted Amount: $30,000

Grant Funded: No
Funding Source: Environmental Management Fee (EMF)

Policy Impact:

- Connection to PBB Priorities:
  - Robust and Resilient Economy - Support and strengthen a robust, diverse, and sustainable economy
  - Environmental Stewardship - Encourage the private sector's investment in environmental stewardship
- Connection to the Carbon Neutrality Plan: Sustainable Consumption Strategy SC-4: Reduce organic waste going to the landfill and reduce food insecurity.

Previous Council Decision or Community Discussion:
The Residential Food Scrap Drop-Off program is in its sixth year of operation. The program was previously reviewed by Council in 2021, as part of a ReThink Waste Plan update.

Options and Alternatives to Recommended Action:
None

Background and History:
The City issued a Request for Proposals on March 17, 2026, advertised in the Daily Sun on March 21st and March 28th. Two proposals were received -- Compost Crowd and Restoration Soils. Based on the scoring of the proposals, the evaluation committee determined that it was the most advantageous to the City to contract with both proposers.

Scoring below:
Compost Crowd - 96.68 out of 100
Restoration Soils - 92.22 out of 100

Connection to PBB Priorities and Objectives:
These contracts support core Priority Based Budgeting outcomes related to Environmental Stewardship, Waste Diversion, and Responsible Resource Management. By providing weekly collection and processing of residential food scraps, the program increases diversion of organic waste, reduces strain on landfill capacity, and supports a more circular local economy. These services directly advance community priorities for sustainable operations and reduced environmental impact.

Connection to Regional Plan:
This program directly supports the Environmental Planning & Conservation chapter of the Flagstaff Regional Plan by advancing key goals and policies:

- Goal E&C.1: Proactively improve and maintain the region's air quality, including reducing pollutants and promoting non-polluting strategies addressed by diverting organic waste from landfills to lower greenhouse gas emissions through utilization of contracted services.
- Goal E&C.2: Achieve carbon neutrality for the Flagstaff community by 2030, through encouraging efficient, emissions-reducing community investments in line with weekly diversion and composting services.
- Policy E&C.2.1: Encourage reduction of material consumption supported by decreasing landfill-bound organic waste.
- Policy E&C.2.2: Promote community investments that decrease emissions and strengthen resilience, including localized composting infrastructure.

Connection to Carbon Neutrality Plan:

The Residential Food Scrap Drop-Off Program directly advances the Flagstaff Carbon Neutrality Plan's Sustainable Consumption priority area, which aims to reduce community greenhouse gas emissions by diverting organic waste from the landfill and decreasing methane generation. The program furthers several specific goals and strategies:

- SC-3 Divert more waste from the landfill: The program expands diversion by providing accessible neighborhood drop-off sites and reducing landfilled organic material, consistent with the City's strategy to increase composting and recoverable materials.
- SC-4 Reduce organic waste going to the landfill and reduce food insecurity: The program aligns with City efforts to expand composting services, prevent wasted food, and support local partners in reducing food waste and increasing food rescue.
- Implementation Priority: The Carbon Neutrality Plan identifies community compost drop-off as an explicit early-action item supporting emissions reduction and circular economy development.

Connection to 10-Year Housing Plan:

While not a primary driver of housing outcomes, the program supports broader community livability goals by providing accessible sustainability services across five neighborhood-based drop-off sites. These services help maintain clean, resilient neighborhoods, reduce localized environmental impacts, and contribute to long-term infrastructure planning tied to population growth.

Attachments: Compost Crowd Contract
Restoration Soils Contract

GENERAL SERVICES CONTRACT

Contract No. TER-2025-203-AG2

This Contract by and between the City of Flagstaff, a political subdivision of the State of Arizona, and Sedona Compost Crowd LLC d/b/a Compost Crowd, an Arizona limited liability company ("Contractor") shall be effective as of the date of the last signature below. The City and Contractor may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, the City desires to receive Residential Food Scrap Drop-Off Contract ; and

WHEREAS, Contractor is able to provide certain services; and

NOW, THEREFORE, in consideration for the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. Scope of Work

1.1 General Description

Contractor will provide the services generally described as: Residential Food Scrap Drop Off & Composting Services.

1.2 Specific Purchase

The specific requirements of the services to be purchased are identified in the Scope of Work, attached hereto as *Exhibit A*.

2. Term and Renewal

2.1 Contract Term

The initial term is for a period of two (2) year[s] unless terminated pursuant to the provisions of the Contract. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

2.2 Renewal

The Contract may be renewed for up to three (3), one (1)- year additional terms by mutual written consent of the parties. The City Manager or his/her designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

2.3 Unilateral Extension

The Contract may be unilaterally extended for one (1) 90-day period. The City Manager or his/her designee (the Purchasing Director) shall have the authority to approve the extension on behalf of the City. Contractor will be provided written notice of the Unilateral Extension prior to expiration of the Contract.

3. Compensation

3.1 Compensation

Contractor shall be paid for satisfactory performance of the Contract in an amount not to exceed **eleven thousand seven hundred dollars and zero cents ($11,700) annually,** including fees and taxes, based on an hourly rate or other measurement made in accordance with the Scope of Work, attached hereto as *Exhibit A*.

3.2 Price Adjustment

Price adjustments may be negotiated annually, at the date of the execution of the original Contract, at the discretion of the City. Any request for a price increase must be submitted no later than thirty (30) days in advance of the execution date and include supporting documentation demonstrating that the increase in contract price is based on an increased cost to the Contractor and that the proposed pricing is still competitive in the marketplace.

3.3 Formal Amendment Required

Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee may approve an amendment if the total amount of the Contract, as amended, is less than $100,000; otherwise, City Council approval is required.

4. Termination and Cancellation Clauses

4.1 Non-Appropriation

The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

4.2 For Convenience

Either Party may terminate the Contract for any reason by giving the other Party written notice of such termination no less than thirty (30) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those Services completed prior to the effective date of the termination.

4.3 Conflict of Interest

The Contract is subject to the terms of A.R.S. § 38-511.

4.4 Payment Upon Termination

Upon termination of the Contract, the City shall pay Contractor for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

5. Insurance

5.1 Minimum Scope and Limits of Insurance

The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

5.2 Commercial General Liability - Occurrence Form

General Aggregate	$2,000,000
Products/Completed Operations	$1,000,000
Each Occurrence	$1,000,000

5.3 Umbrella Coverage

Umbrella Coverage	$2,000,000

5.4 Automobile Liability

Any Automobile or Owned, Hired, and Non-owned Vehicles Combined Single Limit Per Accident for Bodily Injury & Property Damage	$1,000,000

5.5 Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

5.6 Other Insurance Requirements

The insurance policies shall contain, or be endorsed to contain, the following provisions:

A. Additional Insured: In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.

B. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.

C. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.

D. Each Insured: Contractor's insurance policies shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Not Limited: Coverage provided by Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.

F. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

6. Indemnity

6.1 Indemnity

Contractor shall be fully liable for the actions of its agents, employees, partners, and assigns and shall fully indemnify, defend, and hold harmless the City, and their officers, agents, and employees from third party suits, actions, damages, and costs of every name and description, including attorneys' fees to the extent arising from or relating to personal injury and damage to real or personal property, caused in whole or in part by the negligence or willful misconduct of Contractor, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.

7. Warranty

All work shall be of good quality and free of defects, and performed in a diligent and professional manner. Contractor warrants all work for a period of one (1) year following final acceptance by the City. This warranty shall survive termination or expiration of the Contract.

8. Employees, Assignment, and Subcontractors

8.1 Assignment/Subcontracting

Contractor was selected for its special knowledge, skills, and expertise and shall not assign, sell, transfer, or subcontract rights, or delegate responsibilities of this Contract, in whole or in part, without the City's prior written approval which may be withheld.

8.2 Independent Contractor

Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, compulsory Workers' Compensation laws of the State of Arizona under A.R.S. § 23-901 (et. seq.) and/or unemployment insurance laws.

8.3 Nondiscrimination

Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides Services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.

8.4 Drug Free Workplace

The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

8.5 Immigration Laws

Pursuant to A.R.S. § 41-4401, Contractor hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.

8.6 Forced Labor of Ethnic Uyghurs

Contractor hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.

9. Invoicing and Payment After Delivery

9.1 Payment

Unless otherwise stated in the Scope of Work, payment is due within thirty (30) days of the date of the Contractor's delivery of the materials and/or services conforming to the Contract and receipt of the Contractor's invoice, whichever is later.

9.2 Invoice

Contractor should invoice the City by an itemized list of charges. The City's Purchase Order Number and/or the Contract Number should be referenced on each invoice. Invoices shall include the Contract and/or Purchase Order number and dates when the work has been performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory Services received and accepted by City.

9.3 Taxes

Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of performance of the Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees.

9.4 Exception

The City will pay any taxes which are specifically identified as a line-item dollar amount in Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the award process. Such taxes shall be identified as a separate line item in Contractor's invoices.

10. General Terms

10.1 Governing Law and Venue

The Contract shall be governed by and construed in accordance with the laws of the State of Arizona. In the event of litigation, exclusive venue arising under this Contract is Coconino County, Arizona.

10.2 Attorneys' Fees

If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees, and expenses.

10.3 Public Records

The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential," the City will endeavor to notify Contractor prior to release of such information.

10.4 Inspection

The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

10.5 Cooperative Use

If Contractor agreed during the procurement process, Contractor may enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell the services identified in the

Scope of Work and accompanying documents to any member of a cooperative group under the same pricing, terms, and conditions of the Contract awarded to the Contractor.

10.6 No Boycott of Israel

Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

10.7 Compliance with Laws

Contractor shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances, including acquiring the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.

11. Amendment

The Contract is intended to be the complete and final agreement of the Parties. The Contract may be amended through a formal written amendment Parties. A “change order” is not a sufficient mechanism for amending the Contract.

12. Notice

Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City: Steven Thompson Sustainability - Neighborhood Engagement/Volunteer Services City of Flagstaff 211 W. Aspen Ave. Flagstaff, AZ 86001 Email:steven.thompson@flagstaffaz.gov Phone:(928) 213-2144	To Contractor: Kathleen Ventura Sedona Compost dba Compost Crowd 180 Pony Soldier Rd Sedona, AZ 86336 Compostcrowd@gmail.com	With a copy to: Teddy Callan City of Flagstaff 211 W. Aspen Ave. Flagstaff, AZ 86001 Email: teddy.callan@flagstaffaz.gov

IN WITNESS WHEREOF, the City and Contractor, by their duly authorized representatives, have executed this Contract effective as of the date of the last signature below.

CONTRACTOR

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

CITY OF FLAGSTAFF

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

ATTEST:

SIGNATURE

Stacy Saltzburg

FULL NAME

City Clerk

TITLE

DATE SIGNED

APPROVED AS TO FORM:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Exhibits List

A - Exhibit A - Proposal

Exhibit A

Exhibit A - Proposal

I. COVER

Solicitation Number: 2026-168
Solicitation Name: Residential Food Scrap Drop-Off Program
Closing Date and Time: April 14, 2026, 5:00 PM AZ Time
Company Name: Compost Crowd (Sedona Compost, LLC)

City of Flagstaff
Attn: Teddy Callan

Dear Mr. Callan,

Compost Crowd (Sedona Compost, LLC) is pleased to submit this proposal to operate and service the City of Flagstaff's Residential Food Scrap Drop-Off Program.

Compost Crowd has supported the City's food scrap diversion efforts since 2021 and has provided continuous, reliable service at designated drop-off locations since October 2021. Over nearly five years of operation, Compost Crowd has completed weekly collections without a single missed pickup, maintaining consistent service across all seasons and conditions.

We currently service the Flagstaff CSA and Bow & Arrow Park locations under contract with the City and perform all required program elements, including collection, transportation, bin maintenance and sanitization, contamination monitoring, and reporting. Our team maintains strong communication with City staff and consistently delivers professional, responsive service.

Compost Crowd proposes to continue servicing its current locations under the existing scope of work and pricing structure and has the operational capacity to expand service to additional locations, including all sites identified in this solicitation.

We appreciate the opportunity to continue supporting the City's sustainability goals.

Sincerely,
Kathleen Ventura & Brock Delinski
Compost Crowd

II. TABBED SECTIONS

A. Qualifications and Experience of Proposer (10 points)

Compost Crowd (Sedona Compost, LLC) has supported the City of Flagstaff's residential food scrap diversion efforts since 2021 and has provided continuous, reliable service at designated drop-off locations since October 2021.

Compost Crowd currently services the Flagstaff CSA and Bow & Arrow Park locations under contract with the City and performs weekly collection, transportation, bin maintenance and sanitization, contamination monitoring, and reporting.

For four and a half years of operation, Compost Crowd has:

- Completed weekly service with **zero missed scheduled pickups**
- Maintained consistent operations across all seasons and conditions
- Fulfilled all required weekly and quarterly reporting
- Maintained strong communication with City staff
- Addressed operational issues promptly and professionally

This experience reflects direct, relevant, and ongoing operation of the exact program outlined in this Solicitation.

Authorized Representatives

Kathleen Ventura
Owner / Co-Operator
Compost Crowd (Sedona Compost, LLC)
Email: compostcrowd@gmail.com
Phone: 928-301-1534

Kathleen Ventura oversees business operations, contract management, reporting, and coordination with municipal partners. She serves as the primary point of contact for the City of Flagstaff and has managed the program since 2021.

Brock Delinski
Co-Owner / Operations Lead
Compost Crowd (Sedona Compost, LLC)
Email: compostcrowd@gmail.com
Phone: 928-821-6902

Brock Delinski oversees day-to-day field operations, including collection, routing, equipment management, and site conditions. He is responsible for execution of weekly service and maintaining operational consistency.

B. Project Understanding (30 points)

Compost Crowd understands that the City of Flagstaff's Residential Food Scrap Drop-Off Program is designed to provide residents with convenient access to food scrap diversion while ensuring reliable collection, clean and well-maintained sites, and proper processing of materials.

Program success depends on:

- Consistent, weekly collection with no service interruptions
- Clean, accessible, and well-maintained drop-off sites
- Effective contamination monitoring and management
- Accurate and timely reporting
- Responsive communication with City staff

Because these locations are public-facing, reliability and cleanliness are essential to maintaining community participation and trust.

Outreach & Equitable Participation

Compost Crowd supports outreach and equitable participation through:

- Maintaining clear, user-friendly bin labeling and signage to reduce confusion and contamination
- Supporting consistent service schedules that allow residents to build reliable participation habits
- Coordinating with City staff on signage updates, contamination trends, and program messaging as needed
- Providing real-time feedback from site observations to help inform City outreach and education efforts

Resources

Compost Crowd utilizes:

- Established service routes and vehicles
- Staff trained in food scrap collection and contamination management
- Durable, pest-resistant bin systems
- Reporting systems aligned with City requirements
- A local, compliant agricultural composting partner

These resources are already in place and actively supporting the program.

C. Project Approach (40 points)

Compost Crowd's approach is based on a proven system that has been in continuous operation since 2021.

Collection & Transportation

Compost Crowd provides weekly collection at designated sites using established routes and trained personnel. Materials are transported to a compliant composting site following each collection event.

Bin Maintenance & Site Management

Each service visit includes:

- Inspection of bins and surrounding area
- Cleaning and sanitation as needed
- Identification and resolution of issues such as damage, residue, or pests

Sites are maintained to support safe and positive public use.

Contamination Monitoring

Contamination levels are monitored during each collection and reported through the City's system. When issues arise, they are addressed through on-site management and coordination with City staff.

Reporting & Communication

Compost Crowd provides:

- Weekly reporting (volume, contamination, operational metrics)
- Quarterly narrative reporting
- Prompt response to City inquiries (typically within one business day)

A consistent point of contact ensures clear communication.

Processing & Compost Use

Collected materials are transported to a local agricultural partner that manages composting operations in compliance with applicable regulations. Finished compost is utilized within agricultural operations, supporting a localized, closed-loop system.

Compost Crowd's service model is focused on reliable collection and diversion. Compost Crowd does not retain ownership of finished compost and does not structure its operations around resale or distribution of compost products.

Program Expansion

Compost Crowd proposes to continue servicing its current locations and has the operational capacity to expand service to additional sites, including all locations identified in this Solicitation.

The City may determine the most advantageous allocation of service, and Compost Crowd is prepared to scale operations accordingly.

D. Proposed Fee (20 points)

Proposed Fee

Compost Crowd proposes a pricing structure of:

$25 per bin per collection

Current Service Annual Cost (52 Weeks)

Flagstaff CSA
6 bins × $25 = $150 per week
$150 × 52 weeks = **$7,800 annually**

Bow & Arrow Park
3 bins × $25 = $75 per week
$75 × 52 weeks = **$3,900 annually**

Total Annual Cost (Current Scope)

$11,700 annually

Additional Locations

Additional sites will be serviced under the same rate structure of **$25 per bin per collection**, with total cost dependent on number of bins and frequency.

Conclusion

Compost Crowd values its established partnership with the City of Flagstaff and the role it has played in supporting the success of the Residential Food Scrap Drop-Off Program. We look forward to continuing this work and building on the strong foundation established over the past several years. Thank you for your consideration.

GENERAL SERVICES CONTRACT

Contract No. TER-2025-228-AG2

This Contract by and between the City of Flagstaff, a political subdivision of the State of Arizona, and Restoration Soils, LLC, Arizona limited liability company ("Contractor") shall be effective as of the date of the last signature below. The City and Contractor may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, the City desires to receive Residential Food Scrap Drop-Off; and

WHEREAS, Contractor is able to provide certain services; and

NOW, THEREFORE, in consideration for the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. Scope of Work

1.1 General Description

Contractor will provide the services generally described as: Residential Food Scrap Drop-Off Program.

1.2 Specific Purchase

The specific requirements of the services to be purchased are identified in the Scope of Work, attached hereto as *Exhibit A*.

2. Term and Renewal

2.1 Contract Term

The initial term is for a period of two (2) year[s] unless terminated pursuant to the provisions of the Contract. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

2.2 Renewal

The Contract may be renewed for up to three (3), one (1)- year additional terms by mutual written consent of the parties. The City Manager or his/her designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

2.3 Unilateral Extension

The Contract may be unilaterally extended for one (1) 90-day period. The City Manager or his/her designee (the Purchasing Director) shall have the authority to approve the extension on behalf of the City. Contractor will be provided written notice of the Unilateral Extension prior to expiration of the Contract.

3. Compensation

3.1 Compensation

Contractor shall be paid for satisfactory performance of the Contract in an amount not to exceed **thirteen thousand three hundred dollars ($13,300), annually**, including fees and taxes, based on an hourly rate or other measurement made in accordance with the Scope of Work, attached hereto as *Exhibit A.*

3.2 Price Adjustment

Price adjustments may be negotiated annually, at the date of the execution of the original Contract, at the discretion of the City. Any request for a price increase must be submitted no later than thirty (30) days in advance of the execution date and include supporting documentation demonstrating that the increase in contract price is based on an increased cost to the Contractor and that the proposed pricing is still competitive in the marketplace.

3.3 Formal Amendment Required

Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee may approve an amendment if the total amount of the Contract, as amended, is less than $100,000; otherwise, City Council approval is required.

4. Termination and Cancellation Clauses

4.1 Non-Appropriation

The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

4.2 For Convenience

Either Party may terminate the Contract for any reason by giving the other Party written notice of such termination no less than thirty (30) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those Services completed prior to the effective date of the termination.

4.3 Conflict of Interest

The Contract is subject to the terms of A.R.S. § 38-511.

4.4 Payment Upon Termination

Upon termination of the Contract, the City shall pay Contractor for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

5. Insurance

5.1 Minimum Scope and Limits of Insurance

The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

5.2 Commercial General Liability - Occurrence Form

General Aggregate	$2,000,000
Products/Completed Operations	$1,000,000
Each Occurrence	$1,000,000

5.3 Umbrella Coverage

Umbrella Coverage	$2,000,000

5.4 Automobile Liability

Any Automobile or Owned, Hired, and Non-owned Vehicles Combined Single Limit Per Accident for Bodily Injury & Property Damage	$1,000,000

5.5 Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

5.6 Other Insurance Requirements

The insurance policies shall contain, or be endorsed to contain, the following provisions:

A. Additional Insured: In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.

B. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.

C. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.

D. Each Insured: Contractor's insurance policies shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Not Limited: Coverage provided by Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.

F. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

6. Indemnity

6.1 Indemnity

Contractor shall be fully liable for the actions of its agents, employees, partners, and assigns and shall fully indemnify, defend, and hold harmless the City, and their officers, agents, and employees from third party suits, actions, damages, and costs of every name and description, including attorneys' fees to the extent arising from or relating to personal injury and damage to real or personal property, caused in whole or in part by the negligence or willful misconduct of Contractor, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.

7. Warranty

All work shall be of good quality and free of defects, and performed in a diligent and professional manner. Contractor warrants all work for a period of one (1) year following final acceptance by the City. This warranty shall survive termination or expiration of the Contract.

8. Employees, Assignment, and Subcontractors

8.1 Assignment/Subcontracting

Contractor was selected for its special knowledge, skills, and expertise and shall not assign, sell, transfer, or subcontract rights, or delegate responsibilities of this Contract, in whole or in part, without the City's prior written approval which may be withheld.

8.2 Independent Contractor

Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, compulsory Workers' Compensation laws of the State of Arizona under A.R.S. § 23-901 (et. seq.) and/or unemployment insurance laws.

8.3 Nondiscrimination

Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides Services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.

8.4 Drug Free Workplace

The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

8.5 Immigration Laws

Pursuant to A.R.S. § 41-4401, Contractor hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.

8.6 Forced Labor of Ethnic Uyghurs

Contractor hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.

9. Invoicing and Payment After Delivery

9.1 Payment

Unless otherwise stated in the Scope of Work, payment is due within thirty (30) days of the date of the Contractor's delivery of the materials and/or services conforming to the Contract and receipt of the Contractor's invoice, whichever is later.

9.2 Invoice

Contractor should invoice the City by an itemized list of charges. The City's Purchase Order Number and/or the Contract Number should be referenced on each invoice. Invoices shall include the Contract and/or Purchase Order number and dates when the work has been performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory Services received and accepted by City.

9.3 Taxes

Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of performance of the Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees.

9.4 Exception

The City will pay any taxes which are specifically identified as a line-item dollar amount in Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the award process. Such taxes shall be identified as a separate line item in Contractor's invoices.

10. General Terms

10.1 Governing Law and Venue

The Contract shall be governed by and construed in accordance with the laws of the State of Arizona. In the event of litigation, exclusive venue arising under this Contract is Coconino County, Arizona.

10.2 Attorneys' Fees

If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees, and expenses.

10.3 Public Records

The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential," the City will endeavor to notify Contractor prior to release of such information.

10.4 Inspection

The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

10.5 Cooperative Use

If Contractor agreed during the procurement process, Contractor may enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell the services identified in the

Scope of Work and accompanying documents to any member of a cooperative group under the same pricing, terms, and conditions of the Contract awarded to the Contractor.

10.6 No Boycott of Israel

Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

10.7 Compliance with Laws

Contractor shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances, including acquiring the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.

11. Amendment

The Contract is intended to be the complete and final agreement of the Parties. The Contract may be amended through a formal written amendment Parties. A “change order” is not a sufficient mechanism for amending the Contract.

12. Notice

Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City: Steven Thompson Sustainability - Neighborhood Engagement/Volunteer Services City of Flagstaff 211 W. Aspen Ave. Flagstaff, AZ 86001 Email:steven.thompson@flagstaffaz.gov Phone:(928) 213-2144	To Contractor: Art Babbott Restoration Soils 2684 E Huntington Dr Flagstaff, AZ. 86004 compost@restorationsoils.com	With a copy to: Teddy Callan City of Flagstaff 211 W. Aspen Ave. Flagstaff, AZ 86001 Email: teddy.callan@flagstaffaz.gov

IN WITNESS WHEREOF, the City and Contractor, by their duly authorized representatives, have executed this Contract effective as of the date of the last signature below.

CONTRACTOR

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

CITY OF FLAGSTAFF

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

ATTEST:

SIGNATURE

Stacy Saltzburg

FULL NAME

City Clerk

TITLE

DATE SIGNED

APPROVED AS TO FORM:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Exhibits List

A - Exhibit A - Proposal

Exhibit A

Exhibit A - Proposal

Proposal for City of Flagstaff Residential Food Scrap Hub Services

Restoration Soils operates a permitted industrial composting, soil amendment, and organics recycling business in Flagstaff, Arizona. They utilize thermophilic composting practices to transform organic waste problems into productive soil regeneration products. Restoration Soils works with residential, commercial, and industrial customers to help divert organics from the waste stream, meet carbon neutrality goals, regenerate soils, and support our region's forest restoration objectives. Restoration Soils is the only ADEQ permitted composting facility in Flagstaff. In terms of producing a positive climate impact, it is important to locate the organics processing facility where the actual waste is being generated, Restoration Soils is building a circular organic waste stream right here in Flagstaff!

Restoration Soils will provide the following "Scope of Services" to the City of Flagstaff for the Residential Food Scrap program:

1. Restoration Soils to pick up bins at identified City of Flagstaff Residential Food Scrap gallon bins weekly.
2. City of Flagstaff to supply bins, locks and lids for the program. Each site will have a maximum of ten 12 gallon bins per site. Maintenance and cleaning of bins on an as needed basis.
3. The cost for weekly pickup is $325 per month per site.
4. Households will register exclusively through the City of Flagstaff Residential Food Scrap Drop-Off page. If compost bins are consistently full with program participants' organic waste, City may choose to expand the number of bins available at an additional cost of $35 for up to an additional 4 bins.
6. Restoration Soils may cross promote programs and services with the City of Flagstaff through social media, website and community outreach.
7. Restoration Soils will enter estimated weights of organic waste collected on a weekly basis into a City linked spreadsheet.
8. Restoration Soils will submit invoices to the City two times per year.
9. Restoration Soils will provide finished ⅝" minus compost for City of Flagstaff managed Community Gardens for 25% off retail prices. This ensures that organic waste generated in Flagstaff is returned to our gardens to improve soil health, retain moisture and regenerate our soils.

Restoration Soils

Building a Circular Waste Stream in Northern Arizona

compost@restorationsoils.com

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Geneva Lanzetta, Capital Improvements Project Manager

Date: 05/22/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract: Change Order No. 2 to an On-Call Professional Services Task Order with Ardurra Group, Inc. in the amount of $24,157.00 for the Downtown Lateral – Santa Fe Ave Project, for a total project contract amount of $123,809.79.

STAFF RECOMMENDED ACTION:

1. Approve Change Order No. 2 to an On-Call Professional Services Task Order with Ardurra Group, Inc. in the amount of $24,157.00, total project amount of $123,809.79; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The Downtown Lateral – Santa Fe Ave Project requires additional engineering design and modeling services to finalize the stormwater conveyance improvements. These services are being completed under the City's On-Call Professional Services Contract with Ardurra Group, Inc. ("Ardurra"), formerly Shepard-Wesnitzer Inc., master on-call contract originally approved by City Council and dated December 2, 2022. Ardurra was issued an initial Task Order for design services for this project on September 30, 2024. The additional tasks of Change Order No. 2 include separation of one of the new utility connections from the two phases of work previously identified, water modeling to determine constructibility of a new potable water line configuration requested by the City, and survey of two curb ramps that were previously not included as part of the improvements.

In accordance with City procedures, the Change Order was reviewed and approved by the Change Order Committee on May 28, 2026. Due to this change order bringing the project design total over the $100,000 threshold, it now requires City Council approval.

Financial Impact:

The Project is funded by the Stormwater Fund, with a U.S. Army Corps of Engineers (USACE) Environmental Infrastructure (EI) 595 reimbursement share of $1.2 million. The total budget appropriation in account number 206-09-375-3592-0 is $3,591,700 (includes FY2025-26 estimate and FY2026-27 budget). This total project budget accommodates engineering design, construction administration, permitting, construction, testing and inspection, and Capital Improvements project management costs.

Policy Impact:

No impact.

Previous Council Decision or Community Discussion:

- On July 5, 2022, the City Council approved numerous On-Call Professional Services Contracts; Engineering, including a contract with Ardurra Group, Inc.
- The City Council has previously approved the FY26 Capital Improvements 5-year Plan and authorized

the FY26 budget which includes this project.

Options and Alternatives to Recommended Action:

1. Approve Change Order No. 2 as recommended. Approval will allow work on the project to proceed without delay; or
2. Reject request for approval. This action would delay and/or terminate the Project. If rejection occurs, possible options include:

   a. Suspend or cancel the Project.

Background and History:
The Downtown Lateral Project was developed to address drainage and flooding issues affecting the Milton Road/Route 66 corridor, particularly the low point beneath the BNSF railroad bridge, where stormwater originating from the mesa routinely collects during major storm events. To reduce these risks, the project will construct a new box culvert stormwater conveyance that captures runoff from the mesa and directs it safely toward the Rio de Flag.

The project is closely coordinated with the Downtown Mile and Rio de Flag Flood Control improvements to ensure hydraulic continuity and to establish a unified outfall connection into the Rio de Flag. Hydrologic and hydraulic analyses, led by the Downtown Mile team and supplemented with 100-year storm modeling, confirmed the need for a dedicated conveyance to prevent roadway flooding and improve public safety.

The project is currently in the design phases, with ongoing inter-project coordination to refine constructability considerations. This design will provide a long-term solution that supports downtown infrastructure and integrates with the City's broader flood-mitigation strategy.

Change Order No. 1 was administratively approved on March 28, 2025. The additional tasks included the separation of the project into two phases for construction coordination with the Downtown Mile Project, utility potholing, and cultural/environmental studies requested by the USACE.

Connection to PBB Priorities and Objectives:
Sustainable, Innovative Infrastructure: Deliver outstanding services to residents through a healthy, well maintained infrastructure system.

Connection to Regional Plan:
Goal E&C.3. Strengthen community and natural environment resiliency through climate adaptation efforts.

- Policy E&C.3.4. Increase the region's preparedness for extreme climate events.

Goal WR.5. Manage watersheds and stormwater to address flooding concerns, water quality, environmental protections, and rainwater harvesting.

Connection to Carbon Neutrality Plan:
Strategy WS-4: Maximize Passive and active community rainwater infiltration.

- *Action 3:* Commit funding for new and the replacement of old stormwater infrastructure to ensure adequate sizing to accommodate anticipated precipitation changes.

Strategy HS-4: Improve the resilience of public infrastructure and City facilities.

Connection to 10-Year Housing Plan:
Not applicable.

Connection to Division Specific Plan:
Not applicable.

Attachments: Ardurra Change Order #2
Context Map
Vicinity Map
On-Call Contract

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 2
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO.	WS3592	**PROJECT NAME:**	Downtown Lateral - Santa Fe Ave
FILE NO.	03-24005	**PROJECT MANAGER:**	Geneva Lanzetta
FIRM NAME:	Ardurra Group, Inc.		

Purchase Order Number: 25-001394 | **Line Number:** 1 | **Current Amount** $ 99,652.79

Change Order originated by: ☑ CITY OF FLAGSTAFF ☐ CONTRACTOR ☐ DESIGN FIRM ☐ OTHER: _____

DETAILED DESCRIPTION:

Continued coordination with the Downtown Mile Safety and Connectivity Suite of Projects (DTM) has determined that one of the new utility connections will need to be separated from the two phases of work previously identified such that construction of the Downtown Lateral and DTM projects can be coordinated effectively.

Also included in the change order is design work to address City comments regarding the constructibility of the new potable water line, and survey of two curb ramps that were previously not included as part of the improvements.

Please see the attached change order request proposal from Ardurra Group, Inc. dated June 1, 2026 for additional information.

JUSTIFICATION:

The initial contract with Ardurra Group, Inc. was approved as an on-call on September 30, 2024. In order to complete the full design, we request that this change order be considered and approved for the added scope and work. The City has executed an agreement with the U.S. Army Corps of Engineers to receive reimbursements through the EI 595 program.

TIME ANALYSIS:

There is no additional time requested as part of this change order.

COST ANALYSIS:

Reference attached documentation for scope of services and fee proposals from Ardurra Group, Inc. for the additional work on the Downtown Lateral Project, dated June 1, 2026.

Change Order #2 will be funded by Stormwater Fee, account #206-08-385-3592-0-4421, FY26 budget $3,531,984.00.

CITY OF FLAGSTAFF — *PROJECT STATUS FORM*

PROJECT NAME: Downtown Lateral - Santa Fe Ave

☑ Design ☐ Construction ☐ Other

PROJECT NO. WS3592 **FILE NO.** 03-24005

ACCT. NO. 206-08-385-3592-0 100.00 % **GRANT FUNDED? NO** ☐ **YES** ☑ **% OF GRANT FUNDING -** 90%

ACCT. NO. _____ _____ % **IF YES, WHAT IS GRANT NAME:** USACE EI 595

ACCT. NO. _____ _____ % **GRANT ACCOUNT NUMBER:** 206-08-385-3592-0-3271

COUNCIL APPROVAL DATE: 07/05/2022 **ORIGINAL CONTRACT AMOUNT:** $ 61,720.00

PROJECT BUDGET (FY 26 **)** $ 3,531,984.00 **PROJECT BUDGET (FY** 27 **)** $ 0.00

NOTICE TO PROCEED DATE: 09/30/2024 **ORIGINAL CONTRACT PERIOD (calendar days):** 793

ORIGINAL COMPLETION DATE: 12/02/2026 **ORIGINAL CONTRACT ALLOWANCE:** $ 0.00

DESIGN FIRM: Ardurra Group, Inc.

Change Orders / Revision Date	C.O. Amount / New Total	C.O. Days / New Total	Start Date / New Comp. Date	REASON FOR CHANGE
1	$ 37,932.79	0	09/30/2024	Separated design into two separate phases in coordination with Downtown Mile project. Potholing and cultural/environmental study required.
03/28/2025	$ 99,652.79	793	12/02/2026	
2	$ 24,157.00	0	09/30/2024	Design and survey services for added scope, coordination with DTM project.
06/01/2026	$ 123,809.79	793	12/02/2026	
3				
4				
5				

COMMENTS: The allocations shown above are inclusive of all Change Orders shown.If there are more than 5 Change Orders, please request a separate form from Purchasing that includes additional spaces. Thank you!

END DATES

ORIGINAL CONTRACT PERIOD	793 **Days**	(12/02/2026)	**ORIGINAL CONTRACT**	$	$ 61,720.00
PRIOR TIME CHANGES	0 **Days**	(12/02/2026)	**TOTAL PRIOR VALUE CHANGES**	$	$ 37,932.79
THIS TIME CHANGE	0 **Days**	(12/02/2026)	**VALUE OF THIS CHANGE**	$	$ 24,157.00
NEW CONTRACT PERIOD	793 **Days**	(12/02/2026)	**NEW CONTRACT**	$	$ 123,809.79

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 2
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO. WS3592 **PROJECT NAME:** Downtown Lateral - Santa Fe Ave

FILE NO. 03-24005 **PROJECT MANAGER:** Geneva Lanzetta

SIGNATURES

SUBMITTER

Project Manager	5.26.2026 (Date)	**Approved Signature**	Geneva Lanzetta — Digitally signed by Geneva Lanzetta DN: C=US, E=geneva.lanzetta@flagstaffaz.gov, O=City of Flagstaff Capital Improvements, CN=Geneva Lanzetta Date: 2026.05.26 09:42:17-07'00'
Department Head	5/26/2026 (Date)	**Approved Signature**	Paul Mood 2026.05.26 10:24:26 -07'00'

COMMITTEE

Water Services	2026-05-29 (Date)	**Approved Signature**	Douglas Slover Jr — Digitally signed by Douglas Slover Jr Date: 2026.05.29 14:08:15 -07'00'
Public Works	5-29-2026 (Date)	**Approved Signature**	
City Engineering	06/01/2026 (Date)	**Approved Signature**	Paul Mood 2026.06.01 09:35:36 -07'00'
City Attorney	(Date)	**Approved Signature**	Christina A. Kinnear — Digitally signed by Christina A. Kinnear Date: 2026.06.01 11:28:53 -07'00'
Finance	06/01/2026 (Date)	**Approved Signature**	Tammy L Ryan
Purchasing (Chair)	(Date)	**Approved Signature**	Patrick Brown — Digitally signed by Patrick Brown Date: 2026.06.01 13:22:06 -07'00'

EXECUTIVE

City Manager	(Date)	**Approved Signature**	

Council Meeting Date (if required) 06/16/2026 **Council Approved?** Yes☐ No☐

We have given careful consideration to the proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, and perform all services necessary for the work specified.

FIRM NAME: Ardurra Group, Inc. **Signature:**

Date: 05/26/2026 **Print Name and Title:** Jacob Robinson, Project Manager

ARDURRA

Additional Service Change Order #02

Ms. Geneva Lanzetta
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001 ("Client")

June 1, 2026
PO# 25-001394
ARD #04473

RE: Downtown Lateral (03-24005 & WS3595) (''Project'')
Additional Services Change Order #02

Dear Ms. Lanzetta:

Ardurra Group, Inc ("Consultant") has been asked to provide additional services for the design of the project. Please provide an additional Purchase Order for the additional services listed below.

Article A. Background
Downtown Lateral, a stormwater modification project, is on-going between the City of Flagstaff and Ardurra Group, Inc. Additional changes to the intersection of Park St and Santa Fe Ave, City review comments to evaluate changes to water main configurations, and sewer coordination with the downstream design team.

Article B. Scope of Services
These scope services are in addition to the original proposal and executed purchase order.

Item 1. Construction Plans *(Lump Sum)*
1.1 Construction Plans
This item is an addition to the original proposal scope. Additional City comments had Ardurra reviewing the water plan for constructability and provide additional detail for the curb ramps at the intersection of Santa Fe & Park St. The water changes required modeling efforts to confirm the changes to the system would not impact services. The modeling performed used the City Model with changes to the existing system that mimics the proposed changes. Continuous coordination with the Downtown Mile design team about sanitary sewer plans. The sanitary sewer is to be separated from the Phase II plan set and to be included in the Downtown Mile Sanitary Sewer Plan for submittal to ADEQ. The sanitary sewer permitting is anticipated to be performed by the Downtown Mile Design Team. Consultant will assist the Downtown Mile Design Team with securing the sewer Construction Authorization permit.

Item 5. Survey Services *(Lump Sum)*
5.1 Topographic Survey
Provide topographic survey of the intersection of Santa Fe Ave & Park St. Encompassing 30' north, 30' east, 50' south, and 30' west from the leg points of curvature. The purpose is to collect the back of curbs, sidewalks, surface utilities, and surface features to aid in curb ramp design.

Article C. Compensation Provisions
The original proposal and purchase order budget is $61,720.
This is the first additional services change order, $37,932.79 previous amount.
The current additional services change order amount is $24,157. See Table C.1 for the Budget Breakdown.
The total combined value is $123,809.79.

Table C.1—Budget Breakdown for the Additional Service Change Order

Work Task Breakdown	Work Task Cost Amounts	Billing Type
1.1 Construction Plans	**$21,763**	LS
5.1 Survey Services	**$2,394**	LS
Total Budget	**$24,157**	

(LS) = Lump Sum (T&M) = Time and Material

The budget for the Additional Service Change Order was developed from estimates of the level of effort required to perform the proposed services based on Consultant's experience and engineering judgment, however, in the drawing phase of a project there are many unknowns that may cause additional work to be necessary to complete before the project scope is fully refined. Consultant shall keep City informed of progress so that the budget and/or work effort can be adjusted if found necessary. Consultant is not obligated to incur costs beyond the indicated budget, as may be adjusted, nor is City obligated to pay Consultant beyond these limits.

Assumptions:
In addition to the original proposal.

n) Phased I and Phase II will not include the sanitary sewer plan sheets. Sanitary sewer plan sheets will be separated and coordinate with the Downtown Mile project. It is anticipated that the Downtown Mile Design Team will prepare a sewer design report and submit the completed Approval to Construct application to ADEQ. Ardurra will assist in the permitting process for the plan sheets prepared by Ardurra. Any assistance with construction or post deign services will be an additional service agreement.
o) Additional evaluations or effort required provided from the City after additional reviews will require an amendment.

Article D. Authorization to Proceed

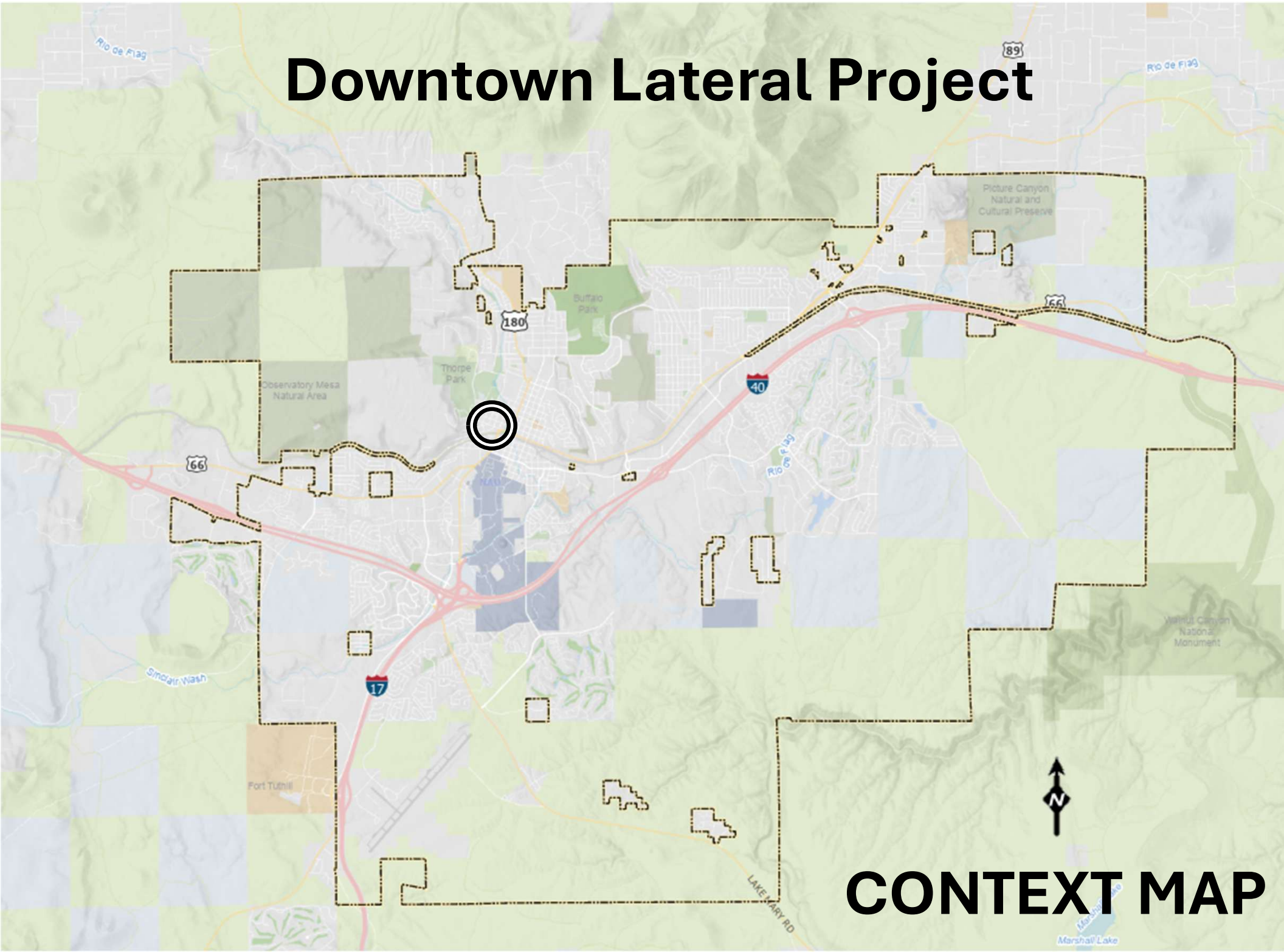
Authorization for the Consultant to proceed with work specified in the Additional Service Change Order shall proceed upon receipt of approval and may be controlled through optional Work Task Directives if elected by the Client. The Scope of Services specified in Article B consists of Tasks numbered sequentially. It is understood by and between the Consultant and the Client that this Additional Service Change Order in and of itself, does not obligate the Consultant or the City to perform services or pay consideration of any kind; rather this document establishes the basic contractual foundation and parameters of agreement between the Consultant and the City to facilitate and govern the performance of subsequent Tasks by the Consultant.

Article E. Authorized Representative

Client: **City of Flagstaff**
Print name: Trevor Henry
Title: Capital Improvements Engineer
Address for Owner's receipt of notices:
221 W Aspen Avenue Flagstaff, Arizona 86001
Telephone: (928) 213-2684

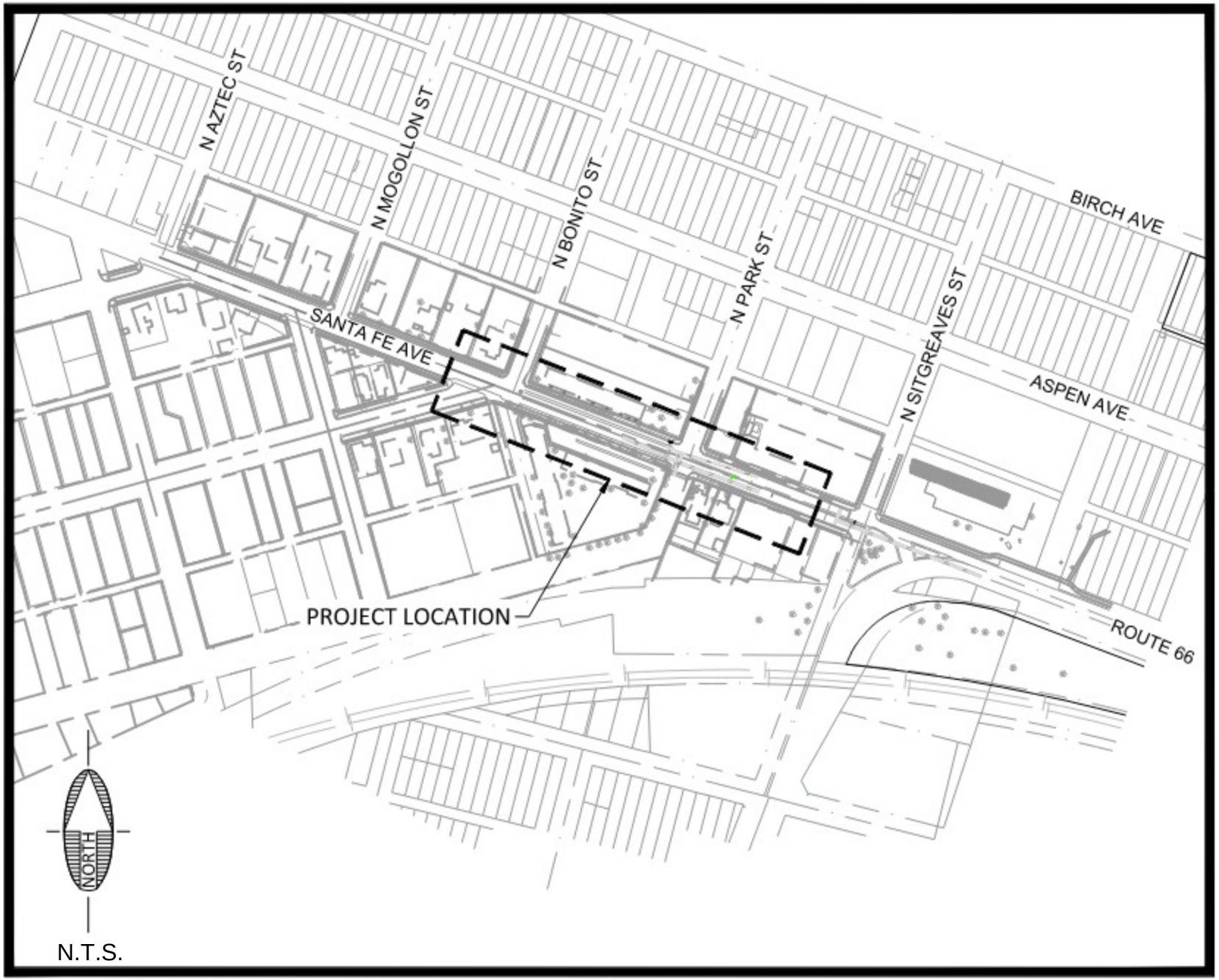
Engineer: **Ardurra Group, Inc.**
Print name: Jacob Robinson
Title: Project Engineer
Address for Engineer's receipt of notices:
221 N Marina St Prescott, Arizona 86303
Telephone: (928) 541-0443

Downtown Lateral Project



CONTEXT MAP

Downtown Lateral Project



Vicinity Map

CONTRACT FOR
ON-CALL PROFESSIONAL SERVICES
Contract No. 2022-01

This Contract is entered into this 2nd day of December, 2022 by and between the City of Flagstaff, a political subdivision of the State or Arizona ("Owner"), and Shepard-Wesnitzer Inc, a corporation, ("Firm").

WHEREAS, the Owner desires to receive and Firm is able to provide professional services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the Owner and Firm (the "parties") agree as follows:

SERVICES

1. Scope of Work: Firm shall provide the professional services generally described as follows:

   ON-CALL PROFESSIONAL SERVICES: ENGINEERING

   and as more specifically described in the scope of work attached hereto as *Exhibit A.*

2. Schedule of Services: Firm shall perform all work per the schedule set forth in *Exhibit A.*

3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as *Exhibit B* are hereby incorporated by reference by reference and shall apply to performance of this Contract, except to the extent modified in *Exhibit A*.

4. Key Personnel/Subcontractors: Firm's Key Personnel, Subcontractors (if any), and contact information are designated in *Exhibit A*. Key Personnel are those employees whose license number and signature will be placed on key documents and those employees who have significant responsibilities for completion of the services. The Owner Representative for the Contract has the right to approve any proposed substitution of Key Personnel or Subcontractors.

OWNER RESPONSIBILITIES

5. Owner Representative: The Owner Representative is Patrick Brown (City contact) or his/her designee. All communications to the Owner shall be through the Owner Representative. Owner Representative is responsible for bringing any request for a contract amendment or price adjustment to the attention of the City Buyer.

6. Owner Cooperation: The Owner will cooperate with Firm by placing at its disposal all available information concerning the Owner, the Owner's property, or the Project reasonably necessary for Firm's performance of the Contract.

CONTRACT TERM

7. Contract Term: The Contract shall be effective as of the date signed by both parties. Performance shall commence within ten (10) days from the Owner's issuance of the Notice to Proceed and shall be in force for an initial term of three (3) consecutive years.

8. Renewal: The Contract may be renewed for up to two (2) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the Owner.

9. Termination: The Contract may be terminated pursuant to the Standard Terms and Conditions attached hereto as *Exhibit B*.

PAYMENT

10. Compensation: Firm shall be paid for satisfactory performance of the work, in accordance with the Compensation Schedule attached hereto as part of *Exhibit A.*

11. Price Adjustment: If price adjustments are permitted (see *Exhibit A)*, any price adjustment must be approved by the Owner in writing as a formal Contract Amendment. The City Council must approve the price adjustment if the annual contract price exceeds $50,000; otherwise the City Manager or his designee (the Purchasing Director) shall have authority to approve a price adjustment on behalf of the Owner.

DATA AND RECORDS

12. City Ownership of Document and Data: Any original documents prepared or collected by Firm in performance of the Contract such as models, samples, reports, test plans, survey results, graphics, tables, charts, plans, maps, specifications, surveys, computations and other data shall be the property of Owner ("City's work product"), unless otherwise agreed by the parties in writing. Firm agrees that all materials prepared under the Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the Owner all rights and interests Firm may have in the materials it prepares under the Contract, including any right to derivative use of the material.

13. Re-Use: The Owner may use City's work product without further compensation to Firm; provided, however, the Owner's reuse without written verification or adaption by Firm for purposes other than contemplated herein is at the Owner's sole risk and without liability to Firm. Firm shall not engage in any conflict of interest nor appropriate any portion of City's work product for the benefit of Firm or any third parties without the Owner's prior written consent.

14. Delivery of Document and Data: Upon termination of the Contract in whole or part, or upon expiration if not previously terminated, Firm shall immediately deliver to the Owner copies all of City's work product and any other documents and data accumulated by Firm in performance of the Contract, whether complete or in process.

INSURANCE

15. Insurance: Firm shall meet insurance requirements of the Owner, set forth in *Exhibit C.*

MISCELLANEOUS

16. Notice: Any notice concerning the Contract shall be in writing and sent by certified mail and email as follows:

To the Owner:	To Firm:
Patrick Brown	Guillermo Cortes
Purchasing Director	Shepard – Wesnizter Inc
City of Flagstaff	110 W Dale Ave
211 W Aspen Ave	Flagstaff, AZ 86001
Flagstaff, AZ 86001	928.773.0354 ext. 217
pbrown@flagstaffaz.gov	gcortes@swiaz.com

17. Authority: Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

FIRM

Print name: Guillermo E. Cortes

Title: Vice President

CITY OF FLAGSTAFF

Shannon Anderson Digitally signed by Shannon Anderson Date: 2022.12.02 10:17:11 -07'00' FOR:

Print name: Greg Clifton

Title: City Manager

Attest:

Stacy Saltzburg Digitally signed by Stacy Saltzburg Date: 2022.12.02 10:29:01 -07'00'

City Clerk

Approved as to form:

Christina (Kinnear) Parry Digitally signed by Christina (Kinnear) Parry DN: cn=Christina (Kinnear) Parry, o=City of Flagstaff, ou=City Attorney's Office, email=christina.kinnear@flagstaffaz.gov, c=US Date: 2022.12.01 11:37:14 -07'00'

City Attorney's Office

Notice to Proceed issued: _____, 20___

EXHIBIT A
SCOPE OF WORK

ENGINEERING

1. SERVICES TO BE PERFORMED BY FIRM

Firm agrees to perform any or all of the following services which will be specifically enumerated on individual Task Order amendments to this contract**:**

1.1 Produce Plans, Specifications and Cost Estimates: The Firm shall be required to prepare plans, specifications, and minimum of three cost estimates to accompany the following submittals: Basis of Design Report (BODR), Design Concept Report (DCR), and a Final Submittal with a Final Cost Estimate. The Firm shall be responsible for insuring that the final plans and specifications including complete Contract Documents, meet the requirements of the latest editions of all applicable City, State and Federal standards and codes including but not limited to:

- Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Construction
- Arizona Department of Transportation Construction Standards and Specifications
- City of Flagstaff Engineering Design and Construction Standards and Specifications
- American Association of State Highway and Transportation Officials, a policy on Geometric Design of Highways and Streets
- Federal Highway Administration
- United States Environmental Protection Agency
- Arizona Department of Environmental Quality Standards
- Arizona Department of Water Resources, Standards for Well Care
- United States Code of Federal Regulations as Published by the Office of the Federal Register
- Occupational Safety and Health Administration (OSHA)
- Arizona Department of Health and Safety (ADOSH)

The Firm shall be required to provide complete and approved biddable documents which include obtaining all required final approvals, including signatures, on the Construction Documents from: The City Engineer, the City Water Services Director and the City Public Works Director.

1.2 Conduct Public Meetings: It is City of Flagstaff policy to encourage public participation in the Capital Improvements Program and to have public meetings on major projects. The Firm may be asked to provide the services of a Public Information Firm; develop a Public Participation plan; and participate in and/or conduct public meetings.

1.3 Survey Work: Under the direct supervision of a Registered Land Surveyor, the Firm may be required to perform field surveys necessary and sufficient to accomplish the design of the project, including, but not limited to right-of-way surveys, location-topo surveys, and project bench mark surveys.

1.4 Hydrology and Hydraulics: The Firm may be required to perform a study of various drainage areas impacting the project and establish the requirements of the various watersheds with respect to stormwater runoff control. A comprehensive hydrologic and hydraulic report meeting all the requirements of the City of Flagstaff Stormwater Management Design Manual.

1.5 Geo-Technical Services: The Firm may be required to provide soil tests and reports, of sufficient detail and scope to enable the Firm to provide the recommendations and structural designs, as required for all portions of the project.

1.6 Non-Destructive Pot-holing: The Firm may be required to provide the services of a non-destructive pot-hole service to determine horizontal and vertical location of utility lines.

1.7 Cross Sections: Cross-sections may be required showing existing ground with proposed design, R/W limits, centerline elevations distance left and right, existing and proposed utilities, and drainage structures.

1.8 Structural Design: Required details may include, but not be limited to, retaining walls, box culverts and junction structures.

1.9 Right-of-Way Acquisition and Easements: Definition of the right-of-way and easement acquisitions necessary for the project may be required. Work may entail surveys, legal descriptions and property searches, and preparation of legal transfer documents. Sub-Firms with expertise in Real Property Appraisal and property negotiation and acquisition may be required.

1.10 Geometry: The Firm may be required to develop all horizontal and vertical alignments of street and curbs, pedestrian facilities, and other items as required.

1.11 Water, Sewer and Storm Drain Design: Water system improvements or extensions may be required. Sewer system improvements or extensions may be required. A drainage report and storm drainage improvements per the approved report may be required.

1.12 Utilities: The Firm may be required to provide design and construction details, or design assistance for any City-owned or franchise utilities/facilities in conflict with any proposed project improvements.

1.13 Traffic Engineering: The Firm may be required to provide any of the following: Traffic control and construction sequencing plans, signalization plans, signing and pavement marking plans and traffic capacity analysis.

1.14 Street Lights: The Firm may be required to coordinate the design of street lights with Arizona Public Service (APS) as a part of a project.

1.15 Landscaping: The Firm may be required to procure the services of a registered Landscape Architect for certain projects or portions thereof.

1.16 Environmental Services: The Firm may be required to perform studies and/or analysis in the fields of environmental due diligence, remediation & Brownfield redevelopment, storage tank engineering services, and compliance audits.

1.17 Solid Waste Landfill Engineering: The Firm may be required to provide landfill related services that include permitting, design, construction details or design assistance for an y landfill project or utilities facilities in conflict with any proposed project improvements.

1.18 Graphic Presentations: The Firm may be required to provide aerial photos, digital photos topographic maps, Mylar reproductions, digital files, PowerPoint presentations and/or presentation or display boards for a project.

1.19 Bid Phase Services: The Firm may be required to provide Bid Phase Services. Typical tasks include, but are not limited to: Answer all questions relative to plans, quantities and Special Provisions, attend and/or conduct the Pre-Bid conference issue any required addenda or make any necessary corrections to plans, typical sections, quantities, notes.

1.20 Post Bid Services: Post bid services may be required and may be authorized as basic or additional services based on negotiations for a particular project. Compensation may be made on a time and materials basis or a lump sum fee as negotiated. Typical tasks might include: Bid analysis and recommendations; provision of scope/quantity survey verification letters for Field Orders and/or Change Orders; Construction Management services, provision of clarification drawings, sketches or details to respond to field questions, submittals review and approval, production of As-Built drawings and project close-out assistance.

Fee Schedule attached separately as *Exhibit A – Fee Schedule*

Shephard Wesnitzer, Inc.

2022 HOURLY RATES
STANDARD RATE SCHEDULE

Rates are subject to a 5% increase per year

E-5	ENGINEER 5	$210/HOUR
E-4	ENGINEER 4	$190/HOUR
E-3	ENGINEER 3	$160/HOUR
E-2	ENGINEER 2	$150/HOUR
E-1	ENGINEER 1	$140/HOUR
EIT-4	ENGINEER IN TRAINING	$130/HOUR
EIT-3	ENGINEER IN TRAINING	$125/HOUR
EIT-2	ENGINEER IN TRAINING	$120/HOUR
EIT-1	ENGINEER IN TRAINING	$115/HOUR
CADD-4	CADD DESIGNER	$140/HOUR
CADD-3	CADD DESIGNER	$130/HOUR
CADD-2	CADD DESIGNER	$120/HOUR
CADD-1	CADD DESIGNER	$105/HOUR
CAD-4	CAD DRAFTER	$95/HOUR
CAD-3	CAD DRAFTER	$85/HOUR
CAD-2	CAD DRAFTER	$75/HOUR
CAD-1	CAD DRAFTER	$70/HOUR
A-1	CLERICAL	$70/HOUR
RLS	REGISTERED LAND SURVEYOR, PROJECT MANAGER	$160/HOUR
RLSPC	REGISTERED LAND SURVEYOR, PARTY CHIEF	$140/HOUR
LSIT	LAND SURVEYOR IN TRAINING, PARTY CHIEF	$125/HOUR
NRL	NON-REGISTERED LAND SURVEYOR, PARTY CHIEF	$110/HOUR
T-4	CONSTRUCTION INSPECTION TECHNICIAN	$125/HOUR
T-3	PROJECTCOORDINATOR	$105/HOUR
INT -1	INTERN	$65/HOUR
	MARKETING DIRECTOR	$90/HOUR
	GIS COORDINATOR	$105/HOUR
	INSTRUMENT PERSON	$75/HOUR
	GPS RECEIVER	$30/HOUR PER RECEIVER
	ROBOTIC TOTAL STATION	$25/HOUR
	ARCHIVE FILE RESEARCH	$65/HOUR, 1 HOUR MINIMUM

OUTSIDE SERVICE ..... COST + 10%

PRINTS

BOND	$2.75EACH
VELLUMS	$5.00EACH
MYLAR	$6.00EACH

PLOTS

BOND	$5.00EACH
VELLUM	$10.00EACH
MYLAR	$10.00EACH
COLOR PLOTS/BOND	$15.00EACH
XEROX	$.09EACH
CD'S	$5.00EACH

FOR ANY AND ALL SERVICES RELATED TO LITIGATION OR OTHER LEGAL PROCEEDINGS TWO TIMES OUR STANDARD RATES

WORK OUTSIDE NORMAL BUSINESS HOURS WILL BE CHARGED AT 1½ TIMES HOURLY RATE.

Guillermo E. Cortes
Vice President

July 11, 2022

EXHIBIT B

STANDARD TERMS AND CONDITIONS

*The term "Contractor" may substitute for the term "vendors," "consultants," or "firms," depending on the purpose of the underlying Contract.

IN GENERAL

1. **PARTIES:** The City of Flagstaff ("City") and the contractor identified in the Contract ("Contractor") may be referred to individually as "Party" or collectively as "Parties".

2. **NOTICE TO PROCEED:** Contractor shall not commence performance until after the City has issued a Notice to Proceed.

3. **LICENSES AND PERMITS:** Contractor, at its own expense, shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract and provide copies to City upon request.

4. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of the Contract.

5. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, the Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

6. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

7. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

8. **QUALITY:** Contractor warrants that all materials supplied under the Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials and will be safe and appropriate for use as normally used. The City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

9. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

10. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to the City upon the City's acceptance of the materials.

11. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

12. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

13. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

14. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the Contract a breach of the Contract as a whole.

15. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

16. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens, other than the security interest held by Contractor, until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

17. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

18. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number and dates when goods had been shipped or work performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

19. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, the City will not honor any

invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

20. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of the Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

    E xception: The City will pay any taxes which are specifically identified as a line-item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

21. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

22. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by the City.

23. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by the City.

24. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to the City or fees and charges owed to the City under the Contract.

25. **OFAC:** No payments may be made to any person in violation of Office of Foreign Assets Control regulations. 31 C.F.R. Part 501.

SERVICES

26. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

27. **CONTROL:** Contractor shall be responsible for the control of the work.

28. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

29. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

30. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.

31. **ACCEPTANCE:** If the City rejects Contractor's work due to noncompliance with the Contract, the City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

32. **WARRANTY:** Contractor warrants all work for a period of one year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one year warranty is in addition to and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

33. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five years after completion of the Contract.

34. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

35. **PUBLIC RECORDS:** The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

36. **CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City's contract administration process. Contractor will be closely monitored for Contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION

37. **GENERAL INDEMNIFICATION:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense, arising out of the acts, errors, or omissions of Contractor, its officers, agents, employees, and subcontractors, in performing or failing to perform the responsibilities identified in the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects, and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

38. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of the alleged infringement of any patent, trademark or copyright or other proprietary rights of any third-parties arising out of Contract performance or use by the City of materials furnished or work performed under the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

39. **NETWORK SECURITY AND PRIVACY LIABILITY:** Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from an against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for the City. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

40. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

41. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the Parties.

42. **AMENDMENTS:** The Contract may be amended by written agreement of the Parties.

43. **SEVERABILITY:** If any term or provision of the Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted and the remainder of the Contract shall remain in full force and effect.

44. **NO WAIVER:** Both Parties have the right insist upon strict performance of the Contract, and the prior failure of a Party to insist upon strict performance, or a delay in any exercise of any

right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

45. **ASSIGNMENT:** Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. Any assignment without such consent shall be null and void. No assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to the City. The Purchasing Director shall have authority to consent to an assignment on behalf of the City.

46. **BINDING EFFECT:** The Contract shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

47. **SUBCONTRACTING:** Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. The City reserves the right to withhold consent if the subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

48. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition, any Contractor whose business is located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02, *Civil Rights*, which also prohibits discrimination based on sexual orientation, or gender identity or expression.

49. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

50. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and federal immigration laws and regulations shall constitute a material breach of the Contract and shall subject Contractor to penalties up to and including termination of the Contract. The City may, at its sole discretion, conduct random verification of the employment records of the employees of the Contractor and any subcontractors to ensure compliance with all state and federal immigration laws and regulations. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contract if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

51. **TERMINATION FOR DEFAULT:** Prior to terminating the Contract for a material breach, the non-defaulting Party shall give the defaulting Party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting Party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting Party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the Parties may execute all remedies available at law in addition to the Contract remedies provided for herein.

52. **CITY REMEDIES:** In the event of Contractor's default, the City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. The City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

53. **CONTRACTOR REMEDIES:** In the event of the City's default, Contractor may pursue all remedies available at law, except as provided for herein.

54. **TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. **TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, the Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If the Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by the City before the effective date of termination.

56. **TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate the Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. **PAYMENT UPON TERMINATION:** Upon termination of the Contract, the City will pay Contractor for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. **CANCELLATION FOR GRATUITIES:** The City may cancel the Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with award or performance of the Contract.

59. **CANCELLATION FOR CONFLICT OF INTEREST:** Pursuant to A.R.S. § 38-511, if the City identifies a conflict of interest in the award or performance of the Contract, the City may cancel the Contract within three years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. **COOPERATIVE PURCHASE CONTRACTS:** Presuming that Contractor agreed to such during the procurement process, Contractor will enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell materials and services to any member of a cooperative group under the same pricing, terms and conditions of the contract awarded to the Contractor by the public procurement unit, following a competitive procurement process.

61. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with the City without the prior written consent of the City.

62. **NOTICES:** All notices given pursuant to the Contract shall be delivered at the addresses as specified in the Contract or updated by Notice to the other Party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four days after being sent; or (c) sent by overnight courier, with receipt deemed effective two days after being sent. Notice may be sent by email as a secondary form of notice.

63. **THIRD PARTY BENEFICIARIES:** The Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

64. **GOVERNING LAW:** The Contract shall be construed in accordance with the laws of Arizona.

65. **FORUM:** In the event of litigation relating to the Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

66. **ATTORNEYS' FEES:** If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.

67. **FORCE MAJUERE:**

    a. There may be events that occur during the term of the Contract that are beyond the control of both the City and Contractor, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God ("Events"). These Events may result in a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables that are the subject of the Contract.

    b. There shall be no claims arising from a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables caused by the Events and the City shall not pay additional costs incurred by Contractor as a result of such Events.

c. The Parties shall act in good faith to extend the Contract completion date without any penalty to Contractor and that the extension will be in an amount of time equal to any temporary delay. This provision of the Contract supersedes all other terms regarding temporary delay, permanent shut down, or increased costs.

68. NO BOYCOTT OF ISRAEL: Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

69. CHANGES TO CONTRACT: The Contract s hall not be modified within the first year after Contract award where: (a) an amendment may result in a competitive advantage that was not made available to other proposers/bidders; or (b) requests for changes may delay commencement of performance.

EXHIBIT C

STANDARD INSURANCE REQUIREMENTS

*The term "Contractor" may substitute for the term "vendors," "consultants," or "firms," depending on the purpose of the underlying Contract.

1. **IN GENERAL:** Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with the Contract by Contractor, its agents, representatives, employees, and/or subcontractors.

2. **REQUIREMENT TO PROCURE AND MAINTAIN:** Each insurance policy required by the Contract shall be in effect at, or before, commencement of work under the Contract and shall remain in effect until all of Contractor's obligations under the Contract have been met, including any warranty periods. Contractor's failure to maintain the insurance policies as required by the Contract, or to provide timely evidence of renewal, will be considered a material breach of the Contract.

3. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

   Where applicable, as related to the Scope of Work, Contractor shall provide coverage at least as broad and with limits not less than those stated below.

   a. Commercial General Liability - Occurrence Form

General Aggregate	$2,000,000
Products/Completed Operations	$1,000,000
Each Occurrence	$1,000,000

   b. Umbrella Coverage $2,000,000

   c. Automobile Liability

Any Automobile or Owned, Hired, and Non-owned Vehicles Combined Single Limit Per Accident for Bodily Injury & Property Damage	$1,000,000

   d. Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

   e. Professional Liability $2,000,000

f. Network Security and Privacy Liability

Per claim	$2,000,000
Annual Aggregate	$2,000,000

4. **NETWORK SECURITY AND PRIVACY LIABILITY:** Contractor shall maintain the requisite insurance requirements covering all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for the City. The insurance policy shall include coverage for third-party claims. The insurance policy shall contain an affirmative coverage grant for contingent bodily injury and property damage emanating from the failure of the technology services or an error or omission in the content/information provided.

5. **SELF-INSURED RETENTION:** Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that Contractor reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and/or subcontractors. Contractor shall be solely responsible for any self-insured retention amounts. The City at its option may require Contractor to secure payment of such self-insured retention by a surety bond or irrevocable and unconditional letter of credit.

6. **OTHER INSURANCE REQUIREMENTS:** The insurance policies shall contain, or be endorsed to contain, the following provisions:

   a. Additional Insured: In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.

   b. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.

   c. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.

   d. Each Insured: Contractor's insurance policies shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

   e. Not Limited: Coverage provided by Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.

f. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

7. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of the Contract shall provide the required coverage and shall not be suspended, voided, cancelled, and/or reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Procurement Agent and shall reference the Contract Number.

8. **ACCEPTABILITY OF INSURERS:** Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect Contractor from potential insurer insolvency.

9. **CERTIFICATES OF INSURANCE:** Contractor shall furnish the City with certificates of insurance (ACORD form) as required by the Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City Contract number shall be noted on the certificates of insurance. If requested by the City, all certificates of insurance and endorsements must be received and approved by the City before the Contractor commences work.

10. **POLICIES:** The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by the Contract. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under the Contract.

11. **MODIFICATIONS:** Any modification or variation from the insurance requirements in the Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sarah Langley, Public Affairs Director

Date: 05/29/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Ratification of Letter of Support: State funding for the Arizona Office of Tourism

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support.

Executive Summary:

City staff received a request to voice the City's support for funding for the Arizona Office of Tourism in the FY27 state budget. A recent budget proposal advanced in the Legislature includes the elimination of approximately $8M in General Fund support for the Arizona Office of Tourism. This funding reduction would significantly impact Arizona’s ability to market our state, attract visitors, and support the tourism economy that benefits communities and businesses across all 15 counties. The letter was shared with our state representatives.

Financial Impact:

N/A

Policy Impact:

N/A

Previous Council Decision or Community Discussion:

N/A

Options and Alternatives to Recommended Action:

N/A

Background and History:

N/A

Connection to PBB Priorities and Objectives:

This letter of support is in alignment iwth teh Council's Robust and Resilient Economy PBB Objective.

Connection to Regional Plan:

N/A

Connection to Carbon Neutrality Plan:

N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Letter of Support

CITY OF
FLAGSTAFF

OFFICE OF THE MAYOR
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main Line: 928-213-2000
Website: https://www.flagstaff.az.gov

May 29, 2026

Arizona State Capitol
1700 W Washington St
Phoenix, AZ 85007

RE: Maintaining full funding for the Arizona Office of Tourism

Dear Honorable Senators and Representatives,

I am writing to urge you to support continued full funding for the Arizona Office of Tourism (AOT) in the final state budget. Tourism is a critical economic driver for Arizona and for our local economy in Flagstaff. The Arizona Office of Tourism plays an essential role in attracting visitors, supporting local businesses, generating tax revenue, and sustaining jobs. Tourism is Flagstaff's number one economic driver, and our business community and residents rely on it for our quality of life.

Cuts to AOT funding would negatively impact Arizona's competitiveness as a travel destination and will have lasting negative economic consequences for communities that depend on tourism-related spending, like Flagstaff.

Arizona tourism generated more than $33.1 billion in direct travel spending and more than $4.3 billion in tax revenues statewide in 2024. The work of AOT benefits not only large destinations, but also rural communities, small businesses, local events, restaurants, hotels, and attractions throughout Arizona. Flagstaff's tourism economy generates an estimated half of one billion dollars in direct impact and is critical in sustaining our standard of living.

Additionally, AOT is a strong partner to Flagstaff in messaging fire safety awareness and fire safety protocols, which is a constant, year-round, threat to our community.

I respectfully ask that you support maintaining full funding for the Arizona Office of Tourism during final budget negotiations. Thank you for your service and for your consideration of this important issue.

Sincerely,

Becky Daggett

Becky Daggett,
Mayor of Flagstaff, on behalf of the Flagstaff City Council

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jen Brown, Public Works Section Director - Facilities & Fleet

Co-Submitter: Nathan Naliborski

Date: 05/26/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract: Materials Purchase Contract with PFVT Motors, LLC DBA Peoria Ford Government to purchase (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles in the amount of $249,936.80, including all applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve the Materials Purchase Contract with PFVT Motors, LLC DBA Peoria Ford Government to purchase(5) Ford Police Interceptor Utility Hybrid Patrol Vehicles in the amount of $249,936.80, including all applicable taxes; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

PFVT Motors, LLC DBA Peoria Ford Government ("Peoria Ford Government") was determined to be the lowest responsive and responsible bidder for the City's Invitation for Bids (IFB) for the purchase of (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles. The bid submitted by Peoria Ford Government met all required specifications, contractual requirements, and procurement standards outlined in the solicitation.

The purchase of these vehicles supports the continued replacement and maintenance of the City's public safety fleet, ensuring reliable transportation and operational readiness for police services. The proposed vehicles align with the City's fleet replacement strategy by replacing aging units with updated equipment designed to improve reliability, safety, and long-term operational efficiency. The total purchase amount for the (5) vehicles is $231,155.00 and will include applicable fees and taxes estimated at $18,781.80, bringing the total cost to $249,936.80.

Staff recommends approval of the purchase from Peoria Ford Government in the amount of $249,936.80, including all applicable tax and related fees, as the lowest responsive bidder in accordance with the City's procurement policies and procedures.

Financial Impact:

Project Name: Purchase of (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles
Cost: $249,936.80
Account Number Budgeted: 001-04-061-0221-2-4401
FY Budgeted Amount: $325,000
Funding Source: General Fund, Fleet Replacement Fund
Breakdown
Vehicle price per unit: $49,987.36
Vehicle Purchase x 5: $231,155.00
Estimated Tax: $18,723.55
Total: $249,936.80

Policy Impact:
None.

Previous Council Decision or Community Discussion:
None.

Options and Alternatives to Recommended Action:

1. Approve the Materials Purchase Contract for (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles from Peoria Ford Government; or
2. Approve a purchase of fewer than (5) vehicles from Peoria Ford Government; or
3. Deny the request to purchase the vehicles.

Background and History:
The City of Flagstaff regularly evaluates the condition, age, mileage, maintenance history, and operational reliability of fleet assets through the City's adopted fleet replacement program and Fleet & Equipment Directive. Police vehicles experience high utilization rates, extended idle times, and demanding operating conditions that accelerate wear and increase maintenance costs over the life of the vehicle. Timely replacement of these units is necessary to maintain dependable public safety operations and minimize vehicle downtime.

Vehicle replacement requests are reviewed through the City's established fleet replacement process to ensure they meet fleet replacement guidelines, operational requirements, life cycle expectations, and budget considerations. Requests are presented to and reviewed by the Fleet Management Committee (FMC), which evaluates fleet needs, replacement eligibility, operational impacts, and alignment with the City's overall fleet strategy prior to approval.

To support the ongoing replacement of aging police fleet vehicles, the City issued an Invitation for Bids (IFB) for the purchase of (5) Ford Police Interceptor Utility Hybrid Patrol Vehicles. The solicitation process was conducted in accordance with the City's procurement policies and procedures to ensure a competitive and transparent bidding process.

Following review of the submitted bids, Peoria Ford Government was identified as the lowest responsive and responsible bidder, meeting all required specifications and solicitation requirements. The proposed purchase amount for the vehicles is $231,155, with applicable fees and tax estimated at $18,781.80, for a total cost of $249,936.80.

The replacement of these vehicles supports the City's commitment to maintaining a safe, reliable, and operationally effective fleet for police services while reducing the risks associated with aging and high-mileage equipment.

Connection to PBB Priorities and Objectives:
Personnel: Attract and Retain Quality Staff
Transportation and Other Public Infrastructure: Replace aging infrastructure
High-Performing Governance: Serve the public by providing high-quality customer service. Be an inclusive employer of choice by providing employees with the necessary tools, training, support, and compensation.

Connection to Regional Plan:
Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical and ambulance service.

Connection to Carbon Neutrality Plan:
The Flagstaff Police Department continues to prioritize hybrid and alternative fuel vehicles for patrol

operations when available and operationally feasible. Hybrid patrol vehicles allow for increased fuel economy, reduced idle times, and increased vehicle efficiency.

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
None.

Attachments: Peoria Ford Purchase Contract and Exhibit
Peoria Ford Quote

MATERIALS PURCHASE CONTRACT

Contract No. 2026-153

This Contract by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City") and PFVT Motors, LLC DBA Peoria Ford, an Arizona limited liability company ("Contractor") shall be effective as of the date of the last signature below. The City and Contractor may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, the City desires to receive Five (5) Ford Interceptors; and

WHEREAS, Contractor is able to provide the materials; and

NOW THEREFORE, in consideration for the mutual promises herein, the Parties agree as follows:

AGREEMENT

1. Scope of Work

1.1 General Description

Contractor shall provide the materials generally described as: Five (5) Ford Interceptors.

1.2 Specific Purchase

The specific requirements of the materials to be purchased are identified in the Materials & Price List, attached hereto as *Exhibit A* (the "Materials").

2. Term and Renewal

2.1 Contract Term

The term of the Contract shall expire upon completion of the purchase identified in *Exhibit A* unless terminated pursuant to the provisions of the Contract. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

3. Compensation and Materials & Price List

3.1 Compensation

Contractor shall be paid for satisfactory performance of the Contract in an amount not to exceed two hundred forty-nine thousand nine hundred thirty-six dollars and eighty cents ($249,936.80) including fees and taxes.

3.2 Price

Contractor shall, in the quantities set forth in any purchase order that the City may submit to the Contractor, sell to the City the Materials at the prices stated in the Materials & Price List, attached as *Exhibit A.*

3.3 Price Adjustments

Price adjustments may be negotiated annually, at the date of the execution of the original Contract, at the discretion of the City. Any request for a price increase must be submitted no later than thirty (30) days in advance of the execution date and include supporting documentation demonstrating that the increase in contract price is based on an increased cost to the Contractor and that the proposed pricing is still competitive in the marketplace.

3.4 Formal Amendment Required

Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee may approve an amendment if the total amount of the Contract, as amended, is less than $100,000; otherwise, City Council approval is required.

4. Termination and Cancellation Clauses

4.1 Non-Appropriation

The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

4.2 For Convenience

Either Party may terminate the Contract for any reason by giving the other Party written notice of such termination no less than fifteen (15) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those Services completed prior to the effective date of the termination.

4.3 Conflict of Interest

The Contract is subject to the terms of A.R.S. § 38-511.

4.4 Payment Upon Termination

Upon termination of the Contract, the City shall pay Contractor for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

5. Insurance

5.1 Minimum Scope and Limits of Insurance

Contractor shall maintain the necessary insurance to provide the Materials described within the Contract.

6. Indemnity

6.1 Indemnity

Contractor shall be fully liable for the actions of its agents, employees, partners, and assigns and shall fully indemnify, defend, and hold harmless the City, and their officers, agents, and employees from third party suits, actions, damages, and costs of every name and description, including attorneys' fees to the extent arising from or relating to personal injury and damage to real or personal property, caused in whole or in part by the negligence or willful misconduct of Contractor, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.

7. Employees, Assignment, and Subcontractors

7.1 Assignment/Subcontracting

Contractor shall not assign, sell, transfer, or subcontract rights, or delegate responsibilities of this Contract, in whole or in part, without the City's prior written approval.

7.2 Independent Contractor

Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, compulsory

Workers' Compensation laws of the State of Arizona under A.R.S. § 23-901 (et. seq.) and/or unemployment insurance laws.

7.3 Nondiscrimination

Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides Services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.

7.4 Drug Free Workplace

The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

7.5 Immigration Laws

Pursuant to A.R.S. § 41-4401, Contractor hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.

7.6 Forced Labor of Ethnic Uyghurs

Contractor hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.

8. Invoicing and Payment after Delivery

8.1 Payment

Unless otherwise stated in the Materials & Price List, payment for the Materials is due within thirty (30) days of the date of the Contractor's delivery of Materials conforming to the Contract and receipt of the Contractor's invoice, whichever is later.

8.2 Invoice

Contractor should invoice the City by an itemized list of charges. The City's Purchase Order Number and/or the Contract Number should be referenced on each invoice. Invoices shall include the Contract and/or Purchase Order number and dates when the work has been performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory Services received and accepted by City.

8.3 Taxes

Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of performance of the Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees.

8.4 Exception

The City will pay any taxes which are specifically identified as a line-item dollar amount in Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the award process. Such taxes shall be identified as a separate line item in Contractor's invoices.

9. Materials

9.1 Quality

Contractor warrants that all Materials supplied under the Contract will be new and free from defects in material or workmanship. The Materials will conform to any statements made on the containers or labels or advertisements for the Materials and will be safe and appropriate for use as normally used. The City's inspection, testing, acceptance, or use of Materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

9.2 Manufacturer's Warranties

Contractor shall deliver all Manufacturer's Warranties to the City upon the City's acceptance of the Materials.

9.3 Delivery

Contractor shall deliver the Materials FOB destination to the City's receiving address as set forth in the relevant purchase order under the Contract. All transportation and handling charges shall be paid by the Contractor, unless the Parties agree otherwise in a writing signed by the Parties. Risk of loss of the Materials will pass to the City upon Contractor's delivery of Materials conforming to the Contract pursuant to a purchase order from the City under this Contract. Contractor shall take all reasonable measures to ensure that any Materials purchased under this Contract shall be delivered within thirty (30) days of the City's issuance of the relevant purchase order unless the Parties agree otherwise in writing. Contractor will not be liable for delays in performance or for non-performance due to unforeseen circumstances or causes beyond the Contractor's reasonable control.

9.4 Default in One Installment to Constitute Total Breach

Contractor may not substitute nonconforming materials. Delivery of nonconforming materials, or a default of any nature, shall constitute a breach of the Contract as a whole.

10. General Terms

10.1 Governing Law and Venue

The Contract shall be governed by and construed in accordance with the laws of the State of Arizona. In the event of litigation, exclusive venue arising under this Contract is Coconino County, Arizona.

10.2 Attorneys' Fees

If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees, and expenses.

10.3 Public Records

The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential," the City will endeavor to notify Contractor prior to release of such information.

10.4 Inspection

The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

10.5 Cooperative Use

If Contractor agreed during the procurement process, Contractor may enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell the Materials identified on the

Materials & Price List to any member of a cooperative group under the same pricing, terms, and conditions of the Contract awarded to the Contractor.

10.6 No Boycott of Israel

Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

10.7 Compliance with Laws

Contractor shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances, including acquiring the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.

11. Amendment

The Contract is intended to be the complete and final agreement of the Parties. The Contract may be amended through a formal written amendment Parties. A “change order” is not a sufficient mechanism for amending the Contract.

12. Notice

Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:
Jennifer Brown
Public Works - Fleet Services
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email:jennifer.brown@flagstaffaz.gov
Phone:(928) 213-2108

To Contractor:

Pete Czyznik

PFVT MOTORS, LLC dba Peoria Ford

9130 West Bell Road

Peoria, AZ 85382

Email: pete.czyznik@governmentautosales.com

Phone: (623) 777-2772

With a copy to:
Emily Markel
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: emarkel@flagstaffaz.gov

13. Authority

Each Party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into the Contract.

IN WITNESS WHEREOF, the City and Contractor, by their duly authorized representatives, have executed this Contract effective as of the date of the last signature below.

CONTRACTOR

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

CITY OF FLAGSTAFF

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

ATTEST:

SIGNATURE

Stacy Saltzburg

FULL NAME

City Clerk

TITLE

DATE SIGNED

APPROVED AS TO FORM:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Exhibits List

A - Exhibit A - Bid Schedule

Exhibit A

Exhibit A - Bid Schedule

Exhibit A

PFVT Motors, LLC dba Peoria Ford		Unit Cost	Total (1) Unit	5 Units
Ford Police Interceptor Utility SUV (one unit)	1	$46,231.00	$46,231.00	$231,155.00
Tax	1	$3,744.71	$3,744.71	$18,723.55
Freight/Delivery	1	$0.00	$0.00	$0.00
Other Fees (Description)	1	$11.65	$11.65	$58.25
Total			**$49,987.36**	**$249,936.80**

5 units from PFVT for **$249,936.80**

PFVT MOTORS, LLC.
9130 West Bell Road
Peoria, AZ 85382
Pete Czyznik
Government Account Team
Direct: 623-777-2772
pete.czyznik@governmentautosales.com

Quote IFB # 2026-153

Date	4/24/2026
Valid Until	4/29/2026
Contract	CTR059322 - AZ STATE
PO	
Lead Time	2-4 Months

Customer:	Invoice Address:	Delivery Address:
City of Flagstaff	City of Flagstaff	City of Flagstaff
3200 W. Route 66	3200 W. Route 66	3200 W. Route 66
Flagstaff, AZ 86001	Flagstaff, AZ 86001	Flagstaff, AZ 86001
Jen Brown, MSL	Jen Brown, MSL	Jen Brown, MSL
928-213-2108	928-213-2108	928-213-2108
jennifer.brown@flagstaffaz.gov	jennifer.brown@flagstaffaz.gov	jennifer.brown@flagstaffaz.gov

Customer unit number	Description		Line Total
IFB # 2026-153	2026 K8A POLICE INTER UTILITY AWD 119 INCH WHEELBASE AGATE BLACK METALLIC CLOTH BUCKETS/VINYL REAR SEAT ONYX INTERIOR	MSRP	$50,390.00
EQUIPMENT GROUP 500A .3.3L HYBRID ENGINE 10-SP MODULR HYBRD AUTO TRN HID PLUNG W/R HNDL INOPERABLE ULTIMATE WIRING KIT REAR CONSOLE MOUNTING PLATE FORD FLEET SPECIAL ADJUSTMENT 50 STATE EMISSIONS SPOT LAMP PREP DRIVER ONLY FRONT HEADLAMP LIGHT SOLUTION REAR DR HNDL AND LOCKS INOPR DESTINATION & DELIVERY			
		Discount Applied 14.33%	-$7,219.00
		Window tint, 2 additional keys 4 total, Delivery	Included
		Paint 4 exterior doors only Oxford White (Z1)	$1,265.00
		Ford Destination & Delivery	$1,795.00

Subtotal		$46,231.00
Sales Tax	8.10%	$3,744.71
Tire Tax	5	$11.65
Extended Warranty		$0.00
Flooring		$0.00
Freight / Delivery		$0.00
Docs & Registration		$0.00
Total Per Unit		$49,987.36
Quantity of Units		5
PO Total		**$249,936.80**

Special Notes and Instructions

Arizona tax exempt with out of state delivery

Unit(s) will be ordered once approved

Vehicle Registration not included

Signature

Print Name

Date

If you have any questions concerning this quote, contact Wesley Boswell

Thank you for your business!

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Ivey Coss, Senior Project Manager – Capital Improvements

Co-Submitter: Trevor Henry

Date: 05/13/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract: Approve Change Order No. 19 with Ardurra Group, Inc. (formerly SWI) in the amount of $264,070.00 and a 1,095-calendar-day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract.

STAFF RECOMMENDED ACTION:

1. Approve Change Order No. 19 with Ardurra Group, Inc. (formerly SWI) in the amount of $264,070.00 and a 1,095-calendar-day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Approval of Change Order No. 19 will compensate Ardurra Group, Inc. (Ardurra) for providing continued design and coordination services for the Rio de Flag Flood Control Project (Project), as described in their proposal dated May 5, 2026. The additional services are required to support the Project through final design coordination, plan updates, and preparation for construction bidding. The tasks included in Change Order No. 19 consist of project management; ongoing meetings and coordination with the City of Flagstaff, the U.S. Army Corps of Engineers, Tetra Tech, and BNSF Railway; updates to the Phase 4 and Phase 6 design packages; and continued preparation of legal descriptions, exhibits, and survey documents necessary for the Project. A direct expenses allowance is also included. A 1,095-calendar-day time extension, from May 2026 through May 2029, is requested with Change Order No. 19 to support completion of the remaining design coordination and document preparation activities.

The Change Order Committee considered this item on May 28, 2026, and approved it with a recommendation to forward to the Council for final approval at the City Council meeting on June 16, 2026.

Financial Impact:

The Project is funded by the Rio de Flag Hydrology account from the FY 2025-26 estimate of $457,687, the FY 2026-27 appropriation of $9,781,000, (Acct No. 206-08-385-3236-0-4421). The Project is also funded by the Stormwater Fee increase authorized in November 2018, with collection beginning in July 2019.

Expanded Financial Considerations:

The FY 2004–2005 original Design Services Contract was approved by City Council to Ardurra (formerly SWI) in the amount of $1,582,521.00. Subsequent changes authorized through the City Manager's Change Order Authority and City Council approval total $2,611,911.34. The value of Change Order No. 19 is $264,070.00, resulting in a new contract amount of $4,458,502.34.

Policy Impact:

No Impact.

Previous Council Decision or Community Discussion:
Previous City Council actions pertaining to authorized value changes and action items necessary for the continuation of the Project since FY 2004-2005.

Options and Alternatives to Recommended Action:

1. Approve Change Order No. 19 with Ardurra the amount of $264,070.00 and a 1,095-calendar-day time extension as recommended; or
2. Reject Change Order No. 19, which will forfeit the opportunity for the City to comply with its requirement to provide the estate necessary to allow the USACE to certify the real estate for the Rio de Flag Flood Control Project.

Background and History:
On January 18, 2005, the City Council awarded the Design Services Contract to Ardurra (formerly SWI) to perform design services for this Project.

Key Considerations:
The Rio de Flag Flood Control Project is included in the City's Stormwater Management Capital Improvement Program and is the number one priority. The Project has also been the subject of numerous City Council meetings, City-to-Citizen communications and newspaper articles.

The USACE requested funding for their FY 20 work plan to construct the entire Project. The USACE received $52M which will complete their share (65%) of the project as outlined in the Project Cooperation Agreement.

In 2018, the City Council authorized a fee increase to the Stormwater rate that would provide funding for the Capital Improvement Program (CIP). In 2019, City Council authorized collection of the rate increase. The rate increase will provide funding for the Stormwater CIP, of which the Rio de Flag Flood Control Project is the number one priority. The City has the capacity and commitment to complete our share of the project as outline in the Project Cooperation Agreement.

On April 12, 2021, the USACE submitted to the City the real estate "take letter" outlining the estate necessary for the real estate certification. It is the City's responsibility as outlined in the Project Cooperation Agreement to provide the corridor necessary for the USACE to solicit, award and construct the Project.

Change Order No. 19 will add 1,095-calendar-days to the Design Services Contract.

Change Order No. 19 was presented to the Change Order Committee for their consideration on May 28, 2026. The item was approved with a recommendation to forward to the City Council for consideration and final approval.

Connection to PBB Priorities and Objectives:

- Deliver outstanding services to residents through a healthy, well maintained infrastructure system.
- Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, & social systems.

Connection to Regional Plan:

- Manage watersheds and stormwater to address flooding concerns, water quality, environmental protections, and rainwater harvesting.
- Increase the region's preparedness for extreme climate events.
- Incorporate pedestrian access, trails, and watchable wildlife opportunities into natural watercourses when practical.

- Improve mobility and access throughout the region.
- Increase the availability and use of pedestrian infrastructure, including FUTS, as a critical element of a safe and livable community.

Connection to Carbon Neutrality Plan:

- Encourage vibrancy, appropriate density, and attainability in existing neighborhoods, so that more residents live within walking distance of their daily needs.
- Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
None

Attachments: Change Order 19
Vicinity Map
Presentation

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 19
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO.	346800	**PROJECT NAME:**	Rio de Flag Flood Control Utilities Relocation Project
FILE NO.	03-04011	**PROJECT MANAGER:**	Ivey R. Coss
FIRM NAME:	Ardurra		

Purchase Order Number: 14 | **Line Number:** 3,4,7,8 | **Current Amount** $ 132,457.71

Change Order originated by: ☑ CITY OF FLAGSTAFF ☐ CONTRACTOR ☐ DESIGN FIRM ☐ OTHER: _____

DETAILED DESCRIPTION:

Provide continued design and coordination services as described in the proposal dated May 5, 2025 for the Rio de Flag (RDF) Flood Control Project. The additional services are required to support the project through final design coordination, plan updates, and preparation for construction bidding. The continued tasks include project management, ongoing meetings and coordination with the City of Flagstaff, the U.S. Army Corps of Engineers, Tetra Tech, and BNSF Railway, updates to the Phase 4 and Phase 6 design packages, and continued preparation of legal descriptions, exhibits, and survey documents needed for the project.
A 1,095-day time extension, from May 2026 through May 2029, is requested with this change order.
For Cost Analysis: Reference attached documentation from Ardurra dated May 5, 2026, for the scope of services and fee proposal. This change order exceeds the authorized change order authority and will require City Council approval. The Stormwater Fee increase, authorized in November 2018 and collection in July 2019, will provide funding. The Rio de Flag Hydrology account (206-08-385-3236-0-4421) will fund Change Order #19.

JUSTIFICATION:

Ardurra has continued to provide design support, coordination, and plan updates for the Rio de Flag (RDF) Flood Control Project as the U.S. Army Corps of Engineers advances the project toward final design and preparation for construction bidding. This includes ongoing project management; coordination with the City, USACE, Tetra Tech, and BNSF Railway; updates to the Phase 4 and Phase 6 design packages; and refinement of legal descriptions, exhibits and survey documents. These efforts are necessary to maintain design readiness, address comments, and support the project's progression.

TIME ANALYSIS:

A 1,095-day extension is proposed to provide continuous design support and coordination from May 2026 through May 2029, ensuring readiness through final design, bidding, and construction. Bidding for Phase 4 is scheduled to take place Fall 2026 with construction taking place in spring of 2027 for approximately three years.

COST ANALYSIS:

Original Contract Amount:	$1,582,521.00
Total Prior Value Changes:	$2,611,911.34
Value of this Change Order:	$264,070.00
New Contract Amount:	$4,458,502.34

The Rio de Flag Hydrology account (206-08-385-3236-0-4421) will fund Change Order #19.

CITY OF FLAGSTAFF — *PROJECT STATUS FORM*

PROJECT NAME: Rio de Flag Flood Control Utilities Relocation Project

☑ **Design**
☐ **Construction**
☐ **Other**

PROJECT NO. 346800 **FILE NO.** 03-04011

ACCT. NO. 206-08-385-3236-0-442 100.00 **%** **GRANT FUNDED? NO** ☑ **YES** ☐ **% OF GRANT FUNDING -**

ACCT. NO. _____ _____ **%** **IF YES, WHAT IS GRANT NAME:** _____

ACCT. NO. _____ _____ **%** **GRANT ACCOUNT NUMBER:** _____

COUNCIL APPROVAL DATE: January 18, 2005 **ORIGINAL CONTRACT AMOUNT:** $ 1,582,521.00

PROJECT BUDGET (FY 26 **)** $ 18,329,753.00 **PROJECT BUDGET (FY_____)**

NOTICE TO PROCEED DATE: 01/28/2005 **ORIGINAL CONTRACT PERIOD (calendar days):** 275

ORIGINAL COMPLETION DATE: 10/30/2005 **ORIGINAL CONTRACT ALLOWANCE:** $ 75,000.00

DESIGN FIRM:

Change Orders / Revision Date	C.O. Amount / New Total	C.O. Days / New Total	Start Date / New Comp. Date	REASON FOR CHANGE
CO #19	$ 264,070.00	1095	05/01/2026	Continued design and coordination services for the Rio de Flag Flood Control Project.
05/28/2029	$ 4,458,502.34	8920	05/31/2029	
2				
3				
4				
5				

COMMENTS: The allocations shown above are inclusive of all Change Orders shown.If there are more than 5 Change Orders, please request a separate form from Purchasing that includes additional spaces. Thank you!

END DATES

ORIGINAL CONTRACT PERIOD	275 **Days**	**(** 10/30/2005 **)**	**ORIGINAL CONTRACT**	**$**	$ 1,582,521.00
PRIOR TIME CHANGES	7825 **Days**	**(** 10/01/2025 **)**	**TOTAL PRIOR VALUE CHANGES**	**$**	$ 2,611,911.34
THIS TIME CHANGE	1095 **Days**	**(** 05/31/2029 **)**	**VALUE OF THIS CHANGE**	**$**	$ 264,070.00
NEW CONTRACT PERIOD	8920 **Days**	**(** 05/31/2029 **)**	**NEW CONTRACT**	**$**	$ 4,458,502.34

CITY OF FLAGSTAFF

☐ CONFIRMING CHANGE ORDER NO.
☑ DESIGN CONTRACT CHANGE ORDER NO. 19
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO.
☐ CONTRACT ALLOWANCE UPDATE NO.

PROJECT NO. 346800 **PROJECT NAME:** Rio de Flag Flood Control Utilities

FILE NO. 03-04011 **PROJECT MANAGER:** Ivey R. Coss

SIGNATURES

SUBMITTER

Project Manager	05/19/2026 Date	**Approved Signature**	I.R.Coss Digitally signed by I.R.Coss DN: C=US, E=Ivey.Coss@flagstaffaz.gov, O=CoF, OU=Capital Improvements, CN=I.R.Coss Reason: I am the author of this document Date: 2026.05.19 15:43:58-07'00'
Division Head	05/28/2026 Date	**Approved Signature**	Paul Mood 2026.05.28 11:09:50 -07'00'

COMMITTEE

Water Services	2026-05-29 Date	**Approved Signature**	Douglas Slover Jr Digitally signed by Douglas Slover Jr Date: 2026.05.29 14:05:53 -07'00'
Public Works	5-29-2026 Date	**Approved Signature**	
City Engineering	06/01/2026 Date	**Approved Signature**	Paul Mood 2026.06.01 09:31:48 -07'00'
City Attorney	Date	**Approved Signature**	Christina A. Kinnear Digitally signed by Christina A. Kinnear Date: 2026.06.01 11:26:28 -07'00'
Finance	06/01/2026 Date	**Approved Signature**	Tammy L Ryan
Purchasing (Chair)	Date	**Approved Signature**	Patrick Brown Digitally signed by Patrick Brown Date: 2026.06.01 13:17:39 -07'00'

EXECUTIVE

City Manager	Date	**Approved Signature**	

Council Meeting Date (if required) _____ **Council Approved?** Yes☐ No☐

We have given careful consideration to the proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, and perform all services necessary for the work specified.

FIRM NAME: Ardurra **Signature:** Steve R. Lewis Digitally signed by Steve R. Lewis DN: C=US, E=srlewis@ardurra.com, O=Ardurra, OU=PS01, CN=Steve R. Lewis Reason: I am approving this document Date: 2026.05.20 09:10:53-07'00'

Date: 05/19/2026 **Print Name and Title:** Steve R. Lewis, Group Leader

Change Orders	C.O. Amount	C.O. Days	Council Date	REASON FOR CHANGE
Revision Date	New Total	New Total	New Comp. Date	
CO #1	$ 14,404.00	0		Revise Sewer crossing & cost estimate due to change in structures & flood elevations by USACE. Amount is to be taken from City Manager's Authority. $136,346.00/$150,750.00
08/04/2005	$ 1,596,925.00	275	10/30/2005	
Field Order #1	$ 1,290.00	0		Prepare exhibits and convert files to Arcmap format. $73,710.00/$75,000.00
08/22/2005			10/30/2005	
Field Order #2		60		Time extension due to City/USACE delays.
10/26/2005		335	12/29/2005	
Field Order #3	$ 2,800.00	60		Time extension due to City/USACE delays.
02/09/2006		395	02/27/2006	
CO #2	$ 11,998.00	261		Additional Title Reports, time extension due to City delay. Amount is to be taken from City Manager's Authority. $124,348.00/$150,750.00
03/20/2006	$ 1,608,923.00	656	11/15/2006	
Field Order #4	$ 941.00	0		Prepare Brownfield Exhibits. $69,968.02/$75,000.00
05/20/2006			11/15/2006	
Field Order #5		60		Time extension due to City/USACE delays.
11/06/2006		716	01/14/2007	
Field Order #6		60		Time extension due to City/USACE delays.
01/08/2007		776	03/15/2007	
CO #3	$ 12,015.00	730		Addional design to determine estimate of righ of way needed and utility relocations cost for the Corps Limited Re-evaluation Report. Amount is to be taken from City Manager's Authority. $112,333.00/$150,750.00
02/01/2007	$ 1,620,938.00	1506	03/14/2009	
Field Order #7		60		Time extension due to City/USACE delays.
03/09/2009		1566	05/13/2009	
CO #4	$ 1,038,036.34	270	05/05/2009	Deliver Phase II of project per the attached scope and fee
04/16/2009		1836	02/07/2010	
Field Order #8	$ 3,600.00	0		Provide additional sewer flow measurement
09/14/2009	$ 2,662,574.34	1836	02/07/2010	
CO #5	$ 24,343.00	38		Accelerate design of lower 850 l.f. of utility plans to meet shovel ready designation. Amount is to be taken from City Manager's Authority. $87,990.00/$150,750.00
10/15/2009	$ 2,683,317.34	1874	03/17/2010	
CO #6		180		Time extension due to City/USACE delays as a result of the January 2010 VE study.
03/04/2010	$ 2,683,317.34	2054	09/13/2010	
CO #7		365		Time extension due to City/USACE delays as a result of the 2010 VE study and revisions to the 90% plans.
09/09/2010	$ 2,683,317.34	2419	09/13/2011	
CO #8		365		Time extension due to City/USACE delays as a result of the 2010 VE study and revisions to the 90% plans.
09/08/2011	$ 2,683,317.34	2784	09/13/2012	

CO #9		365		Time extension due to City/USACE delays as a result of the 2010 VE study and revisions to the 90% plans.
09/13/2012	$ 2,683,317.34	3149	09/13/2013	
CO #10		972		Time extension due to City/USACE delays.
05/31/2015	$ 2,683,317.34	4121	05/12/2016	
CO #11		491		Time extension due to City/USACE delays.
09/15/2016	$ 2,683,317.34	4612	09/15/2017	
CO #12		958		Time extension to bring current the existing contract and meet the new USACE final design completion date of 04/30/2020
03/07/2019	$ 2,683,317.34	5570	04/30/2020	
CO #13	$ 483,100.00	365	03/17/2020	Additional work to bring outstanding tasks to comply with the USACE final design and meet the project schedule for construction delivery, Spring 2021
02/13/2020	$ 3,166,417.34	6210	04/30/2021	
CO #14	$ 374,136.00	180	11/17/2020	Added tasks are supplemental to the design as outlined and requested by the USACE; supplemental survey services, additional side drain analysis, final design and coordination to produce 100% Construction Plans
11/05/2020	$ 3,540,553.34	6390	10/27/2021	
CO #15	$ 97,500.00	235	07/06/2021	Added tasks to ensure the real estate certification has sufficient rights. The added tasks will include revised legal descriptions, schedule B maps, segment maps
06/17/2021	$ 3,638,053.34	6625	06/19/2022	
CO #16	$ 151,200.00	470	11/15/2022	Added tasks related to relocation of utilities within BNSF right of way, real estate acquisitions, design of replacement pedestrian bridge at City Hall, and phased construction plans to meet USACE requirements
10/27/2022	$ 3,789,253.34	7095	10/01/2023	
CO #17	$ 190,700.00	365	04/18/2023	Added tasks related to survey services, legal descriptions for real estate acquisitions, low flow channel revisions, pedestrian access at City Hall, and phasing of construction work at the Five Points intersection
03/30/2023	$ 3,979,953.34	7460	10/01/2024	
CO #18	$ 214,480.00	368	07/02/2024	The additional tasks include master easement tracking, additional legal descriptions, Utility compensability letters, BNSF utility accommodation policy services, USACE comment resolution, Five Points Construction, Architect/Engineering Quality Control Plan, Signal plans, Wastewater updates and
	$ 4,194,432.34	7825	10/01/2025	
FINAL PAYMENT				

ARDURRA

1801 W. Route 66
Suite 117
Flagstaff, AZ 86001
(928)-774-4636

Ms. Christine Cameron
Ms. Ivey Coss
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001 ("Client")

May 5, 2026
Job # 04473

RE: Rio De Flag
Additional Services Change Order #19

Dear Ms. Cameron and Ms. Coss:

Ardurra has been asked to provide additional services for the design and real estate portions of the project for the added period of May 2026 through May 2029. Please provide a change order for the additional services listed below.

SCOPE OF SERVICES, ADDITIONAL
We propose to provide the following:

Item No.	Description	Fee
1.	**Project Management:** This item includes processing change orders, tracking time and expense, preparing invoices, and providing project status reports. Estimated costs is based on 0.5 hours per week for 156 weeks.	**$25,350**
2.	**Meetings & Coordination:** This item includes the following meetings for an additional 156 weeks with 2.5 Ardurra staff: • Weekly meetings with the City of Flagstaff • Bi-weekly meetings with the City of Flagstaff, Corps, and Tetra Tech • Monthly coordination meetings to coordinate the Lone Tree Overpass, Downtown Mile and RDF projects. • Monthly coordination meetings with BNSF to coordinate all City projects along the BNSF corridor. • Coordination to prepare exhibits/added plans for meetings	**$209,820**
3.	**Phase 4 Updates:** This item includes continued preparation of plan packages (updated plans, specs, estimates) for the Phase 4 portion of the project, addressing any ongoing comments, and providing comment responses.	**$9,450**
4.	**Phase 6 Updates:** This item includes continued preparation of plan packages (updated plans, specs, estimates) for the Phase 6 portion of the project, addressing any ongoing comments, and providing comment responses.	**$9,450**
5.	**Legal Descriptions/Exhibits/Survey Documents:** This item includes continued assistance with updating and finalizing legal descriptions and exhibits for real estate as needed.	**$9,000**

6	Direct Expenses Allowance	**$1,000**

ASWO#19 DESIGN TOTAL: $264,070.00

Your signature below will serve as your acceptance of this Work Order, pursuant to the terms and conditions of the original contract. Feel free to call if you have any questions or concerns.

Sincerely,



Steve R. Lewis, P.E.
Group Leader

Accepted: _____ Date: _____

ARDURRA

FEE PROPOSAL SUMMARY

PROJECT NAME:	Rio De Flag - Change Order 19
PROJECT NO.:	R2004-26-0000100
FEDERAL PROJECT NO.:	no
TRACS NO.:	no

CONTRACT LABOR

CLASSIFICATION	MAN HOURS	BILLING RATES	LABOR FEES
Engineering Dept. Manager	414	$ 325.00	$ 134,550.00
Team Lead / Sr. Project Manager	0	$ 305.00	$ -
Sr. Project Manager	0	$ 270.00	$ -
Project Manager / Sr. Project Engineer	0	$ 240.00	$ -
Assistant Project Manager / Project Engineer	0	$ 190.00	$ -
EIT II	568	$ 155.00	$ 88,040.00
Engineer Intern	0	$ 85.00	$ -
Survey Manager	176	$ 230.00	$ 40,480.00
Surveyor II	0	$ 160.00	$ -
Surveyor I	0	$ 155.00	$ -
2-Person Survey Crew	0	$ 200.00	$ -
Project Coordinator	0	$ 130.00	$ -
		TOTAL DIRECT LABOR	$ 263,070.00
		SUBTOTAL CONTRACT LABOR	**$ 263,070.00**

Subtotal Contract Labor	$	263,070.00
Subtotal Direct and Outside Expenses	$	1,000.00
Subtotal Subconsultants	$	-
Total Contract Fee	$	264,070.00
Subtotal Allowances	$	-
Total Contract Fee & Allowances	**$**	**264,070.00**

DIRECT AND OUTSIDE EXPENSES

	DESCRIPTION	UNIT	UNIT RATE	QUANTITY	TOTAL
1	Personal Vehicle Mileage	Miles	$ 0.750		$ -
2	Direct Expense Allowance	Ea	$ 1,000.00	1	$ 1,000.00
3					$ -
4					$ -
5					$ -
	REPRODUCTIONS - AT COST (Estimates Only)				
	Printing (8-1/2" x 11")	Each	$ 0.10		$ -
	Printing (11" x 17")	Each	$ 0.15		$ -
	Bond Large Format	Each	$ 1.50		$ -
	Mylar Large Format	Each	$ 12.50		$ -
	Exhibits	Each	$ 250.00		$ -
	Deliveries/Postage	Each	$ 50.00		$ -
			SUBTOTAL DIRECT AND OUTSIDE EXPENSES		**$ 1,000.00**

SUBCONSULTANTS FEE

	SUBCONSULTANT	TASK	FEE
1			$ -
2			$ -
3			$ -
4			$ -
5			$ -
6			$ -
7			$ -
8			$ -
9			$ -
10			$ -
		SUBTOTAL SUBCONSULTANTS FEE	**$ -**

ALLOWANCES

	CONSULTANT/EXPENSES	TASK	FEE
1			$ -
2			$ -
3			$ -
4			$ -
5			$ -
		SUBTOTAL ALLOWANCES	**$ -**

CONTRACT TERMS

PAYMENT METHOD	x	LUMP SUM	2026 AZ/NV Standard Rates		
		TIME AND MATERIALS	(ARDURRA RATE TABLE NAME)		
CONTRACT DURATION	1095	(CALENDAR DAYS)	Start Date: 5/1/26	End Date:	5/1/29
PROCUREMENT METHOD	d	SOLICITATION / DIRECT SELECT			
	no	ON-CALL TASK ORDER	no		
			(ON-CALL CONTRACT NO.)		

ARDURRA

DERIVATION OF FEE PROPOSAL SUMMARY

Task	Description	# of Sheets	Engineering Dept. Manager	Team Lead / Sr. Project Manager	Sr. Project Manager	Project Manager / Sr. Project Engineer	Assistant Project Manager / Project Engineer	EIT II	Engineer Intern	Survey Manager	Surveyor II	Surveyor I	2-Person Survey Crew	Project Coordinator	Total Hours By Task	Total Fee By Task
	Hourly Rate		$ 325.00	$ 305.00	$ 270.00	$ 240.00	$ 190.00	$ 155.00	$ 85.00	$ 230.00	$ 160.00	$ 155.00	$ 200.00	$ 130.00		
1	**CO19 - 2026-2027 Support Services**		steve					hunter		aaron						
1.1	Project Management and Admin (156 wks)		78												78	$25,350.00
1.2	Meetings & Coordination (156 weeks)		312					468		156					936	$209,820.00
1.3	Phase 4 Updates		10					40							50	$9,450.00
1.4	Phase 6 Updates		10					40							50	$9,450.00
1.5	Legals, Plats, Survey Docs		4					20		20					44	$9,000.00
	SUBTOTAL CO19 - 2026-2027 Support Services		**414**	**0**	**0**	**0**	**0**	**568**	**0**	**176**	**0**	**0**	**0**	**0**	**1,158**	**$263,070.00**
	Total Hours		**414**	**0**	**0**	**0**	**0**	**568**	**0**	**176**	**0**	**0**	**0**	**0**	**1,158**	
	Total Dollars		**$ 134,550.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 88,040.00**	**$ -**	**$ 40,480.00**	**$ -**	**$ -**	**$ -**	**$ -**		**$ 263,070.00**

Rio de Flag Flood Control Project

Project Area

COMPLETED
Thorpe Bridge

PHASE 2

Upper Rio de Flag Reach

Highway 180

Lower Rio de Flag Reach

Clay Avenue
Wash Reach

PHASE 1

Route 66

Butler Avenue

Butler Tunnel
COMPLETED

COMPLETED
Clay Avenue Wash
Detention Basin

Route 66

Milton Road

40

40

Rio de Flag
Flood Control Project

Clay Avenue Wash Detention Basin	Constructed 2009
Butler Tunnel	Constructed 2010
Thorpe Bridge	Constructed 2012
Lower Rio de Flag Reach	
Upper Rio de Flag Reach	
Clay Avenue Wash Reach	

100-Year Rio de Flag Floodplain

- Closed Channel
- Composite Channel
- Open Channel

N

0 0.125 0.25 0.5 Miles

CAPITAL IMPROVEMENTS
CITY OF FLAGSTAFF

Floodplain Disclaimer:

The 100-year floodplain shown on this map was digitized by City of Flagstaff based on a US Army Corps of Engineers (USACE) Map dated October 15, 1999. The floodplain shape shown on this map is a general representation of the extent of a 100-year flood event and should not be used for legal, engineering or planning purposes.

Map Source:
City of Flagstaff GIS, October 17, 2017
Imagery Base Map Source: ESRI

Wave Image Source:
Vecteezy.com

Rio de Flag

CHANGE ORDER 19

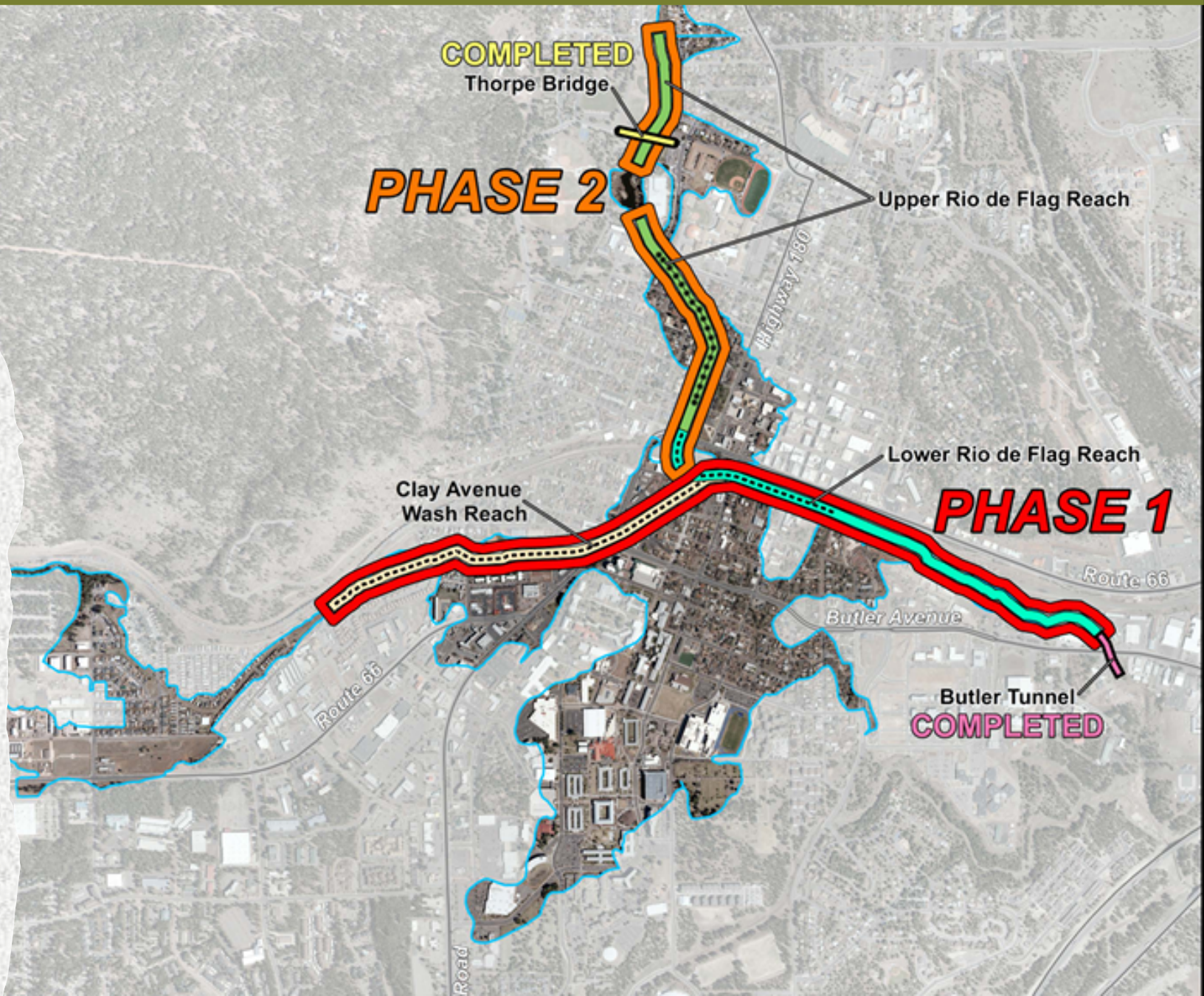
CAPITAL IMPROVEMENTS
CITY OF FLAGSTAFF

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

ARDURRA

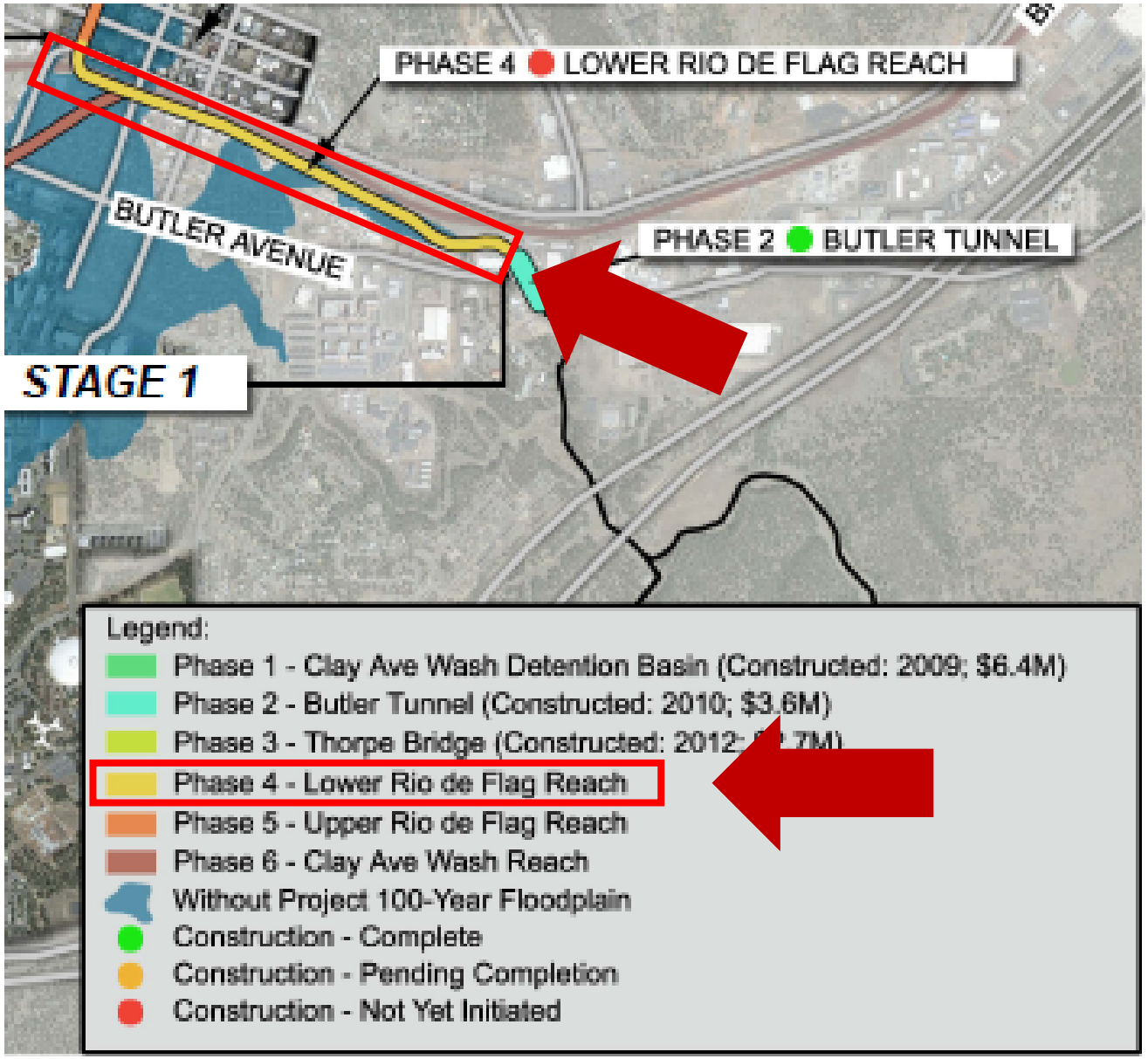
Rio de Flag Flood Control Project

- **Lead Agency:** U.S. Army Corps of Engineers
- Project Cooperation Agreement - 2004
- **Engineers:** Tetra Tech and Ardurra
- Construction Bid: Fall 2026
- Budget: $240M (Phase 1 & 2)
  - City 35%
- Construction: Spring 2027 to Spring 2030
- LERRDS (land, easements, ROW, removals, disposals)



What's Next for the Rio de Flag Project?

- Phase 4 – Lower Reach
- Design = 100% done
- Bidding Requisition set to be sent out **Fall 2026**
- Construction estimated to begin **Spring 2027**





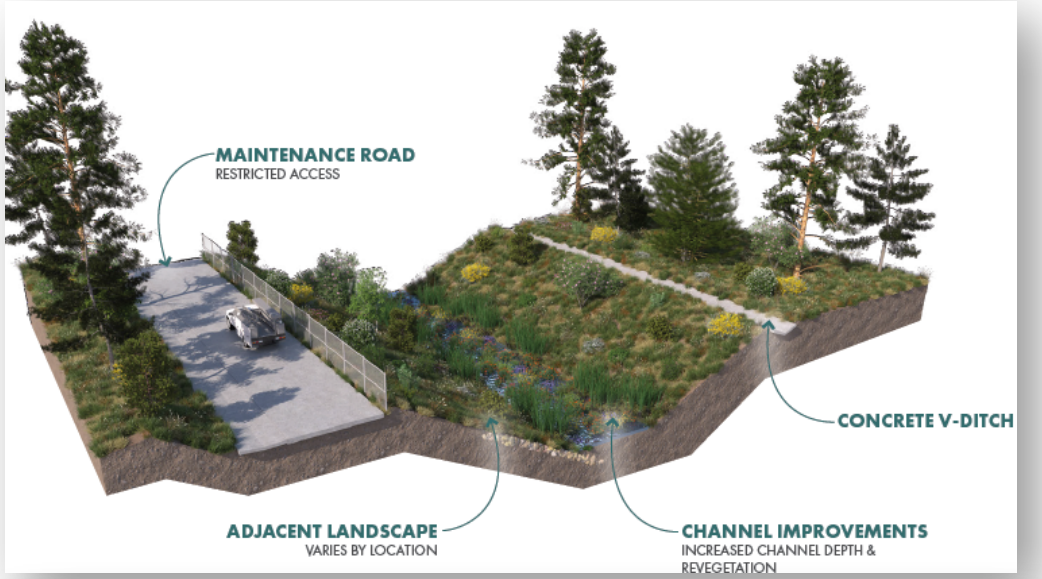
TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

LOWER REACH
IMPROVEMENTS AREA

Rio de Flag Flood Control Project
City of Flagstaff, AZ - October 27, 2020

Rio de Flag Flood Control Project

- Change Order #19
- $264,070 with 1,095 days – US Army Corps of Engineer initiated.
  - Project Management
  - Meetings & Coordination
  - Phase 4 Updates
  - Phase 6 Updates
  - Legal Descriptions/Exhibits/Survey Documents
- Stormwater Fee will fund CO #19
  - Collection began July 2019





Rio de Flag Flood Control Project

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

COMMENTS & QUESTIONS



Ivey R. Coss
Project Manager Senior
Capital Improvements
Ivey.Coss@flagstaffaz.gov
Office || 928.863.4980

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Kevin Fincel, Deputy City Attorney

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Agreement: Partial Satisfaction of Reimbursement Agreement with CBAR 19 Flagstaff, LLC in the amount of $112,486.43 related to the City's proportional share of the construction costs of Kitty Hawk Lane.

STAFF RECOMMENDED ACTION:

Approve the Partial Satisfaction of Reimbursement Agreement with CBAR 19 Flagstaff, LLC in the amount of $112,486.43.

Executive Summary:

The City and CBAR 19 Flagstaff, LLC ("CBAR") entered in a lease agreement dated April 13, 2005, for the development of 1.27 acres of real property situated within a portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision adjacent to Pulliam Airport in Flagstaff, Arizona ("Development"). As part of the Development approval, the City required that CBAR construct and dedicate to the City an access road generally located on Tract 7B and now named Kitty Hawk Lane. The total cost of constructing Kitty Hawk Lane was $337,493.04.

Through a separate reimbursement agreement dated May 28, 2009 (the "Reimbursement Agreement"), the City agreed to require future lessees and purchasers of property that abuts and accesses Kitty Hawk Lane to reimburse CBAR for their proportionate shares of the road construction costs. The Reimbursement Agreement provides that the City and CBAR agree to use an allocation mechanism of 33.33% for CBAR's proportionate share and 66.67% for the remaining proportionate share to future lessees and purchasers, with CBAR's proportionate cost being $112,486.43 and CBAR's reimbursement amount being $225,006.61. The City further agreed to collect the applicable proportionate development costs from future land purchasers and lessees and reimburse the same to CBAR.

The City has constructed a parking lot that abuts and accesses Kitty Hawk Lane, and CBAR and the City agree that this construction triggers the reimbursement obligation under the Reimbursement Agreement. The City parking lot abuts approximately half of the vacant frontage that remained after construction of the Development. Accordingly, the City and CBAR agree that City's reimbursement obligation will be 33.33% of the total cost of constructing Kitty Hawk Lane, which amounts to $112,486.43.

The Partial Satisfaction of Reimbursement Agreement, which is still being reviewed by CBAR and will be attached to the Final Agenda, memorializes the City's payment and reimbursement to CBAR for the City's proportional share of the construction costs of Kitty Hawk Lane.

Financial Impact:

If approved, the City will pay $112,486.43 to CBAR for the City's proportional share of the construction costs of Kitty Hawk Lane. The reimbursement is budgeted in account 221-07-221-0880-0-4290 for $112,486 and funded via General Fund transfer.

Policy Impact:

None.

Previous Council Decision or Community Discussion:
The City and CBAR entered into the lease agreement on April 13, 2005, which provided for the reimbursement obligation.

Options and Alternatives to Recommended Action:
Not approve the Partial Satisfaction of Reimbursement Agreement and direct staff to accordingly.

Connection to PBB Priorities and Objectives:
N/A

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Attachments: CBAR 19 Flagstaff Lease Agreement
CBAR 19 Flagstaff Reimbursement Agreement

L 2005-0413.1

FBF Building

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into by and between the City of Flagstaff, Arizona, an Arizona municipal corporation (the "City"), and CBAR 19 Flagstaff, LLC (the "Lessee") this 13 day of April, 2005.

RECITALS OF BACKGROUND AND PURPOSE

A. The City and Lessee, Inc. hereby enter into a Lease Agreement, with respect to the development of 1.27 acres of real property (the "Premises") situated within a portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision adjacent to the municipal airport in Flagstaff, Arizona, owned by the City (the "Property"), more particularly described on **Exhibit "A"** attached hereto.

B. The parties have entered into this Lease for the purpose of leasing the Premises as more specifically described in **Exhibit "B"** attached hereto to Lessee and setting forth other rights and obligations of the parties, including those rights and obligations concerning the Improvements described in **Exhibit "C"** to be constructed on the Premises.

C. These Recitals describe the current intentions of the parties with regard to the development of the Premises, and, except to the extent that certain terms defined in Section **1.2** are contained herein, are not intended to enlarge, limit or restrict the respective rights and obligations of the parties as set forth in this Lease.

LEASE AGREEMENT

NOW THEREFORE, in consideration of the foregoing and of the rents, covenants and agreements hereinafter set forth, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the City and Lessee, for themselves, and their respective successors and assigns, do hereby covenant and agree as follows:

ARTICLE I

Section 1.1. **Exhibits.** Attached to and forming a part of this Lease are the following Exhibits, which, for the purpose of identification, have been initialed by the parties to this Lease or their attorneys:

EXHIBIT "A"	General description of the Property as more particularly described and illustrated in the RFP and Master Plan for the development of a portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision
EXHIBIT "B"	Legal description of the Premises leased under this Lease
EXHIBIT "C"	Improvements on Premises

EXHIBIT "D" Federal Grant Assurances (Airport Assurances 9/99)
EXHIBIT "E" Allowed Uses—(BPI) Business Park Intermediate Zoning

Section 1.2. **Defined Terms.** As used in this Lease the following terms have the following meanings:

"Affiliate (d)" means, with respect to Lessee, any individual, partnership, corporation, trust, unincorporated organization, association or other entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, Lessee, including without limitation any general or limited partnership in which Lessee, or any such Affiliate is the controlling general partner or otherwise controls the affairs thereof.

"City" means the City of Flagstaff, Arizona, and its successors and assigns.

"Default Rate" has the meaning ascribed to it in Section **8.6.**

"Depository" has the meaning ascribed to it in Section **12.5.**

"Environmental Laws, Rules, and Regulations" means and includes those federal, state, county, or local requirements pertaining to protection of human health and the environment, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ("CERCLA"), 42 U.S.C. §§ 9601, et seq.; the Resource Conservation and Recovery Act, as amended ("RCRA"), including Subtitle I thereof, 42 U.S.C. §§ 6901, et seq.; and A.R.S. Title 49, including the Water Quality Assurance Revolving Fund ("WQARF") provisions thereof, A.R.S. §§ 49-281, et seq.

"Hazardous Materials" means and includes those substances regulated pursuant to Environmental Laws, Rules and Regulations, including but not limited to "hazardous substances" as defined under Section 101 of CERCLA, 42 U.S.C. § 9601(14); "hazardous waste" and "solid waste" as defined under Section 1004 of RCRA, 42 U.S.C. § 9603; and petroleum and its constituents.

"Event of Lessee's Default" has the meaning ascribed to it in Section **8.1.**

"Event of the City's Default" has the meaning ascribed to it in Section **8.3.**

"Fair Market Value" has the meaning ascribed to it in Section **12.2.**

"First Appraiser" has the meaning ascribed to it in Section **12.2.**

"Improvements" has the meaning ascribed to it in Recital B and more particularly described in **Exhibit "C"** hereto and in **Section 2.1(c)** of this Lease.

"Institutional Lender" means a bank, trust company, mutual savings bank, savings and loan association, savings association, insurance company, pension trust fund, college or university endowment fund, or real estate investment trust or an affiliate of any of the foregoing, other financial institution or entity commonly known as an "institutional lender."

"Land Records" means the official public records of Coconino County, Arizona, wherein mortgages and deeds are recorded.

"Laws" means all applicable present and future federal, state, municipal, governmental agency or quasi-governmental agency statutes, charters, laws, codes, rules, rulings, ordinances, orders, programs, guidelines and/or regulations.

"Lease" means this Lease Agreement, as the same may be modified or amended from time to time, and shall include any new Lease delivered to a Mortgagee of Lessee as provided in Section **7.3**.

"Lessee" means an entity that is Lessor to the U.S. Government under Lease No. GS-09B-01531 as of the date of the execution of this Lease, including, however, any Mortgagee succeeding to the interest of Lessee under this Lease (but shall include any Mortgagee of Lessee only for so long as such Mortgagee holds or owns the interest of Lessee under this Lease). Should this Lease be transferred or assigned, the Lessee agrees to make a good faith effort to transfer or assign this Lease to another or other U.S. Government entities.

"Lessee's First Mortgagee" has the meaning ascribed to it in Section **12.5**.

"Mortgage" means any one or more mortgages, deeds of trust, deeds to secure debt, loan deeds, trust indentures, owner's interest in a sale-leaseback, lessor's interest in a lease-subleaseback, security agreements, or any similar security or title retention device, including without limitation any leasehold mortgage, which shall, from time to time, create a lien or encumbrance upon the Property, interest or rights of any party in its respective property and which shall be security for one or more notes, bonds, or other evidences of indebtedness issued by a party to any Institutional Lender or held by an Institutional Lender. The term "Mortgage" shall also include, without limitation, any partnership agreement or joint venture agreement pursuant to which an Institutional Lender or equity participant acquires equity in the Improvements or contributes equity or capital to finance development of the Improvements.

"Mortgagee" means holder of a Mortgage or the lender in whose favor a Mortgage shall have been created (or if such Mortgage is a deed of trust or trust indenture, the holder of any note, bond or other evidence of indebtedness secured thereby), or any equity participant (other than Lessee) in a partnership agreement or joint venture agreement which constitutes a Mortgage, together with any successor, assignee or designee selected by the Mortgagee to take title to the property unencumbered by the Mortgage upon foreclosure or deed or assignment in lieu thereof,

or conveyance under any joint venture agreement or partnership agreement constituting a Mortgage.

"Premises" means and refers to that 1.27 acres of real property situated within a portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision that is provided to the Lessee for its exclusive use and enjoyment pursuant to the terms of this Lease as more fully set forth in the legal description attached to this Lease as **Exhibit "B."**

"Property" means that portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision within which the Premises are situated, as more particularly depicted in **Exhibit "A."**

"Public Charges" has the meaning ascribed to it in Section **2.3**.

"Rental" means the Rental Rate.

"Second Appraiser" has the meaning ascribed to it in Section **12.2**.

"Section," "subsection," "paragraph," "subparagraph," "clause" or **"subclause"** followed by a number or letter means the section, subsection, paragraph, subparagraph, clause or subclause of this Lease so designated.

"Taking" has the meaning ascribed to it in Section **12.1**.

"Term" has the meaning ascribed to it in Section **2.1**.

"Third Appraiser" has the meaning ascribed to it in Section **12.2**.

"Total Taking" has the meaning ascribed to it in Section **12.1**.

"Transfer" has the meaning ascribed to it in Section **6.1**.

"Transferee" has the meaning ascribed to it in Section **6.1**.

"Unavoidable Delay" has the meaning ascribed to it in Section **16.28**.

ARTICLE II

GENERAL TERMS OF LEASE OF PROPERTY

Section 2.1. **Lease of Premises to Lessee.** Subject to the conditions set forth in this Lease, to the payment of Rental provided herein, and to the performance by the parties hereto of the duties and obligations on the part of each to be performed hereunder:

(a) **Premises.** The City hereby demises and leases to Lessee, and Lessee takes and hires from the City, the Premises consisting of that certain parcel of real property situated within the City described in **Exhibit "B"** attached hereto, together with and subject to the restrictions, conditions, covenants and easements hereinafter mentioned, reserved or granted. Lessee covenants and agrees that the initial use of the Premises shall be restricted to use for federal governmental purposes.

(b) **Term.** Lessee shall have and hold the above-described Premises for a term (the "Term") of forty (40) years commencing upon the date first set forth above and continuing for a period ending at midnight, April 15, 2045. Lessee shall have the option to renew this Lease for up to an additional ten (10) year term during the last year of the lease term by providing written notice to the City that Lessee desires to renew the Lease, specifying the desired term. Any Lease renewal shall be at the then current lease rates. The City and Lessee, upon the request of either party, shall execute one or more written memoranda, in such form as will enable them to be recorded in the Coconino County Recorder's Office, setting forth the beginning and termination date of the Term determined in accordance with this Lease.

(c) **Improvements.** The Improvements shall be constructed by Lessee on the Premises in accordance with and as provided by the terms of this Lease, and the same shall be owned by the Lessee for the duration of the Term. At the conclusion of the Term, Lessee's ownership interest in the Improvements shall vest in the City, at no cost to the City, free and clear of all liens, encumbrances, and restrictions, and Lessee shall tender a bill of sale to the City transferring title to said Improvements to the City within thirty (30) days following termination of this Lease. Any Transfer by Lessee of all or a portion of the Improvements to any entity or person other than the City shall be expressly subject to the City's right to vesting of the title of the Improvements in the City as stated in the preceding sentence.

If all or a portion of the Improvements are damaged or destroyed during the Term by any casualty which is required to be covered by a policy of insurance to be maintained pursuant to **Article XI**, Lessee shall repair and/or rebuild the same so that the repaired or rebuilt Improvements shall have at least the same values as such Improvements immediately prior to such damage or destruction, such construction to be undertaken and completed in accordance with the requirements of **Article III**. In no event whatsoever shall the City be required to repair, replace, or restore any Improvement as a result of any such damage or destruction. No damage to or destruction of Improvements shall effect an abatement or reduction of Rental, and Lessee waives any provisions of the law that may be to the contrary.

If the Improvements are damaged or destroyed and the cost of repairing or rebuilding such Improvements exceeds ten percent (10%) of the full replacement value thereof, Lessee, by giving written notice to the City within sixty (60) days after the occurrence of such damage or destruction and by removing, if requested by the City and approved by any permitted Mortgagee, any damaged or destroyed Improvements and leveling and grading that portion of the Premises underlying such removed Improvements, may elect to terminate this Lease. The Lessee shall

conduct any removal, leveling and grading activities associated with damaged or destroyed Improvements in accordance with all applicable federal, state and local rules and regulations. These activities shall include removal of all debris from the Premises. Notwithstanding anything contained in this Lease to the contrary, in the event of a termination of the Lease pursuant to this Section **2.1(c)**, the balance of any insurance proceeds payable to Lessee shall be divided between the City and Lessee equitably in a manner reflecting the respective values of (i) the City's interest in the Premises and the City's expectancy of the vesting of title to the Improvements in the City; and (ii) Lessee's leasehold interest (after paying the holder of any permitted encumbrance on Lessee's leasehold estate).

(d) **Certain Representations of the City.** The City represents and covenants that:

(i) the City owns the Premises in fee simple, free and clear of all claims, liens, encumbrances, covenants, restrictions, and defects or clouds on title, except those covenants, conditions, restrictions and easements described in this Lease or of record;

(ii) the City alone has the right, power and authority hereby to lease and demise to Lessee the Premises;

(iii) the City has full municipal power and authority to enter into this Lease, and the execution, delivery, and consummation of this Lease by the City have been duly authorized by all necessary municipal action;

(iv) the execution, delivery and consummation of this Lease by the City is not prohibited by and does not conflict with any other agreements or instruments to which the City is a party or is otherwise subject;

(v) the City has received no notice as of the date of this Lease asserting any noncompliance in any material respect by the City with applicable statutes, rules and regulations of the United States of America, the State of Arizona, the City, or of any other state or municipality or agency having jurisdiction over and with respect to the transactions contemplated in and by this Lease, and the City is not in default with respect to any judgment, order, injunction, or decree of any court, administrative agency, or other governmental authority which is in any respect material to the transactions contemplated in and by this Lease;

(vi) to the best of the City's knowledge, the development, construction, use and operation of the Premises in accordance with this Lease are permitted by all and are not prohibited by any applicable laws, rules or regulations, including, without limitation, applicable BPI zoning (see **Exhibit E** attached hereto) and subdivision laws, rules and regulations, except that the City has made no inquiry

nor conducted any investigation relating to the compliance of the Premises with environmental laws, rules and regulations. Notwithstanding anything to the contrary contained herein, Tract 5B is not included within the platted "Pulliam Airport Airpark Unit 1, Amended" subdivision and, therefore, Tract 5B must be approved as a final plat prior to construction of the Improvements on the Premises;

(e) **Certain Representations of the Lessee.** Lessee represents and covenants that:

(i) Lessee is a Colorado limited liability company duly organized, validly existing, and registered to transact business in Colorado and in good standing under the laws of the State of Colorado, and has full power and authority to enter into this Lease, and the execution, delivery, and consummation of this Lease by Lessee have been duly authorized by all necessary company action;

(ii) The execution, delivery and consummation of this Lease by Lessee is not prohibited by and does not conflict with any other agreements or instruments to which Lessee is a party or is otherwise subject;

(iii) Lessee has received no notice as of the date of this Lease asserting any noncompliance in any material respect by Lessee with applicable statutes, rules and regulations of the United States of America, the State of Arizona, the City or of any other state or municipality or agency having jurisdiction over and with respect to the transactions contemplated in and by this Lease, and Lessee is not in default with respect to any judgment, order, injunction, or decree of any court, administrative agency, or other governmental authority which is in any respect material to the transactions contemplated in and by this Lease;

(f) **Possession of the Premises.** Upon the execution of this Lease, the City has delivered to Lessee possession of the Premises, and Lessee has taken possession thereof.

(g) **Additional Assurances.** The City agrees to cooperate in good faith with Lessee in entering into such agreements as Lessee may reasonably request should it become necessary to do so in order to preserve, implement or effectuate Lessee's leasehold interest in the premises; however, the City's fee simple interest in the Premises cannot be mortgaged or otherwise encumbered other than as a result of the Lease.

(h) **No Merger.** The parties recognize and agree that there shall be no merger of the leasehold estate created by this Lease with the fee interest in the Premises by reason of the fact that one person or party may at the same time hold such leasehold estate created by this Lease and such fee interest. No such merger shall occur unless and until Lessee and all Mortgagees having any interest in the leasehold estate hereunder shall join in a written instrument effecting

such merger and cause the same to be recorded among the Land Records of Coconino County, Arizona.

(i) **Restriction on Adult Use.** The City has a vital interest in the types of businesses that may locate on the Premises to ensure that said businesses and tenants enhance the economic viability of the Airport. In this regard, Lessee agrees that no portion of the Premises inclusive of any structures or improvements developed thereon shall be utilized by any establishment that sells anything deemed obscene by community standards as determined by the City Council or conducts or operates any form of adult entertainment as defined in the City's Land Development Code. Any violation of this provision of the Lease shall be construed by the City as a material default and shall result in the immediate termination of this Lease.

(j) **Road Construction.** Lessee agrees to construct an access road adjacent to the Premises as approved by the City of Flagstaff Development Review Board. The City agrees to require future lessees or purchasers of property that abuts and access the proposed access road to reimburse Lessee for their proportionate shares of the road construction costs in accordance with an allocation mechanism to be determined between the City and Lessee.

Section 2.2. **Rental.**

(a) **Rental.** Lessee shall pay to the City prepaid rental for the initial lease Term (the "Rental") in the minimum amount of Three and 37/100 Dollars ($3.37) per square foot of the Premises, for a total prepaid Rental of One Hundred Eighty-six Thousand Four Hundred Thirty-two and 44/100 Dollars ($186,432.44) in cash or immediately negotiable funds.

(b) **Payment of Rental.** Rental shall be paid to the City of Flagstaff, Finance Director, 211 West Aspen Avenue, Flagstaff, Arizona 86001, or at such other place as the City shall designate by written notice to Lessee and shall be due and payable in full on or before ten (10) days following issuance of the grading permit from the City of Flagstaff.

(c) **No Set-Off.** Except as may be expressly consented to by the City in writing, Lessee shall pay the Rental and other charges payable to the City hereunder without set-off, demand or abatement whatsoever except as otherwise expressly set forth herein or unless Lessee shall have obtained a monetary judgment against the City as a result of an Event of City's Default hereunder (in which event Lessee shall have the right to set off against such Rental and other charges the amount of such judgment).

Section 2.3. **Payment of Public Charges.** Lessee shall pay or cause to be paid, before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, all real and personal property, public assessments (including, without limitation, assessments, franchises, excises, licenses, and permit fees) and other public charges (all such taxes, public assessments and other public charges being hereinafter

referred to as "Public Charges") levied, assessed or imposed by any public authority against the Improvements.

Section 2.4. **Title Insurance Premium.** Lessee shall pay the premium for any title insurance acquired by Lessee.

ARTICLE III

CONSTRUCTION OF IMPROVEMENTS

Section 3.1. **Lessee's Construction.** Subject to Unavoidable Delay, Lessee shall use its reasonable efforts to commence construction of the Improvements upon the Premises within twelve (12) months following execution of this Lease and shall complete such construction on or before twenty-four (24) months following the commencement of construction. As used herein, "commencement of construction" shall be deemed to mean grading and site leveling in anticipation of either excavation or physical construction. To facilitate Lessee's commencement of construction, the City agrees to process Lessee's proposed site plan in conjunction with the platting process in order to reduce the time associated with the development review process.

Section 3.2. **Zoning; Permits; Compliance with Laws.** Subject to the limitations set forth in Section **2.1 (d)(vi)**, the City represents and covenants that, to the best of its knowledge, the development, construction, use and operation of the Improvements in accordance with this Lease are permitted under the BPI zoning for the Premises and not prohibited by all applicable laws, including, without limitation, all applicable zoning, subdivision and environmental laws, rules and regulations. Lessee shall obtain or require its subtenants to obtain all governmental approvals, consents, authorizations, permits, licenses and certificates which may be necessary to permit the performance of construction of the Improvements. Lessee agrees that its construction hereunder will comply with all laws applicable to such construction then in effect.

Section 3.3. **Alterations and Renovations.** After completion of construction of the Improvements, Lessee from time to time may make such alterations or renovations thereof as it shall deem desirable, subject to Lessee's obtaining applicable building and similar permits and provided, however, that no renovation or alteration which changes materially the commercial use or purpose of the Improvements shall be made without the approval of the City, which approval shall not be unreasonably withheld or delayed.

ARTICLE IV

SUBLEASING

Section 4.1. **Lessee's Subleasing.** The subleasing, use and operation of the Improvements will be the privilege and responsibility of Lessee; provided, however, that any use

established by a sublessee constitutes a permitted use under the City's Land Development Code and is not prohibited by the provisions of this Lease.

ARTICLE V

LAND USE AND OPERATING COVENANTS

Section 5.1. **Lessee's Management and Operating Covenant.** Subject to the provisions of Section **2.1(c)** regarding damage to or destruction of the Improvements, Section **3.3** respecting alterations and renovations to the Improvements and Article **XII** respecting condemnation, following the date on which the Improvements are open for business and continuing during the remainder of the Term, Lessee shall prudently manage and operate (or cause the management and operation of) the Improvements and will properly maintain the Improvements and keep the same in good repair, reasonable wear and tear excepted.

Lessee shall be responsible for the payment, as and when they become due and payable, of all charges for water, gas, light, heat, telephone, electricity, or other utility and communication services rendered or used on or about the Premises and the Improvements at all times during the Term of this Lease.

ARTICLE VI

ASSIGNMENT AND TRANSFER

Section 6.1. **Certain Defined Terms.** As used herein, the term:

(a) "Transfer" means:

(i) With respect to Lessee:

(1) any sale, assignment, transfer or conveyance (other than pursuant to a Taking, or by a Mortgage, or by foreclosure, deed or assignment in lieu thereof or resulting from the exercise of a Mortgagee's rights under a Mortgage or by sublease) of all or substantially all of Lessee's interest in this Lease, or the leasehold estate created hereby, other than to an Affiliate of Lessee (including, without limitation, a partnership in which Lessee or such Affiliate is a general partner), whether by operation of law, attachment or assignment for the benefit of creditors or otherwise;

(2) any merger, consolidation, sale or lease of all or substantially all of the assets of Lessee (except pursuant to a Mortgage or Sublease), other

than to or with an Affiliate of Lessee (including, without limitation, a partnership in which Lessee or such Affiliate is a general partner); and

(ii) With respect to the City, any sale, lease, assignment, transfer or conveyance other than a Taking (including, without limitation, any Mortgage) of all or any part of the City's interest in this Lease or the Premises, whether by operation of law, attachment or assignment for the benefit of creditors or otherwise.

(b) "Transferee" means the entity in whose favor or for whose benefit a Transfer is made.

Section 6.2. **Prohibited Transfers.** Neither Lessee nor the City shall make any Transfer, except as permitted in this Lease. Any attempted Transfer not permitted herein shall be void and shall confer no rights upon any third person. Nothing herein shall prohibit Lessee from making any Mortgage or transfer or assignment of its interest hereunder in favor of an Institutional Lender, or from making or suffering any transfer, assignment or conveyance pursuant thereto.

Section 6.3. **Permitted Transfers by Lessee.** Lessee shall notify the City in writing of any proposed or contemplated Transfer by Lessee. At any time following the Opening Date, Lessee may make a Transfer to a Transferee; provided, that if such Transferee shall expressly assume Lessee's obligations hereunder in writing Lessee shall be released from any liability arising hereunder from and after the date of such assumption and Transfer. Notwithstanding anything contained herein to the contrary, any Mortgagee of Lessee, at or following foreclosure or assignment in lieu thereof, may make any transfer without the consent of the City, but such transfer shall otherwise be subject to all of the applicable terms and provisions of this Lease.

ARTICLE VII

MORTGAGE FINANCING; RIGHTS OF MORTGAGEE

Section 7.1. **Lessee Mortgages.**

(a) Lessee shall have the right at any time during the Term of this Lease to encumber its leasehold estate under this Lease by way of Mortgage without the necessity of obtaining the consent of the City, provided that no such Mortgage shall encumber the City's fee interest in the Premises, but the foregoing shall not prevent Lessee's Mortgages from encumbering Lessee's entire interest in this Lease, and provided that Lessee notifies the City promptly of each such encumbrance.

(b) Whenever the City shall deliver or make any notice or demand to Lessee with respect to any breach or default by Lessee in its obligations or covenants under this Lease, the City shall at the same time deliver to each Mortgagee of Lessee of which it has received notice, a

copy of such notice or demand, and each such Mortgagee shall have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the Mortgage debt and the lien of its Mortgage.

Section 7.2. **Lessee Mortgagee Not Obligated to Construct Improvements.**

Notwithstanding any of the provisions of this Lease, including but not limited to any restrictive covenants running with the land, no Mortgagee of Lessee under any Mortgage permitted by this Lease, including any such Mortgagee who obtains Lessee's interest under this Lease as a result of foreclosure proceedings or action in lieu thereof or pursuant to its rights under any joint venture or partnership agreement, shall in any way be obligated by the provisions of this Lease to construct or complete the Improvements or to guarantee such construction or completion, but such Mortgagee shall have the right to construct or complete said Improvements in accordance with this Lease; nor shall any covenant or any other provision of this Lease or any document delivered in connection herewith be construed to so obligate such Mortgagee.

Section 7.3. **Rights of Mortgagees.**

(a) The City agrees to accept performance and compliance by any Mortgagee of Lessee with any term, covenant, agreement, provision or limitation on Lessee's part to be kept, observed or performed by Lessee under this Lease.

(b) Subject to the City's rights under its municipal police powers to take whatever actions may be reasonably necessary to safeguard the Premises for health and safety reasons, the City agrees that following an Event of Lessee's Default and the expiration of any period within which Lessee may cure such default, it will take no action to terminate the Term of this Lease nor to re-enter and take possession of the Premises unless it shall first give each Mortgagee of Lessee notice after the expiration of any such cure period specifying such Event of Lessee's Default and stating the City's intention either to terminate the Term of this Lease or to re-enter and take possession of the Premises on a date specified in such notice. Notwithstanding such notice, the Term of this Lease shall not be terminated nor shall the City re-enter and take possession of the Premises if:

(i) such Event of Lessee's Default can be cured by the payment of a fixed monetary amount and within thirty (30) days after the date such notice by the City to such Mortgagee is given any Mortgagee of Lessee shall make such payment, or

(ii) such Event of Default can be cured with the exercise of reasonable diligence by a Mortgagee of Lessee after obtaining possession of the Premises and the Improvements and a Mortgagee of Lessee, within thirty (30) days after the date such notice is given, commences such proceedings (including, without limitation, the filing of a petition for the appointment of a receiver) as it may deem necessary

to obtain such possession and thereafter diligently prosecutes such action and promptly upon obtaining such possession commences (and thereafter diligently pursues) the curing of such default, or

(iii) such Event of Default is not capable of being cured by a Mortgagee of Lessee, even if possession of the Premises and the Improvements were obtained, and a Mortgagee of Lessee, within sixty (60) days after the date such notice is given, institutes foreclosure proceedings and thereafter prosecutes the same with diligence or acquires Lessee's interest in this Lease (except that if such Mortgagee of Lessee is precluded from instituting or prosecuting such foreclosure proceedings by reason of a bankruptcy or insolvency proceeding filed by or against Lessee said sixty (60)-day period shall be extended by a period of time equal to the period during which said Mortgagee of Lessee is so precluded from instituting or prosecuting such foreclosure proceedings), and such event of default shall thereupon be deemed to have been waived, but such waiver shall not extend to any new default committed by said Mortgagee in carrying out Lessee's obligations hereunder.

(c) In the event of the termination of this Lease prior to its stated expiration date, the City shall give all Mortgagees of Lessee notice of such termination and the City shall enter into a new lease of the Premises with a Mortgagee of Lessee or, at the request of such Mortgagee, with an assignee, designee or nominee of such Mortgagee for the remainder of the Term and/or option period of this Lease effective as of the date of such termination, at the rent and upon the same covenants, agreements, terms, provisions and limitations as are herein contained, provided:

(i) such Mortgagee makes written request upon the City for such new lease within sixty (60) days after the giving of such notice of termination and such written request is accompanied by payment to the City of all amounts then due to the City of which the City shall have given the Mortgagee notice (other than any payments which would not be due had the Mortgagee obtained Lessee's interest in the Premises pursuant to foreclosure or action in lieu thereof),

(ii) such Mortgagee pays or causes to be paid to the City at the time of the execution and delivery of such new lease any and all additional sums which would at the time of the execution and delivery thereof be due under this Lease but for such termination (other than payments which would not be due had the Mortgagee obtained Lessee's interest in the Premises pursuant to foreclosure or action in lieu thereof) and pays or causes to be paid any and all expenses including reasonable counsel fees, court costs and costs and disbursements incurred by the City in connection with any such termination or in connection with the execution and delivery of such new lease, and

(iii) such Mortgagee agrees to cure, within sixty (60) days after the execution and delivery of such new lease, all uncured Events of Lessee's Default of which the City shall have given the Mortgagee notice (except any Event of Lessee's Default which is not capable of being cured by a Mortgagee, even if possession of the Premises and the Improvements were obtained, which Event of Lessee's Default, if any, shall be deemed to have been waived only as to such Mortgagee), or if any such Event of Lessee's Default cannot be cured within such period, such Mortgagee agrees to commence, within such period, to cure such Event of Lessee's Default and thereafter pursues the same with due diligence.

If the City receives written requests in accordance with the provisions of this Section **7.3(c)** from more than one Mortgagee, the City shall only be required to deliver the new lease to the Mortgagee who is, among those Mortgagees requesting a new lease, the holder of the most senior Mortgage. Both parties agree that in the event the Property is divided into Premises and those Premises are mortgaged separately, then the City upon receiving written requests in accordance with provisions of this section shall be required to deliver a new lease to each mortgagee which is the holder of the most senior mortgage on that particular Premises. It is the intent of the parties that the aggregate rental payments under these leases shall be equal to the rent then being paid by Lessee. Any new lease made pursuant to this Section **7.3(c)** shall be prior to any other mortgage or other lien, charge or encumbrance on Lessee's interest in the Premises (other than those created pursuant to this Lease) and shall have the same relative priority in time and in right as this Lease and shall have the benefit of all of the right, title, powers and privileges of Lessee hereunder in and to the Premises.

(d) If Lessee or any Mortgagee of Lessee shall furnish the City with a written notice setting forth the name and address of such Mortgagee, the City shall thereafter send to said Mortgagee a copy of any notice given to Lessee under this Lease and no such notice shall be deemed to have been properly given unless and until a copy thereof shall have been sent to such Mortgagee at the address specified in such notice.

(e) No Mortgagee of Lessee shall have any liability for the performance of any of the covenants, conditions or obligations of Lessee under this Lease unless and until such time as such Mortgagee either acquires the leasehold estate created by this Lease by assignment in lieu of foreclosure or purchases the same at a sale in foreclosure of its Mortgage, or unless such Mortgagee obtains a new lease pursuant to this Section **7.3(c)**.

(f) In connection with the origination of any original Mortgages, for Lessee's interim, construction and permanent financing, the City shall consent to any reasonable modification or amendment to this Lease requested by any Mortgagee of Lessee, provided the same does not alter the economic terms of this Lease, increase the City's risk or adversely affect the City's property. In any event, if for any other reason the City refuses to consent to any modification or amendment requested by any such proposed Mortgagee, the effect of which is to

cause Lessee to lose its financing, Lessee may terminate this Lease in accordance with the provisions of Section **9.1(d)**.

Section 7.4. **Foreclosure.** If the City pledges, sells, or otherwise encumbers its interest in the Property, the City agrees to obtain from its mortgagee or lienholder a written statement, wherein the mortgagee or lienholder or assignee agrees that if it forecloses upon its mortgage or lien, it shall honor and abide by the terms and conditions of this Lease and Lessee's interest in the Lease shall not be terminated or extinguished by the mortgage or lienholder, except as may be provided herein.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1. **Events of Lessee's Default.** Each of the following events is hereby defined as an "Event of Lessee's Default":

(a) failure of Lessee to pay any Rental or any other payments of money as herein provided or required within seven (7) days after the same shall become due and payable and the continuance of such failure for a period of seven (7) days after notice thereof in writing from the City to Lessee; or

(b) failure of Lessee to perform any of the other covenants, conditions and agreements of this Lease which are to be performed by Lessee, and the continuance of such failure for a period of sixty (60) days after notice thereof in writing from the City to Lessee (which notice shall specify the respects in which the City contends that Lessee has failed to perform any such covenants, conditions and agreements), unless such default be one which cannot be cured within sixty (60) days with reasonable diligence, and Lessee within said sixty (60)-day period shall have commenced and thereafter shall have continued diligently to prosecute all actions necessary to cure such default; or

(c) the filing of a petition in bankruptcy by Lessee or against Lessee, or the commencement by Lessee of a case for relief from creditors under state or federal bankruptcy law or the entry of an order for relief with respect to Lessee under federal or state bankruptcy law, or the making by Lessee of a general assignment for the benefit of creditors, or the appointment of a receiver of substantially all of the property of Lessee including, in any event, this Lease, in a proceeding based upon Lessee's insolvency which shall not be discharged within ninety (90) days after such appointment; but neither bankruptcy nor the filing of a petition in bankruptcy, nor the commencement of a case for relief from creditors, nor entry of an order for relief, nor insolvency, nor an assignment for the benefit of creditors nor the appointment of a receiver shall affect this Lease or constitute an Event of Lessee's Default hereunder so long as the covenants and obligations on the part of Lessee to be performed hereunder are being performed by Lessee or someone claiming under Lessee.

(d) the divestiture of Lessee's estate herein by other operation of law; and

(e) the abandonment by Lessee of its conduct of business on the Premises. Lessee shall be deemed to have abandoned the Premises if the Rental is due and payable beyond the time provided for payment in Section **8.1**.

In the event that any installment of Rental is not paid to the City within seven (7) days following the date the same becomes due and payable, Lessee covenants and agrees to pay to the City interest on the amount thereof at the Default Rate from the date such installment became due and payable to the date of payment thereof.

Section 8.2. **The City's Remedies.**

(a) Upon the occurrence of any Event of Lessee's Default, subject to the provisions of Section **7.3**, the City lawfully may immediately, or at any time thereafter, without any further notice or demand, without waiving its rights to rents accrued and owing, enter into and upon the Premises and hold the same as if this Lease had not been made, without being taken or deemed to be guilty in any manner of trespass, and upon such entry, the Term and this Lease shall terminate.

(b) Without limiting its rights pursuant to subsection (a) of this Section **8.2**, upon the occurrence of any Event of Lessee's Default, subject to the provisions of Section **7.3**, the City may immediately and without further notice or demand send written notice to Lessee of the termination of the Term and of this Lease, whereupon the Term and this Lease shall terminate. If the City shall terminate this Lease as provided in this Section **8.2**, Lessee shall pay to the City the Rental and all other amounts due the City hereunder up to the time of Lessee's vacation of the Premises following the City's termination of this Lease, and, thereafter Lessee shall have no further liability to the City under this Lease with respect to Rentals and other amounts certain due at such time. The City agrees not to seek acceleration of Rentals if the City terminates this Lease as provided in this Section **8.2**.

(c) The City's rights and remedies pursuant to this Section **8.2** shall be in addition to any other remedies it may have at law or in equity (including, but not limited to, specific performance and consequential damages), or elsewhere in this Lease.

Section 8.3. **Event of the City's Default.** The failure of the City to perform any of the covenants, conditions and agreements of this Lease which are to be performed by the City and the continuance of such failure for a period of sixty (60) days after notice thereof in writing from Lessee to the City (which notice shall specify the respects in which Lessee contends that the City has failed to perform any of such covenants, conditions and agreements), shall constitute an "Event of the City's Default" unless such default be one which cannot be cured within sixty (60) days and the City within such sixty (60)-day period shall have commenced and thereafter shall continue diligently to prosecute all actions necessary to cure such default.

Section 8.4. **Lessee's Remedies.** If an Event of the City's Default shall occur, Lessee, to the fullest extent permitted by law, shall have, in addition to any other remedies it may have in law or in equity (including, but not limited to, specific performance) or elsewhere in this Lease, the right to pursue any or all of the following remedies:

(a) the right and option, upon the consent of each Lessee Mortgagee, to terminate this Lease and all of its obligations hereunder by giving notice of such election to the City, whereupon this Lease shall terminate as of the date of such notice and the Lessee shall quit and surrender the Premises to the City;

(b) the right to a special action in the nature of mandamus, injunction or other similar relief, available to it under Arizona law, against the City (including any or all of the members of its governing body, and its officers, agents or representatives, but in their official capacities only); or

(c) any other relief at law or in equity, including consequential damages as permitted under Arizona law.

Section 8.5. **Obligations, Rights and Remedies Cumulative.** The rights and remedies of the City and Lessee, whether provided by law or by this Lease, shall be cumulative, and the exercise by either the City or Lessee of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach, or of any of its remedies for any other default or breach by any party to this Lease. No waiver made by either the City or Lessee with respect to the performance, or manner or time thereof, of any obligation of any other party or any condition to its own obligation under this Lease shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of any other party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or in regard to any obligation of any other party.

Section 8.6. **Self-help.** If an Event of Lessee's Default or an Event of the City's Default shall occur and be continuing then, in addition to any other remedies at law or in equity or as otherwise provided in this Lease, the nondefaulting party may cure or prosecute the curing of such default and all reasonable expense incurred in connection therewith shall promptly be paid by the defaulting party to the party effecting such cure. Except to the extent such amounts may be reduced to judgment, nothing herein shall be construed as creating a debt of the City and any amounts due and payable by the City pursuant to this Section shall be an obligation only to the extent they are payable out of the budget for the then-current fiscal year. The term "Default Rate" means an annual rate of interest equal to the lesser of (a) the prime rate of interest charged from time to time by Bank One, Arizona, N.A. (or some other bank agreed upon by the parties), or (b) the highest rate of interest allowed by Law. As used herein, the "Bank One Prime Rate" or "prime rate of interest charged from time to time by Bank One, Arizona, N.A.," shall mean that

rate of interest announced from time to time by Bank One, Arizona, N.A. for loans to its commercial customers with the highest credit rating.

ARTICLE IX

EARLIER TERMINATION OF LEASE

Section 9.1. **Termination by Lessee.** In the event that:

(a) during the Term, because of zoning ordinances or any other governmental restriction or for any reason other than the default of Lessee under this Lease or under any notes, Mortgages or other documents relating to Lessee's financing, Lessee shall not have the right to occupy the Premises in accordance with the provisions of this Lease, or

(b) all or a substantial portion of the Improvements shall be damaged or destroyed and not repaired or restored as contemplated herein (due to lack of adequate insurance proceeds or otherwise), or if a substantial portion of the Improvements shall otherwise be rendered untenantable for a period in excess of one (1) year, or

(c) the City fails to consent to a modification or amendment of this Lease as requested by a Lessee Mortgagee in accordance with Section **7.3(f)**, or

(d) upon the occurrence of any other event or failure of the City to perform its undertakings under this Lease, which, by the express provisions of this Lease, gives rise to Lessee's right to terminate this Lease (other than an Event of the City's Default as to which event Lessee shall have the rights set forth in Article **VIII**);

Then, and in any of such events, Lessee may, with the consent of each of Lessee's Mortgagees and upon sixty (60) days written notice to the City, terminate this Lease in its entirety. Upon such termination, the Term of this Lease and all rights of the parties hereunder shall automatically cease, terminate and expire as of the date specified by Lessee in said written notice, with the same force and effect as if such date were the date herein definitely fixed for the expiration of the Term, and Lessee shall quit and surrender the Premises to the City. All Rental and other amounts payable hereunder, if any, shall be prorated as of such termination date, and no party shall have any further rights against or obligations to the other party with respect to this Lease, other than any rights or obligations that shall have accrued prior to such termination.

Section 9.2. **Termination by City.** In the event Lessee fails to secure commitments for financing sufficient for Lessee to commence construction of the Improvements within twenty-four (24) months following execution of this Lease, then the City, at its election, may terminate this Lease in its entirety. Upon such termination, the Term of this Lease and all rights of the parties hereunder shall automatically cease and neither party shall have any further

rights against or obligations to the other party with respect to this Lease, other than any rights or obligations that shall have accrued prior to such termination.

ARTICLE X

PROTECTION AGAINST MECHANICS' LIENS AND OTHER CLAIMS

Section 10.1. **Discharge of Mechanic's, Laborer's or Materialman's Liens.**

(a) If, in connection with any work done or claimed to have been done by or on behalf of Lessee or any tenant or subtenant of Lessee, or in connection with any materials supplied to Lessee or any tenant or subtenant of Lessee, any mechanic's, laborer's or materialman's lien shall be filed against the Premises or any part thereof, Lessee shall promptly (and in any event within thirty (30) days following notice from the other party demanding such discharge) cause the same to be discharged of record, by payment, deposit, bond, order of a court of competent jurisdiction or otherwise, or insured over to the satisfaction of the City. If Lessee shall fail to cause such lien to be discharged within such thirty (30)-day notice period, then, in addition to any other right or remedy, the City may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or bonding. Any amount so paid by the City, with all costs and expenses (including, but not limited to, attorneys' fees) incurred by the City in connection therewith, together with interest thereon at the Default Rate from the dates of the City making of the payment of incurring of such costs and expenses, shall be paid by Lessee to the City on demand.

(b) The City shall not be liable for any work performed respecting the Improvements, related facilities or any portion thereof by or for Lessee or any tenant or subtenant of Lessee or for any materials furnished at the Premises, related facilities or any portion thereof to or for Lessee or any tenant or subtenant of Lessee.

Lessee agrees to hold City free and harmless, and to indemnify City against all claims, liabilities, costs and expenses, for labor and materials in connection with all construction, repairs or alterations made by or through Lessee, its tenants and/or subtenants on the Premises and the cost of defending against such claims, including reasonable attorneys' fees.

The foregoing provisions of this Section shall be applicable to construction, repairs or alterations to the Improvements at all times during the Lease Term. During periods of construction, City shall have the right to post and maintain on the Premises and Improvements any notices of nonresponsibility provided for under applicable law.

(c) Lessee shall make, or cause to be made, prompt payment of all money due and legally owing to all persons doing any work or contractors or subcontractors and suppliers in connection with the development, construction, equipment, repair or reconstruction of any of the

Improvements required by this Lease to be constructed by Lessee. Nothing in this Section **10.1** shall limit the right of Lessee to contest, in good faith, by legal proceedings or otherwise, whether any amount claimed or alleged to be due and owing to any such person is legally due and owing and to withhold payment of such amounts pending resolution of such dispute.

ARTICLE XI

INDEMNITY AND INSURANCE

Section 11.1. **Indemnification.** The Lessee agrees to indemnify, defend, save and hold harmless the City of Flagstaff, and its, officers, officials, agents, employees and volunteers (hereinafter referred to as "Indemnitee") from and against any and all claims, demands, actions, liabilities, damages, losses, or expenses (including court costs, reasonable attorney's fees, and costs of claim processing, investigation and litigation) (hereinafter collectively referred to as "Claims") for personal injury (including death) or property damage caused, in whole or in part, by the acts, errors, omissions, negligence, or alleged negligence of Lessee or any of Lessee's directors, officers, agents, employees, volunteers or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Lessee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Lessee from and against any and all Claims. It is agreed that Lessee will be responsible for primary loss investigation, defense, and judgement costs where this indemnification is applicable. The foregoing indemnity by the Lessee shall extend, but not be limited, to:

(a) construction by or through the Lessee of the Improvements or any other work or thing done in, on or about the Premises or any part thereof;

(b) any use, nonuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises and Improvements, areas adjacent thereto or improvements thereon by or through the Lessee, or any nuisance made or suffered thereon or any failure by the Lessee to keep the Premises or any street, alley, parking area or facility, sidewalk, curb, vault, passageway, gutter, tunnel, bridge or space comprising a part thereof in a safe condition;

(c) any fire, accident, injury (including death) or damage to any person or property occurring in, on or about the Premises and Improvements, areas adjacent thereto or improvements thereon or any part thereof or in, on or about any street, alley, parking area or facility, sidewalk, curb, vault, passageway, gutter, tunnel, bridge or space comprising a part thereof;

(d) any lien or claim which may be alleged to have arisen against or on the Premises or Improvements thereon or any part thereof or any of the assets of, or funds appropriated to, the City or any liability which may be asserted against the City with respect thereto;

(e) any acts of the Lessee or any subtenant or any of its or their respective agents, contractors, servants, employees, licensees or invitees;

(f) any failure on the part of Lessee to pay rental or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with and the exercise by the City of any remedy provided in this Lease with respect thereto;

(g) any failure on the part of Lessee to keep, observe, comply with and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the subleases or other contracts and agreements affecting the Improvements or any part thereof, on Lessee's part to be kept, observed or performed;

(h) any tax which Lessee is obligated to pay or cause to be paid, including any tax attributable to the execution, delivery or recording of this Lease.

The foregoing provisions shall survive the expiration or earlier termination of this Lease to the extent the act, error, omission, negligence or alleged negligence arose prior to such expiration or termination.

The Lessee will hold all goods, materials, furniture, fixtures, equipment, and machinery and other property whatsoever on the Premises at the sole risk of Lessee, and, to the extent set forth above, save the City harmless from any loss or damage thereto by any cause whatsoever.

The obligations of Lessee under this Section shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part to be performed under insurance policies affecting the project.

If any claim, action or proceeding is made or brought against the City by reason of any event, specified or unspecified, which is the subject of the Lessee's foregoing indemnity, then, upon demand by the City, the Lessee, at its sole cost and expense, shall resist or defend such claim, action or proceeding in the City's name. Notwithstanding the foregoing, the City may engage its own attorneys to defend it or to assist in its defense and Lessee shall pay the reasonable fees and disbursements of such attorneys.

Section 11.2. **Environmental Indemnification of City by Lessee.** Lessee shall defend, indemnify, and hold harmless the City from and against any future claims, demands,

complaints and/or actions made or brought against the City pertaining to the Premises beginning with the building phase, and arising under any Environmental Law, Rule, Regulation or otherwise based upon any Hazardous Materials condition. This defense and indemnity includes, without limitation, any claims, demands, complaints, and/or action, asserted under CERCLA, WQARF, RCRA, and federal and state common law pertaining to Hazardous Materials, including any such claim based upon the City's alleged liability as an owner or operator of the Premises under CERCLA or WQARF.

Section 11.3. **Insurance.** The Lessee shall procure and maintain for the duration of the Lease insurance against claims for injury to persons or damage to property, which may arise from or in connection with this Lease by the Lessee, Lessee's agents, representatives, employees or contractors and commercial property insurance. The insurance requirements herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained herein. The City does not represent or warrant that the minimum limits set forth herein are sufficient to protect the Lessee from liabilities that might arise out of this Lease, and Lessee is free to purchase such additional insurance as Lessee may determine is necessary.

(a) **Minimum Scope and Limits of Insurance.** Lessee shall provide coverage at least as broad and with limits not less than those stated below.

(i) Commercial General Liability - Occurrence Form
(Form CG 0001, ed. 10/93 or any replacement thereof)
General Aggregate -- $2,000,000
Personal and Advertising Injury -- $1,000,000
Each Occurrence -- $1,000,000
Fire Damage (any one fire) -- $50,000
Medical Expense (any one person) -- Optional

(ii) Automobile Liability - Any Automobile or Owned, Hired and Non-owned Vehicles *(Form CA 0001, ed. 12/93 or any replacement thereof)*
Combined Single Limit Per Accident for Bodily Injury and Property Damage -- $1,000,000

(iii) Workers' Compensation and Employer's Liability
Workers' Compensation -- Statutory
Employer's Liability: Each Accident -- $500,000
Disease - Each Employee -- $500,000
Disease - Policy Limit -- $500,000

(iv) Commercial Property Insurance
Building -- Replacement Cost
Loss of Rents -- Per Lease

(Broad Form, 90% coinsurance -- to be placed in force upon completion of building prior to occupancy)

(b) **Self-insured Retention/Deductibles.** Any self-insured retentions and deductibles must be declared to and approved by the City.

(c) **Other Insurance Requirements.** The policies shall contain, or be endorsed to contain, the following provisions:

(i) Commercial General Liability and Automobile Liability Coverages.

(1) The City of Flagstaff, its officers, officials, agents, employees and volunteers shall be named as additional insureds with respect to liability arising out of the use and/or occupancy of the Premises subject to this Lease and activities performed by or on behalf of the Lessee, including products and completed operations of the Lessee; and automobiles owned, leased, hired or borrowed by the Lessee.

(2) The Lessee's insurance shall contain broad form contractual liability coverage.

(3) The City of Flagstaff, its officers, officials, agents, employees and volunteers shall be named as additional insureds to the full limits of liability purchased by the Lessee even if those limits of liability are in excess of those required by this Lease.

(4) The Lessee's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees or volunteers, shall be in excess to the coverage of the Lessee's insurance and shall not contribute to it.

(5) The Lessee's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(6) Coverage provided by the Lessee shall not be limited to the liability assumed under the indemnification provisions of this Lease.

(7) The policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees and volunteers for losses arising from Lessee's operations, occupancy and use of the Premises subject to this Lease.

(ii) Workers' Compensation and Employee's Liability Coverage. The insurer agrees to waive all rights of subrogation against the City, its officials, officers, agents, employees and volunteers for losses arising from the Lessee's operations, occupancy and use of the Premises subject to this Lease.

(d) **Notice of Cancellation.** Each insurance policy required by the insurance provisions of this Lease shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the City. Such notice shall be sent directly to the Airport Manager and the City Manager as provided in Article **XIV** herein.

(e) **Acceptability of Insurers.** Lessee shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to provide the Lessee from potential insurer insolvency.

(f) **Verification of Coverage.** The Lessee shall furnish the City with certificates of insurance *(ACORD form)* as required by this Lease. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance.

Section 11.4. **Policy Review and Adjustment.** Such policies of insurance shall be subject to review and adjustment on the fifth (5^{th}) anniversary of the effective date of this Lease and on each subsequent fifth (5^{th}) anniversary during the term hereof in order to determine the adequacy of the insurance amounts in light of the then existing circumstances.

Section 11.5. **Failure to Maintain Insurance.** If the Lessee fails or refuses to provide copies of the renewal insurance policies, together with evidence of payment of premiums therefor, or otherwise fails or refuses to procure or maintain insurance as required by this Lease, the City shall have the right, at the City's election, and upon five (5) days' notice to the Lessee, to procure and maintain such insurance. Any premiums paid by the City hereunder shall be due and payable by the Lessee to the City on the first day of the month following the date on which the premiums were paid. The City shall give prompt notice of the payment of such premiums, stating the amounts paid and the name(s) of the insured(s).

ARTICLE XII

CONDEMNATION

Section 12.1. **Total Taking.** In the event that the whole of the Premises and Improvements (including the City's interest therein, but not including a taking for temporary use or of only the leasehold estate hereunder) shall be taken for any public use or purpose by the exercise of the power of eminent domain, or shall be conveyed by the City and Lessee acting jointly to avoid proceedings of such taking ("Taking"), the Rental and any money to be treated as additional rental pursuant to this Lease and the Public Charges shall be prorated and paid by Lessee to the date of such Taking or conveyance, and this Lease shall terminate and become null and void as of the date of such Taking or conveyance, provided that such termination shall in no manner limit Lessee's right to an award or to recover from the condemning authority on account of such Taking, and if termination of this Lease would limit or impair Lessee's right to such recovery or award, this Lease shall not be terminated until immediately following such recovery or award. In case of a Taking (other than for temporary use or of only the leasehold estate hereunder) of such substantial part of the Premises and Improvements as shall result, in the good faith judgment of Lessee, in the Improvements remaining after such Taking (even if restoration were made and regardless of whether all or any part of the Improvements is the subject of such Taking) being unsuitable for the use being made of the Improvements at the time of such Taking, Lessee, at its option, may terminate this Lease by written notice given to the City within sixty (60) days after such Taking. Any Taking of the character referred to in this Section **12.1** which results in the termination of this Lease is referred to as a "Total Taking." Subject to the rights of Lessee's Mortgagees, the City and Lessee shall be paid those portions of the award or awards of damages on account of a Total Taking which are allocable to and represented by the value of their respective interests in the property which is the subject of the Taking, determined as follows:

First: There shall be paid all expenses, if any, including reasonable attorneys' fees, incurred by the City and Lessee in connection with such Taking (except that nothing contained in this Article shall require payment to the City of costs and expenses it may incur as the condemning authority);

Second: The balance of said award or awards shall be divided between the City and Lessee in the same proportion as the then Fair Market Value of each party's respective interest or estate in the property which is the subject of the Taking bears to the total Fair Market Value of the interests and estates of both parties in such property. In the event that the parties cannot agree upon the Fair Market Value of their respective interests and estates in the property subject to the Taking, the same shall be determined by Appraisal as hereinafter provided.

Third: In the event of any Taking, the requirements that the Lessee construct a certain acreage as defined earlier shall be cancelled. The parties will then mutually agree to new construction requirements.

Section 12.2. **Partial Taking.**

(a) In the event of a Taking of a portion of the Premises and Improvements which does not result in a Total Taking, then this Lease and all the covenants, conditions and

provisions hereunder shall be and remain in full force and effect as to all of the Premises not so taken or conveyed and without reduction or abatement of Rental or any other sum payable hereunder; provided, however, that said Taking does not reduce the square footage of the Building(s) or otherwise affect Lessee's ability to comply with City Codes. Lessee shall remodel, repair and restore the remaining portions of the Improvements as nearly as possible to their condition and character immediately prior to the Taking, except for any reduction in area caused thereby; provided, however, that in so doing, Lessee shall not be required to expend more than the amount of any such award actually received by Lessee, less all costs and expenses (including reasonable attorneys' fees) incurred in the collection of same and less any amounts withheld or retained by Lessee's Mortgagees, and in the case of a Taking for temporary use, neither party shall be required to effect such restoration until such Taking is terminated. In the event of any Taking, the requirement that Lessee construct a certain amount of acreage as defined earlier shall be cancelled. The parties will then mutually agree to new construction requirements.

(b) Subject to the rights of Lessee's Mortgagees, the City and Lessee shall be paid those portions of the award or awards of damages on account of a partial Taking pursuant to this Section as follows:

First: There shall be paid all expenses, if any, including reasonable attorneys' fees, incurred by City and Lessee in connection with such Taking (other than any costs or expenses incurred by the City as the condemning authority).

Second. The balance shall be divided between the City and Lessee in the manner set forth in clause Second of Section **12.1**.

The term "Fair Market Value" means the value, as of the date in question, of the property interest in question, based upon generally accepted appraisal practices. Fair Market Value shall be determined by the City and Lessee or, if they are unable to agree thereon, by Appraisal. The Fair Market Value of the Premises and Improvements, or any other property interest, whether determined by agreement of the City and Lessee or Appraisal, shall be determined and calculated without regard to any termination of this Lease.

The term "Appraisal" refers to the determination of the Fair Market Value of a property interest as of the date in question by the following procedure: Whenever the City and Lessee are unable to agree, within one hundred twenty (120) days of the date in question, as to the Fair Market Value of the property interest in question, either party may give written notice of such disagreement to the other party and in such notice shall designate the first appraiser (the "First Appraiser"). Within fifteen (15) days after the service of such notice, the party to whom such notice is given shall give written notice to the party giving the first notice, which notice shall designate the second appraiser (the "Second Appraiser"). If the Second Appraiser is not so designated, then the party designating the First Appraiser may request the appointment of the Second Appraiser by the Presiding Judge of the Coconino County Superior Court. The First and Second Appraisers so designated or appointed shall meet within ten (10) days after the Second

Appraiser is appointed and, within thirty (30) days after the Second Appraiser is appointed, they shall appoint a third appraiser (the "Third Appraiser") who shall be a competent and impartial person; and if they shall be unable to agree upon such appointment within ten (10) days after the time aforesaid, the Third Appraiser shall be selected by the City and Lessee themselves, if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party, on behalf of both, may request that such appointment be made by the Presiding Judge of the Coconino County Superior Court. In the event of the failure, refusal or inability of any appraiser to act, a new appraiser shall be appointed in his stead, which appointment shall be made in the same manner as hereinbefore provided for the appointment of such appraiser so failing, refusing or being unable to act. Each of the City and Lessee shall pay the fees and expenses of the appraiser appointed by such party, or in whose stead, as above provided, such appraiser was appointed, and the fees and expenses of the Third Appraiser, and all other expenses, if any, shall be borne equally by both parties. Any appraiser designated to serve as above provided shall be disinterested, and shall be familiar with the property values in Flagstaff, Arizona.

The appraisers shall determine the Fair Market Value of the property interest in question as of the date in question. A decision joined in by two of the three appraisers shall be the decision of all the appraisers. If two appraisers shall fail to concur in a decision within ninety (90) days after the appointment of the Third Appraiser, then the Fair Market Value of the property interest in question shall be the average of the determinations made by the two appraisers which are closest together. After reaching a decision, the appraisers shall give written notice thereof to the City and Lessee, which notice shall state the Fair Market Value of the property interest in question and the Fair Market Value so stated shall be considered Fair Market Value for the purposes of such Taking. If no decision shall be reached within one-hundred-eighty (180) days after the appointment of the Third Appraiser, either party may make application to any court of competent jurisdiction for a determination by such court of the Fair Market Value of the property interest in question as of the date in question.

Section 12.3. **Taking for Temporary Use or of Leasehold Estate.** If, by the exercise of the power of eminent domain, or under threat thereof, the whole or any part of the Premises or Improvements shall be taken for temporary use or the whole or any part of the leasehold estate created by this Lease shall be taken for temporary use, all awards or other payments shall be paid to Lessee alone, except that, if any portion of any such award or payment on account of a Taking for temporary use is made by reason of any damage to or destruction of any portion of the Improvements, such portion shall be applied to pay the cost of restoration.

Section 12.4. **Notices; Prosecution of Claims.** In case of a Taking of all or any part of the Premises or Improvements or the commencement of any proceedings or negotiations which might result in such Taking, the party having notice of such Taking or of the commencement of any such proceedings or negotiations shall promptly give written notice thereof to the other party.

Section 12.5. **Depository.** All awards or other payments received on account of a Partial Taking and to be applied to restoration of the remaining property pursuant to Section **12.2** shall, after deduction of the costs of collection, be paid, in trust, to Lessee's First Mortgagee, if any, and if there shall be none, then to a bank or trust company selected by the City and approved by Lessee (which approval shall not be unreasonably withheld). Such Lessee's First Mortgagee, bank or trust company is referred to herein as the "Depository." All such awards or other payments made by reason of any Taking shall be held in trust by the Depository, as a fiduciary for the purposes herein expressed, until payable pursuant to the provisions hereof. Any such awards or other payments which may be held in trust for restoration of the property not subject to the Taking shall be disbursed by the Depository as such work progresses, for work in place, free of liens and with adequate retainage. "Lessee's First Mortgagee" means any Institutional Lender which is unrelated to Lessee and which holds a senior security interest in Lessee's interest in the Improvements.

ARTICLE XIII

DISPUTE RESOLUTION

Section 13.1. **Mediation.** If a dispute arises out of or relates to this Lease and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation will be self-administered and conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, New York 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This section does not constitute a waiver of the parties' right to arbitrate or initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.

Section 13.2. **Litigation and Attorneys' Fees.** Except as otherwise agreed by the parties, any litigation brought by either party against the other to enforce the provisions of this Lease must be filed in the Coconino County Superior Court. In the event any action at law or in equity is instituted between the parties in connection with this Lease, the prevailing party in the action will be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party.

ARTICLE XIV

NOTICES

Section 14.1. **Notice Addresses.** Except as otherwise specifically provided herein, every notice, demand, consent, approval or other communication which any party is required or desires to give or make or communicate upon or to any other party shall be in writing and shall be sent by mailing the same by registered mail or certified mail, postage prepaid, return receipt requested, as follows:

If to the City:

The City of Flagstaff
Airport Manager
211 West Aspen Avenue
Flagstaff, Arizona 86001

The City of Flagstaff
City Manager
211 West Aspen Avenue
Flagstaff, Arizona 86001

or to such other address or addresses as the City shall from time to time and at any time designate by notice to Lessee.

If to Lessee:

CBAR 19 Flagstaff, LLC
Attn: Stephen M. Biagiotti
5655 South Yosemite Street, Suite 301
Greenwood Village, Colorado 80111

With a copy to:

Senn Visciano Kirschenbaum
Attn: Mark Senn
1801 California Street, Suite 4300
Denver, Colorado 80202

Any Mortgagee of Lessee whose address has been provided to the City in writing in accordance with this Section **14.1**

or to such other address or addresses as Lessee shall from time to time and at any time designate by notice to the City.

Section 14.2. **Mailing.** Every notice, demand, request, or other communication sent in the manner aforesaid shall be deemed to have been given, made or communicated, as the

case may be, on the third business day after the same has been deposited, registered or certified, properly addressed as aforesaid, postage prepaid, in the United States mail, except that any notice, demand, request, or other communication to the City or Lessee (but not to any Mortgagee of Lessee) may be personally delivered, and in such event shall be deemed to have been given on the date the same shall have been personally delivered to the party to whom such notice, demand, request or other communication is addressed, or to an officer of such party, if such party is a corporation, and with a copy to the City's Office of the City Attorney (in the case of any notice, demand, request or other communication to the City).

Section 14.3. **Copies.** Any party may require, at any time, that up to three (3) additional copies of any notice be sent to such person(s) as shall be designated from time to time in any notice from such party.

ARTICLE XV

RULES AND REGULATIONS

Section 15.1. **Compliance with All Laws.** The Lessee shall observe and comply with all laws, ordinances, rules and regulations of the United States Government, the State of Arizona, the County of Coconino, and the City and all agencies thereof which may be applicable to its operations or to the operation, management, maintenance or administration of the Airport now in effect or hereafter promulgated. The Lessee further agrees to display any and all permits, licenses or other evidence of compliance with all laws upon request of the City. Lessee acknowledges that it shall obtain any and all licenses and/or permits required in connection with operating the business conducted by Lessee or Sublessees on the Premises at Lessee's sole expense.

Section 15.2. **Compliance with FAA Regulations.** Lessee agrees to comply with the notification and review requirements adopted by the Federal Aviation Administration (the "FAA") in the event any future structure or building is planned for the Premises, or in the event of any planned modifications or alterations of any present or future building or structure situated on the Premises.

Section 15.3. **Non-discriminatory Pricing.** Lessee shall furnish its accommodations and/or services on a fair, equal and non-discriminatory basis to all users thereof and it shall charge fair, reasonable and non-discriminatory prices or rates for its accommodations or service; provided, however, that the Lessee may offer reasonable and non-discriminatory discounts, rebates or other similar type of price reductions to volume users.

Section 15.4. **Limitation on Height of Structures.** The Lessee expressly agrees for itself, its successors and assigns that it will not erect or permit the erection of any structure or object or permit the growth of any tree on the Premises above a mean sea level elevation not approved by the FAA and the City. In the event the aforesaid covenant is breached, the City

reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of the Lessee.

Section 15.5. **Noncompliance.** Noncompliance with provisions **15.1** through **15.14** of this Lease shall constitute a material breach, upon which the City shall have the right to terminate this Lease without liability therefor, or at the election of the City or the United States, either or both said governments shall have the right to judicially enforce the aforementioned provisions.

Section 15.6. **No Discrimination.** Lessee agrees that with regard to the operations conducted on the Premises pursuant to the provisions of this Lease and otherwise in the use of the Airport, Lessee will not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, or national origin in any manner prohibited by any federal law or any amendments thereto. Lessee further agrees to make its accommodations and/or services available to the public on fair and reasonable terms without unjust discrimination on the basis of race, creed, color, or national origin.

Section 15.7. **No Exclusive Right.** It is understood and agreed by Lessee that nothing in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

Section 15.8. **No Interference with Airport Operations.** Lessee expressly agrees for itself, its successors and assigns that it will not utilize the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard which may affect the safety of the aforementioned activities. In the event the aforesaid covenant is breached, the City reserves the right, but not the obligation, to enter upon the Premises and effect the abatement of such interference at the expense of Lessee.

Section 15.9. **Provisions Applicable to Sublease Tenants.** Lessee agrees that it shall insert the relevant provisions contained in Article **XV** of this Agreement in any lease, agreement or contract by which said Lessee grants a right or privilege to any person, firm, corporation or entity to render accommodations and/or services to the public on the Premises.

Section 15.10. **Reservation of Airspace.** City hereby reserves for itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to conduct all flight operations that are reasonable and necessary within the airspace above the Premises. Said right shall include, but not be limited to, emitting light, noise, discharge of dust, exhaust, fuel and lubricant particles as may be inherent in the operations of aircraft, now know or hereafter used for navigation of or flight in the air, using said airspace for landing at, taking off from, or operation on or at the Airport.

Section 15.11. **Right to Improve Landing Area.** City reserves the right to further develop or improve the landing, takeoff and taxiing areas of the Airport as it deems appropriate, regardless of the desires or view of Lessee, and without interference or hindrance of Lessee; provided, however, that the additional development or improvement does not substantially interfere with Lessee's operations.

Section 15.12. **Subordination.** This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation or maintenance of the Airport.

Section 15.13. **War or National Emergency.** This Lease shall be subject to any right the United States now has or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the Airport or the exclusive use or nonexclusive use of the Airport by the United States during time of war or national emergency.

Section 15.14. **Federal Grant Assurances.** This Lease shall be subject to all federal requirements set forth in the document entitled "Airport Assurances (9/99)" attached hereto as **Exhibit "D,"** and any amendments or revisions thereof.

ARTICLE XVI

GENERAL PROVISIONS

Section 16.1. **Amendment.** This Lease may be amended at any time by written amendment executed by both parties, which written amendment shall be recorded in the official records of Coconino County, Arizona, within ten (10) days following any such amendment.

Section 16.2. **Authorization.** The parties to this Lease represent and warrant that the persons executing this Lease on their behalves have full authority to bind the respective parties.

Section 16.3. **Captions.** The captions used herein are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions hereof.

Section 16.4. **City Manager's Power to Consent.** The City hereby authorizes and empowers the City Manager to consent to any and all requests of Lessee requiring consent of the City hereunder without further action of the City Council except for any actions requiring City Council approval as a matter of law.

Section 16.5. **Conflicts of Interests.**

(a) Each member, official, representative, or employee of the City shall at all times be bound by all applicable laws respecting conflicts of interest, and, to the extent prohibited by such applicable laws, none of the same shall have any personal interest, direct or indirect, in

this Lease, nor, to the extent prohibited by such applicable laws, shall any such member, official, representative or employee participate in any decision relating to this Lease which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. No member, official, representative or employee of the City shall be personally liable to Lessee or any successor in interest in the event of any default or breach by the City for any amount which may become due to Lessee or its successor, or on any obligations under the terms of this Lease.

(b) A.R.S. § 38-511 provides political subdivisions a right to cancel contracts under certain circumstances. The City and Lessee acknowledge that the provisions of A.R.S. § 38-511, which are incorporated herein by reference, may create a situation where the City may have a right to cancel this Lease pursuant to the rights given the City under A.R.S. § 38-511. Lessee agrees not to knowingly take any action which would create any right of cancellation pursuant to the provisions of A.R.S. § 38-511, to the extent they may be applicable to this Lease or any amendment to this Lease.

Section 16.6. **Consistent with General Plan.** This Lease ensures that all development on the Premises shall be consistent with the City's General Plan recommendation for the Property as required by A.R.S. § 9-500.05(B) and the Flagstaff Area Regional Land Use and Transportation Plan.

Section 16.7. **Construction of Lease.** This Lease has been arrived at by negotiation between the City and Lessee and has been reviewed by their respective counsel. As such, any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease. Further, the language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning.

Section 16.8. **Counterparts.** This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

Section 16.9. **Effective Date of Lease.** This Lease shall be effective upon the execution of the parties hereto, and upon expiration of thirty (30) days following the City Council's approval hereof; provided, however, that in the event this Lease is delayed in its effect by judicial challenge, or by referendum or injunction, the effective date of this Lease shall be delayed until resolution or termination of such judicial challenge, referendum or injunction. In the event of judicial challenge, referendum or injunction resulting in delay in the effect of the Lease which extends for a period of more than one hundred eighty (180) days following its approval by the City Council, then this Lease shall be terminable by the Lessee upon written notice to the City in accordance with this Lease at any time within an additional one hundred eighty (180) days. Upon termination, this Lease shall be of no further force or effect, and neither party shall have any

further obligation hereunder. Any delay relative to the effective date of this Lease by judicial challenge, referendum or injunction filed by parties acting independently of and not under the control of the City shall not be deemed a default hereunder by the City.

Section 16.10. **Entire Agreement.** This Lease, and all the Exhibits attached hereto, and together with such other agreements and instruments pertaining to the Premises as are referenced herein, contains the entire agreement of the parties with respect to the matters addressed herein, and no representations or agreements, oral or otherwise, between the parties not embodied herein, attached hereto or hereinabove referenced shall be of any force and effect. Any additions or amendments to this Lease subsequent hereto shall be of no force and effect unless in writing and signed by the parties hereto.

Section 16.11. **Estoppel Certificates.** The City and Lessee shall at any time and from time to time, within thirty (30) days after written request by the other, execute, acknowledge and deliver to the party which has requested the same or to any Lessee, Mortgagee or prospective lessee, mortgagee, assignee, subtenant or other party designated by Lessee a certificate stating:

(a) that this Lease is in full force and effect and has not been modified, supplemented or amended in any way, or, if there have been modifications, this Lease is in full force and effect as modified, identifying such modification agreement, and if this Lease is not in force and effect, the certificate shall so state;

(b) that this Lease as modified represents the entire agreement between the parties as to this leasing, or, if it does not, the certificate shall so state;

(c) the dates on which the term of this Lease commenced and will terminate;

(d) that all conditions under this Lease to be performed by the City or Lessee, as the case may be, have been satisfied and, as of the date of such certificate, there are no existing defenses or offsets, which the City or Lessee, as the case may be, has against the enforcement of this Lease by the other party, or, if such conditions have not been satisfied or if there are any defenses or offsets, the certificate shall so state; and

(e) that the rental due and payable for the year in which such certificate is delivered has been paid in full, or, if it has not been paid, the certificate shall so state.

The party to whom any such certificate shall be issued may rely on the matters therein set forth and thereafter the party issuing the same shall be estopped from denying the veracity or accuracy of the same. No such certificate shall be binding upon any Lessee Mortgagee unless such Mortgagee shall, in its absolute discretion, execute such certificate.

Section 16.12. **Exhibits.** All exhibits attached hereto are incorporated herein by reference as though fully set forth herein.

Section 16.13. **Expense of Obligations.** Where this Lease imposes obligations or responsibilities upon any party hereto, such obligations and responsibilities shall be performed at the expense of such party responsible therefor and without cost to or assessment against the property of any other party, except where otherwise specifically provided.

Section 16.14. **Further Acts.** Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Lease. Without limiting the generality of the foregoing, the City shall cooperate in good faith and process promptly any request and applications for permit approvals or other necessary approvals relating to the development of the Premises by the Lessee and its successors.

Section 16.15. **Gender and Number.** In this Lease (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural include one another.

Section 16.16. **Governing Law.** This Lease shall be governed by and construed under the laws of the State of Arizona. This Lease shall be deemed made and entered into in Coconino County.

Section 16.17. **Modification.** No modification of this Lease shall be deemed effective unless in writing and signed by the parties hereto, and any waiver granted shall not be deemed effective except for the instance and in the circumstances particularly specified therein and unless in writing, executed by the party against whom enforcement of the waiver is sought.

Section 16.18. **Negation of Partnership.** The parties specifically acknowledge that the Premises will be developed as private property, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Lease. None of the terms or provisions of this Lease shall be deemed to create a partnership between or among the parties nor shall it cause them to be considered joint venturers or members of any joint enterprise.

Section 16.19. **No Obligation to Develop Premises.** Except as specifically set forth herein, nothing contained herein shall be deemed to obligate the City to complete any part or all of the development of the Premises.

Section 16.20. **No Third Party Beneficiaries.** The City and Lessee acknowledge and agree that the terms, provisions and conditions hereof are for the sole benefit of, and may be enforceable solely by, the City and Lessee, and none of such terms, provisions, conditions, and obligations are for the benefit of or may be enforced by any third party.

Section 16.21. **Quiet Possession.** City agrees that Lessee, upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept and

performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the term in accordance with and subject to the terms of this Lease.

Section 16.22. **Real Estate Commissions.** Each of the parties represents and warrants unto the other that there are no commissions, charges or other compensation due any broker, agent or finder with respect to this Lease or the negotiations thereof, and each of the parties covenants and agrees with the other that if any party hereto utilizes an agent, broker, or finder, the party so using an agent, broker or finder or incurring such commissions, charges, fees or similar expenses will pay, hold harmless and indemnify the other from and against all claims, costs, expenses or liability (including, without limitation, the cost of reasonable counsel fees in connection therewith) for any such compensation, commissions, charges, or other compensation claimed by any such broker, agent or finder.

Section 16.23. **Recitals.** The Recitals set forth at the beginning of this Lease are acknowledged by the parties to be true and correct and incorporated herein by this reference.

Section 16.24. **Rights Cumulative.** All rights, powers and privileges conferred herein upon the parties shall be cumulative but not restrictive of those given by law.

Section 16.25. **Severability.** In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Lease shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Lease shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

Section 16.26. **Successors and Assigns.** All of the covenants and conditions set forth herein shall inure to the benefit of and shall be binding upon the successors in interest of each of the parties hereto.

Section 16.27. **Time of the Essence.** For purposes of enforcing the provisions of this Lease, time is of the essence.

Section 16.28. **Unavoidable Delay.** Each party hereto shall be excused from performing any of its obligations or undertakings provided in this Lease (except any of its obligations to pay any sums of money under the applicable provisions hereof) for so long as the performance of such obligation is prevented or delayed by any cause which is beyond the control of such party, including but not limited to such of the following as may be beyond the control of such party: Act of God; fire; earthquake; flood; explosion; action of the elements; war; invasion; insurrection; riot; mob violence; sabotage; malicious mischief; inability to procure because of general shortage or rationing or regulation of labor, equipment, facilities, sources of energy (including, without limitation, electricity, gas, gasoline or steam), materials or supplies in the open market; failure of transportation; strikes; lockouts; action of labor unions; condemnation; requisition; order of government or civil or military or naval authorities; bankruptcy proceedings;

litigation involving a party or others relating to zoning, subdivisions, or other governmental action or inaction pertaining to the Premises or Improvements or any portion thereof; inability to obtain government permits or approvals; or any other cause, whether similar or dissimilar to the foregoing, not within the control of such party; provided, however, that no party shall be entitled to relief under this Section by reason of any event unless such party shall have given the other party notice of such event and the nature of such event within a reasonable time and in any event no later than thirty (30) days following such party's knowledge of the occurrence of such event. Any delay or cause excusing performance pursuant to the terms of this Section **16.28** is referred to herein as an "Unavoidable Delay."

Section 16.29. **Waiver.** No waiver by either party of a breach of any of the terms, covenants or conditions of this Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. One or more waivers of any covenant, term or condition of this Lease by any party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by any party to or of any act by any other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 16.30. **Airport Users.** The City warrants and represents that, to the best of its knowledge, the Premises are all within the airport; and the owners, tenants and subtenants of said lands are within the definition of airport users as that term is used in the "Airport Assurances (9/99)," which document is designated **Exhibit "D"** and made a part of this Lease.

IN WITNESS WHEREOF, the City has caused this Lease to be duly executed in its name and on its behalf by its Mayor and its seal to be hereunder duly affixed and attested by its City Clerk, and the Lessee has signed the same as of the date first set forth above.

CITY OF FLAGSTAFF, an Arizona municipal corporation

By: _____
Joseph C. Donaldson, Mayor

Attest:

_____
City Clerk

Approved as to Form:

City Attorney

LESSEE: CBAR 19 Flagstaff, LLC
a Colorado limited liability company
By: SDA Inc., Member
By:
Mark D. Canto, CEO

STATE OF ARIZONA }
} ss.
County of Coconino }

ACKNOWLEDGMENT. On this 13 day of April, 2005, before me, a Notary Public, personally appeared Joseph C. Donaldson, Mayor of the City Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

Laura Matthews
Notary Public

My Commission Expires:

April 24, 2008

OFFICIAL SEAL
LAURA MATTHEWS
NOTARY PUBLIC-ARIZONA
COCONINO COUNTY
My Comm. Expires April 24, 2008

STATE OF COLORADO }
} ss.
County of Arapahoe }

ACKNOWLEDGMENT. On this 6TH day of APRIL, 2005, before me, a Notary Public, personally appeared Mark D. Canto, known to be or satisfactorily proven to be the person

whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of CBAR 19 Flagstaff, LLC, a Colorado limited liability company, for the purposes therein contained.

Notary Public

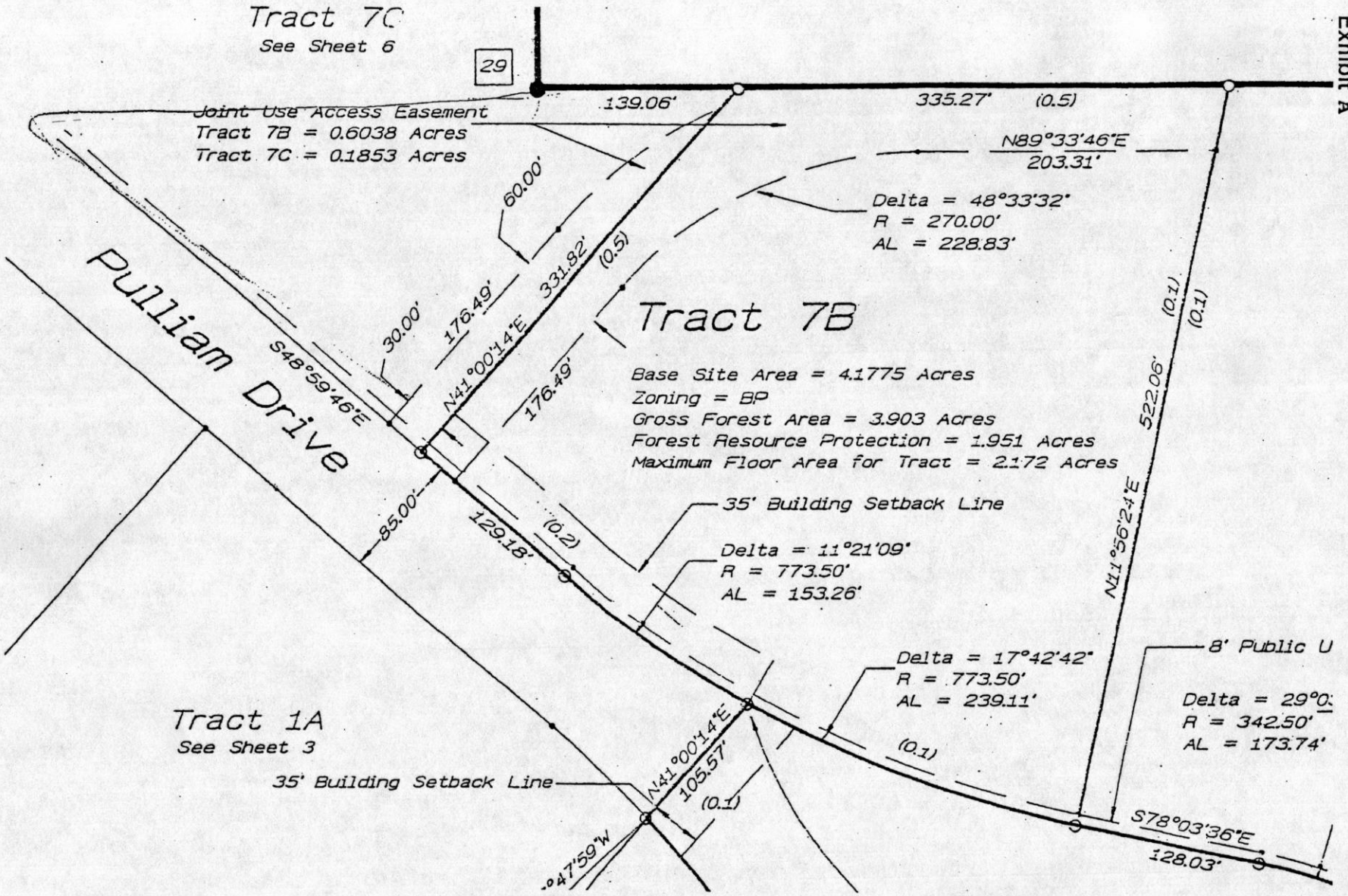


My Commission Expires:

2/18/2008

Kalli L. Koerner
Notary Public, State of Colorado
5655 South Yosemite Street, #301
Greenwood Village, Colorado 80111
Commission Expires February 18, 2008

Exhibit A


Tract 7C
See Sheet 6
29
Joint Use Access Easement
Tract 7B = 0.6038 Acres
Tract 7C = 0.1853 Acres
139.06'
335.27'
(0.5)
N89°33'46"E
203.31'
Delta = 48°33'32"
R = 270.00'
AL = 228.83'
60.00'
331.82'
(0.5)
Pulliam Drive
30.00'
176.49'
S48°59'46"E
N41°00'14"E
176.49'
Tract 7B
Base Site Area = 4.1775 Acres
Zoning = BP
Gross Forest Area = 3.903 Acres
Forest Resource Protection = 1.951 Acres
Maximum Floor Area for Tract = 2.172 Acres
(0.1)
(0.1)
522.06'
N11°56'24"E
85.00'
129.18'
(0.2)
35' Building Setback Line
Delta = 11°21'09"
R = 773.50'
AL = 153.26'
Delta = 17°42'42"
R = 773.50'
AL = 239.11'
8' Public U
Delta = 29°0
R = 342.50'
AL = 173.74'
Tract 1A
See Sheet 3
35' Building Setback Line
N41°00'14"E
105.57'
(0.1)
(0.1)
S78°03'36"E
128.03'
°47'59"W

MEMORANDUM OF LEASE

File No. **271-4390397 (mas)**

This Memorandum of Lease entered into this **07/22/2005** by and between **City of Flagstaff, a municipal corporation**, (herein called "Landlord") and **CBAR 19 Flagstaff, LLC, a Colorado Limited Liability Company** (herein after called "Tenant").

WHEREAS, Landlord and Tenant have entered into a Lease Agreement dated **April 13, 2005** for the property legally described as:

Legal description attached hereto and made a part hereof

Commonly known as **Flagstaff Building Pullium Airport, Flagstaff, AZ 86001**

The Lease is for a term of maximum of **forty (40)** years.

The Landlord and Tenant should be contracted for further details concerning the Lease.

LANDLORD:

City of Flagstaff, a Municipal Corporation

By: Al White,
its Vice-Mayor

TENANT:

CBAR 19 Flagstaff, LLC, a Colorado Limited Liability Company

By: SDA, Inc., a Colorado Corporation

By: Mark D. Canto, CEO

STATE OF COLORADO)
)ss.
County of ARAPAHOE)

On July 25, 2005, before me, the undersigned Notary Public, personally appeared Mark D. Canto, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

KALLI L. KOERNER NOTARY PUBLIC STATE OF COLORADO

Notary Public

My Commission Expires:
2/18/2008

Kalli L. Koerner
Notary Public, State of Colorado
5655 South Yosemite Street, #301
Greenwood Village, Colorado 80111
Commission Expires February 18, 2008

A.P.N.: **116-61-010** Memorandum of Lease - continued File No.: **271-4390397 (mas)**
Date: **July 22, 2005**

STATE OF **AZ**)
)ss.
County of Coconino)

On July 27, 2005; before me, the undersigned Notary Public, personally appeared AL White, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Laura Matthews
Notary Public

My Commission Expires:

OFFICIAL SEAL
LAURA MATTHEWS
NOTARY PUBLIC-ARIZONA
COCONINO COUNTY
My Comm. Expires April 24, 2008

Attest:

City Clerk

Approved as to Form:

City Attorney

MARTIN AND SURVEYS

EXHIBIT B

Description of FBI Lease Area

A portion of Pulliam Airpark Unit 1, Amended, Tract 7B, per plat recorded at Case 6 map 44, Coconino County Recorders office (r1), being a portion of Section 5, Township 20 North, Range 7 East, Gila and Salt River Meridian, Coconino County, Arizona, being more particularly described as follows:

BEGINNING at the southwesterly corner of Tract 7B, a found ½" rebar/cap LS18548;

thence N 40d 59m 40s E (N 41d 00m 14s E) (Basis of Bearings), along the northwesterly line of Tract 7B, a distance of 258.20', to a set ½" rebar/cap LS18548;

thence S 49d 00m 26s E, a distance of 175.80', to a set ½" rebar/cap –LS18548, to a non-tangent curve;

thence southerly and southeasterly along said curve, a distance of 117.09', said curve having an initial radial bearing of N 27d 04m 38s W, a radius of 60.00', a delta of 11d 48m 52s, and a chord of S 00d 07m 56s W 99.38', to a set ½" rebar/cap – LS18548;

thence S 41d 06m 30s W, a distance of 169.15', to the southwesterly line of (r1), to a set ½" rebar/cap – LS18548, to a non-tangent curve;

thence northwesterly along said curve, a distance of 102.11', said curve having an initial radial bearing of S 33d 26m 07s W, a radius of 773.50' (r1), a delta of 07d 33m 49s , and a chord of N 52d 46m 59s W, to a found ½" rebar/cap – LS18548;

thence N 48d 58m 09s W (N 48d 58m 46s W) (non-tangent), along the southwesterly line of (r1), a distance of 129.19' (129.18'), to the *POINT OF BEGINNING.*

Subject to existing easements and encumbrances.

Martin H. Martin, LS
3528 N. Walker Flagstaff, AZ 86004
928-526-0270 Main 928-526-0277 Fax

EXHIBIT D

ASSURANCES
Airport Sponsors

A. **General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of the grant offer by the sponsor, these assurances are incorporated in and become part of the grant agreement.

B. **Duration and Applicability.**

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.** The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.** The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.** Unless otherwise specified in the grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the project.

C. **Sponsor Certification.** The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.** It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.

d. Hatch Act - 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
q Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
t. Copeland Antikickback Act - 18 U.S.C. 874.[1]
u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

Executive Orders

Executive Order 11246 - Equal Employment Opportunity[1]
Executive Order 11990 - Protection of Wetlands
Executive Order 11998 – Flood Plain Management
Executive Order 12372 - Intergovernmental Review of Federal Programs.
Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
Executive Order 12898 - Environmental Justice

Federal Regulations

a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
c. 14 CFR Part 150 - Airport noise compatibility planning.
d. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
e. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
f. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
h. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]

i. 49 CFR Part 20 - New restrictions on lobbying.

j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.

k. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

l. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.[1] [2]

m. 49 CFR Part 26 – Participation By Disadvantaged Business Enterprises in Department of Transportation Programs.

n. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs and activities receiving or benefitting from Federal financial assistance.[1]

o. 49 CFR Part 29 – Government wide debarment and suspension (non-procurement) and government wide requirements for drug-free workplace (grants).

p. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

q. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.[1]

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.

b A-133 - Audits of States, Local Governments, and Non-Profit Organizations

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in the grant agreement.

2. **Responsibility and Authority of the Sponsor.**

a. **Public Agency Sponsor:** It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor:** It has legal authority to apply for the grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

   b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in the grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of the grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

   c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

   d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in the grant agreement and shall insure that such arrangement also requires compliance therewith.

6. **Consistency with Local Plans.** The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.** In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance.** With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.** For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project

grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to the grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.** It shall include, in all contracts in excess of $2,000 for work on any projects funded under the grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.** It shall include in all contracts for work on any project funded under the grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.** It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into the grant agreement.

17. **Construction Inspection and Approval.** It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in

accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.** In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary.
In furtherance of this assurance, the sponsor will have in effect arrangements for-

(1) Operating the airport's aeronautical facilities whenever required;

(2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

(3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.** It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.** It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

(1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations,

conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or nontenants and signatory carriers and nonsignatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.** It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:
    a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
    b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

    It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the

Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. Provided, however, that if covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections. It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
   (i) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

(ii) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that-

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.** It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property

(or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities.

30. **Civil Rights.** It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, 1) be paid to the Secretary for deposit in the Trust Fund, or 2) be reinvested in an approved noise compatibility project as prescribed by the Secretary.

b. (1) For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (a) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (b) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.
(2) Land shall be considered to be needed for airport purposes under this assurance if (a) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (b) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

c. Disposition of such land under (a) or (b) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.** It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or

related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.** It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.** It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.** The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport, however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.** The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non discrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26, and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801).

Exhibit **E**

Allowed Uses

BUSINESS PARK USES. This category includes research and production, certain light industry and office uses:

Apparel and other finished products made from fabrics and similar materials (SIC 23)
Furniture and fixtures (SIC 25)
Printing, publishing and allied industries (SIC 27)
Drugs (SIC 283)
Leather and leather products (except tanning and finishing) (SIC 36)
Computer and office equipment (SIC 357)
Electronic and other electrical engineering and components (SIC 36)
Measuring, analyzing and controlling instruments; photographic; medical and optical goods, watches and clocks (SIC 38)
Musical instruments and sporting/athletic goods manufacturing (SIC 393 & 394)
United State Postal Service ((SIC 43)
Transportation by air (SIC 45)
Arrangement of passenger transportation (SIC 472)
Arrangement of transportation of freight and cargo (SIC 473)
Communications (SIC 48)
Office Uses (See Section 10-03-002-0005)
Passenger car rental (SIC 7514)
Passenger car leasing (SIC 7515)
Motion picture production and allied services (SIC 781)
Research, development and testing services (SIC 873)
Space research and technology (SIC 966)
Auxiliary establishments (SIC Auxiliary Code numbers 1 & 2) (Ord. 1741, 3-17-92)

BUSINESS PARK INTERMEDIATE USES. This use category includes research and production, most light industrial uses and office uses.

All Business Park Uses
Food products including liquor distribution (SIC 20, SIC 5921) (except meat products SIC 201, 2077, 2082-2085)
Textiles and apparel (SIC 22 & 23)
Lumber and wood products (SIC 24)
Paper products (SIC 26) (except mills 261, 262,263)
Fabricated metal (SIC 34)
Electric and electronic equipment (SIC 36) (except electronic distribution and electrical industrial SIC 361 & 362)
Instruments and related products (SIC 38)
Miscellaneous manufacturing industries (SIC 39)
Local and interurban passenger transit (SIC 41)
Transportation services (SIC 47)

REIMBURSEMENT AGREEMENT
RIGHT-OF-WAY IMPROVEMENTS

THIS AGREEMENT, made and entered into as of the 28 day of May, 2009, by and between **CBAR 19 FLAGSTAFF, LLC,** whose mailing address is 5655 S. Yosemite Street, Suite 301, Greenwood Village, Colorado, 80111, hereinafter referred to as "Developer," and the **CITY OF FLAGSTAFF,** a municipal corporation of Arizona, hereinafter referred to as "City."

WHEREAS, the City and the Developer entered into a certain Lease Agreement dated April 13, 2005 (the "Land Lease") for the development of 1.27 acres of real property situated within a portion of Tract 7B of the Pulliam Airport Airpark Unit 1, Amended Subdivision adjacent to the municipal airport in Flagstaff, Arizona (the "Development").

WHEREAS, the City required the Developer to construct an access road as part of the Development, generally located on Tract 7B of the Pulliam Airport Airpark, more particularly described in Exhibit "A" and Exhibit "B" attached hereto and made a part hereof by reference.

WHEREAS, the City required the Developer to dedicate the access road to the City as a public Right-of-Way named Kitty Hawk Lane.

WHEREAS, the City agreed to require future lessees and purchasers of property that abuts and accesses Kitty Hawk Lane to reimburse the Developer for their proportionate shares of the road construction costs.

NOW, THEREFORE, the parties of this Agreement for and in consideration of the mutual promises herein contained and for other good and valuable consideration, do hereby agree as follows:

1. Developer has finished construction of the access road. The total cost of the access road is $337,493.04, which is further described in Exhibit "C," attached hereto and made a part hereof by reference.

2. The City and the Developer agree to use an allocation mechanism of 33.33% for the Developer's proportionate share, and 66.67% for the remaining proportionate share to future lessees and purchasers of the remaining property abutting or accessing the right-of-way. Under this allocation, the Developer's proportionate cost is $112,486.43, and the Developer's reimbursement amount is $225,006.61, as set forth in Exhibit C.

3. Upon closing of a land sale or commencement of a land lease on any of the remaining abutting property that accesses Kitty Hawk Lane, the City shall collect the applicable proportionate development costs from the land purchaser or lessee, and shall promptly reimburse the same to the Developer without offset or reduction. The City and the Developer acknowledge and agree that unless one purchaser or lessee acquires all of the remaining abutting property accessing Kitty Hawk Lane, each purchaser or lessee shall only be required to reimburse its proportionate amount of the $225,006.61, as allocated by the City.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 28 day of May, 2009.

CITY:
CITY OF FLAGSTAFF, an Arizona municipal corporation

By: _____
City Manager

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

DEVELOPER:
CBAR 19 FLAGSTAFF, LLC, a Colorado limited liability

By: SDA Inc., Manager

_____
Name: Stephen M. Biagiotti
Title: President

MARTIN
LAND SURVEYS

Exhibit "A"

A portion of Tract 7B, Pulliam Airport Airpark Unit 1, Amended, as recorded at Case 6 Map 44 (r1), records of Coconino County, being situate in Section 5, Township 20 North, range 7 East, Gila and Salt River Meridian, Coconino County, more particularly described as follows:

COMMENCING FOR REFERENCE at a found brass cap in handhole at the intersection of Pulliam Drive and John Wesley Powell Boulevard;

thence S 48d 59m 46s E [Basis of Bearings per (r1)] , along the centerline of Pulliam Drive, a distance of 654.19, to a found brass cap in handhole;

thence N 40d 57m 00s E, a distance of 42.47', to the northerly right of way line of Pulliam Drive, to a set ½" rebar/cap – Ls18548;

thence southeasterly along a non-tangent curve to the left, concave to the north, a distance of 102.11', to a set ½" rebar/cap – LS18548, said curve having a radius of 773.50' (r1), a delta of 07d 33m 49s, a chord of S 52d 46m 59s E 102.03', and an initial radial bearing of S 40d 59m 55s W, to the **POINT OF BEGINNING;**

thence N 41d 06m 30s E (non-tangent), a distance of 169.15', to a set ½" rebar and cap – LS18548;

thence northwesterly, northeasterly, southeasterly, and southwesterly, along a curve to the right a distance of 282.74', said curve having a radius of 60.00', a delta of 270d 00m 00s, and a chord of N 86d 06m 30s E 84.85';

thence S 41d 06m 30s W, a distance of 218.65', to the north line of Pulliam Drive;

thence northwesterly along a non-tangent curve to the right, concave to the northeast, a distance of 60.93', said curve having a radius of 773.50' (r1), a delta of 04d 30m 47s, and a chord of N 58d 49m 17s W 60.91', back to the **POINT OF BEGINNING.**

See attached "Exhibit B" for a sketch of the above described parcel, said sketch made a part hereof by this reference.

Area = 21,503 square feet (0.503 acres), more or less.



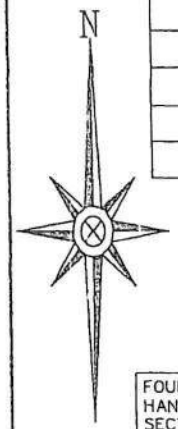
City File Number

Descriptive Title

Martin H. Martin, LS
2708 N. 4th St. B-3 Flagstaff, AZ 86004
928-526-0270 Main 928-526-0277 Fax

/04101/KtyHwk1.doc

CURVE TABLE					
CURVE	RADIUS	ARC	DELTA	BEARING	CHORD
C1	773.50'	102.11'	07°33'49"	S52°46'59"E	102.03'
C2	60.00'	282.74'	270°00'00"	S86°06'30"W	84.85'
C3	773.50'	60.93'	04°30'47"	S58°49'17"E	60.91'
C4	773.50'	30.57'	02°15'52"	S59°56'45"E	30.57'
C5	773.50'	30.36'	02°14'56"	S57°41'21"E	30.36'



FOUND BRASS CAP CENTERLINE MONUMENT

SET 1/2" REBAR/CAP – LS18548

SET 2" ALUMINUM CAP – LS18548

COMPUTED POINT – NOTHING SET

AREA = 21,503± S.F. (0.503± AC.)

FOUND BRASS CAP IN HANDHOLE AT INTER-SECTION PULLIAM/POWELL

POINT OF COMMENCEMENT

Basis of Bearings S48°59'46"E 654.19'

N40°57'00"E 42.47'

S40°59'55"W (radial) 773.50'

PULLIAM DR.

POINT OF BEGINNING

C1

C2

C3

C4

C5

RADIAL S41°06'30"W 60.00'

N48°53'30"W 30.00'

N41°06'30"E 169.15'

N41°06'30"E 224.51'

S41°06'30"W 218.65'

CITY FILE NUMBER: _____

SCALE: 1" = 40'

0 20 40 80 120

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
18548
MARTIN H. MARTIN
DATE SIGNED 11-7-06
ARIZONA, U.S.A.

EXHIBIT "B"
A PORTION OF TRACT 7B PULLIAM AIRPORT AIRPARK UNIT 1 AMENDED
A PORTION OF SEC. 5 T20N R7E G&SRM COCONINO CTY. – AZ

dwg:KtyHwk.dwg

MARTIN LAND SURVEYS

2708 N. 4th St. B-3 Flagstaff, AZ 86004
928-526-0270 Main 928-526-0277 Fax
Date: Oct. 31, 2006 Job No. 04101

Exhibit "C"

KITTY HAWK LANE
CITY RIGHT-OF-WAY IMPROVEMENT COSTS
PULLIAM AIRPORT AIRPARK, FLAGSTAFF, ARIZONA

Subcontractor/Description	Subcontract Amount	Overhead (10%)	Profit (10%)
Martin Land Surveys			
Prepare Survey and Legal Description of Kitty Hawk Lane	$6,800.00	$680.00	$680.00
Wildcat Construction			
Orginal Contract	$128,226.50	$12,822.65	$12,822.65
Addition of elec. Conduit and gas line trench	$6,680.00	$668.00	$668.00
Excavate 365lf of trench for Nat. Gas Line in ROW	$2,007.50	$200.75	$200.75
Correct grade in Cul De Sac of Kitty Hawk In	$1,050.00	$105.00	$105.00
Addition 2 45degree bends to raise fire hydrant	$235.80	$23.58	$23.58
Install 850lf of 2"conduit, set 3 box pads & bore across Pulliam	$25,100.00	$2,510.00	$2,510.00
Install Extension Sleeve on Fire Hydrant and Add Rip Rap	$1,835.00	$183.50	$183.50
RTR Paving and Resurfacing			
Original Contract	$38,800.00	$3,880.00	$3,880.00
Add for Signage for Kitty Hawk Lane	$2,250.00	$225.00	$225.00
C&E Paving and Grading	$2,580.00	$258.00	$258.00
Original Contract			
Aspen Concrete			
Original Contract	$46,694.40	$4,669.44	$4,669.44
Add for spillway redesign	$2,625.00	$262.50	$262.50
APS			
Original Contract	$16,360.00	$1,636.00	$1,636.00
SUBTOTALS	$281,244.20	$28,124.42	$28,124.42
TOTAL KITTY HAWK LANE COST	$337,493.04		
FBI Site Proportionate Cost (1/3)	$112,486.43		
Total ROW Reimbursement due to Developer (2/3)	**$225,006.61**		

Developer/Payee: CBAR 19 Flagstaff, LLC
Contact: Marc Biagiotti
(303) 220-0500

Revised 10/3/2007 4:48 PM

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Bethan Heng, Planner

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-12: An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to Direct to Ordinance Zoning Map Amendment to rezone approximately 18.24 acres located at 6500 E Route 66, APN 113-07-003S with the Heavy Industrial (HI) zone with the Resource Protection Overlay (RPO).

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2026-12 by title only for the final time
2. City Clerk reads Ordinance No. 2026-12 by title only (if approved above)
3. Adopt Ordinance No. 2026-12

Executive Summary:

A modification of a Direct to Ordinance Zoning Map Amendment requested by Lauren McCauley, on behalf of the property owner RE Asset Management, LLC, of approximately 18.24 acres located at 6500 E Route 66, APN 113-07-003S with the Heavy Industrial (HI) zone with the Resource Protection Overlay (RPO).

Winslow Ready Mix, 6500 E Route 66, Direct to Ordinance Rezone Modification, a modification of a Direct to Ordinance Zoning Map Amendment requested by Lauren McCauley, on behalf of the property owner RE Asset Management, LLC, of approximately 18.24 acres located at 6500 E Route 66, APN 113-07-003S, with the Heavy Industrial (HI) zone with the Resource Protection Overlay (RPO). The applicant is requesting to modify the conditions of the prior rezoning for the purpose of allowing a Concrete Batch Plant on site, considered a General Heavy Industrial use.

Staff believes that the proposed Zoning Map amendment is in substantial conformance with the required findings and recommends the Planning & Zoning Commission forward the request to the City Council with a recommendation for approval, subject to the following conditions:

1. The subject property must be developed in accordance with the approved site plan and the conditions of approval dated March 18, 2026. Modifications to the approved site plan, other than those permitted by the Zoning Code, will require an amendment to this Direct to Ordinance Zoning Map Amendment request.
2. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
3. All terms, conditions, and restrictions detailed within the previous Direct to Ordinance Zoning Map Amendment must be fully satisfied.

Financial Impact:

No financial impacts are associated with this request.

Policy Impact:

There are no policy impacts associated with this request.

Previous Council Decision or Community Discussion:

There have been no previous Council decisions on this.

Public hearings before the Planning and Zoning Commission and City Council are conducted in conjunction with requests for Zoning Map Amendments. In accordance with Arizona State Statute, notice of the public hearing was provided by placing an ad in the Arizona Daily Sun, posting notices on the property, and mailing a notice to all property owners within 300 feet of the site excluding rights-of-ways.

The applicant held one neighborhood meetings via Microsoft Teams regarding this case. The meeting was held virtually on February 18, 2026. The meeting was attended by the applicant's team and had no attendees. Since the first neighborhood meeting had no attendees, the second neighborhood meeting was requested by the applicant to be waived, which was granted by the Planning and Development Services Director.

Staff has not received any comments from the public as of the writing of this report.

Options and Alternatives to Recommended Action:

The City Council may approve the ordinance as proposed, approve the ordinance with modified conditions, or deny the ordinance.

Background and History:

The applicant, Lauren McCauley, is requesting to modify the Direct to Ordinance Zoning Map Amendment on behalf of the property owner, RE ASSET MANAGEMENT, LLC, to General Heavy Industrial use located at 6500 E Route 66. This amendment would allow the applicant to establish a concrete batch plant, which is considered a General Heavy Industrial use. The concrete batch plant will be placed on yard 15, with yard 14 to include outdoor storage to serve the batch plant. The subject property had received approval for a Direct to Ordinance Zoning Map Amendment to the HI zone with a RPO for construction storage/supply yards with the intent to lease land for equipment and material storage in April of 2024. This current request is to include the proposed use of a concrete batch plant to the permitted uses as allowed by the previous zoning map amendment.

The subject property is located near the eastern border of the City Limits, off Route 66. Primary access to the site is through an access easement through the Coconino National Forest off Route 66. A public utility easement exists on the property to the West of the subject parcel (APN 113-07-004, owned by The City of Flagstaff), granting permission to RE Asset Management, LLC permission for ingress and egress to the subject property. A portion of the site had previously been utilized for mining. The site currently has two buildings on site, one shop and one double-wide trailer that is being utilized as an office. The site also includes 15 contractor yards, on the portion of the site that is no longer viable for mining.

Connection to PBB Priorities and Objectives:

Support and strengthen a robust, diverse, and sustainable economy.

The original direct to ordinance zoning map amendment intended to establish an area in town where contractors can store their vehicles and equipment. Establishing the site as a Heavy Industrial (HI) contractor lease yard provided additional supply of industrial land to the City of Flagstaff real estate market, a zoning district that had historically been difficult to find land already zoned for within the City jurisdiction. Furthermore, the establishment of a contractor lease yard allowed for a concentration of future industrial uses within City jurisdiction, which lends to the intentional placement of future land uses within the City. The establishment of a concrete batch plant at the proposed site will also contribute to the community benefit by introducing an additional opportunity for employment and act as an economic stimulus. The City of Flagstaff is an active hub for development, construction, and ongoing improvements at the commercial and residential scale. The introduction of a concrete batch plant will benefit the existing industry by bringing production of a demanded material to the local scale.

Ensure the built environment is safe through the use of consistent standards as well as best practices for building and land use.

Connection to Regional Plan:
Please see attached Planning and Zoning Commission staff report for a detailed analysis of conformance with the Regional Plan and its goals and policies.

Connection to Carbon Neutrality Plan:
EP-2 Support the adaptation efforts of local businesses as the climate changes and the economic landscape shifts.

The referenced Carbon Neutrality Plan goal identifies that local business should adapt as the economic landscape shifts. The establishment of the Concrete Batch Plant is on a site that has been established as a contractor yard for Heavy Industry uses, which is a concentration of like-Heavy Industrial uses.

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
An application for a Zoning Map Amendment shall be submitted to the Planning Director and shall be reviewed and a recommendation prepared. The Planning Director's recommendation shall be transmitted to the Planning and Zoning Commission in the form of a staff report prior to a scheduled public hearing. The recommendation shall include: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General Plan and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment of Zones) of the Zoning Code; and whether the amendment should be granted, granted with conditions to mitigate anticipated impacts caused by the proposed development, or denied.

The following findings will be analyzed specific to the approved site plan and consider if the site were to be redeveloped entirely under the HI zone standards.

Zoning Map Amendments shall be evaluated based on the following findings:

A. Finding #1:
The proposed amendment must be found to be consistent with and in conformance with the goals and policies of the General Plan and any applicable specific plans. If the application is not consistent with the General Plan, and any other applicable specific plan, the applicable plan must be amended in compliance with the procedures established in Chapter 11-10 of the City Code (Title 11: General Plans and Subdivisions) prior to considering the proposed amendment.

See Planning & Zoning Staff Summary.

B. Finding #2
To meet the finding, the proposed amendment must be determined not to be detrimental to the public interest, health, safety, convenience, or welfare of the City of Flagstaff (the "City") and will add to the public good as described in the General Plan.

Staff believes that the proposed project will not be detrimental to the public health, safety, or welfare so long as it is developed in accordance with all codes and requirements.

C. Finding #3
To meet the finding, the affected site must be determined to be physically suitable in terms of design, location, shape, size, and operating characteristics; and the provision of public and emergency vehicle access, public services, and utilities must ensure that the requested zone designation and the proposed or anticipated uses and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the

property or improvements in the vicinity in which the property is located.

The proposed application meets this finding. IDS reviewed the application and concluded that the site was suitable for the proposed development. The IDS team based its conclusion on the review of all applicable codes and requirements. The applicant was required to bring a water line and hydrants to the site to mitigate any possible fire hazards that could occur on the site.

Attachments:

Staff Report
1. Application
2. Regional Plan Analysis and Narrative
3. Legal Description
4. Site Plan
5. Vicinity Map
6. Neighborhood Meeting Plan
7. Record of Proceedings
8. WSIA
9. TIS
10. Ord. 2024-10
Ord. 2026-12
Presentation

PZ-25-00124-04
April 22, 2026

PLANNING AND DEVELOPMENT SERVICES REPORT
DIRECT TO ORDINANCE ZONING MAP AMENDMENT

PUBLIC HEARING
PZ-25-00124-04

DATE: April 22nd, 2026
MEETING DATE: May 13th, 2026
REPORT BY: Bethan Heng

REQUEST:
A modification of a Direct to Ordinance Zoning Map Amendment requested by Lauren McCauley, on behalf of the property owner RE Asset Management, LLC, of approximately 18.24 acres located at 6500 E Route 66, APN 113-07-003S with the Heavy Industrial (HI) zone with the Resource Protection Overlay (RPO). The applicant is requesting to modify the conditions of the prior rezoning for the purpose of allowing a Concrete Batch Plant on site, considered a General Heavy Industrial use.

STAFF RECOMMENDATION:
Staff believes that the proposed Zoning Map amendment is in substantial conformance with the required findings and recommends the Planning & Zoning Commission forward the request to the City Council with a recommendation for approval, subject to the following conditions:

1. The subject property must be developed in accordance with the approved site plan and conditions of approval dated March 18, 2026. Modifications (other than minor modifications) to the approved site plan will require an amendment to the Direct to Ordinance Zoning Map Amendment.
2. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
3. All terms, conditions, and restrictions detailed within the previous Direct to Ordinance Zoning Map Amendment must be fully satisfied.

PRESENT LAND USE:
The subject property ("Property") is an approximately 18.24-acre parcel that has historically been used as a volcanic cinder mine and established as a contractor yard from the previous rezone.

PROPOSED LAND USE:
The applicant proposes to establish a concrete batch plant, which is considered a General Heavy Industrial use. General Heavy Industrial is a permitted use in the HI zone.

NEIGHBORHOOD DEVELOPMENT:
See the attached area context map.

North: Mining land owned by RE ASSET MANAGEMENT, LLC, zoned Rural Residential (RR)
East: Mining land owned by RE ASSET MANAGEMENT, LLC, zoned Rural Residential (RR)
South: Coconino National Forest, zoned Public Lands Forest (PLF) and right-of-way
West: City of Flagstaff wastewater treatment plant, zoned Public Facility (PF)

I. Project Introduction

A. Background/Introduction

The applicant, Lauren McCauley, is requesting to modify the Direct to Ordinance Zoning Map Amendment on behalf of the property owner, RE ASSET MANAGEMENT, LLC, to General Heavy Industrial use located at 6500 E Route 66. This amendment would allow the applicant to establish a concrete batch plant, which is considered a General Heavy Industrial use. The concrete batch plant will be placed on yard 15, with yard 14 to include outdoor storage to serve the batch plant. The subject property had received approval for a Direct to Ordinance Zoning Map Amendment to the HI zone with a RPO for construction storage/supply yards with the intent to lease land for equipment and material storage

in April of 2024. This current request is to include the proposed use of a concrete batch plant to the permitted uses as allowed by the previous zoning map amendment.

The subject property is located near the eastern border of the City Limits, off Route 66. Primary access to the site is through an access easement through the Coconino National Forest off Route 66. A public utility easement exists on the property to the West of the subject parcel (APN 113-07-004, owned by The City of Flagstaff) and grants permission to RE Asset Management, LLC for ingress and egress to the subject property. A portion of the site had previously been utilized for mining. The site currently has two buildings on site, one shop and one double-wide trailer that is being utilized as an office. The site also includes 15 contractor yards on the portion of the site that is no longer viable for mining.

II. Site Plan

On January 2, 2026, the Inter-Department Staff (IDS) approved the Site Plan and deemed the rezoning application to be complete.

A. Zoning – City of Flagstaff Zoning Code

If this modification to the Direct to Ordinance Zoning Map Amendment request is approved, a concrete batch plant will be allowed on the site. Development of the site will be required to comply with the standards of the Zoning Code and with the approved site plan.

i. Site Planning Standards

Due to the nature of the uses proposed for the site, the lack of new buildings being proposed, and the movement of heavy machinery around the site, there were no requirements from the Site Planning Design Standards that apply to this site. In addition, industrial uses not located in the Research and Development zone are exempted from Site Planning Design Standards.

ii. Resource Protection

There is a Resource Protection Overlay zone on the subject site. However, since the site has historically been used as a mine, there are no resources on the site to protect. The proposed zoning for the site will retain the Resource Protection Overlay for consistency.

iii. Open Space & Civic Space

The proposed use does not require either open space or civic space.

iv. Pedestrian and Bicycle Circulation Systems

There are no proposed pedestrian or bicycle facilities proposed as part of this application.

v. Compatibility and Architectural Design Standards

There are no large structures on site that would require Architectural Design Standards as part of this application. In addition, industrial uses and buildings outside of the RD zone and business parks are not required to apply Architectural Design Standards.

vi. Landscaping

It was previously determined during the Direct to Ordinance Zoning Map Amendment application from April 2024 that no landscaping would be required as part of this application.

vii. Outdoor Lighting

The subject property is located within Lighting Zone 2. An outdoor lighting permit for any additional lighting is required as a separate submittal and is not required as part of this application.

viii. Parking

Due to the nature of the development, there are no required parking spaces for the proposed concrete batch plant. However, the applicant is proposing 3 new parking spaces to serve lots 14 and 15 – 2 parking

spaces for employees and 1 parking space for customers.

ix. Historic/Cultural Resources

The Heritage Preservation Officer has determined that no analysis of the site is required.

B. Public Systems Impact Analysis

i. Traffic/Right-of-Way Impact

A Traffic Statement was sealed on September 15, 2025, and approved on January 12, 2026. Per the submitted traffic statement, it was determined that a left turn lane was warranted for the site based on projected site traffic and existing trips already utilizing the driveway. Route 66 is classified as a minor arterial, and the City's cross-section for this classification includes left turn lanes. From an operational and safety standpoint, modifying the rezone to allow the addition of a concrete batch plant incurs a left-turn lane due to the construction operations, the heavy vehicles proposed to use the driveway, and overall safety considerations.

ii. Water and Wastewater Impact

A Water and Sewer Impact Analysis (WSIA) was completed on December 2, 2019, and approved by city staff. The City constructed a 12" water main along Route 66 to the intersection of El Paso Flagstaff Road. The developer constructed a looped waterline extension with an 8" waterline. This loop runs from El Paso Flagstaff Road to the property frontage, at which point two service lines were installed. One runs east to service two buildings, and the other runs north to service another building. These two lines each have fire hydrants installed for fire protection.

Staff determined it was not feasible to construct a sewer main and that the existing septic on site was acceptable for the intensity of the use at the time of the original Direct-to-Ordinance Zoning Map Amendment in April 2024. The WSIA completed and approved by city staff on December 2, 2019, confirmed that a sewer extension would not be required for this project.

iii. Stormwater Analysis

A drainage statement was not required for the site plan of this application. An existing stormwater collection area is located on the east side of the site.

III. Direct to Ordinance Zoning Map Amendment

An application for a Zoning Map Amendment shall be submitted to the Planning Director and shall be reviewed and a recommendation prepared. The Planning Director's recommendation shall be transmitted to the Planning and Zoning Commission in the form of a staff report prior to a scheduled public hearing. The recommendation shall include: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General Plan and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment of Zones) of the Zoning Code; and whether the amendment should be granted, granted with conditions to mitigate anticipated impacts caused by the proposed development, or denied.

Direct to Ordinance Zoning Map Amendments shall be evaluated based on the following findings:

A. Finding #1:

The proposed amendment must be found to be consistent with and in conformance with the goals and policies of the General Plan and any applicable specific plans. If the application is not consistent with the General Plan and any other applicable specific plan, the applicable plan must be amended in compliance with the procedures established in Chapter 11-10 of the City Code (Title 11: General Plans and Subdivisions) prior to considering the proposed amendment.

i. General Plan/Flagstaff Regional Plan (FRP 2030) Process and Analysis Summary

When staff performs a Regional Plan (the "Plan") analysis, staff reviews all maps, text, and goals and policies to

determine which are the most relevant in relation to the proposed application. The Plan's Future Growth Illustration on Maps 21 and 22 (same map; one is regional scale and one city scale) and the text of the Plan provide supplemental information for the interpretation of goals and policies. In the case of any conflict between the Future Growth Illustration and the Plan's goals and policies, the goals and policies will prevail. The Future Growth Illustration has two types of land use designations: "Area Types" describe the place-making context of Urban, Suburban, Rural, or Employment, and "Place Types" such as activity centers, corridors, and neighborhoods provide the framework for the density, intensities, and mix of uses within the area types.

The subject property is designated as a Future Employment area type. An Employment Center may include mixed-use; research and development offices; medical offices; office space; business park; retail, restaurant, and tourism center; light-industrial; heavy-industrial; and live-work spaces. The proposed General Heavy Industrial use, in addition to the established contractor yards, for this site allows the City to work further towards establishing the area as a place for Industrial uses – bringing the area into compliance with the Regional Plan.

ii. <u>Applicable General Plan Goals and Policies</u>

As part of its review, staff identified relevant Regional Plan Goals and Policies that could be applied to support or not support the proposed Zoning Map Amendment. The relevant goals and policies can be found below and within the developer's narrative. This application utilizes the original Regional Plan Analysis provided by the applicant during the original Direct to Ordinance Zoning Map Amendment from April 2024. The following is a discussion of how the current application generally meets or conflicts with goals and policies in each relevant chapter.

a. Environmental Planning & Conservation (Air Quality, Climate Change and Adaptation, Dark Skies, Ecosystem Health, Environmentally Sensitive Lands, Natural Quiet, Soils, and Wildlife)

The subject property is located near Picture Canyon Reserve, but is on land that, historically, has been operating as a mine. The proposed use of a Concrete Batch Plant will be an addition to an existing contractor lease yard.

Goal E&C.5 aims to preserve dark skies as an unspoiled natural resource and a core element of community character. As part of this redevelopment, any additional lighting on site will need to be submitted for an outdoor lighting permit to meet the current code.

Policy E&C.1.1 encourages strategies and partnerships to mitigate dust. The existing contractor yard, where the concrete batch plant is intended to be located, is covered with a cinder base to prevent dust and mud on the site.

b. Water Resources (Water Sources, Water Demand, Stormwater and Watershed Management, and Water Quality)

Policy WR.2.2 encourages maintenance and facilities to provide reliable, safe, and cost-effective water, wastewater, and reclaimed water services. This application proposes a use within the scale of the original zoning map amendment. The applicant was allowed a WSIA waiver as the water demand for the proposed use remained within the scale of the 2019 Wildcat WSIA.

Policy WR.3.2 encourages low-water-consuming businesses and industries over water-intensive uses. The proposed use will be operated on a site designated as a storage yard for local contractors. The only water needed on site will be for fire protection. This project will require between 7,000 and 10,000 gallons per day. A 5,000-gallon water tank is proposed for this site to support the usage of the concrete batch plant. The Water Services department determined that the WSIA performed in 2019 was sufficient to request a waiver for the WSIA requirements for this application. Since the applicant intends to lease a portion of the property for the temporary use of a concrete batch plant, the project intends to utilize portable toilets on site, in lieu of extending sewer services to the site. The impact on water use on the site is minimized as further wastewater infrastructure will not be demanded by the project.

Policy WR.5.3. aims to have developments identify downstream impacts as a result of development and provide for mitigation measures to address the impacts. The original zoning map amendment required that the leases have

stipulations that restrict the storage of hazardous liquids on-site. Lessees are also required to maintain their vehicles so they do not leak or spill contaminants on the property. These restrictions apply to the current application. This was not a stipulation of the original rezone and is intended to be handled between the lessor and the lessees.

c. Energy (Energy Efficiency and Renewable Energy)

Goal E.1 encourages increasing energy efficiency and Policy E.2.1 aims to promote renewable energy sources that reduce demand upon fossil fuels and other forms of generation that produce waste. The establishment of the contractor yards through the previous rezoning provide a central location to group the heavy industrial equipment in the city. The proposed use of the Concrete Batch Plant is proposed for an area within the City that allowed for a centralized and efficient location for heavy industrial uses.

d. Growth Areas & Land Use (Reinvestment, Greenfield, Urban Area, Suburban Area, Rural Area, Employment Area, Special Planning Area, and Activity Centers)

Policy LU.6.2 encourages commercial core areas, corridors, activity centers, employment centers, research and development parks, special planning areas, and industrial uses as appropriate place types and area types for employment opportunities. Specific to this application and its site, the proposed industrial use is located within a designated Future Employment area as per the 2030 Regional Plan. In addition, the Concrete Batch Plant is proposed for a site intended for industrial uses through the establishment of a contractor lease yard. This application proposes a further avenue for employment within the City of Flagstaff, within an area intended for a concentration of industrial uses.

Policy LU.7.3. requires development proposals to address the availability of adequate public services. The applicant was required to extend a waterline to the property to ensure that proper water and fire control was provided during the previous rezone application. This application does not trigger further public improvements beyond what had been previously approved.

Goal LU.16 aims to establish heavy industrial areas that provide for the manufacturing of goods, flexible space, and intermodal facilities that are well maintained, attractive, and compatible with adjoining nonindustrial uses. Similarly, Policies LU.16.1-5 all encourage the establishment of industrial uses in areas that are compatible with the surrounding development. This application proposes a Concrete Batch Plant within an established contractor yard, intended for heavy industrial uses. The site is located in an area near a volcanic cinder mine as well as a wastewater treatment plant. This application places an industrial use in an established and centralized area for industrial uses. There are few residential areas in the direct vicinity of the site.

e. Economic Development

Policy ED.3.8. aims to protect existing business and industrial land uses from encroachment and allow for their expansion. The proposed concrete batch plant will contribute to the local economy of industrial businesses within the City and within an established area for industrial uses.

Goal ED.9 aims to promote redevelopment and infill as a well-established means to accomplish a variety of community economic, planning, and environmental goals. The City has aimed to establish and sustain heavy industrial uses within town, even as vacant industrially zoned parcels become harder to locate. The subject property is an intended space for various contractors and equipment storage, which provides an area to meet the needs of today's industry. The concrete batch plant is a contributor to the intended function of the site, utilizing the opportunity offered by the area as an industrial center.

B. <u>Finding #2</u>

To meet the finding, the proposed amendment must be determined not to be detrimental to the public interest, health, safety, convenience, or welfare of the City of Flagstaff (the "City") and will add to the public good as described in the General Plan.

Staff believes that the proposed project will not be detrimental to the public health, safety, or welfare so long as it is developed in accordance with all codes and requirements.

Staff believes that the proposed project will contribute to the public good and benefit the larger community. Prior to the establishment of the contractor yard, the site had been operating as a nonconforming industrial site, requiring code compliance attention to several violations. The applicant had taken steps towards bringing the previous volcanic cinder mine into conformance through a zoning map amendment, establishing the site as a contractor lease yard. Establishing the site as a Heavy Industrial (HI) contractor lease yard provided an additional supply of industrial land to the City of Flagstaff real estate market, a zoning district that had historically been difficult to find land already zoned for within the City jurisdiction. Furthermore, the establishment of a contractor lease yard allowed for a concentration of future industrial uses within the City jurisdiction, which lends to the intentional placement of future land uses within the City. By mindfully placing similar land uses within the City, the visual, auditory, and character impact of the introduced use within the City can be minimized. In particular, the concrete batch plant is being placed within this established contractor yard for intended industrial uses. In addition, it is intended to be placed in yards 14 and 15, which are located to the Northwest of the site and behind existing industrial uses already established on the site. Its visual impact from the public right-of-way is minimized.

The establishment of a concrete batch plant at the proposed site will also contribute to the community benefit by introducing an additional opportunity for employment and act as an economic stimulus. The City of Flagstaff is an active hub for development, construction, and ongoing improvements at the commercial and residential scale. The introduction of a concrete batch plant will benefit the existing industry by bringing production of a demanded material to the local scale.

C. Finding #3

To meet the finding, the affected site must be determined to be physically suitable in terms of design, location, shape, size, and operating characteristics; and the provision of public and emergency vehicle access, public services, and utilities must ensure that the requested zone designation and the proposed or anticipated uses and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

Staff believes that the proposed application meets this finding. The Inter-Division Staff reviewed the application and concluded that the site was suitable for the proposed development. The IDS team based its conclusion on the review of all applicable codes and requirements.

IV. Citizen Participation

Public hearings before the Planning and Zoning Commission and City Council are conducted in conjunction with requests for Zoning Map Amendments. In accordance with Arizona State Statute, notice of the public hearing was provided by placing an ad in the Arizona Daily Sun, posting notices on the property, and mailing a notice to all property owners within 300 feet of the site excluding rights-of-ways.

The applicant held one neighborhood meetings via Microsoft Teams regarding this case. The meeting was held virtually on February 18, 2026. The meeting was attended by the applicant's team and had no attendees. Since the first neighborhood meeting had no attendees, the second neighborhood meeting was requested by the applicant to be waived, which was granted by the Planning and Development Services Director.

Staff has not received any comments from the public as of the writing of this report.

STAFF RECOMMENDATION:

Staff believes that the proposed Zoning Map amendment is in substantial conformance with the required findings and recommends the Planning & Zoning Commission forward the request to the City Council with a recommendation for approval, subject to the following conditions:

1. The subject property must be developed in accordance with the approved site plan and conditions of approval dated March 18, 2026. Modifications (other than minor modifications) to the approved site plan will require an amendment to the Direct to Ordinance Zoning Map Amendment.
2. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
3. All terms, conditions, and restrictions detailed within the previous Direct to Ordinance Zoning Map Amendment must be fully satisfied.

Attachments:

- Application
- Project Narrative and Regional Plan Analysis
- Legal Description
- Site Plan
- Vicinity Map
- Neighborhood Meeting Plan
- Record of Proceedings
- WSIA
- Traffic Impact Statement
- Ord. 2024-10

City of Flagstaff — Community Development Division

211 W. Aspen Ave
Flagstaff, AZ 86001
www.flagstaff.az.gov
P: (928) 213-2618
F: (928) 213-2609

Date Received	Application for Direct to Ordinance Zoning Map Amendment	File Number

Project Name Winslow Ready Mix			
Site Address 6500 E. Route 66	**Parcel Number(s)** 113-07-003S	**Subdivision & Lot Number** Wildcat Industrial Park (14&15)	**Site Acreage** ~2
Existing Zoning District Heavy Industrial	**Proposed Zoning District** Heavy Industrial	**Existing Regional Plan Area and Place Type**	
Existing Use Equipment Storage		**Proposed Use** Concrete Batch Plant	
Property Information:	☐ Yes ■ No Located in an existing Local/National Historic District? (Name:_____) ☐ Yes ■ No Existing structures are over 50 years old at the time of application? ■ Yes ☐ No Subject property is undeveloped land?		
Type of Zoning Map Amendment (Small, Medium, Large or Multi-Phase) small			

Property Owner(s) RE Asset Management, LLC		**Phone** 928-853-5577
Mailing Address PO Box 30326	**City, State, Zip** Flagstaff, AZ 86003	**E-mail**
Applicant(s) Lauren McCauley		**Phone** 928-289-9349
Mailing Address 9170 HWY 87	**City, State, Zip** Winslow, AZ 86047	**E-mail** winslowreadymix@gmail.com
Project Representative(s) Ryan Mahar		**Phone** 928-522-9287
Mailing Address 618 E. Route 66	**City, State, Zip** Flagstaff, AZ 86001	**E-mail** r.mahar@cdeinc.org

Property Owner Signature (required)	Date	Applicant Signature	Date
Virginia R Mell	10/29/25	Lauren M McCauley	10/29/25

For City Use

Date Filed:	**File Number(s):**	
P & Z Hearing Date:	**Publication and Posting Date:**	
Council Hearing Date:	**Publication and Posting Date:**	
Fee Receipt Number:	**Amount:**	**Date:**

Action by Planning and Zoning Commission:	**Action by City Council:**
☐ Approved	☐ Approved
☐ Denied	☐ Denied
☐ Continued	☐ Continued

Staff Assignments	Planning	Engineering	Fire	PW/Water Services	Stormwater

Mogollon ENGINEERING & SURVEYING INC

Bethan Heng
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

December 09, 2025

Project Name: Winslow ReadyMix
Project Number: CD&E #25-064 (C.O.F. PZ-25-00124)

Dear Ms. Heng,

Per the requirements outlined in the Project Narrative for the Direct to Ordinance Zoning Map Amendment Checklist, this memo provides the requested analysis demonstrating how the proposed project aligns with the goals and policies of the Flagstaff Regional Plan 2030.

A comprehensive narrative addressing conformance with the Regional Plan for the overall Wildcat Industrial Park was originally submitted in March 2023. For ease of reference, that narrative is attached to this letter.

The current proposal is for a mobile concrete batch plant operated by Winslow Ready Mix, to be located entirely within Lots 14 and 15 of the Wildcat Industrial Park. The batch plant will be fully contained within these leased lots and will operate consistent with the land uses contemplated for the Park.

As outlined in the attached 2023 narrative, the site is located within an Employment Area designated by the Regional Plan. The proposed batch plant supports this designation by generating new employment opportunities for equipment operators, laborers, and support personnel. While the original narrative estimated approximately 10 employees per lot (or 20 employees total), the batch plant is expected to employ fewer than this estimate. Even so, the project will contribute meaningfully to local employment and economic activity within an area specifically planned for such uses.

The attached narrative also identifies the regional need for contractor yards with Heavy Industrial zoning. The proposed batch plant directly fulfills this need by providing essential materials and services in support of construction activities throughout the region.

In addition, the activity center described in the 2023 narrative highlights construction-related vehicle movement as a form of multi-modal transportation. The addition of the concrete batch plant will further enhance the efficiency of these movements. Consolidating concrete production within the Industrial Park reduces cross-town trips, supports more efficient use of existing infrastructure, and minimizes vehicle impacts on other areas of the City.

Grouping compatible industrial users within the Wildcat Industrial Park is consistent with both the intent and land-use strategies of the Regional Plan. Concentrating dust-, noise-, and traffic-generating activities within a designated Heavy Industrial area helps reduce potential impacts on surrounding neighborhoods and other land-use zones, particularly residential. The proposed batch plant aligns with this principle by locating appropriately within the Park and operating in harmony with similar uses.

Overall, the attached 2023 narrative remains applicable and addresses several additional items relevant to the proposed project. The Winslow Ready Mix Batch Plant is generally consistent with the goals, strategies, and intent of the Flagstaff Regional Plan 2030.

We appreciate the opportunity to continue working with the Comprehensive Planning Department and look forward to advancing this project in coordination with the City.

Thank you,

Ryan Mahar, P.E.
Vice President of Engineering
Mogollon Engineering & Surveying
618 E. Route 66
Flagstaff, AZ 86001
(928)522-9287

ATTACHED: Wildcat Industrial Park - Project Narrative & Regional Plan Analysis (2023)

Narrative for Wildcat Industrial Park

The Applicant, RE Asset Management, LLC (and its Principal Owner, Robert Miller) owns the following 3 contiguous parcels located at 6400 E. Route 66, Flagstaff, Arizona, 86004 totaling approximately 58 acres.

113-07-004 (40 acres)
113-07-003J (7.48 acres)
113-07-003L (10.22 acres)

The above referenced parcels have historically been used as a volcanic cinder mine since long before the City of Flagstaff was incorporated and long before the City of Flagstaff's adoption of a zoning ordinance. Despite the fact that the property contained a heavy industrial mining use prior to the City of Flagstaff's incorporation, the City zoned the property RR (rural residential) when the city incorporated and adopted its zoning ordinance. The property is located in one of the few areas located in the City of Flagstaff with an existing heavy industrial context.

Although the 3 parcels owned by RE Asset Management continue to be used for volcanic cinder mining purposes, there are portions of Parcel 113-07-004 and 113-07-003L that have been mined out such that there are no longer any materials left for mining. RE Asset Management, LLC has therefore re-habilitated portions of parcel 113-07-004 and 113-04-003L totaling 18.24 acres to allow for other types of heavy industrial uses to occur on that portion of the parcel.

In recent years, Principal Robert Miller of RE Asset Management, LLC has discovered there is a great need in the City of Flagstaff for Contractor Yard/storage yard space, especially for construction professional and other businesses that store items that are not appropriate to be stored in non-industrial areas of the city (i.e. repo vehicles and trailer storage, river-runner equipment, empty tank storage, etc.).

In fact, Mr. Miller has learned there is simply nowhere in the City of Flagstaff or Coconino County for many such small business professionals to store their construction materials, equipment, and vehicles, etc. This has forced many small business owners to

operate illegally out of their homes (or other non-industrial properties), leaving them vulnerable to complaints from residential neighbors as well as zoning enforcement proceedings by the City of Flagstaff and Coconino County.

Due to its location away from residential neighborhoods and near heavy industrial mining uses, the rehabilitated portions of 113-07-004/003L is an ideal location in the City of Flagstaff for the proposed usage. The following are some examples of small business owners who have approached RE Asset Management, LLC expressing interest in leasing space long term on the rehabilitated portion of Parcel 113-07-004/003L for yard space:

1. Alpha Towing and Recovery	Repo Vehicles and Trailer Storage
2. AZ Boxes, LLC	Refer Storage
3. AZ Burrow Begone	Equipment Storage
4. Bob Lee & Sons Tree Service Inc.	Lumber Storage and Processing
5. Carter-Cardlock	Empty Fuel Tank Storage
6. Carter Oil Company	Empty Fuel Tank Storage
7. Envirotech Services, Inc.	Aggregate Storage
8. High-Tech Transportation	Trucking Storage
9. Maclin Truck & Trailer LLC	Trucking Storage
10. Oothoudt Trucking	Trucking Storage
11. Power Contracting	General Contracting Storage
12. Recapturing America	Refer Storage
13. Ricardo Landscaping	General Landscaper Storage
14. Sweeter Excavating	General Contracting Storage
15. Timber Peaks Construction, LLC	General Contracting Storage
16. Tom Farrell Trucking	Trucking Storage
17. Tonto Supply, LLC	General Equipment Storage
18. X-Press Trux, Inc.	Trucking Storage
19. Price Trucking	Trucking Storage
20. Johnsons Towing	Repo Vehicles and Trailer Storage
21. Brian Madeira	Repo Vehicles and Trailer Storage
22. Economy Towing	Repo Vehicles and Trailer Storage
23. Ryder Logistics	Trucking Storage
24. MoenKopi River Works	General Equipment Storage
25. 3 Peaks Mobile Home	Trailer Storage

26. Robert Macklin	General Equipment Storage
27. Quality Towing & Services	Repo Vehicles and Trailer Storage

The property is located within an Employment Area pursuant to the Flagstaff Regional Plan 2030. From an employment perspective, the applicant estimates that each contractor or other business that will lease space long term at the proposed site employs approximately 10 people. With 15 approx. spaces for lease at the site, the proposed use could accommodate approximately 15 businesses that will likely employ approximately 150 or more employees. From an employment perspective, the proposed rezoning will support existing and future businesses that provide valuable employment opportunities to the citizens of the Flagstaff.

In consideration of the need for contractor yard space in the City of Flagstaff, as described above, RE Asset Management has been working with the City in an effort to rezone a portion of Parcel 113-07-004 from RR to Heavy Industrial to allow for contractor yards on the rehabilitated portion of the property. As part of the City's approval process, RE Asset Management, LLC has obtained City concept plan approval, city site plan approval, and is now proposing a zoning map amendment pursuant to the zoning map amendment application and City approved site plan.. Please note the following with regard to the approved site plan:

1. As shown on the plan, the proposed rehabilitated portions of 113-07-004/003l to be used for contractor's/storage yards is 18.24 acres in size. This 18.24-acre portion of Applicant's parcel is the only portion of its property that is proposed to be rezoned to Heavy Industrial. To address Staff's concerns regarding the creation of a split zoned parcel, RE Asset Management, LLC will reconfigure 113-07-004 and 003L such that only one parcel will be zoned Heavy Industrial with the remaining parcels keeping its Rural Residential zoning. Mogollon Engineering has prepared a lot split/combination survey attached, which show specifically how RE Asset Management, LLC intends to reconfigure its parcels as mentioned. While RE Asset Management, LLC previously considered rezoning all of its property to heavy industrial, this will not be feasible due to the City of Flagstaff's development standards for mining (or quarrying uses), as well as possible concerns of the State Mining Inspector as to how those standards may conflict with those of the mining regulations of the State of Arizona. The historic mining operation will therefore

continue to be operated as a legal nonconforming use on the 2 remaining parcels that will not be rezoned by RE Asset Management, LLC.

2. The site plan depicts 15 contractor's/storage yards on the 18.24 acre site to be rezoned. Individual yards will be delineated with fencing and the size of each yard can be adjusted with fencing based upon an individual contractor's need for space. Based upon demand for space, the actual number of yards may increase or decrease from 15 as needed in the future after the project has been approved.

3. Access to the property is proposed via the public E. Route 66 to and via a road that the RE Asset Management licenses from the City of Flagstaff. A copy of this license is enclosed herewith (LIC 2018-078-AG1).

4. Although RE Asset Management, LLC does not intend to use it (except for emergencies), the Coconino National Forest Service has issued the enclosed Private Road Special Use permit providing secondary access to the site onto Rt. 66. This secondary access is shown on the concept plan.

5. Due to the extreme topography in the area which would require sewer to be installed approx. 35 feet deep at certain locations, as well as the distance required to connect to the nearest usable public sewer, RE Asset Management has met with City of Flagstaff Utilities, which has agreed to support a waiver for sewer improvements under the city's "boonies clause". City of Flagstaff Utilities has agreed that the proposed contractor's yards are low impact (sewer wise) and that the 3 existing septic systems on the site are adequate for the proposed use. Additionally, City of Flagstaff Utilities has concurred that vault and haul systems could be established in the future if desired by RE Asset Management, LLC to accommodate sewer needs. City utilities has issued the enclosed Water and Sewer Impact Analysis dated 12/2/2019 confirming that a sewer extension will not be required for this project.

6. The City of Flagstaff is in the process of planning the construction of a 12-inch water main in E. Route 66 from Test Dr. to N. El Paso Road. City of Flagstaff Utilities Engineering Manager Ryan Roberts has informed the Applicant that this extension will be completed by June of 2021. RE Asset Management and its General Contractor, Warren Smith Contracting, are working toto install an 8 inch water line from its property to connect into the city's new water main. Re Asset

Management, LLC has bonded for and obtained a permit from the City to ensure this work will be completed. Fire Hydrants are also proposed as shown on the approved plan, in addition to 3 water meter services being installed at RE Asset Management's property. City utilities has issued the enclosed Water and Sewer Impact Analysis dated 12/2/2019 confirming that a sewer extension will not be required for this project.

7. No permanent structures are proposed to be constructed as part of the rezoning.

8. A landscape buffer is not being proposed to buffer adjacent neighboring parcels that are zoned RR. The City's requirement for buffering will be accomplished with elevation changes, fencing, as well as distancing the proposed use from neighboring RR zoned properties in the manner shown on the attached concept plan.

9. There is an existing 3000 sf approx. shop building on the property being rezoned as depicted on the site plan. The shop building is a concrete block structure with concrete floors. It consists of two main truck bays. One bay is currently used for fixing heavy equipment and the other bay serves as a parts room with supplies for heavy equipment. Photos of the interior and exterior of this building is attached. This building will remain on the property and continue to be used by the owner in connection with the mining operation and for the proposed contractor yard use. It may be rented in the future to potential lessees of a particular contractor/storage yard.

10. There is an existing 1200 sf approx. Double Wide Mobile Office on the property being rezoned as depicted on the site plan. This structure shall be used as an office and sales room for the mining operation. There is a bathroom, four offices, a file closet, and sales area with customer transaction windows separating employees from customer. This building will remain on the property may be used in connection with the mining operation and/or may be leased to a potential lessee of a proposed contractor/storage yard use.

REGIONAL PLAN ANALYSIS

The Regional Land use and Transportation Plan has designated the site subject to rezoning as an "Employment Area". The proposed use of contractor's and storage yards conforms

to the policies of the "Employment Area" designation and an analysis of conformance to the Regional Plan is listed below:

> Goal LU. 15. Plan for and encourage employee-intensive uses throughout the area as activity centers, corridors, research and development offices, business parks, and light industrial areas to encourage efficient infrastructure and multimodal commuting.

Applicant Comments:

The proposed contractor yards will allow the small business professionals described above and employees of same to operate businesses legally in the city on an intensive use basis, thereby allowing their businesses to succeed (further providing for significant employment opportunities for Flagstaff residents). The proposed site will serve as a small activity center where construction employees and business owners can store and access materials, equipment, and vehicles, etc. Transportation via construction vehicles to construction sites throughout Flagstaff is one form of multi-modal commuting. This form of commuting is required by a certain segment of society and the proposed contractor's yards will provide a location for those types of vehicles to be legally parked and stored. Having a centralized legal location for this use will benefit businesses and employees.

The construction of the waterline including fire hydrants and other improvements associated with this project (fire hydrants) encourages efficient infrastructure and brings waterline infrastructure into an area of Flagstaff that needs it. Other properties and property owners in the area will benefit from the water line extension and will also help to make their properties developable in accordance with the regional plan.

The proposed use allows businesses to condense their equipment at one location reducing the number of business and vehicular trips across town thereby encouraging efficient infrastructure and multimodal commuting.

Policy LU.15.1 Encourage the grouping of medical and professional offices, light industrial, research, and skill training with other necessary workforce services and transportation services.

The proposal helps in line with grouping heavy industrial mining uses, with contractor and storage yard uses. The property is in the vicinity of the City of Flagstaff Wildcat Treatment plant, Flagstaff Mall, Flagstaff Auto Mall, Truck and auto Repair, Big Box Stores (ie. Home depot, Best Buy, etc.), Purina Dog Food, commercial and office activity on Route 66, Trucking and Auto Repair Shop. Public Transportation services are provided in this area. Skill training will be ongoing for employees at the proposed site.

Further Comments regarding LU 15 and 15.1

As stated above, the property is located within an Employment Area pursuant to the Flagstaff Regional Plan 2030. From an employment perspective, the applicant estimates that each contractor or other business that will lease space at the proposed site employs approximately 10 people. With 15 approx. spaces for lease at the site, the proposed use could accommodate approximately 15 businesses that will likely employ approximately 150 or more employees. From an employment perspective, the proposed rezoning will support existing and future businesses that provide valuable employment opportunities to the citizens of the Flagstaff. The business an employment activity created from the proposed use will support other businesses in the area. Contractors from the site will no doubt purchase equipment from Home Depot and will likely purchase vehicles and use auto repair services from the nearby auto mall, etc. Nearby restaurants, auto repair, retail, and commercial centers will also benefit from the proposed use economically thereby promoting the creation of future employment opportunities by other businesses in the area of the subject property. By grouping the proposed use in the vicinity of an area that includes such business diversity professional offices, light industrial, transportation services and other businesses will also be supported.

Policy LU.15.2. Consider the compatible integration of residential uses and proposed employment centers to reduce vehicle trips and commute times.

Locating construction vehicles, equipment, and materials, etc. at the proposed site away from residential neighborhoods, in a centralized location, will help to keep industrial uses and industrial traffic out of residential areas. The site is also conveniently located inside Flagstaff City limits providing for a fast commute for employees and business owners who are commuting to and from the proposed site to access materials, vehicles, etc. From a planning standpoint, 15.2 is a conflicting policy. Mixing residential and industrial uses in this area is discouraged to reduce nuisances (noise, traffic,

dust pollution from the mine, etc.) and preserve the heavy industrial context for necessary industries **This is a conflicting policy.**

Policy 15.3 Incorporate the neighborhood/support retail and other commercial uses, including childcare facilities with new and renovated employment centers.

These uses are not appropriate because of the heavy industrial nature of the area.

Policy 15.4. Accommodate safe and convenient walking, biking, and transit facilities in existing and proposed employment centers.

RE Asset Management will coordinate with the City of Flagstaff to accommodate pedestrian/biking paths (including FUTS) facilities and transit facilities on or near RE Asset Management, LLC's property.

Goal LU.16. Establish heavy industrial areas that provide for the manufacturing of goods, flexible space, and intermodal facilities that are well maintained, attractive and compatible with adjoining nonindustrial uses.

As stated above, the size and number of contractor yards on the site can be adjusted based upon market need, thereby providing flexible space for contractors and construction professionals in Flagstaff. The property is in the vicinity of a mine and the City of Flagstaff Wildcat Sewer Treatment Plant and far away from City of Flagstaff residential neighborhoods. The proposed site is an ideal location for the proposed use and is compatible with the surrounding area. The site will be constantly managed by RE Asset Management to ensure the property is well maintained in an attractive manner suitable for the area and for nearby nonindustrial uses.

Policy LU.16.1 Encourage the continued intensification, expansion, and protection of existing industrial, warehousing, and distribution uses from encroachment where appropriate.

The property is a historic mine. The proposed heavy industrial use at the mine location encourages existing industrial uses from encroachment.

Policy LU.16.2. Ensure new industrial areas are compatible with surrounding areas.

As stated, the property is in the vicinity of a mine and the City of Flagstaff Wildcat Sewer Treatment Plant and is located far away from city of Flagstaff residential neighborhoods. The proposed site is an ideal location for the proposed use.

Policy LU.16.3. Locate new industrial areas near the rail line, major highways or the interstate, and ensure they are designed to be compatible with surrounding uses and gateway features.

- The property is located near I-40 and the Santa Fe Railroad. As stated above, the proposed use is compatible with surrounding uses.

Policy LU 16.4. Limit the impacts of truck traffic on residential areas.

For the reasons stated above, there will not be any impacts from truck traffic on residential areas. The site is located far away from residential area in perhaps the most rural area of the City of Flagstaff.

Policy LU 16.5. Consider all health impacts on the community in the design of new industrial uses, such as wastewater treatment, traffic safety, noise, and other impacts.

<u>Additional Goals and Policies addressed in the regional plan</u>:

Air Quality Goals and Policies (Chapter IV Environmental Planning and Conservation)

E&C.1.2 Pursue reduction of total emissions of high priority pollutants from commercial and industrial sources and area-wide smoke emissions:

Comment: The proposed use of leasing storage space does not create pollution. The Storage facility will not be responsible for the type of vehicles stored.

E&C 1.3 Encourage strategies and partnerships to mitigate dust:

Comment: The roadways are constructed from recycled asphalt aggregate for the specific purpose of mitigating dust pollution. The contractor yard portion of the property shall be covered with a cinder base to prevent dust. The Cinder base also shall serve to keep the ground from becoming muddy.

E&C 2.1 Encourage the reduction of all energy consumption, especially fossil-fuel generated energy, in public, commercial, industrial, residential sectors.

Comment: The proposed use allows businesses to condense their equipment at one location reducing the number of business and vehicular trips across town thereby supporting a reduction in energy consumption and fossil fuels.

Water Demand Goals

WR 3.2 Favor low-water consuming businesses and industries over water intensive uses

Comment: The proposed use does not require any water with exception for water needed for fire protection. The proposed use is therefore a very low water consuming use.

Stormwater and Watershed Management Goals and Policies

WR 5.3 Identify downstream impacts as a result of development and provide for mitigation measures to address impacts. When possible, mitigations should be non-structural in nature.

Comment: City Storm water staff has approved the applicant's proposed storm water plans on 6/4/2020. Onsite drainage designed to be retained on site and will be collected in the norther east corner of the property being rezoned and will percolate and

evaporate onsite. The applicant will have leases with each contractor and lessee of contractor yards whereby each lessee will be restricted from storing hazardous liquids onsite. Further, Lessees will be required in the least to maintain their vehicles, etc. such that they do not leak or spill contaminants on the property. The applicant and the applicant's staff will also monitor the site regularly to ensure lessees are complying with these provisions.

Renewable Energy Goals and Resources:

E.2.4 Encourage small scale renewable energy production and use on the local level on appropriate residential, commercial and industrial parcels.

Comment: The proposed use is primarily for storage of equipment and items and therefore requires little energy. If a contractor needs energy, they can use a generator on an as needed basis. Further, as the applicant mines and rehabilitates his adjacent cinder mine, the applicant has future ambitions of developing a 4 acre approx. site on future rehabilitated property with a solar farm. Contractors/lessee's would then have the ability to use solar power on the property. In the meantime, Contractors will be allowed and encouraged to use their own solar equipment if they need energy. Also, as stated above, as the applicant mines and rehabilitates his adjacent cinder mine, the applicant has future ambitions of developing a 4 acre approx. site on future rehabilitated property for solar farm purposes. Contractors/lessee's would then have the ability to use solar power on the property. In the meantime, Contractors will be allowed and encouraged to use their own solar equipment.

Mobility and Access Goals

T1.3 Transportation Systems are consistent with the place, type, and needs of people:

Comment: The proposed use allows businesses to condense their equipment at one location reducing the number of business and vehicular trips across town. The industrial site is appropriately located away from residences and neighborhoods thereby not impacting residential areas. City staff is not requiring any off-site traffic improvements.

Environmental Considerations Goals and Policies

T.3.6 Seek to minimize noise, dust, vibration, and light impacts of transportation Projects on nearby land uses.

Comment: The project is located adjacent to a volcanic cinder mine and the city's Wildcat treatment plant. The site is also located across the street from the railroad. Noise and vibration occurring on the site will not be a nuisance. There is no lighting proposed so there will be no impacts from lighting.

Goal ED.3 Regional Economic development partners support the start-up, retention, and expansion of existing business enterprise (see response under 3.1 below):

ED 3.1 Encourage regional economic Development partners to continue proactive programs to foster the retention and expansion of existing enterprises and home-based businesses in the community.

Comment: By providing the much-needed storage space to business in need of it, will help to foster the retention and expansion of existing enterprise. It will also help to allow more business owners and their employees to work from home while storing commercial and heavy industrial equipment at an appropriate industrial location.

Comment: We have discussed this case with the City of Flagstaff's Business Retention and expansion manager. John Saltonstall, AZED Pro. In regard to this case, he stated verbatim in an email to the applicant's representative dated 7-21-2020, "As our industrial lands are converted to other uses, it is increasingly difficult for all types of industrial businesses to operate in Flagstaff." In reviewing the list of above list of businesses interested in leasing space at the processed site, he further stated "Seeing that you (the applicant) already have a list of businesses that have expressed interest to you (the applicant) for the storage yard is compelling and ELIMNATES doubt whether the yard makes sense or not, WHICH IT DOES."

ED 3.5 Advocate the economic sustainability and growth of businesses with opportunities for transitional commercial with opportunities for transitional space, leased space, and property ownership.

Comment: The proposed rezoning provides leased space for businesses in dire need of such space thereby promoting economic sustainability and business growth. It also helps to provide opportunities for transitional commercial by giving them transitional space should they be looking for a permanent location to own.

ED 3.8 Protect existing business and industrial land from encroachment and allow for their expansion.

Comment: The leased space provided helps to allow existing businesses to expand without individually having to purchase expense property just for storage. Existing businesses need more space to expand, and the proposed use provides them with more space. The property subject to the rezoning has always been an industrial site, by keeping the property industrial and providing much needed leased space for businesses in an industrial location will help to protect other existing businesses and industrial land in Flagstaff from being encroached upon.

Business Attraction Goals and policies

Goal ED.4 Support efforts to recruit diverse new businesses and industries with the region:

Comment: The proposed use will help to recruit new businesses and industries by giving them a place to store their materials, vehicles, and goods. It will help new businesses to be recruited in the area and succeed.

ED4.4 Identify and support community resources that assist new businesses such as work force housing, marketing, building processes, venture capital, financing, and management:

Comment: The proposed use is a community resource benefitting the businesses in the community with space to store their items to assist new business such as those referenced in policy ED4.4.

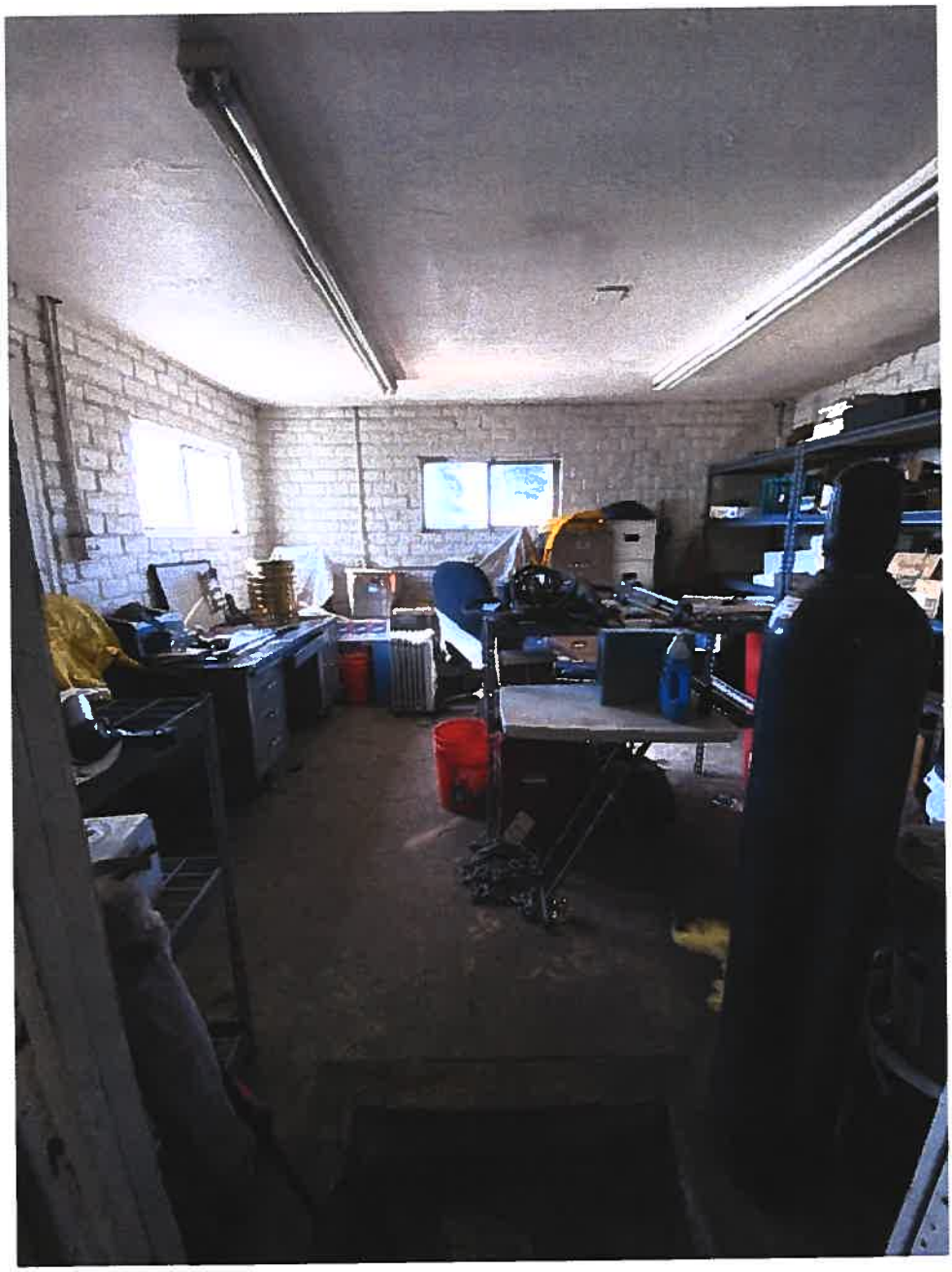
ED 4.5 In an effort to promote the sustainability of resources, the city will encourage all new and expanded commercial and industrial development to be energy and water efficient.

Comment: As stated above, the proposed use requires little energy (if any) and no water use.

The proposed use is a heavy industrial use to be located in a heavy industrial area. There will be no impact other than positive health impacts to the area by bringing waterline infrastructure and other infrastructure to the site.

In consideration of the foregoing, RE Asset Management, LLC hereby respectfully requests the enclosed Site plan application and future rezoning/zoning map amendment application be approved.

Shop Building



Shop Building



Shop Building



Shop Building



Double Wide Mobile Uffice



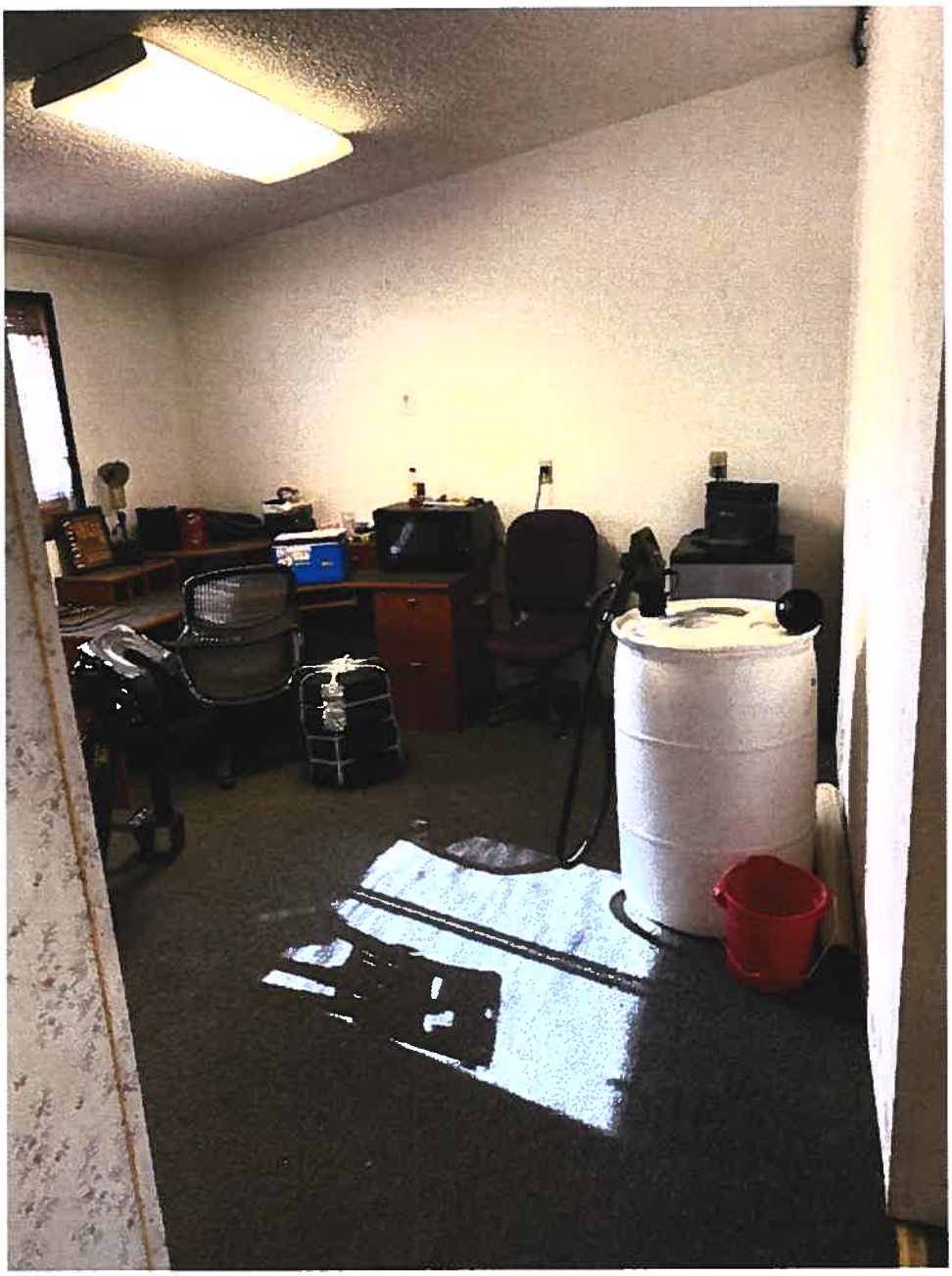
Double Wide Mobile Office



Double Wide Mobile Office



Double Wide Mobile Office



Double Wide Mobile Office



INDEX #: LIC-2018-078-AG1

(assigned by Clerk's Office)

DOCUMENT TRACKING FORM

Please submit to Deputy City Clerk — Document(s) will not be processed until form is complete

Submitted for: ☑ Signatures ☐ Completed Original for scanning/filing ☐ CHANGES (include Index #)

REMINDERS

- ◆Fill in all dates/blanks
- ◆Outside parties should sign first (when possible)
- ◆Tab signature/notarization lines
- ◆Include one (1) original for City Clerk's Office
- ◆Attach all exhibits
- ◆Legal must review/approve prior to routing

DOCUMENT TYPE: ☐ Contract ☐ Lease/Property ☐ Other ☐ Development Agreement ☑ License Agreement ☐ IGA ☐ MOU ☐ Grant ☐ Reclaimed Water

Change Order/Amendment to: Prior Index No. _____ C.O./Amend. No. _____

Document Title: CROSS-ACCESS LICENSE AGREEMENT

Parties: RE ASSET MANAGEMENT, LLC

Project/Subject: SHARED ACCESS ROAD (WILDCAT HILL WASTEWATER TREATMENT PLANT SITE)

Amount: _____ Eff. Date: UPON SIGNATURES Expires: 10 YEARS

Approved by Council? ☐ Yes ☐ No If yes, date of meeting: _____ (Attach copy of approved staff summary

LEASE/PROPERTY USE ONLY

Execution Date: _____ Term. Notice: _____ Adjustment Date: _____

Index Factor: _____ MR Billing/Acct. #: _____ Revenue Acct: _____

Maintenance: ☐ Lessee ☐ Lessor ☐ Other _____ Reports: ☐ Annual ☐ Semi-Annual ☐ Other _____

Automatic Renewals? ☐ Yes ☐ No If renewal(s) available, City Attorney's Office must complete following box

Conditions of renewal(s) including authority _____

INSURANCE? ☐ Yes ☐ No *If yes, attach Certificate of Insurance approved by Risk Management*

Warranty? ☐ Yes ☐ No ☐ N/A If yes, length of time? _____ Expiration Date: _____

Submitted By: CHARITY LEE Date Submitted: 10/3/2017 No. of Originals: 1

Key Contact: CHARITY LEE Department: REAL ESTATE Extension: X 2072

Comments: _____

10/3/17

DELIVERABLES? ☐ No ☐ Yes (If yes, attach deliverables sheet)

CITY CLERK'S OFFICE USE ONLY

DATE RECEIVED: 10-03-2017

To City Attorney: _____ Date Signed: _____

To City Manager: _____ Date Signed: _____

To Mayor: _____ Date Signed: _____

To City Clerk: _____ Date Signed: _____

To Recorder: _____ Date Returned: _____

No. of Originals Returned: _____ Date Scanned: _____

Returned to: _____ (Signature) _____ (Date)

REV. 04/08/14

CROSS-ACCESS LICENSE AGREEMENT

THE CITY OF FLAGSTAFF
and
RE ASSET MANAGEMENT, LLC

This Cross-Access License Agreement (the "Agreement") is made this 4 day of October, 2017 by and between the CITY OF FLAGSTAFF, Arizona, an Arizona municipal corporation (the "City") and RE ASSET MANAGEMENT, LLC, an Arizona limited liability company ("Business Owner").

RECITALS

A. The CITY OF FLAGSTAFF is the owner of property identified as Coconino County Assessor parcel number(s) 113-07-001D and 113-07-002A, located at 2800 North El Paso Road, Flagstaff, Arizona ("City Property"). This City Property is the site of the City of Flagstaff Wildcat Hill Wastewater Treatment Plant.

B. RE ASSET MANAGEMENT LLC is the owner of property identified as Coconino County Assessor parcel number 113-07-004, located at 6500 East Route 66, Flagstaff, Arizona ("Business Owner Property"). The Business Owner owns and operates a mining business on the Business Owner Property.

C. A physical road is present and has been used by both parties for many years to access their respective properties ("the Shared Access Road.") A map showing the road in relation to the City Property and Business Owner Property is attached hereto as Exhibit A and incorporated by reference.

D. The parties currently do not have recorded legal rights to cross each other's properties, and in addition to this Agreement, are considering long term options for legal access rights.

NOW, THEREFORE, the parties agree as follows:

1. Grant of License; Description of Use

The City hereby grants non-exclusive license to Business Owner to use that portion of the Shared Access Road that lies within City Property for ingress and egress to the Business Owner's Property for business operations purposes.

The Business Owner hereby grants a non-exclusive license to City to use that portion of the Shared Access Road that lies within Business Owner Property for ingress and egress to the City for City operations purposes.

2. Term of Agreement

This Agreement will be effective from the date of the last signature for a period of ten (10) years, unless terminated earlier by one of the parties pursuant to Section 3, below. This Agreement may be extended for additional years as determined by both parties upon renewal.

3. **Modification and Termination Clause**

3.1 This Agreement may be modified only by a written instrument executed by duly authorized representatives of the parties.

3.2 Either party may terminate this Agreement by providing the other party with ninety (90) days' advance written notice. In the event that one party provides the other party with notice of its intention to terminate, the parties will meet promptly to discuss the reasons for the notice and try to resolve their differences.

4. **Maintenance of Shared Access Road**

During the term of this Agreement Business Owner will maintain the Shared Access Road in good condition, and provide for snow removal.

5. **Indemnification**

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

6. **Assignment Prohibited** This license is a personal right to the City and Business Owner and is not subject to assignment without the written consent of both parties, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

CITY OF FLAGTAFF

Josh Copley, City Manager

Dated: 10/4/17

RE ASSET MANANGEMENT LLC

Name: Clarence E Morgan

Title: Vice-President

Dated: Oct. 3, 2017

Attest:

City Clerk

Approved as to form:

City Attorney

Attachment: Exhibit A

S:\Legal\Civil Matters\2017\2017-201 Cross-Access License for N El Paso Road\Cross Access License with RE Asset Mgmt 5-15-17.docx

Exhibit A


Shared Access Road
RE ASSET MANAGEMENT LLC
Wildcat Hill Wastewater Treatment Plant

Auth ID: PEA0605 Contact ID: REASSETS Expiration Date: 12/31/2019 Use Code: 753	FS-2700-4c (03/06) OMB No. 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

PRIVATE ROAD SPECIAL USE PERMIT
AUTHORITY:
FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976

RE ASSETS LLC, C/O ED MORGAN PO BOX 30326, FLAGSTAFF, AZ 86003 (hereafter called the Holder) is hereby authorized to use National Forest lands for the construction, reconstruction, maintenance, and use of a road within the Coconino National Forest for the following purposes:

ACCESS TO PRIVATE PROPERTY

The lands covered by this permit are located in the County of Coconino, State of Arizona and are described as follows:
Sec. 9, T. 21 N., R. 8 E., GILA AND SALT RIVER MERIDIAN
This permit covers a right-of-way 200 feet in length, 40 feet in width, containing approximately .18 acres, and is located upon the ground according to the survey line, figures, measurements, widths, and other references shown on the map or plat attached hereto as exhibits A & B and made a part hereof.

This permit is made subject to the following terms, provisions, and conditions:

1. This permit is subject to all existing easements and valid rights existing on this date.

2. The Holder in exercising the privileges granted by this permit shall comply with all applicable State and Federal laws, Executive Orders, and Federal rules and regulations, and shall comply with all State standards for public health and safety, environmental protection, and siting construction, operation, maintenance of or for rights-of-way for similar purposes if those standards are more stringent than applicable Federal standards.

3. The Holder shall cut no timber except as authorized by construction stipulations or maintenance agreements.

4. The Holder shall provide maintenance so that no damage occurs on adjacent National Forest land. The Holder shall construct and maintain lead-off drainage and water barriers as necessary to prevent erosion.

5. Holder shall pay the United States for all injury, loss, or damage, including fire suppression costs, in accordance with Federal and State laws.

6. Holder shall indemnify the United States for any and all injury, loss, or damage, including fire suppression costs the United States may suffer as a result of claims, demands, losses, or judgments caused by the Holder's use or occupancy under this permit.

7. Holder shall pay annually in advance a sum determined by the Forest Service to be the fair market value of the use authorized by this permit. The initial payment is set at $70.50 or the remainder of the calendar year. Payments for each subsequent calendar year shall be the amount of $70.50 adjusted using the Implicit Price Deflator-Gross National Product index (IPD-GNP), or other factor selected by the Forest Service , to reflect more nearly the current fair market value of the use. At intervals to be determined by certain changes in the indexes used to establish the linear rights-of-way fee schedule, the fee shall be reviewed and adjusted as necessary to assure that it is commensurate with the value of the rights and privileges authorized. Failure of the Holder to pay the annual payment, late charges, or other fees or charges shall cause the permit to terminate.

8. Pursuant to 31 U.S.C. 3717, et seq., interest shall be charged on any fee amount not paid within 30 days from the date the fee or fee calculation financial statement specified in this authorization becomes due. The rate of interest assessed shall be the higher of the rate of the current value of funds to the U.S. Treasury (i.e., Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly or at the Prompt Payment Act rate. Interest on the principal shall accrue from the date the fee or fee calculation financial statement is due.

In the event the account becomes delinquent, administrative costs to cover processing and handling of the delinquency will be assessed.

A penalty of 6 percent per annum shall be assessed on the total amount delinquent in excess of 90 days and shall accrue from the same date on which interest charges begin to accrue.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

Disputed fees are due and payable by the due date. No appeal of fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments, if necessary, will be made in accordance with settlement terms or the appeal decision.

If the fees become delinquent, the Forest Service will:

Liquidate any security or collateral provided by the authorization.

If no security or collateral is provided, the authorization will terminate and the holder will be responsible for delinquent fees as well as any other costs of restoring the site to it's original condition including hazardous waste cleanup.

Upon termination or revocation of the authorization, delinquent fees and other charges associated with the authorization will be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. Delinquencies may be subject to any or all of the following conditions:

Administrative offset of payments due the holder from the Forest Service.

Delinquencies in excess of 60 days shall be referred to United States Department of Treasury for appropriate collection action as provided by 31 U.S.C. 3711 (g), (1).

The Secretary of the Treasury may offset an amount due the debtor for any delinquency as provided by 31 U.S.C. 3720, et seq.)

9. All construction or reconstruction of the road shall be in accordance with plans, specifications, and written stipulations approved by the Forest Service prior to beginning such construction or reconstruction.

10. The Holder shall repair fully all damage to National Forest roads and trails caused by the exercise of the privileges granted by this permit.

11. The United States may use the roads without cost for all purposes deemed necessary or desirable in connection with the protection and administration of the lands or resources of the United States, provided that it will use the road for commercial hauling purposes, other than the removal of timber cut in construction or maintenance of the road or other occasional incidental use, only after arranging to pay or perform its pro rata share of road maintenance.

12. The Forest Service alone may extend rights and privileges for use of the road constructed on the premises to other non-Federal users provided that such users shall pay a fair share of the current replacement cost less depreciation of the road to the holder, and reconstruct the road as necessary to accommodate their use.

13. The Forest Service retains the right to occupy and use the right-of-way and to issue or grant rights-of-way for land uses, for other than road purposes, upon, over, under, and through the permit area provided that the occupancy and use do not interfere unreasonably with the rights granted herein.

14. The Forest Service shall have the right to cross and re-cross the premises and road at any place by any reasonable means and for any purpose in such manner as does not interfere unreasonably with use of the road.

15. The Holder shall maintain the right-of-way clearing by means of chemicals only after the Forest Supervisor has given specific written approval. Application for such approval must be in writing and must specify the time, method, chemicals, and the exact portion of the right-of-way to be chemically treated.

16. Unless sooner terminated, or revoked by the Regional Forester, this permit shall expire and terminate on 12/31/2019. At that time, if the holder still needs the road for the purposes for which this permit is granted, the permit will be reissued for a period of 10 years (or the estimated remaining life of the project, whichever is less). At the time of reissuance, the terms and conditions may be modified and new conditions or stipulations added at the discretion of the Forest Service.

17. This permit may be terminated or suspended upon breach of any of the conditions herein, or revoked at the discretion of the Issuing Officer.

18. Upon termination or revocation of this special-use authorization, the Holder shall remove within a reasonable time the structures and improvements and shall restore the site to a condition satisfactory to the authorized officer, unless otherwise waived in writing or in the authorization. If the Holder fails to remove the structures or improvements within a reasonable period, as determined by the authorized officer, they shall become the property of the United States, but this does not relieve the Holder from liability for the removal and site restoration costs.

19. Nonexclusive Use and Public Access. Unless expressly provided for in additional terms, use of the permit area is not exclusive. The Forest Service reserves the right to use or allow others to use any part of the permit area, including roads, for any purpose, provided, such use does not materially interfere with the holder's authorized use. A final determination of conflicting uses is reserved to the Forest Service.

20. Forest Service Right of Entry and Inspection. The Forest Service has the right of unrestricted access of the permitted area or facility to ensure compliance with laws, regulations, and ordinances and the terms and conditions of this permit.

21. Liability. For purposes of this section, "holder" includes the holder's heirs, assigns, agents, employees, and contractors.

A. The holder assumes all risk of loss to the authorized improvements.

B. The holder shall indemnify, defend, and hold the United States harmless for any violations incurred under any such laws and regulations or for judgments, claims, or demands assessed against the United States in connection with the holder's use or occupancy of the property. The holder's indemnification of the United States shall include any loss by personal injury, loss of life or damage to property in connection with the occupancy or use of the property during the term of this permit. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, or other mitigation; fire suppression or other types of abatement costs; third party claims and judgments; and all administrative, interest, and other legal costs. This paragraph shall survive the termination or revocation of this authorization, regardless of cause.

C. The holder has an affirmative duty to protect from damage the land, property, and interests of the United States.

D. In the event of any breach of the conditions of this authorization by the holder, the Authorized Officer may, on reasonable notice, cure the breach for the account at the expense of the holder. If the Forest Service at any time pays any sum of money or does any act which will require payment of money, or incurs any expense, including reasonable attorney's fees, in instituting, prosecuting, and/or defending any action or proceeding to enforce the United States rights hereunder, the sum or sums so paid by the United States, with all interests, costs and damages shall, at the election of the Forest Service, be deemed to be additional fees hereunder and shall be due from the holder to the Forest Service on the first day of the month following such election.

E. With respect to roads, the holder shall be proportionally liable for damages to all roads and trails of the United States open to public use caused by the holder's use to the same extent as provided above, except that liability shall not include reasonable and ordinary wear and tear.

F. The Forest Service has no duty to inspect the permit area or to warn of hazards and, if the Forest Service does inspect the permit area, it shall incur no additional duty nor liability for identified or non-identified hazards. This covenant may be enforced by the United States in a court of competent jurisdiction.

22. Members of Congress. No Member of or Delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except when the authorized use provides a general benefit to a corporation.

23. Appeals and Remedies. Any discretionary decisions or determinations by the authorized officer are subject to the appeal regulations at 36 CFR 251, Subpart C, or revisions thereto.

24. Assignability. This authorization is not assignable or transferable. If Holder, through death, voluntary transfer, enforcement of contract, foreclosure, or other valid legal proceeding shall cease to be owner of the above-described real property accessed by the authorized road, this authorization will terminate.

25. Superior Clauses. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses shall control.

26. Cultural Resources Protection (D001RO). The holder, contractor, or lessee shall be responsible for the protection from damage of all identified cultural resources within the area which may be affected by their actions. In addition, the holder, contractor, or lessee shall be liable for all damage or injury to the identified cultural resources caused by their actions. The holder, contractor, or lessee shall immediately notify the agency Project Administrator if any damage occurs to any cultural resource and immediately halt work in the area in which damage has occurred until approval to proceed has been granted by the Project Administrator after consultation with the Forest Archeologist. All provisions of the Region 3 Cultural Resources Damage Assessment Handbook are incorporated by reference herein.

27. Native American Grave Protection and Repatriation Act (X003RO). Pursuant to the Native American Grave Protection and Repatriation Act (NAGPRA) 25 USC 3002(d); 43 CFR Part 10.4, if any human remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered during the course of ground disturbing activity, the holder will immediately cease activity in the area of the discovery and will make a reasonable effort to protect the remains and objects. The holder will provide immediate telephone notification of the discovery to the Forest Service, and will follow up with written confirmation to the authorized officer. The holder will not resume the activity that resulted in the discovery until the authorized officer gives written approval. Approval to resume the activity, if otherwise lawful, will be given thirty (30) days after certification by the authorized officer of the holder's written confirmation of the discovery, or at any time that a written binding agreement is executed between the Forest Service and the affiliated tribes adopting a recovery plan for the remains and objects.

In Witness Whereof, the parties hereto have caused this authorization to be duly executed on this day of Month/Year.

Holder	USDA - Forest Service
By: for RE ASSETS LLC	5 [redacted] 2009 By: Nora B Rasure Name Nora B. Rasure Forest Supervisor Coconino National Forest

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Private access road
T21N, R8E, Section 9

EXHIBIT B

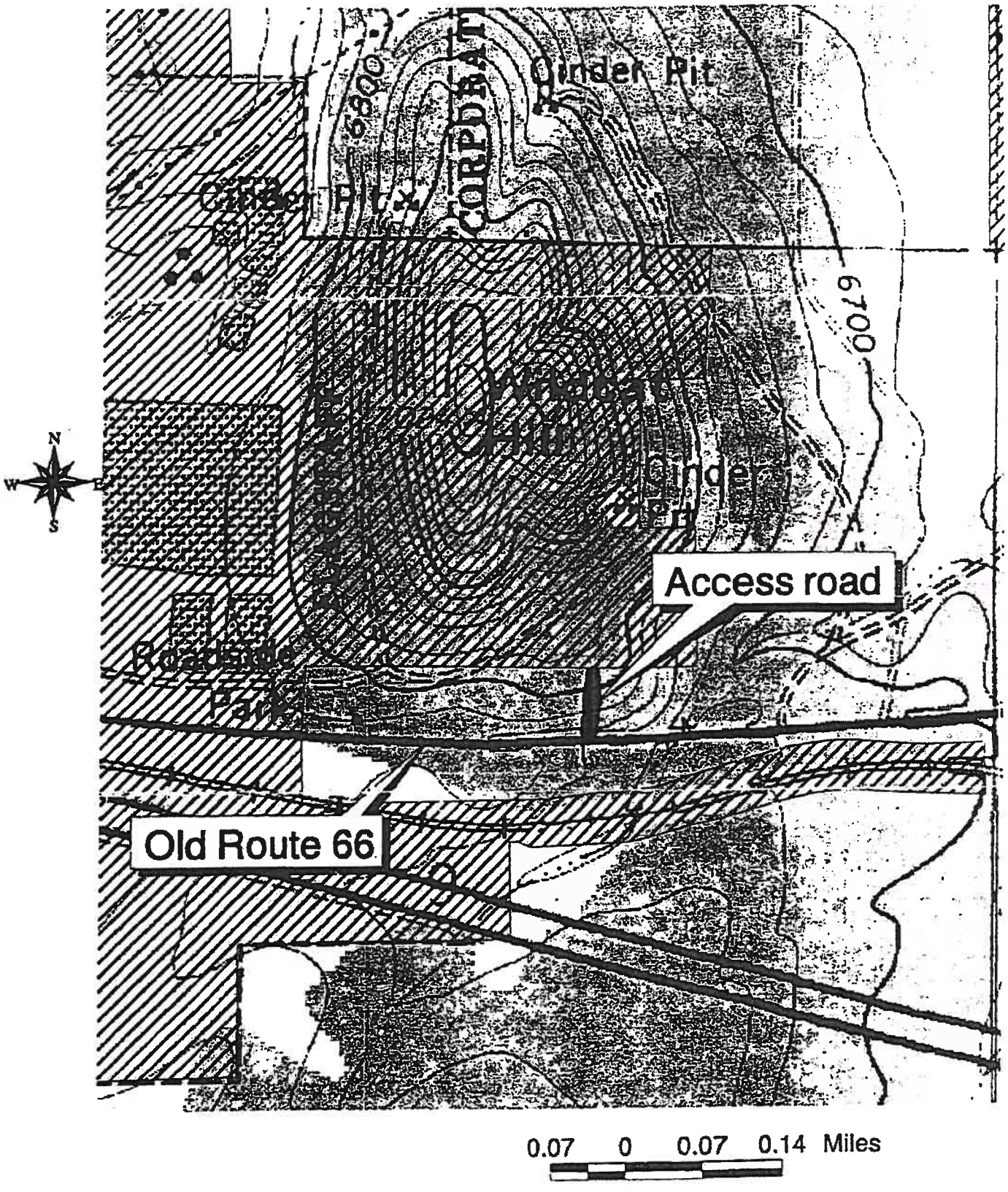


EXHIBIT A
ROAD MAINTENANCE OPERATIONS

General Specifications

All work shall be performed in a professional manner. Personnel and equipment shall be capable of performing the work. Using a tow-able drag is not permitted under this special use permit.

The maintenance work to be performed shall include grading and shaping the roadway and shoulders; cleaning and shaping the drainage ditches, grade dips and water bars; cleaning out catch basins, inverts, interior and outlets of culverts; removal of limbs, brush and obstructions; and the cleaning and shaping of lead-off ditches.

In general, the roadway and shoulder shall be shaped so that the centerline is crowned and a transverse slope of approximately 2% is attained toward each shoulder. In some cases, out sloping may be permitted if authorized by the Forest Service. Maintain existing crown. All berms either new or existing shall be removed from the roadway shoulder to the maximum extent possible. Only short lengths of berms will be permitted to remain on roadways, not to exceed 12 feet where protruding stumps at shoulder level or outlets to culverts prohibit removal. The only exception to this will be on roads where berms have been incorporated into design to prevent erosion of fill slopes.

The blading shall proceed in an orderly fashion by successive passes with a grader parallel to the road centerline, progressing from the lower side to the upper side of the roadway and back across. In the process, all ruts shall be filled and a crown formed on the roadway. Portions of roadways, when excessive ruts or corrugation exist, when ruts or corrugation are 3" deep or more, shall be flat bladed before pulling ditches.

Fines dislodged in blading roadways shall not be wasted over shoulders of roads; these fines shall be incorporated in plating of existing roadbed. Rocks over 3 inches shall be wasted over shoulders away from outlets of culverts, travelway and ditchline.

Ditch blading shall consist of removing slough, road surfacing material, large rocks, and other obstructions. Care shall be taken to not widen or deepen the ditch. Widened roadways sections at curves, fill and turnouts shall also be included in the blading of the roadway. The shoulder line shall be definite, continuous and smooth, with no abrupt changes in alignment.

The blading shall maintain the roadway width as existing. Cutting backslope or increasing the slope of the shoulder shall not increase Road widths.

Cleaning Culverts and Ditches

The upper and lowers ends, as well as the inside of existing culverts, for a minimum distance of 2 feet shall be thoroughly cleaned to provide unobstructed flow to and from the culverts. Limbs, brush and all other types of trash on backslope within 5 feet of inlet and outlet of culverts shall be removed.

Catch basins shall be cleaned of excess material above the flow line of culverts or above the floor of concrete or masonry catch basins, the discharge end of culverts shall be cleared of material to the elevation of culvert outlets for a distance of 5 feet.

Dikes (ditch blocks) for intercepting flow of water on a sidehill installation shall be no higher than the culverts diameter and in any case, lower than shoulder of road.

Ditches – All roadway ditches, lead off ditches from culverts or cut sections, and lead in ditches shall be cleaned of any material that would obstruct the flow. The work is to be accomplished so that reasonable conformance to previous line, grade, and cross section will be achieved.

Grade Dips – Grade dips shall be maintained so as to be of sufficient depth and width to adequately drain away from roadway. Grade dips shall be maintained in accordance with attached drawing.

Removal of Obstructions

Removal of trees, limbs, brush and obstructions shall be limited to those that are within 3 feet of the travelway, obstructing the driver's sight distance. Limbs will be pruned next to trunk of trees with exception of portions of overhanging limbs. Material removed shall be scattered outside the road prism.

Public Safety

The blade operator shall exercise due caution and care when operating to prevent undue conflict with public users of roads.

A reflectorized "Slow Moving" vehicle emblem shall be attached to all motor patrols and at least on amber flashing warning lamp visible from front and rear. Lamp shall flash in unison and be mounted as high as possible on cab of motor grader.

The blade operator shall post warning signs with flags on either end of the section being worked to warn the road users of the work in progress.

Snow Removal

Snow removal shall be done in a manner to preserve and protect the roads, to insure safe and efficient transportation, and prevent erosion damage to roads, streams and adjacent lands.

Description:

a. Removal of snow from the entire road surface width including turnouts.
b. Removal of snow slides, earth slides, fallen timber and boulders that obstruct normal road surface width.
c. Removal of snow, ice and debris from ditches and culverts so that the drainage system will function efficiently at all times.

Performances:

a. During snow removal operations, banks shall not be undercut nor shall or other selected surface material be bladed off the roadway surface.
b. Ditches and culverts shall be kept functional during and following roadway use.
c. Snow berms shall not be left on the road surface without written approval of the Forest Service.
d. Dozers shall not be used to plow snow on Forest Service roads without written approval.
e. Damage from, or as a result of snow removal shall be restored in a timely manner by the permittee.

EXHIBIT A

U.S. FOREST SERVICE — REG. N 3

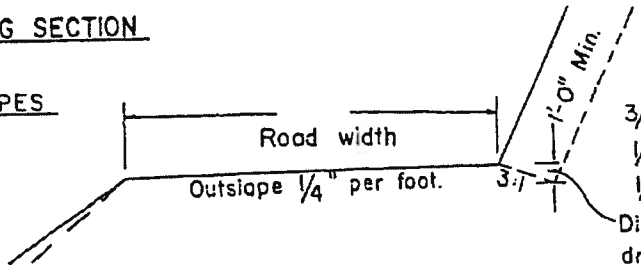
MINIMUM STANDARDS FOR SINGLE LANE FAIR WEATHER ROAD

DESIGN CRITERIA

Grade — Maximum of 8% unless approved in writing by the Forest Service.
Alignment — Minimum radius 50 ft.

TYPICAL GRADING SECTION

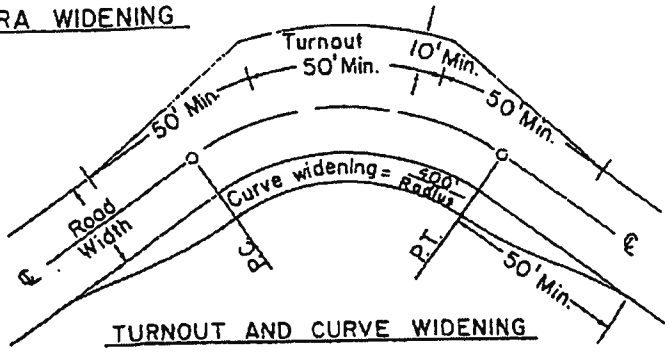
FILL SLOPES
1 1/2:1 Common
1 1/2:1 Rock



CUT SLOPES
1:1 — Common, 0–55% Side Slopes.
3/4:1 — Common, over 55% Side Slopes.
1/2:1 — Hardpan — Soft rock.
1/4:1 — Solid rock.
Ditch only where required for adequate drainage.

Side cast on contour grade line permitted except where topography is so broken that designed end haul is necessary to obtain reasonable minimum alignment standard.

EXTRA WIDENING



TURNOUT AND CURVE WIDENING

WIDENING ON FILL

Height of fill at Shoulder	Widen each Shoulder
0'–6' (1 1/2:1 Fill Slopes)	1'–0"
Over 6' (1 1/2:1 Fill Slopes)	2'–0"

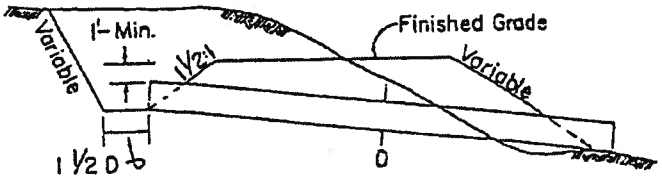
TURNOUT SPACING

Turnouts to be located on blind curves and supplemented between blind curves as necessary to keep spacing less than 1,000 ft.

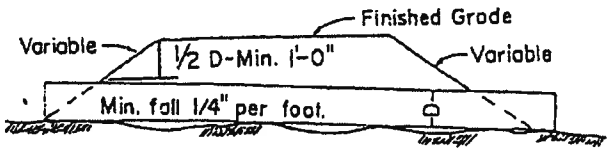
SURFACING

Spot surface with selected material where needed.

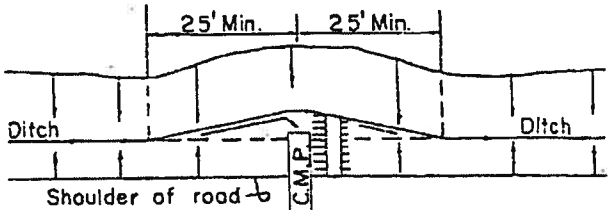
CULVERTS

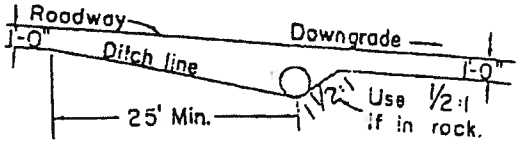


SIDEHILL INSTALLATION



THROUGH FILL

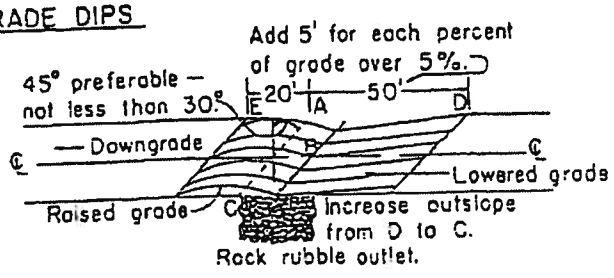


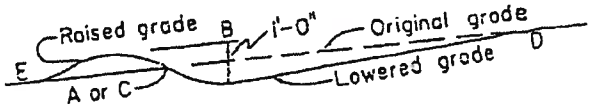


SIDEHILL INSTALLATION

All culverts must discharge at natural ground level unless slope under pipe is protected by rock fill. Gradient of culverts on Sidehill installation not less than approaching ditch gradient.

GRADE DIPS





Grade Dips may be used in lieu of culverts ordinarily used for ditch relief.

For spacing of Grade Dips and Ditch Relief Culverts see F.S.M. 5613.54.

R3-7100-86 (8/56)

Auth ID: PEA0605
Contact ID: REASSETS
Expiration Date: 12/31/2019
Use Code: 753

FS-2700-4c (03/06)
OMB No. 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

PRIVATE ROAD SPECIAL USE PERMIT
AUTHORITY:
FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976

RE ASSETS LLC, C/O ED MORGAN PO BOX 30326, FLAGSTAFF, AZ 86003 (hereafter called the Holder) is hereby authorized to use National Forest lands for the construction, reconstruction, maintenance, and use of a road within the Coconino National Forest for the following purposes:

ACCESS TO PRIVATE PROPERTY

The lands covered by this permit are located in the County of Coconino, State of Arizona and are described as follows:
Sec. 9, T. 21 N., R. 8 E., GILA AND SALT RIVER MERIDIAN
This permit covers a right-of-way 200 feet in length, 40 feet in width, containing approximately .18 acres, and is located upon the ground according to the survey line, figures, measurements, widths, and other references shown on the map or plat attached hereto as exhibits A & B and made a part hereof.

This permit is made subject to the following terms, provisions, and conditions:

1. This permit is subject to all existing easements and valid rights existing on this date.

2. The Holder in exercising the privileges granted by this permit shall comply with all applicable State and Federal laws, Executive Orders, and Federal rules and regulations, and shall comply with all State standards for public health and safety, environmental protection, and siting construction, operation, maintenance of or for rights-of-way for similar purposes if those standards are more stringent than applicable Federal standards.

3. The Holder shall cut no timber except as authorized by construction stipulations or maintenance agreements.

4. The Holder shall provide maintenance so that no damage occurs on adjacent National Forest land. The Holder shall construct and maintain lead-off drainage and water barriers as necessary to prevent erosion.

5. Holder shall pay the United States for all injury, loss, or damage, including fire suppression costs, in accordance with Federal and State laws.

6. Holder shall indemnify the United States for any and all injury, loss, or damage, including fire suppression costs the United States may suffer as a result of claims, demands, losses, or judgments caused by the Holder's use or occupancy under this permit.

7. Holder shall pay annually in advance a sum determined by the Forest Service to be the fair market value of the use authorized by this permit. The initial payment is set at $70.50 or the remainder of the calendar year. Payments for each subsequent calendar year shall be the amount of $70.50 adjusted using the Implicit Price Deflator-Gross National Product index (IPD-GNP), or other factor selected by the Forest Service , to reflect more nearly the current fair market value of the use. At intervals to be determined by certain changes in the indexes used to establish the linear rights-of-way fee schedule, the fee shall be reviewed and adjusted as necessary to assure that it is commensurate with the value of the rights and privileges authorized. Failure of the Holder to pay the annual payment, late charges, or other fees or charges shall cause the permit to terminate.

8. Pursuant to 31 U.S.C. 3717, et seq., interest shall be charged on any fee amount not paid within 30 days from the date the fee or fee calculation financial statement specified in this authorization becomes due. The rate of interest assessed shall be the higher of the rate of the current value of funds to the U.S. Treasury (i.e., Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly or at the Prompt Payment Act rate. Interest on the principal shall accrue from the date the fee or fee calculation financial statement is due.

In the event the account becomes delinquent, administrative costs to cover processing and handling of the delinquency will be assessed.

A penalty of 6 percent per annum shall be assessed on the total amount delinquent in excess of 90 days and shall accrue from the same date on which interest charges begin to accrue.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

Disputed fees are due and payable by the due date. No appeal of fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments, if necessary, will be made in accordance with settlement terms or the appeal decision.

If the fees become delinquent, the Forest Service will:

Liquidate any security or collateral provided by the authorization.

If no security or collateral is provided, the authorization will terminate and the holder will be responsible for delinquent fees as well as any other costs of restoring the site to it's original condition including hazardous waste cleanup.

Upon termination or revocation of the authorization, delinquent fees and other charges associated with the authorization will be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. Delinquencies may be subject to any or all of the following conditions:

Administrative offset of payments due the holder from the Forest Service.

Delinquencies in excess of 60 days shall be referred to United States Department of Treasury for appropriate collection action as provided by 31 U.S.C. 3711 (g), (1).

The Secretary of the Treasury may offset an amount due the debtor for any delinquency as provided by 31 U.S.C. 3720, et seq.)

9. All construction or reconstruction of the road shall be in accordance with plans, specifications, and written stipulations approved by the Forest Service prior to beginning such construction or reconstruction.

10. The Holder shall repair fully all damage to National Forest roads and trails caused by the exercise of the privileges granted by this permit.

11. The United States may use the roads without cost for all purposes deemed necessary or desirable in connection with the protection and administration of the lands or resources of the United States, provided that it will use the road for commercial hauling purposes, other than the removal of timber cut in construction or maintenance of the road or other occasional incidental use, only after arranging to pay or perform its pro rata share of road maintenance.

12. The Forest Service alone may extend rights and privileges for use of the road constructed on the premises to other non-Federal users provided that such users shall pay a fair share of the current replacement cost less depreciation of the road to the holder, and reconstruct the road as necessary to accommodate their use.

13. The Forest Service retains the right to occupy and use the right-of-way and to issue or grant rights-of-way for land uses, for other than road purposes, upon, over, under, and through the permit area provided that the occupancy and use do not interfere unreasonably with the rights granted herein.

14. The Forest Service shall have the right to cross and re-cross the premises and road at any place by any reasonable means and for any purpose in such manner as does not interfere unreasonably with use of the road.

15. The Holder shall maintain the right-of-way clearing by means of chemicals only after the Forest Supervisor has given specific written approval. Application for such approval must be in writing and must specify the time, method, chemicals, and the exact portion of the right-of-way to be chemically treated.

16. Unless sooner terminated, or revoked by the Regional Forester, this permit shall expire and terminate on 12/31/2019. At that time, if the holder still needs the road for the purposes for which this permit is granted, the permit will be reissued for a period of 10 years (or the estimated remaining life of the project, whichever is less). At the time of reissuance, the terms and conditions may be modified and new conditions or stipulations added at the discretion of the Forest Service.

17. This permit may be terminated or suspended upon breach of any of the conditions herein, or revoked at the discretion of the Issuing Officer.

18. Upon termination or revocation of this special-use authorization, the Holder shall remove within a reasonable time the structures and improvements and shall restore the site to a condition satisfactory to the authorized officer, unless otherwise waived in writing or in the authorization. If the Holder fails to remove the structures or improvements within a reasonable period, as determined by the authorized officer, they shall become the property of the United States, but this does not relieve the Holder from liability for the removal and site restoration costs.

19. Nonexclusive Use and Public Access. Unless expressly provided for in additional terms, use of the permit area is not exclusive. The Forest Service reserves the right to use or allow others to use any part of the permit area, including roads, for any purpose, provided, such use does not materially interfere with the holder's authorized use. A final determination of conflicting uses is reserved to the Forest Service.

20. Forest Service Right of Entry and Inspection. The Forest Service has the right of unrestricted access of the permitted area or facility to ensure compliance with laws, regulations, and ordinances and the terms and conditions of this permit.

21. Liability. For purposes of this section, "holder" includes the holder's heirs, assigns, agents, employees, and contractors.

A. The holder assumes all risk of loss to the authorized improvements.

B. The holder shall indemnify, defend, and hold the United States harmless for any violations incurred under any such laws and regulations or for judgments, claims, or demands assessed against the United States in connection with the holder's use or occupancy of the property. The holder's indemnification of the United States shall include any loss by personal injury, loss of life or damage to property in connection with the occupancy or use of the property during the term of this permit. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, or other mitigation; fire suppression or other types of abatement costs; third party claims and judgments; and all administrative, interest, and other legal costs. This paragraph shall survive the termination or revocation of this authorization, regardless of cause.

C. The holder has an affirmative duty to protect from damage the land, property, and interests of the United States.

D. In the event of any breach of the conditions of this authorization by the holder, the Authorized Officer may, on reasonable notice, cure the breach for the account at the expense of the holder. If the Forest Service at any time pays any sum of money or does any act which will require payment of money, or incurs any expense, including reasonable attorney's fees, in instituting, prosecuting, and/or defending any action or proceeding to enforce the United States rights hereunder, the sum or sums so paid by the United States, with all interests, costs and damages shall, at the election of the Forest Service, be deemed to be additional fees hereunder and shall be due from the holder to the Forest Service on the first day of the month following such election.

E. With respect to roads, the holder shall be proportionally liable for damages to all roads and trails of the United States open to public use caused by the holder's use to the same extent as provided above, except that liability shall not include reasonable and ordinary wear and tear.

F. The Forest Service has no duty to inspect the permit area or to warn of hazards and, if the Forest Service does inspect the permit area, it shall incur no additional duty nor liability for identified or non-identified hazards. This covenant may be enforced by the United States in a court of competent jurisdiction.

22. Members of Congress. No Member of or Delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except when the authorized use provides a general benefit to a corporation.

23. Appeals and Remedies. Any discretionary decisions or determinations by the authorized officer are subject to the appeal regulations at 36 CFR 251, Subpart C, or revisions thereto.

24. Assignability. This authorization is not assignable or transferable. If Holder, through death, voluntary transfer, enforcement of contract, foreclosure, or other valid legal proceeding shall cease to be owner of the above-described real property accessed by the authorized road, this authorization will terminate.

25. Superior Clauses. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses shall control.

26. Cultural Resources Protection (D001RO). The holder, contractor, or lessee shall be responsible for the protection from damage of all identified cultural resources within the area which may be affected by their actions. In addition, the holder, contractor, or lessee shall be liable for all damage or injury to the identified cultural resources caused by their actions. The holder, contractor, or lessee shall immediately notify the agency Project Administrator if any damage occurs to any cultural resource and immediately halt work in the area in which damage has occurred until approval to proceed has been granted by the Project Administrator after consultation with the Forest Archeologist. All provisions of the Region 3 Cultural Resources Damage Assessment Handbook are incorporated by reference herein.

27. Native American Grave Protection and Repatriation Act (X003RO). Pursuant to the Native American Grave Protection and Repatriation Act (NAGPRA) 25 USC 3002(d); 43 CFR Part 10.4, if any human remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered during the course of ground disturbing activity, the holder will immediately cease activity in the area of the discovery and will make a reasonable effort to protect the remains and objects. The holder will provide immediate telephone notification of the discovery to the Forest Service, and will follow up with written confirmation to the authorized officer. The holder will not resume the activity that resulted in the discovery until the authorized officer gives written approval. Approval to resume the activity, if otherwise lawful, will be given thirty (30) days after certification by the authorized officer of the holder's written confirmation of the discovery, or at any time that a written binding agreement is executed between the Forest Service and the affiliated tribes adopting a recovery plan for the remains and objects.

In Witness Whereof, the parties hereto have caused this authorization to be duly executed on this day of Month/Year.

Holder	USDA - Forest Service
By: _____ for RE ASSETS LLC	5 [redacted] 2009 June By: Nora B Rasure Name Nora B. Rasure Forest Supervisor Coconino National Forest

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Private access road
T21N, R8E, Section 9

EXHIBIT B

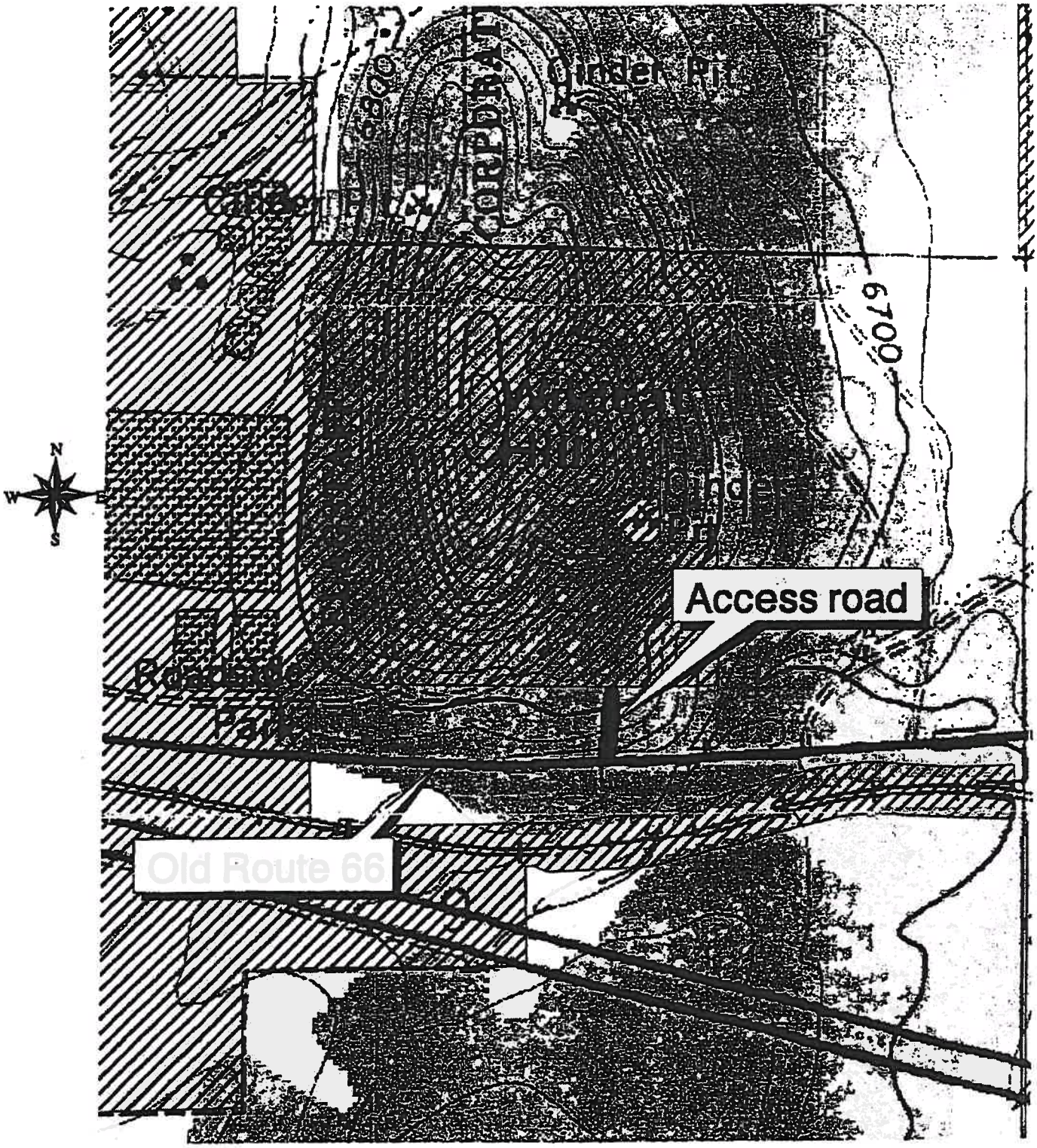


EXHIBIT A
ROAD MAINTENANCE OPERATIONS

General Specifications

All work shall be performed in a professional manner. Personnel and equipment shall be capable of performing the work. Using a tow-able drag is not permitted under this special use permit.

The maintenance work to be performed shall include grading and shaping the roadway and shoulders; cleaning and shaping the drainage ditches, grade dips and water bars; cleaning out catch basins, inverts, interior and outlets of culverts; removal of limbs, brush and obstructions; and the cleaning and shaping of lead-off ditches.

In general, the roadway and shoulder shall be shaped so that the centerline is crowned and a transverse slope of approximately 2% is attained toward each shoulder. In some cases, out sloping may be permitted if authorized by the Forest Service. Maintain existing crown. All berms either new or existing shall be removed from the roadway shoulder to the maximum extent possible. Only short lengths of berms will be permitted to remain on roadways, not to exceed 12 feet where protruding stumps at shoulder level or outlets to culverts prohibit removal. The only exception to this will be on roads where berms have been incorporated into design to prevent erosion of fill slopes.

The blading shall proceed in an orderly fashion by successive passes with a grader parallel to the road centerline, progressing from the lower side to the upper side of the roadway and back across. In the process, all ruts shall be filled and a crown formed on the roadway. Portions of roadways, when excessive ruts or corrugation exist, when ruts or corrugation are 3" deep or more, shall be flat bladed before pulling ditches.

Fines dislodged in blading roadways shall not be wasted over shoulders of roads; these fines shall be incorporated in plating of existing roadbed. Rocks over 3 inches shall be wasted over shoulders away from outlets of culverts, travelway and ditchline.

Ditch blading shall consist of removing slough, road surfacing material, large rocks, and other obstructions. Care shall be taken to not widen or deepen the ditch. Widened roadways sections at curves, fill and turnouts shall also be included in the blading of the roadway. The shoulder line shall be definite, continuous and smooth, with no abrupt changes in alignment.

The blading shall maintain the roadway width as existing. Cutting backslope or increasing the slope of the shoulder shall not increase Road widths.

Cleaning Culverts and Ditches

The upper and lowers ends, as well as the inside of existing culverts, for a minimum distance of 2 feet shall be thoroughly cleaned to provide unobstructed flow to and from the culverts. Limbs, brush and all other types of trash on backslope within 5 feet of inlet and outlet of culverts shall be removed.

Catch basins shall be cleaned of excess material above the flow line of culverts or above the floor of concrete or masonry catch basins, the discharge end of culverts shall be cleared of material to the elevation of culvert outlets for a distance of 5 feet.

Dikes (ditch blocks) for intercepting flow of water on a sidehill installation shall be no higher than the culverts diameter and in any case, lower than shoulder of road.

Ditches – All roadway ditches, lead off ditches from culverts or cut sections, and lead in ditches shall be cleaned of any material that would obstruct the flow. The work is to be accomplished so that reasonable conformance to previous line, grade, and cross section will be achieved.

Grade Dips – Grade dips shall be maintained so as to be of sufficient depth and width to adequately drain away from roadway. Grade dips shall be maintained in accordance with attached drawing.

Removal of Obstructions

Removal of trees, limbs, brush and obstructions shall be limited to those that are within 3 feet of the travelway, obstructing the driver's sight distance. Limbs will be pruned next to trunk of trees with exception of portions of overhanging limbs. Material removed shall be scattered outside the road prism.

Public Safety

The blade operator shall exercise due caution and care when operating to prevent undue conflict with public users of roads.

A reflectorized "Slow Moving" vehicle emblem shall be attached to all motor patrols and at least on amber flashing warning lamp visible from front and rear. Lamp shall flash in unison and be mounted as high as possible on cab of motor grader.

The blade operator shall post warning signs with flags on either end of the section being worked to warn the road users of the work in progress.

Snow Removal

Snow removal shall be done in a manner to preserve and protect the roads, to insure safe and efficient transportation, and prevent erosion damage to roads, streams and adjacent lands.

Description:

a. Removal of snow from the entire road surface width including turnouts.
b. Removal of snow slides, earth slides, fallen timber and boulders that obstruct normal road surface width.
c. Removal of snow, ice and debris from ditches and culverts so that the drainage system will function efficiently at all times.

Performances:

a. During snow removal operations, banks shall not be undercut nor shall or other selected surface material be bladed off the roadway surface.
b. Ditches and culverts shall be kept functional during and following roadway use.
c. Snow berms shall not be left on the road surface without written approval of the Forest Service.
d. Dozers shall not be used to plow snow on Forest Service roads without written approval.
e. Damage from, or as a result of snow removal shall be restored in a timely manner by the permittee.

EXHIBIT A

U.S. FOREST SERVICE — REGION 3

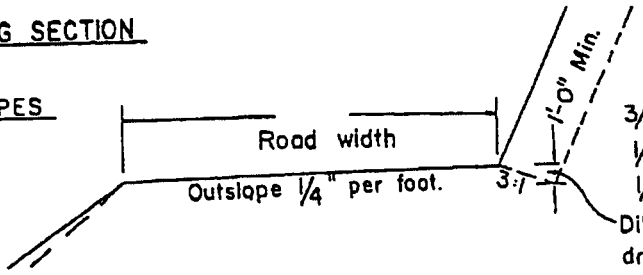
MINIMUM STANDARDS FOR SINGLE LANE FAIR WEATHER ROAD

DESIGN CRITERIA

Grade — Maximum of 8% unless approved in writing by the Forest Service.
Alignment — Minimum radius 50 ft.

TYPICAL GRADING SECTION

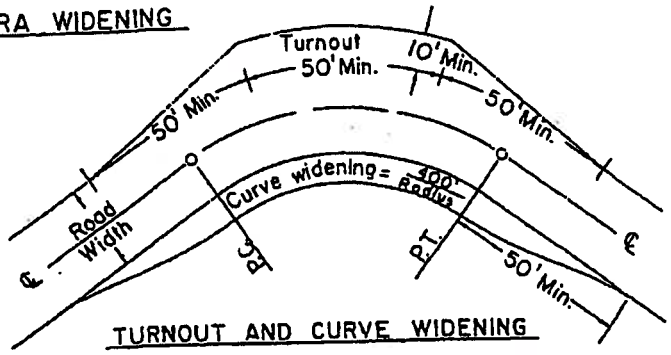
FILL SLOPES
1 1/2:1 Common
1 1/2:1 Rock



CUT SLOPES
1:1 — Common, 0–55% Side Slopes.
3/4:1 — Common, over 55% Side Slopes.
1/2:1 — Hardpan — Soft rock.
1/4:1 — Solid rock.
Ditch only where required for adequate drainage.

Side cast on contour grade line permitted except where topography is so broken that designed end haul is necessary to obtain reasonable minimum alignment standard.

EXTRA WIDENING



TURNOUT AND CURVE WIDENING

WIDENING ON FILL

Height of fill at Shoulder	Widen each Shoulder
0' – 6' (1 1/2:1 Fill Slopes)	1'–0"
Over 6' (1 1/2:1 Fill Slopes)	2'–0"

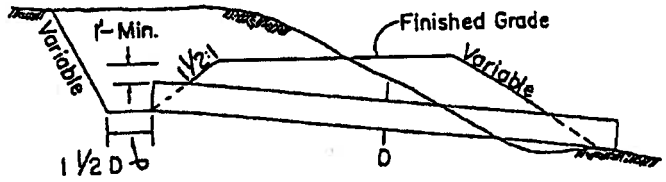
TURNOUT SPACING

Turnouts to be located on blind curves and supplemented between blind curves as necessary to keep spacing less than 1,000 ft.

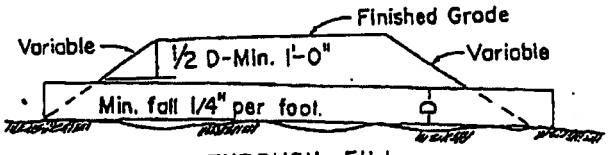
SURFACING

Spot surface with selected material where needed.

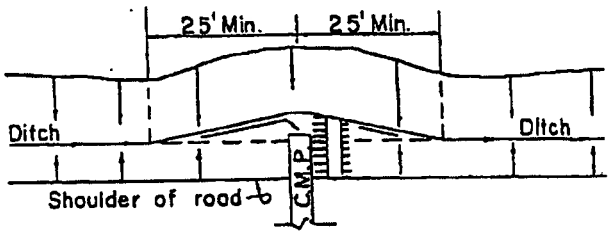
CULVERTS

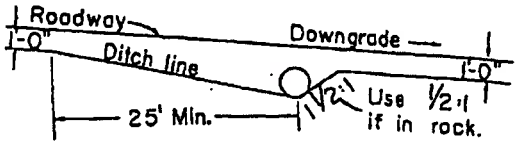


SIDEHILL INSTALLATION



THROUGH FILL

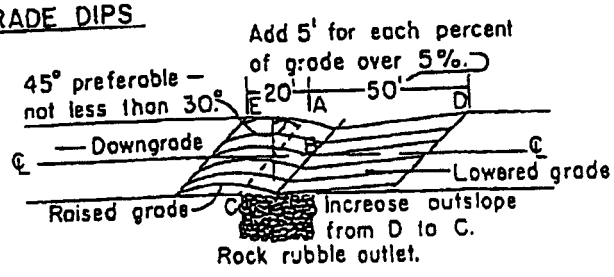


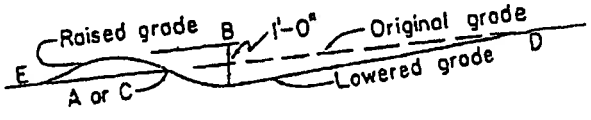


SIDEHILL INSTALLATION

All culverts must discharge at natural ground level unless slope under pipe is protected by rock fill.
Gradient of culverts on Sidehill Installation not less than approaching ditch gradient.

GRADE DIPS





Grade Dips may be used in lieu of culverts ordinarily used for ditch relief.

For spacing of Grade Dips and Ditch Relief Culverts see F.S.M. 5613.54.

R3-7100-86 (8/66)

Mogollon ENGINEERING & SURVEYING Inc
618 E Route 66, Flagstaff, AZ 86001
928.395.2653
info@mogollonengineering.com

LEGAL DESCRIPTION

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s): 113-07-003S

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCONINO, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Parcel 3, RECORD OF SURVEYS, recorded in Document No. 3997212, records of Coconino County, Arizona, being a portion of Parcel No. 2 and 3, recorded in Document No. 3445758 and as shown on Record of Surveys, recorded in Document No. 3457506, records of Coconino County, Arizona, lying within Section 9, Township 21 North, Range 8, East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, described as follows:

BEGINNING at the Southwest corner of said Parcel No. 2;

THENCE South 89 degrees 47 minutes 23 seconds East, a distance of 665.71 feet to the Southeast corner of said Parcel No. 2, which is the Southwest corner of said Parcel No..3;

THENCE South 89 degrees 56 minutes 25 seconds East, along the South line of said Parcel No., 3, a distance of 206.81 feet;

THENCE North 00 degrees 03 minute 39 seconds West, a distance of 948.62 feet;

THENCE North 89 degrees 57 minute 49 seconds West, a distance of 565.30 feet;

THENCE South 56 degrees 27 minute 48 seconds West, a distance of 364.41 feet to a point on the West line of said Parcel No.2;

THENCE South 00 degrees 11 minutes 21 seconds West, a distance of 745.00 feet to the POINT OF BEGINNING.

EXCEPT any vein or lode of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposits, claimed or known to exist within the above described premises on March 22, 1965, as reserved in Patent from United States of America.

SITE PLAN AREA MAP
FOR
WINSLOW READY MIX
WILDCAT INDUSTRIAL PARK
YARDS 14 & 15

LOCATED IN THE N 1/2 OF SECTION 9,
TOWNSHIP 21 NORTH, RANGE 8 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA

SOIL PROPERTIES

SOILS ARE BROLLIAR STONY CLAY LOAM WITH 0-2% SLOPES BASED ON INFORMATION PROVIDED BY THE U.S DEPT. OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE - CUSTOM SOIL RESOURCE REPORT (DATED JUNE 26, 2018)

SLOPES

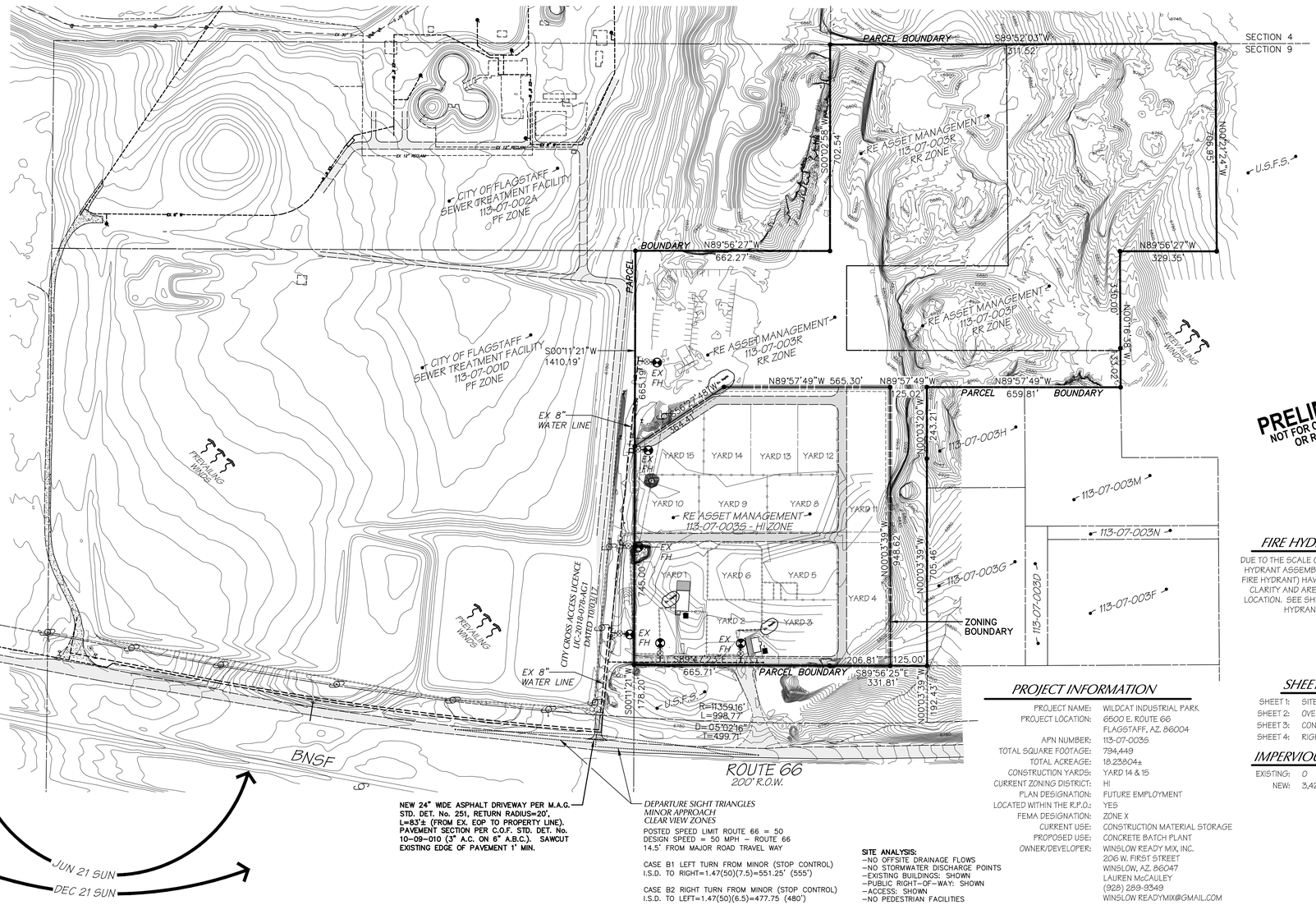
THERE ARE NO SLOPES LOCATED WITHIN THE PROJECT AREA

PRECIPITATION PATTERN NOTE

THERE ARE TWO DISTINCT PERIODS OF PRECIPITATION IN FLAGSTAFF. THE FIRST OCCURS DURING THE WINTER MONTHS FROM NOVEMBER THROUGH APRIL WHEN THE JET STREAM CAN BE LOCATED OVER THE STATE ALLOWING PACIFIC STORM SYSTEMS TO MOVE OVERHEAD. THE OTHER DISTINCT PERIOD IS CLASSIFIED AS THE SUMMER RAINY SEASON, OR 'SUMMER MONSOON.' THE MONSOON RAINY PERIOD USUALLY OCCURS DURING JULY AND AUGUST WHEN MOST OF ARIZONA IS SUBJECTED TO WIDESPREAD THUNDERSTORM ACTIVITY. THESE THUNDERSTORMS ARE EXTREMELY VARIABLE IN INTENSITY AND LOCATION AND OCCUR MAINLY BETWEEN THE HOURS OF 11 a.m AND 6 p.m.. SOME OF THESE STORMS CAN REACH SEVERE LEVELS, WITH LARGE HAIL, DAMAGING WINDS, AND OCCASIONALLY EVEN A TORNADO. (EXCERPT FROM THE CITY OF FLAGSTAFF SUSTAINABILITY PROGRAM RECOMMENDATIONS - CLIMATE SECTION - DATED OCTOBER 17, 2012)

SAN FRANCISCO PEAKS
MT. ELDEN
VIEW CORRIDORS

SCALE: 1"=200'
0 100 200 400



NEW 24" WIDE ASPHALT DRIVEWAY PER M.A.G. STD. DET. No. 251, RETURN RADIUS=20', L=83'± (FROM EX. EOP TO PROPERTY LINE). PAVEMENT SECTION PER C.O.F. STD. DET. No. 10-09-010 (3" A.C. ON 6" A.B.C.). SAWCUT EXISTING EDGE OF PAVEMENT 1' MIN.

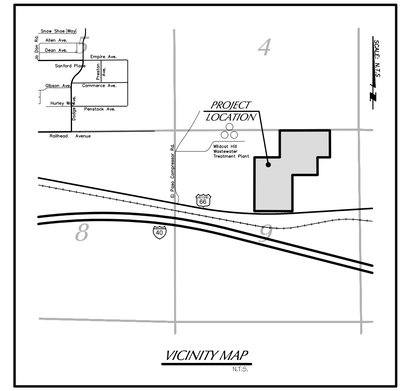
DEPARTURE SIGHT TRIANGLES
MINOR APPROACH
CLEAR VIEW ZONES

POSTED SPEED LIMIT ROUTE 66 = 50
DESIGN SPEED = 50 MPH – ROUTE 66
14.5' FROM MAJOR ROAD TRAVEL WAY

CASE B1 LEFT TURN FROM MINOR (STOP CONTROL)
I.S.D. TO RIGHT=1.47(50)(7.5)=551.25' (555')

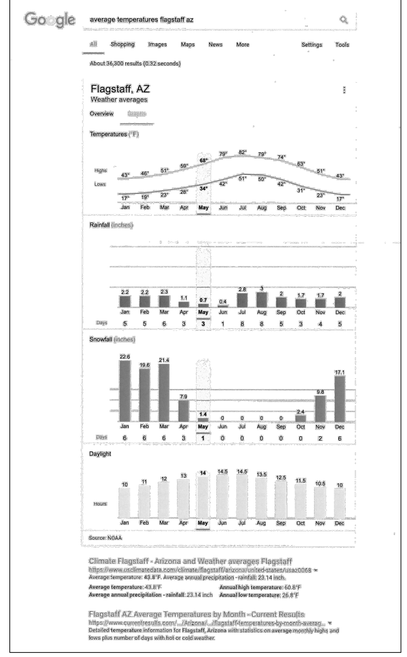
CASE B2 RIGHT TURN FROM MINOR (STOP CONTROL)
I.S.D. TO LEFT=1.47(50)(6.5)=477.75 (480')

SITE ANALYSIS:
–NO OFFSITE DRAINAGE FLOWS
–NO STORMWATER DISCHARGE POINTS
–EXISTING BUILDINGS: SHOWN
–PUBLIC RIGHT-OF-WAY: SHOWN
–ACCESS: SHOWN
–NO PEDESTRIAN FACILITIES



VICINITY MAP
N.T.S.

WEATHER AVERAGES CHART



PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

FIRE HYDRANT NOTE

DUE TO THE SCALE OF THIS SHEET, THE FIRE HYDRANT ASSEMBLY (8"x6" TEE, 6" W.V. & FIRE HYDRANT) HAVE BEEN ENLARGED FOR CLARITY AND ARE NOT IN THEIR ACTUAL LOCATION. SEE SHEET 3 FOR ACTUAL FIRE HYDRANT LOCATIONS

PROJECT INFORMATION

PROJECT NAME:	WILDCAT INDUSTRIAL PARK
PROJECT LOCATION:	6500 E. ROUTE 66 FLAGSTAFF, AZ. 86004
APN NUMBER:	113-07-003S
TOTAL SQUARE FOOTAGE:	794,449
TOTAL ACREAGE:	18.23804±
CONSTRUCTION YARDS:	YARD 14 & 15
CURRENT ZONING DISTRICT:	HI
PLAN DESIGNATION:	FUTURE EMPLOYMENT
LOCATED WITHIN THE R.P.O.:	YES
FEMA DESIGNATION:	ZONE X
CURRENT USE:	CONSTRUCTION MATERIAL STORAGE
PROPOSED USE:	CONCRETE BATCH PLANT
OWNER/DEVELOPER:	WINSLOW READY MIX, INC. 206 W. FIRST STREET WINSLOW, AZ. 86047 LAUREN McCAULEY (928) 289-9349 WINSLOW READYMIX@GMAIL.COM

SHEET INDEX

SHEET 1:	SITE ANALYSIS & AREA MAP
SHEET 2:	OVERALL YARD LAYOUT
SHEET 3:	CONCEPT PLAN
SHEET 4:	RIGHT TURN LANE

IMPERVIOUS SURFACES

EXISTING:	0	S.F.
NEW:	3,425	S.F.

LANDSCAPING NOTE

DUE TO THE HEAVY INDUSTRIAL NATURE OF THE SITE, THIS PLAN IS REQUESTING A WAIVER TO ANY LANDSCAPING REQUIREMENTS

STORMWATER NOTE

DUE TO THE HEAVY INDUSTRIAL NATURE OF THE SITE, THE EXISTING CONDITION SOIL IS DENSLY COMPACTED AND HAS A HIGH RUNOFF COEFFICIENT. THE PROPOSED CHANGES WILL NOT CHANGE THESE CONDITIONS. ALSO THE EQUIPMENT PROPOSED IS MOBILE AND FOUNDATIONS WILL BE TEMPORARY IN NATURE, THUS NOT ALTERING THE RUNOFF NATURE. THIS PLAN IS REQUESTING A WAIVER TO ANY STORMWATER REQUIREMENTS

RESOURCE PROTECTION NOTE

THERE ARE NO FOREST RESOURCES EXISTING ON-SITE AND THE SLOPES SHOWN VIA CONTOURS ARE MANMADE FROM THE MATERIAL STORAGE NATURE OF THE EXISTING USE. THE SLOPES ARE TEMPORARY AND DO NOT REQUIRE PROTECTION. THIS PLAN IS REQUESTING A WAIVER TO ANY RESOURCE PROTECTION REQUIREMENTS

GENERAL NOTES

TOPOGRAPHIC INFORMATION SHOWN HEREON HAS BEEN PROVIDED BY COOPER AERIAL SURVEY. SURVEY WAS COMPLETED IN NOVEMBER OF 2008 WITH CONTROL PROVIDED BY **MOGOLLON** ENGINEERING & SURVEYING, INC.. OFFSITE INFORMATION IS FROM THE CITY OF FLAGSTAFF G.I.S. DEPARTMENT. THIS SITE PLAN HAS BEEN PRODUCED TO ASSIST THE OWNER IN THE DETERMINATION OF THE POTENTIAL DEVELOPMENT USES OF THIS PROPERTY. THE SITES PRE AND POST STORM WATER HAVE NOT BEEN DETERMINED AT THIS TIME. THIS PLAN HAS NOT BEEN REVIEWED OR APPROVED BY THE CITY OF FLAGSTAFF COMMUNITY DEVELOPMENT, FRANCHISE UTILITY COMPANIES, OR ANY OTHER REGULATORY AGENCY. THIS INFORMATION IS PROVIDED BY **MOGOLLON** ENGINEERING & SURVEYING, INC. USING OUR PRIOR EXPERIENCE AND PROFESSIONAL JUDGMENT AND IS INTENDED FOR USE UNDER THE TERMS OF OUR CONTRACT.

Mogollon Inc
ENGINEERING & SURVEYING
411 W Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

3/5/26
MES# 25-064

WINSLOW READY MIX
SITE PLAN - YARD 14 & 15
SITE ANALYSIS & AREA MAP

PARTNERSHIP WITH CD&E ENGINEERING + MANAGEMENT

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 3/5/26	PROJECT NO. 25-064	REVISIONS: PER C.O.F. COMMENTS DATED 9/25	
DESIGNED BY: MKE	FN: SHEET-01.dwg	PER C.O.F. COMMENTS DATED 11/24/25	
DRAWN BY: MKE	VERT SCALE: N/A		
CHECKED BY: RM	HOR SCALE: 1"=200'		

SHEET NO. 1 OF 4

COF PROJECT # PZ-25-00124-04

SITE PLAN AREA MAP for WINSLOW READY MIX
WILDCAT INDUSTRIAL PARK - YARDS 14 & 15

LOCATED IN THE N 1/2 OF SECTION 9, T21N, R8E, G&SRM
FLAGSTAFF, COCONINO COUNTY, ARIZONA

LEGEND & ABBREVIATIONS

	CENTERLINE (CL or ℄)
	RIGHT OF WAY (R.O.W.)
	PROPERTY LINE (PL or ℗)
EX W	EXISTING WATER LINE
8"W	NEW WATER LINE (WL)
8"S	NEW SEWER LINE (SL)
FS	NEW FIRE SERVICE (FS)
WS	NEW WATER SERVICE (WS)
BSL	NEW BUILDING SUPPLY LINE (BSL)
SS	NEW SEWER SERVICE (SS)
EX S	EXISTING SEWER MANHOLE
S	NEW SEWER MANHOLE (MH)
	EXISTING EDGE OF PAVEMENT / CURB
	NEW EDGE OF PAVEMENT / CURB
	PUBLIC UTILITY EASEMENT (PUE)
GL	GRADING LIMITS (GL)
EX OVHD	EXISTING OVERHEAD UTILITY LINE (EX OVHD)
	EXISTING UTILITY POLE (EX UP)
	EXISTING FIRE HYDRANT (EX FH)
	NEW FIRE HYDRANT (FH)
	EXISTING WATER VALVE (EX WV)
	NEW WATER VALVE (WV)
	EXISTING WATER METER (EX WM)
	NEW WATER METER (WM)
	EXISTING STREET LIGHT (EX SL)
	NEW STREET LIGHT (SL)
ADJ	ADJACENT
AP	ANGLE POINT
AC	ASPHALT PAVEMENT
BC or TC	BACK OF CURB (TOP)
BSW	BACK OF SIDEWALK
B.R.	BIKE RACK
BOT	BOTTOM
BLDG	BUILDING
CB	CATCH BASIN
C.O.F.	CITY OF FLAGSTAFF
C.C.R.O.	COCONINO COUNTY RECORDERS OFFICE
CY	CUBIC YARDS
C&G	CURB AND GUTTER
CT	CURB TERMINATION
DC	DEPRESSED CURB
DS	DOWN SPOUT
DB	DRAIN BASIN
D.E.	DRAINAGE EASEMENT
D/W	DRIVEWAY
EA	EACH
EOP	EDGE OF PAVEMENT
EOL	END OF LINE BLOWOFF
EX	EXISTING
EG	EXISTING GRADE
FC	FACE OF CURB (TOP)
FSW	FACE OF SIDEWALK
FF or FFE	FINISH FLOOR ELEVATION
FG	FINISH GRADE
℄ or FL	FLOWLINE
GB	GRADE BREAK
G&D	GRADING and DRAINAGE
GR.	GRATE
G	GUTTER
HC	HANDICAP
HP	HIGH POINT
INT	INTERSECTION
LF	LINEAL FEET
LP	LOW POINT
ME	MATCH EXISTING
MPOC	MID POINT ON CURVE
MPOL	MID POINT ON LINE
MES	MOGOLLON ENGINEERING & SURVEYING, INC.
NPI	NON PAY ITEM
NIC	NOT IN CONTRACT
PKY	PARKWAY
PH.	PHASE
PC	POINT OF CURVATURE
POC	POINT ON CURVE
POCC	POINT OF COMPOUND CURVATURE
PT	POINT OF TANGENCY
POL	POINT ON LINE
PRC	POINT OF REVERSE CURVATURE
R	RADIUS
RP	RADIUS POINT
RD	ROOF DRAIN
SCPR	SCUPPER
S.B.	SETBACK
SHT	SHEET
SW or S/W	SIDEWALK
S.E.	SLOPE EASEMENT
SF	SQUARE FOOT
SY	SQUARE YARDS
SD	STORM DRAIN
SDMH	STORM DRAIN MANHOLE
TS&V	TAPPING SLEEVE and VALVE
T.C.E.	TEMPORARY CONSTRUCTION EASEMENT
TERM	TERMINATION
THEO	THEORETICAL
TW	TOP OF WALL
TRANS.	TRANSITION
(TYP)	TYPICAL
U.G.	UNDERGROUND
U.N.O.	UNLESS NOTED OTHERWISE
U.P.	UTILITY POLE
VG	VALLEY GUTTER
W & S	WATER and SEWER
X-ING	CROSSING



NOTE:

SEE SHEET 1 FOR PARCEL BOUNDARIES AND ASSESSOR PARCEL NUMBERS.

TOPOGRAPHIC INFORMATION SHOWN HEREON HAS BEEN PROVIDED BY COOPER AERIAL SURVEY SURVEY WAS COMPLETED IN NOVEMBER OF 2008 WITH CONTROL PROVIDED BY MOGOLLON ENGINEERING. ADDITIONAL TOPOGRAPHIC INFORMATION HAS BEEN PROVIDED BY ASPEN SURVEYING, LLC. IN APRIL, 2020. OFFSITE INFORMATION IS FROM THE CITY OF FLAGSTAFF G.I.S. DEPARTMENT.

STATE MINE INSPECTOR NOTE:

BUILDINGS, SEPTIC SYSTEMS, PARKING, STORMWATER MITIGATION, AND FENCING ARE UNDER THE JUURISDICTION OF THE STATE MINE INSPECTOR AND CANNOT BE CHANGED WITHOUT THEIR APPROVAL. THE APPROVED RECLAMATION AND CLOSURE PLAN, INCLUDING FINANCIAL ASSURANCE, ON FILE WITH THE STATE MINE INSPECTOR'S OFFICE PER A.R.S. TITLE 27, CHAPTERS 6 & 1273 .

DRAINAGE STATEMENT:

MINING ACTIVITIES HAVE RESULTED IN ALL STORMWATER BEING CONVEYED TO THE LOW AREA ALONG THE BOTTOM OF THE EASTERLY MINING HIGH WALL. THIS 80'± HIGH EXCAVATED WALL CAPTURES ALL EXISTING STORMWATER GENERATED ON SITE. THE TRAPPED WATER EVAPORATES AND/OR PERCOLATES. THIS WATER NEVER DISCHARGES OFF SITE.

YARD NOTE:

THE LEASED AREA YARDS WILL BE DEFINED BY THE CHAIN LINK FENCE BOUNDARIES. THESE BOUNDARIES MAY BE CHANGED DEPENDENT ON MARKET DEMANDS.

EXISTING IMPERVIOUS SURFACES

EXISTING BULIDINGS:	4,675	S.F.
EXISTING CONCRETE:	1,400	S.F.
EXISTING A.D.A. PARKING SPACES:	576	S.F.
EXISTING A.C. PAVEMENT	91,150	S.F.
TOTAL EXISTING IMPERVIOUS:	97,801	S.F.

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

Mogollon Inc ENGINEERING & SURVEYING
411 W Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

3/5/26
MES# 25-064

WINSLOW READY MIX
SITE PLAN - YARDS 14 & 15
OVERALL YARD LAYOUT

PARTNERSHIP WITH CD&E ENGINEERING + MANAGEMENT

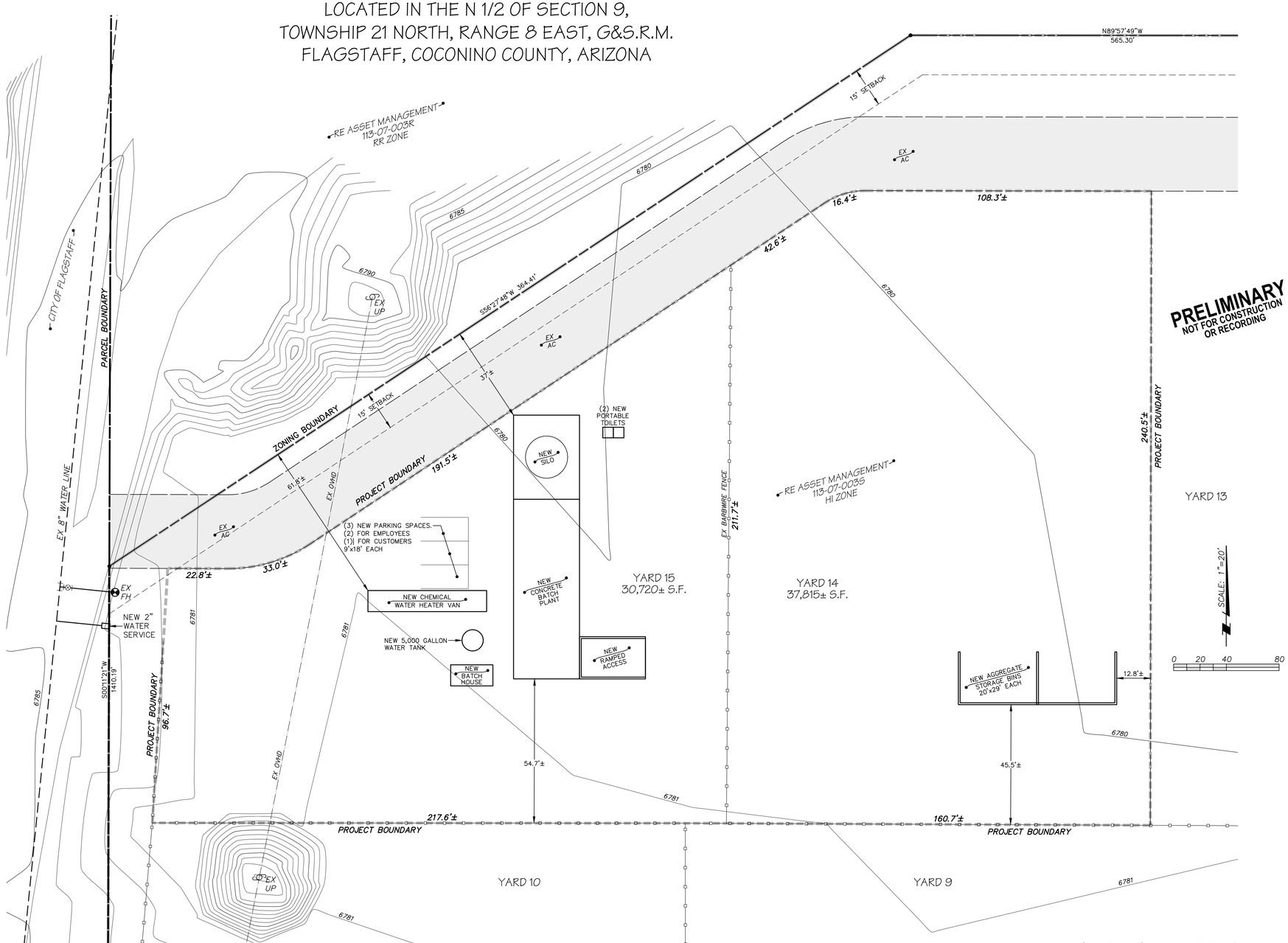
PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 3/5/26	REVISIONS: PER C.O.F. COMMENTS DATED 09/25
DESIGNED BY: MME	PROJECT NO. 25-064
DRAWN BY: MME	FN: SHEET-02.DWG
CHECKED BY: KVH	VERT SCALE: N/A
	HOR SCALE: 1"=60'
	PER C.O.F. COMMENTS DATED 11/26/25

COF PROJECT # PZ-25-00124-04

SITE PLAN
FOR
WINSLOW READY MIX
WILDCAT INDUSTRIAL PARK
YARDS 14 & 15

LOCATED IN THE N 1/2 OF SECTION 9,
TOWNSHIP 21 NORTH, RANGE 8 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



PRELIMINARY
NOT FOR CONSTRUCTION
OR RECORDING

SHEET NO. 3 OF 4

COF PROJECT # PZ-25-00124-04

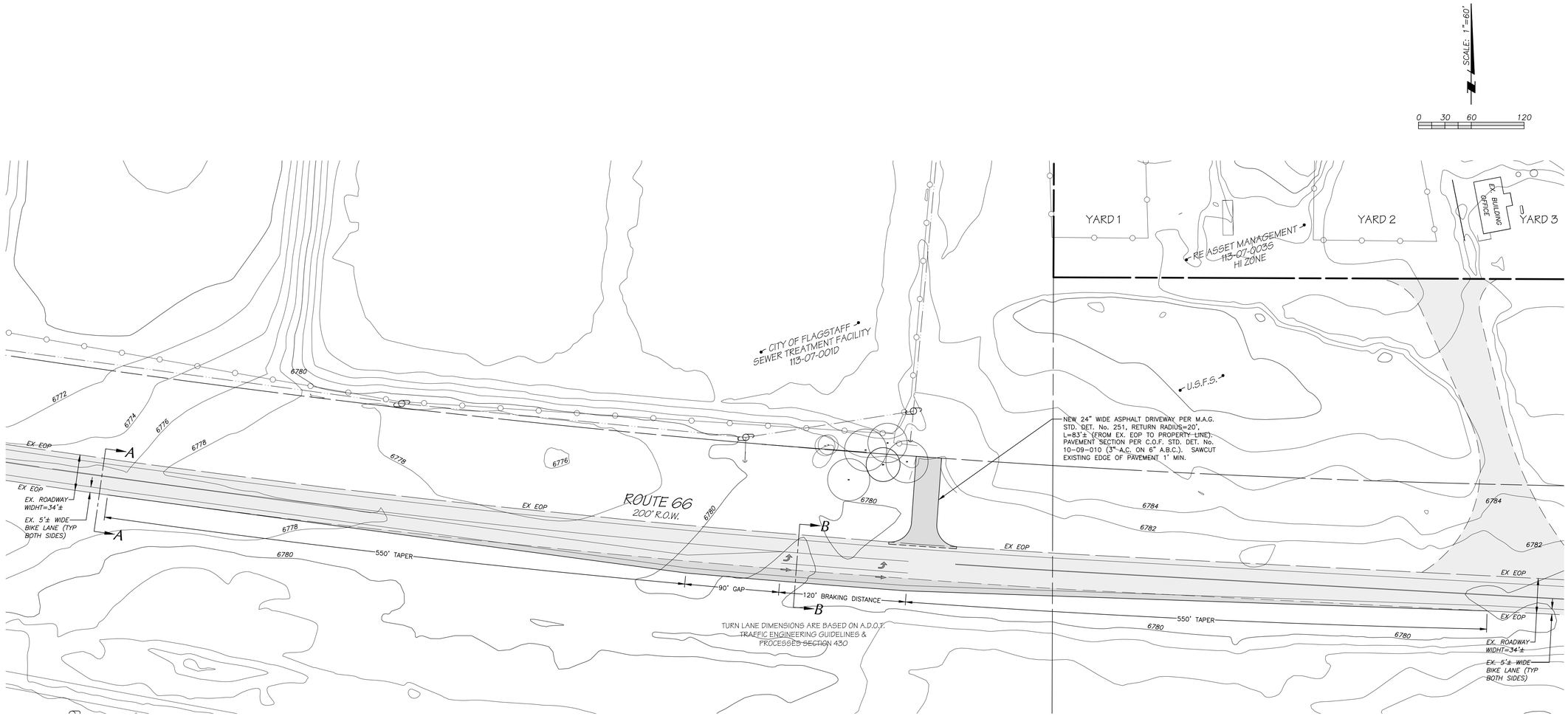
Mogollon Inc
ENGINEERING
&SURVEYING
411 W Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

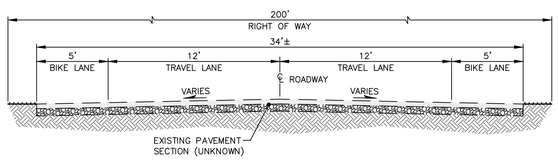
PARTNERSHIP WITH CD&E ENGINEERING • MANAGEMENT

WINSLOW READY MIX
YARDS 14 & 15
SITE PLAN

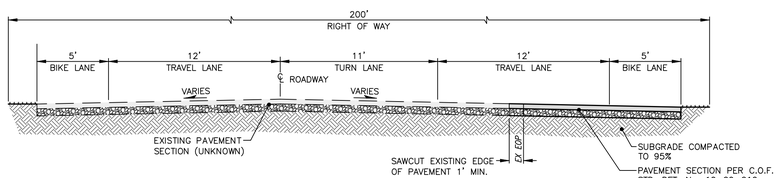
3/5/26
MES# 25-064

DATE: 3/5/26	REVISIONS PER C.O.F. COMMENTS DATED 10/3/25
DESIGNED BY: MME	PROJECT NO. 25-064
DRAWN BY: MME	FN: SHEET-03.DWG
CHECKED BY: KVH	VERT. SCALE: N/A
	HOR. SCALE: 1"=60'
	PER C.O.F. COMMENTS DATED 11/26/25





EXISTING ROADWAY CROSS SECTION A-A
(PUBLIC IMPROVEMENT) N.T.S.



PROPOSED ROADWAY CROSS SECTION B-B
(PUBLIC IMPROVEMENT) N.T.S.

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

SHEET NO. 4 OF 4

COF PROJECT # PZ-25-00124-04

Mogollon Inc ENGINEERING & SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

PARTNERSHIP WITH CD&E ENGINEERING + MANAGEMENT

WINSLOW READY MIX
PROPOSED
RIGHT HAND TURN LANE

3/5/26
MES# 25-064

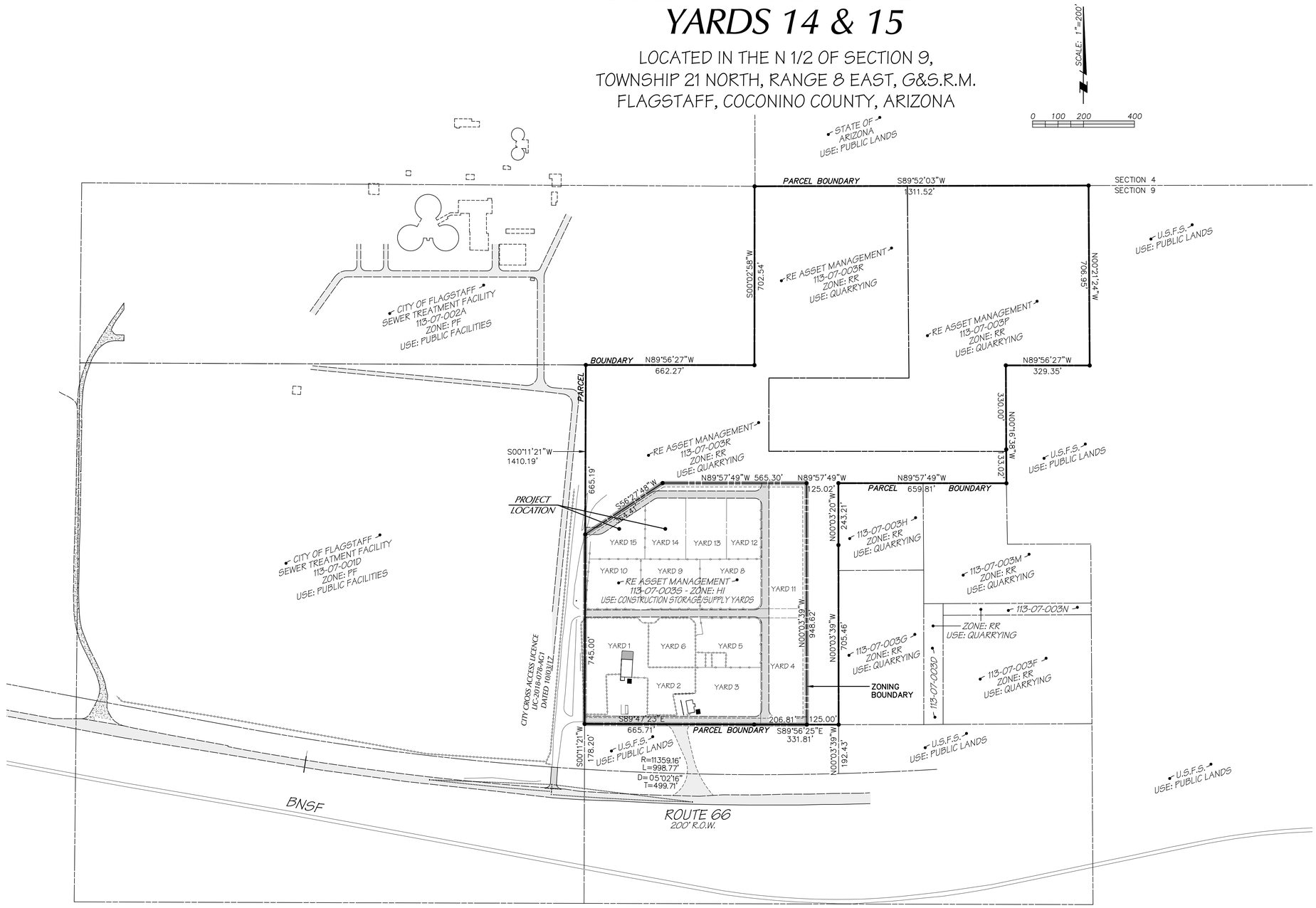
PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 3/5/26	PROJECT NO. 25-064
DESIGNED BY: MKE	FN: SHEET-02.DWG
DRAWN BY: MKE	VERT SCALE: N/A
CHECKED BY: KVH	HOR SCALE: 1"=60'

REVISIONS PER C.O.F. COMMENTS DATED10/8/25
PER C.O.F. COMMENTS DATED11/26/25

ZONING MAP AMENDMENT
VICINITY MAP
FOR
WINSLOW READY MIX
WILDCAT INDUSTRIAL PARK
YARDS 14 & 15

LOCATED IN THE N 1/2 OF SECTION 9,
TOWNSHIP 21 NORTH, RANGE 8 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

SHEET NO. 1 OF 1

COF PROJECT # PZ-25-00124-01

Mogollon Inc
ENGINEERING &SURVEYING
411 W Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

PARTNERSHIP WITH CD&E ENGINEERING • MANAGEMENT

WINSLOW READY MIX
ZONING MAP AMENDMENT
VICINITY MAP

11/17/25
MES# 25-064

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 11/17/25
DESIGNED BY: MM
DRAWN BY: MM
CHECKED BY: RM
PROJECT NO. 25-064
FN: VIC-MAP
VERT SCALE: N/A
HOR SCALE: 1"=200'
REVISIONS:

Neighborhood Meeting Plan — Winslow Ready-Mix (APN 113-07-003S)

To: Director, Planning Section

Project: Conversion of 18.24-acre site (6500 E. Route 66, Flagstaff) from construction material storage yard to concrete batch (ready-mix) plant

Applicant contact: John and Lauren McCauley, Winslow Ready Mix, (928)587-0000, winslowreadymix@gmail.com

Submission statement This neighborhood meeting plan is submitted for Director approval per the Planning Section review schedule. The plan follows the notification and outreach requirements and will be updated if the Director expands the 300-foot notification area.

A. Notification area and recipient list

- Primary radius: property owners, residents, tenants, occupants, elected representatives, and public agencies within 300 feet of affected area of parcel APN 113-07-003S.
- Additional recipients: immediately adjacent businesses and community stakeholders likely affected by a concrete batch plant (truck routes, utilities, environmental agencies).
- Source and date of records: Coconino County parcel ownership records and City of Flagstaff utility/agency contact lists; records to be pulled on or about 02/02/2026 and provided with the final mailing list.
- Deliverable: a certified notification list, names and addresses, has been provided to the Director before notices are sent.

B. Notification methods and schedule

- Mailed notice (first-class USPS) to property owners and occupants within 300 ft: mailed at least 14 calendar days prior to meeting.
- On-site posting: 48" x 48" sign(s) posted on property at primary public frontage at least 10 calendar days prior; affidavit of posting to be filed.
- Proof of notice: USPS mailing list with tracking where available, copies of mailed notices and affidavit(s) of posting, will be submitted to the Director.

C. Meeting form, structure and agenda

- Format: Virtual neighborhood meeting via Microsoft Teams (link: https://tinyurl.com/r5a6j8yb). If requested by the Director or public, an in-person or hybrid option will be added and publicized.
- Date/time: 4:00 p.m., Wednesday, February 18, 2026.
- Facilitator: Ryan Mahar, P.E. , who will moderate and manage Q&A.
- Proposed agenda (60 minutes):
    1. Welcome, introductions, and meeting purpose (5 min)
    2. Project overview and site information (location, parcel, current use, proposed use) (5 min)
    3. Development plan details (site layout, operations, hours, truck routing, noise and dust controls, environmental safeguards) (5 min)
    4. Construction timeline and phasing (5 min)
    5. Anticipated impacts and mitigation measures (traffic, noise, air quality, water/stormwater, hours of operation) (5 min)
    6. Public questions, concerns, and facilitated discussion (20–30 min)
    7. How public input will be used and next steps (5 min)
    8. Closing and contact information (2–3 min)
- Materials: project narrative, site plan, preliminary construction schedule, and mitigation summaries will be shared live and provided as downloadable handouts before/at the meeting.

D. Opportunities for input and documentation

- Live verbal comments during meeting (asked to identify name and address for the record).
- Chat/Q&A during Teams meeting captured and exported.
- Option for one-on-one follow-up meetings upon request.
- All oral and written comments will be documented; major issues and responses summarized in the meeting report.

E. Logistics and accessibility

- Primary meeting location: Microsoft Teams (link above). If an in-person location is added, it will be ADA-accessible, centrally located, and noted in supplemental notices.
- Accommodations: translation/interpretation, large-print materials, and other reasonable accommodations will be provided upon request; request contact details in notices.
- Contact person for meeting logistics and accommodations: [Ryan Mahar, (928)522-9287 r.mahar@cdeinc.org]

F. Reporting to the Director (status and results)

- Pre-meeting submittal: certified mailing/e-mail list and copies of notice materials at least 7 days before the meeting.
- Interim update: confirmation of posting and proofs of mailing/email 3 days before the meeting.
- Final meeting report (within 14 calendar days after meeting):
    - Attendance list (names, addresses, organizational affiliation where provided)
    - Meeting materials (presentation, maps, handouts)
    - Meeting transcript/recording or summary of oral comments
    - Copy of chat/Q&A and collected written comments
    - Summary of key issues raised and applicant responses/commitments
    - Proposed follow-up actions and timeline
- File formats and delivery: electronic PDF copies emailed to the Director and uploaded to the project file; original affidavits or signed proof documents available on request.

G. Evaluation and follow-up

- Applicant will track comment themes and how they are addressed in subsequent project materials.
- Applicant will notify the Director of any significant changes to project scope or schedule and will coordinate any additional outreach the Director requests.

Attachments (to be provided with plan submittal)

- Draft mailed notice, email notice, and on-site posting text
- Draft meeting presentation and handouts
- Preliminary certified recipient list (pull date noted)

If the Director approves, the applicant will proceed with the notification and meeting per this plan and submit the pre-meeting materials and final report as described.

Sincerely,

RE Asset Management LLC
(928) 526-0801

618 E Route 66, Flagstaff, AZ 86001
928.395.2653
info@mogollonengineering.com

Record of Proceedings

John and Lauren McCauley of Winslow Ready Mix and Ryan Mahar, PE of Mogollon Engineering & Surveying, Inc held a virtual meeting on February 18, 2026 via Microsoft Teams. Notice letters were sent to all land owners within 300' of the lots for rent. These letters were mailed on February 3rd, 2026. Also a sign that meets the City of Flagstaff Neighborhood Meeting Notification requirements was posted at the entrance of the site on February, 3rd 2026 as well.

The meeting started at 4:00 pm and, by 4:15 pm, nobody requested entry into the virtual meeting. The meeting was ended without comment or comment response by the applicant.

Wildcat Industrial Park Public Water & Sewer Impact Analysis

57.7+/- Acre Development Project

Analysis Completed December 2, 2019

Public Water & Sewer Impact Analysis

Prepared by Civil Design & Engineering, Inc. for The City of Flagstaff Utilities Department

Mayor

Coral Evans

Council

Jamie Whelan
Regina Salas
Jim McCarthy
Charlie Odegaard
Adam Shimoni
Austin Aslan

City Manager

Greg Clifton

Water Services Director

Brad Hill, R.G.

City Engineer

Rick Barrett, P.E.

Public Works Director

Andy Bertelsen



Christine Laguna, P.E.
Arizona Registrant # 29327

Table of Contents
Public Water and Sewer Impact Analysis
Wildcat Industrial Park

I. INTRODUCTION 2
II. ANALYSIS SUMMARY 3
III. WATER SYSTEM ANALYSIS 3
A. EXISTING WATER SYSTEM 3
B. PROPOSED WATERLINE EXTENSIONS 4
C. WATER SYSTEM DEMANDS 4
D. WATER SYSTEM ANALYSIS RESULTS 4
IV. SEWER SYSTEM ANALYSIS 5
A. EXISTING SEWER SYSTEM 5
V. CONCLUSIONS & REQUIREMENTS 5

Site Plan	Exhibit 1
GIS Water Atlas Map	Exhibit 2
GIS Sewer Atlas Map	Exhibit 3
Analysis Areas	Exhibit 4
WaterGEMS Drawing	Exhibit 5
WaterGEMS Peak Domestic Flows and Pressures	Appendix A
WaterGEMS Fire Flow Analysis Report	Appendix B



I. INTRODUCTION

The Wildcat Industrial Park is an existing mining facility for materials used in construction and landscaping applications. The owner proposed rezoning form Rural Residential to Heavy Industrial, allowing portions of the site to be leased out for construction yards. The project is located on Coconino County parcels 113-07-004, 113-07-003J, and 113-07-003L, which are in Section 9, Township 21N, Range 8E, Gila and Salt River Base & Meridian. This parcel is on Route 66, east of the El Paso Flagstaff Road (Figure 1).

The proposed development lies within the City of Flagstaff urban growth boundary and has the ability to be served by City water and sewer utilities.

The Wildcat Industrial Park project Site Plan (Exhibit 1) was provided to the City by Mogollon Engineering and has been used as the basis for this preliminary analysis.

The criteria used herein to estimate the project's water demand is from the City of Flagstaff Engineering Design Standards (COF EDS), Chapter 13-09, effective October 2017. This Water and Sewer Impact Analysis (WSIA) is considered valid for two years from its completion date, which is 12/2/2019.

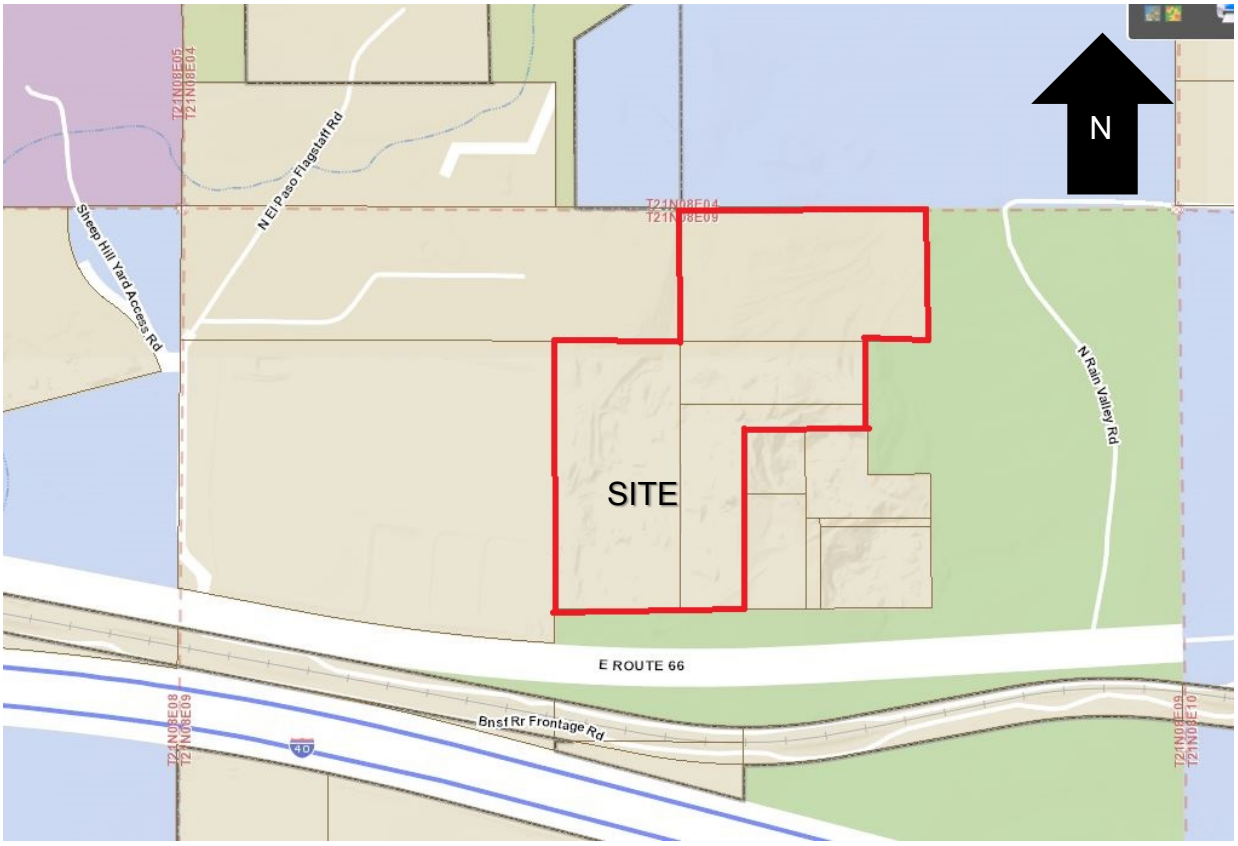


Figure 1 – Vicinity Map. Not to scale.

II. ANALYSIS SUMMARY

On-site modifications:

Sewer: The buildings that exist on site will be serviced by individual septic systems for each building. Sewer analysis will not be included in this report

Water: It is assumed that there is currently no infrastructure in the ground to support this development, so all on-site systems will have to be designed and built.

Off-site modifications:

Sewer: Sewer is not being extended to this facility at this time. According to R18-9-A309 of the Arizona Administrative Code, the developer is not required to connect to a collection system if the cost of doing so is prohibitive. In this case the sewer line would need to extend about 4,000 feet at a depth of 30 feet. The current existing buildings have individual septic systems that will serve this facility. Any additional structures requiring sewer will be required to apply for on-site septic permits.

Water: The City of Flagstaff is extending water service from Test Drive to El Paso Flagstaff Road and then north to the Wildcat Wastewater Treatment Facility. It is the Owner's responsibility to extend a looped system from the intersection of El Paso Flagstaff Road and Route 66 to the Wildcat Industrial Park property. This looped waterline will then provide service lines and hydrant lines to the Wildcat Industrial Park. The site of the required extension will be 8" C-900 PVC. Public utility easements for the extension must be dedicated to the City of Flagstaff. Permits from ADOT shall be obtained by the developer for construction in ADOT right of way.

III. WATER SYSTEM ANALYSIS

A. EXISTING WATER SYSTEM

The City of Flagstaff will be constructing a 12" DIP waterline. This waterline will extend a connection location to the intersection of El Paso Flagstaff Road and Route 66. These waterlines are within the City of Flagstaff Zone "B" water pressure system limits and meet the minimum pressure requirements stated in the City of Flagstaff Engineering Standards. High pressures have been noted on site, which require the developer to install pressure-reducing valves after the meter.

The proposed development falls within the City of Flagstaff pressure Zone “B” with elevations as high as 6794’. The building on this development could have multiple stories with water and sewer fixture heights up to 60 feet above ground level. This analysis provides the water pressure at the proposed taps and the developer’s Architect/Engineer (A/E) shall confirm adequate water pressure at the highest points of water demand.

B. PROPOSED WATERLINE EXTENSIONS

The developer is proposing a looped waterline extension with an 8” waterline. This loop will run from El Paso Flagstaff Road to the property frontage, at which point two dead end lines will be installed. One will run east to service two buildings, and the other will run north to service another building. These two dead end lines will have fire hydrants installed, for fire protection.

C. WATER SYSTEM DEMANDS

The following quantifies the anticipated water demands for the project.

Water System Demand

Industrial Applications
Area = 57.7 acres

Average Daily Demand = 2,000 gpad x 57.7 acres = 115,400 gpd

Peak Daily Demand = 5,000 gpad x 57.7 acres = 288,500 gpd

Fire Flow for Industrial Areas = 1,500 gpm

D. WATER SYSTEM ANALYSIS RESULTS

Bentley WaterGEMS software was used for simulations of peak daily and fire flow.

The analysis area used was based on the area estimated to be impacted by the proposed Wildcat Industrial Park development and includes both junction demand nodes possibly impacted by the additional demands and locations that may need to

supply fire flows. This area spans approximately 6,000' to the northwest and 5,000' to the west to include higher elevations. See Exhibit 4.

Results of the computer analysis (Appendix A) for peak daily flow indicate a range in pressures off-site in the project vicinity from 103.07 psi (J-14201) to 171.59 psi (J-4810). The rest of the nodes are consistent given the elevations of the junction nodes within the analyzed boundary. J-113 (Wildcat Industrial Park) is at an elevation 6792.00, whereas J-4810 is lower at 6740.00. The peak daily flow condition yields a pressure on the project site of 148.64 psi. The lowest pressure associated with peak domestic flows, 103.07 psi, occurs at J-14201, which is above the City Engineering Standards' minimum pressure of 40 psi (COF EDS 13-9).

Based on the computer simulation of fire flow, residual pressures in the project vicinity are projected to remain above 20 psi (COF EDS 13-9) or higher during fire flow scenarios of 1500 gpm or less. The onsite junctions at the project location satisfy these constraints.

It is the developer's responsibility to design, acquire adequate right-of-way for, and construct all on-site and connecting water infrastructure in accordance with all applicable City, State, and Federal rules and regulations.

IV. SEWER SYSTEM ANALYSIS

A. EXISTING SEWER SYSTEM

The nearest sewer manhole is located just east of Test Drive. Due to the distance from this project to the existing sewer collection system, the owner proposes the use of on-site septic. The existing buildings on-site will be serviced by individual septic systems. As previously stated, R18-9-A309 of the Arizona Administrative Code states the developer is not required to connect to a collection system if the cost of doing so is prohibitive. In this case the sewer line would need to extend about 4,000 feet at a depth of 30'. A public sewer analysis will not be necessary for this report.

V. CONCLUSIONS & REQUIREMENTS

Water service to all adjacent homes and businesses must be maintained during construction and tapping for this project.

The findings of this analysis indicate that the completion of the project will comply with public water and sewer infrastructure requirements as outlined in the current City of

Flagstaff Engineering Standards as long as all on-site infrastructure is designed and constructed per the Engineering Standards and as stipulated herein. Deviations from the intent shown on the developer's provided preliminary drawings, and/or further development beyond what was shown on the preliminary drawings will require additional review and must gain full Development Review Board Approval. It should be noted that the City of Flagstaff Engineering Standards (Chapter 13 of the City of Flagstaff Code) are the only documents used for this analysis. This WSIA does not guarantee conformance to any other codes, standards, or specifications similar to, but not limited to, IBC, IFC, IRC …etc.

The location(s) of any required fire hydrants related to this project is(are) left to the discretion of the City of Flagstaff Fire Department in accordance with City of Flagstaff Engineering Standards and current Fire Codes. Approval by the City Engineer shall also be obtained.

Water computer analyses were done with Bentley Systems WaterGEMS software. The existing City of Flagstaff master water model was modified to incorporate the estimated infrastructure and flows that will be required by this development.

All existing utility information is based on the City of Flagstaff GIS data and other information contained within the WaterGEMS & SewerCAD master models or provided by the City of Flagstaff engineering staff. The developer's A/E should confirm the City water system supply pipe sizes, materials, and locations as part of their design for connection to the COF water systems.

If the developer changes their plans for development resulting in changes to development size, use, area of commercial space, number or type of residential units, population, etc., that could render invalid the assumptions made as a basis for the forecasts made in this Water and Sewer Impact Analysis. If such changes are made, then the developer must apply for updated analysis and provide the proposed changes to the City of Flagstaff for review and consideration.

This WSIA is considered valid for two years from its completion date, 12/2/2019, which is the date of the engineer's seal on the cover sheet and table of contents of this WSIA. All water and sewer utility lines and treatment plant capacity reservations as a result of this study will expire at that time.

CITY OF FLAGSTAFF

CITY OF FLAGSTAFF

SCALE: 1"=100'

0 50 100 200

NEW 3/4" WATER METER

20' NEW P.U.E.

Ex. Septic

Yard 15

Yard 14

Yard 13

Yard 12

Yard 11

NEW 8" WATER LINE BY RE ASSET

Yard 10

Yard 9

Yard 8

SUBJECT PARCEL

Yard 6

Yard 5

Yard 1

Yard 2

Yard 3

Yard 4

Ex. Septic

NEW 3/4" WATER METERS

NEW P.U.E.

NEW 8" WATER LINE BY RE ASSET

NEW P.U.E.

NEW 8" LOOPED WATER LINE BY RE ASSET

CITY OF FLAGSTAFF

NEW WATER LINE BY THE C.O.F. TO BE CONSTRUCTED IN 2021.

CONNECT TO EXISTING WATER

NEW 8" LOOPED WATER LINE BY RE ASSET UPON COMPLETION OF THE CITY WATER MAIN.

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

ROUTE 66

EXHIBIT 1 - SITE PLAN

COF PROJECT # N/A

WILDCAT INDUSTRIAL PARK
WATER ALIGNMENT

9/03/19

MES# 18295

Mogollon Inc
ENGINEERING
&SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KYLE V. HOUSER
ARIZONA U.S.A.

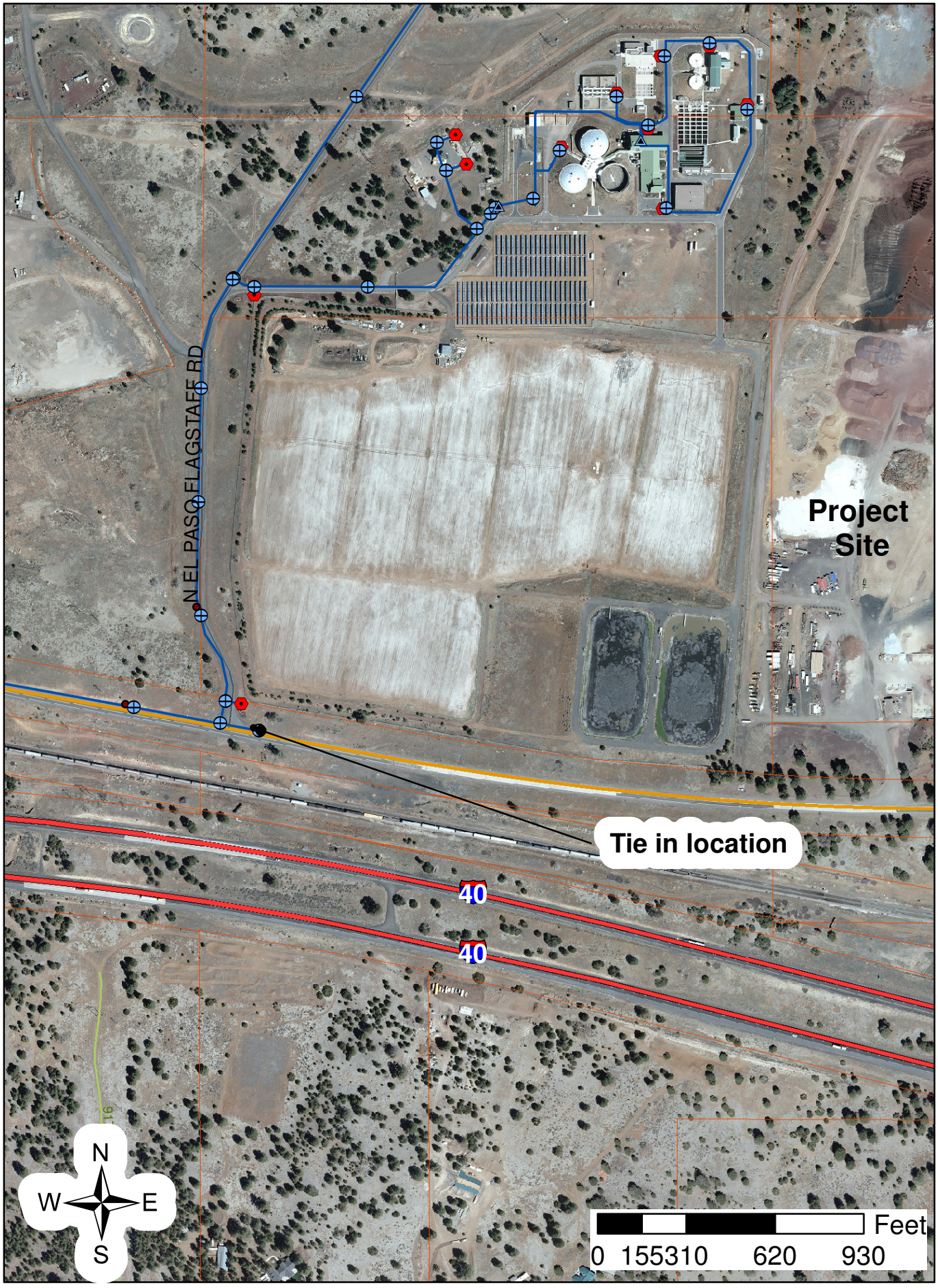
PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 9/03/19
DESIGNED BY:
DRAWN BY:
CHECKED BY: KVH

REVISIONS:

PROJECT NO. 18295
FN: SHEET1-REF1
VERT SCALE: N/A
HOR SCALE: 1"=100'

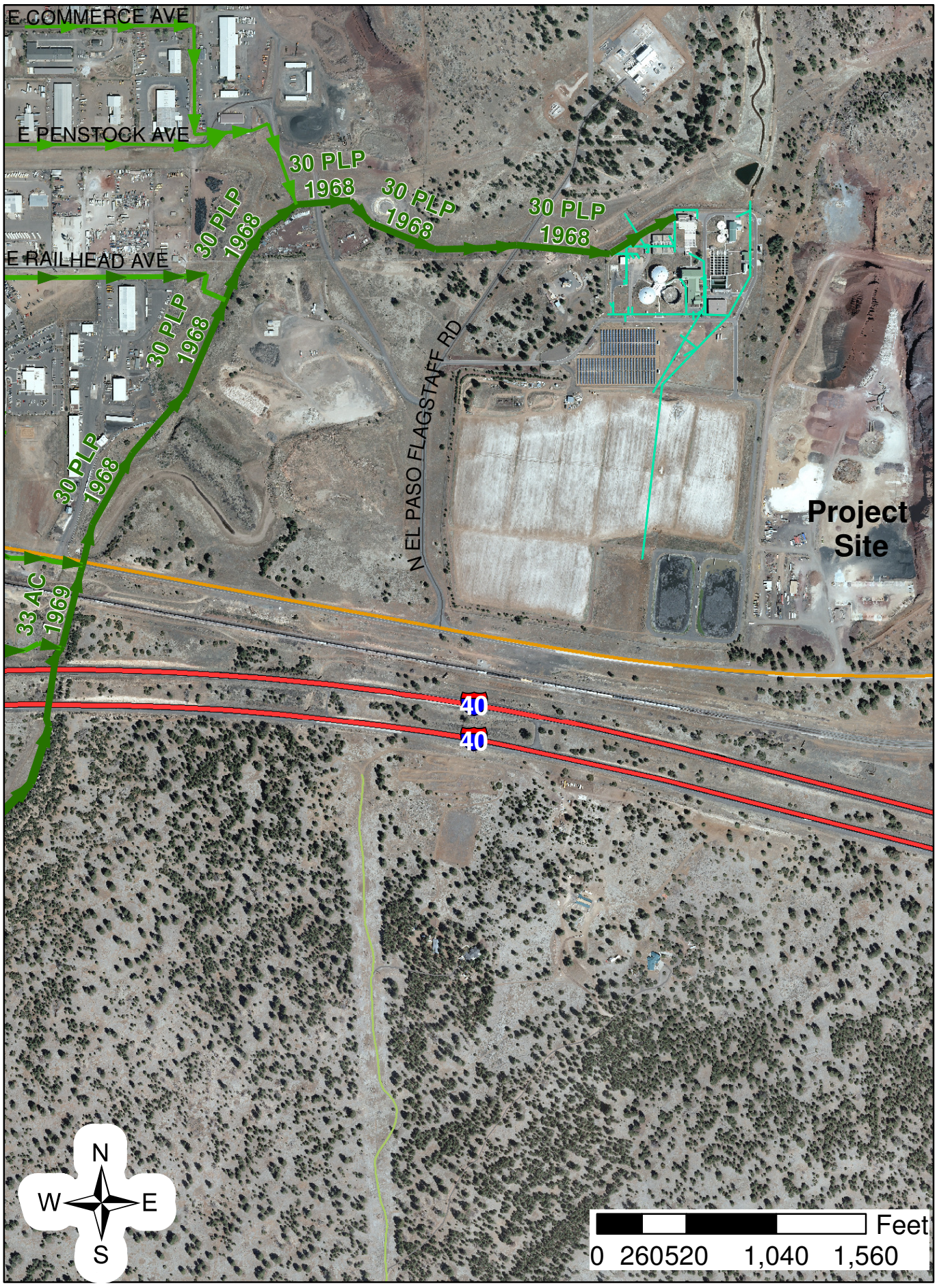
City of Flagstaff - Water Services



GIS Water Atlas Map

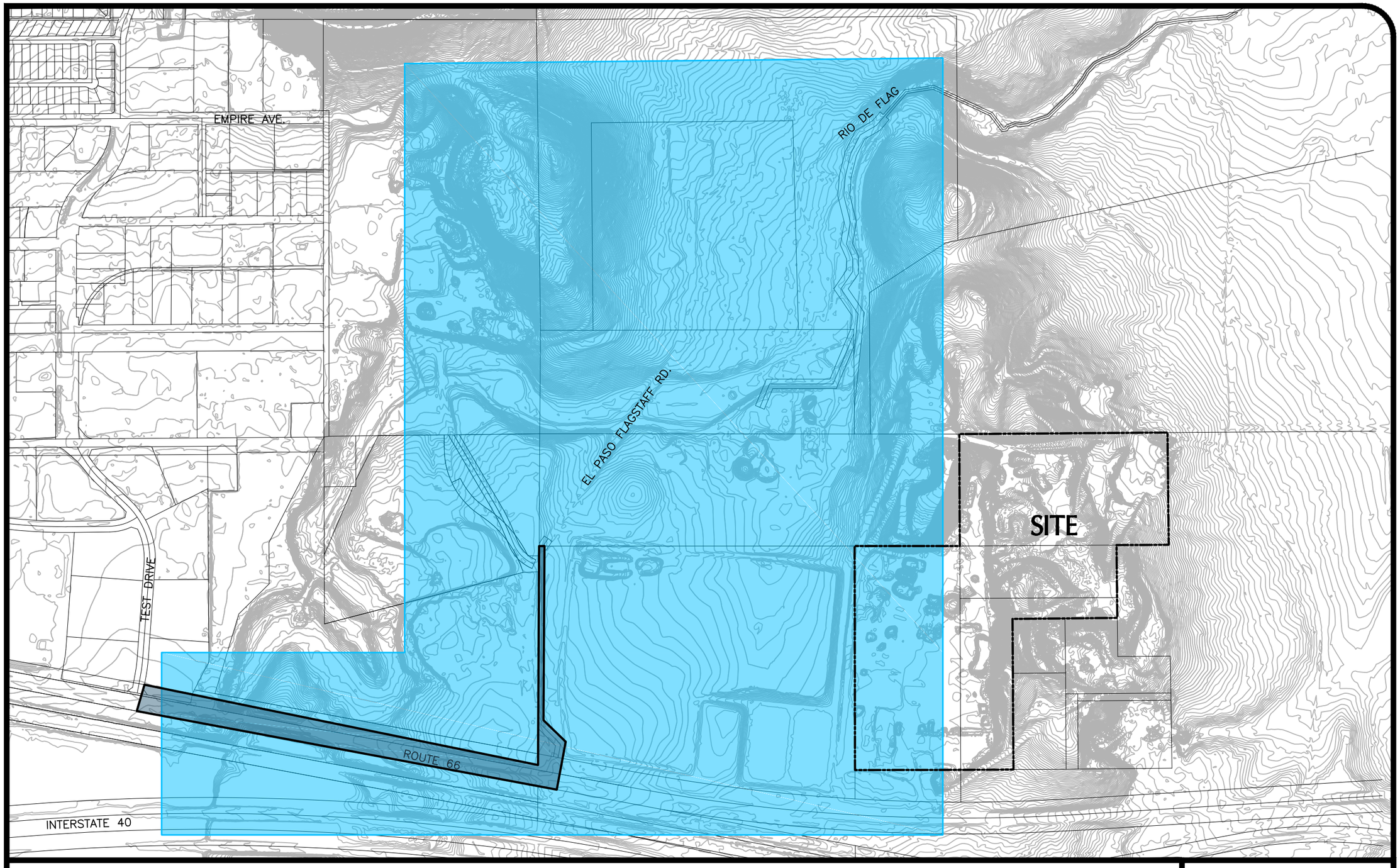
Exhibit 2

City of Flagstaff - Water Services



GIS Sewer Atlas Map

Exhibit 3



ANALYSIS AREA

PORTION OF WATERLINE TO BE INSTALLED BY C.O.F.

EXHIBIT 4 – ANALYSIS AREA

SCALE: 1" = 600'

0 300 600 1200 1800

N

CD&E

ENGINEERING ▪ SURVEY

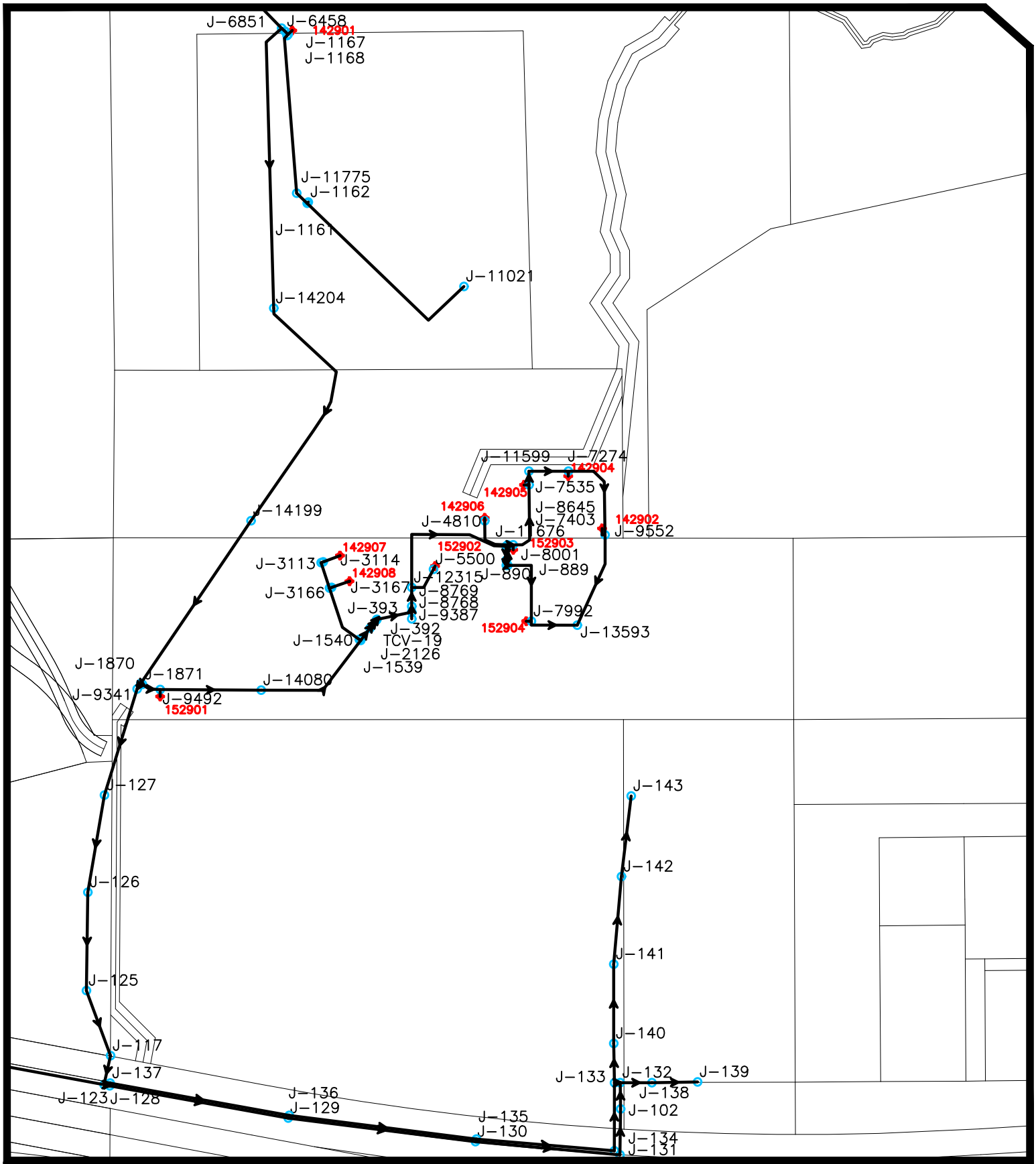


EXHIBIT 5 – WaterGEMS Analysis

SCALE: 1" = 500'

0 250 500 1000 1500

N

CD&E

ENGINEERING ▪ SURVEY

Wildcat Industrial Park
Peak Day Domestic Flows and Pressures

Label	Elevation (ft)	Zone	Demand (gpm)	Pressure (psi)	Hydraulic Grade (ft)
J-14201	6902.00	B	0.00	102.98	7140.02
J-125	6794.60	B	0.00	147.68	7135.94
J-6851	6796.93	B	0.00	147.89	7138.74
J-126	6793.00	B	0.00	148.38	7135.96
J-6458	6795.52	B	0.00	148.50	7138.74
J-143	6792.00	B	48.61	148.56	7135.36
J-1168	6794.63	B	0.00	148.88	7138.74
J-1167	6794.10	B	0.00	149.11	7138.74
J-142	6790.00	B	0.00	149.43	7135.39
J-141	6790.00	B	0.00	149.45	7135.42
J-140	6790.00	B	0.00	149.46	7135.45
J-127	6790.50	B	0.00	149.48	7135.99
J-124	6790.40	B	0.00	149.49	7135.92
J-128	6789.15	B	0.00	150.02	7135.90
J-137	6789.15	B	0.00	150.02	7135.90
J-123	6788.71	B	0.00	150.22	7135.91
J-139	6788.00	B	48.61	150.31	7135.40
J-132	6788.00	B	0.00	150.33	7135.46
J-133	6788.00	B	0.00	150.33	7135.46
J-129	6788.00	B	0.00	150.46	7135.77
J-14204	6789.93	B	0.00	150.47	7137.71
J-138	6786.00	B	48.61	151.18	7135.42
J-136	6782.00	B	0.00	153.06	7135.76
J-9341	6782.07	B	8.27	153.14	7136.02
J-9492	6781.51	B	0.00	153.39	7136.04
J-1870	6781.17	B	0.00	153.54	7136.04
J-1871	6780.75	B	0.00	153.72	7136.04
J-134	6780.00	B	0.00	153.81	7135.51
J-130	6780.00	B	0.00	153.86	7135.63
J-14080	6778.32	B	0.40	154.77	7136.03
J-131	6776.00	B	0.00	155.55	7135.52
J-135	6776.00	B	0.00	155.59	7135.62
J-122	6773.51	B	0.00	156.79	7135.91
J-2546	6771.39	B	0.00	157.71	7135.91
J-2545	6771.37	B	0.00	157.72	7135.91
J-4743	6771.02	B	0.00	157.87	7135.91
J-121	6770.96	B	0.00	157.90	7135.91
J-4744	6770.84	B	0.00	157.95	7135.91
J-1540	6765.96	B	0.00	160.11	7136.03
J-1539	6765.93	B	0.00	160.13	7136.03
J-3166	6765.17	B	0.00	160.45	7136.03
J-3167	6764.92	B	0.00	160.56	7136.03

Wildcat Industrial Park
Peak Day Domestic Flows and Pressures

J-2126	6764.16	B	0.00	160.89	7136.03
J-392	6763.10	B	0.00	161.35	7136.03
J-393	6762.98	B	0.00	161.40	7136.03
J-3113	6761.45	B	0.00	162.06	7136.03
J-3114	6761.30	B	0.00	162.13	7136.03
J-13593	6758.60	B	15.79	163.29	7136.01
J-9387	6758.13	B	0.00	163.50	7136.02
J-8768	6757.08	B	0.00	163.95	7136.02
J-8769	6756.33	B	0.00	164.28	7136.02
J-9552	6755.41	B	0.00	164.67	7136.01
J-890	6753.51	B	0.00	165.49	7136.02
J-889	6753.45	B	0.00	165.52	7136.02
J-7992	6753.38	B	0.00	165.55	7136.01
J-8001	6753.24	B	0.00	165.61	7136.02
J-12315	6753.20	B	0.00	165.63	7136.02
J-5500	6752.15	B	0.00	166.09	7136.02
J-11676	6750.34	B	0.00	166.86	7136.02
J-7403	6750.17	B	0.00	166.94	7136.02
J-8645	6748.57	B	0.00	167.63	7136.02
J-7274	6748.00	B	0.00	167.88	7136.02
J-14199	6746.16	B	0.00	168.99	7136.75
J-7535	6742.56	B	0.00	170.23	7136.02
J-11599	6741.94	B	0.00	170.50	7136.02
J-4810	6740.00	B	0.00	171.34	7136.02

Wildcat Industrial Park
Fire Flow Report

Label	Zone	Fire Flow Iterations	Is Fire Flow Run Balanced?	Satisfies Fire Flow Constraints?	Fire Flow (Needed) (gal/min)	Fire Flow (Available) (gal/min)	Pressure (Calculated Residual) (psi)	Junction w/ Minimum Pressure (Zone)
142901	B	3	TRUE	TRUE	1500	3500.00	39.84	181701
142902	B	4	TRUE	TRUE	1500	2294.69	20.00	181701
142904	B	4	TRUE	TRUE	1500	2363.32	20.00	181701
142905	B	3	TRUE	TRUE	1500	2408.79	20.00	181701
142906	B	3	TRUE	TRUE	1500	2410.31	20.01	181701
142907	B	4	TRUE	TRUE	1500	2746.30	20.01	181701
142908	B	4	TRUE	TRUE	1500	2794.73	20.01	181701
152834	B	3	TRUE	TRUE	1500	3500.00	133.18	181701
152901	B	3	TRUE	TRUE	1500	3500.00	88.92	181701
152902	B	4	TRUE	TRUE	1500	2821.37	20.00	181701
152903	B	3	TRUE	TRUE	1500	2422.87	20.02	181701
152904	B	3	TRUE	TRUE	1500	2373.98	20.01	181701
J-121	B	3	TRUE	TRUE	1500	3500.00	136.39	181701
J-122	B	3	TRUE	TRUE	1500	3500.00	129.61	181701
J-123	B	3	TRUE	TRUE	1500	3500.00	117.53	181701
J-124	B	3	TRUE	TRUE	1500	3500.00	116.08	181701
J-125	B	3	TRUE	TRUE	1500	3500.00	112.65	181701
J-126	B	3	TRUE	TRUE	1500	3500.00	111.11	181701
J-127	B	3	TRUE	TRUE	1500	3500.00	110.01	181701
J-128	B	3	TRUE	TRUE	1500	3500.00	115.02	181701
J-129	B	3	TRUE	TRUE	1500	3500.00	73.41	181701
J-130	B	3	TRUE	TRUE	1500	3500.00	55.24	181701
J-131	B	3	TRUE	TRUE	1500	3500.00	49.23	181701
J-132	B	3	TRUE	TRUE	1500	3500.00	42.66	181701
J-133	B	3	TRUE	TRUE	1500	3500.00	42.68	181701
J-134	B	3	TRUE	TRUE	1500	3500.00	47.61	181701
J-135	B	3	TRUE	TRUE	1500	3500.00	56.83	181701
J-136	B	3	TRUE	TRUE	1500	3500.00	75.81	181701
J-137	B	3	TRUE	TRUE	1500	3500.00	114.84	181701
J-138	B	3	TRUE	TRUE	1500	3500.00	29.31	181701
J-139	B	4	TRUE	TRUE	1500	3337.92	20.00	181701
J-140	B	3	TRUE	TRUE	1500	3500.00	24.62	181701
J-141	B	6	TRUE	TRUE	1500	3102.32	20.89	181701
J-142	B	6	TRUE	TRUE	1500	2751.06	20.89	181701
J-143	B	3	TRUE	TRUE	1500	2510.11	20.03	181701
J-392	B	4	TRUE	TRUE	1500	3157.82	20.00	181701
J-393	B	5	TRUE	TRUE	1500	3154.23	20.00	181701
J-889	B	21	TRUE	TRUE	1500	2475.30	22.26	181701
J-890	B	21	TRUE	TRUE	1500	2478.43	22.24	181701
J-1167	B	3	TRUE	TRUE	1500	3500.00	49.16	181701

Wildcat Industrial Park
Fire Flow Report

J-1168	B	3	TRUE	TRUE	1500	3500.00	46.13	181701
J-1539	B	8	TRUE	TRUE	1500	3384.38	20.03	181701
J-1540	B	5	TRUE	TRUE	1500	3375.23	20.00	181701
J-1870	B	3	TRUE	TRUE	1500	3500.00	110.35	181701
J-1871	B	3	TRUE	TRUE	1500	3500.00	109.75	181701
J-2126	B	4	TRUE	TRUE	1500	3314.85	20.01	181701
J-2545	B	3	TRUE	TRUE	1500	3500.00	142.01	181701
J-2546	B	3	TRUE	TRUE	1500	3500.00	138.62	181701
J-3113	B	4	TRUE	TRUE	1500	3007.12	20.01	181701
J-3114	B	4	TRUE	TRUE	1500	2976.27	20.00	142907
J-3166	B	4	TRUE	TRUE	1500	3092.69	20.00	181701
J-3167	B	4	TRUE	TRUE	1500	3058.75	20.00	181701
J-4743	B	3	TRUE	TRUE	1500	3500.00	141.89	181701
J-4744	B	3	TRUE	TRUE	1500	3500.00	141.85	181701
J-4810	B	3	TRUE	TRUE	1500	2433.24	20.00	181701
J-5500	B	4	TRUE	TRUE	1500	2864.65	20.00	181701
J-6458	B	3	TRUE	TRUE	1500	3500.00	50.42	181701
J-6851	B	3	TRUE	TRUE	1500	3500.00	51.79	181701
J-7274	B	3	TRUE	TRUE	1500	2399.51	20.01	181701
J-7403	B	21	TRUE	TRUE	1500	2462.44	20.99	181701
J-7535	B	21	TRUE	TRUE	1500	2428.40	21.59	181701
J-7992	B	22	TRUE	TRUE	1500	2400.74	21.22	181701
J-8001	B	21	TRUE	TRUE	1500	2489.62	22.35	181701
J-8645	B	21	TRUE	TRUE	1500	2465.81	22.05	181701
J-8768	B	10	TRUE	TRUE	1500	3032.15	20.66	181701
J-8769	B	23	TRUE	TRUE	1500	3009.86	21.02	181701
J-9341	B	3	TRUE	TRUE	1500	3500.00	111.31	181701
J-9387	B	5	TRUE	TRUE	1500	3009.37	20.00	181701
J-9492	B	3	TRUE	TRUE	1500	3500.00	101.15	181701
J-9552	B	4	TRUE	TRUE	1500	2359.01	20.01	181701
J-11599	B	21	TRUE	TRUE	1500	2421.80	21.83	181701
J-11676	B	8	TRUE	TRUE	1500	2521.00	23.59	181701
J-12315	B	23	TRUE	TRUE	1500	2941.70	22.36	181701
J-13593	B	3	TRUE	TRUE	1500	2365.56	20.01	181701
J-14080	B	3	TRUE	TRUE	1500	3500.00	59.13	181701
J-14199	B	3	TRUE	TRUE	1500	3500.00	95.70	181701
J-14201	B	3	TRUE	TRUE	1500	3500.00	31.33	181701
J-14204	B	3	TRUE	TRUE	1500	3500.00	56.79	181701

City of Flagstaff
Community Development
Substantive Review Comments

Substantive Traffic: Traffic, David Lemcke 01/12/2026

1. Per the submitted traffic statement, it has been determined that a left turn lane is warranted for the site based on projected site traffic and existing trips already utilizing the driveway. A left turn lane for EB Route 66 is required to be constructed, must be designed per ADOT TGP 430, and must be shown on future submittals. An updated traffic statement with existing counts is not required with the resubmittal. Route 66 is classified as a minor arterial, and the City's cross section for this classification includes left turn lanes. In addition, from an operational and safety standpoint, rezoning the property to Heavy Industrial for use as a concrete batch plant makes this a critical location for a left-turn lane due to the construction operations, the heavy vehicles proposed to use the driveway, and overall safety considerations.

TRAFFIC STUDY REPORT
FOR
WINSLOW READY MIX
COCONINO COUNTY, ARIZONA
APNs 113-07-003S

Date:
September 11th , 2025

Owner:
Re Asset Management LLC
PO Box 30326
Flagstaff, Az 86003



Prepared by:

ENGINEERING • MANAGEMENT
618 E Rte 66 • Flagstaff, Arizona 86001• Telephone (928) 522-9287

Table of Contents
Winslow Ready Mix
Traffic Study Report
APNs 113-07-003S

1. **Cover** 1
2. **Table of Contents** 2
3. **Introduction** 3
4. **Trip Generation** 3
5. **References** 3

APPENDICES

A. Calculations: Trip Generation

B. Institute of Transportation Engineers Trip Generation Manual, 12th Edition (Land Use: 180 Specialty Trade Contractor) Average Employee Vehicle Trip Ends: Weekday

C. Institute of Transportation Engineers Trip Generation Manual, 12th Edition (Land Use: 180 Specialty Trade Contractor) Average Employee Vehicle Trip Ends: Weekday, A.M. Peak Hour Generator

D. Institute of Transportation Engineers Trip Generation Manual, 12th Edition (Land Use: 180 Specialty Trade Contractor) Average Employee Vehicle Trip Ends: Weekday, P.M. Peak Hour Generator



3. INTRODUCTION

The Winslow Ready Mix is a proposed concrete ready-mix facility located inside the City of Flagstaff, at parcel number 113-07-003S (Coconino County Records). The physical address of this parcel is 6500 E. Route 66, Flagstaff, AZ. The project is located East of Flagstaff, approximately 1.0 mile east of the intersection of Highways RTE 66 and S Mall Way.

The proposed project will consist of a concrete ready-mix facility with 10 employees and 80 commercial truck trips.

4. TRIP GENERATION

The average daily traffic volumes, including A.M. and P.M. peak hour trips, generated by the proposed project have been estimated using trip rates provided by the *Institute of Transportation Engineers Trip Generation Manual, Twelfth Edition (ITE)*. ITE Land Use Code 180: Specialty Trade Contractor was used for the development in determining the trips generated by this project.

Per the ITE, the proposed ready mix concrete facility will produce 44 average daily employee trips with an AM peak of 7 and a PM peak of 9. The trucks will produce 80 average daily trips, with 40 trips by concrete trucks and 40 trips by raw material trucks. Truck trips will have an AM peak of 10 and a PM peak of 10. This will generate 124 average daily vehicle trip ends. The peak hour trip ends is estimated to be 19. The trip generation hand calculations are included in Appendix 'A.' The charts and regression equations in their original format can be found in Appendices 'B'-'D.'

Due to the number of peak-hour vehicle trip ends for the ready mix concrete facility of 19 not exceeding 100 trip ends per hour, a TIA is not warranted per Section 1: B of the City of Flagstaff Transportation Impact Analysis Manual.

5. REFERENCES

Institute of Transportation Engineers Trip Generation Manual, 12th Edition

City of Flagstaff, Transportation Impact Analysis Manual, 2017

CALCULATIONS: TRIP GENERATION

Institute of Transportation Engineers Trip Generation Manual, 12th Edition - Land Use: 180 Specialty Trade Contractor

Average Employee Vehicle Trip Ends: Weekday (10 Units)
T = 2.17(X) + 22.67
X = 10 Employees
T = 2.17(10) + 22.67
T = 44.37

Average Employee Vehicle Trip Ends: Weekday, A.M. Peak Hour Generator (10 Units)
T =Avg.*X
X = 10 Employees
T = 0.73.*10
T = 7.3

Average Employee Vehicle Trip Ends: Weekday, P.M. Peak Hour Generator (10 Units)
T = 0.51(X) + 4.63
X = 10 Employees
T = 0.51(10) + 4.63
T = 9.73

Average Truck Vehicle Trip Ends: Weekday (20 Units)
40 loads per Day = 80 trips in 8-hour Day
T = 80

Average Truck Vehicle Trip Ends: Weekday, A.M. Peak Hour Generator (20 Units)
40 loads per Day = 80 trips in 8-hour Day
PHF = 40/8
T = 10

Average Truck Vehicle Trip Ends: Weekday, P.M. Peak Hour Generator (20 Units)
40 loads per Day = 80 trips in 8-hour Day
PHF = 80/8 = 5
T = 10

Specialty Trade Contractor
(180)

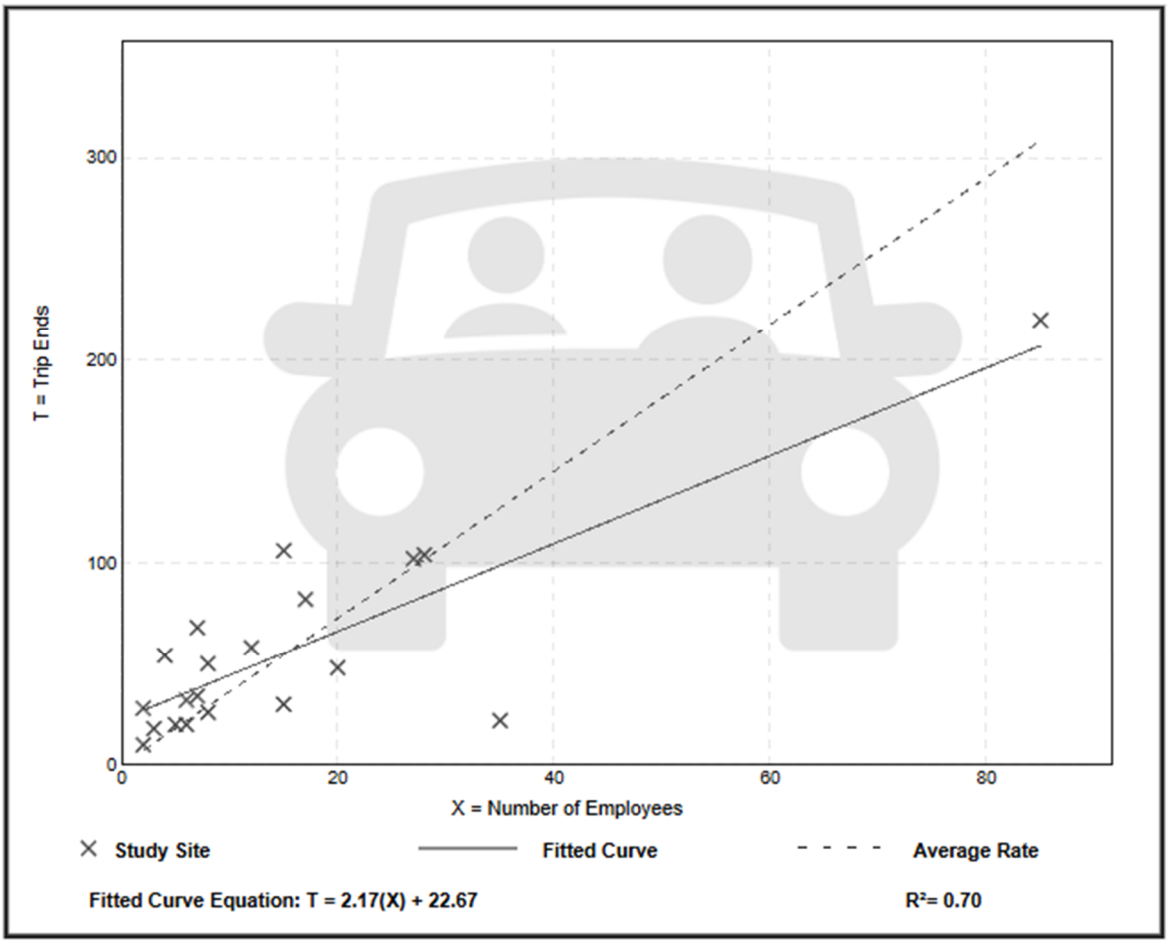
Vehicle Trip Ends vs: **Employees**
On a: **Weekday**

Setting/Location: **General Urban/Suburban**
Number of Studies: 20
Avg. Num. of Employees: 16
Directional Distribution: 50% entering, 50% exiting

Vehicle Trip Generation per Employee

Average Rate	Range of Rates	Standard Deviation
3.63	0.63 - 14.00	2.37

Data Plot and Equation



Specialty Trade Contractor
(180)

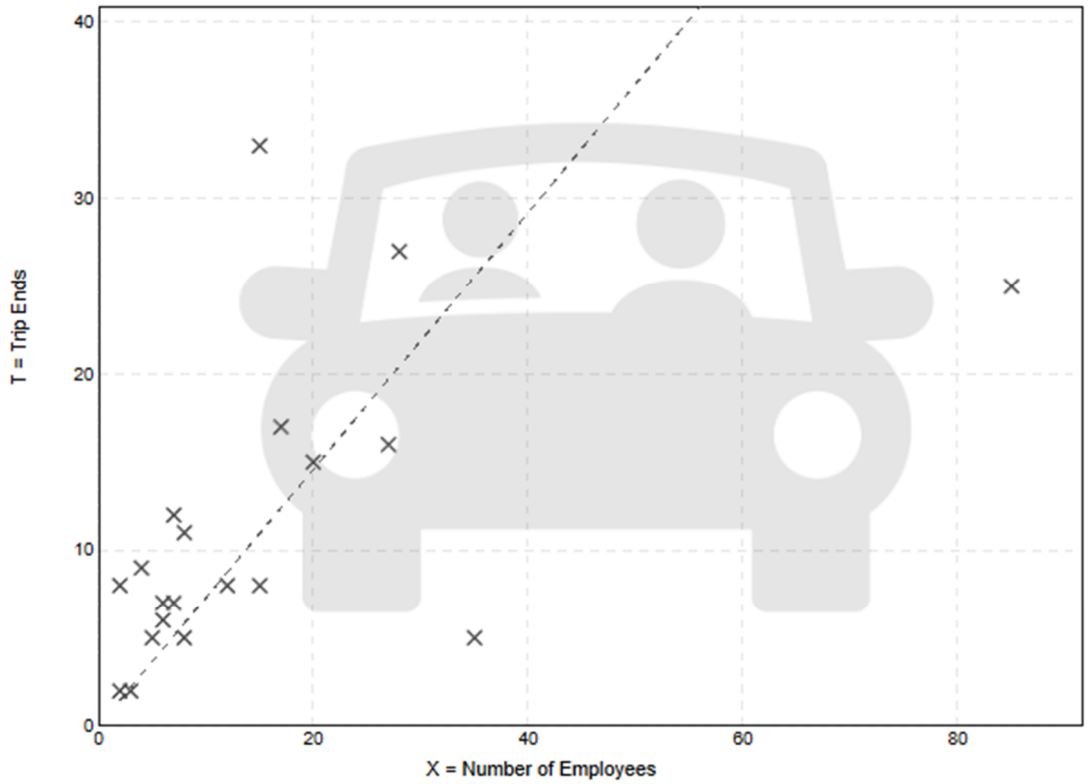
Vehicle Trip Ends vs: **Employees**
On a: **Weekday,**
AM Peak Hour of Generator

Setting/Location: **General Urban/Suburban**
Number of Studies: 20
Avg. Num. of Employees: 16
Directional Distribution: 77% entering, 23% exiting

Vehicle Trip Generation per Employee

Average Rate	Range of Rates	Standard Deviation
0.73	0.14 - 4.00	0.60

Data Plot and Equation



Fitted Curve Equation: Not Given

R^2= ****

Specialty Trade Contractor
(180)

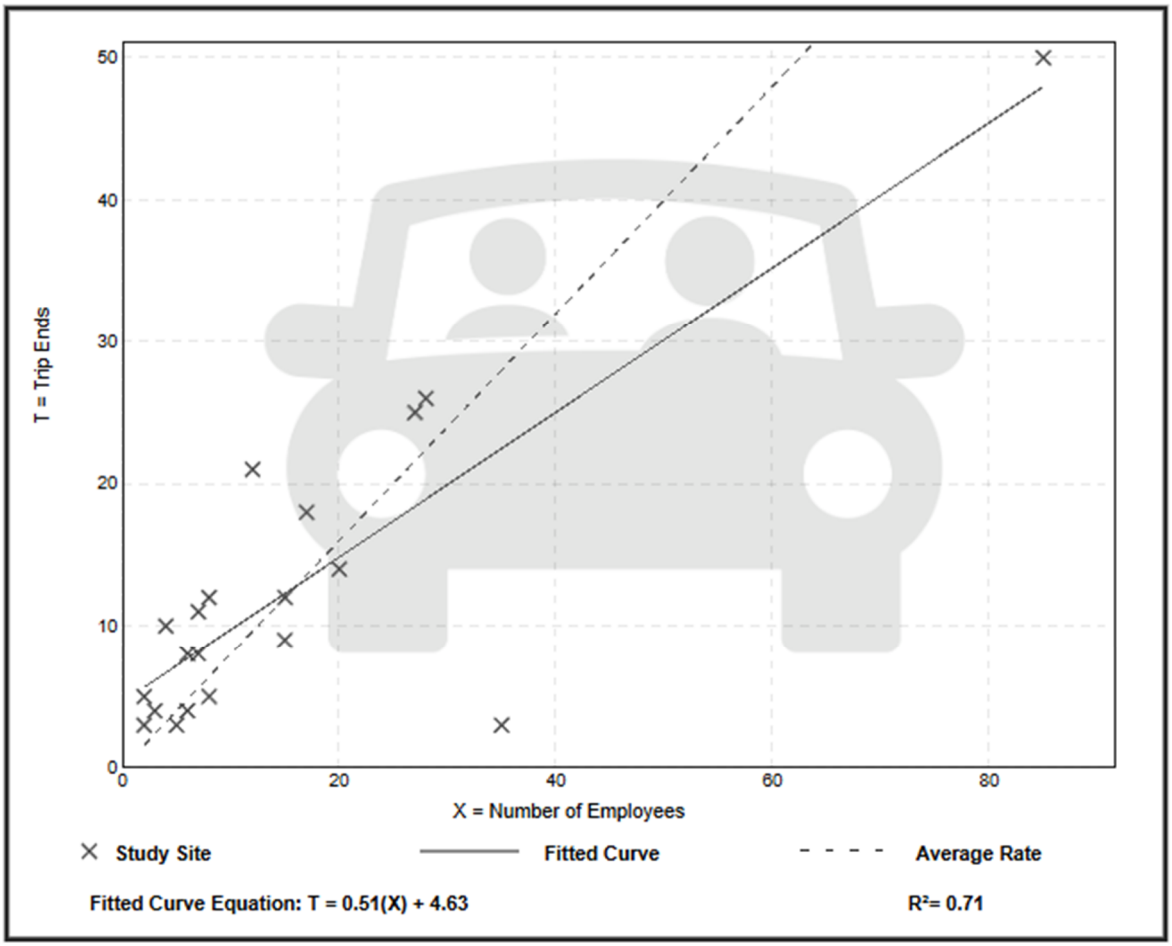
Vehicle Trip Ends vs: **Employees**
On a: **Weekday,**
PM Peak Hour of Generator

Setting/Location: **General Urban/Suburban**
Number of Studies: 20
Avg. Num. of Employees: 16
Directional Distribution: 38% entering, 62% exiting

Vehicle Trip Generation per Employee

Average Rate	Range of Rates	Standard Deviation
0.80	0.09 - 2.50	0.47

Data Plot and Equation



ORDINANCE NO. 2024-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 18.24 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 6500 E ROUTE 66, FROM THE RURAL RESIDENTIAL (RR) ZONE WITH A RESOURCE PROTECTION OVERLAY (RPO) TO THE HEAVY INDUSTRIAL (HI) ZONE WITH A RESOURCE PROTECTION OVERLAY (RPO), PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Tony Cullum Law, ("the Applicant"), on behalf of the property owner RE ASSET MANAGEMENT, LLC, has applied for a Direct to Ordinance Zoning Map Amendment to rezone approximately 18.24 acres of real property located within the City of Flagstaff, a legal description of which is provided in "Exhibit A" attached hereto and incorporated by this reference ("the Property"), from the Rural Residential (RR) zone with a Resource Protection Overlay (RPO) to the Heavy Industrial (HI) zone with a Resource Protection Overlay (RPO) for the purpose of establishing the use of Contractor Yards as permitted in the Heavy Industrial zone; and

WHEREAS, the Applicant conducted a neighborhood meeting on August 21, 2020 and December 18, 2023 to discuss the proposed Zoning Map Amendment with the surrounding community, as required by Section 10-20.50.40 of the Flagstaff Zoning Code; and

WHEREAS, the Planning and Zoning Commission has formally considered the proposed Direct to Ordinance Zoning Map Amendment application, following proper notice and a hearing on February 28, 2024, and has recommended approval of the requested Zoning Map Amendment application, subject to the Applicant's compliance with a certain condition set forth below; and

WHEREAS, the Council finds that the applicant has complied with all application requirements set forth in Chapter 10-20 of the Flagstaff Zoning Code; and

WHEREAS, the Council has considered the conditions recommended by the Planning and Zoning Commission and has found it to be appropriate for the Property; and

WHEREAS, the Council has read and considered the staff reports prepared by the Current Planning Division staff and all attachments to those reports, the Applicant's application, the narrative provided by the Applicant, and all statements made by the Applicant and its representatives or agents during the presentation to Council, and the Council finds that the proposed Direct to Ordinance Zoning Map Amendment, subject to the conditions set forth below, meets the findings required by Section 10-20.50.040(F)(1)(a) of the Flagstaff Zoning Code.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. The amendment requested in the application is consistent with and conforms to the goals of the General Plan.

SECTION 3. The amendment requested in the application will not be detrimental to the public interest, health, safety, convenience, or welfare of the City, and will add to the public good as described in the General Plan.

SECTION 4. The affected site is physically suitable in terms of location, shape, size, operating characteristics, and the provision of public and emergency vehicle access and public services and utilities to ensure that the amendment requested in the application will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

SECTION 5. The Zoning Map designation for the Property is hereby amended from the Rural Residential (RR) zone with a Resource Protection Overlay (RPO) to Heavy Industrial (HI) zone with a Resource Protection Overlay (RPO) as set forth in Exhibit A, attached hereto and incorporated by reference.

SECTION 6. That the Zoning Map Amendment be further conditioned upon the Applicant's satisfaction of the following condition:

CONDITION:

1. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
2. Within 90 days of the approved zoning, the applicant must reconfigure the parcels to eliminate any split zoning.

SECTION 7. That City staff is hereby authorized to take such other and further measures and actions as are necessary and appropriate to carry out the terms, provisions, and intents of this Ordinance.

SECTION 8. If any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 9. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 2nd day of April, 2024.

for

MAYOR

ATTEST:

Stacy Saltzburg
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:
Legal Description

Exhibits on file with the Flagstaff City Clerk

EXHIBIT "A"

The following is a description of a parcel of land, being a portion of Parcel No. 2 and a portion of Parcel No.3 of Instrument 3445758 as shown on the Record of Survey Instrument 3457506, Coconino County Records (CCR), situate in section 9, Township 21 North, Range 8 East, G.& S.R.M., Flagstaff, Coconino County, Arizona, being more particularly described as follows:

Beginning at the southwest corner of said Parcel No.2;

Thence South 89°47'23" East along the south line of said Parcel No. 2 a distance of 665.71 feet to the southeast corner of said Parcel No. 2 which is the southwest corner of said Parcel No. 3;

Thence South 89°56'25" East along the south line of said Parcel No. 3 a distance of 206.81 feet;

Thence North 00°03'39" West a distance of 948.62 feet;

Thence North 89°57'49" West a distance of 565.30 feet;

Thence South 56°27'48" West a distance of 364.41 feet to a point on the west line of said Parcel No. 2;

Thence South 00°11'21" West along the west line of said Parcel No. 2 a distance of 745.00 feet to the **True Point of Beginning**;

Said parcel contains 18.23808 acres of land more or less.



East 3.6662 acres of Ins. 3654327 not to be Rezoned, retains RR Zoning

Mogollon Engineering and Surveying, Inc.
411 W Santa Fe Ave. Flagstaff, AZ 86001-mogollon99@aol.com- 928-214-0214

ORDINANCE NO. 2026-12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 18.2 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 6500 E ROUTE 66, APN 113-07-003S, TO MODIFY THE CONDITIONS OF THE PREVIOUS REZONE OF THIS REAL PROPERTY TO INCORPORATE A NEW SITE PLAN AND ALLOW A CONCRETE BATCH PLANT, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Lauren McCauley ("the Applicant"), has applied for the modification of the previous rezone of 18.2 acres to Heavy Industrial (HI) zoning with the Resource Protection Overlay (RPO), a legal description of which is provided in Exhibit A attached hereto and incorporated by this reference ("the Property"), modifying the conditions of that previous rezoning to incorporate a new site plan and allow a Concrete Batch Plant on site, considered a General Heavy Industrial use; and

WHEREAS, the Applicant proposes to develop the Property pursuant to the terms and conditions of this Ordinance; and

WHEREAS, the Applicant conducted a neighborhood meeting on February 18, 2026 to discuss the proposed Zoning Map Amendment with the surrounding community, as required by Section 10-20.50.040 of the Flagstaff Zoning Code; and

WHEREAS, the Planning and Zoning Commission has formally considered the proposed Direct-to-Ordinance Zoning Map Amendment application, following proper notice and hearings on May 13th, 2026, and has recommended approval of the requested Zoning Map Amendment application, subject to the Applicant's compliance with certain conditions set forth below; and

WHEREAS, the Council finds that the applicant has complied with all application requirements set forth in Chapter 10-20 of the Flagstaff Zoning Code; and

WHEREAS, staff have recommended approval of the Direct to Ordinance Zoning Map Amendment application, subject to the conditions proposed by the Planning and Zoning Commission, and the Council has considered each of the conditions and has found each condition to be appropriate for the Property and necessary for the proposed development; and

WHEREAS, the Council has read and considered the staff reports prepared by the current Planning Division staff and all attachments to those reports, the Applicant's application, the narrative provided by the Applicant, and all statements made by the Applicant and its representatives or agents during the presentation to Council, and the Council finds that the proposed Direct to Ordinance Zoning Map Amendment, subject to the conditions set forth below, meets the findings required by Section 10-20.50.040(F)(1)(a) of the Flagstaff Zoning Code.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. The amendment requested in the application is consistent with and conforms to the goals of the Regional Plan.

SECTION 3. The amendment requested in the application will not be detrimental to the public interest, health, safety, convenience, or welfare of the City, and will add to the public good as described in the General Plan.

SECTION 4. The affected site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle access and public services and utilities to ensure that the amendment requested in the application will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

SECTION 5. The Zoning Map designation for the Property set forth in Ordinance 2024-10 is hereby modified to incorporate a new site plan, attached hereto as Exhibit B and incorporated by reference.

SECTION 6. That the Zoning Map Amendment be further conditioned upon the Applicant's satisfaction of the following conditions proposed by the Planning and Zoning Commission:

CONDITIONS:

1. The subject property must be developed in accordance with the approved site plan attached in Exhibit B and conditions of approval dated March 18, 2026. Modifications may require a revised site plan approval or future zoning map amendment.
2. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
3. All terms, conditions, and restrictions detailed within the previous Direct to Ordinance Zoning Map Amendment must be fully satisfied.

SECTION 8. That City staff is hereby authorized to take such other and further measures and actions as are necessary and appropriate to carry out the terms, provisions, and intents of this Ordinance.

SECTION 9. If any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 10. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

Exhibit A – Legal Description
Exhibit B – Site Plan

PZ-25-00124-04
6500 E Route 66

Winslow Ready Mix
Direct to Ordinance Zoning Map Amendment

City Council| June 2nd, 2026

Bethan Heng | Senior Planner

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Winslow Ready Mix DTO ZMA

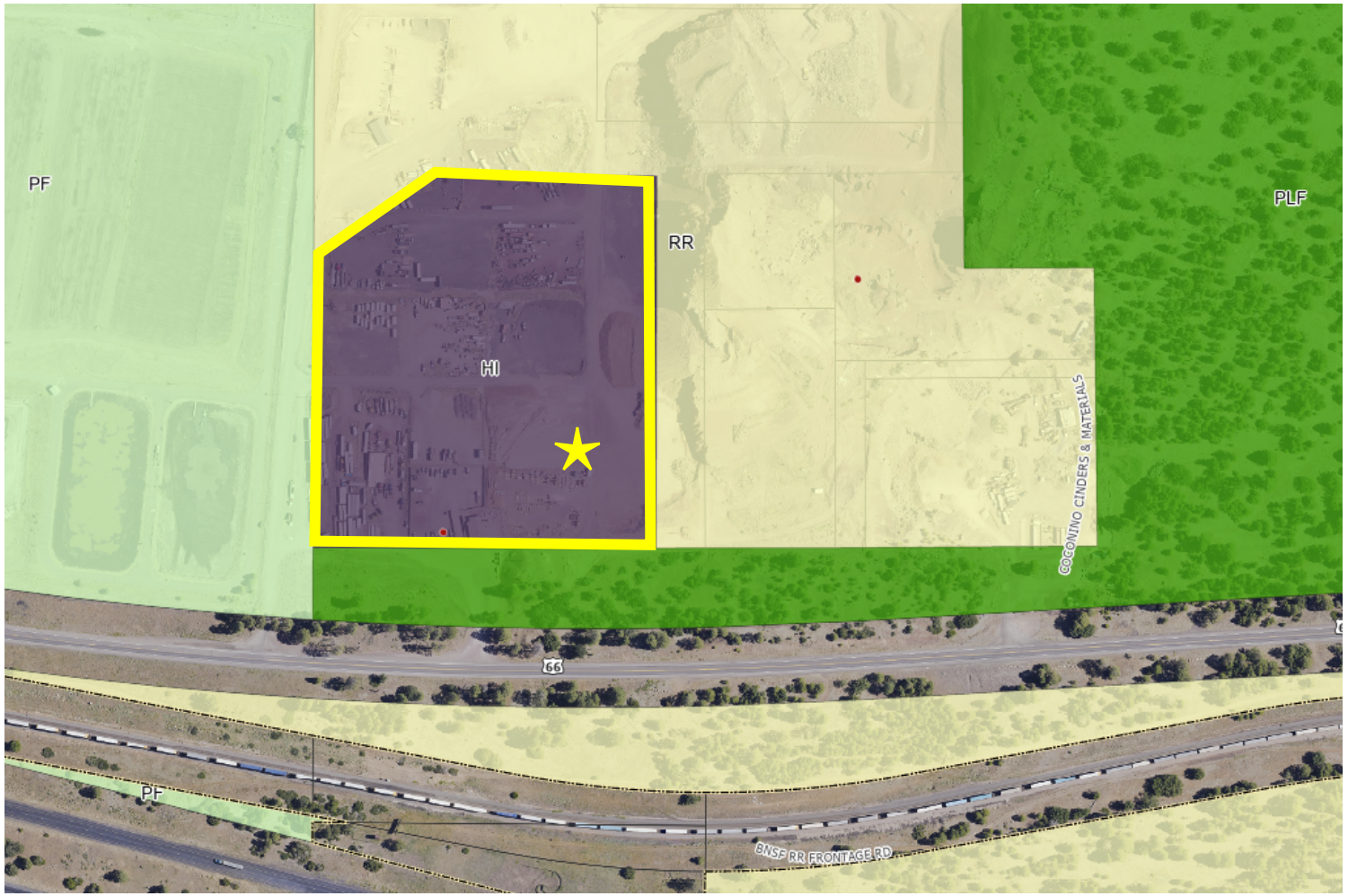
Property
6500 E Route 66
APN 113-07-003S

Proposed Use

The applicant wishes to utilize a portion of the site to lease two lots for a Concrete Batch Plant.

Request

1. The applicant is requesting to modify the rezone of 18.2 acres Heavy Industrial (HI) zoning with the Resource Protection Overlay (RPO), modifying the conditions of the prior rezoning for the purpose of allowing a Concrete Batch Plant on site, considered a General Heavy Industrial use.



Winslow Ready Mix DTO ZMA

General Heavy Industrial – Definition (Section 10-80.20)

Industrial, Heavy – General:

"Construction, manufacturing, transportation, and public utilities, and those uses that may have severe potential for negative impact on any uses located relatively close to them. Differs from light industrial uses in that it includes uses that require unenclosed structures that are large, tall, and unsightly, such as concrete batching plants. These uses also have the potential for generation of dust, noise, and odor and may involve large amounts of exterior storage. Because of their scale, they are likely to have a regional impact."

General Heavy Industrial is a permitted use within the Heavy Industrial (HI) zone.

Winslow Ready Mix DTO ZMA

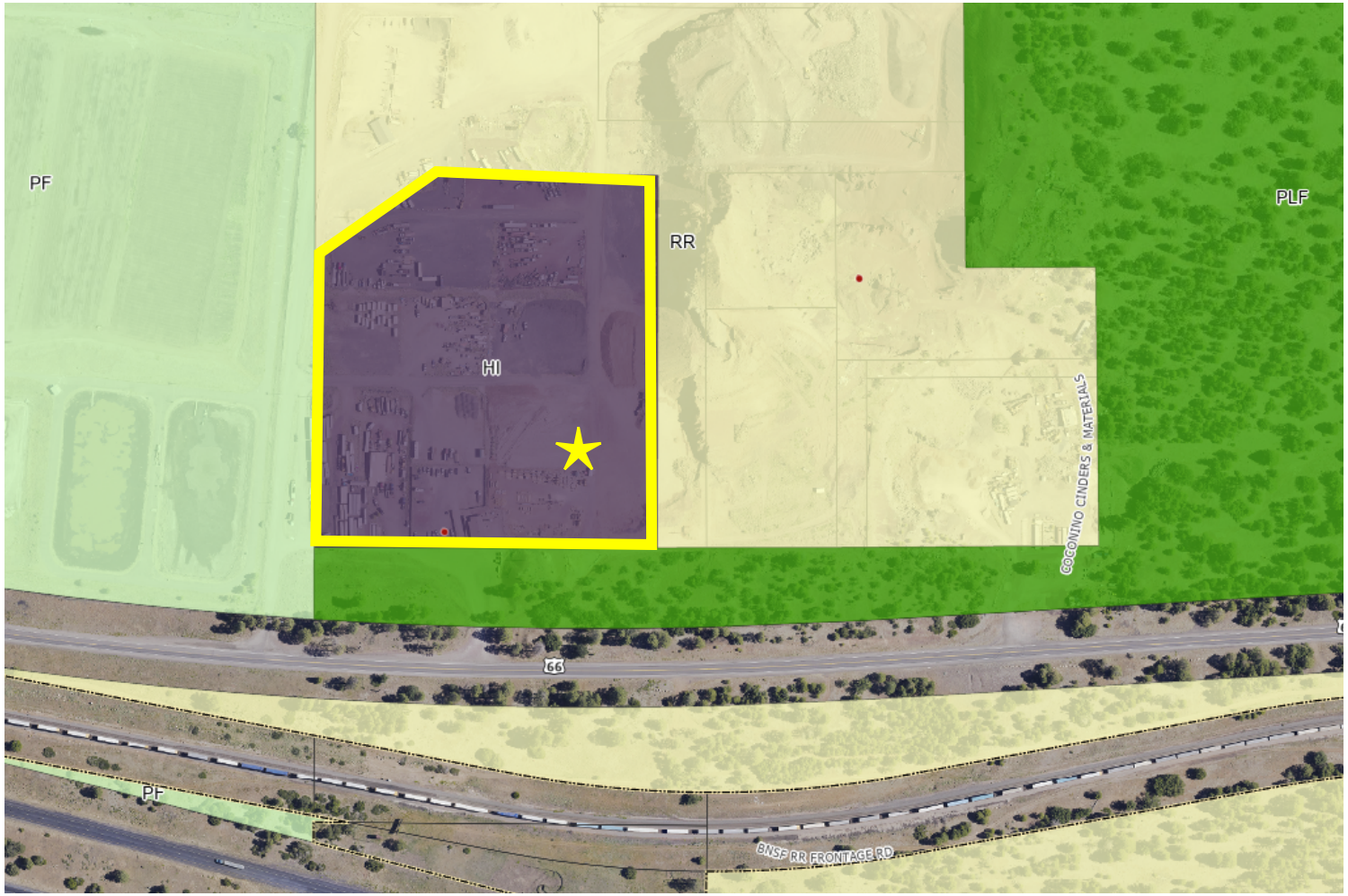
Property Context Map

North
Mining land, zoned RR

West
City of Flagstaff wastewater treatment plant, Zoned PF

East
Mining land, zoned RR

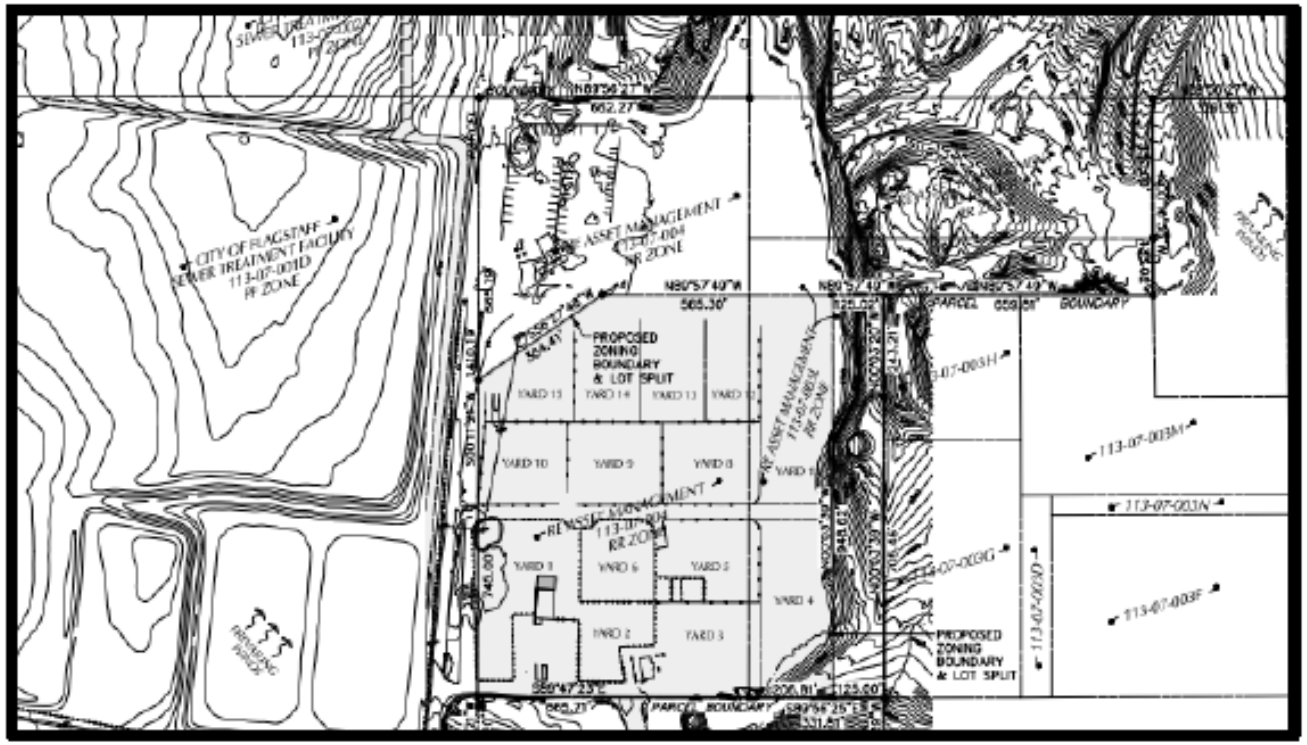
South
Coconino National Forest and right-of-way, zoned PLF



Winslow Ready Mix DTO ZMA

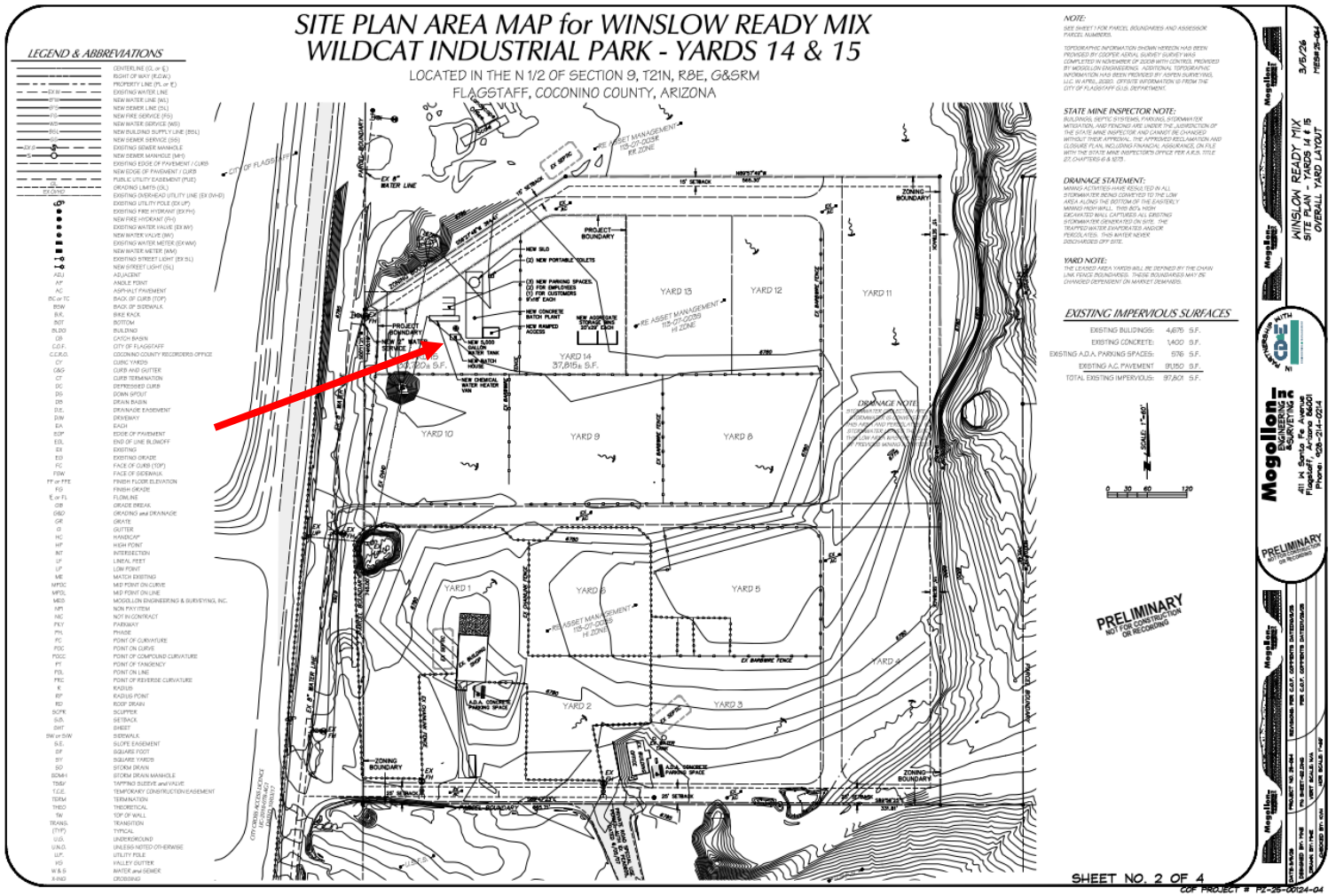
April 2024 DTO ZMA – Wildcat Industrial Site Plan

- Establishment of 15 contractor yards
  - Two small existing buildings will remain on site.
- 18.24 acre site
- Existing parking for the office and shop, parking is not required for the contractor yards.



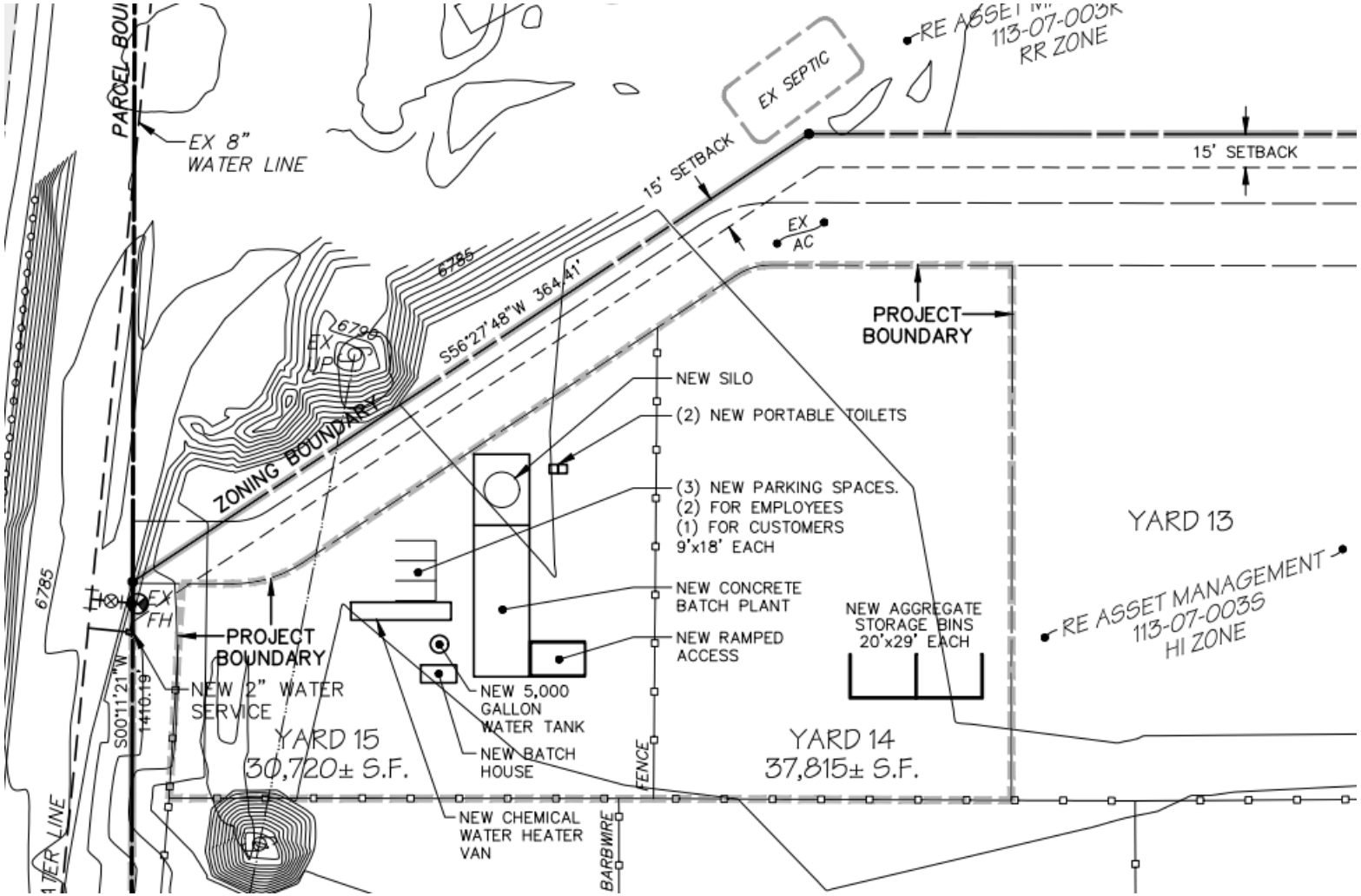
Winslow Ready Mix DTO ZMA

Winslow Ready Mix – Modification to DTO ZMA



Winslow Ready Mix – Modification to DTO ZMA

- Concrete Batch Plant proposed for Yard 15.
- Yard 14 designated for aggregate storage.
- 3 new parking spaces provided on Lot 15 (not required).
- Access through City Cross Access Easement on property adjacent to the West of site.



Winslow Ready Mix DTO ZMA

Impact Analyses

There are three main impact analyses that can be triggered by code:

- Traffic Impact Analysis
- Water Sewer Impact Analysis (WSIA)
- Stormwater Analysis

Winslow Ready Mix DTO ZMA

Impact Analyses

A Traffic Statement was sealed and approved by city staff on September 15, 2025.

- Per the submitted traffic statement, it was determined that a left turn lane was warranted for the site based on projected site traffic and existing trips already utilizing the driveway.
- Route 66 is classified as a minor arterial, and the City's cross section for this classification includes left turn lanes.

A WISA was completed on December 2nd, 2019 and approved by city staff.

- The City constructed a 12" water main along Rt 66 to the intersection of El Paso Road.
- The developer constructed a looped waterline extension with an 8" waterline.

A drainage statement was not required for the site plan of this application. An existing stormwater collection area exists at the East of the site.

Zoning Map Amendment Findings

Finding #1

The proposed amendment must be found to be consistent with and in conformance with the goals and policies of the General Plan and any applicable specific plans. If the application is not consistent with the General Plan, and any other applicable specific plan, the applicable plan must be amended in compliance with the procedures established in Chapter 11 10 of the City Code prior to considering the proposed amendment.

Zoning Map Amendment Findings

Finding #1

The subject Property is designated as a Future Employment area type in the 2030 Regional Plan.

An employment center may include mixed use; research and development offices; medical offices; office space; business park; retail, restaurant, and tourism center; light industrial; heavy industrial; and live work spaces.

Zoning Map Amendment Findings

Finding #2

The proposed amendment must be determined not to be detrimental to the public interest, health, safety, convenience, or welfare of the City of Flagstaff, and will add to the public good as described in the General Plan.

Staff believes that the proposed project will not be detrimental to the public health, safety, or welfare so long as it is developed in accordance with all codes and requirements.

Zoning Map Amendment Findings

Finding #3

The site must be determined to be physically suitable in terms of design, location, shape, size, and operating characteristics; and the provision of public and emergency vehicle access, public services, and utilities to ensure that the requested zone designation and the proposed or anticipated uses and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

Zoning Map Amendment Findings

Adequacy of Site

Staff believes that the proposed application meets this finding. The Inter Division Staff (IDS) reviewed the application and concluded that the site was suitable for the proposed development. The IDS team based its conclusion on the review of all applicable codes and requirements .

Citizen Participation Plan

- The applicant notified neighbors within 300ft of the subject property.
- Applicant held one virtual public meeting on February 18, 2026, with no attendees.
- The second neighborhood meeting was waived by the Planning and Development Services Director since there was no attendees to the first meeting.
- To date, staff has not received any comments on this application.

Planning and Zoning Commission Recommendation of Approval

Planning & Zoning Commission forward the request to the City Council with a recommendation for approval (vote of 5-0), subject to the following conditions:

1. The subject property must be developed in accordance with the approved site plan and conditions of approval dated March 18, 2026. Modifications may require a revised site plan approval or future zoning map amendment.
2. All other requirements of the Zoning Code and other City codes, ordinances, and regulations shall be met by the proposed development.
3. All terms, conditions, and restrictions detailed within the previous Direct to Ordinance Zoning Map Amendment must be fully satisfied.



Questions or Comments

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Heidi Derryberry, Budget Director

Co-Submitter: Rick Tadder

Date: 05/29/2026

Meeting Date: 06/16/2026

TITLE:

Public Hearing: Fiscal Year 2026-27 Budget, Property Tax Levy and Truth in Taxation

STAFF RECOMMENDED ACTION:

1. Hold the public hearing to receive citizen input
2. Convene Special Meeting

Executive Summary:

This public hearing is being held to comply with Arizona State Statutes. Arizona Revised Statutes require a public hearing on the proposed final budget and property tax levy, A.R.S. Section 42-17104 as well as a public hearing on the Truth in Taxation for proposed primary property tax increases, A.R.S. Section 42-17107.

Financial Impact:

Upon adopting the final Fiscal Year (FY) 2026-27 Budget, the City may commit and spend funds for community needs as described in the budget. The budget is funded through numerous revenue sources, including property taxes.

The City is proposing a primary property tax levy of $7,767,483 on existing properties, plus an increased levy of $34,014 on new construction, for a total primary property tax levy in FY 2026-27 of $7,801,497. The primary property tax rate to support this levy is 0.6207 per $100 of assessed valuation (an increase of 0.0162 over the prior year). The proposed levy is less than the maximum allowable primary property tax levy allowed for FY 2026-27, which is $8,383,436.

The City is proposing a secondary property tax levy of $9,552,341 in FY 2026-27 on existing properties and new construction. The proposed secondary property tax rate is 0.7600 per $100 of net assessed valuation (a decrease of 0.0400 over the prior year).

Policy Impact:

The FY 2026-27 Budget is the financial plan of the City for the upcoming fiscal year.

Previous Council Decision or Community Discussion:

- December Council Retreat on December 19, 2025
- February Budget Retreat on February 5, 2026
- Council Budget Work Session on April 23, 2026
- Tentative Budget Adoption on June 2, 2026

Options and Alternatives to Recommended Action:
1. Conduct the public hearing; or,
2. Delay the public hearing

Background and History:
Budget adoption:
The adoption of the tentative budget set forth into motion a legally mandated time sequence of actions in which the Council must adhere to adopt a final budget and to levy property taxes. If this time sequence is not met as required by statute, the tentative budget adoption, the final budget adoption, the property tax levy actions, and related publications must be started over. The final budget adoption must occur after a public hearing and Council must convene a Special Meeting to adopt the final budget. The budget must be adopted by the third week of July. The County must adopt the property tax levy by the first week of August.

The key dates in this year's process are presented below:

- June 2, 2026: Tentative adoption of the budget by Council
- June 16, 2026: Proposed budget and property tax levy public hearing
- June 16, 2026: Final budget adoption (In a special meeting)
- June 16, 2026: First reading property tax ordinance
- July 7, 2026: Final reading and adoption of the property tax ordinance

The tentative adoption established the maximum appropriation for the City for the FY 2026-27 budget year. The budget legal schedules were published in the Arizona Daily Sun on June 4, 2026, and June 11, 2026. The final budget adoption allows the City to commit and expend resources as determined to be needed through the FY 2026-27 budget process. There have been no changes to the final budget recommended for adoption from that presented as the tentative budget. The recommended City of Flagstaff appropriation for FY 2026-27 is $626,928,460.

Property tax levy:
Primary property taxes are accumulated in the General Fund and pay for general services, which include, but are not limited to, public safety, parks and recreation, public works services, and general administrative and management functions within the City.

Secondary property taxes support debt service payments on numerous city capital projects, including the Aquaplex, fire stations, open space, street/utility projects, forest restoration, the core service facility, courthouse, infrastructure and housing projects.

The City has proposed a primary property tax levy in FY 2026-27 of $7,801,497. The maximum allowable primary property revenue under state law for FY 2026-27 is $8,383,436. The primary property tax rate will increase from a rate of 0.6045 in FY 2025-26 to a rate of 0.6207 in FY 2026-27.

The City has proposed a secondary property tax levy in FY 2026-27 of $9,552,341. The secondary property tax rate will decrease from a rate of 0.8000 in FY 2025-26 to a rate of 0.7600 in FY 2026-27.

Five years of historical data are shown below:

Property Tax Rates	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 Proposed
Primary	0.6954	0.6634	0.6363	0.6045	0.6207
Secondary	0.8000	0.8000	0.8000	0.8000	0.7600
Total	1.4954	1.4634	1.4363	1.4045	1.3807

Truth in Taxation legislation:
Every year, the Truth in Taxation legislation requires that the County Assessor, on or before February 10, must transmit to each city and town an estimate of the total net assessed valuation of the city, including new property added to the tax roll. If the proposed primary tax levy amount, excluding amounts attributable to

new construction, is greater than the levy amount in the previous year, the City must go through the Truth in Taxation procedures. It is important to note that it is the levy amount and not the rate which triggers the Truth in Taxation procedure. The City of Flagstaff proposed primary property tax levy requires a Truth in Taxation notification and hearing for FY 2026-27. The City has published a notification in accordance with A.R.S. Section 42-17107 and a copy is attached hereto.

Connection to PBB Priorities and Objectives:
The budget process has allowed for public participation, which is vital for the City Council in determining the current year's goals and objectives. The budget translates Key Community Goals and Objectives into a fiscal plan.

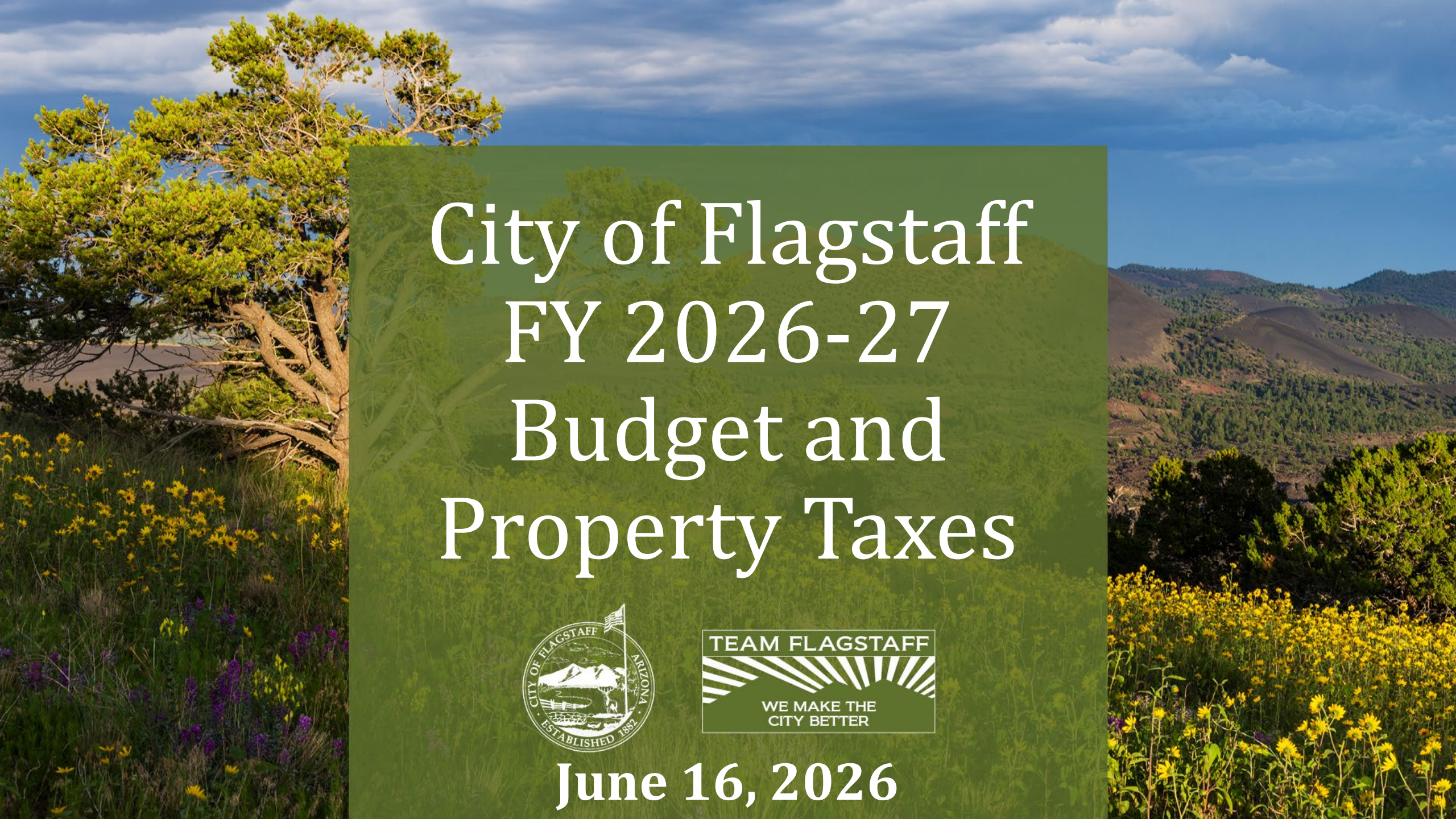
Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
The adoption of the Annual Budget and Financial Plan supports the Carbon Neutrality Plan by allocating financial resources the CNP goals.

Connection to 10-Year Housing Plan:
The adoption of the Annual Budget and Financial Plan supports the 10 Year Housing Plan by allocating financial resources to the plan's strategies.

Connection to Division Specific Plan:
None.

Attachments: FY 2026-27 Final Budget and Tax Presentation
Truth in Taxation Notification



City of Flagstaff FY 2026-27 Budget and Property Taxes

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

June 16, 2026

Timeline

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

December 19th

- Council Budget Retreat

February 5th

- Council Budget Retreat

April 23rd

- City Manager Recommended Budget Retreat

June 2nd

- Tentative Budget Adoption

June 16th

- Property Tax Levy Hearing
- First Read Property Tax Adoption
- Final Budget Adoption

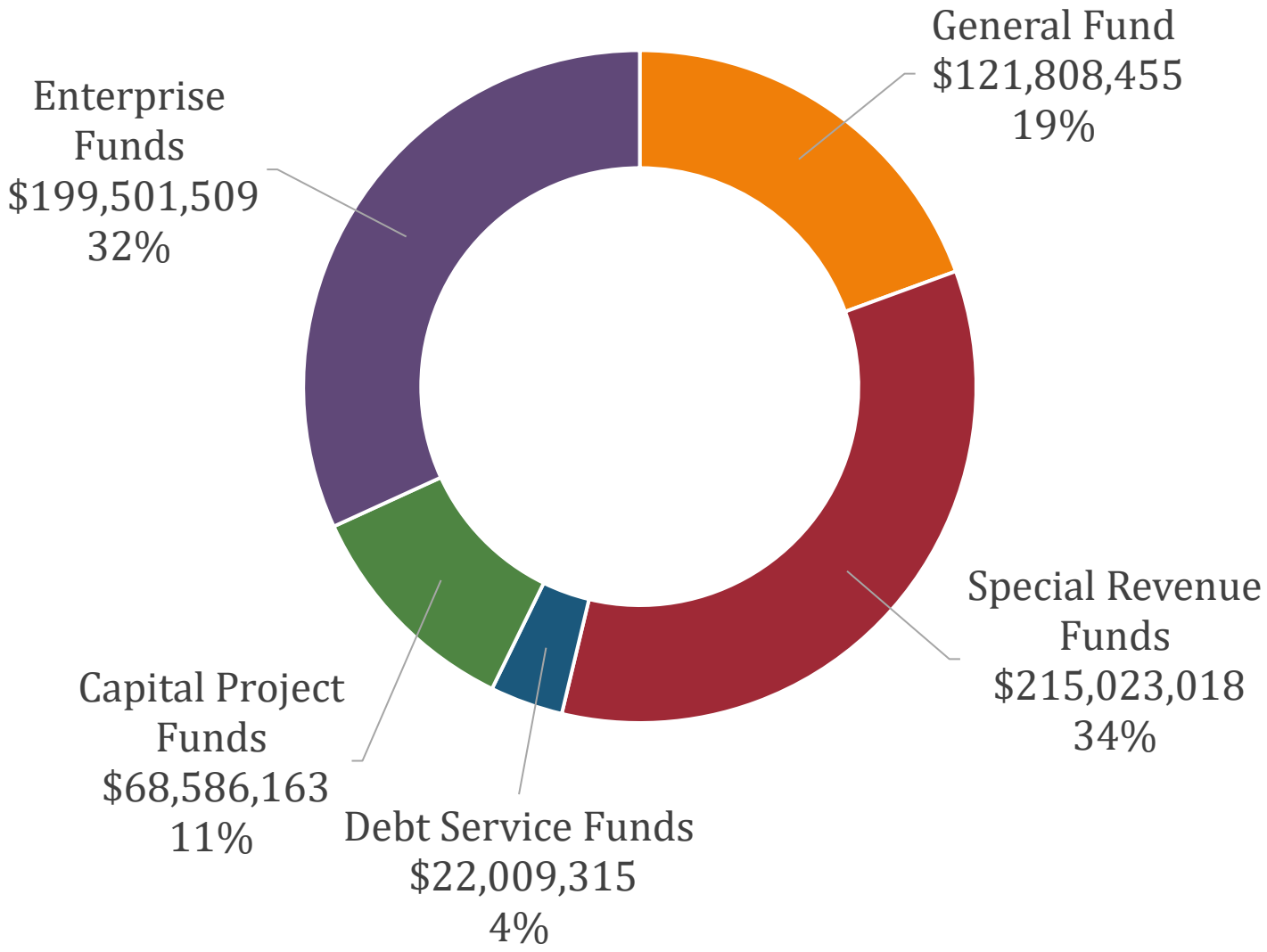
July 7th

- Second Read Property Tax Adoption

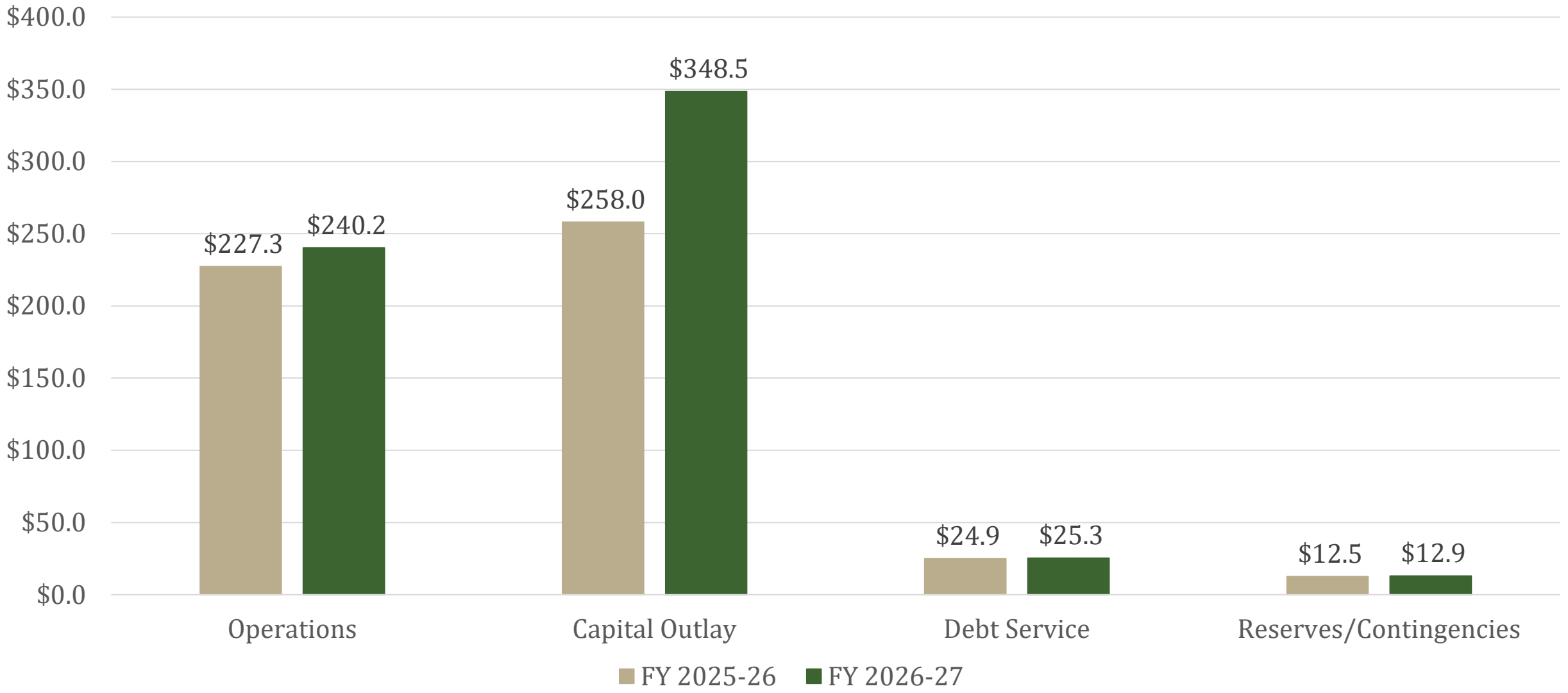
Legal Schedule A

Total
FY 2026-27
Budget:
$626,928,460

$104.2M (20%) increase
over FY 2025-26



Total Appropriations Comparison



Property Tax Shift

- Staff proposed a shift of 0.0400 tax rate from Secondary to Primary Property Tax
- Received Council direction for the tax shift at the April retreat
- Secondary Property Tax Rate
  - Reduced from 0.8000 to 0.7600
- Primary Property Tax Rate
  - Increased from 0.5807 to 0.6207
- Total increase for Primary Property Tax Levy is $537,089
  - Designated to support Fire and Police operations

Proposed Primary Property Tax

Total Proposed Primary Tax Levy: $7,801,497

- New construction revenue totals $34,014
- Assessed values increased 4.10% on average
- Proposed tax rate of 0.6207 per $100/AV
- Rate increase from 0.6045 in the prior year
- Adopting $581,939 below maximum allowed
- Unrestricted revenue per state statutes

Proposed Secondary Property Tax

Total Proposed Secondary Tax Levy: $9,552,341

- Proposed tax rate of 0.7600 per $100/AV
- Rate decrease from 0.8000 in the prior year
- 0.64% levy decrease
- Cannot exceed the estimated general obligation debt service payments for FY 2026-27

Property Tax Rate History

Property Tax	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 Proposed
Primary	0.6954	0.6634	0.6363	0.6045	0.6207
Secondary	0.8000	0.8000	0.8000	0.8000	0.7600
Total	1.4954	1.4634	1.4363	1.4045	1.3807

- Primary Property Tax Rate
  - Flat Levy: 0.5807 per $100/AV
  - Proposed: 0.6207 per $100/AV (includes 0.0400 rate shift)
  - Maximum: 0.6670 per $100/AV
- Secondary Property Tax Rate
  - Current: 0.8000 per $100/AV
  - Proposed : 0.7600 per $100/AV

Property Assessed Values

	Budget FY 2025-26 (Tax Year 2025)	Budget FY 2026-27 (Tax Year 2026)	% Increase
Limited Net AV	$ 1,201,721,829	$ 1,256,886,978	4.6%
Full Cash Net AV	$ 1,877,253,380	$ 1,918,216,290	2.2%

- Determined by the County Assessor's Office
- New construction .5%, $5.9M assessed value
- Values based on valuation done in late 2024 for Tax Year 2026
- Limited assessed value is used to calculate both the primary and secondary property tax per State Statutes
- Limited assessed value is limited to maximum 5% increase per year for most real property

City Property Tax Impact

Residential Example:

	$100,000 Property in 2025		$100,000 Property in 2026	
City Taxing Authority	Rate	Taxes (1)	Rate	Taxes (1)
Primary Property Tax	0.6045	$ 60.45	0.6207	$ 62.07
Secondary Property Tax	0.8000	$ 80.00	0.7600	$ 76.00
Total: City Taxing Authority	1.4045	$ 140.45	1.3807	$ 138.07
			Change	$ (2.38)

In FY 2025-26, City property taxes were approximately 20% of the total residential property tax bill

(1) Assessment ratio of 10.0%

City Property Tax Impact

Commercial Example:

	$1,000,000 Property in 2025		$1,000,000 Property in 2026	
City Taxing Authority	Rate	Taxes (1)	Rate	Taxes (2)
Primary Property Tax	0.6045	$ 967.20	0.6207	$ 962.09
Secondary Property Tax	0.8000	$ 1,280.00	0.7600	$ 1,178.00
Total: City Taxing Authority	1.4045	$ 2,247.20	1.3807	$ 2,140.09
			Change	$ (107.11)

(1) Assessment ratio of 16.0%
(2) Assessment ratio of 15.5%

Questions

Heidi Derryberry, Budget Director

hderryberry@flagstaffaz.gov

928-213-2215

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

News Flash

Truth in Taxation Hearing Notice of Tax Increase

Posted on June 01, 2026

The following truth in taxation notice will be posted in the Daily Sun on June 2, 2026, and June 9, 2026.

FLAGSTAFF, Ariz – In compliance with section 42-17107, Arizona Revised Statutes, the City of Flagstaff is notifying its property taxpayers of the City of Flagstaff's intention to raise its primary property taxes over last year's level. The City of Flagstaff is proposing an increase in primary property taxes of $500,411 or 6.89%.

For example, the proposed tax increase will cause the City of Flagstaff's primary property taxes on a $100,000 home to be $62.07 (total proposed taxes including the tax increase). Without the proposed tax increase, the total taxes that would be owed on a $100,000 home would have been $58.07.

The proposed increase to the primary property tax rate is offset by a decrease to the secondary property tax rate. The additional revenue generated by the primary property tax rate increase will be designated to ongoing Fire and Police operations.

The proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held June 16, 2026, at 3:00pm in the City Council Chambers, 211 West Aspen Avenue, Flagstaff, Arizona. The increase was also discussed during the February 5, 2026 and April 23, 2026 Council retreats, which are available to watch on the City of Flagstaff YouTube channel.

###

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Heidi Derryberry, Budget Director

Co-Submitter: Rick Tadder, Management Services Director

Date: 05/29/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-32: A resolution of the Flagstaff City Council, adopting the Budget for the City of Flagstaff for Fiscal Year 2026-27

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-32 by title only
2. City Clerk reads Resolution No. 2026-32 by title only (if approved above)
3. Adopt Resolution No. 2026-32
4. Reconvene Regular Meeting

Executive Summary:

Each municipality is required to adopt a budget as prescribed by A.R.S. Title 42, Chapter 17, Articles 1 through 5. As published in the tentative adoption of the budget, the final budget is to be adopted on June 16, 2026, (during a Special Meeting), and following a public hearing to receive citizen comments.

Financial Impact:

The final budget adoption allows the City to commit and spend funds for community needs as described in the Fiscal Year (FY) 2026-27 Budget. This will set the maximum allowable expenditures for FY 2026-27.

Policy Impact:

The FY 2026-27 budget is the financial plan of the City for the upcoming fiscal year.

Previous Council Decision or Community Discussion:

- December Council Retreat on December 19, 2025
- February Budget Retreat on February 5, 2026
- Council Budget Retreat on April 23, 2026
- Tentative Budget Adoption on June 2, 2026

Options and Alternatives to Recommended Action:

- Approve the budget as presented: As the City adopted the tentative budget on June 2, 2026, the maximum appropriation for FY 2026-27 has been set.
- Amend and approve the budget: The Council could choose to make adjustments within that maximum appropriation or make reductions in the maximum appropriation.

Background and History:
The budget was presented for tentative adoption on June 2, 2026. The tentative adoption established the maximum appropriation for the City for FY 2026-27. The budget legal schedules were published in the Arizona Daily Sun on June 4, 2026, and June 11, 2026.

The adoption of the tentative budget set forth into motion a legally mandated time sequence of actions for which the Council must adhere to adopt a final budget. If this time sequence is not met as required by statute, the tentative budget adoption, final budget adoption, and related publications must be started over. The final budget adoption must occur after a public hearing and Council must convene a Special Meeting to adopt the final budget. The budget must be adopted by the third week of July.

June 2, 2026: Tentative adoption of the budget by Council
June 16, 2026: Proposed budget and property tax levy public hearing
June 16, 2026: Final budget adoption (In a special meeting)

Connection to PBB Priorities and Objectives:
The adoption of the Annual Budget and Financial Plan provides Council direction and financial resources to support the Key Community Priorities and Objectives.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
The adoption of the Annual Budget and Financial Plan supports the Carbon Neutrality Plan by allocating financial resources the CNP goals.

Connection to 10-Year Housing Plan:
The adoption of the Annual Budget and Financial Plan supports the 10 Year Housing Plan by allocating financial resources to the plan's strategies.

Connection to Division Specific Plan:
None.

Attachments: Res. 2026-32
FY 2026-27 Legal Budget Schedules

RESOLUTION NO. 2026-32

A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING THE BUDGET FOR THE CITY OF FLAGSTAFF FOR FISCAL YEAR 2026-27

RECITALS:

WHEREAS, in accordance with the provisions of A.R.S. Title 42, Chapter 17, Articles 1 - 5, the City Council did, on June 2, 2026, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Flagstaff; and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on June 2, 2026, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on June 16, 2026, in the City Council Chambers at City Hall for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in A.R.S. Section 42-17051 (A).

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

That said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced, or changed, are hereby adopted as the budget of the City of Flagstaff for Fiscal Year 2026-27.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Schedule A – Summary Schedule of Estimated Revenues and Expenditures/Expenses
Schedule B – Tax Levy and Tax Rate Information
Schedule C – Revenues Other Than Property Taxes
Schedule D – Other Financing Sources/(Uses) and Interfund Transfers
Schedule E – Expenditures/Expenses by Fund
Schedule F – Expenditures/Expenses by Division
Schedule G – Full-Time Employees and Personnel Compensation

Official Budget Forms
City of Flagstaff
Fiscal Year 2026-27

City of Flagstaff

Table of Contents

Fiscal Year 2026-27

Resolution for the Adoption of the Budget

Schedule A – Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B – Tax Levy and Tax Rate Information

Schedule C – Revenues Other Than Property Taxes

Schedule D – Other Financing Sources/(Uses) and Interfund Transfers

Schedule E – Expenditures/Expenses by Fund

Schedule F – Expenditures/Expenses by Division

Schedule G – Full-Time Employees and Personnel Compensation

City of Flagstaff
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2026-27

The final opportunity for public input on the City of Flagstaff Fiscal Year 2026-27 budget will occur on June 16, 2026 at the 3:00 PM City Council meeting
The budget may be reviewed at the City of Flagstaff in the City Clerks Office, 211 West Aspen Avenue, Flagstaff, AZ 86001
or the official website "flagstaff.az.gov" or by request

Fiscal Year		Sch	Funds							
			General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	Enterprise Funds	Internal Service Funds	Total All Funds
2026	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	116,902,298	152,693,236	21,540,609	61,847,455	0	169,747,161	0	522,730,759
2026	Actual Expenditures/Expenses**	E	92,670,792	84,356,909	17,540,609	25,550,226	0	104,460,330	0	324,578,866
2027	Beginning Fund Balance/(Deficit) or Net Position/(Deficit) at July 1***		81,236,891	127,556,640	26,261,232	18,839,642	497,772	90,002,202	0	344,394,379
2027	Primary Property Tax Levy	B	7,801,497	0	0	0		0	0	7,801,497
2027	Secondary Property Tax Levy	B	0	0	9,552,341	0		0	0	9,552,341
2027	Estimated Revenues Other than Property Taxes	C	88,881,458	121,774,987	131,000	30,918,367	15,893	120,793,198	0	362,514,903
2027	Other Financing Sources	D	0	17,400,000	0	10,000,000	0	32,481,376	0	59,881,376
2027	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2027	Interfund Transfers In	D	3,088,054	8,281,129	18,009,315	9,966,028	0	4,818,987	0	44,163,513
2027	Interfund Transfers (Out)	D	18,338,611	12,525,445	9,305,748	865,581	0	3,128,128	0	44,163,513
2027	Line 11: Reduction for Fund Balance Reserved for Future Budget Year Expenditures									
Less:	Maintained for Future Debt Retirement									0
	Maintained for Future Capital Projects									0
	Maintained for Future Financial Stability									0
	Maintained for Future Retirement Contributions									0
2027	Total Financial Resources Available		162,669,289	262,487,311	44,648,140	68,858,456	513,665	244,967,635	0	784,144,496
2027	Budgeted Expenditures/Expenses	E	121,808,455	215,023,018	22,009,315	68,586,163	0	199,501,509	0	626,928,460

Expenditure Limitation Comparison	2026	2027
1. Budgeted Expenditures/Expenses	$ 522,730,759	$ 626,928,460
2. Add/Subtract: Estimated Net Reconciling Items	0	0
3. Budgeted Expenditures/Expenses Adjusted for Reconciling Items	522,730,759	626,928,460
4. Less: Estimated Exclusions	274,123,667	371,107,093
5. Amount Subject to the Expenditure Limitation	$ 248,607,092	$ 255,821,367
6. EEC Expenditure Limitation	$ 248,767,277	$ 255,853,366

[ ] The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.
** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

City of Flagstaff
Tax Levy and Tax Rate Information
Fiscal Year 2026-27

	2025-26	2026-27
1. Maximum Allowable Primary Property Tax Levy [ARS 42-17051.A]	$ 8,181,322	$ 8,383,436
2. Amount Received from Primary Property Taxation in FY 2025-26 in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy [ARS 42-17102.A.18]	$ -	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	$ 7,264,408	$ 7,801,497
B. Secondary Property Taxes	9,613,775	9,552,341
C. Total Property Tax Levy Amount	$ 16,878,183	$ 17,353,838
4. Property Taxes Collected *		
A. Primary Property Taxes		
(1) FY 2025-26 Levy	$ 7,164,408	
(2) Prior Years' Levies	100,000	
(3) Total Primary Property Taxes	$ 7,264,408	
B. Secondary Property Taxes		
(1) FY 2025-26 Levy	$ 9,613,775	
(2) Total Secondary Property Taxes	$ 9,613,775	
C. Total Property Taxes Collected	$ 16,878,183	
5. Property Tax Rates		
A. City of Flagstaff Tax Rate		
(1) Primary Property Tax Rate	0.6045	0.6207
(2) Secondary Property Tax Rate	0.8000	0.7600
(3) Total City of Flagstaff Tax Rate	1.4045	1.3807

B. Special Assessment District Tax Rates
As of the date of the proposed budget, the City has no special assessment district for which secondary property taxes are levied.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
General Fund				
Taxes				
City Sales Tax	$ 31,300,247	31,772,700	31,557,100	32,479,200
Franchise Tax	2,794,931	2,661,500	2,692,000	2,732,000
Excise Tax	613,731	618,000	569,000	586,100
Licenses and Permits				
Business Licenses	31,432	30,000	30,000	30,000
Building Permits	2,814,775	2,000,000	2,250,000	2,020,000
Other Licenses and Permits	3,311,464	1,237,880	1,832,880	1,508,142
Intergovernmental				
State Income Tax Sharing	16,291,982	15,062,100	15,113,600	16,201,000
State Shared Sales Tax	11,759,311	11,855,200	11,960,000	12,294,900
Auto Lieu Tax	4,781,169	4,722,600	4,733,000	4,875,000
Federal Grants	790,111	1,784,578	1,699,404	1,392,976
State/Local Grants	1,687,985	3,061,262	3,055,262	5,668,758
Local Intergovernmental Agreements	1,987,682	1,521,932	1,735,997	1,658,869
Charges for Services				
Planning and Development	1,941,751	745,000	1,011,000	756,000
Parks and Recreation	1,298,332	1,322,350	1,322,350	1,322,350
Public Safety	956,123	690,505	773,601	777,366
Cemetery/General Government	279,408	200,571	200,571	202,562
Fines and Forfeitures	713,057	775,562	745,562	750,698
Investment Earnings	3,381,953	1,530,995	3,282,858	1,402,289
Leases	1,546,945	1,378,988	1,378,988	1,379,291
Miscellaneous	1,292,447	767,450	1,073,876	843,957
Total General Fund	89,574,836	83,739,173	87,017,049	88,881,458
Special Revenue Funds				
Housing and Community Services Fund				
Intergovernmental				
Federal Grants	1,374,270	1,109,806	1,041,311	849,397
Investment Earnings	65,277	78,106	101,300	31,403
Miscellaneous	305,084	-	285,204	-
Total Housing and Comm Svcs Fund	1,744,631	1,187,912	1,427,815	880,800
COVID Relief Fund				
Intergovernmental				
Federal Grants	1,410,061	304,956	356,360	-
Total COVID Relief Fund	1,410,061	304,956	356,360	-

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
Library Fund				
Intergovernmental				
Library District Taxes	$ 4,994,445	5,076,467	5,498,329	5,702,814
Federal Grants	2,638	-	-	25,000
State/Local Grants	30,075	25,000	25,000	25,000
Investment Earnings	176,762	62,399	207,274	17,648
Miscellaneous	116,048	26,843	26,843	26,843
Total Library Fund	5,319,968	5,190,709	5,757,446	5,797,305
Highway User Revenue Fund				
Intergovernmental				
Highway User Tax	10,449,243	10,343,348	10,229,104	10,331,395
Licenses and Permits	239,999	-	-	-
Investment Earnings	513,737	170,000	597,051	193,000
Miscellaneous	75,768	-	-	-
Total Highway User Revenue Fund	11,278,747	10,513,348	10,826,155	10,524,395
Transportation Fund				
Transportation Tax	37,843,815	44,297,800	44,164,100	45,453,400
Intergovernmental				
Federal Grants	-	6,400,000	788,450	10,826,460
State/Local Grants	-	600,000	1,176,084	18,278,067
Investment Earnings	3,335,516	1,797,000	2,767,650	700,000
Miscellaneous	595,107	-	500,000	700,000
Total Transportation Fund	41,774,438	53,094,800	49,396,284	75,957,927
Beautification Fund				
Bed, Board, and Beverage Tax	2,512,167	2,557,100	2,529,600	2,613,500
Investment Earnings	456,442	288,000	457,390	128,000
Miscellaneous	5,501	-	-	-
Total Beautification Fund	2,974,110	2,845,100	2,986,990	2,741,500
Economic Development Fund				
Bed, Board, and Beverage Tax	1,194,128	1,214,600	1,201,600	1,241,400
Intergovernmental				
State Grants	85,291	-	-	-
Investment Earnings	33,066	19,363	28,562	12,500
Leases	466,153	389,965	389,965	397,764
Total Economic Development Fund	1,778,638	1,623,928	1,620,127	1,651,664
Tourism Fund				
Bed, Board, and Beverage Tax	3,770,674	3,835,600	3,794,400	3,920,300
Retail Sales	165,005	183,717	183,717	185,554
Investment Earnings	131,916	70,557	107,829	35,677

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
Tourism Fund - Continued				
Miscellaneous	$ 21,081	16,676	16,676	16,843
Total Tourism Fund	4,088,676	4,106,550	4,102,622	4,158,374
Arts and Science Fund				
Bed, Board, and Beverage Tax	941,456	958,900	948,600	980,100
Investment Earnings	56,038	30,000	47,383	10,000
Total Arts and Science Fund	997,494	988,900	995,983	990,100
Recreation Fund				
Bed, Board, and Beverage Tax	4,147,257	4,219,200	4,173,800	4,312,300
Intergovernmental				
State Grants	-	-	-	2,162,254
Investment Earnings	281,808	203,000	272,889	68,000
Total Recreation Fund	4,429,065	4,422,200	4,446,689	6,542,554
Parking District Fund				
Parking Fee	1,230,255	1,840,988	1,286,700	2,207,402
Investment Earnings	108,295	67,500	160,000	31,600
Miscellaneous	248,913	-	-	-
Total Parking District Fund	1,587,463	1,908,488	1,446,700	2,239,002
Water Resource and Infrastructure Protection (WRIP) Fund				
Water Resource Protection Fee	1,212,946	1,276,295	1,276,295	1,289,058
Intergovernmental				
Federal Grants	423,690	3,149,154	691,368	2,570,286
State/Local Grants	116,102	94,452	94,452	6,415,000
Investment Earnings	61,815	43,136	62,529	17,022
Miscellaneous	920	-	-	-
Total WRIP Fund	1,815,473	4,563,037	2,124,644	10,291,366
Total Special Revenue Funds	79,198,764	90,749,928	85,487,815	121,774,987
Debt Service Funds				
GO Bonds Fund				
Investment Earnings	47,586	-	-	-
Miscellaneous	5,774	-	-	-
Total GO Bonds Fund	53,360	-	-	-
Secondary Property Tax Fund				
Investment Earnings	110,521	85,000	85,000	46,000
Total Secondary Property Tax Fund	110,521	85,000	85,000	46,000

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
Pension Debt Service Fund				
Investment Earnings	$ 806,471	164,000	726,856	85,000
Total Pension Debt Service Fund	806,471	164,000	726,856	85,000
Total Debt Service Funds	970,352	249,000	811,856	131,000
Permanent Funds				
Perpetual Care Fund				
Cemetery	12,340	10,807	10,807	10,915
Investment Earnings	17,335	11,752	17,238	4,978
Total Perpetual Care Fund	29,675	22,559	28,045	15,893
Total Permanent Funds	29,675	22,559	28,045	15,893
Capital Project Funds				
Non GO Bonds Projects Fund				
Sale of Property	-	2,000,000	2,850,000	-
Intergovernmental				
Federal Grants	-	3,384,026	-	16,885,731
State/Local Grants	-	312,757	-	1,560,891
Investment Earnings	76,328	37,000	62,500	-
Miscellaneous	-	1,386,774	72,000	5,586,765
Total Non GO Bonds Projects Fund	76,328	7,120,557	2,984,500	24,033,387
GO Bonds Projects Fund				
Intergovernmental				
Federal Grants	3,131,639	3,412,658	2,450,833	1,981,329
State/Local Grants	63,412	3,150,000	190,167	4,903,651
Investment Earnings	1,540,403	-	695,574	-
Total GO Bonds Projects Fund	4,735,454	6,562,658	3,336,574	6,884,980
Total Capital Projects Funds	4,811,782	13,683,215	6,321,074	30,918,367
Enterprise Funds				
Drinking Water Fund				
Intergovernmental				
Federal Grants	926,418	-	60,498	-
State/Local Grants	6,900,931	-	1,726	-
Water Fees	21,548,421	21,666,278	21,966,551	24,361,083
Investment Earnings	991,346	584,511	1,033,803	287,092
Leases	35,204	5,150	20,000	5,150

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
Drinking Water Fund - Continued				
Contributions	$ 10,938	-	-	-
Miscellaneous	30,758	-	25,000	-
Total Drinking Water Fund	30,444,016	22,255,939	23,107,578	24,653,325
Wastewater Fund				
Intergovernmental				
Federal Grants	4,396	-	-	-
State/Local Grants	(454)	-	-	-
Wastewater Fees	15,379,412	15,274,729	15,235,636	17,399,457
Investment Earnings	1,264,335	802,000	1,292,708	236,000
Miscellaneous	80,650	-	-	-
Total Wastewater Fund	16,728,339	16,076,729	16,528,344	17,635,457
Reclaimed Water Fund				
Intergovernmental				
Federal Grants	3	-	-	-
State/Local Grants	(2)	-	-	-
Reclaimed Water Fees	1,521,011	1,194,116	1,373,538	1,285,914
Investment Earnings	175,884	91,965	196,623	47,942
Total Reclaimed Water Fund	1,696,896	1,286,081	1,570,161	1,333,856
Stormwater Fund				
Intergovernmental				
Federal Grants	91,468	2,700,000	93,750	1,950,000
State/Local Grants	-	-	1,000,000	545,707
Stormwater Fees	6,640,327	7,465,378	7,446,987	8,438,581
Investment Earnings	316,839	115,567	149,013	53,735
Contributions	-	125,000	15,625	-
Miscellaneous	1,803	-	-	-
Total Stormwater Fund	7,050,437	10,405,945	8,705,375	10,988,023
Solid Waste Fund				
Solid Waste	15,192,922	14,859,298	14,859,298	15,083,200
Intergovernmental	1,138,705	-	-	-
Investment Earnings	799,175	450,000	761,319	212,000
Miscellaneous	5,388	-	-	-
Total Solid Waste Fund	17,136,190	15,309,298	15,620,617	15,295,200
Sustainability and Environmental Management Fund				
Intergovernmental				
Federal Grants	645,608	4,550,000	5,378,358	5,000,000
State/Local Grants	167,028	522,500	614,200	273,000
Environmental Services	1,415,420	1,507,068	1,549,571	1,655,050

City of Flagstaff
Revenues Other Than Property Taxes
Fiscal Year 2026-27

Source of Revenues	Actual Revenues 2024-25	Estimated Revenues 2025-26	Actual Revenues* 2025-26	Estimated Revenues 2026-27
Sustainability and Environmental Management Fund - Continued				
Charges for Services	$ -	30,000	30,000	50,000
Investment Earnings	66,568	75,000	49,786	11,000
Miscellaneous	555	-	-	-
Total Sustainability and Env Mgmt Fund	2,295,179	6,684,568	7,621,915	6,989,050
Airport Fund				
Intergovernmental				
Federal Grants	2,880,443	9,553,844	615,338	15,809,238
State/Local Grants	21,710	1,863,052	14,400	5,558,957
Airport	1,284,876	1,317,410	1,175,835	1,328,488
Leases	957,238	905,156	943,954	971,258
Parking	559,468	561,412	599,620	683,841
Investment Earnings	57,186	62,000	79,511	27,000
Miscellaneous	34,654	33,093	38,268	43,619
Total Airport Fund	5,795,575	14,295,967	3,466,926	24,422,401
Flagstaff Housing Authority Fund				
Intergovernmental				
Federal Grants	10,738,241	16,290,620	16,290,620	16,571,830
Rents and Other Tenant Income	1,972,742	2,000,000	2,000,000	2,100,000
Miscellaneous	872,179	770,042	770,042	804,056
Total Flagstaff Housing Authority Fund	13,583,162	19,060,662	19,060,662	19,475,886
Total Enterprise Funds	94,729,794	105,375,189	95,681,578	120,793,198
Total Revenues	$ 269,315,203	293,819,064	275,347,417	362,514,903

* Includes actual revenues recognized on the modified accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Flagstaff
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2026-27

Fund	Other Financing 2026-27 Sources	Interfund Transfers 2026-27 In	Interfund Transfers 2026-27 (Out)
General Fund	$ -	3,088,054	18,338,611
Special Revenue Funds			
Housing and Community Services	-	414,490	-
Library	-	2,678,313	137,577
Highway User Revenue	-	417,795	8,000
Transportation	17,400,000	3,322,581	5,882,525
Beautification	-	-	3,077,897
Economic Development	-	247,000	41,060
Tourism	-	-	585,126
Arts and Science	-	-	10,000
Recreation	-	85,102	2,609,189
Parking District	-	267,848	-
Water Resource and Infrastructure Protection	-	848,000	174,071
Total Special Revenue Funds	17,400,000	8,281,129	12,525,445
Debt Service Funds			
General Obligation Bonds	-	9,305,748	-
Secondary Property Tax	-	-	9,305,748
Pension Debt Service	-	8,703,567	-
Total Debt Service Funds	-	18,009,315	9,305,748
Capital Project Funds			
Non General Obligation Bond Funded Projects	-	9,962,028	-
General Obligation Bond Funded Projects	10,000,000	4,000	865,581
Total Capital Projects Funds	10,000,000	9,966,028	865,581
Enterprise Funds			
Drinking Water	11,836,223	2,680,309	24,658
Wastewater	5,338,953	-	2,275,854
Reclaimed Water	-	-	327,385
Stormwater	15,306,200	-	208,814
Solid Waste	-	-	12,709
Sustainability and Environmental Management	-	886,294	17,601
Airport	-	1,252,384	261,107
Total Enterprise Funds	32,481,376	4,818,987	3,128,128
Total All Funds	$ 59,881,376	44,163,513	44,163,513

City of Flagstaff
Expenditures/Expenses by Fund
Fiscal Year 2026-27

Fund/Division	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses* 2025-26	Budgeted Expenditures/ Expenses 2026-27
General Fund					
General Administration	$ 16,880,769	22,304,691	-	18,428,965	24,502,146
Management Services	5,342,473	7,431,432	-	6,538,087	7,170,666
Fire	18,044,142	22,972,796	-	17,678,856	25,132,371
Police	24,763,506	31,126,623	-	31,523,871	34,462,495
Planning and Development Services	5,191,802	5,137,216	-	4,873,762	4,652,326
Public Works	6,802,957	10,509,306	-	4,704,157	9,707,409
Economic Vitality	138,133	255,305	-	255,305	172,870
Non-Departmental	(3,526,252)	310,535	-	(4,767,970)	(964,053)
City Engineering	2,185,748	2,526,781	-	2,521,781	2,740,910
Parks, Recreation, Open Space and Events	9,322,633	11,238,447	-	10,242,312	11,040,633
Housing	-	606,166	-	571,666	707,682
Contingency	(49,239)	2,483,000	-	100,000	2,483,000
Total General Fund	85,096,672	116,902,298	-	92,670,792	121,808,455
Special Revenue Funds					
Housing and Community Service Fund					
Planning and Development Services	2,441,783	-	-	-	-
Non-Departmental	35,037	51,500	-	51,500	52,000
Housing	-	4,451,072	-	2,131,244	4,264,804
	2,476,820	4,502,572	-	2,182,744	4,316,804
COVID Relief Fund					
Non-Departmental	1,410,061	304,956	-	356,360	-
	1,410,061	304,956	-	356,360	-
Library Fund					
General Administration	357,049	383,453	-	383,453	310,588
Management Services	127,436	146,289	-	146,289	136,683
Public Works	62,997	52,778	-	52,778	192,353
Economic Vitality	5,549,376	10,026,948	-	7,181,961	9,591,109
Non-Departmental	86,220	68,188	-	68,188	65,754
City Engineering	12,930	-	-	-	-
Contingency	-	100,000	-	-	100,000
	6,196,008	10,777,656	-	7,832,669	10,396,487
Highway User Revenue Fund					
General Administration	369,439	378,696	-	378,696	378,348
Management Services	83,927	78,846	-	78,846	88,917
Public Works	9,298,870	9,549,490	-	8,341,116	16,263,237
Non-Departmental	76,672	122,624	-	122,624	116,358
City Engineering	7,750,228	850,862	-	850,862	370,998
Contingency	-	100,000	-	-	100,000
	17,579,136	11,080,518	-	9,772,144	17,317,858
Transportation Fund					
General Administration	75,208	98,680	-	98,680	147,925
Management Services	81,295	139,602	-	139,602	166,189
Public Works	7,663,085	13,627,594	-	10,211,720	12,964,119
Non-Departmental	14,806,709	17,059,829	-	11,942,296	19,909,041
City Engineering	18,991,677	67,465,763	-	26,388,843	110,692,497
	41,617,974	98,391,468	-	48,781,141	143,879,771

City of Flagstaff
Expenditures/Expenses by Fund
Fiscal Year 2026-27

Fund/Division	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses* 2025-26	Budgeted Expenditures/ Expenses 2026-27
Beautification Fund					
General Administration	$ -	-	-	-	2,232
Management Services	-	-	-	-	4,275
Public Works	-	-	-	-	659
Economic Vitality	1,754,292	4,532,593	-	2,021,451	5,686,712
Non-Departmental	-	-	-	-	1,654
Contingency	-	10,000	-	-	10,000
	1,754,292	4,542,593	-	2,021,451	5,705,532
Economic Development Fund					
General Administration	-	-	-	-	6,873
Management Services	-	-	-	-	17,128
Planning and Development Services	-	-	-	-	4,539
Public Works	-	-	-	-	7,563
Economic Vitality	1,729,163	2,273,879	-	1,597,759	2,825,308
Non-Departmental	-	-	-	-	3,856
Contingency	-	45,000	-	-	45,000
	1,729,163	2,318,879	-	1,597,759	2,910,267
Tourism Fund					
General Administration	-	-	-	-	35,803
Management Services	-	-	-	-	11,534
Public Works	-	-	-	-	12,786
Economic Vitality	4,291,450	4,237,794	-	4,229,794	4,531,883
Non-Departmental	-	-	-	-	7,728
Contingency	-	175,000	-	-	175,000
	4,291,450	4,412,794	-	4,229,794	4,774,734
Arts and Science Fund					
Management Services	-	-	-	-	2,090
Economic Vitality	1,120,168	1,686,828	-	1,515,681	1,488,072
Contingency	-	10,000	-	-	10,000
	1,120,168	1,696,828	-	1,515,681	1,500,162
Recreation Fund					
General Administration	-	-	-	-	2,924
Management Services	-	-	-	-	2,365
Non-Departmental	-	-	-	-	1,992
Parks, Recreation, Open Space and Events	1,139,904	5,731,063	-	2,608,722	8,306,774
	1,139,904	5,731,063	-	2,608,722	8,314,055
Parking District Fund					
General Administration	55,820	68,361	-	68,361	76,395
Management Services	11,794	5,523	-	5,523	9,309
Public Works	301	603	-	603	541
Economic Vitality	838,061	3,613,107	-	1,348,428	4,599,152
Non-Departmental	6,957	7,871	-	7,871	7,920
Contingency	-	30,000	-	-	30,000
	912,933	3,725,465	-	1,430,786	4,723,317
Water Resource and Infrastructure Protection Fund					
General Administration	72,707	75,174	-	75,174	89,639
Management Services	9,986	17,673	-	17,673	23,888
Fire	1,317,536	5,053,338	-	1,922,552	11,002,648

City of Flagstaff
Expenditures/Expenses by Fund
Fiscal Year 2026-27

Fund/Division	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses* 2025-26	Budgeted Expenditures/ Expenses 2026-27
Water Resource and Infrastructure Protection Fund - Continued					
Public Works	$ 4,194	2,278	-	2,278	4,440
Non-Departmental	39,535	9,981	-	9,981	13,416
Contingency	-	50,000	-	-	50,000
	1,443,958	5,208,444	-	2,027,658	11,184,031
Total Special Revenue Funds	81,671,867	152,693,236	-	84,356,909	215,023,018
Debt Service Funds					
General Obligation Bonds Fund					
Non-Departmental	15,484,809	8,833,470	-	8,833,470	9,305,748
	15,484,809	8,833,470	-	8,833,470	9,305,748
Pension Debt Service Fund					
Non-Departmental	8,704,053	8,707,139	-	8,707,139	8,703,567
Contingency	-	4,000,000	-	-	4,000,000
	8,704,053	12,707,139	-	8,707,139	12,703,567
Total Debt Service Funds	24,188,862	21,540,609	-	17,540,609	22,009,315
Capital Project Funds					
Non GO Bond Funded Projects Fund					
Non-Departmental	1,168,789	14,682,650	-	7,170,000	34,407,352
	1,168,789	14,682,650	-	7,170,000	34,407,352
GO Bonds Funded Projects Fund					
Fire	-	1,180,085	-	-	1,180,085
Planning and Development Services	101,344	-	-	-	-
Water Services	15,588,271	26,629,298	-	15,188,908	11,916,153
Non-Departmental	138,397	3,263,851	-	65,607	3,988,568
Housing	-	16,091,571	-	3,125,711	17,094,005
	15,828,012	47,164,805	-	18,380,226	34,178,811
Total Capital Project Funds	16,996,801	61,847,455	-	25,550,226	68,586,163
Enterprise Funds					
Drinking Water Fund					
General Administration	559,251	584,689	-	584,689	575,179
Management Services	1,239,444	1,418,139	-	1,418,139	1,303,183
Planning and Development Services	20,114	24,200	-	24,200	90,561
Public Works	11,188	23,829	-	23,829	18,949
Water Services	26,421,022	40,439,751	-	21,360,230	54,721,555
Non-Departmental	178,337	180,861	-	180,861	179,371
Contingency	-	1,000,000	-	-	1,000,000
	28,429,356	43,671,469	-	23,591,948	57,888,798
Wastewater Fund					
General Administration	281,634	327,215	-	327,215	373,546
Management Services	365,075	339,978	-	339,978	368,370
Public Works	10,769	14,540	-	14,540	14,049
Water Services	9,715,033	30,363,055	-	26,378,445	36,899,787
Non-Departmental	62,090	58,514	-	58,514	60,627

City of Flagstaff
Expenditures/Expenses by Fund
Fiscal Year 2026-27

Fund/Division	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses* 2025-26	Budgeted Expenditures/ Expenses 2026-27
Wastewater Fund - Continued					
Contingency	$ -	800,000	-	-	1,000,000
	10,434,601	31,903,302	-	27,118,692	38,716,379
Reclaimed Water Fund					
General Administration	49,621	51,707	-	51,707	51,289
Management Services	35,090	41,811	-	41,811	62,371
Water Services	454,455	1,680,805	-	1,610,541	3,946,687
Non-Departmental	3,824	3,869	-	3,869	3,374
Contingency	-	50,000	-	-	50,000
	542,990	1,828,192	-	1,707,928	4,113,721
Stormwater Fund					
General Administration	91,646	99,779	-	99,779	152,290
Management Services	194,275	208,384	-	208,384	193,760
Planning and Development Services	33,905	48,401	-	48,401	90,561
Public Works	2,648	4,796	-	4,796	4,589
Water Services	12,608,098	29,529,125	-	6,380,100	24,529,270
Non-Departmental	31,960	26,903	-	26,903	23,275
Contingency	-	2,000,000	-	-	2,000,000
	12,962,532	31,917,388	-	6,768,363	26,993,745
Solid Waste Fund					
General Administration	625,149	606,470	-	606,470	616,285
Management Services	544,957	534,485	-	534,485	527,252
Public Works	16,868,791	13,180,061	-	11,799,368	14,983,710
Non-Departmental	188,923	197,374	-	197,374	179,979
Contingency	-	500,000	-	-	500,000
	18,227,820	15,018,390	-	13,137,697	16,807,226
Sustainability and Environmental Management Fund					
General Administration	101,038	123,166	-	123,166	200,031
Management Services	84,876	70,153	-	70,153	89,892
Public Works	8,251	48,760	-	48,760	10,322
Non-Departmental	60,669	31,192	-	31,192	41,342
Sustainability	2,889,187	10,016,300	-	8,409,868	8,174,155
Contingency	-	30,000	-	-	30,000
	3,144,021	10,319,571	-	8,683,139	8,545,742
Airport Fund					
General Administration	152,686	219,596	-	219,596	195,958
Management Services	128,370	158,632	-	158,632	135,677
Public Works	112,020	37,305	-	37,305	75,465
Economic Vitality	3,867,325	15,692,537	-	4,156,251	26,347,186
Non-Departmental	46,844	68,381	-	68,381	53,380
Contingency	-	100,000	-	-	300,000
	4,307,245	16,276,451	-	4,640,165	27,107,666
Flagstaff Housing Authority Fund					
Planning and Development Services	13,599,192	-	-	-	-
Housing	-	17,811,148	-	17,898,548	18,326,982
Contingency	-	1,001,250	-	913,850	1,001,250
	13,599,192	18,812,398	-	18,812,398	19,328,232
Total Enterprise Funds	91,647,757	169,747,161	-	104,460,330	199,501,509

City of Flagstaff
Expenditures/Expenses by Fund
Fiscal Year 2026-27

Fund/Division	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses* 2025-26	Budgeted Expenditures/ Expenses 2026-27
Total All Funds	$ 299,601,959	522,730,759	-	324,578,866	626,928,460

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Flagstaff
Expenditures/Expenses by Division
Fiscal Year 2026-27

Division/Fund	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses * 2025-26	Budgeted Expenditures/ Expenses 2026-27
General Administration					
General Fund	$ 16,880,769	22,304,691	-	18,428,965	24,502,146
Library	357,049	383,453	-	383,453	310,588
HURF	369,439	378,696	-	378,696	378,348
Transportation	75,208	98,680	-	98,680	147,925
Beautification	-	-	-	-	2,232
Economic Development	-	-	-	-	6,873
Tourism	-	-	-	-	35,803
Recreation	-	-	-	-	2,924
Parking District	55,820	68,361	-	68,361	76,395
Water Resource and Infrastructure Fund	72,707	75,174	-	75,174	89,639
Drinking Water	559,251	584,689	-	584,689	575,179
Wastewater	281,634	327,215	-	327,215	373,546
Reclaimed Water	49,621	51,707	-	51,707	51,289
Stormwater	91,646	99,779	-	99,779	152,290
Solid Waste	625,149	606,470	-	606,470	616,285
Sustainability and Environmental Mgmt	101,038	123,166	-	123,166	200,031
Airport	152,686	219,596	-	219,596	195,958
	19,672,017	25,321,677	-	21,445,951	27,717,451
Planning and Development Services					
General Fund	5,191,802	5,137,216	-	4,873,762	4,652,326
Housing and Community Services	2,441,783	-	-	-	-
Economic Development	-	-	-	-	4,539
GO Bonds Funded Projects	101,344	-	-	-	-
Drinking Water	20,114	24,200	-	24,200	90,561
Stormwater	33,905	48,401	-	48,401	90,561
Flagstaff Housing Authority	13,599,192	-	-	-	-
	21,388,140	5,209,817	-	4,946,363	4,837,987
Management Services					
General Fund	5,342,473	7,431,432	-	6,538,087	7,170,666
Library	127,436	146,289	-	146,289	136,683
HURF	83,927	78,846	-	78,846	88,917
Transportation	81,295	139,602	-	139,602	166,189
Beautification	-	-	-	-	4,275
Economic Development	-	-	-	-	17,128
Tourism	-	-	-	-	11,534
Arts and Science	-	-	-	-	2,090
Recreation	-	-	-	-	2,365
Parking District	11,794	5,523	-	5,523	9,309
Water Resource and Infrastructure Fund	9,986	17,673	-	17,673	23,888
Drinking Water	1,239,444	1,418,139	-	1,418,139	1,303,183
Wastewater	365,075	339,978	-	339,978	368,370
Reclaimed Water	35,090	41,811	-	41,811	62,371
Stormwater	194,275	208,384	-	208,384	193,760
Solid Waste	544,957	534,485	-	534,485	527,252
Sustainability and Environmental Mgmt	84,876	70,153	-	70,153	89,892
Airport	128,370	158,632	-	158,632	135,677
	8,248,998	10,590,947	-	9,697,602	10,313,549
Fire					
General Fund	18,044,142	22,972,796	-	17,678,856	25,132,371
Water Resource and Infrastructure Fund	1,317,536	5,053,338	-	1,922,552	11,002,648

City of Flagstaff
Expenditures/Expenses by Division
Fiscal Year 2026-27

Division/Fund	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses * 2025-26	Budgeted Expenditures/ Expenses 2026-27
Fire - Continued					
GO Bonds Funded Projects	$ -	1,180,085	-	-	1,180,085
	19,361,678	29,206,219	-	19,601,408	37,315,104
Police					
General Fund	24,763,506	31,126,623	-	31,523,871	34,462,495
	24,763,506	31,126,623	-	31,523,871	34,462,495
Public Works					
General Fund	6,802,957	10,509,306	-	4,704,157	9,707,409
Library	62,997	52,778	-	52,778	192,353
HURF	9,298,870	9,549,490	-	8,341,116	16,263,237
Transportation	7,663,085	13,627,594	-	10,211,720	12,964,119
Beautification	-	-	-	-	659
Economic Development	-	-	-	-	7,563
Tourism	-	-	-	-	12,786
Parking District	301	603	-	603	541
Water Resource and Infrastructure Fund	4,194	2,278	-	2,278	4,440
Drinking Water	11,188	23,829	-	23,829	18,949
Wastewater	10,769	14,540	-	14,540	14,049
Stormwater	2,648	4,796	-	4,796	4,589
Solid Waste	16,868,791	13,180,061	-	11,799,368	14,983,710
Sustainability and Environmental Mgmt	8,251	48,760	-	48,760	10,322
Airport	112,020	37,305	-	37,305	75,465
	40,846,071	47,051,340	-	35,241,250	54,260,191
Economic Vitality					
General Fund	138,133	255,305	-	255,305	172,870
Library	5,549,376	10,026,948	-	7,181,961	9,591,109
Beautification	1,754,292	4,532,593	-	2,021,451	5,686,712
Economic Development	1,729,163	2,273,879	-	1,597,759	2,825,308
Tourism	4,291,450	4,237,794	-	4,229,794	4,531,883
Arts and Science	1,120,168	1,686,828	-	1,515,681	1,488,072
Parking District	838,061	3,613,107	-	1,348,428	4,599,152
Airport	3,867,325	15,692,537	-	4,156,251	26,347,186
	19,287,968	42,318,991	-	22,306,630	55,242,292
Water Services					
GO Bonds Funded Projects	15,588,271	26,629,298	-	15,188,908	11,916,153
Drinking Water	26,421,022	40,439,751	-	21,360,230	54,721,555
Wastewater	9,715,033	30,363,055	-	26,378,445	36,899,787
Reclaimed Water	454,455	1,680,805	-	1,610,541	3,946,687
Stormwater	12,608,098	29,529,125	-	6,380,100	24,529,270
	64,786,879	128,642,034	-	70,918,224	132,013,452
Non-Departmental					
General Fund	(3,526,252)	310,535	-	(4,767,970)	(964,053)
COVID Relief Fund	1,410,061	304,956	-	356,360	-
Library	86,220	68,188	-	68,188	65,754
HURF	76,672	122,624	-	122,624	116,358
Transportation	14,806,709	17,059,829	-	11,942,296	19,909,041
Housing and Community Services	35,037	51,500	-	51,500	52,000
Beautification	-	-	-	-	1,654
Economic Development	-	-	-	-	3,856

City of Flagstaff
Expenditures/Expenses by Division
Fiscal Year 2026-27

Division/Fund	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses * 2025-26	Budgeted Expenditures/ Expenses 2026-27
Non-Departmental - Continued					
Tourism	$ -	-	-	-	7,728
Recreation	-	-	-	-	1,992
Parking District	6,957	7,871	-	7,871	7,920
General Obligation Bonds	15,484,809	8,833,470	-	8,833,470	9,305,748
Pension Debt Service Fund	8,704,053	8,707,139	-	8,707,139	8,703,567
GO Bond Funded Projects	138,397	3,263,851	-	65,607	3,988,568
Non GO Bond Funded Projects	1,168,789	14,682,650	-	7,170,000	34,407,352
Water Resource and Infrastructure Fund	39,535	9,981	-	9,981	13,416
Drinking Water	178,337	180,861	-	180,861	179,371
Wastewater	62,090	58,514	-	58,514	60,627
Reclaimed Water	3,824	3,869	-	3,869	3,374
Stormwater	31,960	26,903	-	26,903	23,275
Solid Waste	188,923	197,374	-	197,374	179,979
Sustainability and Environmental Mgmt	60,669	31,192	-	31,192	41,342
Airport	46,844	68,381	-	68,381	53,380
	39,003,634	53,989,688	-	33,134,160	76,162,249
City Engineering					
General Fund	2,185,748	2,526,781	-	2,521,781	2,740,910
Library	12,930	-	-	-	-
HURF	7,750,228	850,862	-	850,862	370,998
Transportation	18,991,677	67,465,763	-	26,388,843	110,692,497
	28,940,583	70,843,406	-	29,761,486	113,804,405
Parks, Recreation, Open Space and Events					
General Fund	9,322,633	11,238,447	-	10,242,312	11,040,633
Recreation	1,139,904	5,731,063	-	2,608,722	8,306,774
	10,462,537	16,969,510	-	12,851,034	19,347,407
Sustainability					
Sustainability and Environmental Mgmt	2,889,187	10,016,300	-	8,409,868	8,174,155
	2,889,187	10,016,300	-	8,409,868	8,174,155
Housing					
General Fund	-	606,166	-	571,666	707,682
Housing and Community Services	-	4,451,072	-	2,131,244	4,264,804
GO Bonds Funded Projects	-	16,091,571	-	3,125,711	17,094,005
Flagstaff Housing Authority	-	17,811,148	-	17,898,548	18,326,982
	-	38,959,957	-	23,727,169	40,393,473
Reserves/Contingencies					
General Fund	(49,239)	2,483,000	-	100,000	2,483,000
Library	-	100,000	-	-	100,000
HURF	-	100,000	-	-	100,000
Beautification	-	10,000	-	-	10,000
Economic Development	-	45,000	-	-	45,000
Tourism	-	175,000	-	-	175,000
Arts and Science	-	10,000	-	-	10,000
Parking District	-	30,000	-	-	30,000
Water Resource and Infra Protection	-	50,000	-	-	50,000
Pension Debt Service	-	4,000,000	-	-	4,000,000
Drinking Water	-	1,000,000	-	-	1,000,000
Wastewater	-	800,000	-	-	1,000,000

City of Flagstaff
Expenditures/Expenses by Division
Fiscal Year 2026-27

Division/Fund	Actual Expenditures/ Expenses 2024-25	Adopted Budgeted Expenditures/ Expenses 2025-26	Expenditure/ Expense Adjustments Approved 2025-26	Actual Expenditures/ Expenses * 2025-26	Budgeted Expenditures/ Expenses 2026-27
Reserves/Contingencies - Continued					
Reclaimed Water	$ -	50,000	-	-	50,000
Stormwater	-	2,000,000	-	-	2,000,000
Solid Waste	-	500,000	-	-	500,000
Sustainability and Environmental Mgmt	-	30,000	-	-	30,000
Airport	-	100,000	-	-	300,000
Flagstaff Housing Authority	-	1,001,250	-	913,850	1,001,250
	(49,239)	12,484,250	-	1,013,850	12,884,250
All Funds Total	$ 299,601,959	522,730,759	-	324,578,866	626,928,460

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Flagstaff
Full-Time Employee and Personnel Compensation
Fiscal Year 2026-27

Fund	Full-Time Equivalent (FTE) 2026-27	Employee Salaries and Hourly Costs 2026-27	Retirement Costs 2026-27	Healthcare Costs 2026-27	Other Benefit Costs 2026-27	Total Estimated Personnel Compensation 2026-27
General Fund	657.21	$ 58,165,500	$ 6,724,746	$ 6,687,173	$ 4,859,122	$ 76,436,541
Special Revenue Funds						
Housing and Community Services	1.00	84,648	10,141	9,778	7,839	112,406
Library	58.50	3,714,844	391,781	536,500	279,493	4,922,618
Highway User Revenue	46.17	2,990,416	411,080	415,800	349,126	4,166,422
Transportation	0.48	18,521	-	-	2,374	20,895
Beautification	3.65	377,200	45,232	46,188	29,791	498,411
Economic Development	0.65	263,056	31,578	28,017	20,765	343,416
Tourism	18.80	1,455,737	160,186	158,499	111,455	1,885,877
Arts and Science	1.00	95,134	11,419	10,375	7,543	124,471
Parking District	7.30	425,776	50,827	98,694	39,897	615,194
Water Resource & Infrastructure Protection	9.00	835,200	98,331	105,780	44,386	1,083,697
Total Special Revenue Funds	146.55	10,260,532	1,210,575	1,409,631	892,669	13,773,407
Capital Project Funds						
GO Bonds	1.23	87,472	10,479	2,947	8,132	109,030
Total Capital Project Funds	1.23	87,472	10,479	2,947	8,132	109,030
Enterprise Funds						
Drinking Water	62.93	5,119,739	605,436	629,886	443,136	6,798,197
Wastewater	22.95	1,554,132	186,184	228,271	146,509	2,115,096
Reclaimed Water	1.55	116,431	13,949	15,083	10,757	156,220
Stormwater	10.05	874,809	104,803	98,101	74,417	1,152,130
Solid Waste	49.40	3,622,184	422,935	501,465	358,897	4,905,481
Sustainability and Environmental Mgmt	14.38	1,170,308	134,366	113,165	91,027	1,508,866
Airport	14.63	1,306,455	183,872	192,390	67,694	1,750,411
Flagstaff Housing Authority	30.20	1,980,994	223,306	293,042	173,005	2,670,347
Total Enterprise Funds	206.09	15,745,052	1,874,851	2,071,403	1,365,442	21,056,748
Total All Funds	1,011.08	$ 84,258,556	$ 9,820,651	$ 10,171,154	$ 7,125,365	$ 111,375,726

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Heidi Derryberry, Budget Director

Co-Submitter: Rick Tadder

Date: 05/29/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval: Primary Property Tax Levy of $7,801,497 in FY 2026-27 by roll call vote.

AND

Consideration and Adoption of Ordinance No. 2026-13: An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars ($100.00) of valuation sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June 2027. (Primary and secondary property tax levies for FY 2026-27).

STAFF RECOMMENDED ACTION:

At the June 16, 2026, Council Meeting:
1) By roll call vote approve the proposed increase in the primary property taxes by roll call vote as required by Truth in Taxation legislation.
2) Read Ordinance No. 2026-13 by title only for the first time
3) City Clerk reads Ordinance No. 2026-13 by title only (if approved above)

At the July 7, 2026, Council Meeting:
4) Read Ordinance No. 2026-13 by title only for the final time
5) City Clerk reads Ordinance No. 2026-13 by title only (if approved above)
6) Adopt Ordinance No. 2026-13

Executive Summary:

The City Council is required to consider a motion to levy increased primary property taxes over the preceding year's tax levy plus new construction, by roll call vote, per A.R.S. Section 42-17107.

The City Council is required to fix and levy the amount to be raised from property taxation after the adoption of the final budget, per A.R.S. Section 42-17151. The final budget is anticipated to be adopted on June 16, 2026.

Financial Impact:

The City is proposing a primary property tax levy of $7,767,483 on existing properties, plus an increased levy of $34,014 on new construction, for a total primary property tax levy in FY 2026-27 of $7,801,497. The primary property tax rate to support this levy is 0.6207 per $100 of assessed valuation (an increase of 0.0162 over the prior year). The proposed levy is less than the maximum allowable primary property tax levy allowed for FY 2026-27, which is $8,383,436.

The City is proposing a secondary property tax levy of $9,552,341 in FY 2026-27 on existing properties and new construction. The proposed secondary property tax rate is 0.7600 per $100 of net assessed valuation (a decrease of 0.0400 over the prior year).

Policy Impact:
Adoption of the proposed property tax levies will generate revenues to help fund the community needs as identified in the FY 2026-27 Final Budget and policies reflected therein.

Previous Council Decision or Community Discussion:

- December Council Retreat on December 19, 2025
- February Budget Retreat on February 5, 2026
- Council Budget Work Session on April 23, 2026
- Tentative Budget Adoption on June 2, 2026

Options and Alternatives to Recommended Action:
1) Adopt the primary and secondary property tax rates as proposed.
2) Adopt lower primary and secondary property tax rates than proposed.
3) Adopt higher secondary property tax rates than proposed, however, Council can not increase the primary property tax rates due to Truth in Taxation Notice publication deadlines or other legal considerations.

Background and History:
Primary property tax revenues may be used for all purposes. Primary property tax levies are limited, per A.R.S. Section 42-17051. The City has the ability to increase the amount received from the primary property tax levy by a maximum of 2% each year excluding new construction. The maximum allowable increase for FY 2026-27 is 14.0%. FY 2026-27 proposed primary property tax levy is set at $7,801,497, which is less than the maximum allowable levy of $8,383,436.

Primary property tax levies are also subject to Truth in Taxation notice and hearing requirements, per A.R.S. Section 42-17107. On or before February 10 of each year, the county assessor must transmit to each city and town an estimate of the total net assessed valuation of the city, including new property added to the tax roll. If the proposed primary tax levy amount, excluding amounts attributable to new construction, is greater than the levy amount in the previous year, the city must follow the Truth in Taxation procedures. It is important to note that it is the levy amount and not the rate which triggers the Truth in Taxation procedures. The proposed FY2026-27 primary tax levy amount did trigger the Truth in Taxation procedures. A copy of the Truth in Taxation notification is attached.

The City is budgeting primary property tax revenues of $7,708,000 in its FY 2026-27 Budget. This budgeted amount is less than the levy amount because the City is allowing for approximately 1.0% in bad debt (taxes not able to be collected). The City anticipates an overall 7.5% increase in primary property tax revenues in FY 2026-27, due to the increase from new construction (properties added to tax roll) and the increased rate. Primary property tax revenues may be used for any general purpose use of the City government.

Secondary property tax revenues may only be used by cities and towns to retire the principal and interest or redemption charges on general obligation bonds issued to pay for capital projects. Secondary property tax levies are not limited. The City has budgeted a total of $9,552,341 in FY 2026-27 secondary property tax, an approximate 0.6% decrease over the FY 2025-26 budget ($9,613,775). The decrease is directly related to the increased assessed valuation (increase in property values) and new construction offset by a decrease to the tax rate. Secondary property tax revenues are used to pay general obligation debt issued for City capital projects.

Five years of historical data are shown below:

Property Tax Rates	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 Proposed

Primary	0.6954	0.6634	0.6363	0.6045	0.6207
Secondary	0.8000	0.8000	0.8000	0.8000	0.7600
Total	1.4954	1.4634	1.4363	1.4045	1.3807

Primary property taxes account for 8.0% of the General Fund revenues budgeted for FY 2026-27. The adoption of the property tax levy is the final step in the entire budget approval process.

Connection to PBB Priorities and Objectives:
The adoption of the Annual Budget and Financial Plan provides direction and financial resources to support the Key Community Priorities and Objectives. The property tax adoption is part of the overall City budget adoption.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
None.

Attachments: Ord. 2026-13
Truth in Taxation Notification

ORDINANCE NO. 2026-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2027

RECITALS:

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2026-27 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. There is hereby levied on each one hundred dollars ($100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of 0.6207 for the fiscal year ending on the 30th day of June 2027. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars ($100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of 0.7600 for the fiscal year ending June 30, 2027.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the

property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona.

SECTION 6. Effective Date. The tax levies imposed by this Ordinance shall take effect August 1, 2026.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 7th day of July, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

News Flash

Truth in Taxation Hearing Notice of Tax Increase

Posted on June 01, 2026

The following truth in taxation notice will be posted in the Daily Sun on June 2, 2026, and June 9, 2026.

FLAGSTAFF, Ariz – In compliance with section 42-17107, Arizona Revised Statutes, the City of Flagstaff is notifying its property taxpayers of the City of Flagstaff's intention to raise its primary property taxes over last year's level. The City of Flagstaff is proposing an increase in primary property taxes of $500,411 or 6.89%.

For example, the proposed tax increase will cause the City of Flagstaff's primary property taxes on a $100,000 home to be $62.07 (total proposed taxes including the tax increase). Without the proposed tax increase, the total taxes that would be owed on a $100,000 home would have been $58.07.

The proposed increase to the primary property tax rate is offset by a decrease to the secondary property tax rate. The additional revenue generated by the primary property tax rate increase will be designated to ongoing Fire and Police operations.

The proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held June 16, 2026, at 3:00pm in the City Council Chambers, 211 West Aspen Avenue, Flagstaff, Arizona. The increase was also discussed during the February 5, 2026 and April 23, 2026 Council retreats, which are available to watch on the City of Flagstaff YouTube channel.

###

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jessica Vigorito, Fire Administration Manager

Date: 05/12/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-30: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the City of Flagstaff and Coconino County Fort Tuthill to provide fire and emergency medical services.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-30 by title only
2. City Clerk reads Resolution No. 2026-30 by title only (if approved above)
3. Adopt Resolution No. 2026-30

Executive Summary:

Staff recommends approval of the IGA with Coconino County (Fort Tuthill). This provides contract services, including fire and emergency medical responses to the property in the County island covered by the Fort Tuthill area. This contract has been reviewed by Coconino County.

Financial Impact:

This contract is effective July 1, 2026, expires June 30, 2031, and includes one five-year extension option. Contract services will generate $22,471.26 for year one of the contract, with a 2% increase per year thereafter. The City of Flagstaff places no additional needs on the contract.

Policy Impact:

None

Previous Council Decision or Community Discussion:

The City of Flagstaff previously provided contract emergency services to Fort Tuthill.

Options and Alternatives to Recommended Action:

Council may elect to:
- Approve the proposed IGA
- Amend the proposed IGA
- Disapprove the IGA

Background and History:

Per City Ordinance 5-01, the city may enter into a service agreement to provide fire protection services for the areas not within the boundaries of the City.

Connection to PBB Priorities and Objectives:

Serve the public by providing high quality internal and external customer service

Provide public safety with the resources, staff, and training to respond to community needs

Connection to Regional Plan:
Goal PF.2. Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics.

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
Flagstaff Fire Department Mission: We provide exceptional customer service to the community, visitors, and surrounding region.

Attachments: Res. 2026-30
IGA
Presentation

RESOLUTION NO. 2026-30

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY AND THE CITY OF FLAGSTAFF ON BEHALF OF THE FLAGSTAFF FIRE DEPARTMENT FOR FIRE SERVICES

RECITALS:

WHEREAS, Coconino County (COUNTY), a political subdivision of the State of Arizona, seeks to obtain fire and emergency medical services for its property, Fort Tuthill Park, and is authorized to do so by A.R.S. § 11-201 and 11-933;

WHEREAS, the City of Flagstaff (CITY), through its Fire Department (DEPARTMENT), operates, manages, and maintains fire and emergency medical services;

WHEREAS, the COUNTY desires that the CITY, through the DEPARTMENT, provide fire and emergency medical services for incidents occurring within the boundary response area of the COUNTY.

WHEREAS, the CITY is authorized to enter into agreements to provide fire protection and emergency medical services by Flagstaff City Code Section 5-01-001-0001 and is willing to provide such services to the COUNTY in accordance with the terms of this Agreement for the following parcels:

- Parcel#116-13-009
- Parcel#116-13-005B 2446 FORT TUTHILL LOOP
- Parcel#116-13-008A 328 GARRISON RD

WHEREAS, the City Council has read and considered the staff summary report and proposed IGA attached thereto, and finds that it is in the best interest of the City to enter into the Agreement.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

That the Intergovernmental Agreement between the County and the City be hereby accepted and approved.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between Coconino County and the City of Flagstaff, attached hereto as Exhibit A.

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff, this 16th day of June, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:
IGA

INTERGOVERNMENTAL AGREEMENT

Between
City of Flagstaff
and
Coconino County

This Intergovernmental Agreement ("Agreement") is entered into this ____ day of _____, 2026 by and between the City of Flagstaff ("CITY"), an Arizona municipal corporation, with offices at 211 West Aspen Avenue, Flagstaff, Arizona, on behalf of the Flagstaff Fire Department ("DEPARTMENT"), and the Coconino County (the "COUNTY"), a political subdivision of the State of Arizona, created pursuant to , with offices 219 E CHERRY AVE, Flagstaff, Coconino County, Arizona. COUNTY and the CITY may be referred to as a Party or, collectively, as the Parties in this Agreement.

RECITALS

A. The COUNTY, a political subdivision of the State of Arizona, seeks to obtain fire and emergency medical services for its property, Fort Tuthill Park, and is authorized to do so by A.R.S. § 11-201 and 11-933.

B. The CITY, through its DEPARTMENT, operates, manages, and maintains fire and emergency medical services.

C. The COUNTY desires that the CITY, through the DEPARTMENT, provide fire and emergency medical services for incidents occurring within the boundary response area of the COUNTY.

D. The CITY is authorized to enter into agreements to provide fire protection and emergency medical services by Flagstaff City Code Section 5-01-001-0001 and is willing to provide such services to the COUNTY in accordance with the terms of this Agreement for the following parcels:

- Parcel#116-13-009
- Parcel#116-13-005B 2446 FORT TUTHILL LOOP
- Parcel#116-13-008A 328 GARRISON RD

NOW, THEREFORE, pursuant to A.R.S. §11-952, authorizing agreements for services among two or more public agencies, and in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

1. **Duration and Termination of Agreement.** This Agreement shall become effective upon execution by the parties. The DEPARTMENT will begin service to the COUNTY at 12:01 AM on July 1, 2026, and, subject to early termination or renewal as provided below, will continue to provide services as described in this Agreement to the COUNTY with the Agreement terminating at 11:59 PM on June 30, 2031. If the parties agree, they shall amend this Agreement to extend the duration for five (5) years, with the Agreement terminating on June 30, 2036. The CITY has the right to terminate this Agreement upon written notice thereof to the COUNTY in the event the COUNTY fails to make any payment due the

CITY under this Agreement within thirty (30) calendar days after receiving written notice from the CITY that such payment is past due.

2. **Level of CITY Services.** The CITY, through the DEPARTMENT, agrees to provide fire and emergency medical services to the COUNTY, twenty-four (24) hours a day, seven (7) days a week as follows:

   2.1. Personnel. All DEPARTMENT response personnel will be certified as firefighters under the state of Arizona guidelines and certified to the level of Emergency Medical Technician. All response personnel will have been trained to the operations level for Hazardous Materials response.

   2.2. Staffing Levels. Each fire apparatus responding to an incident within the COUNTY will be staffed with a minimum of three fire/emergency medical services personnel (collectively, "One Unit"). On confirmed structural fires or larger wildland fires, additional units will be dispatched, as well as a Chief Officer who will assume command of operations. A two (2) person rescue vehicle may respond to calls for emergency medical services if it is the closest fire unit available. A two (2) person rescue vehicle may also respond as part of a full force contingent for fire related events.

   2.3. Station Locations and Response Assignments. The DEPARTMENT will provide services to the COUNTY from Fire Station No. 6, located at **3877 S Lake Mary Road, Flagstaff, AZ 86001**. Additional support or back-up personnel will be provided from the CITY'S next closest and available facility. The response will be consistent with Fire and EMS responses as determined by the Greater Flagstaff Regional Fire Department's Automatic Aid System.

   2.4. Personnel and Equipment Shortages. COUNTY acknowledges and agrees that the occurrence of a major fire, several concurrent fires, other emergency, reduction in force, road closure, or other situation resulting in a shortage of available personnel or equipment may cause DEPARTMENT to respond with fewer units or personnel than specified above.

   2.5. Response Time. COUNTY acknowledges and agrees that DEPARTMENT response times are subject to variations due to existing weather conditions, travel distance for fire units already engaged elsewhere, traffic conditions, property identification and the provision of standard access and routing information to property or individuals, and that under these circumstances DEPARTMENT may be unable to respond, or be delayed in responding, to an emergency call in the COUNTY.

   2.6. Code compliance**. County to enforce the Arizona State Fire Code to ensure compliance with all uses, special events, and operations at the Tuthill**

3. **Disposition of Property.** During the term of this Agreement, any property purchased by the CITY with its own funds will remain the property of the CITY, and any property purchased by the COUNTY with its own funds will remain the property of the COUNTY.

4. **Fee for Fire/EMS/Rescue Service.**

   4.1. The DEPARTMENT will provide the services described in this Agreement for the fees described below:

4.1.1. The base rate for year one will be $22,471.26 and will increase each year thereafter by 2%.

4.2. Method of Payment. The COUNTY shall make annual payments of the total annual amount and shall be due no later than December 15 each year.

4.2.1. Late Payment. All amounts due from the COUNTY to the CITY that are not paid by the COUNTY when due shall be subject to a penalty of ten percent (10%) of the amount due, plus interest at the rate of one (1%) percent per month or fraction of a month from the time due and owing until paid.

4.3. Equipment Purchases. The CITY will be solely responsible for the purchase of its equipment, if any, and will make such purchases within its discretion.

5. Liability and Indemnification.

5.1. Force Majeure. The CITY, the DEPARTMENT and their agents, officials and employees, shall not be liable to the COUNTY for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, strike or labor difficulty, fire, flood, windstorm, breakdown or other damage to equipment, power failure or any other cause beyond the reasonable control of the CITY.

5.2. Failure to Comply. The City desires to serve the County in a manner consistent with service extended to any part of the City's Fire Protection System that provides coverage to residents of the City of Flagstaff, its Mutual Aid Partners, and contract/IGA holders. However, the CITY shall not be liable to the COUNTY or COUNTY's residents for failure to comply with any of the terms and conditions of this Agreement where any failure to comply arises from CITY requirements to provide services to any or all parts of the entire service system, including its own residents, Mutual Aid Partners, or contract/IGA holders within its jurisdictional limits.

5.3. Indemnification and Insurance. Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. Each Party shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of the Party’s employees or agents and to provide workers’ compensation benefits for their own employees.

5.4. Employment Status for Workers’ Compensation and Other Benefits: The Parties expressly acknowledge and agree that all officers, employees, agents, and representatives of the City of Flagstaff performing services under this Agreement shall remain employees of the City of Flagstaff and shall not be deemed employees of Coconino County for any purpose. The City of Flagstaff shall retain sole responsibility for compliance with all workers’ compensation laws and for the provision of workers’ compensation insurance coverage, benefits, premiums, and claims administration with respect to its employees. Coconino County shall be responsible solely for workers’ compensation obligations arising from injuries to its own employees and

shall have no responsibility or liability for workers' compensation claims asserted by employees of the City of Flagstaff.

6. Dispute Resolution.

6.1. Mediation. If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation will take place in Flagstaff, Arizona, be self-administered and be conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, New York 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the auspices of the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation.

6.2. Legal Action. This mediation provision is not intended to constitute a waiver of a party's right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if a party seeks provisional relief under the Arizona Rules of Civil Procedure.

6.3. Litigation and Attorney's Fees. In the event any action at law or in equity is instituted between the parties in connection with this Agreement, the prevailing party in the action will be entitled to its costs, including reasonable attorneys' fees and court costs, from the non-prevailing party.

7. Notices. Unless otherwise specified in this Agreement, any notice or other communication required or permitted to be given shall be in writing and sent to the address given below for the party to be notified, or to such other address notice of which is given:

If to the City:

Mark A. Gaillard, Fire Chief
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001

Copy to:

City Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

If to Coconino County

Cynthia Nemeth, CCPR
Parks & Recreation Director
Coconino County Parks & Recreation
2446 Fort Tuthill Loop
Flagstaff, AZ 86005

8. General Provisions.

8.1. Status of Employees. Employees of the respective parties shall not be considered employees or agents of the other, and the CITY and the COUNTY agree that they shall retain sole responsibility and authority over their respective employees.

8.2. Authorization to Contract. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations under this Agreement and has taken all required acts or actions necessary to authorize the same.

8.3. Integration; Modification. Each party acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire agreement with respect to the matters addressed in this document. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded and merged in this Agreement. This Agreement may be modified or amended only by written agreement signed by or for both parties and recorded by the County Recorder, and any modification or amendment will become effective on the date so specified, but no earlier than the date of the recording by the County Recorder.

8.4. Cancellation for Conflict of Interest. Pursuant to A.R.S. §38-511, either the CITY or COUNTY may cancel this Agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of a party is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of the other party of the Agreement in any capacity or as a consultant to the other party of the Agreement with respect to the subject matter of this Agreement.

8.5. Waiver. No failure to enforce any condition or covenant of this Agreement will imply or constitute a waiver of the right of a party to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor will any waiver by either party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

8.6. Termination for Lack of Funds. The COUNTY agrees to levy in good faith an amount sufficient to pay for the services to be provided by the CITY under this Agreement. If the COUNTY determines, based upon the County Treasurer's tax collection data, and the City concurs, that there will not be sufficient tax revenues available to the COUNTY to pay the fee for services described in this Agreement, the COUNTY may terminate this Agreement by giving the CITY ninety (90) days' notice of the lack of available funds. Termination of this Agreement will not relieve the COUNTY of the obligation to pay the CITY the pro rata portion of the annual amount due before the termination date of the Agreement. In the event of termination, CITY agrees to refund to COUNTY on a pro rata basis the fees paid by COUNTY in advance for any period following the date of termination.

8.7. Non-Discrimination. Each Party warrants that it complies with any state and federal laws, rules and regulations which mandate that all persons, regardless of race, color, pregnancy, religion, sex, sexual orientation, gender identity, genetic information, age, national origin, disability, veterans status, caregiving responsibilities, or familial status shall have equal access to employment opportunities. Each Party shall take affirmative action to ensure that it will not

participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Pregnancy Discrimination Act of 1978, Americans with Disabilities Act of 2008 as amended, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, Age Discrimination and Employment Act of 1967 as amended, Genetic Information Nondiscrimination Act of 2008.

8.8. Compliance with Immigration Laws and Regulations. Pursuant to the provisions of A.R.S. Sec. 41-4401, each Party warrants to the other Party that the warranting Party and its subcontractors, if any, are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. Sec. 23-214(A). The Parties acknowledge that a breach of this warranty by a Party or any of its subcontractors is a material breach of this Agreement, subject to penalties up to and including termination of this Agreement or any subcontract. Each Party retains the legal right to inspect the papers of any employee of the other Party or any subcontractor who works on this Agreement to ensure compliance with this warranty.

8.9. Compliance with All Laws. Both Parties will comply with all applicable Federal, State, County and City laws, regulations and policies.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written above.

City of Flagstaff	**Coconino County**
_____	_____
Becky Daggett	Name: _____
Mayor	Title: _____
Dated: _____	Dated: _____
Attest:	Attest:
_____	_____
City Clerk	
Dated: _____	Dated: _____
Approved as to form and as being within the powers and authority granted under the laws of the State of Arizona to the City of Flagstaff:	Approved as to form as being within the powers and authority granted under the laws of the State of Arizona to Coconino County:
_____	_____
City Attorney	County Counsel
Dated: _____	Dated: _____

Fort Tuthill IGA for Fire Services

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

History

Fort Tuthill IGA

- Original Fire Services IGA began in 2012
  - Paused in 2019
- Fire and Medical Services to the Fort Tuthill area (3 parcels)
- Rates are determined by City Ordinance and are increased by 2% each year
- 5-year agreement with a 5-year extension option

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David Nixon, Engineering Project Manager

Date: 05/12/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-33: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement (IGA) between the City of Flagstaff and the State of Arizona, acting by and through the Arizona Department of Transportation (ADOT) for the design, procurement, construction, inspection operation and maintenance of a traffic signal at the intersection of W. Route 66 and Woody Mountain Road

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-33 by title only
2. City Clerk reads Resolution No. 2026-33 by title only (if approved above)
3. Adopt Resolution No.2026-33

Executive Summary:

The Arizona State Legislature passed Senate Bill 1737, which appropriated $1,900,000 to be distributed to the City of Flagstaff for the design and construction of a traffic signal at the intersection of Woody Mountain Road and U.S. Route 66. The project is currently under construction and at approximately 45% complete.

This IGA is for the City to design, procurement, construction, inspection operation and maintenance of the new span wire signal.

Financial Impact:

W. Route 66 and Woody Mountain Rd. Traffic Signal

- This Project is funded by the Senate Bill appropriations in the amount of $1,900,000. The Project account number is 048-10-119-3631-6.
- This Project was not budgeted as part of the FY2025-26 budget. Budget appropriations from the Butler Avenue Complete Streets Conversion project and the West Route 66 project will be reallocated from the West Route 66 project in the amount of $900,000 in FY2025-26. The budget appropriations reallocation will not have any impact on the timing of these projects.
- Public Works is requesting $5,000 of the appropriated $1,900,000 be set aside for signal / equipment operation and maintenance costs annually.

Policy Impact:

None

Previous Council Decision or Community Discussion:

- On October 7, 2025, the City Council approved Resolution 2025-47, thereby, entering into an IGA with the State of Arizona to accept the $1,900,000 and complete the Project.

- On February 3rd, 2026, the City Council approved the Cooperative Purchase contract with CS Construction, Inc for the Construction Services at W. Route 66 and Woody Mountain Rd. Signal Project

Options and Alternatives to Recommended Action:

1. Approve the IGA with ADOT as presented.
2. Reject and direct staff to renegotiate the terms of the IGA with ADOT and/or State Legislature.

Connection to PBB Priorities and Objectives:

NA

Connection to Regional Plan:

NA

Connection to Carbon Neutrality Plan:

NA

Connection to 10-Year Housing Plan:

NA

Connection to Division Specific Plan:

NA

Attachments:

Res. 2026-33
Final IGA - Unsigned
Vicinity Map
Presentation

RESOLUTION NO. 2026-33

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA AND THE CITY OF FLAGSTAFF FOR THE OPERATION AND MAINTENANCE OF A TRAFFIC SIGNAL AT THE INTERSECTION OF WOODY MOUNTAIN ROAD AND U.S. ROUTE 66

RECITALS:

WHEREAS, the State of Arizona appropriated $1,900,000 to be distributed to the City of Flagstaff for the design and construction of a traffic signal at the intersection of Woody Mountain Road and U.S. Route 66; and

WHEREAS, the traffic signal is currently under construction and approximately 45% complete; and

WHEREAS, the State of Arizona through its Department of Transportation and the City of Flagstaff desire to enter into an intergovernmental agreement for the operation and maintenance of the traffic signal; and

WHEREAS, the City is empowered by A.R.S. 48-572 to enter into this intergovernmental agreement with State of Arizona.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between the Arizona Department of Transportation and the City of Flagstaff, Arizona, attached hereto as Exhibit A.

SECTION 2. Effective Date.
This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

ADOT CAR No.: IGA 25-0011515-I
AG Contract No.: P0012026000316
Project Location/Name: Woody Mountain Road and SR40B Traffic Signal
Type of Work: Maintenance
Federal-aid No.: NA
ADOT Project No.: MAINTAGR
TIP/STIP No.: NA
ALN: 20.205 - Highway Planning and Construction
Budget Source Item No.: NA

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF FLAGSTAFF

THIS AGREEMENT ("Agreement") is entered into this date _____, pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the CITY OF FLAGSTAFF, acting by and through its MAYOR and CITY COUNCIL (the "City"or "Local Agency"). The State and the Local Agency are each individually referred to as a "Party" and are collectively referred to as the "Parties."

I. RECITALS

1. The State is empowered by A.R.S. § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.

2. The Local Agency is empowered by A.R.S. § 48-572 to enter into this Agreement and has by resolution, if required, a copy of which is attached and made a part of, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Local Agency.

3. The Local Agency will construct a traffic signal within the State's right of way at State Business Route 40 (SR40B) and South Woody Mountain Rd for which the City received legislative appropriation funds, see IGA 25-0011189-I, (the "Project"). There is no new right of way required for the Project. The Local Agency will be responsible for all Project costs, construct the traffic signal to State standards, and be responsible for all associated electrical costs at its sole expense. The City will operate and maintain the signal.

4. The foregoing Recitals and Exhibits shall be incorporated into this Agreement.

In consideration of the mutual terms expressed herein, the Parties agree as follows:

II. SCOPE OF WORK

1. The Parties agree:

    a. The Project will be completed, accepted, and paid for in accordance with the requirements of the Project plans and specifications.

    b. The Local Agency will be responsible for any and all Project costs.

    c. Any future modifications within the Project limits required for transportation purposes and resulting in the removal or alteration of the Project will have precedence over the Project and there will be no compensation owed to the Local Agency.

2. The State will:

    a. Review the design documents required for construction of the Project and provide comments to the Local Agency as appropriate.

    b. Issue, in accordance with the established procedures of the State's Northcentral District Permit Office, a permit for the initial construction of the Project, separate permits for related pre-construction activities (such as pot-holing, utility work, survey etc), and a permit on a yearly basis for routine maintenance and emergency work. Routine maintenance and emergency work will be defined within the permit. Permits will be issued when appropriate insurance documents are provided as required by ADOT Risk Management.

    c. Provide a final inspection, and after it is determined by the State that the Project has been constructed per State standards, provide final acceptance of the Project.

    d. Not be obligated to maintain the traffic signal equipment within the State's right of way, at the City's expense.

3. The Local Agency will:

    a. Prepare and submit to the State the design plans, specifications, and other such documents and services required for the construction bidding and construction of the Project in compliance with current ADOT guidelines, standards, and specifications, and incorporate comments from the State as appropriate.

    b. Submit an encroachment permit application with all required documentation to the State's Northcentral District Permit Office for the initial construction of the Project, separate encroachment permit applications for related pre-construction activities as needed, and an encroachment permit application for routine maintenance and emergency work. Provide appropriate insurance with each encroachment permit once, then annually for the maintenance and emergency work to keep that permit valid. Notify the State's Northcentral District Permit Office of any emergency maintenance work affecting the State right of way. Submit an encroachment permit application for any new construction or installation.

c. Not permit or allow any encroachments upon or private use of the public right of way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the Local Agency shall take all necessary steps to remove or prevent any such encroachment or use.

d. Automatically grant to the State, by execution of this Agreement, its agents and/or contractors, without cost, the temporary right to enter Local Agency rights of way, as required, to conduct any project related activities, on, to and over said Local Agency rights of way. This temporary right will expire with completion of the Project.

e. Investigate and document utilities within the Project limits; submit findings to ADOT determining prior rights or no prior rights; approve an easement within the final right of way to re-establish the prior right location for those utilities with prior rights.

f. Comply with A.R.S. § 28-6923, including bond requirements for construction of the Project.

g. Comply with the latest edition Manual on Uniform Traffic Control Devices (MUTCD) published by the Federal Highway Administration (FHWA) and adopted by ADOT, as per A.R.S. § 28-641, when performing any work under this Agreement. Traffic Control plans will be processed through the State's Central District Permits Office.

h. Notify the State of final inspection of the Project.

i. Provide the State a copy of the complete Record Drawings of the Project at the completion of construction.

j. Upon project completion assume maintenance, operation and signal timing responsibilities of the Project including all electrical energy costs for the traffic signal and the supporting electrical equipment.

III. MISCELLANEOUS PROVISIONS

1. Effective Date. This Agreement shall become effective upon signing and dating of all Parties.

2. Amendments. Any change or modification to the Project will only occur with the mutual written consent of both Parties.

3. Duration. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the Project and all related deposits and/or reimbursements are made. Any and all obligations of maintenance hereunder shall remain perpetual and shall survive any termination hereof and the assignment or assumption of this Agreement or the Project by another competent jurisdiction or entity.

4. Cancellation. This Agreement may be canceled at any time up to 30 days before the award of the Project contract, so long as the canceling Party provides at least 30 days' prior written notice to the other Party. It is understood and agreed that, in the event the Local Agency

terminates this Agreement, the Local Agency shall be responsible for all costs incurred by the State up to the time of termination. It is further understood and agreed that in the event the Local Agency terminates this Agreement, the State shall in no way be obligated to complete or maintain the Project.

5. Termination of Federal Funding. Should the federal funding related to the State's Project be terminated or reduced by the federal government, or Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this Agreement.

6. Indirect Costs. The cost of the Project under this Agreement includes indirect costs approved by FHWA, as applicable.

7. Federal Funding Accountability and Transparency Act. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the Local Agency will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

8. Governing Law. This Agreement shall be governed by and construed in accordance with Arizona laws.

9. Conflicts of Interest. This Agreement may be canceled in accordance with A.R.S. § 38-511.

10. Inspection and Audit. The Local Agency shall retain all books, accounts, reports, files and other records relating to this Agreement which shall be subject at all reasonable times to inspection and audit by the State for five years after completion of the Project. Such records shall be produced by the Local Agency, electronically or at the State office as set forth in this Agreement, at the request of ADOT.

11. Title VI. The Local Agency acknowledges and will comply with Title VI of the Civil Rights Act Of 1964.

12. Non-Discrimination. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. The Parties to this Agreement shall comply with Executive Order Number 2009-09, as amended by Executive Order 2023-01, issued by the Governor of the State of Arizona and incorporated in this Agreement by reference regarding "Non-Discrimination."

13. Non-Availability of Funds. Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

14. Arbitration. In the event of any controversy, which may arise out of this Agreement, the Parties agree to abide by arbitration as is set forth for public works contracts if required by A.R.S. § 12-1518.

15. E-Verify. The Parties shall comply with the applicable requirements of A.R.S. § 41-4401.

16. Contractor Certifications. The Parties shall certify that all contractors comply with the applicable requirements of A.R.S. §§ 35-393.01 and 35-394.

17. Other Applicable Laws. The Parties shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

18. Notices. All notices or demands upon any Party to this Agreement shall be in writing and shall be delivered electronically, in person, or sent by mail, addressed as follows:

For Agreement Administration:

Arizona Department of Transportation
Joint Project Agreement Group
205 S. 17th Avenue, Mail Drop 637E
Phoenix, AZ 85007
JPABranch@azdot.gov

City of Flagstaff
Jeff Bauman
211 West Aspen Avenue
Flagstaff, AZ 86001
928.213.2690
jbauman@flagstaffaz.gov

For Project Administration:

Arizona Department of Transportation
Northcentral District
1959 S. Woodlands Village Blvd, Suite B-110
Flagstaff, AZ 86001
928.774.1491

City of Flagstaff
Jeff Bauman
211 West Aspen Avenue
Flagstaff, AZ 86001
928.213.2690
jbauman@flagstaffaz.gov

For Maintenance Related Issues:

Arizona Department of Transportation
Northcentral District
1959 S. Woodlands Village Blvd, Suite B-110
Flagstaff, AZ 86001
928.774.1491

19. Revisions to Contacts. Any revisions to the names and addresses above may be updated administratively by either Party with written notice to the other Party.

20. Legal Counsel Approval. In accordance with A.R.S. § 11-952 (D), the written determination of each Party's legal counsel providing that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form is set forth below.

21. Electronic Signatures. This Agreement may be signed in an electronic format including DocuSign.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective upon the signing and dating of all Parties.

CITY OF FLAGSTAFF

By _____ Date_____
BECKY DAGGETT
Mayor

ATTEST:

By _____ Date_____
STACY SALTZBURG
City Clerk

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its Department of Transportation, and the City of Flagstaff, an agreement among public agencies which, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.
Approved as to Form:

By _____ Date_____
City Attorney

ARIZONA DEPARTMENT OF TRANSPORTATION

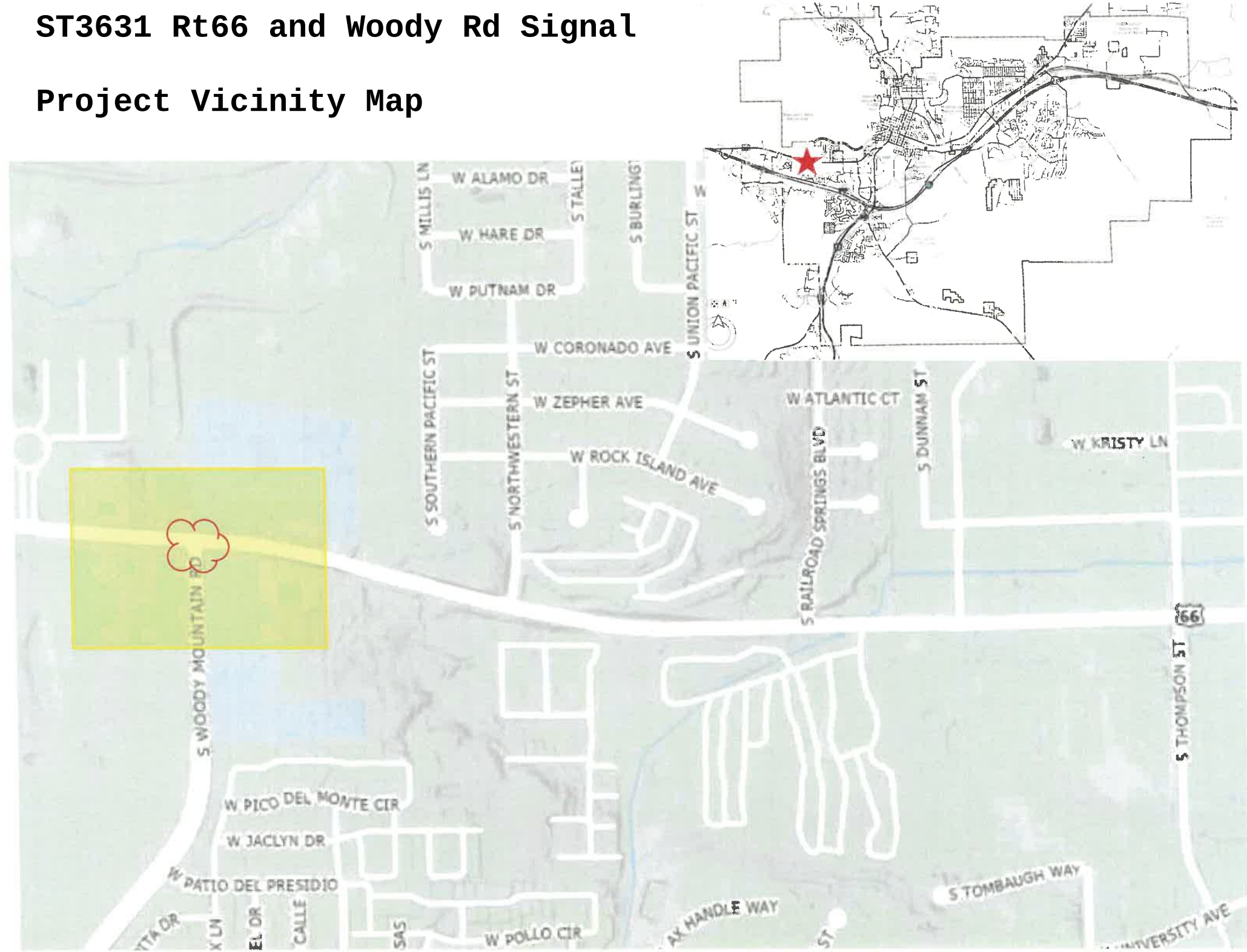
By _____ Date_____
MATT MOUL, PE
Project Delivery and Operations
Division Director

This Agreement between public agencies, the State of Arizona and the City of Flagstaff, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 28-401, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona. No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

By _____ Date_____
Assistant Attorney General

ST3631 Rt66 and Woody Rd Signal

Project Vicinity Map



ADOT IGA

W. Route 66 and Woody Mountain Rd. Traffic Signal

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

ADOT Traffic Signal IGA

- On October 7, 2025, the City Council approved Resolution 2025-47, thereby, entering into an IGA with the State of Arizona to accept the $1,9000,000 and complete the Project.
- On February 3rd, 2026, the City Council approved the Cooperative Purchase contract with CS Construction, Inc for the Construction Services at W. Route 66 and Woody Mountain Rd. Signal Project.
- This resolution request is to approve the IGA for the design, procurement, construction, inspection, and O&M of the future traffic signal at W. Route 66 and Woody Mountain Rd.

ADOT Traffic Signal IGA

Construction Progress

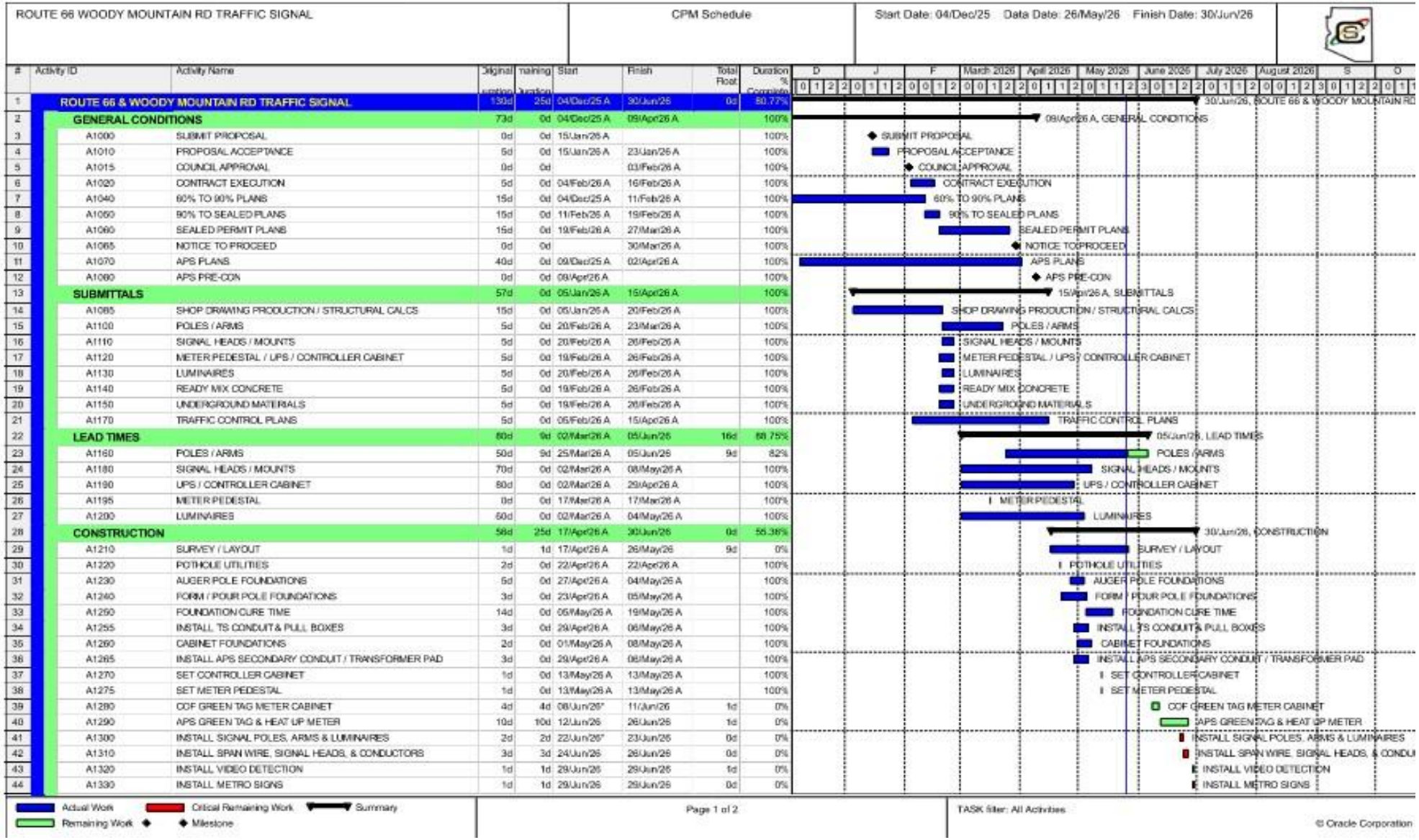




Pole Foundations Complete and meter pedestal set

ADOT Traffic Signal IGA

Project is on schedule to have the intersection signalized by June 30th, 2026



ROUTE 66 WOODY MOUNTAIN RD TRAFFIC SIGNAL — CPM Schedule — Start Date: 04/Dec/25 Data Date: 26/May/26 Finish Date: 30/Jun/26

#	Activity ID	Activity Name	Original Duration	Remaining Duration	Start	Finish	Total Float	Duration % Complete
1		ROUTE 66 & WOODY MOUNTAIN RD TRAFFIC SIGNAL	130d	25d	04/Dec/25 A	30/Jun/26	0d	80.77%
2		GENERAL CONDITIONS	73d	0d	04/Dec/25 A	09/Apr/26 A		100%
3	A1000	SUBMIT PROPOSAL	0d	0d	15/Jan/26 A			100%
4	A1010	PROPOSAL ACCEPTANCE	5d	0d	15/Jan/26 A	23/Jan/26 A		100%
5	A1015	COUNCIL APPROVAL	0d	0d		03/Feb/26 A		100%
6	A1020	CONTRACT EXECUTION	5d	0d	04/Feb/26 A	16/Feb/26 A		100%
7	A1040	60% TO 90% PLANS	15d	0d	04/Dec/25 A	11/Feb/26 A		100%
8	A1050	90% TO SEALED PLANS	15d	0d	11/Feb/26 A	19/Feb/26 A		100%
9	A1060	SEALED PERMIT PLANS	15d	0d	19/Feb/26 A	27/Mar/26 A		100%
10	A1065	NOTICE TO PROCEED	0d	0d		30/Mar/26 A		100%
11	A1070	APS PLANS	40d	0d	09/Dec/25 A	02/Apr/26 A		100%
12	A1080	APS PRE-CON	0d	0d	09/Apr/26 A			100%
13		SUBMITTALS	57d	0d	05/Jan/26 A	15/Apr/26 A		100%
14	A1085	SHOP DRAWING PRODUCTION / STRUCTURAL CALCS	15d	0d	05/Jan/26 A	26/Feb/26 A		100%
15	A1100	POLES / ARMS	5d	0d	20/Feb/26 A	23/Mar/26 A		100%
16	A1110	SIGNAL HEADS / MOUNTS	5d	0d	20/Feb/26 A	26/Feb/26 A		100%
17	A1120	METER PEDESTAL / UPS / CONTROLLER CABINET	5d	0d	19/Feb/26 A	26/Feb/26 A		100%
18	A1130	LUMINAIRES	5d	0d	20/Feb/26 A	26/Feb/26 A		100%
19	A1140	READY MIX CONCRETE	5d	0d	19/Feb/26 A	26/Feb/26 A		100%
20	A1150	UNDERGROUND MATERIALS	5d	0d	19/Feb/26 A	26/Feb/26 A		100%
21	A1170	TRAFFIC CONTROL PLANS	5d	0d	05/Feb/26 A	15/Apr/26 A		100%
22		LEAD TIMES	80d	9d	02/Mar/26 A	05/Jun/26	16d	88.75%
23	A1160	POLES / ARMS	50d	9d	25/Mar/26 A	05/Jun/26	9d	82%
24	A1180	SIGNAL HEADS / MOUNTS	70d	0d	02/Mar/26 A	08/May/26 A		100%
25	A1190	UPS / CONTROLLER CABINET	80d	0d	02/Mar/26 A	29/Apr/26 A		100%
26	A1195	METER PEDESTAL	0d	0d	17/Mar/26 A	17/Mar/26 A		100%
27	A1200	LUMINAIRES	60d	0d	02/Mar/26 A	04/May/26 A		100%
28		CONSTRUCTION	58d	25d	17/Apr/26 A	30/Jun/26	0d	56.36%
29	A1210	SURVEY / LAYOUT	1d	1d	17/Apr/26 A	26/May/26	9d	0%
30	A1220	POTHOLE UTILITIES	2d	0d	22/Apr/26 A	22/Apr/26 A		100%
31	A1230	AUGER POLE FOUNDATIONS	5d	0d	27/Apr/26 A	04/May/26 A		100%
32	A1240	FORM / POUR POLE FOUNDATIONS	3d	0d	23/Apr/26 A	05/May/26 A		100%
33	A1250	FOUNDATION CURE TIME	14d	0d	05/May/26 A	19/May/26 A		100%
34	A1255	INSTALL TS CONDUIT & PULL BOXES	3d	0d	29/Apr/26 A	06/May/26 A		100%
35	A1260	CABINET FOUNDATIONS	2d	0d	01/May/26 A	08/May/26 A		100%
36	A1265	INSTALL APS SECONDARY CONDUIT / TRANSFORMER PAD	3d	0d	29/Apr/26 A	08/May/26 A		100%
37	A1270	SET CONTROLLER CABINET	1d	0d	13/May/26 A	13/May/26 A		100%
38	A1275	SET METER PEDESTAL	1d	0d	13/May/26 A	13/May/26 A		100%
39	A1280	COF GREEN TAG METER CABINET	4d	4d	08/Jun/26*	11/Jun/26	1d	0%
40	A1290	APS GREEN TAG & HEAT UP METER	10d	10d	12/Jun/26	26/Jun/26	1d	0%
41	A1300	INSTALL SIGNAL POLES, ARMS & LUMINAIRES	2d	2d	22/Jun/26*	23/Jun/26	0d	0%
42	A1310	INSTALL SPAN WIRE, SIGNAL HEADS, & CONDUCTORS	3d	3d	24/Jun/26	26/Jun/26	0d	0%
43	A1320	INSTALL VIDEO DETECTION	1d	1d	29/Jun/26	29/Jun/26	1d	0%
44	A1330	INSTALL METRO SIGNS	1d	1d	29/Jun/26	29/Jun/26	0d	0%

Actual Work · Remaining Work · Critical Remaining Work · Milestone · Summary

Page 1 of 2

TASK filter: All Activities

© Oracle Corporation

Questions?

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Ben Markert, Project Manager Sr. Lead

Date: 05/27/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-35: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement (IGA) between the City of Flagstaff and the State of Arizona, acting by and through the Arizona Department of Transportation (ADOT), for the preliminary scoping design of improvements along Fort Valley Road, between Navajo Road and Sechrist Elementary School.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-35 by title only
2. City Clerk reads Resolution No. 2026-35 by title only (if approved above)
3. Adopt Resolution No. 2026-35

Executive Summary:

The proposed Intergovernmental Agreement with the State of Arizona Department of Transportation (ADOT) (IGA 26-0011532-1) will provide for preliminary design scoping services, including 15% to 30% design plans, and estimates for sidewalk infrastructure improvements and roadway widening on Fort Valley Road from Navajo Road to Sechrist Elementary School. Preliminary design also includes determination of environmental and right-of-way requirements. The project cost is estimated at $628,249, which includes federal aid and the City's 5.7% match. The State will administer the preliminary design. Final design and construction will be addressed in a separate agreement.

The interest of the State in this project is the acquisition of federal funds for the use and benefit of the City and authorization of such federal funds for the project pursuant to federal law and regulations. The State shall be the designated agent for the City for the project, if the project is approved by the Federal Highway Administration (FHWA) and funds for the project are available.

Financial Impact:

The project is funded by the City of Flagstaff Transportation Tax, Propositions 419, Roadway, Pedestrian, Bicycle and Safety Improvements with a proposed FY2026-27 budget of $628,349 (Acct No. 048-10-120-3655-6-4381). The project is also funded with a Transportation Alternatives Surface Transportation Block Grant through the Federal Highway Administration.

Policy Impact:

None

Previous Council Decision or Community Discussion:

None

Options and Alternatives to Recommended Action:

1. Approve the IGA with the State of Arizona (ADOT) as recommended. Approval will allow preliminary design to move forward with grant funding of approximately 94.3% and City funding of 5.7%.

2. Reject the IGA with the State of Arizona (ADOT), not recommended. This action would cancel the project and put into jeopardy the federal block grant opportunity.

Connection to PBB Priorities and Objectives:

Safe & Healthy Community: Promote physical and mental well-being through providing recreational opportunities, parks, open space, and active transportation options
Sustainable and Innovative Infrastructure: Provide, manage, and maintain effective infrastructure for multimodal and active transportation
Livable Community: Provide amenities and activities that support a healthy lifestyle

Connection to Regional Plan:

Policy T.1.6. Provide and promote strategies that increase alternate modes of travel and demand for vehicular travel to reduce peak period traffic.
Policy T.2.1. Design infrastructure to provide safe and efficient movement of vehicles, bicycles, and pedestrians.
Policy T.3.2. Promote transportation systems that reduce the use of fossil fuels and eventually replace with carbon neutral alternatives.

Connection to Carbon Neutrality Plan:

Decreased Dependence on Cars
DD-2: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.
DD-3: Encourage Flagstaff residents and visitors to walk, bike, roll and take the bus.

Connection to 10-Year Housing Plan:

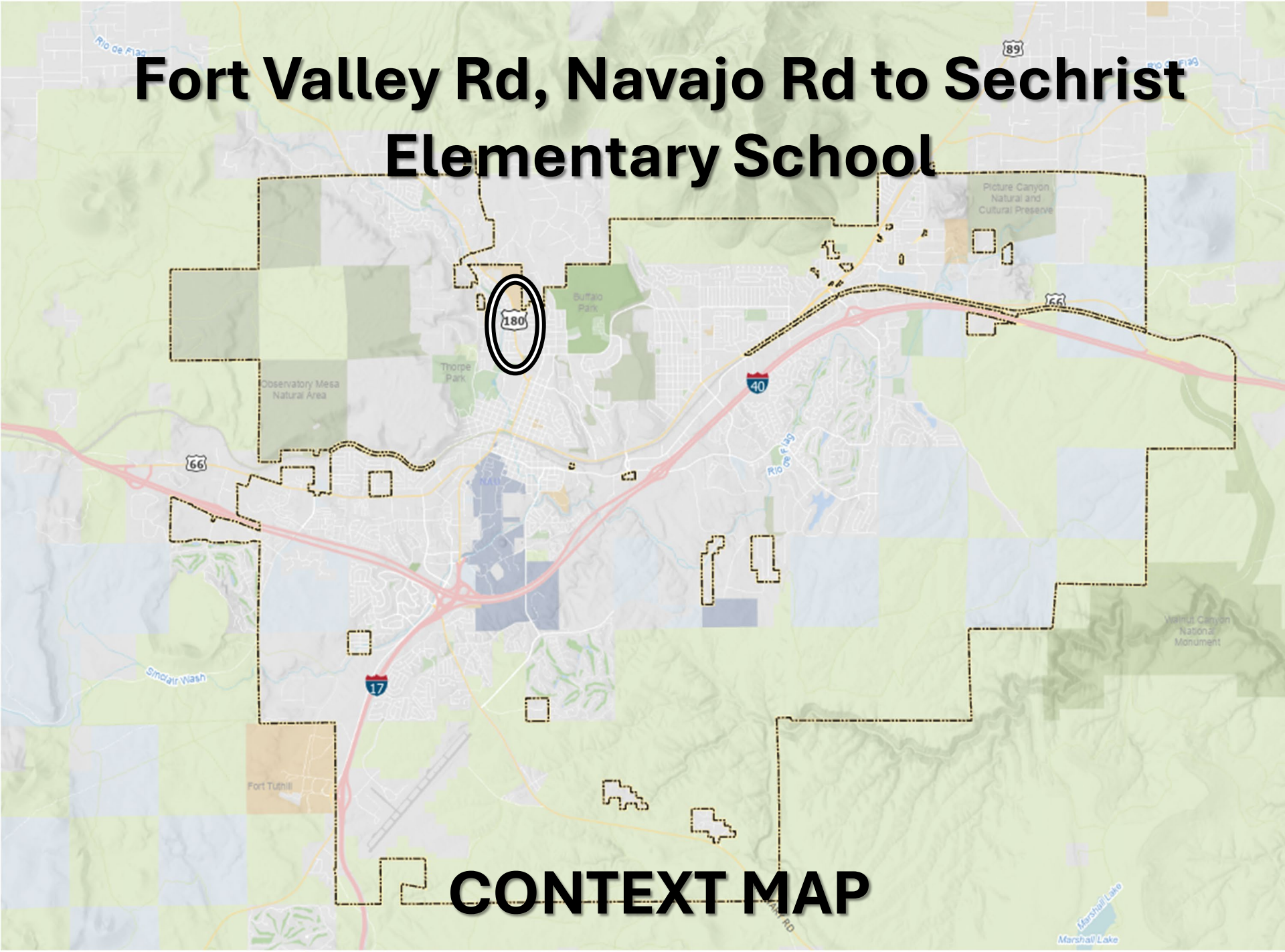
None

Connection to Division Specific Plan:

None

Attachments:
Context Map
Res. 2026-35
Ex. A - IGA
FtValley context map
FtValley site map

Fort Valley Rd, Navajo Rd to Sechrist Elementary School



CONTEXT MAP

RESOLUTION NO. 2026-35

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA AND THE CITY OF FLAGSTAFF FOR PRELIMINARY DESIGN SCOPING FOR FORT VALLEY ROAD

RECITALS:

WHEREAS, the City of Flagstaff desires to move forward with design work to improve Fort Valley Road from Navajo Road to Sechrist Elementary School with sidewalk infrastructure and road widening, and

WHEREAS, the State of Arizona through its Department of Transportation has agreed to assist this work with the acquisition of federal funds for this design work and to serve as the designated agent for the project; and

WHEREAS, the State of Arizona and City of Flagstaff desire to enter into an intergovernmental agreement for Preliminary Design Scoping for Fort Valley Road from Navajo Road to Sechrist Elementary School to set forth the terms of this design project; and

WHEREAS, the City is empowered by A.R.S. 48-572 to enter into this intergovernmental agreement with State of Arizona.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between the Arizona Department of Transportation and the City of Flagstaff, Arizona, attached hereto as Exhibit A.

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

ADOT CAR No.: IGA 26-0011532-I
AG Contract No.: P0012026000247
Project Location/Name: Fort Valley Rd Mobility Enhancements Scoping
Type of Work: Scoping/Preliminary Design
Federal-aid No.: FLA-0(226)T
ADOT Project No.: T0723 01L/03L
TIP/STIP No.: MFP-25-29-29
ALN: 20.287 - Surface Transportation Block Grant Program
Budget Source Item No.: 105821

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
CITY OF FLAGSTAFF

THIS AGREEMENT ("Agreement") is entered into this date _____, pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the CITY OF FLAGSTAFF, acting by and through its MAYOR and CITY COUNCIL (the "City" or "Local Agency"). The State and the Local Agency are each individually referred to as a "Party" and are collectively referred to as the "Parties."

I. RECITALS

1. The State is empowered by A.R.S. § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.

2. The Local Agency is empowered by A.R.S. §48-572 to enter into this Agreement and has by resolution, if required, a copy of which is attached and made a part of, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Local Agency.

3. The work proposed under this Agreement consists of scoping services, 15 to 30 percent design plans, and estimates for sidewalk infrastructure improvements and roadway widening on Fort Valley Road from Navajo Road to Sechrist Elementary School (the "Project" or the "Preliminary Design"). Preliminary Design also includes the determination of environmental and right of way requirements. The Project cost, shown in Exhibit A, is estimated at $628,249, which includes federal aid and the Local Agency's match. The State will administer the Preliminary Design. Final design and construction will be addressed in a separate agreement as applicable.

4. The interest of the State in this Project is the acquisition of federal funds for the use and benefit of the Local Agency and authorization of such federal funds for the Project pursuant to federal law and regulations. The State shall be the designated agent for the Local Agency for the Project, if the Project is approved by Federal Highway Administration (FHWA) and funds for the Project are available.

5. The foregoing Recitals and all Exhibits referred to herein and attached shall be incorporated into this Agreement.

In consideration of the mutual terms expressed herein, the Parties agree as follows:

II. SCOPE OF WORK

1. The Parties agree:

   a. The final Project amount may exceed the initial estimate(s) identified in Exhibit A, and in such case, the Local Agency is responsible for, and agrees to pay, any and all actual costs exceeding the initial estimate. If the final Project amount is less than the initial estimate, the difference between the final Project amount and the initial estimate will be de-obligated or otherwise released from the Project. De-obligated federal aid will be returned to the State. The Local Agency acknowledges it remains responsible for actual costs and agrees to pay according to the terms of this Agreement.

2. The State will:

   a. Execute this Agreement, and if the Project is approved by FHWA and funds for the Project are available, be the Local Agency's designated agent for the Project.

   b. After this Agreement is executed, and prior to performing or authorizing any work, invoice the Local Agency for the Local Agency's share of the initial Project Development Administration (PDA) costs, estimated at $1,710 and the Local Agency's share of the Preliminary Design costs, estimated at $34,100. If PDA costs exceed the estimate during the development of Preliminary Design, notify the Local Agency, obtain concurrence prior to continuing with the development of Preliminary Design, and invoice as determined by ADOT and the Local Agency for additional costs to complete PDA for the Project. If Preliminary Design costs exceed the estimate prior to completion of the Project, invoice the Local Agency for Project costs exceeding Preliminary Design. After the Project costs are finalized, invoice or reimburse the Local Agency for the difference between actual costs and the amount the Local Agency has paid for PDA and Preliminary Design.

   c. After receipt of the PDA costs and the Local Agency's estimated share of the Project costs, submit all required documentation pertaining to the Project to FHWA with the recommendation that the maximum federal funds programmed for this Project be approved for Preliminary Design. After receipt of FHWA authorization, proceed to advertise for and enter into contract(s) with the consultant(s) for the Project. Should

costs exceed the maximum federal funds available it is understood and agreed that the Local Agency will be responsible for any overage.

d. On behalf of the Local Agency, prepare and provide all documents pertaining to the Project, incorporating comments from the Local Agency, as appropriate. Review and approve documents required by FHWA to qualify the Project for and to receive federal funds.

3. The Local Agency will:

a. Designate the State as the Local Agency's authorized agent for the Project.

b. Within 30 days of receipt of an invoice from the State, pay the Local Agency's share of the initial PDA costs, estimated at $1,710 and the Local Agency's share of Preliminary Design costs, estimated at $34,100. Agree to be responsible for actual PDA costs, if during the development of Preliminary Design, PDA costs exceed the initial estimate. Be responsible and pay for the difference between the estimated and actual PDA and Preliminary Design costs of the Project within 30 days of receipt of an invoice.

c. Review Project plans, cost estimates, and other such documents required for the Project; provide comments to the State as appropriate.

d. Be responsible for all costs incurred in performing and accomplishing the work as set forth under this Agreement, that are not covered by federal funding. Should costs be deemed ineligible or exceed the maximum federal funds available, it is understood and agreed that the Local Agency is responsible for these costs; payment for these costs shall be made within 30 days of receipt of an invoice from the State.

e. Automatically grant to the State, by execution of this Agreement, its agents and/or contractors, without cost, the temporary right to enter the Local Agency's rights of way, as required, to conduct any and all planning and preliminary design related activities for the Project, on, to and over said Local Agency's rights of way. This temporary right will expire with completion of the Project.

f. Be obligated to incur any expenditure should unforeseen conditions or circumstances increase Project costs. Be responsible for the cost of any Local Agency requested changes to the scope of work of the Project, such changes will require State and FHWA approval.

III. MISCELLANEOUS PROVISIONS

1. Effective Date. This Agreement shall become effective upon signing and dating of all Parties.

2. Amendments. Any change or modification to the Project will only occur with the mutual written consent of both Parties.

3. Duration. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the Project and all related deposits and/or reimbursements are made.

4. Cancellation. This Agreement may be canceled at any time, so long as the canceling Party provides at least 30 days' written notice to the other Party. It is understood and agreed that, in the event the Local Agency terminates this Agreement, the Local Agency shall be responsible for all costs incurred by the State up to the time of termination. It is further understood and agreed that in the event the Local Agency terminates this Agreement, the State shall in no way be obligated to complete or maintain the Project.

5. Indemnification. The Local Agency shall indemnify, defend, and hold harmless the State, any of its departments, agencies, boards, commissions, officers or employees (collectively referred to in this paragraph as the "State") from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses (collectively referred to in this paragraph as the "Claims"), which may be brought or made against or incurred by the State on account of loss of or damage to any property or for injuries to or death of any person, to the extent caused by, arising out of, or contributed to, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of the Local Agency, its employees, officers, directors, agents, representatives, or contractors, their employees, agents, or representatives in connection with or incident to the performance of this Agreement. The Local Agency's obligations under this paragraph shall not extend to any Claims to the extent caused by the negligence of the State, except the obligation does apply to any negligence of the Local Agency which may be legally imputed to the State by virtue of the State's ownership or possession of land. The Local Agency's obligations under this paragraph shall survive the termination of this Agreement.

6. Third-Party Indemnification. The State shall include Section 107.13 of the 2021 version of the Arizona Department of Transportation Standard Specifications for Road and Bridge Construction, incorporated into this Agreement by reference, in the State's contract with any and all contractors, of which the Local Agency shall be specifically named as a third-party beneficiary. This provision may not be amended without the approval of the Local Agency.

7. Programmed Federal Funds. The cost of scoping and design under this Agreement is to be covered by the federal funds programmed for this Project, up to the maximum available. The Local Agency acknowledges that actual Project costs may exceed the maximum available amount of federal funds, or that certain costs may not be accepted by FHWA as eligible for federal funds. Therefore, the Local Agency agrees to pay the difference between actual costs of the Project and the federal funds received.

8. Termination of Federal Funding. Should the federal funding related to this Project be terminated or reduced by the federal government, or Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this Agreement.

9. Indirect Costs. The cost of the Project under this Agreement includes indirect costs approved by FHWA, as applicable.

10. Federal Funding Accountability and Transparency Act. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008

Amendments (the "Act"). Additionally, in a timely manner, the Local Agency will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

11. Governing Law. This Agreement shall be governed by and construed in accordance with Arizona laws.

12. Conflicts of Interest. This Agreement may be canceled in accordance with A.R.S. § 38-511.

13. Inspection and Audit. The Local Agency shall retain all books, accounts, reports, files and other records relating to this Agreement which shall be subject at all reasonable times to inspection and audit by the State for five years after completion of the Project. Such records shall be produced by the Local Agency, electronically or at the State office as set forth in this Agreement, at the request of ADOT.

14. Title VI. The Local Agency acknowledges and will comply with Title VI of the Civil Rights Act Of 1964.

15. Non-Discrimination. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. The Parties to this Agreement shall comply with Executive Order Number 2009-09, as amended by Executive Order 2023-01, issued by the Governor of the State of Arizona and incorporated in this Agreement by reference regarding "Non-Discrimination."

16. Non-Availability of Funds. Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

17. Arbitration. In the event of any controversy, which may arise out of this Agreement, the Parties agree to abide by arbitration as is set forth for public works contracts if required by A.R.S. § 12-1518.

18. E-Verify. The Parties shall comply with the applicable requirements of A.R.S. § 41-4401.

19. Contractor Certifications. The Parties shall certify that all contractors comply with the applicable requirements of A.R.S. §§ 35-393.01 and 35-394.

20. Other Applicable Laws. The Parties shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

21. Notices. All notices or demands upon any Party to this Agreement shall be in writing and shall be delivered electronically, in person, or sent by mail, addressed as follows:

For Agreement Administration:

Arizona Department of Transportation
Joint Project Agreement Group
205 S. 17th Avenue, Mail Drop 637E
Phoenix, AZ 85007
JPABranch@azdot.gov

City of Flagstaff
Attn: Ben Markert
211 W. Aspen Ave
Flagstaff, AZ 86001
928.213.2691
Ben.Markert@flagstaffaz.gov

For Project Administration:

Arizona Department of Transportation
Multimodal Planning Division
1611 W. Jackson St, Mail Drop 310B
Phoenix, AZ 85007
602.712.4848
jhobert@azdot.gov , mshaheed@azdot.gov

City of Flagstaff
Attn: Stacey Brechler-Knaggs
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2227
sknaggs@flagstaffaz.gov

For Financial Administration:

Arizona Department of Transportation
Multimodal Planning Division
1611 W. Jackson St, Mail Drop 310B
Phoenix, AZ 85007
602.712.4848
MPDinvoice@azdot.gov

City of Flagstaff
Attn: Stacey Brechler-Knaggs
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2227
sknaggs@flagstaffaz.gov

22. Revisions to Contacts. Any revisions to the names and addresses above may be updated administratively by either Party with written notice to the other Party.

23. Legal Counsel Approval. In accordance with A.R.S. § 11-952 (D), the written determination of each Party's legal counsel providing that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form as set forth below.

24. Electronic Signatures. This Agreement may be signed in an electronic format including DocuSign.

Remainder of this page is intentionally left blank.

(Signatures begin on the next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective upon the full completion of signing and dating by all Parties to this Agreement.

CITY OF FLAGSTAFF

By _____Date_____
BECKY DAGGETT
Mayor

ATTEST:

By _____Date_____
STACY SALTZBURG
City Clerk

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its Department of Transportation, and the City of Flagstaff, an agreement among public agencies which, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.
Approved as to Form:

By _____Date_____
City Attorney

ARIZONA DEPARTMENT OF TRANSPORTATION

By _____Date_____
MATT MOUL, PE
Project Delivery and Operations
Division Director

This Agreement between public agencies, the State of Arizona and the City of Flagstaff, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 28-401, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona. No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

By _____Date_____
Assistant Attorney General

EXHIBIT A

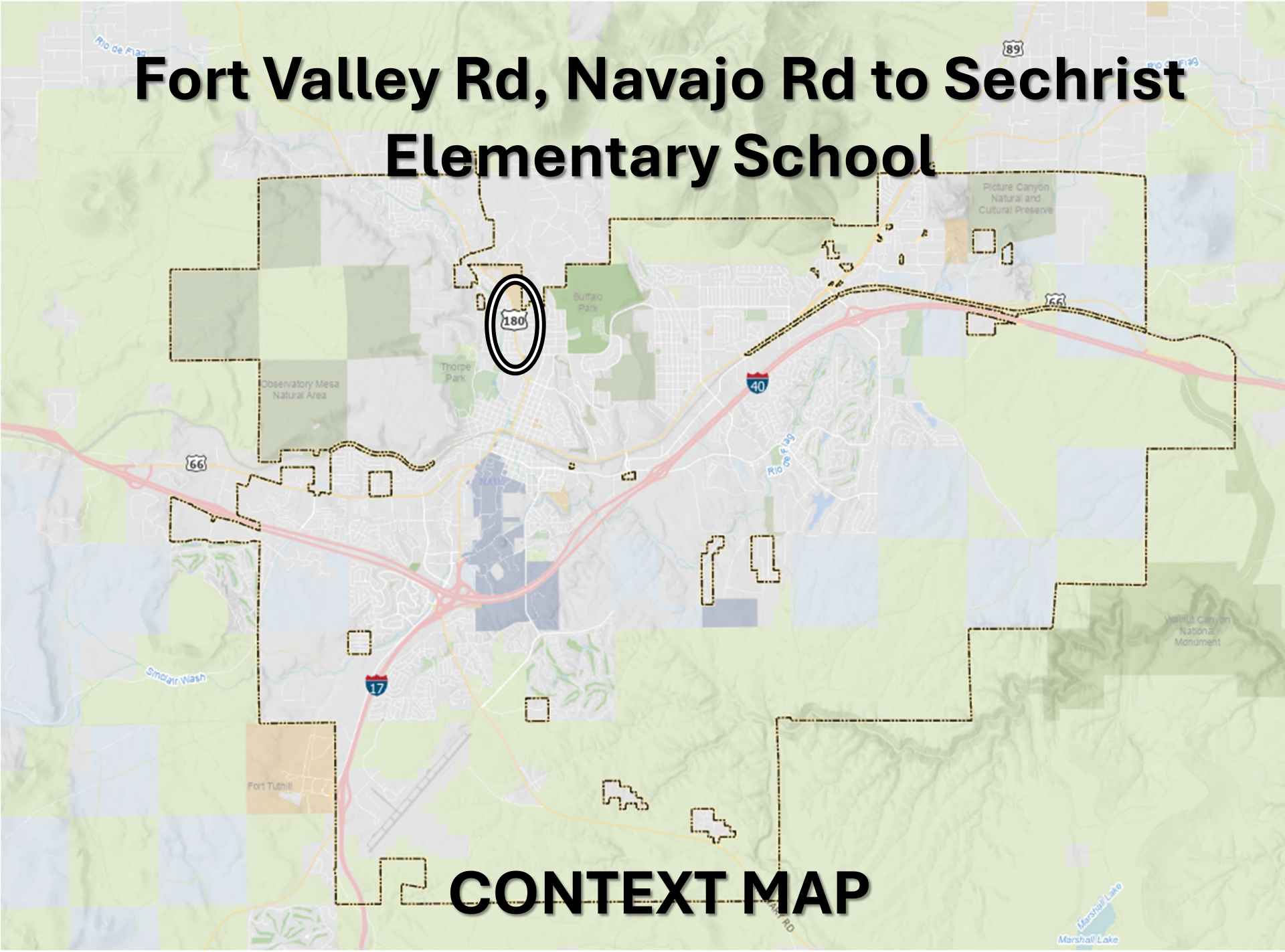
Cost Estimate

T0723 01L/03L

The Project costs are estimated as follows:

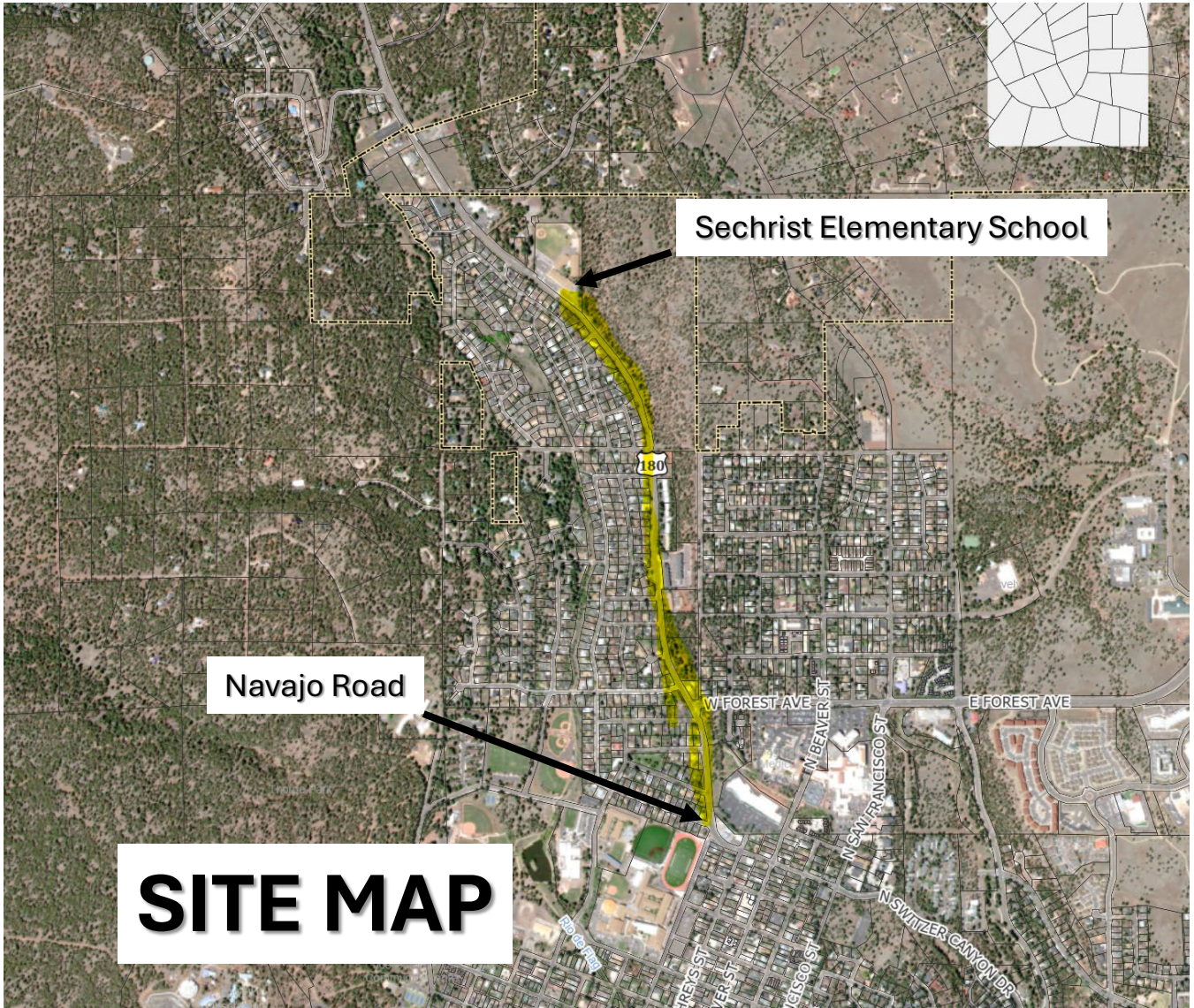
ADOT Project Development Administration (PDA) Cost:	
Federal-aid funds @ 94.3%	$28,290
Local Agency's match @ 5.7%	$1,710
Subtotal – PDA	**$30,000**
Scoping/Preliminary Design:	
Federal-aid funds @ 94.3%	$564,149
Local Agency's match @ 5.7%	$34,100
Subtotal – Scoping/Preliminary Design	**$ 598,249**
Estimated TOTAL Project Cost	**$ 628,249**
Total Estimated Local Agency Funds	**$ 35,810**
Total Federal Funds	**$ 592,439**

Fort Valley Rd, Navajo Rd to Sechrist Elementary School



CONTEXT MAP

Fort Valley Rd, Navajo Rd to Sechrist Elementary School



CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Nicole Antonopoulos, Sustainability Division Director

Date: 05/27/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Approval of Contract: Agreement for Purchase of Renewable Energy Credits with the Navajo Tribal Utility Authority.

STAFF RECOMMENDED ACTION:

Approve the Agreement for Purchase of Renewable Energy Credits with the Navajo Tribal Utility Authority for up to five years and authorize the City Manager to execute the contract.

Executive Summary:

Through the end of Fiscal Year 2025-2026, the City of Flagstaff purchases renewable energy credits (RECs) from Arizona Public Service (APS) to support its commitment to 100 percent clean electricity for municipal operations, at a cost of $2.50 per megawatt hour (MWh). Staff recommends transitioning to purchasing RECs from the Navajo Tribal Utility Authority (NTUA) at $1.85 per megawatt-hour, plus a 6% sales tax. This shift would generate cost savings for the City (~$21,000) while building a new collaboration with NTUA.

The agreement is currently still being reviewed by NTUA and will be attached to the final agenda.

Financial Impact:

Project Name: Purchase of Renewable Energy Credits for municipal operations.
Cost: ~$76,479
Account Number Budgeted: All electricity accounts across funds in the organization
FY Budgeted Amount: approximately $97,000
Grant Funded: n/a
Funding Source: All funds

Policy Impact:

The City of Flagstaff currently purchases approximately 39,000 MWh of renewable energy credits (RECs) each year through the APS Green Power Partners (GPP) program at a rate of $2.50 per MWh, costing roughly $97,400 annually. With City electricity use projected to continue increasing due to a variety of factors, including weather, precipitation, operations, and the commissioning of new facilities, staff have evaluated alternative REC suppliers offering more competitive pricing. NTUA provides RECs at $1.85 per MWh plus 6% tax. Using last year's REC volume (39,000 MWh), the total cost through NTUA would have been $76,479 ($72,150 for RECs + $4,329 tax) compared to the APS rate of $97,400.

Previous Council Decision or Community Discussion:

The City Council discussed the purchase of Renewable Energy Credits for municipal operations at the April 28, 2026, work session. The staff summary and slide deck are attached to this staff summary.

Options and Alternatives to Recommended Action:

Not purchase the REC's and fail to achieve key clean energy commitments.

Connection to PBB Priorities and Objectives:
Connection to PBB: Environmental stewardship

Connection to Regional Plan:
Connection to Regional Plan: Increase renewable energy

Connection to Carbon Neutrality Plan:
Connection to Carbon Neutrality: 100% clean energy for municipal operations

Connection to 10-Year Housing Plan:
Connection to 10-Year Housing Plan: N/A

Attachments: April 28 2026 Staff Summary
Slide Deck April 28 2026

8.

City Council Work Session

Meeting Date: 04/28/2026

From: Nicole Antonopoulos, Sustainability Division Director

Department: Sustainability

Co-Submitter:

TITLE:
Renewable Energy Credits for Municipal Operations

DESIRED OUTCOME:

This informational session will provide the City Council with an update on discussions with the Navajo Tribal Utility Authority to procure renewable energy credits (RECs) for municipal operations.

Executive Summary:
The City of Flagstaff currently purchases renewable energy credits (RECs) from Arizona Public Service (APS) to support its commitment to 100 percent clean electricity for municipal operations, at a cost of $2.50 per megawatt hour (MWh). Staff recommends transitioning to purchasing RECs from the Navajo Tribal Utility Authority (NTUA) at $1.85 per megawatt hour plus 6% sales tax. This shift would generate cost savings for the City while building a new partnership with NTUA.

Information:
The City of Flagstaff currently purchases approximately 39,000 MWh of renewable energy credits (RECs) each year through the APS Green Power Partners (GPP) program at a rate of $2.50 per MWh, costing roughly $97,400 annually. With City electricity use projected to continue to increase due to a variety of factors, including weather, precipitation, operations, and new facilities being commissioned, staff have evaluated alternative REC suppliers that offer more competitive pricing. NTUA provides RECs at $1.85 per MWh plus 6% tax. Using last year's REC volume (39,000 MWh), the total cost through NTUA would have been $76,479 ($72,150 for RECs + $4,329 tax) compared to the APS rate of $97,400.

Staff is recommending that the City begin purchasing RECs from NTUA for a minimum of one year while the Arizona Consortium Virtual Power Purchase Agreement (VPPA) undergoes review and potential negotiation. Should the City ultimately decide not to pursue the VPPA option, NTUA is prepared to offer longer-term REC procurement contracts.

Attachments
Municipal Energy and Fuel Trends
Renewable Energy Credits for Municipal Operations Slides



RENEWABLE ENERGY CREDITS

NICOLE ANTONOPOULOS

APRIL 2026

Agenda

1. Clean energy commitments
2. Supporting commitments
3. Cost effective options
4. Questions

Commitments to Clean Energy

1. 2017-2019 City Council Goal

    100% clean electricity for municipal operations

2. Climate Action and Adaptation Plan

3. Carbon Neutrality Plan

How are we advancing clean energy goals?

1. Infrastructure and efficiency upgrades

2. Renewable energy deployment

3. Renewable Energy Credits

4. Future Innovations

Renewable Energy Credits

Renewable energy credits (RECs) are a tradeable, market-based instrument that represents the property rights to the environmental, social, and non-power attributes of 1 megawatt-hour (MWh) of renewable electricity generated and delivered to the grid.

RECs allow buyers to claim the use of renewable energy, even if their electricity comes from the regular grid.



The City's Current Clean Energy Portfolio

- Diversified Portfolio
- 1) Arizona Power Authority (Hoover Dam) Schedule D
- 2) APS Green Power Partners (GPP)
- 3) CoF Owned
- 4) PPA

Agency	Contract	~Annual Energy Yield/RECs (MWh)	~ Annual Operational Savings
APA	2057	815	$34,700
APS GPP	**Monthly**	**39,000**	**-$97,400**
CoF	Financed thru 2029/2030 +	1,200	$137,00/$176,549
PPA	2031	1,500	$34,000

Cost effective options

With municipal electricity use projected to continuously increase, staff evaluated alternative REC suppliers that offer more competitive pricing.

- Precipitation
- Temperature
- Water Services operations
- New facilities being commissioned



The Navajo Tribal Utility Authority offers the most readily-available economic option for the City to consider

Comparing RECs

	Contract	~Annual RECs (MWh)	~ Annual Operational Cost
1) APS	Monthly	39,000	$97,400
1) NTUA	Quarterly	39,000	**$76,479** ($72,150+ $4,329 6% sales tax)

Clean Energy Solutions – The Bigger Picture

Short-term (within next 3 months):

- Transition to purchasing RECs from NTUA

Short-term (within next 6-9 months):

- Evaluate and negotiate Arizona Consortium Virtual Power Purchase Agreement. If economically viable, it will be 12-18 months before the project yields RECs

- Evaluate interest in solar development at Red Gap Ranch

Mid-term (within next 12-24 months):

- Pursue additional on-site solar for City facilities for pricing stability and emergency response

- Transition to VPPA model for RECs, if appropriate

QUESTIONS?

Nicole Antonopoulos
Sustainability Director
City of Flagstaff
Nantonopoulos@flagstaffaz.gov

General info:

Flagstaff.az.gov/sustainability

sustainability@flagstaffaz.gov

(928) 213-2153



CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Cindy Perger, Human Resources Senior Analyst

Co-Submitter: Jennifer Caputo

Date: 05/29/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-38 and Ordinance No. 2026-17: Amending the Flagstaff City Code, Chapter 1-14, Personnel System, Section 1-14-001-0006, Employee Advisory Committee, and amending the Employee Handbook of Regulations Section 1-10-070, Employee Advisory Committee.

STAFF RECOMMENDED ACTION:

At the June 16th, 2026 Council Meeting:
1) Read Resolution No. 2026-38 by title only
2) City Clerk reads Resolution No. 2026-38 by title only (if approved above)
3) Read Ordinance No. 2026-17 by title only for the first time
4) City Clerk reads Ordinance No. 2026-17 by title only (if approved above)

At the July 7th Council Meeting:
3) Adopt Resolution No. 2026-38
4) Read Ordinance No. 2026-17 by title only for the final time
5) City Clerk reads Ordinance No. 2026-17 by title only (if approved above)
6) Adopt Ordinance No. 2026-17

Executive Summary:

Amend Flagstaff City Code, Chapter 1-14, Personnel System, Section 1-14-001-0006, Employee Advisory Committee, to include updates to member definition, term lengths of members, new language for the structure of the committee to be flexible for future organizational changes, and make general grammar and spelling corrections. The amendments will also better define the alternate member descriptions, remove part-time employees from the ineligibility list, increase member term length from two to three years for continuity, allow for special elections to fill member positions with unexpected vacancies, and allow co-chairs to select a temporary alternate EAC members to attend special committee meetings when the assigned member cannot attend.

Staff is also proposing amendments to the Employee Handbook of Regulations, Section 1-10-070, Employee Advisory Committee, that will refer employees to the City Code Section pertaining to the Employee Advisory Committee and delete the remaining text that mirrors the Code. Having the duplicative language in the Code and Handbook complicates the amendment process and creates the potential for discrepancies in the documents.

The EAC, Leadership Team, and Legal have all completed a review of the current, redline, and proposed policy and key changes. EAC has voted to adopt the changes.

The final proposed amendments to the City Code and Employee Handbook of Regulations are currently being reviewed by Legal and will be attached to the final agenda.

Financial Impact:
None

Policy Impact:
The amendments will provide more clear guidance to the Employee Advisory Committee on their process and operation.

Previous Council Decision or Community Discussion:
None regarding these amendments.

Options and Alternatives to Recommended Action:
Not approve the proposed amendments and operate under the current policy or direct staff to propose alternative amendments.

Connection to PBB Priorities and Objectives:
High Performance Governance

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
None

Attachments: EAC Amendments Presentation

Employee Advisory Committee Policy Changes City Code Chapter 1-14-001-006 and Employee Handbook Article 1-10-070

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

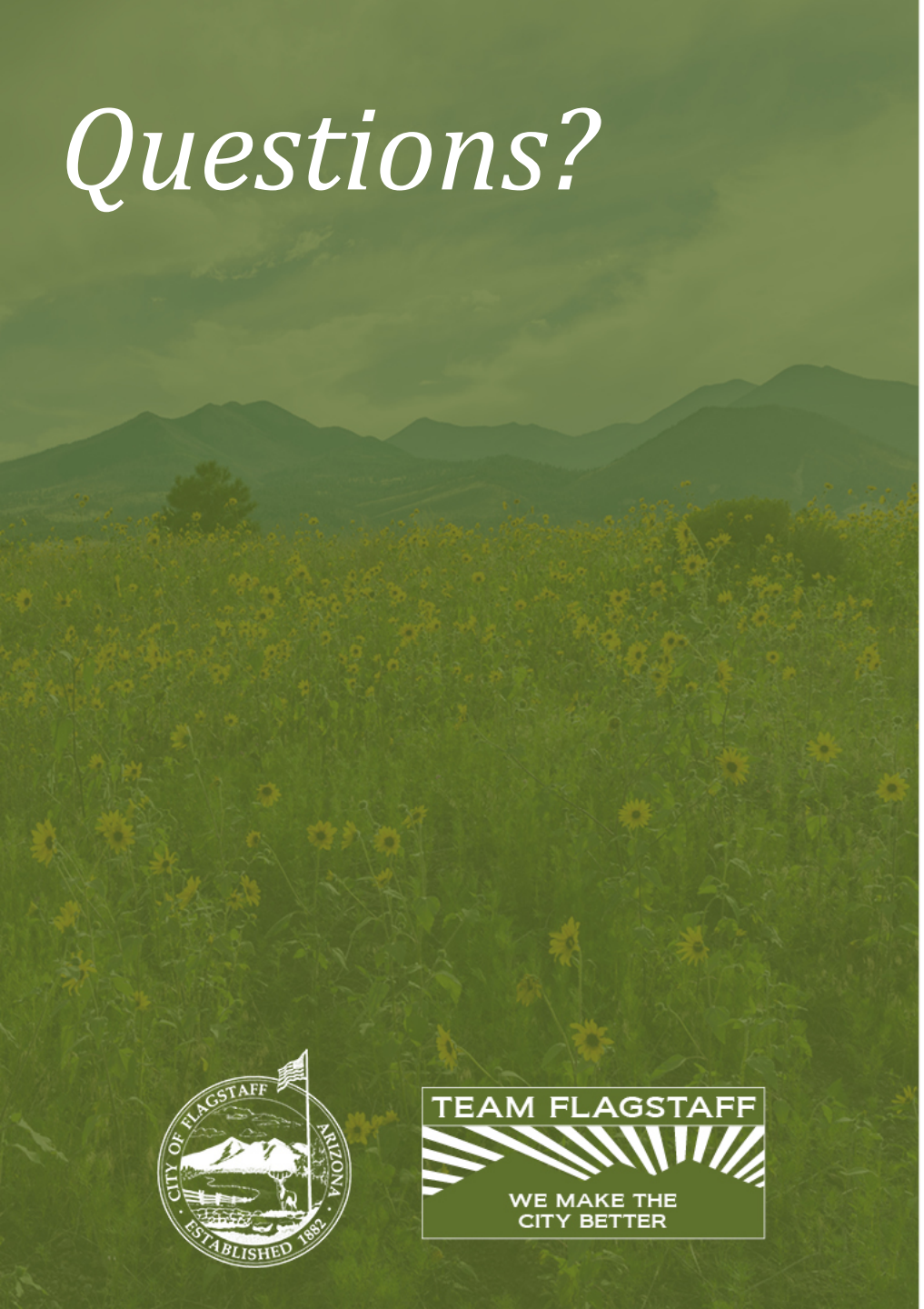
EAC Policy – Key Changes

- Definitions
  - Alternate Member role strengthened
- Group Representative Structure
  - Assumed to be by Division but language allows for organizational changes w/o need for policy change
- Term Length and Co-Chair Term Alignment
  - Change from 2 to 3 years and co-chair term aligns with regular term
- Elections & Vacancies
  - Special elections called when HRRM Director and EAC co-chair agree (group membership must fall below 50%); Alternative Member assume Regular Member vacancy and term as first step
- Engagement in Budget Process
  - Present to Budget Team → Present to CMO & Budget Section and Council
  - Attend Leadership Meetings → Attend Extended Leadership Meetings and HRRM Director reports re: Leadership

EAC Policy – Stakeholder Review

- EAC
  - Multiple meetings between co-chair and HRRM
  - Larger group reviewed twice and voted to adopt
- Leadership
  - Reviewed in meeting and feedback obtained
  - Revised and distributed for second review by email
- Legal

Questions?



Ryan Saxby, HRRM Director

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Amelia Mason, Administrative Specialist

Date: 05/06/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-34: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between Coconino County, the Coconino County Free Library District, and the City of Flagstaff for the administration, operation, maintenance, and capital improvement of the Tuba City Public Library.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-34 by title only
2. City Clerk reads Resolution No. 2026-34 by title only (if approved above)
3. Adopt Resolution No. 2026-34

Executive Summary:

This intergovernmental agreement continues a longstanding relationship between the City of Flagstaff, Coconino County, and the Coconino County Free Library District; wherein, the County will provide general maintenance and capital improvement services at the Tuba City Public Library. The City of Flagstaff, as fiscal agent for the Library District, administers Library District funding to procure maintenance and capital improvement services from the County on behalf of the Tuba City Public Library.

Financial Impact:

Project Name: Tuba City Public Library maintenance, operation, and capital improvements
Cost: $24,400
Account Number Budgeted: 030-07-036-0154-5-4224 - $10,000 & 030-07-036-0154-5-4233 - $14,400
FY Budgeted Amount: $24,400
Grant Funded: n/a
Funding Source: All funds expended under this IGA originate from the County Library District.

Policy Impact:

N/A

Previous Council Decision or Community Discussion:

Previous agreement approved by Council 7/2/2019

Options and Alternatives to Recommended Action:

If this IGA is not approved, the maintenance and capital improvements for the Tuba City Public Library will need to be done by City Facilities or contracted out to an alternate 3rd party. No such party has been currently identified.

Connection to PBB Priorities and Objectives:

Safe and Healthy Community — Ensure the built environment is safe

Inclusive and Engaged Community — Ensure City facilities, services, and programs are accessible for all residents and representative of Flagstaff's diverse community

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Attachments: Res. 2026-34
Ex. A - IGA

RESOLUTION NO. 2026-34

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY, THE COCONINO COUNTY FREE LIBRARY DISTRICT, AND THE CITY OF FLAGSTAFF FOR THE ADMINISTRATION, OPERATION, MAINTENANCE AND CAPITAL IMPROVEMENTS AT THE TUBA CITY LIBRARY

RECITALS:

WHEREAS, Tuba City Cultural Projects, Inc. ("TCCP") holds Lease No. TC-97-904 (Exhibit "A") with the Navajo Nation for Navajo Nation Building No. T015-072, commonly known as the Tuba City Public Library, located on Main Street in Tuba City, Arizona (the “Premises”), which is suitable for use as a public library and which TCCP has provided for the use of a public library; and

WHEREAS, the City of Flagstaff (“City”), Coconino County (“County”), and the Coconino County Free Library District (“District”) are parties to an Intergovernmental Agreement for the Administration and Funding of Branch and Affiliate Libraries of the Coconino County Free Library District (the “Master IGA”); and

WHEREAS, the Master IGA acknowledges the intent of the District to operate a branch library at the Tuba City Public Library with the assistance of the County and the City; and

WHEREAS, the County, District and City (the "Parties") desire to memorialize their respective responsibilities for the administration, maintenance, and operation of the Tuba City Public Library.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between Coconino County, Coconino County Free Library District and the City of Flagstaff, Arizona, attached hereto (“IGA”), which shall become effective as of the date it is recorded with the County (“Effective Date”).

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibit:
IGA

INTERGOVERNMENTAL AGREEMENT for the administration, operation, maintenance and capital improvement the Tuba City Public Library

Between

Coconino County,
A Political Subdivision of the State of Arizona

And

Coconino County Free Library District, A Political Subdivision of the State of Arizona

And

City of Flagstaff,
An Arizona Municipal Corporation

Recitals:

A. **Whereas,** Tuba City Cultural Projects, Inc. ("TCCP") holds Lease No. TC-97-904 (Exhibit "A") with the Navajo Nation for Navajo Nation Building No. T015-072, commonly known as the Tuba City Public Library, located on Main Street in Tuba City, Arizona (the "Premises"), which is suitable for use as a public library and which TCCP has provided for the use of a public library; and

B. **Whereas,** the City of Flagstaff ("City"), Coconino County ("County"), and the Coconino County Free Library District ("District") are parties to an Intergovernmental Agreement for the Administration and Funding of Branch and Affiliate Libraries of the Coconino County Free Library District (the "Master IGA"); and

C. **Whereas,** the Master IGA acknowledges the intent of the District to operate a branch library at the Tuba City Public Library with the assistance of the County and the City; and

D. **Whereas,** the County, District and City (the "Parties") desire to memorialize their respective responsibilities for the administration, maintenance, and operation of the Tuba City Public Library.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein, the Parties hereby agree as follows:

1. **Utilities** - The City, as the District's fiscal agent, shall make payment out of the Tuba City Public Library budget for utility services including telephone, internet, electricity, water, propane and sewer for the Premises.

2. **Telephone/Internet** - The District shall be responsible for installation, maintenance and service charges (other than regular fees for service) for infrastructure for telephone and data communications services.

3. **Maintenance** - Coconino County shall maintain the Premises including the exterior and interior of the structure, including:

    a) **General Maintenance** - Defined as· the day-to-day operational maintenance of the facility, to include plumbing, electrical, roof, structural, HVAC, carpentry, and locks. This specifically excludes the maintenance of telephone and data cabling and operations, which shall be the responsibility of the District and the maintenance and repair of any public or private utility equipment or system (gas, electricity, water or sewer) located before a meter or past the building exterior, which shall be the responsibility of the appropriate agency.

    b) **Contract Maintenance** - Defined as that maintenance contracted to professional vendors, to include janitorial, pest control, grounds/landscaping, elevator and fire extinguisher contracts.

    c) **Preventative Maintenance** - Defined as that maintenance that is scheduled at regular intervals and is intended to prevent equipment breakage, unexpected maintenance problems and to extend the operational life of the equipment and to maximize operational efficiencies.

    d) **Capital Repair and Replacement** - Defined as those capital maintenance items that should be completed as a reinvestment into the life of a structure and as those improvements designed to safeguard the health and safety of the public and staff. These items are not included in the maintenance budget but are identified and recommended by County personnel for separate funding consideration.

4. **Budgets** - County shall formulate, in consultation with the District, a yearly maintenance budget and revenue projection and a capital repair and

replacement budget for the Premises in conjunction with and subject to the scheduled County budget process, including approval by the Coconino County Board of Supervisors. These budgets shall serve as the accepted and approved maintenance budget and capital repair and replacement budget for the Premises by the County, the District, and the City.

5. **Quarterly Maintenance Payments** - During each fiscal year, on a quarterly basis, the County shall invoice the City, as fiscal agent for the District, for actual completed maintenance work on a reimbursable basis. The City, as fiscal agent for the District, shall pay to the County, out of the Tuba City Public Library budget, the invoiced amount within thirty (30) days of receipt of the invoice. However, in no event, will the County perform maintenance work in excess of the amount budgeted for maintenance, without allocation of additional funding.

6. **Capital Repair and Replacement Budget Payment** - The County shall invoice the City for completed Capital Repair and Replacement work on a reimbursable basis. The City, as administrator of the District's budget, shall pay to the County, out of said budget, the invoiced amount within thirty (30) days of receipt of the invoice. However, in no event, will the County perform capital repair and replacement work in excess of the amount budgeted for maintenance, without allocation of additional funding.

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

8. **Liability Insurance** - Each Party shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of the Party’s employees or agents.

9. **Workers Compensation Insurance** - Each Party shall comply with statutory requirements for both workers’ compensation, employer’s liability insurance and unemployment insurance coverage of its own employees during the term of this

Agreement. The worker's compensation insurance of each Party shall be endorsed with a waiver of subrogation for the other Party.

10. **Property and Contents Insurance Coverage** - County shall provide insurance coverage for the replacement value of the structure and the contents of the Premises.

11. **Notices** - All notices to be given by one party to the other shall be in writing and sent by registered mail or hand delivered to each as follows:

    Coconino County Clerk of the Board
    219 East Cherry Avenue
    Flagstaff, AZ 86001

    City of Flagstaff Economic Vitality Director
    211 West Aspen Avenue
    Flagstaff, AZ 86001-5399

    Coconino County Free Library District County Librarian
    300 West Aspen
    Flagstaff, AZ 86001

12. **Amendment** - All amendments to this agreement must be in writing, approved by necessary governing bodies, and signed by duly authorized representatives of all Parties.

13. **Term** - The term of this agreement shall begin July 29, 2024 and end July 28, 2027, with the option to renew for two additional two-year terms.

14. **Termination** - This Agreement can be terminated for convenience by any party with 90-days written notice. Parties will be paid for work done up to the date of termination. In addition, this Agreement may be terminated by any of the Parties without penalty or further obligation, in accordance with the provisions of Arizona Revised Statutes § 38-511.

IN WITNESS WHEREOF, the undersigned have executed this Intergovernmental Agreement of the day and year first above written.

COCONINO COUNTY:

By: _____ Date: _____
Chairman of the Board of Supervisors

ATTEST:

By: _____
Clerk of the Board

Approved as to Form:

By: _____
Deputy County Attorney

FLAGSTAFF CITY/COCONINO COUNTY LIBRARY DISTRICT

By: _____ Date: _____
Chairman of the Board

ATTEST:

By: _____
Clerk of the Board

Approved as to Form:

By: _____
Deputy County Attorney

CITY OF FLAGSTAFF:

By: _____ Date: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved as to Form:

By: _____
City Attorney's Office

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Amelia Mason, Administrative Specialist

Co-Submitter: Jennifer Stasinopoulos

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-39: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the Coconino County Community College District ("CCC") and the City of Flagstaff to lease a portion of CCC's Fourth Street campus for use as the East Flagstaff Community Library.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-39 by title only
2. City Clerk reads Resolution No. 2026-39 by title only (if approved above)
3. Adopt Resolution No. 2026-39

Executive Summary:

This IGA will extend the rental agreement between CCC, and the City of Flagstaff, East Library, until June 30, 2028, with the option to discontinue the IGA by giving a six-month advance notice. The IGA states that each year, beginning July 1, 2026, the rental cost will increase by 7.5%. This lease allows for a temporary relocation of the Library while CCC completes construction, repairs, or complete reconstruction on the current location, at which point CCC and the City may enter a new IGA.

Financial Impact:

Project Name: East Flagstaff Community Library lease
Cost: $151,076.29
Account Number Budgeted: 030-07-035-0143-5-4241
FY2026-27 Budgeted Amount: $140,540 in 030-07-035-0143-5-4241, additional $10,537 in 030-07-035-0143-5-4290
Grant Funded: n/a
Funding Source: Library Fund

Policy Impact:

Approval of this IGA secures a continued location for the East Flagstaff Community Library and allows the City to provide services to patrons in that location.

Previous Council Decision or Community Discussion:

City Council approved an initial IGA for lease of this space in 2002, and subsequent extensions to that agreement.

Options and Alternatives to Recommended Action:

If this IGA is not approved, the East Flagstaff Community Library will need to vacate the current location and another site will have to be immediately identified. The library may face significant closures and

suspension of services should that occur.

Connection to PBB Priorities and Objectives:
Livable Community — Create a welcoming community through partnerships, resilient neighborhoods, & civic engagement.
Inclusive and Engaged Community — Ensure City facilities, services, and programs are accessible for all residents and representative of Flagstaff's diverse community

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Attachments: Res. 2026-39
EFCL IGA 2026

RESOLUTION NO. 2026-39

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE COCONINO COUNTY COMMUNITY COLLEGE DISTRICT AND THE CITY OF FLAGSTAFF FOR THE LEASE OF 3000 NORTH FOURTH STREET FOR OPERATION OF THE EAST FLAGSTAFF COMMUNITY LIBRARY

RECITALS:

WHEREAS, the City of Flagstaff is party to an intergovernmental agreement with the Coconino County Community College District that allows for the lease of 3000 N Fourth Street to the City for the use and operation of the East Flagstaff Community Library; and

WHEREAS, the East Flagstaff Community Library has operated at the leased location since 2002 and both parties wish to update, revise, and restate the current agreement; and

WHEREAS, the Coconino Community College District and the City of Flagstaff desire to enter into a new intergovernmental agreement to continue the lease relationship and allow for the continued operation of the East Flagstaff Community Library.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between Coconino County Community College District and the City of Flagstaff, Arizona, attached hereto as Exhibit A, which shall become effective upon the date set forth in the Intergovernmental Agreement.

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

INTERGOVERNMENTAL AGREEMENT
Between
Coconino County Community College District
and
City of Flagstaff

This INTERGOVERNMENTAL AGREEMENT (hereinafter "Agreement"), is entered into as of July 1, 2026 (the "Agreement"), by and between the Coconino County Community College District ("CCC"), a political subdivision of the State of Arizona formed and existing by virtue of A.R.S. § 15-1401 et seq, and the City of Flagstaff, a municipal corporation of the State of Arizona acting on behalf of the Flagstaff Public Library ("City").

RECITALS

WHEREAS, CCC and City acknowledge there is an existing Intergovernmental Agreement entered into January 16, 2020, which the parties now wish to update, revise, and restate under the terms and conditions of this Agreement; and

WHERAS, CCC hereby leases to City and City hereby leases from CCC, on the terms and subject to the conditions specified in this Agreement, a portion of CCC's Fourth Street campus in Flagstaff, Arizona, and improvements thereon, commonly known as 'Public Library'; and

WHEREAS, pursuant to the Arizona Revised Statutes Title 15, CCC may enter into lease agreements as a lessor; and

WHEREAS, CCC has authority to enter into this Agreement pursuant to A.R.S. §§ 11-952 and 15-1444; and

WHEREAS, the City has authority to enter into this Agreement pursuant to A.R.S. § 11-952 and the Flagstaff City Charter, Article I, Section 3.

AGREEMENT

NOW, THEREFORE, in consideration of foregoing introduction and recitals, which are incorporated herein by reference, the mutual promises and obligations set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURPOSE. The purpose of this Agreement is to update, revise, restate, and hereby replace the previous Agreement dated January 16, 2020, in whole with the following terms and conditions as stated herein.

2. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City makes the following representations and warranties to CCC as of the date of the execution of this Agreement:

a. City has full legal right, power, and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement, and by appropriate action, has duly authorized the execution and delivery of this Agreement.
b. The officers of the City executing this Agreement are duly and fully authorized to execute the Agreement.

3. REPRESENTATIONS AND WARRANTIES OF CCC. CCC makes the following representations and warranties to the City as of the date of the execution of this Agreement.
   a. CCC has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement, and by proper action has duly authorized the execution and delivery of this Agreement.
   b. The officers of CCC executing this Agreement are fully and properly holding their respective offices and are fully authorized to execute this Agreement.
   c. The Agreement has been duly authorized, executed and delivered by CCC, and will constitute a legal, valid and binding agreement of CCC, enforceable against CCC in accordance with its terms.
   d. CCC is the owner of the improvement where the Public Library resides, as well as the surrounding real property. The improvement where the Public Library resides shall hereinafter be referred to as the "Library Space." The surrounding property owned by CCC outside the Library Space and hereby leased to the City shall hereinafter be referred to as the "Greater Premises." The Library Space and Greater Premises are depicted on Exhibit A.
   e. To the best of CCC's knowledge, the execution and delivery of this Agreement, and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any indenture, mortgage, deed of trust, agreement, lease, contract or other agreement or instrument to which CCC is a party or by which it or its properties are otherwise subject or bound, or, to the knowledge of CCC, any applicable law or administrative rule or regulation, or any applicable court order, administrative decree or order, or result in the creation or imposition of any prohibitive lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of CCC, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement or the financial condition, assets, properties, or operations of the City.
   f. To the best of CCC's knowledge no consent of approval of any trustee or holder of any indebtedness of CCC, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and

delivery of this Agreement or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

g. To the best of CCC's knowledge no information, exhibit or report furnished to the City by CCC in connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. LIBRARY SPACE AND GREATER PREMISES. CCC hereby leases to the City and the City hereby rents from CCC, on the terms and conditions set forth in this Agreement, a portion of the building and parking lot situated on the campus of the College on Fourth Street, Flagstaff, Arizona, and more particularly described in the attached Exhibit "A" (the "Library Space" and "Greater Premises") for the purpose of operating Public Library. The Greater Premises shall include thirty-five (35) parking spaces for the use of City library patrons and staff to the west of the building depicted in Exhibit A. If 35 spaces are not available in that area, CCC will make spaces available in the vicinity of the Premises to the south of the building. CCC hereby further irrevocably grants to the City and the City hereby accepts from CCC, a license for ingress and egress to the Library Space and Greater Premises for the term of this Agreement.

5. POSSESSION. CCC covenants to deliver possession of the Library Space and Greater Premises to the City upon commencement of the term of this Agreement as set forth in Section 11.

6. CONDITION OF LIBRARY SPACE AND GREATER PREMISES. CCC leases the Library Space and Greater Premises to the City in "as is" condition, as of the effective date of this Agreement. If any improvements, alterations, or repairs to the Library Space or Greater Premises are required by governmental authority under ADA or its implementing regulations or guidelines, City shall be solely responsible for all non-structural items and any structural items due to City's specific use of the Library Space.

7. QUIET ENJOYMENT. CCC covenants that, subject to the limitations expressly set forth herein, the City, upon performing all covenants in this Agreement, may quietly have, hold, and enjoy all of the Library Space and Greater Premises during the term of this Agreement and any extended term hereof, without hindrance or interruption by CCC, its sublessees or assigns. CCC agrees that it shall not use the portion of the building adjoining the Library Space and Greater Premises for any use or purpose that is extra hazardous on account of fire or otherwise, or for any use or purpose that is unlawful, that is a nuisance or that would conflict with the City's ability to operate a public library on the Library Space and Greater Premises.

8. PURPOSE; COOPERATION. The Library Space shall be used by the City during the term of the Agreement for the purpose of operating a branch of the Flagstaff/Coconino County Public Library ("Library") for the benefit of the community. The Greater Premises shall be used by the City only for the limited purpose of parking for library staff and patrons.

9. FORCE MAJEURE. Neither party shall be liable for any failure or delay in performing any obligation under this Lease, due to a Force Majeure Event. A Force Majeure Event means an event beyond the reasonable control of the affected party, including but not limited to acts of God, natural disasters, government regulations, war, labor disputes, or epidemics.

10. TEMPORARY RELOCATION. CCC may, upon providing City with one hundred eighty (180) days' written notice, require City to temporarily vacate the Library Space and Greater Premises for a reasonable period, to allow for necessary construction, repairs, or complete reconstruction. City agrees to cooperate with CCC in preparing the Library Space for construction and relocating to an alternative location. City shall be fully responsible for securing the temporary location. For each month the City is required to vacate the Library Space and Greater Premises, no rent will be required by CCC or paid by the City. After completion of the necessary construction, repairs or complete reconstruction, CCC and the City shall enter a new IGA for the use of the facility by the City from that time forward.

11. TERM. The term of this Agreement shall commence on July 1, 2026, and shall remain in effect for two (2) years (the "Term"), with a one-year option to renew upon mutual written consent. Either party may terminate this agreement for any reason or no reason upon one hundred eighty (180) days' written notice of intent to cancel.

12. RENT AND FEES. In consideration of the rights and privileges granted by CCC to the City by this Agreement, and in consideration for the costs incurred in Section 13 below, the parties agree that the City shall pay rent to CCC in the amount of One Hundred and Forty Thousand, Five Hundred Thirty-Six Dollars and Eight Cents ($140,536.08) for the term of July 1, 2025 through June 30, 2026, paid in equal monthly installments of Eleven Thousand Seven Hundred and Eleven Dollars and Thirty-Four Cents ($11,711.34).

    During the Agreement's second year, beginning July 1, 2026, the monthly rental shall be increased by seven and a half percent (7.5%), and such increase shall be applied annually to all subsequent years including any option years under this Agreement.

    If the term commences on a date other than the first day of a calendar month or ends on a date other than the last day of the month, monthly rent shall be prorated.

Rent is due on the first day of each month. If payment is not received by the 20th of the month, such delay shall constitute breach of this Agreement.

13. COMMON AREAS. During the Term, City and City's employees, agents, visitors, and invitees shall have the right, in common with others entitled to the similar use thereof, to use all of the interior and exterior common areas of the Library Space and Greater Premises, including, without limitation, lobbies, hallways, doorways for ingress and egress to and from the Library Space and to and from the exterior common areas of the Greater Premises where parking areas are located on the property on which the Library Space is situated not exclusively reserved for use by the College or by third parties, streets, service drives, and sidewalks for ingress and egress to and from the Library Space and public streets and highways. CCC may adopt, from time to time, reasonable rules and regulations regarding the common areas, including parking.

14. CCC OBLIGATIONS. CCC shall:
    a. maintain the major structural areas of the Greater Premises and common areas in good order and condition including parking lot, landscaping, foundation, electrical, heating, ventilation, air-conditioning, and main plumbing systems.
    b. provide landscaping, parking lot snow removal, and other services for the exterior common areas.
    c. schedule routine maintenance and may from time to time make reasonable modifications to the maintenance schedule.

15. CITY OBLIGATIONS. City shall:
    a. bear responsible for repairing and maintaining the interior of the Library Space, including but not limited to equipment, furniture and other minor, routine maintenance, and repairs within the interior of the building e.g., plumbing and sink drain clogs, minor sheet rock repair, paint, and carpet.
    b. remove snow from handicap walkway at the front entrance of the Library Space.
    c. make written requests to address non-scheduled structural maintenance items. CCC shall have a reasonable time to respond and correct these non-scheduled maintenance items. CCC will respond promptly to the City's requests which involve emergency repairs.
    d. maintain the Library's separate fire alarm system (which does not include the sprinkler system) and complete required testing per city and state codes.
    e. provide their own security inside the Library Space and patrols outside on the Greater Premises by the Flagstaff Police Department. CCC is responsible for security on CCC property outside of the Library Space and Greater Premises.

16. UTILITIES. Utility expenses related to the Greater Premises, including without limitation electric, water, gas, sewer, refuse and recycling expenses, are the sole responsibility of CCC and are included in the amount to be paid by the City to CCC in paragraph 12. Communication utilities, including telephone, cable services, and refuse and recycling collection within the Library Space, are the sole responsibility of the City.

17. TITLE AND TERMINATION. The City shall, upon the termination or expiration of this Agreement, quit and surrender the Library Space and Greater Premises and deliver to CCC actual possession of the Library Space and Greater Premises in its existing condition as of the effective date of this Agreement, excepting normal wear and tear. City shall have the right to remove from the Library Space and Greater Premises any and all additions, improvements, attachments, installations or equipment used or procured for use in connection with its possess of the Library Space and Greater Premises and paid for by the City, on or before expiration or termination of this Agreement, provided that the City shall properly repair, or cause to be repaired, any damage resulting to the Library Space and Greater Premises by reason of this removal in order to restore the Library Space and Greater Premises to the initial condition of the building at the time of the first lease/IGA between CCC and the City, prior to any City improvements. The items that are City property and may be removed by the City include, but are not limited to: Community room – cabinets, televisions, projector screen; Large Library Space – shelving, power poles, security gates, library signage, security cameras, display television; IT room – server tower; Staff area – book sorter, door counter equipment, shelving, security cameras; Foyer – gun locker, book return; Outside – book drop door. Any fixture or property permanently affixed to the Library Space building or Greater Premises by the City for use in connection with its possession of the Library Space and Greater Premises shall, at CCC's option, be removed by the City upon the termination of this Agreement or become the property of CCC.

18. DEFAULT. In the event that either party shall be in default in the performance of any obligation on its part to be performed under the terms of this Agreement, which default continues for thirty (30) days following written notice and demand for correction to the defaulting party, the non-defaulting party may exercise any and all remedies granted by law.

19. RIGHT OF ENTRY. CCC, through any of its duly authorized representatives, shall have the right to enter upon the Library Space and Greater Premises for the purposes of inspection, or any other lawful purpose, including, without being limited to, the right to enter to inspect construction work during the course of construction for compliance with the provisions of this Agreement. CCC shall exercise such rights reasonably during ordinary business hours, and in such manner as not to interfere with the business of the City or its contractors.

20. SIGNS. The City shall not construct, hang, or paint any signs on the exterior of buildings other than safety or directional signs and signs provided for in the approved plans, without written consent of CCC.

21. WASTE. The City shall not knowingly commit, suffer, or permit any waste or nuisance on the Library Space and Greater Premises or any acts to be done on the Library Space or Greater Premises in violation of any applicable laws or ordinances. The City shall keep and maintain the interior of the Library Space in a safe condition.

22. TAXES AND ASSESSMENTS. CCC shall pay all lawful taxes, assessments, or charges which at any time may be levied upon any interest CCC may have under this Agreement (including both the land and improvements).

23. ASSIGNMENT; SUBLEASE. CCC may, at any time assign, transfer, or otherwise convey all or any part of its right, title and interest in the Library Space and Greater Premises or this Agreement, including CCC's rights to receive the rental payments or any part thereof, in which event City agrees to make all rental payments to the assignee designated by CCC. The City may not sublet the Library Space and Greater Premises or assign this Agreement, or any interest therein, without the prior consent in writing of CCC, which consent may not be unreasonably withheld by CCC.

24. RELATIONSHIP OF PARTIES. The City and the agents and employees of the City in the performance of this Agreement shall act in an independent capacity and not as officers, employees, or agents of CCC. The employees of CCC who participate in the performance of this Agreement are not agents of the City.

25. ENCUMBRANCE OF LEASEHOLD. With the exception of this Agreement, CCC shall not encumber the leasehold. The City shall not have the right to subject this Agreement to any mortgage nor subject this Agreement to any trust deed or other security device.

26. AMENDMENTS. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties.

27. WAIVER. The waiver by any party of a breach by the other party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

28. NO LIABILITY OF CITY. Any obligation of CCC created by or arising out of this Agreement shall not impose a debt or pecuniary liability upon the City or a charge upon the general credit or taxing powers of City but shall be payable solely out of funds duly authorized and appropriated by CCC.

The delivery of this Agreement shall not directly, indirectly, or contingently obligate City to levy any form of taxation or to make any appropriation. No breach of any pledge, obligation or agreement made or incurred in connection with this Agreement may impose any pecuniary liability upon, or any charge upon the general credit of the City.

29. INDEMNIFICATION. To the extent permitted by law, each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

30. INSURANCE. The City shall provide commercial general liability insurance for the leased Library Space and Greater Premises as defined in Paragraph 3 and as depicted in Exhibit A. This shall include insuring against liability for acts, errors and omissions of the City, its Council members, officers, employees, agents, and patrons for claims made by any person or entity, including CCC, whether for death, personal injury, property damage or otherwise. The limit of the City's coverage is one million dollars ($1,000,000) with a two million dollars ($2,000,000) aggregate which, for purposes of this Agreement, shall be primary to the insurance or self-insurance coverage of CCC, and shall name CCC together with their respective Board members, officers, employees and agents, as additional insured parties. The City shall be solely responsible for insuring the value of its fixtures, additions, improvements, and contents of the Library Space and Greater Premises against loss by fire, theft, or any other cause. CCC is solely responsible for insuring the building itself, parking lot (minus the thirty-five (35) parking spaces depicted in Exhibit A) walkways, etc.

31. DISPUTE RESOLUTION. If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to arbitration (if required under A.R.S. § 12-1518), to litigation, or to some other dispute resolution procedure. Each party agrees to bear its own costs in mediation.

    The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This mediation provision is not intended to constitute a waiver of a party's right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if a party seeks provisional relief under the Arizona Rules of Civil Procedure.

32. LITIGATION. Except as otherwise agreed by the parties or required by law, any litigation brought by either party against the other to enforce the provisions of this

Agreement must be filed in the Coconino County Superior Court. In the event any action at law or in equity is instituted between the parties in connection with this Agreement, the prevailing party in the action will be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party.

33. SECTION HEADINGS. All articles, paragraph and section headings, titles or captions contained in this Agreement are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

34. NOTICES. All notices herein which are to be given or which may be given by either party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows:

CCC:

Jami Van Ess, Executive Vice President
Coconino County Community College
2800 S. Lone Tree
Flagstaff, AZ 86005

City:

City Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

Copy to:
Library Director
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

Nothing in this Agreement shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed to either party may be changed by written notice given by such party to the other as provided above.

35. SUCCESSOR AND ASSIGNS. The terms and provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective parties.

36. HOLDING OVER. Should the City hold over the expiration of the term of this Agreement with the express or implied consent of CCC, such holding over shall be deemed to be on a month-to-month basis, subject otherwise to all the terms and conditions of this Agreement.

37. CONFLICT OF INTEREST. This Agreement may be canceled pursuant to the provisions of A.R.S. § 38-511.

38. PARTIAL INVALIDITY. If any one or more of the terms, provisions, covenants or conditions of this Agreement shall to any extent be declared invalid, unenforceable, void or voidable for any reason by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants or conditions of this Agreement shall be affected, and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

39. PROPERTY DISPOSITION. Any property purchased by the City may be removed by the City upon termination of this Agreement and/or shall be returned to the City within thirty (30) calendar days of the effective date of termination of this Agreement. Any property affixed to the building shall remain the property of CCC as set forth in Section 17 above.

40. INTEGRATION. This Agreement represents the entire understanding of City and CCC as to those matters contained in the Agreement. No prior oral or written agreement or understanding shall be of any force or effect with respect to those matters covered in the Agreement. This Agreement may not be modified or altered except in a writing signed by duly authorized representatives of the parties, in compliance with all applicable statutory and charter requirements.

41. IMPLIED CONTRACT TERMS. Each provision of law and any terms required by law to be in this Agreement are part of this Agreement as if fully stated herein.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the _____ day of _____, 2026.

City of Flagstaff

By:_____
Becky Daggett, Mayor

Attest:

_____
Stacy Saltzburg, MMC, City Clerk

Approved as to form:

_____
Sterling T. Solomon, City Attorney

Coconino County Community College District

By:_____
Dr. Eric. A. Heiser, President & CEO

Attest:

_____
Kirsten Mead, Assistant to the President

Approved as to form:

_____
Nathan Schott, Attorney for CCC

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Bryce Doty, Real Estate Manager

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-15: An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value with Leroux Retail, L.L.C.; providing for delegation of authority, repeal of conflicting ordinances severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-15 by title only for the first time
2) City Clerk reads Ordinance No. 2026-15 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-15 by title only for the final time
4) City Clerk reads Ordinance No. 2026-15 by title only (if approved above)
5) Adopt Ordinance No. 2026-15
6) Approve Exchange Agreement

Executive Summary:

This ordinance authorizes an exchange of the North/South leg of the alley in Block 19 of Townsite of Flagstaff for real property which will create an East/West alley which will transect the entire block. Block 19 is bounded by Beaver to the West, Leroux St. to the East, Aspen to the South, and Birch St. to the North. The properties are of substantially equal value. A related Ordinance abandoning the City alley as public right of way is also on the agenda for consideration, a necessary step to enact the contemplated exchange.

Aligning the block's orientation to be more consistent with the rest of the Downtown alley system improves mobility and access throughout downtown. The property owner with whom the City is proposing to exchange with is currently seeking approval from the City for the construction of a hotel and parking garage. This exchange will also benefit access for the proposed development, but it is an exchange the City would pursue regardless of the proposed development. The proposed exchange benefits the adjacent development by providing better access to facilitate trash removal and the alignment of the proposed development's parking garage. The City is reserving an underground public utility easement within the City's exchange parcel, preventing the ability to build across the existing alley. The proposed exchange will not facilitate greater massing of the adjacent development than what could be achieved through the existing alley orientation.

A draft exchange agreement is currently attached for review. The final will be attached prior to the July 7th council meeting.

Financial Impact:

None. The City alley will be exchanged for real property of substantially equal value at no cost to the City.

Policy Impact:

The exchange is consistent with policy.

Previous Council Decision or Community Discussion:
There have been no previous council decisions on this matter

Options and Alternatives to Recommended Action:
Do not approve the exchange. If the exchange is not approved, Council should also not approve the abandonment of the City alley to allow the existing alley configuration to remain.

Background and History:
The adjacent property owner has submitted a development application to construct a hotel and a parking garage. Through the development process, City Staff determined that an alley transecting the block from east to west would provide public benefit in addition to assisting the property owner's development. The property owner is amenable to exchanging the right of way necessary to create the east to west alley in exchange for the north to south leg of the existing alley.

Connection to PBB Priorities and Objectives:
Livable Community - Provide amenities and activities that support a healthy lifestyle.

Connection to Regional Plan:
Goal T.1. Improve mobility and access throughout the region.
Goal T.2. Improve transportation safety and efficiency for all modes.

Connection to Carbon Neutrality Plan:
DD-2: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Connection to 10-Year Housing Plan:
N/A

Attachments:
Ord. 2026-15
Exhibit A
Exhibit B
Exhibit C
Draft Exchange Agreement
Presentation

ORDINANCE NO. 2026-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE EXCHANGE OF REAL PROPERTY OF SUBSTANTIALLY EQUAL VALUE WITH LEROUX RETAIL, L.L.C.; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Council has authority to acquire and exchange real property of substantially equal value, pursuant to the Flagstaff City Charter, Article I, Section 3 and A.R.S. Section 9-407; and

WHEREAS the City desires to receive property necessary to align an alley running east to west transecting Block 19 of Townsite in exchange for City property comprising the existing north south portion of the alley within Block 19 of Townsite and has published a notice of intent to exchange property with Leroux Retail, L.L.C.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The City of Flagstaff hereby authorizes the exchange of properties of substantially equal value as follows:

a. Leroux Retail L.L.C. will grant to City real property covering approximately 3,001 square foot in area as legally described and depicted in the attached Exhibit A.

b. In exchange City will grant to Leroux Retail L.L.C. real property covering approximately 2,400 square feet in area as legally described and depicted in the attached Exhibit B.

All pursuant to a separate Agreement approved by City Council. A map depicting the properties being exchanged is attached hereto as Exhibit C.

SECTION 2. Delegation of Authority

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, Real Estate Manager, or their designees are hereby delegated authority to take all actions necessary and appropriate to complete the transactions approved in this ordinance.

SECTION 3. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 4. Severability

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 6. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 7th day of July, 2026

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Attachments:
Exhibit A Fee Simple
Exhibit B Fee Simple
Exhibit C Map of Block 19 of Townsite showing exchange

Exhibits are on file with the “Flagstaff City Clerk

Wood, Patel & Associates, Inc.
602.335.8500
www.woodpatel.com

LEGAL DESCRIPTION
Flagstaff Graduate by Hilton
Alley Dedication

A portion of Lot 25, Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southwest quarter of Section 15 and the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Aspen Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, bears South 20°49'19" West (basis of bearing), a distance of 360.00 feet;
THENCE along the centerline of said Leroux Street, South 20°49'19" West, a distance of 180.03 feet;
THENCE leaving said centerline, North 69°10'41" West, a distance of 29.00 feet, to the northeast corner of said Lot 25 and the **POINT OF BEGINNING**;
THENCE along the easterly line of said Lot 25, South 20°49'19" West, a distance of 25.00 feet, to the southeast corner of said Lot 25;
THENCE leaving said easterly line, along the southerly line of said Lot 25, North 69°18'24" West, a distance of 88.29 feet;
THENCE leaving said southerly line, North 20°41'36" East, a distance of 8.91 feet;
THENCE North 69°10'38" West, a distance of 49.36 feet, to the westerly line of said Lot 25;
THENCE along said westerly line, North 20°43'25" East, a distance of 16.00 feet, to the northwest corner of said Lot 25;

THENCE leaving said westerly line, along the northerly line of said Lot 25, South 69°17'45" East, a distance of 137.70 feet, to the **POINT OF BEGINNING**.

Containing 3,001 square feet or 0.0689 acres, more or less.

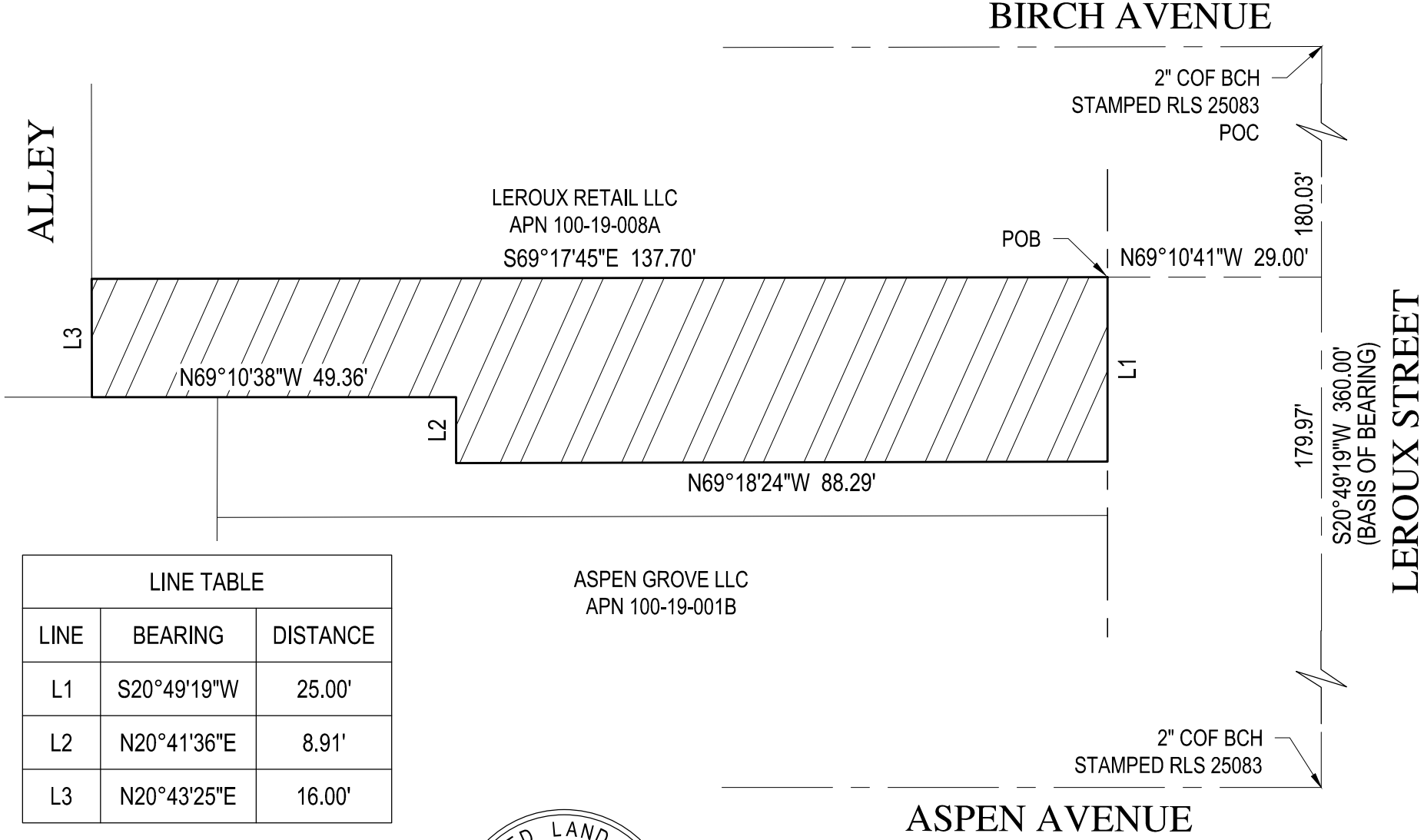
Subject to existing right-of-ways and easements.

This legal description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of March, 2023. Any monumentation noted in this legal description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2024\245623 Flagstaff Graduate by Hilton Alley Dedication L05 01-19-26.docx



EXPIRES 12-31-26



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S20°49'19"W	25.00'
L2	N20°41'36"E	8.91'
L3	N20°43'25"E	16.00'

WOOD PATEL

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
48932
GABRIEL S.
RIOS
Date Signed 01-19-26
ARIZONA, U.S.A.

EXPIRES 12-31-2026

N

EXHIBIT "A"

FLAGSTAFF GRADUATE BY HILTON
ALLEY DEDICATION
01/19/2026
WP# 245623
PAGE 3 OF 3
NOT TO SCALE
Z:\2024\245623\Survey\Legal\5623-L05.dwg

Wood, Patel & Associates, Inc.
602.335.8500
www.woodpatel.com

LEGAL DESCRIPTION
Flagstaff Graduate by Hilton
Alley Abandonment

A portion of that certain Alley in Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Birch Avenue and Beaver Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 18297, bears North 69°16'35" West (basis of bearing), a distance of 349.92 feet;
THENCE along the centerline of said Birch Avenue, North 69°16'35" West, a distance of 167.01 feet;
THENCE leaving said centerline, South 20°43'25" West, a distance of 30.00 feet, to the northeast corner of said certain Alley and the **POINT OF BEGINNING**;
THENCE along the easterly line of said certain Alley, South 20°43'25" West, a distance of 150.03 feet;
THENCE leaving said easterly line, North 69°10'50" West, a distance of 16.00 feet, to the westerly line of said certain Alley;
THENCE along said westerly line, North 20°43'25" East, a distance of 150.00 feet, to the northwest corner of said certain Alley;
THENCE leaving said westerly line, along the northerly line of said certain Alley, South 69°16'35" East, a distance of 16.00 feet, to the **POINT OF BEGINNING**.

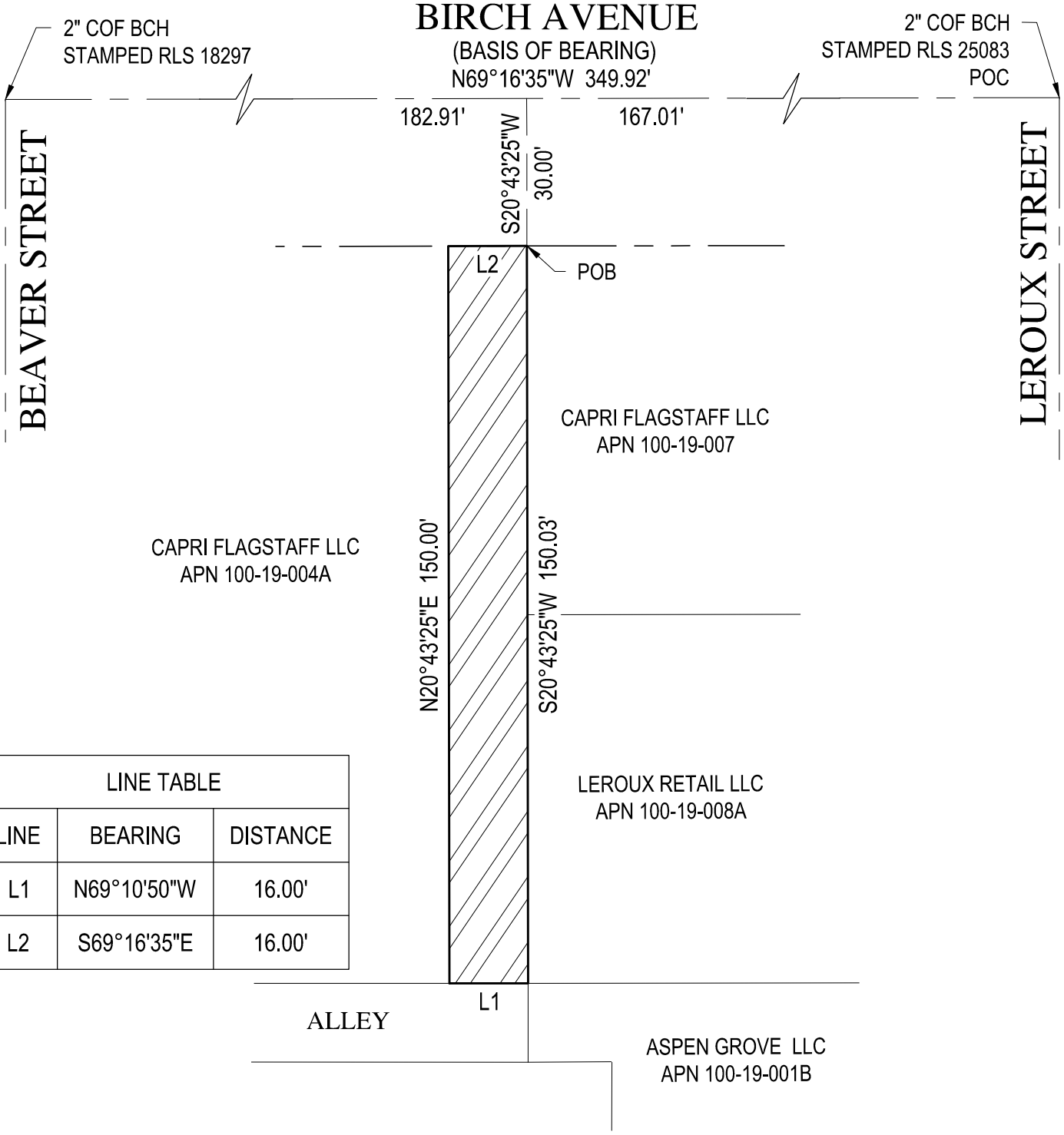
Containing 2,400 square feet or 0.0551 acres, more or less.

Subject to existing right-of-ways and easements.

This legal description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of March, 2023. Any monumentation noted in this legal description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.



EXPIRES 12-31-26



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N69°10'50"W	16.00'
L2	S69°16'35"E	16.00'

WOOD PATEL

REGISTERED LAND SURVEYOR
CERTIFICATE NO. 48932
GABRIEL S. RIOS
Date Signed 01-19-26
ARIZONA, U.S.A.

EXPIRES 12-31-2026

N

EXHIBIT "A"

FLAGSTAFF GRADUATE BY HILTON
ALLEY ABANDONMENT
01/19/2026
WP# 245623
PAGE 2 OF 2
NOT TO SCALE
Z:\2024\245623\Survey\Legal\5623-L06.dwg


Area City will abandon as alley and exchange to adjacent property owner
Area City will receive and dedicate as public alley
100-19-007
100-19-008A
100-19-004A
100-19-020
100-19-002
100-19-001D
100-19-001A
101-18-008A
101-18-011
101-18-005
101-18-004
101-18-003C
101-18-002
101-19-009E
101-19-012
100-19-016
100-19-017
100-19-018
100-19-011C
100-20-024
100-20-025
100-20-026
100-20-027
100-20-028
100-20-023
100-20-021A
100-20-019A
100-20-014
100-20-013
100-20-011A
100-20-015
101-19-005
101-38-001
N BEAVER ST
N SAN FRANCISCO ST
Downtown Flagstaff Neighborhood

REAL ESTATE EXCHANGE AGREEMENT
Project Name: Flagstaff Graduate by Hilton

THIS REAL ESTATE EXCHANGE AGREEMENT ("Agreement") is made as effective the __ day of _____, 2026, by and between the **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona ("City"), **CAPRI FLAGSTAFF, LLC**, an Arizona limited liability company (hereinafter called "Capri"), whose mailing address is: 6867 N Oracle Ste 101, Tucson, AZ 85704; and **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company (hereinafter called "Leroux"), whose mailing address is: 602 W Route 66, Flagstaff, AZ 86001.

RECITALS

A. Capri is currently seeking approval from the City for the construction of a hotel and parking garage (the "Project"). Capri owns a portion of the property (the "Capri Parcel") and has a long term lease with Leroux for the other portion of property (the "Leroux Parcel") where the parking garage is to be constructed.

B. In conjunction with the Project, the City intends to abandon its interest in a right of way consisting of approximately 2,400 square feet or 0.0551 acres located along the parcel owned by Leroux. The proposed property to be abandoned is described in Exhibit A attached hereto and incorporated herein (the "City Parcel").

C. As a condition of the approval of the Project, the City requires the inclusion of a public alley, which requires the dedication by Leroux to the City of fee simple title to the parcel of property consisting of approximately 3,001 square feet or 0.0689 acres as described in Exhibit B attached hereto and incorporated herein (the "Dedication Parcel").

D. Capri has requested that Leroux dedicate the Dedication Parcel to the City in support of its Project and has agreed to convey a portion of its property to Leroux as additional consideration for Leroux to support its Project.

E. Upon the final approval of the Ordinance approving abandonment of the City Parcel, the City and Leroux desire to exchange the City Parcel and the Dedication Parcel.

F. Based upon the benefit to the Project, Capri consents to Leroux dedicating the Dedication Parcel to the City and to Leroux receiving the City Parcel and agrees to terminate any leasehold rights in the Dedication Parcel upon the Closing Date.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Exchange of Parcels.**

1.1. Subject to the passing and adoption by the City of an Ordinance approving the abandonment of the City Parcel and approving this Agreement and contingent upon delivery of the title to the City Parcel to Leroux, Leroux agrees to dedicate the Dedication Parcel to the City and Capri agrees that any rights to that parcel under the lease from Leroux are terminated upon such transfer. The Leroux Parcel shall be conveyed by deed to the City in the form attached hereto as Exhibit C.

1.2. Subject to the passing and adoption by the City of an Ordinance approving the abandonment of the City Parcel and approving this Agreement and contingent upon delivery of the title to the Dedication Parcel to the City, City agrees to convey fee simple title to the City Parcel to Leroux. The City Parcel shall be conveyed by deed to Leroux in the form attached hereto as Exhibit D.

2. **Opening of Escrow.** The parties shall open an escrow to complete this transaction within ten (10) business days after final approval of the Ordinance approving the abandonment and entry by the City into this Agreement. Opening of Escrow shall be deemed to be the date on which a fully executed copy of this Agreement is delivered to the Escrow Agent.

3. **Title Review**. Within fifteen (15) days of receipt of the Title Commitment, each party shall notify the other of any matters or exceptions shown on the Title Commitment, or on any documents identified in the Title Commitment as title exceptions, that are not acceptable to the respective party (the "Objections"). The Objections shall be specific and identify with particularity the title matter or exception to which the objecting party objects and the basis for such objection. Any matters or title exceptions to which either party does not object within such period shall be deemed to be acceptable matters and expressly waived, and each such party shall take title subject to all such matters and shall have no further right to object thereto or to terminate this Agreement on the basis of such matters. If Objections are timely made, the respective party receiving the Objection shall have 15 days to cure such objection (but being under no obligation to do so). If the Objection is not timely resolved, the objecting party may terminate this Agreement by providing written notice within five (5) days thereafter to the other parties and Escrow Agent of the termination, or may waive the Objection and proceed with the closing, at its election.

4. **Closing of Escrow.** The consummation of the transaction contemplated by this Agreement ("Close of Escrow") shall occur on or before thirty (30) days after the Opening of Escrow. If Escrow Company or Recorder's office is closed on the scheduled closing date, Close of Escrow shall occur on the next day that both are open for business. City and Leroux may accelerate the Closing Date upon mutual acceptance by both parties. The Closing shall occur at the offices of the Escrow Agent, or at such other place as Leroux and City may agree in writing. Closing shall be deemed to have occurred when (i) all closing documents contemplated by this Agreement have been delivered to, received by, and executed by the appropriate parties, (ii) all conditions to such Closing contemplated by this Agreement have been satisfied or waived, and (iii) the conveyance instruments required herein have been recorded. The Closing Date will be extended for any time required for a lender's partial release.

5. **Encumbrances.** Each party shall be responsible for satisfying all encumbrances on their respective parcels prior to or at Close of Escrow, including, without limitation: property taxes, mortgage or construction liens, leasehold interests, special assessments, fines, fees, or charges to be paid to any owners' association, if any, and other encumbrances. Leroux acknowledges that the City Parcel portion being conveyed is currently exempt from taxation as publicly-owned property, and that upon conveyance to Leroux, such portion will become subject to taxation, with Leroux responsible for all taxes assessed on such portion after the closing date. Title Company shall not be responsible for any liens or encumbrances not of record at the closing of escrow. Each party is responsible for careful review of the closing statement prior to closing.

6. **Closing Costs.** The City shall pay all lawful costs incidental to closing; escrow fees, title policy fees, recording fees, release fees, commercially reasonable partial release fees, appraisal fee, and any other fees necessary to close escrow.

7. **No Warranties.** The parties agree and acknowledge that no representations, statements, or warranties have at any time been made by any party, or any agent or representative of such party, as to the condition, quality, quantity, operation, state of' repair, or prospects of either the City Parcel or the Dedication Parcel, or any other matter concerning those parcels, in any respect.

8. **Brokerage.** The City and Leroux warrant to one another that they have not dealt with any broker in connection with the transaction contemplated by this Agreement. If any person shall assert a claim to a finder's fee, brokerage commission, or other compensation on account of employment or alleged employment as a finder or broker or performance of services as a finder or broker in connection with this transaction, the party under whom the finder or broker is claiming shall indemnify, defend, and hold the other party harmless from and against any such claim and all costs, expenses, and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. This indemnity shall survive the close of escrow or the cancellation of the Agreement.

9. **Time of the Essence.** The parties expressly agree that time is of the essence with respect to this Agreement.

10. **Notices**. Any notice, which a party is required or may desire to give the other, shall be in writing and shall be sent either (a) by United States registered or certified mail, return receipt requested, postage prepaid, (b) by a generally recognized overnight carrier providing proof' of delivery, or (c) via e-mail transmittal. Any such notice shall be addressed to a party at such party's address appearing next to such party's signature on the last page of the main body of this Contract. Any notice so given shall be deemed to have been given as of the date of actual receipt. Notices shall be addressed to the parties as follows:

LEROUX:

Leroux Retail, LLC
Attn: Bhavna Prema
602 W Route 66
Flagstaff, AZ 86001

With a copy to:

Rose Law Group, pc
Attn: Tony Freeman
7144 E Stetson Drive, Suite 300
Scottsdale, AZ 85251
E-Mail: TFreeman@roselawgroup.com

CITY:

City of Flagstaff
Attn: City Manager
211 W. Aspen Avenue
Flagstaff, AZ 86001

With a copy to:

Matt Mansfield
211 W. Aspen Avenue
Flagstaff, AZ 86001

CAPRI:

Capri Flagstaff, LLC
Attn: Jim O'Connell
6867 N Oracle Rd, Suite 101
Tucson, AZ 85704

11. **Entire Agreement: Modification.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. The provisions hereof may be abrogated, modified, rescinded or amended in whole or in part only by written instrument executed by the parties hereto.

12. **No Joint Venture.** Nothing in this Agreement shall be deemed or construed to create a relationship of principal and agent between the parties hereto or to evidence or to provide for any partnership, joint venture or other association between such parties.

13. **Indemnification.** Each party shall indemnify, defend, and hold harmless the other party and its affiliates, officers, directors, employees, agents, successors, and assigns from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to a party's breach of any representation, warranty, covenant, or obligation under this Agreement.

14. **Severability.** If any provision or provisions hereof or the application thereof to any party or to any person or circumstance shall be held to be invalid, void or illegal, the remaining provisions hereof and the application of such provisions other than those as to which it is held to be invalid, void or illegal, shall nevertheless remain in full force and effect and not be affected thereby.

15. **Notification.** The parties acknowledge and agree that the exchange contemplated herein is a voluntary transaction entered into through mutual agreement and negotiation. This transaction does not involve the exercise by City of eminent domain or the City's condemnation authority, and Leroux is not dedicating the Dedication Parcel under threat or compulsion of condemnation. Each party has entered into this Agreement freely and voluntarily for their respective mutual benefit,

16. **Descriptive Headings.** The descriptive headings of the sections hereof are inserted for convenience only and shall not control or affect the meanings or construction of any provisions hereof.

17. **Governing Law.** This Agreement is entered into in the State of Arizona and shall be governed by and construed under the laws thereof. Any dispute arising out of this Agreement shall be brought exclusively in the Superior Court of Coconino County and the prevailing party shall be entitled to recover its attorneys' fees and costs in obtaining such relief.

18. **Successors in Interest.** This Agreement shall bind and inure to the benefit of Leroux, Capri, the City, and their heirs, executors, administrators, successors, and permitted assigns.

19. **Counterparts:Electronic Signatures.** This Agreement may be executed by the parties hereto in two or more counterparts, all of which shall constitute one and the same instrument. Electronic or facsimile signatures will be treated as original.

IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first above written.

SIGNATURE LINES APPEAR ON FOLLOWING PAGE:

Capri Flagstaff, LLC,
an Arizona limited liability company

By: _____
Name: Jim O'Connell
Title: Managing Member

Leroux Retail, L.L.C.,
an Arizona limited liability company

By: _____
Name: Bhavna Prema
Title: Manager and Member

And

By: _____
Name: Sapneshkumar D Amin
Title: Manager and Member

City of Flagstaff, an Arizona municipal corporation

By: _____
City Manager
Date:

Attest:

_____
City Clerk

Approved as to form:

_____

City Attorney

Attachment:
Exhibit 1 – Legal Description City Parcel
Exhibit 2 – Legal Description Dedication Parcel
Exhibit 3 – Special Warranty Deed City to Leroux
Exhibit 4 – Special Warranty Deed Leroux to City

EXHIBIT A
LEGAL DESCRIPTION
CITY PARCEL

A portion of that certain Alley in Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Birch Avenue and Beaver Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 18297, bears North 69°16'35" West (basis of bearing), a distance of 349.92 feet;

THENCE along the centerline of said Birch Avenue, North 69°16'35" West, a distance of 167.01 feet;

THENCE leaving said centerline, South 20°43'25" West, a distance of 30.00 feet, to the northeast corner of said certain Alley and the **POINT OF BEGINNING;**

THENCE along the easterly line of said certain Alley, South 20'43'25" West, a distance of 150.03 feet;

THENCE leaving said easterly line, North 69°10'50" West, a distance of 16.00 feet, to the westerly line of said certain Alley;

THENCE along said westerly line, North 20°43'25" East, a distance of 150.00 feet, to the northwest corner of said certain Alley;

THENCE leaving said westerly line, along the northerly line of said certain Alley, South 69°16'35" East, a distance of 16.00 feet, to the **POINT OF BEGINNING.**

Containing 2,400 square feet or 0.0551 acres, more or less.

Subject to existing right-of-ways and easements.

EXHIBIT B
LEGAL DESCRIPTION
DEDICATION PARCEL

A portion of Lot 25, Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southwest quarter of Section 15 and the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follow:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Aspen Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, bears South 20^{0}49'19" West (basis of bearing), a distance of 360.00 feet;

THENCE along the centerline of said Leroux Street, South 20^{0}49'19" West, a distance of 180.03 feet;

THENCE leaving said centerline, North 69^{0}10'41" West, a distance of 29.00 feet, to the northeast corner of said Lot 25 and the **POINT OF BEGINNING**;

THENCE along the easterly line of said Lot 25, South 20^{0}49'19" West, a distance of 25.00 feet, to the southeast corner of said Lot 25;

THENCE leaving said easterly line, along the southerly line of said Lot 25, North 69^{0}18'24" West, a distance of 88.29 feet;

THENCE leaving said southerly line, North 20^{0}41'36" East, a distance of 8.91 feet;

THENCE North 69^{0}10'38" West, a distance of 49.36 feet, to the westerly line of said Lot 25;

THENCE along said westerly line, North 20^{0}43'25" East, a distance of 16.00 feet, to the northwest corner of said Lot 25;

THENCE leaving said westerly line, along the northerly line of said Lot 25, South 69^{0}17'45" East, a distance of 137.70 feet, to the **POINT OF BEGINNING.**

Containing 3,001 square feet or 0.0689 acres, more or less.

Subject to existing right-of-ways and easements.

EXHIBIT C
SPECIAL WARRANTY DEED
DEDICATION PARCEL

WHEN RECORDED RETURN TO:

Rose Law Group, pc
7144 E. Stetson Drive, Suite 300
Scottsdale, Arizona 85251
Attention: Shelton Freeman

Exempt from Affidavit of Property Value
pursuant to A.R.S. § _____

SPECIAL WARRANTY DEED

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company ("Grantor"), hereby grants, sells and conveys to **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona ("Grantee"), the real property located in Maricopa County, Arizona and described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Land"), together with all improvements thereon and any other rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining thereto or used in connection therewith.

Grantor binds itself and its successors, heirs, legatees and personal representatives to warrant and defend title to the Land and improvements as against the acts of Grantor and none other.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

DATED as of the _____ day of _____ 2026.

Leroux Retail, L.L.C.,
an Arizona limited liability company

By:

Name: Bhavna Prema
Title: Manager and Member

And

By:

Name: Sapneshkumar D Amin
Title: Manager and Member

STATE OF ARIZONA)
) ss.
County of Coconino)

The foregoing instrument was acknowledged before me this _____ day of _____ 2026, by Bhavna Prema, the Manager of Leroux Retail, LLC, an Arizona limited liability company, for and on behalf thereof.

_____
Notary Public

My Seal and Commission Expiration Date:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2026, by Sapneshkumar D Amin, the Manager of Leroux Retail, LLC, an Arizona limited liability company, for and on behalf thereof.

_____
Notary Public

My Seal and Commission Expiration Date:

Exhibit "A" to Special Warranty Deed

Legal Description

A portion of Lot 25, Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southwest quarter of Section 15 and the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follow:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Aspen Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, bears South 20^{0}49'19" West (basis of bearing), a distance of 360.00 feet;

THENCE along the centerline of said Leroux Street, South 20^{0}49'19" West, a distance of 180.03 feet;

THENCE leaving said centerline, North 69^{0}10'41" West, a distance of 29.00 feet, to the northeast corner of said Lot 25 and the **POINT OF BEGINNING**;

THENCE along the easterly line of said Lot 25, South 20^{0}49'19" West, a distance of 25.00 feet, to the southeast corner of said Lot 25;

THENCE leaving said easterly line, along the southerly line of said Lot 25, North 69^{0}18'24" West, a distance of 88.29 feet;

THENCE leaving said southerly line, North 20^{0}41'36" East, a distance of 8.91 feet;

THENCE North 69^{0}10'38" West, a distance of 49.36 feet, to the westerly line of said Lot 25;

THENCE along said westerly line, North 20^{0}43'25" East, a distance of 16.00 feet, to the northwest corner of said Lot 25;

THENCE leaving said westerly line, along the northerly line of said Lot 25, South 69^{0}17'45" East, a distance of 137.70 feet, to the **POINT OF BEGINNING.**

Containing 3,001 square feet or 0.0689 acres, more or less.

Subject to existing right-of-ways and easements.

EXHIBIT D
SPECIAL WARRANTY DEED
CITY PARCEL

WHEN RECORDED RETURN TO:

Rose Law Group, pc
7144 E. Stetson Drive, Suite 300
Scottsdale, Arizona 85251
Attention: Shelton Freeman

Exempt from Affidavit of Property Value
pursuant to A.R.S. § _____

SPECIAL WARRANTY DEED

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **CITY OF FLAGSTAFF**, a municipal corporation organized and existing under the laws of the State of Arizona ("Grantor"), hereby grants, sells and conveys to **LEROUX RETAIL, L.L.C.**, an Arizona limited liability company ("Grantee"), the real property located in Maricopa County, Arizona and described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Land"), together with all improvements thereon and any other rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining thereto or used in connection therewith.

Grantor binds itself and its successors, heirs, legatees and personal representatives to warrant and defend title to the Land and improvements as against the acts of Grantor and none other.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

DATED as of the _____ day of _____ 2026.

City of Flagstaff, an Arizona municipal corporation

By:

_____

City Manager

STATE OF ARIZONA)
) ss.
County of Coconino)

The foregoing instrument was acknowledged before me this _____ day of _____ 2026, by _____, the _____ of the City of Flagstaff, an Arizona municipal corporation, for and on behalf thereof.

_____
Notary Public

My Seal and Commission Expiration Date:

Exhibit "A" to Special Warranty Deed

Legal Description

A portion of that certain Alley in Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Birch Avenue and Beaver Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 18297, bears North 69°16'35" West (basis of bearing), a distance of 349.92 feet;

THENCE along the centerline of said Birch Avenue, North 69°16'35" West, a distance of 167.01 feet;

THENCE leaving said centerline, South 20°43'25" West, a distance of 30.00 feet, to the northeast corner of said certain Alley and the **POINT OF BEGINNING;**

THENCE along the easterly line of said certain Alley, South 20'43'25" West, a distance of 150.03 feet;

THENCE leaving said easterly line, North 69°10'50" West, a distance of 16.00 feet, to the westerly line of said certain Alley;

THENCE along said westerly line, North 20°43'25" East, a distance of 150.00 feet, to the northwest corner of said certain Alley;

THENCE leaving said westerly line, along the northerly line of said certain Alley, South 69°16'35" East, a distance of 16.00 feet, to the **POINT OF BEGINNING.**

Containing 2,400 square feet or 0.0551 acres, more or less.

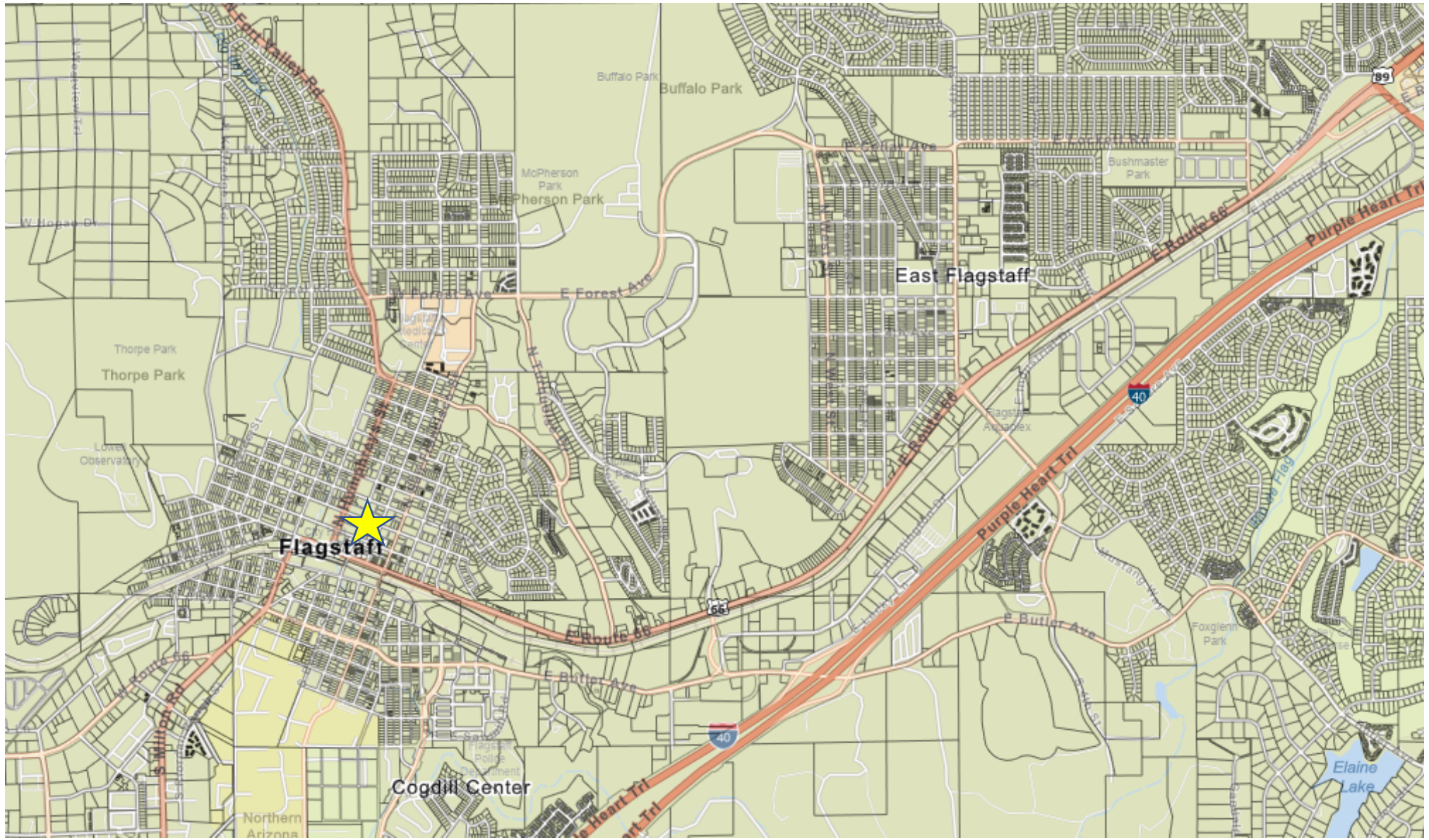
Subject to existing right-of-ways and easements.

Block 19 Alley Abandonment

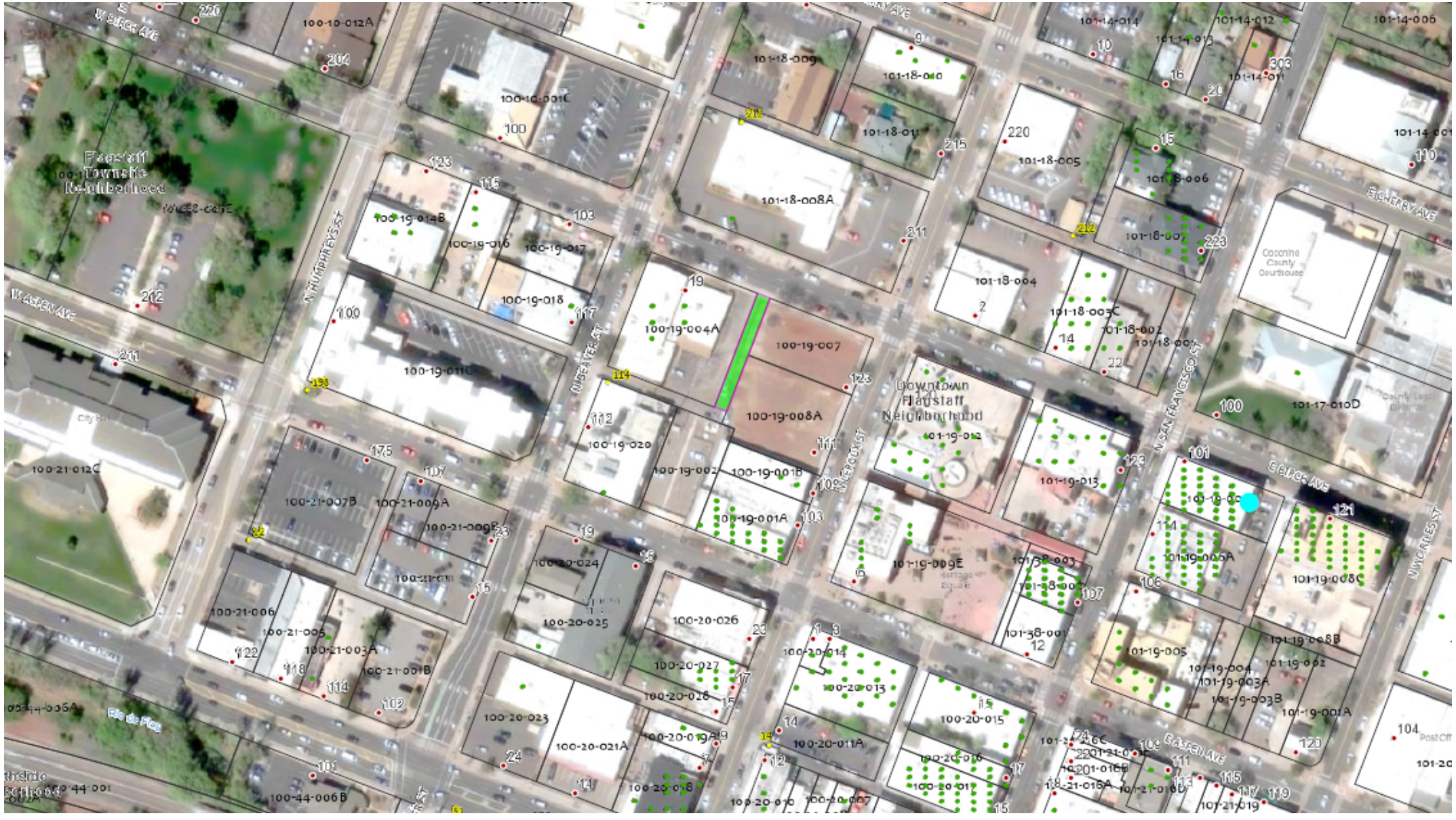
TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Vicinity Map



Vicinity Map



Background

- Platted in the original Townsite



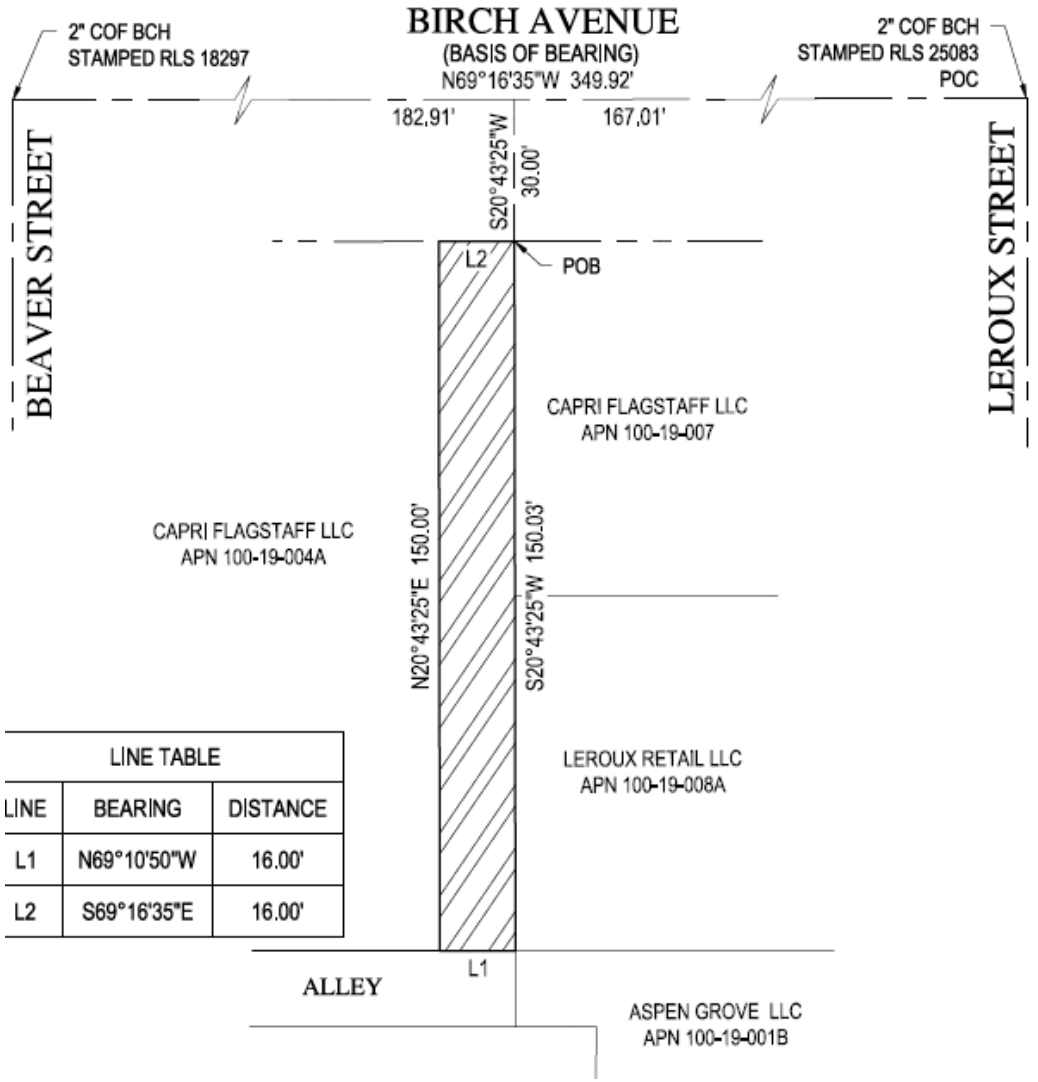


Proposal

- Adjacent property owner is willing to dedicate land to create an East/West alley on this block
- In exchange, City will abandon the North/South alley and convey to adjacent owner
- Existing utilities within alley will retain easements as a condition of abandonment

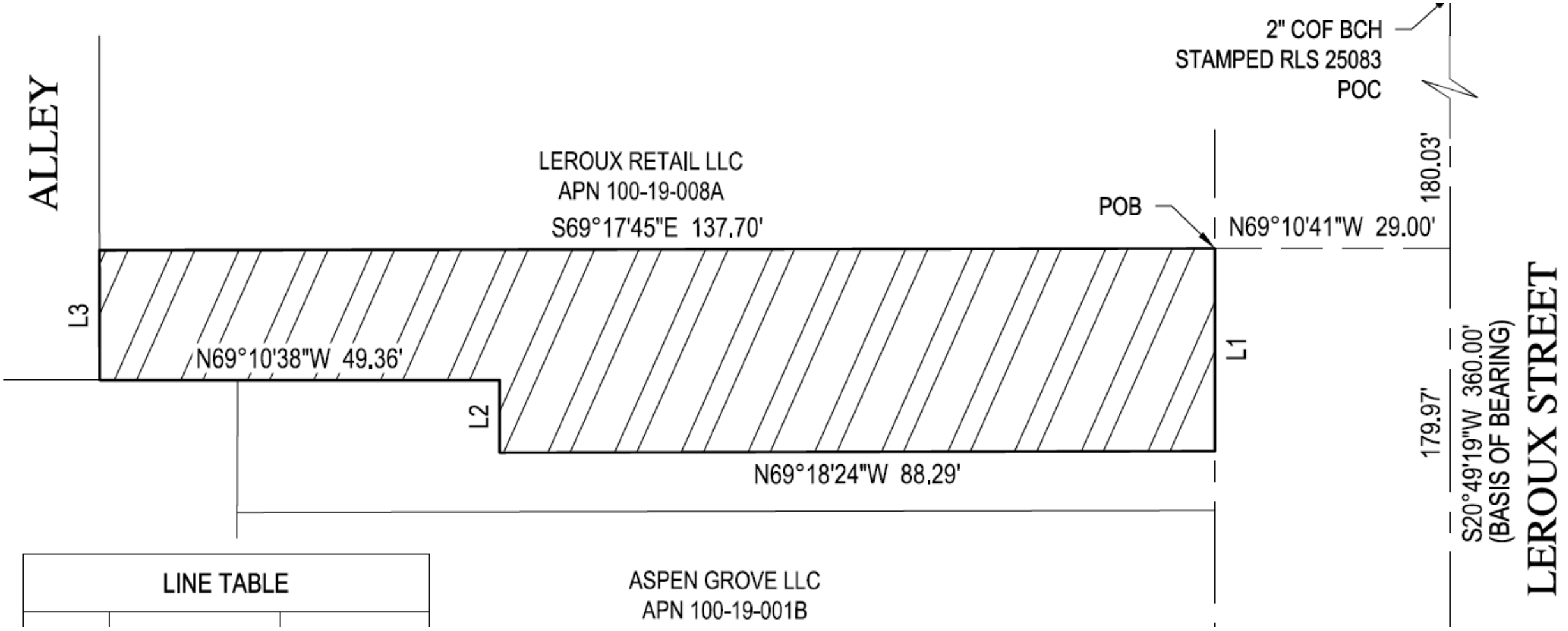


Area of City Abandonment & Exchange



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N69°10'50"W	16.00'
L2	S69°16'35"E	16.00'

Areas City will Receive

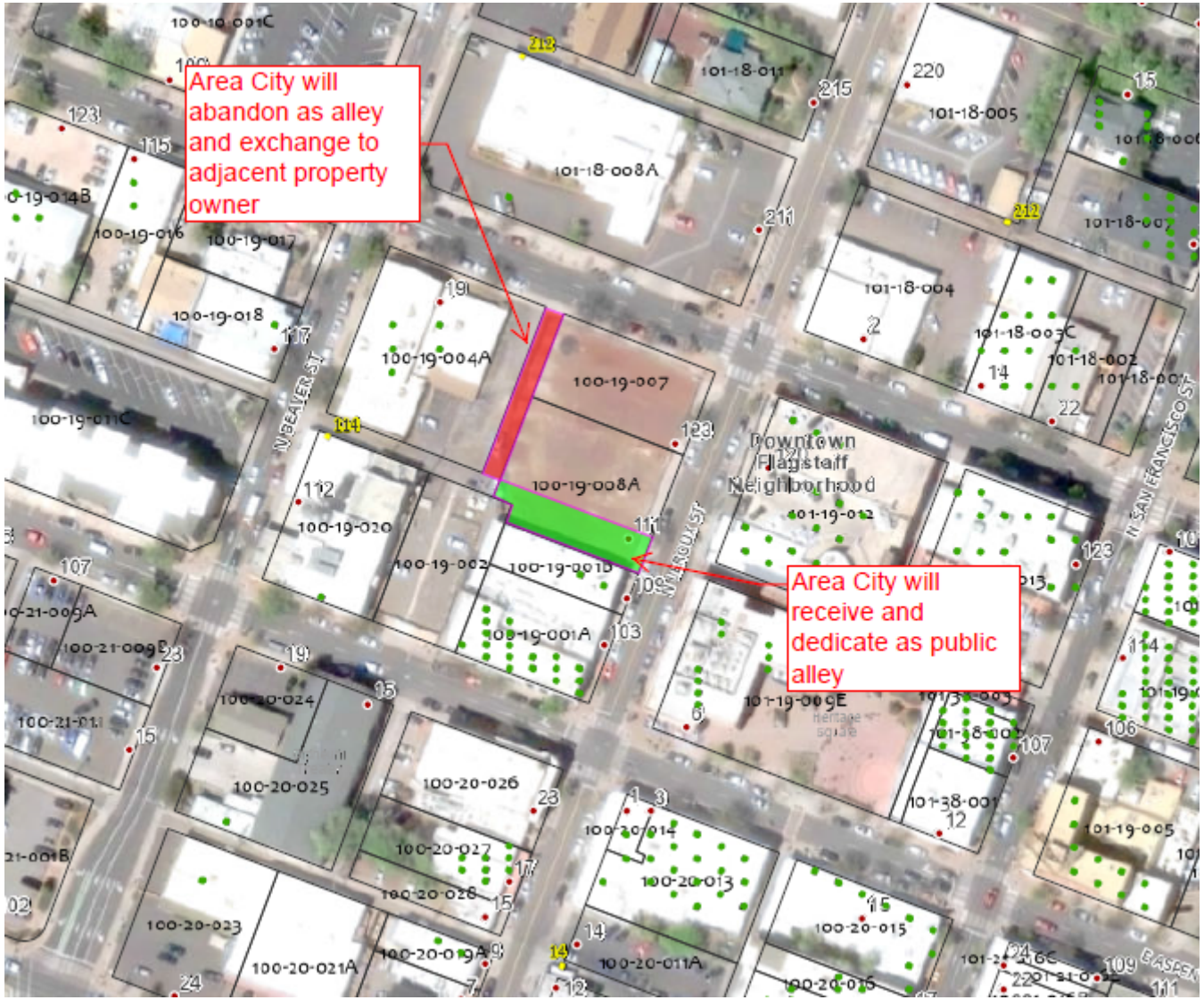


Findings

- No concerns with franchise utilities. Any existing infrastructure will retain an easement.
- Realigning Alley will improve the accessibility of the block and align the alley with the adjacent alley pattern
- No staff concerns with abandonment provided exchange is made.
- Planning and Zoning recommended the abandonment on May 31st, 2026 conditioned on the exchange.



Questions?


Area City will abandon as alley and exchange to adjacent property owner
Area City will receive and dedicate as public alley
Downtown Flagstaff Neighborhood
N BEAVER ST
N SAN FRANCISCO ST
100-19-007
100-19-008A
100-19-004A
100-19-020
100-19-002
100-19-001D
100-19-001A
100-19-009E
100-20-026
100-20-027
100-20-028
100-20-025
100-20-024
100-20-023
100-20-021A
100-20-019A
100-20-014
100-20-013
100-20-011A
100-20-015
101-18-008A
101-18-011
101-18-005
101-18-004
101-18-003C
101-18-002
101-19-012
101-38-001
101-19-005

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Bryce Doty, Real Estate Manager

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-16: An ordinance of the City Council of the City of Flagstaff, approving amended and restated easements on Observatory Mesa with the Hidden Bluff Homeowners Association; providing for delegation of authority, severability, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-16 by title only for the first time
2) City Clerk reads Ordinance No. 2026-16 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-16 by title only for the final time
4) City Clerk reads Ordinance No. 2026-16 by title only (if approved above)
5) Adopt Ordinance No. 2026-16

Executive Summary:

Prior to the City purchasing the Observatory Mesa lands from the Arizona State Lands, a Right of Way ("ROW") between the State Land and a private property owner was granted for the purpose of access to privately owned parcels. Due to topography, the ROW as defined is not practicable or possible to develop to engineering standards to allow for development on the privately owned parcels. The owners of the ROW approached the City to amend the ROW legal description. The City purchased the Observatory Mesa lands through a grant of a conservation easement on the property from Arizona State Parks and the City must ensure that an amended ROW does not conflict with the conservation easement. In order to comply with the conservation easement, and in order to minimize impacts to Observatory mesa and ensure fire code safety, the Open Spaces Commission worked for several years to recommend the following conditions to amend the ROW to council, which council approved in 2024:

- Require the creation of an HOA to provide a legal entity responsible for maintaining the conditions--the HOA was created as an entity on April 10, 2026 and will be the party to the amended easement.
- Require a performance bond for the adjustment of the dirt road to ensure that the work will be completed and to warranty the work for three years to ensure proper construction.
- Require all construction on Observatory Mesa Natural Area Observatory Mesa Natural Area property to go through the Arizona State Parks and Trails Conservation Easement review requirements, which include but are not limited to an archeological survey, Arizona State Parks and Trails review, and State Historic Preservation Office review before construction can begin.
- During the road construction, require a revegetation specialist (i.e., ecologist, botanist, vegetation specialist) who is experienced in restoration ecology and local native plant communities be included in the project team to assist with project planning, direction, construction observation, monitoring, to document any impacts to the Natural Area, and provide prior notification to the open space Section impacts and planned mitigation efforts.
- All sections of the existing roadway that are not utilized in the proposed alignment must be decommissioned and restored to open space standards cited in the Restoration Guidelines.

- Require the road to be constructed on the private property where the ROW easement currently parallels the Observatory Mesa Natural Area property on the east boundary.
- Require the parcel owners to revegetate the road's cut and fill locations and abandoned alignments to open space standards cited in the Restoration Guidelines.
- Require ongoing road (driveway) maintenance.
- Require all future utilities to be placed underground in the ROW so as not to interfere with the view sheds on Observatory Mesa Natural Area.
- Require Dark Skies Compliant Lighting on all light sources within the parcels.

The easement under consideration amends the existing ROW and incorporates the conditions previously approved by council and is now ready for council consideration and approval. If approved, the holders of the ROW will take the construction plans to the Arizona State Parks and Trails and the State Historic Preservation Office for further approval. A final version of the easement will be attached to the staff summary.

Financial Impact:
N/A

Policy Impact:
N/A

Previous Council Decision or Community Discussion:

- Council considered the conditions to amend the ROW on September 17, 2024
- Council discussed the item on June 25, 2024
- Letters and postcards sent to Hidden Hollow residents.
- Open Space Section sent out an email notification to their list.
- HOA notification for neighborhoods abutting the Observatory Mesa Natural Area.
- Informative flyers were posted at the Observatory Mesa Natural Area's main entry points and on notification boards throughout the community.
- Community calendar notifications.
- PROSE Facebook event was created.
- Open Space Commission public participation (12/11/2023, 01/22/2024, 03/25/2024, 04/22/2024).

Options and Alternatives to Recommended Action:
Do not approve the amendment to the easement.

Background and History:
Background:

- In 1986, the ROW was purchased from the Arizona State Land Department for the development of "a public roadway." It has not been developed and remains a primitive dirt road approximately 10 - 15 feet wide. It provides legal access to a series of private properties.
- In 2014, the City accepted a $6 million grant (Grant 231303 - Observatory Mesa: Observatory Mesa Growing Smarter) award from Arizona State Parks for a Deed of Conservation Easement to protect and preserve the Observatory Mesa Natural Area. Because the ROW was created prior to the Deed of Conservation Easement, Arizona State Parks recognizes the rights of the holders of the ROW to access private properties. The ROW allows for the construction of a public roadway on property protected by the Deed of Conservation Easement.
- The City has been informed that certain individuals seek to develop currently undeveloped private properties that use the ROW for access. The landowners of seven parcels totaling 114 acres abutting Observatory Mesa Natural Area (Parcel Numbers 11105002C,11105002E, 11105002F, 11105002H, 11105002J, 11105002K, 11105002L) are seeking improved access to their properties to construct a driveway, which is required before building permits can be granted. The proposed driveway would extend from Hidden Hollow Road approximately one mile through the Observatory Mesa Natural Area.
- According to information shared with the City by the engineering consultant working with the private

property owners, the construction of the driveway within the boundaries of the existing ROW would be difficult due to topography constraints.

Fire Access Driveway Design Criteria requires:

- All weather surface certified by an engineering testing lab to withstand a minimum weight of 80,000 GVW. Engineer certification required.
- Minimum width of 20 feet.
- Access turning radius shall accommodate a 47-foot fire truck.
- Minimum overhead (vertical) clearance of 13'6".
- Grades not to exceed 10% longitudinal, 5% lateral.
- Minimum 45' on center turning radius (35' inside and 55' outside). These are the minimum dimensions permitted to allow turning and maneuvering through the site.

Area impacted:

- The legal description for the current ROW alignment encompasses 3.52 acres. The proposed revised ROW alignment for the 20-foot wide driveway would encompass 2.7 acres. However, the total estimated area to be impacted during the construction of the driveway is 3.75 acres. The additional 1.05-acre area impacted by construction would be rehabilitated by the private property owners as a condition of the amended ROW easement.
- If the ROW was revised, it would permit a 20-foot wide driveway plus the area needed for engineering the driveway, such as slope cuts and fill. The slope cuts and fill could be revegetated as a condition of the amended ROW easement but would impact the condition of the Natural Area.
- Approximately 48 acres are located to the East of the current ROW easement. A well-traveled driveway could have impacts on wildlife use of that acreage.
- Staff are working with the community to develop a trail plan for the Observatory Mesa Natural Area. The implementation of this trail plan could include new trails, parking, and signage. A well-traveled driveway could have impacts on recreation.

State of Arizona Involvement:

- AZ State Parks and Trails has asked the City of Flagstaff to review the request and determine its decision on the request to revise the ROW.
- Following City of Flagstaff general approval, the amended ROW and construction plans must also be approved by Arizona State Parks and the State Historic Preservation Office. This application process is administered by State entities and not the City.

Deed of Conservation Easement Parameters for the Observatory Mesa Natural Area

- Given the acquisition process, Arizona State Parks holds a deed of conservation easement over the entirety of Observatory Mesa Natural Area. This deed of conservation easement dictates what types of improvement projects are allowed within the Natural Area. This is a legal mechanism to protect the natural resources and baseline documentation conditions of the property (condition of the property at the time of acquisition). According to the deed of conservation easement, Arizona State Parks is required to approve all improvements and development on the property in writing. Arizona State Parks has 60 days to review these written requests and provide a response. If a response is not received, it is considered a denial. Additionally, the City is allowed to improve up to 20 acres of the Natural Area with trails, trailheads, parking areas, signs, etc.
- Observatory Mesa Natural Area is deemed to be used for a) protection of wildlife habitat; b) preservation of rare native plant communities; c) environmental education; d) scientific research; and e) provision of controlled public access for passive recreation such as wildlife viewing and non-motorized use of trails as well as continuation of traditional uses including hunting.
- Facility development will consist of low-impact trails, interpretive facilities, and the most basic visitor amenities such as a parking area and restrooms. In the long-term, an educational facility may be developed to support education and research activities on Observatory Mesa. In accordance with the conservation easement held by Arizona State Parks, no more than 10% of the acquired land, up to a limit of 20 acres total, may be eligible for alteration or development, and no changes may be made to the parcel that would seriously or negatively affect its conservation and open space values.

Connection to PBB Priorities and Objectives:
Effective governance

Connection to Regional Plan:
There is no connection to the Regional Plan

Connection to Carbon Neutrality Plan:
There is no connection to the Carbon Neutrality Plan

Connection to 10-Year Housing Plan:
There is no connection to the 10-year Housing Plan

Attachments: Ord. 2026-16
Existing Easement

ORDINANCE NO. 2026-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, APPROVING AMENDED AND RESTATED EASEMENTS ON OBSERVATORY MESA WITH THE HIDDEN BLUFF HOMEOWNERS' ASSOCIATION; PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, in order to update and further define the terms of existing legacy easement rights and to ensure legal access for adjacent property owners, the City of Flagstaff and Hidden Bluff Homeowners Association desire to restate and amend that certain Right of Way Easement 16-88092, recorded in the official records of Coconino County on June 9, 1995, at Docket 1776 page 171, as amended by recording on May 8, 2001, at Document No. 3090271.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The City of Flagstaff hereby approves the following amendments to the easement:

1. The Amended and Restated Right of Way Easement attached hereto as Exhibit 1.

The City Clerk shall cause the amendments to be recorded in the order set forth above.

SECTION 2. Delegation of Authority

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, Real Estate Manager, or their delegates or agents, are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this ordinance.

SECTION 3. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 4. Severability

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 7th day of July, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

Exhibit 1: Amended and Restated Right of Way Easement

CANDACE OWENS
COCONINO COUNTY RECORDER
OFFICIAL RECORDS OF
COCONINO COUNTY

INST: 95-16389 FEE:$ 14.00
AT THE REQUEST OF:
BEA W LEE
DATE: 06/09/1995 TIME: 04:16
DKT: 1776 PG: 471 PAGES: 009

Return to BEA W. LEE
2218 E. Ocotillo Road
Phoenix, AZ 85016

STATE LAND DEPARTMENT
STATE OF ARIZONA

RIGHT-OF-WAY
SOLD AT PUBLIC AUCTION

R/W No. 16 - 88092

THIS INDENTURE, made this 6th day of November, 19 86, by and between the State of Arizona, hereinafter called the Grantor, and

BEA LEE, a single person

hereinafter called the Grantee.

WITNESSETH, that in accordance with the provisions of A.R.S. §37-461, the Grantee herein has filed with the State Land Commissioner an application for a right-of-way for the purpose of constructing, operating, and maintaining

a public roadway

and

WHEREAS, the said map and field notes thereon have been adopted by the Grantee herein as the line of definite location of the aforesaid Right-of-Way, and which said right-of-way map is herein referred to and made a part hereof as fully as though set out herein, and

WHEREAS, it is understood and agreed by the Grantee herein that, as a condition precedent to the granting of the Right-of-Way applied for, the land covered by the said Right-of-Way shall be used for no purpose other than the location, construction and maintenance of said Right-of-Way over and across the following State lands, to-wit described in Appendix A.

TO HAVE AND TO HOLD the same for so long as it may be used for the purpose designated, and subject to the conditions and reservations set forth herein.

IT IS UNDERSTOOD AND AGREED that in case the necessity for the Right-of-Way shall no longer exist, or the Grantee should abandon or fail to use the same, then this grant shall become void, and the right to use the land and all the rights granted hereunder shall revert to the State of Arizona, whereupon the Grantee agrees to execute and deliver a complete release of all right, title and interest therein.

This grant is, and shall be binding upon the said Grantee, his successors and assigns.

IT IS FURTHER UNDERSTOOD AND AGREED that this Right-of-Way conveys no fee to the land described herein and no rights to any of the minerals, oil, gas, coal, natural products, etc., in said land and the State of Arizona reserves the right to grant mineral and/or oil and gas leases upon said land.

IT IS FURTHER UNDERSTOOD AND AGREED that the said Grantee shall not fence the said Right-of-Way, nor exclude from the use of the surface thereof the State of Arizona or its lessees or grantees.

THE SAID GRANTOR further reserves the right to grant to others, easements and rights-of-way over and across the lands described.

NOW THEREFORE, in accordance with the provisions of A.R.S. §37-461 and agreeable to the conditions heretofore set forth, the Grantee herein is hereby authorized to locate, construct, operate and maintain said Right-of-Way over and across the State land described herein.

Grantee agrees to indemnify, hold and save Grantor harmless against all loss, damage, liability, expense, costs and charges incident to or resulting in any way from any injuries to person or damage to property caused by or resulting from the use, condition or occupation of the land.

EASEMENT CONDITIONS

1. With regard to the location, construction and maintenance of the Right-of-way:

   (a) Grantee shall ensure full compliance with the terms and conditions of this grant by its agents, employees and contractors (including sub-contractors of any tier), and the employees of each of them.

   (b) Unless clearly inapplicable, the requirements and prohibitions imposed upon Grantee by these terms and conditions are also imposed upon Grantee's agents, employees, contractors, and sub-contractors, and the employees of each of them.

(c) Failure or refusal of Grantee's agents, employees, contractors, sub-contractors, or their employees to comply with these terms and conditions shall be deemed to be the failure or refusal of Grantee.

(d) Grantee shall require its agents, contractors or sub-contractors to include these terms and conditions in all contracts and sub-contracts which are entered into by any of them, together with a provision that the other contracting party, together with its agents, employees, contractors and sub-contractors, and the employees of each of them, shall likewise be bound to comply with these terms and conditions.

2. All access roads over State land outside the Right-of-Way must be applied for and authorized in accordance with applicable regulations.

3. No material may be removed by Grantee or its contractors without the written approval of the Commissioner.

4. Grantee shall promptly notify the Commissioner of the amount of flora, if any, which will be cut, removed, or destroyed in the construction and maintenance of the project and shall pay the State Land Department such sum of money as the Commissioner may determine to be the full value of the flora to be so cut, removed or destroyed. Grantee shall notify the State Land Department and the Commission of Agriculture and Horticulture 30 days prior to any destruction or removal of native plants to allow salvage of those plants where possible.

5. Grantee shall conduct all construction and maintenance activities in a manner that will minimize disturbance to all land values including, but not limited to vegetation, drainage channels, and streambanks. Construction methods shall be designed to prevent degradation of soil conditions in areas where such degradation would result in detrimental erosion or subsidence. Grantee shall take such other soil and resource conservation and protection measures on the land under grant as determined necessary by the State Land Department.

6. Grantee shall be required, upon completion of right-of-way construction, to make such rehabilitation measures on the State lands, including, but not limited to, restoration of the surface, revegetation, and fencing as determined necessary by the State Land Department.

1776-473

1776-473

7. Upon revocation or termination of the Right-of-Way, the Grantee shall remove all equipment or facilities and, so far as is reasonably possible, restore and/or rehabilitate the land to its original condition, to the satisfaction of the Commissioner.

8. Costs incurred by the Grantee in complying with restoration and rehabilitation requirements as determined by the State Land Department on State trust lands shall be borne by the Grantee.

9. Prior to surface disturbance, the Grantee hereof shall provide evidence of archaeological clearance to the Arizona State Land Department. Archaeological surveys and site mitigation must be conducted in accordance with rules and regulations promulgated by the Director, Arizona State Museum. In the event additional archaeological resources are detected by Grantee after receipt of archaeological clearance, all work shall cease and notification shall be given to the Director, Arizona State Museum.

10. **THIS DOCUMENT** is submitted for examination and shall have no binding effect on the parties unless and until executed by the Grantor (after execution by the Grantee), and a fully executed copy is delivered to the Grantee.

11. **IN THE EVENT OF A DISPUTE** between the parties to this Agreement, it is agreed to use arbitration to resolve the dispute but only to the extent required by A.R.S. §12-1518; and, in no event shall arbitration be employed to resolve a dispute which is otherwise subject to administrative review by the Department pursuant to statute or Department Administrative Rule.

12. Grantor reserves the right to relinquish to the United States pursuant to the U.S. Act of August 30, 1890, land needed for irrigation works in connection with a government reclamation project.

13. **Notice of State authority to cancel this contract:**

A. The State may cancel any contract, without penalty or further obligation, made after September 4, 1978, by the State or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State or any of its departments or agencies is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract, in any capacity or a consultant to any other party of the contract, with respect to the subject matter of the contract.

B. The cancellation shall be effective when written notice from the Governor is received by any other parties to the contract unless the notice specifies a later time.

1776-474

14. **Native Plant Law:**

If the removal of plants protected under the Arizona Native Plant Law is necessary to enjoy the privilege of this Document, the Grantee hereunder must previously acquire the written permission of the Arizona State Land Department and Arizona Commission of Agriculture and Horticulture to remove those plants.

ENVIRONMENTAL INDEMNITY

Grantee shall protect, defend, indemnify and hold harmless the Grantor from and against all liabilities, costs, charges and expenses, including attorneys' fees and court costs arising out of or related to the presence of or existence of any substance regulated under any applicable federal, state or local environmental laws, regulations, ordinances or amendments thereto because of: (a) any substance that came to be located on the Right-of-Way due to Grantee's use or occupancy of the lands by the Grantee before or after the issuance of the Right-of-Way; or (b) any release, threatened release or escape of any substance in, on, under or from said Right-of-Way that is caused, in whole or in part, by any conduct, actions or negligence of the Grantee, regardless of when such substance came to be located on the Right-of-Way.

For the purposes of this Right-of-Way, the term "regulated substances" shall include substances defined as "regulated substances", "hazardous waste", "hazardous substances", "hazardous materials", "toxic substances" or "pesticides" in the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the relevant local and state environmental laws, and the regulations, rules and ordinances adopted and publications promulgated pursuant to the local, state and federal laws. This indemnification shall include, without limitation, claims or damages arising out of any violations of applicable environmental laws, regulations, ordinances or subdivisions thereof, regardless of any real or alleged strict liability on the part of Grantor. This environmental indemnity shall survive the expiration or termination of this Right-of-Way and/or any transfer of all or any portion of the Premises and shall be governed by the laws of the State of Arizona.

In the event any such action or claim is brought or asserted against the Grantor, the Grantee shall have the right, subject to the right of the Grantor to make all final decisions with respect to Grantor's liability for claims or damages, (i) to participate with Grantor in the conduct of any further required cleanup, removal or remedial actions and/or negotiation and defense of any claim indemnifiable under this environmental indemnity provision, having reasonable regard to the continuing conduct of the operation/business located on the Premises and (ii) to participate with the Grantor in negotiating and finalizing any agreement or settlement with respect to any such claim or cleanup.

ADDITIONAL EASEMENT CONDITIONS

The State of Arizona, through its State Land Department, retains ownership of the land. The use of this Right-of-Way is to be non-exclusive. This easement is sold SUBJECT to existing reservations, easements or rights-of-way heretofore legally obtained and now in full force and effect.

The Department does not represent or warrant that access exists over other State lands which intervene respectively between this Right-of-Way easement and the nearest public roadway.

SUBJECT to the express condition that when the lands cease to be put to the stated purpose, said easement shall cease and terminate. Said termination shall be effected through judicial proceedings instituted by or on behalf of any officer or employee of the State of Arizona in a court of general jurisdiction of the State.

1776-476

ADDITIONAL CONDITIONS ATTACHED HERETO AND
MADE A PART OF RIGHT-OF-WAY LEASE
NO: 16-88092

Grantee agrees the alignment for this roadway must begin on the North Section Line of Section 6, Township 21 North, Range 7 East at the point of Hidden Hollow Road and along the West Line of Lot 3 of Tintagel-Flagstaff for Section 31, Township 22 North, Range 7 East.

Grantee agrees prior to construction:

1. An Engineering design delineating the proposed roadway alignment and highlighting road construction methods and materials will be submitted to State Land Department (SLD) Rights of Way Section for approval; upon approval a construction schedule will be submitted to SLD Rights of Way Section.

2. Notice to the Forestry Division of the Arizona State Land Department is required so they can remove the timber and assess this resource.

3. To obtain all Federal, State and City permits required by law, and submit copies to SLD Rights of Way Section.

Grantee agrees to submit an as built certified survey to SLD Rights of Way Section within 60 days of finished construction.

Grantee agrees to notify the Rights of Way Section to arrange for a final inspection.

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

LEGAL DESCRIPTIONS

KE LEASE NUMBER : 016-088092-00
AMENDMENT NUMBER: 0

TOWN Q RNGE Q SEC CO GRANT PARCEL	LEGAL DESCRIPTION	C.C.	ACRES
210 N 070 E 06 03 050 9001	M&B THRU LOT 2 SHOE		3.330
	16-88092 APPROVED CENTERLINE FROM P.I. TO P.I.	0.0	3.330

THE ENGINEERING AND MAPPING SECTION HEREBY SUBMITS THE LEGAL DESCRIPTION OF LANDS REQUIRED AND LOCATED IN:
SEC. 6 TWP. 21N RGE. 7E CO. COCONINO

LEGAL DESCRIPTION:

BEGINNING AT A POINT ON THE NORTH LINE OF SECTION 6, TOWNSHIP 21 NORTH, RANGE 7 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA FROM WHICH THE NORTHEAST CORNER THEREOF BEARS N87°39-40"E (ASSUMED) A DISTANCE OF 2225.07 FEET;

THENCE S1°17'11"W, A DISTANCE OF 300.00 FEET;
THENCE S48°40'58"E, A DISTANCE OF 280.14 FEET;
THENCE S10°35'34"E, A DISTANCE OF 636.27 FEET;
THENCE S37°07'04"W, A DISTANCE OF 683.78 FEET;
THENCE S47°46'49"W, A DISTANCE OF 301.12 FEET;
THENCE S22°04'06"E, A DISTANCE OF 171.87 FEET;
THENCE S65°27'04"E, A DISTANCE OF 256.86 FEET;
THENCE S48°33'51"E, A DISTANCE OF 738.00 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 6;
THENCE N87°45'34"E ALONG SAID SOUTH LINE, A DISTANCE OF 420.00 FEET;
THENCE SOUTH (ASSUMED) PARALLEL TO AND 30 FEET WEST OF THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION A DISTANCE OF 1320 FEET, MORE OR LESS TO A POINT OF TERMINATION.

Appendix A
Page 1 of 1

IN WITNESS HEREOF, the parties hereto have signed this Document effective the day and year set forth previously herein.

STATE OF ARIZONA, GRANTOR
Arizona State Land Commissioner

By: Rose M. Kroyer 8-18-93
Date

(SEAL)

Bea Lee
BEA LEE 8-18-93
GRANTEE Date

By Date

3218 E. Castillo Road
Address

Phoenix AZ 85016
City State Zip

BEA LEE
11455 Concho Canyon
DEWEY, AZ 86327

Candace Owens - RECORDER
OFFICIAL RECORDS OF COCONINO COUNTY
BEA LEE MIS 10.00
3090271
05/08/2001 01:39P

3090271
Page: 1 of 3
MIS

STATE LAND DEPARTMENT
STATE OF ARIZONA

AMENDMENT TO RIGHT OF WAY

NO. 16-88092

The Right of Way between the State of Arizona, Grantor, and BEE LEE, a single person, Grantee, by mutual consent, has been amended as follows:

.19 acres described as the E 30FT OF NWSE; M&B THRU LOT 2; SENW; SWNE in Section 6, Township 21 North, Range 7 East have been added as requested.

This Right of Way Amendment, when executed by the State Land Commissioner (Grantor) and the above mentioned Grantee and is affixed to the original Right of Way, shall be in full force and effect. All other terms and conditions of the Right of Way shall remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have signed this Document effective the day and year set forth below.

STATE OF ARIZONA, GRANTOR
Arizona State Land Commissioner

By Jeanne Cummings 4/9/01
Date

(SEAL)

Bea Lee 4-3-01
GRANTEE **Date**

GRANTEE **Date**

11455 Concho Canyon
Address

DEWEY AZ 86327
City **State** **Zip**

#4-R/W 9/92

Unofficial Copy

ARIZONA STATE LAND DEPARTMENT

LEGAL DESCRIPTION FORM

~~Re-record to correct legal description~~

SUBMITTED TO: DIANE CRAWFORD
REFERENCE: 16-88092

THIS IS TO CERTIFY THAT THIS LEGAL DESCRIPTION WAS PREPARED UNDER MY DIRECTION.

THE ENGINEERING AND MAPPING SECTION HEREBY SUBMITS THE LEGAL DESCRIPTION OF LANDS REQUIRED AND LOCATED IN:

SEC. 6 **TWP.** 21N **RGE.** 7E **CO.** COCONINO

LEGAL DESCRIPTION:

LEGAL DESCRIPTION OF THE CENTER LINE OF A 30.00 FOOT RIGHT OF WAY (15.00 FEET ON EITHER SIDE OF CENTER LINE) OF A PARCEL OF LAND LOCATED IN GOVERNMENT LOT 2, AND THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SWNE) OF SECTION 6, TOWNSHIP 21 NORTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 6,
THENCE S87°39'40"W ALONG THE NORTH LINE OF SAID SECTION 6 A DISTANCE OF 2225.07 FEET, TO THE EAST LINE OF SAID 30.00 FEET WIDE RIGHT OF WAY,
THENCE CONTINUING S89°39'40"W, ALONG THE NORTH LINE OF SAID SAID SECTION 6, A DISTANCE OF 15.00 FEET, TO THE CENTER LINE OF THE R.O.W. AND THE POINT OF BEGINNING,
THENCE S01°17'11"W, ALONG SAID CENTER LINE A DISTANCE OF 300.00 FEET,
THENCE S48°40'58"E, A DISTANCE OF 280.14 FEET,
THENCE S10°35'34"E, A DISTANCE OF 636.27 FEET,
THENCE S37°07'04"W, A DISTANCE OF 683.78 FEET,
THENCE S47°46'49"W, A DISTANCE OF 301.12 FEET,
THENCE S22°04'06"E, A DISTANCE OF 171.87 FEET,
THENCE S65°27'04"E, A DISTANCE OF 256.86 FEET,
THENCE S48°33'51"E, A DISTANCE OF 738.00 FEET, TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 6,
THENCE N87°45'34"E, ALONG THE SAID SOUTH LINE A DISTANCE OF 465.00 FEET, TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE POINT OF TERMINATION OF THE SAID CENTER LINE.
ALSO THE EAST 30.00 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6.

CONTAINING 3.52 ACRES MORE OR LESS

T.B. LEGAL:

John P. Melnick
SIGNATURE
2/7/01
DATE

SHEET 1 **OF** 1

3090271 Page: 2 of 3 NTS

UNOFFICIAL COPY

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE: 23-FEB-2001
RUN TIME: 08:52:46
PAGE: 001

KELEASE 016-088092-00-000
AMENDMENT NUMBER 0

LAND#	LEGAL DESCRIPTION	C.C.	ACREAGE
21.0-N-07.0-E-06-03-050-9008	E 30FT OF NWSE M&B THRU LOT 2 SENW SWNE	0.00	3.520
	Totals	0.00	3.520

Unofficial Copy

3090271 Page: 3 of 3 MIS

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Bryce Doty, Real Estate Manager

Date: 06/02/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-14: An ordinance of the City Council of the City of Flagstaff, abandoning approximately 2,400 square feet of Right of Way in block of Townsite; providing for delegation of authority, repeal of conflicting ordinances, severability, and establishing an effective date

STAFF RECOMMENDED ACTION:

At the June 16th Council Meeting:
1) Read Ordinance No. 2026-14 by title only for the first time
2) City Clerk reads Ordinance No. 2026-14 by title only (if approved above)

At the July 7th Council Meeting:
3) Read Ordinance No. 2026-14 by title only for the final time
4) City Clerk reads Ordinance No. 2026-14 by title only (if approved above)
5) Adopt Ordinance No. 2026-14

Executive Summary:

Block 19 of Townsite of Flagstaff is currently configured with an inverted “L” shaped alleyway. In coordination with a development application, the City Engineer has initiated a request to abandon the North/South leg of the Block 19 alleyway. The proposed abandonment will reserve an underground easement for any existing utilities. The abandoned area, if approved, will be conveyed to the adjacent developer in exchange for a new East/West alleyway leg on the Eastern half of Block 19. This exchange will create an East/West alleyway transecting the entire block.

The abandonment is being requested in order to enhance the downtown alley network by creating an alleyway which transects the entire block. The exchange will also benefit the accessibility of the adjacent development; however, staff is recommending abandonment and exchange regardless of the benefits which may redound to the adjacent development. Aligning this block's alley orientation to be more consistent with the rest of the Downtown alley system is sufficient public benefit to consider abandoning and exchanging the alley with the willing property owner.

There are no staff concerns or concerns from franchise utilities. The City Engineer in consultation with the Water Services Director and Public Works Director, and the Planning and Zoning Commission at a meeting held on May 27, 2026, have determined that the proposed abandonment is consistent with the General Plan, Zoning Code, and any applicable Specific Plan, and all applicable Division standards provided that the City completes the exchange with the adjacent property owner to create an East/West alleyway.

Financial Impact:

None. The alley, if abandoned, will be exchanged for real property of substantially equal value at no cost to the City.

Policy Impact:

The abandonment is consistent with policy provided the dedication of the additional East/West alley is made.

Previous Council Decision or Community Discussion:
There have been no previous council decisions on this matter.

Options and Alternatives to Recommended Action:
Do not approve abandonment. If abandonment is not approved, the existing alley configuration will remain.

Background and History:
The adjacent property owner has submitted a development application to construct a hotel and a parking garage. Through the development process, City Staff determined that an alley transecting the block from east to west would provide public benefit in addition to assisting the property owner's development. The property owner is amenable to exchanging the right of way necessary to create the east to west alley in exchange for the north to south leg of the existing alley.

Connection to PBB Priorities and Objectives:
Livable Community - Provide amenities and activities that support a healthy lifestyle.

Connection to Regional Plan:
Goal T.1. Improve mobility and access throughout the region.
Goal T.2. Improve transportation safety and efficiency for all modes.

Connection to Carbon Neutrality Plan:
DD-2: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Connection to 10-Year Housing Plan:
N/A

Attachments: Ord. 2026-14
Exhibit A: Legal Description
Presentation

ORDINANCE NO. 2026-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF ABANDONING APPROXIMATELY 2,400 SQUARE FEET OF RIGHT OF WAY IN BLOCK OF TOWNSITE; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City has authority to abandon public rights-of-way pursuant to A.R.S. § 28-7201 et seq, and pursuant to the City Code, Title 11, General Plans and Subdivisions, Division 11-20-160, Abandonment or Vacation of Public Right-of-Way; and has authority to dispose of real property pursuant to the Flagstaff City Charter, Article VIII, Section 10; and

WHEREAS, pursuant to A.R.S. § 28-7202 public right-of-way may be abandoned or vacated if it is no longer necessary for a public use; and

WHEREAS, all public utility companies, City divisions and agencies have had the opportunity to review a map of the public right-of-way proposed to be abandoned; and

WHEREAS, the City Engineer in consultation with the Water Services (formerly Utility) Director and Public Works Director, and the Planning and Zoning Commission at a meeting held on May 27, 2026, have determined that the proposed abandonment is consistent with the General Plan, Zoning Code, and any applicable Specific Plan, and all applicable Division standards, as referenced in the staff report on file with the City Clerk.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1: In General.

The City Council hereby finds that approximately 2,400 square feet of public right-of-way, located in Block 19 of Townsite and legally described in Exhibit A attached hereto ("the Property") is no longer necessary for public use, and is hereby abandoned.

The Property shall be conveyed subject to reservation of public utility easement(s) for any existing utilities located under the Property, and subject to any existing encumbrances of record.

SECTION 2: Delegation of Authority.

The Mayor and City Manager are hereby authorized to sign all documents relevant to the exchange of said Property. The City Real Estate Manager is directed to take all necessary steps to effectuate this ordinance. The City Clerk is directed to record a copy of this ordinance.

SECTION 3: Repeal of Conflicting Ordinances.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4: Effective Date.

Pursuant to A.R.S. § 28-7213 this ordinance shall become effective when recorded in the office of the Coconino County Recorder, which shall be at least thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff, this 7th day of July, 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Attachment: Exhibit A Legal description and map

Wood, Patel & Associates, Inc.
602.335.8500
www.woodpatel.com

LEGAL DESCRIPTION
Flagstaff Graduate by Hilton
Alley Abandonment

A portion of that certain Alley in Block 19, Townsite of Flagstaff, recorded in Book 1 of Maps, page 16, Coconino County Records, lying within the southeast quarter of Section 16, Township 21 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Birch Avenue and Leroux Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 25083, from which the intersection of Birch Avenue and Beaver Street, a 2-inch City of Flagstaff brass cap in handhole stamped RLS 18297, bears North 69°16'35" West (basis of bearing), a distance of 349.92 feet;
THENCE along the centerline of said Birch Avenue, North 69°16'35" West, a distance of 167.01 feet;
THENCE leaving said centerline, South 20°43'25" West, a distance of 30.00 feet, to the northeast corner of said certain Alley and the **POINT OF BEGINNING**;
THENCE along the easterly line of said certain Alley, South 20°43'25" West, a distance of 150.03 feet;
THENCE leaving said easterly line, North 69°10'50" West, a distance of 16.00 feet, to the westerly line of said certain Alley;
THENCE along said westerly line, North 20°43'25" East, a distance of 150.00 feet, to the northwest corner of said certain Alley;
THENCE leaving said westerly line, along the northerly line of said certain Alley, South 69°16'35" East, a distance of 16.00 feet, to the **POINT OF BEGINNING**.

Containing 2,400 square feet or 0.0551 acres, more or less.

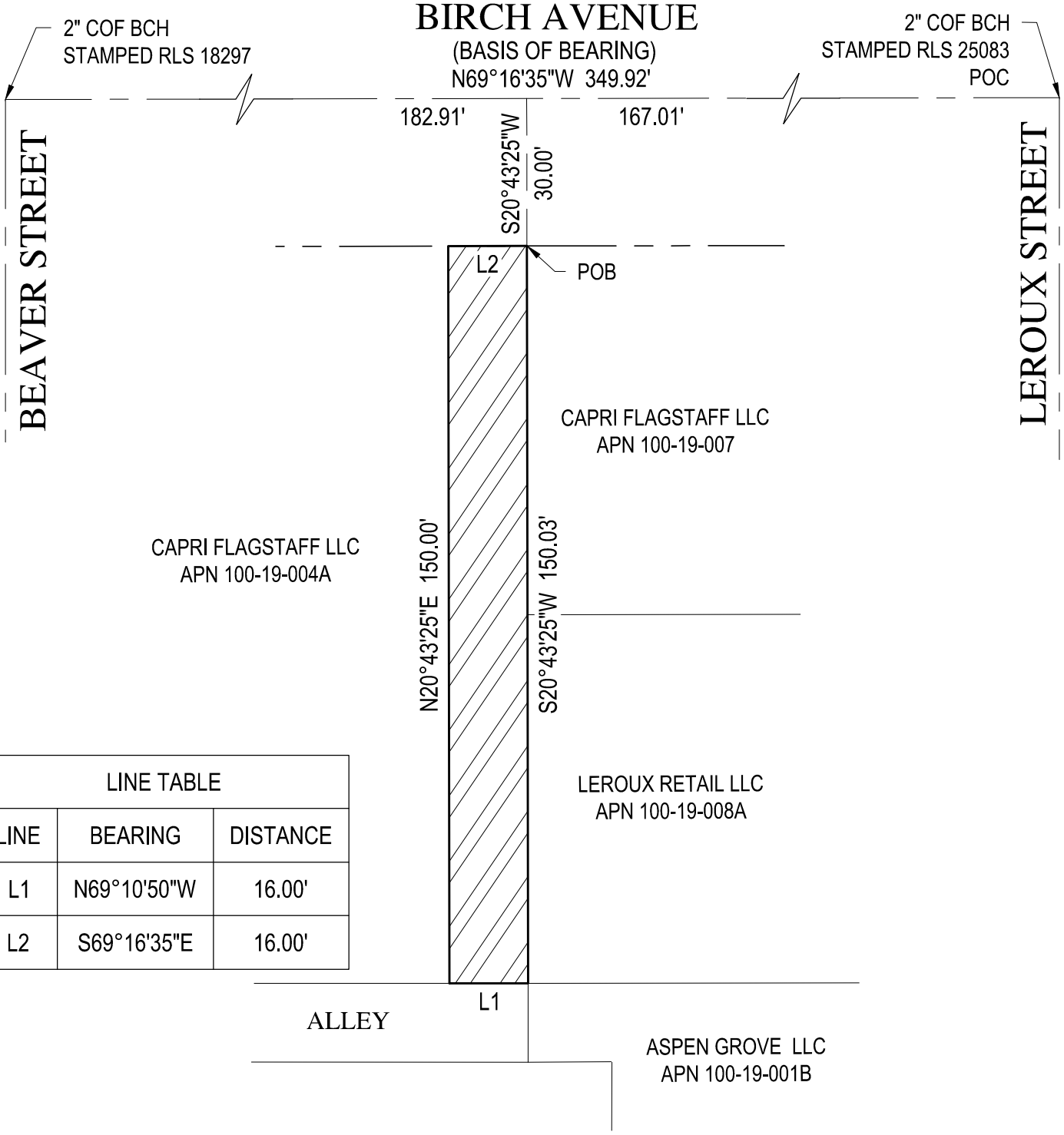
Subject to existing right-of-ways and easements.

This legal description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of March, 2023. Any monumentation noted in this legal description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2024\245623 Flagstaff Graduate by Hilton Alley Abandonment L06 01-19-26.docx



EXPIRES 12-31-26



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N69°10'50"W	16.00'
L2	S69°16'35"E	16.00'

WOOD PATEL

REGISTERED LAND SURVEYOR
CERTIFICATE NO. 48932
GABRIEL S. RIOS
Date Signed 01-19-26
ARIZONA, U.S.A.

EXPIRES 12-31-2026

N

EXHIBIT "A"

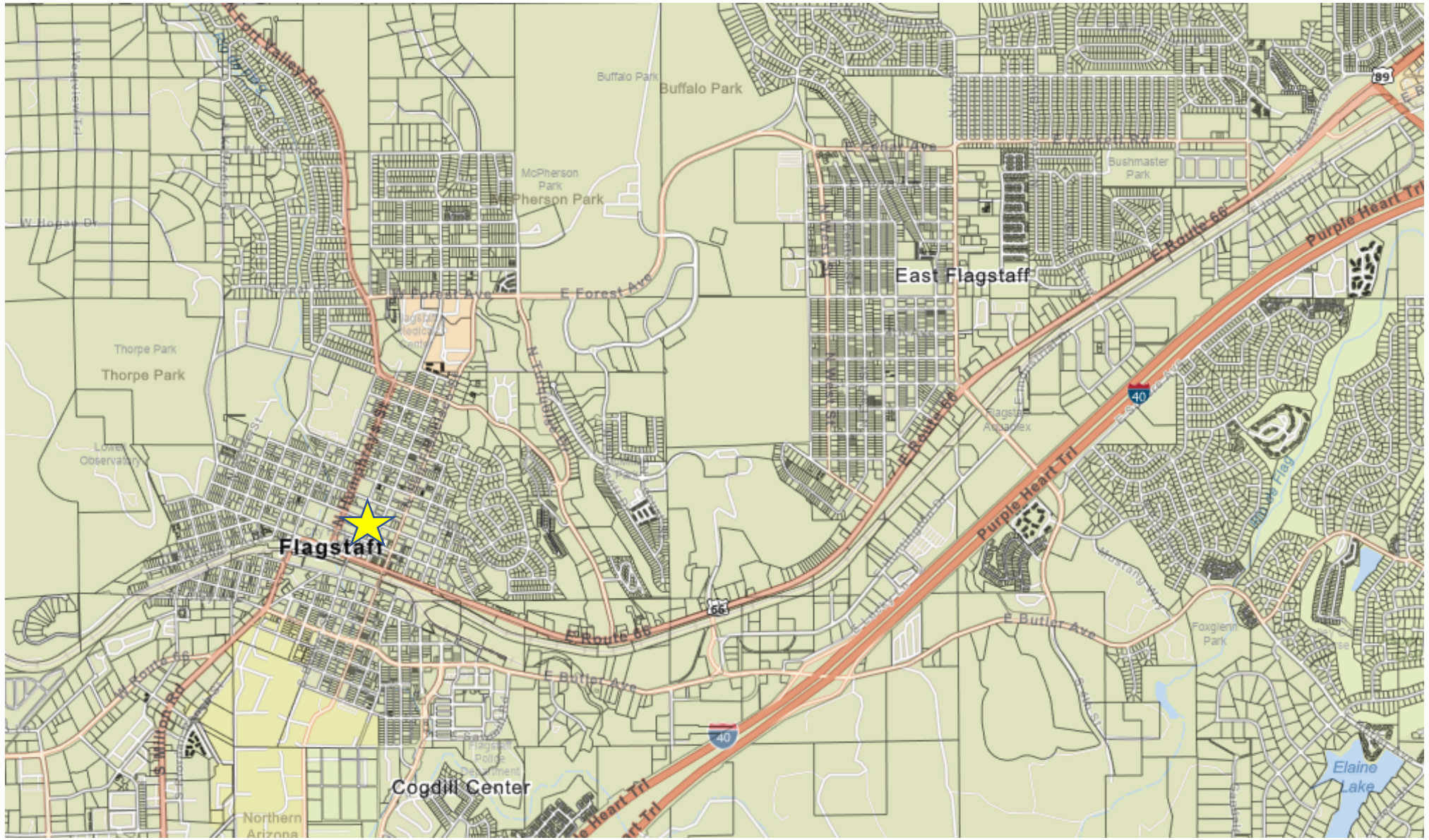
FLAGSTAFF GRADUATE BY HILTON
ALLEY ABANDONMENT
01/19/2026
WP# 245623
PAGE 2 OF 2
NOT TO SCALE
Z:\2024\245623\Survey\Legal\5623-L06.dwg

Block 19 Alley Abandonment

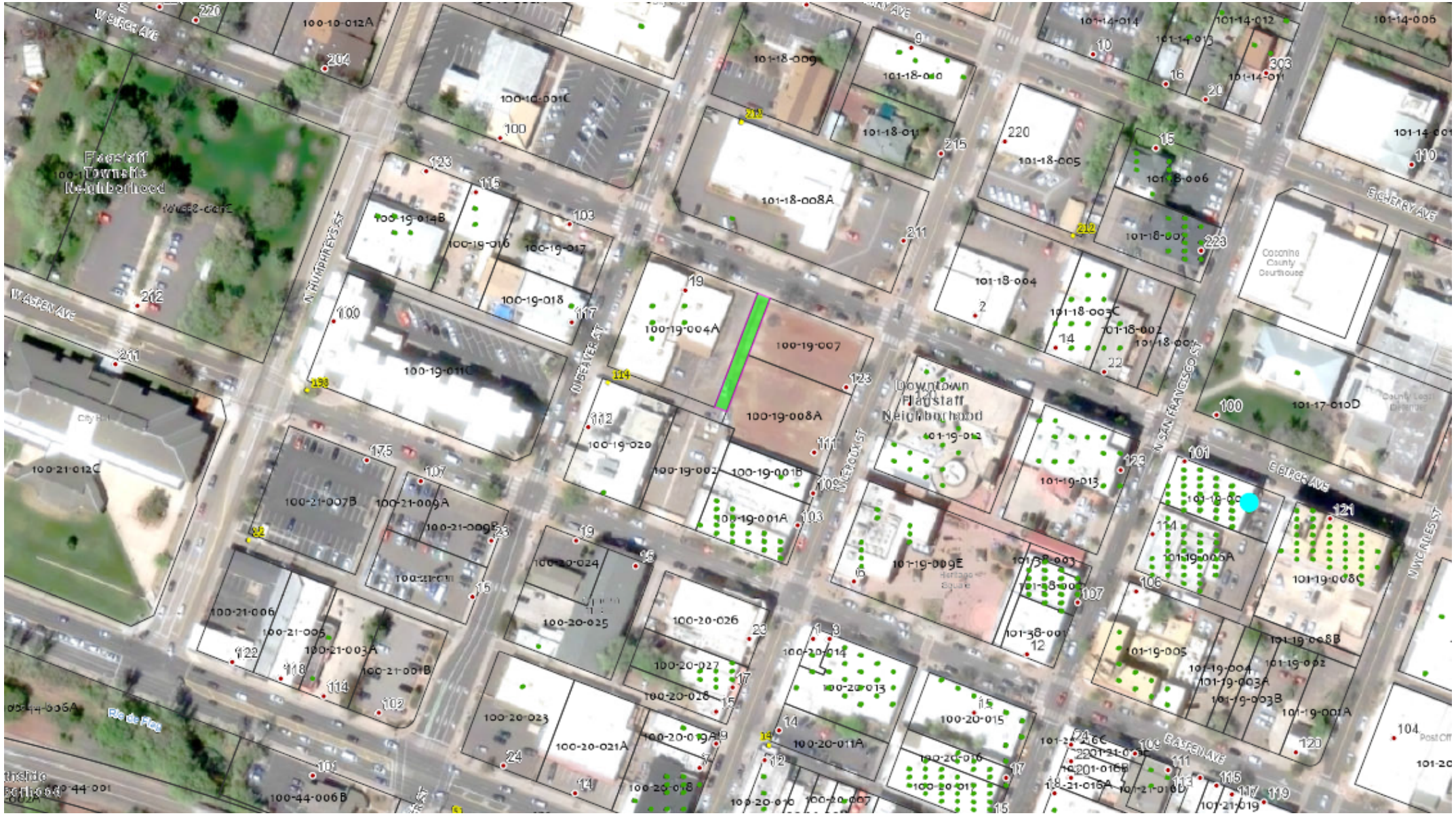
TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Vicinity Map



Vicinity Map



Background

- Platted in the original Townsite



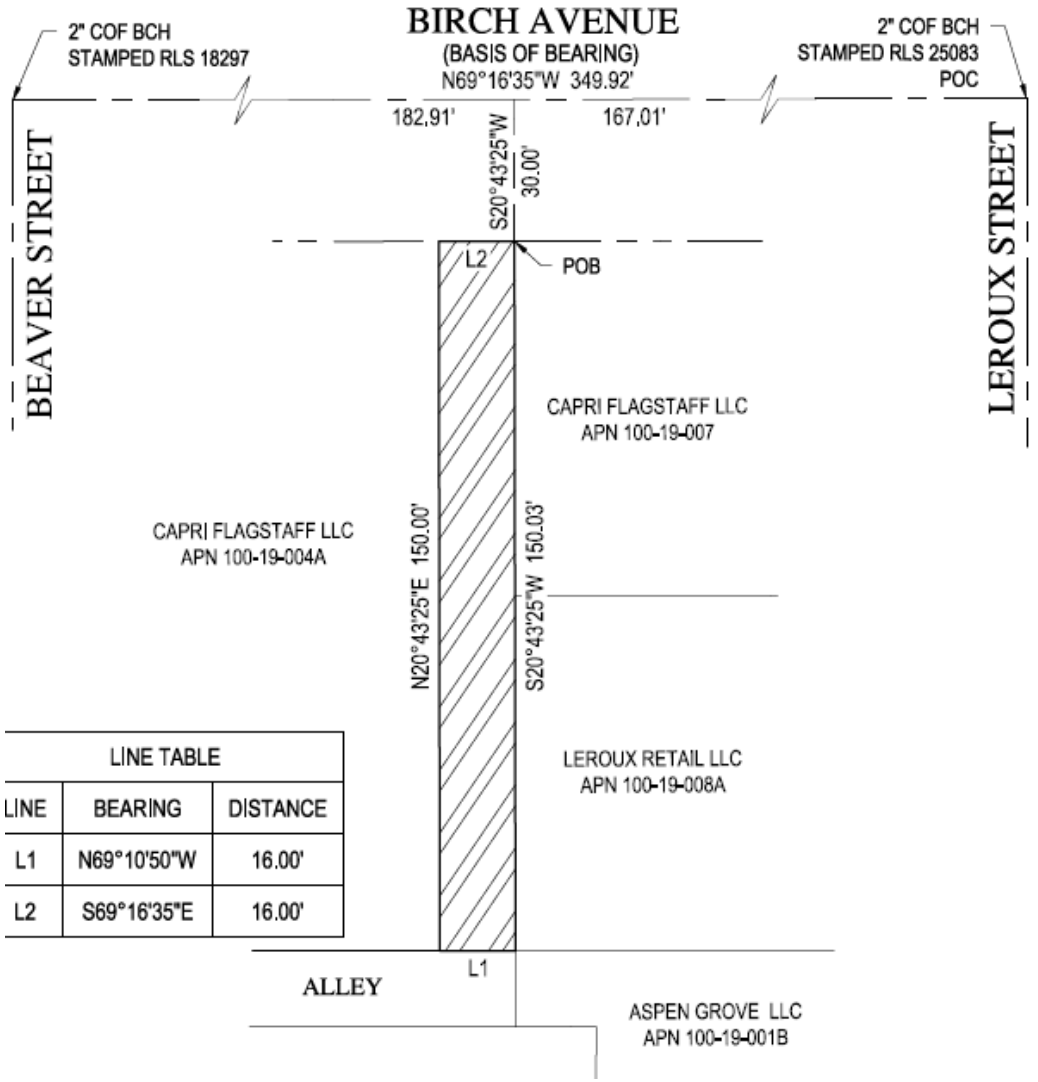


Proposal

- Adjacent property owner is willing to dedicate land to create an East/West alley on this block
- In exchange, City will abandon the North/South alley and convey to adjacent owner
- Existing utilities within alley will retain easements as a condition of abandonment

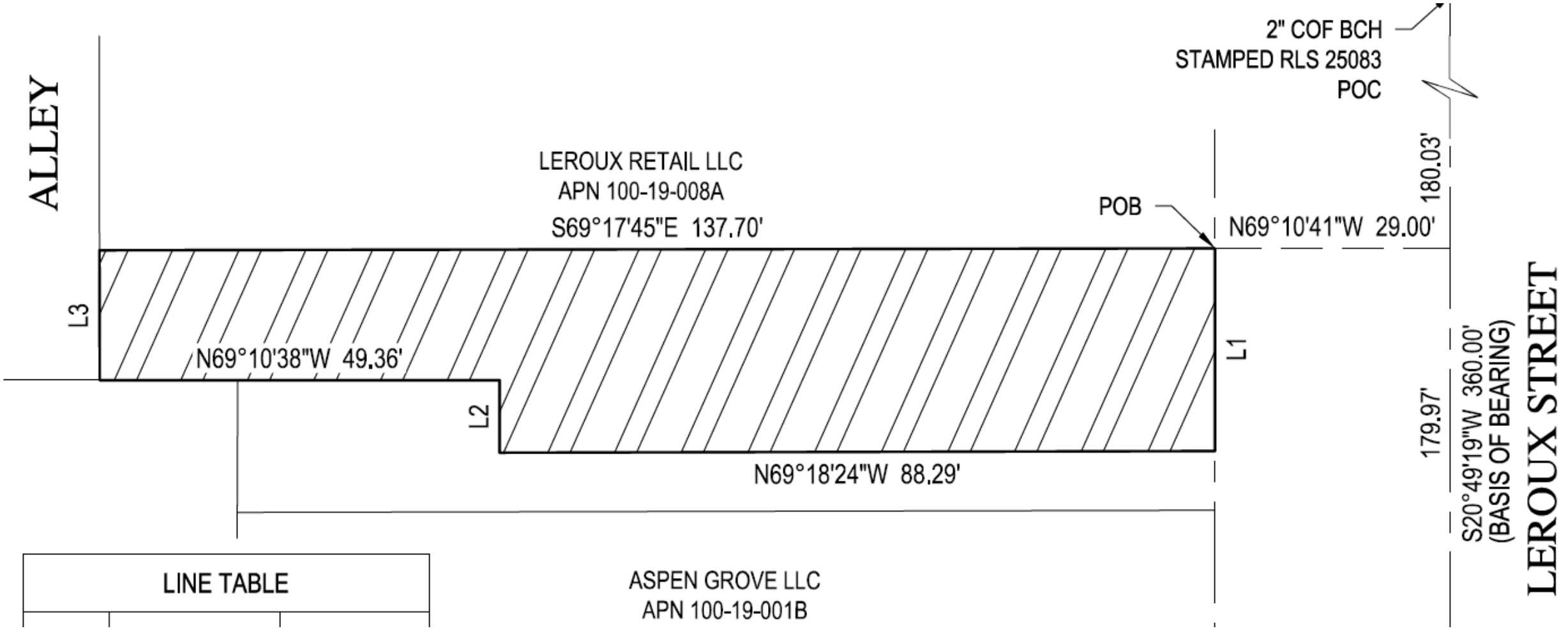


Area of City Abandonment & Exchange



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N69°10'50"W	16.00'
L2	S69°16'35"E	16.00'

Areas City will Receive

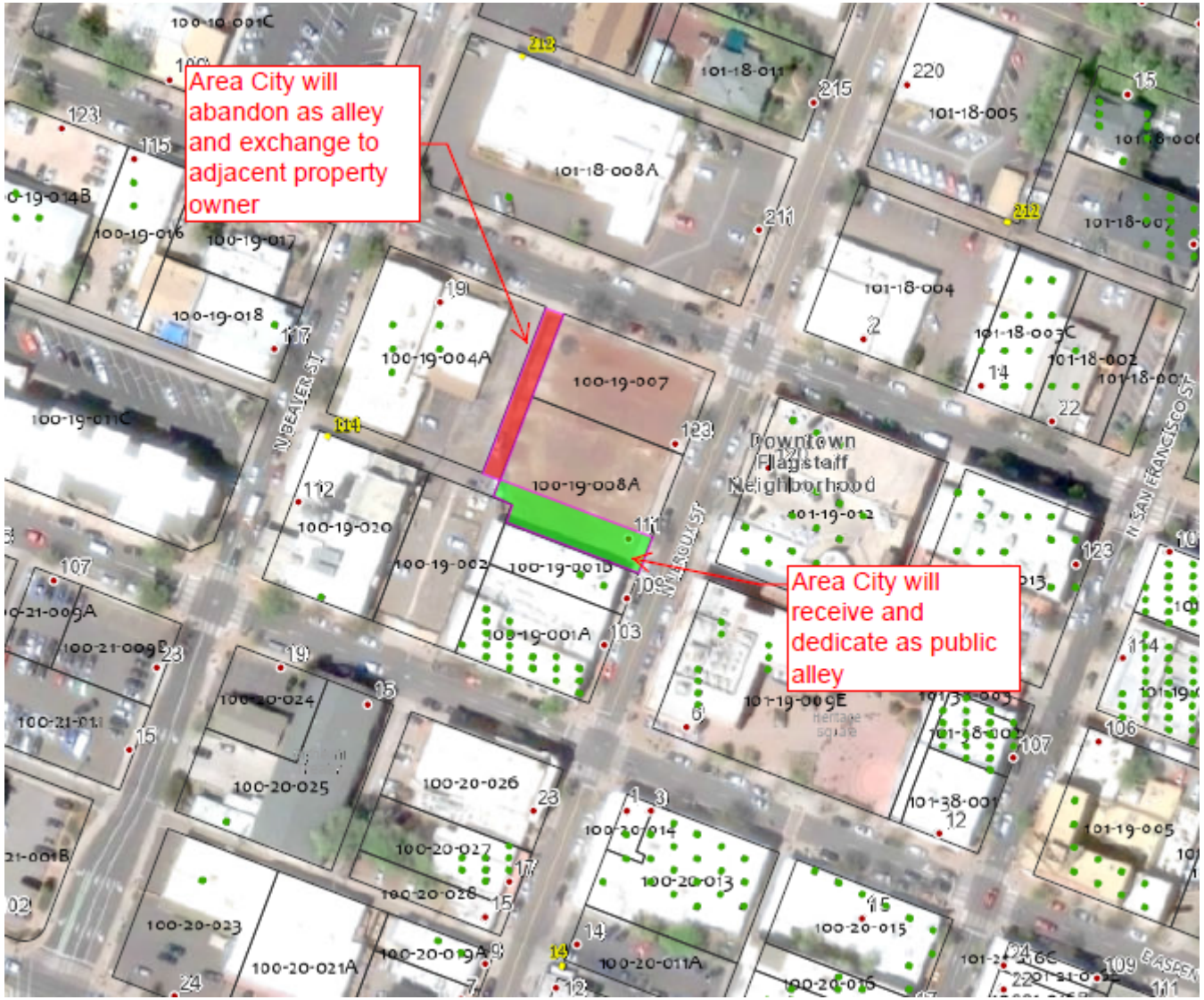


Findings

- No concerns with franchise utilities. Any existing infrastructure will retain an easement.
- Realigning Alley will improve the accessibility of the block and align the alley with the adjacent alley pattern
- No staff concerns with abandonment provided exchange is made.
- Planning and Zoning recommended the abandonment on May 31st, 2026 conditioned on the exchange.



Questions?


Area City will abandon as alley and exchange to adjacent property owner
Area City will receive and dedicate as public alley
Downtown Flagstaff Neighborhood
N BEAVER ST
N SAN FRANCISCO ST
100-19-007
100-19-008A
100-19-004A
100-19-020
100-19-002
100-19-001D
100-19-001A
100-19-009E
100-20-026
100-20-027
100-20-028
100-20-025
100-20-024
100-20-023
100-20-021A
100-20-019A
100-20-014
100-20-013
100-20-011A
100-20-015
101-18-008A
101-18-011
101-18-005
101-18-004
101-18-003C
101-18-002
101-19-012
101-38-001
101-19-005

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Michelle McNulty, Planning and Development Services Director

Date: 03/25/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-27: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between Coconino County and the City of Flagstaff for a jointly funded dark sky code compliance specialist position.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-27 by title only
2. City Clerk reads Resolution No. 2026-27 by title only (if approved above)
3. Adopt Resolution No. 2026-27

Executive Summary:

The City of Flagstaff and Coconino County entered into an Intergovernmental Agreement (IGA) in February 2020, to equally fund the salary of a Dark Sky Specialist position. The original IGA was renewed in May 2021 with all components of the original IGA and proposed a 5-year term set to expire on July 31, 2026. The new IGA continues to propose a 5-year term, and all the other components remain generally the same. Some language under funding has been modified, though the 50% match has been retained with no cap. Objectives have been modified to bring the intent of the position more toward the Coconino Joint Land Use Study (JLUS), and reporting has been modified to give the City more flexibility in deciding frequency and format. Other changes are minor and just intended to provide clarification.

Financial Impact:

The IGA states the County and City will split the cost of the salary equally. The City is responsible for benefits, including retirement and worker's compensation. The financial terms remain the same in the new IGA. The original IGA included a $10,000 contribution from Lowell Observatory. At this point, no third-party contribution is anticipated, but the IGA recognizes if a contribution is realized, the parties will evenly split the cost after the application of the outside contribution.

Policy Impact:

The Coconino JLUS created policies to protect the military missions of the Naval Observatory Flagstaff Station (NOFS) and Camp Navajo. It was adopted by both organizations in the spring of 2019.

- Strategy 20 - Fund a joint Coconino County and City of Flagstaff lighting specialist position for education/enforcement in the next fiscal year (JLUS pg. 91)

The JLUS identifies responsibilities for the position including establishing a baseline database of non-conforming lighting, refining enforcement practices and policies to bring non-conforming lighting into compliance, creating a public education series for the community, creating a volunteer dark sky ambassador program to assist with public education, and providing training for developers, builders, architects, and other building professionals and develop educational materials.

The Coconino Joint Land Use Study can be downloaded from here:
https://www.coconino.az.gov/2212/JLUS

Previous Council Decision or Community Discussion:
The Flagstaff City Council approved the first IGA in February 2020 and renewed a second IGA in May 2021.

Options and Alternatives to Recommended Action:
N/A

Connection to PBB Priorities and Objectives:
High Performing Governance

- Implement innovative local government programs, new ideas and best practices; be recognized as a model for others to follow

Safe & Healthy Community

- Foster a safe, secure, and healthy community

Livable Community

- Create a welcoming community through partnerships, strong neighborhoods, civic engagement, and resident participation
- Achieve a well-maintained community through comprehensive and equitable code compliance

Environmental Stewardship

- Actively manage and protect all environmental and natural resources

Connection to Regional Plan:
Environmental Planning & Conservation
Goal E&C.5. Preserve dark skies as an unspoiled natural resource, basis for an important economic sector, and core elements of community character.

- Policy E&C.5.3. Continue to enforce dark sky ordinances

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Presentation
Res. 2026-27
2021 Signed IGA Renewal
2026 IGA Renewal

DARK SKY COMPLIANCE

Challenges for the Future

FLAGSTAFF – DARK SKY CITY

The City of Flagstaff was recognized as the World's first International Dark Sky City on October 24, 2001, for its pioneering development and implementation of lighting codes that balance the need to preserve Flagstaff's dark sky resource with the need for safe outdoor lighting practices. This division is to help assure that dark skies remain a resource to be enjoyed by the Flagstaff community and its visitors, minimize light pollution and Light Trespass across property lines, maintain an environment that the City's astronomical industry depends upon, reduce energy consumption, minimize the potential disruption to nocturnal ecosystems, and to allow safe and efficient outdoor lighting.

RESIDENTIAL CHALLENGES

- Countless code violations citywide
- Limited resources to address complaints while still generating staff driven cases
- Decorative & Landscape lighting
  - String lights
  - Bright LED lighting
  - Uplighting
  - Misconceptions of brighter is better
- Prioritizing Residential complaints vs. Commercial complaints
- New builds changing fixtures after C of O







COMMERCIAL CHALLENGES

- Compliance timelines can be lengthy and may need to include electrical engineers, consultants and other specialists
- Lack of financial resources for work to be performed
- Lack of prior knowledge regarding required permitting for Outdoor Lighting
- Contractors bypassing the permitting process
- Unshielded string lights
- Safety concerns (misconceptions)

SECURITY & SAFETY

SECURITY

•Data shows that crime does not decrease as light increses. Effective lighting design utilizing fully shielded fixtures can enhance security while using less energy and lowering impact.



SAFETY

- Bright, unshielded white lights may negatively affect safety and adversly affect the ability to see due to the glare and darker shadows created. Brighter lights create darker shadows!



FEEDBACK FROM THE FIELD

- Driving down any given street in Flagstaff can yield numerous residential cases
- Lighting of LTR’s & STR’s generate calls from neighbors, citing violation of the “Dark Sky Ordinance”
- Contacting one residential case will commonly generate complaints from the contacted resident, multiplying the case load exponentially
- String lights are becoming more popular with residents wrapping their trees, bushes, decks, fences, and roof lines
- Holiday lighting is remaining up and illuminated year-round
- Largest emitters of light pollution/lumens are commercial
- Most commercial entities report changing to high color temperature LED referencing safety concerns
- Local hardware outlets promote bright lights for security purposes
- Lumens will continue to rise citywide as more development takes place

LOGISTICS & PRACTICE

Investigative field work will yield as many residential and commercial cases as are feasible to handle. In addition to patrol generated cases, Outdoor Lighting Violations are submitted through a variety of mediums by residents. At any given time, there can be in excess of 20 active cases, requiring regular communication between the Dark Sky Specialist and the party in violation. This communication will often include electrical engineers, contractors, business owners and residents. It is not uncommon to need to educate these parties in Code requirements, permit submission, and the nuances of Flagstaff's procedural flow.

Additionally, the Dark Sky Specialist is tasked with reviewing all Outdoor Lighting Permit and final lighting inspections, requiring flexibility with the existing case load. It is a dynamic job requiring a great deal of time management and a realistic vision of prioritization, which frequently requires the residential cases to be triaged behind plan review, final lighting inspection, and commercial cases.

POTENTIAL SOLUTIONS

- Community Outreach
  - Local Schools
  - Educational “Fireside Chats” at supportive venues
  - Home Owners Associations
  - Apartment Complexes
  - Patrol Ridealongs
- Resource Materials for Public/Community Distribution
- Neighborhood Watch type program
- Social Media to heighten awareness
- Develop Curriculum for Instruction
- Utilize NAU & CCC and Potentially Interns



THANK YOU!!

Robb Faus

Dark Sky Specialist

City of Flagstaff

QUESTIONS?

RESOLUTION NO. 2026-27

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY AND THE CITY OF FLAGSTAFF FOR A JOINTLY FUNDED DARK SKY CODE COMPLIANCE SPECIALIST POSITION

RECITALS:

WHEREAS, the City of Flagstaff and Coconino County desire to jointly fund a shared personnel position known as Code Compliance Officer II-Dark Sky Specialist; and

WHEREAS**,** the Dark Sky Specialist will jointly benefit the City of Flagstaff and Coconino County by providing comprehensive enforcement and inspection services in regard to the standards for outdoor lighting adopted by either the City of Flagstaff or Coconino County, on an as-needed basis, for development that occurs in both the City of Flagstaff and unincorporated areas of Coconino County; and

WHEREAS, the Dark Sky Specialist will further benefit the City of Flagstaff and Coconino County by educating builders, developers, commercial business owners, and residents concerning the Outdoor Lighting Standards; and

WHEREAS, the City Council has read and considered the staff summary report and proposed Intergovernmental Agreement attached thereto and finds that it is in the best interests of the City to enter into the Agreement and establish the respective obligations of each party with regard to the shared Dark Sky Specialist position.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between Coconino County and the City of Flagstaff, Arizona, attached hereto as Exhibit A.

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June 2026.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

BOARD OF SUPERVISORS
Clerk of the Board
219 East Cherry Ave
Flagstaff, AZ 86001

— Jay's original IGA

RESOLUTION NO. 2021-23

A RESOLUTION OF THE COCONINO COUNTY, ARIZONA, BOARD OF SUPERVISORS, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY AND THE CITY OF FLAGSTAFF FOR A JOINTLY FUNDED DARK SKY CODE COMPLIANCE SPECIALIST.

WHEREAS, the City of Flagstaff and Coconino County desire to jointly fund a shared personnel position known as Code Compliance Officer II-Dark Sky Specialist; and

WHEREAS, the Dark Sky Specialist will jointly benefit the City of Flagstaff and Coconino County by providing comprehensive enforcement and inspection services in regard to the standards for outdoor lighting adopted by either the City of Flagstaff or Coconino County, on an as-needed basis, for development that occurs in both the City of Flagstaff and unincorporated areas of Coconino County; and

WHEREAS, the Dark Sky Specialist will further benefit the City of Flagstaff and Coconino County by educating builders, developers, commercial business owners, and residents concerning the Outdoor Lighting Standards; and

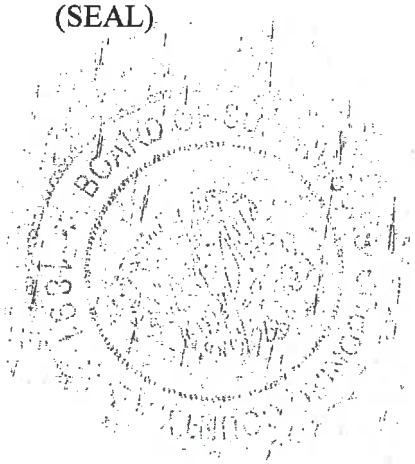
WHEREAS, the Board of Supervisors have read and considered the staff report and proposed Intergovernmental Agreement and finds that it is in the best interest of the County to enter into the Agreement that provides for the respective obligations of each party with regard to the shared Dark Sky Specialist postiion.

NOW, THEREFORE, BE IT RESOLVED BY THE COCONINO COUNTY BOARD OF SUPERVISORS approving the Intergovernmental Agreement between Coconino County and the City of Flagstaff for joint funding of a Dark Sky Code Compliance Specialist. This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the Coconino County Board of Supervisors this 25th day of May, 2021

AYES: 4
NOS: 0
ABSENT: 1

(SEAL)



COCONINO COUNTY BOARD OF SUPERVISORS

Matt Ryan, Chairman

APPROVED AS TO FORM:

Rose Winkeler, Deputy County Attorney

ATTEST:

Lindsay Daley, Clerk of the Board

INTERGOVERNMENTAL AGREEMENT

by and between
City of Flagstaff and Coconino County
regarding the

Dark Sky Code Compliance Specialist

THIS INTERGOVERNMENTAL AGREEMENT (hereinafter "Agreement") dated this May 25, 2021, is by and between CITY OF FLAGSTAFF, a municipal corporation of the State of Arizona (the "CITY"), and COCONINO COUNTY, a political subdivision of the State of Arizona (the "County"). Pursuant to A.R.S. Sections 11-952, the City and the County agree as follows:

RECITALS

WHEREAS, the CITY is authorized to enter into this Agreement pursuant to A.R.S. §§ 11-952 and 41-2632 and Article I, Section 3 of the Flagstaff City Charter; and

WHEREAS, the COUNTY is authorized to enter into this Agreement pursuant to A.R.S. § 11-952; and

WHEREAS, the CITY and the COUNTY desire to jointly fund a shared personnel position known as Code Compliance Officer II – Dark Sky Specialist ("Dark Sky Specialist"); and

WHEREAS, the Dark Sky Specialist will jointly benefit the CITY and the COUNTY by providing comprehensive enforcement and inspection services in regard to the standards for outdoor lighting adopted by either the City or the County ("Outdoor Lighting Standards"), on an as-needed basis, for development that occurs in both the CITY and unincorporated areas of the COUNTY; and

WHEREAS, the Dark Sky Specialist will further benefit the CITY and the COUNTY by educating builders, developers, commercial business owners, and residents concerning the Outdoor Lighting Standards; and

WHEREAS, it is the intent and desire of the parties hereto to provide for the respective obligations of each party with regard to the shared Dark Sky Specialist position.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth, the parties agree as follows:

1. TERM.

A. The term of the Agreement shall be for five (5) years beginning July 1, 2021 until July 1, 2026 , unless terminated by either party pursuant to the provisions of this Agreement.

B. In recognition of, and in deference to, the budgeting needs and obligations of the parties hereto, any party wishing to terminate the provisions of this Agreement without cause shall provide written notice at least 90 days prior to the effective date of such termination.

2. JOINT EMPLOYEE.

A. The City shall provide a Dark Sky Specialist employee to be shared jointly with the COUNTY for the purpose of working directly with residents, property owners, business owners, builders, developers, and lighting professionals on Outdoor Lighting issues, as defined in the Outdoor Lighting Standards, and providing additional opportunities for collaboration between the COUNTY and the CITY.

B. The Dark Sky Specialist will be a regular employee of the CITY, hired by the CITY and subject to the CITY's employment policies, procedures, and systems. Management of the Dark Sky Specialist and related programming will be shared by both the CITY and the COUNTY. Performance evaluations will be managed using the CITY'S process, with input from the COUNTY. The CITY and the COUNTY will each provide work space for the Dark Sky Specialist at their respective locations. A shared work plan for the Dark Sky Specialist will be developed, implemented, evaluated collaboratively, and agreed upon by both parties.

C. The COUNTY and the CITY will work together to develop and coordinate effective training and professional development for the Dark Sky Specialist.

3. REPORTING

A. The Dark Sky Specialist will track and record all daily activities performed in the course of employment, including, but not limited to, educational outreach and enforcement activities.

B. The Dark Sky Specialist will additionally keep accurate records of how their time has been allocated between functions performed for customers within the CITY's jurisdiction and functions performed for customers within the COUNTY's jurisdiction.

C. The Dark Sky Specialist will further create and provide semi-annual reports to the CITY and the COUNTY that accurately reflect a summary of the information required to be maintained under this Subsection. One report will be delivered on or before the first workday in April of each year, and will cover activities for the period of October through the end of March. The second report will be delivered on or before the first workday in October of each year, and will cover activities for the period of April through the end of September.

4. FUNDING.

A. The Dark Sky Specialist position is to be funded jointly by the COUNTY and the CITY for work on behalf of the city and the county. If appropriation by either party is unavailable or is terminated for whatever reason, then the obligation of the parties to this Agreement will also be terminated regarding funding for the Dark Sky Specialist position. Should funding not be available for any reason, neither the

COUNTY nor the CITY will be held responsible to continue the position or fund the position beyond the current contracted term of the Dark Sky Specialist.

B. The CITY and the COUNTY will each provide partial funding in the amount of 50% total salary for the Dark Sky Specialist position minus other third-party contributors.

C. The COUNTY's partial funding commitment, in the amount of 50% of the total salary for the Dark Sky Specialist position, will remain the same should the CITY modify its salary structure, provide for salary increases or decreases for any reason or provide merit, incentive, or any other type of compensation or benefit. The CITY will consult with the COUNTY before reclassifying the Dark Sky Specialist position to a higher salary range or otherwise increasing compensation; however, compensation changes will be made consistent with CITY policies and procedures. The CITY is solely responsible for payment of the employer portion of benefits, including mandatory retirement. The CITY will provide worker's compensation coverage.

D. If appropriation by the COUNTY is unavailable or is terminated for whatever reason, the obligations of the COUNTY under this Agreement are also terminated. Upon termination of this Agreement for any reason, the City may assume the Dark Sky Specialist position as solely a City position with all enforcement contained to the City.

5. INDEMNIFICATION, NOTIFICATION, AND JOINT RESOLUTION.

The COUNTY and the CITY agree to accept responsibility and indemnify the other for any claims arising from the employment of the Dark Sky Specialist with respect to claims arising from circumstances under their respective control or on their premises. The COUNTY and the CITY each agree to promptly notify the other of any claims, complaints, or grievances made by the shared employee to allow for a joint resolution of any claim, complaint, or grievance, if desired.

6. INSURANCE.

The COUNTY shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of its employees or agents.

The CITY shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of its employees or agents.

7. AMENDMENTS; INTEGRATION.

This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof. All amendments or modifications of the Agreement shall be in writing and approved by the Coconino County Board of Supervisors and the Flagstaff City Council.

8. CANCELLATION FOR CONFLICT OF INTEREST.

This Agreement may be cancelled for conflict of interest in accordance with the requirements of Section 38-511 of the Arizona Revised Statutes.

9. NON-DISCRIMINATION.

Each PARTY warrants that it complies with any state and federal laws, rules and regulations which mandate that all persons, regardless of race, color, pregnancy, religion, sex, sexual orientation, gender identify, genetic information, age, national origin, disability, veteran status, caregiving responsibilities, or familial status shall have equal access to employment opportunities. Each PARTY shall take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

10. ATTORNEY APPROVALS.

By their signatures below, the undersigning attorneys do certify that this Agreement has been reviewed by them pursuant to A.R.S. § 11-952(D), and further certify that they have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona as concerns those respective parties of the Agreement represented by the undersigned attorney as indicated .

IN WITNESS WHEREOF, the parties hereto have set forth their hands, through representatives duly so authorized, the day and date first above written.

COCONINO COUNTY

Matt Ryan , Chair
Board of Supervisors

Attest:

Lindsay Daley,
Clerk of the Board of Supervisors

Approved as to form:

County Attorney's Office

CITY OF FLAGSTAFF

Mayor Paul Deasy

Attest:

City Clerk

Approved as to form:

City Attorney's Office

INTERGOVERNMENTAL AGREEMENT

by and between
City of Flagstaff and Coconino County
regarding the

Dark Sky Code Compliance Specialist

THIS INTERGOVERNMENTAL AGREEMENT (hereinafter "Agreement"), dated this __th day of _____ 2026, is by and between CITY OF FLAGSTAFF, a municipal corporation of the State of Arizona (the "CITY"), and COCONINO COUNTY, a political subdivision of the State of Arizona (the "County"). Pursuant to A.R.S. Section 11-952, the City and the County agree as follows:

RECITALS

WHEREAS, the CITY is authorized to enter into this Agreement pursuant to A.R.S. §§ 11-952 and 41-2632 and Article I, Section 3 of the Flagstaff City Charter; and

WHEREAS, the COUNTY is authorized to enter into this Agreement pursuant to A.R.S. § 11-952; and

WHEREAS, the CITY and the COUNTY desire to jointly fund and share a personnel position known as Code Compliance Officer II – Dark Sky Compliance Specialist (“Dark Sky Specialist”); and

WHEREAS, the Dark Sky Specialist does jointly benefit the CITY and the COUNTY by providing comprehensive enforcement and inspection services in regard to the standards for outdoor lighting adopted by either the City or the County ("Outdoor Lighting Standards"), on an as-needed basis, for development that occurs in both the CITY and unincorporated areas of the COUNTY; and

WHEREAS, continuation of this position supports the regional land-use compatibility and enforcement objectives identified in the 2019 Joint Land Use Study (“JLUS”), including the “Enforcement” objectives outlined therein; and

WHEREAS, it is the intent and desire of the parties hereto to provide for the respective obligations of each party with regard to the shared Dark Sky Specialist position.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth, the parties agree as follows:

THEREFORE, in consideration of their mutual promises set out herein, the Independent Contractor and the County agree as follows:

1. TERM

A. The term of this Agreement shall be five (5) years beginning July 1, 2026 and ending July 1, 2031, unless terminated pursuant to this Agreement.

B. In recognition of, and in deference to, the budgeting needs and obligations of the parties hereto, any party wishing to terminate the provisions of this Agreement without cause shall provide written notice at least 90 days prior to the effective date of such termination.

2. JOINT EMPLOYEE

A. The CITY shall provide a Dark Sky Specialist employee to be shared jointly with the COUNTY for the purpose of working with residents, property owners, business owners, builders, developers, and lighting professionals on outdoor lighting issues, as defined in adopted Outdoor Lighting Standards.

B. The Dark Sky Specialist shall be a regular employee of the CITY, hired by the CITY and subject to CITY employment policies, procedures, and systems. Management of the Dark Sky Specialist shall be shared between the CITY and COUNTY Code Enforcement programs. Performance evaluations shall be managed by the CITY with input from the COUNTY. A shared work plan for the Dark Sky Specialist will be developed, implemented, evaluated collaboratively, and agreed upon by both parties.

C. The CITY and the COUNTY shall cooperate to support training and professional development for the Dark Sky Specialist.

3. OBJECTIVES

The Dark Sky Specialist position is intended to support regional land-use compatibility and lighting enforcement objectives identified in the 2019 Joint Land Use Study ("JLUS"), including:

A. Supporting the protection of sensitive installations and regional assets by proactively enforcing adopted outdoor lighting standards within both the CITY and the unincorporated areas of the COUNTY;

B. Promoting consistency in the interpretation and application of outdoor lighting regulations across jurisdictions to minimize adverse lighting impacts, including glare, light trespass, and sky glow;

C. Providing education, outreach, and technical assistance to property owners, residents, businesses, developers, contractors, and lighting professionals to encourage voluntary compliance with outdoor lighting standards; and

D. Enhancing intergovernmental coordination and communication related to outdoor lighting enforcement, inspections, compliance strategies, and technical interpretation between the CITY and the COUNTY.

4. REPORTING

A. The Dark Sky Specialist shall track and record activities in accordance with CITY procedures, including enforcement, inspection, outreach, and education activities.

B. The Dark Sky Specialist shall prepare and submit semi-annual summary reports to the CITY and the COUNTY in a format and on a schedule mutually agreed upon by the CITY and the COUNTY, covering activities performed during the applicable reporting periods.

5. FUNDING.

A. The Dark Sky Specialist position is to be funded jointly by the COUNTY and the CITY. If appropriation by either party is unavailable or is terminated for whatever reason, then the obligation of the parties to this Agreement will also be terminated regarding funding for the Dark Sky Specialist position. Should funding not be available for any reason, neither the COUNTY nor the CITY will be held responsible to continue the position or fund the position beyond the current contracted term of the Dark Sky Specialist.

B. The COUNTY's partial funding commitment shall be fifty percent (50%) of the Dark Sky Specialist position's base salary as established by the CITY's compensation schedule, and will remain proportionate should the CITY modify its salary structure or provide salary increases or decreases. For purposes of this Agreement, "base salary" does not include overtime, acting pay, specialty pay, leave payouts, or other one-time compensation unless otherwise agreed in writing by the parties. The CITY shall provide reasonable advance notice to the COUNTY prior to reclassifying the Dark Sky Specialist position to a higher salary range or otherwise materially increasing compensation. Nothing herein shall be construed to limit the CITY's authority to make compensation or classification decisions in accordance with its policies and procedures. The CITY is solely responsible for payment of the employer portion of benefits, including mandatory retirement. The CITY will provide worker's compensation coverage.

C. The CITY shall be responsible for payment of the Dark Sky Specialist's salary and shall provide all required employer-paid benefits, including but not limited to retirement contributions, worker's compensation coverage, and payroll taxes, in accordance with CITY employment policies and applicable law.

D. All obligations of the COUNTY under this Agreement are subject to the availability of appropriated funds. In the event funds are not appropriated for any fiscal year, the COUNTY shall provide written notice to the CITY and the COUNTY shall have no further funding obligation for that fiscal year. Upon termination or expiration of this Agreement for any reason, the CITY may continue the Dark Sky Specialist position as a CITY position, and services under this Agreement shall cease within the unincorporated areas of the COUNTY.

6. INDEMNIFICATION, NOTIFICATION, AND JOINT RESOLUTION.

The COUNTY and the CITY agree to accept responsibility and indemnify the other for any claims arising from the employment of the Dark Sky Specialist with respect to claims arising from circumstances under their respective control or on their premises. The COUNTY and the CITY each agree to promptly notify the other of any claims, complaints, or grievances

made by the shared employee to allow for a joint resolution of any claim, complaint, or grievance, if desired.

7. INSURANCE.

The COUNTY shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of its employees or agents.

The CITY shall maintain adequate insurance, which may include a bona fide self-insurance program, to cover any liability arising from the acts and omissions of its employees or agents.

8. AMENDMENTS; INTEGRATION.

This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof. All amendments or modifications of the Agreement shall be in writing and approved by the Coconino County Board of Supervisors and the Flagstaff City Council.

9. CANCELLATION FOR CONFLICT OF INTEREST.

This Agreement may be cancelled for conflict of interest in accordance with the requirements of Section 38-511 of the Arizona Revised Statutes.

10. NON-DISCRIMINATION

Each PARTY warrants that it complies with any state and federal laws, rules and regulations which mandate that all persons, regardless of race, color, pregnancy, religion, sex, sexual orientation, gender identify, genetic information, age, national origin, disability, veteran status, caregiving responsibilities, or familial status shall have equal access to employment opportunities. Each PARTY shall take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national original, protected veteran status or disability.

11. ATTORNEY APPROVALS.

By their signatures below, the undersigning attorneys do certify that this Agreement has been reviewed by them pursuant to A.R.S. § 11-952(D), and further certify that they have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona as concerns those respective parties of the Agreement represented by the undersigned attorney as indicated.

IN WITNESS WHEREOF, the parties hereto have set forth their hands, through representatives duly so authorized, the day and date first above written.

COCONINO COUNTY	**CITY OF FLAGSTAFF**
_____	_____
Chair, Board of Supervisors	Mayor
_____	_____
Clerk of the Board of Supervisors	City Clerk
_____	_____
County Attorney's Office	City Attorney’s Office

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Kevin Fincel, Deputy City Attorney

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-18: An ordinance of the Flagstaff City Council authorizing the acquisition of approximately 14.7 acres of real property interests for the John Wesley Powell Extension Project.

STAFF RECOMMENDED ACTION:

At the June 16, 2026, Council Meeting:
1) Read Ordinance No. 2026-18 by title only for the first time
2) City Clerk reads Ordinance No. 2026-18 by title only (if approved above)

At the July 7, 2026, Council Meeting:
3) Read Ordinance No. 2026-18 by title only for the final time
4) City Clerk reads Ordinance No. 2026-18 by title only (if approved above)
5) Adopt Ordinance No. 2026-18

Executive Summary:

Article VII, Section 5, of the Flagstaff City Charter provides that the City acquire real property interests by ordinance.

In November 2018, Flagstaff voters passed Proposition 419 to approve the continuation of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle, and safety improvements. The roadway improvements include the extension of John Wesley Powell Boulevard from its current terminus east of Pine Canyon to South Fourth Street ("John Wesley Powell Extension Project"). The Flagstaff City Council has adopted Ordinance No. 2019-01 to codify the local sales tax rate approved by the Flagstaff voters for the transportation improvements, including the John Wesley Powell Extension Project, and the City of Flagstaff has programmed funding for the John Wesley Powell Extension Project in its Capital Improvement Program.

The City of Flagstaff desires to acquire approximately 14.7 acres of real property interests for the John Wesley Powell Extension Project generally depicted on Exhibit A to the ordinance ("the Property Interests"). The owners of the Property Interests have agreed to dedicate them to the City, and on June 2, 2026, the City Council approved the Second Amendment to the Canyon Del Rio Development, which identifies the amounts to be paid for the Property Interests.

The attached ordinance authorizes the acquisition of the Property Interests, as required by City Charter.

Financial Impact:

In November 2018, voters approved Proposition 419, which allocated a proportional share of funding for roadway, bike, and pedestrian improvements along the future John Wesley Powell extension. The City has reached agreement with the owners of the property on which the JWP extension will be constructed for the dedication and purchase of right-of-way and road construction obligations. The identified funding from

Proposition 419 will pay for the City's proportionate share of the cost of the JWP extension, including the purchase of the Property Interests identified in the attached ordinance. The John Wesley Powell Extension Project is budgeted in account 048-10-117-3369-6 with an FY2025-26 estimate of $6,520,000 and FY2026-27 budget of $25,780,000.

Policy Impact:
None.

Previous Council Decision or Community Discussion:
The City Council approved the Second Amendment to the Canyon Del Rio Development Agreement on June 2, 2026, which sets out the compensation to be paid for the Property Interests.

Options and Alternatives to Recommended Action:
Do not approve the attached ordinance and direct staff accordingly.

Connection to PBB Priorities and Objectives:
N/A

Connection to Regional Plan:
The John Wesley Powell Extension is identified as a future improvement in the Regional Plan.

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
The John Wesley Powell Extension will allow for future residential development in the corridor.

Attachments: Ord. 2026-18
Map of Property Interests

ORDINANCE NO. 2026-18

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL AUTHORIZING THE ACQUISITION OF APPROXIMATELY 14.7 ACRES OF REAL PROPERTY INTERESTS GENERALLY LOCATED SOUTHWEST OF EAST BUTLER AVENUE AND SOUTH FOURTH STREET, FOR THE JOHN WESLEY POWELL EXTENSION PROJECT, PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Article VII, Section 5, of the Flagstaff City Charter provides that the City acquire real property interests by ordinance;

WHEREAS, in November 2018, Flagstaff voters passed Proposition 419 to approve the continuation of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle, and safety improvements. The roadway improvements include the extension of John Wesley Powell Boulevard from its current terminus east of Pine Canyon to South Fourth Street ("John Wesley Powell Extension Project");

WHEREAS, the Flagstaff City Council has adopted Ordinance No. 2019-01 to codify the local sales tax rate approved by the Flagstaff voters for the transportation improvements including the John Wesley Powell Extension Project;

WHEREAS, the City of Flagstaff has programmed funding for the John Wesley Powell Extension Project in its Capital Improvement Program;

WHEREAS, the City of Flagstaff desires to acquire approximately 14.7 acres of real property interests for the John Wesley Powell Extension Project generally depicted on Exhibit A, attached hereto ("the Property Interests");

WHEREAS, the owners of the Property Interests have agreed to dedicate them to the City, and on June 2, 2026, the City Council approved the Second Amendment to the Canyon Del Rio Development, which identifies the amounts to be paid for the Property Interests.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes acquisition of the Property Interests as generally depicted on the map attached hereto as Exhibit A. The Property Interests will be dedicated to the City on future plats, maps of dedication, or other instruments.

SECTION 2. Delegation of Authority.

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, Real Estate Manager, or their delegates or agents are hereby authorized and directed to take all steps and execute all documents necessary to acquire the Property Interests and to carry out the purpose and intent of this ordinance.

SECTION 3. Severability.

That if any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the City Code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. Effective Date.

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 7th day of July, 2026.

_____
MAYOR

ATTEST:

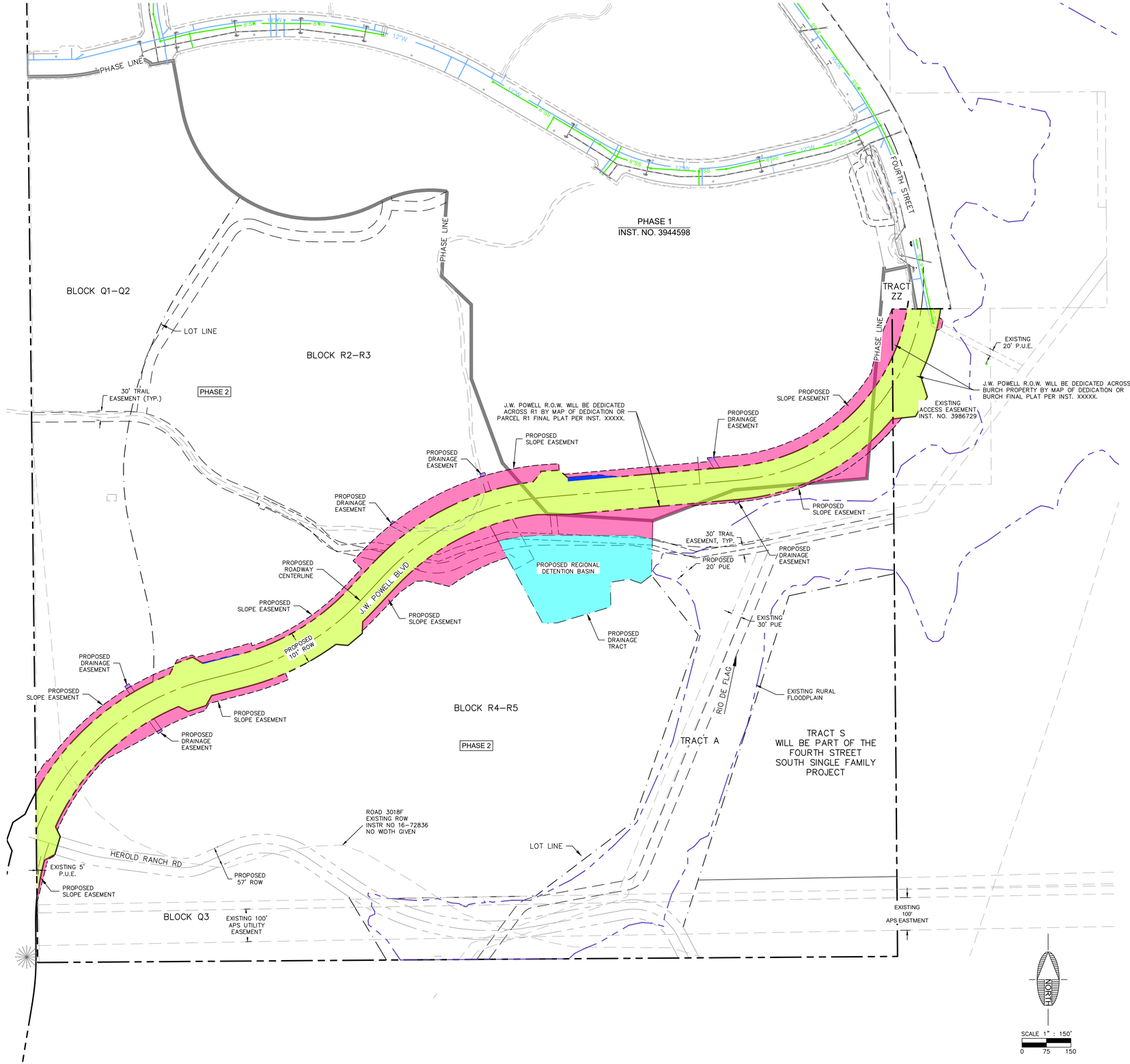
_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
A - Map of Property Interests.

PLOTTED: Aug 13, 2025-5:13pm



ESTIMATED AREAS								
	CDR - PHASE 1		CDR - PHASE 2		BURCH PROPERTY		TOTAL	
	(SF)	(AC)	(SF)	(AC)	(SF)	(AC)	(SF)	(AC)
RIGHT OF WAY	107,607.76	2.47	218,174.77	5.01	32,813.26	0.75	358595.78	8.23
SLOPE EASEMENT	51,876.53	1.19	134,743.72	3.09	4,821.23	0.11	191,441.48	4.39
DRAINAGE EASEMENT	184.96	0.00	571.77	0.01	-	-	756.75	0.02
DETENTION BASIN (15.5% of volume required for JWP Blvd.)	-	-	87,633.04	2.01	-	-	87,633.04	2.01
RIGHT TURN LANE	1366.37	0.03	217.70	0.00	-	-	1584.07	0.04

NOTES:
1. EXISTING FUTS EASEMENTS WITHIN PHASE 2, WILL BE ABANDONED AND DEDICATED PER PARCELS.

PRELIMINARY

NOT FOR CONSTRUCTION, BIDDING OR RECORDING

PRELIMINARY R.O.W. / EASEMENT MAP

CDR PHASE II – PRELIMINARY BLOCK PLAT
FLAGSTAFF ARIZONA

JOB NO:	223357
DATE:	AUG 25
SCALE:	AS SHOWN
DRAWN:	BH
DESIGN:	BH
CHECKED:	BN/AS

110 W. Dale Avenue
Flagstaff, AZ 86001
928.773.0334
928.774.8934 fax
www.swiaz.com
Shephard Wesnitzer, Inc.

REVISIONS			
NO.	DESCRIPTION	DATE	BY

Call at least two full working days before you dig, it's the law!
ARIZONA811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
MAP

SHT NO. 1 OF 1

FILE: P:\2023\223357\DRAWINGS\EXHIBITS\2025-01-09 PARCEL LINE\WORK\223357 - PARCEL MAP.DWG BHONAME

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Co-Submitter: Shannon Anderson

Date: 06/03/2026

Meeting Date: 06/16/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-36: A resolution of the Flagstaff City Council, ordering and calling a Special Election of the City for November 3, 2026, in conjunction with the City's General Election, to submit a bond question to the qualified electors of Flagstaff with respect to selling and issuing general obligation bonds in the aggregate principal amount of $40,000,000, to be repaid with secondary property taxes for public safety infrastructure and equipment

AND

Consideration and Adoption of Resolution No. 2026-37: A resolution of the Flagstaff City Council, ordering and calling a Special Election of the City for November 3, 2026, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to the possible increase of the local Transaction Privilege Tax (Sales Tax) of an additional 0.5% for the purposes of enhanced public safety services

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-36 by title only
2. City Clerk reads Resolution No. 2026-36 by title only (if approved above)
3. Adopt Resolution No. 2026-36
4. Read Resolution No. 2026-37 by title only
5. City Clerk reads Resolution No. 2026-37 by title only (if approved above)
6. Adopt Resolution No. 2026-37

Executive Summary:

The City Council identified public safety as a Council budget priority in January 2025. This conversation was discussed further during the April 2025 Council Budget Retreat and in a follow-up conversation about a potential public safety ballot measure and citizen committee in September 2025. City staff began working with the Citizen Committee in November 2025 meeting almost weekly to share information about the City's budget revenues and expenditures, support currently provided for public safety, the identified public safety needs within Fire, Emergency Management, Aircraft Rescue and Firefighting, and Police and sources available to provide additional revenue. A community survey was conducted with some preliminary thoughts from the Committee on sales tax and general obligation bonds. This feedback, along with information shared during open call to the public, was considered by the Committee members when crafting a recommendation for City Council's consideration. The recommendation from the committee was for a 0.5% (half cent) sales tax, a $40 million general obligation bond, and an evaluation of the Water Resource and Infrastructure Protection Fund fee (WRIP) in 2027.

The City Council gave direction on May 26, 2026 to advance two ballot questions related to enhanced public safety services; one related to the possible increase of the local Transaction Privilege Tax (Sales Tax) by 0.5% to enhance public safety services, and the other to authorize a bond of $40,000,000 to invest

in public safety infrastructure and equipment.

Financial Impact:
Project Name: 2026 General Election
Cost: Approximately $150,000
Account Number Budgeted: 001-01-017-0016-1-4290
FY Budgeted Amount: $300,000
Funding Source: General Fund

Policy Impact:
None

Previous Council Decision or Community Discussion:
March 24th City Council presentation – public safety needs
May 5th City Council presentation – community survey results
May 26th City Council presentation – Citizen Committee recommendation

Options and Alternatives to Recommended Action:
Not advance the questions to the November 3, 2026 election.

Connection to PBB Priorities and Objectives:
High Performing Governance
Safe & Healthy Community
Livable Community

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Attachments: Res. 2026-36 (Bond)
Bond Election Exhibits
Res. 2026-37 (Sales Tax)
Sales Tax Election Exhibits
Presentation

RESOLUTION NO. 2026-36

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL ORDERING AND CALLING A SPECIAL BOND ELECTION OF THE CITY FOR NOVEMBER 3, 2026, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT A BOND QUESTION TO THE QUALIFIED ELECTORS OF FLAGSTAFF WITH RESPECT TO SELLING AND ISSUING GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF $40,000,000, TO BE REPAID WITH SECONDARY PROPERTY TAXES FOR PUBLIC SAFETY INFRASTRUCTURE AND EQUIPMENT

RECITALS:

WHEREAS, at the request of the City Council, the City Manager appointed members to the Public Safety Ballot Measure Citizen Committee to serve as an ad hoc, temporary, advisory board to make recommendations to the City Council as to possible ballot measures at the November 2026 election, with respect to the enhancement of public safety services; and

WHEREAS, after the recommendation by the Public Safety Ballot Measure Citizen Committee, the City Council considered various options and hereby finds and determines that public safety infrastructure and equipment needs of the City can best be financed through the sale and issuance of bonds, the debt service of which shall be paid through the levy of secondary, *ad* valorem property taxes levied upon all taxable property in the City; and

WHEREAS, pursuant to Section 35 452, Arizona Revised Statutes, the City Council must order an election to determine whether such indebtedness shall be authorized through the issuance and sale of bonds of the City, the debt service with respect to which shall be paid through the levy of secondary (ad valorem) property taxes.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the City Council hereby orders and calls a Special Bond Election (the "Election") to be held on November 3, 2026, for the purpose of submitting to the qualified electors of the City the question substantially in the form set forth in Exhibit "A" attached hereto (together, the "Official Ballot").

SECTION 2. That the aggregate principal amount of the bonds to be authorized at the Election shall be $40,000,000; the maximum rate of interest to be paid thereon shall be not more than ten percent (10%) per annum; the minimum and maximum number of years bonds of any issue or series authorized at the Election may run from their date shall be 1 year and 20 years, respectively; the purposes for which the money derived from the sale of the bonds will be expended shall be as more fully set forth in the Official Ballot; the current July 1, 2025 constitutional debt limit of the City is $488,085,879, being twenty-six percent (26%) of the net assessed full cash value of the taxable property in the City (which debt limit is based on the estimated value provided by the Assessor of Coconino County, Arizona for 2022/2023; the City

currently has $50,410,000 aggregate principal amount of general obligation debt outstanding as of July 1, 2025.

SECTION 3. A notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet") to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.

SECTION 4. The Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and mailed according to law and the provisions of this resolution.

SECTION 5. The official ballot for the Election shall be in substantially the form hereto attached and marked Exhibit "A."

SECTION 6. The Clerk of the City is hereby authorized to request arguments for and against the subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached and marked Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the Council of the City are posted and publishing the Notice of Arguments once in the Arizona Daily Sun. The deadline to submit arguments shall be 5:00 p.m. MST on August 5, 2026.

SECTION 7. The City Clerk is authorized to enter into any agreements with the Coconino County Elections Department and any necessary vendors to provide election services.

SECTION 8. The polling places used in the City will be the polling places established by Coconino County. The polls will be open from 6:00 a.m. until 7:00 p.m. on Election Day.

SECTION 9. The Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law.

SECTION 10. All expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.

SECTION 11. The City Clerk is hereby further authorized to take all other necessary action to facilitate the Election.

SECTION 12. In all particulars not recited in this Resolution, the elections shall be held and conducted in accordance with the election laws of the State of Arizona, except as otherwise provided by the City Charter.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 21st day of June, 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
A – Official Ballot
B – Notice for Arguments

EXHIBIT A

OFFICIAL BALLOT

PROPOSITION NO. 405

Purpose: **Investing in City of Flagstaff public safety infrastructure and equipment**

Amount: **$40,000,000**

To address infrastructure and equipment needs for the City of Flagstaff public safety services, shall the City of Flagstaff be authorized to issue and sell general obligation bonds in a principal amount up to $40,000,000 for the purpose of the construction of facilities and the purchase of vehicles and equipment.

The bonds may be issued in one or more series, will not mature more than 30 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed 10% per annum, and will have such other provisions as are approved by the City Council. The proceeds of the bonds may be used for any and all costs relating to the above-referenced projects, including the costs of designing, engineering, acquiring, storing, administering, improving, constructing, reconstructing, and equipping such projects and any and all appurtenances or land related thereto.

The following sentence has been included on this ballot as required by Section 35-454(C), Arizona Revised Statutes: The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

A **YES** vote shall authorize the governing body of the City to issue and sell $40,000,000 of general obligation bonds of the City to be repaid with secondary property taxes. **BOND APPROVAL, YES**

A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City. **BOND APPROVAL, NO**

EXHIBIT B

FORM OF NOTICE FOR ARGUMENTS

REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/ SPECIAL ELECTION TO BE HELD ON NOVEMBER 3, 2026

Pursuant to Resolution No. 2026-36 adopted by the City Council of the City of Flagstaff, Arizona, (the "City"), on June 16, 2026 (the "Resolution"), a special election in and for the City was ordered and called to be held on November 3, 2026 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet. Such information is to include arguments for and against the authorization of the issuance of bonds payable from a secondary (ad valorem) property tax by the City to be considered at the Election. (The text of the questions to be considered at the Election is included in the Resolution which is available at the Office of the City Clerk at 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website at https://www.flagstaff.az.gov/2105/Elections.) Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk in electronic format at cofelections@flagstaffaz.gov, before 5:00 p.m., MST on Wednesday August 5, 2026.

Each argument filed shall not exceed 300 words and, in accordance with Arizona Revised Statutes, shall contain the sworn statement of each person sponsoring it; if the argument is submitted by an organization, it shall contain the sworn statement of two executive officers of the organization or if submitted by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. The person or persons signing the argument shall identify themselves by giving their residence address and a telephone number, which shall not appear in the pamphlet.

Arguments must be submitted in electronic format to the City Clerk's Office at cofelections@flagstaffaz.gov. Any argument that is submitted that does not comply with the above requirements may not be included in the pamphlet.

PROPOSITION NO. 405 Investing in City of Flagstaff public safety infrastructure and equipment

If you have any questions about the foregoing, please contact the City Clerk's Office, at cofelections@flagstaffaz.gov

/s/ Stacy Saltzburg, MMC
.....
City Clerk, City of Flagstaff, Arizona

RESOLUTION NO. 2026-37

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL ORDERING AND CALLING A SPECIAL ELECTION OF THE CITY FOR NOVEMBER 3, 2026, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT A QUESTION TO THE QUALIFIED ELECTORS OF FLAGSTAFF WITH RESPECT TO AN INCREASE IN THE CITY'S TRANSACTION PRIVILEGE (SALES TAX) OF AN ADDITIONAL 0.5% FOR THE PURPOSES OF ENHANCED PUBLIC SAFETY SERVICES

RECITALS:

WHEREAS, at the request of the City Council, the City Manager appointed members to the Public Safety Ballot Measure Citizen Committee to serve as an ad hoc, temporary, advisory board to make recommendations to the City Council as to possible ballot measures at the November 2026 election, with respect to the enhancement of public safety services; and

WHEREAS, after the recommendation by the Public Safety Ballot Measure Citizen Committee, the City Council considered various options and hereby finds and determines that the need for enhanced public safety services can best be financed through an increase in the City's transaction privilege (sales) tax an additional 0.5% of taxable sales for a period of fifteen (15) years for the purposes of enhanced public safety services; and

WHEREAS, VI, Section 2(b) of the City Charter, an increase in the City's transaction privilege/sales tax for such purposes must be approved by a majority of the qualified electors voting in the regularly scheduled general election.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the City Council hereby orders and calls a Special Election (the "Election") to be held on November 3, 2026, for the purpose of submitting to the qualified electors of the City the question substantially in the form set forth in Exhibit "A" attached hereto (together, the "Official Ballot").

SECTION 2. A notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet") to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.

SECTION 3. The Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and mailed according to law and the provisions of this resolution.

SECTION 6. The official ballot for the Election shall be in substantially the form hereto attached and marked Exhibit "A."

SECTION 7. The Clerk of the City is hereby authorized to request arguments for and against the

subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached and marked Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the Council of the City are posted and publishing the Notice of Arguments once in the Arizona Daily Sun. The deadline to submit arguments shall be 5:00 p.m. MST on August 5, 2026.

SECTION 8. The City Clerk is authorized to enter into any agreements with the Coconino County Elections Department and any necessary vendors to provide election services.

SECTION 9. The polling places used in the City will be the polling places established by Coconino County. The polls will be open from 6:00 a.m. until 7:00 p.m. on Election Day.

SECTION 10. The Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law.

SECTION 11. All expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.

SECTION 12. The City Clerk is hereby further authorized to take all other necessary action to facilitate the Election.

SECTION 12. In all particulars not recited in this Resolution, the elections shall be held and conducted in accordance with the election laws of the State of Arizona, except as otherwise provided by the City Charter.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 16th day of June, 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
A – Official Ballot
B – Notice for Arguments

EXHIBIT A

OFFICIAL BALLOT

PROPOSITION NO. 404

OFFICIAL TITLE: A MEASURE REFERRED TO THE PEOPLE BY THE FLAGSTAFF CITY COUNCIL TO LEVY A TRANSACTION PRIVILEGE TAX (SALES TAX) DEDICATED TO ENHANCE PUBLIC SAFETY SERVICES AT A RATE OF 0.5%, COMMENCING ON JULY 1, 2027 FOR A PERIOD OF 15 YEARS ENDING JUNE 30, 2042

DESCRIPTIVE TITLE: Consideration of a Sales Tax dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of fifteen years and authorizing the issuance of debt for these purposes.

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety.	**SALES TAX INCREASE, YES**
A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety.	**SALES TAX INCREASE, NO**

EXHIBIT B

FORM OF NOTICE FOR ARGUMENTS

REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/ SPECIAL ELECTION TO BE HELD ON NOVEMBER 3, 2026

Pursuant to Resolution No. 2026-37 adopted by the City Council of the City of Flagstaff, Arizona, (the "City"), on June 16, 2026 (the "Resolution"), a special election in and for the City was ordered and called to be held on November 3, 2026 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet. Such information is to include arguments for and against the authorization of the issuance of bonds payable from a secondary (ad valorem) property tax by the City to be considered at the Election. (The text of the questions to be considered at the Election is included in the Resolution which is available at the Office of the City Clerk at 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website at https://www.flagstaff.az.gov/2105/Elections.) Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk in electronic format at cofelections@flagstaffaz.gov, before 5:00 p.m., MST on Wednesday August 5, 2026.

Each argument filed shall not exceed 300 words and, in accordance with Arizona Revised Statutes, shall contain the sworn statement of each person sponsoring it; if the argument is submitted by an organization, it shall contain the sworn statement of two executive officers of the organization or if submitted by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. The person or persons signing the argument shall identify themselves by giving their residence address and a telephone number, which shall not appear in the pamphlet.

Arguments must be submitted in electronic format to the City Clerk's Office at cofelections@flagstaffaz.gov. Any argument that is submitted that does not comply with the above requirements may not be included in the pamphlet.

PROPOSITION NO. 404	A measure referred to the people by the Flagstaff City Council to levy a Transaction Privilege Tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027, for a period of 15 years ending June 30, 2042

If you have any questions about the foregoing, please contact the City Clerk's Office, at cofelections@flagstaffaz.gov

/s/ Stacy Saltzburg, MMC
.....
City Clerk, City of Flagstaff, Arizona

Call of Special Election

City Council

June 16, 2026

Background

- March 24th City Council presentation – public safety needs
- May 5th City Council presentation – community survey results
- May 26th City Council presentation – Citizen Committee recommendation
- All details are available at https://connect.flagstaffaz.gov/safety-committee the Connect Flagstaff Public Safety site

Citizen Committee Recommendation

- 0.5% (half cent) sales tax
- $40 million general obligation bond
- Evaluation the Water Resource and Infrastructure Protection Fund fee (WRIP) in 2027

Ongoing Resources

0.5% (half cent) sales tax

- All-Risk Firefighters for wildland fire, suppression, and EMS
- Fire academy and training
- Fire supplies and equipment
- Fire cancer testing and turnouts
- Police training
- Station O&M
- Emergency response vehicles and maintenance
- Citywide evacuation plan
- Emergency Management personnel
- Aircraft rescue firefighters, equipment & supplies
- Police personnel, equipment & supplies

One-Time Resources

$40 million General Obligation Bond

- Wildland fire equipment
- Wildland fire facility
- Emergency medical equipment
- JWP Fire Station #7
- Emergency Management supplies and equipment
- Station expansion and modernization
- Upgraded dispatch technology
- Radios and communication
- Emergency vehicle fleet
- Criminal investigation tools

Sales Tax

- 0.5% produces $18.2 million per year, for 15 years
- Increases City's base tax rate from 2.486% to 2.986%
- 37% paid by visitors
- Half of AZ cities have rate of 3.00% or higher
- Utilized to address enhanced public safety needs
- Ongoing source for additional staff and related expenses



What does a Sales tax rate mean to consumers?



- Tax applies to items like dining bills and commodities like a refrigerator
- Tax does not apply to food at the grocery store or residential rent
- At 0.5% the tax would be $0.50 (fifty-cents) per $100
- Examples
  - Purchase a $50,000 vehicle is $250 more
  - Eat fast food for $21 costs $0.11 more
  - Buy a gallon of milk for $4.59 is $0 more
  - Apartment rent for $1,575 is $0 more

Sales Tax Ballot Language

A measure referred to the people by the Flagstaff City Council to levy a transaction privilege tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042.



A YES vote shall increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

A NO vote shall not increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

Sales Tax Ballot Language

A measure referred to the people by the Flagstaff City Council to levy a transaction privilege tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042.

A YES vote shall increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

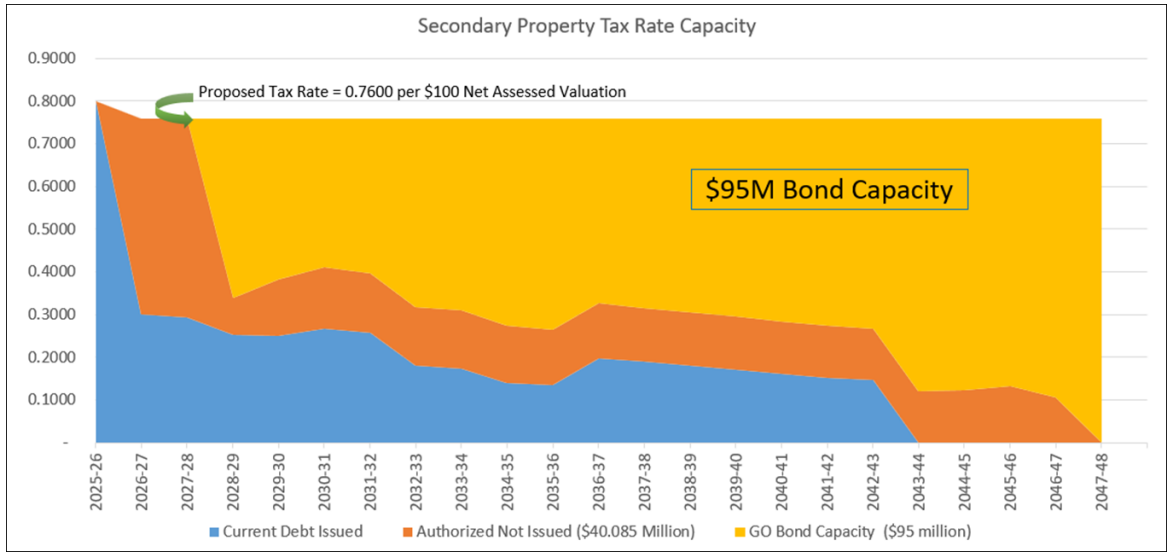
A NO vote shall not increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

AS IT WILL APPEAR ON BALLOT

PROPOSITION NO. 404	
A measure referred to the people by the Flagstaff City Council to levy a Transaction Privilege Tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042 A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety A **NO** vote shall have the effect of not of approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety.	
◯	**YES**
◯	**NO**

General Obligation Bond

- $95 million in capacity
- Flat rate policy for Secondary Property Tax is set at 0.7600
- Assuming assessed value increased by 5%
  - Average Residential customer pays $14.93 more per year
  - $1 million Commercial property pays ($0.11) less per year
- Supplement with Development Impact Fees
- One-time source for buildings and equipment



General Obligation Bond Ballot Language

A measure referred to the people by the Flagstaff City Council relating to the issuance of general obligation bonds in a principal amount of $40,000,000 to invest in public safety infrastructure and equipment.

A YES vote shall authorize the governing body of the City to issue and sell $40,000,000 of general obligation bonds of the City to be repaid with secondary property taxes

A NO vote shall not authorize the governing body of the City to issue and sell such bonds of the City

AS IT WILL APPEAR ON BALLOT

PROPOSITION NO. 405	
A measure referred to the people by the Flagstaff City Council relating to the issuance of general obligation bonds in a principal amount of $40,000,000 to invest in public safety infrastructure and equipment A **YES** vote shall authorize the governing body of the City to issue and sell $40,000,000 of general obligation bonds of the City to be repaid with secondary property taxes A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City	
◯	**BOND APPROVAL, YES**
◯	**BOND APPROVAL, NO**

Resolutions

Two separate actions:

1. Read and Adopt Resolution #2026-36 – Bond Question
2. Read and Adopt Resolution #2026-37 – Sales Tax

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Tiffany Antol, Zoning Code Manager

Date: 05/27/2026

Meeting Date: 06/16/2026

TITLE

Discussion: Land Availability & Site Suitability/Code Analysis Project (LASS + CAP) Code Recommendations Report.

STAFF RECOMMENDED ACTION:

Information only. No formal action is required.

Executive Summary:

The City of Flagstaff adopted housing and carbon neutrality plans and updated its Regional Plan to establish a framework for the City's future. The Land Availability and Site Suitability and Code Analysis Project (LASS CAP) reviewed the regulatory framework that will implement this vision and assessed barriers in the code to achieving the City's goals.

Two reports precede this one: the Code Diagnostic Report (June 2024), which identified specific code barriers through a comprehensive code audit, developer focus groups, and prototype modeling; and the Code Concepts Report (December 2024), which presented conceptual approaches to address those barriers. This Code Recommendations Report turns those concepts into specific code amendment recommendations with supporting cost and carbon analysis.

Information:

The City's consultant will present a preview of the findings and recommendations from the LASS/CAP project on how the City can make progress on its housing and climate goals concurrently. These findings were produced by an outside consultant and are primarily focused on zoning and other development code changes.

The primary goal of this report is to improve the by-right base code standards that apply to housing development in Flagstaff, while continuing to provide valuable incentives for projects that provide additional public benefit. By-right standards matter most because they affect every project, not just the ones that opt into incentives. A developer may choose not to participate in an incentive program for many reasons: the project is too small, the financing structure doesn't accommodate affordability set-asides, or the incentive value doesn't justify the compliance cost for that particular site. By-right code standards reach all of these projects. Improving them is how the City increases housing supply, lowers per-unit costs, and makes sure all new development meets a sustainability standard.

Flagstaff faces rising construction costs, growing demand for housing at all income levels, and ambitious climate goals. The by-right code standards proposed in this report respond to all three: higher densities spread costs across more units, reduced parking requirements for all by-right projects, and a required sustainability baseline means every new home contributes to the City's carbon reduction goals. The incentive framework adds to the by-right base by offering further relief to projects that include affordable housing, better sustainability performance, or both. Zoning reform is one tool in a larger toolbox. These code changes have the potential to lower the cost of building housing, but they cannot eliminate the cost

drivers that make construction in Flagstaff expensive. Closing the remaining gap between what it costs to build and what households can afford will require the City to deploy complementary tools such as financial incentives, land acquisition, and public investment in infrastructure.

A link to the final report is here: Code Recommendation Reports.

Attachments: Presentation

Code Recommendations Report

Flagstaff City Council

June 16, 2026



Overview

PART 1 **Project Background and Summary of Recommendations**

PART 2 **Zone District Standards**

PART 3 **Parking Requirements**

PART 4 **Integrated Incentive Framework**

PART 5 **Additional Code Barriers**

PART 1

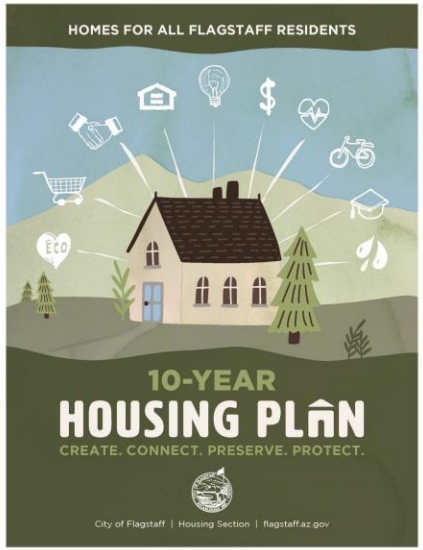
Project Background

Purpose of tonight’s meeting

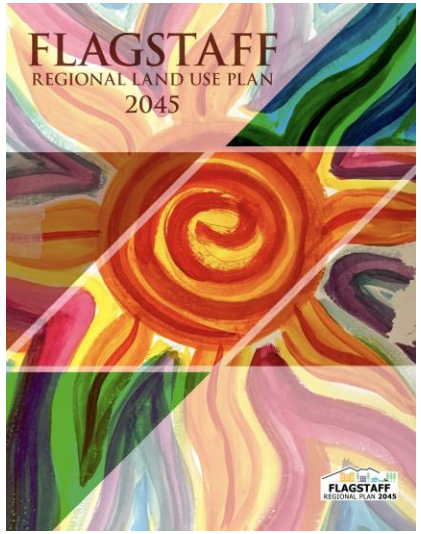
- **Receive** the final recommendations of the Code Analysis Project
- **Hear** the analysis and reasoning behind the recommendations
- **Ask questions** to project consultant to clarify recommendations

This is not an adoption hearing. Further refinement of code and public process to continue.

The recommendations are designed to advance three key policy goals







Housing affordability and supply

Climate action

Community growth and livability

How we got here

01 **DIAGNOSTIC REPORT**
June 2024

Identified specific code provisions creating barriers to housing and climate goals and engaged with key stakeholders.

02 **CODE CONCEPTS REPORT**
January 2026

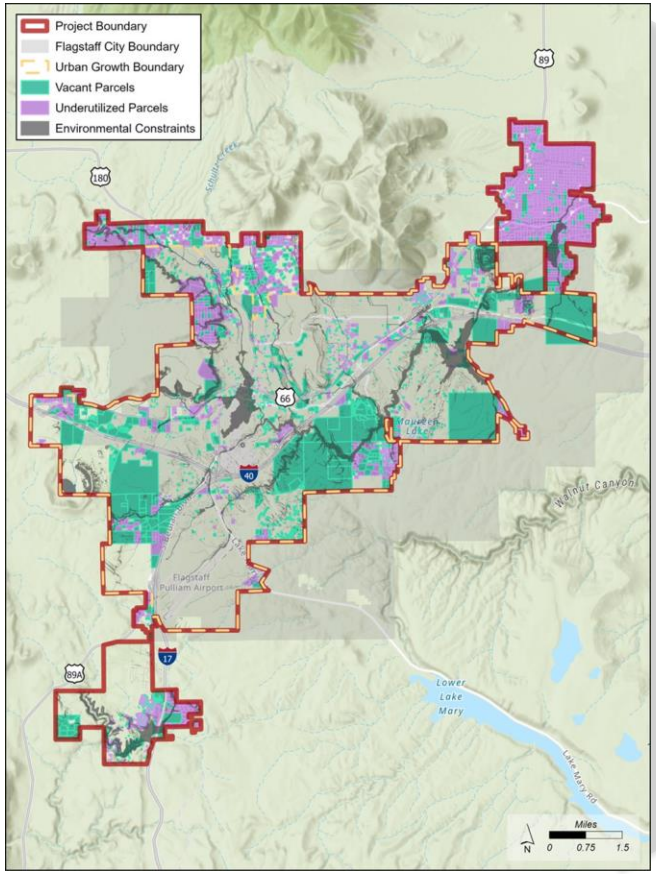
Tested directional alternatives, conducted best practices research, and engaged with the community to receive input.

03 **RECOMMENDATIONS REPORT**
April 2026

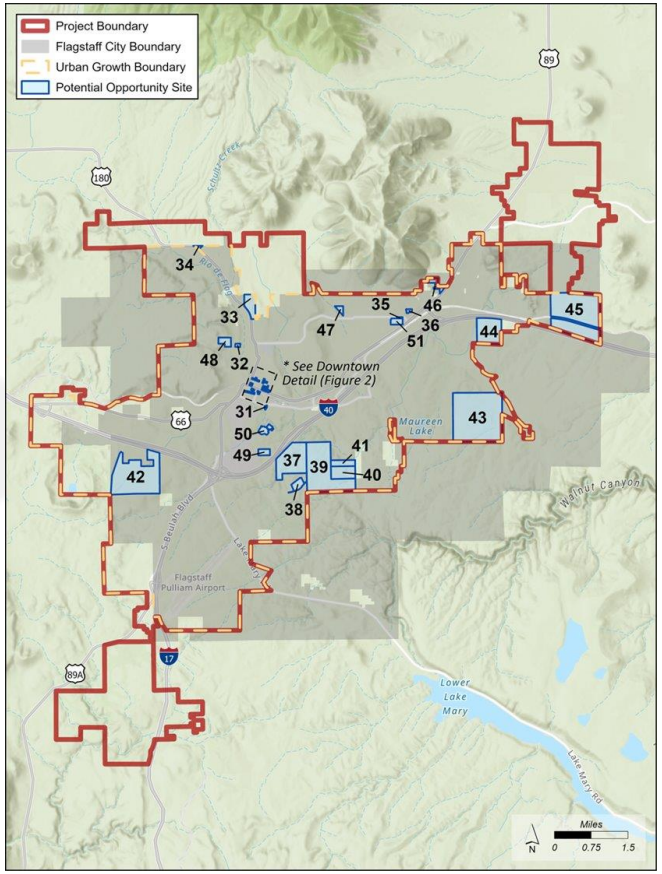
Specific code changes recommended for adoption — the focus of tonight's discussion.

Key findings of the Land Availability and Suitability Study (LASS)

Buildable Land
~7,000 acres
Most in res. zone



Opportunity Sites
51 total
36 in comm. zone
9 in rural res. zone



Implications of the Land Availability and Suitability Study (LASS)

- Most future housing production will be mainly on two kinds of sites:
  - **Infill** on commercially zoned sites that are in key, transit-oriented centers and corridors
  - **Rezoning** of large tracts on the periphery, which require significant infrastructure investment
- How this informed the Code Analysis Project:
  - **Streamline the rezoning process** to ensure large tracts are not developed at rural densities
  - **Position the R1 and MR zones** (rezoning and infill) to encourage compact neighborhoods at densities that can support more affordable housing options and transit service
  - **Recalibrate key standards that limit high density housing in commercial zones**: increase max density, narrow applicability of HOH requirements, and right-size parking requirements

Summary of Recommendations

Summary of the recommendations

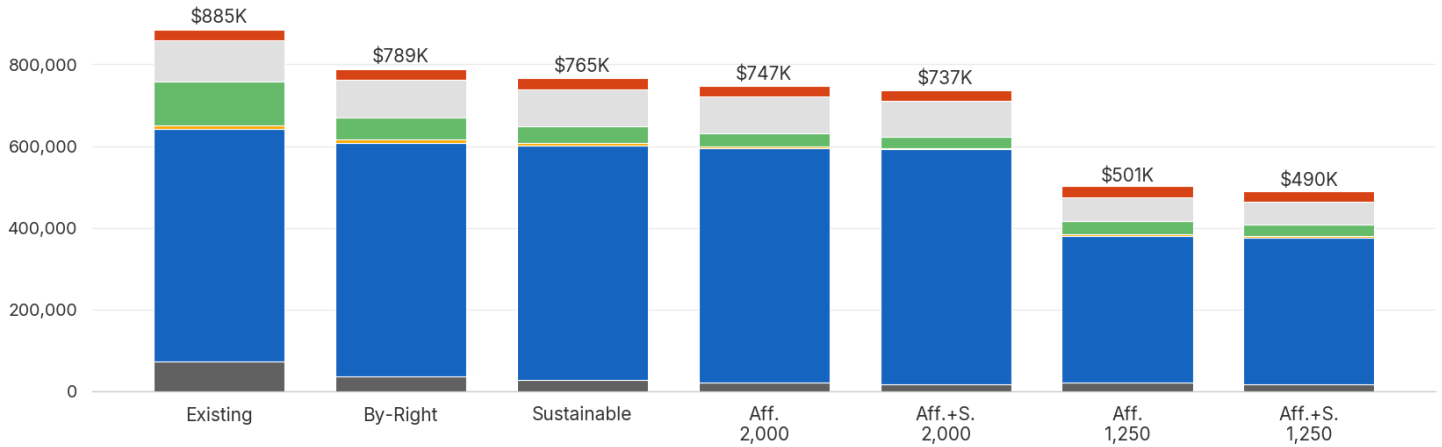
1. **Increase base maximum density** across all residential and commercial zones (non-transect)
2. **Implement a scaled maximum Floor-to-Area Ratio (FAR)** in residential zones to ensure compatible scale and encourage smaller unit sizes.
3. **Reduce base minimum parking requirements** and allow further reductions for projects that support lower parking demand. Reform the Winter Parking Ordinance (WPO).
4. **Establish a required sustainable design baseline** applied through a flexible, points-based system
5. **Integrate incentive programs** into a cohesive, tiered structure that reflects policy goals, allows a range of approaches to achieve those goals, and is calibrated to motivate participation
6. **Refine additional code standards** to mitigate cost of resource protection, allow more efficient street design, and align regulations with housing and climate goals.

The recommendations help to reduce the cost of development while advancing these goals

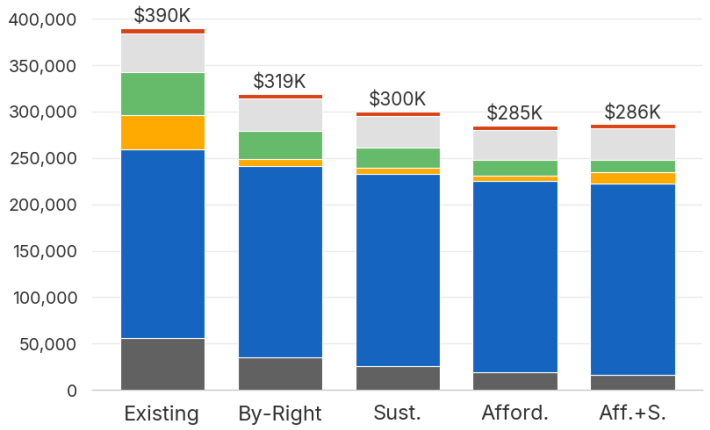
- Spread fixed land costs over more units
- More efficient use of parking cost
- Sustainability requirements that are flexible and achievable
- Incentives with benefits that outweigh the cost of participation

Development Costs Per Unit

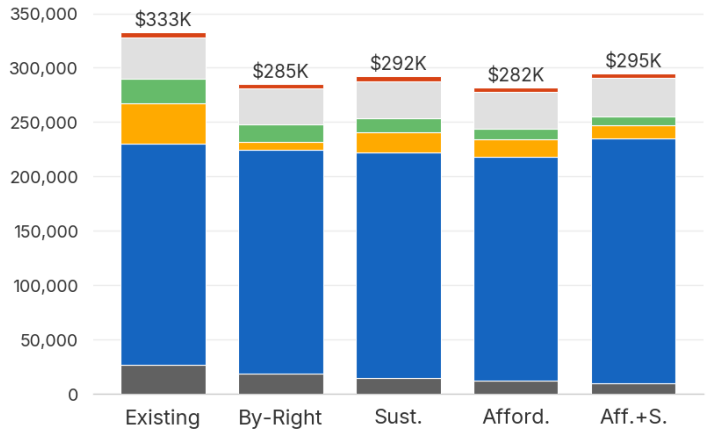
R1 zone, 2,000 sf and 1,250 sf unit

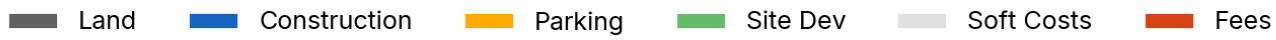


MR zone, 800 sf unit



HR zone, 800 sf unit





PART 2

Zone District Standards

Increasing by-right densities is crucial to meeting housing and climate goals

Why higher density is crucial to meeting housing and climate goals

Cost

Fixed costs — land, site work, utility connections, fees — spread across more units. Each home costs less to build and smaller, more affordable units are more feasible.

Carbon

Transportation accounts for ~30% of carbon emissions. Higher density supports transit, walking, bicycling, and shorter trips.

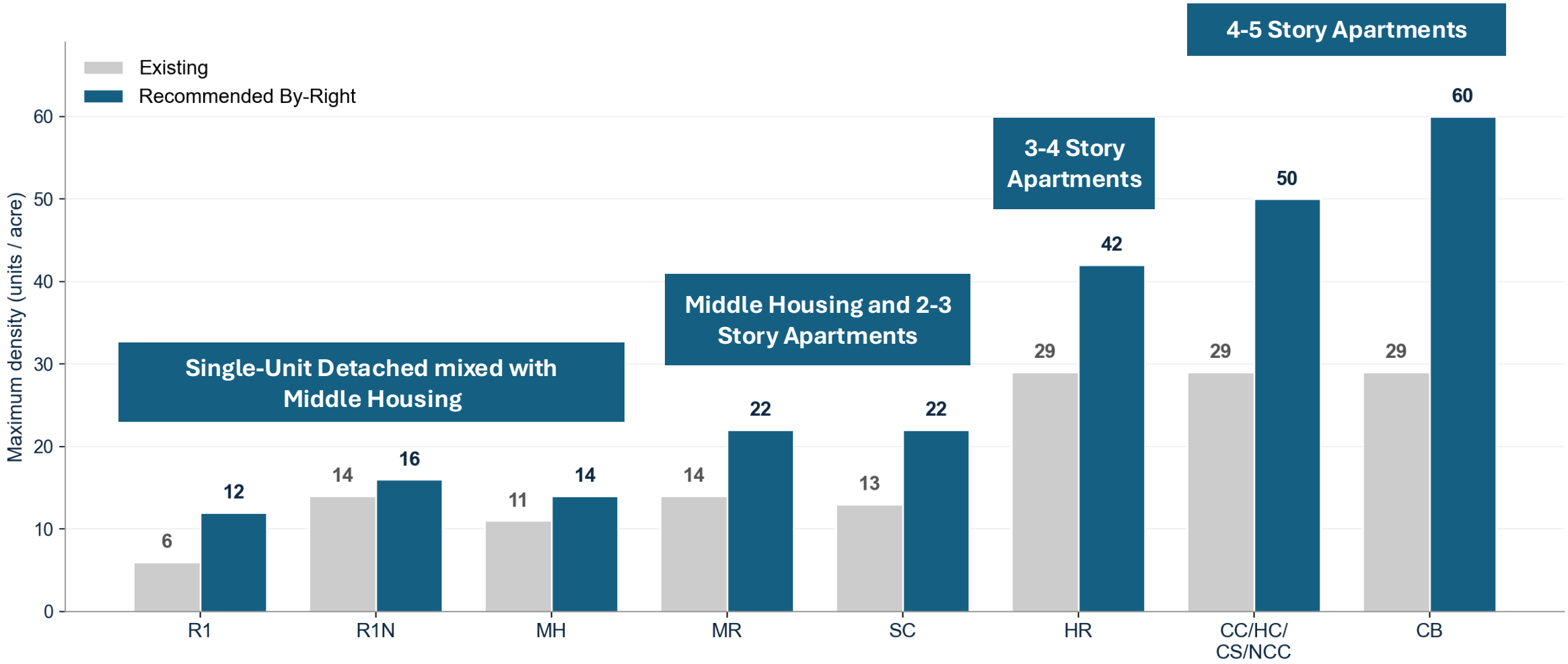
Choice

Density makes compact and efficient housing types with smaller units more attractive to build: duplexes, triplexes, fourplexes, walk-up apartments.

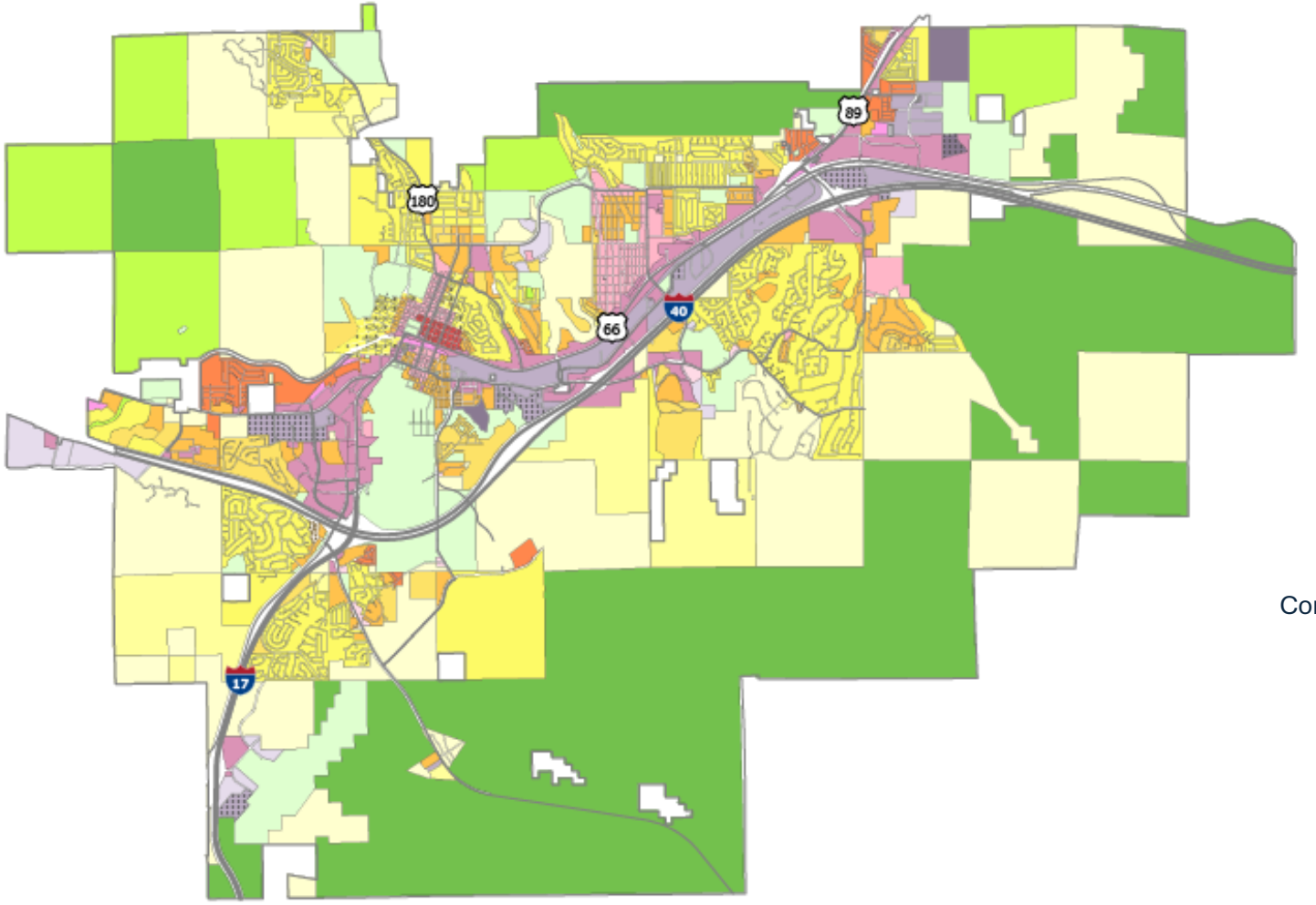
Current densities limit land where it is feasible to build lower-cost housing types

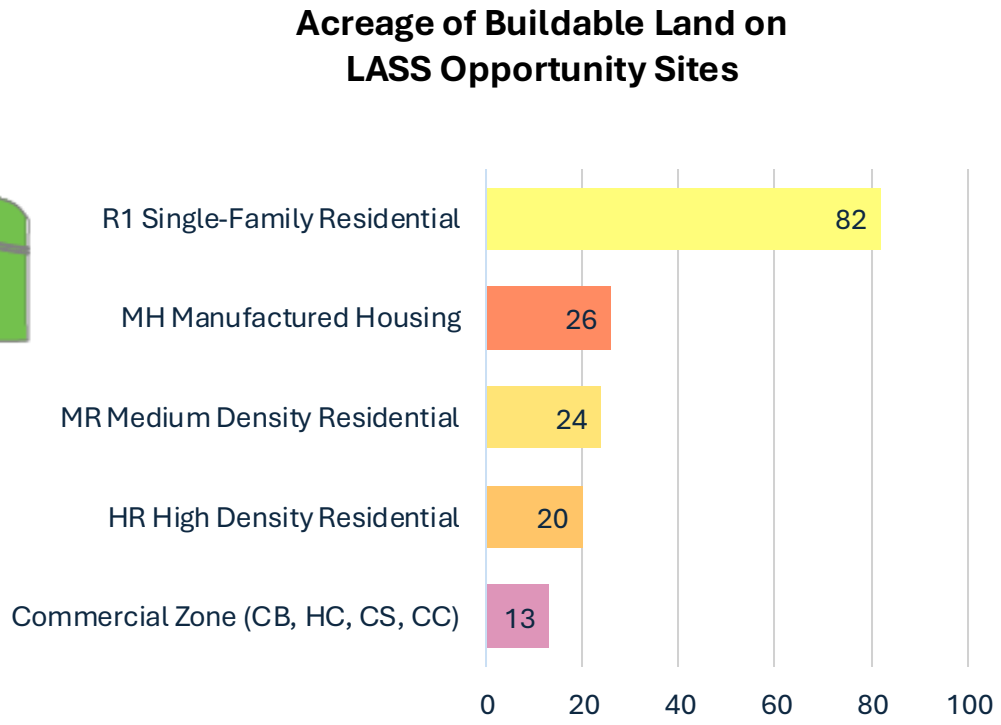


Recommended densities enable lower cost housing types in all zones and a more complete range of housing options



The R1 zone will makeup a large share of future housing development





Current R1 standards do not support lower-cost housing types



~6

units per acre

~$900k

minimum feasible sale price for new development





Recommended R1 standards would encourage a mix of single-family and middle housing



~6
units per acre

~$900k
minimum feasible sale price for new development



~12
units per acre

~$500k-$900k
minimum feasible sale price for new development

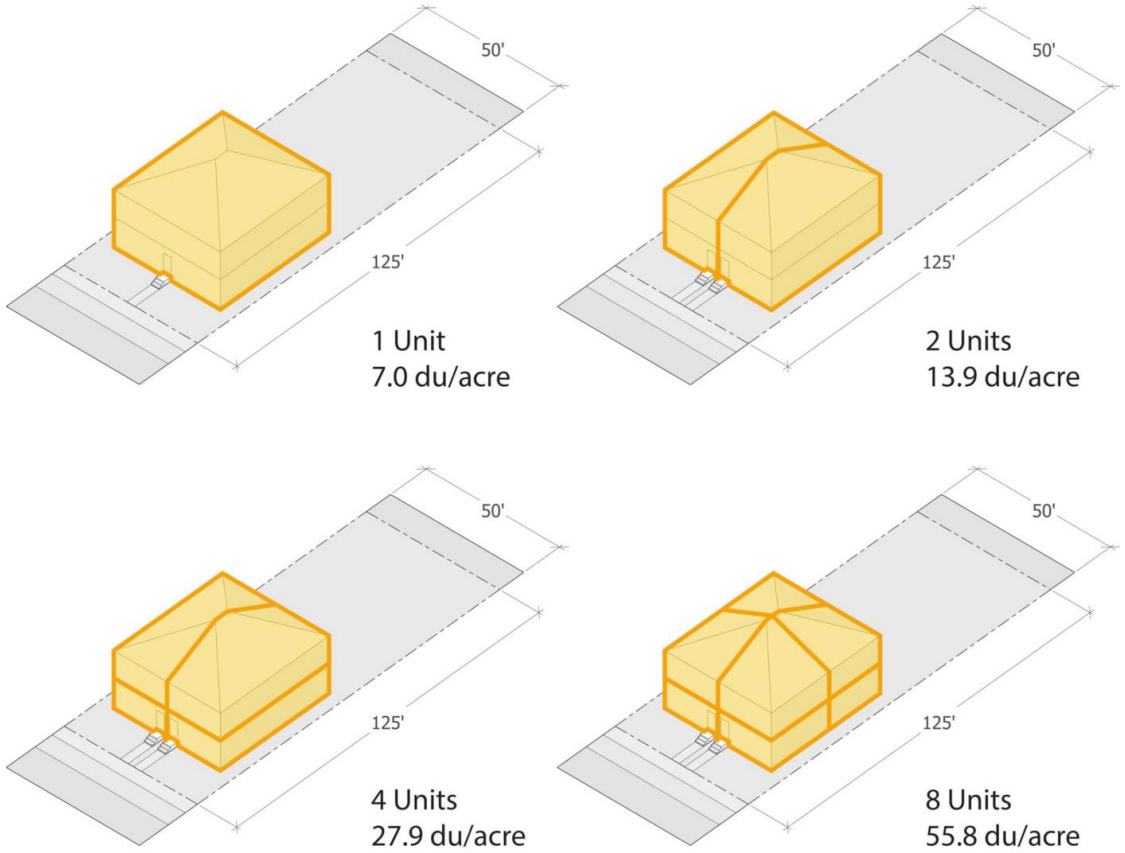






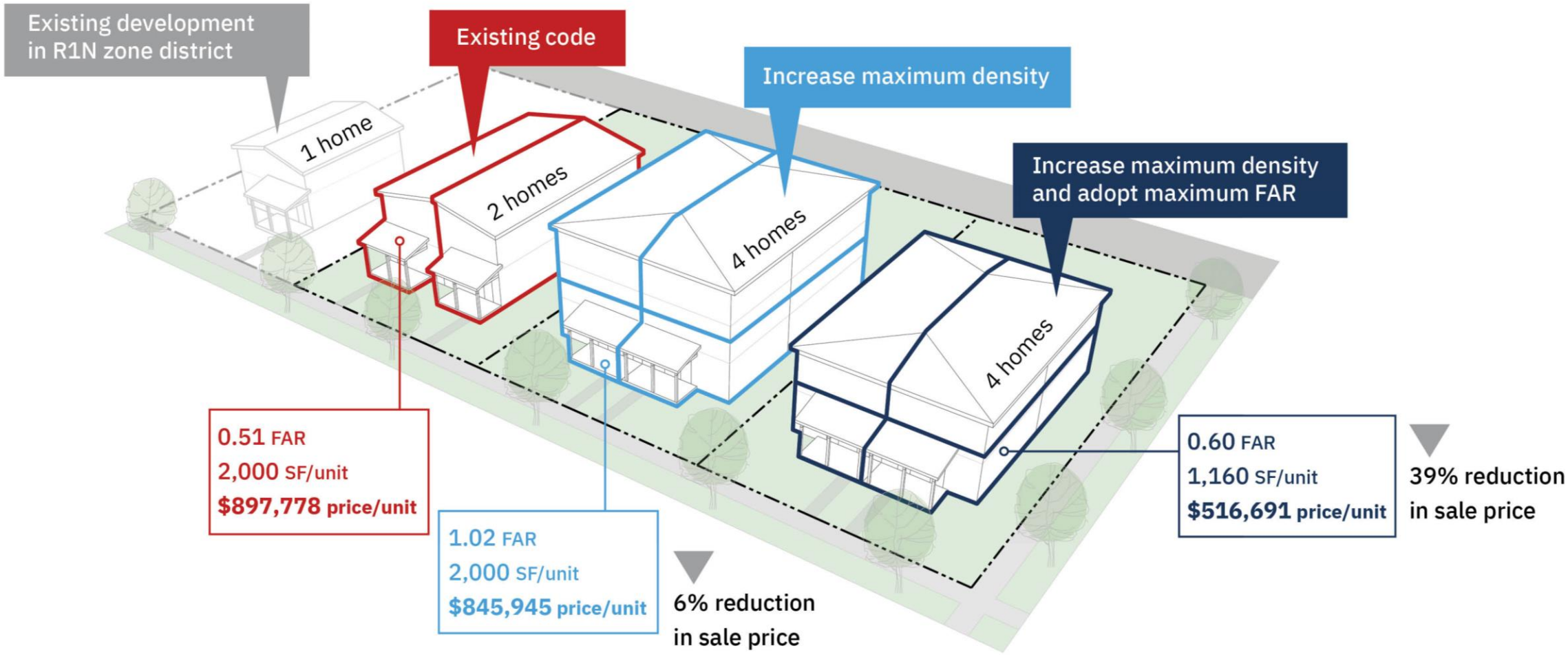
Increasing density allows more units, but there is currently no regulation to constrain overall building size and scale. Floor-to-Area Ratio (FAR) can fill this gap.

- Higher densities of single-family or middle housing with mostly large units (2,000-3,000) square feet does not effectively advance housing and climate goals
- Larger units are less energy-efficient
- Larger units are less affordable, even for families
- FAR is a simple measure of the ratio of the floor area on the site with the site area.
- Many cities are pairing higher densities with max FAR in residential zones

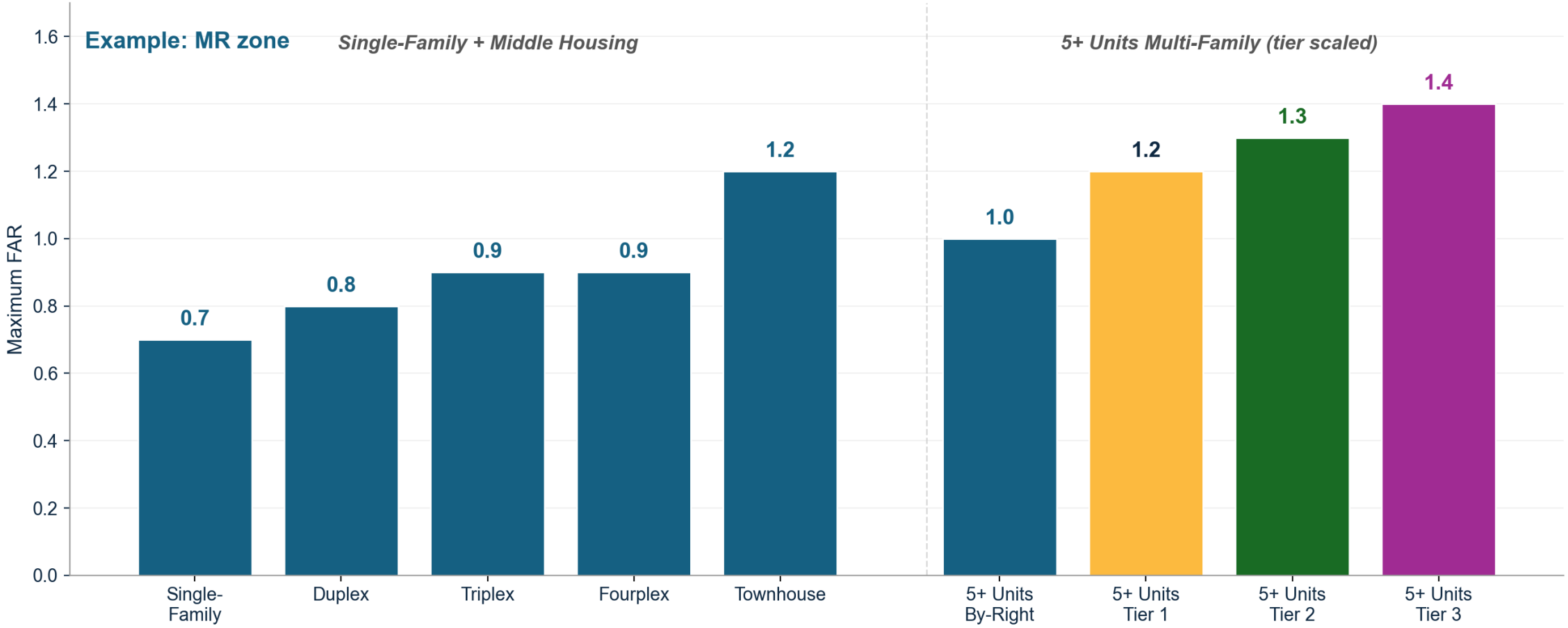


Source: Opticos Design; du = dwelling units

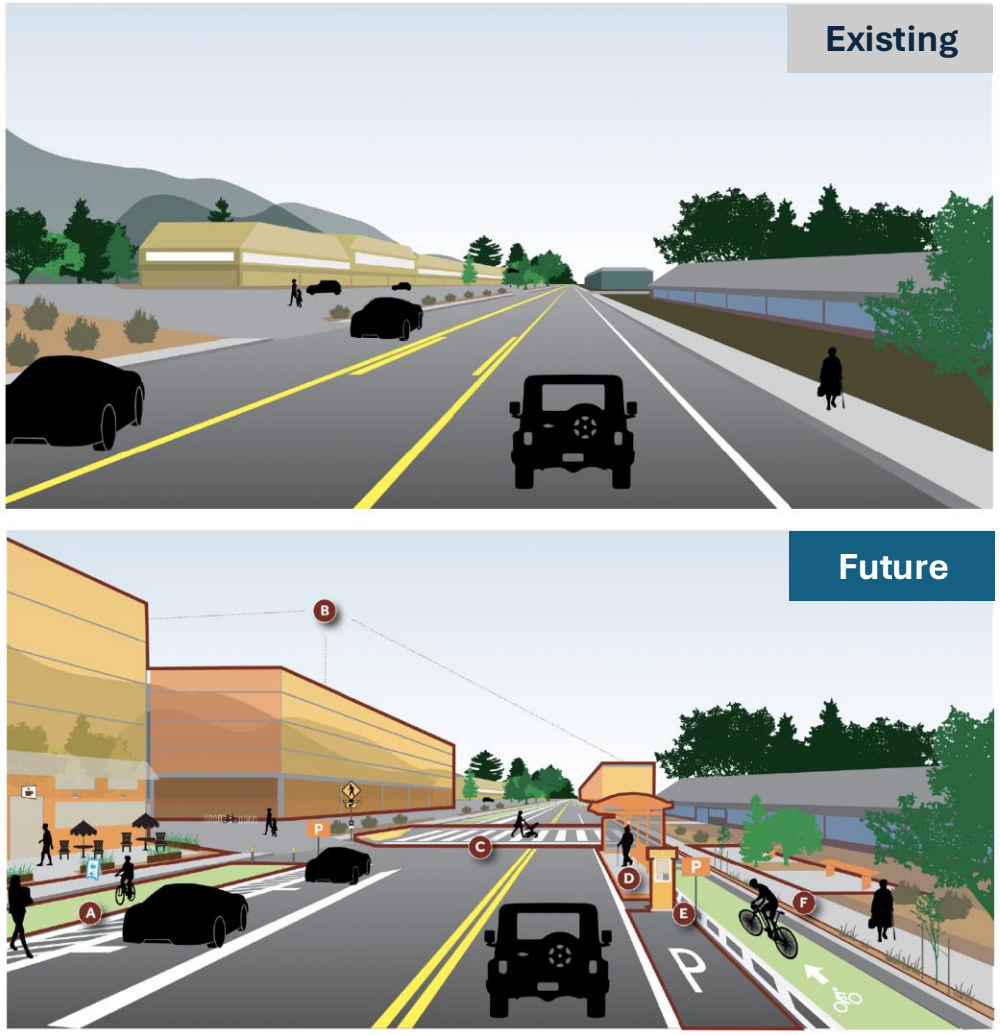
A max FAR can prevent out-of-scale buildings and encourage smaller, lower cost units



Recommended FAR levels are scaled by number of units to reward projects that building smaller, lower-cost units



Centers and corridors are a key building block of the Regional Plan

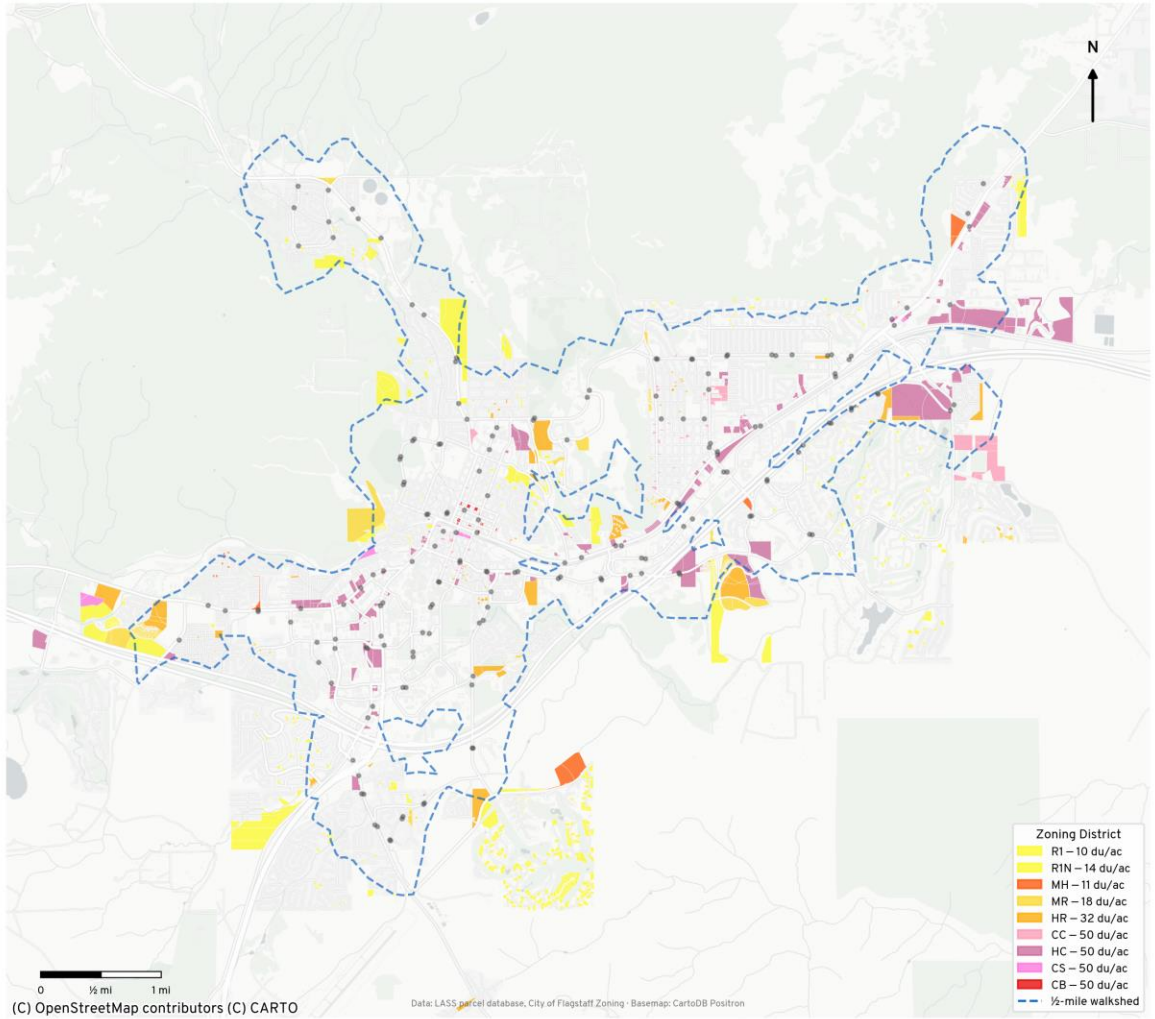


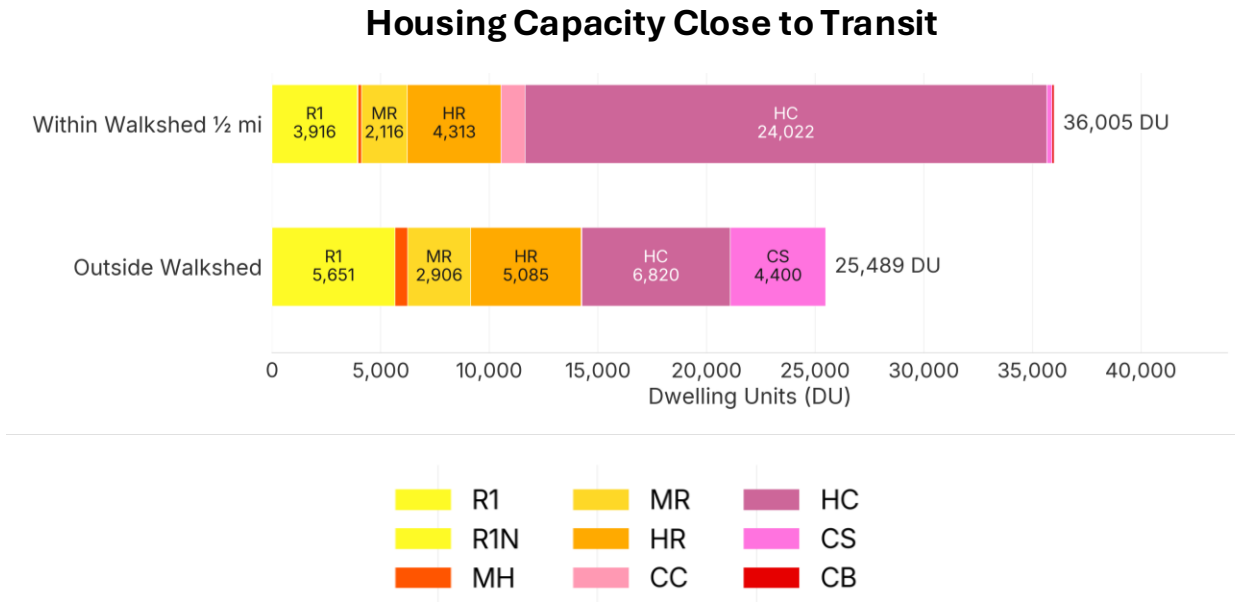
What is transit-supportive land use?

Transit does not operate efficiently if destinations, people, and jobs are spread out and difficult to access. Increasing density in proximity to existing transit can support higher frequency services. Building to support transit use is an economical and efficient way to add travel capacity without significantly increasing roadway capacity, helping more people travel without increasing travel times.

- Flagstaff Regional Plan 2045, p. 4-15

The commercial zones are where transit-supportive land use is most effective





Current commercial zone standards either constrain density too strictly or require an uncertain approval process through the HOH CUP

Housing Development in Commercial Zones

< 29 units/ac



3-Story Apts.

> 29 units/ac

HOH CUP Required



5-Story Apts.

Recommended commercial zone standards allow transit-supportive density by-right and attractive incentives for affordability and sustainability

Housing Development in Commercial Zones

Development Option	Density Range
By-right	**50-60 u/ac**
Tier 1 incentive	**70-80 u/ac**
Tier 2 incentive	**90-100 u/ac**
Tier 3 incentive	**100-120 u/ac**

HOH CUP still required if project exceeds bedroom density maximums



3-4 Story Apts.



4-5 Story Apts.



5-6-Story Apts.

Why is the by-right density recommended for 50-60 units per acre?

- Allows for a very efficient construction type: 4-story, wood-frame building with surface parking
- Density level that would support high-frequency transit service as sites infill/redevelop alongside lower-intensity uses
- Density levels above this range usually require one or more of the following:
  - Structured parking garage or underground parking (more costly)
  - Taller building with concrete podium (more costly)
- Incentive options for higher densities can both:
  - Mitigate cost/avoid the need for structured parking (lower ratio)
  - Provide public benefit in exchange for potential higher impact on community





Addressing common concerns about higher densities

COMMON CONCERNS

- *New buildings will be tall and boxy with high lot coverage, incompatible with the character of Flagstaff*
- *Flagstaff doesn't have the infrastructure capacity (roads, water, and sewer) to support higher density*

RESPONSES

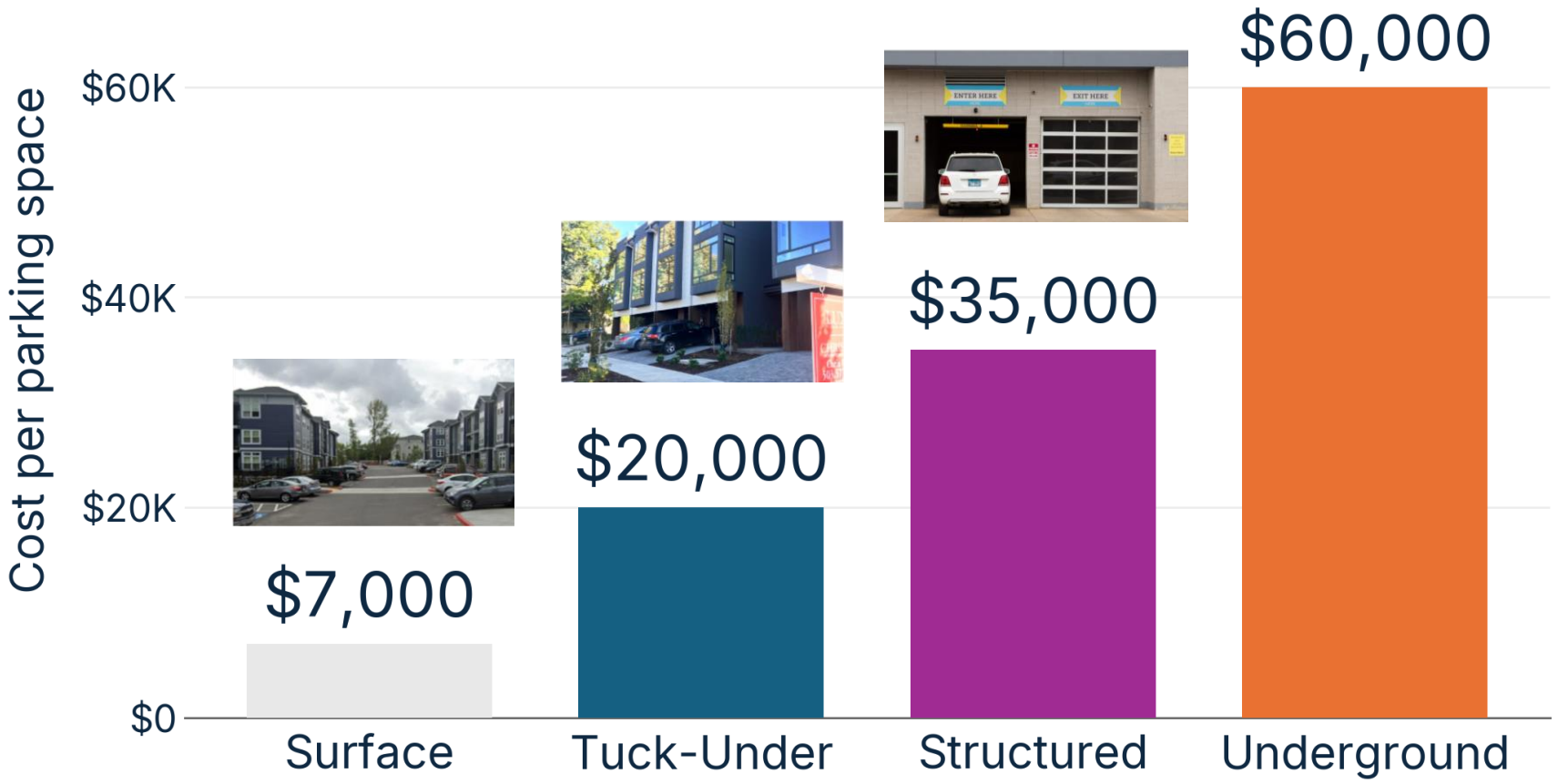
- Maximum FAR is recommended to control building size and ensure compatible scale
- Minimal changes to existing lot coverage and setback standards
- No change to base maximum height standards
- Current site planning and architectural design standards will continue to apply
- Current infrastructure planning and mitigation requirements will continue to apply

PART 3

Parking Requirements

Higher density without coordinated parking reforms will limit the effectiveness of higher density toward meeting housing and climate goals

The direct cost of providing parking is substantial and scales up if structured or underground parking is needed for higher densities

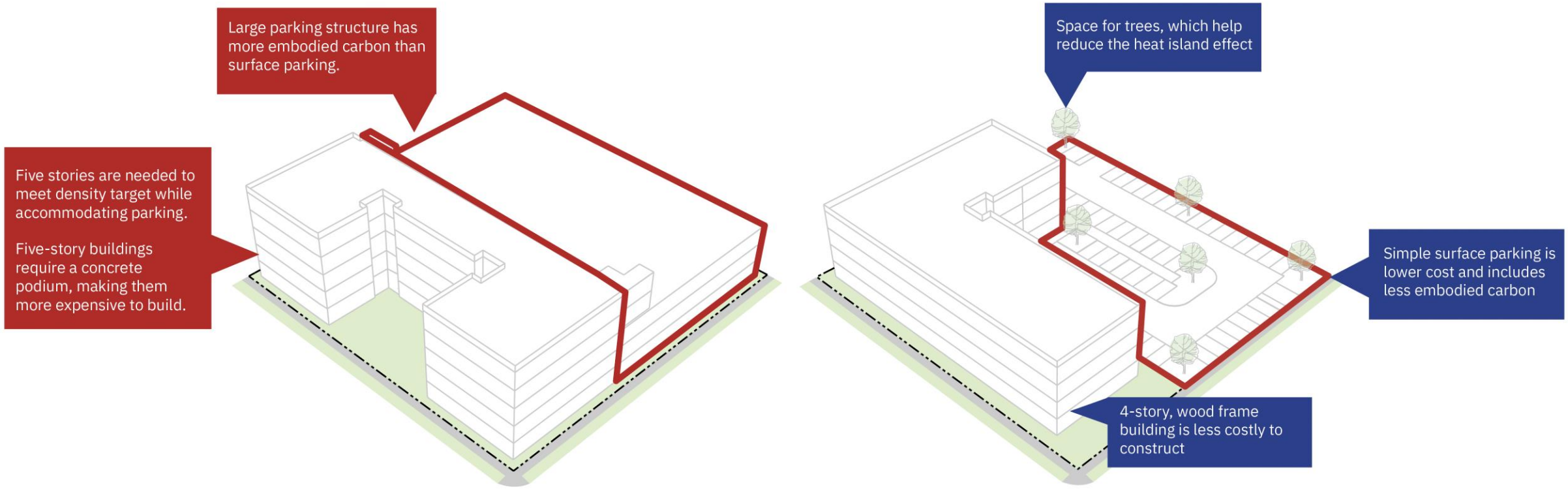


- At higher densities, the amount of parking required can determine parking type
- If number of spaces cannot be accommodated in surface lots, then tuck-under or structured parking is necessary

Lower parking requirements encourage lower cost housing, smaller units, and lower emissions

50 units with 100 parking spaces
2.0 spaces per unit

50 units with 50 parking spaces
1.0 spaces per unit



Recommended base parking requirements for multi-family projects

Unit Type	Existing Standard	Proposed Base Standard
Studio	1.25 spaces / unit	0.75 spaces / unit
1 Bedroom	1.50 spaces / unit	1.00 spaces / unit
2–3 Bedrooms	2.00 spaces / unit	1.25 spaces / unit
4 Bedrooms	2.50 spaces / unit	1.50 spaces / unit
5+ Bedrooms	3.0 + 0.5 / BR above 5	1.75 spaces / unit
Guest spaces	0.25 / unit (2+ BR)	none

Reduction from about **1.75** spaces per unit on average to **1.00-1.25** spaces per unit for a typical project

Guest parking can often be accommodated in unused resident spaces or on-street

Parking reductions are recommended for projects that meet standards which indicate potential for vehicle trip reduction and lower parking demand.









–25%

Transit Proximity

Expand the current reduction to a ½ mile walking distance to transit and increase from 10% to 25%

up to –30%

Affordable Units

Level of affordability and minimum share of units may vary per incentive framework. Apply to all units in the project, not only the affordable units.

up to –15%

Trip Reduction Strategies

Must meet minimum number of points in sustainability menu from strategies that reduce vehicle trips/ownership: TDM plan, transit pass, unbundled pricing

Reductions may be combined up to a maximum total reduction of 80% of the base requirement

Winter Parking Ordinance: Study the feasibility of alternative snow removal operations and policies

- Developer uptake of lower parking requirements may be limited by WPO on-street parking restriction in winter months
- Alternative snow removal policies and programs of four jurisdictions with similar snow conditions were studied:
  - Alternative side of street/day of week policies
  - Snow event-based restrictions

RECOMMENDATION

- Conduct further study to identify feasible alternatives to Winter Parking Ordinance that allow on-street parking more consistently throughout the winter





Jurisdiction	Average Annual Snowfall
Flagstaff	102 inches
Billings, MT	60 inches
Duluth, MN	90 inches
South Bend, IN	65 inches
Erie, PA	104 inches

Addressing common concerns about reduced parking requirements

COMMON CONCERNS

- *There won't be enough parking for residents of new buildings, resulting in overflow and congestion of on-street parking*
- *Existing residents may have to park further from their home*
- *Some streets in Flagstaff are too narrow to support on-street parking*
- *The WPO will make on-street parking impractical during winter months*

RESPONSES

- If developers foresee that providing less parking will make their project less marketable, they often provide more than required
- Parking reductions are mainly targeted to projects that are expected to have lower parking demand
- There is often more capacity for on-street parking than perceived, so overflow parking may not always lead to congestion

PART 4

Integrated Incentive Framework

Replace disparate programs with an integrated framework that offers compelling benefits for advancing housing and climate goal.

How current incentives are recommended to be integrated into new framework

Existing Program	New Framework	Notes
By-Right Development	**Required sustainability baseline**	Code requirement, not part of incentive program
Planned Residential Development (PRD)	**Eliminated as incentive tier**	Incorporated into by-right base code. Design quality and common open space requirements retained in other standards.
Residential Sustainable Building Incentives	**Tier 1: Sustainable**	Elevated sustainability performance earns density bonus, parking reduction, and development standard relief
Affordable Housing Incentives (IPAH)	**Tier 2: Affordable**	Affordability commitment at baseline sustainability earns broader incentive package
Combined (no current equivalent)	**Tier 3: Affordable + Sustainable**	Combined affordability and elevated sustainability earns maximum incentive package

A flexible points system with a required baseline would replace current sustainability incentives

EXISTING

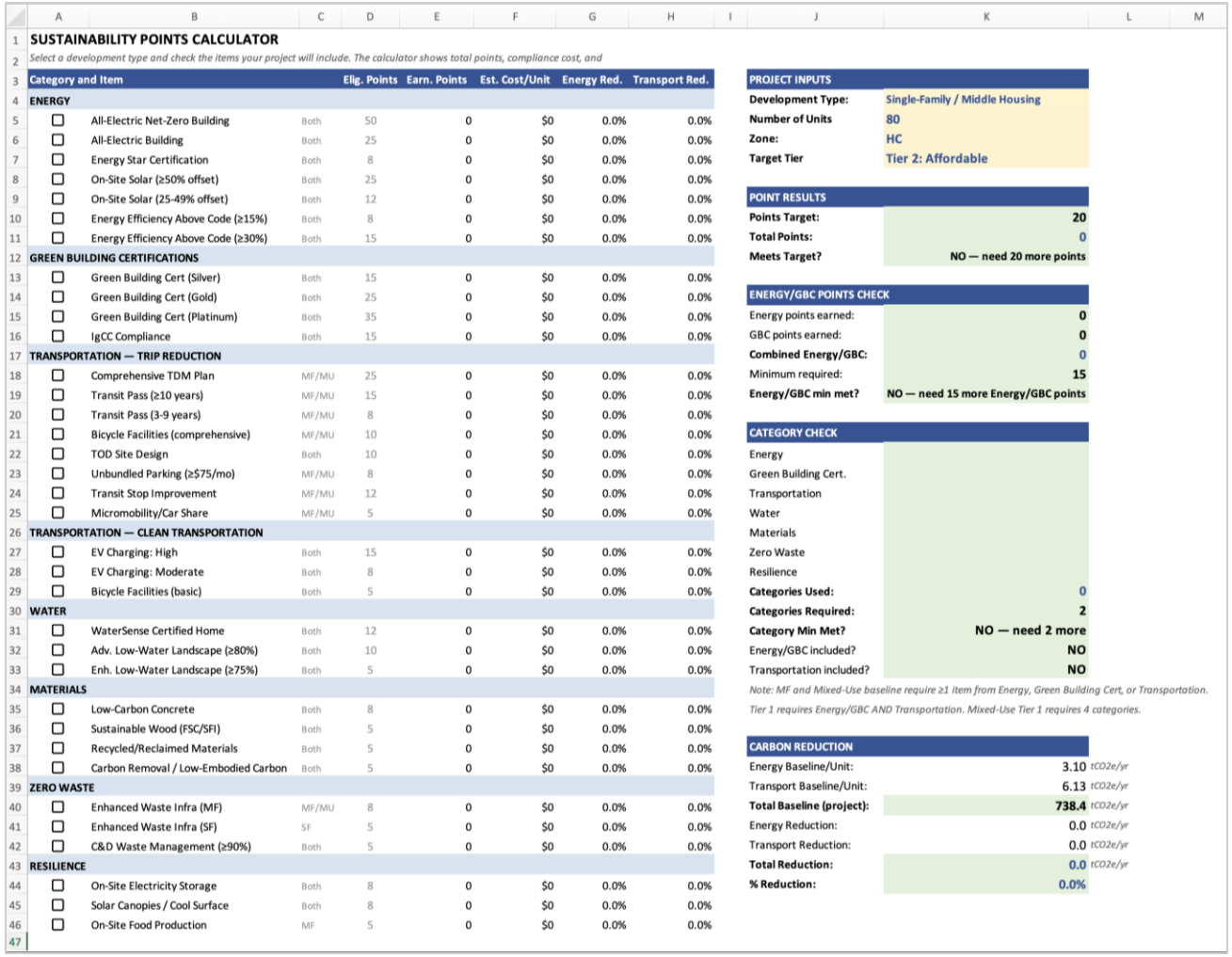
Category	Minimum Strategies
Water Resource Protection	**1 of 4**
Transportation and Air Quality	**1 of 2**
Residential Sustainable Building Incentives	**1 of 1**
Energy Efficiency	**1 of 3**

RECOMMENDED

Category	# of Menu Items	Examples
Energy	**7**	All-electric building, Energy Star, on-site solar, energy efficiency above code
Green Building Certifications	**4**	Green Building Cert. (Silver / Gold / Platinum), IgCC compliance
Trip Reduction	**7**	TDM plan, transit pass program, bicycle facilities, unbundled parking
Clean Transportation	**2**	EV charging above code (high or moderate)
Water	**3**	WaterSense certification, advanced and enhanced low-water landscape
Materials	**4**	Low-carbon concrete, sustainable wood, recycled materials, carbon removal
Resilience	**3**	On-site electricity storage, solar canopies / cool surfaces, food production

- Each item has a point value.
- Items with higher CO_2 emission reduction potential relative to cost are assigned higher point values.
- **All projects** must earn minimum total number of points.
- **Tier 1 and Tier 3** incentive projects must earn elevated point totals.

Staff have a tool available to further calibrate points and help applicants to comply



SUSTAINABILITY POINTS CALCULATOR

Select a development type and check the items your project will include. The calculator shows total points, compliance cost, and

	Category and Item		Elig. Points	Earn. Points	Est. Cost/Unit	Energy Red.	Transport Red.
	ENERGY						
☐	All-Electric Net-Zero Building	Both	50	0	$0	0.0%	0.0%
☐	All-Electric Building	Both	25	0	$0	0.0%	0.0%
☐	Energy Star Certification	Both	8	0	$0	0.0%	0.0%
☐	On-Site Solar (≥50% offset)	Both	25	0	$0	0.0%	0.0%
☐	On-Site Solar (25-49% offset)	Both	12	0	$0	0.0%	0.0%
☐	Energy Efficiency Above Code (≥15%)	Both	8	0	$0	0.0%	0.0%
☐	Energy Efficiency Above Code (≥30%)	Both	15	0	$0	0.0%	0.0%
	GREEN BUILDING CERTIFICATIONS						
☐	Green Building Cert (Silver)	Both	15	0	$0	0.0%	0.0%
☐	Green Building Cert (Gold)	Both	25	0	$0	0.0%	0.0%
☐	Green Building Cert (Platinum)	Both	35	0	$0	0.0%	0.0%
☐	IgCC Compliance	Both	15	0	$0	0.0%	0.0%
	TRANSPORTATION — TRIP REDUCTION						
☐	Comprehensive TDM Plan	MF/MU	25	0	$0	0.0%	0.0%
☐	Transit Pass (≥10 years)	MF/MU	15	0	$0	0.0%	0.0%
☐	Transit Pass (3-9 years)	MF/MU	8	0	$0	0.0%	0.0%
☐	Bicycle Facilities (comprehensive)	MF/MU	10	0	$0	0.0%	0.0%
☐	TOD Site Design	Both	10	0	$0	0.0%	0.0%
☐	Unbundled Parking (≥$75/mo)	MF/MU	8	0	$0	0.0%	0.0%
☐	Transit Stop Improvement	MF/MU	12	0	$0	0.0%	0.0%
☐	Micromobility/Car Share	MF/MU	5	0	$0	0.0%	0.0%
	TRANSPORTATION — CLEAN TRANSPORTATION						
☐	EV Charging: High	Both	15	0	$0	0.0%	0.0%
☐	EV Charging: Moderate	Both	8	0	$0	0.0%	0.0%
☐	Bicycle Facilities (basic)	Both	5	0	$0	0.0%	0.0%
	WATER						
☐	WaterSense Certified Home	Both	12	0	$0	0.0%	0.0%
☐	Adv. Low-Water Landscape (≥80%)	Both	10	0	$0	0.0%	0.0%
☐	Enh. Low-Water Landscape (≥75%)	Both	5	0	$0	0.0%	0.0%
	MATERIALS						
☐	Low-Carbon Concrete	Both	8	0	$0	0.0%	0.0%
☐	Sustainable Wood (FSC/SFI)	Both	5	0	$0	0.0%	0.0%
☐	Recycled/Reclaimed Materials	Both	5	0	$0	0.0%	0.0%
☐	Carbon Removal / Low-Embodied Carbon	Both	5	0	$0	0.0%	0.0%
	ZERO WASTE						
☐	Enhanced Waste Infra (MF)	MF/MU	8	0	$0	0.0%	0.0%
☐	Enhanced Waste Infra (SF)	SF	5	0	$0	0.0%	0.0%
☐	C&D Waste Management (≥90%)	Both	5	0	$0	0.0%	0.0%
	RESILIENCE						
☐	On-Site Electricity Storage	Both	8	0	$0	0.0%	0.0%
☐	Solar Canopies / Cool Surface	Both	8	0	$0	0.0%	0.0%
☐	On-Site Food Production	MF	5	0	$0	0.0%	0.0%

PROJECT INPUTS	
Development Type:	Single-Family / Middle Housing
Number of Units	80
Zone:	HC
Target Tier	Tier 2: Affordable

POINT RESULTS	
Points Target:	20
Total Points:	0
Meets Target?	NO — need 20 more points

ENERGY/GBC POINTS CHECK	
Energy points earned:	0
GBC points earned:	0
Combined Energy/GBC:	0
Minimum required:	15
Energy/GBC min met?	NO — need 15 more Energy/GBC points

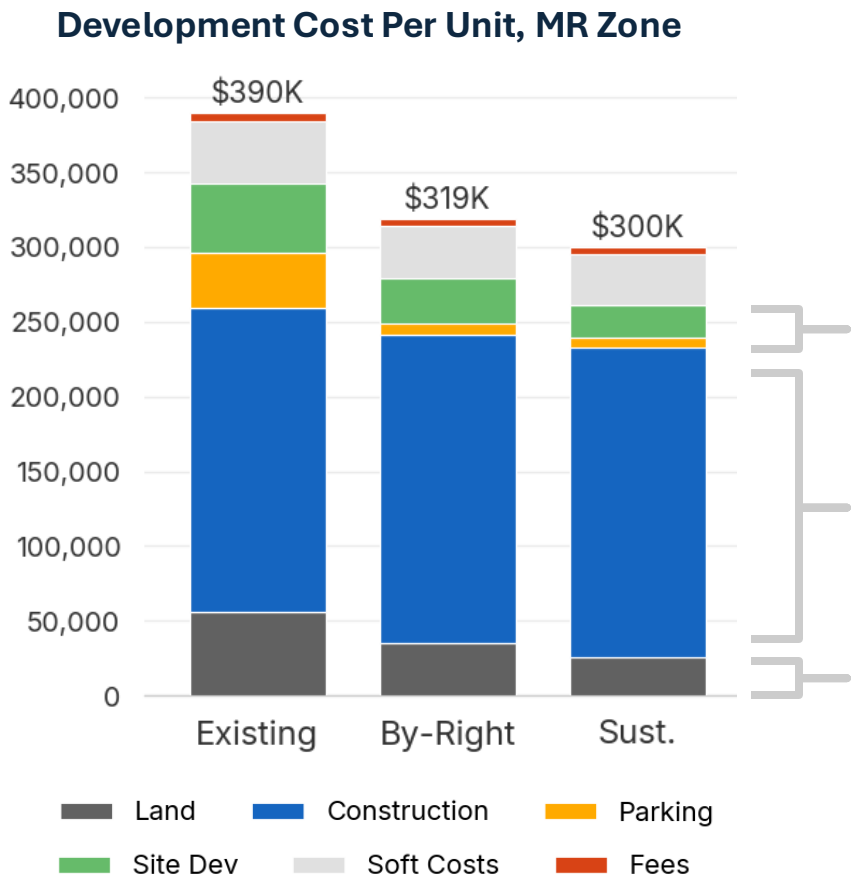
CATEGORY CHECK	
Energy	
Green Building Cert.	
Transportation	
Water	
Materials	
Zero Waste	
Resilience	
Categories Used:	0
Categories Required:	2
Category Min Met?	NO — need 2 more
Energy/GBC included?	NO
Transportation included?	NO

Note: MF and Mixed-Use baseline require ≥1 item from Energy, Green Building Cert, or Transportation. Tier 1 requires Energy/GBC AND Transportation. Mixed-Use Tier 1 requires 4 categories.

CARBON REDUCTION		
Energy Baseline/Unit:	3.10	tCO2e/yr
Transport Baseline/Unit:	6.13	tCO2e/yr
Total Baseline (project):	738.4	tCO2e/yr
Energy Reduction:	0.0	tCO2e/yr
Transport Reduction:	0.0	tCO2e/yr
Total Reduction:	0.0	tCO2e/yr
% Reduction:	0.0%	

- Determines minimum points based on project type
- Provides immediate feedback on alternative combinations of strategies toward meeting point and category requirements
- Estimates carbon reduction using evidenced-based research and calculators
- The current structure heavily rewards projects that implement the lowest cost, highest impact strategies, such as All Electric Buildings and Green Building Certifications

Carbon emissions are estimated to reduce by up to 14% compared to an existing project under new code (2024 IECC), but costs of compliance can be offset by other code changes



Site development and parking costs lower through higher densities and lower parking ratios

Assuming ell-electric construction, construction costs increase (on net) by less than 1%*

Land costs per unit are lower due to higher densities

** Selecting other sustainability strategies while keeping gas infrastructure could lead to higher costs than modeled.*

The framework establishes a simple three-tier system, with greater incentive value commensurate with greater public benefit

Tier 1

Sustainable

REQUIRES:

Elevated sustainability points

Tier 2

Affordable

REQUIRES:

10-30% of units at 60-150% of AMI
(varies by income level and tenure)

Tier 3

Affordable + Sustainable

REQUIRES:

Both commitments combined

Overview of the incentive framework

	Program Element	Tier 1: Sustainable	Tier 2: Affordable	Tier 3: Affordable + Sustainable
Public Benefits	Affordable units	—	Required (see pathways)	Required (see pathways)
	Sustainability points	Elevated (35 / 50 / 55)	Baseline (20 / 25 / 30)	Elevated (30 / 35 / 40)
Development Benefits	Density bonus	+25–40% above base	+50–80% above base	+100–150% above base
	Parking reduction	−15% (+ transit proximity)	−25% (+ transit proximity)	−30% (+ transit + Trip Reduction)
	Height bonus	—	+1 story	+1–2 stories
	RPO reduction	−20% forest resource	−30% forest resource	−50% forest resource
	Landscaping reduction	−10%	−15%	−25%
	Lot coverage increase	R1/R1N/MH: 55% · MR/HR: 65%	R1/R1N/MH: 60% · MR/HR: 70%	R1/R1N/MH: 70% · MR/HR: 80%
	Setback reduction	−15%	−25%	−35%
	HOH exemption	Yes, if below max BR density	Yes, if below max BR density	Yes, if below max BR density
	Single-use residential in com. zones	By-right rule: limited to certain areas	Allowed throughout zone	Allowed throughout zone
	Adaptive reuse in comm. zones	Allowed throughout zone	Allowed throughout zone	Allowed throughout zone

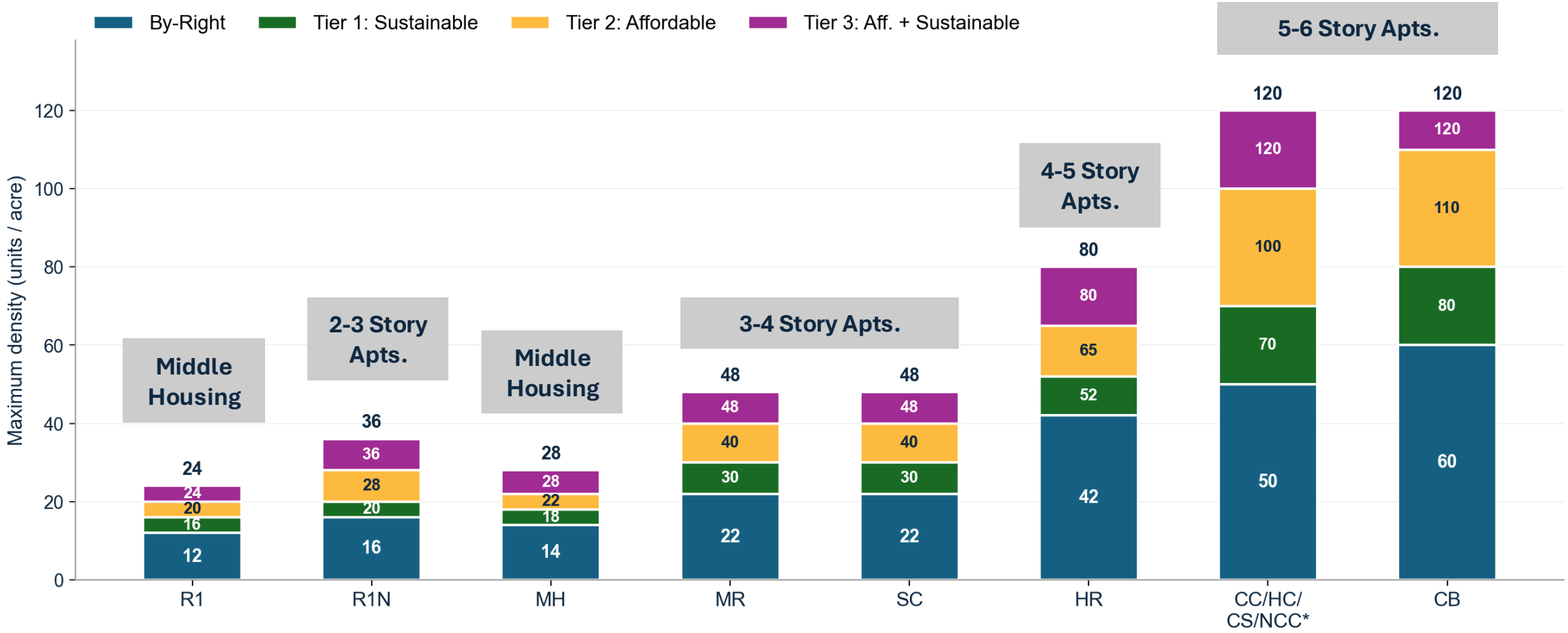
A developer could choose which income level to target for affordable units. If higher incomes, than a higher share of units must be income-restricted.

Set-Aside	Rental — Max AMI	Ownership — Max AMI
10%	60% AMI	80% AMI
15%	80% AMI	100% AMI
20%	100% AMI	120% AMI
30%	N/A	150% AMI[1]

[1] *The 30% set-aside / 150% AMI ownership pathway is limited to the lower-density zones (R1, R1N, MH).*

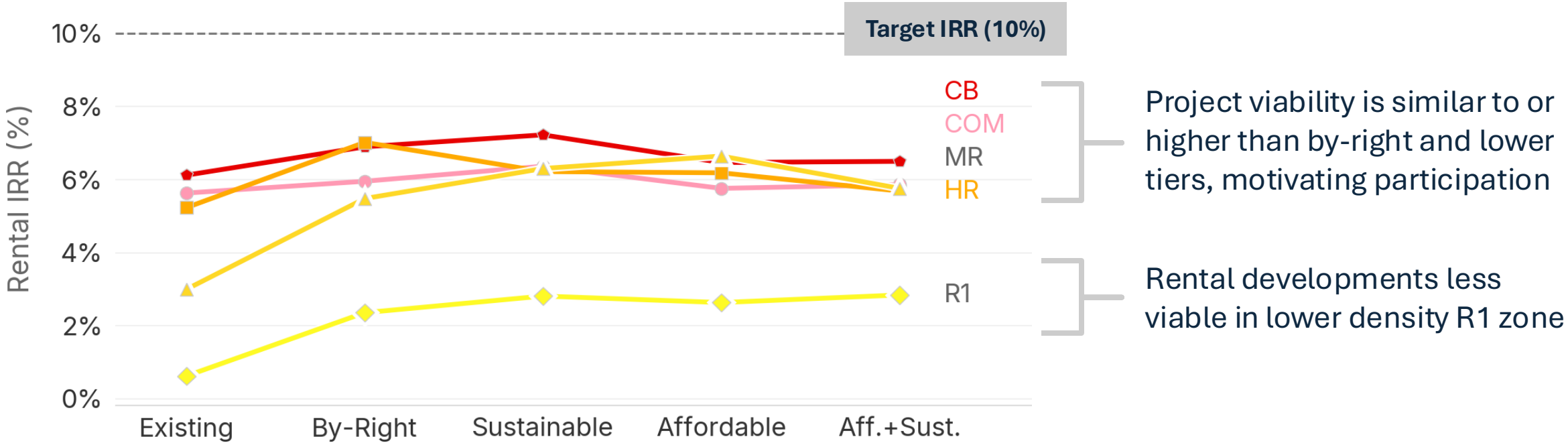
- **Rental units** affordable at over 100% AMI are close to market rents, so incentives are not appropriate at this income level
- **Ownership units** affordable at 80-150% of AMI are rare in the market, so a higher max income can help fill this gap.

Recommended maximum density by zone and incentive tier



** NCC max densities are 50 / 65 / 85 / 100 — slightly below CC/HC/CS at upper tiers (Table 21).*

Pro-forma modeling indicates that the incentives would likely be more effective than current incentives in delivering benefits that outweigh cost of compliance



Addressing common concerns about zoning incentives

COMMON CONCERNS

- *The incentives are too generous; they go beyond what is necessary to motivate participation*
- *The incentives will allow forms of new development that are not compatible with the character of the zone district*

RESPONSES

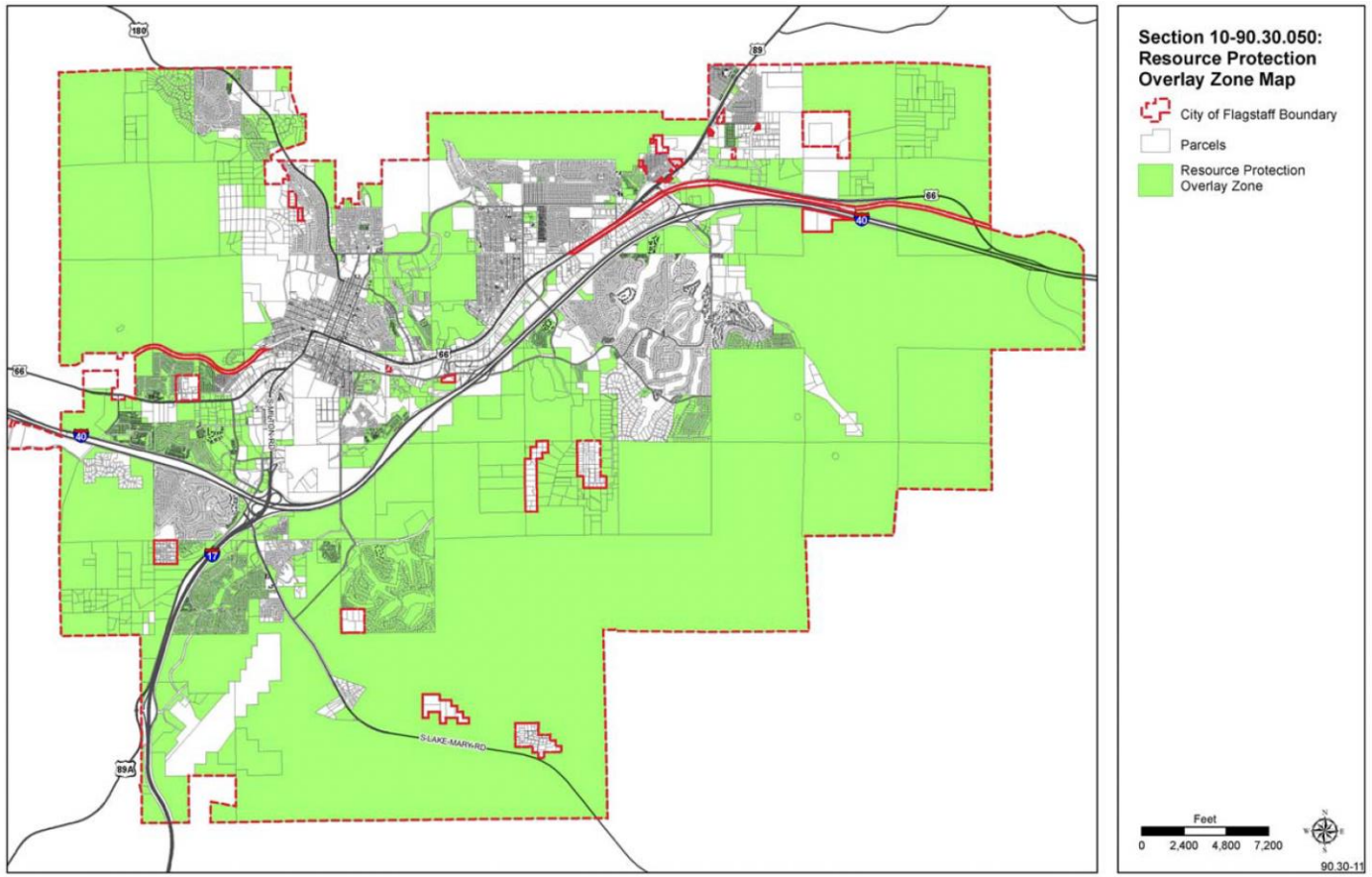
- Financial modeling and optimization tests were done to set the incentives at the level that will achieve similar returns as a by-right development
- The incentives were designed to ensure new development remains consistent with the purpose and intent of each zone district
- Site planning and architectural design standards will continue to apply to incentive projects

PART 5

Additional Code Barriers

Refinements to the RPO, street design standards, and other engineering standards will help the City achieve housing and climate goals

The RPO is broadly mapped across city along property lines rather than designated resource areas. It indirectly limits density by capping developable area.

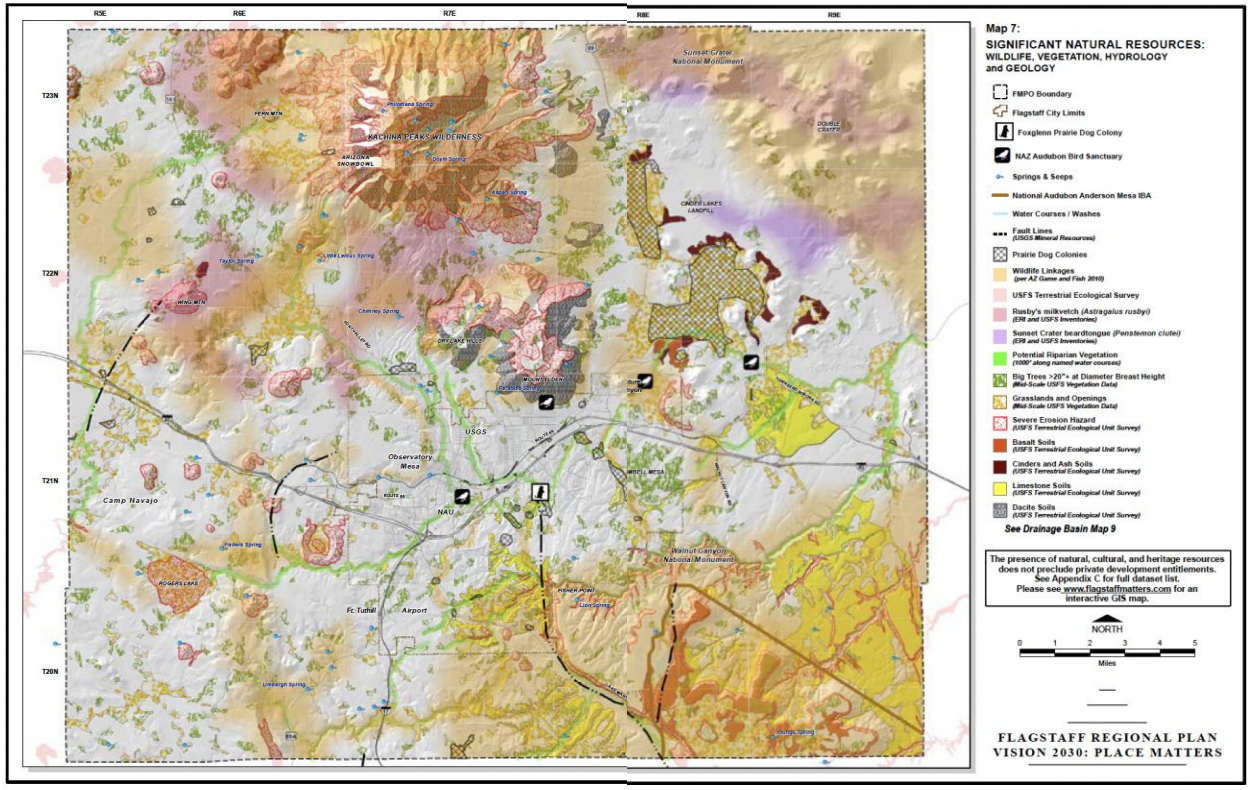


- Limiting density too strictly in the RPO may contribute to greater consumption of land and natural resources.
- Placing a premium on preserving existing stands of dense trees may increase overall risk of wildfires.

The RPO can become a more targeted tool with mapped overlays working in tandem, supported by management plans and clear mitigation pathways.

RECOMMENDATIONS

- Develop steep slope overlay tied to defined slope thresholds to establish ”no-build” zones, preserve geological features, and establish design standards.
- Re-map RPO and adjust points-system based on specific resource preservation goals while accounting for fire risk and calibration to support housing and sustainability goals.
- Establish clear, objective tree mitigation options.
- Provide RPO relief for projects participating in incentive tiers.



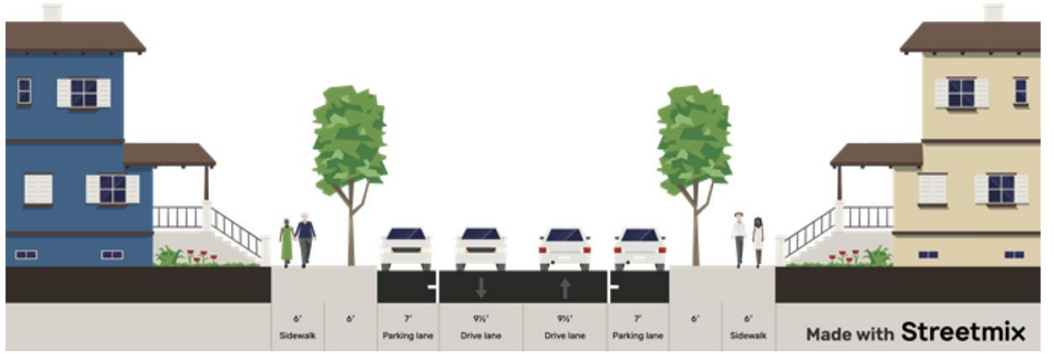
Street Engineering Standards: Develop exceptions process to permit narrower street designs.

- Current standards require wider R.O.W. than necessary, adding cost to development, limiting density, and encouraging higher speeds.

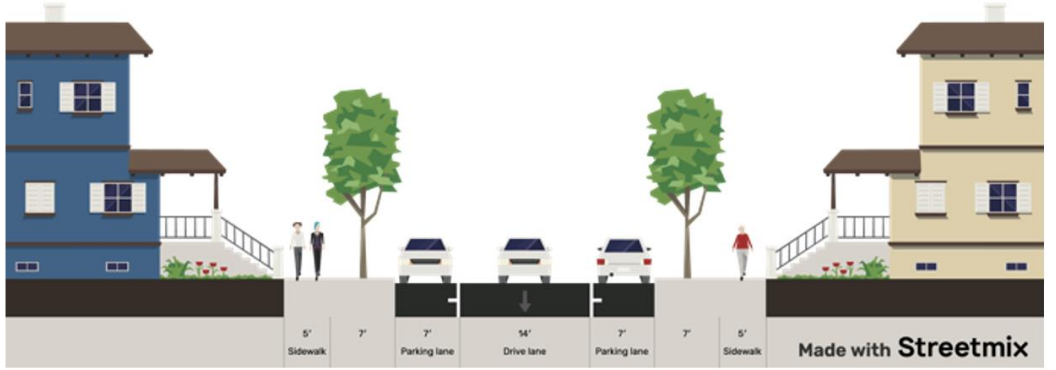
RECOMMENDATIONS

- Consider narrower local residential and minor collector cross-sections permitted through staff review of defined criteria.
- Further consider narrower travel lanes, queuing configurations, one-sided improvements, and rural low-cost street designs.

Existing 57’ ROW, Local Street



Potential 52’ ROW, Local Street



Street Connectivity Standards: Adopt design standards that reduce number of cul-de-sacs and improve walkability.

- Current engineering and subdivision standards encourage pattern of disconnected street networks.

RECOMMENDATIONS

- Adopt standards limiting maximum block size and use of dead-end streets.
- Approach reflects best practices in walkable design and supports sustainability goals.





Questions and clarifications?

Summary of the recommendations

1. **Increase base maximum density** across all residential and commercial zones (non-transect)
2. **Implement a scaled maximum Floor-to-Area Ratio (FAR)** in residential zones to ensure compatible scale and encourage smaller unit sizes.
3. **Reduce base minimum parking requirements** and allow further reductions for projects that support lower parking demand. Reform the Winter Parking Ordinance (WPO).
4. **Establish a required sustainable design baseline** applied through a flexible, points-based system
5. **Integrate incentive programs** into a cohesive, tiered structure that reflects policy goals, allows a range of approaches to achieve those goals, and is calibrated to motivate participation
6. **Refine additional code standards** to mitigate cost of resource protection, allow more efficient street design, and align regulations with housing and climate goals.