CITY COUNCIL REGULAR MEETING AGENDA

REGULAR COUNCIL MEETING
TUESDAY
JANUARY 6, 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.

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1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

A. Consideration and Approval of Minutes: City Council Regular Meeting of May 16, 2023, Work Session of March 26, 2024, Budget Retreat of April 25, 2024, Budget Retreat of April 26, 2024, Regular Meeting of May 7, 2024, Regular Meeting of June 18, 2024, Regular Meeting of July 2, 2024, Regular Meeting of November 19, 2024, Regular Meeting of November 18, 2025, Regular Meeting of December 2, 2025, Work Session of December 9, 2025, Special Meeting/Executive Session of December 16, 2025, Regular Meeting of December 16, 2025, and Budget Retreat of December 19, 2025.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Regular Meeting of May 16, 2023, Work Session of March 26, 2024, Budget Retreat of April 25, 2024, Budget Retreat of April 26, 2024, Regular Meeting of May 7, 2024, Regular Meeting of June 18, 2024, Regular Meeting of July 2, 2024, Regular Meeting of November 19, 2024, Regular Meeting of November 18, 2025, Regular Meeting of December 2, 2025, Work Session of December 9, 2025, Special Meeting/Executive Session of December 16, 2025, Regular Meeting of December 16, 2025, and Budget Retreat of December 19, 2025.

5. 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.

6. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Martin Luther King Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

B. Arizona Forward Presents the Climate & Clean Energy Rising Sustainability Star Award to Jenny Niemann

Informational only

7. COUNCIL LIAISON REPORTS

8. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Tourism Commission.

STAFF RECOMMENDED ACTION:

1. Councilmember Matthews to make an appointment.
2. Councilmember Aslan to make an appointment.
3. Councilmember House to make an appointment.

B. Consideration of Appointments: Indigenous Commission

STAFF RECOMMENDED ACTION:

1. Vice Mayor Sweet ot make one appointment.
2. Mayor Daggett to make one appointment.

9. 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 of Appointments: On-Call Magistrates for the Flagstaff Municipal Court.

STAFF RECOMMENDED ACTION:

Approve the appointments of the On-Call Magistrates Russell Hughes and Lewis Levin to the Flagstaff Municipal Court.

B. Consideration and Approval of First Amendment to Cooperative Purchase Contract: with CDW Government, LLC for Deckard/Rentalscape short-term rental monitoring software and services for FY2025-2026 with an option for FY2026-2027.

STAFF RECOMMENDED ACTION:

1. Approve the First Amendment to Cooperative Purchase Contract No. 2025-27 with CDW Government, LLC for Deckard/Rentalscape short-term rental monitoring software and services in the amount of $72,407.95, plus one additional optional year at an estimated cost of $75,000; and
2. Authorize the City Manager to execute the necessary documents.

C. Consideration and Approval of Contract: Design of Lake Mary Raw Waterline Replacement Project, Lake Mary Raw Water Pump Station to the Lake Mary Water Treatment Plant.

STAFF RECOMMENDED ACTION:

1. Approve the professional services contract with Ardurra Group, Inc. allowing the Water Services Engineering Team to proceed with the development of a design to replace the aging and failure-prone 1963 raw waterline from the Lake Mary Raw Water Pump Station - located at Lower Lake Mary - to the Lake Mary Water Treatment Plant; and
2. Authorize the City Manager to execute all necessary documents

D. Consideration and Approval of Contract: Lone Tree Overpass Project - Approval of Agreement between the City of Flagstaff and BNSF Railway for relocation of a fiber optic communications conduit bank in an amount not to exceed $699,127.00.

STAFF RECOMMENDED ACTION:

1. Approve the BNSF fiber optic relocation agreement in an amount not to exceed $699,127.00; and
2. Authorize the City Manager to execute the necessary documents.

E. Consideration and Approval of Contract: Approve the Grant Agreement with the State of Arizona Department of Public Safety for the Anti-Trafficking Grant Award of $360,100.00.

STAFF RECOMMENDED ACTION:

Approve the acceptance of the grant from the State of Arizona Department of Public Safety Anti-Human Trafficking grant funds in the amount of $360,100.00 for FY2026.

F. Consideration and Approval of Contract: Renewal of United States Forest Service (USFS) Annual Land Use Fee/Master Special Use Permit for Water Transmission Lines and associated fees.

STAFF RECOMMENDED ACTION:

1. Approve renewal of USFS Annual Land Use Fee/Master Special Use Permit for Water Transmission Lines and authorize the City Manager to execute all necessary documents; and
2. Approve the expenditure of $40,664.70 annually for the duration of the contract (20 years). Grand total is $813,294 over 20 years.

G. Consideration and Approval of Contract: Consultant Services Agreement Between the City of Flagstaff and Nan McKay and Associates, Inc. for Rental Assistance Demonstration (RAD) Program Comprehensive Project Management and Consulting Services.

STAFF RECOMMENDED ACTION:

Approve Consultant Services Agreement #2025-17 with Nan McKay and Associates, Inc. for comprehensive project management and consulting services for the Rental Assistance Demonstration (RAD) program.

10. ROUTINE ITEMS

A. Consideration and Approval: City of Flagstaff Advertising Policy for the Flagstaff Pulliam Airport

STAFF RECOMMENDED ACTION:

Approve the proposed advertising policy for Flagstaff Pulliam Airport

11. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2026-01: A resolution of the Flagstaff City Council authorizing the submission of an application to the State of Arizona for the Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund for the JW Powell Lake Mary to Interstate 17 project

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-01 by title only
2. Clerk reads Resolution No. 2026-01 by title only (if approved above)
3. Adopt Resolution No. 2026-01

B. Consideration and Approval: Use of the Council Initiative Fund

STAFF RECOMMENDED ACTION:

1. Consideration of the use of the Council Initiative Fund to support NAU's first annual Martin Luther King Jr. Gala
2. Consideration of the use of the Council Initiative Fund for any other programs Council may like to consider funding within the fiscal year.

12. DISCUSSION ITEMS

A. Energy Code Update Options

City Council direction on updates to the Building Code, focusing on the 2024 International Energy Conservation Code (IECC). Upon receiving Council direction, staff will explore the 2024 IECC through further research and community engagement. Staff will return to Council in mid-2026 for review and possible adoption of all of the 15+ codes in the 2024 Suite of Codes, including the 2024 IECC.

B. Discussion on the possibility of speed humps in Flagstaff and how they could work with snow operations

Discussion and direction on the addition of speed humps to the Residential Traffic Management Guide.

C. Streets Snow Readiness Report

This is an informational presentation on the state of city Streets as it relates to snow operations and expectations.

D. CARE unit 6-month update

Update Council on operations post Terro's taking over EMT operations and discuss future direction.

13. FUTURE AGENDA ITEM REQUESTS

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

14. OPEN CALL TO THE PUBLIC

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

16. 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: Stacy Saltzburg, City Clerk

Date: 12/30/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Minutes: City Council Regular Meeting of May 16, 2023, Work Session of March 26, 2024, Budget Retreat of April 25, 2024, Budget Retreat of April 26, 2024, Regular Meeting of May 7, 2024, Regular Meeting of June 18, 2024, Regular Meeting of July 2, 2024, Regular Meeting of November 19, 2024, Regular Meeting of November 18, 2025, Regular Meeting of December 2, 2025, Work Session of December 9, 2025, Special Meeting/Executive Session of December 16, 2025, Regular Meeting of December 16, 2025, and Budget Retreat of December 19, 2025.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Regular Meeting of May 16, 2023, Work Session of March 26, 2024, Budget Retreat of April 25, 2024, Budget Retreat of April 26, 2024, Regular Meeting of May 7, 2024, Regular Meeting of June 18, 2024, Regular Meeting of July 2, 2024, Regular Meeting of November 19, 2024, Regular Meeting of November 18, 2025, Regular Meeting of December 2, 2025, Work Session of December 9, 2025, Special Meeting/Executive Session of December 16, 2025, Regular Meeting of December 16, 2025, and Budget Retreat of December 19, 2025.

Executive Summary:

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

Financial Impact:

None

Policy Impact:

None

Previous Council Decision or Community Discussion:

None

Options and Alternatives to Recommended Action:

Council could choose to not approve the minutes.

Connection to PBB Priorities and Objectives:

High Performing Governance: Serve the public by providing high quality customer service

Connection to Regional Plan:

None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments:
05.16.2023.CCRM
03.26.2024.CCWS
04.25.2024.CCBR
04.26.2024.CCBR
05.07.2024.CCRM
06.18.2024.CCRM
07.02.2024.CCRM
11.19.2024.CCRM
11.18.2025.CCRM
12.02.2025.CCRM
12.09.2025.CCWS
12.16.2025.CCSMES
12.16.2025.CCRM
12.19.2025.CCBR

CITY COUNCIL REGULAR MEETING
TUESDAY, MAY 16, 2023
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held May 16, 2023, to order at 3:03 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

PRESENT:	ABSENT:
MAYOR DAGGETT	
VICE MAYOR ASLAN	
COUNCILMEMBER HARRIS	
COUNCILMEMBER HOUSE	
COUNCILMEMBER MATTHEWS	
COUNCILMEMBER MCCARTHY (virtual)	
COUNCILMEMBER SWEET	

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

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

The Council and audience recited the pledge of allegiance, Councilmember Sweet read the Mission Statement of the City of Flagstaff, and Councilmember Vice Mayor Aslan read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

Mayor Daggett called a moment of silence to remember Katie Whittekind.

4. PUBLIC PARTICIPATION

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

Michael Pappas addressed Council to express concerns about Mountain Line.

City Attorney Sterling Solomon introduced the new City Prosecutor John Rodabaugh. Mr. Rodabaugh expressed his appreciation and excitement for serving the City of Flagstaff.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Arizona Water Professionals Appreciation

Mayor Daggett read and presented the proclamation.

6. COUNCIL LIAISON REPORTS

Councilmember Harris shared that she met with the Airport Commission and confirmed that plans for the new paid parking lot were moving forward as expected. She encouraged the public to review available information to understand how the system would operate.

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Heritage Preservation Commission.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to clarify that Duffie Westheimer holds the Historic Property Owner seat and to appoint Amy Horn to an At-Large seat expiring December 2025.

Vote: 7 - 0 - Unanimously

8. LIQUOR LICENSE PUBLIC HEARINGS

Mayor Daggett opened the public hearing.

Sergeant Kevin Sapp introduced the applications and noted nothing of concern.

There being no public comment, Mayor Daggett closed the public hearing.

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to forward the applications to the State with a recommendation for approval.

Vote: 7 - 0 - Unanimously

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

B. Consideration and Action on Liquor License Application: Lauren Kay Merrett, "Fourth St Market & Liquor," 2901 N. Fourth Street, Series 09 (liquor store - all spirituous liquor), New Application.

C. Consideration and Action on Liquor License Application: Maria Danielle Burgess, "Circle K Store #5922," 5650 N. Hwy. 89, Series 09 (liquor store - all spirituous liquor), Location Transfer.

D. Consideration and Action on Liquor License Application: Chandi Michelle Russell, "Cafe Stella Modern Italian Cuisine and Bar," 7 E. Aspen Avenue, Series 12 (restaurant), New License.

9. CONSENT ITEMS

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

Moved by Councilmember Khara House, **seconded by** Councilmember Jim McCarthy to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. Consideration and Approval of Final Plat PZ-15-00015-24 Sirius at Timber Sky - Block 4: Capstone Homes requests Final Plat approval for Sirius at Timber Sky - Block 4 located at 3191 McAllister Ranch Road, a 63 lot single-family subdivision on 21.82 acres in the Single-Family Residential (R1) Zone.

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

B. Consideration and Approval of Final Plat PZ-21-00236-07 Woodshire on Oak Condominiums: Woodshire on West Oak, LLC requests Final Plat approval for Woodshire on Oak Condominiums located at 302 W Oak Avenue, a condominium subdivision on 0.94 acres in the Medium Density Residential (MR) and High Density Residential (HR) Zones.

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

10. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2023-05: An Ordinance of the City Council of the City of Flagstaff, amending Flagstaff City Code, Title 14 Human Relations, Chapter 14-02 Civil Rights, Section 14-02-001-0006 Complaint Procedures, to allow a verified charge to be filed within one hundred and eighty (180) calendar days after the alleged violation occurred; providing for repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2023-05 by title for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING FLAGSTAFF CITY CODE, TITLE 14 HUMAN RELATIONS, CHAPTER 14-02 CIVIL RIGHTS, SECTION 14-02-001-0006 COMPLAINT PROCEDURES, TO ALLOW A VERIFIED CHARGE TO BE FILED WITHIN ONE HUNDRED AND EIGHTY (180) CALENDAR DAYS AFTER THE ALLEGED VIOLATION OCCURRED; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN

EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Ordinance No. 2023-05.

Vote: 7 - 0 - Unanimously

B. **Consideration and Approval of Contract:** Approve a Cooperative Purchase Contract with General Acrylics, Inc., in the total amount of $920,642.42 to design and build eight pickleball courts and overlay existing tennis and basketball courts at Bushmaster Park.

Assistant Parks and Recreation Director Amy Hagin provided a PowerPoint presentation that covered the following:

HISTORY OF PICKLEBALL IN FLAGSTAFF
HISTORY IN CITY PARKS
WHY BUSHMASTER PARK?
COURT DESIGN, PROPOSAL AND FUNDING
CONCEPT IDEAS
4-POD COURT LAYOUT
LSI'S ZONE LED SPORTS LIGHT
PROPOSAL COST
INFORM FEEDBACK
FEEDBACK FROM RESIDENTS
DISTANCES FROM RESIDENCES
ACOUSTICAL WALLS/BARRIER

A question was raised about how late the Bushmaster Park courts would remain lit and whether the lighting complied with dark-sky standards. Ms. Hagin confirmed that the lights were fully dark-sky compliant and that park hours were from 5 a.m. to 10 p.m. Sunday through Thursday, and until midnight on Fridays and Saturdays. The lights operated on a one-hour timer, automatically shutting off at closing time even if activated shortly before.

It was asked if staff had received any complaints before the postcards were delivered. Ms. Hagin stated that no complaints were received prior to the postcards.

Another question was raised about whether the current dual-striped tennis and basketball courts would remain that way or return to being dedicated solely to their original sports if new pickleball courts were approved. Staff explained that if the proposal moved forward and the existing courts were resurfaced, they would continue to be dual-striped for pickleball. However, the current dedicated pickleball hours on those shared courts would be eliminated so the courts could primarily serve their original sports. The eight proposed new courts would provide fully dedicated pickleball play, removing the need for special hours on the shared ones.

There was discussion about the proposed overlay showing where new pickleball courts might be located. Concerns were raised about potential tree removal, as the image appeared to place the courts over an area with roughly six to eight trees Ms. Hagin emphasized that the court layout had not been designed yet, and the aerial image was only a general illustration. They had not performed detailed, on-site measurements, and depending on the final design, the courts could potentially be shifted to reduce tree impacts. Some smaller ponderosa pines may still be affected, but staff stated their intention to be as minimally intrusive as possible, noting that an exact number of trees affected cannot yet be provided.

Continued discussion focused on safety, lighting, noise, existing court usage, and potential alternative layouts. Ms. Hagin explained that while a four-foot fence was more open and inviting, there was some potential for balls to leave the court, though conflicts with nearby basketball and tennis areas were not expected due to their taller fencing. Concerns about lighting were also discussed; while the courts used dark-sky-compliant fixtures and operated only within standard park hours, staff said they could explore adding sensors to shut lights off sooner if courts were not in use.

There were suggestions about whether dedicated hours or midday quiet periods could be introduced to give nearby residents' relief from noise; staff noted that such restrictions did not currently exist in city code and would require formal changes to implement.

Council also discussed whether the courts could be moved farther from homes to the south or relocated to other areas of the park, though staff cautioned that space constraints, existing amenities, and the orientation of the courts limit how much noise exposure could change.

The following individuals addressed Council in support of the contract:

- Michael Ley
- C.J. Moore
- David Stephens
- Shelley Alvin
- Sandra Smith
- Bernice Carver
- Vanessa Miller
- Jennifer Kottra
- Irv Callahan
- Samuel Tomich
- Steve Mead
- Autumn Layden
- Retha L'Ecuyer
- Alicia Jorajuria
- C.J. Hoyt
- Jenny Zamora-Garcia
- Melinda McKinney
- Sharon Welsh Falor
- Dan Cunningham
- Linda Stricker
- John Hook
- Eric Fisher
- Adriana Cunningham
- Brooks Hart
- Tanya Rae
- Craig Mikelson
- Lynn Walsh
- Eileen Taggart

Written comments in support of the contract were submitted by the following individuals:

- Lee Johnson
- Mary Debold
- Ward Kinney
- Vickey Finger
- Christa Terhafen
- Mary Lou Gershater-Stom
- Warren Stone
- Ray Carver
- John Macken
- Bonnie Coffey
- Margaret Travers
- Dawson Henderson
- Randy Schilling

The following comments were received:

- Promotes physical and mental health for participants of all ages, including seniors and youth.
- Safer than high-impact sports; helps with mobility, recovery, and general fitness.

- Easy to learn, inexpensive, inclusive, and provides accessible recreation for beginners, families, and retirees.
- Builds social connections, friendships, and intergenerational engagement.
- Encourages community awareness and care, with players supporting others at the park.
- Open-play nature allows spontaneous participation without organized teams or club membership.
- Contributes to social cohesion, especially during periods of isolation (e.g., COVID).
- Existing Bushmaster Park courts are inadequate: cracked tennis courts, temporary nets, no dividers, and overcrowded play areas.
- Dual-striped courts create scheduling conflicts with tennis and basketball, limiting access for multiple sports.
- Nearby small towns offer better facilities, drawing players away.
- Permanent, dedicated courts would restore and expand capacity, accommodate growth, and improve safety and organization.
- Would reduce pressure on existing courts, allowing each sport to function more effectively.
- Courts would free tennis and basketball spaces during peak times.
- Acoustic mitigation (fencing/sound barriers) can reduce noise near homes, as shown in other cities.
- Bushmaster Park has existing parking, restrooms, lights, and other infrastructure to support expanded courts.
- Other potential sites (e.g., Thorpe Park) lack adequate infrastructure or lighting.
- Pickleball is growing nationally and internationally, attracting visitors, snowbirds, and recreational residents.
- Tournament-level facilities in other cities generate tourism and revenue; Flagstaff risks falling behind.
- Professional athletes already train in Flagstaff; dedicated courts would expand this draw.
- Supports youth athletics and high school programs by providing additional court access.
- Supporters report minimal past complaints; noise is generally manageable.
- Train and playground noise exceeds pickleball noise; prevailing winds help dissipate sound.
- Noise mitigation strategies are available and effective.
- Longtime residents and players view pickleball as integral to the park's evolution.
- Playing at Bushmaster contributes to personal achievements and community-building.
- Expanding courts fosters a welcoming, inclusive, and active recreational environment.

The following individuals addressed Council in opposition of the contract:

- Steve Walter
- Esther Breckenridge
- Nancy Panlener
- Juliet Parham
- Connie Folsom
- Paul Haro
- Audria Smith
- Shari Peralta
- Erin Young
- Laura Shearin
- Dana Jolly
- Mary Walter

Written comments in opposition of the contract were submitted by the following individuals:

- Laura Shearin
- Karen Malis-Clark
- Paul McClelland
- Steve Alves
- Paul Malis

The following comments were received:

- Slow down the project and include public input in a transparent site-selection process.

- Opposition to treating the proposal as a "done deal" without community-wide evaluation.
- Many neighbors were not notified or formally involved; felt blindsided by city staff prioritizing pickleball over other recreation projects.
- Desire for clear standards, regulations, or buffers for court placement before committing to the project.
- Noise is the primary concern; existing courts already generate significant disturbance, which would worsen with more courts.
- Proposed courts are very close to residences (125--300 feet), creating a direct sound pathway to homes.
- Extended hours (5 a.m.--midnight) and potential tournaments would increase repetitive noise, disrupt sleep, and reduce quality of life.
- Lights left on late at night may interfere with neighbors' sleep, especially during winter months.
- Bushmaster is historically a neighborhood park meant for informal recreation, quiet enjoyment, and contemplative spaces.
- The park is valued for its greenery, mature trees, and natural shade; development and tree removal threaten aesthetics and environmental quality.
- Concerns about removal of old-growth ponderosa pines and other environmental impacts.
- Development may compromise natural open space and the overall character of the neighborhood.
- Increased daily traffic, parking in dirt lots, and visitors accessing courts would affect streets, create hazards, and disrupt non-adjacent homes.
- Observations of unsafe behavior by some players in parking lots (racing, not watching children).
- Concerns about harassment, trash, and inappropriate behavior associated with increased park use.
- Support for placing courts away from homes, including underused commercial areas, shopping centers, indoor spaces, or other park parcels.
- Dedicated pickleball facilities could meet community needs without impacting neighborhoods.
- Existing alternative sites (e.g., Thorpe Park, Fort Park) may reduce residential impact.
- Fear that funding and staff attention for pickleball may delay or deprioritize other recreational needs (swimming pools, soccer fields, softball, skate park repairs).
- Concerns about insufficient maintenance of existing park facilities (graffiti, broken sidewalks).
- Potential negative impact on home values due to increased noise and activity.
- Close proximity of courts could raise privacy and light pollution issues.

Council discussed the proposal and acknowledged that pickleball was a popular and growing sport, providing recreational opportunities and health benefits. However, several Councilmembers expressed concerns about the appropriateness of Bushmaster Park as a site due to its proximity to residences, potential noise impacts, lighting, and the effect on the park's character.

It was highlighted that the park was historically a neighborhood space intended for informal, passive recreation, and that neighbors reasonably expected this character when purchasing their homes. Specific concerns included the noise from hard paddles and balls, potential disruption to home-based businesses, and the intrusion of extended hours and court lighting. A citizen petition opposing the courts at Bushmaster, with over 100 signatures, was referenced as evidence of community concern.

Council noted that while other park locations had been considered, staff determined there were no other shovel-ready sites in the city's park system capable of accommodating the courts. Options for mitigation were discussed, including relocating the courts as far from homes as possible, adjusting operating hours to reduce evening and nighttime play, planting tree buffers to reduce noise, and exploring indoor or alternative recreational spaces.

Council emphasized the need to balance recreational growth and the health benefits of pickleball with the preservation of neighborhood quality of life. Proposed compromises, such as limiting nighttime court access and prioritizing the protection of existing trees and natural areas were suggested. Staff also clarified that resurfacing of existing courts and potential lighting upgrades were part of the proposal and could be adjusted based on Council direction.

The discussion included acknowledgment of the city's broader parks and recreation priorities, including tennis courts, multipurpose fields, and other athletic facilities identified through previous

bond initiatives. Council stressed that the proposal should be implemented thoughtfully, with attention to noise mitigation, park character, and community concerns, and that any decision should seek a balance between recreational access and neighborhood livability.

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Austin Aslan to approve the construction of the pickleball courts at Bushmaster park with the conditions that the courts are built as far from homes as possible, that as many trees as possible can be preserved, and that there are no lights.

Councilmember House requested a restriction on the hours of play be considered in the motion; she did not feel that the reduction of lights addressed that fully.

Motion and second withdrawn by Councilmember Matthews and Vice Mayor Aslan respectively.

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Austin Aslan to approve Cooperative Purchase Contract with General Acrylics, Inc., in the total amount of $920,642.42 to design and build eight pickleball courts and overlay existing tennis and basketball courts at Bushmaster Park with the conditions that the courts are built as far north possible, with minimal tree removal, and time restrictions on all courts.

Vote: 6 - 1

NAY: Councilmember Jim McCarthy

Mayor Daggett called a break from 6:30 p.m. through 6:53 p.m.

11. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2023-18: A resolution of the Flagstaff City Council approving an Intergovernmental Agreement between the Arizona Board of Regents for and on behalf of Northern Arizona University and the City of Flagstaff for Information Technology Network Services

Deputy IT Director Paul Santana addressed Council and shared that the intergovernmental agreement (IGA) with NAU would guide future network connectivity and collaboration. While there were no specific projects or agreements identified at that time, the IGA established a governance framework to support potential initiatives such as allowing NAU access to city infrastructure for research and smart city projects, expanding internet connectivity for NAU students in low-income areas, and leveraging NAU's fiber network to extend the city's fiber development without incurring full capital costs. The IGA also formalized data-sharing regarding the location and ownership of fiber infrastructure. Overall, it was intended to encourage collaborative technology and broadband opportunities that benefited the community.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to read Resolution No. 2023-18 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF NORTHERN ARIZONA UNIVERSITY AND THE CITY OF FLAGSTAFF FOR INFORMATION TECHNOLOGY NETWORK SERVICES

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2023-18.

Vote: 7 - 0 - Unanimously

B. **Consideration and Adoption of Resolution No. 2023-25:** A resolution of the Flagstaff City Council providing for the Economic Incentive Programs, providing for delegation of authority, repeal of conflicting ordinances, and establishing an effective date.

Business Retention and Expansion Manager John Saltonstall and Business Attraction Manager Jack Fitchett provided a PowerPoint presentation that covered the following:

FRAMEWORK
PROPOSED RESOLUTION
INCENTIVE HISTORY AND CHANGES

Mayor Daggett clarified that the money was allocated in the budget and that staff was asking for the ability to make minor changes through the Economic Vitality Director.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Khara House to read Resolution No. 2023-25 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL PROVIDING FOR THE ECONOMIC INCENTIVE PROGRAMS, PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING RESOLUTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Khara House to adopt Resolution No. 2023-25.

Vote: 7 - 0 - Unanimously

C. **Consideration and Adoption of Resolution No. 2023-23:** A resolution of the Flagstaff City Council finding that taking of property interests is necessary for the Milton Road and University Avenue Right-of-Way Project, a public use, and establishing an effective date.

Senior Assistant City Attorney Anja Wendel stated that the city had been working for several years to acquire over 75 property interests needed for the Beulah/University Drive project, with multiple design changes along the way. Only five properties remained, La Quinta Inn and Suites, the Belmont by Wyndham Hotel, Burger King, Target, and the Green Tree Strip Mall. The proposed resolution would allow the city to proceed with condemnation actions for the five property interests. All property owners would be compensated according to the Arizona Constitution, with appraisals already completed and offers made. The city had spent additional time negotiating in good faith, but complexities, including corporate ownership and out-of-state stakeholders, had delayed final acquisition.

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to read Resolution No. 2023-23 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL FINDING THAT TAKING OF PROPERTY INTERESTS IS NECESSARY FOR THE MILTON ROAD AND UNIVERSITY AVENUE RIGHT-OF-WAY PROJECT, A PUBLIC USE, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to adopt Resolution No. 2023-23.

Vote: 7 - 0 - Unanimously

D. **Consideration and Adoption of Resolution No. 2023-29:** A resolution of the City Council of the City of Flagstaff, approving the First Amendment to an Intergovernmental Agreement with the Arizona Board of Regents related to Consolidation of University Campus and Road Projects.

Ms. Wendel offered that on March 7, 2023, the Council approved the first amendment to an IGA with the Arizona Board of Regents/Northern Arizona University for a property exchange of substantially equal value. Under the agreement, the city would acquire University Drive, currently used as public right-of-way for Target, Green Tree, and other properties, and several drainage easements, while conveying a portion of Hoskins Avenue near the NAU campus. Since that approval, NAU requested changes to the drainage easements that were materially different from the original. Staff was seeking Council re-approval of the first amendment to reflect the updated terms.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Lori Matthews to read Resolution No. 2023-29 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING THE FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA BOARD OF REGENTS RELATED TO CONSOLIDATION OF UNIVERSITY CAMPUS AND ROAD PROJECTS

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Deborah Harris to adopt Resolution No. 2023-29.

Vote: 7 - 0 - Unanimously

E. **Consideration and Adoption of Ordinance No. 2023-13:** an ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of additional real property interests for the Highway 180 Culvert Project; providing for delegation of authority, severability, repeal of conflicting ordinances, authority for clerical corrections, and establishing an effective date; and

Consideration and Ratification of Irrevocable Right of Entry for purchase of real property required for the project.

Real Estate Manager Bryce Doty provided a PowerPoint presentation that covered the following:

VICINITY MAP
PREVIOUS PLAN
CURRENT CONCEPT PLAN
REQUIRE PRIVATE PROPERTY ACQUISITIONS

Mayor Daggett thanked the Grand Canyon Trust for offering their land to alleviate the flooding.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Khara House to read Ordinance No. 2023-13 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF ADDITIONAL REAL PROPERTY INTERESTS FOR THE HIGHWAY 180 CULVERT PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, REPEAL OF CONFLICTING ORDINANCES, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Deborah Harris to read Ordinance No. 2023-13 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF ADDITIONAL REAL PROPERTY INTERESTS FOR THE HIGHWAY 180 CULVERT PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, REPEAL OF CONFLICTING ORDINANCES, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Ordinance No. 2023-13.

Vote: 7 - 0 - Unanimously

Sabrina addressed Council and asked for more information on the project impact of wildlife corridors.

Mr. Clifton explained that the short-term plan involved a temporary fix that used underground piping beneath Highway 180. The long-term plan, to be completed before the next monsoon season, also involved buried piping, likely extending through Grand Canyon Trust property, with possible daylighting on a second parcel. That would allow surface enhancements such as meandering the stream, adding vegetation, rock placement, and other features to improve aesthetics and wildlife habitat. Construction impacts would be temporary, and the completed project was intended to maintain open space and support wildlife use.

Moved by Councilmember Khara House, **seconded by** Vice Mayor Austin Aslan to ratify the Irrevocable Right of Entry contract for purchase of real property.

Vote: 7 - 0 - Unanimously

12. PUBLIC HEARING ITEMS

A. Northern Arizona Healthcare Public Hearing

Mayor Daggett opened the Public Hearing on Items 12Ai and 12Aii.

Zoning Code Manager Tiffany Antol, Transportation Engineer Stephanie Santana, Development Engineer Dave Millis, and City Engineer Paul Mood provided a PowerPoint presentation that covered the following:

NAH HEALTH VILLAGE PHASE 1 SPECIFIC PLAN & CONCEPT ZONING MAP AMENDMENT
ROADWAY CONNECTIONS
STORM DRAINAGE CONCERNS
INTERSECTION RECONSTRUCTION

Councilmember Matthews inquired about the drainage strategy for the proposed development, asking whether a gravity-flow system would cost more than using a pump. Staff responded that using the existing culvert under I-17 would require a pump, while creating a gravity-flow system would involve extensive drainage work and additional costs.

Vice Mayor Aslan then raised questions about dark sky lighting and emphasized the importance of minimizing light pollution in relation to Naval Observatory's mission. He noted that the hospital's building height could pose additional concerns. Staff explained that while a detailed lighting plan was not required at that time due to the concept rezoning, the applicant must comply with current lighting standards. Conversations with the Naval Observatory had focused on mitigating potential light impacts from the building above the tree line, and architectural features such as window shades and shielding were being considered. Vice Mayor Aslan acknowledged the applicant's good-faith efforts to address those concerns.

Vice Mayor Aslan asked about future wildfire risks, particularly under changing climate conditions, and about evacuation plans given the area southwest of the hospital that had not burned in over a century. Staff noted that current modeling considered on-site ignitions but did not account for future

climate impacts. They indicated that private and Forest Service lands in the area were being prioritized for thinning and mitigation, and that emergency planning by the hospital included coordinated wildfire response. Chief Gaillard confirmed that hospital facilities maintained comprehensive emergency plans and that fire responders would be integrated into any evacuation planning, acknowledging that the proposed hospital location had heightened wildfire risk.

Northern Arizona Healthcare Chief Operating Officer Josh Tinkle and Northern Arizona Healthcare Vice President of Construction and Real Estate Development Steve Eiss , provided a PowerPoint presentation that covered the following:

COMMUNITY HEALTH NEEDS ASSESSMENT
FACILITY PROGRAM DEVELOPMENT
MAKE-GOOD ANALYSIS
REDEVELOPMENT PROCESS FOR 1200 N. BEAVER ST.
COUNTY PARTNERSHIP
EVENT TRAFFIC
AMBULANCE ACCESS DURING SPECIAL EVENTS
COMMUNITY INVESTMENT: TRAINING, JOBS & PHILANTHROPY
CARBON FOOTPRINT
SOLAR, EV CHARGING & APS PARTNERSHIP
HELICOPTERS AND THE AIRPORT

Additional discussion focused on understanding the operational model and broader commitments of the proposed healthcare development. There were questions about the "hub and spoke" model, and it was explained that acute care services would be centralized on the new campus, which would act as the hub, while primary care, pediatric, and outpatient services would remain distributed throughout the city and surrounding areas as spokes.

There were also questions about electric vehicle (EV) infrastructure and how usage thresholds would trigger additional stations. Mr. Tinkle explained that they planned to partner with an EV charging provider and would assess utilization annually to scale infrastructure as needed.

Further discussion involved funding strategies and prior attempts to secure $450 million in tax-exempt bonds through Yavapai County, the reasons for withdrawing that application, and the pivot to Coconino County. Mr. Tinkle clarified that the Yavapai County application was withdrawn due to timing, approval, and political considerations, not because of a failed bond, and that the organization was exploring alternative financing routes, including local and state Industrial Development Authorities.

Council asked for clarification on the applicant's commitments to green energy. Mr. Eiss confirmed that the hospital would participate in APS's Green Connect Partner Program, ensuring all electricity came from that program while investing in broader renewable energy initiatives.

Council reviewed the infrastructure responsibilities, specifically transportation improvements, water and sewer upgrades, stormwater management, and fire service impacts. Staff confirmed that the applicant would fund all necessary on-site and adjacent improvements, including contributing 50% toward a new fire station to accommodate the relocated ladder truck.

A break was held from 8:40 p.m. through 8:52 p.m.

The following individuals addressed Council in support of the rezone and specific plan:

- Kurt Rosene
- Matt Mirabile
- Taylor Wiseman
- Scott Carfi
- Chris Nickle
- David Monihan Jr.
- Lynn Martin

- Kam Marcum
- Travis Boren
- Sara Dorn
- Randy McGrane
- Colleen Little
- Julie Pastrick
- Bonnie Bouschet
- Brian Landauer
- Jerome Naleski
- Judy Louks
- Alice Gaguaire
- Dave Engelthaler
- Chris Lininger
- James Brooks
- Scott Watson
- Ali Applin
- Joel Justin
- Stephen Williams
- Caitlin Boren
- Gail Jackson
- Latisha Jeffers

The following individuals submitted written comments in support of the rezone and specific plan:

- Craig Moody

The following comments were received:

- Current hospital is outdated, overcrowded, and operating at or beyond capacity.
- Long wait times and frequent referrals to Phoenix and Prescott indicate significant unmet demand.
- Retrofitting or renovation cannot adequately address space, workflow, privacy, or technology limitations.
- New facility would reduce reliance on long-distance travel, airlifts, and transfers for specialty and trauma care.
- Faster access to care could save lives and reduce stress on patients and families.
- A state-of-the-art trauma and inpatient facility better serves both emergency and ongoing care needs.
- New campus would add or expand oncology, rehabilitation, wound care, hyperbaric chambers, advanced imaging, pediatric services, and future-focused care models such as hospital-at-home.
- Facilities designed to adapt to evolving healthcare technologies and care delivery models.
- Private rooms, expanded inpatient capacity, and improved layouts enhance dignity, privacy, healing, and family involvement.
- Modern design improves wayfinding, comfort, and overall patient well-being.
- Improved workspaces allow staff to focus on patient care rather than facility constraints.
- Modern facilities and advanced technology are essential for recruiting and retaining high-caliber physicians, nurses, and specialists.
- Supports education and training pipelines through partnerships with NAU and nursing programs.
- Helps retain local graduates in Flagstaff for long-term employment.
- Facility serves not only Flagstaff but a rural regional population of 700,000+, including surrounding communities, travelers, and tourists.
- Addresses longstanding healthcare access gaps across Northern Arizona.
- Construction and permanent healthcare jobs provide significant economic benefits.
- Attracts higher-paying jobs and supports local businesses.
- Seen as a long-term economic engine for Flagstaff and the region.
- Project includes on-site housing and catalyzes additional nearby residential development.
- Supports the City's declared housing emergency.
- Relocation frees centrally located land for reuse and redevelopment, creating opportunities for

housing, schools, and community-serving uses.
- Examples cited include potential reuse for educational facilities such as Flagstaff Junior Academy.
- Roads, utilities, and bridge improvements associated with the project would be funded by the developer, not taxpayers.
- Claims of taxpayer liability were disputed by speakers who reviewed project documents.
- New campus is expected to be more energy-efficient and environmentally sustainable than the existing hospital.
- Includes features such as rooftop solar, modern waste systems, and reduced long-term carbon footprint compared to maintaining the current facility.
- Ongoing coordination with entities such as the Naval Observatory on lighting and dark-sky protections, with continued mitigation planning anticipated.
- New facility strengthens preparedness for pandemics, natural disasters, and future public health emergencies.
- Lessons from COVID underscored the need for additional space, flexibility, and modern infrastructure.
- Viewed as comparable to prior community investments in schools and courts that outgrew existing facilities.
- Framed as a strategic decision focused on the next 50+ years, rather than a short-term solution.
- Seen as essential to supporting families, aging residents, workforce stability, and Flagstaff's long-term health, safety, and economic resilience.
- Families, patients, and healthcare workers shared firsthand experiences of excellent care delivered in physically constrained conditions.
- Strong trust expressed in hospital staff and healthcare leadership.

The following individuals addressed Council in opposition of the rezone and specific plan:

- Stefan Sommer
- Sara Reeves
- Richard Smith
- Joe Nackard
- David Spence
- Michele James
- Marcus Ford
- Susan Immel
- Matthew Hall
- Erik Nielsen
- Jill Stephenson
- Kathy Perkins
- Anthony Garcia

The following individuals submitted written comments in opposition of the rezone and specific plan:

- Karen Enyedy
- Ann Heitland
- Ann Marie Geissel
- Sherry Gordon
- Jim Kapsales
- Ed Shuttleworth
- Traci White Limback
- Gregory Limback
- Virginia Wilkins
- Mary Langin
- Cecy Gilbert
- Christopher Murphy MD
- Dr. Donna Michaels

The following comments were received:

- The City lacks a complete, quantified carbon footprint analysis covering construction, operations, transportation impacts, and redevelopment of the existing hospital site.
- Without full lifecycle emissions data, Council cannot determine whether the project supports or undermines Flagstaff's carbon neutrality goal by 2030.
- Energy efficiency measures alone are viewed as insufficient without understanding total emissions.
- Concerns raised about diesel generators, increased vehicle traffic, urban sprawl, and long-term climate impacts.
- Sustainability commitments are seen by some as minimal and not clearly enforceable.
- Approval without a comprehensive sustainability review could weaken future environmental oversight.
- Requests were made for additional analysis by the City's sustainability experts before proceeding.
- Described as a "legacy decision" with long-term implications for the community's environmental future.
- The nearly $1 billion project cost raises concerns about long-term financial impacts on patients, insurers, employers, and the broader community.
- Unclear how the project would reduce healthcare costs or ensure long-term financial sustainability.
- Significant uncertainty exists around infrastructure costs, grant funding assumptions, cost escalation, and potential project delays.
- Concerns that taxpayers could ultimately bear financial risk if funding projections fail.
- Question raised whether relocating the hospital is necessary versus renovating or expanding the existing facility.
- Emphasis that "new" does not automatically mean "affordable."
- Decisions of this scale were made without a public vote or sufficient community oversight.
- Transition from community-based governance to an expertise-based board raised accountability concerns.
- Calls for greater transparency, enforceable commitments, and written guarantees rather than verbal assurances.
- Skepticism that a new facility alone will resolve staffing challenges or ensure recruitment and retention of permanent, community-based physicians.
- Concerns about chronic understaffing and loss of local specialty services, including pulmonology.
- Patients with chronic conditions are already required to travel long distances for care, increasing risk and stress.
- Doubts that certain subspecialties would locate in Flagstaff due to population constraints, regardless of a new building.
- Proposed location is in a higher wildfire risk area, raising serious evacuation and patient safety concerns during fire events.
- Increased risks from extreme weather and future climate conditions were cited.
- Some speakers supported hospital modernization but questioned whether the chosen site is appropriate.
- Questions remain about road access, right-of-way approvals, Forest Service land use, and adequacy of emergency access routes.
- Traffic impacts on Milton, Beulah, and surrounding corridors were viewed as insufficiently analyzed.
- Concerns raised about electric grid capacity and reliability.
- Water availability and long-term water impact analyses were described as incomplete or delayed, with potential consequences for future generations.
- Relocating the hospital from the city center could harm downtown vitality.
- Risk of long-term vacancy or blight at the existing hospital site without a binding redevelopment plan.
- Some advocated investing in community health, prevention, clinics, education, and access instead of a large, centralized facility.
- Calls for updated healthcare needs assessments, community impact studies, and architectural evaluations before approval.
- Many speakers stated there are too many unanswered questions to proceed confidently.
- Requests to pause or postpone approval until issues related to staffing, financing,

sustainability, governance, infrastructure, and community impacts are resolved.

Councilmember Matthews highlighted the strong community engagement around what may be one of the Council's most significant decisions. She acknowledged concerns about staffing, costs, financials, carbon footprint, and healthcare affordability, but emphasized that those issues were outside the scope of the zoning decision and should be addressed through other forums. She noted changes to the Regional Plan over time and recognized the community's commitment to environmental stewardship, while clarifying that carbon neutrality and other performance measures were not statutory requirements tied to rezoning the hospital site. She expressed appreciation for the hospital's efforts to go beyond minimum requirements and act as a good community partner. She stressed that community concerns were valid and heard, suggested continued dialogue with hospital leadership, and reiterated that the Council's task was limited to zoning.

Councilmember Harris expressed appreciation to everyone who had worked on the project. She emphasized her trust in the expertise of staff and project participants and noted that governing required relying on professionals rather than trying to manage everything alone. She argued that uncertainty should not prevent progress, as moving forward required making courageous decisions. Flagstaff would continue to grow, and future residents would need a state-of-the-art hospital. She indicated that the decision before the Council was a zoning amendment and stated her intention to vote in favor of moving the project forward.

Vice Mayor Aslan acknowledged the tension surrounding the hospital proposal. He expressed his desire to postpone final decisions on the hospital relocation for six months in order to gain greater clarity, including an independent community impact assessment, stronger guarantees from NAH on infrastructure costs, transportation, public safety, reuse of the existing hospital site, and stronger commitments toward Flagstaff's carbon neutrality goals. He noted three key points: Council's legal duty to evaluate the proposal based on required findings rather than personal values; he was not opposed to growth or development of the land in question; and he believed that Flagstaff needed a major upgrade to its healthcare infrastructure. However, he was not convinced that relocating to a new 175-acre campus was necessary. He argued that many hospitals successfully modernized in place and that the current campus might be a viable alternative. He expressed pride in the community's climate advocacy but cautioned against viewing the project solely through a carbon lens, noting that Council decisions must legally focus on whether findings were met. He thanked NAH for exceeding minimum sustainability requirements and expressed hope for a more collaborative, partnership-based approach. He felt that the project failed to meet key findings, particularly regarding conformity with the Regional Plan, transportation, public safety, cost of development, equity impacts, and sprawl. He raised concerns about significant financial burdens on the city and taxpayers, uncertainty around federal grants and debt financing, the onboarding of a new NAH CEO, and impacts on vulnerable populations and transit access. Ultimately, he was open to supporting the project if additional time yielded better outcomes, a postponement would allow negotiations, clearer financial answers, and improved alignment with city goals.

Councilmember House reflected on more than two years of discussion around the hospital project, and acknowledged the contributions of community members, partners, and NAH. Council's decision was both significant and narrowly focused, with the core questions of whether the project met community need and advanced the Council's mission to protect and enhance quality of life. She rejected the idea of an "us versus them" divide between the community and the hospital and noted that the decision was not a simple either/or between staying in place or building new. Sustainability and carbon neutrality were central concerns, but the ultimate question was what best served the community. The health system faced significant limitations and remaining at the current facility was not the wisest option. While the decision was not easy, she believed that the findings could be met and the project was necessary.

Councilmember Sweet thanked the community for their passion and acknowledged that public input had improved the hospital project. She also expressed gratitude to city staff and NAH for answering questions, addressing concerns, and exploring ideas like solar partnerships and site improvements. She noted that the decision was regional and affected not just Flagstaff, but surrounding communities. After weighing the complexities and trade-offs, she concluded that the project was positive for the community and region, she believed the findings had been met, and announced that

she would vote yes.

Councilmember McCarthy indicated that he had reviewed the development agreement and noted that most prior questions had been addressed. He compared the old and proposed hospitals, highlighted an increase from 240 to 274 licensed beds, plus a 24-bed observation unit and the potential to add 44 more beds without expanding the footprint. He requested that housing provided as part of the project be restricted from becoming short-term rentals and document that within the development agreement. He also proposed accelerating the installation of solar panels and recommended completion within one year of the parking garage rather than waiting until 2030. He expressed that he did not support delaying the vote and any necessary refinements could still be made during the two-week period before the final read and adoption of the ordinance.

Mayor Daggett thanked city staff and the community for their engagement and noted that public input had been critical to her deliberation. She requested the following for inclusion in the development agreement, including:

1. A set start date for public participation and planning.
2. Inclusion of at least one member from the city's sustainability, housing, and transportation commissions on the vision plan steering committee.
3. Coordination between redevelopment of the current campus and the updated Regional Plan.
4. City council approval of Phase 1 and 2 site plans.
5. Third-party verification of meeting or exceeding Energy Star goals.

Staff and NAH agreed to address the requests prior to the second reading. Mayor Daggett also urged staff to prioritize updating codes and ordinances to reflect carbon neutrality and housing goals. She discussed the project in the context of Flagstaff's Regional Plan, noting that while infill development was preferable for connectivity, walkability, and climate goals, greenfield development was not prohibited. She believed that the proposed hospital project largely aligned with regional plan policies, minimized viewshed and neighborhood impacts, and accommodated future multimodal transportation needs.

There being no further comment, Mayor Daggett closed the public hearing on Items 12Ai and 12Aii.

i. **Consideration and Adoption of Resolution No. 2023-20 and Ordinance No. 2023-12:** A Resolution of the City of Flagstaff, Coconino County, Arizona, declaring as a public record that certain document filed with the City Clerk entitled "NAH Health Village Phase 1 Specific Plan" and an Ordinance of the City Council of the City of Flagstaff, Coconino County adopting the NAH Health Village Phase 1 Specific Plan to guide the development of 172.62 acre of real property and to provided specific development requirements for 93.39 acres generally located at 1120 W Purple Sage Trail.

Moved by Vice Mayor Austin Aslan to postpone the vote until a date certain of November 7, 2023.

Motion failed for lack of a second.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Deborah Harris to read Resolution No. 2023-20 by title only.

Vote: 6 - 1

NAY: Vice Mayor Austin Aslan

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "NAH HEALTH VILLAGE PHASE 1 SPECIFIC PLAN"

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to read Ordinance No. 2023-12 by title only for the first time.

Vote: 6 - 1

NAY: Vice Mayor Austin Aslan

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ADOPTING A SPECIFIC PLAN, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "THE NAH HEALTH VILLAGE PHASE 1 SPECIFIC PLAN" TO GUIDE THE DEVELOPMENT OF 172.62 ACRES OF REAL PROPERTY AND TO PROVIDE SPECIFIC DEVELOPMENT REQUIREMENTS FOR 98.39 ACRES GENERALLY LOCATED AT 1120 W PURPLE SAGE TRAIL PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

ii. **Consideration and Adoption of Ordinance No. 2023-11:** An Ordinance of the City Council of Flagstaff, amending the Flagstaff Zoning Map to rezone approximately 98.39 acres of real property from Rural Residential (40.47 acres) and Estate Residential (57.92 acres) to Highway Commercial (63.18 acres) and Public Facilities (35.21 acres) and adding the Resource Protection Overlay to APN 112-10-036, 112-10-037, and 112-05-125 generally located at 1120 W Purple Sage Trail.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2023-11 by title only for the first time.

Vote: 6 - 1

NAY: Vice Mayor Austin Aslan

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 98.39 ACRES OF REAL PROPERTY FROM RURAL RESIDENTIAL (40.47 ACRES) AND ESTATE RESIDENTIAL (57.92 ACRES) TO HIGHWAY COMMERCIAL (63.18 ACRES) AND PUBLIC FACILITIES (35.21 ACRES) AND ADDING THE RESOURCE PROTECTION OVERLAY TO APN 112-10-036, 11210-037, AND 112-05-125 GENERALLY LOCATED AT 1120 W PURPLE SAGE TRAIL PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. **Consideration and Possible Adoption of Resolution No. 2023-24:** A resolution authorizing the execution of the Northern Arizona Healthcare (NAH) Health Village Development Agreement between NAH and the City of Flagstaff, related to the development of approximately 172.62 acres of real property generally located at 1120 W. Purple Sage Trail

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Lori Matthews to postpone the item until June 6, 2023.

Vote: 6 - 1

NAY: Vice Mayor Austin Aslan

13. FUTURE AGENDA ITEM REQUESTS

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

A. **Future Agenda Item Request (F.A.I.R.):** A Citizens' Petition titled Heavy Industrial Adjacent to Residential

Item postponed to June 6, 2023 City Council Meeting.

14. PUBLIC PARTICIPATION

None

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

None

16. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held May 16, 2023, adjourned at 11:40 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on May 16, 2023. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL WORK SESSION
TUESDAY, MARCH 26, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. Call to Order

Mayor Daggett called the meeting of the Flagstaff City Council held March 26, 2024, to order at 3:01 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

Present: Becky Daggett, Mayor
Austin Aslan, Vice Mayor
Deborah Harris, Councilmember
Jim McCarthy, Councilmember
Khara House, Councilmember
Lori Matthews, Councilmember
Miranda Sweet, Councilmember

Staff Present: City Manager Greg Clifton; Deputy City Attorney Kevin Fincel

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Dennis Givens addressed Council and suggested allowing people to choose smaller trash cans to match their usage, which could incentivize composting, save money, and reduce waste. He also emphasized focusing on local issues like flooding, affordable housing, small businesses, and public transportation, while encouraging community action on broader topics.

5. Review of Draft Agenda for the April 2, 2024 City Council Meeting

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

Councilmember House made note of an additional proclamation for April 2, 2024.

6. March Work Anniversaries

Senior Deputy City Manager Shannon Anderson provided a PowerPoint presentation that covered the following:

MARCH EMPLOYEE WORK ANNIVERSARIES
FIRST YEAR ANNIVERSARIES
FIVE YEAR ANNIVERSARIES
TEN YEAR ANNIVERSARIES

7. City Manager Report

Mr. Clifton briefly reviewed his report.

Community Development Director Dan Folke reviewed the 2023 Annual Community Development Report.

Councilmember Matthews acknowledged the significant amount of work that is happening and expressed her appreciation to staff.

8. Discussion of Citizen Petition to Change the Goals in Carbon Neutrality Plan

Sustainability Director Nicole Antonopoulos and Water Services Director Shannon Jones provided a PowerPoint presentation that covered the following:

DISCUSSION ON CITIZEN PETITION TO REVISE THE CARBON NEUTRALITY PLAN PRIORITIES AGENDA
CITIZEN PETITION

BACKGROUND: BACK TO BASICS
MITIGATION VS. ADAPTATION
ACTION ON FIRE, FLOODING, AND DROUGHT IS SUPPORTED BY THE CURRENT CNP
CNP GOALS INFORMED BY THE CLIMATE EMERGENCY
THREE CORE GOALS OF THE CNP
CARBON NEUTRALITY PLAN TIMELINE
2022 REVISIONS INCORPORATED FIVE TARGET AREAS FROM THE 2018 CLIMATE ACTION AND ADAPTATION PLAN
FIRE, FLOODING AND DROUGHT IN THE CARBON NEUTRALITY PLAN
THE CITY'S ONGOING WORK ON FIRE, FLOODING, AND DROUGHT IS SUPPORTED, BUT NOT DRIVEN BY THE CNP
CITY PLANS
ADOPTED CITY PLANS THAT FOCUS ON FIRE, FLOODING, AND DROUGHT
CITY PLANS THAT FOCUS ON MITIGATION
GETTING TO WORK...
CURRENT HIGH-PRIORITIES AND BARRIERS FIRE
CURRENT HIGH-PRIORITIES AND BARRIERS FLOODING
CURRENT HIGH-PRIORITIES AND BARRIERS DROUGHT
DISCUSSION
OPTIONS
STAFF RECOMMENDATION

Council and staff discussed the city's Capital Improvement Projects for stormwater and water infrastructure, which approached $400 million over the five-year plan. Funding was planned through a combination of grants, debt capacity, and ratepayer contributions, with efforts to maximize grant opportunities while minimizing community impact. Grants were supporting innovative approaches to climate action, including environmental justice and emissions reduction, allowing flexibility in project implementation rather than prescribing exact methods. The conversation also highlighted the connection between housing and climate goals. Integrating the "Housing for All" initiative with the carbon neutrality plan ensured equity and efficiency, promoting dense, multifamily, water- and energy-efficient housing that supported sustainable transportation options. The integrated approach aligned housing solutions with climate action, to help reduce living expenses while advancing sustainability goals.

The following individuals addressed Council regarding the petition:

- Tom Pearson
- Joe Donaldson
- Bryan Bates
- Kathleen Armstrong
- Dee Hoagland
- Robert Bowser
- Jim Schweikert
- Michele James
- Laura Kessler
- Talyne Belka
- John McCartney
- Stefan Sommer
- Phil Goldblatt
- Pat Ellsworth
- Kay Bordwell
- Vickie Parks
- Jill Stephenson
- Buck Sanford
- Merion Sharp
- Amy Wolkowinsky
- Laura Carter
- Susan Shapiro
- Sat Best

- Pamela Carter
- Val Bryant
- Erica Rackley
- Katthy Flaccus
- Knut MacCormack
- Nat White
- Yiqun Lin
- Dr. Emily Davalos
- Jim Parks
- Sarah Wilce
- John Fegyreresi
- Merle Henderson
- Sarica Ceronohous
- Harmony Green

Written comments regarding the petition were submitted by the following individuals:

- Melinda Bell
- Joan Harris
- Annette Nystedt
- Karyn Riedell
- Ruth Porter Tilman
- John McCartney
- Lyla Yango
- Matthew Jude Poirier
- Talyne Belka
- Paul Ogden
- Steve La Falce
- Cathi Borthwick
- Mr. and Mrs. Lee R Tilman
- David Spence
- Robert Sanford Jr.
- Harmony Green
- Matthew Nemmer
- Timothy Retter
- Jessica Keetso
- Eva Condon MD

The following comments were received:

- Petition requests reinstating fire, flooding, and drought as a top priority in the CNP, reflecting the original 2018 Climate Action and Adaptation Plan (CAAP).
- Fire, flooding, and drought have caused significant damage to residential and commercial property and continue to be recurring threats.
- Impacts disproportionately affect vulnerable populations (poor, elderly, fixed incomes); equity demands action.
- Monsoon flooding could impact thousands of structures and cause billions in damages.
- Immediate adaptation measures are needed to protect lives, property, and community resilience.
- Reinstatement of fire, flooding, and drought provides a balanced approach to climate action.
- Past catastrophic events (e.g., Lahaina) as cautionary examples of focusing only on carbon neutrality without preparation for fire, flooding, and drought.
- Adaptation funding would save even one neighborhood or life, making it worthwhile.
- Current CNP focuses on carbon neutrality by 2030; maintaining this focus is critical for long-term climate mitigation.
- Adding fire, flooding, and drought into the plan may dilute efforts and redirect funds from carbon reduction initiatives.
- Multiple agencies already address fire, flooding, and drought (e.g., Forest Service, county, federal programs); city resources are limited.
- The CNP addresses root causes of climate change, not just symptoms; mitigation of CO? is essential for preventing long-term fire, flooding, and drought.

- Emphasis on long-term planning and fiscal responsibility; immediate adaptation measures exist outside the CNP.
- Maintaining current CNP ensures continued funding, staffing, and focus on achieving carbon neutrality.
- Carbon neutrality and fire, flooding, and drought mitigation are not mutually exclusive, but adding fire, flooding, and drought into CNP could reduce focus on emissions.
- The CNP addresses systemic causes (CO? emissions) while fire, flooding, and drought are symptoms managed by other programs.
- Immediate threats (fire, flooding) require federal and state action; city-level CNP is designed to tackle root causes.
- Planning should focus on measurable outcomes and expertise rather than emotional or individualized concerns.
- Long-term resilience involves both adaptation (fire/flood mitigation) and mitigation (emissions reductions), but the CNP prioritizes the latter.
- Keeping CNP intact: maintaining focus on carbon neutrality, avoiding dilution of funds, relying on other agencies for fire, flooding, and drought mitigation, prioritizing root causes of climate change.
- Skepticism about the role of CO? and climate science.
- The CNP is a framework for regional cooperation with county and federal agencies.

A break was held from 5:50 p.m. through 6:01 p.m.

Council asked for staff to share information about the interdepartmental and interagency work that went into the issues of fire, flooding, and drought issues.

Wildland Fire Operations Captain Dylan Guffey offered that the city's wildland fire program was responsible for fire suppression and fuels management within city limits. Their work included managing new fire starts, conducting prescribed burns, selective thinning on city parcels, assisting with grants and contracts for private homeowners' properties, and removing hazardous trees and managing fuels in parks and open spaces. The program consisted of five Wildland Fire personnel, including four firefighters, additionally all city firefighters, were trained and qualified in wildland fire response according to the standards of the National Wildfire Coordinating Group. He shared that they worked closely with internal city partners, including Sustainability and Water Services, on all projects such as prescribed burns and watershed protection. Externally, they collaborated with the USDA, Forest Service, the Arizona Department of Fire and Forestry Management, the Department of the Interior, the National Park Service, and adjacent fire departments and districts, including Blue Ridge, Mormon Lake, Ponderosa, and Pinewood. They also coordinated with organizations like the Ecological Restoration Institute and the Greater Flagstaff Forest Partnership, particularly on tree-thinning projects. All personnel from partner agencies, such as Summit and Highlands Fire, meet the same Wildland training requirements under their joint authority agreements with the city. The strong collaboration and training ensured a comprehensive and coordinated approach to fire prevention, mitigation, and response across the Flagstaff area.

Climate Action Section Director Jenny Niemann explained how Flagstaff's climate plan had evolved, and clarified that adaptation concerns like wildfire, flooding, and drought were already embedded in the current CNP. The city adopted its first CAAP in 2018, then created the CNP in 2021 which focused primarily on emissions mitigation due to time and resource constraints. As planned, a 2022 revision merged the two documents so that both mitigation and adaptation strategies would exist in a single, comprehensive plan. All major adaptation target areas from 2018, such as forest health, water security, public health and safety, and economic resilience, were carried forward into the 2022 CNP, with some updates and refinements based on new information and interdepartmental collaboration.

Ms. Neimann emphasized that adaptation and mitigation overlapped extensively and offered examples like energy efficiency improving resilience during power outages and forest health efforts reducing both fire risk and carbon emissions. The Wildland Fire program coordinated heavily with sustainability staff on grants, forest health, home hardening, biomass utilization, air filtration programs, and public education.

Council discussion highlighted that Flagstaff already had numerous specialized plans addressing fire, flood, and drought, and that the issues were actively being worked on across departments and partner

agencies. It was agreed that while community concerns were valid and widely shared, reopening the Carbon Neutrality Plan mid-cycle was unnecessary. Council direction was to keep the current plan intact, continue collaboration and implementation, and revisit priorities through the planned update process rather than amending the plan immediately.

There was not requisite support to advance the petition to a future agenda.

9. Open Call to the Public

None

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

Vice Mayor Aslan shared that the Flagstaff Community Band was running their annual donor program, and he requested the Council consider using their Initiative Fund to support and contribute to Flagstaff Community Band.

Mayor Daggett shared that she attended the unveiling of the Coconino Community College's new mascot, Coco the Comet.

11. Adjournment

The Work Session of the Flagstaff City Council held March 26, 2024, adjourned at 7:16 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY COUNCIL BUDGET RETREAT - DAY 1
THURSDAY, APRIL 25, 2024
CORE SERVICES FACILITY
3200 WEST ROUTE 66
8:30 A.M.

MINUTES

1. Call to Order

Mayor Daggett called the meeting of the Flagstaff City Council held April 25, 2024, to order at 8:31 a.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

Present:	Mayor Becky Daggett Vice Mayor Austin Aslan Councilmember Khara House Councilmember Lori Matthews Councilmember Jim McCarthy Councilmember Miranda Sweet
Absent:	Councilmember Deborah Harris
Staff Present:	City Manager Greg Clifton; City Attorney Sterling Solomon

Councilmember House arrived at 12:15 p.m.

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. City Council FY 2024-2025 Budget Retreat

City Manager Greg Clifton offered opening comments and introduced Jeff Kennedy who facilitated the retreat.

A PowerPoint presentation was provided that covered the following:

BUDGET RETREAT APRIL 25TH & 26TH, 2024
WELCOME AND OVERVIEW
RETREAT PROTOCOL
AGENDA -- DAY 1
AGENDA -- DAY 2

Assistant Finance Director Heidi Derryberry continued the presentation.

BUDGET OVERVIEW
BUDGET TIMELINE
BUDGET APPROACH
COLOR OF MONEY

Management Services Director Rick Tadder continued the presentation.

REVENUE UPDATES
REVENUE UPDATE -- GENERAL FUND
GENERAL FUND SALES TAX REVENUES
GENERAL FUND STATE SHARED REVENUES
REVENUE UPDATE -- GENERAL FUND

Interim Deputy HR Director Jen Caputo and Interim Class and Compensation Manager Jessica Vigorito continued the presentation.

INVESTING IN EMPLOYEES
STAFFING HISTORY (FULL-TIME EQUIVALENTS)
STAFFING INCREASES
RECLASSIFICATIONS
RETENTION TRENDS -- TURNOVER COMPARISON
FY 2024-2025 PROPOSED BUDGET BY CATEGORY
RETENTION TRENDS -- EXIT INTERVIEW SUMMARY
ATTRACTION TRENDS
RETENTION TRENDS -- I'M COMPENSATED FAIRLY
ATTRACTION TRENDS
BUDGET APPROACH
COMPENSATION AND BENEFITS
BENEFIT RECOMMENDATIONS
COMPENSATION RECOMMENDATIONS
TOTAL EMPLOYEE INVESTMENT

Council discussed employee retention, compensation, and workforce capacity, with an emphasis on interpreting survey data and staffing challenges. It was noted that exit interview data tended to reflect the perspectives of employees who have already chosen to leave, while employee surveys provided insight into why employees remained. Survey results also showed a positive upward trend over time, though overall rankings were still below desired levels, and continued improvement was needed.

Concerns were raised about compensation competitiveness, turnover rates, and the high cost of onboarding new employees. Comparisons to private sector wages highlighted gaps in pay, and there was concern that the pace of improvement had been slow. There was discussion about whether budget priorities were sufficiently aligned with the need to recruit and retain employees, with the understanding that city services could not be delivered without adequate staffing.

Staffing shortages and their impacts on workload, burnout, and overtime were also discussed. Council requested more formal data on how vacancies affected existing employees, including overtime costs and burnout indicators, as well as comprehensive lists of current vacancies, funded and unfunded staffing requests, and positions under active recruitment. It was noted that while staffing needs spanned the organization, filling existing vacancies remained difficult, particularly in a constrained revenue environment.

The conversation also addressed employee development and leadership training. Effective management, clear performance expectations, and professional development pathways to support employee retention and performance were important but while training programs and education reimbursement existed, there was acknowledgment that leadership development and performance management required further strengthening.

Co-Chairs for the Employee Advisory Committee Jessica Vigorito and Seth Gregor continued the presentation.

EMPLOYEE ADVISORY COMMITTEE
EAC UPDATE

A break was held from 9:58 a.m. through 10:10 a.m.

Finance Director Brandi Suda continued the presentation.

NEW BUDGET APPROPRIATIONS
SUMMARY -- TOTAL BUDGET REQUESTS
EMPLOYEE INVESTMENTS -- GENERAL FUND
INFRASTRUCTURE -- GENERAL FUND
PRIORITY BASED BUDGET QUARTILES
SUMMARY -- GENERAL FUND
TOTAL BUDGET REQUESTS -- ALL FUNDS
OPERATING REQUESTS BY QUARTILE
RECOMMENDATIONS BY QUARTILE
REQUESTS AND RECOMMENDATIONS

Senior Deputy City Manager Shannon Anderson and Deputy City Manager Joanne Keene continued the presentation

QUARTILE 1 -- MOST ALIGNED

Council discussion focused on clarifying budget items related to Street Maintenance, Streets Administration, and Water Production. Staff explained that most of the funding was one-time rather than ongoing, with ongoing costs primarily tied to day-to-day operations. Questions were raised about specific line items, including funding for building design and a separate allocation for street maintenance, which staff described as covering increased costs for materials, supplies, and general maintenance.

Additional questions addressed increases in electricity, water production, and treatment plant expenses. Staff explained that the costs were largely driven by higher prices for utilities, chemicals, and maintenance items, with some impact from both usage and rate increases. Similar explanations were provided for water operations, where higher costs were associated with parts, pump maintenance and rebuilding, oils, grease, and other routine maintenance needs.

It was noted that the expenses were shown as one-time funding because the budget was aligned with the existing rate model while rate adjustments were still under review. Once final approvals were completed, many of the maintenance costs were expected to transition to ongoing, rate-funded expenditures.

QUARTILE 2 -- MORE ALIGNED

There were questions about CDBG management funding and whether it came from CDBG net funds. Staff clarified that the $177,000 referenced was not a separate city expense, but program income being reallocated within the CHAP (Community Homebuyer Assistance Program). While the CHAP contract was managed similarly to CDBG contracts, the funds were strictly program money for CHAP, not general CDBG management costs.

Additional questions were raised regarding city facilities capital funding. The funding supported two main projects: $2 million for new windows at the downtown library, and $1.5 million for City Hall improvements, including space reconfiguration to better accommodate staff and ADA-compliant upgrades to the downstairs bathrooms.

Economic Vitality Director Heidi Hansen continued the presentation.

QUARTILE 3 -- LESS ALIGNED

Council asked whether the Airport Visitor Center position would be self-funded through retail or enterprise funds. Staff clarified that it would be funded through the Tourism BBB fund, as part of a partnership with the airport, which would manage the former cafe space.

Mr. Clifton explained that the airport cafe had been vacant for nearly two years after two failed RFPs, with local restaurant owners indicating the business model was not viable due to inconsistent passenger traffic, post-COVID impacts, and the loss of a major carrier. Rather than pursuing another traditional cafe, the airport would implement an upscale grab-and-go model, based on research into successful approaches at other airports.

The space would include grab-and-go food and coffee service along with an express Visitor Center. The Visitor Center component, funded by tourism, would provide travel information and sell items similar to the downtown Visitor Center, along with typical airport convenience items such as travel accessories. The airport was also pursuing a liquor license to allow the sale of bottled beer for on-site consumption.

Public Works Director Scott Overton continued the presentation.

QUARTILE 4 -- LEAST ALIGNED

Mr. Tadder continued the presentation.

SERVICE PARTNER CONTRACTS

Councilmember Matthews suggested that, given recent discussions about warming centers, it may be more logical for shelter services to remain open during the day, so people were not dispersed into town, especially for those with mobility challenges. Chief Musselman shared that they met with shelter leadership recently and explained that daytime closures were primarily necessary to allow for cleaning and linen turnover, particularly due to past bed bug outbreaks. The shelter was currently limited by space, lacking a separate area where people could stay during the day while cleaning occurs. Although additional facilities were coming online, neither the Lantern nor the Crown was configured to function as a daytime center. During extreme cold periods, the shelter had occasionally allowed people to remain inside by rotating occupants between sections of the building during cleaning, but that approach was logistically challenging long term.

Mark Cox, CEO of Boys and Girls Club of Flagstaff, submitted a written comment that noted a correction to their request and expressed appreciation for the support of the Boys and Girls Club of Flagstaff.

Sustainability Specialist Tia Hatton continued the presentation.

FUNDING APPLICATION FOR SERVICE PARTNER CONTRACT REQUESTS
PAST CHALLENGES AND EXAMPLES OF PREVIOUS SERVICE PARTNER CONTRACT REQUESTS
FUNDING APPLICATION FOR SERVICE PARTNER CONTRACT REQUESTS
FUNDING APPLICATION AND GUIDELINES OVERVIEW

FUNDING APPLICATION -- A GLIMPSE AT THE APPLICATION QUESTIONS
INTERNAL PROCESS OVERVIEW
CLIMATE ACTION: INVESTING IN OUR FUTURE
CLIMATE ACTION NEW FUNDING

Housing Director Sarah Darr continued the presentation.

HOUSING 10 YEAR PLAN INVESTMENTS

Mayor Daggett asked about unit preservation, particularly for LIHTC projects at risk of losing affordability. Staff explained that the proposed $500,000 preservation fund was intentionally flexible and meant to be leveraged, not to fully solve the problem. It could be used to prevent permanently affordable homes from being lost to foreclosure or to help another agency acquire a property nearing market-rate conversion. The fund was designed to respond to needs as they arise.

Additional investments include about $31,000 for community education and branding, to better communicate housing as both infrastructure and health care. The Housing Navigator position was working closely with Front Door and case conferencing. While no new permanent housing staff position was funded, $25,000 was set aside for temporary administrative support.

A break was held from 11:38 a.m. through 12:19 p.m.

Ms. Keene, Assistant Parks and Recreation Director Amy Hagin, and Indigenous Affairs Administrator Rose Toehe continued the presentation.

CAPITAL IMPROVEMENT PROGRAM
SUMMARY
CAPITAL RETREAT FOLLOW-UP
INDIGENOUS COMMUNITY CULTURAL CENTER

Council asked about the expected timeline for the Indigenous Community Cultural Center. Staff outlined a phased timeline for the work. A facility systems assessment (water, sewer, HVAC, building conditions) was expected to be completed by mid-May, with the report used to define the scope of work for an RFP. The goal was to issue the RFP by the end of the current fiscal year, though procurement timelines may push it into early summer. The initial $100,000 allocation was sufficient, with any remaining funds carried forward.

Looking ahead, $200,000 would become available July 1, and options for the use of those funds included holding funds for future repairs or remodeling, using it as seed money for a partnership that may emerge from the RFP, or exploring interim activation ideas such as temporary outdoor uses.

Staff emphasized balancing short-term activation with avoiding investments that conflicted with the long-term, permanent plan, which was still to be determined. There was strong interest in keeping momentum and community enthusiasm, particularly among youth, while recognizing the building was not yet ready for interior occupancy. Staff described youth engagement already underway, including use of an on-site greenhouse, mobile planter boxes, and outdoor activities coordinated with Sustainability and volunteer programs. The focus remained on completing the assessment and RFP, gathering partner interest, and using interim strategies to sustain engagement without undermining the permanent vision.

Grants, Contract, and Emergency Management Director Stacey Brechler-Knaggs continued the presentation.

EXTERNAL FUNDING OPPORTUNITIES
OVERVIEW

Fire Chief Mark Gaillard continued the presentation.

FOREST HEALTH/WILDFIRE PROTECTION

A question was raised about whether the coalition had a timeline to return to insurance companies with evidence of fire-risk mitigation. Chief Gaillard responded that the coalition was still in the formation stage, so there was no established timeline yet for presenting data. He noted that a key challenge was that insurance companies relied on third-party data providers that primarily focused on historical losses, not on current or proactive mitigation efforts, which made it difficult to get insurers to recognize and account for the extensive risk-reduction work being done by state and local governments.

City Engineer Paul Mood continued the presentation.

TRANSPORTATION
DOWNTOWN MILE
LOCKETT CEDAR ROUNDABOUT
BUTLER AVENUE COMPLETE STREET

Water Services Director Shannon Jones continued the presentation.

DRINKING WATER
INNER BASIN ROAD AND WATERLINE PROJECT
STORMWATER

Mayor Daggett asked if the projects would be completed when the money was received. Staff explained that the listed projects were intended to be completed, but their timing depended heavily on when grant funding was received. Many grants, especially Army Corps grants, could take two to four years, so if funding did not align with project schedules, the city must pivot by reprioritizing projects, delaying some, or finding alternative funding such as city match funds or debt. Some projects may move forward without grants if they were urgent, while others were shifted to remain eligible for future funding. Most of the grants discussed had not yet been awarded and were still in the application process, with some decisions expected soon.

Airport Director Brian Gall continued the presentation.

AIRPORT
GRANTS
CONGRESSIONALLY DIRECTED SPENDING REQUESTS

Climate Section Director Jenny Niemann continued the presentation.

SUSTAINABILITY -- SECURED FUNDING
SUSTAINABILITY -- PROPOSED FUNDING

Ms. Keene continued the presentation.

CONGRESSIONALLY DIRECTED SPENDING REQUESTS
CONGRESSIONALLY DIRECTED SPENDING REQUESTS -- SUBMITTED
PUBLIC PARTICIPATION
DAY 1 WRAP UP

Mr. Clifton offered closing remarks and concluded the presentation.

5. Public Comment Related to the FY2024-2025 Budget

Steve Puhr addressed Council and spoke about population growth, how it was slowing down, and how that related to the water rate discussions.

6. Adjournment

The City Council Budget Retreat of April 25, 2024, adjourned at 1:50 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY COUNCIL BUDGET RETREAT
FRIDAY, APRIL 26, 2024
CORE SERVICES FACILITY
3200 WEST ROUTE 66
8:30 A.M.

MINUTES

1. Call to Order

Mayor Daggett called the meeting of the Flagstaff City Council held April 26, 2024, to order at 8:30 a.m.

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Absent:	Councilmember Deborah Harris
Staff Present:	City Manager Greg Clifton; City Attorney Sterling Solomon

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4. City Council FY 2024-2025 Budget Retreat

City Manager Greg Clifton offered opening comments and introduced Jeff Kennedy who led the Council and attendees through an opening exercise.

DAY 2 OPENING AND OVERVIEW

Special Programs Manager Chris Rhode provided a PowerPoint presentation that covered the following:

KEY COMMUNITY PRIORITIES
PRIORITY BASED BUDGETING PRIORITIES AND OBJECTIVES
KEY COMMUNITY PRIORITIES -- BASE BUDGET ONLY

Water Services Director Shannon Jones continued the presentation.

HIGH PERFORMING GOVERNANCE

Police Chief Dan Musselman continued the presentation.

SAFE AND HEALTHY COMMUNITY

Parks, Recreation, Open Space, and Events Director Rebecca Sayers continued the presentation.

INCLUSIVE AND ENGAGED COMMUNITY

City Engineer Paul Mood continued the presentation.

SUSTAINABLE & INNOVATIVE INFRASTRUCTURE

Council discussed ongoing conversations with regional and national partners about advancing dark-sky--compliant lighting infrastructure, including interest in technologies like photocells and part-night street lighting to reduce unnecessary overnight illumination. While no new funding updates were available, Council emphasized the benefits for dark sky preservation, neighborhood quality, and safety, and encouraged continued public discussion and follow-up. The conversation also clarified that many existing streetlights already used photocell activation rather than dusk-to-dawn settings.

A break was held from 9:55 a.m. through 10:05 a.m.

Economic Vitality Director Heidi Hansen continued the presentation.

ROBUST AND RESILIENT ECONOMY

Community Development Director Dan Folke continued the presentation.

LIVABLE COMMUNITY

Sustainability Director Nicole Antonopoulos continued the presentation.

ENVIRONMENTAL STEWARDSHIP

Council discussed rising electric utility costs and whether the City should reconsider paying higher clean energy rates, especially as electricity demand increased due to charging stations and other electrification efforts. It was asked whether there had been discussion about moving away from the clean energy program, particularly since the clean energy credits were sourced from New Mexico and instead paying local Arizona utility rates to reduce budget impacts.

Ms. Antonopoulos explained that the city participated in the Green Power Partners Program, which was approved by a previous City Council to help meet the 2018 goal of achieving 100% clean energy for municipal operations. The program relied on clean energy credits, which added a surcharge of just under 1% to electric bills, costing the city a little under $200,000 annually. The approach was described as far more cost-effective than developing city-owned renewable energy infrastructure, which was estimated at around $20 million. There had been no formal discussion about withdrawing from that commitment.

It was noted that Water Services, as the city's largest electricity user, absorbed most of the cost, and staff worked to offset those impacts. One key offset was a long-term agreement with the Western Area Power Administration, which allowed the City to receive hydropower from Hoover Dam under a 50-year contract that bypassed APS. The arrangement saved approximately $30,000--$50,000 per year, with all savings directed back to Water Services to help offset the clean energy surcharge. While helpful, the broader question of revisiting the clean energy commitment had not been brought back to Council.

Several councilmembers expressed a preference to keep clean energy investments within Arizona when possible. Staff agreed, noting that while the electric grid functioned as a shared system, the city continued to advocate for in-state renewable development and policy changes, such as Community Choice Aggregation, which was not allowed in Arizona, that would give municipalities more control over where their power comes from.

The discussion also touched on longer-term strategies, including pursuing grants and partnerships to expand local renewable energy, carbon sequestration initiatives through the Four Corners Carbon Coalition, and ongoing efforts to diversify the city's sustainability portfolio. Staff emphasized that the current clean energy program was always intended as a step toward more localized and stable renewable solutions, not the final destination.

Management Services Director Rick Tadder continued the presentation.

REVENUE TOOLBOX AND 5 YEAR PLAN OUTLOOK
RESOURCE TOOLBOX

Council discussed the current general obligation (GO) bond capacity and how it related to funding major water and wastewater infrastructure needs. A question was raised about the city's remaining bonding capacity, particularly in light of existing debt and recently approved issuances. Staff explained that, based on a 20-year debt horizon and accounting for both existing and newly approved debt, the remaining capacity was roughly in the $30--40 million range, with the exact figure to be confirmed later. Capacity increased incrementally each year as principal was retired and older debt rolled off, since the city consistently paid down principal annually.

Council asked why the city did not rely more heavily on bonding, rather than rate increases, to pay for major water infrastructure projects. Staff provided context, explaining that the city's general approach was to fund utility-related debt primarily through water and wastewater user rates, because those services were delivered to specific users and were intended to function as enterprise funds. However, they recognized that water, wastewater, and stormwater infrastructure also provided community-wide benefits, which was why voters had previously approved GO bonds for stormwater and wastewater projects.

Staff further explained that preserving GO bond capacity was a strategic decision. GO bonds could be used across the organization for a wide range of needs, including parks, public safety facilities, and major equipment. As the city grows, that capacity may be needed for future projects such as fire stations or other facilities, so leadership had been cautious about committing it too early. For that reason, no new GO bond questions were brought forward in the current election cycle.

Council acknowledged that very large capital needs were on the horizon, particularly the wastewater treatment plant, which would likely require a mix of funding sources, including future debt issuance. While there was agreement that operating and maintenance costs should not be funded with bond debt, concern was expressed about placing the full burden of major capital projects solely on ratepayers, given the scale of upcoming investments. There was discussion on the inherent tradeoff between funding infrastructure through utility rates versus property taxes. Using GO bonds often implied a property tax impact, while revenue bonds placed costs directly on utility users. Staff clarified that the city had, in the past, issued GO bonds with voter approval but repaid them using water revenues rather than property taxes, taking advantage of lower interest rates while still keeping the cost within the utility. Even in those cases, voter approval was required because GO bonds pledge property tax authority as a backstop.

It was also clarified that Water Services currently had no outstanding GO bond debt. All existing water-related debt service was tied to revenue bonds and WIFA loans, and any future GO bond use for water or wastewater would represent a new policy and funding decision for Council to consider.

5-YEAR PLAN OUTLOOKS
GENERAL FUND
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS

A lunch break was held from 11:48 a.m. through 12:31 p.m.

COUNCIL PARKING LOT -- ADDS/DELETES DISCUSSION

Mr. Clifton opened the conversation and explained that it was an opportunity for Council to revisit key themes, raise missed items, and identify areas needing further discussion before budget adoption. The following points reflect Council's feedback on the presented budget and areas for further consideration:

Fiscal Health

- Strong overall fiscal position highlighted by improved bond ratings and reserves exceeding 20%.
- Financial stability reflects years of sound policies and budgeting discipline.
- Five-Year financial outlook is healthy and stable.

Employees & Workforce

- Continued investment in employees.
- Progress noted in stopping declines in morale, equity, and compensation seen after the Great Recession.
- Improvements included compensation adjustments, work environment upgrades, facilities improvements, training, and employee recognition.
- Vacancy, burnout, recruitment, and retention remained challenging, especially in Public Works, Fire, and Police.
- A Class & Compensation Team was actively overseeing market adjustments and transparency with staff.
- Concerned about public safety staffing levels and employee stress, with discussion of whether future funding (including property tax options) should prioritize police and fire.

Capital Projects & Infrastructure

- Ongoing flood control projects (e.g., Spruce Wash) are showing visible progress, with strong community outreach.
- Rio de Flag flood control project: Phase 1 expected within a year; overall completion still several years out.
- Transportation, bike/pedestrian, facilities, and repurposing of city buildings were reviewed as active areas of investment.
- Repurposing vacant/dormant facilities aligns with community values and inclusivity.

Housing

- Significant progress across multiple funding streams and policies.
- Visible construction progress (e.g., Route 66 housing project) demonstrates Council decisions translating into real outcomes.
- Housing remains a top community priority.

Climate Action & Sustainability

- Climate action, carbon neutrality, resiliency, and sustainability are embedded across policies and projects.
- Tangible examples include EV charging, LED and dark-sky lighting, alongside behind-the-scenes policy integration.

Priority-Based Budgeting

- Priority-based budgeting was well integrated and guided by community survey data.
- Community priorities were regularly updated, making the budget more data-driven and less speculative.

Revenues & Future Needs

- Revenue projections were stable, with discussion of potential new revenue sources.
- Economic Vitality and tourism (BBB funding) supported community events and services.
- Major unfunded future projects, especially wastewater treatment plant replacement, underscored the importance of maintaining capacity and flexibility.
- Property tax increases were discussed but met with caution; no strong Council support emerged at this time.

Other Topics

- Interest reaffirmed in redesigning City Hall lawn for sustainability and community use, to proceed once surrounding projects are clearer.
- Discussion of remaining Council Initiative funds and potential support for upcoming community events.

5. Public Comment Related to the FY2024-2025 Budget

Steven Puhr addressed Council and expressed appreciation for the Highway 180 culvert and flood protection project and noted that the neighborhood west of the highway was encouraged by the progress. He also shared CDC data showing that U.S. birth rates in 2023 were lower than expected and continued a long-term decline. The trend suggested slower national population growth than previously projected and could have future implications for Flagstaff, warranting further discussion.

Mr. Clifton and Mr. Kennedy offered closing comments to wrap up the meeting.

6. Adjournment

The City Council Budget Retreat of April 26, 2024, adjourned at 1:46 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, MAY 7, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held May 7, 2024, to order at 3:02 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

PRESENT:	ABSENT:
MAYOR DAGGETT	
VICE MAYOR ASLAN	
COUNCILMEMBER HARRIS	
COUNCILMEMBER HOUSE	
COUNCILMEMBER MATTHEWS	
COUNCILMEMBER MCCARTHY	
COUNCILMEMBER SWEET (virtual)	

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

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

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.

Dennis Givens addressed Council about the First Amendment, reading from the Constitution to emphasize protections for free speech, religious freedom, and the separation of church and state. He cited Thomas Jefferson on the necessity of separating church and state, warned against any one person holding too much power, and concluded with statements affirming that Black Lives Matter, andthat everyone and small businesses matter.

Dapper Dre addressed Council and thanked them and staff for their work funding bicycle improvements on Butler Avenue, lowering speed limits, and advancing walkability and bikeability. He emphasized that traffic injuries and deaths largely involve cars and argued that improving safety requires slowing and sometimes inconveniencing vehicles to encourage other travel modes. He urged city leaders to model alternatives like biking, transit, and walking, consider residents who cannot own cars, and design streets that invite all users, not just drivers.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Municipal Clerks Week

Councilmember Matthews read and presented the proclamation.

B. Proclamation: Economic Development Week

Mayor Daggett read and presented the proclamation.

C. Proclamation: Bike Month

Vice Mayor Aslan read and presented the proclamation.

6. COUNCIL LIAISON REPORTS

Councilmember Matthews reported on a recent Mountain Line meeting, noting a capital budget of just over $70 million that includes replacement electric buses, completion of phase one of the Downtown Connection Center, the interim Connection Center as part of phase two, and initial renovations to the Kasper headquarters to improve maintenance facilities. She also shared that a state bill expanding eligibility for transit agencies to use state funds as local matches for federally funded transportation projects has been signed by the governor, giving Mountain Line access to this funding opportunity. Lastly, she reported on an in-person Indigenous Commission meeting held at the future Indigenous Cultural Center, which provided members with a clearer understanding of the site and the work ahead.

Vice Mayor Aslan provided updates from the Tourism and Sustainability commission meetings,

including discussion of the city's water rate study as part of broader public outreach. Additional updates included reports from Lowell Observatory and city staff, leadership appointments within the commission, and the start of an equity assessment of the Neighborhood Sustainability Grant Program.

Councilmember McCarthy reported on a recent trip to Washington, D.C. with the Mayor, Vice Mayor, and staff, where they met with federal representatives to advocate for continued funding for major city projects such as flood control and forest restoration. He described the meetings as intensive but productive.

Councilmember Sweet reported that she was attending NACTO conference in Miami focused on multimodal transportation, where she met with the Bloomberg Foundation and other cities to discuss projects similar to Flagstaff's. She also announced the completion of the Mountain Line CDL training and testing facility, with a ribbon cutting scheduled later that month, and reminded Council of an upcoming special work session on the water rate study.

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Commission on Inclusion and Adaptive Living

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to appoint Laura Smith to a term expiring March 2025.

Vote: 7 - 0 - Unanimously

8. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council.

Mayor Daggett opened the public hearing on both applications.

Sergeant Nick Almendarez introduced the two applications and noted no concerns from police, there were however concerns from Community Development.

The Council discussed planning and zoning issues related to a bar that staff discovered had been operating without completing the required city review process. Current Planning Manager Alaxandra Pucciarelli explained that the owner was notified of the violation, informed of the steps needed to come into compliance, and participated in a pre-application meeting outlining the required process, which would likely include a concept plan review followed by a building permit. No concept plan application had been submitted yet.

The business owner Mike Patel explained that that he was unaware of the licensing and review issues when purchasing the business and explained that delays in securing an architect have prevented submission of the concept plan. He requested an extension to allow time to complete the process and expressed a desire to continue operating the bar once approvals are obtained.

Deputy City Clerk Stacy Fobar explained that under Arizona law, the city had only 60 days to review and make a recommendation on liquor license applications, and that the deadline had been reached. As a result, an extension was not available.

Councilmember McCarthy explained that he was supportive of the establishment getting their license however, it was important to get the zoning issues resolved.

There being no further comment Mayor Daggett closed the public hearing.

A. **Consideration and Action on Liquor License Application:** Lauren Kay Merrett, "Grand Canyon Spirits," 928 Fort Valley Road, Series 07 (Beer and Wine Bar), Owner Transfer.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Austin Aslan to forward the application to the state with a recommendation for denial with the understanding that the Council would be supportive once the appropriate paperwork was submitted.

Vote: 7 - 0 - Unanimously

B. **Consideration and Action on Liquor License Application:** Lauren Kay Merrett, "Grand Canyon Spirits," 928 Fort Valley Road, Series 09 (Liquor Store), Owner Transfer.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Khara House to forward the application to the state with a recommendation for approval.

Vote: 7 - 0 - Unanimously

9. **CONSENT AGENDA**

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

Moved by Councilmember Khara House, **seconded by** Councilmember Jim McCarthy to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Approval of Lease Amendments:** Flagstaff Airport Rental Car Concessions, IFB 2011-09A: Amendment to leases with Avis Budget Car Rental LLC, Alamo Rental Car/National Car Rental, The Hertz Corporation, and Enterprise Rent-A-Car companies, to continue leases on a month-to-month basis.

1. Approve amendments to the current leases between the City of Flagstaff and Avis Budget Car Rental LLC, Alamo Rental Car/National Car Rental, The Hertz Corporation, and Enterprise Rent-A-Car Companies, to continue the leases on a month-to-month basis; and
2. Authorize the City Manager to execute all necessary documents.

B. **Consideration and Approval of Contract:** Approve the Professional Services Contract with Ardurra Group, Inc. in the amount of $492,235.00 for the Wildcat Interceptor Sewer Upgrade Project.

1. Approve the Professional Services Contract with Ardurra Group, Inc. in the amount of $492,235.00 for the Wildcat Interceptor Sewer Upgrade Project; and
2. Authorize the City Manager to execute the necessary documents.

C. **Consideration and Approval of Grant Agreement Ratification:** Water Conservation Grant Fund Agreement with Water Infrastructure Finance Authority

1. Approve the Grant Agreement with the Water Infrastructure Finance Authority (WIFA) Water Conservation Grant Program for the City's Radio Read Meter Replacement Program for $750,000.00 (75% WIFA Share), with a minimum $250,000.00 (25% Non-Federal Share) match requirement; and
2. Authorize the City Manager to execute the necessary documents.

D. **Consideration and Approval of Contract:** First Amendment to the Cinder Lake Landfill Construction Manager at Risk, Phase 2-Cell D, Construction Services Agreement - GMP 2 with Rummel Construction, Inc.

1. Approve the First Amendment to the Cinder Lake Landfill Construction Manager at Risk, Phase 2-Cell D, Construction Services Agreement - GMP 2 with Rummel Construction, Inc. of $2,344,891.66, in addition to an Owner's Contingency of $55,108.34, for a total price of $2,400.000.00, with a scheduled start date of July 2, 2024; and
2. Authorize the City Manager to execute the necessary documents.

E. **Consideration and Approval of Contract:** Second Amendment to the Contract for Professional Services for the Cinder Lake Landfill Sequence D-Phase II Excavation Plan and Landfill Design, with Tetra Tech BAS, Inc.

1. Approve the Second Amendment to the Contract for Professional Services with Tetra Tech BAS for Cinder Lake Landfill Sequence D Phase II Excavation Plan and Landfill Design in the amount of $125,037.95; and
2. Authorize the City Manager to execute the necessary documents.

F. **Consideration and Approval of Contract:** Approval of Contract with Flagstaff Shelter Services for emergency shelter and services, in an annual amount of $100,000.

1. Approve the Contract with Flagstaff Shelter Services for emergency shelter and services, in an annual amount of $100,000; and
2. Authorize the City Manager to execute the necessary documents.

10. **ROUTINE ITEMS**

A. **Consideration and Adoption of Ordinance No. 2024-14:** An ordinance of the City Council of the City of Flagstaff, ratifying the grants of easements and real property; and formally accepting grants of easements and real property; providing for severability, authority for clerical corrections, and establishing an effective date.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Deborah Harris to read Ordinance No. 2024-18 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, RATIFYING THE GRANT AND RESERVATION OF EASEMENTS; AND FORMALLY ACCEPTING DEDICATIONS AND DONATIONS OF EASEMENTS AND REAL PROPERTY INTERESTS; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to adopt Ordinance No. 2024-18.

Vote: 7 - 0 - Unanimously

11. REGULAR AGENDA

A. **Consideration and Adoption of Ordinance No. 2024-15:** An ordinance amending the Flagstaff City Code, Chapter 1-14, Personnel System, by amending the Employee Handbook of Regulations, Section 1-50-010 Holiday Leave; providing for repeal of conflicting ordinances, severability, authority

for clerical correction, and establishing an effective date.

Interim Deputy Human Resources Director Jennifer Caputo addressed Council and shared that the amendments related to the holiday leave policy. She explained that the Council approved two new holidays, Juneteenth and Indigenous Peoples' Day and the ordinance would add those two holidays into the handbook.

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-15 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, CHAPTER 1-14, PERSONNEL SYSTEM, BY AMENDING THE EMPLOYEE HANDBOOK OF REGULATIONS, SECTION 1-50-010 HOLIDAY LEAVE; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. **Consideration and Adoption of Resolution No. 2024-21:** A resolution approving settlement of the City's attorney fees in *City of Flagstaff v. State of Arizona, et. al.*, Case No.: CV2021-011210 in the Maricopa County Superior Court relating to Flagstaff's local minimum wage and its alleged impacts on agencies of the State of Arizona operating in Flagstaff.

City Attorney Sterling Solomon addressed Council and stated that the case had gone through the courts, and he recommended approval the settlement of attorney's fees in the case as presented in the resolution.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Resolution No. 2024-21 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AUTHORIZING SETTLEMENT OF THE CITY'S ATTORNEY FEES IN CITY OF FLAGSTAFF V. STATE OF ARIZONA, ET. AL., RELATING TO FLAGSTAFF'S LOCAL MINIMUM WAGE AND ITS ALLEGED IMPACTS ON AGENCIES OF THE STATE OF ARIZONA OPERATING IN FLAGSTAFF

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to adopt Resolution No. 2024-21.

Vote: 7 - 0 - Unanimously

12. DISCUSSION ITEMS

A. Post-wildfire Flooding Update

Stormwater Director Ed Schenk, Julie Leid with Peak Engineering, Emergency Program Manager Daniel Kelly, Sustainability Analyst Jenna Ortega, and Mike Loverich with JE Fuller, provided a PowerPoint presentation that covered the following:

POST-WILDFIRE FLOODING UPDATE
OBJECTIVES FOR TONIGHT
OVERALL MAP
SPRUCE WASH
SCHEDULE
SPRUCE WASH
SUITE OF PROJECTS
GRANDVIEW DRIVE RECONSTRUCTION
CURRENT CONDITIONS

FUTURE IMPROVEMENTS
"THE WEDGE" DETENTION BASIN
LINDA VISTA CROSSING
CURRENT CONDITIONS
FUTURE IMPROVEMENTS
LINDA VISTA TO CEDAR CHANNEL
CURRENT CONDITIONS
FUTURE IMPROVEMENTS
CEDAR AVENUE CROSSING
CURRENT CONDITIONS
FUTURE IMPROVEMENTS
ARROYO SECO TO DORTHA CHANNEL
ARROYO SECO DRIVE INLET
KILLIP BASINS INLET
KILLIP BASINS OUTLET
FUTURE IMPROVEMENTS
CONSTRUCTION IMPACTS
SPRUCE WASH MODELING
DRAFT MODELING RESULTS -- 2" STORM
INTERIM CONDITION -- GRANDVIEW DRIVE RECONSTRUCTION PROJECT
SHORT-TERM MITIGATIONS -- SPRUCE WASH
SCHULTZ CREEK
SYSTEM OF IMPROVEMENTS
SCHULTZ CREEK LONG TERM MITIGATION
HIGHWAY 180 CULVERT
SCHULTZ CREEK MODELING
SHORT-TERM MITIGATIONS -- SCHULTZ CREEK
2024 MONSOON SEASON PREPARATIONS
PURCHASE FLOOD INSURANCE
FLOOD PREVENTION GRANTS

Mr. Clifton thanked staff and presenters for their work, with specific appreciation for the Sustainability team's update on the grant program. He suggested that Sustainability could help organize a city-sanctioned volunteer program to assist with removing sandbags in affected neighborhoods and expressed interest in participating. Additional praise was given to the team for extensive behind-the-scenes outreach and one-on-one engagement with residents in neighborhoods such as Linda Vista and Grandview regarding easements, property boundaries, and sandbag-related concerns.

Councilmember House then asked for an update on the timing of grant workshops or office hours listed on the Sustainability grant program website. Ms. Ortega responded that the workshops have not yet begun but are expected to be scheduled within the next week, with support from an AmeriCorps member. She committed to updating the website and following up with Council once dates are posted.

B. Discussion and Possible Direction on the Flagstaff Pulliam Airport Air Carrier Incentive Policy

Airport Director Brian Gall, Airport Communications Manager Claire Harper, and Economic Vitality Director Heidi Hansen provided a PowerPoint presentation that covered the following:

FLG AIR CARRIER INCENTIVE POLICY
BACKGROUND
YEARLY ENPLANEMENTS 2016 -- PRESENT
PROPOSED INCENTIVES
NEW CARRIER ADDING SERVICE
MORE THAN 4 TIMES PER WEEK
3 TIMES OR LESS PER WEEK
INCUMBENT CARRIER ADDING NEW ROUTE
NEXT STEPS...

Councilmember House asked how airport incentives and efforts to attract additional air service might affect airline ticket prices at the Flagstaff airport, noting that high fares are a common concern at smaller municipal airports. Mr. Gall responded that airline pricing is influenced by many variables and can be difficult to predict, but generally increased competition among carriers and tends to lower ticket prices or increase flight frequency. While other factors such as fuel costs and pilot availability also affect pricing, staff indicated that attracting more carriers or routes would be expected to have at least some downward impact on ticket prices.

Councilmember Matthews asked whether runway improvements would be needed to attract additional airlines or different types of aircraft. Mr. Gall responded that the airport's runways and airfield facilities are generally in good condition and can accommodate the regional jets used by most prospective carriers. While some larger aircraft could require weight restrictions, they are within the range of what the airport can handle. The primary infrastructure limitation is inside the terminal, particularly the size of the passenger hold room, TSA checkpoint capacity, and baggage screening. With only about 210--215 seats in the hold room, simultaneous arrivals or larger aircraft could exceed capacity. Staff noted that grant funding has been sought to expand the terminal, though none has been secured yet, and emphasized that the airport is well positioned for regional carriers, with terminal upgrades being the main need for larger, mainline aircraft.

Councilmember Matthews expressed strong support for the proposed airline incentive program, noting that similar incentives have been effective in other cities and that attracting at least two airlines would benefit Flagstaff's economy, travel options, and residents.

Mayor Daggett asked whether airlines are required to guarantee a minimum length of service in Flagstaff in exchange for incentives. Mr. Gall explained that no minimum length-of-stay requirement is currently proposed due to volatility in the airline industry, which makes long-term commitments difficult for carriers. Instead, the incentive program includes limits on the maximum benefit over time and restrictions that prevent an airline from leaving and then quickly returning to receive incentives again, with a prohibition period of approximately 24 to 36 months after terminating service. Incentives are intended to support routes that meet specific connectivity needs for Flagstaff, such as access to key hubs or east coast connections, rather than duplicating existing service. He noted that upcoming discussions with airlines at industry conferences will focus on targeting routes that best align with the city's connectivity goals, ensuring incentives are used strategically.

A break was held from 4:43 p.m. through 4:57 p.m.

13. FUTURE AGENDA ITEM REQUESTS

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

Mayor Daggett took public comment on Items 13A and 13B together.

The following individuals addressed Council in support of a ceasefire resolution:

- Dr. Emily Davalos
- Debra Block
- Marilyn Weissman
- Frederica Hall
- Laura Franke
- Kyle Nitschke
- Don Keller
- Kalhon Kelly
- Lindsay Falkenburg
- Fayez Dalia
- Jawad Dalia
- Eric Descheenie
- Adam Shimoni

- Lorenzo Gomez
- Zachary Rodriguez

The following individuals submitted written comments in support of a ceasefire resolution:

- Clare O'Brien
- Sandra Lubarsky
- Marcus Ford
- Maggie Huntington
- Elisabeth McGuirk

The following comments were received:

- Advocates for a ceasefire to prevent further civilian casualties and suffering in Gaza.
- Emphasizes Israel has no right to commit genocide under the guise of self-defense.
- Highlights Israel's excessive military response, collective punishment, and disproportionate targeting.
- Notes Israel rejected a ceasefire proposal on May 6.
- Frames support for a ceasefire as a moral, humanitarian, and civic responsibility.
- Stresses the urgent humanitarian crisis and need for direct aid in Gaza.
- Criticizes vengeance-driven violence and systemic oppression on both sides.
- Calls for peaceful coexistence between Israelis and Palestinians.
- Critiques war as inherently violent, unjust, and ineffective for achieving lasting peace.
- References U.S. responsibility in supplying weapons and funding military actions.
- Advocates for local government and city leaders to act as representatives and use their power to advocate for peace.
- Highlights the voices and activism of students and young people in promoting a ceasefire.
- Emphasizes moral responsibility and solidarity with affected community members.
- Frames support for a ceasefire as an act of love, human rights, and standing on the right side of history.
- Supports a ceasefire to facilitate humanitarian aid and prevent further trauma and deaths.

The following individuals addressed Council in opposition of a ceasefire resolution:

- Dr. John Vadast
- Rabbi Dovie Shapiro
- Tzvi Schnee
- Peter Vadas
- Tyler Lawhead

The following individuals submitted written comments in opposition of a ceasefire resolution:

- Janet Wessels
- Mark Haughwout
- Carina Bien-Willner
- Andy Kunsberg

The following comments were received:

- Opposes council discussion or adoption of the resolution, arguing it is not a city matter and could further divide the community.
- Frames Hamas attacks on October 7 as evil, terroristic, and committed to destruction rather than peace.
- Supports Israel's right to self-defense and stresses its historical connection to the land.
- Argues a ceasefire before Hamas is neutralized could embolden terrorists and allow future attacks, threatening Israel's survival.
- Emphasizes moral responsibility to oppose Hamas rather than support a ceasefire prematurely.
- Claims "Free Palestine" rhetoric is anti-Semitic and equates it with support for genocide.
- Encourages dialogue with pro-Palestinian individuals but opposes resolution adoption until threats are addressed.

Following public comment, Council discussed the petitions along with a proposed resolution from Councilmember McCarthy.

Mayor Daggett thanked the community for their engagement, emphasizing the value of open dialogue, and expressing her personal sorrow over the humanitarian crisis affecting both Palestinians and Israelis. She acknowledged the importance of having passionate discussions in the community but stated she would not support either petition, noting that the Council's primary responsibility is to local issues rather than international conflicts.

Councilmember McCarthy framed the conflict through historical and personal lenses, citing his travels to Israel and drawing parallels to Ireland's division and peace process. He highlighted the need for a two-state solution, the cessation of violence on both sides, and the dangers of ongoing retaliation. His proposed resolution urged the President to negotiate a ceasefire, secure the return of hostages, and facilitate a long-term peaceful solution with defined borders, while also condemning violence and promoting coexistence.

Councilmember Matthews echoed appreciation for public engagement but emphasized the Council's role in addressing local matters like water rates, trash, and infrastructure. She expressed concern that passing the resolution would create local division without influencing the broader conflict. She shared her personal experience visiting Israel, noting her heartbreak for innocent civilians on both sides, but concluded that the Council should focus on local governance.

Councilmember House acknowledged the moral weight of addressing global injustice while recognizing the Council's limits as local officials. She emphasized that silence in the face of oppression is unacceptable and spoke in favor of using personal and community voices to advocate for peace, human rights, and justice. While she did not fully support Councilmember McCarthy's resolution, she expressed agreement with much of its language and committed to continued advocacy against genocide, hostage-taking, and injustice.

Councilmember Sweet expressed that she had been informed on the issue and valued the complexity of the discussion. She emphasized peaceful coexistence, open dialogue, and avoiding further divisiveness in the Flagstaff community.

Vice Mayor Aslan highlighted that peace requires courage from those affected by injustice and war. He generally supported the principle of calling for a ceasefire but acknowledged the limits of his authority. He stressed the importance of the Council providing a platform for respectful dialogue and community healing, rather than attempting to resolve the international conflict directly.

Councilmember Harris echoed concerns about local division, emphasizing that passing a resolution could deepen tensions without changing the broader conflict. She focused on community care, advocating support and healing for both Palestinian and Israeli residents within Flagstaff, rather than attempting to influence actions abroad.

A. **Consideration and Possible Action on Permanent Cease-Fire Resolution:** Citizens' Petition titled "A permanent cease-fire resolution"

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Austin Aslan to advance the Resolution proposed by Councilmember McCarthy to a future meeting for action.

Vote: 2 - 5

AYE: Councilmember Jim McCarthy
Vice Mayor Austin Aslan

B. **Future Agenda Item Request (F.A.I.R.):** A Citizens' Petition titled "Support for Israel's Right to Defend Itself"

There was not requisite support to advance the petition to a future agenda for discussion.

14. OPEN CALL TO THE PUBLIC

Dennis Givens addressed Council and expressed appreciation for the work of the Council.

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

Councilmember Harris expressed gratitude to Flagstaff's Fire Department and EMTs. She shared that she recently needed their services and praised their professionalism, kindness, and the comfort they provided during her time of need. She also highlighted the success of Miss Cleo's Tea Party event.

Councilmember Sweet thanked everyone for the thoughtful dialogue and conversation during the meeting, expressed appreciation for the learning experience, and mentioned looking forward to sharing more about the Miami conference upon her return.

Mayor Daggett highlighted recent advocacy efforts in Washington, D.C., where city leaders lobbied to keep local projects on track. She also participated in the U.S. Conference of Mayors focused on homelessness and housing. She highlighted a couple of upcoming community events including Train Day at the Visitor Center and a Community Water Rates Drop-in at the Aquaplex. She also encouraged citizens to look at www.cleanwaterflagstaff.com to review future water rates.

16. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held May 7, 2024, adjourned at 6:45 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on May 7, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, JUNE 18, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held June 18, 2024, to order at 3:07 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

PRESENT:	ABSENT:
MAYOR DAGGETT	
VICE MAYOR ASLAN	
COUNCILMEMBER HARRIS	
COUNCILMEMBER HOUSE	
COUNCILMEMBER MATTHEWS	
COUNCILMEMBER MCCARTHY	
COUNCILMEMBER SWEET	

Others present: City Manager Greg Clifton; Deputy City Attorney Kevin Fincel.

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Secretary of State Adrian Fontes addressed Council and spoke about the history and symbolism of the Arizona state flag, noting that it was designed in Flagstaff by May Hicks in 1910 and emphasized May Hicks' importance to Arizona's heritage. He informed the Council that the May Hicks House on South Leroux Street was scheduled for demolition but said preservation efforts were underway. After learning of the situation through historic preservationists, he committed the full support of the Arizona Department of State, including state archives and libraries, to help preserve the house. He urged the city to use its authority and resources to assist, noting that several proposals were being considered, including relocating the small house. He asked the city to work with his office, pledged to assign staff to the effort, and emphasized the importance of preserving the home of "Arizona's Betsy Ross."

Dennis Givens addressed Council and offered brief words of appreciation for each councilmember's leadership, values, and dedication, as well as praise for city staff. He raised concerns about public safety and quality-of-life issues near South San Francisco Street following the reopening of the Sunshine Mission, citing littering, public urination, and increased police and fire activity, and suggested a paid neighborhood watch to help address these issues. He also proposed health-focused initiatives such as an International Health Awareness Day and exercise programs.

Janine Kelley addressed Council and introduced herself as the new Regional Coordinator for the Jane Austen Society of North America for the Flagstaff--Phoenix area and spoke about the broad appeal of Jane Austen's work across generations. She announced that, in celebration of Jane Austen's 250th birthday, the society was offering free memberships to students from high school through graduate school through the end of the year. Citing concerns about student depression and social media's impact, she explained that the society is hosting in-person, student-friendly events to encourage face-to-face connection. She invited the community to a free, multigenerational English country dance workshop in July.

Alicia Formanack, president of High Altitude Roller Derby, addressed Council and described the league's long-standing role in the Flagstaff community since 2012 and highlighted the league's charitable contributions to local nonprofits. She explained that the league had recently lost practice space due to the closure of Flagstaff Junior Academy and now relied on limited shared gym space through FUSD, resulting in a significant reduction in practice time. This reduction threatened the league's ability to serve skaters of all skill levels. She urged the Council to consider developing a multi-purpose indoor sports complex that could accommodate roller derby and other sports year-round.

Deputy City Manager Joanne Keene addressed Council and introduced Emilia Krajewski who is an ACMA Marvin Andrews Fellow who was interning at the County and spent some time recently shadowing city staff.

Dapper Dre addressed Council regarding the city's Carbon Neutrality Plan and climate emergency declaration. He questioned the pace of progress, noting that many infrastructure projects that would

reduce car dependence were not expected to be completed until around 2030. Most new infrastructure continued to prioritize automobile traffic, while pedestrian and bicycle projects were often delayed or dismissed due to funding concerns. He emphasized the need for strategic, near-term actions to encourage multimodal transportation, particularly in the downtown core, such as wider sidewalks, more distinct bike lanes, and better connections along key corridors. He suggested experimenting with street closures for events and taking smaller, incremental steps to meaningfully reduce car dependence rather than relying solely on long-term plans.

Jasmine Jewell addressed Council and spoke in support of reproductive rights and abortion access. She urged support for the nonpartisan Arizona for Abortion Access initiative to place a constitutional amendment on the November ballot protecting abortion access. She emphasized the urgency of gathering valid, in-person signatures, called on elected officials to encourage constituents to participate, and framed abortion as essential healthcare and a fundamental human right.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Waste and Recycling Workers Week

Mayor Daggett read and presented the proclamation.

B. Proclamation: Juneteenth

Vice Mayor Aslan read and presented the proclamation.

C. Recognition of Police Chief Dan Musselman

Mr. Clifton and Senior Deputy City Manager Shannon Anderson honored Police Chief Dan Musselman for his nearly three decades of dedicated public service to the Flagstaff community. He joined the Flagstaff Police Department in 1995 and served in every rank, from officer to Deputy Chief, before being promoted to Police Chief in 2020. Prior to joining the department, he also served with the Coconino County Sheriff's Office and the U.S. Army Reserve, totaling more than 30 years of public service.

As Chief, he emphasized community engagement through programs such as toy drives, Special Olympics, Coffee with a Cop, and other outreach efforts. He prioritized officer training, wellness, retention, and modernized resources, while strengthening crisis response through the CARE Unit and additional mental health support in dispatch. He played a key role in establishing the High Country Police Academy, allowing officers to be trained locally, and supported new technologies to improve customer service for 911 callers.

Under his leadership, Flagstaff experienced notable reductions in both property and violent crime, over 30 percent during his tenure as Chief. He also served on the United Way of Northern Arizona Community Investment Team and was recently recognized by Northern Arizona University with an MPA Public Service Award.

Colleagues, community partners, and city leadership expressed deep appreciation for his steady leadership, particularly during the COVID-19 pandemic, and for leaving the department in a strong position. In his remarks, Chief Musselman thanked his family, colleagues, and the community, and shared plans to remain active in Flagstaff through volunteering, cycling, and community involvement following his retirement.

A break was held from 3:50 p.m. through 4:07 p.m.

6. COUNCIL LIAISON REPORTS

Councilmember Sweet announced an upcoming Water Commission meeting scheduled later that week.

Councilmember McCarthy reported attending the Transportation Commission meeting and the Bicycle Advisory Committee meeting.

Councilmember Harris thanked those who attended the Juneteenth Gala on Friday and the Juneteenth Festival on Saturday, noting both events were well attended and successful.

Councilmember Matthews shared that the CJCC meeting last week included the beginning of celebrations honoring Chief Musselman. She also noted missing an Indigenous Commission meeting but highlighted a meaningful meeting with youth from the Indigenous Circle of Flagstaff to discuss future planning for the Indigenous Cultural Center, expressing appreciation for their enthusiasm, ideas, and involvement in the project's future.

7. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council.

A. Consideration and Action on Liquor License Application: Jacob Theodore Paullk, "Cinders Liquors LLC," 5620 N US HWY 89, Series 09 (Liquor Store), Sampling Privileges

Mayor Daggett opened the public hearing on the application.

Sergeant Nick Almendarez introduced the application and noted no concerns.

There being no public comment Mayor Daggett closed the public hearing.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to forward the application to the state with a recommendation for approval.

Vote: 7 - 0 - Unanimously

B. Consideration and Action on Liquor License Application: Jamie William Thousand, "ROUX 66," 2620 N Steves Blvd, Series 12 (Restaurant), New License

Mayor Daggett opened the public hearing on the application.

Sergeant Almendarez introduced the application and noted no concerns.

There being no public comment Mayor Daggett closed the public hearing.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Deborah Harris to forward the application to the state with a recommendation for approval.

Vote: 7 - 0 - Unanimously

8. CONSENT AGENDA

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

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Approval of Contract:** Cooperative Purchase Contract with Flock Group, Inc. dba Flock Safety in the amount of $124,100 plus fees and taxes, for the purchase of Flock Safety cameras and software for the Flagstaff Police Department.

1. Cooperative Purchase Contract with Flock Group, Inc. dba Flock Safety in the amount of $124,100 plus fees and taxes, for the purchase of Flock Safety cameras and software for the Flagstaff Police Department; and
2. Authorize the City Manager to execute the necessary documents.

B. **Consideration and Approval of Contract:** Approve the Contract for the Purchase of Materials/Services with Southwest Tank and Steel, Inc., in an amount not to exceed $353,518 for water storage tank maintenance and painting.

1. Approve the Contract for the Purchase of Materials/Services with Southwest Tank and Steel, Inc., in an amount not to exceed $353,518 for water storage tank maintenance and painting; and
2. Authorize the City Manager to execute all necessary documents.

C. **Consideration and Approval of Contract:** 2024 Renewal of the Master Agreement for Software Maintenance with Hexagon for software utilized by the City of Flagstaff Police Department in the amount of $288,790.92, plus applicable taxes.

1. Approve the 2024 Renewal of the Master Agreement for Software Maintenance with Hexagon in the amount of $288,790.92, plus applicable taxes; and
2. Authorize the City Manager to execute all necessary documents.

D. **Consideration and Approval of Contract:** Approve Two City-Wide Custodial Services Contracts; CD Phoenix, LLC dba DetailXPerts and Pinnacle Janitorial, Inc. dba Building Services

1. Approve Two City-Wide Custodial Services Contracts; CD Phoenix, LLC dba DetailXPerts (10 Facilities) and Pinnacle Janitorial, Inc. dba Building Services (12 Facilities); and
2. Authorize the City Manager to execute the necessary documents.

E. **Consideration and Approval of Grant Agreement:** Safe Streets and Roads for All Grant Agreement between the City of Flagstaff and the U.S. Department of Transportation Federal Highway Administration for the Butler Avenue Complete Streets Conversion project.

1. Approve the Grant Agreement with the Federal Highway Administration in the amount of $12,014,989 of which $9,611,991 is Federal Highway Administration share, and $2,402,998 is City of Flagstaff share as part of a grant match; and
2. Authorize the City Manager to execute all necessary documents.

F. **Consideration and Approval of Ratification of Contract:** Ratify Expenditure and Approval of Cooperative Purchase Contract with HyeTech Network & Security Solutions, LLC for the IT Section to purchase network and security hardware and services for the fiscal year budgeted amount for the term of the Agency Contract.

1. Ratify an expenditure of $156,051.25 for network and security hardware and services from HyeTech Network & Security Solutions, LLC; and
2. Approve the Cooperative Purchase Contract with HyeTech Network & Security Solutions, LLC for the IT Section to purchase network and security hardware and services for the fiscal year budgeted amount for the term of the Agency Contract; and
3. Authorize the City Manager to execute the necessary documents.

G. **Consideration and Approval of Memorandum of Agreement for Climate Pollution Reduction Grant Application**: A Memorandum of Agreement by and between the City of Flagstaff, Coconino County, and the City of Sedona is required for grant submission to the Environmental Protection Agency Climate Pollution Reduction Grant Program.

Approve the Memorandum of Agreement between the City of Flagstaff, Coconino County, and the City of Sedona and authorize the City of Flagstaff City Manager to execute the Agreement and any other Agreements related to the Climate Pollution Reduction Grant.

H. **Consideration and Approval of Contract:** Amended and Restated Contract (Third Amendment) with Flagstaff Arts Council (Creative Flagstaff) for Lead Arts Agency Services; Arts, Science and Culture grant administration; ARPA grant administration; activation of the Coconino Center for the Arts; and ArtX festival.

Approve Amended and Restated Contract with Flagstaff Arts Council in an amount not to exceed $875,626.00

9. ROUTINE ITEMS

A. **Consideration and Adoption of Resolution No. 2024-22 and Ordinance No. 2024-16:** A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "2024 amendments to chapters 2-03, 2-13, 2-14, 2-20, and 3-06 of the city code related to the parks and recreation commission, tourism commission, beautification and public art commission, open spaces commission, and hospitality industry tax revenues" and An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 2, Boards and Commissions, Chapters 2-03, Parks and Recreation Commission, 2-13, Tourism Commission, 2-14, Beautification and Public Art Commission, and 2-20, Open Spaces Commission, and Title 3, Business Regulations, Chapter 3-06, Hospitality Industry Tax Revenues, by adopting by reference that certain document entitled "2024 Amendments to Chapters 2-03, 2-13, 2-14, 2-20, and 3-06 of the City Code Related to the Parks and Recreation Commission, Tourism Commission, Beautification and Public Art Commission, Open Spaces Commission, and Hospitality Industry Tax Revenues," providing for repeal of conflicting ordinances, severability, clerical corrections, and establishing an effective date.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2024-22.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to read Ordinance No. 2024-16 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 2, BOARDS AND COMMISSIONS, CHAPTERS 2-03, PARKS AND RECREATION COMMISSION, 2-13, TOURISM COMMISSION, 2-14, BEAUTIFICATION AND PUBLIC ART COMMISSION, AND 2-20, OPEN SPACES COMMISSION, AND TITLE 3, BUSINESS REGULATIONS, CHAPTER 3-06, HOSPITALITY INDUSTRY TAX REVENUES, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "2024 AMENDMENTS TO CHAPTERS 2-03, 2-13, 2-14, 2-20, AND 3-06 OF THE CITY CODE RELATED TO THE PARKS AND RECREATION COMMISSION, TOURISM COMMISSION, BEAUTIFICATION AND PUBLIC ART COMMISSION, OPEN SPACES COMMISSION, AND HOSPITALITY INDUSTRY TAX REVENUES," PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to adopt Ordinance No. 2024-16.

Vote: 7 - 0 - Unanimously

B. **Consideration and Approval of Ratification of Contract:** Ratify the Cooperative Purchase Contract with Motorola Solutions, Inc. in an amount not to exceed $183,072.68 for radio equipment and accessories for the Flagstaff Police Department.

Police Special Services Supervisor Kristen Decker provided a PowerPoint presentation that covered the following:

MOTOROLA RADIO PURCHASE
RADIO HISTORY
MOTOROLA SELECTION
CONTRACT SPECIFICATIONS
PROCUREMENT
RATIFICATION REQUEST

Kelly Cullen addressed Council to express concern over the City of Flagstaff's sole-source purchase practices, arguing they unfairly exclude local businesses from bidding. He noted that over the past two years, nearly $5 million in related purchases were approved without competitive bids. The city's justification for the current purchase, using a specific brand of radios to reuse existing batteries and for encryption, was insufficient, as other major brands offer the same encryption and are also on the Arizona State contract. He also noted that surrounding counties, tribal lands, and cities use competitive bidding, often saving money. He urged the Council to table the purchase until it undergoes a proper bidding process, emphasizing that the goal is simply the opportunity to compete for the contract.

The Council discussed the urgent purchase of radios for the Police Department and the use of a state procurement contract rather than a local competitive bid. The decision to use the state contract was driven by timing due to the current budget year ending with the funds (linked to ARPA allocations) needing to be spent before the end of the fiscal year and rising radio prices. Some councilmembers expressed disappointment that local businesses were not given the opportunity to bid, however staff explained that the Cooperative State contract allowed a legal, fair, and expedited process that was open for anyone to bid on.

Staff clarified that the urgency was partly financial and partly operational, as some radios were failing and officers needed standardized equipment. They emphasized that using Motorola radios ensured compatibility with other city departments and maintained required security features.

Council discussed the broader issue of supporting local businesses and suggested encouraging them to participate in state-level procurements, noting there is no local preference allowed under Arizona law. Staff and Council agreed that future radio purchases should ideally go through a city-led competitive process to give local businesses a chance to participate, even though winning was not guaranteed.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Deborah Harris to ratify the Cooperative Purchase Contract with Motorola Solutions, Inc. in an amount not to exceed $183,072.68 for radio equipment and accessories for the Flagstaff Police Department and authorize the City Manager to execute all necessary documents.

Vote: 6 - 1

NAY: Vice Mayor Austin Aslan

C. **Consideration and Approval of Preliminary Plat:** TLC PC Land Investors. LLC requests Preliminary Plat approval for Ghost Tree at Pine Canyon located at 3201 South Clubhouse Circle, a 12-unit single-family home subdivision on 7.87 acres in the Single-Family Residential (R1) Zone.

Planner Wesley Welch provided a PowerPoint presentation that covered the following:

GHOST TREE II
PZ-21-00155-07 PRELIMINARY PLAT
REQUEST OVERVIEW
VICINITY MAP
BACKGROUND
GHOST TREE II PRELIMINARY PLAT
REQUIRED FINDING #1: ZONING CODE (TITLE 10)
MEETS R1 ZONE STANDARDS
RESOURCE PROTECTION STANDARDS
RESOURCE PROTECTION PLAN
MEETS OTHER RELEVANT STANDARDS
REQUIRED FINDING #2: ENGINEERING STANDARDS (TITLE 13)
MEETS ENGINEERING STANDARDS
REQUIRED FINDING #3: SUBDIVISION STANDARDS (TITLE 11)
MEETS SUBDIVISION AND LAND SPLIT REGULATIONS (CHAPTER 11-20)
RECOMMENDATION
PLANNING & ZONING COMMISSION RECOMMENDATION

Council discussed the relationship between the Pine Canyon development and nearby trails, including the Arizona Trail and local foot trails. Mr. Welch and Lindsay Schube with Gammage and Burnam, on behalf of the developer, clarified that the development did not negatively impact the Arizona Trail and that most FUTS trails remained public and accessible. The Pine Canyon community had a gated entrance that was open during the day, allowing public access to trails during those hours, while trails outside the development were open 24/7.

Council emphasized the importance of ensuring public connectivity, especially for non-residents, and asked about potential future changes to the Arizona Trail. The developers committed to working with staff and trail organizations to maintain responsible stewardship of the trail and accommodate any relocations based on topography and natural beauty, rather than development constraints.

Questions were also raised about how public access was managed, including gates and signage, and about parking areas that provided access to the exterior trails. It was confirmed that public use would be preserved, and maps were used to clarify which parcels were involved and where private property begins versus public trail access.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to approve the Preliminary Plat in accordance with the findings presented in this report, the following conditions, and the Planning and Zoning Commission recommendation of approval (7-0 vote in favor on May 8, 2024). The Preliminary Plat is granted a reduction of 1.5% from the preservation requirement of 70% for the 17%-24.99% slope resources based on the request provided.

Vote: 7 - 0 - Unanimously

10. PUBLIC HEARING ITEMS

A. Consideration and Adoption of Resolution No. 2024-30 and Ordinance No. 2024-19: A Resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "*Water Services Rates Code Changes*" and An Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code Title 3, Business Regulations, Section 3-10-001-0008 License Fees and Title 7, Health and Sanitation, Chapter 7-02 Wastewater Regulations, and Chapter 7-03 Water Regulations, by adopting by reference that certain document entitled "*Water Services Rates Code Changes*"; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Mayor Daggett opened the public hearing.

Water Resources Manager Erin Young introduced the discussion, noting that there was no formal presentation, but that staff were available to answer questions, supported by prepared slides and technical input from Stantec.

Councilmember Matthews expressed concerns about the presentation of long-term assumptions in the financial model, particularly the 5% increase after five years. She sought clarification that this assumption would not appear in the finalized document. Staff confirmed that the redlined code accounted for a five-year adoption period, and longer-term projections were only used for modeling purposes. Councilmember Matthews emphasized the need for transparency and suggested that the Council receive progress reports on water and wastewater projects every three years to monitor delivery, costs, and timelines. Staff supported the idea, highlighting the importance of keeping the community informed given external factors that could affect the plan.

Water Services Director Shannon Jones and Mr. Clifton confirmed that additional communication would be made, including highlighting updates during budget reviews and potentially through quarterly reports to Council to track project completion, timelines, and costs. Councilmember Matthews stressed the importance of visual reporting to understand whether projects were completed on schedule and within budget.

Michelle James, Executive Director of Friends of Flag's Future, addressed Council and thanked Water Services staff for engaging with the community. She expressed concerns about the impact of rate increases on lower- and fixed-income households. She suggested forming a citizen committee by the end of 2024 to explore emergency funding for residents who could not afford increases, and to review collection practices to minimize shutoffs.

Joe Galli, Senior Advisor for the Greater Flagstaff Chamber of Commerce, addressed Council and thanked the Council and staff for including the business community in discussions. He noted concerns about the initial 15% annual rate increases and appreciated the reduction to 10%. He emphasized the need for certainty for businesses and timely project delivery to support economic growth, while acknowledging that delays in project execution have occurred.

Stephen Puhr addressed Council to highlight the challenges of predicting inflation and the potential overestimation in current rate increases. He encouraged the city to use long-term market-based inflation indexes and adjust rates downward if projections prove too high. He emphasized that this approach would allow continued funding of capital projects without overburdening ratepayers.

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

The council continued its discussion on the rate adjustments, focusing on the possibility of revisiting rates in the future if circumstances change. Councilmember Harris asked whether the Council could revisit the rates in two years if conditions differed from current projections, and whether doing so would create any issues. Staff confirmed that the Council had full authority to adjust rates in the future, as outlined in the ordinance, making it procedurally possible to revisit and revise the rates.

Councilmember McCarthy cautioned that while the Council could make changes at any time, doing so would be costly due to the need for recalculations, consultant services, and other resources. Councilmember Matthews added that revisiting rates in three years could also allow the city to adjust for inaccuracies in inflation projections. She noted that while the projections were rarely exact, reviewing them alongside the cost of service could help prevent over-collection from the community. She emphasized that such an adjustment could be simpler than repeating a full analytic process, focusing on aligning the collected revenue with actual costs and inflation.

Councilmember Harris agreed, stressing that the Council should remain mindful of community impacts. She highlighted that many residents were financially vulnerable. She noted that the rate changes could significantly affect those community members, emphasizing the importance of flexibility and responsiveness to actual conditions.

Councilmember Sweet echoed the sentiments, urging continued attention to community equity concerns. She reiterated the need to explore ways to support residents who may face difficulties

paying their bills, reinforcing the earlier discussion about incorporating equity considerations into rate adjustments.

The discussion concluded with a shared understanding that revisiting rates in the future was feasible, that adjustments could consider both inflation and community equity, and that staff should continue developing strategies to support residents who may be disproportionately impacted by rate increases.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to read Resolution No. 2024-30 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "WATER SERVICES RATES CODE CHANGES"

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Deborah Harris to read Ordinance No. 2024-19 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, BUSINESS REGULATIONS, SECTION 3-10-001-0008 LICENSE FEES AND TITLE 7, HEALTH AND SANITATION, CHAPTER 7-02 WASTEWATER REGULATIONS AND CHAPTER 7-03 WATER REGULATIONS, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "WATER SERVICES RATES CODE CHANGES"; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

B. **Public Hearing:** Fiscal Year 2024-2025 Budget and Property Tax Levy

Mayor Daggett opened the public hearing.

Finance Director Brandi Suda provided a PowerPoint presentation that covered items 10B, 11A, and 12A.

CITY OF FLAGSTAFF FY 2024-2025 BUDGET AND PROPERTY TAXES
BUDGET TIMELINE
LEGAL SCHEDULE A
PROPOSED PROPERTY TAX
PROPERTY TAX RATE HISTORY
PROPERTY ASSESSED VALUES
CITY PROPERTY TAX IMPACT

Councilmember Matthews asked about value changes for properties and why the average increase was not broken down by residential versus commercial. Ms. Suda clarified that the slide showed all properties, with an approximate 4.3% increase, but they also had numbers for the maximum allowed 5% increase. Councilmember Matthews emphasized that residents cared about actual changes in their tax bills, not just overall trends.

Ms. Suda provided examples for residential and commercial properties. A residential property at the 5% maximum would see an increase of $127, while some commercial properties could see a decrease of $537. Councilmember McCarthy then clarified that the budget calculated the tax levy, which was mostly flat, meaning the tax rate went down proportionally as valuations increase. Taxes were not increasing except for new construction, which added to the levy.

It was also noted that primary property taxes were flat, while secondary property taxes, approved by voters under propositions 441 and 442, could go up based on recent debt issuances.

There being no further comment, Mayor Dagget closed the public hearing and convened into a Special Meeting at 5:46 p.m.

11. SPECIAL MEETING

A. Consideration and Adoption of Resolution No. 2024-27: A resolution of the Flagstaff City Council, adopting the Budget for the City of Flagstaff for Fiscal Year 2024-2025.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Resolution No. 2024-27 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, ADOPTING THE BUDGET FOR THE CITY OF FLAGSTAFF FOR FISCAL YEAR 2024-2025, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Resolution No. 2024-27.

Vote: 7 - 0 - Unanimously

Mayor Daggett adjourned the Special Meeting at 5:47 p.m. and reconvened the Regular Meeting.

12. REGULAR AGENDA

A. Consideration and Adoption of Ordinance No. 2024-17: 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 2025. **(Primary and secondary property tax levies for FY 2024-2025)**

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Deborah Harris to read Ordinance No. 2024-17 by title only.

Vote: 7 - 0 - Unanimously

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, 2025

B. Consideration and Approval of Ground Lease Agreement between the City of Flagstaff and Housing Solutions of Northern Arizona, Inc. for the development of affordable rental housing.

Assistant Housing Director Justyna Costa provided a PowerPoint presentation that covered the following:

IZABEL STREET GROUND LEASE
COUNCIL ACTION REQUESTED
2240 N. IZABEL STREET

RECENT PARCEL HISTORY
IZABEL STREET APARTMENTS
ORIGINAL SITE PLAN APPROVED MARCH 2019
NORTH BUILDING ELEVATION
SOUTH BUILDING ELEVATION
LEASING OFFICE
GROUND LEASE TERMS
IZABEL STREET COMMUNITY GARDEN

Councilmember Harris shared that while she understood the regulations governing preferential treatment in housing programs, her concern was ensuring that all eligible individuals were aware of available housing opportunities. She expressed a particular interest in reaching populations who had historically been marginalized and may distrust institutional systems. She wanted to know how Housing Solutions planned to reach those individuals beyond the standard referral networks.

Devonna McLaughlin, CEO of Housing Solutions of Northern Arizona, responded by explaining the organization's processes. She highlighted that Housing Solutions adheres to HUD best practices and funder requirements by taking referrals primarily through the community's Front Door coordinated entry program, in partnership with agencies like Catholic Charities and Flagstaff Shelter Services. She shared demographic data from existing programs, Sharon Manor and JoJo's Place, illustrating the diversity of households served and emphasizing their focus on very low-income households, survivors of domestic violence, and people experiencing homelessness. She explained that they could not circumvent the referral system mandated by their funders, as doing so could jeopardize funding and compliance. She expressed willingness to work with partner agencies to enhance outreach in equitable and thoughtful ways, while remaining compliant with federal and state guidelines.

Ms. McLaughlin then presented the Council with an update on a proposed project at the Isabel property and thanked the city for its partnership. She outlined the project's scope which included the construction of 11 three-bedroom apartments serving very low-income households, including those experiencing homelessness or survivors of domestic violence. She detailed Housing Solutions past successes in developing affordable housing, including JoJo's Place and Sharon Manor, and highlighted their growing inventory of permanent rental units in Northern Arizona.

Mayor Daggett thanked Housing Solutions for their ongoing efforts, acknowledging the organization's significant role in addressing the housing crisis, and expressing optimism for continued partnerships to provide safe, affordable housing for the community.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to approve the ground lease with Housing Solutions of Northern Arizona, Inc. and authorize City Manager to execute the ground lease.

Vote: 7 - 0 - Unanimously

C. **Consideration and Adoption of Ordinance No. 2024-18:** An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value with property owners, Gary G. and Mary Eileen Hundelt; providing for severability, authority for clerical corrections, and establishing an effective date; and

Consideration and Approval of Purchase Agreement with Gary G. and Mary Eileen Hundelt.

Real Estate Manager Bryce Doty provided a PowerPoint presentation that covered the following:

LTO HUNDELT EXCHANGE
VICINITY MAP
BACKGROUND
CONSIDERATIONS

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-18 by title only.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE EXCHANGE OF REAL PROPERTY OF SUBSTANTIALLY EQUAL VALUE, WITH PROPERTY OWNERS GARY G. AND MARY EILEEN HUNDELT; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

D. **Consideration and Adoption of Resolution No. 2024-32 and Ordinance No. 2024-20:** A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "2024 Revisions to Floodplain Regulations" and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 12 Floodplains, Chapter 12-01 Flood Plain Regulations, by adopting by reference that certain document entitled "2024 Revisions to Floodplain Regulations"; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Stormwater Section Director Ed Schenk provided a brief update on revisions to Chapter 12 of the city code. He acknowledged the contributions of staff members Chase McLeod, Project Manager for Floodplain Management, and City Attorney Sterling Solomon, who conducted a thorough review of the chapter. He explained that the revisions were minor and primarily technical, reflecting updates in FEMA terminology and guidance from the Arizona Department of Water Resources. The changes clarified terms, updated outdated language, and made some implicit provisions explicit. He emphasized that there were no policy changes, no financial impacts, and no effects on the community's regulations.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to read Resolution No. 2024-32 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "2024 REVISIONS TO FLOODPLAIN REGULATIONS"

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to read Ordinance No. 2024-20 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 12 FLOODPLAINS, CHAPTER 12-01 FLOOD PLAIN REGULATIONS, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "2024 REVISIONS TO FLOODPLAIN REGULATIONS"; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

E. **Consideration and Adoption of Resolution No. 2024-31:** A resolution of the Flagstaff City Council, authorizing an amendment to a development agreement for Woodshire on Butler Condominiums. The Development Agreement is between Woodshire on Butler, LLC, and the City of Flagstaff related to the development of approximately 4.06 acres of real property generally located at 2989 E. Butler Avenue (APN 106-04-007B) and 3001 E. Butler Avenue (APN 106-04-006C). **(Woodshire on Butler Development Agreement).**

Planning Director Michelle McNulty provided a PowerPoint presentation that covered the following:

WOODSHIRE ON BUTLER CONDOMINIUMS

PROPOSED AMENDED DEVELOPMENT AGREEMENT
VICINITY MAP WITH ZONING
AERIAL
WOODSHIRE TIMELINE
STATUS OF AFFORDABLE UNITS
DA AMENDMENT DISCUSSIONS
PROPOSED DA AMENDMENTS
AFFORDABILITY ANALYSIS

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to read Resolution No. 2024-31 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN WOODSHIRE ON BUTLER, LLC AND THE CITY OF FLAGSTAFF RELATED TO THE DEVELOPMENT OF APPROXIMATELY 4.06 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 3001 EAST BUTLER AVENUE AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to adopt Resolution No. 2024-31.

Vote: 7 - 0 - Unanimously

F. **Consideration and Adoption of Resolution No. 2024-28:** A resolution of the Flagstaff City Council, ordering and calling a Special Election of the City for November 5, 2024, in conjunction with the City's General Election, to submit two questions to the qualified electors of Flagstaff with respect to the possible continuation of the City Lodging, Restaurant and Lounge (BBB) tax; and the possible increase and continuation of a local Transaction Privilege Tax (Sales Tax) for the purposes of public transit.

City Clerk Stacy Saltzburg addressed Council regarding Items 12F and 12G regarding the November 5, 2024, election. She explained that the first resolution officially called the special election, which would be held alongside the regular candidate elections. Two ballot measures would be included: the continuation of the existing BBB tax through 2043, and the continuation, and possible increase, of the local public transit transaction privilege tax, which funds Mountain Line services.

The second resolution would approve an intergovernmental agreement with Coconino County to conduct the election It was a standard arrangement since the city did not have the resources to conduct elections independently. The County charged approximately $2 per registered voter, totaling around $100,000 for the election. Ms. Saltzburg also shared that early ballots would be mailed to voters on the active early voting list or upon request, and the election would include polling places. She noted that the city would begin soliciting pro/con statements for the ballot measures, statements are free of charge with a 300-word limit.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to read Resolution No. 2024-28 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL ORDERING AND CALLING A SPECIAL ELECTION OF THE CITY FOR NOVEMBER 5, 2024, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT TWO QUESTIONS TO THE QUALIFIED ELECTORS OF FLAGSTAFF WITH RESPECT TO THE POSSIBLE CONTINUATION OF THE CITY LODGING, RESTAURANT AND LOUNGE (BBB) TAX; AND THE POSSIBLE INCREASE AND CONTINUATION OF A LOCAL TRANSACTION PRIVILEGE TAX (SALES TAX) FOR THE PURPOSES OF PUBLIC TRANSIT

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to adopt Resolution No. 2024-28.
Vote: 7 - 0 - Unanimously

G. **Consideration and Adoption of Resolution No. 2024-29:** A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the City of Flagstaff and Coconino County for election services for the November 5, 2024 General Election

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to read Resolution No. 2024-29 by title only.
Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY AND THE CITY OF FLAGSTAFF FOR ELECTION SERVICES FOR THE NOVEMBER 5, 2024 GENERAL ELECTION

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2024-29.
Vote: 7 - 0 - Unanimously

A break was held from 6:32 p.m. through 6:47 p.m.

13. DISCUSSION ITEMS

A. Carbon Neutrality Plan Biannual Progress Report

Climate Section Director Jenny Neimann, Sustainability Analyst Danae Presler, Health and Resilience Coordinator Brady Henderson, and Sustainability Director Nicole Antonopoulos provided a PowerPoint presentation that covered the following:

CNP BIANNUAL UPDATE PROGRESS REPORT
AGENDA -- PLANTING SEEDS
BACKGROUND: BUILDING BLOCKS OF CARBON NEUTRALITY
CNP TARGE AREAS IMPACT ALL SECTORS
DIVVYING UP THE CNP AMONG OUR TEAM
CNP GOAL REVIEW
ENERGY USE IN BUILDINGS IN 2030
TRANSPORTATION
ELECTRIC VEHICLES
FOUNDATIONS
TIMELINE
LAYING THE FOUNDATION HIGHLIGHTS
BUILDING COMMUNITY CAPACITY HIGHLIGHTS
INDUSTRY DEVELOPMENT HIGHLIGHTS
INCREASED INCENTIVES HIGHLIGHTS
CODE AND POLICY CHANGE HIGHLIGHTS
COMMUNITY EMISSIONS

Councilmember Matthews raised a question about the city's efforts to reduce emissions from solid waste and wastewater. Staff explained that achieving carbon neutrality in solid waste would require a 90% reduction. They noted that detailed strategies for reaching that goal would be presented in the fall.

Councilmember McCarthy suggested that methane collection at the landfill could account for much of the projected reductions, highlighting its impact as a potent greenhouse gas. He asked about the current methane levels and the feasibility of capturing it. Staff responded that methane emissions

from the city's landfill were currently very low, not enough to trigger regulatory requirements or justify investment in capture at that time. The emissions shown in the model were projections, not actual on-site measurements. Staff was closely monitoring the situation and would take action if emissions increased, or regulations changed.

Solid Waste Director Sam Beckett added that the landfill's design and elevation contributed to lower methane production compared to other regions. He noted that future landfill closures would require capping and methane capture, but it was many years away. He confirmed that the current generation of methane was below the thresholds set by the EPA and Arizona Department of Environmental Quality.

COMMUNITY EMISSIONS PER CAPITA
SIGNIFICANT REDUCTIONS WILL BEGIN IN YEAR SIX
PROGRESS UPDATE
CNP ACTIONS UPDATE - % COMPLETED
BUILDING ENERGY
RENEWABLE ENERGY: WHY AND WHAT
RENEWABLE ENERGY: WHO AND HOW
RENEWABLE ENERGY: PROGRESS
HIGHLIGHT: SOLAR INSTALLATIONS IN FLAGSTAFF
RENEWABLE ENERGY: RECAP
BUILDING ENERGY USE: WHY AND HOW
BUILDING ENERGY USE: WHO AND WHAT

Vice Mayor Aslan asked how retrofitting homes improved health. Ms. Niemann explained that gas stoves were a major concern because combustion indoors produced methane and other pollutants, which could exacerbate conditions like asthma. Beyond gas, retrofitting measures like insulating attics, sealing cracks, and weatherizing homes also improved indoor air quality, kept smoke and allergens out, and made homes more comfortable.

Councilmember Matthews asked about cost savings for residents, noting that gas was typically cheaper than electricity. Ms. Neimann responded that retrofits focused on both energy efficiency and electrification. Insulation and weatherization reduced energy use, and new electric appliances, such as heat pump water heaters and dryers, were far more efficient than gas equivalents. The appliances often used far less energy and could significantly lower utility costs, even if electricity was more expensive per unit. Furnaces were closer to cost parity, particularly when using cold-climate heat pumps. She also noted that electricity rates were more stable over time, whereas natural gas prices fluctuated with global and economic factors, making electric appliances more predictable and reliable for families in the long term.

BUILDING ENERGY USE: PROGRESS
HIGHLIGHT: HOME ENERGY AND WEATHERIZATION REBATE PROGRAM
ENERGY REBATE DISTRIBUTION

Councilmember Harris asked if the rebate programs were only for homeowners or if renters could participate. Ms. Neimann stated that renters could participate if their landlord authorized it.

BUILDING ENERGY USE: RECAP
TRANSPORTATION
ELECTRIC MOBILITY: WHY AND HOW
ELECTRIC MOBILITY: WHO AND WHAT
ELECTRIC MOBILITY: PROGRESS
HIGHLIGHT: NAU'S VEHICLE ELECTRIFICATION EFFORTS
ELECTRIC MOBILITY: RECAP
ACTIVE TRANSPORTATION: WHY AND HOW
ACTIVE TRANSPORTATION: WHO AND WHAT
ACTIVE TRANSPORTATION: PROGRESS
HIGHLIGHT: BUTLER AVENUE IMPROVEMENTS
ACTIVE TRANSPORTATION: RECAP

BEYOND GHG EMISSIONS
BUILDING RESILIENCE
IMPROVING EQUITY
COMMUNITY EQUITY
HEPA AIR PURIFIER PROGRAM
TARGETED AND SUSTAINED OUTREACH LED TO 345 APPLICATIONS
DISTRIBUTION ACROSS FLAGSTAFF
RESULTS AND NEXT STEPS
COMMUNITY RESILIENCE
NEXT STEPS
NEXT UPDATE
CONTINUED CAPACITY BUILDING

Councilmember Matthews thanked the staff for their comprehensive presentation, noting that it was helpful to see a complete picture in one session and expressing appreciation for the hard work of all the staff supporting the initiatives.

Councilmember Sweet expressed gratitude for the outreach to the business community, sharing that some downtown neighbors had already been approached with information. She also asked about the city's e-bike initiative, and staff explained that it was still in development. The initiative aimed to provide e-bikes to communities already served by the city, potentially through city-owned housing developments. E-bikes could serve as car replacements for lower-income residents, although the logistics were still being worked out.

Councilmember Harris asked questions regarding public EV charging stations, confirming that fees were not yet implemented but a study was underway to determine rates. She also raised questions about density in neighborhoods, asking what happened once designated high-density areas were filled. Staff explained that the ongoing land availability and suitability study and code analysis project were addressing those questions. They emphasized that Flagstaff had large amounts of low-density land, including downtown, and that accommodating more density required careful planning, infrastructure considerations, and community discussions. The concept of "missing middle" housing was being explored to balance equity and neighborhood preferences.

Councilmember Harris shared her personal experience with city resources, noting that she had joined Solar Partners, installed a solar array, upgraded her windows and doors, and was in the process of electrifying her appliances. She praised the accessible information the city provides to residents, which helped them make informed decisions about energy efficiency and electrification.

Jason Kordosky, a member of the Northern Arizona Climate Change Alliance, addressed Council and commended their efforts toward making Flagstaff carbon neutral by 2030. He praised the sustainability office and its small team for their significant work and informative presentation. He urged the Council to consider expanding the scope of community emissions in the next carbon neutrality plan to include Scope 3 emissions. He noted that while this was not standard practice, investments in companies funding fossil fuel extraction have the same impact as direct contributions. Aligning all aspects of community action with the carbon neutrality goal was critical, the city could not address climate impacts in isolation.

14. OPEN CALL TO THE PUBLIC

None

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

Councilmember Sweet shared that it had been a busy few days attending multiple community events and described the experiences as inspiring.

Councilmember McCarthy discussed his recent visit to the May Hicks House, the historic home of the creator of Arizona's first state flag. He noted that the house was at risk due to nearby development

and suggested the city appoint someone to take the lead on preservation efforts. Mr. Clifton acknowledged the importance of the issue, stating that internal discussions were ongoing, and that staff would report back.

Councilmember Matthews reported on her participation in welcoming First Lady Dr. Jill Biden to Flagstaff. She noted the impressive coordination by airport staff and local officials to manage the visit safely and efficiently.

16. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held June 18, 2024, adjourned at 8:06 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on June 18, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, JULY 2, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held July 2, 2024, to order at 3:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

PRESENT:	ABSENT:
MAYOR DAGGETT	
VICE MAYOR ASLAN	
COUNCILMEMBER HARRIS	
COUNCILMEMBER HOUSE	
COUNCILMEMBER MATTHEWS	
COUNCILMEMBER MCCARTHY	
COUNCILMEMBER SWEET	

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

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Alan Winninger, on behalf of Route 66 Centennial, addressed Council and urged the city to take a more active role in preparing for the upcoming 100th anniversary of Route 66, which was expected to attract millions of visitors. He emphasized the need for a dedicated commission or working group to focus on Centennial planning and ensure Flagstaff received appropriate recognition as a key Route 66 destination.

Dr. Emily Davalos addressed Council and raised concerns about the city's interpretation and enforcement of plumbing code requirements for construction sites, stating that allowing workers to use bathrooms located up to one-and-a-half to three miles away was impractical and undermines sanitation. She questioned whether the code should require on-site facilities and warned that current practices may lead to inconsistent or discriminatory enforcement.

Alicia Formanack, President of High-Altitude Roller Derby, addressed Council, noting the league's presence in Flagstaff since 2012 and its charitable support of local nonprofits. She explained that the loss of practice space had significantly reduced available practice time, limiting the league's ability to serve skaters. She urged the Council to consider a multi-purpose indoor sports complex to support roller derby and other year-round sports.

Kengatta Callen addressed Council and introduced himself as the new Executive Director of the Southside Community Association. He thanked Councilmember Harris for her long-standing commitment to the community. He shared his personal connection to the Murdoch Center and his four years of service as the Association's treasurer. Mr. Callan outlined key initiatives the Association will continue to build upon, including the Lived Black Experience, the Resilience Hub, the Murdoch Center, and Juneteenth celebrations, and stated his goal to strengthen the existing foundation while keeping Council informed and involved.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Arbor Day

Councilmember Harris read and presented the proclamation.

B. Proclamation: Disability Pride Month

Councilmember Matthews read and presented the proclamation.

C. July Work Anniversaries

Deputy City Manager Joanne Keene recognized employees celebrating their work anniversaries in the month of July.

6. COUNCIL LIAISON REPORTS

Vice Mayor Aslan reported attending a Sustainability Commission meeting, which included a water rate study update and an extensive discussion on equity considerations for the Neighborhood Sustainability Grant Program. He also reported on a Coconino Plateau Water Advisory Council meeting, where stakeholders heard a presentation from Navajo hydrologist Robert Kirk on the regional water settlement.

Councilmember McCarthy reported participating in a tour of the John Wesley Powell Boulevard alignment and noted an upcoming Bicycle Advisory Committee meeting.

Councilmember Sweet reported attending the NACOG meeting where the budget was adopted, and highlighted continued discussion and adjustments related to wage compression.

Councilmember House reported that the Housing Commission discussed advancing affordable housing incentives and sales programs. She also participated in Back to Flagstaff events, read a proclamation recognizing the organization's work preserving local legacy family history, and noted the announcement of an ASU scholarship endowment honoring Mel Hanna, Flagstaff's first African American City Councilmember and Coconino County Supervisor.

7. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council.

A. Consideration and Action on Liquor License Application: Douglas Carlton Sweet III, "The Station Cafe", 1800 N. Fort Valley Rd., Series 12 (Restaurant), New License

Mayor Daggett opened the public hearing on the application.

Deputy Chief Collin Seay introduced the application and noted no concerns.

There being no public comment Mayor Daggett closed the public hearing.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to forward the applications to the state with a recommendation for approval.

Vote: 7 - 0 - Unanimously

8. CONSENT AGENDA

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

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. Consideration and Approval of Contract: Approve the First Amendments to 21 Job Order Professional Contracting Services Contracts to increase project limits and annual contractor caps for the Job-Order-Contracting Program.

1. Approve the First Amendments to 21 Job Order Professional Contracting Services Contracts to increase individual project limits to $2,000,000 and annual contractor caps to $10,000,000 for the Job-Order-Contracting Program for each of the following contractors:

    - Horizontal Construction: Eagle Mountain Construction Co., Kinney Construction Services, Inc.

Markham Contracting Co., Inc., and Tiffany Construction Co.
- Vertical Construction: Kinney Construction Services, Inc., Loven Contracting, Inc., and Wespac Construction, Inc.
- Water/Wastewater General Construction: KEAR Civil Corporation, PCL Construction, Inc., and Schofield Civil Construction, Inc.
- Water/Wastewater Controls Construction: M3 Engineering and Technology Corporation and Southwest Automation Services, LLC
- Landfill Construction: Fann Contracting Inc., Markham Contracting Co., Inc. and Rummel Construction, Inc
- Airport Horizontal: Combs Construction Company, Inc., Fann Contracting, Inc., J. Banicki Construction, Inc.
- Airport Vertical: FCI Constructors, Inc., Loven Contracting, Inc., Wespac Construction, Inc.

2. Authorize the City Manager to execute the necessary documents.

B. **Consideration of Appointments:** Magistrate and On-Call Magistrates for the Flagstaff Municipal Court.

Approve the appointments of Honorable James Speed and On-Call Magistrates Charles Adornetto, Staci Foulks and Roberta McVickers to the Flagstaff Municipal Court

C. **Consideration and Approval of Contract:** Arizona 911 Grant Agreement between Arizona Department of Administration Office of Grants and Federal Resources and the City of Flagstaff acting as System Administrator for Coconino County.

Approve the acceptance of the grant from the Arizona Department of Administration Office of Grants and Federal Resources in the amount of $524,958.00 for the 911 budget for Coconino County FY2025.

D. **Consideration and Approval of Contract:** Professional services contract for the Wastewater Treatment Facilities Master Plan in the amount of $792,160.

1. Approve the Professional Services Contract with Hazen and Sawyer for the completion of the Treatment Facilities Master Plan in the amount of $792,160.
2. Authorize the City Manager to execute the necessary documents.

E. **Consideration and Approval of Contract:** Cooperative Purchase Contract with Pueblo Mechanical and Controls, LLC in the amount of $599,833.26 for chiller replacement in City Hall.

1. Approve the Cooperative Purchase Contract with Pueblo Mechanical and Controls, LLC ("Pueblo") in the amount of $599,833.26 for chiller replacement in City Hall; and
2. Authorize the City Manager to execute the necessary documents.

F. **Consideration and Approval of Contract:** Second Amendment to Contract for Services with TB Real Property Consultants, LLC for property acquisitions necessary for the Rio de Flag Flood Control Capital Project in an amount not to exceed $150,000.

1. Approve Second Amendment to Contract for Services in an amount not to exceed $150,000 for property acquisitions necessary for the Rio de Flag Flood Control Capital Project; and
2. Authorize the City Manager or designee to execute the necessary documents.

G. **Consideration and Approval of Contract:** Consideration and Approval of Contract: Second Amendment to Contract for Services with Sonoran Land Resources, LLC for property acquisitions necessary for the Rio de Flag Flood Control Capital Project in an amount not to exceed $150,000.

1. Approve Second Amendment to Contract for Services in an amount not to exceed $150,000 for property acquisitions necessary for the Rio de Flag Flood Control Capital Project; and
2. Authorize the City Manager or designee to execute the necessary documents.

H. **Consideration and Approval of Contract:** Contract for the Purchase of Materials/Services with Empire Pump Corp. in an amount not to exceed $650,000, annually, for Utilities Well and Pump Maintenance.

1. Approve the Contract for the Purchase of Materials/Services with Empire Pump Corp. in an amount not to exceed $650,000, annually, for Utilities Well and Pump Maintenance; and
2. Authorize the City Manager to execute the necessary documents.

I. **Consideration and Approval of Contract:** Professional Services Agreement with Friedman Recycling Company for compaction, transportation, and the processing of recyclable materials.

1. Approve the Professional Services Agreement with Friedman Recycling Company for compaction, transportation, processing, and the processing of recyclable materials; and
2. Authorize the City Manager to execute the necessary documents.

J. **Consideration and Approval of Letter of Opposition:** Letter of opposition to UNS Electric, Inc. Arizona Power Plant and Transmission Line Siting Committee Application and Appeal to the Arizona Corporation Commission.

Retroactively approve the Letter of Opposition.

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

Approve the ratification of the grant agreement from the U.S. Department of Justice, through the Arizona Criminal Justice Commission, Edward Byrne Justice Assistance Grant funds in the amount of $292,485.09 for FY2024-FY2025.

L. **Consideration and Approval of Contract:** Construction Manager at Risk (CMAR) Design Phase Services Contract with Loven-Fann Joint Venture in an amount not to exceed $700,000 for the Airport Snow Removal Equipment Building Project.

1. Award the CMAR Design Phase Services contract with Loven-Fann Joint Venture in an amount not to exceed $700,000, subject to approval by the Federal Aviation Administration (FAA) and Arizona Department of Transportation (ADOT) Multi-Modal Transportation Division; and
2. Authorize Change Order Authority of $70,000 (10%) to cover potential costs associated with unanticipated or additional items of work. This change order amount is included in the total not to exceed amount of $700,000; and
3. Authorize the City Manager to execute the necessary documents.

M. **Consideration and Approval of Contract:** Cooperative Purchase Contract with Hughes Fire Equipment, Inc. in the amount of $1,064,108,07, plus fees and costs, for the purchase of two Fire Department Water Tenders with Bond funding.

1. Approve the Cooperative Purchase Contract with Hughes Fire Equipment, Inc. in the amount of $1,064,108,07, plus fees and costs, for the purchase of two Fire Department Water Tenders with

Bond funding; and
2. Authorize the City Manager to execute the necessary documents.

9. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2024-17: 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 2025. **(Primary and secondary property tax levies for FY 2024-2025)**

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Lori Matthews to read Ordinance No. 2024-17 by title only for the final time.

Vote: 7 - 0 - Unanimously

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, 2025

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Lori Matthews to adopt Ordinance No. 2024-17.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2024-30 and Ordinance No. 2024-19: A Resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "*Water Services Rates Code Changes*" and An Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code Title 3, Business Regulations, Section 3-10-001-0008 License Fees and Title 7, Health and Sanitation, Chapter 7-02 Wastewater Regulations, and Chapter 7-03 Water Regulations, by adopting by reference that certain document entitled "*Water Services Rates Code Changes*"; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Mr. Clifton opened the discussion by noting developments since the prior meeting and staff's continued efforts to explore additional options to reduce the proposed water and wastewater rate increases. While Council had already approved a first reading two weeks earlier, staff discussed a potential optional amendment for Council consideration.

Staff presented the concept of further reducing the capital improvement program (CIP) execution rate from the previously approved 86% to 80%, down from the original 100%. The earlier reduction from 100% to 86% resulted in approximately a 5% decrease in water and wastewater rates; the additional reduction to 80% was estimated to reduce rates by an additional 1.5% annually. While relatively small on a year-to-year basis, the cumulative impact could be significant over time. Detailed financial modeling was not yet complete, as the consultants had only been directed that morning to analyze the scenario. A special meeting was proposed for the following day to present complete and accurate numbers if Council wished to pursue the amendment.

Mr. Solomon explained that because the ordinance adopted rates by reference, any substantive change would require recalculating final rates and postponing the second reading to allow staff and

consultants adequate time. A special meeting would allow Council to stay on track with the intended September 1, 2024, implementation date.

The following individuals addressed Council regarding the water rates:

- Stephen Puhr
- Regina Salas
- Paul Beier
- Leah Mundell
- Anthony Garcia

The following comments were received:

- Questioned the financial assumptions in the rate study, particularly reliance on short-term pandemic-era inflation data.
- Argued that long-term historical trends show lower cost escalation and that standard inflation assumptions would significantly reduce projected rate increases.
- Stated that the current methodology overstates costs and should be reconsidered before adopting new rates.
- Emphasized the importance of tourism-related businesses to the local economy.
- Warned that increased water rates would strain businesses with thin margins, potentially leading to closures and job losses.
- Urged Council to explore alternatives to rate increases for funding infrastructure.
- Expressed concern about the impact of rate increases on low- and middle-income households.
- Noted that many families already face significant financial pressure.
- Encouraged the City to consider mitigation strategies and partnerships to support vulnerable residents.
- Supported fully funding water infrastructure despite higher rates.
- Argued that reducing or delaying funding shifts costs to future generations.
- Stated that lower rates disproportionately benefit large water users while increasing long-term risk.
- Expressed personal willingness to pay higher rates to ensure long-term water security.
- Raised concerns about the Inner Basin waterline project.
- Noted the relatively small share of total water supply provided by the Inner Basin.
- Urged Council to pause or reconsider the project due to environmental impacts.
- Suggested exploring restoration of natural systems as an alternative approach.

Councilmember Matthews expressed frustration with the timing of the decision, stating that while Council agreed on the need for infrastructure improvements, the rate impacts were alarming to many residents and business owners. She described prior attempts to explore alternative scenarios that did not result in meaningful hands-on analysis. She emphasized concerns about business viability, especially for restaurants and large households, and warned that cumulative cost increases could lead to closures and job losses. She argued that the proposed rate increases were designed not only to cover operations and maintenance, but also to generate surplus revenue for capital projects over time, even though many projects would realistically take 10--15 years to complete. She supported reducing the execution rate, stating it would not eliminate projects but would align funding with the city's actual capacity to deliver them. She supported postponing final approval to allow review of additional financial scenarios.

Councilmember Sweet acknowledged the difficulty of the process and the emotional weight of decisions affecting residents and businesses. She emphasized her concern for affordability while recognizing the necessity of water infrastructure investment. She stated that she was not convinced the city could realistically maintain an 86% execution rate and reiterated her preference for moving closer to 80%. She supported postponement to allow one final review of the numbers, stating that the community deserved careful consideration.

Councilmember McCarthy expressed concern that reducing the execution rate could delay completion of critical projects. He questioned staff about whether funding reductions would affect project timelines and emphasized that all identified projects were necessary. He raised concerns about emerging contaminants and confirmed that related treatment upgrades were included in the CIP. He argued that

alternative funding sources such as bonding or taxes would still ultimately be paid by the same residents and questioned moving away from the enterprise fund model.

Councilmember House reflected on the broader responsibility of Council to address long-deferred community needs. She emphasized that postponing difficult decisions in the past had contributed to the current situation. While acknowledging the burden on residents, particularly renters and workers living paycheck to paycheck, she questioned how many times Council could delay action before costs increased further. She stated she was open to continuing the discussion but cautioned against indefinite postponement of necessary investments.

Councilmember Harris expressed her concern for residents facing extreme financial hardship. She stated that while infrastructure investment was necessary, Council must consider the downstream impacts on housing stability, food security, and social services. She supported postponing the decision to allow further discussion and exploration of options, framing it as community problem-solving rather than avoidance.

Vice Mayor Aslan expressed appreciation for the desire to fully explore options but stated opposition to reopening the decision made at first reading. He cited concerns about precedent and diminishing returns from further reductions. He argued that the city had already compromised by reducing funding below 100% of identified needs and warned that continued reductions would increase unfunded infrastructure risk. He supported proceeding with the second reading as originally approved.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to postpone the final read of Ordinance No. 2024-19 for a Special Meeting at 3:30 p.m. Wednesday, July 3, 2024.

Vote: 5 - 2

NAY: Councilmember Jim McCarthy
Vice Mayor Austin Aslan

C. **Consideration and Adoption of Ordinance No. 2024-18:** An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value with property owners, Gary G. and Mary Eileen Hundelt; providing for severability, authority for clerical corrections, and establishing an effective date; and

Consideration and Approval of Purchase Agreement with Gary G. and Mary Eileen Hundelt.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-18 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE EXCHANGE OF REAL PROPERTY OF SUBSTANTIALLY EQUAL VALUE, WITH PROPERTY OWNERS GARY G. AND MARY EILEEN HUNDELT; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to adopt Ordinance No. 2024-18.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to approve the purchase agreement and authorize the city manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

D. **Consideration and Adoption of Resolution No. 2024-32 and Ordinance No. 2024-20:** A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "2024 Revisions to Floodplain Regulations" and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 12 Floodplains, Chapter 12-01 Flood Plain Regulations, by adopting by reference that certain document entitled "2024 Revisions to Floodplain Regulations"; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2024-32.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to read Ordinance No. 2024-20 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 12 FLOODPLAINS, CHAPTER 12-01 FLOOD PLAIN REGULATIONS, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "2024 REVISIONS TO FLOODPLAIN REGULATIONS"; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Jim McCarthy to adopt Ordinance No. 2024-20.

Vote: 7 - 0 - Unanimously

E. **Consideration and Approval of Contract:** Second Amendment to the Construction Manager at Risk (CMAR) Construction Phase Services Agreement with Eagle Mountain Construction, Inc. for the Spruce Wash Flood Mitigation Suite of Projects to add Guaranteed Maximum Price (GMP) 3.

Capital Improvements Engineer Trevor Henry and Julie Leid with Peak Engineering provided a PowerPoint presentation that covered the following:

SPRUCE WASH
AMENDMENT TWO TO THE CMAR CONSTRUCTION SERVICES AGREEMENT
SUITE OF PROJECTS
AMENDMENT ONE -- PROJECT STATUS
AMENDMENT TWO
AMENDMENT TWO & COST SUMMARY
SCHEDULE
MAJOR MILESTONE
COMMUNITY INVOLVEMENT

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to approve the Second Amendment to the CMAR Construction Phase Services Agreement with Eagle Mountain Construction, Inc. for the Spruce Wash Flood Mitigation Suite of Projects to include GMP 3 in the amount of $2,907,375.00 and adding 0 days to the contract duration, approve an Owner's Contingency of $50,000, which is approximately 2.0% of Guaranteed Maximum Price #3, and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

F. **Consideration and Approval of Contract:** Approve Change Order No. 18 with Shephard Wesnitzer, Inc. in the amount of $214,480.00 and a 365 calendar day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract.

Capital Improvements Engineer Trevor Henry provided a PowerPoint presentation that covered the

following:

RIO DE FLAG FLOOD CONTROL PROJECT CHANGE ORDER NO. 18
CHANGE ORDER NO. 18
RIO DE FLAG FLOOD CONTROL PROJECT
HISTORY OF DESIGN SERVICES WITH SHEPHARD WESNITZER, INC
STAFF RECOMMENDED ACTION

Councilmember Harris thanked staff for the update and noted the importance of the project to the community, particularly those who lived in the Southside neighborhood.

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Miranda Sweet to approve Change Order No. 18 with Shephard Wesnitzer, Inc. the amount of $214,480.00 and a 365 calendar day time extension for the Rio de Flag Flood Control Utility Relocation Design Services Contract, and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

G. **Consideration and Approval of Preliminary Plat:** PZ-23-00027-01: Preliminary replat of lots 23-24 and Tract E of the "Final Plat for Coconino Ridge at Pine Canyon"

Planner Ben Mejia provided a PowerPoint presentation that covered the following:

PRELIMINARY REPLAT OF LOTS 23-24 AND TRACT E OF THE "FINAL PLAT FOR COCONINO RIDGE AT PINE CANYON"
REQUEST OVERVIEW
VICINITY MAP
COCONINO RIDGE AT PINE CANYON -- BACKGROUND
REPLAT OF LOTS 23-24 AND TRACT E OF THE "FINAL PLAT FOR COCONINO RIDGE AT PINE CANYON"
EXISTING CONDITIONS
PROPOSED CONDITIONS
REQUIRED FINDING #1: ZONING CODE (TITLE 10)
MEETS SINGLE-FAMILY RESIDENTIAL (R1) STANDARDS
MEETS OTHER RELEVANT STANDARDS
REQUIRED FINDING #2: ENGINEERING STANDARDS (TITLE 13)
MEETS ENGINEERING STANDARDS
REQUIRED FINDING #3: SUBDIVISION STANDARDS (TITLE 11)
MEETS SUBDIVISION AND LAND SPLIT REGULATIONS (CHAPTER 11-20)
FINDINGS AND RECOMMENDATION

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to approve the Preliminary Plat in accordance with the findings presented in this report and the Planning and Zoning Commission recommendation of approval (5-0 vote in favor on May 22, 2024).

Vote: 7 - 0 - Unanimously

H. **Consideration of Approval:** City of Flagstaff Workforce Analysis and Strategic Plan

Community Investment Director Dave McIntire, along with Dr. Nicole Yates, and Dave Keen with Keen Independent Research provided a PowerPoint presentation that covered the following:

CITY OF FLAGSTAFF WORKFORCE DEVELOPMENT STRATEGIC PLAN -- FINAL RESULTS PRESENTATION OVERVIEW
STUDY BACKGROUND
STUDY BACKGROUND -- POPULATION BY AGE
STUDY BACKGROUND -- FINDINGS
WORKFORCE DEVELOPMENT STRATEGY -- EMPLOYMENT PATHWAYS
OVERALL GOALS, SUGGESTED ACTIONS, AND TIMEFRAME
THEMES IN FEEDBACK RECEIVED

UPDATES TO STRATEGIC PLAN

Regina Salas, Assistant Director of Arizona@Work Coconino Workforce Development Board, addressed Council and highlighted the board's efforts to strengthen workforce development in Flagstaff. She noted expansion of apprenticeship and training programs, employer-driven upskilling initiatives, and use of federal funding to train current and future employees. She discussed ongoing projects, including the draft WIOA Local Plan, participation in the Northern Arizona Good Jobs Network to pilot skills-based credential training, and implementation of a new online referral system with public kiosks. She emphasized breaking down silos, building public-private partnerships, and aligning workforce efforts across the community.

Councilmember Harris stressed the critical importance of addressing housing. She argued that workforce development efforts would have limited impact unless housing was made available for essential workers, including firefighters, EMTs, teachers, and nurses. She emphasized the need to facilitate development responsibly, balancing the removal of barriers for builders with ensuring standards are maintained, and noted the environmental impact of workers commuting from outside the city. Housing must be a top priority for the community.

Councilmember Sweet inquired about examples of innovative childcare solutions from other cities, noting that the National League of Cities and some local valley cities were exploring such programs. Mr. McIntire discussed several preliminary approaches, including partnering with childcare providers through apprenticeship programs to build workforce capacity, supporting training programs for childcare providers to address staffing shortages, and exploring grants to strengthen the childcare workforce. He acknowledged that while some cities have undertaken direct provision of childcare services, such efforts are on a very large scale, and that most initiatives focus on workforce development, apprenticeships, and potential subsidies, depending on available resources and community needs. He also touched on strategies beyond childcare, emphasizing support for families who do not meet the $14,000 income threshold but still require assistance. He mentioned potential partnerships with organizations serving higher-income families facing childcare challenges, as well as collaboration with employers to subsidize childcare for employees, addressing workforce retention issues. Many of the ideas were in the early stages, highly dependent on resources, and form part of ongoing community conversations and the implementation strategy for the plan.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Deborah Harris to approve the Workforce Analysis and Strategic Plan.

Vote: 7 - 0 - Unanimously

A break was held from 5:46 p.m. through 6:05 p.m.

10. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2024-33: A resolution approving the extension of an Intergovernmental Agreement between the City of Flagstaff and Coconino County regarding the County's continued use of the Joe C. Montoya Community and Senior Center to operate its Senior Nutrition Programs.

Assistant Parks and Recreation Director Amy Hagin explained that the agreement was for the continuation of the Senior Nutrition Program at the Joe C Montoya Senior Center that served about 25,000 meals per year.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to read Resolution No. 2024-33 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING THE EXTENSION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FLAGSTAFF AND COCONINO COUNTY REGARDING THE COUNTY'S CONTINUED USE OF THE JOE C. MONTOYA SENIOR CENTER TO OPERATE ITS SENIOR NUTRITION PROGRAMS

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Jim McCarthy to adopt Resolution No. 2024-33.

Vote: 7 - 0 - Unanimously

B. **Consideration and Adoption Resolution No. 2024-34:** A resolution of the Flagstaff City Council authorizing approval of the Northeastern Arizona Indian Water Rights Settlement Agreement

City Attorney Solomon began by emphasizing the historic and complex nature of the water rights settlement before the Flagstaff City Council. He noted that while settlement agreements typically did not take long to discuss, this one was extraordinary due to its scale and significance. He framed the settlement in the context of decades-long litigation, known as the Little Colorado River Adjudication, which began in 1978 and involves water rights claims by the Navajo Nation, Hopi Tribe, San Juan Southern Paiute Tribe, and the United States acting as trustee for the tribes. He described the settlement as a momentous opportunity to resolve protracted and costly disputes while securing a sustainable water future for Flagstaff.

Mr. Solomon provided a detailed explanation of the agreement, noting that it confirmed the city's surface and groundwater rights and established buffer zones on Red Gap Ranch, where the city already owned multiple wells with defined pumping capacities. He highlighted that the agreement allowed the Navajo Nation access to the city's Regional Water Supply Project, which was a critical component of regional water collaboration, and that the city would coordinate with the Arizona State Land Department regarding potential new wells. The settlement also anticipated federal funding to support water supply infrastructure benefiting both the tribes and the city.

He offered historical context, explaining that Red Gap Ranch was acquired by Flagstaff voters in 2005 to ensure future municipal water security. A previous 2011 stipulation with the Navajo Nation regarding Red Gap Ranch had never been legally binding, but the current agreement formalized groundwater rights, the use of existing wells, and provisions for new wells in coordination with state agencies.

Lastly, Mr. Solomon acknowledged the decades of work by city staff, attorneys, and tribal partners, particularly thanking Water Services staff, former director Brad Hill, and attorney Lee Storey for their long-term contributions to securing Flagstaff's water future.

Dwight Witherspoon, attorney with the Navajo Nation Water Rights Unit, addressed Council and reinforced the settlement's importance. He described the 2024 settlement as the most comprehensive iteration, following proposals in 1999, 2010, and 2012, and highlighted that litigation was expensive and time-consuming. He urged the Council to support the settlement, which benefits the tribes, the city, and all parties in the Little Colorado River watershed.

Council responded with gratitude and recognition for the historic work, noting the extensive effort required to reach the settlement and the significance of the agreement for regional water security. They echoed the sentiment that "Water is Life," reflecting the symbolic and practical importance of the settlement.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Miranda Sweet to read Resolution No. 2024-34 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AUTHORIZING APPROVAL OF THE NORTHEASTERN ARIZONA INDIAN WATER RIGHTS SETTLEMENT AGREEMENT

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to adopt Resolution No. 2024-34.

Vote: 7 - 0 - Unanimously

11. DISCUSSION ITEMS

A. Annual Update of the CARE Unit

Fire Captain Seth Gregar, Brian Gest Director of Northern Arizona Crisis Services with Terros, Marge Chase with Terros, and Firefighter Aaron Corbiere provided a PowerPoint presentation that covered the following:

CARE UNIT ANNUAL REPORT
HISTORY
CARE 2023 CALL LOCATIONS
CALLS FOR SERVICE
FPD & FFD CALLS FOR SERVICE
REDUCTIONS
OMEGA DISPATCH
DISPATCHES PER QUARTER
RESPONSE TIMES (MINUTES)
TYPE OF DISPATCH
RESPONSE OUTCOMES
PRIMARY ISSUE ON SCENE
PROACTIVE OUTREACH
DISTRIBUTION OF BASIC NEEDS
REAL EXPERIENCES
COMMUNITY PARTNERS
ONGOING CHALLENGES
WHAT'S NEXT
IN CONCLUSION

Councilmember House acknowledged the critical work of the CARES Unit, emphasizing the importance of compassionate, culturally responsive care in crises alongside the essential role of basic needs. She praised the team for alleviating pressure on first responders and highlighted the profound impact of providing care in people's own language and meeting them where they are. She asked Mr. Gest how the program was being received nationally and whether it was influencing other communities. Mr. Gest explained that Flagstaff was at the forefront of the movement toward alternative, compassionate first-response models. He shared that while the CARES Unit was not the first of its kind, it was innovative and increasingly sought after. He noted presentations to national conferences, interest from other cities such as Saint Louis Park, Minnesota, and local adoption efforts in Bullhead City.

Councilmember House also asked Captain Gregar about the tangible and intangible benefits to firefighters and other first responders. Mr. Gregar explained that while there were some morale concerns with certain personnel not feeling aligned with the CARES Unit work, overall, it alleviated the repetitive "man down" or third-party calls that previously fell to fire crews. Senior firefighters appreciated the unit's impact, and efforts were underway to ensure newer personnel understand the broader community benefits.

Councilmember McCarthy expressed strong support for the CARES Unit. He emphasized the responsibility of the city to provide alternatives for people in crisis, particularly in light of the no-camping ordinance. He asked whether the program should operate 24/7. Mr. Gregar responded that current after-hours calls were minimal with approximately one to two calls per day, and could be handled by the police department, though future adjustments may be informed by data.

Councilmember Sweet echoed support and asked whether EMTs and firefighters were always necessary on calls, suggesting alternative staffing models might reduce load. Mr. Gregar noted discussions were ongoing regarding Emergency Medical Responder training as a potential alternative to EMTs for certain calls, balancing higher-level care requirements and medical oversight. Councilmember Sweet also raised the possibility of seasonal expansion, given higher call volume in summer months.

Councilmember Harris inquired about CARES Unit shift rotations and how participation affected

firefighter morale. Mr. Gregar clarified that firefighters rotated through the unit, typically ten-hour shifts, with newer personnel receiving month-long immersive assignments. Participation was flexible and ongoing, not a one-time assignment. He acknowledged morale issues among personnel for whom the work was not a passion but emphasized these employees were still valuable.

Councilmember Harris also asked about safety. Terros team members explained that only 1% of calls required police intervention, as their approach emphasized listening, autonomy, and a less confrontational presence compared to traditional first responders. Peer support and culturally informed approaches further reduced risk.

Councilmember Matthews expressed appreciation for the compassionate impact of the program, valuing both stories and data that illustrate its success.

Casey Gonzalez, representing United Flagstaff Firefighters Local 1505, addressed Council and affirmed strong support for the CARES Unit. He acknowledged the exceptional job performed by firefighters despite it being outside their traditional training. He emphasized the importance of continuing to evaluate the appropriate deployment model to ensure sustainability, noting that success comes from adaptability and alignment with community and city goals.

B. Sharing of Information About Crisis Mobile Services

Flagstaff Police Department Communication Manager Katie Brandis and Bill Mitchell First Responder Liaison with Arizona Complete Health provided a PowerPoint presentation that covered the following:

CRISIS SYSTEM OVERVIEW WITH CARE1ST
INTRODUCTIONS
HOW WE TRIAGE CRISIS CALLS
EXAMPLES OF CRISIS CALLS
MOBILE RESPONSE TEAMS
CRISIS SYSTEM STRUCTURE
CRISIS SERVICES: OUR APPROACH
THE CRISIS SYSTEM GOALS
SEQUENTIAL INTERCEPT MODEL
THE CRISIS LINE & CMTS
NAZ CRISIS SERVICES EXPANSION: GRANT AWARDS
ON THE HORIZON: ADDITIONAL CRISIS/1ST RESPONDER PROGRAMS

Councilmember House asked about peer leadership within the models. Mr. Mitchell clarified that 25% of crisis mobile team staff are peers with lived experience, providing both mental health expertise and direct community support. Councilmember House also inquired about integration with community-focused crisis respite models, particularly the potential for localized access points, which Mr. Mitchell indicated that they were beginning to address it as part of the broader community stabilization approach.

12. OPEN CALL TO THE PUBLIC

None

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

Councilmember House highlighted that the month of July was BIPOC Mental Health Awareness Month and encouraged everyone to do some reading and research on the topic. She also noted that the day marked the 60th anniversary of the Civil Rights Act of 1964, emphasizing its historical importance in ending legal discrimination based on race, color, religion, sex, or national origin, and its relevance to examining local housing concerns.

Councilmember Sweet shared her recent experiences touring the Inner-Basin Water Line Project and the JWP Extension, thanking staff and encouraging others to participate in the tours if they had not

done so already.

Councilmember Matthews reported that she attended the JWP tour, describing it as informative and enjoyable despite the rain. She also coordinated a meeting between the Sustainability Division and a large nonprofit to discuss transitioning to more energy-efficient, all-electric operations. She noted follow-up meetings were planned to create a master plan, which could significantly advance the city's sustainability and carbon neutrality goals.

Mr. Clifton informed the Council that Economic Vitality Director Heidi Hansen would serve as Acting City Manager during the next work week.

14. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held July 2, 2024, adjourned at 8:01 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on July 2, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, NOVEMBER 19, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held November 19, 2024, to order at 3:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

Present: Mayor Becky Daggett
Vice Mayor Austin Aslan
Councilmember Deborah Harris
Councilmember Khara House
Councilmember Lori Matthews
Councilmember Jim McCarthy
Councilmember Miranda Sweet

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

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Devonna McLaughlin, CEO of Housing Solutions of Northern Arizona, addressed Council and shared information about their recently completed Rental Attainability Report.

Colleen Maring, Chief People Officer for Northern Arizona Healthcare, addressed Council and announced that both Northern Arizona Healthcare hospitals earned A grades from the Leapfrog Group, a national watchdog for patient care and safety. Only 14 hospitals in Arizona and fewer than 30% nationwide receive an A, highlighting their excellence and safety. This achievement, including Flagstaff's fourth consecutive A, reflects the dedication of staff to high-quality patient care and safety.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Transgender Day of Remembrance

Mayor Daggett read and presented the proclamation.

B. November Work Anniversaries

Senior Deputy City Manager Shannon Anderson highlighted employees who were celebrating work anniversaries in November.

6. COUNCIL LIAISON REPORTS

Councilmember Harris expressed thanks to Ms. Anderson, Chief Connolly, and other city staff who attended the Southside Community Association meeting.

Vice Mayor Aslan highlighted attendance at the annual marketing meeting of Discover Flagstaff as the Tourism Commission liaison. The event, attended by numerous members of the business, community, and tourism sectors, provided an opportunity to showcase the team's accomplishments over the past year. He also had the honor of introducing Jeff Hall, Director of the Lowell Observatory, in recognition of his retirement and contributions, just prior to the opening of the Discovery Center.

Councilmember McCarthy reported attending the Bicycle Advisory Committee during the past week. He also outlined upcoming engagements, including the Mountain Line Board meeting on Wednesday and a tour of the Scottsdale Water Campus followed by a Water Commission meeting on Thursday.

Councilmember House provided an update from the Commission on Diversity Awareness meeting which included ongoing discussions regarding the potential installation of a rainbow crosswalk, with a proposal to be considered by Beautification and Public Art Commission in the near future.

7. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council.

A. Consideration and Action on Liquor License Application: Jeffrey Craig Miller "Baddies Food Joint" 409 S. San Francisco St., Series 06, Owner Transfer

Mayor Daggett opened the public hearing on the application.

City Clerk Assistant Georganna Staskey introduced the applications and noted concerns from the Police Department as well as two citizen objections that had been filed.

Olivia Gillette spoke in opposition to the license, referencing her prior experience at Bandos, the business's former incarnation. She expressed concern over the owner, citing a history of failed bar ventures, multiple lawsuits from employees, and a pattern of evading accountability by forming new LLCs. She alleged unsafe practices at the bar, including underage drinking, drug use, and inappropriate interactions with minors, and claimed the business fostered a risky environment for young people. She urged the Council to prioritize community safety when considering the application.

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

Councilmember McCarthy acknowledged the detailed reports, citizen objections, and other materials in the packet.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Austin Aslan to forward the application to the state with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

Mayor Daggett reopened the public hearing following additional requests to speak.

The Applicant, Don Hulen, addressed Council regarding the protests that had been submitted. He suggested that they came from competitors or former employees with grievances. He emphasized support from current employees and patrons, citing letters and statements asserting a safe environment. He described past police audits as clear, volunteered to provide records for another audit, and emphasized compliance with state liquor laws, including strict ID verification. He invited Council to visit the establishment in person and reiterated his commitment to providing a safe space for patrons, particularly college students.

Co-Owner of the business, Eric Sorenson-Livingstone, addressed Council and reinforced Mr. Hulen's commitment to safety, highlighting programs such as a female safety ambassador, the Angel Shot system, and free Uber rides for patrons. He detailed the rigorous ID verification process and noted that, over a ten-month period with approximately 50,000 patrons, there were only nine incidents involving fake IDs. He also mentioned efforts to hire off-duty police for security and confirmed continued adherence to state laws and safety protocols.

There being no further public comment, Mayor Daggett closed the public hearing and called for a vote.

Vote: 7 - 0 - Unanimously

8. CONSENT AGENDA

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

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Lori Matthews to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Ratification of Uniform Video Service License Agreement:** Ratify the nonexclusive Uniform Video Service License Agreement with ALLO Arizona, LLC to provide video service within the corporate boundaries of the City of Flagstaff.

Approve and ratify the Uniform Video Service License Agreement with ALLO Arizona, LLC as licensee.

B. **Consideration and Approval of Contract:** Client Value Agreement with Empire Southwest, LLC for Lube Services

1. Approve the (2) two-year Client Value Agreement with Empire Southwest, LLC in an amount not to exceed $150,000 annually for the term of the Contract for lube services on selected city-owned Caterpillar equipment; and
2. Authorize the City Manager to execute all necessary documents.

C. **Consideration and Approval of Final Plat:** VP 66 & Woody Mountain, LLC. requests Final Plat approval for Timber Sky Block 2 (PZ-15-00115-35) located at 2490 S Alvan Clark Boulevard on 9.66 acres in the High Density Residential (HR) Zone.

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

D. **Consideration and Approval of Final Plat:** Walnut Canyon at Pine Canyon, LLC requests Final Plat approval for the Replat of Tract 7A of the "Final Plat for Estates at Pine Canyon Unit 5" (PZ-24-00044-02) located at 3851 South Clubhouse Circle within the existing 47-unit single-family home subdivision on 29.9 acres in the Single-Family Residential (R1) Zone.

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

E. **Consideration and Ratification of Settlement:** settlement of Ashley Overall Notice of Claim dated July 31, 2024.

1. Approve settlement of the Ashley Overall claim pursuant to the terms discussed in executive session, and
2. Authorize and direct the City Manager and/or City Attorney to execute all documents and take other actions as are necessary to finalize the settlement.

F. **Consideration and Approval of Engineering Contract Change Order:** Change Order #3 to WSP USA, Inc. in the amount of $306,606.00 for the Downtown Mile Safety and Connectivity Improvement Project.

1. Approve the Engineering Professional Services Change Order #3 to WSP USA, Inc. (WSP) in the amount of $306,606.00;
2. Approve the time extension of 473 calendar days; and
3. Authorize the City Manager to execute the necessary documents.

G. Consideration and Approval of Grant Agreements: Approve Grant Agreements between the City of Flagstaff and community partners utilizing $401,418.43 in funding from the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds for Aid to Non-Profits Providing Victim Services.

1. Approve Grant Agreements with the following organizations, utilizing a portion of the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds for Aid to Non-Profits Providing Victim Services:
   - **Project No: CL6321I** (Aid to Non-Profits: Victim Services):
     1. $118,200.81 to North Country Healthcare for NACASA Recovery and Sustainability
     2. $116,608.81 to Housing Solutions of Northern Arizona for COVID-Recovery Operational Costs
     3. $166,608.81 to Victim Witness Services for Northern Arizona for Crisis Advocate Staffing

2. Authorize the City Manager to execute the necessary documents for all Grant Agreements.

9. PUBLIC HEARING ITEMS

A. Consideration and Adoption of Resolution No. 2024-45 and Ordinance No. 2024-28: A Resolution of the City Council of the City of Flagstaff, Coconino County, Arizona, declaring as a public record that certain document filed with the City Clerk entitled "PZ-24-00009 - Subdivision Process" and an Ordinance of the City Council of the City of Flagstaff, Coconino County, Arizona, amending the Flagstaff City Code Title 11, General Plans and Subdivisions.

Mayor Daggett opened the public hearing.

Zoning Code Manager Tiffany Antol provided a PowerPoint presentation that covered the following:

CITY CODE TITLE 11 SUBDIVISION PROCESS CODE AMENDMENT
CITY CODE -- SUBDIVISION PROCESS
CITY'S PROPOSED ZONING CODE TEXT AMENDMENT
DIVISIONS (CHAPTER 11-20)
APPLICABILITY (SECTION 11-20.30-010)
PRELIMINARY PLAT (11-20.40.030)
FINAL PLAT (11-20.40.040)
MASTER BLOCK PLATS (11-20.40.050)
MODIFIED SUBDIVISION PROCESS (11-20.40.060)
PLAT AMENDMENT (11-20.40.070)
LAND SPLIT OR COMBINATION PROCEDURES AND REQUIREMENTS (11-20.050.020)
RECOMMENDATION

Councilmember Harris asked about the timeline for the updated subdivision process compared to the previous one. Ms. Antol explained that the new process would be significantly shorter because the extra step of a concept plan would be eliminated. Preliminary plats would move quickly, with abbreviated staff summaries focusing only on the essential modifications and whether they meet code, rather than a full subdivision analysis. Final plats would then simply involve the acceptance of dedications, streamlining the overall process. While the exact timing varied depending on the subdivision, staff estimated the process could be shortened by at least a third.

Lindsay Schube of Gammage and Burnham addressed Council and highlighted her concerns with the proposed process. She argued that requiring signatures from all homeowners in an HOA subdivision could lead to litigation and would be burdensome. The proposed notice requirements were comparable to legislative actions, which she felt were unnecessary for the ministerial process meant to streamline approvals. She noted the language could be confusing and suggested clarifying it to refer to compliance with code or furthering the goals of the regional plan. She recommended either adopting Option Four with modifications or moving forward under the standard plat process without added signatures or notice requirements.

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

Councilmember Matthews expressed strong support for streamlining the subdivision process, noting that developers frequently found the current system cumbersome and that simplifying it could help address the ongoing housing crisis. She indicated she was inclined to support the changes suggested by Ms. Schube, provided staff had no concerns. Ms. Antol clarified that the recommendation was Alternative One, which would remove notice requirements if signatures were obtained, while still ensuring some communication with homeowners to prevent complications.

Councilmember McCarthy shared that he had reviewed all the alternatives and, while generally supportive of the overall approach, he leaned toward Option Two, although he would support Council's collective decision.

Vice Mayor Aslan thanked Ms. Antol for her dedication in making the process more efficient. He expressed confidence in staff recommendations and indicated that he would support Alternative One as it reduced red tape, allowed for a faster subdivision process, and maintained important standards.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Miranda Sweet to read Resolution No. 2024-45 by title only with Alternative One.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "PZ-24-00009 -- SUBDIVISION PROCESS"

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-28 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING THE FLAGSTAFF CITY CODE, TITLE 11, GENERAL PLANS AND SUBDIVISIONS, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "PZ-24-00009 -- SUBDIVISION PROCESS"; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. **Consideration and Adoption of Ordinance No. 2024-29:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to rezone approximately 13.96 acres of real property located at 4631 S Lake Mary Road, from the Estate Residential (ER) zone with a Resource Protection Overlay (RPO) to the High Density Residential (HR) zone with a Resource Protection Overlay (RPO), providing for severability, authority for clerical corrections, and establishing an effective date.

Mayor Daggett opened the public hearing.

Senior Planner Ben Mejia provided a PowerPoint presentation that covered the following:

LAKE MARY HOUSING DIRECT TO ORDINANCE ZONING MAP AMENDMENT
PROJECT AREA
AREA CONTEXT MAP
PROPOSED DENSITY
INCENTIVES
SITE LAYOUT
SITE DESIGN
BUILDING DESIGN
BUILDING DESIGN -- ELEVATIONS
COMMON SPACE

RESOURCE PROTECTION
PRELIMINARY LANDSCAPE PLAN
PUBLIC SYSTEMS IMPACT ANALYSIS
CITIZEN PARTICIPATION
DEVELOPMENT AGREEMENT
FINDINGS FOR ZONING MAP AMENDMENT
FINDING #1: CONFORMANCE WITH THE GENERAL PLAN
FINDING #2: COMMUNITY BENEFITS AND PUBLIC GOOD
FINDING #3: SITE IS PHYSICALLY SUITABLE
RECOMMENDATION

Vice Mayor Aslan asked about the pedestrian infrastructure along South Lake Mary Road and whether the planned sidewalk along the parallel stretch would connect to any existing sidewalks or extend southward. Mr. Mejia confirmed that it would not be connected to existing infrastructure at that time. Vice Mayor Aslan indicated that while the sidewalk was not currently connected, he supported the infrastructure being put in place now to encourage future connectivity and expressed strong support for the proposed amendment related to FTUS access. He also suggested that additional connections could enhance the project.

Councilmember McCarthy asked for clarification on the Planning and Zoning Commission's concerns regarding the project. Mr. Mejia explained that some commission members felt the development did not align with the regional plan, was incompatible with surrounding development, and was not in the public interest.

Councilmember Matthews inquired about the inclusion of electric bikes in the proposal. Mr. Mejia clarified that it was not the commission who required electric bikes; this was a condition proposed by the applicant. Councilmember Matthews then asked whether all conditions listed were from the developer or the commission. Mr. Mejia responded that the first four conditions were proposed by staff to the commission, while the fifth condition was proposed by the applicant to address eligibility for affordability incentives.

Councilmember Harris questioned why the Planning and Zoning Commission's recommendation appeared inconsistent with staff's evaluation, noting that staff had found the development met the required findings for approval. Mr. Mejia noted that they could not speak to the specific rationale of the commission beyond the summary provided, emphasizing that the commission's recommendation was advisory.

Councilmember Harris confirmed that the current Estate Residential zoning allowed one unit per acre and noted that the proposed development was on a 13.96-acre parcel. Mr. Mejia explained that Estate Residential zoning served as a holding classification to prevent premature development until infrastructure and utilities were in place, and that the regional plan identified this site as a suburban neighborhood.

Councilmember Sweet asked Water Services Director Shannon Jones about pressurized sewer systems. Mr. Jones explained that Flagstaff typically avoided pressurized systems due to topography, as most land drains via gravity to the Wildcat treatment plant. He described two pressurized system strategies: a small gravity network feeding a lift station, or individual low-pressure grinder pumps for single-family homes. Currently, city code prohibited public ownership of pressurized systems, so any pressurized portion would likely remain private until transitioning to a gravity system. He also noted that private systems could fail and shift responsibility back to the city, whereas public systems allowed for professional management, asset lifecycle planning, and public health protection.

Councilmember Sweet also invited Heather Dalmolin, CEO of Mountain Line, to discuss transit options. Ms. Dalmolin reported that the current five-year transit plan did not include service to that portion of Lake Mary Road. She explained that micro transit could provide on-demand, origin-to-destination service linking the development to the nearest fixed-route bus stops, which were approximately 1.5 miles away. She indicated that future five-year plans, could consider expansion, but current priority was given to existing service areas.

Mayor Daggett inquired about forest health measures in the area. Wildland Fire Manager Neil Chapman reported that surrounding areas, including near the south side of the Airport and I-17 corridor, had been aggressively thinned, with contracts in place for continued treatment to reduce wildfire risk.

Mayor Daggett also asked about the affordability agreement. Housing Planning Manager Jen Mikelson confirmed that 20% of units would be affordable to households earning up to 80% of the area median income, with additional housing vouchers, including for veterans, provided separately. Housing Director Sarah Darr added that 374 households were currently on the waiting list for voucher programs, with 1,142 residents in the Flagstaff area receiving priority.

Council also discussed enforcement of the development and affordability agreements in the event of a property sale. Mr. Mejia explained that the agreements and approved site plans would remain binding on future owners, and that other departments such as Fire and Public Works reviewed development proposals prior to approval to ensure compliance with applicable standards.

Councilmember Sweet asked if the pressurized sewer system would be public or remain private. Mr. Jones stated that the city continued to evaluate public versus private ownership of pressurized systems on a case-by-case basis. The system could be put in place and would be private up to the point of transition to the gravity portion where the city would accept, own, and operate the gravity portion, with the remainder being private. This meant that there would be a private utility that would have infrastructure in a right-of-way that is shared with a public utility.

Mike Mourwitz with Snell and Wilmer, representing the owner and developer of the project, provided a PowerPoint presentation that covered the following:

LAKE MARY HOUSING A DIRECT TO ORDINANCE ZONING MAP AMENDMENT REQUEST
AERIAL CONTEXT
SITE AERIAL
CITY OF FLAGSTAFF REGIONAL PLAN 2030
HOUSING EMERGENCY RESOLUTION NO. 2020-66
CITY OF FLAGSTAFF HOUSING PLAN
DIRECT TO ORDINANCE ZONING MAP AMENDMENT
PROJECT OVERVIEW
CONCEPTUAL SITE PLAN
PROJECT SUSTAINABILITY
CONCEPTUAL PROJECT RENDERING

The following individuals addressed Council in opposition of the rezone:

- Marilyn Stevenson
- Don Valich
- Tim Hamrah
- Brian Schmitz
- Creighton Chute
- Kathy Martinez
- Jackie Kypta
- Brian Dennehy
- Mark & Kent Paul
- John Lloyd
- Frances Joseph
- Amethyst Deasy
- Danya Gorel
- Anne Doyle
- Bryce Doty
- Mary Norton
- Jill Cooper
- Mary McLeod

Written comments in opposition to the rezoning were submitted by the following:

- Chuck Seppanen
- Mary Anne McLeod
- Bryan Dennehy
- Elise Rumpf

The following comments were received:

- The development's density and three-story buildings is incompatible with the rural, low-density character of the existing neighborhood.
- Concerns were raised about loss of green space, open land buffers, and historical community character.
- Homeownership was emphasized as critical for long-term community stability, whereas high-density rental units do not foster permanent residents.
- Inadequate sewer and water infrastructure for high-density residential use, particularly reliance on pressurized sewer systems.
- Concerns about snow plowing, road maintenance, and insufficient transportation infrastructure.
- Frontier Avenue and other local roads are already in poor condition, and increased traffic could exacerbate safety risks.
- High-density development would increase traffic along Lake Mary Road, raising the risk of accidents, particularly in winter conditions.
- Safety hazards for bicyclists, pedestrians, and residents.
- Emergency access and fire safety concerns, especially due to proximity to National Forest land and history of arson and wildfire threats.
- The development could disrupt local wildlife and negatively affect the rural ecosystem.
- The project's green space and solar panels were seen as insufficient mitigation.
- Questioned the effectiveness of the proposed 40 affordable units and noted that they target households earning up to 80% of area median income, which may not meet the needs of the broader community.
- Concerns about displacement of existing residents and whether affordable housing is truly being addressed.
- The Planning and Zoning Commission recommended denial, and Council should uphold their recommendation.
- The developers' use of sales tactics and alleged threats to property owners were noted as inappropriate and indicative of profit-driven motivations rather than community benefit.
- Request careful consideration of the regional plan, safety, convenience, and public interest rather than solely the potential benefits of new housing.
- Housing growth is necessary, but the high-density development is ill-suited for the location and would undermine neighborhood character, public safety, and infrastructure capacity.

The following individuals addressed Council in support of the rezone:

- Tom Boggess
- Joseph Leyva
- Jonathan Allen
- Tyler Denham

The following comments were received:

- The development provides affordable and entry-level rental units that create opportunities for residents who cannot afford one-acre estates.
- Inaction would exacerbate housing scarcity and limit options for younger families and workers wishing to remain in Flagstaff.
- The development team was praised for their experience and sensitivity to the community, along with past awards, strong project management, and commitment to workforce and affordable housing.
- Building vertically is necessary to meet demand while preserving surrounding open space and forest areas.
- Providing rental units, including affordable units, enables long-term community engagement and

diversity, allowing residents to establish roots and contribute to local businesses and the economy.
- The land will eventually be developed and argued that this project represents a thoughtful use of the property compared to alternatives, ensuring community benefits and compliance with local regulations.
- High-density buildings are common in Flagstaff and adjacent to single-story homes elsewhere without significant disruption.
- Electric bikes and micro transit are supplementary solutions to connect the development to nearby amenities and transportation, partially mitigating the lack of nearby bus service.
- Parking requirements in the development accommodate residents who must rely on cars, balancing transportation needs.

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

Councilmember Matthews asked whether the project's commitment to affordable housing would be impacted if the developer applied for Low Income Housing Tax Credits (LIHTC) incentives. Mr. Mourwitz confirmed that affordable housing commitments would remain regardless of LIHTC participation.

Councilmember Matthews also confirmed with staff that Frontier Road was a Forest Service road with no direct access to the development, and that access would be solely from Lake Mary Road.

Councilmember Sweet asked why solar panels were not installed on every unit. Mr. Mourwitz explained that while sustainability was a priority, the significant costs of full solar coverage could jeopardize the project, given other infrastructure improvements, including water and sewer, that the developer was financing.

Council also discussed water and sewer infrastructure, noting that water lines would be public, and portions of the sewer line could remain private unless city code changes allow dedication to the city. Mr. Mourwitz clarified that other property owners could connect to the utilities under specific city requirements and that the developer typically took on the cost of infrastructure construction, with potential reimbursement arrangements if future developments connect to the system.

Council asked about the visibility and operation of sewer lift stations. Staff explained that lift stations would primarily be subterranean, with some external components like manholes and possibly backup generators. Staff assured residents that standard operational protocols, maintenance, and emergency response practices would mitigate concerns.

Councilmember Harris asked about consultation with best practices for pressurized sewer systems and lift stations. Staff noted that they had engaged engineering experts and reviewed multiple municipalities with similar systems to ensure proper design and operation. Council confirmed that any development must meet city standards and that infrastructure build-out would support future growth, firefighting capacity, and connectivity with surrounding parcels.

Mr. Mourwitz addressed comments that from the public and noted that the concerns were largely about location and infrastructure rather than project design. Traffic studies confirmed minimal impact on Lake Mary Road. He emphasized the importance of extending the FUTS trail, alternative transportation options, and the project's alignment with the regional plan's suburban and multifamily land use designation. He underscored that the project contributed to the city's housing emergency by providing 40 affordable units and 162 market-rate units.

Councilmember Matthews emphasized the need to open more developable land in Flagstaff, noting that many workers live outside city limits, which undermines carbon neutrality goals due to commuting. While one project will not solve the housing crisis, it is a meaningful step. She also highlighted the challenges of attracting developers to Flagstaff and stressed the importance of considering what developers are willing to invest. Comparing a 13-unit proposal to a 202-unit project illustrated the impact.

Councilmember House thanked community members for participating and acknowledged fears about

change. She stressed the need for creativity and courage in addressing housing needs, emphasizing that waiting lists, displaced residents, and sustainability goals require proactive action. While the project is not perfect, she considered it a step in the right direction and was willing to support it.

Councilmember McCarthy noted that public comments reflected concerns of current neighbors but did not include potential future residents, who would benefit from the development. He supported the rezoning with staff stipulations, including the FUTS trail extension.

Councilmember Sweet acknowledged that no single project solved the housing crisis, but each contributed positively. She expressed a desire for the developer to coordinate with Mountain Line on micro-transit options.

Vice Mayor Aslan appreciated the developer's sustainability initiatives and emphasized that the FUTS trail extension was a required condition for support. While supportive of amenities like e-bikes, he noted they were secondary to broader infrastructure and sustainability considerations. The NIMBY arguments were not compelling and characterized local opposition as a desire to preserve rural lifestyle rather than resistance to specific groups. Growth in the area was consistent with the regional plan and is expected.

Councilmember Harris thanked participants and noted that future residents would benefit from the development.

Mayor Daggett affirmed that Council had considered public input, emails, and previous Planning and Zoning discussions. She highlighted the importance of the regional plan and addressing affordability, noting that incremental progress was necessary. Housing growth must balance urban boundaries, diversity, and the shared responsibility of neighborhoods. She supported the project and FUTS trail extension.

Moved by Councilmember Jim McCarthy, **seconded by** Vice Mayor Austin Aslan to read Ordinance No. 2024-29 by title only for the first time with the stipulations in the staff presentation and with the FUTS trail option.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 13.96 ACRES OF REAL PROPERTY LOCATED AT 4631 SOUTH LAKE MARY ROAD, APN 115-03-001A, FROM THE ESTATE RESIDENTIAL (ER) ZONE IN THE RESOURCE PROTECTION OVERLAY TO THE HIGH DENSITY RESIDENTIAL (HR) ZONE IN THE RESOURCE PROTECTION OVERLAY WITH CONDITIONS; PROVIDING FOR SEVERABILITY; AUTHORITY FOR CLERICAL CORRECTIONS; AND ESTABLISHING AN EFFECTIVE DATE

10. REGULAR AGENDA

A. Consideration and Adoption of Ordinance No. 2024-27: An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value, with property owner Gary S. Christensen M.D.

Real Estate Manager Bryce Doty provided a PowerPoint presentation that covered the following:

SCHULTZ PASS PROPERTY EXCHANGE
VICINITY MAP
BACKGROUND
EXCHANGE PROPERTIES
CITY WILL GIVE
CITY WILL RECEIVE
CONTEXT
QUESTIONS?

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-27 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE EXCHANGE OF REAL PROPERTY OF SUBSTANTIALLY EQUAL VALUE, WITH PROPERTY OWNER GARY S. CHRISTENSEN M.D. FOR THE SCHULTZ CREEK TRAILHEAD; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

A break was held from 7:09 p.m. through 7:26 p.m.

B. **Consideration and Adoption of Resolution No. 2024-42 and Ordinance No. 2024-25:** A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "Noise Control Amendments" and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 6, Police Regulations, Chapter 6-08, Noise Control, by adopting by reference that certain document entitled "Noise Control Amendments"; providing for repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date.

Senior Deputy City Manager Shannon Anderson provided a PowerPoint presentation that covered the following:

NOISE CONTROL AMENDMENTS
REVIEW OF COUNCIL DIRECTION AND OPTIONS TO CONSIDER

The following individuals addressed Council in support of the noise ordinance:

- Sean Golightly
- Dawn Tucker
- Ralph Schmid
- Melissa Szalkiewicz
- Candace Ryan
- Kayla Bobbitt
- Thomas Carter Martin
- Sarah Hamilton
- Aeka Joshi
- Amy Beeler
- Scottie Donovan
- Chris Catronichio

The following individuals submitted written comments in support of the noise ordinance:

- Sean Golightly
- Dawn Rochelle
- Tony Cola
- Jane Reukema
- Irene Barrow
- Antoinette Beiser
- Theresa Coleman
- Joan Martini
- Abel Estrella

The following comments were received:

- Nearby residents report ongoing inability to sleep due to nighttime noise, including music, intoxicated crowd behavior, and heavy bass.

- Sound and vibration penetrate homes even with windows closed, rattling walls and making earplugs ineffective.
- Sleep disruption is a serious health concern, affecting mental health, circadian rhythms, and work or academic performance.
- Noise negatively impacts families, children, workers, and residents with limited housing options who cannot easily relocate.
- Existing conditions are described as unacceptable, regardless of zoning context.
- Residents live in historic, long-established neighborhoods, many of which predate current nightlife uses.
- Noise issues escalated after changes in business operations, including louder electronic music and extended late-night hours.
- Quality of life and livability are central concerns, not opposition to businesses or the arts.
- Some property owners report losing tenants, inability to rent homes, and significant financial losses due to persistent noise.
- Commercial uses are required by zoning code to be compatible with residential uses, not the other way around.
- Southside is identified as a community commercial zone, intended to balance business activity with residential livability.
- Other nearby businesses are cited as examples of successful coexistence without excessive noise or ongoing complaints.
- Residents have repeatedly contacted police and city officials over multiple years with little lasting resolution.
- Some residents avoid public participation due to harassment, intimidation, and fear of retaliation, creating a chilling effect.
- Petition opposing the ordinance is characterized by some as containing misinformation and fear-based claims.
- The ordinance is viewed as a way to establish clear, enforceable standards, reducing uncertainty and conflict.
- Reference is made to a city-funded noise study, with calls to rely on professional, data-driven recommendations.
- Communities with clear noise ordinances often experience fewer complaints, not more.
- Businesses are encouraged to invest in sound mitigation, adjust operations, and modify business models to better coexist with residents.
- Nightlife, arts, and entertainment can thrive without excessive volume or late-night disruption.
- The city is urged to prioritize residents' health, sleep, and livability, alongside economic considerations.
- Emphasis is placed on stewardship of historic neighborhoods and protection of long-term residents.

The following individuals addressed Council in opposition of the noise ordinance:

- Lilly Bouchard
- Terri Bouchard
- Craig Bouchard
- Betsy Hamill
- Jesse Mendoza
- Alex DeFazio
- Savannah Vincent
- Amanda Soelle Lovett
- Olivia Gillette
- Martin Dyer
- Jill Dyer
- Zoe Bailey
- Brandon Bellisime
- Alexis Bidinger
- Daphne Milazarek
- Hunter Herbert
- Kevin Heinonen
- Caleb Jensen

- Dan Powell
- Sarah Lee
- Mike Darby
- Andrew Shouse
- Matthew Dyer
- Blake Whitten
- Sofya Rodgers
- Theresa Coleman
- Ish

The following individuals submitted written comments in opposition of the noise ordinance:

- Tommy Hernandez
- Caryl Walti
- Winnie and Kelly Hanseth

The following comments were received:

- The ordinance will severely harm small, locally owned businesses, particularly on the south side of downtown, with projected revenue losses of 50--70% due to earlier shutdowns.
- Late-night weekend hours are critical to business viability, especially for bars, restaurants, music venues, and adjacent businesses that rely on nightlife foot traffic.
- The ordinance would lead to job losses, business closures, vacant storefronts, and reduced tax revenue, potentially replacing local businesses with corporate franchises.
- Service industry workers, many of them students, artists, musicians, and single parents, depend on late-night hours to meet high rent, tuition, and living expenses.
- Downtown nightlife is described as essential to Flagstaff's identity as a college town, arts hub, and tourist destination.
- The service industry contributes significantly to BBB and other city tax revenues, supporting public services, tourism, and beautification.
- The ordinance would disproportionately impact the south side of the tracks, while north-side businesses are perceived as exempt, raising concerns about unequal enforcement.
- The ordinance effectively changes zoning without following formal zoning or land-use procedures.
- Noise complaints are described as limited in number, concentrated late on weekends, and primarily related to crowd conversation rather than amplified music.
- Many report not experiencing excessive noise, even when living near or walking past affected businesses at night.
- Regulating casual conversation and crowd noise is viewed as impractical, unenforceable, and counterproductive.
- The ordinance is characterized as overly broad, vague, and poorly constructed, lacking key distinctions such as amplified vs. non-amplified sound, commercial vs. residential zones, and clear measurement distance or decibel standards.
- A city-funded noise study exists, but opponents argue its data and recommendations are not being meaningfully used.
- Businesses report significant good-faith mitigation efforts, including speaker adjustments, earlier speaker shutdowns, door closers, sound monitoring, security, and offers of mediation.
- Additional mitigation offers, including paying for residential soundproofing, reportedly went unanswered.
- Existing nuisance laws, mediation, and targeted enforcement are more appropriate than a citywide ordinance.
- The ordinance is seen as government overreach, punishing many businesses to address a narrow, location-specific dispute.
- A petition opposing the ordinance reportedly gathered over 2,000 signatures in two days, reflecting broad community concern.
- Business owners and employees cited significant emotional and mental health stress caused by prolonged uncertainty and fear of closure.
- Enforcement would place a significant burden on an already understaffed police department, diverting resources from higher-priority public safety issues.
- There is concern the ordinance would deputize neighbors, enabling repeated or vindictive

complaints and escalating minor disputes into police matters.
- Fear of misuse and uneven enforcement, including disparities between businesses, residents, short-term rentals, and Airbnb's.
- Quality of life is defined as including economic opportunity, cultural vitality, arts, nightlife, and community gathering, not just quiet.
- Southside is described as a historic, vibrant downtown area where nightlife has long been part of the character.
- Businesses argue they invested and operated legally, taking financial risk with the expectation of regulatory stability.
- Noise from people enjoying themselves is described as a natural and unavoidable aspect of a thriving urban, college, and arts town.
- Urge the formation of a balanced stakeholder committee, including residents, businesses, musicians, and city staff, to develop data-driven, targeted solutions.
- Rushed or fear-based decision-making is warned to permanently alter downtown's character in unintended ways.

Councilmember Sweet began by thanking the public and staff, acknowledging the difficulty of the issue, and addressing a petition requesting her recusal. She stated that after consulting with the City Attorney, she determined no conflict of interest existed and declined to recuse herself. She reflected on the historic significance of the Southside, noting its roots in segregation-era development and the importance of equity in policy decisions. She acknowledged that her earlier proposal to exempt the north side from the ordinance could unintentionally deepen historic divisions and stated she no longer supported treating the districts differently. She emphasized the need for compromise, clarity for staff and police, and reaching some form of resolution.

Councilmember Matthews thanked the public for their engagement and apologized for not fully recognizing community concerns earlier in the process. She expressed concern that zoning standards had not been clearly defined over time, leaving the city with many bars and restaurants adjacent to residential uses. She questioned the practicality of regulating crowd noise and expressed skepticism that any ordinance could fully resolve the issue. After reconsidering her earlier proposal for modified quiet hours, she withdrew it and stated she could not support changes that might create larger problems than those they were trying to solve, preferring to leave regulations as previously structured.

Vice Mayor Aslan reflected on his past experience with the issue, including earlier efforts and the prior noise study. He described the ordinance as overly broad and expressed concern about deputizing residents and citywide consequences. He felt that the current proposal was untenable, harmful to downtown vibrancy, and not ready for adoption. He stated he could not support the ordinance and indicated his intent to move to deny it entirely.

Councilmember Harris emphasized the historical and human context of the Southside, many residents had limited housing choices and longstanding ties to the neighborhood. She rejected the idea that residents should simply move if they experienced noise and framed sleep disruption as a health and equity issue. She stated that businesses would not be put out of business by reasonable noise limits and affirmed her support for moving forward with the ordinance as previously discussed.

Councilmember McCarthy rejected accusations that he was pursuing a personal agenda, stating his motivation was empathy for residents unable to sleep. He disputed claims that complaints were limited to a single resident and cited numerous complaints and multiple residents who had moved due to noise. He argued that the ordinance was not targeted at one bar but intended to establish reasonable citywide standards. He discussed the prior noise study and committee process, expressed openness to decibel limits, and framed the issue as balancing freedom to operate businesses against residents' right to peace in their homes. He stated he was prepared to support the ordinance and believed five years of discussion warranted action.

Councilmember House expressed appreciation for the depth of the discussion and the historical research presented. She stated she was unwilling to abandon the effort entirely and preferred continuing toward a solution that balanced vibrancy with public health. She indicated interest in revisiting decibel-based standards as a more objective alternative to time-based restrictions.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Lori Matthews to reject adoption of Resolution 2024-42 and the second read of Ordinance 2024-25.

Councilmember Sweet stated she believed the issue required more time and research and supported rejecting the ordinance for now, while encouraging continued study. Councilmember House and Councilmember Harris both opposed rejecting the ordinance, expressing concern that doing so would once again sideline residents' concerns and perpetuate inaction.

Vote: 4 - 3

NAY: Councilmember Deborah Harris
Councilmember Khara House
Councilmember Jim McCarthy

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Miranda Sweet moved to adjourn the meeting in accordance with the Rules of Procedure.

Vote: 7 - 0 - Unanimously

11. OPEN CALL TO THE PUBLIC

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

13. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held November 19, 2024, adjourned at 9:49 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on November 19, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, NOVEMBER 18, 2025
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held November 18, 2025, to order at 3:02 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Joanne Keene; City Attorney Sterling Solomon

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Parks, Recreation, Open Space, and Events Director Rebecca Sayers addressed Council and presented a video showcasing the recently completed Bushmaster Park sports court project. She highlighted the new basketball, tennis, and pickleball courts, as well as the modern LED lighting installed, which focuses light directly onto the courts without spillover.

Joseph Spence addressed Council and expressed his frustration over the cancellation of the Commission on Inclusion and Adaptive Living meetings. He emphasized the importance of the meetings for his involvement and learning about city issues.

Russell Randall, on behalf of Barrier Free Flagstaff, also addressed Council regarding the suspension of the Commission on Inclusion and Adaptive Living meetings. He felt that harm was caused by the suspension to the disability community and urged Council to restart the Commission meetings immediately to ensure the needs of people with disabilities were met.

Alida Pfeil addressed Council and echoed the concerns about the suspension of the Commission on Inclusion and Adaptive Living. She emphasized the importance of the Commission in giving a voice to people with disabilities and requested its immediate reinstatement.

Danielle Adams, Executive Director of the Flagstaff Dark Skies Coalition, addressed Council and thanked the city for the ongoing efforts to protect Flagstaff's dark skies. She announced that Flagstaff was recognized with the Dark Sky Place of the Year award and highlighted the city's leadership in night sky preservation.

Colleen Maring, Chief People Officer at Northern Arizona Healthcare, addressed Council and highlighted the educational partnerships with Coconino County Community College (CCC). She discussed the importance of CCC's bond election for expanding nursing and allied health education programs, which directly benefitted the local healthcare system and community.

Sean Golightly addressed Council and shared multiple stories of residents experiencing disturbances from nearby bars, including noise, harassment, and vandalism. He emphasized the need for clear enforcement of zoning codes and ordinances to protect the quality of life for Southside residents.

5. COUNCIL LIAISON REPORTS

Councilmember Matthews reported on several meetings, including the Mountain Line meeting, the Criminal Justice Coordinating Council meeting, and the Airport Commission meeting. She highlighted discussions on justice system improvements and updates on airport projects, including efforts to attract new airlines and funding for a snow building.

Councilmember Garcia provided updates from the Parks and Recreation Commission meeting, mentioning revisions to athletic fees, the preparation of the PROSE master plan, and the design

concept for restrooms at Heritage Square. He also expressed excitement about the community outreach program for the PROSE master plan.

Councilmember Aslan shared updates from the October Sustainability Commission meeting, including the introduction of new staff members, programmatic updates, and the review of the regional plan and Council's action supporting the Virtual Power Purchase Agreement.

Vice Mayor Sweet reported on the Beautification and Public Art Commission meeting, where 14 beautification and action grants were reviewed and approved, including projects for the Beaver Street Theater, plain-air concert series, and a new mural for the sustainability building.

Councilmember House provided updates from the Commission on Diversity Awareness, including discussions on Martin Luther King Day celebrations and working group updates. She acknowledged the contributions of the outgoing staff liaison, Chris Rhode. She also mentioned the cancellation of the Housing Commission's next meeting and expressed gratitude to the Southside Community Association for hosting a public event.

Councilmember Spence reported on the Transportation Commission and its two committees, the Pedestrian Advisory Committee and the Bicycle Advisory Committee. He mentioned the retirement of Martin Ince, who chaired both committees, and expressed confidence in the committees' continued work with citizen leadership and participation.

Mayor Daggett provided updates on various meetings, including the Economic Collaborative of Northern Arizona board meeting, the Alliance for the 21st Century meeting, and the upcoming Flagstaff Housing Authority meeting. She highlighted the tour of the new Marshall School and the collaborative efforts of the Alliance members.

6. November Work Anniversary Presentation

Senior Deputy City Manager Shannon Anderson recognized the employees who had work anniversaries in November.

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Heritage Preservation Commission

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Lori Matthews to appoint Alec Overmann to the Heritage Preservation Commission.

Vote: 7 - 0 - Unanimously

Moved by Mayor Becky Daggett, **seconded by** Vice Mayor Miranda Sweet to appoint Alycia Hayes to the Heritage Preservation Commission.

Vote: 7 - 0 - Unanimously

Moved by Councilmember David Spence, **seconded by** Vice Mayor Miranda Sweet to appoint Jeanne Stevens to the Heritage Preservation Commission.

Vote: 7 - 0 - Unanimously

8. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and

may be acted upon by one motion unless otherwise requested by Council.

Mayor Daggett opened the public hearing.

Deputy City Clerk Georganna Staskey introduced the applications and indicated that the Police Department and Community Development had provided their respective findings.

There being no public comment, Mayor Daggett closed the public hearing.

A. Consideration and Action on Liquor License Application: Juanita Alicia Esparaza "Matador Coffee Roasting Company", 203 S. Milton Rd, Series 12 (Restaurant), New License

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to forward the application to the State with a recommendation of approval.

Vote: 7 - 0 - Unanimously

B. Consideration and Action on Liquor License Application: Bryan Lawrence McCarrick "Lobo Drinkhouse" 30 S. San Francisco St., Series 06 (Bar), Owner Transfer

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to forward the applications to the State with a recommendation of approval.

Vote: 7 - 0 - Unanimously

9. 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.

Mayor Daggett pulled item 9A for discussion and public comment.

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to approve the Consent Agenda as presented with the exception of Item 9A.

Vote: 7 - 0 - Unanimously

A. Consideration and Approval of Contract: On-Call Home Energy Retrofit Services with CJAM LLC doing business as Mammoth AZ, in an amount not to exceed $600,000, as part of the Energy Upgrades for Healthy Homes (EUHH) program funded by the U.S. Department of Housing and Urban Development (HUD).

Vice Mayor Sweet asked staff to provide some additional detail on the program. Climate and Energy Contractor Jacob Raatz provided a brief overview of the program, highlighting its goal to provide comfort, safety, and affordability for Flagstaff households through energy upgrades at no cost to participants. The program aimed to collect valuable data on housing conditions and the impact of energy efficiency.

Michelle James and Kyle Nitschke addressed Council in support of the program and its benefits for the community.

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Austin Aslan to approve the Contract for On-Call Home Energy Retrofit Services with CJAM LLC doing business as Mammoth AZ, in an amount not to exceed $600,000, as part of the Energy Upgrades for Healthy Homes (EUHH) program funded by the U.S. Department of Housing and Urban Development (HUD) and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

B. Consideration and Approval of Contract: Approve the Concentra Agreement for Medical Services for a term of five years.

1. Approve the Concentra Agreement for Medical Services for a term of five years; and
2. Authorize the City Manager to execute the necessary documents.

C. Consideration and Approval of Contract: Approve the East Flagstaff Family Medicine Agreement for Medical Services for an initial term of five years.

1. Approve the East Flagstaff Family Medicine Agreement for Medical Services for an initial term of five years; and
2. Authorize the City Manager to execute the necessary documents.

D. Consideration and Ratification of Letter to ADOT Project Review Board on Route 66 Pavement Preservation

Retroactively approve the letter to the ADOT Project Review Board

10. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2025-24: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of a joint law enforcement firearms training facility for public safety, providing for delegation of authority, providing for severability, authority for clerical corrections, and establishing an effective date

Consideration and Approval of Purchase Agreement: Shoot West Properties, LLC

Dennis Givens addressed Council to express support for more police training, including martial arts training like Brazilian jiu-jitsu, to enhance officer safety and reduce the use of force. He also suggested that the shooting range should be opened to the public to generate revenue for maintaining the facility and funding public safety.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to read Ordinance No. 2025-24 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF A JOINT LAW ENFORCEMENT FIREARMS TRAINING FACILITY FOR PUBLIC SAFETY; PROVIDING FOR DELEGATION OF AUTHORITY; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to adopt Ordinance No. 2025-24.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to approve the Purchase Agreement with Shoot West Properties, LLC and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Ordinance No. 2025-27: Amending the Flagstaff City Code, Chapter 1-14, Personnel System amending the Employee Handbook of Regulations, Section 1-60-030, providing for repeal of conflicting ordinances, severability, authority for clerical correction, and establishing an effective date.

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to read Ordinance No. 2025-27 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, CHAPTER 1-14, PERSONNEL SYSTEM BY AMENDING THE EMPLOYEE HANDBOOK OF REGULATIONS, SECTION 1-60-030, NEPOTISM; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Anthony Garcia to adopt Ordinance No. 2025-27.

Vote: 7 - 0 - Unanimously

C. Consideration and Approval of Planned Residential Development Allowances: Canyon Del Rio II, LLC requests Planned Residential Development (PRD) allowances for "The Terrace at Canyon Del Rio", a 129-lot subdivision on a 33.35-acre development site. The development will be located on two parcels within the Canyon Del Rio development area. Both parcels are within the Resource Protection Overlay (RPO).

Planner Ben Mejia provided a PowerPoint presentation that covered the following:

THE TERRACE AT CANYON DEL RIO
REQUEST OVERVIEW
VICINITY MAP
BACKGROUND
PRD -- DEVELOPMENT STANDARDS
PRD -- COMMON SPACE
PRD -- DESIGN ELEMENTS
STAFF RECOMMENDATION

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to approve the use of Planned Residential Development standards as requested by Canyon Del Rio II, LLC for "The Terrace at Canyon Del Rio".

Vote: 7 - 0 - Unanimously

D. Consideration and Approval of Planned Residential Development Allowances: Burch 6, LLC and Canyon del Rio II, LLC request Planned Residential Development (PRD) allowances for "Fourth St S Single Family", a 113-lot single-family subdivision. The development site will be located on two parcels. One of the parcels is within the Canyon del Rio development area. Both parcels are within the Resource Protection Overlay (RPO).

Planner Ben Mejia provided a PowerPoint presentation that covered the following:

FOURTH ST SOUTH SINGLE FAMILY
REQUEST OVERVIEW
VICINITY MAP
BACKGROUND
PRD -- DEVELOPMENT STANDARDS
PRD -- COMMON SPACE
PRD -- DESIGN ELEMENTS
STAFF RECOMMENDATION

Councilmember Garcia mentioned an email from Mary Norton, the Vice Chair of the Planning and Zoning Commission. He noted that the email raised questions about the Planned Residential Development standards and design elements, suggesting that developers might be circumventing the

intended goals of these standards. He asked staff to follow up on the email.

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to approve the use of Planned Residential Development standards as requested by Burch 6, LLC and Canyon del Rio II, LLC for "Fourth St S Single Family"

Vote: 7 - 0 - Unanimously

11. PUBLIC HEARING ITEMS

A. Consideration and Adoption of Resolution No. 2025-61 and Ordinance No. 2025-26: A Resolution of the City Council of the City of Flagstaff, Coconino County, Arizona, declaring as a public record that certain document filed with the City Clerk entitled "PZ-25-00027 - Middle Housing" and an Ordinance of the City Council of the City of Flagstaff, Coconino County, Arizona, amending the Flagstaff City Code, Title 10, Flagstaff Zoning Code.

Mayor Daggett opened the public hearing.

Zoning Code Manager Tiffany Antol provided a PowerPoint presentation that covered the following:

PZ-25-00027: MIDDLE HOUSING
MIDDLE HOUSING ZONING CODE TEXT AMENDMENT
HB 2721 -- MIDDLE HOUSING
CHAPTER 10-20: ADMINISTRATION, PROCEDURES, AND ENFORCEMENT
CHAPTER 10-30: GENERAL TO ALL
CHAPTER 10-40: SPECIFIC TO ZONES
DIVISION 10-40.60: SPECIFIC TO USES
DIVISION 10-40.40: TRANSECT ZONES
DIVISION 10-50: SUPPLEMENTAL TO ZONES
CHAPTER 10-80: DEFINITIONS
FINDINGS FOR ZONING CODE TEXT AMENDMENTS
IS CONSISTENT WITH AND CONFORMS TO THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN AND ANY APPLICABLE SPECIFIC PLAN
WILL NOT BE DETRIMENTAL TO THE PUBLIC INTEREST, HEALTH, SAFETY, CONVENIENCE OR WELFARE OF THE CITY
IS INTERNALLY CONSISTENT WITH OTHER APPLICABLE PROVISIONS OF THE ZONING CODE
RECOMMENDATION

Vice Mayor Sweet inquired about feedback from developers and the public. Ms. Antol responded that while there had not been much feedback from developers yet, there was a meeting planned with a local developer. She also mentioned that the public had been informed through various channels, including workshops and public outreach events.

Councilmember Garcia expressed gratitude for the presentation and noted that the updates reflected suggestions from local developers.

Councilmember House highlighted the importance of the ordinance in addressing housing challenges and appreciated the flexibility it provided for diverse housing options.

Councilmember Spence raised a point about parking requirements, and suggested a change from "required" to "recommended" to help with affordability and climate goals. Ms. Antol responded that such a change would require public engagement and was part of the ongoing code analysis project.

Charity Lee addressed Council and expressed support for the middle housing ordinance, noting that it was a positive change and that her organization, Capstone, was exploring how to incorporate it into their projects. She appreciated the efforts of the city staff in developing the ordinance and highlighted the potential benefits for Flagstaff.

Tyler Denham, speaking on behalf of Flagstaff for Affordable Housing, also addressed Council in support for the ordinance. He praised the city for taking a citywide approach, which avoided

concentrating new property rights in central older neighborhoods. He believed that the ordinance was far better than what other cities in Arizona were doing and highlighted its potential to increase the variety of housing options available to residents.

Victoria Allen submitted a written comment in support of the text amendment.

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

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Resolution No. 2025-61 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "PZ-25-00027 -- MIDDLE HOUSING"

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Ordinance No. 2025-26 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 10, FLAGSTAFF ZONING CODE, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "PZ-25-00027 -- MIDDLE HOUSING"; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. Consideration and Adoption of Ordinance No. 2025-25: An ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 11, General Plans and Subdivision, Chapter:11-20: Subdivision and Land Split Regulations, Division 11-20.40: Subdivision Procedures and Requirements, providing for repeal of conflicting ordinances, severability, and establishing an effective date.

Mayor Daggett opened the public hearing.

Zoning Code Manager Tiffany Antol provided a PowerPoint presentation that covered the following:

PRELIMINARY PLAT PROCESS CITY CODE AMENDMENT

Charity Lee addressed Council in support of the ordinance. She believed that it was another move in the right direction. Not having to come to Council saved a lot of time and helped to move things through the process quicker.

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

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Lori Matthews to read Ordinance No. 2025-26 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 11, GENERAL PLANS AND SUBDIVISION, CHAPTER 11-20: SUBDIVISION AND LAND SPLIT REGULATIONS, DIVISION 11-20.40: SUBDIVISION PROCEDURES AND REQUIREMENTS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

12. REGULAR AGENDA

A. Consideration and Adoption of Ordinance No. 2025-23: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition and disposition of real property from the Flagstaff Unified School District, in order to facilitate affordable housing development, providing for delegation of authority, providing for severability, authority for clerical corrections, and establishing an effective date.

Real Estate Manager Bryce Doty provided a PowerPoint presentation that covered the following:

FUSD AFFORDABLE HOUSING AT SINAGUA SITE
VICINITY MAP
PROCESS
CONSIDERATIONS
WHY IS THE CITY INVOLVED?

Flagstaff Unified School District (FUSD) Superintendent Michael Penca explained the background and motivation for the project, highlighting the need for affordable housing for FUSD employees and the broader community. He detailed the steps involved in the process, including the creation of an LLC by the Industrial Development Authority to hold the property and the application for Low-Income Housing Tax Credits (LIHTC).

Councilmember Matthews expressed appreciation for FUSD's efforts and the collaboration with the city.

Vice Mayor Sweet inquired about the availability of housing for the broader community, to which Superintendent Penca clarified that the housing would not be limited to FUSD employees due to fair housing laws.

Councilmember House praised the partnership and the potential impact on addressing housing needs in Flagstaff.

City Manager Keene commended staff's quick action and coordination on the project.

Moved by Councilmember Khara House, **seconded by** Councilmember Lori Matthews to read Ordinance No. 2025-23 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION AND DISPOSITION OF REAL PROPERTY FROM THE FLAGSTAFF UNIFIED SCHOOL DISTRICT IN ORDER TO FACILITATE AFFORDABLE HOUSING DEVELOPMENT; PROVIDING FOR DELEGATION OF AUTHORITY, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. Consideration and Acceptance of Highest Bid: for solicitation No. 2026-40 for Sale of Real Property at 116 E. Butler Avenue.

Consideration and Adoption of Ordinance No. 2025-28: An ordinance of the City Council of the City of Flagstaff, authorizing the disposition of real property located at 116 E. Butler Ave; providing for delegation of authority, providing for severability, authority for clerical corrections, and establishing an effective date.

Consideration and Approval of Purchase Agreement: with 122 E Butler LLC, an Arizona limited liability.

Real Estate Manager Bryce Doty provided a PowerPoint presentation that covered the following:

116 E BUTLER AVE LOT DISCUSSION
VICINITY MAP

Dennis Givens addressed Council and asked what would happen to the people who lived in the area. Mr. Doty explained that there would be no displacement of people because the lot was vacant. The purchase would provide the property owner with the adjacent lot more opportunity to develop in the future.

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to accept the highest bid for Solicitation No. 2026-40 by 122 E Butler LLC.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to read Ordinance No. 2025-28 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE DISPOSITION OF REAL PROPERTY LOCATED AT 116 E. BUTLER AVE; PROVIDING FOR DELEGATION OF AUTHORITY, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

C. Stormwater Utility Cost of Service and Strategic Plan updates

Stormwater Section Director Ed Schenk and Nancy Phan with Water Resources Economics provided a PowerPoint presentation that covered the following:

STORMWATER COST OF SERVICE AND STRATEGIC PLAN UPDATES
OVERVIEW -- STORMWATER UTILITY
BACKGROUND
FINANCIAL PLAN REVIEW STUDY
RESULTS OF FINANCIAL PLAN REVIEW
CHANGES IN NUMBER OF ERUS
MINOR CHANGES IN NON-CAPITAL EXPENSES
SIGNIFICANT CHANGES IN CAPITAL EXPENSES

Councilmember Matthews asked about the expenses related to the Rio de Flag project. Specifically, the timing of when the expenses would come into play, given the ongoing efforts to work out details with partners and get the project started. Mr. Schenk explained that a portion of the expenses needed to be debt-funded in advance, with $16 million expected in FY 26 as part of the debt financing for the Rio de Flag project. He mentioned that the project cost had escalated from approximately $121 million in 2018 to about $243 million. He suggested that the project could require funding between 2026 and 2028.

Councilmember Garcia asked for clarification on the term "debt service" and why it had increased. Ms. Phan explained that debt service referred to the payments made for borrowed funds, similar to a mortgage. She noted that there was a slight decrease in current debt service costs but highlighted an increase in future debt-funded capital expenses, which contributed to the overall increase in debt service costs.

Councilmember Matthews requested a presentation to get an update on the projects funded by the recent rate increases. Staff agreed and mentioned that such presentations were valuable for sharing success stories and addressing community concerns. They would work with other divisions to provide a comprehensive update on capital projects funded by the rate increases.

STORMWATER STRATEGIC PLAN MID-TERM PROGRESS REPORT
OVERVIEW
STORMWATER UTILITY: THE GROWTH IN LEVEL OF SERVICE

STRATEGIC OBJECTIVES
STRATEGIC OBJECTIVE NO. 1: RESPOND TO WILDLIFE FLOODING RISKS AND EVENTS
STRATEGIC OBJECTIVE NO. 2: CLARIFY CLIMATE CHANGE CHARACTERISTICS AND OVERALL STORMWATER CHALLENGES
STRATEGIC OBJECTIVE NO. 3: MAXIMIZE/OPTIMIZE STORMWATER SYSTEM MAINTENANCE
STRATEGIC OBJECTIVE NO. 4: CLARIFY LEVELS AND ENHANCE CUSTOMER SERVICE
STRATEGIC OBJECTIVE NO. 5: INCREASE SUPPORT FOR FLOODPROOFING OF INDIVIDUAL STRUCTURES
STRATEGIC OBJECTIVE NO. 6: ENHANCE CIP PROCESS AND UPDATE CIP PRIORITIES
STRATEGIC OBJECTIVE NO. 7: ENHANCE DEVELOPMENT REVIEW PROCESS AND DEVELOPER SUPPORT
STRATEGIC OBJECTIVE NO. 8: IMPROVE COLLABORATION AND COMMUNICATIONS
STRATEGIC OBJECTIVE NO. 9: ADDRESS STORMWATER SECTION HUMAN RESOURCE NEEDS

13. DISCUSSION ITEMS

A. FAIR - Discussion and Possible Direction Regarding Vice Mayor Selection Process

Councilmember Spence proposed revisiting the method of appointing the vice mayor. He suggested a two-year term as a "vice mayor elect" to allow newly elected councilmembers to gain experience before assuming the vice mayor role. He highlighted the historical context, noting that from 1960 to 1992, the vice mayor was appointed based on the highest number of votes in the prior general election, effectively creating a two-year term as vice mayor elect. This practice was changed in 1992 to appoint the councilmember with the highest votes in the most recent election, creating a four-year term. He emphasized the benefits of a two-year training period for new councilmembers to familiarize themselves with city government procedures before becoming vice mayor.

Councilmember Garcia questioned the necessity of the change, citing examples of newly elected vice mayors who performed well without prior Council experience. He also noted that the vice mayor role, while significant, primarily involved stepping in for the Mayor when needed.

Councilmember Matthews recalled a prior discussion on the topic and suggested defining the vice mayor's responsibilities more clearly to ensure that candidates understood the commitment involved.

Mayor Daggett proposed a rotating vice mayor role to give all councilmembers an opportunity to serve.

Councilmember Aslan emphasized that the vice mayor's primary role was to step in for the mayor if necessary. He argued against a rotating system, suggesting that the vice mayor should reflect the will of the voters. He also noted that the current system provided a slight advantage to incumbents running for re-election.

Mr. Solomon clarified that the term "vice mayor elect" might not be legally appropriate since the vice mayor was not elected at large. He suggested further review if the Council wished to pursue that terminology.

The discussion concluded with no immediate decision for a change and for the current process remained in place.

B. Discussion of Rightsizing our Fleet

Facilities and Fleet Section Director Jen Brown provided a PowerPoint presentation that covered the following:

FLEET MANAGEMENT RIGHT-SIZING THE FLEET
OUR PURPOSE TODAY
FLEET AT A GLANCE
WHAT DOES A RIGHT-SIZED FLEET LOOK LIKE FOR FLAGSTAFF?

RIGHT-SIZING OUR FLEET WHAT RIGHT-SIZING MEANS?
POLICY IN ACTION
OUR FLEET FUTURE

The discussion began with questions about how often staff must assist or tow vehicles that could not make it back to the shop. Fleet Manager Nate Naliborski clarified that the city did not operate a tow truck and instead responded only to service calls. Over a 16-year career, there had been only about three instances of vehicle or motor issues requiring assistance.

The conversation then focused on the challenges of electrifying the city's fleet. It was acknowledged that the city's needs were complex and extended well beyond routine travel, including heavy-duty applications such as fire trucks and specialized service vehicles. Those operational realities, along with limitations in the current electric vehicle market and long lead times for certain equipment, made immediate conversion difficult. At the same time, staff continued to explore creative solutions, such as pooling purchases with other agencies or planning years in advance to place orders for electric vehicles as technology and availability improve.

Staff explained that the fleet directive had been a significant step forward because it established a clear, consistent procedure that all divisions must follow. Vehicle replacement requests were reviewed by a fleet committee to confirm that assets had reached the end of their useful life and to evaluate alternatives, including electric options, where feasible. Facilities was highlighted as a successful example of the approach, they were operating three electric vehicles and although there was some initial hesitation, the vehicles had proven effective because they were used locally within Flagstaff, could be charged at city facilities, and typically did not require daily charging.

Appreciation was expressed for the presentation and for the fact that vehicle purchases were reviewed by multiple departments to fully evaluate needs, constraints, and performance requirements. The primary concern was confirming the existence of a clear policy and a structured decision-making process, both of which were demonstrated through the presentation. Staff reaffirmed their commitment to continue advancing electric vehicle adoption where operationally practical, using policy guidance, cross-departmental review, and lessons learned from early implementations to move the City's fleet forward.

14. OPEN CALL TO THE PUBLIC

None

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

Vice Mayor Sweet mentioned that the NAU band would be at Buffalo Park for a send-off and encouraged everyone to watch the Thanksgiving Day parade, where she and the Mayor would be present to support NAU. She expressed excitement about the once-in-a-lifetime opportunity for the NAU band to perform in the Macy's Day Parade.

Councilmember Garcia provided an update on his participation in the Civic Craft program with the League of Arizona Towns and Cities. He highlighted the recent session in Tucson, which focused on leading with respect, trust, and civility in public discourse. He praised the Council for mastering those qualities and mentioned that the program was an excellent opportunity to connect with other local leaders.

Councilmember Matthews shared that she had been cooking to help a non-profit feed clients at Flagstaff Shelter Services a turkey dinner. She also mentioned the upcoming visit of the Justice Bus to the Leupp Chapter House, which helped expunge warrants and marijuana charges. Additionally, she requested that the Council revisit the noise ordinance due to ongoing community concerns. Lastly, she expressed frustration with the working calendar and the handling of her fair items.

Mayor Daggett congratulated Ballet Folklorico de Colores on their 20th anniversary and Lowell Observatory on the 30th anniversary of their Native American Astronomy Outreach Program. She

also reminded everyone about the event at Buffalo Park to see the Route 66 wraps on the tubas for the NAU band.

Ms. Keene acknowledged the clunky fair process and requested time to figure out a better way to handle them. She also announced the selection of Kevin Fincel as the Interim Deputy City Manager, highlighting his experience and contributions to the City Attorney's office.

16. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held November 18, 2025, adjourned at 7:49 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on November 18, 2025. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, DECEMBER 2, 2025
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held December 2, 2025, to order at 3:08 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Joanne Keene; City Attorney Sterling Solomon

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

The Council and audience recited the pledge of allegiance, Vice Mayor Sweet read the Mission Statement of the City of Flagstaff, and Councilmember Spence read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Housing Program Manager Adriana Fisher and Dr. Emanuel Preciado addressed Council and introduced the Community and University Partnerships Initiative Housing Research. They described the initiative as a collaborative research program at NAU connecting students with community needs, specifically through hands-on, community-based research that informs local policy and strengthens university-community partnerships.

Alexis Erickson, Alexandra Nast, and Marissa Nolte addressed Council and presented research on four main questions about houselessness, resource utilization, access, and program improvement. Their findings indicated significant barriers to housing resource accessibility, public transportation, and mental health services. They recommended bridging the knowledge gap between houseless individuals and available resources through accessible information and increased utilization of housing services.

Grace Munson, Nina Newman, Madeline Tapia, and Eleanor Hull addressed Council and presented research on Flagstaff developers' challenges with sustainable development, revealing cost concerns, limited awareness of incentives, and a need for improved city support and financial incentives.

Andres Castellanos, Grace Green, Lewis T., and Tyler R. addressed Council and shared research on how Flagstaff incorporates community sentiment into housing decisions, identifying demographic imbalances in public engagement and recommending expanded opportunities for participation.

Steven Grubart, the former owner of the Pizza Patio, addressed Council and expressed concerns about excessive police force that led to the closure of his restaurant. He called for a third-party investigation into the Flagstaff Police Department's actions, citing civil rights violations and over-the-top enforcement practices. He urged the Council to support an investigation and address the treatment of small independent retailers in Flagstaff.

Nadine Hart addressed Council with concerns about the lack of shelters for children using Mountain Line transportation, particularly at Coconino High School and Northland Preparatory Academy. Children were often left standing in poor weather conditions without adequate protection and urged the Council to reach out to property owners and the school district to create shelters for these children.

Colleen Maring, Chief People Officer at Northern Arizona Healthcare, addressed Council to highlight the organization's efforts to support the mental health of their colleagues, including physicians and advanced practice providers. She announced that NAH had removed personal mental health questions from credentialing applications to encourage healthcare workers to seek needed care without fear of losing their license or job. This initiative had earned NAH recognition as a 2025 Well-Being First Champion by a national coalition of leading healthcare organizations.

5. COUNCIL LIAISON REPORTS

Vice Mayor Sweet shared updates on several meetings. Mountain Line met to discuss upcoming goals and priorities, while the Metro Plan board meeting was scheduled later that week. Additionally, the Beautification and Public Art Commission meeting will take place on Monday at City Hall.

Councilmember Spence highlighted a productive joint meeting of the Pedestrian and Bicycle Advisory Committees, with reports to be presented to the Transportation Commission at their upcoming regular meeting.

Councilmember Matthews mentioned that while she did not have specific details on the grant, she noted that the Federal Transit Administration awarded Mountain Line a $3.21 million grant for bus stop upgrades.

Councilmember Aslan provided an update on the Tourism Commission meeting which included typical attraction and staff reports. The Sustainability Commission decided to fully fund 13 applications and partially fund one more, with details on the funded projects and a discussion on the legislative priorities process.

6. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Building and Fire Code Board of Appeals

Moved by Councilmember Khara House, **seconded by** Councilmember Lori Matthews to appoint Scott Franz to the Building and Fire Code Board of Appeals.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to appoint Mark Haughwout to the Building and Fire Code Board of Appeals.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Lori Matthews to appoint Mark Shiery to the Building and Fire Code Board of Appeals.

Vote: 7 - 0 - Unanimously

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to appoint Patrick Staskey to the Building and Fire Code Board of Appeals.

Vote: 7 - 0 - Unanimously

B. Consideration of Appointments: Library Board

Moved by Councilmember Austin Aslan, **seconded by** Vice Mayor Miranda Sweet to appoint Francisco Garcia to the Library Board.

Vote: 7 - 0 - Unanimously

Moved by Councilmember David Spence, **seconded by** Vice Mayor Miranda Sweet to appoint David Portree to the Library Board.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Anthony Garcia, **seconded by** Vice Mayor Miranda Sweet to appoint Catherine Moore to the Library Board.

Vote: 7 - 0 - Unanimously

C. Consideration of Appointments: Personnel Board

Moved by Councilmember Khara House, **seconded by** Councilmember Lori Matthews to appoint Wil Hernandez to the Personnel Board.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Lori Matthews to appoint Allison Eckert to the Personnel Board.

Vote: 7 - 0 - Unanimously

7. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council

A. Consideration and Action on Liquor License Application: Jeffrey Craig Miller "Embassy Suites Flagstaff" 706 S. Milton Rd., Series 06 (Bar), Owner Transfer

Mayor Daggett opened the public hearing.

Chief of Staff for the Mayor Jessica Matias introduced the applications and indicated that the Police Department and Community Development had provided their respective findings.

There being no public comment, Mayor Daggett closed the public hearing.

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to forward the application to the State with a recommendation of approval.

Vote: 7 - 0 - Unanimously

8. 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.

Councilmember Garcia requested that Item 8C be pulled for discussion.

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to approve the Consent Agenda as presented with the exception of Item 8C.

Vote: 7 - 0 - Unanimously

A. Consideration and Ratification of Letter to Federal Delegation on SNAP benefits

Retroactively approve the letter to the Federal Delegation

B. Consideration and Approval of Contract: Approve contract for proprietary sole source purchase of T-Floc B-41 coagulant from Thatcher Company of Arizona in an amount not to exceed $250,000 annually.

1. Approve the proprietary sole source purchase of T-Floc B-41 coagulant for water treatment from Thatcher Company of Arizona, Inc. in an amount not to exceed $250,000 annually.
2. Authorize the City Manager to execute all necessary documents.

C. Consideration and Approval of Contract: Loan Documents for The Lantern by Flagstaff Shelter Services

Councilmember Garcia asked staff to provide a brief overview of what the contribution would mean to the project.

Housing Planning Manager Jennifer Mikelson explained that the adaptive reuse bond program was created to support affordable housing, with the Lantern project receiving funds to cover renovation expenses. Flagstaff Shelter Services had been working on the Lantern project for several years, and the bond funds would help finalize renovations and pay accumulated bills.

A written comment in support of the loan to Flagstaff Shelter Services was submitted by Russell Randall.

Moved by Councilmember David Spence, **seconded by** Councilmember Khara House to approve a forgivable loan in the amount of $1,100,000 to Flagstaff Shelter Services for The Lantern: a Hotel to Housing Project, a transitional housing/adaptive reuse project, and approving the related loan documents, including the Funding Agreement, Promissory Note, Deed of Trust, and Restrictive Covenants.

Vote: 7 - 0 - Unanimously

D. Consideration and Approval of Contract: City-Wide Towing Services with JETT LLC

1. Approve the award of Contract No. 2026-20 for City-Wide Towing Services to JETT LLC for an initial three-year term with two optional one-year renewals.
2. Authorize the City Manager to execute the necessary documents.

E. Consideration and Approval of Cooperative Purchase Contract: With Advanced Network Management, Inc. for the purchase of Cisco security software licenses.

1. Approve a Cooperative Purchase Contract with Advanced Network Management, Inc. for the purchase of Cisco security software licenses in an amount not to exceed $321,317.35 (plus applicable taxes and fees) over a five (5)-year term; and
2. Authorize the City Manager to execute the necessary documents.

9. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2025-25: An ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 11, General Plans and Subdivision, Chapter:11-20: Subdivision and Land Split Regulations, Division 11-20.40: Subdivision Procedures and Requirements, providing for repeal of conflicting ordinances, severability, and establishing an effective date.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember David Spence to read Ordinance No. 2025-25 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE

FLAGSTAFF CITY CODE, TITLE 11, GENERAL PLANS AND SUBDIVISION, CHAPTER 11-20: SUBDIVISION AND LAND SPLIT REGULATIONS, DIVISION 11-20.40: SUBDIVISION PROCEDURES AND REQUIREMENTS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to adopt Ordinance No. 2025-25.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2025-61 and Ordinance No. 2025-26: A Resolution of the City Council of the City of Flagstaff, Coconino County, Arizona, declaring as a public record that certain document filed with the City Clerk entitled "PZ-25-00027 - Middle Housing" and an Ordinance of the City Council of the City of Flagstaff, Coconino County, Arizona, amending the Flagstaff City Code, Title 10, Flagstaff Zoning Code.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to adopt Resolution No. 2025-61.

Vote: 7 - 0 - Unanimously

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Lori Matthews to read Ordinance No. 2025-26 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 10, FLAGSTAFF ZONING CODE, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "PZ-25-00027 -- MIDDLE HOUSING"; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Khara House to adopt Ordinance No. 2025-26.

Vote: 7 - 0 - Unanimously

C. Consideration and Adoption of Ordinance No. 2025-23: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition and disposition of real property from the Flagstaff Unified School District, in order to facilitate affordable housing development, providing for delegation of authority, providing for severability, authority for clerical corrections, and establishing an effective date.

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to read Ordinance No. 2025-23 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION AND DISPOSITION OF REAL PROPERTY FROM THE FLAGSTAFF UNIFIED SCHOOL DISTRICT IN ORDER TO FACILITATE AFFORDABLE HOUSING DEVELOPMENT; PROVIDING FOR DELEGATION OF AUTHORITY, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to adopt Ordinance No. 2025-23.

Vote: 7 - 0 - Unanimously

D. Consideration and Acceptance of Highest Bid: for solicitation No. 2026-40 for Sale of Real Property at 116 E. Butler Avenue.

Consideration and Adoption of Ordinance No. 2025-28: An ordinance of the City Council of the City of Flagstaff, authorizing the disposition of real property located at 116 E. Butler Ave; providing for delegation of authority, providing for severability, authority for clerical corrections, and establishing an effective date.

Consideration and Approval of Purchase Agreement: with 122 E Butler LLC, an Arizona limited liability.

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to read Ordinance No. 2025-28 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE DISPOSITION OF REAL PROPERTY LOCATED AT 116 E. BUTLER AVE; PROVIDING FOR DELEGATION OF AUTHORITY, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to adopt Ordinance No. 2025-28.

Vote: 7 - 0 - Unanimously

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to approve the purchase agreement with 122 E Butler LLC, an Arizona limited liability.

Vote: 7 - 0 - Unanimously

10. REGULAR AGENDA

A. Consideration and Adoption of Ordinance No. 2025-30: An ordinance of the City Council of the City of Flagstaff, Amending The Flagstaff City Code, Title 3 Business Regulations, Chapter 3-10 User Fees, to establish Airport Rates And Fees, and by amending Title 8 Public Ways And Property, Chapter 8-06 Airport Rules And Regulations to add definitions of secured areas of the Airport; providing for penalties, repeal of conflicting Ordinances, severability, providing for clerical corrections, and establishing an effective date.

Airport Director Brian Gall and Budget Director Heidi Derryberry provided a PowerPoint presentation that covered the following:

AIRPORT PARKING RATE AND BADGING FEES
AIRPORT PARKING/BADGING
AIRPORT PARKING BACKGROUND
PARKING RATES DISCUSSION
PARKING RATES OUTREACH -- AIRPORT COMMISSION
PROPOSED PARKING RATES
SECURITY BADGING BACKGROUND
SECURITY BADGING DISCUSSION
PROPOSED SECURITY BADGING FEES
BADGING FEE OUTREACH -- AIRPORT COMMISSION
FINANCIAL OVERVIEW -- PARKING TRANSACTIONS
FINANCIAL OVERVIEW -- PARKING FEES/LOST TICKETS
FINANCIAL OVERVIEW -- PARKING RATES
FINANCIAL OVERVIEW -- SECURITY BADGING FEES
FINANCIAL OVERVIEW

TIMELINE FOR ADOPTION

Councilmember Matthews inquired about the lost ticket fee, expressing concern about whether it would motivate people to avoid paying. Mr. Gall explained that the fee was set higher than the average parking duration cost to discourage abuse and noted that most people had been honest about paying for lost tickets.

Vice Mayor Sweet asked about the monthly parking rate and whether there would be a cap on the number of permits issued. Mr. Gall clarified that the permits would be issued based on parking availability and could be adjusted if the lots filled up.

Mayor Daggett raised a question about the badging fees for TSA and other employees, to which Mr. Gall responded that city staff and contractors working on city projects would be exempt from the fees but were still required to go through the badging process.

Economic Vitality Director Heidi Hansen added that the proposed changes were not solely for revenue generation but also to address community needs, such as providing long-term parking options for frequent flyers and aircrew.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember David Spence to read Ordinance No. 2025-30 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3 BUSINESS REGULATIONS, CHAPTER 3-10 USER FEES, TO ESTABLISH AIRPORT RATES AND FEES, AND BY AMENDING TITLE 8 PUBLIC WAYS AND PROPERTY, CHAPTER 8-06 AIRPORT RULES AND REGULATIONS TO ADD DEFINITIONS OF SECURED AREAS OF THE AIRPORT; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, PROVIDING FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

B. Consideration and Adoption of Resolution No. 2025-62: A resolution of the Flagstaff City Council, authorizing the grant application for an Arizona State Parks Recreational Trails Program -- Safety and Environmental Education grant for the design, development, and installation of kiosk and interpretive signs for the McMillan Mesa Natural Area.

Consideration and Approval of Grant Agreement: with Arizona State Parks Board for the design, development, and installation of kiosk and interpretive signs for the McMillan Mesa Natural Area.

Open Space Supervisor Robert Wallace provided a PowerPoint presentation that covered the following:

OPEN SPACE GRANT RESOLUTION AND AGREEMENT CONSIDERATION
OPEN SPACE BACKGROUND
OPEN SPACE DIRECTIVES
WHAT WILL THIS GRANT ACHIEVE
WHAT IS THE CITY AGREEING TO?
HOW GRANT ACCEPTANCE MEETS CITY GOALS

Councilmember House asked if there was a contingency plan in place if the grant was not received. Mr. Wallace explained that while they had a base budget for such projects, it was limited, and they relied on grants like this to fund those types of projects.

Vice Mayor Sweet inquired about the design of the kiosks and signs, specifically if they would include ADA accessible features. Mr. Wallace confirmed that the signage would meet ADA standards, with accessible fonts and interpretive signs low enough to be read from a seated position. Councilmember Spence suggested the possibility of including Braille on the signs for visually impaired or blind individuals. Mr. Wallace responded that while they had not considered that, they could look into the

complexity of adding Braille to the signs.

Moved by Councilmember David Spence, **seconded by** Vice Mayor Miranda Sweet to read Resolution No. 2025-62 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING THE APPLICATION FOR AN ARIZONA STATE PARKS RECREATIONAL TRAILS PROGRAM -- SAFETY AND ENVIRONMENTAL GRANT

Moved by Councilmember David Spence, **seconded by** Vice Mayor Miranda Sweet to adopt Resolution No. 2025-62.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to approve the grant agreement between the Arizona State Parks Board and the City of Flagstaff for the Safety and Environmental Education grant program, for grant funds in the amount of $9,998.00 with a city match of $1,164.00, for the design, development, and installation of kiosk and interpretive signs for the McMillan Mesa Natural Area.

Vote: 7 - 0 - Unanimously

C. Consideration and Adoption of Ordinance No. 2025-29: an ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property from FSL Holdings Properties LLC in order to provide parking; providing for delegation of authority; providing for severability; authority for clerical corrections, and establishing an effective date.

Real Estate Manager Bryce Doty explained that the ordinance was for the acquisition of about half of a city block in downtown at 320 North Humphries, the former Catholic school site. He mentioned that the purpose of the purchase was to fulfill the required parking amounts for the new courthouse on Cherry and Beaver. He stated that the funding for the acquisition would come from the capital project and proceeds from the sale of the old courthouse site.

Mayor Daggett clarified that the city had been leasing the land from Foundation for Senior Living (now Thrive 365) and was now looking to purchase it. The purchase would replace the lease and ensure the city had full site control. Community Investment Director Dave McIntire added that the affordable housing project planned for the site was not moving forward, which led to the decision to offer the property for purchase. This would ensure the city retained the parking availability and could potentially develop the site in the future.

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Lori Matthews to read Ordinance No. 2025-29 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF REAL PROPERTY FROM FSL HOLDINGS PROPERTIES LLC IN ORDER TO PROVIDE PARKING; PROVIDING FOR DELEGATION OF AUTHORITY; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

11. DISCUSSION ITEMS

A. Engage, Empower, and Elevate Program Annual Update

Sustainability Manager Steven Thompson and Pam Jensen from the Community Assistance Teams of Flagstaff (CATs) provided a PowerPoint presentation that covered the following:

ENGAGE, EMPOWER, ELEVATE: 2025 IMPACT REPORT
TODAY'S AGENDA
E3 INITIATIVE
THE EVOLUTION OF E3
COMMUNITY ASSISTANCE TEAMS OF FLAGSTAFF (CATS) 2025 IMPACT REPORT
CAT'S MISSION
LOST HUMAN POTENTIAL
CAT'S OUTREACH
BARRIERS TO EMPLOYMENT
ANNUAL OVERVIEW
KEEPING FLAGSTAFF BEAUTIFUL
AUGUST 2024 DATA
PAW CREW SERVICE LOCATIONS: AUGUST 2024
SEPTEMBER 2024 DATA
PAW CREW SERVICE LOCATIONS: SEPTEMBER 2024
OCTOBER 2024 DATA
PAW CREW SERVICE LOCATIONS: OCTOBER 2024
APRIL 2025 DATA
PAW CREW SERVICE LOCATIONS: APRIL 2025
MAY 2025 DATA
PAW CREW SERVICE LOCATIONS: MAY 2025
JUNE 2025 DATA
PAW CREW SERVICE LOCATIONS: JUNE 2025
JULY 2025 DATA
PAW CREW SERVICE LOCATIONS: JULY 2025
RECAP

Councilmember Matthews expressed appreciation for the work done by CATS and inquired about their connection with the Justice Bus for helping individuals with criminal justice issues. Ms. Jensen confirmed that they had partnered with the Justice Bus to provide expungement opportunities for their clients.

Councilmember Garcia praised the program and asked how community members could help. Ms. Jensen mentioned that they accepted volunteers and donations through their website and provided details on how people could get involved.

Councilmember House commended the program for its positive impact on the community.

Vice Mayor Sweet expressed a desire to see the program expanded to operate year-round and seven days a week, highlighting its value to the community.

Mayor Daggett echoed the appreciation for the program and reminded everyone that it was Giving Tuesday, encouraging support for CATS as a nonprofit organization.

12. FUTURE AGENDA ITEM REQUESTS

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

A. Future Agenda Item Request (F.A.I.R.): A request by Councilmember House to place on a future agenda a discussion to consider exploring a resolution to become a recovery ready community.

Councilmember House proposed placing a discussion on a future agenda to explore a resolution for Flagstaff to become a recovery ready community, aiming to support individuals and families in recovery and coordinate efforts among local providers. The proposed resolution would align city systems and services to support recovery from mental health and substance use challenges, reduce stigma, and strengthen community wellness. The effort would build on existing work by local partners, aiming to empower and coordinate providers for more efficient and sustainable recovery support.

There was requisite support to place the item on a future agenda for discussion.

13. OPEN CALL TO THE PUBLIC

Dr. Kim addressed Council and recounted an incident at the Ponderosa railroad crossing. He described how a westbound train passed, and the crossing arms went up, but the traffic light was red, causing vehicles to stop. Shortly after, an eastbound train approached, but the crossing arms did not come down, and the bells did not sound. This led to a collision with his truck's trailer, and he was concerned about the safety of the crossing. He contacted BNSF, who claimed that their records showed the arms came down, but he insisted that they did not and sought the city's attention to address the issue.

Dennis Givens addressed Council to express support for the acquisition of the lot on Blackbird Roost, suggesting it could be used for various community purposes. He proposed the space could host vendors, food trucks, and small businesses, and also serve as a parking area for residents living in their vehicles. He emphasized the importance of supporting the Hispanic community and ensuring the space is used to benefit local residents.

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

Vice Mayor Sweet highlighted upcoming events, including the first Friday art walk and Santa Claus's visit to downtown. She also praised the new downtown decorations.

Councilmember Garcia mentioned the tree lighting event at Heritage Square and the community stone soup dinner at the Market of Dreams.

Councilmember Matthews shared information about the recovery court session, the Indigenous Commission meeting, and a tour of the Wildcat sewer interceptor project.

Mayor Daggett recounted the successful trip to New York for the NAU marching band and mentioned several holiday markets and events, including the Winter Wonderland and tree lighting at Heritage Square.

City Manager Keene reminded everyone about the Home for the Holidays housewarming event for the Lantern project at Flagstaff Shelter Services.

15. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held December 2, 2025, adjourned at 5:33 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on December 2, 2025. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____

CITY CLERK

CITY COUNCIL WORK SESSION
TUESDAY, DECEMBER 9, 2025
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. Call to Order

Mayor Daggett called the meeting of the Flagstaff City Council held December 9, 2025, to order at 3:04 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

Present: Becky Daggett, Mayor
Miranda Sweet, Vice Mayor
Austin Aslan, Councilmember
Anthony Garcia, Councilmember
Khara House, Councilmember
Lori Matthews, Councilmember
David Spence, Councilmember

Staff Present: City Manager Joanne Keene; City Attorney Sterling Solomon

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

The Council and audience recited the pledge of allegiance, Councilmember Spence read the Mission Statement of the City of Flagstaff, and Vice Mayor Sweet read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. 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.

Dennis Givens addressed Council and expressed concern about the use of the Bonita Street Community Garden as a staging area for the Rio de Flag project. He highlighted the garden's importance, including the presence of perennial plants and personal significance. He suggested using a nearby parking lot instead to avoid destroying the garden.

Nadine Hart addressed Council and spoke about the Housing Commission and the need for representation of those with lived experiences of homelessness. She shared personal experiences of homelessness and challenges with housing policies. She also criticized the current composition of the commission, suggesting that some members did not reside in Flagstaff.

5. Review of Draft Agenda for the December 16, 2025 City Council Meeting

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

None

6. December Work Anniversary Presentation

Senior Deputy City Manager Shannon Anderson highlighted those employees who have work anniversaries in December.

7. Discussion of 2026 State and Federal Legislative Priorities

Public Affairs Director Sarah Langley, State Lobbyist Brian Murray, and Federal Lobbyist Bob Holmes presented the 2026 state and federal priorities.

Mr. Holmes provided an update on current federal activity. He explained the return of earmarks in federal appropriations, the focus on the Water Resources Development Act for Rio de Flag, the Infrastructure Investment and Jobs Act reauthorization, and the potential for Indian water rights settlements, including the Northern Arizona Indian Water Rights Settlement Act (NAIWRSA).

Mr. Murray provided an overview of what to expect with the State of Arizona. He gave an update on the state's financial challenges, the importance of preserving local control and state shared revenues, and the city's focus on complete street infrastructure, aviation fund protection, housing, wildfire reduction, and environmental priorities.

Council discussed the following:

Insurance Market and Wildfire Risk: The impact of rising insurance rates due to wildfire risk, the limitations of federal solutions, and the need to collaborate with other states and national organizations to address insurance challenges, with emphasis on risk reduction and homeowner incentives.

Housing Program Advocacy: Protecting HUD continuum of care dollars, prioritizing permanent

supportive housing, and the need to reinstate state LIHTC funding, with Mr. Murray noting legislative opposition and the strategy to build support among rural lawmakers.

Short-Term Rental Regulation: The expiration of a legislative moratorium on short-term rental bills, ongoing negotiations led by the League of Arizona Cities and Towns, and Flagstaff's involvement in stakeholder meetings to advocate for local regulatory authority.

Energy Independence and Utility Rates: Community choice aggregation as a mechanism to reduce utility rates, referencing Tucson's study and the potential for Flagstaff to support enabling legislation, given APS's proposed rate increases.

NAIWRSA: Status update on the bill, including challenges with upper basin states and Navajo Nation, the high price tag, and the likelihood of the bill being included in a larger package after the election.

Ms. Langley explained that she would incorporate Council's comments and suggestions into a final draft that would be presented to the Council on December 16, 2025 for approval.

8. Analysis of the Costs, Benefits, and Barriers to Building Highly Energy-Efficient and All-Electric Homes in Flagstaff, Arizona: Filling the Data Gap

Senior Sustainability Planner Genevieve Pearthree and consultant Emily Artale with Noverra Collective provided a PowerPoint presentation that covered the following:

ANALYSIS OF THE COSTS, BENEFITS, AND BARRIERS TO BUILDING NEW HIGHLY ENERGY-EFFICIENT AND ALL-ELECTRIC RESIDENTIAL HOMES IN FLAGSTAFF
STUDY GOALS
FLAGSTAFF CARBON NEUTRALITY PLAN
KEY TAKEAWAYS: CITY OF FLAGSTAFF STAFF PERSPECTIVE
CONSULTANT INTRODUCTION
AGENDA
BACKGROUND AND PURPOSE
STUDY GOALS & OUTCOME
METHODOLOGY
STUDY COMPONENTS
MODELING: SINGLE-FAMILY HOMES
MODELING: MULTI-FAMILY HOMES
LOCAL BUILDER ENGAGEMENT
KEY CONCEPTS
BENEFICIAL ELECTRIFICATION
MIXED-FUEL AND ALL-ELECTRIC FEATURES
DUCTED VS. DUCTLESS HEAT PUMPS
AIR SOURCE HEAT PUMP
COLD CLIMATE AIR SOURCE HEAT PUMP
APS RESIDENTIAL ENERGY PLANS
APS FIXED ENERGY CHARGE ELECTRICITY PLAN
APS RESIDENTIAL ELECTRICITY PLANS
APS TIME OF USE ELECTRICITY PLANS
KEY FINDINGS
CAPITAL COSTS: SINGLE-FAMILY MIXED-FUEL
CAPITAL COSTS: SINGLE-FAMILY ALL-ELECTRIC DUCTED
CAPITAL COSTS: SINGLE-FAMILY ALL-ELECTRIC DUCTLESS
CAPITAL COSTS: SINGLE-FAMILY ENERGY EFFICIENCY UPGRADES
SUMMARY OF CAPITAL COSTS: SINGLE-FAMILY
CAPITAL COSTS: MULTI-FAMILY MIXED FUEL
CAPITAL COSTS: MULTI-FAMILY ALL ELECTRIC DUCTLESS
CAPITAL COSTS: MULTI-FAMILY ENERGY EFFICIENCY UPGRADES
SUMMARY OF CAPITAL COSTS: MULTI-FAMILY
IMPORTANT NOTES ON CAPITAL COSTS
KEY CAPITAL COST TAKEAWAYS

OPERATIONAL COSTS: SINGLE-FAMILY
OPERATIONAL COSTS: MULTI-FAMILY
ENERGY EFFICIENCY IMPROVEMENTS VS. COST SAVINGS
KEY OPERATIONAL COST TAKEAWAYS: SINGLE- AND MULTI-FAMILY HOMES
RETURN ON INVESTMENT: SINGLE-FAMILY HOMES
RETURN ON INVESTMENT: MULTI-FAMILY HOMES
KEY TAKEAWAYS: RETURN ON INVESTMENT
ADDITIONAL BENEFITS OF ALL-ELECTRIC HOMES
REDUCED GREENHOUSE GAS (GHG) EMISSIONS
PRACTITIONER FEEDBACK: NARRATIVES AND BARRIERS
RECOMMENDATIONS FOR THE CITY OF FLAGSTAFF
MODELING APPROACH
ENERGY RECOVERY VENTILATOR (ERV)

Councilmember Matthews requested clarification on the inclusion of high-efficiency appliances in the cost modeling and the anticipated APS rate increase. She also inquired about the implications of adopting the 2024 building codes and the stretch code, confirming that the stretch code was included in the cost modeling. She was interested in a deeper dive into the topic after the first of the year.

Councilmember Garcia asked whether the pricing used in the modeling was based on local vendors and whether the costs included the impact of bringing in subcontractors from outside the area. Ms. Artale confirmed that the pricing was sourced locally and acknowledged that costs could vary depending on the familiarity and availability of local subcontractors.

Councilmember House inquired about the interview process with local builders, to which Ms. Artale and Ms. Pearthree explained that they had reached out to a diverse group of builders, architects, and subcontractors to gather a broad spectrum of perspectives. The interviews were conducted confidentially to ensure honest feedback.

Councilmember Aslan emphasized the importance of considering the end-user's perspective, particularly the long-term cost savings for homeowners. Ms. Artale highlighted that operational costs for all-electric ductless systems are likely to be on par with or lower than mixed-fuel systems, especially when switching to time-of-use rates. Councilmember Aslan also stressed the need to improve relationships with APS and the Arizona Corporation Commission to ensure better planning and support for energy-efficient initiatives.

The following individuals addressed Council regarding all electric homes:

- Tom Pearson
- Bradley Walters

The following comments were received:

- Opposed the city's policy promoting all-electric homes, citing risks related to severe winter climate and potential power outages.
- Emphasized the need for redundancy and backup systems for survival during freezing conditions.
- Natural gas appliances provide essential heat and cooking capabilities during power outages.
- There should be non-restrictive solutions for promoting energy-efficient homes, such as educational programs in schools.
- Concerned about the availability of a professional workforce to implement new systems and the disposal of waste products from renovations.
- Encouraged creative solutions to influence community members towards energy efficiency.

9. Open Call to the Public

Jamie Paul and Cassandra Cisneros, representing the Big Read program, addressed Council to request funding support from the Council for the upcoming Big Read event. This year, they plan to focus on Mary Roach's book "Fuzz," with events centered around human-animal interactions. They requested $1,200 to purchase 100 books from Bookman's.

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

Councilmember Matthews requested $1,000 from the Council Initiative Fund to support the first annual Martin Luther King Jr. Gala organized by NAU, which was short $3,000 to cover the event costs.

Councilmember Garcia posed several questions regarding the upcoming discussion on flock cameras, including whether the data collected was considered a public record, the role of the new task force on privacy and technology, and concerns about media reports suggesting that flock data was being shipped overseas for annotation.

Vice Mayor Sweet spoke about the holiday event the prior weekend and commented on the number of people that attended. She also shared that she participated in the annual stone soup event.

Councilmember House mentioned the upcoming visit from representatives of Flagstaff's Sister City, Navajoa, and suggested finding time during a future Council meeting to hear from the Flagstaff Sister Cities Board. She also shared the news that Flagstaff was awarded a Freedom School grant from the Association for the Study of African American Life and History, which will be led by the Black Experience Project.

Mayor Daggett highlighted the recent housewarming event for the Lantern, a transitional housing project with 103 units, and commended Flagstaff Shelter Services for their efforts. She also mentioned the upcoming holiday lunch for seniors at the Joe C. Montoya Community and Senior Center.

Ms. Keene provided an update on the Bonito Community Garden, clarifying that the northern reach of the Rio de Flag project, which includes the garden, is several years away from being funded and developed.

11. Adjournment

The Work Session of the Flagstaff City Council held December 9, 2025, adjourned at 5:10 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

SPECIAL MEETING (EXECUTIVE SESSION)
TUESDAY, DECEMBER 16, 2025
COUNCIL CONFERENCE ROOM
FIRST FLOOR - CITY HALL
211 WEST ASPEN AVE
12:30 P.M.

1. Call to Order

Vice Mayor Sweet called the Special Meeting to order at 12:31 p.m.

2. Roll Call

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

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Joanne Keene; Senior Assistant City Attorney Christina Rubalcava

Mayor Daggett and Councilmember House arrived at the meeting at 12:55 p.m.

3. Recess into Executive Session

Moved by Councilmember Lori Matthews, **seconded by** Councilmember David Spence to recess into Executive Session.

Vote: 5 - 0 - Unanimously

Council recessed into Executive Session at 12:34.

4. Executive Session Confidentiality Statement

Discussions made during Executive Session are confidential by law. All persons present in Executive Session or who receive Executive Session information or materials shall keep the discussion, information and materials confidential and shall not disclose them, except as allowed by law.

5. Executive Session:

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

i. On-Call Magistrate Re-appointments

B. Discussion or consultation for legal advice with the attorney or attorneys of the public body, discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in

pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, and discussions or consultations with designated representatives of the public body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by the public body. Records, documentation, notes, or other materials made by, or provided to, the representatives pursuant to this paragraph are confidential and exempt from public disclosure under this chapter and title 39, chapter 1, pursuant to A.R.S. §38-431.03(A)(3), (4), and (9), respectively

i. Information Technology Security and legal advice regarding Flock contract, related public records, and records retention.

6. Reconvene Special Meeting

The Council reconvened into Open Session at 2:51 p.m.

7. Mayor and Council possible direction regarding Executive Session

Moved by Councilmember Lori Matthews, **seconded by** Vice Mayor Miranda Sweet to direct and authorize the City Attorney and/or designated city representatives to proceed as discussed in executive session items listed in Item(s) 5Ai and 5Bi.

Vote: 7 - 0 - Unanimously

8. Adjournment

The Special Meeting of the Flagstaff City Council held December 16, 2025, adjourned at 2:52 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on December 16, 2025. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, DECEMBER 16, 2025
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held December 16, 2025, to order at 3:04 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Joanne Keene; City Attorney Sterling Solomon

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

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

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. Consideration and Approval of Minutes: City Council Work Session January 12, 2021, Regular Meeting February 16, 2021, Work Session April 13, 2021, Regular Meeting June 15, 2021, Special Meeting Work Session June 29, 2021, Regular Meeting July 6, 2021, Work Session October 26, 2021, Special Meeting Work Session November 9, 2021, Work Session January 25, 2022, Regular Meeting July 5, 2022, Special Meeting Work Session December 13, 2022, Regular Meeting February 21, 2023, Work Session March 14, 2023, Special Meeting Work Session May 23, 2023, Regular Meeting April 2, 2024, Regular Meeting May 21, 2024, Regular Meeting June 4, 2024, Work Session June 11, 2024, Work Session June 25, 2024, Regular Meeting September 17, 2024, Work Session 24, 2024, Regular Meeting October 1, 2024, Work Session October 8, 2024, Regular Meeting October 15, 2024, Special Meeting Work Session October 22, 2024, Regular Meeting November 5, 2024, Work Session November 12, 2024, Regular Meeting December 3, 2024, Special Meeting Executive Session April 8, 2025, Special Meeting Executive Session April 22, 2025, Special Meeting Executive Session May 6, 2025, Special Meeting Executive Session May 13, 2025, Special Meeting Executive Session May 20, 2025, Special Meeting Executive Session June 3, 2025, Special Meeting Executive Session June 10, 2025, Special Meeting Executive Session June 17, 2025, Special Meeting Executive Session June 24, 2025, Special Meeting Executive Session July 1, 2025, Special Meeting Executive Session July 29, 2025, Special Meeting Executive Session August 12, 2025, Special Meeting Executive Session August 26, 2025, Regular Meeting August 26, 2025, Special Meeting Executive Session September 2, 2025, Work Session September 9, 2025, Special Meeting Executive Session September 16, 2025, Special Meeting Executive Session September 23, 2025, Work Session September 23, 2025, Special Meeting Executive Session September 25, 2025, Special Meeting Executive Session September 30, 2025, Special Meeting Executive Session October 2, 2025, Special Meeting Executive Session October 3, 2025, Special Meeting Executive Session October 7, 2025, Special Meeting Executive Session October 14, 2025, Work Session October 14, 2025, Special Meeting Executive Session October 17, 2025, Special Meeting Executive Session October 21, 2025, Special Meeting Executive Session October 22, 2025, Special Meeting Executive Session October 24, 2025, Special Meeting Executive Session October 28, 2025, Special Meeting Work Session October 28, 2025, Special Meeting Executive Session October 29, 2025, Special Meeting Executive Session October 31, 2025, Special Meeting Executive Session November 4, 2025, Joint City/County Work Session November 17, 2025, Special Meeting Executive Session December 2, 2025, Joint City/County Work Session September 23, 2024, Combined Special Meeting/Work Session December 10, 2024, Regular Meeting November 4, 2025, Joint City/Water Commission Special Meeting October 23, 2025, Regular Meeting September 16, 2025, Regular Meeting October 21, 2025, Regular Meeting September 2, 2025, and Regular Meeting October 7, 2025.

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to approve the meeting minutes of City Council Work Session January 12, 2021, Regular Meeting February 16, 2021, Work Session April 13, 2021, Regular Meeting June 15, 2021, Special Meeting Work Session June 29, 2021, Regular Meeting July 6, 2021, Work Session October 26, 2021, Special Meeting Work Session November 9, 2021, Work Session January 25, 2022, Regular Meeting July 5, 2022, Special Meeting Work Session December 13, 2022, Regular Meeting February 21, 2023, Work Session March 14, 2023, Special Meeting Work Session May 23, 2023, Regular Meeting April 2, 2024, Regular Meeting May 21, 2024, Regular Meeting June 4, 2024, Work Session June 11, 2024, Work Session June 25, 2024, Regular Meeting September 17, 2024, Work Session 24, 2024, Regular Meeting October 1, 2024, Work Session October 8, 2024, Regular Meeting October 15, 2024, Special Meeting Work Session October 22, 2024, Regular Meeting November 5, 2024, Work Session November 12, 2024, Regular Meeting December 3, 2024, Special Meeting Executive Session April 8, 2025, Special Meeting Executive Session April 22, 2025, Special Meeting Executive Session May 6, 2025, Special Meeting Executive Session May 13, 2025, Special Meeting Executive Session May 20, 2025, Special Meeting Executive Session June 3, 2025, Special Meeting Executive Session June 10, 2025, Special Meeting Executive Session June 17, 2025, Special Meeting Executive Session June 24, 2025, Special Meeting Executive Session July 1, 2025, Special Meeting Executive Session July 29, 2025, Special Meeting Executive Session August 12, 2025, Special Meeting Executive Session August 26, 2025, Regular Meeting August 26, 2025, Special Meeting Executive Session September 2, 2025, Work Session September 9, 2025, Special Meeting Executive Session September 16, 2025, Special Meeting Executive Session September 23, 2025, Work Session September 23, 2025, Special Meeting Executive Session

September 25, 2025, Special Meeting Executive Session September 30, 2025, Special Meeting Executive Session October 2, 2025, Special Meeting Executive Session October 3, 2025, Special Meeting Executive Session October 7, 2025, Special Meeting Executive Session October 14, 2025, Work Session October 14, 2025, Special Meeting Executive Session October 17, 2025, Special Meeting Executive Session October 21, 2025, Special Meeting Executive Session October 22, 2025, Special Meeting Executive Session October 24, 2025, Special Meeting Executive Session October 28, 2025, Special Meeting Work Session October 28, 2025, Special Meeting Executive Session October 29, 2025, Special Meeting Executive Session October 31, 2025, Special Meeting Executive Session November 4, 2025, Joint City/County Work Session November 17, 2025, Special Meeting Executive Session December 2, 2025, Joint City/County Work Session September 23, 2024, Combined Special Meeting/Work Session December 10, 2024, Regular Meeting November 4, 2025, Joint City/Water Commission Special Meeting October 23, 2025, Regular Meeting September 16, 2025, Regular Meeting October 21, 2025, Regular Meeting September 2, 2025, and Regular Meeting October 7, 2025.

Vote: 7 - 0 - Unanimously

5. 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.

Dennis Givens addressed Council and suggested vending machines in the Council Chambers to provide snacks, attract more public participation, and generate revenue. He highlighted healthy options like smoothies and encouraged supporting local businesses such as Morning Glory Cafe.

Colleen Maring, Chief People Officer at Northern Arizona Healthcare, updated the Council on the Emergency Department renovation. She noted challenges with full inpatient beds causing long ED wait times and explained that Phase One of the renovation created a separate area for lower-acuity patients, improving care and efficiency for serious cases.

Devonnah McLaughlin, CEO of Housing Solutions of Northern Arizona, reported on the annual Rental Attainability Report. Rents in Flagstaff had mostly stabilized, with the average two-bedroom at $1,955/month, requiring an income of $78,000 to be affordable. The city saw a net increase of 190 low-income or rent-restricted units. The full report was available at www.housingnaz.org.

Heather Dalmolin, Mountain Line CEO and General Manager, thanked the City Council and staff for integrating transit improvements into the Cedar Avenue repaving project. Changes included revised striping to improve bus stop space at four stops, relocating the Cedar West stop closer to the crosswalk for safer access, and enhancing efficiency for buses, riders, and vehicles. Mountain Line expressed appreciation and looked forward to continued collaboration on future projects.

Steven Grubart, former owner of the Pizza Patio, stated that his restaurant closed in late November after eight years of operation, which he attributed to repeated police presence and alleged harassment. He claimed that frequent police visits escalated to large law enforcement responses, resulting in the loss of his business and investment. He has requested a third-party investigation and placement on a City Council agenda but feels those requests had not been addressed. He alleged a lack of transparency from the Flagstaff Police Department, citing denied access to body camera footage,

police reports, and records, and expressed concern about internal investigations being handled fairly. He accused the city of selective enforcement against southside businesses, referenced similar challenges faced by other local establishments, and urged the Council to take action to stop what he described as systemic corruption.

Ariana Castruita, student at Kinsey Elementary, addressed Council in support of the name change of Agassiz Peak to O'omaki.

Darrell Marks addressed Council and shared that in March 2020, students from Flagstaff High School advocated for renaming a peak in the San Francisco Peaks, presenting the history of Agassiz and its inappropriateness. In October 2023, the Geographic Names Board approved restoring the peak's original Hopi name, O'omaki, meaning "home of the clouds." He encouraged the city to formally recognize the name change so maps reflect it.

Brent Elmer addressed Council and advocated to restore the original Hopi name for the peaks, O'omaki, meaning "home of the clouds." He emphasized that it was a restoration of a nearly 1,000-year-old name, respecting Indigenous beliefs and promoting cultural recognition.

Written comments in support of restoring the peak's original Hopi name, O'omak were submitted by the following:

- MiKayla Shay
- Grace Hardy
- Kierra Sahmea
- Luciana Ramos
- Jeremiah Sarracino
- Jocelyn Pegg
- Bonnie Dee
- Brennon Smith
- John Benko
- Sky Rodrigos
- Jordyn Begay

6. COUNCIL LIAISON REPORTS

Councilmember House reported that the Housing Commission recognized the opening of the Lantern, with many attending the housewarming event, and reminded the Council of the Martin Luther King Jr. Day 2026 celebration on January 19th in partnership with NAU, featuring a breakfast and keynote speaker.

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Planning and Zoning Commission

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Khara House to appoint Ian Sharp to the Planning and Zoning Commission.

Vote: 7 - 0 - Unanimously

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to appoint Christine Sheehy to the Planning and Zoning Commission.
Vote: 7 - 0 - Unanimously

B. Consideration of Appointments: Heritage Preservation Commission

Moved by Councilmember Austin Aslan, **seconded by** Vice Mayor Miranda Sweet to appoint Duffie Westheimer to the Historical Property Owner seat on the Heritage Preservation Commission.
Vote: 7 - 0 - Unanimously

8. 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.

Councilmember House requested Item 8C and Vice Mayor Sweet requested Item 8E be pulled for discussion.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to approve the Consent Agenda as presented with the exception of Items 8C and 8E.
Vote: 7 - 0 - Unanimously

A. ~~Consideration and Approval of a Cooperative Contract:~~ ~~One Multi-Hog CV350 compact sweeper for the Streets Section.~~

1. ~~Approve the Cooperative Purchase Contract for one Multi-Hog CV350 compact sweeper from Norwood Equipment, Inc. in the amount of $224,488.91, including sales tax; and~~
2. ~~Authorize the City Manager to execute the necessary documents.~~

ITEM REMOVED FROM THE AGENDA

B. Consideration and Approval of Cooperative Purchase Contract: Two Automated Side Load Refuse trucks and one Front Load Refuse Truck for the Public Works commercial and residential Solid Waste programs.

1. Approve the Cooperative Purchase Contract with Rush Truck Centers of Arizona for the purchase of two Residential Automated Side Load Refuse Trucks in the amount of $450,510.48 each and one Commercial Front Load Refuse Truck in the amount of $412,066.26 for a total purchase amount of $1,313,087.22; and
2. Authorize the City Manager to execute the necessary documents.

C. Consideration and Approval of Contract: Loan Documents for Western Hills Apartments by Housing Solutions of Northern Arizona

Mayor Daggett explained that it was a great project, and she wanted the public to have an opportunity to hear more about it.

Housing Planning Manager Jennifer Mikelson introduced Devonnah McLaughlin, CEO of Housing Solutions of Northern Arizona, who provided an update on the workforce housing project using adaptive reuse bond funds. They were able to purchase a motel that was being renovated by the sellers with kitchens, sprinklers, roofing, electrical, and plumbing already updated, allowing the units to be leased immediately upon purchase in early 2026. The project will provide permanent rental units for households at or near 80% of Area Median Income, helping Flagstaff's workforce. With this addition,

Housing Solutions' inventory will grow from 100 to 129 units, and two more properties with 31 units were planned for January. She emphasized that the project depended on city investment and bond funding to make financing work and committed to 15 years of compliance serving low-income households.

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to approve the loan documents totaling $1,160,000 for the Western Hills property by Housing Solutions of Northern Arizona, using Adaptive Reuse Bond Program funds.

Vote: 7 - 0 - Unanimously

D. Consideration and Approval of Contract: Library Materials and Processing Cooperative Purchase from Ingram Library Services LLC in an amount not to exceed $200,000 annually for a period of 2 years.

1. The City Council approves the Library Materials and Processing Cooperative Purchase from Ingram Library Services LLC in an amount not to exceed $200,000 annually for a period of 2 years; and
2. Authorize the City Manager to execute the necessary documents.

E. Consideration and Approval of Contracts: with Habitat for Humanity of Northern Arizona related to establishing an Affordable Housing Plan for the Habitat at Timber Sky Condominium.

Vice Mayor Sweet recognized the Habitat for Humanity Timber Sky project, she thanked staff, development partners, and Council for coordinating the project, calling it an innovative approach to workforce housing.

Eric Wolverton, Executive Director of Habitat for Humanity of Northern Arizona, highlighted the milestone of selling the first 10 of 40 starter homes to Flagstaff residents, emphasizing the opportunity for low-income families to build equity. He explained that the starter home model, which requires a $1,000 down payment, low monthly mortgages, and 0% interest financing, allowed homeowners to accumulate significant equity over time. Homes were deed-restricted and owned for a maximum of 10 years, with equity payouts ranging from $30,000 at three years to $100,000 at ten years. He noted the model had expanded to six other Habitat affiliates nationwide and stressed its role in economic development, workforce support, and affordable homeownership.

Moved by Vice Mayor Miranda Sweet, **seconded by** Councilmember Lori Matthews to approve the following documents:

1. Restrictive Covenant Agreement;
2. Special Warranty Deed;
3. Ground Lease for the Habitat at Timber Sky Condominium;
4. Declaration of Condominium and Easements for Habitat at Timber Sky Condominium;
5. Declaration of Annexation and Supplemental Declaration to Declaration of Covenants, Conditions, Restrictions and Easements for Timber Sky;
6. Driveway Maintenance Agreement;
7. Habitat Affordability Plan;
8. Agreement for Subsidy of Association Assessment;
9. Closing Instructions Agreement;

subject to a partial release of the Arizona Department of Housing lien upon the land, delegating authority to the City Attorney to approve minor modifications to the foregoing documents upon approval of the City Housing Division; and authorizing the City Manager to execute the documents.

Vote: 7 - 0 - Unanimously

F. Consideration and Approval of Letter of Support: to renew the long-term authorization of annual deposits to the Historic Preservation Fund.

Approve the letter of support.

9. ROUTINE ITEMS

A. Consideration and Adoption of Ordinance No. 2025-30: An ordinance of the City Council of the City of Flagstaff, Amending The Flagstaff City Code, Title 3 Business Regulations, Chapter 3-10 User Fees, to establish Airport Rates And Fees, and by amending Title 8 Public Ways And Property, Chapter 8-06 Airport Rules And Regulations to add definitions of secured areas of the Airport; providing for penalties, repeal of conflicting Ordinances, severability, providing for clerical corrections, and establishing an effective date.

Airport Director Brian Gall noted a minor modification to the ordinance regarding security badging fees. He noted that city employees and contractors working on airport projects would be exempt from initial and renewal badge fees but would still be responsible for fees for lost badges.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Ordinance No. 2025-30 by title only for the final time and include city employees as exempt from the fees.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3 BUSINESS REGULATIONS, CHAPTER 3-10 USER FEES, TO ESTABLISH AIRPORT RATES AND FEES, AND BY AMENDING TITLE 8 PUBLIC WAYS AND PROPERTY, CHAPTER 8-06 AIRPORT RULES AND REGULATIONS TO ADD DEFINITIONS OF SECURED AREAS OF THE AIRPORT; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, PROVIDING FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE AS AMENDED

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to adopt Ordinance No. 2025-30.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Ordinance No. 2025-29: an ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property from FSL Holdings Properties LLC in order to provide parking; providing for delegation of authority; providing for severability; authority for clerical corrections, and establishing an effective date.

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember David Spence to read Ordinance No. 2025-29 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF REAL PROPERTY FROM FSL HOLDINGS PROPERTIES LLC IN ORDER TO PROVIDE PARKING; PROVIDING FOR DELEGATION OF AUTHORITY; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember David Spence, **seconded by** Councilmember Anthony Garcia to adopt Ordinance No. 2025-29.

Vote: 7 - 0 - Unanimously

C. Consideration and Approval: 2026 State and Federal Legislative Priorities

Public Affairs Director Sarah Langley presented the final draft of the priorities based on the conversation and direction from Council at the prior meeting.

Moved by Councilmember Khara House, **seconded by** Councilmember Austin Aslan to approve the 2026 State and Federal Legislative Priorities.

Vote: 7 - 0 - Unanimously

10. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2025-63: A resolution to approve an Intergovernmental Agreement (IGA) between the City of Flagstaff and Lockett Ranches Fire District to provide fire and emergency medical services.

Fire Chief Mark Gaillard provided a PowerPoint presentation that covered the following:

LOCKET RANCHES IGA FOR FIRE SERVICES
HISTORY

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to read Resolution No, 2025-63 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN LOCKETT RANCH FIRE DISTRICT AND THE CITY OF FLAGSTAFF ON BEHALF OF THE FLAGSTAFF FIRE DEPARTMENT FOR FIRE SERVICES

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to adopt Resolution No, 2025-63 by title only.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2025-64: A resolution of the Flagstaff City Council, approving an Amendment to the Intergovernmental Agreement between the Coconino County Community College District and the City of Flagstaff to share fire training and education resources.

Deputy Fire Chief Mark Wilson presented a resolution to continue the long-standing partnership between the City of Flagstaff Fire Department and Coconino Community College for the fire training facility. The updated agreement included minor modifications to improve efficiencies and shared use of facilities and resources.

Councilmember House asked about the program's impact on recruitment and retention. Deputy Chief Wilson explained that CCC provided local training for Firefighter 1 and 2 and EMT prerequisites, which supported local recruitment. Starting in 2026, EMT would still be required, but Firefighter 1 and 2 would no longer be prerequisites. The agreement also allowed continued access to CCC's training classrooms and facilities to support ongoing fire academy training.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to read Resolution No. 2025-64 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE COCONINO COUNTY COMMUNITY COLLEGE DISTRICT AND THE CITY OF FLAGSTAFF FOR SHARING OF RESOURCES

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to adopt Resolution No. 2025-64.

Vote: 7 - 0 - Unanimously

C. **Consideration and Adoption of Resolution No. 2025-65:** A resolution of the Flagstaff City Council, approving the Cost-Sharing Addendum #1 High Country Training Academy Intergovernmental Agreement between Coconino County Community College District and City of Flagstaff and Flagstaff Police Department for the period of October 1, 2025 through September 30, 2026.

Deputy Police Chief Charles Hernandez presented a resolution approving Cost Sharing Addendum #1 to the intergovernmental agreement with Coconino Community College for the High-Country Training Academy. He explained that the partnership allowed for local Arizona POST-certified police training, keeping training dollars in the community and ensuring priority placement for Flagstaff officers. Since 2022, the Academy had graduated 59 officers, with 13 more currently enrolled.

Councilmember House asked about opportunities to expand the program, class sizes, and officer retention. Deputy Chief Hernandez responded that the Academy served regional officers to help offset training costs, and while the Arizona POST curriculum remained consistent, expansion included enhanced housing options. Having the facility in the Sunnyside neighborhood would bolster the Academy's presence, and training local recruits helps improve retention and community ties.

Councilmember Garcia asked about the differences in graduates since the Academy moved to the region and how it benefitted the community. Deputy Chief Hernandez explained that training local recruits allowed the curriculum to reflect community expectations for policing, enhanced transparency, and produced officers who are more aligned with community values. Local training also increased the likelihood of officers staying in the area longer.

Moved by Councilmember Khara House, **seconded by** Councilmember Anthony Garcia to read Resolution No. 2025-65 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING ADDENDUM #1 OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN COCONINO COUNTY COMMUNITY COLLEGE DISTRICT, COCONINO COUNTY, AND THE CITY OF FLAGSTAFF FOR HIGH COUNTRY TRAINING ACADEMY COST SHARING

Moved by Councilmember Khara House, **seconded by** Councilmember Anthony Garcia to adopt Resolution No. 2025-65.

Vote: 7 - 0 - Unanimously

D. **Consideration and Approval of Contract:** First Amendment to the Cooperative Purchase Contract with Flock Safety in the amount of $112,000, in addition to other fees and taxes, for safety cameras for the Flagstaff Police Department

Deputy Police Chief Collin Seay and Chief Information Officer CJ Perry provided a PowerPoint presentation that covered the following:

AUTOMATED LICENSE PLATE READER (ALPR) DISCUSSION WITH THE FLAGSTAFF CITY COUNCIL FOR THE FLAGSTAFF POLICE DEPARTMENT
THE FLAGSTAFF POLICE DEPARTMENT'S COMMITMENT
FLAGSTAFF PD'S FLOCK SAFETY PROGRAM JOURNEY
FLOCK SAFETY PROGRAM CHANGES AFTER COMMUNITY INPUT
TECHNOLOGY PRIVACY TASK FORCE
CONTRACT AMENDMENT

Councilmember Garcia asked how removing the Flagstaff Police Department from national and

certain state databases had been working. Deputy Chief Seay responded that it was still early to fully assess the impact. In one kidnapping-related case, the lack of data sharing limited their ability to prove or disprove aspects of the investigation. However, in a recent auto burglary spree, they successfully identified and arrested a suspect using available partnerships and were able to return stolen property to victims. The department was continuing to collect data to evaluate the effects of the change. In terms of receiving data from other agencies, Flagstaff could still access data if those agencies chose to share it, typically for up to 30 days or according to their retention periods. However, other agencies could not access Flagstaff's data except for the Coconino County Sheriff's Office and NAU Police Department.

Councilmember Garcia also raised concerns about license plate data and immigration enforcement. Deputy Chief Seay explained that vehicle registration information tied to lawfully displayed plates already existed in Motor Vehicle Division records and was accessible to federal, state, and local law enforcement via systems like NCIC. Flock cameras did not create new personal data beyond what was already available through lawful databases.

Councilmember Matthews asked about the effectiveness of Flock cameras. Deputy Chief Seay stated that the cameras had helped solve or advance investigations in dozens of cases, emphasizing that Flock was a tool to aid investigations, not a standalone solution, and did not identify drivers or occupants. Police Chief Sean Connolly added that a review of departmental reports showed Flock was referenced 319 times over the past 12 months in ways that supported victim services and investigations.

Councilmember Matthews asked what happened when data was obtained from Flock because a vehicle was on a hotlist or reported as part of a crime. Deputy Chief Seay explained that when a vehicle triggered a Flock hot list alert, officers must visually confirm the vehicle, verify information through NCIC, and establish reasonable suspicion or probable cause before stopping or detaining. Officers were trained not to act solely on a Flock alert.

Councilmember Matthews also asked about hacking into a camera and what benefit would that provide someone. Mr. Perry explained that accessing a camera would only provide images of the backs of vehicles, information that could be captured with a basic camera or smartphone. While details about database security were not publicly discussed, he indicated that the cameras themselves did not present significant additional risk.

The following individuals addressed Council in support of the Flock contract:

- Jen Runge
- Jennifer Yazzie
- Michael Tunink

The following comments were received:

- Flock cameras improve public safety by helping law enforcement locate stolen vehicles, kidnappings, human trafficking, and violent crime offenders.
- ALPR technology provides tools for police to act faster and more efficiently in emergency situations.
- Trust in local law enforcement to use the technology responsibly with proper safeguards.
- Potential to modernize policing, reduce human error, and optimize resources.
- Expanding surveillance technology could streamline governance and reduce liability.
- Flock cameras are a necessary part of a broader public safety toolkit.

The following individuals addressed Council in opposition to the Flock contract:

- Brendan Trachsel
- Oksana Dresher
- Michelle Frankot
- Jan Carlile
- David Carlile
- Stephen Puhr

- Caleb Alexander
- Marsalis Childs
- Patty Hansen
- Michelle James, on behalf of Friends of Flagstaff's Future
- Patrick Garard
- Jill Stephenson
- Laura Rethmann
- Sean Parson
- Marilyn Weissman
- Sandra Lubarsky
- Marcus Ford
- Debra Block
- Sat Best
- Kevin Iannone
- Luis Fernandez
- Izaya Emmanuel
- Michael Glover
- Cal Banks
- Artemis Diaz
- Chelsea Green
- Richard Kozak
- Jane Marks
- Gary Pearlmutter
- Panth Patel
- Kevin McCoy
- Jon Sealy

The following individuals submitted written comments in opposition to the Flock contract:

- Klyn Clayton
- Ira Allen
- Rain Orchard
- Haylee Pilkington
- Mikayla E.
- Savannah Glenn
- Paul
- Nicholas C.
- Kyle Nitschke
- Oksana Dresher
- Robert Breunig

The following comments were received:

- Flock cameras collect extensive personal data beyond license plates, including images of occupants and vehicles.
- AI-powered analysis of collected data creates permanent, searchable records of residents' movements and activities.
- Insufficient public consent or input before camera installation.
- Risk of misuse by law enforcement, federal agencies, or private contractors including ICE and US Border Patrol.
- Data may be subject to public records laws, judicial orders, or government demands.
- Outsourced workers reviewing surveillance images overseas raise privacy and security concerns.
- Corporate ties and past mismanagement create distrust in Flock's accountability.
- Potential for abuse in monitoring protests, political activity, or reproductive choices.
- Legal risks related to fetal personhood, abortion, and criminalization of pregnancy loss.
- Contract limits Flock's liability and does not ensure meaningful data protection.
- Mass surveillance risks normalizing government tracking and eroding civil liberties.
- Ethical concerns about alignment with city values, democratic oversight, and transparency.
- Environmental impacts from data storage partnerships increase energy and water consumption.

- Economic concerns that funds spent on Flock cameras could be used for social services, affordable housing, or public transit.
- The technology is considered a slippery slope toward authoritarian surveillance systems.
- Previous breaches, inaccuracies, and misuse in other jurisdictions demonstrate real-world harm.
- Calls for delaying renewal until a thorough, public review by a technology/privacy task force is completed.

Councilmember House acknowledged the difficulty of the topic and the importance of public input. She expressed appreciation for the Flagstaff Police Department's willingness to engage with the community and explained that, based on her research and consultations with the National Academy of Public Administration, NYU Law, and the ACLU, the technology had potential benefits but also significant risks. She referenced Cambridge's recent termination of its Flock contract after unauthorized cameras were deployed, using it as an example of why the city should carefully vet such technology. She recommended pausing the cooperative contract and allowing the citizen task force to thoroughly evaluate the technology, stressing her support for the Police Department while advocating caution before full adoption.

Councilmember Aslan expressed agreement with Councilmember House's concerns and emphasized trust in the city staff, legal team, and Police Department for their handling of the issue.

Councilmember Matthews raised questions regarding public record access, federal requests, and privacy protections, while emphasizing the importance of transparency and community trust. She noted the ALPR system's effectiveness in solving serious crimes, including a recent case involving the rescue of a kidnapped child, and stressed that while the technology is valuable, misinformation and fears among community members needed to be addressed. She also highlighted the role of the citizen task force in providing policy guidance and ensuring community values were represented in technology governance.

Councilmember Garcia asked whether the Police Department would maintain the safeguards they had implemented in response to public concerns. Chief Connolly confirmed the department's commitment to continuous assessment and adjustment of the system to ensure privacy protections were maintained. Councilmember Garcia expressed appreciation for the Police Department's proactive approach and encouraged ongoing community engagement and fact-based discussion.

Vice Mayor Sweet reflected on the difficulty of the decision and the need to balance public safety with privacy concerns. She emphasized the importance of the task force and broader evaluation before any contract renewal. She also highlighted the need for a citywide privacy policy encompassing all technologies.

Councilmember Spence agreed and noted his concerns with unresolved issues with public records and the potential legal risks associated with federal access to data. He supported giving the task force time to assess the technology and provide recommendations before any contractual decisions were made.

Councilmember Matthews asked for additional context regarding the task force. Mr. Perry clarified that its role was focused on policy creation, documenting community values, and guiding Council decisions on privacy and technology.

Throughout the discussion, the Council repeatedly acknowledged the contributions of city staff, legal advisors, IT personnel, and the Police Department. They stressed that public input had been invaluable in shaping understanding and policies regarding the technology and recognized that the issue required continued attention, oversight, and deliberation. While all of Council acknowledged the utility of ALPR technology in aiding law enforcement, there was broad agreement that the cooperative Flock contract should not move forward at that time. The consensus was to pause the contract, allowing the citizen task force to evaluate the technology, and develop robust policies and safeguards to ensure alignment with community values and protection of individual privacy.

Moved by Councilmember Austin Aslan, **seconded by** Councilmember Anthony Garcia to cancel the contract with Flock Safety.
Vote: 7 - 0 - Unanimously

A break was held from 7:03 p.m. through 7:18 p.m.

E. Consideration and Adoption of Resolution No. 2025-66: A resolution adopting the City Council 2026 Commemorative Flag Designations

Communication and Civic Engagement Director Stacy Saltzburg led the Council in a discussion regarding the 2026 Commemorative Flag Designations. Following discussion, the Council agreed to the addition of an America 250 flag, a Route 66 Centennial flag, and the removal of the May the Fourth flag.

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to read Resolution No. 2025-66 by title only with inclusions and deletions as discussed.
Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL (PURSUANT TO THE CITY COUNCIL POLICY ON THE DISPLAY OF FLAGS) DESIGNATING ALL COMMEMORATIVE FLAGS THAT WILL BE DISPLAYED THROUGHOUT THE YEAR 2026 ON THE TEMPORARY POLE IN FRONT OF CITY HALL

Moved by Councilmember Khara House, **seconded by** Vice Mayor Miranda Sweet to adopt Resolution No. 2025-66.
Vote: 7 - 0 - Unanimously

11. DISCUSSION ITEMS

A. Update on Municipal Customer Assistance Program

Customer Service Director Jessica Kittleson provided a PowerPoint presentation that covered the following:

CUSTOMER ASSISTANCE PROGRAM UPDATE
PROGRAM OVERVIEW
ELIGIBILITY & QUALIFYING PROGRAMS
COMMUNITY SUPPORT
WEBSITE NAVIGATION
ONLINE TOOLS
IMPLEMENTATION & OUTREACH
SUSTAINABILITY & NEXT STEPS

Councilmember House asked if only municipal customers could contribute or if there were ways for multi-family users to donate. Ms. Kittleson clarified that anyone could make a donation, even if they lived in apartments or were part of bulk billing. However, signing up for recurring contributions did require being a city utility customer. The city was also working with its payment provider to eventually offer a "round-up" option for one-time payments.

Vice Mayor Sweet highlighted the contributions of staff members, as well as the Northern Arizona Interfaith group, who helped conceptualize the program. The initiative was inspired by community requests, and the team worked diligently to make it a reality. Mayor Daggett added that there was a lot of anxiety going through the water rate study, having to raise the rates, and the impact that had on community members. She appreciated that staff took the suggestion of a program like this seriously. She asked if there had been any projections on how much money would be needed or how many people would want to take advantage of it.

Ms. Kittleson stated that while the exact level of participation was difficult to predict, estimates suggested that 4,000 to 5,000 households qualified for assistance programs. With the current funding, the program could support roughly 83 to 88 customers for a year. The assistance provided was partial, similar to programs offered by other utilities, which sometimes experience excess donations, and the hope is that the city would realize that as well.

B. Energy Code Update Options

Item was rescheduled to the January 6, 2026 meeting.

12. FUTURE AGENDA ITEM REQUESTS

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

A. Future Agenda Item Request (F.A.I.R.): A Citizen Petition titled "Provide representation for individuals with disabilities in Flagstaff."

Russell Randall began by addressing the Council, clarifying that he was not the petitioner, Joseph Spence was the author, but he could not attend the meeting. He read a letter from Joseph, in which he expressed concern that the disability community lacked representation and urged the Council to place the petition on the next agenda to resume the Commission's work. Mr. Randall, now speaking as a representative of Barrier-Free Flagstaff, emphasized the importance of the Commission's work, noting its suspension by the former city manager for over four months. He questioned whether such suspensions were allowed under the city charter and stressed that the Commission provided vital services to Flagstaff's disability community, advocating for inclusion in housing, transportation, employment, and education. He emphasized his commitment to a social justice model of disability and the importance of an accessible community.

Alida Pfeil addressed Council as a member of Barrier-Free Flagstaff and youth liaison to the Commission. She thanked the Council for their engagement with the community and urged that the petition be placed on the soonest possible agenda. She acknowledged concerns about past "toxic behavior" within the Commission but emphasized that addressing individual behavior should not marginalize the disability community as a whole.

Ms. Keene provided context to the temporary suspension, explaining that the Commission had been suspended in September of the previous year while staff and the new city manager evaluated priorities and staff assignments. She stated that the Commission would resume meetings on March 25, 2026 with the current membership and that an outside facilitator would be brought in to guide the restart. She offered her commitment to meet with any members of the disability community and commission members if desired.

Councilmember House noted that submitting the citizen petition could have delayed the process and appreciated the clarification from the City Manager. She indicated her support for the resumption of the meetings in March.

Councilmember Aslan clarified that the previous city manager had consulted with legal counsel and the City Council before suspending the Commission meetings. He expressed confidence in the City Manager's planned process and supported the March resumption plan.

Councilmember Garcia also supported the Commission but echoed Councilmember Aslan's statements, noting that the March meeting addressed the community's needs and that a public discussion of the past issues could risk harm to individuals. He did not support the advancement of the petition but expressed enthusiasm for the upcoming Commission activities and engagement with the disability community.

There was not requisite support to place the item on a future agenda for discussion.

13. OPEN CALL TO THE PUBLIC

None

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

Councilmember House noted that a written public comment regarding the letter supporting the renewal of long-term authorization for annual deposits to the Historic Preservation Fund suggested that individual council members could sign the letter rather than only having a collective signature. She acknowledged that the letter had already been approved, but the suggestion had been noted. She then requested that staff explore what the process would entail for the renaming of Agassiz Peak to O'omaki and bring back an update for further discussion.

Vice Mayor Sweet briefly thanked everyone for the discussion and wished everyone a happy holiday season.

Councilmember Aslan echoed support for moving forward with the O'omaki discussion, suggesting that O'omaki could be the primary reference, with Home of the Clouds as an acceptable English alternative. He also highlighted recent activities, including the Coconino Plateau Water Advisory Council's support for the Baaj Nwaavjo I'tah Kukveni National Monument. He also raised a point about allowing credentialed press better access for photography during Council meetings.

Councilmember Garcia shared information about community events, including the Christmas tree lighting and holiday light parade, noting record attendance. He offered holiday greetings and highlighted upcoming art installations at Cleo Murdoch Park.

Councilmember Matthews shared her experiences attending the menorah lighting with Councilmember House, the holiday parade, and the Detox and Healing Center Task Force meeting. She emphasized ongoing efforts to identify needs for a medically assisted detox facility and challenges related to Medicaid eligibility for low-wage workers in Flagstaff. She expressed optimism about progress due to strong engagement from stakeholders and persistence from the County Attorney.

Mayor Daggett shared that she hosted the city's sister city Navajoa-Sonora delegation for cultural and economic discussions. She attended the NAACP holiday luncheon, participated in the holiday parade, attended a remembrance event for victims of gun violence organized by Moms Demand Action, and the ribbon-cutting at the new Marshall Elementary School.

Ms. Keene reminded the Council of the budget retreat scheduled for Friday, December 19 facilitated by Jeff Kennedy. She also shared that a press release had gone out regarding the cancellation of the Flock Safety automated license plate recognition contract, with immediate deactivation of cameras.

15. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held December 16, 2025, adjourned at 8:06 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on December 16, 2025. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 6th day of January, 2026

_____

CITY CLERK

CITY COUNCIL BUDGET RETREAT
FRIDAY, DECEMBER 19, 2025
CORE SERVICES FACILITY
3200 WEST ROUTE 66
8:30 A.M.

MINUTES

1. Call to Order

Mayor Daggett called the Budget Retreat of the Flagstaff City Council held December 19, 2025, to order at 8:36 a.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Roll Call

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

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Joanne Keene; City Attorney Sterling Solomon

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

The Council and audience recited the pledge of allegiance, Mayor Daggett read the Mission Statement of the City of Flagstaff and the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

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

4. City Council Budget Retreat

Ms. Keene introduced Jeff Kennedy who facilitated the retreat.

The Budget Team provided a PowerPoint presentation that covered the following:

COUNCIL BUDGET RETREAT
AGENDA
BUDGET INTRODUCTION
PROCESS
TIMELINE
COLOR OF MONEY
FUND TYPES
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
CAPITAL PROJECT FUNDS
DEBT SERVICE FUNDS
GENERAL FUND
REVENUE UPDATES
GENERAL FUND -- SALES TAX
GENERAL FUND -- STATE SHARED REVENUES
GENERAL FUND -- STATE SHARED REVENUES
INCOME TAX IMPACTS
GENERAL FUND -- SELECT OTHER REVENUE
SPECIAL REVENUE FUNDS
RECESSION PLAN
FIVE STAGES OF THE RECESSION PLAN

Council discussed rising labor costs, particularly high wages and constant employee turnover in sectors like hotels, restaurants, and other service businesses, that are putting significant pressure on local employers. Larger employers struggle to retain housekeeping and front-desk staff, while smaller "mom and pop" restaurants are barely staying afloat, often operating with fewer employees. Council discussed the broader economic issues affecting the entire community, with effects that extend well beyond local businesses. As wages rise, many minimum-wage earners were earning just enough to lose eligibility for benefits such as housing assistance, childcare subsidies, and health insurance. This loss of benefits was creating additional strain on families and service providers, including mental health care providers who were unable to serve clients who no longer qualify for coverage through AHCCCS programs. They also acknowledged that the city had limited control over minimum wage. Council requested a work session discussion that focused on the impacts of minimum wage.

A break was held from 10:15 a.m. through 10:30 a.m.

Councilmember House exited the meeting at 10:30 a.m.

The Council and staff engaged in a group activity that focused on the following:

COUNCIL ACTIVITY
LEAGUE OF AZ CITIES & TOWNS
BUDGET PRIORITIES: COUNCIL ALIGNMENT ACTIVITY
MISSION & MANDATES
IMPACT & OUTCOMES
RESOURCES & CONSTRAINTS
YOUR PRIORITIES
PRIORITIZATION ACTIVITY
COUNCIL'S FINAL PRIORITIES (ALIGNED)

Ms. Keene resumed the presentation.

COUNCIL RETREAT PLANNING
FUTURE RETREAT PLANNING
COUNCIL EXPECTATIONS FOR FUTURE RETREATS

Ms. Keene requested feedback on whether the number and length of retreats could be reduced, and whether some content, like the capital projects retreat, could be handled during regular Council meetings instead of in a retreat setting.

Council suggested simplifying how budget information was presented. One idea was to organize the budget into clear categories:

1. items already in motion,
2. areas where funding or scope is being increased, and
3. areas where funding or resources are being reduced.

Another suggestion was to clearly highlight "changes of note" rather than reviewing everything in detail. They also requested transparency about which divisions were asking for fewer employees versus additional FTEs.

Ms. Keene agreed the suggestions would help both reduce the burden on staff and give Council clearer, more usable information, and the team would return with recommendations on how to structure the process going forward.

Council also discussed the use of facilitators for retreats. They felt that facilitation was most valuable when discussions involved difficult decisions, while staff-led facilitation worked well for more presentation-based retreats, such as the capital projects review.

Lastly, Council expressed appreciation for having their priorities presented and determined at the start of the process, noting that it helped frame discussions and understand where members aligned on priorities.

A break was held from 11:58 through 12:34 p.m.

DESIRED FUTURE STATE
DECLARED EMERGENCIES
STRONG FOUNDATION PRODUCE RESULTS

Sustainability Director Nicole Antonopoulos continued the presentation.

CLIMATE EMERGENCY
CLIMATE EMERGENCY GOALS
CARBON NEUTRALITY PLAN ACTIONS UPDATE
POTENTIAL FUNDING REQUESTS FOR COUNCIL FEEDBACK
ASSESSING IMPACTS

Council discussed the status of a Level 2 EV charger and prefab ADUs. The Level 2 charger was still being priced; while it could be as simple as a 240-volt outlet, outdoor installation would require additional infrastructure, so quotes were in progress. Similarly, prefab ADU options were being explored, with designers contacted and an interest in bulk purchasing to reduce costs, while ensuring designs meet building codes and standards. Ms. Antonopoulos explained that the current goal was to confirm priorities and alignment with Council goals, adopted plans, and constituent needs. Detailed budget discussions would occur later through the regular budget process. Council agreed that the direction felt right, and provided a strong big-picture framework that would guide more detailed decisions later, rather than eliminating options at this point.

Housing Director Sarah Darr continued the presentation.

HOUSING EMERGENCY
HOUSING DIVISION

HOUSING AUTHORITY -- PUBLIC HOUSING -- 265 UNITS

Council discussed how income levels, including increases from minimum wage, could affect eligibility for affordable housing and assistance programs. Ms. Darr explained that the situation was complex; they were required to ensure that 70% of new clients were extremely low income or below, which made it difficult to meet benchmarks and sometimes required bypassing higher-income households that would otherwise qualify. While this was not yet a crisis, it was challenging. Housing staff were frequently having difficult conversations with residents about income increases, since for public housing or voucher recipients, 30% of any income increase goes directly toward housing costs. At the same time, households may lose eligibility for childcare subsidies, food assistance, and other supports. Most households served are under 50% of Area Median Income (AMI), with a significant portion, particularly disabled and elderly households, at 40%, 30%, 25% AMI or below.

HOUSING AUTHORITY -- VOUCHER PROGRAMS -- 566 VOUCHERS
FOUNDATIONAL ELEMENTS HOUSING INVESTMENT SECTION

A question was raised about how Flagstaff compared to other similarly sized Arizona cities on affordable housing metrics. Staff noted that the comparison was possible and that forthcoming annual reports required by the Arizona Department of Housing may eventually provide more consistent data.

Regarding progress toward affordable housing goals, it was clarified that once the 405 units already committed came to market, the city would have met its target. Questions were also asked about how lost units were accounted for. Staff explained that there had not yet been a net loss within the current timeframe; while some older affordable units had expired due to older Low-Income Housing Tax Credit regulations, those were not included because the data shown reflected only the current 10-year plan. Within this 10-year planning period, the creation of new affordable units had outpaced any units lost. Broader community-wide losses and gains were tracked separately in the Housing Solutions Report, whereas the chart discussed applied only to the 10-year plan.

10-YEAR HOUSING PLAN
PROP 442
INCENTIVE FUNDING 10-YEAR RETROSPECTIVE EXAMPLE OF 1X FUNDING OVER TIME
EXAMPLES OF CURRENT 1X FUNDING IN HOUSING BUDGET
POTENTIAL BUDGET REQUESTS FOR COUNCIL FEEDBACK

Council discussed a dedicated funding source for Housing. They felt that having a high-level overview to understand potential funding sources, whether a tax increase would be required, and how the idea would affect housing overall. They suggested having a discussion before the budget was finalized to clearly lay out options, impacts, and tradeoffs. While many ideas were not currently feasible, there were some possibilities worth discussing, even if implementation was not immediate.

Council also discussed employer-provided housing for employees. Examples like Aspen, Colorado were cited, where temporary housing helped employees transition into the community, with rising rent over time to encourage moving into the private market. The intent was short-term, transitional housing, not a large permanent complex, and could help with recruitment challenges.

Council direction was for staff to bring forward a multi-year proposal with details on capacity, structure, and realistic funding needs, while recognizing that housing development was long-term and not something that could be completed within a single budget cycle.

Water Resources Manager Erin Young, on behalf of the Champions of Team Flagstaff continued the presentation.

UPDATES
EMPLOYEE SURVEY 2025 RESULTS
2025 SURVEY RESULTS - ONLINE DASHBOARD
2025 RANKING BY AVERAGE SCORING
TRENDS SUMMARY
EMPLOYEE ENGAGEMENT SURVEY -- COMMON TOPICS

Human Resources/Risk Management Director Ryan Saxby continued the presentation.

INVESTING IN EMPLOYEES
COMPREHENSIVE TOTAL REWARDS PACKAGE
COMPENSATION -- FY 2025-26 SUMMARY
FY 2026-27 COMPENSATION PRIORITIES
IMPACT ON INVESTING IN EMPLOYEES: RECRUITMENT AND RETENTION

Mr. Tadder continued the presentation.

SERVICE PARTNER REQUEST PROCESS
PURPOSE
REQUEST PROCESS
WRAP UP
PUBLIC PARTICIPATION

Stephen Puhr addressed Council and asked for clarification on the city's recession planning and reserve use, specifically when and how reserves would be accessed if revenues drop 10--20%.

Mr. Tadder explained that the city's strategy was to budget with about 25% in General Fund reserves. In a recession, the city would be willing to draw reserves down, but only to a limit. The preferred floor is 15%, and the absolute minimum would be 10%. He explained that 10% was the lowest acceptable level based on financial best practices and lender expectations, especially when the city carried debt. The city would not allow General Fund reserves to fall below that level.

Ms. Keene offered closing remarks and thanked the Council and staff for their participation and work.

5. Adjournment

The meeting of the Flagstaff City Council held December 19, 2025, adjourned at 2:23 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jessica Matias, Chief of Staff

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:
Proclamation: Martin Luther King Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

Executive Summary:
N/A

Financial Impact:
N/A

Policy Impact:
N/A

Previous Council Decision or Community Discussion:
N/A

Options and Alternatives to Recommended Action:
N/A

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: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

WHEREAS, the United States of America celebrates Martin Luther King Day on January 19, 2026; and

WHEREAS, Dr. Martin Luther King will be remembered through the ages for his outstanding leadership as a man committed to fulfilling his vision through non-violence and his dedication to true spiritual growth; and

WHEREAS, his timeless dream of a nation unified in equality and brotherhood is really the American Dream; and

WHEREAS, the City of Flagstaff must continue to work together to make human dignity, equal justice and equal opportunity a reality for all, and I encourage all in Flagstaff to celebrate his memory by performing acts of kindness through service to others. Let us live out Dr. King's teachings as we continue to work for a day when the dignity and humanity of every person is respected; and

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

Martin Luther King Day

Dated this 6th day of January 2026

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Nicole Antonopoulos, Sustainability Division Director

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE

Arizona Forward Presents the Climate & Clean Energy Rising Sustainability Star Award to Jenny Niemann

STAFF RECOMMENDED ACTION:

Informational only

Executive Summary:

Jenny Niemann was nominated for a new award and recognition from Arizona Forward, which honors individuals advancing a more sustainable future for Arizona. This recognition and award spotlights one outstanding leader under 40 whose work shows measurable impact across Arizona Forward's three focus areas: Water, Materials & Circular Economy, and Climate & Clean Energy. Jenny was selected as the recipient of the Climate & Clean Energy Rising Star Award.

Information:

Following is Jenny's nomination letter:

Nomination for Jenny Niemann-- Climate Leadership Excellence
Jenny exemplifies visionary leadership in climate action through her transformative work advancing Flagstaff's commitment to carbon neutrality. Over the past seven years as the City of Flagstaff's Climate Director, she has led the development and implementation of forward-thinking climate policies and programs, embedding sustainability into both municipal operations and community life., most notably, leading the City in adoption of its first Climate Plan with goal to reduce emissions 80%by 2050 and then an update to the Plan initiated by citizens to modify the goal to be Carbon Neutral by 2030.

Jenny's leadership is rooted in collaboration and climate literacy. She has empowered staff and residents by providing critical resources and fostering inclusive engagement. Her unique ability to bridge technical expertise with community-centered approaches has made her a trusted leader and a catalyst for meaningful change. Her work has accelerated institutional climate goals and inspired a new generation of environmental stewards.

Her portfolio spans climate policy development, community programming, public engagement, and leadership cultivation. A standout initiative under her direction is the comprehensive review of the City's development codes and processes to identify and remove barriers to the 10-Year Housing Plan and Carbon Neutrality Plan. This project will result in actionable recommendations with long-term impacts on Flagstaff's climate goals and serve as a model for other municipalities.

Jenny ensures that community programming is rooted in equity and empowerment. She secured $1 million for Flagstaff's three resilience hubs, which launched under her management. These hubs are trusted community spaces that provide resources before, during, and after extreme weather events. They offer cooling and heating relief, emergency supplies, support during wildfires, post-fire flooding, and poor air quality events, and ongoing classes and training.

She leads cross-functional teams and fosters cross-sector collaboration, always centering meaningful community participation in program and policy design. This is evident in the City's weatherization and energy efficiency programs, which are co-designed with community members and building science experts, and guided by the Equity Advisory Committee.

Jenny is also deeply committed to mentoring future climate leaders. She invests in professional development for her team and supports AmeriCorps programming, hosting three to six full-time members annually. She ensures that their service terms are rich with opportunity and fulfilling.

Her key accomplishments include:

- Leading major sustainability and climate initiatives
- Securing funding and cultivating strategic partnerships
- Achieving measurable reductions in greenhouse gas emissions
- Driving policy and organizational change
- Mentoring and inspiring emerging climate leaders

Jenny's education and career history include earning a Master's of Urban and Regional Planning from the University of Colorado Denver, working for Coconino County to update its Comprehensive Plan and zoning code, and working as the Program Planner for the U.S. Green Building Council. In her current role as Climate Director, she leads a highly effective team of six.

Jenny's dedication to her work, team, and community is unwavering. She is a true leader whose impact will be realized for generations.

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:
Consideration of Appointments: Tourism Commission.

STAFF RECOMMENDED ACTION:

1. Councilmember Matthews to make an appointment.
2. Councilmember Aslan to make an appointment.
3. Councilmember House to make an appointment.

Executive Summary:
The Tourism Commission consists of seven citizens serving three-year terms. The mission of the Tourism Commission is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially. The Tourism Commission makes recommendations to the Council concerning expenditure of the tourism portion of the Bed, Board and Booze ("BBB") tax, a 2% local transaction privilege tax.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are eight (8) applications on file for consideration by the Council, they are as follows:

- James Willis (new applicant)
- Gina Byars (new applicant)
- Angie Grubb (new applicant)
- Hunter Herbert (new applicant)
- Lisa Kissinger (new applicant)
- Matthew Kent (new applicant)
- Michael Marquess (current Commissioner)
- Cody Half-moon (current Commissioner)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Councilmember Matthews, Councilmember Aslan, and Councilmember House.

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

Policy Impact:
None.

Previous Council Decision or Community Discussion:
None.

Options and Alternatives to Recommended Action:

1. Appoint three Commissioners: By appointing members at this time, the Tourism Commission will be filled and this allows the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Tourism Authority

CHAPTER 2-13
TOURISM COMMISSION

SECTIONS:

2-13-001-0001 CREATION OF THE COMMISSION:
2-13-001-0002 COMPOSITION AND TERM OF OFFICE:
2-13-001-0003 COMPENSATION OF COMMISSION MEMBERS:
2-13-001-0004 ORGANIZATION:
2-13-001-0005 MEETINGS:
2-13-001-0006 DUTIES:

2-13-001-0001 CREATION OF THE COMMISSION:

There is hereby established a City Tourism Commission. There shall be seven (7) voting members of said Commission who shall meet as hereinafter provided to consider and recommend programs for the expenditure of the tourism portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues.

“Tourism” means the guidance, management, marketing, accommodation, promotion and encouragement of tourists (same meaning as set forth in Section 3-06-001-0001). (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0002 COMPOSITION AND TERM OF OFFICE:

The composition of the membership shall consist of:

A. Seven (7) members to be appointed by the City Council. Each member shall serve for three (3) years, on a staggered term basis.

B. The City Manager or the Manager’s designee shall be an ex officio member of the Commission. The member shall have no voting privileges.

The City Manager shall be responsible for staff support of the Tourism Commission.

The Council shall fill vacancies for the unexpired term of any of the members of the Commission.

A member’s term in office shall commence with the first regular Commission meeting following the appointment and terminate with the regular Commission meeting at which the successor takes office. No voting member of the Commission may be appointed to more than two (2) consecutive full terms. (Ord. No. 1579, Enacted, 08/02/88; Ord. No. 1674, Amended, 09/18/90; Ord. 2001-27, Amended, 11/20/2001; Ord. No. 2006-09, Amended 04/10/2006; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0003 COMPENSATION OF COMMISSION MEMBERS:

Members of the Commission shall serve without compensation.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0004 ORGANIZATION:

The Commission shall elect a Chairperson from among its members. The term of the Chairperson shall be one year with eligibility for reelection. Commission members may not serve more than two (2) consecutive terms as Chairperson. The Council representative shall not be eligible for the Chair.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0005 MEETINGS:

A. The Commission shall hold at least one (1) regular meeting per month, which shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.

A quorum consisting of a minimum of four (4) voting members shall be required to conduct business.

B. The Chairperson of the Commission shall meet with the Chairpersons of the Economic Development Commission and the Beautification Commission at least once per month. The purpose of the meeting is for coordination of the three (3) commissions only. The intent is not to create another commission. The meeting shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with applicable Arizona State Statutes.

C. If a member is absent for three (3) meetings within a twelve (12) month period, excused or unexcused, that member may be replaced by the City Council. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014)

2-13-001-0006 DUTIES:

The duties of the Commission shall be to:

A. Prepare a Five (5) Year Master Plan. The Five (5) Year Plan shall be used as a guideline for future programs. Said Plan shall be presented to the Council prior to April 1st of each year.

B. Develop and present to City Council an Annual Plan outlining the Commission’s program recommendations for the upcoming fiscal year. Said plan shall be presented to the Council prior to April 1st of each year.

C. Make recommendations to the City Council concerning the annual budgetary allocation of the tourism portion of the Bed, Board and Booze Tax to include, but not be limited to:

1. Providing funding to the qualified, established public or private agency to administer, on a contract basis, tourism programs as required.

2. Developing and implementing a marketing plan. Major elements of the marketing plan will include, but not be limited to, developing a specific image for Flagstaff, identifying target market segments, and implementing a promotional plan directed to target market segments.

3. Establishing visitor information center(s) to include, but not be limited to, a high profile location, easy visitor access, adequate staffing, a toll-free telephone number for visitor information, and develop other facilities as needed to benefit visitors and the community.

4. Establishing an educational program to include, but not be limited to, scholarships for hospitality education at Northern Arizona University.

5. Promoting activities that enhance the community's image and the overall quality of life.

6. Retaining of appropriate staff to implement approved programs.

D. Perform any additional duties as determined by the City Council related to tourism activities. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2015-22, Amended, 01/05/2016)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:
Consideration of Appointments: Indigenous Commission

STAFF RECOMMENDED ACTION:

1. Vice Mayor Sweet ot make one appointment.
2. Mayor Daggett to make one appointment.

Executive Summary:
The Indigenous Commission consists of seven (7) voting members and three (3) ex-officio (non-voting) members from the Indigenous Peoples Advisory Council appointed by the City Council in accordance with a Memorandum of Understanding between the City of Flagstaff and the Coconino County Indigenous Peoples Advisory Council. Members must have a tribal affiliation as enrolled members of a tribe/nation recognized by the federal and/or state governments. Members will have interest in the issues presented in the Strategic Plan as presented to City Council by the Coordinator for Indigenous Initiatives. The Commission serves as an advisory board to City Council; makes recommendations with respect to certain policies, needs, issues, and methods in promoting the Strategic Plan and Recommendations accepted by City Council; and furnish the City Council with information through the Coordinator for Indigenous Initiatives.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are three (3) applications on file for voting members. The applications are as follows:

- Darren Lance (current Commissioner)
- Elizabeth Washburn (new applicant)
- Mariah Zavala (current Commissioner)

In an effort to reduce exposure to personal information, the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Vice Mayor Sweet and Mayor Daggett.

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

Policy Impact:
None.

Previous Council Decision or Community Discussion:
None.

Options and Alternatives to Recommended Action:

1. Appoint two Commissioners: By appointing members at this time, the Indigenous Commission will have one additional ex-officio seat available, this still allows the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Indigenous Commission Authority

CHAPTER 2-26
INDIGENOUS COMMISSION

2-26-001-0001 CREATION OF COMMISSION

An Indigenous Commission is hereby created.

2-26-001-0002 MEMBERS AND OFFICERS

The Indigenous Commission shall have seven (7) voting members appointed by the City Council and three (3) ex-officio (non-voting) members from the Indigenous Peoples Advisory Council appointed by the City Council in accordance with a Memorandum of Understanding between the City of Flagstaff and the Coconino County Indigenous Peoples Advisory Council. All voting members shall reside within the Flagstaff City limits.

A. Members must have a tribal affiliation as enrolled members of a tribe/nation recognized by the federal and/or state governments. Members will have interest in the issues presented in the Strategic Plan as presented to City Council by the Coordinator for Indigenous Initiatives.

2-26-001-0003 TERMS OF OFFICE

A. Terms shall be for three years except for the first appointments to create staggered terms. The City Council shall appoint three members for three (3) year term, two members for two (2) year terms, and two members for one (1) year terms. After the initial appointment all terms thereafter will be three (3) year terms.
B. The City Council will make every effort to recruit and appoint those individuals that represent the diverse Indigenous population of Flagstaff and who have demonstrated an interest in the recommendations as directed at the October 10, 2017 City Council meeting by the Indigenous Circle of Flagstaff.
C. Two (2) Co–Chairpersons from among the seven (7) voting members shall be selected by a majority vote of those members at a meeting called for that purpose.

2-26-001-0004 PURPOSE AND DUTIES

A. The Indigenous Commission serves as an advisory board to City Council, makes recommendations with respect to certain policies, needs, issues, and methods in promoting the Strategic Plan and Recommendations accepted by City Council and furnishes the City Council with information through the Coordinator for Indigenous Initiatives.

B. The duties of the Indigenous Commission shall include:

1. Fostering mutual understanding, respect and awareness among all citizens within the City of Flagstaff; recognizing the different economic, cultural, social, racial, religious and ethnic groups within the City; cooperating in the development of educational programs dedicated to improvement of community relations with and to enlist the support of various groups to foster understanding of strategic plan.
2. Developing recommendations for the Mayor and City Council to assist in developing certain policies required to respond to the concerns and needs of those in the community and on the Commission in the promotion of strategic plan.
3. Advising and assisting the City Council on ways to educate the community and

developing ways to disseminate such information through surveys, studies, forums, workshops, brochures or other events.

4. Developing and providing public forums for identifying and discussing issues of interest relating to the area of Indigenous related awareness.
5. Acting as an information or referral group to assist individuals, organizations and employers in an effort to aid the community towards greater understanding and respect for diversity awareness among all individuals.

C. The Indigenous Commission shall not advise or make recommendations to the City Council regarding:

1. Any litigation involving any Indigenous peoples or tribes.
2. Any water matters or issues.
3. Any land matters or issues.

C. Strategic Plan and Recommendations:

1. Visibility: To build visibility of Indigenous presence and contributions through public art, street and place names, public advertising, and possible support for a Flagstaff Powwow.
2. Economic Inclusion: Finance and promote a study to quantify Indigenous contribution to Flagstaff's economy. Create a directory of and promote Indigenous-owned businesses in Flagstaff. Feasibility study for a public marketplace for Indigenous artists.
3. Community Cultural Center: Develop a vision statement, and to identify a location, administrative structure, and funding partners for an Indigenous Community Cultural Center. This is the costliest of the recommendations and also the most frequently articulated.
4. Education: Work with Flagstaff Unified School District to support expanded curricula and staff training on Indigenous histories, cultures, and contributions.
5. Public Safety and Criminal Justice: Work with Police, Fire Departments and the Courts to include conversations and input on public safety.
6. Wellness: Take initiative in identifying, assisting, and supporting Indigenous organizations to build culturally grounded resources for the treatment of intergenerational trauma and other sources of damage expressed by means of substance abuse, homelessness, domestic violence, and suicide. Including positive programs such as Indigenous community gardens and youth-elder programs ideally based within Community Cultural Center. Explore ways to show consideration and respect for lands that are revered, beloved, and sacred for Indigenous people. This is a paramount issue of physical, mental, and spiritual health for the Indigenous people of Flagstaff.
7. Housing: Work with Indigenous organizations to further support affordable housing for Indigenous people. Identify and recommend ways the City can ease the burden of Flagstaff's restrictive price levels for housing and utilities.
8. Transportation: Explore solutions to regional transportation deficits that place particular obstacles in the path of Native Indigenous people who travel between the City and nearby homes or additional family homes for work, shopping, family connections, and health services.

2-26-001-0005 MEETINGS; ATTENDANCE

A. The Commission shall hold regular meetings at such dates and times as determined by the members except that the Chairperson may call a special meeting with not less than twenty-four (24) hours' notice as properly posted under Arizona Open Meeting laws.

B. The Indigenous Commission shall not conduct any business at a meeting unless a quorum is present. A quorum shall consist of four (4) voting members of the Commission.

C. Official business shall be conducted pursuant to the Board and Commission Members' Rules and Operations Manual adopted by Resolution No. 2019-38 of the City Council, as may be amended from time to time, and in accordance with meeting procedures, if any, adopted by the Commission insofar as they are not in conflict with the Board and Commission Members' Rules and Operations Manual. In the event of any such conflict, the provisions of the Board and Commission Members' Rules and Operations Manual shall prevail.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jessica Cortes, Court Administrator

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration of Appointments: On-Call Magistrates for the Flagstaff Municipal Court.

STAFF RECOMMENDED ACTION:

Approve the appointments of the On-Call Magistrates Russell Hughes and Lewis Levin to the Flagstaff Municipal Court.

Executive Summary:

Appointment of all magistrates is required to be completed by the Flagstaff City Council for a two-year term under both the City Charter and FCC Section 1-15-001-0002(A). Appointment of Magistrates for the Municipal Court allows for ongoing operations of the court without interruption.

Magistrates hear criminal, civil, traffic and local code violations that are filed in the Flagstaff Municipal Court. They conduct trials, both jury and non-jury, and sentence individuals within the parameters set by law. Magistrates are required for the ongoing operational needs of the Municipal Court. Magistrates are critical to the criminal and civil processes of the judicial branch.

Financial Impact:

Funding for all judicial positions is included in the approved budget of the Flagstaff Municipal Court, account numbers 001-01-016-0066-1-4101 through 001-01-016-0066-1-4161.

Policy Impact:

On-Call Magistrates are critical to the criminal and civil processes of the judicial branch. These appointments help maintain an independent judiciary that is necessary for the ongoing operations of our local government. A strong, independent, and fair judicial branch provides balance to criminal and civil matters that require resolution within our municipality.

Previous Council Decision or Community Discussion:

Yes, the On-Call Magistrates have been appointed by previous City Councils and have served in the Flagstaff Municipal Court for six years in this capacity.

Options and Alternatives to Recommended Action:

Approve the appointments.
Don't approve the appointments and request alternative candidates for Council consideration.

Connection to PBB Priorities and Objectives:

Personnel -- Attract and retain quality staff.

Connection to Regional Plan:

None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jessica Kittleson, Customer Service Director

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of First Amendment to Cooperative Purchase Contract: with CDW Government, LLC for Deckard/Rentalscape short-term rental monitoring software and services for FY2025-2026 with an option for FY2026-2027.

STAFF RECOMMENDED ACTION:

1. Approve the First Amendment to Cooperative Purchase Contract No. 2025-27 with CDW Government, LLC for Deckard/Rentalscape short-term rental monitoring software and services in the amount of $72,407.95, plus one additional optional year at an estimated cost of $75,000; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The City of Flagstaff has utilized short-term rental (STR) monitoring software since 2020 to identify, track, and enforce compliance of STR properties operating within the City. This software is essential for the City's STR licensing program, which was established pursuant to Arizona Revised Statutes § 9-500.39 and City Code Chapter 4-08.

The Deckard/Rentalscape platform provides comprehensive STR monitoring services including: property and address identification, compliance monitoring, rental activity reporting, real-time listing monitoring across 10,000+ websites worldwide, and a constituent portal for public-facing STR information. This First Amendment continues the City's contract with CDW Government for the Deckard/Rentalscape software for FY2025-2026 with an option for FY2026-2027.

Financial Impact:

The First Amendment amount is $72,407.95, which includes:

- Rentalscape Address ID Compliance: $62,481.28
- Rentalscape Deckard Constituent Portal: $5,253.00
- Sales Tax: $4,673.67

The initial contract executed in October 2024 was $62,994.32. The City anticipates renewing one additional year for FY2026-2027 at an estimated cost of $75,000. Funds are available within the Customer Service Section budget for this purpose.

Staff completed a fee analysis for the STR license fee in 2023. The annual cost of service was calculated as follows: Personnel ($101,000), Software Services ($36,000), Operating Expenses ($22,000), and Indirect Costs ($15,000), for a total cost of service of $175,000. With approximately 1,000 STRs anticipated to receive a license annually, the license fee was initially set at $175. As of December 2025, there are 1,027 active STR licensed properties.

Although the Deckard/Rentalscape software is more expensive than the previous provider, other costs are

now included in the contract, like the mail campaign for owner notifications to license their property. Additionally, actual costs in credit card processing fees have been less than originally projected. The license fee includes an annual increase of $5 built in, which offsets increases in software costs and staff overhead. The current license fee is $185, which is in line with the cost of the licensing services currently. Pursuant to A.R.S. §9-500.39(f), the license fee may not exceed the actual cost of issuing the license or $250, whichever is less. The current license fee remains within these statutory limits.

Project Name: Short Term Rental Licensing Software
Cost: $72,407.95 1st amendment, $75,000 estimated renewal
Account Number Budgeted: 001-02-033-0129-1-4343
FY Budgeted Amount: FY 2025-26 $76,810
Grant Funded: No
Funding Source: General Fund

Policy Impact:
This software supports the City's STR licensing ordinance (City Code Chapter 4-08) adopted in 2023 and is integral to monitoring and enforcing compliance with state law (A.R.S. § 9-500.39) and local regulations. The software enables Code Compliance staff to effectively manage the STR licensing program and respond to complaints.

Previous Council Decision or Community Discussion:
Council has taken several actions related to STR monitoring and regulation:

- April 2020: Council directed staff during the budget retreat to purchase technology to collect data and monitor STRs.
- September 15, 2020: Council approved the initial LodgingRev short-term rental software contract totaling $73,960 for a two-year term.
- October 11, 2022: Council directed staff to create a Short-Term Rental Licensing System following passage of SB1168.
- July 2023: Council adopted the STR licensing ordinance (Ordinance No. 2023-20).
- October 2024: The City entered into an initial Deckard/Rentalscape contract for $62,994.32.

Options and Alternatives to Recommended Action:

1. Approve the First Amendment to Cooperative Purchase Contract No. 2025-27 with CDW Government, LLC for Deckard/Rentalscape software in the amount of $72,407.95; or
2. Direct staff to pursue alternative STR monitoring solutions; or
3. Do not approve the contract amendment, which would result in the City losing STR monitoring capabilities and hindering enforcement of the STR licensing ordinance.

Background and History:

- In 2016, Arizona Senate Bill 1350 preempted municipalities from prohibiting short-term rentals, limiting the City's ability to regulate STRs. In 2019, Council expressed a desire to collect data related to STRs and their impact in Flagstaff. At that time, it was estimated there were 1,300-1,700 unique STR listings in the greater Flagstaff area.
- In September 2020, the City entered into a two-year contract with LodgingRev for STR monitoring software. This software allowed the City to identify STR properties, monitor listings across multiple platforms (AirBnB, VRBO, etc.), and begin collecting data on the STR market. The City required registration of STRs beginning in January 2021.
- In July 2022, Arizona passed SB1168, which allowed municipalities to require STR licensing, charge license fees up to $250, require emergency contact information, mandate neighbor notification, and impose penalties for violations. Following this legislation, Council directed staff to develop a licensing system.
- In July 2023, Council adopted the STR licensing ordinance (City Code Chapter 4-08), establishing a

$175 annual license fee and comprehensive requirements for STR operators. The licensing program became effective in Fall 2023.

Connection to PBB Priorities and Objectives:

- Safe & Healthy Community: Ensure the built environment is safe through use of consistent standards, rules and regulations, and land use practices.
- Livable Community: Achieve a well maintained community through comprehensive and equitable code compliance.

Connection to Regional Plan:

- Goal LU.7: Provide opportunities for a diversity of housing types that are compatible with neighborhoods.

Connection to Carbon Neutrality Plan:
The Carbon Neutrality Plan identifies that climate change will increase visitation, migration, and demand for housing in Flagstaff as Phoenix-area residents seek refuge from rising temperatures. The STR monitoring software helps the City track and manage the conversion of residential housing to short-term rentals--a trend that reduces housing availability for local residents and can increase car-dependent commuting from outlying communities, contributing to higher greenhouse gas emissions. A priority of the Carbon Neutrality Plan is strengthening our neighborhoods and decreasing dependence on cars.

Connection to 10-Year Housing Plan:
The Deckard/Rentalscape software supports the City's 10-Year Housing Plan by monitoring short-term rentals, which the Plan identifies as contributing to Flagstaff's housing undersupply--approximately 535 units have been converted from long-term residential use. Effective STR tracking and enforcement helps preserve housing stock for local residents and supports the Plan's overarching goal to reduce the affordable housing need by half over the next ten years.

Attachments: Contract Amendment
Original Contract 2025-27

FIRST AMENDMENT

COOPERATIVE PURCHASE CONTRACT WITH CDW, LLC
Contract No. 2025-27

This First Amendment ("First Amendment") is entered into this _____ day of _____, __ _____, by and between the City of Flagstaff, a political subdivision of the State of Arizona, and CWD, LLC, DBA CDW Government, LLC, CDW Government, an Illinois limited liability company ("Contractor"). The City and Company may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, on October 16, 2024, the City and Contractor entered a Cooperative Purchase Contract for Rentalscape/Deckard Software & Services;

WHEREAS, the City has been satisfied with the software and services provided by Contractor and the Parties desire to amend the Initial Contract for FY2025-2026; and

WHEREAS, the City anticipates renewing the software and services provided by Contractor for FY2026-2027.

AGREEMENT

NOW, THEREFORE, effective on the last date of execution, and in consideration for the mutual promises contained herein, the Parties agree as follows. Deleted text is shown with a ~~strikethrough~~ and new text is **BOLDED AND ALL CAPS**.

A. Paragraph 1. Materials and or Services Purchased:

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

Rentalscape/Deckard Software & Services

1.2 IT IS THE INTENT OF THE PARTIES TO CONTINUE THE CONTRACT THROUGH FY2026-2027 AND IT IS ANTICIPATED THAT CONTRACTOR WILL SUBMIT A SUBSEQUENT SCOPE OF WORK. IT WILL NOT BE UNNECESSARY TO COMPLETE A FORMAL AMENDMENT TO ADD THIS SCOPE OF WORK TO THE CONTRACT. RATHER, THE FY2026-2027 SCOPE OF WORK SHOULD BE IDENTIFIED AS *EXHIBIT A.2*, AND ATTACHED TO THE RENEWAL LETTER.

B. Paragraph 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**S** of Work attached **TO THIS CONTRACT, THE FIRST AMENDMENT AND/OR A RENEWAL** as *Exhibit A*, ***EXHIBIT A.1***, **AND/OR *EXHIBIT A.2*** and incorporated by reference.

C. Paragraph 3. Payment:

3.1 Payment to Contractor for the materials and/or services ~~not to exceed **sixty-two thousand nine hundred ninety-four dollars and thirty two cents ($62,994.32**)~~ made in accordance with the price list and terms set forth in the Agency Contract. Any price adjustment must be approved by mutual written consent of the Parties through a formal amendment**, EXCEPT AS DESCRIBED IN PARAGRAPH 1.2**. The City Manager or his/her designee (the Purchasing Director) may approve an amendment if the total amount of the annual contract price, as amended, is less than $100,000; otherwise, City Council approval is required.

3.2 PAYMENT FOR THE INITIAL CONTRACT WAS AN AMOUNT NOT TO EXCEED SIXTY-TWO THOUSAND NINE HUNDRED NINETY-FOUR DOLLARS AND THIRTY-TWO CENTS ($62,994.32).

3.3 PAYMENT FOR THE FIRST AMENDMENT FOR MATERIALS AND/OR SERVICES RECEIVED IN FY2025-2026 SHALL BE AN ADDITIONAL COST OF SEVENTY-TWO THOUSAND FOUR HUNDRED SEVEN DOLLARS AND NINETY-FIVE CENTS ($72,407.95).

3.4 THE CITY ANTICIPATES RENEWING THE SOFTWARE AND SERVICES PROVIDED BY CONTRACTOR FOR FY2026-2027 AT AN ESTIMATED COST OF SEVENTY-FIVE THOUSAND DOLLARS ($75,000).

D. Paragraph 5. Term:

~~This Cooperative Purchase Contract shall commence upon execution by the Parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.~~

5.1 IF ALL RENEWAL PERIODS ARE ELECTED, THE TERM OF THE UNDERLYING COOPERATIVE PURCHASE CONTRACT BETWEEN THE STATE AND CONTRACTOR SHALL ULTIMATELY EXPIRE APRIL 9, 2029.

5.2 THE TERM OF THE COOPERATIVE PURCHASE CONTRACT BETWEEN THE CITY AND CONTRACTOR SHALL BE ONE (1) ADDITIONAL YEAR FROM THE EFFECTIVE DATE OF THIS FIRST AMENDMENT UNLESS TERMINATED PURSUANT TO THE PROVISIONS OF THE CONTRACT.

E. Paragraph 6. Renewal:

~~This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.~~

THE COOPERATIVE PURCHASE CONTRACT MAY BE RENEWED FOR UP TO ONE (1), ONE (1)- YEAR ADDITIONAL TERM 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.

F. All other terms and conditions of the Initial Contract, except to the extent amended herein, remain in full force and effect.

G. The Recitals included in this First Amendment are incorporated herein.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the date hereinbefore indicated.

City of Flagstaff	**Contractor**
By:_____ City Manager	By:_____
	Title:_____
Dated:_____	Dated:_____
Attest:	Approved as to form:
_____ City Clerk	_____ City Attorney

Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

QUOTE CONFIRMATION

MATT KAKERT,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

Quote Expiration Date: 12/19/2025

Quote valid for 30 days, subject to OEM price changes.
This order is non-cancelable, non-returnable unless warranted by the manufacturer.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
PRLP168	11/19/2025	DECKARD RENEWAL	9860322	$72,407.95

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
RENTALSCAPE ADDRESS ID COMPLIANCE Mfg. Part#: AICMRAR ADDRESS IDENTIFICATION, COMPLIANCE MONITORING, & RENTAL ACTIVITY REPORTING -Identify property & address -Identify property owner address -Real-time reporting of all new listings & frequent calendar monitoring -10,000+ Websites monitored Daily, worldwide -FutureCast - Identify future bookings as they are made on the rental platform Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7830232	$62,481.28	$62,481.28
RENTALSCAPE DECKARD CONSTITUENT PRTL Mfg. Part#: CONS-PORTAL Constituent Portal -Public facing portal (Link placed on Jurisdictions website) -Permit/Licensing Data and Responsible Party Contact Info for every STR Property (Standard) Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7999962	$5,253.00	$5,253.00

SUBTOTAL $67,734.28

SHIPPING	$0.00
SALES TAX	$4,673.67
GRAND TOTAL	**$72,407.95**

PURCHASER BILLING INFO	DELIVER TO
Billing Address: FLAGSTAFF CITY ACCOUNTS PAYABL 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 **Phone:** (928) 213-2354 **Payment Terms:** Net 30 Days-Govt State/Local	**Shipping Address:** FLAGSTAFF CITY MATT KAKERT 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 **Phone:** (928) 213-2354 **Shipping Method:** ELECTRONIC DISTRIBUTION
	Please remit payments to:
	CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



Sales Contact Info

Josh Batson | (866) 437-4527 | josh.batson@cdwg.com

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This order is subject to CDW's Terms and Conditions of Sales and Service Projects at
http://www.cdwg.com/content/terms-conditions/product-sales.aspx
For more information, contact a CDW account manager.

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COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-27

This Cooperative Purchase Contract is made and entered into this 16 day of October, 2024 by and between the City of Flagstaff, Arizona, a political subdivision of the City of Flagstaff ("City") and CWD LLC, DBA CDW Government, LLC, CDW Government, an Illinois Limited Liability Company ("Company").

RECITALS:

A. Contractor is a fully authorized Software Value Added Reseller (SVAR);

B. The State of Arizona Department of Administration and NASPO ValuePoint conducted a competitive and open procurement process through Request for Proposal BPM002338 that resulted in a Master Agreement #CTR060021. The State of Arizona is a Participating Entity holding Contract No. **CTR070896** with Contractor ("Agency Contract"); and

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 purchased is:

Rentalscape/Deckard Software & Services

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. Payment: Payment to Contractor for the materials and/or services not to exceed **sixty-two thousand nine hundred ninety-four dollars and thirty-two cents ($62,994.32)**; made in accordance with the price list and terms set forth in the Agency Contract. Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee (the Purchasing Director) may approve an amendment if the amendment price increase is less than $100,000; otherwise, City Council approval is required.

4. 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.

5. Term: This Cooperative Purchase Contract shall commence upon execution by the Parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

6. Renewal: This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

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

To the City:
Rick Tadder
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
rtadder@flagstaffaz.gov
928-213-2205

To Contractor:
Josh Batson
CDW-Government
State & Local Account Representative
625 W Adams St
Chicago, IL 60661
Josh.batson@cdwg.com
866-437-4527

With a copy to:
Liane Garcia, Buyer
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
lgarcia@flagstaffaz.gov
928-213-2279

With a copy to
Jessica Kittleson
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
jessica.kittleson@flagstaffaz.gov
928-213-2267

(Remainder of Page Intentionally Blank)

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.

CWD LLC,:

By:_____ hk

Title: Sr, Manager, Program Management

CITY OF FLAGSTAFF

By: Rick Tadder

Title: Director, Management Services

ATTEST:

Stacy Saltzburg

City Clerk

Stacy Saltzburg signed on 10/16/2024 8:35:18 AM

APPROVED AS TO FORM:

Christina Kinnear

City Attorney's Office

Christina Kinnear signed on 10/10/2024 9:27:24 AM

Notice to Proceed issued:_____, 20___

Last Updated May 15, 2024

Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

QUOTE CONFIRMATION

MATT KAKERT,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

Quote Expiration Date: 10/16/2024

Quote valid for 30 days, subject to OEM price changes.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
PBST107	8/27/2024	DECKARD	9860322	$62,994.32

IMPORTANT - PLEASE READ

Special Instructions: +Reporting and Analysis
-On demand, dynamic reporting, offer multiple ad hoc reports
-Filters allowing users to focus on specific segments of the STR population
+Dedicated Account Manager
-Single point of contact for city staff for all matter
-Ensure the city is following industry best practices
-Shephards the implementation process from start to finish
-Periodic meetings/ calls throughout the life of account
-No limit of the number of Rentalscape accounts
-No per session training costs
On SVAR contract

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
RENTALSCAPE ADDRESS ID COMPLIANCE Mfg. Part#: AICMRAR -Estimated 1300 properties - Identify property and address -Identify property owner address -Real-time reporting of all new listings & daily calendar monitoring -10,000+ websites monitored daily, worldwide -FutureCast- Identify future booking as they are made on the rental platform -Automatic identification of violations Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7830232	$39,535.20	$39,535.20

QUOTE DETAILS (CONT.)				
RENTALSCAPE DECKARD OUTREACH CMPGN Mfg. Part#: OUTREACH -Letter campaihn to inform STR owner/hosts about compliance requirements and procedures -All letter templates will recieve City approval pre-campaign -Campaign includes one Introductory letter and two additional escalation letters Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7999918	$6,762.60	$6,762.60
RENTALSCAPE DECKARD STR REG PORTAL Mfg. Part#: STR-REG-PROTAL -Online, intuitive portal for registration and renewal -Fields customizable to meet City needs -Pursue delinquent payments from hosts -Provide dail reports on new and modified permits Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7999919	$10,549.66	$10,549.66
RENTALSCAPE DECKARD COMPLIANT HTLN Mfg. Part#: COMP-247-HL-OLF -Online complaint form Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	1	7999959	$2,080.80	$2,080.80

SUBTOTAL	$58,928.26
SHIPPING	$0.00
SALES TAX	$4,066.06
GRAND TOTAL	**$62,994.32**

hk

AS

PURCHASER BILLING INFO	DELIVER TO
Billing Address: FLAGSTAFF CITY ACCOUNTS PAYABL 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 **Phone:** (928) 213-2354 **Payment Terms:** Net 30 Days-Govt State/Local	**Shipping Address:** FLAGSTAFF CITY MATT KAKERT 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 **Phone:** (928) 213-2354 **Shipping Method:** ELECTRONIC DISTRIBUTION
	Please remit payments to:
	CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



Sales Contact Info

Josh Batson | (866) 437-4527 | josh.batson@cdwg.com

LEASE OPTIONS			
FMV TOTAL	**FMV LEASE OPTION**	**BO TOTAL**	**BO LEASE OPTION**

$58,928.26	**$1,688.88/Month**	**$58,928.26**	**$1,931.08/Month**

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

• Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.

• Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.

• Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.

• Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.

• Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

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http://www.cdwg.com/content/terms-conditions/product-sales.aspx
For more information, contact a CDW account manager.

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Katie Hobbs
Governor

Elizabeth Alvarado-Thorson
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

100 NORTH FIFTEENTH AVENUE · SUITE 305
PHOENIX, ARIZONA 85007
(602) 542-5511

In accordance with Arizona Revised Statute (A.R.S.) §41-2632 and Arizona Administrative Code (AAC) R2-7-1002, Cooperative Purchasing, the following document shall relay all additional requirements for the State of Arizona in its use and participation in the NASPO Value Point contract for Software Value Added Reseller (SVAR), Master Agreement Contract Number CTR060021} as competitively awarded by the State of Arizona as Lead State (Master Agreement). Portions of the Master Agreement are/may be reproduced herein for ease of reference only; the most recent version of the Master Agreement is available on the NASPO Value Point website. To the extent that terms are used in the Participating Addendum that are defined in the Master Agreement, the definition in the Master Agreement shall be incorporated in this Participating Addendum, as if stated herein.

All requirements stated within this document are allowable under the Arizona Procurement Code Arizona Procurement Code (A.R.S. §§ 41-2501 *et seq*., and the rules promulgated thereunder, AAC R2-7-101 *et seq*.) Any attempt to modify or change this document without consent from the State of Arizona shall be null and void.

Contract Number: CTR070896
Description: Software Value Added Reseller (SVAR)

Contractor: CDW-G
Led by the State of Arizona

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PARTICIPATING ADDENDUM

Software Value Added Reseller (SVAR)

Lead by the State of Arizona

PARTICIPATING ADDENDUM
TO THE STATE OF ARIZONA:

The Undersigned hereby agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments as set forth in the Master Agreement and this Participating Addendum.

CDW Government LLC	JH
Company Name	Signature of Person Authorized to Sign
625 W Adams St	Offer Dario Bertocchi
Address	Printed Name
Chicago, IL 60661	Vice President, Contracting Operations
City State Zip	Title
dariber@cdw.com	(203) 851-7049
Email	Phone Number

By signature in the section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41−1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS NOT a small business with less than 100 employees or has gross revenues of $4 million or less.

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this 9th day of April, 2024.

John Red Horse, Statewide Procurement Group Manager

PARTICIPATING ADDENDUM

Software Value Added Reseller (SVAR)

Lead by the State of Arizona

Master Agreement #: **CTR060021** AZ Contract #: CTR070896

Contractor: **CDW Government LLC**

Participating Entity: **State of Arizona**

The following products or services are included in this contract portfolio:

- *All services, products and accessories listed on the Contractor page of the NASPO ValuePoint website.*

Master Agreement Terms and Conditions:

1. Scope: This addendum covers the Software, Support, Maintenance and Services as defined in the SOW, and that is led by the State of Arizona "Lead State", Master Agreement number CTR060021 "MA" for use by state agencies and other entities located in the State of Arizona authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.
2. Participation: This NASPO ValuePoint Master Agreement may be used by the State of Arizona, and its departments, agencies, boards, commissions, universities, and other entities authorized to use statewide contracts in the State of Arizona. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Luke Anderson
Address:	625 W Adams St, Chicago, IL 60661
Telephone:	(847) 419-7416
Email:	lukeand@cdwg.com

Participating Entity

Name:	Eric Bell
Address:	100 N 15th Ave, Suite 305
Telephone:	602-542-8921
Email:	eric.bell@azdoa.gov

4. **Participating Entity Modifications or Additions To The Master Agreement**
These modifications or additions apply only to actions and relationships within the Participating Entity.
Participating Entity must check one of the boxes below:

[___] No changes to the terms and conditions of the Master Agreement are required.

[x] The following changes are modifying or supplementing the Master Agreement terms and conditions.

4.1. Definition

4.1.1. "Contract" For the purpose of this Participating Addendum, the term Contract refers to the NASPO ValuePoint Master Agreement resulting from the NASPO ValuePoint Solicitation, as defined therein, and as modified by this Participating Addendum (including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work) and any Amendments to either the NASPO ValuePoint Master Agreement or the Participating Addendum.

4.2. The following attachments are hereby incorporated into this Participating Addendum "MPA":

4.2.1. Attachment A – State of Arizona Special Terms and Conditions are changed as attached herein

4.2.2. Attachment B – State of Arizona Uniform Terms and Conditions

4.2.3. Attachment C – Participation In Boycott of Israel

4.2.4. Attachment D – Annual Forced Labor of Ethnic Uyghurs Ban Certification for Off-Contract Purchases

4.2.5. Attachment E – Statement of Work are changed as attached herein

4.2.6. Attachment F – Conformance Statements (including Exception Tracker)

5. Subcontractors: All contactors, dealers, and resellers authorized in the State of Arizona, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

6. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

Software Value Added Reseller (SVAR)

Lead by the State of Arizona

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: State of Arizona	Contractor: CDW Government LLC
Signature:	Signature:
Name: John Red Horse	Name: Dario Bertocchi
Title: Senior Procurement Group Manager	Title: Vice President, Contracting Operations
Date: 4/9/2024	Date: 4/9/2024

JH

Effective Date: 4/9/2024

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

Cooperative Development Coordinator:	Nick Hughes
Telephone:	385-210-0310
Email:	nhughes@naspo.org

[Please email fully executed PDF copy of this document to

PA@naspovaluepoint.org

to support documentation of participation and posting in appropriate data bases.]

STATE OF ARIZONA SPECIAL TERMS AND CONDITIONS

The Special Terms and Conditions modify the Uniform Terms and Conditions. It can modify them by replacing, deleting, appending to, or revising the text of an existing provision or by inserting a new paragraph into an existing article. No other document modifies or adds to the Uniform Terms and Conditions, except as may subsequently be otherwise and expressly agreed and incorporated by Contract Amendment.

1. Definition of Terms: As used in the Contract, the terms listed below are defined as follows:

   1.1. Acceptance: The document titled "Offer and Acceptance Form" bearing the state contract number once Procurement Officer has signed it to signify (1) State's formal acceptance of the Accepted Offer and (2) the formation of the Contract. For clarity of intent, the foregoing is not to be confused with the term "acceptance" used throughout the Contract in the context of delivery, inspection, etc., with respect to Materials or Services.

   1.2. Accepted Offer:

      1.2.1. If State did not request a Revised Offer, then "Accepted Offer" means the Initial Offer.

      1.2.2. If State requested a Revised Offer but not a Best and Final Offer, then "Accepted Offer" means the latest Revised Offer.

      1.2.3. If State requested a Best and Final Offer, then "Accepted Offer" means the Best and Final Offer.

   1.3. Arizona Procurement Code: The Arizona Procurement Code consists of Arizona Revised Statutes (A.R.S.) §§ 41-2501 *et seq.* and Arizona Administrative Code (A.A.C.) R2-7-101 *et seq.* There is additional information in the Solicitation Instructions regarding how to access these state statutes and rules.

   1.4. Arizona Transaction Privilege Tax (TPT): For information, refer to the Arizona Department of Revenue (DOR) website at: https://azdor.gov/transaction-privilege-tax-tpt

   1.5. Attachment.

   Any item that:

      1.5.1. The Solicitation required Offeror to submit as part of the Offer (e.g., Initial Offer, Revised Offer, or Best and Final Offer);

      1.5.2. Was attached to an Offer when submitted; and

      1.5.3. Was included in the Accepted Offer.

1.6. Pricing Document: The Pricing Section of the Special Terms and Conditions; provided that, if there is no such Section in the Contract, then "Pricing Document" is to be construed as referring to whatever item in the Contract contains the contracted pricing and payment provisions.

1.7. Contract Terms and Conditions: The Special Terms and Conditions and the Uniform Terms and Conditions taken collectively.

1.8. Contractor: The Person identified on the Accepted Offer who has entered into the Contract with the State.

1.9. Contractor Indemnitor: Contractor or any of its owners, officers, directors, agents, employees, or Subcontractors.

1.10. Co-Op Buyer: A member of the State Purchasing Cooperative that has entered into a "Cooperative Purchasing Agreement" with the Arizona Department of Administration State Procurement Office under A.R.S. § 41-2632. Unless there is an applicable Cooperative Purchasing Agreement in effect at the time, a State Purchasing Cooperative member cannot be a Co-Op Buyer. For reference, "Co-Op Buyer" is to be construed as encompassing an "eligible procurement unit" under A.A.C. R2-7-101(23).

NOTE: Membership in the State Purchasing Cooperative is open to all Arizona political subdivisions, including cities, counties, school districts, and special districts. Membership is also available to non-profit organizations, other state governments, the federal government and tribal nations. For reference, "non-profit organizations" are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the I.R.S. under Section 501(c)(3) through 501(c)(6) of the tax code.

1.11. Eligible Agency:

1.11.1. If the Special Terms and Conditions indicate that the Contract is a "single-agency" contract, then "Eligible Agency" means the particular State of Arizona agency, university, commission, or board identified therein.

1.11.2. If the Special Terms and Conditions indicate that the Contract is a mandatory statewide contract, then "Eligible Agency" means any State of Arizona department, agency, university, commission, or board.

1.11.3. If the Special Terms and Conditions indicate that the Contract is a "cooperative" contract available for use by Co-Op Buyers, then "Eligible Agency" means any State of Arizona department, agency, university, commission, board, or any Co-Op Buyer.

1.12. Instructions to Offerors: "Instructions to Offerors" means the Solicitation Instructions document of the Solicitation.

1.13. Order: The instrument by which the Eligible Agency or Co-Op Buyer authorizes a Contractor to perform some or all of the Work. Whether the Contract will have one Order or many Orders depends on the scope of the Contract and how the State will use it. The Special Terms and Conditions provide that information. Any of the following are construed as an "Order": "Purchase order," "task order," "service order," or "job order".

1.14. The State's eProcurement System: The State's official electronic procurement system, established pursuant to A.A.C. R2-7-201 as set forth in the Arizona Department of Administration State Procurement Office policy document Technical Bulletin No. 020, The State's eProcurement System–The Official State eProcurement System. Technical Bulletin No. 020 is available online at:

https://spo.az.gov/sites/default/files/documents/files/TB_020_APP_20181024.pdf

1.15. State: With respect to the Contract generally, "State" means the State of Arizona and its department, agency, university, commission, or board that has executed the Contract. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Order, "State" means each Eligible Agency or Co-Op Buyer who has issued the Order.

1.16. State Indemnitees: Collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.

1.17. Work: The totality of the Materials and the Services and all the acts of administration, creation, production, and performance necessary to fulfill and incidental to fulfilling all of Contractor's obligations and duties under the Contract in conformance with the Contract and applicable laws.

2. Contract Interpretations

2.1. Usage. Where the Contract:

2.1.1. assigns obligations to Contractor, any reference to "Contractor" is to be construed to be a reference to the Contractor and all Subcontractors, whether they are first-tier Subcontractors, sub-subcontractors, suppliers, sub-suppliers, consultants, or sub-consultants, as well as all of Contractor's and the Subcontractor's respective agents, representatives, and employees in every instance unless the context plainly requires that it is a reference only to Contractor as apart from Subcontractors.

2.1.2. uses the permissive "may" with respect to a party's actions, determinations, etc., the terms is to be interpreted as in A.A.C. R2-7-101(32) [*Definitions*]. For clarity of intent, any right given to State using "State may" or a like construction denotes

discretion and freedom to act so far as any regulatory or operative constraints permit in the relevant circumstances, provided that: (a) where written "may, at its discretion," the discretion extends to whatever is most advantageous to State; and (b) where written only as "may," the discretion is constrained by what is fair, reasonable, and as accommodating of the respective best interests of both parties as practicable under the circumstances;

2.1.3. uses the imperative "shall" with respect to a party's actions, duties, etc., the term is to be interpreted as in A.A.C. R2-7-101(44) [*Definitions*]. Conversely, the phrase "shall not" is to be interpreted as an imperative prohibition.

2.1.4. uses the term "must" with respect to a requirement, criterion, etc., the term is to be interpreted as conveying compulsion or strict necessity;

2.1.5. uses the term "might" with respect to an event, outcome, action, etc., the term is to be interpreted as conveying contingency or non-discretionary conditionality; and

2.1.6. uses the term "will" or the phrases "is to be" or "are to be" with respect to an event, outcome, action, etc., the term or phrase is to be interpreted as conveying such certainty or imperativeness that "shall" is either unnecessary or irrelevant in that instance.

2.2. Contract Order of Precedence

2.2.1. Complementary Documents. All of the documents forming the Contract are complementary. If certain work, requirements, obligations, or duties are set out only in one but not in another, Contractor shall carry out the Work as though the relevant Work, requirements, obligations, or duties had been fully described in all, consistent with the other documents forming the Contract and as is reasonably inferable from them as being necessary to produce complete results.

2.2.2. Conflicts. In case of any inconsistency, conflict, or ambiguity among the documents forming the Contract and their provisions, they are to prevail in the following order, descending from most dominate to most subordinate, provided that, among categories of documents or provisions having the same rank, the document or provision with the latest date prevails. Information being identified in one document, but not in another, is not to be considered a conflict or inconsistency.

2.2.2.1. Contract Amendments;

2.2.2.2. The final Solicitation Documents, in the following order:

(1) Special Terms and Conditions;

(2) Exhibits to the Special Terms and Conditions;

(3) Uniform Terms and Conditions;

(4) Scope of Work;

(5) Exhibits to the Scope of Work;

(6) Specifications; and

(7) Any other documents referenced or included in the Solicitation;

2.2.2.3. Orders, in reverse chronological order; and

2.2.2.4. Accepted Offer.

2.2.3. Attachments and Exhibits. For clarity of intent, if an item was an Attachment in the Solicitation Documents or an Offer (either Initial, Revised, Best and Final, or Accepted) and was subsequently made into an Exhibit, or its content was incorporated into one of the other Contract documents, then that Attachment no longer exists contractually as an "Attachment" since it has at that point been made into some other Contract document. In every other case, an Attachment and the Offeror data therein remain part of the Accepted Offer for purposes of precedence and contractual effect.

3. Contract Administration and Operation

3.1. Term of Contract. The term of the Contract will commence on the date indicated on the Acceptance and continue for forty-eight (48) months unless canceled, terminated, or permissibly extended.

3.2. Contract Extensions. State may at its discretion extend the initial Contract term in increments of one (1) or more months and do so one or more times, provided that the maximum aggregate term of the Contract including extensions cannot exceed the maximum aggregate term of five (5) years nor can it exceed the Master Agreement Expiration Date.

3.3. Notices and Correspondence

3.3.1. To Contractor. State shall address all Contract correspondence other than formal notices to the email address indicated as "Default for Type" for "General Mailing Address" in Contractor's corresponding State's eProcurement System Vendor Profile; and address any required notices to Contractor to the "Contact Name and Title" at the "Mailing Address" indicated on the Accepted Offer, as that address might have been amended during the term of the Contract.

3.3.2. To State. Contractor shall address all Contract correspondence other than format notices to the email address indicated in "Contact Instructions" in the State's eProcurement System Summary for State; and address any required notices to State via email to the Procurement Officer identified as "Purchaser" in the State's eProcurement System and via mail to the following mailing address:

Arizona Department of Administration
State Procurement Office
100 N 15th Avenue, Suite 305
Phoenix, AZ 85007

3.3.3. Changes. State may change the designated Procurement Officer, update contact information, or change the applicable mailing address.

3.4. Signing of Contract Amendments. Contractor's counter-signature (or "approval" in the State's eProcurement System, in the case of an amendment) is not required to give effect if the Contract Amendment only covers either:

3.4.1. extension of the term of the Contract within the maximum aggregate term; or

3.4.2. modifications of a clerical nature that have no effect on terms, conditions, price, scope, or other material aspect of the Contract.

In every case other than those listed in 3.4.1 and 3.4.2 above, both parties' signatures (or "approval" in the State's eProcurement System in the case of an Amendment) are required to give it effect.

3.5. Click-through Terms and Conditions. If either party uses a web-based ordering system, an electronic purchase order system, an electronic order acknowledgement, a form of an electronic acceptance, or any software based ordering system with respect to the Contract (each an "Electronic Ordering System"), the parties acknowledge and agree that an Electronic Ordering System is for ease of administration only, and Contractor is hereby given notice that the persons using Electronic Ordering Systems on behalf of State do not have any actual or apparent authority to create legally binding obligations that vary from the terms and conditions of the Contract. Accordingly, where an authorized State user is required to "click through" or otherwise accept or be made subject to any terms and conditions in using an Electronic Ordering System, any such terms and conditions are deemed void upon presentation. Additionally, where an authorized State user is required to accept or be made subject to any terms and conditions in accessing or employing any Materials or Services, those terms and conditions will also be void.

3.6. Books and Records

3.6.1. Retain Records. In addition to the audit rights detailed in the Uniform Terms and Conditions, State also requires that, pursuant to A.R.S. § 41-2548(B), Contractor shall retain and shall contractually require each Subcontractor to retain books and records relating to any cost and pricing data submitted in satisfaction of § 41-2543 for the period specified in the statute.

3.6.2. Usage Information. Additionally, any and all information (including, but not limited to, documentation or Data) related to Eligible Agency and Co-Op Buyer usage retained solely within the Contractor's system (for example, related to punch-out or Contractor catalog sales) shall be considered public information or information that can be shared with and distributed by the State freely and for any purpose under the State's government purpose rights detailed in Section 3 of the Uniform Terms and Conditions [Ownership of Intellectual Property]. Any modifications to this Contract notwithstanding, the State shall have free use of any and all information related to Eligible Agency or Co-Op Buyer purchasing. Upon request by the State, Contractor shall promptly provide the State with any usage information requested and shall not attempt to limit the State's use in any way.

3.6.3. Right To Audit. The retained books and records are subject to audit by State during that period. Pursuant to A.R.S. § 41-2548(B), Contractor shall retain and shall contractually require each Subcontractor to retain books and records relating to performance under the Contract for the period specified in the statute and those retained books and records are subject to audit by State during that period.

3.6.4. Auditing. Contractor or Subcontractor shall either make all such books and records under subparagraphs 3.6.1 and 3.6.2 available to State at all reasonable times or produce the records at a designated State office on State's demand, the choice of which being at State's discretion. For the purpose of this paragraph, "reasonable times" are during normal business hours and in such a manner so as to not unreasonably interfere with normal business activities.

3.7. Subcontract

3.7.1. Initial list. At the time of Contract execution, Contractor's candidate Subcontractors were identified in Attachment Proposed Subcontractors to the Accepted Offer [Proposed Subcontractors]. Agreeing to them being included in the Accepted Offer signified Procurement Officer's advance consent for Contractor to enter into a Subcontract with each candidate, which Contractor shall do as promptly as necessary to ensure its ability to carry out the Work in a timely manner.

3.7.2. Additional names. Contractor shall not enter into a Subcontract to perform Work under the Contract, without first obtaining Procurement Officer's written consent with any prospective Subcontractor that (a) was not listed on the Attachment Proposed Subcontractors at time of Contract execution or (b) is for any Materials or Services categories other than the ones for which they were previously consented. For either case (a) or (b), Contractor shall submit a written request sufficiently in advance of the need date for those materials or services so that performance under the Contract is not impaired. Procurement Officer may request any additional information he or she determines is necessary to assess the submittal, and may withhold consent pending it. Approval of additional subcontractors shall be added to the Contract by a bilateral Contract Amendment.

3.7.3. Flow-down. Contractor shall incorporate the provisions, terms, and conditions of the Contract into every Subcontract by inclusion or by reference, as appropriate. When making any post-execution consent requests, Contractor shall include its warrant that it will do the same for the pending Subcontracts covered by the request. Entering into Subcontracts will not relieve Contractor of any of its obligations or duties under the Contract, including, among other things, the duty to supervise and coordinate the work of Subcontractors. Nothing contained in any Subcontract will create or is to be construed as creating any contractual relationship between State and the Subcontractor.

3.8. Orders

3.8.1. Order Sufficiency. The Contract was awarded in accordance with the Arizona Procurement Code; the transactions and procedures required by the Arizona Procurement Code for competitive source selection have been met. An Order issued that cites the correct State contract number will suffice to authorize the Contractor to provide the Materials and perform the Services covered by that Order.

3.8.2. Order Terms. All Orders are subject to the Contract Terms and Conditions; an Order cannot modify the Contract Terms and Conditions. Any Contractor terms added to quotes or otherwise unilaterally added to Eligible Agency or Co-Op Buyer Orders are null and void.

3.8.3. Orders are Obligatory. Until the expiration or earlier termination of the Contract, State may issue and Contractor shall accept Orders that make proper reference to the Contract and are permissible hereunder, provided that, Contractor is not obliged to accept any Order that is not consistent with the then-current pricing, lead times, specifications, or payment provisions of the Contract. Contractor

shall fulfill and complete any Orders that are begun but not yet completed as of expiration or earlier termination of the Contract unless State instructs otherwise at the time.

3.8.4. No Minimums or Commitments. (a) Contractor shall not impose any minimum dollar amount, item count, services volume, or services duration on Orders; (b) State makes no commitment of any kind concerning the quantity or monetary value of activity actually initiated or completed during the term of the Contract; (c) Contractor shall only deliver or perform as authorized by Orders; and (d) State is not limited as to the number of Orders it may issue for the Contract. For clarity of intent, the foregoing applies equally whether an Eligible Agency issues the Order or, if applicable, a Co-Op Buyer issues it.

3.8.5. Non-contracted Materials or Services. Any attempt to knowingly represent for sales, marketing, or related purposes that Materials or Services not specifically awarded are under a State contract is a violation of the Contract and law.

3.9. Order Cancellations. State may cancel Orders within a reasonable period after issuance and at its discretion. The same method used for ordering will be used for cancellation.

3.9.1. If State cancels an Order, then State shall:

3.9.1.1. pay Contractor for any portion of the Materials and Services from that Order that have been properly delivered or performed as of the cancellation effective date; and

3.9.1.2. reimburse Contractor for actual, documented costs incurred in fulfilling the Order up to the cancellation effective date and the cost of any obligations incurred in fulfilling the Order up to the cancellation effective date that demonstrably cannot be canceled or that have pre-established cancellation penalties specified in the relevant Subcontracts, to the extent the penalties are reasonable and customary for the work in question.

3.9.2. Contractor shall not charge or be entitled to charge State for any new costs it incurs after receiving the cancellation notice; State is not liable for any Materials that were produced, shipped, or delivered, or Services that were performed before Contractor had acknowledged the corresponding Order.

3.9.3. State shall also be able to cancel Orders freely and without any further obligation at any time prior to Contractor's formal acknowledgement of the Order.

3.10. The Contract is a mandatory statewide contract (per A.A.C. R2-7-607) for multiple purchases, projects, or assignments, and a cooperative contract (per A.R.S. § 41-2632

and A.A.C. R2-7-1002(B)) that can be purchased against by some or all Eligible Agencies and any Co-Op Buyers that elect to participate. Even if only one Eligible Agency needs or elects to purchase against the Contract, it is to be construed as being a cooperative contract hereunder.

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

https://spo.az.gov/programs/cooperative

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

3.10.3. Contractor shall pay State an administrative fee against all Contract sales to Co-Op Buyers, as provided for under A.R.S. § 41-2633. The fee rate is one (1%) percent. Failure to remit the administrative fees is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Method of calculation, payment procedures, and other details are provided on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting.

3.10.4. Contractor shall submit to State a quarterly usage report documenting all Contract sales to both Eligible Agencies and Co-Op Buyers, itemized separately. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle the State to its remedies under Contract Terms and Conditions Section 8 and its right to terminate for default under Section 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

https://spo.az.gov/suppliers/usage-reporting.

3.10.5. Contractor shall acknowledge each Order from Eligible Agencies within one (1) business day after receipt by either: (a) “approving” the Order electronically in the State’s eProcurement System, which will indicate Contractor’s unqualified

acceptance of the Order as-issued; or (b) "rejecting" the Order electronically in the State's eProcurement System, with a concurrent explanation by email to relevant originator as to the reason for rejecting it. By way of reminder, the only grounds on which the Contractor may reject or refuse an Order are those set out in subparagraph 3.11.3 [*Orders are Obligatory*]. Unless and until Contractor has approved the Order in the State's eProcurement System, it will have no effect under the Contract and will not oblige either State or Contractor. If the relevant Eligible Agency explicitly instructs at the time that a verbal acceptance is sufficient because of urgency or other unusual circumstances and Contractor duly gives its verbal acceptance, then Contractor will be deemed to have accepted the Order immediately upon commencing performance, provided that, Contractor must follow-up its verbal acceptance by accepting the Purchase Order electronically in the State's eProcurement System within three (3) business days. Contractor shall thereafter be barred from subsequently rejecting the Order in the State's eProcurement System and if it does so the rejection will be void.

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

3.11. Multiple-Use Provisions. Eligible Agencies may issue Orders for Services in several forms, all of which become final and effective by a Purchase Order in the State's eProcurement System. Orders issued by Co-Op Buyers will be in whatever form the Co-Op Buyer normally uses. Regardless of origin, Orders must cite the State contract number to be valid. State may, at its discretion in each instance, determine the scope, schedule, and price for each Order in any of the following ways:

3.11.1. By choosing some or all of the Materials or Services items covered by the Contract for which a price is established in the Contract, then preparing an Order using those prices (e.g. filling out an order form), and sending it to the Contractor;

3.11.2. By instructing Contractor to provide a comprehensive proposal of item quantities, combinations, etc., or services hours, personnel, etc., for a defined scope using those established prices as a basis, then validating and negotiating the proposal with Contractor and issuing an Order if and when reaching agreement;

3.11.3. As described in 3.11.2 above but requesting the proposal from both Contractor and other vendors who are contracted within the applicable scope categories and locations, either sequentially or concurrently, then selecting the proposal or proposals combination that is most advantageous to State; or

3.11.4. As described in 3.11.3 above but introducing ad-hoc commercial competition by making the selection and ordering conditional on obtaining more favorable prices than the contractually-established ones.

3.12. Work on State Premises

3.12.1. Compliance with Rules. Contractor is responsible for ensuring that its personnel comply with State's rules, regulations, policies, documented practices, and documented operating procedures while delivering or installing Materials or performing Services on State's grounds or in its facilities. For clarity of intent, the foregoing means that if Contractor is required to comply with certain security requirements in order to deliver, install, or perform at that particular location, then it shall do so nonetheless and without entitlement to any additional compensation or additional time for performance if those particular requirements are not expressly stated in the Contract. Contractor is reminded that violation of the prohibition under A.R.S. § 13-1502 against possession of weapons on State's property by anyone for whom Contractor is responsible is a material breach of contract and grounds for termination for default.

3.12.2. Protection of Grounds and Facilities. Contractor shall deliver or install the Materials and perform the Services without damaging any State grounds or facilities. Contractor shall repair or replace any damage it does cause promptly and at its own expense, subject to whatever instructions and Restrictions State needs to make to prevent inconvenience or disruption of operations. If Contractor fails to make the necessary repairs or replacements in a timely manner, State will be entitled to exercise its remedies under paragraph 8.5 of the Uniform Terms and Conditions [Right of Offset].

3.13. Transitions

3.13.1. During commencement, Contractor shall attend transition meetings with any outgoing suppliers to coordinate and ease the transition so that the impact on State's operations is kept to a minimum. State may elect to have outgoing suppliers complete some or all of their Work or Orders in progress, even if that Work could be covered under the incoming supplier's Contract. Conversely, the State may have a continued need for the same Materials and Services upon expiration or earlier termination of the Contract. Accordingly, Contractor shall

work closely with any incoming supplier and State to ensure as smooth and complete a transition transfer as is practicable.

3.13.2. Eligible Agency or Co-Op Buyers representative will coordinate all transition activities and facilitate joint development of a comprehensive transition plan by both Contractor and the incoming supplier. As with the incoming transition, State may permit Contractor, when Contractor is outgoing, to complete work or orders in progress to ease the transition as is safest and most efficient in each instance.

4. Costs and Payments

4.1. Type of Pricing. Offeror shall include only firm, fixed pricing in the Offer.

4.2. Contractor's Best Pricing. Contractor warrants that, for the term of the Contract, the prices and discounts set out in the Attachments titled Pricing, including any subsequent agreed amendment to it (the "Contract Pricing"), shall be equal to or better than the lowest prices and largest discounts, both separately and in combination, at which Contractor sells equivalent services, items of equipment, and materials.

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

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

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

4.3. Pricing is all-inclusive, including any ancillary fees and costs required to accomplish the Scope of Work and all aspects of Contractor's offer as accepted by State.

4.3.1. Details of service not explicitly stated in the Scope of Work or in Contractor's Offer, but necessarily a part of, are deemed to be understood by Contractor and included herein. All administrative, reporting, or other requirements, all overhead costs and profit and any other costs toward the accomplishment of the requirements in the Contract are included in the pricing provided.

4.3.2. Additional Charges. Any charges or fees not delineated in the Contract shall not be added, billed, or invoiced under the Contract.

4.4. Price Increase. The State may review a fully documented request for a price increase. The requested increase shall be in writing and be based upon a cost increase to the contractor that was clearly unpredictable at the time of the offer and is directly correlated to the price of the product concerned. Contractor must provide conclusive evidence of a need for any price increases.

4.4.1. Initial Contract prices shall be honored for forty-eight (48) months after award of Contract.

4.4.2. All written requests for price adjustments made by the Contractor shall be initiated thirty (30) days in advance of any desired price increase to allow the State sufficient time to make a fair and equitable determination to any such requests. This may be waived upon proper documentation demonstrating the urgency of the request.

4.4.3. All price adjustments will be implemented by a formal Contract Amendment if approved. State shall determine whether the requested price increase or an alternate option is in the best interest of the State.

4.4.4. State expects Contractors to use Lean Six Sigma principles to reduce costs in their supply chain, and not simply pass new costs on to the State. If a price increase is requested, State will ask for evidence that Lean Six Sigma principles and tools have been used by Contractor to attempt to reduce costs in advance of any request for a price increase under the Contract.

4.5. Price Reductions. Price reductions shall be immediately passed along to State and may be submitted in writing to State for consideration at any time during the Contract period. The contractor shall offer State a price reduction on the Contract product(s) concurrent with a published price reduction made to other customers. The State at its own discretion may accept a price reduction. The price reduction request shall be in writing and include documentation showing the actual reduction of cost. Sales promotions requests shall include differences in pricing, begin, and end date of promotion along with the products covered.

4.6. Travel. Contractor shall request and receive written approval prior to any travel under the Contract in which reimbursement of expenses will be requested. Contractor will be reimbursed for actual expenses incurred in accordance with the current rates specified in the State's Travel Policy. Contractor shall itemize all per diem and lodging charges. State Travel Policy, including State rates, may be located at https://gao.az.gov/travel.

Eligible Agency or State shall reject any claim for travel reimbursement for which Contractor did not receive prior written approval.

4.7. Funding. No particular funding considerations apart from Uniform Terms and Conditions Sections 4.5 [Availability of Funds for the Next State Fiscal Year] and 4.6 [Availability of Funds for the Current State Fiscal Year] have been identified as of the Purchasing Addendum solicitation publication date.

4.8. Invoicing

4.8.1. Invoices Go To Ordering Entity. Contractor shall submit all billing notices or invoices to the ordering Eligible Agency or Co-Op Buyer at the address indicated on the applicable Order document or by utilizing the Ordering Entity's purchasing tool/process.

4.8.2. Minimum Invoice Requirements. Every invoice shall include the following information:

4.8.2.1. Bill-to name and address;
4.8.2.2. Contractor name and contact information;
4.8.2.3. Remit-to address;
4.8.2.4. Invoice number and date;
4.8.2.5. State contract number;
4.8.2.6. Order number (APP PO number);
4.8.2.7. Material or Service description (itemized);
4.8.2.8. Date(s) Services were performed or Materials were delivered;
4.8.2.9. Applicable payment terms;
4.8.2.10. Quantity delivered or performed;
4.8.2.11. Line item unit of measure;
4.8.2.12. Item price;
4.8.2.13. Extended pricing;
4.8.2.14. Receipt for pass-through expenses (if applicable);
4.8.2.15. Taxes (as a separate invoice line item), including the percentage used to calculate taxes;
4.8.2.16. Mailing fees (if applicable); and
4.8.2.17. Total invoice amount due.

4.8.3. No Invoice without Authorization. Contractor shall not seek payment for any:

4.8.3.1. Materials or Services that have not been authorized on an acknowledged Order;

4.8.3.2. Expediting, overtime, premiums, or upcharges absent State's express prior approval; or

4.8.3.3. Materials or Services that are the subject of a Contract Amendment that has not been fully signed by the Procurement Officer.

4.8.4. Submitting Invoices. Contractor shall submit an invoice to the ordering Eligible Agency or Co-Op Buyer using the form and/or process required by the ordering Eligible Agency or Co-Op Buyer. Every invoice must be signed by Contractor's authorized representative and accompanied by all supporting information and documentation required by the Contract and applicable laws.

4.8.5. Defective Invoices. Without prejudice to its other rights under the Contract or further obligation to Contractor, the ordering Eligible Agency or Co-Op Buyer may, at its discretion, reject any materially defective invoice.

4.8.5.1. The ordering Eligible Agency or Co-Op Buyer shall notify the Contractor within five (5) business days after receipt if it determines an invoice to be materially defective.

4.8.5.2. Invoices will be deemed automatically rejected upon delivery if they: are sent to an incorrect address, do not reference the correct State contract and Purchase Order number, or are payable to any Person other than the Contractor.

4.8.5.3. The ordering Eligible Agency or Co-Op Buyer shall have no obligation to pay against a defective invoice unless and until Contractor has re-submitted it free of defects.

4.9. Payments

4.9.1. Payment Deadline. State shall make payments in compliance with Arizona Revised Statutes Titles 35 and 41. Unless and then only to the extent expressly stated otherwise in the Pricing Section of the Special Terms and Conditions above, State shall make payment in full for Materials that have been delivered and accepted and Services that have been performed and accepted within the time specified in A.R.S. § 35-342, after both of the following occur: (a) all of the Materials being invoiced have been delivered or installed (as applicable) and accepted and all of the Services being invoiced have been performed and accepted; and (b) Contractor has provided a complete and accurate invoice in the form and manner called for in the Contract, provided that, State will not make or be liable for any payments to Contractor until Contractor has registered

properly in the State's eProcurement System and provided a current I.R.S. Form W-9 to State unless excused by law from providing one.

4.9.2. Payments Only To Contractor. Unless an assignment and assumption agreement has been reached between the Contractor and State pursuant to Section 5.2 of the Special Terms and Conditions [Assignment and Delegation] or the State has been otherwise compelled by operation of law or order of a court of competent jurisdiction, State will only make payment to Contractor under the federal tax identifier indicated on the Accepted Offer.

4.9.3. Payment. The applicable Eligible Agency or Co-Op Buyer shall pay undisputed amounts due to Contractor within the time period specified in Section 4 Costs and Payments of the Uniform Terms and Conditions.

4.9.4. Joint Checks or Direct Pay. Applicable Eligible Agency or Co-Op Buyer may, but is under no obligation to, pay by joint check or to pay directly to any Subcontractor or other creditor to whom any portion of Contractor's requested payment is owed.

4.9.5. Recovery of Overpayment. If applicable, Eligible Agency or Co-Op Buyer determines that an overpayment has been made to Contractor on any prior invoice, it shall inform Contractor of the amount and date of the overpayment and may deduct the overpaid amount from amounts then or thereafter due to Contractor.

4.9.6. Purchasing Card. Applicable Eligible Agency or Co-Op Buyer may pay invoices for some or all Orders using a purchasing card. Any and all fees related to payment using a purchasing card (also called a p-card) are the responsibility of the Contractor. Unless otherwise stated in the Contract, there will be no additional fees or increase in prices associated with this method of payment.

4.9.7. Automated clearing house. Applicable Eligible Agency or Co-Op Buyer may pay invoices for some or all Orders through an Automated Clearing House (ACH). In order to receive payments in this manner from Eligible Agencies, the Contractor must complete an ACH Vendor Authorization Form (form GAO-618) within 30 (thirty) days after the effective date of the Contract. The form is available online at: https://gao.az.gov/publications/forms.

4.10. Applicable Taxes

4.10.1. Contractor to Pay All Taxes. State is subject to Arizona Transaction Privilege Tax (TPT). Therefore, Arizona TPT applies to all sales under the Contract and Arizona TPT is Contractor's responsibility (as seller) to remit. Contractor's failure

to collect Arizona TPT or any other applicable sales or use taxes from an Eligible Agency or Co-Op Buyer will not relieve the Contractor of any obligation to remit sales or use taxes that are due under the Contract or laws. Unless clearly stated otherwise in the Contract, all prices therein include Arizona TPT as well as every other manner of transaction privilege or sales/use tax that is due to a municipality or another state or its political subdivisions. Contractor shall pay all federal, state, and local taxes applicable to its operations and personnel.

4.10.2. Tax Indemnity. Contractor shall hold State harmless from any responsibility for taxes or contributions, including any applicable damages and interest, that are due to federal, state, and local authorities with respect to the Work and the Contract, as well as any related costs; the foregoing expressly includes Arizona TPT, unemployment compensation insurance, social security, and workers' compensation insurance.

5. Contract Changes

5.1. Assignment and Delegation

5.1.1. In Whole. Contractor shall not assign in whole its rights or delegate in whole its duties under the Contract without Procurement Officer's prior written consent, which consent Procurement Officer may withhold at his or her discretion. If Contractor's proposed assignment or delegation stems from a split, sale, acquisition, or other non-merger change in control, then no such consent will be given in any event without the assignee or delegate giving State satisfactory and equivalent evidence or assurance of its financial soundness, competency, capacity, and qualification to perform as that which Contractor possessed when State first awarded it the Contract.

5.1.2. In Part. Subject to Special Terms and Conditions sections 3.10 [Subcontracts] with respect to subcontracting, Contractor may assign particular rights or delegate particular duties under the Contract, but shall obtain Procurement Officer's written consent before doing so. Procurement Officer shall not unreasonably withhold consent so long as the proposed assignment or delegation does not attempt to modify the Contract in any way or to alter or impair State's rights or remedies under the Contract or state law.

6. Risk and Liability

6.1. Risk of Loss. Contractor shall bear all risk of loss to Materials while in pre-production, production, storage, transit, staging, assembly, installation, testing, and commissioning, if and as those duties are within the scope of the Work, until they have been accepted as conforming by State in the particular location and situation specified in the Order, or as

specified generally elsewhere in the Contract if the Order does not provide particulars, provided that, risk of loss for nonconforming Materials will remain with Contractor notwithstanding acceptance to the extent the loss stems from the nonconformance.

6.2. General Contractor Indemnification and Insurance Requirements

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

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

6.2.3. **Insurance Requirements. Addendum A to the Special Terms and Conditions: Contractor Insurance Requirements is incorporated herein as part of the Special Terms and Conditions.**

6.3. Patent and Copyright Indemnification. *[CONTRACTOR/VENDOR (NOT PUBLIC AGENCY)]*. With respect to Materials or Services provided or proposed by a Contractor Indemnitor for performance under the Contract, Contractor shall indemnify, defend and hold harmless State Indemnitees against any third-party claims for liability, costs, and expenses, including, but not limited to reasonable attorneys' fees, for infringement or violation of any patent, trademark, copyright, or trade secret by the Materials and the Services. With respect to the defense and payment of claims under this subparagraph:

6.3.1. State shall provide reasonable and timely notification to Contractor of any claim for which Contractor may be liable under this paragraph;

6.3.2. Contractor, with reasonable consultation from State, shall have control of the defense of any action on an indemnified claim including all negotiations for its settlement or compromise;

6.3.3. State may elect to participate in such action at its own expense; and

6.3.4. State may approve or disapprove any settlement or compromise, provided that, (i) State shall not unreasonably withhold or delay such approval or disapproval and (ii) State shall cooperate in the defense and in any related settlement negotiations.

If Contractor is a public agency, this section 6.3 does not apply.

7. Warranties

7.1. Warranties and Requirements Related to Information Technology. Addendum B: Warranties and Requirements Related to Arizona Information Technology Statewide Policies, Standards, and Procedures is incorporated herein as part of the Special Terms and Conditions.

8. General Provisions for Materials

8.1. Applicability. Section 12 applies to the extent the Work is or includes Materials.

8.2. Off-Contract Materials. Contractor shall ensure that the design and/or procedures for the Materials ordering method prevents Orders for items not included in the scope of the Contract (and for which no price or compensation has been established contractually) or specifically excluded items. Notwithstanding that State might have its own internal administrative rules regarding off-contract or excluded item ordering, and endeavors to prevent such orders from occurring, Contractor is responsible for not accepting any such

Orders. State may, at its discretion, return any such items under subparagraph 12.17 or cancel any such Order under subparagraph 12.18, in either case being without obligation and at Contractor's expense.

8.3. Compensation for Late Deliveries. Contractor shall have clear, published policies in place regarding late delivery, order cancellation, discounts, or rebates given to compensate for late deliveries, etc., and make them readily available to those Eligible Agencies, and Co-Op Buyers if applicable, that are likely to need them. If late deliveries have been specifically addressed in the Contract, the Contract shall take precedence over any such Contractor policies.

8.4. Indicate Shipping Costs on Order. Contractor shall identify and provide the required substantiating documentation for the amount it intends to add for shipping in the Order acknowledgment if shipping is additional to the contracted price or rate for an item; otherwise, Contractor shall indicate that shipping is included in the Order price (in other words, every Order must indicate clearly whether or not shipping is included in the Order price, and if not included, how much is to be added and why that amount is the correct or appropriate one).

8.5. Current Products. Contractor shall keep all products being offered under the Contract: (a) in current and ongoing production; (b) in its advertised product lines; (c) as models or types that are actively functioning in other paying customer environments; and (d) in conformance to the requirements of the Contract.

8.6. Maintain Comprehensive Selection. Contractor shall provide at all times the comprehensive selection of products for which a price is established in the Contract for ordering by Eligible Agencies, and Co-Op Buyers, if applicable.

8.7. Additional Products. State, at its discretion, may modify the scope of the Contract by Contract Amendment to include additional products or product categories so long as they are within the general scope of the ones originally covered by the Contract. Once the Contract Amendment has been fully executed, Contractor shall then update all applicable pricing and make the pricing available to all affected entities at no additional cost. Either party may make the request to add products to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional products, but State may elect not to add some or all of the products in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request shall include: (a) documentation demonstrating that the additional products meet or exceed the specifications for the original products while remaining in the same product groups as the original ones; and (b) documentation demonstrating that the proposed price for the additional products is both fair and reasonable and at the same level of discount relative to market price as were the original ones. Demonstration of *(b)*

typically requires showing how prices offered to a significant number of buyers compare to the prices or discounts proposed for the additional products.

8.8. Discontinued Products. If a product or groups of products covered by the Contract are discontinued by the manufacturer, Contractor shall notify State within five (5) business days after receiving the manufacturer's notification. State, at its discretion, may allow Contractor to provide substitutes for the discontinued products or delete the products from the scope of the Contract. The resulting change to the Contract will be formalized by Contract Amendment. Contractor shall then update all applicable pricing and make the pricing available to all affected entities at no additional cost. The parties shall negotiate in good faith a fair price for any substitute product, but State may elect to delete the products from the scope of the Contract if no agreement is reached on substitute pricing in a timely manner. When notifying State of any discontinuance, Contractor shall provide: (a) manufacturer's announcement or documentation stating that the products have been discontinued, with identification by model/part number; (b) documentation demonstrating that the substitute products meet or exceed the specifications for the discontinued products while remaining in the same product groups as were the discontinued ones; and (c) documentation demonstrating that the proposed price for the substitute products is both fair and reasonable and at the same level of discount relative to market price as were the discontinued ones.

8.9. Forced Substitutes. The Contractor shall not provide forced substitutions under the Contract; Contractor shall obtain State's prior written consent before making any discretionary substitution for any product covered by the Contract.

8.10. Recalls. In the event of a recall notice, technical service bulletin, or other important notification affecting a product offered under the Contract (collectively, "recalls" hereinafter), Contractor shall send timely notice to State for each applicable Order referencing the affected Order and product. Notwithstanding whatever protection Contractor might have under A.R.S. § 12-684, with respect to a manufacturer, Contractor shall handle recalls entirely and without obligation on State's part, other than to permit removal of installed products, retrieve stored products, and take any other reasonably necessary actions, to implement the recall.

8.11. Delivery Time. Unless stated otherwise in the Purchase Order, Contractor shall make delivery within two (2) business days after receiving each Order.

8.12. Delivery Locations. Contractor shall offer deliveries to every location served under the scope of the Contract, specifically

8.12.1. if the Contract is for a single State agency in a single area, then Contractor shall deliver to any agency location in that area;

8.12.2. if the Contract is for a single State agency in all its locations, then Contractor shall deliver to any of that agency's location in Arizona;

8.12.3. if the Contract is for cooperative use, but excludes certain areas, then Contractor shall deliver to any Eligible Agency or Co-Op Buyer location that is not in the excluded areas; and

8.12.4. if the Contract is for unrestricted mandatory statewide and cooperative use, then:

8.12.4.1. Contractor shall deliver to any Eligible Agency or Co-Op Buyer anywhere in Arizona;

8.12.4.2. if a prospective Co-Op Buyer outside Arizona wishes to order against the Contract, Contractor agrees to negotiate in good faith any fair and reasonable price or lead time adjustments necessary to serve that location if practicable to do so within the scope of its normal business; and,

8.12.4.3. if the Purchase Order indicates defined delivery areas and prices, those always apply unless the Order expressly states otherwise and Contractor accepts it.

8.13. Conditions at Delivery Location. Contractor shall verify receiving hours and conditions (e.g. height/weight restrictions, access control, etc.) with the relevant Eligible Agency or Co-Op Buyer for the receiving site before scheduling or making a delivery. Contractor shall make each delivery to the specific location indicated in the Order, which Contractor acknowledges might be inside an industrial building, institutional building, low-rise office building, or high-rise office building instead of a normal receiving dock. Contractor might be required to make deliveries to locations inside a secured perimeter at certain institutional facilities such as prisons where prior clearances are required for each delivery and driver individually. Contractor shall contact each such facility directly to confirm its most current security clearance procedures, allowable hours for deliveries, visitor dress code, and other applicable rules. State shall not pay extra charges for wait time, comebacks, or the like, nor excuse late deliveries if Contractor has failed to comply with this section.

8.14. Materials Acceptance. State has the right to accept Materials subject to a complete inspection on delivery and installation, if installation is Contractor's responsibility. State may require acceptance criteria, including, but not limited to, conformity to the Contract, workmanship, and quality under the Contract or for a specific Order. Contractor shall remove any rejected Materials from the delivery location, or from any area to which it might have been reasonably necessary to move it, and subsequently deliver an equal quantity of conforming items within a timeframe set by the Eligible Agency or Co-Op Buyer. State

shall not owe Contractor any payment for rejected Materials, and State may, at its discretion, withhold or make partial payment for any rejected Materials that have been returned to Contractor in those instances where State has agreed to permit repair instead of demanding replacement.

8.15. Correcting Defects. Contractor shall, at no additional cost and without entitlement to extension of any delivery deadline or specified time for performance, remove or exchange and replace any defective or non-conforming delivered or installed Materials.

8.15.1. Contractor shall be solely responsible for the cost of any associated cutting and patching, temporary protection measures, packing and crating, hoisting and loading, transportation, unpacking, inspection, repacking, reshipping, and reinstallation if installation is within the scope of the Contract.

8.15.2. If Contractor fails to do so in a timely manner, State will be entitled to exercise its remedies under the Contract, including but not limited to, paragraph 8.5 [*Right of Offset*] of the Uniform Terms and Conditions.

8.15.3. Whether State will permit Contractor to repair in place or demands that Contractor remove and replace is at State's discretion in each instance, provided that, State shall not apply that discretion punitively if repair in place is practicable and doing so would not create safety hazards, put property at risk, unreasonably interfere with operations, create public nuisance, or give rise to any other reasonable concern on State's part.

8.16. Returns. State may, at its discretion, return for full credit and with no restocking charges, any delivered Materials unused in the original packaging within thirty (30) days after receipt, regardless of acceptance. If State elects to return delivered Materials, then State shall pay delivery costs to return the products to the place from which Contractor shipped them. However, if State returns delivered Materials because they are defective or non-conforming or for any other reason having to do with Contractor fault or error, then State will not be responsible for any costs associated with returning the Materials and may, at its discretion, either have those billed directly to Contractor, offset them under paragraph 8.5 [*Right of Offset*] of the Uniform Terms and Conditions, or take any other appropriate actions under the Contract.

8.17. Product Safety. Materials as-shipped must comply with applicable safety regulations and standards. Unless expressly stated otherwise in the Scope of Work, State is not responsible for making any Materials safe or compliant following acceptance. Contractor shall only deliver Materials that are already safe and compliant with the warranties in the Contract Terms and Conditions.

8.18. Hazardous Materials. Contractor shall timely provide State with any "Safety Data Sheets" (SDS) and any other hazard communication documentation required under the United States Department of Labor's Occupational Safety and Health Administration (OSHA) "Hazard Communication Standard" (often referred to as the "HazCom 2012 Final Rule") that is reasonably necessary for State to comply with regulations when it or its other contractors install, handle, operate, repair, maintain or remove any Materials. Note that, in the past, those documents might have been referred to as "Material Safety Data Sheets" or "Product Safety Data Sheets", but State (and this Contract) use only the more up-to-date "SDS" reference. Contractor shall ensure that all its relevant personnel understand the nature of and hazards associated with, to the extent it they are Contractor's responsibility under the Contract, the design, shipping, handling, delivery, installation, repair and maintenance of any portion of the Work that is, contains or will become upon use a hazardous material, with "hazardous material" being any material or substance that is: (1) identified now or in the future as being hazardous, toxic or dangerous under applicable laws; or (2) subject to statutory or regulatory requirement governing special handling, disposal or cleanup.

9. General Provisions for Services

9.1. Applicability. Article 13 applies to the extent the Work is or includes Services.

9.2. Comprehensive Services. Contractor shall provide the comprehensive range of Services for which a price is established in the Contract for ordering by Eligible Agencies and Co-Op Buyers.

9.3. Additional Services. State at its discretion may modify the scope of the Contract by Contract Amendment to include additional Services or service categories that are within the general scope of the ones originally covered by the Contract. Once the Contract Amendment is fully executed, Contractor shall then update all applicable pricing and make them available to all affected entities at no additional cost. Either party may make the request to add Services to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional Services, but State may elect not to add some or all of the Services in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request shall include documentation demonstrating that the proposed price for the additional Services is both fair and reasonable and comparable to the original prices.

9.4. Off-Contract Services. Contractor shall ensure that the ordering process for the Services prevents Orders for Services not included in the scope of the Contract (and for which no price or compensation has been established in the Contract) or Services explicitly excluded from the Contract. Notwithstanding that State might have its own internal administrative rules regarding off-contract or excluded ordering of Services, and

endeavors to prevent such Orders from occurring, Contractor is responsible for not accepting any such Orders. State may, at its discretion, cancel any such Order without obligation.

9.5. Removal of Personnel. Notwithstanding that Contractor is in every circumstance responsible for hiring, assigning, directing, managing, training, disciplining, and rewarding its personnel, State may at its discretion, and without the obligation to demonstrate cause, instruct Contractor to remove any of its personnel from State's facilities or from further assignment under the Contract. In such cases, Contractor shall promptly replace removed personnel with other personnel that have equivalent qualifications, experience, and capabilities.

9.6. Accuracy of Work. Contractor is responsible for the accuracy of the Services, and shall promptly make all necessary revisions or corrections resulting from errors and omissions on its part without additional compensation. Acceptance by State shall not relieve Contractor of responsibility for correction of any errors discovered subsequently or necessary clarification of any ambiguities.

9.7. Requirements at Location of Services

9.7.1. Contractor personnel shall perform their assigned portions of the Services at the specific location indicated in the Order. Contractor acknowledges that the location might be inside an industrial building, institutional building, or one of various office types and classes.

9.7.2. If performing the Services requires Contractor personnel to work inside a secured perimeter at certain institutional facilities (including but not limited to prisons) where prior clearances are required, Contractor shall contact the facility directly in advance of performing the Services to confirm its current security clearance procedures, allowable hours for work, visitor dress code, and other applicable rules. State shall not pay any additional fees (including but not limited to service charges) or excuse late performance, if Contractor has failed to comply with these requirements.

9.8. Acceptance of Services. State has the right to accept Services subject to acceptance criteria. State may apply acceptance criteria to the Contract or a specific Order, which may include, but are not limited to, accuracy, completeness, conformance to requirements, or quality. State shall not pay Contractor for unaccepted Services, and State may, at its discretion, withhold or make partial payment for any rejected Services, while Contractor is in the process of re-performing or otherwise curing the grounds for State's rejection.

9.9. Corrective Action Required. Notwithstanding any other guarantees, general warranties, or particular warranties Contractor has given under the Contract, and in addition to any other rights and remedies available under the Contract, if Contractor fails to perform any

material portion of the Services including, but not limited to, failure to complete any contractual deliverable or failure to meet agreed-upon service levels or service standards set out in or referred to in the Contract, then Contractor shall perform a root-cause analysis to identify the source of the failure and use all commercially reasonable efforts to correct the failure and meet the Contract requirements as promptly as is practicable.

9.9.1. Contractor shall provide State a report detailing the identified cause and setting out its detailed corrective action plan promptly after the date the failure occurred (or the date when the failure first became apparent, if it was not apparent immediately after occurrence).

9.9.2. State may demand to review and approve Contractor's analysis and plans, and Contractor shall make any and all reasonable corrections State instructs and adopt State's recommendations, including any measures State determines to be necessary for employee or public safety, or the protection of property or the environment.

9.9.3. Contractor shall take the necessary action(s) to avoid any like failures in the future.

10. Data and Information Handling

10.1. Applicability. Article 14 applies to the extent the Work includes handling of any (1) State's proprietary and sensitive data or (2) confidential or access-restricted information obtained from State or from others at State's behest.

10.2. Data Protection and Confidentiality of Information. Contractor warrants that it will establish and maintain procedures and controls acceptable to State for ensuring that State's proprietary and sensitive data is protected from unauthorized access and information obtained from State or others in performance of its contractual duties is not mishandled, misused, or inappropriately released or disclosed. For purposes of this paragraph, all data created by Contractor in any way related to the Contract, provided to Contractor by State, or prepared by others for State are proprietary to State, and all information by those same avenues is State's confidential information. To comply with the foregoing warrant:

10.2.1. Contractor shall: (a) notify State immediately of any unauthorized access or inappropriate disclosures, whether stemming from an external security breach, internal breach, system failure, or procedural lapse; (b) cooperate with State to identify the source or cause and respond to each unauthorized access or inappropriate disclosure; and (c) notify State promptly of any security threat that could result in unauthorized access or inappropriate disclosures; and

10.2.2. Contractor shall not: (a) release any such data or allow it to be released or divulge any such information to anyone other than its employees or officers as needed for each person's individual performance of his or her duties under the

Contract, unless State has agreed otherwise in advance and in writing; or (b) respond to any requests it receives from a third party for such data or information, and instead route all such requests to State's designated representative.

10.3. Personally Identifiable Information. Without limiting the generality of paragraph 14.2, Contractor warrants that it will protect any personally identifiable information ("PII") belonging to State's employees or other contractors or members of the general public that it receives from State or otherwise acquires in its performance under the Contract. For purposes of this paragraph:

10.3.1. PII has the meaning given in the [federal] Office of Management and Budget (OMB) *Memorandum M-17-12 Preparing for and Responding to a Breach of Personally Identifiable Information, January 3, 2017*; and

10.3.2. "protect" means taking measures to safeguard personally identifiable information and prevent its breach that are functionally equivalent to those called for in that OMB memorandum and elaborated on in the [federal] General Services Administration (GSA) *Directive CIO P* 2180*.1 GSA Rules of Behavior for Handling Personally Identifiable Information*.

NOTE (1): For convenience of reference only, the OMB memorandum is available at:

https://dpcld.defense.gov/Privacy/Authorities-and-Guidance/

NOTE (2): For convenience of reference only, the GSA directive is available at:

https://www.gsa.gov/directive/gsa-rules-of-behavior-for-handling-personally-identifiable-information-(pii)-

10.4. Protected Health Information. Contractor warrants that, to the extent performance under Contract involves individually identifiable health information (referred to hereinafter as protected health information ("PHI") and electronic PHI ("ePHI") as defined in the Privacy Rule referred to below), it:

10.4.1. is familiar with and will comply with the applicable aspects of the following collective regulatory requirements regarding patient information privacy protection: (a) the "Privacy Rule" in CFR 45 Part 160 and Part 164 pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996; (b) Arizona laws, rules, and regulations applicable to PHI/ePHI that are not preempted by CFR45-160(B) or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and (c) State's current and published PHI/ePHI privacy and security policies and procedures;

10.4.2. will cooperate with State in the course of performing under the Contract so that both State and Contractor stay in compliance with the requirements in *(1)* above; and

10.4.3. will sign any documents that are reasonably necessary to keep both State and Contractor in compliance with the requirements in *(1)* above, in particular "Business Associate Agreements" in accordance with the Privacy Rule.

NOTE: For convenience of reference only, the Privacy Rule is available at:

http://www.hhs.gov/hipaa/for-professionals/privacy/index.html

11. Information Technology Work

11.1. Applicability. Article 15 applies to any Invitation for Bids, Request for Proposals, or Request for Quotations for "Information Technology," as defined In A.R.S. §18-101(6) "…all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects," if and to the extent that the Work is or includes Information Technology.

11.2. Background Checks. Each Contractor's personnel who is an applicant for an information technology position must undergo the security clearance and background check procedure, which includes fingerprinting, as required by A.R.S. § 41-710, Eligible Agency, or Co-Op Buyer. Contractor shall obtain and pay for the security clearance and background check. Contractor personnel who will have administrator privileges on a State network must additionally provide identity and address verification and undergo State-specified training for unescorted access, confidentiality, privacy, and data security

11.3. Information Access

11.3.1. System Measures. Contractor shall employ appropriate system management and maintenance, fraud prevention and detection, and encryption application and tools to any systems or networks containing or transmitting State's proprietary data or confidential information.

11.3.2. Individual Measures. Contractor personnel shall comply with applicable State policies and procedures regarding data access, privacy, and security, including prohibitions on remote access and obtaining and maintaining access identifications (IDs) and passwords. Contractor is responsible to State for ensuring that any State access IDs and passwords are used only by the person to whom they were issued. Contractor shall ensure that personnel are only provided the minimum only such level of access necessary to perform his or

duties. Contractor shall, on request, provide a current register of the access IDs and passwords and corresponding access levels currently assigned to its personnel.

11.3.3. Access Control. Contractor is responsible to State for ensuring that hardware, software, data, information, and that has been provided by State or belongs to or is in the custody of State and is accessed or accessible by Contractor personnel is only used in connection with carrying out the Work and is never commercially exploited in any manner whatsoever not expressly permitted under the Contract. State may restrict access of Contractor personnel, or instruct Contractor to restrict their access, if in its determination the requirements of this subparagraph are not being met.

11.4. Pass-Through Indemnity

11.4.1. Indemnity from Third Party. For computer hardware or software included in the Work as discrete units that were manufactured or developed solely by a third party, Contractor may satisfy its indemnification obligations under the Contract by, to the extent permissible by law, passing through to State such indemnity as it receives from the third-party source (each a "Pass-Through Indemnity") and cooperating with State in enforcing that indemnity. If the third party fails to honor its Pass-Through Indemnity, or if a Pass-Through Indemnity is insufficient to indemnify State Indemnitees to the extent and degree, Contractor is required to do by the Uniform Terms and Conditions, then Contractor shall indemnify, defend and hold harmless State Indemnitees to the extent the Pass-Through Indemnity does not.

11.4.2. Notification of Claims. State shall notify Contractor promptly of any claim to which a Pass-Through Indemnity might apply. Contractor, with reasonable consultation from State, shall control of the defense of any action on any claim to which a Pass-Through Indemnity applies, including negotiations for settlement or compromise, provided that:

11.4.2.1. State reserves the right to elect to participate in the action at its own expense;

11.4.2.2. State reserves the right to approve or reject any settlement or compromise on reasonable grounds and if done so timely; and

11.4.2.3. State shall in any case cooperate in the defense and any related settlement negotiations.

11.5. Systems and Controls. In consideration for State having agreed to permit Pass-Through Indemnities in lieu of direct indemnity, Contractor agrees to establish and keep in place

systems and controls appropriate to ensure that State funds under this Contract are not knowingly used for the acquisition, operation, or maintenance of Materials or Services in violation of intellectual property laws or a third party's intellectual property rights.

11.6. Redress of Infringement

11.6.1. Replace, License, or Modify. If Contractor becomes aware that any Materials or Services infringe, or are likely to be infringing, on any third party's intellectual property rights, then Contractor shall, at its sole cost and expense and in consultation with State, either:

11.6.1.1. replace any infringing items with non-infringing ones;

11.6.1.2. obtain for State the right to continue using the infringing items; or

11.6.1.3. modify the infringing items so that they become non-infringing, so long as they continue to function as specified following the modification.

11.6.2. Cancellation Option. In every case under 15.6.1, if none of those options can reasonably be accomplished, or if the continued use of the infringing items is impracticable, State may cancel the relevant Order or terminate the Contract, and Contractor shall take back the infringing items. If State does cancel the Order or terminate the Contract, Contractor shall refund to State:

11.6.2.1. for any software created for State under the Contract, the amount State paid to Contractor for creating it;

11.6.2.2. for all other Materials, the net book value of the product provided according to generally accepted accounting principles; and

11.6.2.3. for Services, the amount paid by State or an amount equal to twelve (12) months of charges, whichever is less.

11.6.3. Exceptions. Contractor will not be liable for any claim of infringement based solely on any of the following by a State Indemnitee:

11.6.3.1. modification or use of Materials other than as contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor;

11.6.3.2. operation of Materials with any operating software other than that supplied by Contractor or authorized or proposed by a Contractor Indemnitor; or

11.6.3.3. combination or use with other products in a manner not contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor.

11.7. First Party Liability Limitation

11.7.1. Limit. Subject to the provisos that follow below and unless stated otherwise in the Special Terms and Conditions, State's and Contractor's respective first party liability arising from or related to the Contract is limited to the greater of $1,000,000 (one million dollars) or three (3) times the purchase price of the specific Materials or Services giving rise to the claim.

11.7.2. Provisos. This paragraph limits liability for first party direct, indirect, incidental, special, punitive, and consequential damages relating to the Work regardless of the legal theory under which the liability is asserted. This paragraph does not limit liability arising from any:

11.7.2.1. Indemnified Claim against which Contractor has indemnified State Indemnitees under paragraph 6.2;

11.7.2.2. claim against which Contractor has indemnified State Indemnitees under paragraph 6.3; or

11.7.2.3. provision of the Contract calling for liquidated damages or specifying amounts or percentages as being at-risk or subject to deduction for performance deficiencies.

11.7.3. Purchase Price Determination. If the Contract is for a single-agency and a single Order (or if no Order applies), then "purchase price" in Subparagraph 15.7.1 above means the aggregate Contract price current at the time of Contract expiration or earlier termination, including all Contract Amendments having an effect on the aggregate price through that date. In all other cases, "purchase price" above means the total price of the Order for the specific equipment, software, or services giving rise to the claim, and therefore a separate limit will apply to each Order.

11.7.4. No Effect on Insurance. This paragraph does not modify the required coverage limits, terms, and conditions of, or any insured's ability to claim against any insurance that Contractor is required by the Contract to provide, and Contractor shall obtain express endorsements that it does not.

11.8. Information Technology Warranty

11.8.1. Specified Design. Where the Scope of Work for information technology, Work provides a detailed design specification or sets out specific performance requirements, Contractor warrants that the Work will provide all functionality material to the intended use stated in the Contract, provided that, the foregoing warranty does not extend to any portions of the Materials that are:

11.8.1.1. modified or altered by anyone not authorized by Contractor to do so;

11.8.1.2. maintained in a way inconsistent to any applicable manufacturer recommendations; or

11.8.1.3. operated in a manner not within its intended use or environment.

11.8.2. COTS Software. With respect to Materials provided under the Contract that are commercial-off-the-shelf (COTS) software, Contractor warrants that:

11.8.2.1. to the extent possible, it will test the software before delivery using commercially available virus detection software conforming to current industry standards;

11.8.2.2. the COTS software will, to the best of its knowledge, at the time of delivery be free of viruses, backdoors, worms, spyware, malware, and other malicious code that could hamper performance, collect unlawfully any personally identifiable information, or prevent products from performing as required by the Contract; and

11.8.2.3. it will provide a new or clean install of any COTS software that State has reason to believe contains harmful code.

11.8.3. Payment has no Effect. The warranties in this paragraph are not affected by State's inspection, testing, or payment.

11.9. Specific Remedies. Unless expressly stated otherwise elsewhere in the Contract, State's remedy for breach of warranty under paragraph 15.8 includes, at State's discretion, re-performance, repair, replacement, or refund of any amounts paid by State for the nonconforming Work, plus (in every case) Contractor's payment of State's additional, documented, and reasonable costs to procure materials or services equivalent in function, capability, and performance that was first called for. For clarification of intent, the foregoing obligations are limited by the limitation of liability in paragraph 14.7. If none of the foregoing options can reasonably be effected, or if the use of the materials by State is made impractical by the nonconformance, then State may seek any remedy available to it under law.

11.10. Section 508 Compliance. Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. §18-131 and §18-132 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

11.11. Cloud Applications. The following are required for Contractor of any cloud solution that hosts State data outside of the State's network or transmits and/or receives State data.

11.11.1. Submit a completed Arizona Baseline Infrastructure Security Controls assessment spreadsheet as found at: https://azdohs.gov/information-security-policies-standards-and-procedures, and mitigate or install compensating controls for any issues of concern identified by State. Contractor is required to provide any requested documentation supporting the review of the assessment. The assessment shall be re-validated on a minimum annual basis.

11.11.2. State reserves the right to conduct penetration tests or hire a third party to conduct penetration tests of the Contractor's application. Contractor will be alerted in advance and arrangements made for an agreeable time. Contractor shall respond to all serious flaws discovered by providing an acceptable timeframe to resolve the issue and/or implement a compensating control.

11.11.3. Contractor must submit a copy of system logs from the cloud system to the State of Arizona security team on a regular basis to be added to the State SIEM (Security Information Event Monitor) or IDS (Intrusion Detection System).

11.11.4. Contractor must employ a government-rated cloud compartment to better protect sensitive or regulated State data

Addendum A to the Special Terms and Conditions

1. Insurance Requirements

1.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

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

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

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

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

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

1.3.2 Business Automobile Liability

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

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

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

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

1.3.3 Workers' Compensation and Employers' Liability

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

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

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

1.4 Additional Insurance Requirements

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

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

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

1.5 Notice of Cancellation

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

1.6 Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

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

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

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

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

1.8 Subcontractors

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

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements

throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

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

End of Addendum A to the Special Terms and Conditions.

Addendum B to the Special Terms and Conditions

Warranties and Requirements Related to Arizona Information Technology Statewide Policies, Standards, and Procedures

1. Security Standards
   - 1.1. Security of the State's systems and data are of **utmost** importance to the State. In order to assure security from a personnel and operations perspective, Contractor shall comply with all requirements, in their entirety, as described in the statewide enterprise architecture; statewide Information Technology security policies, standards, and procedures; and any applicable agency-specific Information Technology security policies, standards, and procedures.
   - 1.2. Contractor shall follow the correct, current version of these policies, standards, and procedures. The current website for some of these policies, standards, and procedures is: Information Technology Policies, Standards and Procedures. Note that this link is provided for convenience only.
   - 1.3. For security reasons, some state facilities require non-state personnel to have escorts. If required by the state facility, Contractor personnel shall only be allowed inside of a State facility if accompanied by an escort designated by the State. This is applicable in Correctional facilities, Public Safety facilities, State Lottery, and other facilities as designated by the State.

2. Security Framework
   - 2.1. The State of Arizona information security policies and standards follow the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) and NIST SP 800-53 Rev. 5 Security and Privacy Guidelines may currently be located at: https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r5.pdf.
   - 2.2. The State has established a process to assess risk associated with storing, processing and/or transmitting State of Arizona data with external, non-State of Arizona, entities. The Arizona Risk and Authorization Management Program (AZRamp) was developed to ensure State and contractors meet these requirements. All contractors responding to State solicitations must successfully complete the AZRamp risk assessment based upon the data classification involved as determined by the data owner and Arizona Strategic Enterprise Technology (ASET) Department. Failure to successfully complete AZRamp assessment will be deemed as breach of contract.

2.3. In the State's sole discretion, the State may also accept current FedRamp and StateRamp certifications as evidence that the Contractor has met the State's risk assessment requirements.

2.4. Other forms of Cybersecurity Frameworks (CSF), Trust Documents, Self-Attestations, including, but not limited to, ISO/IEC, SOC 2 & 3, PCI, or HIPAA reports of compliance, may be reviewed as part of the State's risk assessment, but are not exclusive or conclusive evidence that the Contractor has met the State's risk assessment requirements.

3. Additional Security Requirements

3.1. Contractor shall comply with all security requirements requested by the State.

3.2. If an Arizona Risk and Authorization Management Program (AZRamp) is required, it will generally follow these steps, each of which shall be completed by the Contractor upon request by the State:

3.2.1. Contractor shall submit a completed Arizona Baseline Infrastructure Security Controls assessment spreadsheet with its Offer. The Arizona Baseline Infrastructure Security Controls assessment spreadsheet as found at: https://azdohs.gov/file/4357, and mitigate gaps or install compensating controls for any issues of concern identified by State.

3.2.2. Contractor shall provide Information Security documentation for the AZRamp assessment to include System Security Plan (SSP), Written Information Security Programs (WISP), or supporting written IT policies for review of the assessment.

3.2.3. Note regarding the confidential treatment of Contractor information:

3.2.3.1. The State of Arizona seeks a partnership with our supporting vendors, therefore, Non-Disclosure Agreements (NDA) for release to review submitted SSP's, WISP 's, or written IT policies will not be considered.

3.2.3.2. Submitted SSP's, WISP's, or written IT policies are deleted and not retained after AZRamp Authorization is granted.

3.2.3.3. Procedures for submission of documents considered confidential or proprietary are identified within this RFP.

3.2.3.4. Special secure transfer of documents related to this AZRamp review process may be made by contacting: AsetAssurance@azdoa.gov to make special arrangements for the transfer of these documents.

3.2.4. If applicable to this Solicitation, Contractor shall complete and submit with the Offer an unedited and signed State of Arizona Health Insurance Portability and Accountability Act (HIPAA) Business Associate Addendum (BAA).

3.2.5. All contract awards are contingent on the successful completion of the AZRamp 125 Low Impact (public information) or the AZRamp 325 Moderate (Confidential, PII, or PHI) Impact Control spreadsheet titled "Arizona Infrastructure Security Controls 2017 (Excel)," to be determined by the Enterprise Security, Privacy & Risk Compliance team. Low (Column E) and Moderate (Column F) Impact controls spreadsheet can be located here: https://azdohs.gov/file/4356.

3.3. The State reserves the right to conduct risk assessments, vulnerability assessments, black-box penetration tests or hire a third party to conduct risk assessments, vulnerability assessments, and black-box penetration tests of the Contractor's environment. Contractor will be alerted in advance and arrangements made for an agreeable time. Contractor shall respond to all flaws deemed serious by the State when discovered by providing an acceptable timeframe to resolve the issue and/or implement a compensating control(s).

3.4. Upon request, Contractor shall submit copies of system logs from Contractor's environment to the State of AZ security team in the format requested to be added to the State SIEM (Security Information Event Monitor) or IDS (Intrusion Detection System).

3.5. Contractor shall comply with all applicable State and Federal laws and regulations, including, but not limited to, the following (please note that the links are provided for convenience only and may change):

3.5.1. State of Arizona statewide policies, standards and procedures: https://azdohs.gov/information-technology-it-policies-standards-and-procedures;

3.5.2. Federal Information Security Modernization Act of 2014 (FISMA): https://csrc.nist.gov/topics/laws-and-regulations/laws/fisma;

3.5.3. OMB Circular A-130: https://www.federalregister.gov/documents/2016/07/28/2016-17872/revision-of-omb-circular-no-a-130-managing-information-as-a-strategic-resource;

3.5.4. National Cyber Strategy of the United States of America: https://www.cisa.gov/executive-order-strengthening-cybersecurity-federal-networks-and-critical-infrastructure;

3.5.5. Health Insurance Portability and Accountability Act (HIPAA) including Business Associate Agreement/ Health Information Technology for Economic and Clinical Health Act (HITECH): https://www.hhs.gov/hipaa/index.html;

3.5.6. Tax Information Security Guidelines For Federal, State and Local Agencies: Safeguards for Protecting Federal Tax Returns and Return Information (I.R.S. Publication 1075): https://www.irs.gov/pub/irs-pdf/p1075.pdf;

3.5.7. Criminal Justice Information Services Security Policy (CJIS): https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center;

3.5.8. Centers for Medicare & Medicaid Services (CMS), Minimum Acceptable Risk Standards for Exchanges (MARS-E): https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2-MARS-E-v2-0-Minimum-Acceptable-Risk-Standards-for-Exchanges-11102015.pdf;

3.5.9. A.R.S. Title 41, Chapter 41. Arizona Department of Homeland Security;

3.5.10. A.R.S. §18-104 - Arizona Department of Administration, Arizona Strategic Enterprise Technology (ADOA-ASET), Powers and duties of the agency: https://www.azleg.gov/arsDetail/?title=18;

3.5.11. A.R.S. §18-105 - Statewide Information Security and Privacy Office (SISPO): https://www.azleg.gov/viewdocument/?docName=http%3A//www.azleg.gov/ars/18/00105.htm;

3.5.12. A.R.S. §18-551 - Definitions Information Security Including PII: https://www.azleg.gov/ars/18/00551.htm;

3.5.13. A.R.S. §18-552 - Notification of security system breaches; requirements; enforcement; civil penalty; preemption; exceptions: https://www.azleg.gov/ars/18/00552.htm;

3.5.14. Arizona Executive Order 2008-10 – Mitigating Cyber Security Threats: https://aset.az.gov/node/192;

3.5.15. SIPC Memorandum of Understanding (MOU): https://www.sipc.org/about-sipc/;

3.5.16. State Environmental policies: https://azdeq.gov/LawsAndRules;

3.5.17. Family Education Rights Privacy Act (FERPA): https://www2.ed.gov/policy/gen/guid/fpco/ferpa/index.html?src=rn;

3.5.18. Driver's Privacy Protection Act (DPPA): https://azdot.gov/motor-vehicles/driver-services/driver-license-information/motor-vehicle-records;

3.5.19. Incident Response Reporting program and system: https://aset.az.gov/sites/default/files/P8240%20Incident%20Response%20Planning_Sept2018_0.pdf;

3.5.20. Privacy Incident Reporting policy and standards: https://aset.az.gov/sites/default/files/STANDARD%208240%20INCIDENT%20RESPONSE%20PLANNING.pdf;

3.5.21. State of Arizona Library, Archives and Public Records, Records Management Division, General Retention Schedules https://azlibrary.gov/arm/policies; and

3.5.22. Payment Card Industry (PCI) Security Standards including but not limited to Supplemental Documents, Information Supplements and Validation Requirements: https://www.pcisecuritystandards.org.

End of Addendum B to the Special Terms and Conditions.

STATE OF ARIZONA UNIFORM TERMS AND CONDITIONS Version 10.1

1. Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

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

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

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

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

1.5. "Data" means recorded information, regardless of form or the media on which it may be recorded. The term may include technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

1.6. "Days" means calendar days unless otherwise specified.

1.7. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation generally containing maps, schematics, examples of reports, or other documents that will be used to perform the requirements of the Scope of Work after contract award.

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

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

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

1.11. "Services" means the furnishing of labor, time or effort by a Contractor or Subcontractor which

does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

1.12. "State" means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.

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

1.14. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a Subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any Materials or any Services required for the performance of the Contract.

1.15. "Subcontractor" means a person who contracts to perform work or render Services to a Contractor or to another Subcontractor as a part of a Contract with the State.

2. Contract Interpretation

2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

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

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

2.3.1. Special Terms and Conditions;
2.3.2. Uniform Terms and Conditions;
2.3.3. Statement or Scope of Work;
2.3.4. Specifications;
2.3.5. Attachments;
2.3.6. Exhibits; then
2.3.7. Any other documents referenced or included in the Solicitation including, but not limited to, any Bid or Offer documents provided by the Contractor that do not fall into one of the above categories.

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

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

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

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

3. Contract Administration and Operation

3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2. Non-Discrimination. The Contractor shall comply with State Executive Orders No. 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

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

3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines

non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

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

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

3.7. Continuous Improvement. Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. State may require Contractor to engage in continuous improvements throughout the term of the Contract.

3.8. Other Contractors. State may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.

3.9. Ownership of Intellectual Property

3.9.1. Rights In Work Product. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product

as and when it was delivered to State.

3.9.2. "Government Purpose Rights" are:

3.9.2.1. the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;

3.9.2.2. the right to release or disclose that work product to third parties for any State government purpose; and

3.9.2.3. the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.

3.9.3. "Government Purpose Rights" do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.

3.9.4. Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.

3.9.5. Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:

3.9.5.1. any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;

3.9.5.2. any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and

3.9.5.3. except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing Materials.

3.9.6. Developments Outside Of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.

3.10. Property of the State. If there are any materials that are not covered by Section 3.9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

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

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

3.13. Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.

3.14. Certifications Required by State Law.

3.14.1. If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq*. and will refrain from any such boycott for the duration of this Contract.

3.14.2. Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

4. Costs and Payments

4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of Materials or Services, the Contractor shall submit a

complete and accurate invoice for payment from the State within thirty (30) days.

4.2. Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. ("free on board") Destination and shall include all freight delivery and unloading at the destination.

4.3. Firm, Fixed Price. Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.

4.4. Applicable Taxes

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

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

4.4.3. Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

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

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

4.6. Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:

4.6.1. Accept a decrease in price offered by the Contractor;
4.6.2. Cancel the Contract; or
4.6.3. Cancel the Contract and re-solicit the requirements.

5. Contract Changes

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

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer as described in Arizona State Procurement Office Standard Procedure 002. The Contractor shall clearly list any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

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

6. Risk and Liability

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

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency).To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. This

indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation Insurance and Indemnification Guidelines for State of Arizona Contracts Professional Service Contracts against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

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

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

6.4. Force Majeure.

6.4.1. Except for payment of sums due, neither the Contractor nor State shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-

intervention-acts, failures or refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

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

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

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

6.4.3. If either the Contractor or State is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

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

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

7. Warranties

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

7.2. Quality. Unless otherwise modified elsewhere in the Special Terms and Conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the Materials, they shall be:

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

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

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

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

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

7.3. Conformity to Requirements.

7.3.1. Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:

7.3.1.1. Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;

7.3.1.2. Be free from defects of material and workmanship;

7.3.1.3. Conform to or perform in a manner consistent with current industry standards; and

7.3.1.4. Be fit for the intended purpose or use described in the Contract.

7.3.2. Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until State's explicit acceptance of the Materials or Services.

7.4. Inspection/Testing. The warranties set forth in this Section 7 [Warranties] are not affected by inspection or testing of or payment for the Materials or Services by the State.

7.5. Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further

warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.

7.6. Compliance With Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.

7.7. Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.

7.8. Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.

7.9. Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.3 [Assignment and Delegation] that expressly recognizes the event.

7.10. Performance in Public Health Emergency. Contractor warrants that it will:

7.10.1. Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:

7.10.1.1. Identification of response personnel by name;

7.10.1.2. Key succession and performance responses in the event of sudden and significant decrease in workforce; and

7.10.1.3. Alternative avenues to keep sufficient product on hand or in the

supply chain.

7.10.2. Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under paragraph 6.4 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.

7.10.3. A request from the State related to this paragraph 7.10 does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.

7.10.4. Failure to have or implement an appropriate plan will be a material breach of contract.

7.11. Lobbying

7.11.1. Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, *et seq.*, using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. Contractor shall implement and maintain adequate controls to assure compliance with above. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.

7.11.2. Exception. This paragraph 7.11 does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.

7.12. Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.

7.13. Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.

7.14. False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement, or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.

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

7.15.1. Survival of Warranty. All representations and warranties made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.

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

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

8. State's Contractual Remedies

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

8.2. Stop Work Order.

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

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

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

8.4. Nonconforming Tender. Materials or Services supplied under this Contract shall fully comply with the Contract. The delivery of Materials or Services or a portion of the Materials or Services that do not fully comply constitutes a breach of contract. On delivery of nonconforming Materials or Services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

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

9. Contract Termination

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

9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State with the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three (3) times the value of the Gratuity offered by the Contractor.

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

9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.

9.5. Termination for Default.

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

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

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

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

10. Contract Claims

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

11. Arbitration

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

END OF ATTACHMENT B: UNIFORM TERMS AND CONDITION

Boycott of Israel Disclosure

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than $100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel."

Under A.R.S. §35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:

   (a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
   (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, Limited Liability Company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.

3. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. *See* A.R.S. §35-393.03.

In compliance with A.R.S. §§35-393 *et seq.*, all offerors must select one of the following:

X The Company submitting this Offer **does not** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. §§35-393 *et seq*. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.

	Attachment C **Boycott of Israel Disclosure** **PARTICIPATING ADDENDUM** **Software Value Added Reseller (SVAR)**	Arizona Department of Administration State Procurement Office 100 N 15th Avenue Phoenix, AZ 85007

□ The Company submitting this Offer **does** participate in a boycott of Israel as described in A.R.S. §§35-393 *et seq*.

□ **Exempt Solicitation, Contract, or Contractor.**

Indicate which of the following statements applies to this Contract:

□ Solicitation or Contract has an estimated value of less than $100,000;
□ Contractor is a sole proprietorship;
□ Contractor has fewer than ten (10) employees; and/or
□ Contractor is a non-profit organization.

CDW Government LLC	JH
Company Name	Signature of Person Authorized to Sign
625 W Adams St	Dario Bertocchi
Address	Printed Name
Chicago, IL 60661	Vice President, Contracting Operations
City State Zip	Title

END OF ATTACHMENT C: BOYCOTT OF ISRAEL

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Justin Emerick, Project Manager, Water Services

Co-Submitter: Mac McNamara

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Contract: Design of Lake Mary Raw Waterline Replacement Project, Lake Mary Raw Water Pump Station to the Lake Mary Water Treatment Plant.

STAFF RECOMMENDED ACTION:

1. Approve the professional services contract with Ardurra Group, Inc. allowing the Water Services Engineering Team to proceed with the development of a design to replace the aging and failure-prone 1963 raw waterline from the Lake Mary Raw Water Pump Station - located at Lower Lake Mary - to the Lake Mary Water Treatment Plant; and
2. Authorize the City Manager to execute all necessary documents

Executive Summary:

The 27-inch Lake Mary Raw Waterline was installed in 1963 and is able to deliver up to 8 million gallons of Lake Mary lake water to the Lake Mary Water Treatment Plant for treatment and distribution each day. This water source represents our largest single source of water for the City of Flagstaff. At the time of installation, this pipeline had a projected 50-year life expectancy. Due to the number of years this pipeline has been in service, along with other environmental factors including the surrounding aggressive soil chemistry, abrasion due to the limestone geology where this pipeline is perched, and other factors, the pipeline needs to be replaced at this time.

In the fall of 2025, a solicitation requesting statements of qualifications (RSOQ) was made by the City. Through the RSOQ selection process conducted, Ardurra Group, Inc. was selected as the most qualified design engineering firm to produce a design for the replacement of this critical piece of infrastructure. Issues with this water pipeline cause slowing and cessation of surface water production at the Lake Mary Water Treatment Plant, removing a large portion of our water production capacity while repairs are made under time-sensitive conditions. Water Services would like to move forward with this design to begin the process of replacing this pipeline that is critical to meeting our City's water demand.

Financial Impact:

Project Name:Lake Mary Raw Waterline Replacement Project - **Design**
Cost: $482,995.00
Account Number Budgeted: 202-08-370-3547-0
FY Budgeted Amount:$550,000.00
Grant Funded:No
Funding Source: Drinking Water Fund

Policy Impact:

This design effort will ultimately increase our ability to meet the current and future water needs for the City of

Flagstaff. The success of this Project will increase our system resiliency and modernize the mechanical and electrical systems that develop surface water resources for our customers. Current Water Services Capital Improvement Program policy seeks to replace aging water infrastructure to reduce the risks of interruptions in the system, and increase resiliency and reliance.

Previous Council Decision or Community Discussion:
The project is funded by the Council-approved Capital Improvements Budget.

Options and Alternatives to Recommended Action:

- Approve the contract with Ardurra Group, Inc. in the amount of $482,995.00 for design of the Lake Mary Raw Waterline Replacement Design Project and proceed with this design effort.
- Do not approve the contract with Ardurra Group, Inc. and do not proceed with design work on the Lake Mary Raw Waterline.

Background and History:
Over 5 miles of 27-inch Lake Mary Raw Waterline was designed and installed in 1963 to convey up to 8 million gallons of Lake Mary water from the Lake Mary Raw Water Pump Station to the Lake Mary Water Treatment Plant. This waterline replaced the previous 12-inch line that had served the City of Flagstaff since 1941. The 1963 waterline had a projected life expectancy of 50 years and has exceeded that, admirably, by thirteen years. This pipeline is beginning to show its age however, with more frequent and catastrophic failures as factors such as abrasion and corrosion are taking their toll. The loss of this crucial water source during these failure events is intolerable as the Lake Mary Water Treatment Plant provides the majority of our daily water production. Replacement sections of this increasingly rare steel reinforced concrete cylinder pipe, are very expensive and very difficult to source as modern pipe designs have made it all but obsolete. These new replacement sections must be specially manufactured to specifications and installed by specialists trained in working on this type of exotic and historic pipe material. Two recent failures of this pipeline this year alone (2025), have totaled roughly $380,000.00 in emergency repair costs and resulted in over 3 weeks of downtime of Lake Mary water production and the closure of Lake Mary Road for roadway repairs.

The Purchasing section posted a Request for Statements of Qualifications (RSOQ) solicitation for design on June 6, 2025, on the PlanetBids website, and advertised it in the Arizona Daily Sun newspaper on June 14 & 21, 2025. There were 2 Statements of Qualifications received by the due date of July 8, 2025. After reviewing of the Statements of Qualifications received from the interested firms, the RSOQ evaluation panel of six (6) professionals in and outside the City selected the highest scoring firm, Ardurra in August 2025 to move forward in negotiations.

This new contract will allow the chosen firm, Ardurra, to design Lake Mary Raw Water Pipeline Project.

Staff is requesting approval of RSOQ Design Services Contract No.: 2025-11 with Ardurra Engineering for professional engineering services.

Connection to PBB Priorities and Objectives:

- Sustainable and Innovative Infrastructure
- Safe and Healthy Community
- High Performing Governance
- Environmental Stewardship

Connection to Regional Plan:

- Sustainably producing potable water resources
- Implementing Water CIP Projects to address aging infrastructure
- Ensuring water resources are sustainably produced for future generations

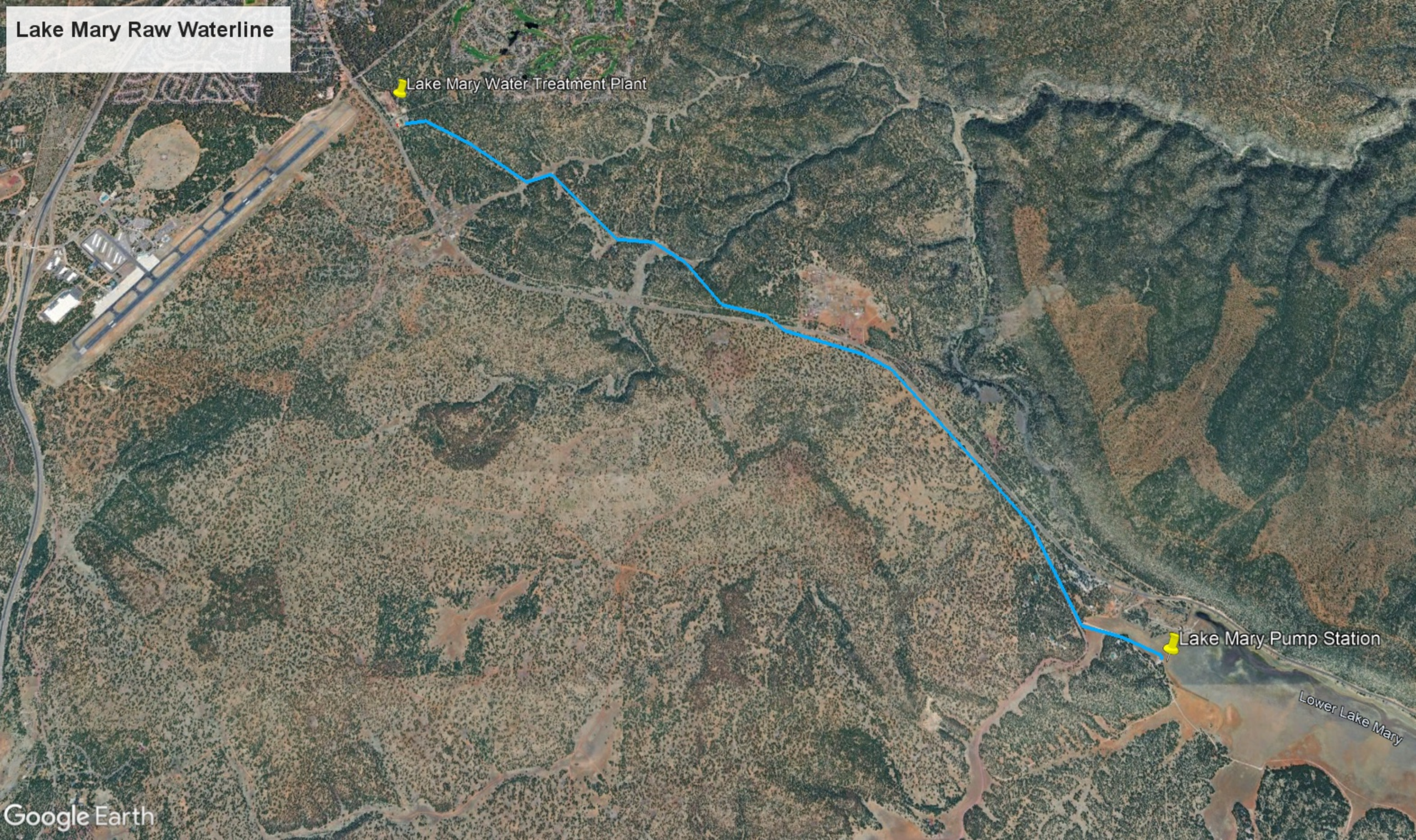
Connection to Carbon Neutrality Plan:
This project will serve the Carbon Neutrality Plan through the replacement of existing infrastructure with modern materials with increased longevity and ensuring the continued production of our most energy efficient raw water source to meet the City's growing water demands.

Connection to 10-Year Housing Plan:
This project will ensure water resources are developed, produced and distributed for continued City growth.

Connection to Division Specific Plan:
The Water Services Division Capital Improvements Program addresses the replacement of aging infrastructure to meet current and future growth demands.

Attachments: Project Area Map
2025-11 Contract for Professional Services

Lake Mary Raw Waterline



PROFESSIONAL SERVICES CONTRACT
Contract No.: 2025-11

This Contract is entered into this _____ day of _____, 20___ by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and Ardurra Group, Inc., a Florida Corporation ("Firm").

WHEREAS, the City desires to receive and Firm is able to provide professional services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the City and Firm (the "parties") agree as follows:

SERVICES

1. Scope of Work: Firm shall provide the professional services generally described as follows:

PROFESSIONAL SERVICES
Lake Mary Raw Water Pipeline Design Project

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 City Representative for this Contract has the right to approve any proposed substitution of Key Personnel or Subcontractors.

CITY RESPONSIBILITIES

5. City Representative: The City Representative is Lee Williams, Water Services Director, or his designee. All communications to the City shall be through the City Representative. City Representative is responsible for bringing any request for a Contract amendment or price adjustment to the attention of the City Buyer.

6. City Cooperation: City will cooperate with Firm by placing at its disposal all available information concerning the City, City property, or the City project reasonably necessary for Firm's performance of this 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 City's issuance of the Notice to Proceed and shall be in force for an initial term of three (3) consecutive years.

8. Renewal: This 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 City.

9. Termination: This Contract may be terminated pursuant to the Standard Terms and Conditions attached hereto as *Exhibit B.*

PAYMENT

10. Compensation: Firm shall be paid four hundred **eighty-two thousand nine hundred ninety-five dollars and zero cents ($482,995.00)** for satisfactory performance of the services in accordance with the Scope of Work identified in *Exhibit A.*

11. Price Adjustment: Any price adjustment must be approved by the City 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 City.

DATA AND RECORDS

12. City Ownership of Document and Data: Any original documents prepared or collected by Firm in performance of this 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 City ("City's work product"), unless otherwise agreed by the parties in writing. Firm agrees that all materials prepared under this Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Firm may have in the materials it prepares under this Contract, including any right to derivative use of the material.

13. Re-Use: The City may use the City's work product without further compensation to Firm; provided, however, that the City's reuse without written verification or adaption by Firm for purposes other than contemplated herein is at the City's sole risk and without liability to Firm. Firm shall not engage in any conflict of interest nor appropriate any portion of the City's work product for the benefit of Firm or any third parties without the City's prior written consent.

14. Delivery of Document and Data: Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Firm shall immediately deliver to the City copies all of the City's work product and any other documents and data accumulated by Firm in performance of this Contract, whether complete or in process.

INSURANCE

15. Insurance: Firm shall meet insurance requirements of the City, as set forth in *Exhibit C.*

MISCELLANEOUS

16. Notice: Any notice concerning this Contract shall be in writing and sent by certified mail and email as follows:

To the City:

Emily Markel
Purchasing Manager
Management Services
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001
emarkel@flagstaffaz.gov

With a copy to:
Justin Emerick
Project Manager
Water Services
City of Flagstaff
2323 N. Walgreen Blvd.
Flagstaff, AZ 86004
JEmerick@flagstaffaz.gov

To Firm:

Rick Schuller, PE
Engineering Group Leader
Ardurra Group, Inc.
1801 W Rte 66
Flagstaff, AZ 86001
rschuller@ardurra.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.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

ARDURRA GROUP, INC.:

_____

Print name:_____

Title:_____

CITY OF FLAGSTAFF

_____

Print name:_____

Title:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

EXHIBIT A

SCOPE OF WORK

(Scope of Work will be Finalized Upon Contracting)

October 1, 2025

Justin Emerick
Water Services, Project Manager
City of Flagstaff
2323 N Walgreens Blvd
Flagstaff, AZ 86004

RE: City of Flagstaff - Lake Mary Raw Water Pipeline Design Project
Engineering and Surveying Scope and Fee – Project #2025-1456

Dear Justin,

Thank you for the opportunity to propose to work with you on this project! Ardurra is pleased to present this Engineering Design and Surveying Services Scope and Fee for the City of Flagstaff Lake Mary Raw Waterline Replacement Project.

The Lake Mary Water Treatment Facility (LMWTF) draws raw lake water from Lake Mary through a 27-inch bar-wrapped concrete cylinder pipe that has been in service since 1965. This pipe is approximately 26,200 feet (5 miles) in length and traverses various forested terrain, geology, and topography to carry up to 8 million gallons of Lake water each day to the Lake Mary Water Treatment Facility for treatment and distribution.

The project begins at the Lake Mary Raw Water Pump Station and terminates at the Lake Mary Water Treatment Facility. The beginning point will be just outside the pump station where the 27" pipe transitioned from 30" steel pipe coming from the station. The termination point will be outside the first vault at the treatment plant. Replacement shall consist of a parallel pipeline installation to keep the existing pipeline operationally maintained during construction and to possibly maintain some functionality for future needs. The new Lake Mary Raw Water Pipeline Design will closely parallel the existing line to take advantage of the existing 20-foot easement through US Forest Service land. Included in this design will be electrical conduit for fiber communications between facilities as well as conduit for SCADA controls, including requisite pull boxes for conduit.

These design services will include design development through the Final design plans level, specifications, special provisions, bid schedule, and an Engineer's construction estimate (EOPC). Scope will also include construction management services as well as procurement support. The objective of the project is to expedite design, approval, permitting and construction based on the criticality of this aging infrastructure and history of pipeline failures.

Ardurra will be the Project Prime Consultant. Subconsultants on this project will include aerial topography by Cooper Aerial with control set by Ardurra, cultural and environmental coordination and clearances by EnviroSystems Management, geotechnical investigations by Certerra/Western Technologies and utility investigation by T2 Utility Engineers. Forest Service

coordination will be by Ardurra and EnviroSystems Management. The project will be designed assuming that there will be one full design and construction phase for the entire alignment.

Deliverables for this Project include, but are not limited to, project plans, specifications, special provisions, bid schedule, engineers construction estimate, scheduling and conducting project update meetings, assist with the CMAR or Bid procurement including preparing the CMAR scope of work, working with the CMAR contractor during pre-construction phases, provide construction management services, and project As-Builts prepared in conjunction with the CMAR.

The following tasks have been identified:

TASKS

100. Project Management and Meetings
200. Evaluations and Technical Memoranda
300. Topographic Survey and Other Exploration
400. Construction Documents
500. Agency and Permit Coordination
600. Construction Phase Services

SCOPE

Each task will include the following scope of work:

100. PROJECT MANAGEMENT AND MEETINGS

Ardurra will provide Project Management including coordination of meetings, schedules, invoicing, and subconsultant management. We will provide City of Flagstaff and other agency coordination, we will assist the city with local landowner coordination. Monthly progress reports and invoices will be provided to the City. This proposal assumes that the design and approval phase will begin in November 2025 and continue through August of 2026 (9 month duration) for construction plan approvals. Construction will commence in the Fall of 2026 and will be assumed to continue for 12 months. The City shall contact the owners of the parcels impacted by the project to let them know there will be surveying and engineering activities occurring on the easement of the existing waterline.

Specific project workshops and meetings will also be conducted by Ardurra for the project milestones and stakeholder coordination, including agenda and minutes. Agency meetings will consist of an early meeting with Coconino National Forest personnel followed by 2 additional coordination meetings. Team meetings will be held for the following list of activites or milestones:

1. Kickoff Workshop – design objectives and requirements, goals, work plan, schedule and priorities
2. Coconino Forest Service Kickoff meeting, Progress Meetings (3 total)
3. 30% Design Review
4. CMAR Scoping Workshop
5. 60% Design Review
6. CMAR On Boarding Workshop
7. 90% Design Review
8. 100% Design Review.
9. Monthly Progress Meetings (6)

200. EVALUATIONS AND TECHNICAL MEMORANDA

Ardurra will review the pertinent materials provided by the city with respect to plans, As-builts, design reports, maps and operational data for the system including the pumping station and water treatment plant. We will establish the project design criteria. Ardurra will prepare a Pipeline Sizing and Material Analysis which will evaluate the system costs based on pipe size and material versus the expected pumping costs for a pre-determined life cycle. A design report will be completed by Ardurra in this task for the ADEQ construction permit. The design flow for that analysis will be provided by the City.

300. TOPOGRAPHIC SURVEY AND OTHER EXPLORATION

a. Topographic Survey:

Consultant shall perform an aerial topographic survey for a 50-foot-wide corridor extending approximately 26,000 LF between the Lake Mary Water Treatment Plant and the Lower Lake Mary Pump Station shown on Exhibit B. Survey will locate all existing improvements and visible utility appurtenances within the survey area to produce a 1'-contour elevation survey map. Provide digital CAD survey data, ASCII points, and sealed PDF of the topographic survey to be used as the Project Basemap for design. Survey will be based on the Arizona State Plane Coordinate System, Central Zone, scaled to 'ground', with reference to NAVD 88 vertical datum unless otherwise directed by the Client. This task includes an easement survey including approximate parcel boundaries, section lines and easement verification.

b. Legal Descriptions/Exhibits

It is assumed that no new easements will be needed for the project. Work will be confined to the existing 20' easement area. This established easement is already crossing private property.

c. Utility Mapping

Ardurra shall provide mapping of all existing underground and above ground utilities based on utility maps, City GIS records, and City as-builts. Ardurra will perform an Arizona design blue stake request to obtain the latest maps from private utilities and contacts for coordination. Ardurra will identify during the design process the locations where additional utility data is needed.

d. Utility Locating/Potholes
Our subconsultant T2 Engineering will provide a Subsurface Utility Engineering (SUE) plan set and a Test Hole Summary Report based on records research, geophysical investigation and potholing. The scope is defined in the subcontractor proposal attached to this document. We are providing an initial allowance for the T2 scope of services ($30,000) in order to fully vet what will be needed to provide the level of utility locations that is sufficient.

e. Geotechnical
Ardurra will identify during the design process the locations where geotechnical data is needed. Our subconsultant Certerra/Western Technologies will be directed to provide borings and seismic refraction surveys for the project corridor. They will also prepare a Geotechnical Report as directed by the Engineer. The scope is defined in the subcontractor proposal attached to this document.

f. NEPA, Environmental and Cultural Reports
Our subconsultant EnviroSystems Management will provide US Forest Service coordination including the initial kick-off meeting with FS Staff to determine the requirements to move the project forward. We assume that the full scope will be that a NEPA Categorical Exclusion (CE) will be prepared with a Biological Resource study and Cultural Resources inventory being taken. The scope is defined in the subcontractor proposal attached to this document. We are providing an initial allowance for the ESM scope of services ($30,000) in order to fully vet what will be required by the Forest Service before the City makes a commitment to the full project amount.

400. CONSTRUCTION DOCUMENTS

1) Construction Documents

Construction documents for the entire alignment and connection points will be provided in one package. The plan set will proceed through the City review process as required. Ardurra will provide quality assurance and quality control (QA/QC) reviews throughout the course of the project in accordance with our established policy. All deliverables will be reviewed by an appropriate reviewer prior to each submittal.

System components will include transmission main, connection at the Lake Mary pump station with possible flow meter, air release valves, blow offs, in-line valves, vertical off-sets, connection at the Lake Mary WTP with flow meter, disinfection injecting; also fiber optic

conduits and SCADA conduits with pull boxes. The Electrical, Instrumentation and Controls scope of work is defined in the scope summary attached to this document.

The plans will include the following sheets for an approximate total of 50 sheets:

- Cover
- Notes and Quantities
- Details, Connection and Vault details
- Plan and Profile Sheets at 50 scale
- Connection Plan Sheets
- Survey Control Sheets
- Erosion Control Plans

a) 30% CDs

Ardurra staff will prepare preliminary 30% plans to show project control, alignment, water plan & profile, and details. These plans may be based on Preliminary topography and record data depending on the weather impact to the Base Map Investigation. A Workshop will be held with City staff to discuss the design and comment resolution.

b) 60% CDs

Ardurra staff will incorporate 30% City comments, CMAR comments and prepare preliminary 60% plans with updated design. These plans will contain the complete topography and boundary information from the Base Map Investigation. A draft design report and engineers' opinion of probable cost will be included in this submittal. The plan set will also be submitted to Coconino County for review and to the Dry Utility companies for conflict review. A Workshop will be held with City staff to discuss the design and comment resolution.

c) 90% CDs

Ardurra staff will incorporate 60% City comments, County comments and CMAR comments. The preliminary 90% plans will be complete with the detail necessary to construct the new raw water line. A final design report and engineers' opinion of probable cost will be included in this submittal. A Workshop will be held with City staff to discuss the design and comment resolution.

A sealed version of these plans and the design report will be prepared for submittal to ADEQ for permitting. This includes the Application for Approval to Construct (ATC) an addition to an existing water system. The Application Fee shall be paid by the City of Flagstaff.

d) 100% CDs

Ardurra staff will incorporate 90% City, CMAR, and ADEQ comments. The final 100% plans will be complete with the detail necessary to construct the new raw water transmission line.

e) Exclusion

At this time, a pipeline termination connection just outside of the Alum building, including work inside of the existing vaults or for vault replacement is excluded from the project design.

2) CMAR Coordination

Ardurra expects that the CMAR will participate in the scheduled design workshops after their selection. One workshop will be completed for the CMAR on boarding.

500. AGENCY AND PERMIT COORDINATION

1) ADEQ Approval

A sealed version of these plans and the design report will be prepared for submittal to ADEQ for permitting. This includes the Application for Approval to Construct (ATC) an addition to an existing water system. The Application Fee shall be paid by the City of Flagstaff.

2) Coconino County Permit

Ardurra will coordinate with Coconino County to procure their design approval and permit for the new waterline within the Lake Mary Road right of way. Two meetings with the County are anticipated to coordinate the project including a pre-submittal and comment response meetings.

3) Property and Easement Acquisition

The property and easement acquisition requirements for this project are unknown at this time and are not included in the fee. Once the alignment has been determined and the existing mapping completed, Ardurra will work with the City to identify the property rights needed for the construction. An additional services contract will be negotiated for coordination efforts required to obtain at that time when the extent of coordination efforts are known.

4) Dry Utility Coordination

Ardurra will submit 60% Construction Plans to the local dry utilities for conflict review of the proposed sewer alignment. A meeting will be held with the four private utility company representatives (APS, Unisource, Lumen, Altice) to identify impacts and determine conflict locations.

The scope of this contract does not include the design or coordination of dry utility relocations or realignments beyond the identification of the conflict.

500. CONSTRUCTION MANAGEMENT

For the City, construction management will be provided by the Water Services Division. Ardurra will provide Post Design, Construction Phase services and close-out assistance which are included in this proposal.

During construction, Ardurra will attend and co-conduct with the CMAR contractor monthly Owner, Engineer and Contractor (OEC) meetings for an assumed 12-month construction period. We will conduct construction site visits on an as-needed basis with 6 visits assumed. We will respond to Requests for Information (RFI)'s related to additional information needed, revisions or field directives due to the discovery of unanticipated conditions in the field or revisions instigated by others. Tracking will be provided. We will provide Preliminary and Final Walk-throughs with punch lists for items noted.

Close Out Services include compiling as-built plans for submittal to the City. Based on as-builts provided by the construction surveyor, inspector reports and redlines, contractor redlines, and field visits. ARDURRA will provide project Record Drawings. Ardurra will hold a close-out meeting with staff to review the project performance and achievement of project objectives.

Ardurra will submit an Approval of Construction (AOC) application to ADEQ. The City of Flagstaff observes/documents water testing. The sealed testing results are provided to Ardurra by the City. The submittal will include the as-built Record Drawings compiled for the City.

October 1, 2025

FEES

Design and Project Management Fees are given on a Lump Sum basis. Project Fees Detailed Breakdown is attached and summarized below:

Task	Description	Cost
100	**Project Management and Meetings**	**$ 38,620**
200	**Evaluations and Technical Memoranda**	**$ 18,460**
300	**Topo Survey and Other Investigation**	**$ 38,230**
400	**Construction Documents**	**$ 201,145**
400	**Agency and Permit Coordination**	**$ 17,980**
500	**Construction Phase Services**	**$ 51,560**
	Subconsultants	**$ 115,000**
	Reimbursable Expenses	**$ 2,000**
	Total Fee	**$ 482,995**

Subconsultant Proposals are attached to this document. Subconsultant fees are subject to a 10% markup

EXCLUSIONS

- Parcel Boundary Surveys
- Public Outreach
- Tree and Resource Surveys, Tree Counts
- Permit and Review Fees
- Off Site Improvements outside the Project Area
- Structural Design
- Dry Utility Realignment Design
- Property or Easement Acquisition, Title Reports
- Construction Inspection or Construction Staking (these services for the City can be provided by Ardurra but is currently not included in this proposal).

Please let me know if you have any questions regarding the above scope and fees. I am available to discuss at your convenience.

Sincerely,

Rick Schuller, PE
Engineering Group Leader

Lake Mary Water Line Electrical, Instrumentation and Controls

The scope of work includes the electrical, instrumentation and controls (EI&C) associated with design of conduits dedicated for fiber optic cables from the Lake Mary Pump Station (LMPS) to the Lake Mary Water Treatment Plan (LMWTP) and the replacement of the influent flowmeter at the LMWTP.

The new conduits (two-3 inch diameter, PVC) to be run from the LMPS to the LMWTP will be designed to run parallel to the new water line also being designed from the LMPS to the LMWTP. The new conduits will be shown on the LMPS civil plan drawing, starting at or near the existing LMPS programable logic controller, continuing on the civil pipeline plan drawings and ending on the LMWTP civil plan drawing at or near an existing LMWTP PLC. Fiber optic cable pull boxes will be included in the design at specific intervals along the pipeline as requested including a pull box in the general area of the Lake Mary Well site.

The new LMWTP influent flowmeter EI&C design will include power circuit(s) from an existing 120/240 volt or 120/208 volt power panel and monitoring circuit(s) to an existing PLC, each to be determined. A flowmeter vault plan will be provided detailing the flowmeter installation and other lighting, ventilation, intrusion, etc. equipment as requested. All required EI&C details, one-lines, lighting panel schedule and specifications required will be provided as part of the design.

The electrical scope of work will include:

- A site visit to the sites to assess the locations of existing PLCs, power panels
- A conceptual cost estimate for the EI&C design
- Design documents including drawings and specifications to depict the scope of work to a prospective electrical contractor.
- An internal kickoff meeting and a kickoff meeting with the client.
- Two client review meetings (at 60% and 100%)

Excluded from the above scope:

- Site visits in excess of the one mentioned above.
- Electrical load or power system studies. It is assumed existing power panels will have capacity for the new flowmeter vault loads.
- PLC upgrade or replacement. It is assumed an existing PLC at the LMWTP can accommodate the new monitoring signals from the new flowmeter vault.
- Fiber optic cable network design or installation details.
- Pressure, flow or other instrumentation other that mentioned above.
- Bid or Construction phase services.

ARDURRA

FEE PROPOSAL SUMMARY

PROJECT NAME:	Lake Mary Waterline
PROJECT NO.:	2025-1456
FEDERAL PROJECT NO.:	no
TRACS NO.:	no

CONTRACT LABOR

CLASSIFICATION	MAN HOURS	BILLING RATES	LABOR FEES
Principal/Sr. Project Director	38	$ 310.00	$ 11,780.00
Engineering Dept. Manager	247	$ 285.00	$ 70,395.00
Project Manager/Project Engineer - Sr.	0	$ 195.00	$ -
Project Manager - Sr./Project Engineer - Sr.	498	$ 230.00	$ 114,540.00
Project Engineer - Sr.	0	$ 180.00	$ -
EIT II	998	$ 145.00	$ 144,710.00
EIT II	0	$ 145.00	$ -
Survey Project Manager/Registered Land Survey	0	$ 190.00	$ -
Survey Manager (RLS)	6	$ 210.00	$ 1,260.00
Project Surveyor (LSIT)	42	$ 145.00	$ 6,090.00
1-Person Survey Crew	84	$ 145.00	$ 12,180.00
Project Coordinator	48	$ 105.00	$ 5,040.00
		TOTAL DIRECT LABOR	$ 365,995.00
		SUBTOTAL CONTRACT LABOR	**$ 365,995.00**

DIRECT AND OUTSIDE EXPENSES

	DESCRIPTION	UNIT	UNIT RATE	QUANTITY	TOTAL
1	Personal Vehicle Mileage	Miles	$ 0.700	2000	$ 1,400.00
2	Misc Direct	Ea	$ 370.00	1	$ 370.00
3					$ -
4					$ -
5					$ -
	REPRODUCTIONS - AT COST (Estimates Only)				
	Printing (8-1/2" x 11")	Each	$ 0.10	200	$ 20.00
	Printing (11" x 17")	Each	$ 0.15	400	$ 60.00
	Bond Large Format	Each	$ 1.50	100	$ 150.00
	Mylar Large Format	Each	$ 12.50		$ -
	Exhibits	Each	$ 250.00		$ -
	Deliveries/Postage	Each	$ 50.00		$ -
			SUBTOTAL DIRECT AND OUTSIDE EXPENSES		**$ 2,000.00**

SUBCONSULTANTS FEE

	SUBCONSULTANT	TASK	FEE
1	Cooper		$ 21,000.00
2	Envirosystems		$ 30,000.00
3	Certerra/Western Tech		$ 34,000.00
4	T2		$ 30,000.00
5			$ -
6			$ -
7			$ -
8			$ -
9			$ -
10			$ -
		SUBTOTAL SUBCONSULTANTS FEE	**$ 115,000.00**

Subtotal Contract Labor	$ 365,995.00
Subtotal Direct and Outside Expenses	$ 2,000.00
Subtotal Subconsultants	$ 115,000.00
Total Contract Fee	$ 482,995.00
Subtotal Allowances	$ -
Total Contract Fee & Allowances	**$ 482,995.00**

ALLOWANCES

	CONSULTANT/EXPENSES	TASK	FEE
1			$ -
2			$ -
3			$ -
4			$ -
5			$ -
		SUBTOTAL ALLOWANCES	**$ -**

CONTRACT TERMS

PAYMENT METHOD	X	LUMP SUM	2025 Standard Rates	
		TIME AND MATERIALS	(ARDURRA RATE TABLE NAME)	
CONTRACT DURATION	630	(CALENDAR DAYS)	Start Date: 10/15/25	End Date: 7/15/27
PROCUREMENT METHOD	S	SOLICITATION / DIRECT SELECT		
	no	ON-CALL TASK ORDER	no	
			(ON-CALL CONTRACT NO.)	

ARDURRA

DERIVATION OF FEE PROPOSAL SUMMARY

Task	Description	# of Sheets	Principal/Sr. Project Director	Engineering Dept. Manager	Project Manager/Project Engineer - Sr.	Project Manager - Sr./Project Engineer - Sr.	Project Engineer - Sr.	EIT II	EIT II	Survey Project Manager/Registered Land Surveyor - Sr.	Survey Manager (RLS)	Project Surveyor (LSIT)	1-Person Survey Crew	Project Coordinator	Total Hours By Task	Total Fee By Task
		Hourly Rate	$ 310.00	$ 285.00	$ 195.00	$ 230.00	$ 180.00	$ 145.00	$ 145.00	$ 190.00	$ 210.00	$ 145.00	$ 145.00	$ 105.00		
1	**Project Management & Meetings**		Steve	Rick	Mike J	Mike F / Alicia		Noah / Scott			Aaron	Rob	John			
1.1	Project Management (24 months)		2	24		24		24						48	122	$21,500.00
1.2	Kick Off Meeting		2	2		2		2							8	$1,940.00
1.3	Coconino NFS Meetings (3)			3		3		3							9	$1,980.00
1.4	30% Design Review			3		3		3							9	$1,980.00
1.5	CMAR Workshops (2)			5		5		5							15	$3,300.00
1.6	60% Design Review			2		2		2							6	$1,320.00
1.7	90% Design Review			2		2		2							6	$1,320.00
1.8	100% Design Review			2		2		2							6	$1,320.00
1.9	Monthly Design (6)			6		6		6							18	$3,960.00
	SUBTOTAL Project Management & Meetings		**4**	**49**	**0**	**49**	**0**	**49**	**0**	**0**	**0**	**0**	**0**	**48**	**199**	**$38,620.00**
2	**Evaluations and Technical Memoranda**															
2.1	Data Review		2	4		8		8							22	$4,760.00
2.2	Pipeline Sizing Analysis		2	2		8		8							20	$4,190.00
2.3	Design Report		2	2		16		32							52	$9,510.00
2.4	Subtitle														0	$0.00
	SUBTOTAL Evaluations and Technical Memoranda		**6**	**8**	**0**	**32**	**0**	**48**	**0**	**0**	**0**	**0**	**0**	**0**	**94**	**$18,460.00**
3	**Topographic Survey and Other Exploration**															
3.1	Set Aerial Panels										2	2	24		28	$4,190.00
3.2	Field Supplemental Survey, ROW easement											40	60		100	$14,500.00
3.3	Utiity Mapping		2	2		12		40							56	$9,750.00
3.4	Coordination w/ aerial sub			1		1		1			4				7	$1,500.00
3.5	Coordination w/ geotechnical sub			1		4		8							13	$2,365.00
3.6	Coordination w/ environmental sub			4		8		4							16	$3,560.00
3.7	Coordination w/ utility locating sub			1		4		8							13	$2,365.00
	SUBTOTAL Topographic Survey and Other Exploration		**2**	**9**	**0**	**29**	**0**	**61**	**0**	**0**	**6**	**42**	**84**	**0**	**233**	**$38,230.00**
4	**Construction Documents**															
4.1	30% CDS		4	20		80		200							304	$54,340.00
4.2	60% CDS		4	20		80		200							304	$54,340.00
4.3	90% CDS		4	15		60		150							229	$41,065.00
4.4	100% CDS		4	8		40		120							172	$30,120.00
4.5	CMAR Coordination		4	8		20		20							52	$11,020.00
4.6	Electrical, Instrumentation & Controls			36											36	$10,260.00
	SUBTOTAL Construction Documents		**20**	**107**	**0**	**280**	**0**	**690**	**0**	**0**	**0**	**0**	**0**	**0**	**1,097**	**$201,145.00**
5	**Agency and Permit Coordination**															
5.1	ADEQ Approval to Construct		2	4		10		10							26	$5,510.00
5.2	Coconino County Permit to Encroach		2	4		10		10							26	$5,510.00
5.3	Dry Utility Coordination		2	4		10		20							36	$6,960.00
	SUBTOTAL Agency and Permit Coordination		**6**	**12**	**0**	**30**	**0**	**40**	**0**	**0**	**0**	**0**	**0**	**0**	**88**	**$17,980.00**
6	**Construction Phase Services**															
6.1	Monthly Meetings (12)			24		24		24							72	$15,840.00
6.2	Site Visits (6)			12		12		12							36	$7,920.00
6.3	Review RFIs, Submittals, Shops & Responses			12		12		12							36	$7,920.00
6.4	Issue Field Directives			6		6		6							18	$3,960.00
6.5	Prelim and Final Walkthroughs/Punchlists			4		8		8							20	$4,140.00
6.6	Asbuilt Coordination/Record Drawings			2		8		40							50	$8,210.00
6.7	ADEQ Approval of Construction			2		8		8							18	$3,570.00
	SUBTOTAL Construction Phase Services		**0**	**62**	**0**	**78**	**0**	**110**	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**$51,560.00**
		Total Hours	**38**	**247**	**0**	**498**	**0**	**998**	**0**	**0**	**6**	**42**	**84**	**48**	**1,961**	
		Total Dollars	**$ 11,780.00**	**$ 70,395.00**	**$ -**	**$ 114,540.00**	**$ -**	**$ 144,710.00**	**$ -**	**$ -**	**$ 1,260.00**	**$ 6,090.00**	**$ 12,180.00**	**$ 5,040.00**		**$ 365,995.00**

COOPER AERIAL SURVEYS CO.

PROJECT MANAGER
Emily Martin
602.678.5111 ext 215
emily@cooperaerial.com

Lake Mary, Manned Estimate provided by Cooper Aerial

Steve R. Lewis, PE
Ardurra (formally Ritoch-Powell Associates) - 0000
1801 W Route 66, Suite 117, Flagstaff, Arizona 86001
928-774-4636 | srlewis@ardurra.com

Project Scope

Imagery Flight Services	Cooper Aerial is responsible for the imagery flight services provided and will acquire 4cm color photography for mapping and imagery
Mapping Services	1 C.I. collection 1"=40 scale mapping * The mapping will be produced to ASPRS Standards
Imagery Services	Orthorectified 4cm GSD file

Location: Flagstaff, Arizona | **Type:** Digital | **Size:** 26037 Linear Feet | **Map:** Standard Project/Ortho/Topo/Plan | **Estimated Duration:** 35-45 working days from the receipt of flight and verification of control

C.I.: 1 | **Imagery GSD:** 4cm | **AOIs:** 1 | **Flights:** 1 | **Panel/PID Count:** 14 (*Client is responsible for Ground Control)

Deliverables: 2D Planimetrics AutoCAD, 3D Planimetrics AutoCAD, DTM 3D AutoCAD, Imagery Orthorectified SID (3-band), Spot Elevations and Contour Labels, Surface File ASCII, Surface File Civil 3D

Project Estimate*:
$18,698.00

* This estimate is based on our understanding of the requested scope and deliverables. Changes to scope, deliverables, or timeline may adjust the final price after NTP is received.

* Upon acceptance of this estimate, a contract outlining the scope of work and relevant terms will be provided.

COOPER AERIAL SURVEYS CO.

PROJECT MANAGER
Emily Martin
602.678.5111 ext 215
emily@cooperaerial.com

Boundary File:



ENVIROSYSTEMS
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Fax: 928.226.0237

Ardurra Group, Inc.
City of Flagstaff Lake Mary Water Line
NEPA Categorical Exclusion, Biological Evaluation, and Class III Cultural Resources Inventory

September 18, 2025

SCOPE OF WORK AND FEE

Presented below are the Scope and Fee for NEPA Categorical Exclusion, Biological Evaluation, and Class III Cultural Resources Inventory for the installation of a new water line from Lake Mary to the Lake Mary Water Treatment Facility for the City of Flagstaff (City), Coconino County, Arizona. The proposed water line project is approximately 5 miles in length and will parallel the existing water line with a right-of-way (ROW) width of approximately 20 feet.

NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

EnviroSystems will consult with Coconino National Forest (COF) on the required level of analysis under NEPA. There are three levels of analysis under NEPA with a Categorical Exclusion (CE) as the least rigorous form. The decision as to what level would be required is made by COF. It is possible that the COF may determine that an Environmental Assessment for NEPA compliance may be warranted. However, EnviroSystems' review of the U.S. Forest Service CEs indicates that a CE may be considered by COF. Therefore, this Scope of Work for NEPA compliance is for the preparation of a CE.

A CE for the proposed project requires at a minimum compliance with the National Historic Preservation Act (NHPA), Endangered Species Act (ESA), Migratory Bird Treaty Act (MBTA) and the Clean Water Act (CWA). Additional resources of concern such as floodplains, recreation, invasive and non-native species, fire/fuels, and travel management may require analysis as identified by the resource specialists of COF. A description of the Proposed Action and Purpose and Need for the project will be prepared and analysis of potentially affected resources determined by COF will be completed. The COF may require the preparation of a Decision Memo to accompany the CE as well. A letter to notify the public and request comment on the Proposed Action and a mailing list will be prepared for the COF, if required.

NEPA CE Costs

- Task 1: Project Development and Coordination $ 6,435.00
- Task 2: Background Research and Analysis $12,880.00
- Task 3: Document Preparation $16,672.00

Total NEPA Costs: $35,987.00

BIOLOGICAL RESOURCES

Prior to initiating fieldwork, EnviroSystems will consult with COF Biologists to determine if special-status species or other species of concern may exist within or near the project area. In addition, the U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consultation (IPaC) and the

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Arizona Game and Fish Department (AGFD) online Environmental Review Tool (ERT) databases will be accessed.

There is designated Critical Habitat for the USFWS federally threatened Mexican Spotted Owl (MSO; *Strix occidentalis lucida*) that will be traversed by the water line ROW. In addition, an MSO Protected Area Center (PAC) boundary is approximately 600 feet northeast of the water line alignment where it parallels Lake Mary Road in the same vicinity. In coordination with COF Biologists, field surveys will include species of concern, migratory birds, other identified biological resources, an assessment of the habitat quality for MSO, and other special-status species. A Biological Evaluation (BE) presenting the results of field surveys will be prepared for submittal to COF.

The COF may likely determine that informal consultation with the USFWS under Section 7 of the ESA will be required for the Critical Habitat affects and potential effects to the MSO resulting in the preparation of a Biological Assessment for USFWS consultation. At this time, no species-specific federal survey protocols will be implemented as they vary significantly by species, time of year, number of required surveys, and methodology. EnviroSystems has qualified and USFWS-permitted biologists should protocol surveys be determined as required in the future.

Biological Resources Cost

• Task 1: Background research	$ 3,640.00
• Task 2: Fieldwork	$ 5,645.00
• Task 3: Reporting	$16,200.00
Total Biological Costs:	**$25,485.00**

CULTURAL RESOURCES INVENTORY

As part of the Cultural Resources Inventory, EnviroSystems cultural resources staff will conduct background research and an archival review of the project area. The records search will consist of reviewing Arizona's cultural resources database (AZSITE), examination of General Land Office (GLO) land patent and survey records and maps, reviewing historical topographic maps, City, and COF records, and the National Register of Historic Places (NRHP) online database.

The fieldwork will consist of a crew of two archaeologists walking parallel transects along and parallel to the approximate 5-mile-long project area. Archaeological sites will be recorded using COF site definition criteria and site forms. Any features and artifacts that do not meet the standard definition of a site will be recorded as isolated occurrences (IOs) of cultural material or in-use historic structures depending upon the nature of the resource. Historic properties will be thoroughly documented, mapped, and photographed, and will be assessed for condition, integrity, and eligibility for listing in the NRHP.

Following fieldwork, a report will be drafted that will include sections on the project area environment, cultural context, previous cultural resource investigations, previously identified historic properties, field survey methods, field survey results, site/in-use historic structure maps and historic property/IO location maps, and a management recommendations summary. The report will make recommendations for avoidance or additional work, if necessary.

ENVIROSYSTEMS
COMPLIANCE · CULTURAL · BIOLOGICAL · GEOSPATIAL

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Flagstaff, Arizona 86001
www.esmaz.com
Ph: 928.226.0236
800.370.6060
Fax: 928.226.0237

EnviroSystems has the following assumptions:

- No more than 10 newly identified cultural resources/historic properties will require recording and documentation.

Class III Cultural Resources Inventory Costs

• Task 1: Background research and permitting	$ 2,969.00
• Task 2: Fieldwork	$ 8,386.00
• Task 3: Reporting	$16,750.00
Total Cultural Costs:	**$28,105.00**
TOTAL PROJECT COSTS:	**$89,577.00**

CERTERRA
WESTERN TECHNOLOGIES

FOR PROFESSIONAL SERVICES
Certerra Western Technologies Proposal No. 11-251951R2-P

BETWEEN: **ARDURRA** ("Client")
1801 West Route 66, Suite 117
Flagstaff, Arizona 86001
Attn: Mr. Rick Schuller, P.E.

AND: **WESTERN TECHNOLOGIES, INC.**
dba CERTERRA WESTERN TECHNOLOGIES ("Certerra")
2400 East Huntington Drive
Flagstaff, Arizona 86004

FOR THE PROJECT: **Geotechnical Engineering Services**
Lake Mary Water Line ("Project")
Lake Mary Road ("Site")
Flagstaff, Arizona

1.0 PROJECT DESCRIPTION

Based on information provided by Mr. Rick Schuller, P.E., the proposed project will consist of approximately 26,000 linear feet of new waterline to be installed between the Lake Mary Water Treatment Plant and the Lake Mary Pump Station in Flagstaff, Arizona. The waterline is assumed to be 27 inches in diameter and is assumed to a have a maximum invert depth of 6 feet below existing grades. Asphalt pavements will be included as part of the proposed project. Should any of our information or assumptions not be correct, we request that the Client notify WT immediately.

2.0 PURPOSE

The purpose of our geotechnical engineering services will be to evaluate the subsurface conditions to provide recommendations and/or discussion for the following:

- Lateral earth pressures
- Excavation conditions
- Temporary cut slopes
- On-site asphalt pavements
- Earthwork, including site preparation, fill placement, and suitability of existing soils for fill and backfill materials
- Drainage
- Corrosivity to concrete

3.0 SCOPE OF SERVICES

3.1 Field Exploration

We will conduct the following subsurface exploration program that is based on the project description and our knowledge of the general geotechnical conditions in the area:

Waterline Areas – Twenty-seven borings auger drilled to a depth of 10 feet below the existing site grades.

Waterline Areas – Six seismic refraction surveys.

All explorations will be advanced to the depths outlined unless refusal to auger penetration is encountered. A field engineer will log the borings and obtain undisturbed and representative samples of soils encountered as conditions dictate.

3.2 Laboratory Testing

A geotechnical engineer will examine the samples and field logs and assign the laboratory tests. The following laboratory tests may be performed:

- Field moisture content
- In-situ soil density
- Remolded expansion potential
- Compression
- Sieve analysis
- Liquid limit and plasticity index
- Soluble salts/sulfates/chlorides
- Corrosivity (ASTM A674)

3.3 Analyses and Report

We will prepare a geotechnical engineering report that includes a description of the project, a discussion of the field and laboratory testing programs, a discussion of the subsurface conditions, and design recommendations as required to satisfy the purpose previously described.

4.0 SCHEDULE

Weather permitting, we will proceed with the indicated geotechnical engineering services upon receipt of a signed contract and retainer payment or completed credit application, with our geotechnical report submitted 3 to 4 weeks following completion of the field work. If requested, verbal recommendations can be provided before the written report is submitted. Please inform us if this schedule does not meet your requirements.

5.0 ASSUMPTIONS

The following assumptions were made in preparation of this proposal:

- A scaled site plan will be supplied by the Client – PDF file preferred
- The site is accessible to two-wheel drive vehicles
- Coconino County ROW permits will be required
- Traffic control will be required
- Groundwater will not be encountered
- Underground utility lines have been located and marked
- The proposed borings will be used for geotechnical exploration and sampling only. No environmental information or data will be gathered or generated

We will contact Arizona 811 prior to mobilizing to the site. This service marks only the primary utility lines in the roadway and dedicated utility easements and usually does not locate tributary lateral lines on private property. Certerra requires the Client to provide all necessary information and drawings identifying the location of any underground lines or structures that may be on the subject property. A private utility locator can be retained if necessary and the costs of their services invoiced in addition to the fee quoted herein.

Certerra assumes that the Client will obtain permission to enter onto the site for our exploration equipment and personnel. Moving the equipment around the site and drilling the borings will leave some areas disturbed. While Certerra will try to limit site disturbance, our fee does not include re-landscaping or otherwise restoring the site to its original condition. Certerra's services

CERTERRA
WESTERN TECHNOLOGIES

will include backfilling the borings with auger cuttings, unless otherwise directed or required. Please inform us if your requirements are any different.

6.0 FEES

The cost of our services, for the scope set forth herein, will be a lump sum fee of **$30,900.00**. Our fee includes discussion and interpretation of our findings with other members of the design team, but does not include meetings concerning construction or changes in design. The fee will not be exceeded unless additional services are agreed upon, or we incur delays or costs associated with access of our equipment to the boring locations. Unless you sign this contract before expiration, the lump sum fee noted above is valid for 90 calendar days, after which time a review by Certerra will be required.

7.0 MANNER OF PAYMENT

Certerra will then invoice CLIENT monthly for services performed. Payment for each invoice is due prior to the delivery of the final report.

certerra.com 2400 E. Huntington Drive, Flagstaff, Arizona 86004 T: 928.856.1135

T2 UES, Inc. dba
T2 Utility Engineers
19621 N. 23rd Drive
Suite 150
Phoenix, AZ 85027
602-977-8000 (phone)
www.t2ue.com

September 21, 2025

Ardurra Group, Inc.
Attn: Rick Schuller, PE
Email: rschuller@ardurra.com
Phone: 928-774-4646 x14

RE: **Lake Mary Water Line Replacement**
Proposal for Subsurface Utility Engineering Services
T2UE Proposal Number – 16104-25-0122

Rick,

Thank you for the opportunity to propose on this project. Our experience providing subsurface utility engineering for State DOTs, counties, municipalities, and various utility owners will enable us to successfully complete this utility investigation and meet the program and project goals. The combination of our resources and experience will provide you with the confidence that T2UE is the right choice to complete the project on time and on budget. For more information, please visit www.T2UE.com

Our Scope of Services is further detailed in the project understanding section of this proposal. This proposal has been prepared in support of the Lake Mary Water Line Replacement project. We will provide you with a Unit Rate Fee to complete the specific items described within the Scope of Services. We respectfully request any comments or questions you may have.

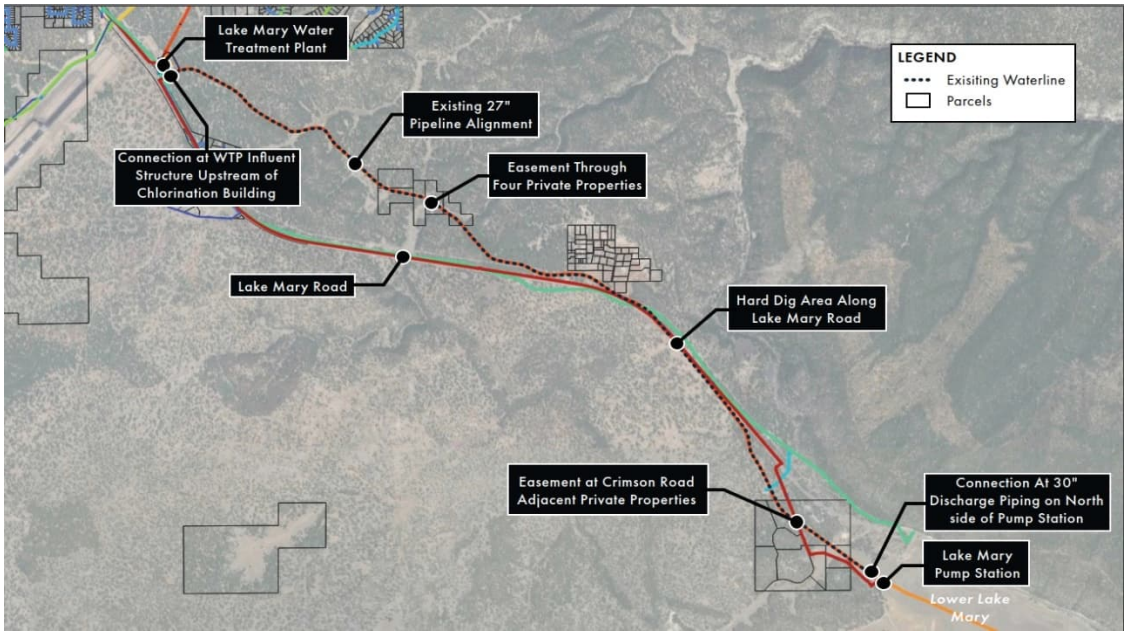
Thank you again for this opportunity. We are committed to giving you the quality and service that you expect from T2UE.

SUBSURFACE UTILITY ENGINEERING

T2 UES, Inc. dba T2 Utility Engineers (herein referred to as T2UE) will complete an ASCE 38 Quality Level D, C, B, & A SUE utility investigation in accordance with the CI/ASCE Standard 38: Standard Guideline for the Collection and Depiction of Existing Subsurface Utilities within the project area as defined below. The team will utilize the Standard for collecting and depicting the existing utilities. This process will include an iterative field investigation, which will ultimately produce detailed drawings that are signed and sealed by a Professional Engineer in accordance with the requirements of the Standard.

LIMITS OF INVESTIGATION

The overall project limits were defined in an email form the Client dated 09/12/2025 and are shown in the image below. T2ue will provide utility designating services at the tie in points of the project and the Lake Mary Pump Station and the Lake Mary Water Treatment Plant. T2ue will also attempt to locate the existing water line along its entire length and will provide up to 20 utility test holes (potholes) at potential utility conflict points.



PROJECT APPROACH

T2UE will complete a SUE investigation in accordance with the CI/ASCE Standard 38: *Standard Guideline for the Collection and Depiction of Existing Subsurface Utilities*. ASCE 38 provides a nationally recognized, standard guideline for the collection and depiction of existing subsurface utility data. This process will include an iterative field investigation which will ultimately produce detailed drawings that are signed and sealed by a Professional Engineer in accordance with the requirements of the Standard.

T2UE's general workflow is outlined below:

1. Perform records research (Quality Level D);
2. Perform survey of existing Utility Appurtenances (Quality Level C)
3. Perform geophysical investigation (Quality Level B designating);
4. Perform survey of utility markings placed by our designators;
5. Complete utility investigation with CAD depictions as outlined in the ASCE 38 standard;
6. QA/QC of our investigative findings based on existing records, maps and as-built information;
7. Provide depictions of the completed utility investigation findings – signed and sealed by a licensed engineer.

The ASCE 38 standard assigns "Quality Levels" to utility depictions which provide a professional opinion of the quality and reliability of the utility information. The four ASCE 38 quality levels are as follows:

- Quality Level D (QLD): Pertains to record research of existing subsurface utilities within the project limits by contacting each utility owner and obtaining their available facility records. This process includes the investigation of untraceable (nonmetallic buried without trace wire) utilities that do not meet Quality Level C or B specifications. QLD information is based on information obtained from available record drawings and includes utility type, ownership, size, and material composition of utilities when available.

- Quality Level C (QLC): Inclusive of a QLD effort, the project team will provide QLC depiction of existing untraceable subsurface utilities by correlating surveyed surface evidence to the QLD utility records to obtain the utility location. QLC information includes utility type, ownership, size and material composition based on available record information.
- Quality Level B (QLB): Inclusive of the QLC and QLD effort of utility investigation QLB further incorporates the use of surface geophysical techniques under the direction of a Professional Engineer licensed in the State of Arizona to determine the existence and horizontal position of underground utilities. This activity is called "designating." The information obtained in this manner is surveyed to project control. Two-dimensional (2D) utility information is obtained. QLB deliverables are signed and sealed by a Professional Engineer licensed in the State of Arizona
- Quality Level A (QLA): Involves the use of QLB, QLC and QLD methods of investigation, plus the use of minimally intrusive excavation methods at critical points to expose the utility and determine the precise horizontal and vertical position of underground utilities, as well as the type, size, condition, material and other characteristics. This is the highest level of utility certainty presently available. When surveyed and mapped, precise plan and profile information is available for making final design decisions at the specific test hole locations.

T2UE's general approach is to perform a QLB investigation using all available geophysical means and methods to identify the location of the subsurface utilities within the project limits. Where QLB data is not able to be obtained, the utility will be shown at QLC or QLD depending on available information and surface features.

The scope of services identified below is provided for T2UE's utility investigation. The following tasks outline in detail our approach to the services to be rendered.

SCOPE OF WORK

A Professional Engineer licensed in the State of Arizona shall oversee, document, stamp and seal a Subsurface Utility Engineering (SUE) investigation of the project area to determine existing utility conditions within the project limits. As part of the SUE investigation for this project T2UE will complete the following tasks:

- Utility Records Research
  - T2ue will conduct a full reconnaissance and utility records research to aid in the identification of Utility Owners that may have facilities on, or affected by, the SUE project.
  - Collect all applicable utility facility records available through Utility Owner(s), such as one-call notification, service maps, as-built drawings, standard drawings, service plats, construction plans from prior projects, local government or Agency permit exhibit drawings, and oral histories gained through interviews with Utility Owner officials and authorities.
  - Compile a list of all utility companies contacted for information.
  - Attempt to identify all known and unknown utilities, except as noted below, within the project area at QLB and depict those utilities at the actual achieved utility Quality Level.
- Perform QLD, QLC, QLB Investigation
  - T2UE will conduct a QLC survey of existing visible above ground utility appurtenances.
  - Utilize geophysical utility locating techniques to determine the horizontal position of conductive utilities within the project area. The project team will provide QLB depictions of existing traceable (metallic or nonmetallic buried with trace wire) subsurface utilities utilizing a variety of geophysical locating equipment to detect, verify and designate the location of subsurface utilities from above ground. Once designated (horizontally positioned), verified utilities are marked using appropriate pink paint and flagging, which is the standard industry color for temporary markings. This field information is then surveyed and mapped into a digitized CAD file compatible with the project design files.
  - T2UE will utilize a full suite of geophysical equipment appropriate to existing site conditions for locating the type of utility being investigated. Utilities detected that were not identified by the records research will be termed "undocumented" and depicted on the plans as "unknown" utilities.
  - T2UE will use a complimentary suite of geophysical tools in an attempt to determine the location of undocumented utilities, but cannot guarantee finding all undocumented utilities. Electromagnetic depths will not be recorded during this investigation.

- As an additional step, T2UE will use inductive scanning techniques in critical areas to attempt to designate the presence of conductive undocumented utilities. QLA Test Holes may be necessary to confirm the existence of undocumented utilities in areas of potential conflicts.
- GPR NOTE: T2UE will conduct an investigation of the project site using Ground Penetrating Radar (GPR) equipment in an effort to detect larger non-metallic utilities. However, the degree of success of a GPR investigation is based entirely on the composition of the soils and the depth and scale of subsurface targets. Electrically non-conductive soils, such as quartz sands, typically allow for the study of phenomena to depths greater than 15 feet. Electrically conductive soils, such as clay, moist silt or saline soils typically preclude the investigation of targets deeper than 3-6 feet. A determination of a maximum attainable depth of investigation requires on-site resistive site calibration of the GPR equipment. Subsequently, due to the unknown receptiveness of site specific soils to the passage of radar energy, conclusive results cannot be guaranteed from GPR.
- QLB depiction will be attempted on all mainline utilities included within T2UE's geophysical investigation. However, sewer, storm drain and possibly non-metallic water will most likely be depicted at QLC or QLD dependent upon existing physical appurtenances associated with these lines; utilities that cannot be designated at QLB, but have existing physical appurtenances in the field will be depicted at QLC; utilities which cannot be designated at QLB and for which there are no visible physical appurtenances will be depicted at QLD per record
- Invert information and, where possible, pipe size/material will be collected at storm and sewer manholes as well as storm drain catch basins and drop inlets, where accessible from the surface. The alignment pipes will be shown on the drawing based on a combination of record information received, results of the invert investigation, surveyed MH's/CB's and professional judgment. If confined space entry is required to obtain information of offset or excessively deep pipes, extra costs will be incurred and will be discussed with the client in advance.
- T2UE will document top of nut elevations on water valves throughout the project limits.
- Underground storage tanks, sanitary sewer service laterals, traffic loop systems and landscape irrigation are excluded from this investigation.
- Note: T2ue will provide full ASCE-38 QLB utility designating services at the tie in points of the project and the Lake Mary Pump Station and the Lake Mary Water Treatment Plant. In between the tie in points, T2ue will only attempt to locate the existing water line along its entire length, all other utilities are excluded from the QLB investigation along this stretch.

➢ Perform QLA Test Holes (Potholes) per the QLA ASCE 38 Standard

T2UE will excavate and estimated (20) air-vacuum utility test holes (potholes) for this project, at identified conflict locations to be determined by Ardurra:

- The Client will determine critical points based on the project design and identify test hole locations along with accompanying test hole numbers.
- T2UE will obtain required permits, contact state one-call notification system, and submit one-call tickets a minimum of 48 hours prior to excavation.
- T2UE will use the compressed air & vacuum excavation method at critical points to measure and record the precise horizontal and vertical position of underground utilities, as well as the type, size, condition, material and other characteristics. Test Holes in pavement and or concrete will be reinstated according to local jurisdiction specifications.
- The test hole information will be documented on the T2UE Test Hole Data Report tied to the project survey datum.

Test Hole Notes:

- Each test hole will be assigned a unique ID number and will be marked for survey.
- If rock or concrete is encountered during the excavation and T2UE is not able to excavate through our normal excavation procedures, the Client will be immediately notified of the field conditions. Excavation in rock or any other non-standard subgrade will be considered beyond the scope of this proposal and can be estimated for the Client on an hourly basis.
- Dry test holes over QLD or QLC utilities will be billed at the full test hole rate.
- Test Holes in which two utilities are found at a separation of more than 18" on center will be billed as two separate test holes. Test Holes which are requested at locations of the crossing of two utilities will be billed as two separate test holes.

- The test hole rate provided herein covers up to a depth of 6 feet, T2UE will invoice $75.00 per foot after 6 feet. Furthermore, test holes wider than the standard 12" x 12" hole, will be billed with an extra $330.00 per foot, for each additional foot added. For these miscellaneous charges, T2UE has included a contingency allowance of $2,000 that will only be invoiced if these scenarios are encountered.

SUE DELIVERABLES

- T2UE will deliver a Quality Level D, C, & B SUE plan set and AutoCAD drawing (in 2D) showing the location of the utilities discovered within the project area. The drawing will depict utilities within the investigation area in 2D at the achieved ASCE 38 Quality Level and a PDF plan set will be signed and stamped by an Arizona Registered Professional Engineer (licensed with the AZ Board of Technical Registration).
- T2UE will provide the client with the list of all utility companies (including contact information) contacted during the SUE investigation
- Pertinent QLA utility test hole data will be presented in scanned electronic format on our standard "Test Hole Data Summary" and individual "Test Hole Data Report" forms sealed by an Arizona Registered Professional. Information includes the depth, horizontal coordinates, vertical elevation, size, and material composition of the utility line exposed at each test hole.

. ASSUMPTIONS

- Ardurra will provide the following:
  - Project Survey Control
  - Existing topographic or right-of-way CAD files, if available
  - Access to all areas of the utility investigation for T2UE field staff
  - Any previously collected utility records, points of contact, as-built plans, and electronic files will be made available for T2UE's use during the utility investigation.
- Other assumptions:
  - This Scope of Services has been detailed to ensure we are providing the services desired and agreed to by the client and T2UE. Services not specifically listed are assumed to be excluded from T2UE's scope.

FEE

Please refer to the following cost derivation for the fee estimate breakdowns. The cost derivation has been provided to illustrate the build up of T2UE's fees, but the project is considered lump sum. T2UE will not exceed the estimated lump sum budget, without prior authorization from the Client. Monthly percent complete invoices will be submitted for the actual work completed up to the estimated budget amount. We appreciate this opportunity to provide professional SUE services for this project. Should you have any questions or require additional information, please do not hesitate to call.

Sincerely,

James Mueller
Project Manager
Phone: 602-977-8076
Email: james.mueller@t2ue.com

Lake Mary Water Line Replacement
Subsurface Utility Engineering
T2 Proposal 16104-25-0122

PROJECT ESTIMATE			
Subsurface Utility Engineering - Field Services			
*Utility Designating (Quality Level D, C, & B)	200 hours @	$185.00 per hour	$37,000.00
*Quality Level "A" Test Hole Estimate	20 holes @	$750.00 per hole	$15,000.00
*Utility Survey (1-man survey crew)	40 hours @	$175.00 per hour	$7,000.00
*Test Hole Contingency	Extra Deep/Wide Test Holes		$2,000.00
		Subtotal	**$61,000.00**
Professional Services			
*Registered Land Surveyor	6 hours @	$185.00 per hour	$1,110.00
*Professional Engineer	8 hours @	$205.00 per hour	$1,640.00
*Subsurface Utility Engineering (SUE) Supervisor	16 hours @	$145.00 per hour	$2,320.00
*CAD Drafter	32 hours @	$125.00 per hour	$4,000.00
*Administrative	8 hours @	$115.00 per hour	$920.00
		Subtotal	**$9,990.00**
Miscellaneous, Permits & Maintenance of Traffic			
*Permits (City of Flagstaff, if needed)	If Required, Billed at Cost + 10%		$550.00
*Maintenance of Traffic Set-ups with Flaggers, Traffic Plan Preparation & Traffic Plan Permit Submittals	If Required, Billed at Cost + 10%		$1,000.00
*Slurry Backfill	If Required, Billed at Cost + 10%		$950.00
*Surface Restoration or Surface Coring	If Required, Billed at Cost + 10%		$550.00
		Subtotal	**$3,050.00**
SUE - Transportation and Lodging			
Mobilization	Lump Sum		$1,000.00
Lodging and Per Diem	35 days @	$200.00 per day	$7,000.00
		Subtotal	**$8,000.00**
		TOTAL	**$82,040.00**

*** Proposal estimate only, the cost may vary due to unknown field conditions & municipality requirements**
Note 1: The Utility Designating hourly rate above includes a 1-man designating crew crew, and the corresponding trucks and equipment.
Note 2: If full panel replacement is required for holes excavated in sidewalk or concrete, additional cost will be incurred, to be covered under a separate scope and fee.
Note 3: If the not to exceed budget is too low due to reimbursable expenses, a change order will be required to cover the additional costs.

EXHIBIT B

STANDARD TERMS AND CONDITIONS

(Last Updated January 19, 2023)

*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 its 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 may not substitute nonconforming materials and/or services. Delivery of nonconforming materials and/or services, or a default of any nature, shall constitute a breach of the Contract as a whole.

15. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

16. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens, other than the security interest held by Contractor, until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

17. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

18. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number and dates when goods had been shipped or work performed. Invoices shall be sent within thirty (30) days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

19. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, the City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

20. TAXES: Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of the Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

Exception: The City will pay any taxes which are specifically identified as a line-item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

21. FEDERAL EXCISE TAXES: The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

22. FUEL CHARGES: Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by the City.

23. DISCOUNTS: If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by the City.

24. AMOUNTS DUE TO THE CITY: Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to the City or fees and charges owed to the City under the Contract.

25. OFAC: No payments may be made to any person in violation of Office of Foreign Assets Control regulations. 31 C.F.R. Part 501.

SERVICES

26. INDEPENDENT CONTRACTOR: Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

27. CONTROL: Contractor shall be responsible for the control of the work.

28. WORK SITE: Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

29. SAFEGUARDING PROPERTY: Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

30. QUALITY: All work shall be of good quality and free of defects, performed in a diligent and professional manner.

31. ACCEPTANCE: If the City rejects Contractor's work due to noncompliance with the Contract, the City, after notifying Contractor in writing, may require Contractor to correct the

deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

32. WARRANTY: Contractor warrants all work for a period of one year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one year warranty is in addition to and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

33. RECORDS: The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five years after completion of the Contract.

34. RIGHT TO INSPECT BUSINESS: The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

35. PUBLIC RECORDS: The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

36. CONTRACT ADMINISTRATION: Contractor will be required to participate in the City's contract administration process. Contractor will be closely monitored for Contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION

37. GENERAL INDEMNIFICATION: Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense, arising out of the acts, errors, or omissions of Contractor, its officers, agents, employees, and subcontractors, in performing or failing to perform the responsibilities identified in the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects, and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

38. INTELLECTUAL PROPERTY INDEMNIFICATION: Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from and against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of the alleged infringement of any patent, trademark or copyright or other proprietary rights of any third-parties arising out of Contract performance

or use by the City of materials furnished or work performed under the Contract. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

39. NETWORK SECURITY AND PRIVACY LIABILITY: Contractor shall indemnify and hold the City, and its officers, agents, employees, and subcontractors, harmless from an against any third-party claims, actions, liabilities, costs, including reasonable attorneys' fees and other costs of defense arising out of all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for the City. In the event any such action or claim is brought against the City, Contractor shall, if the City so elects and upon tender by the City: (a) defend the same at Contractor's sole cost and expense; and/or (b) promptly satisfy any judgment adverse to the City; or (c) reimburse the City for any loss, cost, damage, or expense, including attorneys' fees, suffered or incurred by the City. The City shall notify Contractor, within a reasonable time, of any claim, threat of claim, or legal action as it relates to the responsibilities identified in the Contract. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

40. PRICE INCREASES: Except as expressly provided for in the Contract, no price increases will be approved.

41. COMPLETE AGREEMENT: The Contract is intended to be the complete and final agreement of the Parties.

42. AMENDMENTS: The Contract may be amended by written agreement of the Parties.

43. SEVERABILITY: If any term or provision of the Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted and the remainder of the Contract shall remain in full force and effect.

44. NO WAIVER: Both Parties have the right insist upon strict performance of the Contract, and the prior failure of a Party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

45. ASSIGNMENT: Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. Any

assignment without such consent shall be null and void. No assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to the City. The Purchasing Director shall have authority to consent to an assignment on behalf of the City.

46. BINDING EFFECT: The Contract shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

47. SUBCONTRACTING: Contractor was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason. The City reserves the right to withhold consent if the subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

48. NONDISCRIMINATION: Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition, any Contractor whose business is located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02, *Civil Rights*, which also prohibits discrimination based on sexual orientation, or gender identity or expression.

49. DRUG FREE WORKPLACE: The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

50. IMMIGRATION LAWS: Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and federal immigration laws and regulations shall constitute a material breach of the Contract and shall subject Contractor to penalties up to and including termination of the Contract. The City may, at its sole discretion, conduct random verification of the employment records of the employees of the Contractor and any subcontractors to ensure compliance with all state and federal immigration laws and regulations. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contract if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

51. TERMINATION FOR DEFAULT: Prior to terminating the Contract for a material breach, the non-defaulting Party shall give the defaulting Party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting Party in writing. In the event the breach is not timely cured,

or in the event of a series of repeated breaches the non-defaulting Party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the Parties may execute all remedies available at law in addition to the Contract remedies provided for herein.

52. CITY REMEDIES: In the event of Contractor's default, the City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. The City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

53. CONTRACTOR REMEDIES: In the event of the City's default, Contractor may pursue all remedies available at law, except as provided for herein.

54. TERMINATION FOR NONAPPROPRIATION OF FUNDS: The City may terminate all or a portion of the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. TERMINATION FOR CONVENIENCE: Unless expressly provided for otherwise in the Contract, the Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If the Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by the City before the effective date of termination.

56. TERMINATION DUE TO INSOLVENCY: If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate the Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. PAYMENT UPON TERMINATION: Upon termination of the Contract, the City will pay Contractor for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. CANCELLATION FOR GRATUITIES: The City may cancel the Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with award or performance of the Contract.

59. CANCELLATION FOR CONFLICT OF INTEREST: Pursuant to A.R.S. § 38-511, if the City identifies a conflict of interest in the award or performance of the Contract, the City may cancel the Contract within three years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. COOPERATIVE PURCHASE CONTRACTS: Presuming that Contractor agreed to such during the procurement process, Contractor will enter into cooperative purchase arrangements, as sanctioned by state and federal law, to allow Contractor to sell materials and services to any member of a cooperative group under the same pricing, terms and conditions of the contract awarded to the Contractor by the public procurement unit, following a competitive procurement process.

61. ADVERTISING: Contractor shall not advertise or publish information concerning its Contract with the City without the prior written consent of the City.

62. NOTICES: All notices given pursuant to the Contract shall be delivered at the addresses as specified in the Contract or updated by Notice to the other Party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four days after being sent; or (c) sent by overnight courier, with receipt deemed effective two days after being sent. Notice may be sent by email as a secondary form of notice.

63. THIRD PARTY BENEFICIARIES: The Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

64. GOVERNING LAW: The Contract shall be construed in accordance with the laws of Arizona.

65. FORUM: In the event of litigation relating to the Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

66. ATTORNEYS' FEES: If any action at law or in equity is necessary to enforce the terms of the Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.

67. FORCE MAJUERE:

a. There may be events that occur during the term of the Contract that are beyond the control of both the City and Contractor, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God ("Events"). These Events may result in a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables that are the subject of the Contract.

b. There shall be no claims arising from a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables caused by the Events and the City shall not pay additional costs incurred by Contractor as a result of such Events.

c. The Parties shall act in good faith to extend the Contract completion date without any penalty to Contractor and that the extension will be in an amount of time equal to any temporary delay. This provision of the Contract supersedes all other terms regarding temporary delay, permanent shut down, or increased costs.

68. NO BOYCOTT OF ISRAEL: Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

69. CHANGES TO CONTRACT: The Contract shall not be modified within the first year after Contract award where: (a) an amendment may result in a competitive advantage that was not made available to other proposers/bidders; or (b) requests for changes may delay commencement of performance.

70. FORCED LABOR OF ETHNIC UYGHURS: If Contractor engages in for-profit activity and has ten (10) or more employees, pursuant to A.R.S. §35-394, the Contractor certifies that it does not currently, and agrees for the duration of the contract that it will 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 the Contractor becomes aware during the term of the contract that the company is not in compliance with the written certification, the Contractor shall notify the City within five (5) business days after becoming aware of the noncompliance. If the Contractor does not provide the City with a written certification that the Contractor has remedied the noncompliance within 180 days after notifying the City of the noncompliance, this Contract terminates, except that if the contract termination date occurs before the end of the remedy period the Contract terminations on the Contract termination date.

EXHIBIT C

STANDARD INSURANCE REQUIREMENTS

(Last Updated January 19, 2023)

*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: Christine Cameron, Project Manager III

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Contract: Lone Tree Overpass Project - Approval of Agreement between the City of Flagstaff and BNSF Railway for relocation of a fiber optic communications conduit bank in an amount not to exceed $699,127.00.

STAFF RECOMMENDED ACTION:

1. Approve the BNSF fiber optic relocation agreement in an amount not to exceed $699,127.00; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The Lone Tree Overpass Project ("Overpass" or "Project") includes approximately 9,000 linear feet of track reconstruction from San Francisco Street to Ponderosa Parkway. There is an existing fiber optic conduit bank on the south side of the track corridor that is in conflict with the vertical and horizontal relocation of the rail. This agreement will provide project funding to BNSF Railway to relocate this conduit to the north side of the tracks and out of the construction zone for the project.

Financial Impact:

The Lone Tree Overpass Project is currently budgeted in FY26 in the amount of $26,482,865 in the Transportation Fund (Prop 420), Account Number 047-10-112-3054-6.

Policy Impact:

None.

Previous Council Decision or Community Discussion:

On February 2, 2021, the City Council awarded the Design-Build to Ames Construction.
On September 7, 2021, the First Amendment to the Contract was approved.
On March 1, 2022, the Second Amendment to the Contract was approved.
On February 21, 2023, the Third Amendment, GMP 1, was approved.
On September 3, 2024, the Fourth Amendment, GMP 2 was approved.

Options and Alternatives to Recommended Action:

1. Approve the Agreement with BNSF Railway as presented; or,
2. Reject the Agreement and direct staff to re-negotiate the terms and conditions with BNSF Railway.

Background and History:

The Lone Tree Overpass has been a planned project for over two decades in the Flagstaff community. The Lone Tree Overpass Study, which evaluated conceptual design options for the bridge and adjacent surface

streets was completed in 2010. The goal of the Project is to provide better connectivity for the City's transportation network and provide a grade-separated crossing over the BNSF Railway corridor and the future Rio de Flag channel, which increases safety and convenience for vehicular and multi-modal commuters.

The Overpass project also coordinates with the future planned improvements of the Lone Tree Corridor reconstruction, which was studied in a report completed in 2006. The Lone Tree Corridor and Overpass serves to connect the southern area of town with the Route 66 corridor and provides an option that reduces congestion on other roadway corridors, including Milton Road. The two projects were integrated in design and construction to provide and cohesive and coordinated improvement north and south of the Butler Avenue Intersection along Lone Tree Road.

In November 2018, the voters were asked to approve a ballot measure to fund the Overpass (Proposition 420) and a separate ballot measure to fund the Corridor Improvements (Proposition 419). Both propositions passed.

In the fall of 2020, Ames Construction was selected by a six-member evaluation committee as the most qualified service provider for the Project pursuant to the evaluation and ranking process per A.R.S. sec. 34-603.

On February 2, 2021, Council awarded the Design-Build Contract with Ames Construction, on September 7, 2021, the First Amendment was approved, and on March 1, 2022, the Second Amendment was approved. These initial contracts included scope for preliminary roadway/bridge/intersection/rail design, agency coordination, right-of way acquisition and relocation, utility/drainage design and coordination, Economic Impact Study, public involvement, surveying, environmental clearances, and geotechnical analysis. The Third Amendment provided for an early construction work package that includes cost for demolition of existing buildings, railway shoring design, and contingencies for subsurface utility investigation, aesthetics and public art design, environmental clean up. The Fourth Amendment provided a contract for the construction of the Butler Avenue and Lone Tree corridor portion of the work which began in February 2025.

This agreement with BNSF will fund the fiber optic relocation so the overpass portion of the project can proceed.

Connection to PBB Priorities and Objectives:

Livable Community -
Provide amenities and activities that support a healthy lifestyle.
Achieve a well-maintained community through comprehensive and equitable code compliance and development.

Environmental Stewardship -
Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, and social systems
Implement and enhance sustainable building practices, waste diversion programs, alternative energy programs, and multimodal transportation options

Connection to Regional Plan:

Goal T.I. Improve mobility and access throughout the region.

- Policy T.1.1. Integrate a balanced, multimodal, regional transportation system.
- Policy T.1.2. Apply Complete Street Guidelines to accommodate all appropriate
- modes of travel in transportation improvement projects.
- Policy T.1.3. Transportation systems are consistent with the place type and needs
- of people.
- Policy T.1.4. Provide a continuous transportation system with convenient transfer
- from one mode to another.
- Policy T.1.5. Manage the operation and interaction of all modal systems for efficiency, effectiveness, safety, and to best mitigate traffic congestion.
- 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.1.7. Coordinate transportation and other public infrastructure investments efficiently to achieve land use and economic goals.
- Policy T.1.8. Plan for development to provide on-site, publicly-owned transportation improvements and provide adequate parking.

Connection to Carbon Neutrality Plan:
Decreased Dependence on Cars - DD-1 - Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

- Fund and implement the Active Transportation Master Plan.
- Fully fund bike and pedestrian infrastructure capital improvements to create complete and comfortable bike and pedestrian networks, safe routes to school improvements, and a complete and comfortable system of pedestrian crossings and sidewalks.
- Convert appropriate streets to multi-modal and complete streets through road diets or creating multi-modal lanes. When right-of-way is limited, redistribute the available space to accommodate more users and better reflect climate priorities.
- Create an integrated system of protected lands, the Flagstaff Urban Trail System, and trail corridors that support mode shift, public health, and affordable living.

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
None

Attachments: BNSF Fiber Relo Agreement
BNSF FO Relo Cost
LTO LTC Vicinity Map
Context Map

Contract Number:

Relocation Reimbursement AGREEMENT
BNSF Fiber Optic Communication Cable Relocation
(Phase 1)
(City of Flagstaff – Lone Tree Overpass Project)

Mile Post: 343.0 to 344.20
Seligman Subdivision
Line Segment:7200

This Agreement **("Agreement")** is executed to be effective as of_____ **("Effective Date"),** by and between BNSF RAILWAY COMPANY, a Delaware corporation **("BNSF")** and the CITY OF FLAGSTAFF, a political subdivision of the State of Arizona **("Agency").**

RECITALS

WHEREAS, BNSF owns and operates a line of railroad in and through the City of Flagstaff, State of Arizona;

WHEREAS, Agency has stated its intention to proceed initially with a project to add a roadway overpass over the existing BNSF Railway Tracks. (the **"Lone Tree Overpass");**

WHEREAS, Agency has requested that BNSF perform certain preliminary engineering review and relocation services and other Work (defined below) with respect to its railroad Fiber Optic Communication Cable facilities located at or near the Lone Tree Overpass site to facilitate Agency's preparation to proceed with the Lone Tree Overpass (collectively, such review and relocation Work is referred to as the **"Project"** hereunder) ; and

WHEREAS, BNSF is agreeable to performing the Work, subject to the terms and conditions of this Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1) Scope of Work

As used herein, the term **"Work"** includes all work performed by BNSF, its employees, contractors, consultants, or other agents (collectively, the **"BNSF Parties")** pursuant to this Agreement, including, but not limited to: (a) conducting on-site visits including survey evaluations; (b) performing preliminary engineering services; (c) developing cost estimates for construction of the Project; (d) Constructing the relocation of existing Fiber Optic Cable (e) preparing draft agreements including legal review; and (f) reviewing and/or providing comments on preliminary layouts or other designs, plans, and/or documents in connection with the Project.

2) Payment and Deposit for Work

Agency authorizes BNSF to proceed with the Work. Agency shall pay and reimburse BNSF for all actual costs and expenses that BNSF incurs in performing the Work, including without limitation: (a) labor, supplies, and material; (b) direct and indirect employee chargeback, including, without limitation all additives and overhead charged back to the Lone Tree Overpass matter, or contractor labor and contractor, consultant, attorney and agent charges including additives; (c) delivery charges; (d) BNSF's additives and overhead, as such are in effect on the date BNSF prepares its final billing; and (e) all applicable taxes due, paid, or payable by BNSF on such products and services, including sales and use taxes, business and occupation taxes, and similar taxes (collectively, **"Actual Costs").** BNSF's estimated cost for Work on this Project is $699,127.00 **("Estimated Cost").** Any estimate provided by BNSF for the Work shall not be a limitation on the Work to be performed or the costs and expenses incurred, which Agency shall reimburse to BNSF in full.

During its performance of the Work pursuant to this Agreement, BNSF will send Agency progressive invoices detailing the costs of the Work performed to date. Agency must reimburse BNSF for completed Work within thirty (30) days of the date of the invoice for such Work. Upon final completion of the Work, BNSF will send Agency a detailed invoice of final costs. Agency must pay the final invoice within ninety (90) days of the date of the final invoice. BNSF will assess a finance charge of .033% per day (12% per annum) on any unpaid sums or other charges due under this Agreement which are past such thirty (30) or ninety (90) day terms, as applicable. The finance charge continues to accrue daily until the date payment is received by BNSF, not the date payment is made or the date postmarked on the payment. Finance charges will be assessed on delinquent sums and other charges as of the end of the month and will be reduced by amounts in dispute and any unpasted payments received by the month's end. Finance charges will be noted on invoices sent to Agency under this section.

3) Scope and Limitations of Agreement

The parties acknowledge that entering into this Agreement does not of itself obligate either BNSF or Agency to participate in the construction of the Lone Tree Overpass. If Agency elects to proceed with the Lone Tree Overpass after the Work is performed, then BNSF and Agency agree to enter into negotiations for appropriate agreements regarding the construction of the Lone Tree Overpass and other related activities. Nothing in this Agreement - including BNSF's performance of the Work - shall obligate BNSF to enter into any subsequent agreement or otherwise permit the Lone Tree Overpass *except and subject to* any terms and conditions that BNSF may subsequently approve in its sole discretion.

Notwithstanding anything to the contrary in this Agreement, BNSF's review, approval, and/or other participation in the Project or the Lone Tree Overpass project or any element thereof, including the Work performed by the BNSF Parties hereunder, are expressly limited to - and are intended and understood by the parties to be in furtherance of - BNSF's railroad purposes, and are not in furtherance of Agency's purposes in undertaking the Project or the Lone Tree Overpass project. Portions of the Work performed hereunder are intended for use in evaluating the impact of the Project and the Lone Tree Overpass matter on BNSF's railroad and the costs to Agency associated therewith. BNSF is providing the Work in consideration of BNSF's subjective standards for its railroad purposes only. Consequently, the Work shall in no way be construed or deemed to be BNSF's recommendation, condition, or direction to Agency, nor shall the Work be construed or deemed to be BNSF's opinion or approval that the plans and specifications or any work intended or completed on the Lone Tree Overpass or the Project (a) is appropriate for any other purpose including highway purposes; (b) is structurally sound; or (c) meets applicable standards, regulations, laws, statutes, local ordinances, and/or building codes. No benefits to Agency or any third party are provided, intended, or implied herein. Agency shall at all times be solely responsible for the adequacy and compliance of all design elements of the Project and the Lone Tree Overpass for highway and other public purposes. **AGENCY SHALL WAIVE ANY CLAIMS AGAINST BNSF FOR - AND SHALL RELEASE BNSF FROM - ANY AND ALL CLAIMS WHICH MAY OR COULD RESULT FROM THE WORK PERFORMED HEREUNDER, AND IF APPLICABLE TO THE FULLEST EXTENT PERMITTED BY LAW, AGENCY SHALL INDEMNIFY BNSF FOR AND HOLD IT HARMLESS FROM AND AGAINST ANY SUCH CLAIMS.**

4) No Right of Entry

Nothing in this Agreement shall be construed as providing Agency or its contractors, consultants, or other agents any right of entry upon property owned or occupied by BNSF. Any preliminary engineering or other work required by Agency in connection with the Project or the Lone Tree Overpass project necessitating entry upon BNSF's railroad right-of-way shall only be conducted as

authorized by a separate written permit obtained by Agency from BNSF for such entry **("Entry Permit").**

The Entry Permit will provide that any on-site visits, including diagnostic evaluations, by Agency and its parties required for the Project shall be conducted only from adjoining properties, and Agency shall ensure that no attendees enter or remain on BNSF's right-of-way, except when using an authorized highway-rail crossing designated for such purpose.

Agency or its agents must contact BNSF's Manager of Public Projects, Rafer Nichols at rafer.nichols@bnsf.com, or BNSF's permitting agent Jones Lang LaSalle Brokerage, Inc. **("JLL")** at http://bnsf.railpermitting.com/ to obtain the required Entry Permit prior to any entry.

5) Disclaimer

BNSF GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER, OF OR FOR THE WORK PERFORMED PURSUANT TO THIS AGREEMENT OR ANY REPORT OR OTHER DELIVERABLE WHICH BNSF MAY FURNISH TO AGENCY PURSUANT TO THIS AGREEMENT. BNSF SHALL IN NO WAY BE RESPONSIBLE FOR AGENCY'S PROPER RELIANCE UPON, INTERPRETATION OF, OR OTHER USE OF THE WORK. BNSF IS NOT A CONTRACTOR, AGENT, PARTNER, OR JOINT VENTURER OF AGENCY BECAUSE OF THIS AGREEMENT OR BECAUSE OF BNSF'S PERFORMANCE OF THE WORK. LIKEWISE, THE BNSF PARTIES WHO MAY ASSIST BNSF IN PERFORMING THE WORK ARE DOING SO FOR BNSF'S BENEFIT ONLY AND ARE NOT-AND SHALL NOT BE DEEMED TO BE CONTRACTORS, SUBCONTRACTORS, OR AGENTS OF AGENCY.

Contract Number:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

City of Flagstaff , AZ

By:_____

Name: _____

BNSF Railway Company

By:_____

Name: _____
Assistant Director Public Projects

Accepted and effective this _day of _____,20_.

***** MAINTAIN PROPRIETARY CONFIDENTIALITY *****

BNSF RAILWAY COMPANY
FHPM ESTIMATE FOR
CITY OF FLAGSTAFF

LOCATION EAST FLAGSTAFF TO WEST FLAGSTAFF | DETAILS OF ESTIMATE | PLAN ITEM : 000363016 | VERSION : 1

PURPOSE, JUSTIFICATION AND DESCRIPTION

THE MATERIAL LIST BELOW REFLECTS TYPICAL REPRESENTATIVE PACKAGES USED FOR ESTIMATING PURPOSES ONLY

THEY CAN BE EXPECTED TO CHANGE AFTER THE ENGINEERING PROCESS. DETAILED AND ACCURATE MATERIAL LISTS WILL BE FURNISHED WHEN ENGINEERING IS COMPLETED.

THIS ESTIMATE IS GOOD FOR 180 DAYS. THEREAFTER THE ESTIMATE IS SUBJECT TO CHANGE IN COST FOR LABOR, MATERIAL, AND OVERHEAD.

********** SIGNAL WORK ONLY **********

THIS ESTIMATE IS 100% BILLABLE TO CITY OF FLAGSTAFF

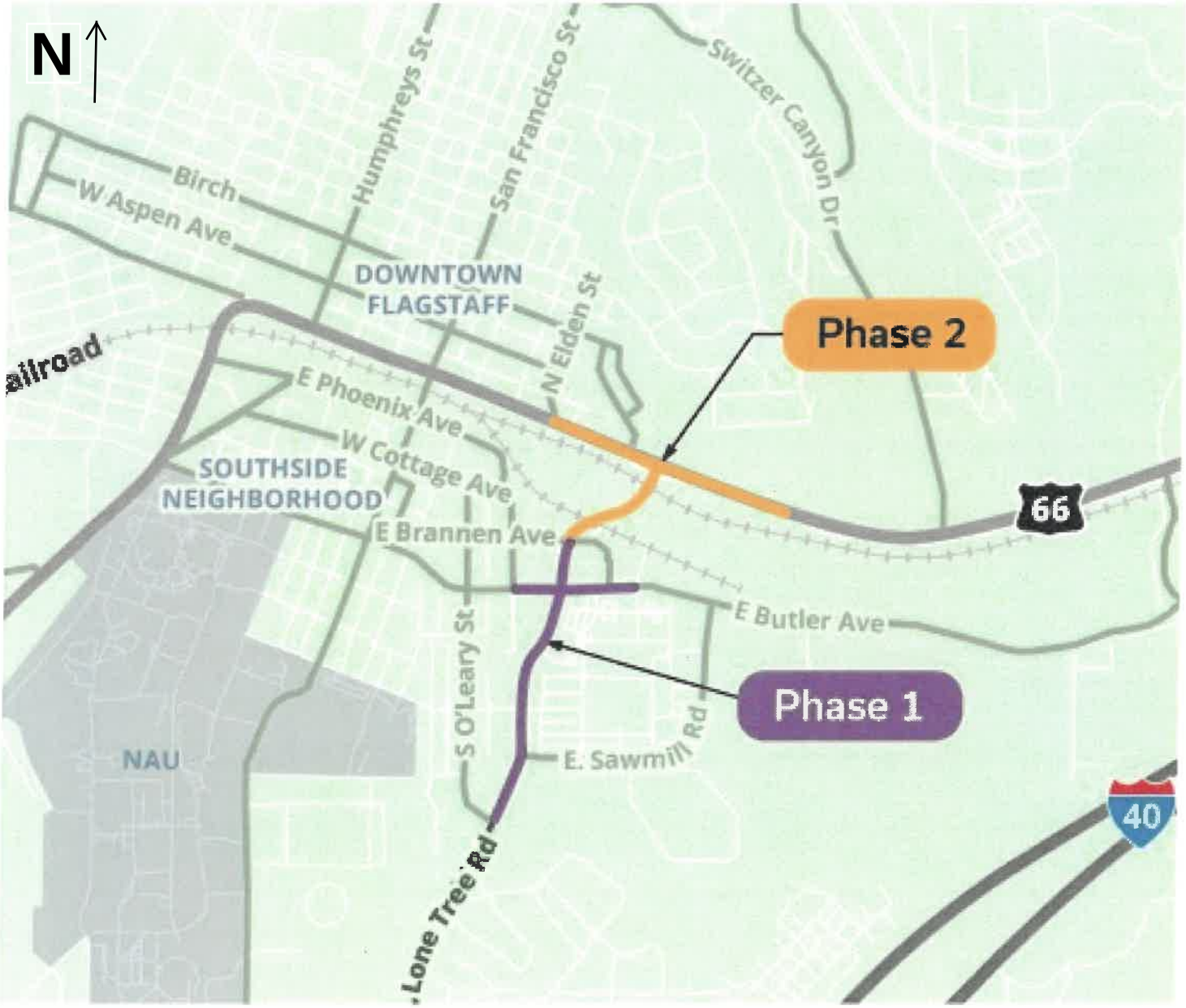
MAINTAIN PROPRIETARY CONFIDENTIALITY

TELECOM FLAGSTAFF LONE TREE RD FIBER RELOCATE; LS 7200 MP 343.0 TO MP 344.0; SOUTHWEST DIV, SELIGMAN SUBDIV, DOT # 980614N

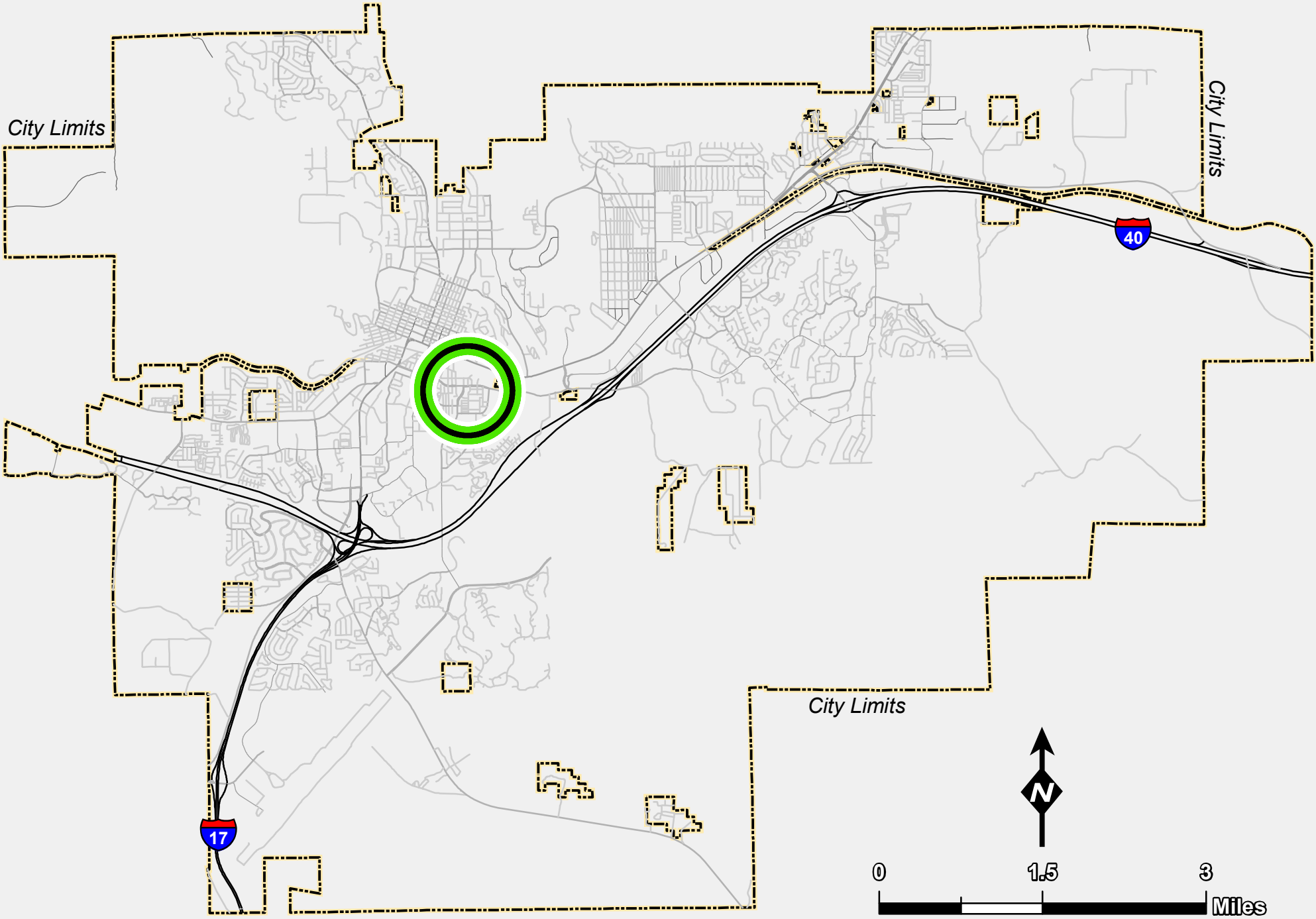
DESCRIPTION	QUANTITY	U/M	COST	TOTAL $
**********				
LABOR				
**********				
TOTAL LABOR COST			0	0
**********				
MATERIAL				
**********				
OUTSIDE PLANT MATERIAL	1.0	LS	139,326	
MATERIAL HANDLING			6,966	
USE TAX			10,679	
OFFLINE TRANSPORTATION			1,755	
TOTAL MATERIAL COST			158,726	158,726
**********				
OTHER				
**********				
INSIDE PLANT OTHER	1.0	LS	27,258	
OUTSIDE PLANT OTHER	1.0	LS	506,220	
TOTAL OTHER ITEMS COST			533,478	533,478
PROJECT SUBTOTAL				692,204
CONTINGENCIES				0
BILL PREPARATION FEE				6,923
GROSS PROJECT COST				699,127
LESS COST PAID BY BNSF				0
TOTAL BILLABLE COST				699,127

Lone Tree Overpass and Corridor Improvements

Project Map



Lone Tree Overpass and Corridor Improvements



CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Charles Hernandez, Deputy Police Chief - Criminal Investigations

Co-Submitter: Megan Dales

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Contract: Approve the Grant Agreement with the State of Arizona Department of Public Safety for the Anti-Trafficking Grant Award of $360,100.00.

STAFF RECOMMENDED ACTION:

Approve the acceptance of the grant from the State of Arizona Department of Public Safety Anti-Human Trafficking grant funds in the amount of $360,100.00 for FY2026.

Executive Summary:

The City of Flagstaff and Flagstaff Police Department submitted a grant application to obtain funding for specialized human trafficking investigations, operations, and victim services. The City of Flagstaff was awarded $360,100.00 in grant funds from the State of Arizona Department of Public Safety for Anti-Human Trafficking. These grant funds provide for law enforcement services and programs that reduce human trafficking within the state. The funding will be used to reimburse expenses related to personnel and overtime, victim services, community outreach, equipment and software. The grant provides $30,000 for victim services to be provided by Northland Family Help Center, and $10,000 for victim services to be provided by Applejack's Ranch. Northland Family Help Center will oversee a coordinated community response to identified victims of human trafficking. The Director of Human Trafficking Services will provide victim advocacy and service coordination during law enforcement operations. The remaining $320,100.00 provided to the Flagstaff Police Department will include, one (1) Human Trafficking Detective, four (4) Northern Arizona multi-agency enforcement operations, tactical support, operational support, community outreach and advocacy, and equipment and software necessary to support the operations. The Flagstaff Police Department will report statistical activity and progress on a quarterly basis with the Arizona State Department of Public Safety as described in the Agreement.

Financial Impact:

Project Name: Anti-Human Trafficking Grant Agreement
Cost: $360,100.00
Account Number Budgeted: 001-04-062-6414-2
FY2026 Budgeted Amount: $500,000; No match required, 100% grant funded
Funding Source: Arizona State Department of Public Safety

Policy Impact:

There is no policy impact by accepting this Anti-Human Trafficking grant.

Previous Council Decision or Community Discussion:

Council Approved previous Agreement in FY25

Options and Alternatives to Recommended Action:

1. Approve the acceptance of the grant agreement and funding; or
2. Decline the acceptance of the grant agreement and funding.

Connection to PBB Priorities and Objectives:
Safe & Healthy Community: Enhance community engagement and strengthen relationships between the community and public safety; Support social services, community partners, and housing opportunities; Provide public safety services with resources, staff, and training responsive to the communities needs

Connection to Regional Plan:
Goal PF.3: Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Attachments: AzDPS AHT Staff Summary
AzDPS AHT Grant Award Letter
AzDPS AHT Grant Agreement

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Charles M Hernandez II, Deputy Chief

Co-Submitter: Megan Dales

Date: December 4, 2025

Meeting Date: January 6, 2026

TITLE:

Consideration and Approval of Grant Agreement: Approve the Grant Agreement with State of Arizona Department of Public Safety for the Anti-Trafficking Grant Award of $360,100.00.

STAFF RECOMMENDED ACTION:

Approve the acceptance of the grant from the State of Arizona Department of Public Safety Anti-Human Trafficking grant funds in the amount of $360,100.00 for FY2026.

Executive Summary:

The City of Flagstaff and Flagstaff Police Department submitted a grant application to obtain funding for specialized human trafficking investigations, operations, and victim services. The City of Flagstaff was awarded $360,100.00 in grant funds from the State of Arizona Department of Public Safety for Anti-Human Trafficking. These grant funds provide for law enforcement services and programs that reduce human trafficking within the state. The funding will be used to reimburse expenses related to personnel and overtime, victim services, community outreach, equipment and software. The grant provides $30,000 for victim services to be provided by Northland Family Help Center, and $10,000 for victim services to be provided by Applejack's Ranch. Northland Family Help Center will oversee a coordinated community response to identified victims of human trafficking. The Director of Human Trafficking Services will provide victim advocacy and service coordination during law enforcement operations. The remaining $320,100.00 provided to the Flagstaff Police Department will include, one (1) Human Trafficking Detective, four (4) Northern Arizona multi-agency enforcement operations, tactical support, operational support, community outreach and advocacy, and equipment and software necessary to support the operations. The Flagstaff Police Department will report statistical activity and progress on a quarterly basis with the Arizona State Department of Public Safety as described in the Agreement.

Financial Impact:

Project Name: Anti-Human Trafficking Grant Agreement
Cost: $360,100.00
Account Number Budgeted: 001-04-062-6414-2
FY2026 Budgeted Amount: $500,000; No match required, 100% grant funded
Funding Source: Arizona State Department of Public Safety

Policy Impact:

There is no policy impact by accepting this Anti-Human Trafficking grant.

Previous Council Decision or Community Discussion:

Council Approved previous Agreement in FY25

Options and Alternatives to Recommended Action:

1. Approve the acceptance of the grant agreement and funding; or
2. Decline the acceptance of the grant agreement and funding.

Connection to PBB Priorities and Objectives:

Safe & Healthy Community: Enhance community engagement and strengthen relationships between the community and public safety; Support social services, community partners, and housing opportunities; Provide public safety services with resources, staff, and training responsive to the communities needs

Inclusive & Engaged Community: Enhance the City's involvement in community, education, and regional partnerships to strengthen the level of public trust

Connection to Regional Plan:
Goal PF.3: Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Attachments: Grant Agreement
Award Letter

KATIE HOBBS
Governor

JEFFREY GLOVER
Director

ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

"Courteous Vigilance"

November 20, 2025

Sean Connolly, Chief of Police
Flagstaff Police Department
911 E Sawmill Road
Flagstaff, AZ 86001

RE: Anti-Human Trafficking Grant Fund
Conditional Award Amount: **$360,100.00**

Dear Chief Connolly,

Congratulations, on behalf of the Arizona Department of Public Safety ("DPS"), the Flagstaff Police Department application for financial assistance submitted under the Fiscal Year (FY) 2026 Anti-Human Trafficking (AHT) Grant has been conditionally approved in the amount of **$360,100.00.**

Before you request and receive any of the funds awarded to you, you must establish acceptance of the award by reviewing and signing the established grant agreement which will be provided via separate notification from DPS. Final awards will be processed once the State of Arizona receives the grant agreement finalized by both parties.

All expenditures made with grant funding must adhere to all state regulations and requirements. Also, each grant award will be monitored for fiscal compliance through desk monitoring and potential site monitoring visits.

If you have any questions, please email grants@azdps.gov. We look forward to working with you and your staff in the coming year.

Sincerely,

Jeffrey Glover, Colonel
Director

AGREEMENT REGARDING
ANTI-HUMAN TRAFFICKING

This Agreement is entered into between the State of Arizona through its Department of Public Safety, hereinafter referred to as "DPS" and the Flagstaff Police Department hereinafter referred to as "FPD."

The purpose of the Agreement shall be the enhance law enforcement services that reduce human trafficking within the state as allowed in A.R.S. § 26-106 through the cooperative efforts of the parties to this Agreement.

DPS is authorized and empowered to enter into this Agreement pursuant to A.R.S. § 41-1713(B)(3). Both parties are authorized and empowered to enter into the Agreement pursuant to A.R.S. § 11-952.

In consideration of the mutual promises set forth herein, the parties to this Agreement hereby agree to the following conditions.

I. PARTICIPATION

This agreement provides Fiscal Year 2026 (July 1, 2025 through June 30, 2026) Anti-Human Trafficking funding up to $360,100.00 for personnel, travel, training, victim services, and equipment.

Quarterly, the FPD will report statistical activity and progress for the agreed upon performance measures. Additionally, ongoing information exchange and intelligence sharing will occur between DPS and FPD.

II. REIMBURSEMENT

DPS agrees to reimburse FPD up to $264,900 for personnel and overtime; this excludes backfill coverage. Victim services, and community outreach will be reimbursed up to $42,500. Equipment and software reimbursements are not to exceed $52,700.

Category	Description	Amount
Personnel	(1) Human Trafficking Detective	$ 113,700
Personnel	Overtime for Officers and Supervisors (No Command Staff)	$ 112,800
Personnel	Tactical Support	$ 32,000
Personnel	Intelligence Analyst	$ 6,400
MOU Support	Victim Services Support for Northland Family Help Center (NFHC)	$ 30,000
MOU Support	Victim Services Support for Applejack's Ranch (AJR)	$ 10,000
MOU Support	Community Outreach & Advocacy	$ 2,500
Other	Operational Support - Hotel	$ 3,500
Other	Operational Support - Investigative/Recovery	$ 6,000
Software	(1 year) Case Scan - Evidence Collection/Triage	$ 2,500
Software	(1 Year) Magnet Gray Key Software - Evidence Collection	$ 30,000
Software	(1) Magnet Axion Software - Evidence Collection	$ 7,000
Software	(1 Year) Magnet Grey Key Preserve Software - Evidence Collection	$ 1,200
Software	(1 Year) Magnet Griffeye Software - Evidence Collection	$ 2,500

Evidence of expenditures shall be provided by June 30, 2026, or as soon as practicable, for the fiscal year just ended. Quarterly statistical reports shall be provided on the same schedule as the expenditure information. Expenditures must align with the approved budget and be incurred within the performance period.

III. NON-AVAILABILITY OF FUNDS

Every payment obligation of State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, the Agreement may be terminated by the State at the end of the period for which 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 or for any damages as a result of termination under this paragraph.

IV. NON-DISCRIMINATION

The parties shall comply with the non-discrimination provisions of the Governor's Executive Order 2023-001, which mandates that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The parties shall take affirmative action to ensure the applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

V. 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, hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, agents, employees, or volunteers.

VI. RECORDKEEPING

All records regarding the Agreement, including the officers' time accounting logs, must be retained for five (5) years in compliance with A.R.S. § 35-214, entitled Inspection and Audit of Contract Provisions.

VII. FEES

In no event shall either party charge the other for any administrative fees for any work performed pursuant to the Agreement.

VIII. ARBITRATION

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

IX. EFFECTIVE DATE/DURATION

The terms of this agreement shall become effective upon the date the last signature is obtained, shall be retroactive to July 1, 2025, and shall expire June 30, 2026. If funds are not allocated to support this agreement, DPS will provide written notice to FPD notifying them of the termination of funding and cancellation of this Agreement.

X. CANCELLATION

All parties are hereby put on notice that this Agreement is subject to cancellation by the Governor for conflicts of interest pursuant to A.R.S. § 38-511.

XI. TERMINATION

Either party may terminate the Agreement for convenience or cause upon thirty (30) days written notice to the other party. Upon termination, DPS shall pay all outstanding amounts up through the time upon which the termination becomes effective. All property shall be returned to the owning party upon termination.

Any notice required to be given under the Agreement will be provided by mail to:

Mike Dodd, Budget Officer
Arizona Department of Public Safety
P.O. Box 6638, Mail Drop 1330
Phoenix, AZ 85005-6638

Sean Connolly, Chief of Police
Flagstaff Police Department
911 E. Sawmill Road
Flagstaff, AZ 86001

XII. VALIDITY

This document contains the entire Agreement between the parties and may not be modified, amended, altered or extended except through a written amendment signed by all parties. If any portion of this Agreement is held to be invalid, the remaining provision shall not be affected.

The parties hereto have caused this Agreement to be executed by the proper officers and officials.

STATE OF ARIZONA

BY: _____ DATE: _____
Jeffrey D. Glover, Director
Arizona Department of Public Safety

CITY OF FLAGSTAFF

BY: _____ DATE: _____
Greg Clifton, City Manager

ATTEST

BY: _____ DATE: _____
City Clerk

APPROVED AS TO FORM

BY: _____ DATE: _____
City Attorney's Office

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Tim Harrington, Water Service Section Director â€“ Treatment

Co-Submitter: Lee Williams

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Contract: Renewal of United States Forest Service (USFS) Annual Land Use Fee/Master Special Use Permit for Water Transmission Lines and associated fees.

STAFF RECOMMENDED ACTION:

1. Approve renewal of USFS Annual Land Use Fee/Master Special Use Permit for Water Transmission Lines and authorize the City Manager to execute all necessary documents; and
2. Approve the expenditure of $40,664.70 annually for the duration of the contract (20 years). Grand total is $813,294 over 20 years.

Executive Summary:

This Master Special use permit is with the USFS for the following: water transmission lines, wells, well houses, water storage structures, water treatment plant, sedimentation tank, sanitary sewer transmission lines, power lines of less than 33kv, wildlife drinker structures, spring catchments and associated roads and improvements for the transmission of water and sewage. These permits will allow for continuing presence of infrastructure to meet the needs of Flagstaff residents.

This permit includes the right of Ingress and Egress for the purpose of maintenance of the facilities subject to such travel regulations that might be applicable. All activities are governed by the applicable federal, statae and local laws and USFS consent.

Financial Impact:

Expenditure of $40,664.70 annually for the duration of the contract (20 years). Grand total is $813,294 over 20 years from the drinking water fund.

Account Number Budgeted: 202-08-300-1000-0-4242
FY Budgeted Amount: FY 2025-26 $50,000
Grant Funded: No
Funding Source: Water Service - Drinking Water

Policy Impact:

There is no policy impact.

Previous Council Decision or Community Discussion:

None.

Options and Alternatives to Recommended Action:

Approve the USFS Annual Land Use Fee/Master Special Use permit for Water Transmission Lines to allow the City to continue to operate water related infrastructure on USFS lands or deny the renewal and thereby eliminate the ability of the Water Services Division to produce and deliver 76% of the City's potable water resources and a portion of the City's sewer services.

Background and History:
The City has owned and operated water infrastructure that is outside of City Limits for over a century; catchments are located at springs in the Inner Basin of the San Francisco Peaks, wells and well houses in the Woody Mountain and Lower Lake Mary areas, a water treatment plant located on Lake Mary Road, all associated transmission mains, power lines and sewer mains. 76% of the City's potable water is imported from the surrounding USFS lands and delivered to the City through various transmission mains. In addition the City owns and operates sewer mains on USFS land. Without this Master Use Agreement Water Services would be unable to meet the potable water demands of the City and would be unable to provide sanitary sewer service to some residents.

Connection to PBB Priorities and Objectives:
High Performance Governance: Serve the public by providing high quality customer service
Sustainable Innovative Infrastructure. Deliver outstanding service to residents through a healthy, well-maintained infrastructure system

Connection to Regional Plan:
Goal WR 1. Maintain a sustainable water budget incorporating regional hydrology, ecosystem needs, and social and economic well-being.
Goal WR 2: Manage a coordinated system of water, wastewater and reclaimed water utility service facilities and resources at the City Level and identify funding to pay for new resources
Policy WR2.2: Maintain and develop facilities to provide reliable, safe and cost effective water, wastewater, and reclaimed water services.
Goal WR 3. Satisfy current and future human water demands and the needs of the natural environment through sustainable and renewable water resources and strategic conservation measure
Goal WR6. Protect, preserve, and improve the quality of surface water, groundwater, and reclaimed water in the region

Connection to Carbon Neutrality Plan:
WS-1 Improve water infrastructure and expand water reuse

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
Water Service Strategic Goals:
Goal 1: Use Standards and Data to Drive Decision Making
Goal 5: . Accelerate Infrastructure Maintenance and Replacement
Goal 6. Ensure Adequate Water Resources and Plan for Climate Change
Goal 7. Maintain Excellent Water Quality
Goal 8. Improve Compliance with Environmental Standards and Protections

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Attachments: 2024 Agreeent
2004 Agreement

FS-2700-4 (09/2020)
OMB 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

SPECIAL USE PERMIT

Authority: FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976
FLAGSTAFF, CITY OF of 211 W ASPEN ATTN: JUSTIN EMERICK, WATER SERVICES PROJECT MANAGER FLAGSTAFF AZ 86001 (hereinafter "the holder") is authorized to use or occupy National Forest System lands in the COCONINO NATIONAL FOREST, subject to the terms of this special use permit (the permit).

This permit covers 141.54 acres or 0 miles in the Sec. 1, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 7, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 33, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 30, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 5, T. 19 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 29, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 27, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 14, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 11, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 12, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 10, T. 19 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 20, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 35, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 21, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 11, T. 20 N., R. 6 E., GILA AND SALT RIVER MERIDIAN, Sec. 23, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 33, T. 21 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 19, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 21, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 36, T. 21 N., R. 6 E., GILA AND SALT RIVER MERIDIAN, Sec. 25, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 32, T. 22 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 22, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 33, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 33, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 3, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 4, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 6, T. 21 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 31, T. 22 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 27, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 32, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 33, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 28, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 36, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 32, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 12, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 13, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 10, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 35, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 2, T. 21 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 20, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 1, T. 19 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 26, T. 23 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 2, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 22, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 28, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 13, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 21, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 28, T. 20 N., R. 8 E., GILA AND

SALT RIVER MERIDIAN, Sec. 18, T. 20 N., R. 8 E., GILA AND SALT RIVER MERIDIAN, Sec. 35, T. 21 N., R. 6 E., GILA AND SALT RIVER MERIDIAN, Sec. 5, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 8, T. 20 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 11, T. 21 N., R. 7 E., GILA AND SALT RIVER MERIDIAN, Sec. 15, T. 22 N., R. 7 E., GILA AND SALT RIVER MERIDIAN , ("the permit area"), as shown on the map attached as Appendix A. This and any other appendices to this permit are hereby incorporated into this permit.

This permit issued for the purpose of:

MASTER SPECIAL USE PERMIT FOR WATER TRANSMISSION LINES, WELLS, WATER STORAGE STRUCTURES, WATER TREATMENT PLANT, SEDIMENTATION TANK, SANITARY SEWER TRANSMISSION LINES, POWERLINES OF LESS THAN 33 KV, AND ASSOCIATED ROADS AND IMPROVEMENTS FOR THE TRANSMISSION OF WATER AND SEWAGE TO MEET THE NEEDS OF FLAGSTAFF RESIDENTS.

RIGHT OF INGRESS AND EGRESS IS GRANTED FOR THE PURPOSE OF MAINTENANCE OF THE FACILITIES SUBJECT TO SUCH TRAVEL REGULATIONS THAT MIGHT BE APPLICABLE. NO GROUND DISTURBING ACTIVITY INCLUDING VEGETATION REMOVAL IS PERMITTED WITHOUT PRIOR AUTHORIZATION BY THE FOREST SERVICE.

THE HOLDER IS REQUIRED TO NOTIFY THE PERMIT ADMINISTRATOR WHENEVER A POSITIVE TEST RESULT FOR ALGAL BLOOM TOXINS ARE DETECTED.

THE LIST OF CURRENT IMPROVEMENTS IS ATTACHED AS EXHIBIT A.1 AND EXHIBIT A.2 ADDITIONS OR DELETIONS TO THE MASTER PERMIT WILL BE IN ACCORDANCE WITH THE ATTACHED PROCEDURE (EXHIBIT B) INCLUDING ROUTE PLANNING FORM (EXHIBIT C) AND AMENDMENT (EXHIBIT D).

I. GENERAL TERMS

A. AUTHORITY. This permit is issued pursuant to the FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976 and 36 CFR Part 251, Subpart B, as amended, and is subject to their provisions.

B. AUTHORIZED OFFICER. The authorized officer is the Forest or Grassland Supervisor, a District Ranger, or the Station, Institute, or Area Director with delegated authority pursuant to Forest Service Manual 2700.

C. TERM. This permit shall expire at midnight on 12/31/2043. Expiration of this permit shall not require notice, a decision document, or any environmental analysis or other documentation from the date of issuance.

D. CONTINUATION OF USE AND OCCUPANCY. This permit is not renewable. Prior to expiration of this permit, the holder may apply for a new permit for the use and occupancy

authorized by this permit. Applications for a new permit must be submitted at least 6 months prior to expiration of this permit. Issuance of a new permit is at the sole discretion of the authorized officer. At a minimum, before issuing a new permit, the authorized officer shall ensure that (1) the use and occupancy to be authorized by the new permit is consistent with the standards and guidelines in the applicable land management plan; (2) the type of use and occupancy to be authorized by the new permit is the same as the type of use and occupancy authorized by this permit; and (3) the holder is in compliance with all the terms of this permit. The authorized officer may prescribe new terms when a new permit is issued.

E. AMENDMENT. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the authorized officer, such action is deemed necessary or desirable to incorporate new terms that may be required by law, regulation, directive, the applicable forest land and resource management plan, or projects and activities implementing the land management plan pursuant to 36 CFR Part 218.

F. COMPLIANCE WITH LAWS, REGULATIONS, AND OTHER LEGAL REQUIREMENTS. In exercising the rights and privileges granted by this permit, the holder shall comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

G. NON-EXCLUSIVE USE. The use or occupancy authorized by this permit is not exclusive. The Forest Service reserves the right of access to the permit area, including a continuing right of physical entry to the permit area and the authorized facilities and improvements for inspection, monitoring, or any other purpose consistent with any right or obligation of the United States under any law or regulation. The Forest Service reserves the right to allow others to use the permit area in any way that is not inconsistent with the holder's rights and privileges under this permit, after consultation with all parties involved. Except for any restrictions that the holder and the authorized officer agree are necessary to protect the installation and operation of authorized temporary improvements, the lands and waters covered by this permit shall remain open to the public for all lawful purposes.

H. ASSIGNABILITY. This permit is not assignable or transferable.

I. TRANSFER OF TITLE TO THE IMPROVEMENTS.

1. Notification of Transfer. The holder shall notify the authorized officer when a transfer of title to all or part of the authorized improvements is planned.

2. Transfer of Title. Any transfer of title to the improvements covered by this permit shall result in termination of the permit. The party who acquires title to the improvements must submit an application for a permit. The Forest Service is not obligated to issue a new permit to the party who

acquires title to the improvements. The authorized officer shall determine that the applicant meets requirements under applicable federal regulations.

II. IMPROVEMENTS

A. LIMITATIONS ON USE. Nothing in this permit gives or implies permission to build or maintain any structure or facility or to conduct any activity, unless specifically authorized by this permit. Any use not specifically authorized by this permit must be proposed in accordance with 36 CFR 251.54 or 251.61. Approval of such a proposed use through issuance of a new permit or permit amendment is at the sole discretion of the authorized officer.

B. DRAWINGS. All drawings for development, layout, construction, reconstruction, or alteration of improvements in the permit area, as well as revisions to those drawings, must be prepared by a professional engineer, architect, landscape architect, or other qualified professional acceptable to the authorized officer. These drawings and drawing revisions must have written approval from the authorized officer before they are implemented. The authorized officer may require the holder to furnish as-built drawings, maps, or surveys upon completion of the work.

C. CONSTRUCTION. Any construction authorized by this permit shall commence by N/A and shall be completed by N/A.

III. OPERATIONS.

A. PERIOD OF USE. Use or occupancy of the permit area shall be exercised at least 365 days each year.

B. CONDITION OF OPERATIONS. The holder shall maintain the authorized improvements and permit area to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer and consistent with other provisions of this permit. Standards are subject to periodic change by the authorized officer when deemed necessary to meet statutory, regulatory, or policy requirements or to protect national forest resources.

C. USE OF NATIONAL FOREST SYSTEM ROADS AND NATIONAL FOREST SYSTEM TRAILS. The holder's use of National Forest System roads and National Forest System trails shall comply with applicable requirements in 36 CFR Part 212, Subpart A; 36 CFR Part 261, Subpart A; and orders issued under 36 CFR Part 261, Subpart B. Motor vehicle use shall be consistent with designations made under 36 CFR Part 212, Subpart B, unless specifically provided otherwise in the operating plan. Over-snow vehicle use shall be consistent with designations made under 36 CFR Part 212, Subpart C, unless specifically provided otherwise in the operating plan.

D. MONITORING BY THE FOREST SERVICE. The Forest Service shall monitor the holder's operations and reserves the right to inspect the permit area and authorized facilities and improvements at any time for compliance with the terms of this permit. The holder shall comply with inspection requirements deemed appropriate by the authorized officer. The holder's obligations under this permit are not contingent upon any duty of the Forest Service to inspect the permit area or

authorized facilities or improvements. A failure by the Forest Service or other governmental officials to inspect is not a justification for noncompliance with any of the terms of this permit.

E. CUTTING, DISPOSAL, AND PLANTING OF VEGETATION. This permit does not authorize the cutting of trees, brush, shrubs, and other plants ("vegetation"). Vegetation may be cut, destroyed, or trimmed only after the authorized officer or the authorized officer's designated representative has approved in writing and marked or otherwise identified what may be cut, destroyed, or trimmed. The holder shall notify the authorized officer when approved cutting, destruction, or trimming of vegetation has been completed. The Forest Service shall determine in advance of felling the method of disposal of trees felled in the permit area that meet utilization standards. Disposal may be by sale or without charge per 36 CFR Part 223, as may be most advantageous to the United States. Debris from felling that does not meet utilization standards shall also be disposed of according to methods determined by the Forest Service. Planting of vegetation in the permit area must have prior written approval from the authorized officer.

IV. RIGHTS AND LIABILITIES

A. LEGAL EFFECT OF THE PERMIT. This permit, which is revocable and terminable, is not a contract or a lease, but rather a federal license. The benefits and requirements conferred by this authorization are reviewable solely under the procedures set forth in 36 CFR 214 and 5 U.S.C. 704. This permit does not constitute a contract for purposes of the Contract Disputes Act, 41 U.S.C. 601. The permit is not real property, does not convey any interest in real property, and may not be used as collateral for a loan.

B. VALID EXISTING RIGHTS. This permit is subject to all valid existing rights. Valid existing rights include those derived under mining and mineral leasing laws of the United States. The United States is not liable to the holder for the exercise of any such right.

C. ABSENCE OF THIRD-PARTY BENEFICIARY RIGHTS. The parties to this permit do not intend to confer any rights on any third party as a beneficiary under this permit.

D. NO WARRANTY OF ACCESS, SITE SUITABILITY, OR SERVICES. This permit authorizes the use and occupancy of National Forest System lands by the holder for the purposes identified in this permit. The Forest Service does not make any express or implied warranty of access to the permit area, of the suitability of the permit area for the authorized uses, or for the furnishing of road or trail maintenance, water, fire protection services, search and rescue services, or any other services by a government agency, utility, association, or individual.

E. RISK OF LOSS. The holder assumes all risk of loss to the authorized improvements and all risk of loss of use and occupancy of the permit area, in whole or in part, due to public health and safety or environmental hazards. Loss to the authorized improvements and of use and occupancy of the permit area may result from but is not limited to theft, vandalism, fire and any fire-fighting activities (including prescribed burns), environmental contamination, avalanches, rising waters, winds, falling limbs or trees, and other forces of nature. If any authorized improvements are destroyed or substantially damaged, the authorized officer shall conduct an analysis to determine whether the

improvements can be safely occupied in the future and whether rebuilding should be allowed. If rebuilding is not allowed, this permit shall terminate. If the authorized officer determines that the permit area cannot be safely occupied due to a public health or safety or environmental hazard, this permit shall terminate. Termination under this clause shall not give rise to any claim for damages, including lost profits and the value of the improvements, by the holder against the Forest Service.

F. DAMAGE TO UNITED STATES PROPERTY. The holder has an affirmative duty to protect from damage the land, property, and other interests of the United States that are associated with the use and occupancy authorized by this permit. Damage includes but is not limited to destruction of or damage to National Forest System lands, fire suppression costs, and destruction of or damage to federally owned improvements.

1. The holder shall be liable for all injury, loss, or damage, including fire suppression costs, prevention and control of the spread of invasive species, and the costs of rehabilitation or restoration of natural resources, resulting from the holder's use and occupancy of the permit area. Compensation shall include but not be 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, and all administrative, legal (including attorney's fees), and other costs. Such costs may be deducted from a performance bond required under clause IV.J.

2. The holder shall be liable for damage to all roads and trails of the United States caused by use of the holder or the holder's heirs, assignees, agents, employees, or contractors to the same extent as provided under clause IV.F.1, except that liability shall not include reasonable and ordinary wear and tear.

G. HEALTH AND SAFETY. The holder shall take all measures necessary to protect the health and safety of all persons affected by the use and occupancy authorized by this permit. The holder shall promptly abate as completely as possible and in compliance with all applicable laws and regulations any physical or mechanical procedure, activity, event, or condition existing or occurring in connection with the authorized use and occupancy during the term of this permit that causes or threatens to cause a hazard to the health or safety of the public or the holder's employees, agents, or contractors. The holder shall as soon as practicable notify the authorized officer of all serious accidents that occur in connection with these procedures, activities, events, or conditions. The Forest Service has no duty under the terms of this permit to inspect the permit area or operations of the holder for hazardous conditions or compliance with health and safety standards.

H. ENVIRONMENTAL PROTECTION.

1. Compliance with Environmental Laws. The holder shall in connection with the use and occupancy authorized by this permit comply with all applicable federal, state, and local environmental laws and regulations, including but not limited to those established pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., the Oil Pollution Act, as amended, 33 U.S.C. 2701 et seq., the Clean Air Act, as amended, 42 U.S.C. 7401 et seq., the Toxic

Substances Control Act, as amended, 15 U.S.C. 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. 136 et seq., and the Safe Drinking Water Act, as amended, 42 U.S.C. 300f et seq.

2. Definition of Hazardous Material. For purposes of clause IV.H and section V, "hazardous material" shall mean (a) any hazardous substance under section 101(14) of CERCLA, 42 U.S.C. 9601(14); (b) any pollutant or contaminant under section 101(33) of CERCLA, 42 U.S.C. 9601(33); (c) any petroleum product or its derivative, including fuel oil, and waste oils; and (d) any hazardous substance, extremely hazardous substance, toxic substance, hazardous waste, ignitable, reactive or corrosive materials, pollutant, contaminant, element, compound, mixture, solution or substance that may pose a present or potential hazard to human health or the environment under any applicable environmental laws.

3. Oil Discharges and Release of Hazardous Materials. The holder shall immediately notify all appropriate response authorities, including the National Response Center and the authorized officer or the authorized officer's designated representative, of any oil discharge or of the release of a hazardous material in the permit area in an amount greater than or equal to its reportable quantity, in accordance with 33 CFR Part 153 and 40 CFR Part 302. For the purposes of this requirement, "oil" is as defined by section 311(a)(1) of the Clean Water Act, 33 U.S.C. 1321(a)(1). The holder shall immediately notify the authorized officer or the authorized officer's designated representative of any release or threatened release of any hazardous material in or near the permit area which may be harmful to public health or welfare or which may adversely affect natural resources on federal lands.

4. Remediation of Release of Hazardous Materials. The holder shall remediate any release, threat of release, or discharge of hazardous materials that occurs in connection with the holder's activities in the permit area, including activities conducted by the holder's agents, employees, or contractors and regardless of whether those activities are authorized under this permit. The holder shall perform remediation in accordance with applicable law immediately upon discovery of the release, threat of release, or discharge of hazardous materials. The holder shall perform the remediation to the satisfaction of the authorized officer and at no expense to the United States. Upon revocation or termination of this permit, the holder shall deliver the site to the Forest Service in compliance with all applicable laws and regulations and free and clear of contamination.

I. **INDEMNIFICATION OF THE UNITED STATES**. The holder shall indemnify, defend, and hold harmless the United States for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the holder in connection with the use or occupancy authorized by this permit. This indemnification provision includes but is not limited to acts and omissions of the holder or the holder's heirs, assigns, agents, employees, or contractors in connection with the use or occupancy authorized by this permit which result in (1) violations of any laws and regulations which are now or which may in the future become applicable; (2) judgments, claims, demands, penalties, or fees assessed against the United States; (3) costs, expenses, and damages incurred by the United States; or (4) the release or threatened release of any solid waste, hazardous waste, hazardous materials, pollutant, contaminant, oil in any form, or petroleum product into the environment. The authorized officer may prescribe terms that allow the holder to replace, repair, restore, or otherwise undertake necessary curative actions to mitigate damages in combination

with or as an alternative to monetary indemnification.

J. BONDING. The authorized officer may require the holder to furnish a surety bond or other security for any of the obligations imposed by the terms of this permit or any applicable law, regulation, or order.

V. RESOURCE PROTECTION

A. WATER POLLUTION. No waste or by-product shall be discharged into water in connection with the use and occupancy authorized by this permit except in full compliance with all applicable federal, state, and local environmental and other laws. Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters or channels leading into water except in full compliance with all applicable federal, state, and local environmental and other laws.

B. SCENIC VALUES. The holder shall protect the scenic values of the permit area and the adjacent land to the greatest extent possible during construction, operation, and maintenance of the authorized improvements.

C. VANDALISM. The holder shall take reasonable measures to prevent and discourage vandalism and disorderly conduct and when necessary shall contact the appropriate law enforcement officer.

D. PESTICIDE USE.

1. Authorized Officer Concurrence. Pesticides may not be used outside of buildings in the permit area to control pests, including undesirable woody and herbaceous vegetation (including aquatic plants), insects, birds, rodents, or fish without prior written concurrence of the authorized officer. Only those products registered or otherwise authorized by the U.S. Environmental Protection Agency and appropriate State authority for the specific purpose planned shall be authorized for use within areas on National Forest System lands.

2. Pesticide-Use Proposal. Requests for concurrence of any planned uses of pesticides shall be provided in advance using the Pesticide-Use Proposal (form FS-2100-2). Annually the holder shall, on the due date established by the authorized officer, submit requests for any new, or continued, pesticide usage. The Pesticide-Use Proposal shall cover a 12-month period of planned use. The Pesticide-Use Proposal shall be submitted at least 60 days in advance of pesticide application. Information essential for review shall be provided in the form specified. Exceptions to this schedule may be allowed, subject to emergency request and approval, only when unexpected outbreaks of pests require control measures which were not anticipated at the time a Pesticide-Use Proposal was submitted.

3. Safety Plan. Before applying pesticides in the permit area, the holder shall submit to the authorized officer a safety plan that includes, at a minimum, a precise statement of the treatment objectives; a description of the equipment, materials, and supplies to be used, including pesticide formulation, quantities, and application methods; a description of the lines of responsibility for

project planning, project monitoring, and after-action review; a description of any necessary interagency coordination; a copy of the current Pesticide-Use Proposal for the permit; a description of the process by which treatment effectiveness will be determined; and a spill plan, communications plan, security plan, and when required by applicable local requirements, a provision for prior notification to sensitive individuals.

4. Reporting. By September 30th annually, the holder shall submit to the authorized officer a written report of each pesticide application project completed during the previous 12-month period. The report shall contain information pertaining to the pesticide application projects as requested by the authorized officer.

5. Labeling, Laws, and Regulations. Label instructions and all applicable laws and regulations shall be strictly followed in the application of pesticides and disposal of excess materials and containers. No pesticide waste, excess materials, or containers shall be disposed of in any area administered by the Forest Service.

E. ARCHAEOLOGICAL AND PALEONTOLOGICAL DISCOVERIES. The holder shall immediately notify the authorized officer of all antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered in connection with the use and occupancy authorized by this permit. The holder shall leave these discoveries intact and in place until otherwise directed by the authorized officer.

F. NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT (NAGPRA). In accordance with 25 U.S.C. 3002(d) and 43 CFR 10.4, if the holder inadvertently discovers human remains, funerary objects, sacred objects, or objects of cultural patrimony on National Forest System lands, the holder shall immediately cease work in the area of the discovery and shall leave the discoveries intact and in place. The holder shall follow the applicable NAGPRA protocols for the undertaking provided in the NAGPRA plan of action or the NAGPRA comprehensive agreement; if there are no such agreed-upon protocols, the holder shall as soon as practicable notify the authorized officer of the discovery and shall follow up with written confirmation of the discovery. The activity that resulted in the inadvertent discovery may not resume until 30 days after the authorized officer certifies receipt of the written confirmation, if resumption of the activity is otherwise lawful, or at any time if a NAGPRA plan of action has been executed by the Forest Service following tribal consultation and any preconditions have been met.

G. PROTECTION OF THREATENED AND ENDANGERED SPECIES, SENSITIVE SPECIES, AND SPECIES OF CONSERVATION CONCERN AND THEIR HABITAT.

1. Threatened and Endangered Species and Their Habitat. The location of sites within the permit area needing special measures for protection of plants or animals listed as threatened or endangered under the Endangered Species Act (ESA) of 1973, 16 U.S.C. 1531 et seq., as amended, or within designated critical habitat shall be shown on a map in an appendix to this permit and may be shown on the ground. The holder shall take any protective and mitigation measures specified by the authorized officer as necessary and appropriate to avoid or reduce effects on listed species or designated critical habitat affected by the authorized use and occupancy. Discovery by the holder or

the Forest Service of other sites within the permit area containing threatened or endangered species or designated critical habitat not shown on the map in the appendix shall be promptly reported to the other party and shall be added to the map.

2. Sensitive Species and Species of Conservation Concern and Their Habitat. The location of sites within the permit area needing special measures for protection of plants or animals designated by the Regional Forester as sensitive species or as species of conservation concern pursuant to FSM 2670 shall be shown on a map in an appendix to this permit and may be shown on the ground. The holder shall take any protective and mitigation measures specified by the authorized officer as necessary and appropriate to avoid or reduce effects on sensitive species or species of conservation concern or their habitat affected by the authorized use and occupancy. Discovery by the holder or the Forest Service of other sites within the permit area containing sensitive species or species of conservation concern or their habitat not shown on the map in the appendix shall be promptly reported to the other party and shall be added to the map.

H. CONSENT TO STORE HAZARDOUS MATERIALS. The holder shall not store any hazardous materials at the site without prior written approval from the authorized officer. This approval shall not be unreasonably withheld. If the authorized officer provides approval, this permit shall include, or in the case of approval provided after this permit is issued, shall be amended to include specific terms addressing the storage of hazardous materials, including the specific type of materials to be stored, the volume, the type of storage, and a spill or release prevention and control plan. Such terms shall be proposed by the holder and are subject to approval by the authorized officer.

VI. LAND USE FEE AND DEBT COLLECTION

A. LAND USE FEES. Per 42 U.S.C. 15925, the holder shall pay in advance an annual land use fee as determined in accordance with the Per Acre Rent Schedule established by 43 CFR 2806.20. The initial annual land use fee shall be prorated if less than 6 months in the calendar year remain on the date this permit is issued. Otherwise, the holder shall pay the entire initial annual land use fee.

B. MODIFICATION OF THE LAND USE FEE. The land use fee may be revised whenever necessary to reflect the market value of the authorized use or occupancy or when the fee system used to calculate the land use fee is modified or replaced.

C. LAND USE FEE PAYMENTS.

1. Crediting of Payments. Payments shall be credited on the date received by the deposit facility, except that if a payment is received on a non-workday, the payment shall not be credited until the next workday.

2. Disputed Land Use Fees. Land use fees are due and payable by the due date. Disputed land use fees, other than land use fees recalculated pursuant to an audit, must be paid in full. Adjustments will be made if dictated by an administrative appeal decision, a court decision, or settlement terms.

3. Late Payments

(a) Interest. Pursuant to 31 U.S.C. 3717 et seq., interest shall be charged on any land use fee amount not paid within 30 days from the date it became due. The rate of interest assessed shall be the higher of the Prompt Payment Act rate or the rate of the current value of funds to the United States Treasury (i.e., the Treasury tax and loan account rate), as prescribed and published annually or quarterly by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. Interest on the principal shall accrue from the date the land use fee is due.

(b) Administrative Costs. If the account becomes delinquent, administrative costs to cover processing and handling the delinquency shall be assessed.

(c) Penalties. A penalty of 6% per annum shall be assessed on the total amount that is more than 90 days delinquent and shall accrue from the same date on which interest charges begin to accrue.

(d) Termination for Nonpayment. This permit shall terminate if the holder fails to pay any land use fee, interest, or any other charges within 90 calendar days of the due date. The holder shall remain responsible for the delinquent charges.

4. Administrative Offset and Credit Reporting. Delinquent land use fees and other charges associated with this permit shall be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. and common law. Delinquencies are subject to any or all of the following:

(a) Administrative offset of payments due the holder from the Forest Service.

(b) If in excess of 90 days, referral to the United States Department of the Treasury for appropriate collection action as provided by 31 U.S.C. 3711(g)(1).

(c) Offset by the Secretary of the Treasury of any amount due the holder, as provided by 31 U.S.C. 3720 et seq.

(d) Disclosure to consumer or commercial credit reporting agencies.

VII. REVOCATION, SUSPENSION, AND TERMINATION

A. REVOCATION AND SUSPENSION.

1. The authorized officer may revoke or suspend this permit in whole or in part:

(a) For noncompliance with federal, state, or local law;

(b) For noncompliance with the terms of this permit;

(c) For abandonment or other failure of the holder to exercise the privileges granted; or

(d) At the discretion of the authorized officer, for specific and compelling reasons in the public interest.

2. The authorized officer may revoke this permit at the request of the holder. Revocation at the request of the holder must be agreed to in writing by the authorized officer. As a condition of revocation of this permit at the request of the holder, the authorized officer has discretion to impose any terms deemed appropriate as provided for in this permit.

3. Prior to revocation or suspension, other than revocation at the request of the holder under clause VII.A.2 and immediate suspension under clause VII.B, the authorized officer shall give the holder written notice of the grounds for revocation or suspension and a reasonable period, typically not to exceed 90 days, to cure any noncompliance.

B. IMMEDIATE SUSPENSION. The authorized officer may immediately suspend this permit in whole or in part when necessary to protect public health or safety or the environment. The suspension decision shall be in writing. The holder may request an on-site review with the authorized officer's supervisor of the adverse conditions prompting the suspension. The authorized officer's supervisor shall grant this request within 48 hours. Following the on-site review, the authorized officer's superior shall promptly affirm, modify, or cancel the suspension.

C. APPEALS AND REMEDIES. Written decisions by the authorized officer relating to administration of this permit are subject to administrative appeal pursuant to 36 CFR Part 214, as amended. Revocation or suspension of this permit shall not give rise to any claim for damages by the holder against the Forest Service.

D. TERMINATION. This permit shall terminate when by its terms a fixed or agreed upon condition, event, or time occurs without any action by the authorized officer. Examples include but are not limited to expiration of the permit by its terms on a specified date and, in the case of a permit issued to a business entity, termination upon change of control of the business entity. Termination of this permit shall not require notice, a decision document, or any environmental analysis or other documentation. Termination of this permit is not subject to administrative appeal and shall not give rise to any claim for damages by the holder against the Forest Service.

E. RIGHTS AND RESPONSIBILITIES UPON REVOCATION OR TERMINATION WITHOUT ISSUANCE OF A NEW PERMIT. Upon revocation or termination of this permit without issuance of a new permit, the holder shall remove all structures and improvements, except those owned by the United States, within a reasonable period prescribed by the authorized officer and shall restore the site to the satisfaction of the authorized officer. If the holder fails to remove all structures and improvements within the prescribed period, they shall become the property of the United States and may be sold, destroyed, or otherwise disposed of without any liability to the United States. However, the holder shall remain liable for all costs associated with their removal, including costs of sale and impoundment, cleanup, and restoration of the site.

F. CONTINUATION OF OBLIGATIONS AND LIABILITIES BEYOND TERMINATION OR REVOCATION. Notwithstanding the termination or revocation of this permit, its terms shall remain in effect and shall be binding on the holder and the holder's personal representative,

successors, and assignees until all the holder's obligations and liabilities accruing before or as a result of termination or revocation of this permit have been satisfied.

VIII. MISCELLANEOUS PROVISIONS

A. MEMBERS OF CONGRESS. No member of or delegate to Congress or resident commissioner shall benefit from this permit either directly or indirectly, except to the extent the authorized use provides a general benefit to a corporation.

B. CURRENT ADDRESSES. The holder and the Forest Service shall keep each other informed of current mailing addresses, including those necessary for billing and payment of land use fees.

C. SUPERSEDED AUTHORIZATION. This permit supersedes a special use authorization designated FLAGSTAFF, CITY OF, COC0365, dated 10/19/2004.

D. SUPERIOR CLAUSES. If there is a conflict between any of the preceding printed clauses and any of the following clauses, the preceding printed clauses shall control.

E. 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.

F. 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.

G. Nondiscrimination (B-1).

1. The holder and its employees shall not discriminate against any person on the basis of race, color, sex (in educational activities), national origin, age, or disability or by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. In addition, the holder and its employees shall comply with the provisions of Title VI of the Civil Rights Act of 1964 as amended, Section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and the Age Discrimination Act of 1975, as amended.

2. The holder shall include and require compliance with the above nondiscrimination provisions in any third-party agreement made with respect to the operations authorized under this permit.

3. The Forest Service shall furnish signs setting forth this policy of nondiscrimination. These signs shall be conspicuously displayed at the public entrance to the premises and at other exterior or interior locations, as directed by the Forest Service.

4. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the violation occurs.

H. Water Facilities and Water Rights (D-25).

1. This permit does not confer any water rights on the holder. Any necessary water rights must be acquired by the holder in accordance with State law. Any expenses for acquiring water rights shall be the responsibility of the holder. The United States reserves the right to place any conditions on installation, operation, maintenance, and removal of facilities to pump, divert, store, or convey water on National Forest System lands covered by this permit that are necessary to protect public property, public safety, and natural resources on National Forest System lands in compliance with applicable law. The holder waives any claims against the United States for compensation in connection with imposition of any conditions on installation, operation, maintenance, and removal of water facilities under this permit.

I. REMOVAL AND PLANTING OF VEGETATION

1. Removal of Non-Hazardous Vegetation and Planting of Vegetation. Except as provided in emergencies pursuant to paragraph 2, trees, shrubs, grasses, and other plants may be removed, destroyed, or trimmed only in accordance with the vegetation management plan in Appendix N/A and only after the Authorized Officer's designated representative has marked or otherwise identified what may be removed, destroyed, or trimmed. Timber cut or destroyed shall be paid for at current stumpage rates for similar timber in the Coconino National Forest. The Forest Service reserves the right to dispose of the merchantable timber to those other than the holder at no stumpage cost to the holder. Unmerchantable material shall be disposed of as directed by the Authorized Officer. Planting of trees, shrubs, and other plants in the permit area must have prior written approval from the Authorized Officer.

2. Removal of Hazardous Vegetation. The holder may remove, destroy, or trim hazardous vegetation in accordance with the vegetation management plan in Appendix N/A without the hazardous vegetation being marked or otherwise identified by the Authorized Officer or the Authorized Officer's designated representative. The holder shall notify the Authorized Officer as soon as possible of any removal of hazardous vegetation under this clause. For purposes of this clause, "hazardous vegetation" is defined as "a live or dead standing tree or other vegetation having a defect, singly or combined, in the roots, butt, bole, or limbs or with unreasonable arcing potential and so situated that the tree or other vegetation poses the risk of imminent mechanical failure to all or part of a power line, pole, or tower," "defect" is defined as "an injury or disease that seriously weakens

the stems, roots, or branches of a tree or vegetation, predisposing all or part of it to fall;" "arcing" is defined as "the flow of electricity across a gap through the air from one conductor to another or to a grounded object;" and "imminent mechanical failure" is defined as "damage to a power line, pole, or tower from hazardous vegetation that could occur at any time."

J. Secondary Use Roads. (G-1).

1. All construction or reconstruction of the road shall be in accordance with plans, specifications, and written stipulations previously approved by the Authorized Officer.

2. Only the Authorized Officer may extend rights and privileges for use of the road constructed on the premises to other non-Federal users on the condition that such users shall pay a fair share of the current replacement cost less depreciation of the road and any reconstruction costs necessary to accommodate its use.

3. The Forest Service retains the right to use and occupy the right-of-way and to allow others to use the right-of-way in any way that is not inconsistent with the holder's existing rights and privileges after consultation with all parties involved.

K. Archaeological-Paleontological Discoveries(X-17).

The holder shall immediately notify the Authorized Officer of all antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered in connection with the use and occupancy authorized by this permit. The holder shall leave these discoveries intact and in place until directed otherwise by the Authorized Officer. Protective and mitigative measures specified by the Authorized Officer shall be the responsibility of the holder.

L. Reservoir Storage Increase (X20). The Forest Service reserves the right to issue additional authorizations to other applicants to increase the storage capacity of this site if such action proves feasible. No authorization will be granted for additional facilities that will jeopardize the privileges granted by this authorization. Any additional authorizations permitting larger facilities will provide for payment of costs, including the cost of construction of the original project works, on a cost-benefit ratio mutually agreeable to the holder and the new applicant. If the holder and applicant cannot agree on division of costs, the Forest Service shall decide on an equitable division between the old and new works.

M. Signs (X-29).

Signs or advertising devices erected on National Forest System lands shall have prior approval by the Forest Service as to location, design, size, color, and message. Erected signs shall be maintained or renewed as necessary to neat and presentable standards, as determined by the Forest Service.

N. Improvement Relocation (X-33).

This authorization is granted with the express understanding that should future location of United States Government-owned improvements or road rights-of-way require the relocation of the holder's improvements, such relocation will be done by, and at the expense of, the holder within a reasonable time as specified by the Authorized Officer.

THIS PERMIT IS ACCEPTED SUBJECT TO ALL ITS TERMS.

BEFORE THIS PERMIT IS ISSUED TO AN ENTITY, DOCUMENTATION MUST BE PROVIDED TO THE AUTHORIZED OFFICER OF THE AUTHORITY OF THE SIGNATORY FOR THE ENTITY TO BIND IT TO THE TERMS OF THIS PERMIT.

ACCEPTED:

Justin Emerick — 4/10/2024

CITY OF FLAGSTAFF — SIGNATURE — DATE

Justin Emerick
Water Services Project Manager

APPROVED:

4/17/2024

Aaron W. Mayville — SIGNATURE — DATE
Forest Supervisor
Coconino National Forest
USDA Forest Service

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. Response to this collection of information is mandatory. The authority to collect the information is the Organic Administration Act, 16 U.S.C. 551. 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.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TYY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

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.

		Exhibit A.1 City of Flagstaff Master Permit			
Description	**Non-Linear Area (Acres)**	**Water Pipeline**	**Other**	**Road**	**Power**
LM WELL 1	2.07				
LM WELL 1 ACCESS ROAD				0.58 AC 1279.3' (20')	
LM WELL 2	2.07	0.50 AC 1090.46 (20')		0.37 AC 540.5' (30')	
LM WELL 3	2.07	0.04 AC 165' (10')		1.0 AC 1463.84' (30')	
LM WELL 4	2.06	0.2 AC 460' (20')		0.7 AC 1061.35' (30')	
LM WELL 5	1.43	0.9 AC 1990' (20')			
LM WELL 7	1.43			2.13 AC 3200' (29')	
LM WELL 8	0.52	1.77 AC 6247' (20')		0.55 AC 2000' (12')	

LM WELL 9 [Water line is from LM Well 8 to LM Well 9]	Est. 1.0	2.87 AC 6247' (20')			
OLD LM WELL 9	0.01				
PULLIAM WELL	1	0.76 AC 1650' (20')		0.23 AC EST. 500' (20')	
SKUNK CANYON WELL	1				
Description	**Non-Linear Area (Acres)**	**Water Pipeline**	**Other**	**Road**	**Power**
OBS WELLS LMO-1 LMO-2 LMO-3	0.01				
WM WELL 1	0.918				
WM WELL 2	0.918				
8' WATERLINE WM WELL 1 TO WM WELL 3		0.27 AC 600' (20')			
WM WELL 4	0.918				

10" WATER LINE, WM WELL 5 TO WM WELL 4		0.07 AC 106.42 (30')			
ACCESS ROAD, WM 5 WELL TO WM WELL 4				0.13 AC 186.22' (30')	
WM WELL 7	0.918				
WM WELL 9	0.918				
UTILITY CORRIDOR, WM WELL 9 TO WM WELL 7 [WATER/ POWER]					1.46 AC 3183' (20')
WM WELL 11	Est. 1.0				
UTILITY CORRIDOR TO WM WELL 11 [WATER/ POWER]					0.30 AC 887' (15')
Description	**Non-Linear Area (Acres)**	**Water Pipeline**	**Other**	**Road**	**Power**
INNER BASIN WELLS, #9, #11, AND #14	Est. 3.0				

EXPLORATION BOREHOLES, 8 SITES	0.02				
LM 30" WATER LINE		11 AC 23,984' (20')			
LM 27" WATER LINE		11.08 AC 24,130' (20')			
LM 12" WATER LINE		12 AC 26,148' (20')			
8" WATER LINE Tract B HES 619, FRONTIER AVE.		0.93 AC 2029' (20')			
8" WATER LINE FROM HES 619 TO WATER TREATMENT PLANT		0.84 AC 1848' (20')			

LM 36" WATER LINE AND 4" SPUR AIR LINE [CORRIDOR ALSO INCLUDES 24" WATER LINE]		9.55AC 20,803' (20')	0.12 AC 260' (20') [AIR LINE]		
SHADOW MTN VILLAGE [MONTE VISTA DR] WATER LINE, AND SEWER LINE	Est. 1.0				
Description	**Non-Linear Area (Acres)**	**Water Pipeline**	**Other**	**Road**	**Power**
4" WATER LINE, PINE DEL		0.65AC 1425' (20')			
WM 16" WATER LINE		4.85AC 10,560' (20')			
WM 30" WATER LINE [NOTE: MAJORITY OF AREA IS CONTAINED WITHIN THE 16" WATER LINE CORRIDOR]		0.14AC 300' (20')			

WM COLLECTION LINE EXPANSION		AREA CONTAINED WITHIN WM 16" WATER LINE CORRIDOR			
WATER LINE HWY 89N		Est. 0.55 AC, 1200' (20')			
PEAKS RS WATER LINE [AND SEWER]		0.63AC Appx 1372' (20')			
MORMON LAKE RS WATER LINE		0.11AC Est 250' (20')			
WATER LINE TO AIRPORT		1.57AC 3421' (20')			
INNER BASIN AND SCHULTZ PASS WATER LINES (AND SPRINGS) INCLUDING ABINEAU CANYON AREA		56.56 AC 123,182' (20')			

WATER TREATMENT PLANT	22				
PUMPING PLANT AT LAKE MARY DAM	Est 0.25				
AIR BUBBLING SYS. UPPER LM	0.06		0.04 600' (3')		
SEDIMENTATION TANK, WM	1				
ACCESS ROAD, WM SEDIMENTATION TANK				0.9 AC 1953.6" (20')	
SLUDGE LINE, WM SEDIMENTATION TANK			0.09 AC 200' (20')		
WM BOOSTER PUMP STATION [INCLUDED IN AREA FOR SEDIMENTATION]					

WM POWER LINE 1 [PREVIOUS PERMIT DATED 1/28/58]					1.79AC 2,255.95' (30') AND 1076' (10')
WM POWER LINE 2 [PREVIOUS PERMIT DATED 8/18/59]					2.65AC 5790' (20')
PARADISE RESERVOIR	0.6	2.25AC 4,914' (20')		2.52AC 5,500' (20')	
CHRISTMAS TREE RESERVOIR	1		0.25AC 550' (20') (OVERFLOW LINE)	1.55AC 3,380' (20') (ROAD AND WATER LINE)	
CANAL TYPE DRAINAGE			0.69AC 1000' (30') (SEWAGE PLANT)		
SEWER LINE TO AIRPORT			1.26 AC 2757' (20')		

SEWER LINE ALONG PORTION OF LAKE MARY ROAD (NEAR MORMON LAKE RS)			0.23AC Est. 500' (20')		
BOW AND ARROW SEWER LINE [ZUNI Dr]			0.19AC 419.22' (20')		
JW POWELL BLVD SEWER LINE			1.72AC 3,746' (20')		
BOW AND ARROW WATER LINE [ZUNI Dr]		Est. 150' [AREA INCLUDED IN SEWER LINE UTILITY CORRIDOR]			
TOTALS	**49.19 AC**	**120.09 AC**	**4.59 AC**	**10.66 AC**	**6.2 AC**
IB INNER BASIN					
LM LAKE MARY					
RS RANGER STATION					
WM WOODY MOUNTAIN					

Exhibit A.2

City of Flagstaff Master Special Use Permit
August 2004

Well Sites

Lake Mary Well 1 **[2.07 Acres]**
Permit dated 5/13/64
NE 1/4 Lot 1, Section 18, T. 20 N., R. 8 E.
300' x 300' area for well site

Lake Mary Well 1 Access Road **[0.58 Acre]**
Permit dated 6/28/61
Across portions of sections 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E., 1279.3 feet (0.24 miles) in length, 20 feet right-of-way width

Lake Mary Well 2 **[2.07 + 0.37 + 0.50 = 2.94 Acres]**
Permit dated 10/1/64
Portions of Lot 2, Section 18, T. 20 N., R. 8 E.
300' x 300' area for well site **[2.07 Acres]**
Includes access road, pump house and connecting pipelines (to existing 27" and 12" water lines); Access road (Permit dated 10/1/64), 540.5 feet in length, 30 feet right-0f-way width **[0.37 Acre];**
Amendment 2, Permit dated 10/1/64, connecting pipeline to existing 12" water line 1090.46 feet (.206 miles) in length, 20 feet right-of-way width **[0.50 Acre]**
[October 5, 1994 Request for buried pipeline (291 lineal feet) to replace above ground line]

Lake Mary Well 3 [Within City Limits] **[2.07 + 1.0 + 0.04 = 3.11 Acres]**
Permit dated 2/1/65
SEl/4 Section 12, T. 20 N., R. 7 E., 300' x 300'
300'x 300' **[2.066 Acres]**
Including Access Road (Permit dated 2/2/65), 1463.84 feet (.28 miles) in length 30 feet right-of-way width **[1.0 Acres]** and water pipelines (8" CIP water lines from Well No. 3 to the 27" Lake Mary Water Line (within road) and from Well No. 3 to the 12" Lake Mary Water Line, 165 feet in length, 10 feet right-of-way width **(0.04 Acres]** across a portion of the SW l/4 Section 12, T. 21 N., R. 7 E.

Lake Mary Well 4 **[2.06 + 0.7 + 0.2 = 2.33 Acres]**
Permit dated 1/19/66
NW1/4NE1/4 Section 19, T. 20 N., R. 8 E.
300' x 300' **[2.06 Acres]**
Including Access Road across a portion of SEl/4 Section 18, T. 20 N., R. 8 E., 1061.35 feet in length, and 30 feet right-of-way width **[0.7 Acre]**

Water pipeline from Well 4 to 27" Lake Mary Waterline, 460 feet in length, 20 feet right-of-way width **[0.2 acres],** across portions of SW1/4SE1/4 of Section 18, and NW1/4NE1/4 of section 19, T. 20 N., R. 8 E.

Lake Mary Well 5 **[1.43 + 0.9 = 2.33 Acres)**
Permit dated 12/17/74
Section 20, T. 20 N., R. 8 E
250' x 250' **[1.43 Acres]**
Including 10" water line to Well 5
Approximately 1990' feet in length, 20 feet right-of-way width **[0.9 Acre]**

Lake Mary Well 6 (Not Used, Abandoned)
Permit dated 12/17/74 [Not included as part of the Master Permit]

Lake Mary Well 7 **[1.43 + 2.13 = 3.56 Acres]**
Permit dated 12/17/74
NE1/4SW1/4 Section 27, T. 20 N., R. 8 E
250' x 250' **(1.43 Acres)**
Amendment 4, Permit dated 12/17/74
Including Access Road, 2738 feet, 50 feet right-of-way width (3.1 acres - superseded)
Access Road modification per report submitted by Northland Research, Inc. titled "Cultural Resources Survey and Biological Evaluation for a proposed access road to Lake Mary Well No. 7," Revised May 11, 2001, 3200 feet in length, 29 feet right-of-way width **(2.13 acres)**

Lake Mary Well 8 **[0.55 + 1.77 + 0.52 = 2.84 Acres]**
Permit dated 12/17/74
SE1/4SW1/4SW1/4 Section 20, T. 20 N., R. 8 E
Including pump house, access road, water pipeline and underground power line
Access Road, 2000 feet in length, 12 feet right-of-way width **(.55 acre);** and water pipeline, 3000 feet in length, 20 feet right-of-way width (1.37 acres); **drill site is .52 acre** for a total of 2.45 acres
Revised June 2004 - City data indicates 3859 GIS feet to Well 8 for waterline
Water pipeline (12 inch and 16 inch), 3859 feet in length, 20 feet right-of-way width **(1.77 acres).**

Lake Mary Well 9 **[1.0 + 2.87 = 3.87 Acres]**
Section 30, T. 20 N., R. 8 E.
Estimated **1.0 acre** for well site
Water line to Lake Mary Well 9
Permit dated 7/14/92
Across sections 20, 29, and 30, T. 20 N., **R.** 8 E.
1.75 Miles (9240 feet) in length, 20 feet right-of-way width [4.24 Acres] [Note: Length of water line includes line to Well 8]

Revised - June 2004 - Water line (12 inch and 16 inch) City data indicates 6247 feet in length (from Lake Mary Well 8 to Lake Mary Well 9), 20 feet right-of-way width **[2.87 Acres]**

Old Lake Mary Well 9 [Test Well] **[0.01 Acre]**
Section 28, T. 20 N., R. 8 E.

Pulliam Well [Within City Limits] **(1.0 + 0.23 + 0.76 = 1.99 Acres]**
SEl/4 Section 4, T.20 N., R. 7 E.
Access road to well site (Pulliam Well) across a portion of sec. 4, T. 20 N., R. 7 E., Estimate 500' in length, 20' right-of-way width, **[0.23 Acre];**
[1 acre for well site; 1650 feet in length for pipeline right-of-way, 20 feet in width **(0.76 acre)]** [Note: The pipeline right-of-way has not been constructed, but an environmental analysis has been completed.]

Skunk Canyon Well [Within City Limits] **[1 Acre]**
SW1/4NE1/4 Section 3, T. 20 N, R. 7 E.
[Does not include pipeline right-of-way]

Observation Wells [Each Area Appx. 10' x 10'][0.01 Acre]
Amendment 7, Permit dated 12/17/74 (Three 6" Observation wells)
LMO-1, Section 20, T. 20 N., R. 8 E.
LMO-2, Section 29, T. 20 N., R. 8 E.
LMO-3, Section 20, T. 20 N., R. 8 E.

Woody Mountain 1 **[0.918 Acre]**
Permit dated 2/27/56
NW l/2 SW1/4 Section 35, T. 21 N., R. 6
E
200'x 200'.

[0.918 Acre]

Woody Mountain 2
Permit dated 2/27/56
NW l/2 SW1/4 Section 35, T. 21 N., R. 6
E.
200'x 200'

8" Water line from Woody Mountain Well 1 to Woody Mountain Well 3 (0.27 Acre]
Across a portion of section 35, T. 21 N., R. 6 E.
Approximately 600 feet in length (map measurement), 20 feet in width
City of Flagstaff data indicates 845 feet in length, however, measurement includes non-federal land

Woody Mountain 4 **[0.918 Acre]**
Permit dated 2/27/56
NW l/2 SW1/4 Section 35, T. 21 N., R.
6 E.
200'x 200'

10" Water line to connect Woody Mountain Well 5 to Woody Well #4 Line [0.07 Acre]
Amendment 1, Permit dated 10/14/55
Across portion of section 35, T. 21 N., R. 6 E.
106.42 feet in length, 30 feet right-of-way width

Access Road from Woody Well #4 to Woody Well #5 [0.13 Acre]
Permit dated 1/5/62
186.22 feet in length, 30 feet right-of-way width

Woody Mountain Well 7 [0.918 Acre]
Permit dated 10/23/81
NE1/4NW1/4 Section 11, T. 20 N., R. 6 E.
200' x 200'

[Proposed location only] Woody Mountain Well 8
Pelmit dated 10/23/81
SE1/4SE1/4NW1/4 Section 11, T. 20 N., R. 6 E. [Not included in Master Permit]

Woody Mountain Well 9 [0.918 Acre]
Amendment 1, Permit dated 10/23/81
NE1/4SW1/4 Section 11, T. 20 N., R. 6 E.
200' x 200'

Utility Corridor from Well 9 to Well 7 [1.46 Acre]
Permit dated 10/23/81
2200 feet plus 612.62 feet= 2812.62 feet in length, 20 feet right-of-way width [1.29 Acres] [2200 feet from application for Well 8, plus 612.62 feet from Record of Survey dated 6/20/84 for measurement from Well 8 to Well 9]
Revised - June 2004 - City of Flagstaff data indicates 10" and 12" water lines and underground power for 2431' + 752' = 3183 feet in length, 20 feet right-of-way width **[1.46 Acres]**

Woody Mountain Well 11 [Estimated 1.0 Acre]
NE1/4NE1/4NW1/4 Section 11, T. 20 N., R. 6 E.

Utility Corridor to WM Well 11 [0.30 Acres]
Includes 8 inch water line and underground power
City of Flagstaff data indicates 887 feet in length, 15 feet right-of-way width
Decision Memo dated July 2, 1999

Inner Basin Wells, #9, #11, and #14 [3.0 Acres]
Estimate 1 Acre for each well site, 3.0 Acres

Exploration Borehole Locations **[0.02 Acre for 8 sites,** each site being 1O' x 1O']
Permit dated 11/8/90
Oil and Gas Well, SW1/4SE1/4SE1/4 Section 1, T. 19 N., R; 7 E.
South Elk Park Meadows, SE1/4SE1/4SE1/4 Section 5, T. 19 N., R. 8 E.
Newman Canyon, SE1/4SE1/4NE1/4 section 10, T. 19 N., R. 8 E.
Wahler Ranch Area, SW1/4SE1/4SE1/4 Section 23, T. 20 N;, R. 7 E.
Howard Draw, NE1/4SW1/4SE1/4 Section 25, T. 20 N., R. 7 E.
Priest Draw, NW 1/4 Sec. 35, T. 20 N., R. 7 E.
Clark Well, NW1/4NE1/4SW1/4 Section 32, T. 20 N., R. 8 E.
North Elk Park Meadows, SE1/4NE1/4SW1/4 Section 33, T. 20 N., R. 8 E.
During construction the site areas were 100' x 100.' After project was completed, the borehole areas were reduced to an area of 1O' x 1O' for each site, 8 sites= 0.02 Acres]

Water Transmission Lines

Lake Mary

30" Waterline **[11.0 Acres]**
From Lake Mary to private property in section 33, T. 21 N., R. 7 E.
[Passes through Water Treatment Plant]
Permit dated 5/12/87 [12.62 Acres]
Portions of section 33, T. 21 N., R. 7 E., sections 3, 4, 10, 11, 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E., 20 feet right-of-way width

[Note: Permit dated 5/12/87 did not include the waterline for section 33, T. 21 N., R. 7 E. Summary of Analysis dated September 1989 prepared by SWCA Inc. indicates the length on National Forest is approximately 2,500 feet for the proposed construction of a 30 inch water transmission line from the Lake Mary Water Treatment Plant to US 89A. The City GIS data shows a measurement of 2864 for this segment of line.)

Map measurement for the 30" waterline is approximately 4 miles (excluding section 33, T. 21 N., R. 7 E.) The total acres is computed as follows:
21,120 feet+ 2864 = 23,984 feet in length, 20 feet right-of-way width, 11.0 Acres

27" Waterline from Lake Mary to Water Treatment Plant, and from Water Treatment Plant to private property in section 34, T. 21 N., R. 7 E. **[11.08 Acres]**
Permit Dated 8/13/64
Portions of sections 33, T. 21 N., R. 7 E., sections 3, 4, 11, 12, 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E.,
[Map measurement indicates approximately 11.08 acres, okay to use prior permit measurement]
24,130 feet in length, 20 feet right-of-way width, 11.08 acres

12" Water Main, Lake Mary Dam to City of Flagstaff [12 Acres]
Permit dated 10/30/40 [14.83 Acres]
Portions of section 33, T. 21 N., R. 7 E., sections 3, 4, 10, 22, 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E.
[Shown on Drawings dated June 1941, Sections 1 and Section 2, Sheet 1 of 2, and Sheet 2 of 2, prepared by Taylor & Taylor Engineers]
37,913.96 Linear Feet, 7.18 miles, 1941 measurements

Map Measurement, approximately 4.95 miles (26,148 feet) in length, 20 feet right-of-way width, **[12 Acres]**

8" Water line [0.93 AC]
Permit dated 8/5/65
Adjacent to the southerly line of Tract B of HES 619 (Frontier Avenue), and in Lake Mary Road and in J. Diamond Road in Sections 3 and 4, T. 20 N., R. 7 E.
0.38 miles (2029 feet) in length, 20 feet right-of-way width

8" Water line from HES 619 to Water Treatment Plant [0.84 AC]
Permit dated 8/11/65
Portions of sections 3 and 4, T. 20 N., R. 7 E.
0.35 Miles (1848') in length, 20 feet right-of-way width

36" Water transmission line [9.55 + 0.12 = 9.67 Acres]
Permit dated 7/17/64
and 10" and 16" pipeline tie ins to the existing 12" pipeline for delivery of water from Lake Mary to Flagstaff
Portions of sections 18, 19, 20, 21, 27, and 28, T. 20 N., R. 8 E.
3.94 miles (20,803 feet) in length, 20 feet right-of-way width **[9.55 Acres]**
Amendment 2, Permit dated 7/17/64
Including 4" spur **Air line** within SW 1/4 Section 27, T. 20 N., R. 8 E.
260 feet in length x 20 feet right-of-way width **[0.12 Acre]**
Amendment 1, Permit dated 7/17/64
24" Water line within the existing corridor for the 36" water transmission line
Portions of sections 18, 19, 20, 21, 27, and 28, T. 20 N., R. 8 E.

18" and 15" Water line from Upper Lake Mary to Lower Lake Mary
Permit dated 10/1/47
Located within Forest Highway 3 corridor
No Longer in Use [Not included in the Master Permit]

Water Line and Sewer Line [Estimated 1.0 Acre]
Shadow Mountain Village [Monte Vista Drive]
Permit dated 4/22/68

Portion of Section 11, T. 21 N., R. 7 E.
[Note: The area encumbered by the water line and the sewer line lies within Parcel 2 of the Special Use Permit dated April 22, 1968. Parcel 2 is defined by a metes and bounds description. Per discussions with Jack Rathjen, City of Flagstaff Water Works Supervisor, on August 20, 2004 the Pump building and underground hydropneumatics tank previously under permit have been removed.]

4" Pine Del Waterline **[0.65 Acre]**
Permit dated August 3, 1962
NW 1/2 NE 1/4 Section 7, T. 20 N., R. 7 E.
Estimated 1425 feet in length, 20 feet right-of-way width
[Note: Estimates taken from map associated with permit that was drawn May 10, 1962 and approved by City Engineer, R. G. Barney.]

Woody Mountain

16" Water line from Woody Mountain City Wells to City of Flagstaff **[4.85 Acres]**
Permit dated 10/14/55
Across portions of sections 35 and 36, T. 21 N., R. 6 E.
2.0 miles (10,560 feet) in length, 20 feet right-of-way width [Map measurement]
[Section 31, T. 21 N., R. 7 E. now non-federal land]

30" Water Transmission Pipeline - Woody Mountain Area **[0.14 Acre]**
[Note: 30" Water line is in same corridor as the 16" water line. The area computed for 0.14 is only for a small segment not already accounted for.]
Amendment 1, Permit dated 10/23/81
Parallel to the existing pipeline from Well 7 in section 11, T. 20 N., R. 6 E., to the sedimentation tank in Section 36, T. 21 N., R. 6 E. as shown on the enlarged USGS map (1:12,000) City of Flagstaff designation W-169, Pocket 10, Folder 38. This portion of the permit covers 1.7 miles [Contained within utility corridor for 16" Water line across portions of section 35 and 36, T. 21 N., R. 6 E., and contained within utility corridor between Well 9 and Well 7. Included small segment from Well 7 to north section line boundary, approximately 300 feet (map measurement). 300 feet in length, 20 feet right-of-way width **[0.14 Acre]**

Collection Line Expansion, WM **[Area contained within existing WM 16" Water Line Corridor]**
Permit dated 1/28/58
NW 1/2 SW1/4 Section 35, T. 21 N., R. 6 E.
Water pipeline parallel to an existing water pipe and access road
800 feet in length, 20 feet in width [0.37 Acres]

Other Water Lines

Highway 89 North Waterline **[Estimated 0.55 Acre]**
Permit dated 6/30/61

SEl/4 Section 6, T. 21 N., R. 8 E.
[Note: 1978 Patent - Wilson Land Exchange - Waterline was not shown as a reservation; however, a portion of the water line now crosses non-federal land. Amendment 1, Permit dated 6/30/61 shows 0.455 miles (2,402.4 feet) plus 200 feet Railhead Drive Amendment 4), 20 feet right-of-way width [1.19 Acres].
Estimated 1,000 feet in length along Highway 89 North plus 200 feet for Railhead Drive equals approximately 1,200 feet in length, 20 feet right-of-way width [0.55 Acres]

Peaks Ranger Station Waterline **(0.63 Acre]**
Permit dated 3/25/87
SEl/4 Section 6, T. 21 N., R. 8 E.
Approximately 1372 feet in length, 20 feet right-of-way width, 0.63 acres (from calculations)

Mormon Lake Ranger Station Waterline **[0.11 Acre]**
SW l/4 Section 33, T. 21 N., R. 7 E.
Approximately 250' in length (map measurement), 20 feet right-of-way width

Water Transmission to Airport **[1.57 Acres]**
Permit dated 5/1/50
Water transmission lines, 20 feet wide, 10 feet each side of centerline, over and across portions of sections 4 and 5, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.
3421 feet in length, 20 feet right-of-way width

Bow and Arrow Water Line [Zuni Drive] [Area included as part of the sewer line utility corridor] Estimated 150 feet in length
Water line shown on City of Flagstaff Water Map No. 23-18
Section 33, T. 21 N., R. 7 E.

Inner Basin Water Transmission, Wells, and Associated Facilities **[56.56 Acres] including Abineau Canyon area [Area includes springs]**
Portions of sections 1, 2, 12, 13, 14,15, 21, 22, 28 and 33, T. 22 N., R. 7 E.; and portions of sections 15, 16, 17, 20, 21, 22, 26, 27, 28, 29, 32, 33, 35 and 36, T. 23 N., R. 7 E.

23.4 miles, Permit dated 6/2/66
23.97 miles, Amendment 1, Permit dated 6/2/66
23.99 miles, Amendment 3, Permit dated 6/2/66

[Map measurement indicates approximately 59 Acres, okay to use prior permit measurement]

Linear measurement calculated as follows:
23.33 miles or 123,182' (20' right-of-way width)
(123.182 x 20)/43560 = 56.56 acres

Miscellaneous

Water Treatment Plant, sedimentation tanks and associated facilities **[22 Acres]** located within a portion of sec. 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.

Pumping Plant at Lake Mary Dam **[Estimated 0.25 Acre]**
Section 18, T. 20 N., R. 8 E.
Per Discussion with Jack Rathjen, City of Flagstaff Water Works Supervisor on August 20, 2004, the Buildings for the Pumping Station are still in place and in use. Retain on Master Permit.

Air Bubbling System for Upper Lake Mary **(0.1 Acre]**
Compressor House, Lake Mary
Permit dated 5/3/71
NE1/4NE1/4 Section 34, T. 20 N., R. 8 E.
50' x 50' [0.06 Acres] plus underwater pipe
Installing, operating, and maintaining air compressor equipment and perforated pipelines to aerate municipal water supplies; three (3) 10 horsepower electrically powered air compressors housed in a 10' by 14' stone masonry building; 100' of2" galvanized pipe; 500' of 1-1/2" polyvinyl chloride pipe; 150' of which is perforated and submerged; and an access road to the facility
Calculations as follows:
(600' x 3')/43,560 = 0.04
0.06 + 0.04 = 0.1

Sedimentation Tank **[1.0 Acre]**
for the purpose of removing sand from the City Water System
SE1/4SW1/4NW1/4 Section 36, T. 21 N., R. 6 E.
Permit dated 8/17/59
[Note: Permit dated 8/17/59 provided for 10 acres; however, Exhibit 2 for Master Permit dated 6/30/87 shows 1.0 acres]

Access Road to Sedimentation Tank **(.90 Acre]**
Permit dated 9/28/1959
S1/2NW1/4 Section 36, T. 21 N., R. 6 E.
0.37 miles (1953.6') in length 20 feet right-of-way width

Sludge Line for Sedimentation Tank **[0.09 Acre]**
Permit dated 10/1/59
Section 36, T. 21 N., R. 6 E.
8" water/sludge line
200 feet in length, 20 feet right-of-way width

Woody Mountain Booster Pump Station [adjacent to existing Sedimentation Tank]
Amendment 1, Permit dated 8/17/59
NW 1/4 Section 35, T. 21 N., R. 6 E.
[Included in area for Sedimentation Tank]

Canal Type Drainage **[0.69 Acre]**
SE1/4 Section 27, T. 22 N., R. 8 E.
Permit dated 8/8/69
Canal to carry water waste from the City of Flagstaff Sewage Plant
Approximately 1000 feet (map measurement), 30 feet right-of-way width

Sewer Line to Airport **[1.26 Acres]**
Section 4, T. 20 N., R. 7 E., and Section 33, T. 21 N., R. 7 E., 2757 feet in length, 20 feet right-of-way width [Measurement from City of Flagstaff data]

Sewer Line along a portion of Lake Mary Road [0.23 Acre]
[Near Mormon Lake RS]
Shown on City of Flagstaff Sewer Map No. 24-17
SW 1/4 Section 33, T. 21 N., R. 7 E.
Estimate 500' in length, 20' right-of-way width

Bow and Arrow Sewer Line [Zuni Drive] **[0.19 Acre]**
Amendment 3, Permit dated 6/12/59
Section 33, T. 21 N., R. 7 E.
419.92 feet in length, 20 feet right-of-way width

J W Powell Blvd Sewer Line **[1.72 Acres]**
Section 33, T. 21 N., R. 7 E.
3,746 feet in length, 20 feet right-of-way width

Reservoirs

Paradise Reservoir **[0.6 + 2.52 + 2.25 = 5.37 Acres]**
Section 2, T. 21 N., R. 7 E. **[0.6 Acres]**
Permit dated 6/30/87
Reservoir - Preferred Alternative - Site P-2A and 18" Transmission Main
Adjacent to El Paso Natural Gas Line and the Mount Elden Subdivision
Access Road across a portion of section 2, T. 21 N., R. 7 E.
Road Access - Alternative C - A Southern route via 4th Street, through the Methodist Church parking lot, and along the gas line to the reservoir site
Road Approximately 5,500 feet in length (map measurement), 20 feet right-of-way width **[2.52 Acres]** Water Transmission Approximately 4,200 feet (map measurement)
June 2004 - City of Flagstaff data indicates 4914 feet in length for waterline, 20 feet right-of-way width **[2.25 Acres]**

Christmas Tree Reservoir **[1.0 + 1.8 = 2.8 Acres]**
Section 31, T. 22 N., R. 8 E. **[1.0 Acres]**
Permit dated 6/30/87
Alternative C-2 preferred
About 1,000 feet north of Christmas Tree Subdivision and 800 feet west
Access Road and 24" Transmission Main across portions of sections 31 and 32, T. 22 N., R. 8 E., Approximately 3,000 feet (map measurement)
June 2004 - City of Flagstaff data indicates 3,380 for water line and 550 feet for overflow line, 3930 feet in length, 20 feet right-of-way width **[1.8 Acres]**

Power Lines

Power lines associated with Lake Mary Wells 1, 2, 4, 5, 8, and 9 are covered by the APS Master Special Use Permit (APS Coconino 163 Map) [Note: Lake Mary Well #1 placed under APS permit and shown as C-2-98]

Woody Mountain Power line **[1.45 + .24 = .10 = 1.79 Acres]**
Permit dated 1/28/58
SW l/4 Section 35, T. 21 N., R. 6 E.
Initial permit was for 2350 linear feet (0.44 miles) in length, 30 feet right-of-way width, and 1.62 acres [for power from Well No. 1 to Well No. 2, and from Well No. 1 to Well No. 3] and included NW l/4 of Section 35, T. 21 N., R. 6 E. for power to Well 3. NW l/4 of Section 35 is non-federal land (Land Exchange, 10/2/1980, Status Map Reference X138); therefore, 2350 feet minus 235 feet = 2115 feet, **1.45 Acres** for 30 feet right-of-way width.
Amendment 1 - provide power from Well 2 to Well 4
1,076 feet (0.203 miles) in length, 10 feet right-of-way width, **0.24 acre**
Amendment 2 - provide power from Well 4 to Well 5
140.95 feet (0.267 miles) in length, 30 feet right-of-way width, **0.10 Acre**
[2115 + 140.95 = 2,255.95 for 30' width; and 1076' for 10' width]

Woody Mountain Power line **[2.65 Acres]**
Permit dated 8/18/59
12 KV Electric Power line to serve sedimentation and clarifier plant site
Across portions of Sections 35 and 36, T. 21 N., R. 6 E.
Beginning at a point on the present power line in the NW1/4SW1/4 Section 35, T. 21 N., R. 6 E., and extending in a northeasterly direction, through the N l/2SW1/4 and the S l/2NE1/4 Section 35, and the S l/2NW1/4 Section 36, T. 21 N., R. 6 E., it being approximately 5790 feet (1.097 miles) in length. [1.097 miles in length, 20 feet right-of-way width, 2.65 acres]

Inner Basin Area Springs

IB-1 Hoffman Canyon - NE1/4SW1/4 Sec. 27, T. 23 N., R. 7 E., and 80 feet tunnel, 4' wide and 5' high dug at this location prior to 1927

IB-2 Jack Smith Diversion #1 - NW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E., a 100 feet tunnel, 4' wide and 5' high dug at this location prior to 1927

IB-3 Jack Smith Diversion #2 - NW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E. A tunnel765 feet long, 4' wide and 5' high dug at this location prior to 1927

IB-4 Jack Smith Diversion #3 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. Redeveloped in 1931 using 200 feet of 10" pipe

IB-5 Little Bear Paw Canyon - SE1/4SW1/4 Sec. 28, T. 23 N., R. 7 E. In use prior to 1912, redeveloped in 1958 using 902 feet of 8," 10" and 12" pipe

IB-6 Flagstaff Canyon Diversion #1 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. In use prior to 1928, redeveloped in 1958 using 1,389 feet of 8" pipe

IB-7 Flagstaff Canyon Diversion #2 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. In use prior to 1928, redeveloped in 1959 using 1,156 feet of 8" pipe

IB-8 Snow Slide Canyon Diversion #1 - SE1/4NE1/4 Sec. 32, T. 23 N., R. 7 E. In use prior to 1935, redeveloped in 1960 using 1,425 feet of 8" pipe

IB-9 Snow Slide Canyon Diversion #2 - SE1/4NE1/4 Sec. 32, T. 23 N., R. 7 E. In use prior to 1912, redeveloped in 1960 using 3,892 feet of 8" pipe

IB-10 Raspberry Canyon Diversion #1 - SW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E. In use prior to 1931, damaged by road repair in 1963, line repaired in 1965 using 860 feet of 4" pipe

IB-11 Raspberry Canyon Diversion #2 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E. In use prior to 1931, damaged by road repair, line replaced in 1965 using 860 feet of 4" pipe

IB-12 Raspberry Canyon Diversion #3 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E. Redeveloped in 1928

IB-13 Raspberry Canyon Diversion #4 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E., redeveloped in 1928

IB-14 Doyle Canyon Diversion #1 - NE1/4SW1/4 Sec. 33, T. 23 N., R. 7 E. Developed in 1931

IB-15 Doyle Canyon Diversion #2 - NE1/4SW1/4 Sec. 33, T. 23 N., R. 7 E. Developed in 1931

IB-16 Doyle Canyon Diversion #3 - SWI/4 Sec. 32, SEl/4 Sec. 33, T. 23 N., R. 7 E. Redeveloped in 1961 using 3,086 feet of 8" pipe

IB-17 Beard Canyon - SW1/4NW1/4 Sec. 28, T. 23 N., R. 7 E. Development completed in 1960 using 2,707 feet of 8" pipe

IB-18 Dunnam Canyon - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. Development completed in 1961 using 1,623 feet of 8" pipe (1966 replaced water flow line washed out in 1964)

IB-19 NE1/4NE1/4 Sec. 33, T. 23 N., R. 7 E.
Amendment 2 (August 1, 1966), Permit dated 6/2/66

Schultz Canyon Area Springs

S-1 Arnold Canyon - NE1/4NW1/4 Sec. 28, T. 22 N., R. 7 E. Arnold Canyon is a tributary of Rio de Flag and is diverted in to Shultz Canyon by means of a 10" pipe 1200 feet in length. First developed prior to 1927, redeveloped in 1931, again redeveloped in 1963 using 1,392 feet of 10" pipe

S-2 Shultz Fork #1 - SE1/4SW1/4 Sec. 21, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1963 using 150 feet of 10" pipe

S-3 Mexican Mine Canyon (Schultz Fork #2) - SW1/4SE1/4 Sec. 21, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1964 using 180 feet of 10" pipe

S-4 Big O'Brien Canyon - NW1/4SW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1964 using 350 feet of 10" pipe

S-5 Little O'Brien Canyon - NW1/4SW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927 using 60 feet of pipe

S-6 Spruce Canyon - NE1/4NW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927, consisting of a diversion dam in Shultz Canyon with 15 feet of pipe connecting it to the flow line

S-7 Brookbank Canyon - NW1/4NE1/4 Sec. 22, T. 22 N., R. 7 E. Developed in 1964 using 650 feet of 10" pipe

S-8 Orion Spring - SW1/4NE1/4 Sec. 15, T. 22 N., R. 7 E. Developed in 1930, redeveloped in 1965 using 2,740 feet of 10" pipe

S-9 NWI/4 Sec. 14, T. 22 N., R. 7 E.

Amendment 6 (7/2/68), Permit dated 6/2/66, Weatherford Canyon Development

Aubineau Canyon Area Springs

A-1 Bear Jaw Canyon - Pickup sump built in 1934 for future development located in the SW1/4NE1/4 Sec. 21, T. 23 N., R. 7 E.

A-2 Rees Canyon - Pickup sump built in 1934, located in the SW1/4NW1/4 Sec. 21, T. 23 N., R. 7 E.

A-3 Aubineau Diversion #1 - NW1/4NE1/4 Sec. 29, T. 23 N., R. 7 E.

A-4 Aubineau Diversion #2 - NW1/4NE1/4 Sec. 29, T.23 N., R. 7 E.

A-5 Aubineau Diversion #3 - NW1/4NE1/4 Sec. 29, T. 23 N., R. 7 E.

A-6 Aubineau Diversion #4 - SW1/4NE1/4 Sec. 29, T. 23 N., R. 7 E.

A-7 Aubineau Diversion #5 - SW1/4SE1/4 Sec. 20, T. 23 **N., R.** 7 E.

A-8 Aubineau Tunnel Site - Sl/2 Sec. 20, T. 23 N., **R.** 7 E.

All diversions were completed in 1934, 3200 feet of 8" pipe were used. Aubineau Tunnel started in 1963, not completed.

AZ Game & Fish Wildlife Drinkers Owned by AZ Game & Fish authorized under COC0620

SUMMARY

In 1993, The Arizona Game and Fish Department (Department) in cooperation with the City of Flagstaff (City) and the Coconino National Forest, proposed six locations for wildlife waters along the City's Inner Basin Water Line (IB Waterline). Three of these locations were developed in 1993 (Figure 1). The water supply for these wildlife waters is the IB Waterline that originates from springs in the Inner Basin within the San Francisco Peaks. In 2022, the Pipeline Fire and associated floods damaged the IB Waterline and the three existing wildlife drinkers. The City has been performing repairs on the IB Waterline for the last year and a half to repair this damage. In cooperation with the City and the Coconino National Forest, the Department is requesting to repair the three existing wildlife waters, as well as develop two new wildlife waters on the IB Waterline in concordance with the 1993 Decision Memo. Additionally, the Department is requesting to add one 2500-gallon polyethylene storage tank at each wildlife water location (five total) to prolong the duration of water availability during the summer months. The purpose of this project is to give wildlife access to a small portion of the natural spring water that emerges in the Inner Basin and is captured and piped by the City of Flagstaff to its residents. Without these natural springs, there are nearly no other natural water sources for wildlife on the east side or inner basin of the San Francisco Peaks.

BACKGROUND

In 1993, six locations were chosen for wildlife drinkers along the City pipeline. Three of these were constructed in 1993 (Existing waters 1-3 in Figure 1). The waters are adjacent to the IB Waterline road and receive water from the IB Waterline via a small one-inch pipe that runs about 200 feet from the IB Waterline to each drinker. The current wildlife waters consist of a fiberglass drinker that holds approximately 5 gallons, with a flotation device to control flow. A small enclosure fence was built around each drinker for the purpose of excluding cattle. However these enclosures are largely in disrepair and do not need to be rebuilt due to a lack of livestock grazing on the allotment at this time. The current water troughs will only receive water if the flow of water in the IB Waterline is above half-pipe. The three existing wildlife waters were utilized by elk, deer, bear, turkey and many small game and nongame species until they were damaged in the 2022 Pipeline Fire.

PROJECT DESCRIPTION

The City is currently in the process of repairing the IB Waterline after damage from the 2022 Pipeline Fire. The city is using Hunter Contracting Company to perform the needed repairs. Due to the availability of heavy machinery and expertise of Hunter Construction Company, the Arizona Game and Fish Department would like to proceed with the maintenance and improvements of the current wildlife waters, and also proceed with the installation of two additional wildlife waters. Total installation time is anticipated to take two weeks in the summer or fall of 2024. Total ground disturbance of all activities is estimated to be 21,181square feet or 0.48 acres.

GroundcDisturbance Calculation:
Pipeline installation: (200 ft x 20 ft x 5 = 20,000 ft^2)
Storage tanks (18 ft x 18 ft x 5 = 1,620 ft^2)
Drinkers (4.5 ft x 2.5 ft x 5 = 56 ft^2)

Repairs and improvements to the three damaged wildlife waters:

1. Find, excavate, and test the function of the three existing valves on the IB Waterline. Then install new valves and valve boxes on the IB Waterline, as needed, to serve the three wildlife waters. This activity will occur where disturbance has been ongoing as part of the IB Waterline.
2. Excavation and placement of three, 2500-gallon polyethylene storage tanks (14 ft long x 8 ft wide x 5 ft tall) (Figure 2). Heavy equipment will be used to dig and excavate a hole to place the storage tanks underground. The tank excavation will disturb a maximum of 15'x15'x7'. Material spoils will extend another 3 ft around this excavation and will be flattened to the extent possible upon completion.
3. Remove the original, 200-ft sections of damaged pipe that extend between the valves and wildlife drinkers where they are exposed and easily locatable. (This is optional and the old piping could remain in place to minimize disturbance, if desired.)
4. Install approximately 200 feet of new, one-inch pipe from each valve to the buried storage tank (see 2. above) and then to the nearby drinker (three total). The new pipe will be installed approximately 3 feet below the ground surface, attempting to follow the path of the existing pipe once it is removed. The width of the excavation will be 1 foot. The maximum disturbance would be 10-ft on either side of the piping, creating a maximum 20-ft wide disturbance area from the mainline to the storage tank and drinker.

5. Remove old fiberglass water trough from the ground and install a new Rainmaker 110 wildlife drinker in the existing hole. The dimensions of the new Rainmaker 110 is 54 inches x 30 inches x 20 inches (Figure 3). The ground disturbance will consist of the use of hand tools to widen the existing hole for the placement of the Rainmaker 110.
6. The heavy equipment that will likely be used for all the installations/removals are a Cat 308 Excavator, Cat 950 Loader, D6 Dozer (clearing access if needed), 5 Yard dump truck, and one or more ¾-ton pickup trucks.

Installation of two additional wildlife waters:

7. Install new saddle taps, valves and valve boxes on the IB Waterline at two new locations (see "new valve" locations in Figure 1). This activity will occur where disturbance has been ongoing as part of the IB Waterline.
8. Excavation and placement of two, 2500-gallon polyethylene storage tanks (14 ft long x 8 ft wide x 5 ft tall) (Figure 2). Heavy equipment will be used to dig and excavate a hole to place the storage tanks underground. The tank excavation will disturb a maximum of 15'x15'x 7' tall. Material spoils will extend another 3 ft around this excavation and will be flattened to the extent possible upon completion.
9. Install approximately 200 feet of new, one-inch pipe from each valve to the buried storage tank and then to the nearby drinker (two total). The new pipe will be installed approximately 3 feet below the ground surface. The width of the excavation will be 1 foot. The maximum disturbance would be 10-ft on either side of the piping, creating a maximum 20-ft wide disturbance area from the mainline to the storage tank and drinker.
10. Install new Rainmaker 110 wildlife drinkers at the two new locations. The dimensions of the Rainmaker 110 is 54 inches x 30 inches x 20 inches (see Figure 3). The ground disturbance will consist of the use of heavy machinery to excavate a hole for the placement of the new Rainmaker 110s. The new drinkers will be placed into the ground so that the entrance to the drinker is flush with the ground surface.
11. The heavy equipment that will likely be used for all the installations/removals are a Cat 308 Excavator, Cat 950 Loader, D6 Dozer (clearing access if needed), 5 Yard dump truck, and one or more ¾-ton pickup trucks.

Table 1. Locations of existing and proposed valves and wildlife drinkers (reflected in Figure 1)

Site Name	GPS Coordinates	
Existing Drinker #1	**35.323645**	**-111.623295**
Existing Drinker #2	**35.347934**	**-111.640298**
Existing Drinker #3	**35.34784846**	**-111.6238922**
Existing Valve #1	**35.32366227**	**-111.6235735**
Existing Valve #2	**35.34701043**	**-111.6403698**
Existing Valve #3	**35.34769448**	**-111.6243394**
New Drinker #1	35.302087	-111.610436
New Drinker #2	35.340398	-111.650284
New Valve #1	35.30207521	-111.6104488
New Valve #2	35.34060488	-111.6505556

Figure 1. Map of proposed AZ Game and Fish Dept Wildlife Water Improvements

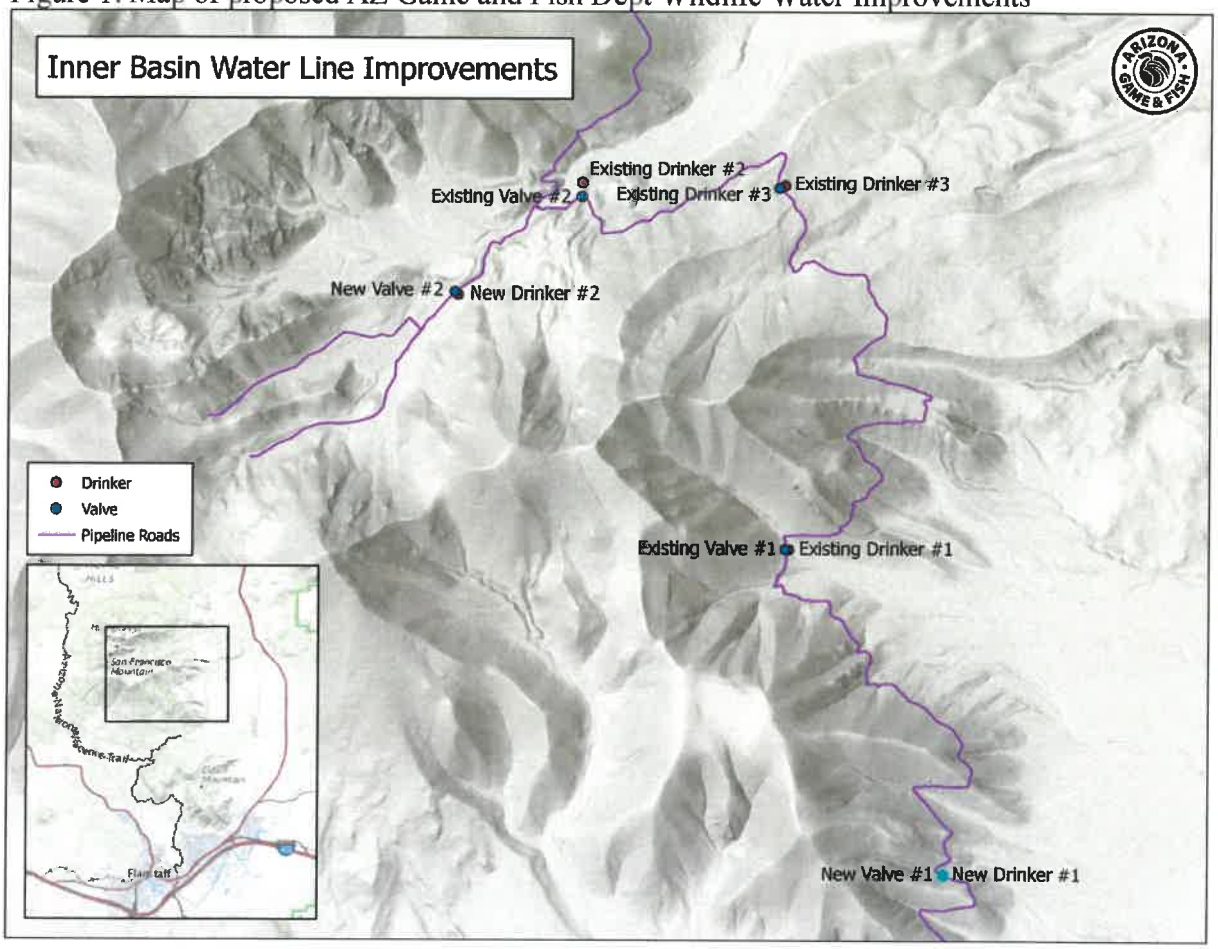


Figure 2. Example 2500-gallon polyethylene storage tank (14 ft long x 8 ft wide x 5 ft tall)



Figure 3. Wildlife drinker; Rainmaker 110 (54 in long x 30 in wide x 20 in tall)



EXHIBIT B
PROCEDURE
FOR THE CITY OF FLAGSTAFF
MASTER SPECIAL USE PERMIT
FOR WATER AND SANITARY SEWER
FACILITIES AND IMPROVEMENTS
ON THE COCONINO NATIONAL FOREST

This procedure will be used in handling applications for water transmission lines, wells, water storage structures, sanitary sewer transmission lines, powerlines of less than 33 KV, and associated roads and improvements.

1. Upon receipt of a request for an electric powerline extension, water storage structure, sanitary sewer transmission line, or water transmission line which will cross Forest Service administered lands, or well site, the City of Flagstaff will prepare a Route Planning and Construction Approval form (Exhibit C) with an exhibit map showing the tentative route on a USGS quad, 1:24,000 scale map.

2. The City of Flagstaff will contact the appropriate District Ranger for approval of Part I of the Route Planning and Construction Approval form, and arrange for a field inspection, permission to survey, and a meeting or conference concerning the proposed extension or site. It will be mutually agreed between the City of Flagstaff and the Forest Service what environmental studies will be done and who is responsible for completing the studies.

3. Upon agreement to the items contained in the Route Planning and Construction Approval Form, Part II of the form shall be signed by the City of Flagstaff representative, and by the District Ranger upon completion of the environmental analysis. If stipulations in addition to those found in the Master Permit are required by the specific route or site installation, they shall be noted on the form. The City of Flagstaff may then release the job for construction providing any delinquent fees have been paid.

4. If the District Ranger determines that alternate routes or sites must be evaluated, she/he will approve Part I of the Route Planning and Construction Approval form as to route or site planning only. Following the evaluation of alternate routes and the environmental analysis, a second field review may be performed by the City of Flagstaff representative and the District Ranger representative. If an alternate route has been agreed upon, Part II of the Route Planning and Construction Approval form shall be approved as to construction and the job may then be released for that purpose.

5. Survey activities shall be approved either during route planning or site planning or following actual construction. If approved subsequent to construction, the survey shall reflect the line or site location as built.

6. After construction has been completed, the City of Flagstaff shall request that the Forest Service Ranger District representative make a final inspection and acceptance of the line or site. Acceptance shall be indicated in Part III of the Route Planning and Construction Approval form.

7. The City of Flagstaff shall prepare and submit to the Coconino National Forest Supervisor's Office a copy of an amendment (Exhibit D) to the Master Permit after completion of each project. Amendments shall be submitted at the end of each project but no later than November 1 of each year. The amendment will show the additions and deletions to the Master Permit, and will also indicate the new total net acreage and mileage of route lines and sites covered by the Master Permit. If no amendments are to be filed, then the City of Flagstaff will submit a letter to the Coconino National Forest Supervisor's Office by November 1 of each year stating that the previous year's total net acreage and mileage are still in effect.

8. Master Permit maps (USGS quad maps, scale of 1:24000) will be updated annually to reflect changes to the Master Permit and submitted to the Coconino National Forest Supervisor's Office no later than November 1 of each year.

EXHIBIT C
ROUTE PLANNING AND CONSTRUCTION APPROVAL

PART I

Permission is hereby granted the City of Flagstaff to search for and locate a route or site for proposed facilities within the following described area and as shown on the attached map:

Section, Township & Range: _____ USGS Quad: _____

_____

_____ _____

Date District Ranger

NEPA DOCUMENTATION

	The City of Flagstaff	USDA, FS
Heritage Resources Report	_____	_____
Biological Evaluation	_____	_____
Miscellaneous Reports	_____	_____

PART II

The route or site selected and the construction methods to be used for the facilities shown on the attached map have been discussed at the actual ground location, and it is agreed that the construction will be on the approximate route or location and in accordance with the stipulations in the Master Special Use Permit issued to the City of Flagstaff dated _____ by the Coconino National Forest.

It is further agreed that the following additional stipulations will apply to this facility:

_____

_____

_____

Approximate Start Date of Project _____

Approximate Completion Date of Project _____

Above conditions are accepted by:

THE CITY OF FLAGSTAFF

By: _____

Date: _____

Approved for construction subject to the above by:

FOREST SERVICE, USDA Forest Service

By: _____

Date: _____

Part III

ACCEPTANCE

The above project has been completed according to plans and stipulations and is hereby accepted.

Date: _____ District Ranger: _____

Authorization ID: COC0365
Contact ID: FLAGSTAFF, CITY1
UseCode: 951, 914, 915, 931, 753, 643, 924, 343

FS-2700-23 (4/97)
OMB 0596-0082

EXHIBIT D
U.S. DEPARTMENT OF AGRICULTURE
Forest Service
AMENDMENT
FOR
SPECIAL USE AUTHORIZATION
AMENDMENT NUMBER: #

This amendment is attached to and made a part of the special use authorization (identified above) issued to the City of Flagstaff on ** DATE** which is hereby amended as follows:

The Master Special Use Permit is hereby amended to ADD the new right-of-way or site: _____

_____ ,extending from _____

to _____ known as the _____

a total distance of _____ (miles) (feet) and a width of _____ feet, amounting

to _____ acres,

It is agreed this amendment will become a part of the Master Special Use Permit and is subject to the same terms and conditions.

The Master Special Use Permit is hereby amended to DELETE the following; _____

_____

_____

comprising a total distance of _____ (miles) (feet) and _____ acres.

The details of the amendment are shown on the attached map.

Facilities are located in T.__ R___ , Sec.___

Aggregate Now Under this Permit:

Non-Linear Area (Acres)_____ Road (Acres),_____

Water Pipeline (Acres)_____ Power Lines (Acres),___

Other (Including Sewer Lines and Miscellaneous) (Acres)_____

This Amendment is accepted subject to the conditions set forth herein, and to conditions ___ to __ attached hereto and made a part of this Amendment.

_____ _____
(Holder Signature) (Authorized Officer Signature)

_____ _____
(Name and Title) (Name and Title)

Date: _____ Date: _____

According to the PapeJWOrk Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid 0MB control number. The valid 0MB control number for this information collection is 0596-0082,

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Polley and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Tenn PennitAct, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Tenn Perm!! Act, Act of September 3, 1954, Wilderness Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archaeological Resources Protection Act, and Alaska National Interest lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use and occupancy of National Forest System lands, The Secretary of Agriculture's regulations al 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

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 infonnaUon received by the Forest Service Public reporting burden for collecUon of information. if requested, is estimated to average 1 hour per response for annual financial infonnation: average 1 hour per resporise to prepare or update operation and/or maintenance plan; average 1 Hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user infonnation, sublease information, and other similar miscellaneous infonnation requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Authorization ID: COC0365
Contact ID: FLAGSTAFF,CITY1
Expiration Date: 06/30/2024
Use Code: 951, 914, 915, 931, 753, 643, 924, 343

FS-2700-4 (05/03)
OMB 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT
AUTHORITY:
ORGANIC ADMINISTRATION ACT June 4, 1897, PERMITS FOR PUBLIC BLDG AND OTHER PUBLIC WORKS September 3, 1954, FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976

CITY OF FLAGSTAFF, RON DOBA, UTILITIES DIRECTOR, 211 WEST ASPEN, FLAGSTAFF, AZ 86001 (hereinafter called the Holder) is hereby authorized to use or occupy National Forest System lands, to use subject to the conditions set out below, on the Coconino National Forest.

This permit covers 190.73 acres, --- feet and is described as shown on the attached Exhibits A.1 and A.2, and location maps (3 maps) attached to and made a part of this permit, and is issued for the purpose of:

MASTER SPECIAL USE PERMIT FOR WATER TRANSMISSION LINES, WELLS, WATER STORAGE STRUCTURES, WATER TREATMENT PLANT, SEDIMENTATION TANK, SANITARY SEWER TRANSMISSION LINES, POWERLINES OF LESS THAN 33 KV, AND ASSOCIATED ROADS AND IMPROVEMENTS FOR THE TRANSMISSION OF WATER AND SEWAGE TO MEET THE NEEDS OF FLAGSTAFF RESIDENTS.

RIGHT OF INGRESS AND EGRESS IS GRANTED FOR THE PURPOSE OF MAINTENANCE OF THE FACILITIES SUBJECT TO SUCH TRAVEL REGULATIONS THAT MIGHT BE APPLICABLE. NO GROUND DISTURBING ACTIVITY INCLUDING VEGETATION REMOVAL IS PERMITTED WITHOUT PRIOR AUTHORIZATION BY THE FOREST SERVICE.

THE LIST OF CURRENT IMPROVEMENTS IS ATTACHED AS EXHIBIT A.1 AND EXHIBIT A.2. ADDITIONS OR DELETIONS TO THE MASTER PERMIT WILL BE IN ACCORDANCE WITH THE ATTACHED PROCEDURE (EXHIBIT B) INCLUDING ROUTE PLANNING FORM (EXHIBIT C) AND AMENDMENT (EXHIBIT D).

The above described or defined area shall be referred to herein as the "permit area".

TERMS AND CONDITIONS

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. Authority. This permit is issued pursuant to the authorities enumerated at Title 36, Code of Federal Regulations, Section 251 Subpart B, as amended. This permit, and the activities or use authorized, shall be subject to the terms and conditions of the Secretary's regulations and any subsequent amendment to them.

B. Authorized Officer. The authorized officer is the Forest Supervisor or a delegated subordinate officer.

C. License. This permit is a license for the use of federally owned land and does not grant any permanent, possessory interest in real property, nor shall this permit constitute a contract for purposes of the Contract Disputes Act of 1978 (41 U.S.C. 611). Loss of the privileges granted by this permit by revocation, termination, or suspension is not compensable to the holder.

D. Amendment. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the authorized officer, such action is deemed necessary or desirable to incorporate new terms, conditions, and stipulations as may be required by law, regulation, land management plans, or other management decisions.

E. Existing Rights. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.

F. 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.

G. 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.

H. Assignability. This permit is not assignable or transferable. If the holder through death, voluntary sale or transfer, enforcement of contract, foreclosure, or other valid legal proceeding ceases to be the owner of the improvements, this permit shall terminate.

I. Permit Limitations. Nothing in this permit allows or implies permission to build or maintain any structure or facility, or to conduct any activity unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer in the form of a new permit or permit amendment.

II. TENURE AND ISSUANCE OF A NEW PERMIT

A. Expiration at the End of the Authorized Period. This permit will expire at midnight on 06/30/2024. Expiration shall occur by operation of law and shall not require notice, any decision document, or any environmental analysis or other documentation.

B. Minimum Use or Occupancy of the Permit Area. Use or occupancy of the permit area shall be exercised at least 365 days each year, unless otherwise authorized in writing under additional terms of this permit.

C. Notification to Authorized Officer. If the holder desires issuance of a new permit after expiration, the holder shall notify the authorized officer in writing not less than six (6) months prior to the expiration date of this permit.

D. Conditions for Issuance of a New Permit. At the expiration or termination of an existing permit, a new permit may be issued to the holder of the previous permit or to a new holder subject to the following conditions:

1. The authorized use is compatible with the land use allocation in the Forest Land and Resource Management Plan.
2. The permit area is being used for the purposes previously authorized.
3. The permit area is being operated and maintained in accordance with the provisions of the permit.
4. The holder has shown previous good faith compliance with the terms and conditions of all prior or other existing permits, and has not engaged in any activity or transaction contrary to Federal contracts, permits laws, or regulations.

E. Discretion of Forest Service. Notwithstanding any provisions of any prior or other permit, the authorized officer may prescribe new terms, conditions, and stipulations when a new permit is issued. The decision whether to issue a new permit to a holder or successor in interest is at the absolute discretion of the Forest Service.

F. Construction. Any construction authorized by this permit may commence by --- and shall be completed by ---. If construction is not completed within the prescribed time, this permit may be revoked or suspended.

III. RESPONSIBILITIES OF THE HOLDER

A. Compliance with Laws, Regulations, and other Legal Requirements. The holder shall comply with all applicable Federal, State, and local laws, regulations, and standards, including but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S. C. 9601 et seq., and other relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, construction, operation, and maintenance of any facility, improvement, or equipment on the property.

B. Plans. Plans for development, layout, construction, reconstruction, or alteration of improvements on the permit area, as well as revisions of such plans, must be prepared by a qualified individual acceptable to the

authorized officer and shall be approved in writing prior to commencement of work. The holder may be required to furnish as-built plans, maps, or surveys, or other similar information, upon completion of construction.

C. Maintenance. The holder shall maintain the improvements and permit area to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer and consistent with other provisions of this authorization. If requested, the holder shall comply with inspection requirements deemed appropriate by the authorized officer.

D. Hazard Analysis. The holder has a continuing responsibility to identify all hazardous conditions on the permit area which would affect the improvements, resources, or pose a risk of injury to individuals. Any non-emergency actions to abate such hazards shall be performed after consultation with the authorized officer. In emergency situations, the holder shall notify the authorized officer of its actions as soon as possible, but not more than 48 hours, after such actions have been taken.

E. Change of Address. The holder shall immediately notify the authorized officer of a change in address.

F. Change in Ownership. This permit is not assignable and terminates upon change of ownership of the improvements or control of the business entity. The holder shall immediately notify the authorized officer when a change in ownership or control of business entity is pending. Notification by the present holder and potential owner shall be executed using Form SF-299 Application for Transportation and Utility Systems and Facilities of Federal Lands, or Form FS-2700-3a, Holder Initiated Revocation of Existing Authorization, Request for a Special Use Permit. Upon receipt of the proper documentation, the authorized officer may issue a permit to the party who acquires ownership of, or a controlling interest in, the improvements or business entity.

IV. 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.

V. TERMINATION, REVOCATION, AND SUSPENSION

A. General. For purposes of this permit, "termination", "revocation", and "suspension" refer to the cessation of uses and privileges under the permit.

"Termination" refers to the cessation of the permit under its own terms without the necessity for any decision or action by the authorized officer. Termination occurs automatically when, by the terms of the permit, a fixed or agreed upon condition, event, or time occurs. For example, the permit terminates at expiration. Terminations are not appealable.

"Revocation" refers to an action by the authorized officer to end the permit because of noncompliance with any of the prescribed terms, or for reasons in the public interest. Revocations are appealable.

"Suspension" refers to a revocation which is temporary and the privileges may be restored upon the occurrence of prescribed actions or conditions. Suspensions are appealable.

B. Revocation or Suspension. The Forest Service may suspend or revoke this permit in whole or part for:

1. Noncompliance with Federal, State, or local laws and regulations.
2. Noncompliance with the terms and conditions of this permit.
3. Reasons in the public interest.
4. Abandonment or other failure of the holder to otherwise exercise the privileges granted.

C. Opportunity to Take Corrective Action. Prior to revocation or suspension for cause pursuant to Section V (B), the authorized officer shall give the holder written notice of the grounds for each action and a reasonable time, not to exceed 90 days, to complete the corrective action prescribed by the authorized officer.

D. Removal of Improvements. Prior to abandonment of the improvements or within a reasonable time following revocation or termination of this authorization, the holder shall prepare, for approval by the authorized officer, an abandonment plan for the permit area. The abandonment plan shall address removal of improvements and restoration of the permit area and prescribed time frames for these actions. If the holder fails to remove the improvements or restore the site within the prescribed time period, they become the property of the United States and may be sold, destroyed or otherwise disposed of without any liability to the United States. However, the holder shall remain liable for all cost associated with their removal, including costs of sale and impoundment, cleanup, and restoration of the site.

VI. FEES

A. Termination for Nonpayment. This permit shall automatically terminate without the necessity of prior notice when land use rental fees are 90 calendar days from the due date in arrears.

B. The holder shall pay an annual fee of Thirty-five thousand seventy-eight Dollars and Fifty-two cents $35,078.52 for the period from August 1, 2004 to July 31, 2005 and thereafter annually on August 1, Thirty-five thousand seventy-eight Dollars and Fifty-two cents Dollars $35,078.52: Provided, charges for this use shall be made or readjusted whenever necessary to place the charges on a basis commensurate with the fair market value of the authorized use.

C. Payment Due Date. The payment due date shall be the close of business on August 1st of each calendar year payment is due. Payments due the United States for this use shall be deposited at USDA - FS, File 71652, P.O. Box 60000, San Francisco, CA 94160-1652, in the form of a check, draft, or money order payable to "Forest Service, USDA." Payments shall be credited on the date received by the designated Forest Service 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.

D. Late Payment Interest, Administrative Costs and Penalties 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.*)

VII. OTHER PROVISIONS

A. 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.

B. 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.

C. 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.

D. Nondiscrimination in Employment and Services (B1). During the performance of this authorization, the holder agrees:

1. In connection with the performance of work under this authorization, including construction, maintenance, and operation of the facility, the holder shall not discriminate against any employee or applicant for

employment because of race, color, religion, sex, national origin, age, or disability. (Ref. Title VII of the Civil Rights Act of 1964, as amended).

2. The holder and employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex national origin, age, or disability, by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. (Ref. Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; Title IX of the Education Amendments, and the Age Discrimination Act of 1975).

3. The holder shall include and require compliance with the above nondiscrimination provisions in any subcontract made with respect to the operations under this authorization.

4. When furnished by the Forest Service, signs setting forth this policy of nondiscrimination will be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service.

5. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States of the State in which the breach or violation occurs.

E. Removal and Planting of Vegetation and Other Resources (D5). The holder shall obtain prior written approval from the authorized officer before removing or altering vegetation or other resources. The holder shall obtain prior written approval from the authorized officer before planting trees, shrubs, or other vegetation within the authorized area.

F. Right-of-Way Clearing, Powerline (F15). The holder shall clear designated parts of the powerline right-of-way and keep them clear as required by the Forest Service; shall trim all branches of trees in contact with or near the line; shall remove all dead snags and all trees which are leaning toward the line on or adjacent to the right-of-way; and shall observe such other fire precautions as may be required; but all waste material shall be burned or otherwise disposed of to the satisfaction of the Forest Service. The clearing width shall be restricted to that necessary for safe transmission, unless the specific permission of the Forest Service for a greater clearing width is obtained.

G. Secondary Use (G1).

1. All construction or reconstruction of the road shall be in accordance with plans, specifications, and written stipulations previously approved by the authorized officer.

2. Only the authorized officer may extend rights and privileges for use of the road constructed on the premises to other non-Federal users on the condition that such users shall pay a fair share of the current replacement cost less depreciation of the road and any reconstruction costs necessary to accommodate its use.

3. The Forest Service retains the right to occupy and use the right-of-way. It also may issue other uses including rights-of-way, on and through the authorized area, provided that the occupancy and use does not unreasonably interfere with the rights granted herein.

H. Cooperative Work (X15). All or parts of the work described in clauses VIIE (D5), VIIF (F15), VII G (G1), VIIM (X33) and on Exhibit B (Procedure) and Exhibit C (Route Planning Form) for which the holder is responsible may, upon written request by the holder and approval by the authorized officer, be performed by the Forest Service on a basis of cooperation under authority of section 5, Act of April 24, 1950, 64 Stat. 83, 16 U.S.C. 572. The holder agrees to make advance deposits into a cooperative work fund at such times and in such amounts as requested by the Forest Service, the total deposits to be sufficient to cover the cost of the work including necessary overhead charges. Any excess of deposits over the cost of work will be refunded.

I. Archaeological-Paleontological Discoveries (X17). The holder shall immediately notify the authorized officer of any and all antiquities or other objects of historic or scientific interest. These include, but are not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this authorization, and shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

J. Superseded Authorization (X18). This authorization supersedes a special-use authorization designated: MOR103501, special use permit dated June 30, 1987.

K. Reservoir Storage Increase (X20). The Forest Service reserves the right to issue additional authorizations to other applicants to increase the storage capacity of this site if such action proves feasible. No authorization will be granted for additional facilities that will jeopardize the privileges granted by this authorization. Any additional authorizations permitting larger facilities will provide for payment of costs, including the cost of construction of the original project works, on a cost-benefit ratio mutually agreeable to the holder and the new applicant. If the holder and applicant cannot agree on division of costs, the Forest Service shall decide on an equitable division between the old and new works.

L. Signs (X29). Signs or advertising devices erected on National Forest System lands shall have prior approval by the Forest Service as to location, design, size, color, and message. Erected signs shall be maintained or renewed as necessary to neat and presentable standards, as determined by the Forest Service.

M. Improvement Relocation (X33). This authorization is granted with the express understanding that should future location of United States Government-owned improvements or road rights-of-way require the relocation of the holder's improvements, such relocation will be done by, and at the expense of, the holder within a reasonable time as specified by the authorized officer.

N. Water Rights (X74). This authorization does not convey any legal interest in water rights as defined by applicable State law.

O. 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.

P. 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.

According to the Paperwork Reduction Act of 1995, no persons are 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.

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Term Permit Act, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Term Permit Act, Act of September 3, 1954, Wilderness Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archaeological Resources Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use

and occupancy of National Forest System lands. The Secretary of Agriculture's regulations at 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

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 Public reporting burden for collection of information, if requested, is estimated to average 1 hour per response for annual financial information; average 1 hour per response to prepare or update operation and/or maintenance plan; average 1 hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user information, sublease information, and other similar miscellaneous information requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This permit is accepted subject to the conditions set out above.

HOLDER NAME: CITY OF FLAGSTAFF

Forest Service

By: _____
(Holder Signature)

Title: Dave Wilcox, City Manager

Date: 10-6-04

U.S. DEPARTMENT OF AGRICULTURE

By: Nora B Rasure
(Authorized Officer Signature)

Title: NORA B. RASURE, Forest Supervisor

Date: 10-19-04

ATTEST:

Margie Brewer
CITY CLERK

APPROVED AS TO FORM:

H M Lane
CITY ATTORNEY

FEE STRUCTURE

2004 Fees - City of Flagstaff Master Permit

120.09 + 4.59 = 124.68 AC (Water, Sewer, and Other Lines)
10.66 + 6.2 = 16.86 AC (Roads and Power lines)
124.68 AC x $26.64 = $3321.48
16.86 AC x $30.47 = $513.72
$3321.48 + 513.72 = **$3835.20** (Linear portion of fee)

Plus land value for non-linear area, 49.19 Acres

$31,243.32 + $3,835.20 = $35,078.52

Per Tate Curtis' (Forest Service Senior Review Appraiser) recommendations, the non-linear fee of $28,300 (appraisal date August 25, 1999 and approved June 2, 2000) should be indexed upward by the IPD-GNP Index in a similar fashion as the linear right-of-way fees are indexed upward in order to show something for appreciation.

$28,300 x 1.013 = $28,667.90
$28,667.90 x 1.020 = $29,241.258
$29,241.258 x 1.024 = $29,943.048
$29,943.048 x 1.011 = $30,272.421
$30,272.421 x 1.015 = $30,726.507

My record search for re-issuance of the permit indicates **19 well sites**, 3 within City limits and 16 outside City limits. Jack Rathjen, City of Flagstaff Water Works Supervisor, confirmed that the City now has 19 well sites (discussion on August 20, 2004). Per discussion with Tate, the above figure of $28,300 needs to be adjusted upward to account for the additional well site. Well sites outside of City limits were valued at $14,000. $858,000 + $14,000 (for an additional well site outside of City limits) = $872,000. $872,000 x 66% (-34% Bulk Discount) = $575,520. $575,520 x 5% = $28,776. Tate recommends this indexing occur annually.

$28,776 x 1.013 = $29,150.088
$29,150.088 x 1.020 = $29,733.089
$29,733.089 x 1.024 = $30,446.683
$30,446.683 x 1.011 = $30,781.596
$30,781.596 x 1.015 = **$31,243.319**

Tate and I also discussed my revised figure for the non-linear acres, 49.19 acres. The non-linear acres appraised, 43 acres, constituted an average, therefore, deviation in total acres for the non-linear component of the fee is okay, and does not affect the fee recommended as computed above.

Tate also recommends completing another appraisal within 7 to 10 years.

August 30, 2004
Linda Powell

Well Sites
Within City Limits: LM Well 3, Pulliam Well, Skunk Canyon Well (3 Total)

Well Sites
Outside City Limits:
LM Wells: 1, 2, 4, 5, 7, 8, 9
WM Wells: 1, 2, 4, 7, 9, 11
IB Wells: 9, 11, 14
(16 Total)

Observation Wells, Old LM Well 9, LMO-1, LMO-2, LMO-3

36.41 - Exhibit 01

Cumulative Implicit Price Deflator-Gross Domestic Product (IPD - GDP) for the Linear Right-of-Way Fee Schedule

Note: Refer to the parent text of this Handbook, sections 36.4 through 36.45, for direction on use of the fee schedule in special use authorizations for linear rights-of-way.

Year	Percent Change	Adjustment Factor
1994	+1.452	1.015
1995	+1.749	1.018
1996 (1997 fees)	+2.050	1.021
1997 (1998 fees)	+2.393	1.024
1998 (1999 fees)	+0.390	1.004
1999 (2000 fees)	+1.253	1.013
2000 (2001 fees)	+2.000	1.020
2001 (2002 fees)	+2.351	1.024
2002 (2003 fees)	+1.098	1.011
2003 (2004 fees)	+1.500	1.015

Exhibit A.1
City of Flagstaff
Master Permit

Description	Non-Linear Area (Acres)	Water Pipeline	Other	Road	Power
LM Well 1	2.07				
LM Well 1 Access Road				0.58 AC 1279.3' (20')	
LM Well 2	2.07	0.50 AC 1090.46' (20')		0.37 AC 540.5' (30')	
LM Well 3	2.07	0.04 AC 165' (10')		1.0 AC 1463.84' (30')	
LM Well 4	2.06	0.2 AC 460' (20')		0.7 AC 1061.35' (30')	
LM Well 5	1.43	0.9 AC 1990' (20')			
LM Well 7	1.43			2.13 AC 3200' (29')	
LM Well 8	0.52	1.77 AC 3859' (20')		0.55 AC 2000' (12')	
LM Well 9 [Water line is from LM Well 8 to LM Well 9]	Est. 1.0	2.87 AC 6247' (20')			
Old LM Well 9	0.01				
Pulliam Well	1.0	0.76 AC 1650' (20')		0.23 AC Est. 500' (20')	
Skunk Canyon Well	1.0				
OBS Wells LMO-1 LMO-2 LMO-3	0.01				
WM Well 1	0.918				
WM Well 2	0.918				

Description	Non-Linear Area (Acres)	Water Pipeline	Other	Road	Power
8" Waterline WM Well 1 to WM Well 3		0.27 AC 600' (20')			
WM Well 4	0.918				
10" Water line, WM Well 5 to WM Well 4		0.07 AC 106.42' (30')			
Access Road, WM Well 4 to WM Well 5				0.13 AC 186.22' (30')	
WM Well 7	0.918				
WM Well 9	0.918				
Utility Corridor, WM Well 9 to WM Well 7 [Water/Power]					1.46 AC 3183' (20')
WM Well 11	Est. 1.0				
Utility Corridor to WM Well 11 [Water/Power]					0.30 AC 887' (15')
Inner Basin Wells, #9, #11, and #14	Est. 3.0				
Exploration Boreholes, 8 sites	0.02				
LM 30" Water line		11 AC 23,984' (20')			
LM 27" Water line		11.08 AC 24,130' (20')			
LM 12" Water line		12 AC 26,148' (20')			

Description	Non-Linear Area (Acres)	Water Pipeline	Other	Road	Power
8" Water line Tract B HES 619, Frontier Ave.		0.93 AC 2029' (20')			
8" Water line from HES 619 to Water Treatment Plant		0.84 AC 1848' (20')			
LM 36" Water line and 4" spur air line [Corridor also includes 24" Water line]		9.55 AC 20,803' (20')	0.12 AC 260' (20') [Air line]		
Shadow Mtn Village [Monte Vista Dr] Water line, and Sewer Line	Est. 1.0				
4" Water line, Pine Del		0.65 AC 1425' (20')			
WM 16" Water line		4.85 AC 10,560' (20')			
WM 30" Water line [Note: Majority of area is contained within the 16" Water Line Corridor]		0.14 AC 300' (20')			
WM Collection Line Expansion		Area contained within WM 16" Water line corridor			
Water line, Hwy 89N		Est. 0.55 1200' (20')			
Peaks RS Water line [and sewer]		0.63 AC Appx 1372' (20')			

Description	Non-Linear Area (Acres)	Water Pipeline	Other	Road	Power
Mormon Lake RS Water line		0.11 AC Est. 250' (20')			
Water line to Airport		1.57 AC 3421' (20')			
Inner Basin and Schultz Pass Water lines (and springs) including Abineau Canyon area		56.56 AC 123.182' (20')			
Water Treatment Plant	22.0				
Pumping Plant at Lake Mary Dam	Est. 0.25				
Air Bubbling Sys, Upper LM	0.06		0.04 600' (3')		
Sedimentation Tank, WM	1.0				
Access Road, WM Sedimentation Tank				0.90 AC 1953.6' (20')	
Sludge Line, WM Sedimentation Tank			0.09 AC 200' (20')		
WM Booster Pump Station [Included in area for Sedimentation Tank]					
WM Power line 1 [Previous Permit dated 1/28/58]					1.79 AC 2,255.95' (30') and 1076' (10')

Description	Non-Linear Area (Acres)	Water Pipeline	Other	Road	Power
WM Power line 2 [Previous Permit dated 8/18/59]					2.65 AC 5790' (20')
Paradise Reservoir	0.6	2.25 AC 4,914' (20')		2.52 AC 5,500' (20')	
Christmas Tree Reservoir	1.0		0.25 AC 550' (20') (Overflow Line)	1.55 AC 3,380' (20) (Road and Water line)	
Canal Type Drainage			0.69 AC 1000' (30') (Sewage Plant)		
Sewer Line to Airport			1.26 AC 2757' (20')		
Sewer Line along portion of Lake Mary Road (near Mormon Lake RS)			0.23 AC Est. 500' (20')		
Bow and Arrow Sewer Line [Zuni Dr]			0.19 AC 419.22' (20')		
J W Powell Blvd Sewer Line			1.72 AC 3,746' (20')		
Bow and Arrow Water Line [Zuni Drive]		Est. 150' [Area included in sewer line utility corridor]			
Totals	**49.19 AC**	**120.09 AC**	**4.59 AC**	**10.66 AC**	**6.2 AC**

IB = Inner Basin
LM = Lake Mary
RS = Ranger Station
WM = Woody Mountain

Exhibit A.2

City of Flagstaff Master Special Use Permit
August 2004

Well Sites

Lake Mary Well 1 **[2.07 Acres]**
Permit dated 5/13/64
NE1/4 Lot 1, Section 18, T. 20 N., R. 8 E.
300' x 300' area for well site

Lake Mary Well 1 Access Road **[0.58 Acre]**
Permit dated 6/28/61
Across portions of sections 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E., 1279.3 feet (0.24 miles) in length, 20 feet right-of-way width

Lake Mary Well 2 **[2.07 + 0.37 + 0.50 = 2.94 Acres]**
Permit dated 10/1/64
Portions of Lot 2, Section 18, T. 20 N., R. 8 E.
300' x 300' area for well site **[2.07 Acres]**
Includes access road, pump house and connecting pipelines (to existing 27" and 12" water lines); Access road (Permit dated 10/1/64), 540.5 feet in length, 30 feet right-0f-way width **[0.37 Acre];**
Amendment 2, Permit dated 10/1/64, connecting pipeline to existing 12" water line 1090.46 feet (.206 miles) in length, 20 feet right-of-way width **[0.50 Acre]**
[October 5, 1994 Request for buried pipeline (291 lineal feet) to replace above ground line]

Lake Mary Well 3 [Within City Limits] **[2.07 + 1.0 + 0.04 = 3.11 Acres]**
Permit dated 2/1/65
SE1/4 Section 12, T. 20 N., R. 7 E., 300' x 300'
300'x 300' **[2.066 Acres]**
Including Access Road (Permit dated 2/2/65), 1463.84 feet (.28 miles) in length 30 feet right-of-way width **[1.0 Acres]** and water pipelines (8" CIP water lines from Well No. 3 to the 27" Lake Mary Water Line (within road) and from Well No. 3 to the 12" Lake Mary Water Line, 165 feet in length, 10 feet right-of-way width **[0.04 Acres]** across a portion of the SW1/4 Section 12, T. 21 N., R. 7 E.

Lake Mary Well 4 **[2.06 + 0.7 + 0.2 = 2.33 Acres]**
Permit dated 1/19/66
NW1/4NE1/4 Section 19, T. 20 N., R. 8 E.
300' x 300' **[2.06 Acres]**
Including Access Road across a portion of SE1/4 Section 18, T. 20 N., R. 8 E., 1061.35 feet in length, and 30 feet right-of-way width **[0.7 Acre]**

Water pipeline from Well 4 to 27" Lake Mary Waterline, 460 feet in length, 20 feet right-of-way width **[0.2 acres]**, across portions of SW1/4SE1/4 of Section 18, and NW1/4NE1/4 of section 19, T. 20 N., R. 8 E.

Lake Mary Well 5 **[1.43 + 0.9 = 2.33 Acres]**
Permit dated 12/17/74
Section 20, T. 20 N., R. 8 E
250' x 250' **[1.43 Acres]**
Including 10" water line to Well 5
Approximately 1990' feet in length, 20 feet right-of-way width **[0.9 Acre]**

Lake Mary Well 6 (Not Used, Abandoned)
Permit dated 12/17/74 [Not included as part of the Master Permit]

Lake Mary Well 7 **[1.43 + 2.13 = 3.56 Acres]**
Permit dated 12/17/74
NE1/4SW1/4 Section 27, T. 20 N., R. 8 E
250' x 250' **(1.43 Acres)**
Amendment 4, Permit dated 12/17/74
Including Access Road, 2738 feet, 50 feet right-of-way width (3.1 acres - superceded)
Access Road modification per report submitted by Northland Research, Inc. titled "Cultural Resources Survey and Biological Evaluation for a proposed access road to Lake Mary Well No. 7," Revised May 11, 2001, 3200 feet in length, 29 feet right-of-way width **(2.13 acres)**

Lake Mary Well 8 **[0.55 + 1.77 + 0.52 = 2.84 Acres]**
Permit dated 12/17/74
SE1/4SW1/4SW1/4 Section 20, T. 20 N., R. 8 E
Including pump house, access road, water pipeline and underground power line
Access Road, 2000 feet in length, 12 feet right-of-way width **(.55 acre)**; and water pipeline, 3000 feet in length, 20 feet right-of-way width (1.37 acres); **drill site is .52 acre** for a total of 2.45 acres
Revised June 2004 - City data indicates 3859 GIS feet to Well 8 for waterline
Water pipeline (12 inch and 16 inch), 3859 feet in length, 20 feet right-of-way width **(1.77 acres).**

Lake Mary Well 9 **[1.0 + 2.87 = 3.87 Acres]**
Section 30, T. 20 N., R. 8 E.
Estimated **1.0 acre** for well site
Water line to Lake Mary Well 9
Permit dated 7/14/92
Across sections 20, 29, and 30, T. 20 N., R. 8 E.
1.75 Miles (9240 feet) in length, 20 feet right-of-way width [4.24 Acres] [Note: Length of water line includes line to Well 8]

Revised - June 2004 - Water line (12 inch and 16 inch) City data indicates 6247 feet in length (from Lake Mary Well 8 to Lake Mary Well 9), 20 feet right-of-way width **[2.87 Acres]**

Old Lake Mary Well 9 [Test Well] **[0.01 Acre]**
Section 28, T. 20 N., R. 8 E.

Pulliam Well [Within City Limits] **[1.0 + 0.23 + 0.76 = 1.99 Acres]**
SE1/4 Section 4, T.20 N., R. 7 E.
Access road to well site (Pulliam Well) across a portion of sec. 4, T. 20 N., R. 7 E., Estimate 500' in length, 20' right-of-way width, **[0.23 Acre]**;
[1 acre for well site; 1650 feet in length for pipeline right-of-way, 20 feet in width **(0.76 acre)]** [Note: The pipeline right-of-way has not been constructed, but an environmental analysis has been completed.]

Skunk Canyon Well [Within City Limits] **[1 Acre]**
SW1/4NE1/4 Section 3, T. 20 N, R. 7 E.
[Does not include pipeline right-of-way]

Observation Wells [Each Area Appx. 10' x 10'] [0.01 Acre]
Amendment 7, Permit dated 12/17/74 (Three 6" Observation wells)
LMO-1, Section 20, T. 20 N., R. 8 E.
LMO-2, Section 29, T. 20 N., R. 8 E.
LMO-3, Section 20, T. 20 N., R. 8 E.

Woody Mountain 1 **[0.918 Acre]**
Permit dated 2/27/56
W1/2SW1/4 Section 35, T. 21 N., R. 6 E
200'x 200'.

Woody Mountain 2 **[0.918 Acre]**
Permit dated 2/27/56
W1/2SW1/4 Section 35, T. 21 N., R. 6 E.
200'x 200'

8" Water line from Woody Mountain Well 1 to Woody Mountain Well 3 [0.27 Acre]
Across a portion of section 35, T. 21 N., R. 6 E.
Approximately 600 feet in length (map measurement), 20 feet in width
City of Flagstaff data indicates 845 feet in length, however, measurement includes non-federal land

Woody Mountain 4 **[0.918 Acre]**
Permit dated 2/27/56
W1/2SW1/4 Section 35, T. 21 N., R. 6 E.
200'x 200'

10" Water line to connect Woody Mountain Well 5 to Woody Well #4 Line [0.07 Acre]
Amendment 1, Permit dated 10/14/55
Across portion of section 35, T. 21 N., R. 6 E.
106.42 feet in length, 30 feet right-of-way width

Access Road from Woody Well #4 to Woody Well #5 [0.13 Acre]
Permit dated 1/5/62
186.22 feet in length, 30 feet right-of-way width

Woody Mountain Well 7 [0.918 Acre]
Permit dated 10/23/81
NE1/4NW1/4 Section 11, T. 20 N., R. 6 E.
200' x 200'

[Proposed location only] Woody Mountain Well 8
Permit dated 10/23/81
SE1/4SE1/4NW1/4 Section 11, T. 20 N., R. 6 E. [Not included in Master Permit]

Woody Mountain Well 9 [0.918 Acre]
Amendment 1, Permit dated 10/23/81
NE1/4SW1/4 Section 11, T. 20 N., R. 6 E.
200' x 200'

Utility Corridor from Well 9 to Well 7 [1.46 Acre]
Permit dated 10/23/81
2200 feet plus 612.62 feet = 2812.62 feet in length, 20 feet right-of-way width [1.29 Acres] [2200 feet from application for Well 8, plus 612.62 feet from Record of Survey dated 6/20/84 for measurement from Well 8 to Well 9]
Revised - June 2004 - City of Flagstaff data indicates 10" and 12" water lines and underground power for 2431' + 752' = 3183 feet in length, 20 feet right-of-way width **[1.46 Acres]**

Woody Mountain Well 11 [Estimated 1.0 Acre]
NE1/4NE1/4NW1/4 Section 11, T. 20 N., R. 6 E.

Utility Corridor to WM Well 11 [0.30 Acres]
Includes 8 inch water line and underground power
City of Flagstaff data indicates 887 feet in length, 15 feet right-of-way width
Decision Memo dated July 2, 1999

Inner Basin Wells, #9, #11, and #14 [3.0 Acres]
Estimate 1 Acre for each well site, 3.0 Acres

Exploration Borehole Locations **[0.02 Acre for 8 sites**, each site being 10' x 10']
Permit dated 11/8/90
Oil and Gas Well, SW1/4SE1/4SE1/4 Section 1, T. 19 N., R. 7 E.
South Elk Park Meadows, SE1/4SE1/4SE1/4 Section 5, T. 19 N., R. 8 E.
Newman Canyon, SE1/4SE1/4NE1/4 section 10, T. 19 N., R. 8 E.
Wahler Ranch Area, SW1/4SE1/4SE1/4 Section 23, T. 20 N., R. 7 E.
Howard Draw, NE1/4SW1/4SE1/4 Section 25, T. 20 N., R. 7 E.
Priest Draw, NW1/4 Sec. 35, T. 20 N., R. 7 E.
Clark Well, NW1/4NE1/4SW1/4 Section 32, T. 20 N., R. 8 E.
North Elk Park Meadows, SE1/4NE1/4SW1/4 Section 33, T. 20 N., R. 8 E.
During construction the site areas were 100' x 100.' After project was completed, the borehole areas were reduced to an area of 10' x 10' for each site, 8 sites = 0.02 Acres]

Water Transmission Lines

Lake Mary

30" Waterline **[11.0 Acres]**
From Lake Mary to private property in section 33, T. 21 N., R. 7 E.
[Passes through Water Treatment Plant]
Permit dated 5/12/87 [12.62 Acres]
Portions of section 33, T. 21 N., R. 7 E., sections 3, 4, 10, 11, 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E., 20 feet right-of-way width

[Note: Permit dated 5/12/87 did not include the waterline for section 33, T. 21 N., R. 7 E. Summary of Analysis dated September 1989 prepared by SWCA Inc. indicates the length on National Forest is approximately 2,500 feet for the proposed construction of a 30 inch water transmission line from the Lake Mary Water Treatment Plant to US 89A. The City GIS data shows a measurement of 2864 for this segment of line.)

Map measurement for the 30" waterline is approximately 4 miles (excluding section 33, T. 21 N., R. 7 E.) The total acres is computed as follows:
21,120 feet + 2864 = 23,984 feet in length, 20 feet right-of-way width, 11.0 Acres

27" Waterline from Lake Mary to Water Treatment Plant, and from Water Treatment Plant to private property in section 34, T. 21 N., R. 7 E. **[11.08 Acres]**
Permit Dated 8/13/64
Portions of sections 33, T. 21 N., R. 7 E., sections 3, 4, 11, 12, 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E.,
[Map measurement indicates approximately 11.08 acres, okay to use prior permit measurement]
24,130 feet in length, 20 feet right-of-way width, 11.08 acres

12" Water Main, Lake Mary Dam to City of Flagstaff [12 Acres]
Permit dated 10/30/40 [14.83 Acres]
Portions of section 33, T. 21 N., R. 7 E., sections 3, 4, 10, 22, 12, and 13, T. 20 N., R. 7 E., and section 18, T. 20 N., R. 8 E.
[Shown on Drawings dated June 1941, Sections 1 and Section 2, Sheet 1 of 2, and Sheet 2 of 2, prepared by Taylor & Taylor Engineers]
37,913.96 Linear Feet, 7.18 miles, 1941 measurements

Map Measurement, approximately 4.95 miles (26,148 feet) in length, 20 feet right-of-way width, **[12 Acres]**

8" Water line **[0.93 AC]**
Permit dated 8/5/65
Adjacent to the southerly line of Tract B of HES 619 (Frontier Avenue), and in Lake Mary Road and in J. Diamond Road in Sections 3 and 4, T. 20 N., R. 7 E.
0.38 miles (2029 feet) in length, 20 feet right-of-way width

8" Water line from HES 619 to Water Treatment Plant [0.84 AC]
Permit dated 8/11/65
Portions of sections 3 and 4, T. 20 N., R. 7 E.
0.35 Miles (1848') in length, 20 feet right-of-way width

36" Water transmission line **[9.55 + 0.12 = 9.67 Acres]**
Permit dated 7/17/64
and 10" and 16" pipeline tie ins to the existing 12" pipeline for delivery of water from Lake Mary to Flagstaff
Portions of sections 18, 19, 20, 21, 27, and 28, T. 20 N., R. 8 E.
3.94 miles (20,803 feet) in length, 20 feet right-of-way width **[9.55 Acres]**
Amendment 2, Permit dated 7/17/64
Including 4" spur **Air line** within SW1/4 Section 27, T. 20 N., R. 8 E.
260 feet in length x 20 feet right-of-way width **[0.12 Acre]**
Amendment 1, Permit dated 7/17/64
24" Water line within the existing corridor for the 36" water transmission line
Portions of sections 18, 19, 20, 21, 27, and 28, T. 20 N., R. 8 E.

<u>18" and 15" Water line from Upper Lake Mary to Lower Lake Mary</u>
Permit dated 10/1/47
Located within Forest Highway 3 corridor
No Longer in Use [Not included in the Master Permit]

Water Line and Sewer Line **[Estimated 1.0 Acre]**
Shadow Mountain Village [Monte Vista Drive]
Permit dated 4/22/68

Portion of Section 11, T. 21 N., R. 7 E.
[Note: The area encumbered by the water line and the sewer line lies within Parcel 2 of the Special Use Permit dated April 22, 1968. Parcel 2 is defined by a metes and bounds description. Per discussions with Jack Rathjen, City of Flagstaff Water Works Supervisor, on August 20, 2004 the Pump building and underground hydropneumatic tank previously under permit have been removed.]

4" Pine Del Waterline **[0.65 Acre]**
Permit dated August 3, 1962
N1/2NE1/4 Section 7, T. 20 N., R. 7 E.
Estimated 1425 feet in length, 20 feet right-of-way width
[Note: Estimates taken from map associated with permit that was drawn May 10, 1962 and approved by City Engineer, R. G. Barney.]

Woody Mountain

16" Water line from Woody Mountain City Wells to City of Flagstaff **[4.85 Acres]**
Permit dated 10/14/55
Across portions of sections 35 and 36, T. 21 N., R. 6 E.
2.0 miles (10,560 feet) in length, 20 feet right-of-way width [Map measurement]
[Section 31, T. 21 N., R. 7 E. now non-federal land]

30" Water Transmission Pipeline - Woody Mountain Area **[0.14 Acre]**
[Note: 30" Water line is in same corridor as the 16" water line. The area computed for 0.14 is only for a small segment not already accounted for.]
Amendment 1, Permit dated 10/23/81
Parallel to the existing pipeline from Well 7 in section 11, T. 20 N., R. 6 E., to the sedimentation tank in Section 36, T. 21 N., R. 6 E. as shown on the enlarged USGS map (1:12,000) City of Flagstaff designation W-169, Pocket 10, Folder 38. This portion of the permit covers 1.7 miles [Contained within utility corridor for 16" Water line across portions of section 35 and 36, T. 21 N., R. 6 E., and contained within utility corridor between Well 9 and Well 7. Included small segment from Well 7 to north section line boundary, approximately 300 feet (map measurement). 300 feet in length, 20 feet right-of-way width **[0.14 Acre]**

Collection Line Expansion, WM **[Area contained within existing WM 16" Water Line Corridor]**
Permit dated 1/28/58
W1/2SW1/4 Section 35, T. 21 N., R. 6 E.
Water pipeline parallel to an existing water pipe and access road
800 feet in length, 20 feet in width [0.37 Acres]

Other Water Lines

Highway 89 North Waterline **[Estimated 0.55 Acre]**
Permit dated 6/30/61

SE1/4 Section 6, T. 21 N., R. 8 E.
[Note: 1978 Patent - Wilson Land Exchange - Waterline was not shown as a reservation; however, a portion of the water line now crosses non-federal land. Amendment 1, Permit dated 6/30/61 shows 0.455 miles (2,402.4 feet) plus 200 feet Railhead Drive Amendment 4), 20 feet right-of-way width [1.19 Acres].
Estimated 1,000 feet in length along Highway 89 North plus 200 feet for Railhead Drive equals approximately 1,200 feet in length, 20 feet right-of-way width [0.55 Acres]

Peaks Ranger Station Waterline **[0.63 Acre]**
Permit dated 3/25/87
SE1/4 Section 6, T. 21 N., R. 8 E.
Approximately 1372 feet in length, 20 feet right-of-way width, 0.63 acres (from calculations)

Mormon Lake Ranger Station Waterline **[0.11 Acre]**
SW1/4 Section 33, T. 21 N., R. 7 E.
Approximately 250' in length (map measurement), 20 feet right-of-way width

Water Transmission to Airport **[1.57 Acres]**
Permit dated 5/1/50
Water transmission lines, 20 feet wide, 10 feet each side of centerline, over and across portions of sections 4 and 5, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.
3421 feet in length, 20 feet right-of-way width

Bow and Arrow Water Line [Zuni Drive] [Area included as part of the sewer line utility corridor] Estimated 150 feet in length
Water line shown on City of Flagstaff Water Map No. 23-18
Section 33, T. 21 N., R. 7 E.

Inner Basin Water Transmission, Wells, and Associated Facilities **[56.56 Acres] including Abineau Canyon area [Area includes springs]**
Portions of sections 1, 2, 12, 13, 14,15, 21, 22, 28 and 33, T. 22 N., R. 7 E.; and portions of sections 15, 16, 17, 20, 21, 22, 26, 27, 28, 29, 32, 33, 35 and 36, T. 23 N., R. 7 E.

23.4 miles, Permit dated 6/2/66
23.97 miles, Amendment 1, Permit dated 6/2/66
23.99 miles, Amendment 3, Permit dated 6/2/66

[Map measurement indicates approximately 59 Acres, okay to use prior permit measurement]

Linear measurement calculated as follows:
23.33 miles or 123,182' (20' right-of-way width)
(123.182 x 20)/43560 = 56.56 acres

Miscellaneous

Water Treatment Plant, sedimentation tanks and associated facilities **[22 Acres]** located within a portion of sec. 4, T. 20 N., R. 7 E., and a portion of sec. 33, T. 21 N., R. 7 E.

Pumping Plant at Lake Mary Dam **[Estimated 0.25 Acre]**
Section 18, T. 20 N., R. 8 E.
Per Discussion with Jack Rathjen, City of Flagstaff Water Works Supervisor on August 20, 2004, the Buildings for the Pumping Station are still in place and in use. Retain on Master Permit.

Air Bubbling System for Upper Lake Mary **[0.1 Acre]**
Compressor House, Lake Mary
Permit dated 5/3/71
NE1/4NE1/4 Section 34, T. 20 N., R. 8 E.
50' x 50' [0.06 Acres] plus underwater pipe
Installing, operating, and maintaining air compressor equipment and perforated pipelines to aerate municipal water supplies; three (3) 10 horsepower electrically powered air compressors housed in a 10' by 14' stone masonry building; 100' of 2" galvanized pipe; 500' of 1-1/2" polyvinyl chloride pipe; 150' of which is perforated and submerged; and an access road to the facility
Calculations as follows:
(600' x 3')/43,560 = 0.04
0.06 + 0.04 = 0.1

Sedimentation Tank **[1.0 Acre]**
for the purpose of removing sand from the City Water System
SE1/4SW1/4NW1/4 Section 36, T. 21 N., R. 6 E.
Permit dated 8/17/59
[Note: Permit dated 8/17/59 provided for 10 acres; however, Exhibit 2 for Master Permit dated 6/30/87 shows 1.0 acres]

Access Road to Sedimentation Tank **[.90 Acre]**
Permit dated 9/28/1959
S1/2NW1/4 Section 36, T. 21 N., R. 6 E.
0.37 miles (1953.6') in length, 20 feet right-of-way width

Sludge Line for Sedimentation Tank **[0.09 Acre]**
Permit dated 10/1/59
Section 36, T. 21 N., R. 6 E.
8" water/sludge line
200 feet in length, 20 feet right-of-way width

Woody Mountain Booster Pump Station [adjacent to existing Sedimentation Tank]
Amendment 1, Permit dated 8/17/59
NW1/4 Section 35, T. 21 N., R. 6 E.
[Included in area for Sedimentation Tank]

Canal Type Drainage **[0.69 Acre]**
SE1/4 Section 27, T. 22 N., R. 8 E.
Permit dated 8/8/69
Canal to carry water waste from the City of Flagstaff Sewage Plant
Approximately 1000 feet (map measurement), 30 feet right-of-way width

Sewer Line to Airport **[1.26 Acres]**
Section 4, T. 20 N., R. 7 E., and Section 33, T. 21 N., R. 7 E., 2757 feet in length, 20 feet right-of-way width [Measurement from City of Flagstaff data]

Sewer Line along a portion of Lake Mary Road [Near Mormon Lake RS] **[0.23 Acre]**
Shown on City of Flagstaff Sewer Map No. 24-17
SW1/4 Section 33, T. 21 N., R. 7 E.
Estimate 500' in length, 20' right-of-way width

Bow and Arrow Sewer Line [Zuni Drive] **[0.19 Acre]**
Amendment 3, Permit dated 6/12/59
Section 33, T. 21 N., R. 7 E.
419.92 feet in length, 20 feet right-of-way width

J W Powell Blvd Sewer Line **[1.72 Acres]**
Section 33, T. 21 N., R. 7 E.
3,746 feet in length, 20 feet right-of-way width

Reservoirs

Paradise Reservoir **[0.6 + 2.52 + 2.25 = 5.37 Acres]**
Section 2, T. 21 N., R. 7 E. **[0.6 Acres]**
Permit dated 6/30/87
Reservoir - Preferred Alternative - Site P-2A and 18" Transmission Main
Adjacent to El Paso Natural Gas Line and the Mount Elden Subdivision
Access Road across a portion of section 2, T. 21 N., R. 7 E.
Road Access - Alternative C - A Southern route via 4th Street, through the Methodist Church parking lot, and along the gas line to the reservoir site
Road Approximately 5,500 feet in length (map measurement), 20 feet right-of-way width **[2.52 Acres]** Water Transmission Approximately 4,200 feet (map measurement)
June 2004 - City of Flagstaff data indicates 4914 feet in length for waterline, 20 feet right-of-way width **[2.25 Acres]**

Christmas Tree Reservoir **[1.0 + 1.8 = 2.8 Acres]**
Section 31, T. 22 N., R. 8 E. **[1.0 Acres]**
Permit dated 6/30/87
Alternative C-2 preferred
About 1,000 feet north of Christmas Tree Subdivision and 800 feet west
Access Road and 24" Transmission Main across portions of sections 31 and 32, T. 22 N., R. 8 E., Approximately 3,000 feet (map measurement)
June 2004 - City of Flagstaff data indicates 3,380 for water line and 550 feet for overflow line, 3930 feet in length, 20 feet right-of-way width **[1.8 Acres]**

Power Lines

Power lines associated with Lake Mary Wells 1, 2, 4, 5, 8, and 9 are covered by the APS Master Special Use Permit (APS Coconino 163 Map) [Note: Lake Mary Well #1 placed under APS permit and shown as C-2-98]

Woody Mountain Power line **[1.45 + .24 = .10 = 1.79 Acres]**
Permit dated 1/28/58
SW1/4 Section 35, T. 21 N., R. 6 E.
Initial permit was for 2350 linear feet (0.44 miles) in length, 30 feet right-of-way width, and 1.62 acres [for power from Well No. 1 to Well No. 2, and from Well No. 1 to Well No. 3] and included NW1/4 of Section 35, T. 21 N., R. 6 E. for power to Well 3. NW1/4 of Section 35 is non-federal land (Land Exchange, 10/2/1980, Status Map Reference X138); therefore, 2350 feet minus 235 feet = 2115 feet, **1.45 Acres** for 30 feet right-of-way width.
Amendment 1 - provide power from Well 2 to Well 4
1,076 feet (0.203 miles) in length, 10 feet right-of-way width, **0.24 acre**
Amendment 2 - provide power from Well 4 to Well 5
140.95 feet (0.267 miles) in length, 30 feet right-of-way width, **0.10 Acre**
[2115 + 140.95 = 2,255.95 for 30' width; and 1076' for 10' width]

Woody Mountain Power line **[2.65 Acres]**
Permit dated 8/18/59
12 KV Electric Power line to serve sedimentation and clarifier plant site
Across portions of Sections 35 and 36, T. 21 N., R. 6 E.
Beginning at a point on the present power line in the NW1/4SW1/4 Section 35, T. 21 N., R. 6 E., and extending in a northeasterly direction, through the N1/2SW1/4 and the S1/2NE1/4 Section 35, and the S1/2NW1/4 Section 36, T. 21 N., R. 6 E., it being approximately 5790 feet (1.097 miles) in length. [1.097 miles in length, 20 feet right-of-way width, 2.65 acres]

Inner Basin Area Springs

IB-1 Hoffman Canyon - NE1/4SW1/4 Sec. 27, T. 23 N., R. 7 E., and 80 feet tunnel, 4' wide and 5' high dug at this location prior to 1927

IB-2 Jack Smith Diversion #1 - NW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E., a l00 feet tunnel, 4' wide and 5' high dug at this location prior to 1927

IB-3 Jack Smith Diversion #2 - NW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E. A tunnel 765 feet long, 4' wide and 5' high dug at this location prior to 1927

IB-4 Jack Smith Diversion #3 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. Redeveloped in 1931 using 200 feet of 10" pipe

IB-5 Little Bear Paw Canyon - SE1/4SW1/4 Sec. 28, T. 23 N., R. 7 E. In use prior to 1912, redeveloped in 1958 using 902 feet of 8," 10" and 12" pipe

IB-6 Flagstaff Canyon Diversion #1 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. In use prior to 1928, redeveloped in 1958 using 1,389 feet of 8" pipe

IB-7 Flagstaff Canyon Diversion #2 - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. In use prior to 1928, redeveloped in 1959 using 1,156 feet of 8" pipe

IB-8 Snow Slide Canyon Diversion #1 - SE1/4NE1/4 Sec. 32, T. 23 N., R. 7 E. In use prior to 1935, redeveloped in 1960 using 1,425 feet of 8" pipe

IB-9 Snow Slide Canyon Diversion #2 - SE1/4NE1/4 Sec. 32, T. 23 N., R. 7 E. In use prior to 1912, redeveloped in 1960 using 3,892 feet of 8" pipe

IB-10 Raspberry Canyon Diversion #1 - SW1/4SW1/4 Sec. 27, T. 23 N., R. 7 E. In use prior to 1931, damaged by road repair in 1963, line repaired in 1965 using 860 feet of 4" pipe

IB-11 Raspberry Canyon Diversion #2 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E. In use prior to 1931, damaged by road repair, line replaced in 1965 using 860 feet of 4" pipe

IB-12 Raspberry Canyon Diversion #3 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E. Redeveloped in 1928

IB-13 Raspberry Canyon Diversion #4 - SE1/4SE1/4 Sec. 28, T. 23 N., R. 7 E., redeveloped in 1928

IB-14 Doyle Canyon Diversion #1 - NE1/4SW1/4 Sec. 33, T. 23 N., R. 7 E. Developed in 1931

IB-15 Doyle Canyon Diversion #2 - NE1/4SW1/4 Sec. 33, T. 23 N., R. 7 E. Developed in 1931

IB-16 Doyle Canyon Diversion #3 - SW1/4 Sec. 32, SE1/4 Sec. 33, T. 23 N., R. 7 E. Redeveloped in 1961 using 3,086 feet of 8" pipe

IB-17 Beard Canyon - SW1/4NW1/4 Sec. 28, T. 23 N., R. 7 E. Development completed in 1960 using 2,707 feet of 8" pipe

IB-18 Dunnam Canyon - SE1/4SE1/4 Sec. 29, T. 23 N., R. 7 E. Development completed in 1961 using 1,623 feet of 8" pipe (1966 replaced water flow line washed out in 1964)

IB-19 NE1/4NE1/4 Sec. 33, T. 23 N., R. 7 E.
Amendment 2 (August 1, 1966), Permit dated 6/2/66

Schultz Canyon Area Springs

S-1 Arnold Canyon - NE1/4NW1/4 Sec. 28, T. 22 N., R. 7 E. Arnold Canyon is a tributary of Rio de Flag and is diverted in to Shultz Canyon by means of a 10" pipe 1200 feet in length. First developed prior to 1927, redeveloped in 1931, again redeveloped in 1963 using 1,392 feet of 10" pipe

S-2 Shultz Fork #1 - SE1/4SW1/4 Sec. 21, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1963 using 150 feet of 10" pipe

S-3 Mexican Mine Canyon (Schultz Fork #2) - SW1/4SE1/4 Sec. 21, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1964 using 180 feet of 10" pipe

S-4 Big O'Brien Canyon - NW1/4SW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927, redeveloped in 1964 using 350 feet of 10" pipe

S-5 Little O'Brien Canyon - NW1/4SW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927 using 60 feet of pipe

S-6 Spruce Canyon - NE1/4NW1/4 Sec. 22, T. 22 N., R. 7 E. Developed prior to 1927, consisting of a diversion dam in Shultz Canyon with 15 feet of pipe connecting it to the flow line

S-7 Brookbank Canyon - NW1/4NE1/4 Sec. 22, T. 22 N., R. 7 E. Developed in 1964 using 650 feet of 10" pipe

S-8 Orion Spring - SW1/4NE1/4 Sec. 15, T. 22 N., R. 7 E. Developed in 1930, redeveloped in 1965 using 2,740 feet of 10" pipe

S-9 NW1/4 Sec. 14, T. 22 N., R. 7 E.

EXHIBIT B
PROCEDURE
FOR THE CITY OF FLAGSTAFF
MASTER SPECIAL USE PERMIT
FOR WATER AND SANITARY SEWER
FACILITIES AND IMPROVEMENTS
ON THE COCONINO NATIONAL FOREST

This procedure will be used in handling applications for water transmission lines, wells, water storage structures, sanitary sewer transmission lines, powerlines of less than 33 KV, and associated roads and improvements.

1. Upon receipt of a request for an electric powerline extension, water storage structure, sanitary sewer transmission line, or water transmission line which will cross Forest Service administered lands, or well site, the City of Flagstaff will prepare a Route Planning and Construction Approval form (Exhibit C) with an exhibit map showing the tentative route on a USGS quad, 1:24,000 scale map.

2. The City of Flagstaff will contact the appropriate District Ranger for approval of Part I of the Route Planning and Construction Approval form, and arrange for a field inspection, permission to survey, and a meeting or conference concerning the proposed extension or site. It will be mutually agreed between the City of Flagstaff and the Forest Service what environmental studies will be done and who is responsible for completing the studies.

3. Upon agreement to the items contained in the Route Planning and Construction Approval Form, Part II of the form shall be signed by the City of Flagstaff representative, and by the District Ranger upon completion of the environmental analysis. If stipulations in addition to those found in the Master Permit are required by the specific route or site installation, they shall be noted on the form. The City of Flagstaff may then release the job for construction providing any delinquent fees have been paid.

4. If the District Ranger determines that alternate routes or sites must be evaluated, she/he will approve Part I of the Route Planning and Construction Approval form as to route or site planning only. Following the evaluation of alternate routes and the environmental analysis, a second field review may be performed by the City of Flagstaff representative and the District Ranger representative. If an alternate route has been agreed upon, Part II of the Route Planning and Construction Approval form shall be approved as to construction and the job may then be released for that purpose.

5. Survey activities shall be approved either during route planning or site planning or following actual construction. If approved subsequent to construction, the survey shall reflect the line or site location as built.

6. After construction has been completed, the City of Flagstaff shall request that the Forest Service Ranger District representative make a final inspection and acceptance of the line or site. Acceptance shall be indicated in Part III of the Route Planning and Construction Approval form.

7. The City of Flagstaff shall prepare and submit to the Coconino National Forest Supervisor's Office a copy of an amendment (Exhibit D) to the Master Permit after completion of each project. Amendments shall be submitted at the end of each project but no later than November 1 of each year. The amendment will show the additions and deletions to the Master Permit, and will also indicate the new total net acreage and mileage of route lines and sites covered by the Master Permit. If no amendments are to be filed, then the City of Flagstaff will submit a letter to the Coconino National Forest Supervisor's Office by November 1 of each year stating that the previous year's total net acreage and mileage are still in effect.

8. Master Permit maps (USGS quad maps, scale of 1:24000) will be updated annually to reflect changes to the Master Permit and submitted to the Coconino National Forest Supervisor's Office no later than November 1 of each year.

EXHIBIT C
ROUTE PLANNING AND CONSTRUCTION APPROVAL

PART I

Permission is hereby granted the City of Flagstaff to search for and locate a route or site for proposed facilities within the following described area and as shown on the attached map:

Section, Township & Range: _____ USGS Quad: _____

_____

_____ _____

Date District Ranger

NEPA DOCUMENTATION

	The City of Flagstaff	USDA, FS
Heritage Resources Report	_____	_____
Biological Evaluation	_____	_____
Miscellaneous Reports	_____	_____

PART II

The route or site selected and the construction methods to be used for the facilities shown on the attached map have been discussed at the actual ground location, and it is agreed that the construction will be on the approximate route or location and in accordance with the stipulations in the Master Special Use Permit issued to the City of Flagstaff dated _____ by the Coconino National Forest.

It is further agreed that the following additional stipulations will apply to this facility:

_____

_____

_____

Approximate Start Date of Project _____
Approximate Completion Date of Project _____

Above conditions are accepted by:

THE CITY OF FLAGSTAFF

By:_____

Date:_____

Approved for construction subject to the above by:

FOREST SERVICE, USDA Forest Service

By:_____

Date:_____

Part III

ACCEPTANCE

The above project has been completed according to plans and stipulations and is hereby accepted.

Date:_____ District Ranger:_____

Authorization ID: COC0365
Contact ID: FLAGSTAFF, CITY1
Use Code: 951, 914, 915, 931, 753, 643, 924, 343

FS-2700-23 (4/97)
OMB 0596-0082

EXHIBIT D
U.S. DEPARTMENT OF AGRICULTURE
Forest Service
AMENDMENT
FOR
SPECIAL USE AUTHORIZATION
AMENDMENT NUMBER: #

This amendment is attached to and made a part of the special use authorization (identified above) issued to the City of Flagstaff on ** DATE** which is hereby amended as follows:

The Master Special Use Permit is hereby amended to ADD the new right-of-way or site: _____

_____extending from _____

to _____known as the _____

a total distance of _____(miles) (feet) and a width of _____ feet, amounting

to _____ acres.

It is agreed this amendment will become a part of the Master Special Use Permit and is subject to the same terms and conditions.

The Master Special Use Permit is hereby amended to DELETE the following: _____

_____

_____

comprising a total distance of _____(miles) (feet) and _____ acres.

The details of the amendment are shown on the attached map.

Facilities are located in T._____, R._____, Sec._____.

Aggregate Now Under this Permit:

Non-Linear Area (Acres)_____ Road (Acres)_____

Water Pipeline (Acres)_____ Power Lines (Acres)_____

Other (Including Sewer Lines and Miscellaneous) (Acres)_____

This Amendment is accepted subject to the conditions set forth herein, and to conditions _____ to _____ attached hereto and made a part of this Amendment.

_____ _____
(Holder Signature) (Authorized Officer Signature)

_____ NORA B. RASURE, FOREST SUPERVISOR
(Name and Title) (Name and Title)

Date: _____ Date: _____

According to the Paperwork Reduction Act of 1995, no persons are 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.

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Term Permit Act, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Term Permit Act, Act of September 3, 1954, Wilderness Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archaeological Resources Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use and occupancy of National Forest System lands. The Secretary of Agriculture's regulations at 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

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 Public reporting burden for collection of information, if requested, is estimated to average 1 hour per response for annual financial information; average 1 hour per response to prepare or update operation and/or maintenance plan; average 1 hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user information, sublease information, and other similar miscellaneous information requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Adriana Fisher, Housing Program Manager

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval of Contract: Consultant Services Agreement Between the City of Flagstaff and Nan McKay and Associates, Inc. for Rental Assistance Demonstration (RAD) Program Comprehensive Project Management and Consulting Services.

STAFF RECOMMENDED ACTION:

Approve Consultant Services Agreement #2025-17 with Nan McKay and Associates, Inc. for comprehensive project management and consulting services for the Rental Assistance Demonstration (RAD) program.

Executive Summary:

The City of Flagstaff is pursuing the repositioning and redevelopment of its 265-unit public housing portfolio through the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. RAD allows Public Housing Authorities ("PHAs") to convert public housing subsidies to long-term, project-based Section 8 contracts, providing more stable funding and access to private financing while preserving long-term affordability and resident protections. The RAD process also allows PHAs to redevelop or rehabilitate units.

To obtain the specialized technical and project management support required for RAD repositioning, the City issued a Request for Proposals (RFP) in April 2025 for comprehensive project management and consulting services. Following a competitive procurement process, Nan McKay and Associates, Inc. (NMA) was selected as the most qualified respondent in late July 2025.

The proposed Consultant Services Agreement establishes a multi-year framework to provide project management, financial feasibility analysis, development partner procurement support, funding strategy coordination, and technical assistance necessary to advance the RAD repositioning and redevelopment process. Approval of this agreement will provide the specialized expertise required to guide the City through complex HUD requirements and position the public housing portfolio for long-term preservation and reinvestment.

The City Council and City of Flagstaff Housing Authority Board of Commissioners will be involved throughout the RAD process, with City Council making all final decisions.

Financial Impact:

Project Name: Consultant Services Agreement Between the City of Flagstaff and Nan McKay and Associates, Inc. for Rental Assistance Demonstration (RAD) Program Comprehensive Project Management and Consulting Services.
Cost: $376,720
Account Number Budgeted: $400,000 in account number 021-13-106-0360-4
Grant Funded: N/A
Funding Source: Housing and Community Services Fund

Policy Impact:
This agreement approval supports the implementation of strategies in the 10-Year Housing Plan and the utilization of voter-approved housing bond funds for the redevelopment of City-owned housing to create additional affordable rental units.

Previous Council Decision or Community Discussion:
The Rental Assistance Demonstration (RAD) program has been discussed in concept with City Council and the Flagstaff Housing Authority Board for several years. In November 2022, Flagstaff voters approved Proposition 442, which includes approximately $5 million to redevelop City-owned housing to create additional affordable rental units. The approved budget for fiscal year 2022 has $200,000 allocated in one-time funds.

Options and Alternatives to Recommended Action:

- Approve the agreement as presented.
- Approve the agreement with amendments.
- Do not approve the agreement and provide an alternate direction.

Background and History:
The City of Flagstaff owns and operates 265 public housing units, as well as the land on which they sit. The Department of Housing and Urban Development (HUD)-assisted units are managed by the Flagstaff Housing Authority Section and include 100 units at Siler Homes, 127 units at Brannen Homes, and 38 scattered-site units. The land underneath the properties is subject to Declarations of Trust that restrict its use to public housing purposes and prohibit mortgaging or encumbrance, among other things.

The Rental Assistance Demonstration (RAD) program, authorized by Congress in 2012 and administered by HUD, allows Public Housing Authorities (PHAs) to convert public housing to long-term, project-based Section 8 contracts. This conversion provides more predictable funding and enables the use of private financing to address maintenance, rehabilitate existing units, or support redevelopment, while maintaining affordability and resident protections. The RAD process allows PHAs to redevelop or rehabilitate units, and allows PHAs to access the equity in the land underneath the properties.

City staff issued a Request for Proposals (RFP) on April 9, 2025, to identify comprehensive project management and consulting services for the conversion of its public housing portfolio under the RAD program. Nan McKay and Associates, Inc. (NMA) was selected as the most qualified respondent in late July 2025, and contract negotiations followed.

The proposed Consulting Services Agreement contains a four-phase scope that supports RAD conversion activities, including the following:

- Provide project management and strategic advisory services;
- Support development partner procurement and selection;
- Conduct financial feasibility assessments and prepare financing recommendations;
- Provide pre-development design support;
- Assist with RAD, Low Income Housing Tax Credit (LIHTC), and related funding application processes;
- Provide pre-development design support through the initial tax credit application for the first construction project;
- Coordinate required stakeholder communication, progress reporting, and project documentation; and
- Support future tax credit phases, financial closing, construction monitoring, and re-occupancy activities.

The Consultant will be paid based on hourly rates specified in the agreement. The agreement's not-to-exceed budget is an estimate of the labor and associated expenses.

Approval of this agreement will provide the technical capacity needed to support the City through the RAD conversion and redevelopment process and ensure compliance with HUD program requirements.

Connection to PBB Priorities and Objectives:

- **High Performing Governance:**
  - Implement innovative local government programs, new ideas & best practices; be recognized as a model for others to follow.
- **Inclusive & Engaged Community:**
  - Ensure city facilities, services, & programs are accessible for all residents & representative of Flagstaff's diverse community
- **Robust Resilient Economy:**
  - Support & strengthen a more robust, diverse, & sustainable economy in ways that reflect community values & provides for affordable housing opportunities
- **Livable Community**
  - Actively support attainable & affordable housing through City projects & opportunities with developers

Connection to Regional Plan:

- NH.3.1. Provide a variety of housing types throughout the City and region, including purchase and rental options, to expand the choices available to meet the financial and lifestyle needs of our diverse population.
- NH.3.3. Increase the availability of affordable housing for very low-income persons, through innovative and effective funding mechanisms.
- NH.5.3. Support and expand programs that prevent homelessness

Connection to Carbon Neutrality Plan:

- HA-1: Create housing options for households at all income levels and family sizes occupied by local residents.
- HA-3: Preserve affordable housing.

Connection to 10-Year Housing Plan:

- Create 5.9: Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other City-owned parcels for affordable and mixed-income housing.
- Connect 3.2: Encourage neighborhoods, housing types, and building practices that increase health.

Attachments: RAD Consultant Services Agreement

CONSULTANT SERVICES AGREEMENT
Contract No. 2025-17

This Consulting Services Agreement ("**Contract**") is entered into this _____ day of _____, 2026 by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and Nan McKay and Associates, Inc., California corporation with its principal office at 1810 Gillespie Way, Suite 202, El Cajon, California 92020 ("Consultant").

WHEREAS, the City desires to convert all or part of its aging public housing portfolio utilizing the federal Housing for Urban Development ("HUD") Rental Assistance Demonstration ("RAD") program in order to provide decent, affordable, and safe public housing; and

WHEREAS, in April 2025 the City issued a Request for Proposals, Solicitation No. 2025-17, for Rental Assistance Demonstration ("RAD") Comprehensive Project Management and Consulting Services; and

WHEREAS, the City desires to receive and Consultant is able to provide such services;

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

1. Scope of Work: Consultant shall provide the consulting services generally described as:

Rental Assistance Demonstration ("RAD")
Comprehensive Project Management and Consulting Services

and as further described in scope of work attached here to as *Exhibit A* (the "Services").

2. Term: The initial term shall be for two (2) years, unless sooner terminated as provided for under this Contract. The Contract shall be effective upon execution of the Contract by the parties.

3. Renewal: The Contract may be renewed by the City for up to three (3) additional one-year terms in the event the Services (including any additional work approved by Contract amendment) is not yet completed. The City Manager shall have authority to approve renewal on behalf of the City.

3. Compensation: City shall pay Consultant for satisfactory performance of the Contract in an amount not to exceed Three Hundred Seventy-Six Thousand Seven Hundred Twenty Dollars **($376,720.00).** Consultant shall be paid based on hourly rates set forth in *Exhibit A.* Consultant shall issue a monthly invoice to City with a reasonably detailed accounting of services provided in the prior month, persons providing such services, total Contract cost incurred to date, and brief description of the status of project. Consultant work shall be billed in 15-minute increments. City payment is due within 30 days after the invoice is received. Late payments shall accrue interest at 1% monthly. In light of the City's significant investment in and reliance on Consultant's services, and the difficulty that City may have in finding a replacement Consultant midway through conversion program, Consultant shall not increase its hourly rates by more than three percent (3%) for any renewal term.

4. Amendments: The City Manager may approve amendments to the scope of work after consultation with the City Housing Director and City Attorney, and, upon acceptance by Consultant in writing, such amendments shall be attached hereto as part of Exhibit A; provided, however, City Council approval is required for any amendment increasing the Contractor's total Contract price (amount not to exceed).

5. Consultant Materials, License, City's Work Product, Reuse.

    a. Consultant Materials. City hereby acknowledges and agrees that, as between the parties, all right, title and interest in and to any intellectual property, including software, other works of authorship, libraries, database structures, concepts, inventions, methods, processes,

trademarks, trade names, logos, including all intellectual property rights therein, which are pre-existing, independently developed and/or that have general applicability to Consultant's business, including that which is created by or on behalf of Consultant, whether separately or jointly with others, and any derivatives or modifications of any of the foregoing (collectively, "**Consultant Materials**") are owned exclusively by Consultant, and are being used and provided, not sold by Consultant to or for the benefit of the City hereunder. Consultant warranties that it owns all intellectual property rights to the Consultant Materials being used in performance of this Contract.

b. License. Subject to the terms of this Contract, Consultant hereby grants to the City a perpetual, nonexclusive, royalty-free, license to use the Consultant Materials, including those Consultant Materials which are incorporated into deliverables, for the City's planning and participation in the RAD program only.

c. City's Work Product. Any documents prepared by Consultant in performance of this Contract specifically for the City and provided to the City as deliverables, excluding any Consultant Materials, such as certain models, samples, reports, surveys, survey results, graphics, tables, charts, plans, computations and other data shall be the property of City ("**City's Work Product**"). Consultant agrees that City's Work Product are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Contractor may have in the City's Work Product it delivers under this Contract, including any right to derivative use of the City's Work Product.

d. Re-Use: City may use City's Work Product for the RAD Demonstration program or any other re-use without further compensation to Consultant; provided, however, that the City's re-use is at the City's sole risk and without liability to Consultant. Consultant shall not engage in any conflict of interest nor appropriate any portion of the City's Work Product for the benefit of Consultant or any third parties without the City's prior written consent.

e. Delivery of Document and Data: Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Consultant shall immediately deliver to the City copies all of the City's Work Product accumulated by Consultant in performance of this Contract, whether complete or in process.

f. Artificial Intelligence: If Consultant uses artificial intelligence ("AI") in performance of this Contract, it shall notify City and describe such use in writing.

6. Insurance: Consultant shall comply with City's insurance requirements, attached hereto as *Exhibit B.*

7. Indemnity: Consultant 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 Consultant, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.

8. Warranty: Contractor shall perform the Services in a good and diligent manner, consistent with industry standards. In the event that Contractor makes an error or omission related to submittal of an application related to the RAD program under this Contract, Contractor shall correct such error or omission at its own expense.

9. Limitation of Liability and Disclaimer of Warranties: TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR ANY SPECIAL,

INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES. THIS INCLUDES, BUT IS NOT LIMITED TO, ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER THE PARTY WAS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL CONTRACTOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE TOTAL FEES PAID BY CITY TO CONTRACTOR UNDER THIS CONTRACT. ANY CLAIM OR CAUSE OF ACTION BROUGHT AGAINST CONTRACTOR SHALL BE BROUGHT WITHIN ONE (1) YEAR AFTER THE CITY KNOWS OR HAS REASON TO KNOW OF SUCH CLAIM OR CAUSE OF ACTION. EXCEPT FOR THE WARRANTY UNDER SECTION 8, CONTRACTOR DISCLAIMS ALL IMPLIED AND EXPRESS WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR MAKES NO WARRANTY REGARDING THE USE OF ANY DELIVERABLES. THE LIMITATION OF LIABILITY IN THIS SECTION 8 DOES NOT APPLY TO ANY CLAIM OR CAUSE OF ACTION RELATING TO PERSONAL INJURY.

10. Independent Contractor: Consultant 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.

11. Compliance with Laws: Consultant 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.

12. Records: The City shall have the right to inspect and audit all Consultant books and records related to the Contract for up to five (5) years after completion of the Contract.

13. 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 Consultant has clearly marked its proprietary information as "confidential", the City will endeavor to notify Consultant prior to release of such information.

14. City Termination for 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 Consultant.

15. City Termination for Convenience: City may terminate this Contract for convenience upon giving Consultant 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 or costs incurred in performance of the Services prior to the effective date of the termination.

16. 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.

17. 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. City may not exercise its rights under this Section until: (a) Contractor has failed to cure the default before the conclusion of the cure period; and (b) following Contractor's failure to cure the default within such cure period, City has provided Contractor notice of its intention to exercise its rights under this Section and the default has remained uncured for an additional five (5) business days from Contractor's receipt of such notice. The parties may extend any of the timeframes in this Section by mutual written agreement (via email sufficient).

18. Contractor Remedies: In the event of the City's default, Contractor may pursue all remedies available at law, except as provided for herein.

19. 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 (3) years after its execution, without penalty or further liability to Consultant.

20. Nondiscrimination: Consultant 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.

21. 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.

22. Assignment: Consultant 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.

23. Immigration Laws: Pursuant to A.R.S. § 41-4401, Consultant 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.

24. Forced Labor of Ethnic Uyghurs: Consultant 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.

25. Notice: Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:
Division Contact
Housing Division
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: _____
Phone:

To Contractor:
Attn.: Catherine Ures, Vice President of Professional Services
Nan McKay and Associates, Inc.
1810 Gillespie Way, Suite 202
El Cajon, CA 92020
Email: catherine.ures@nanmckay.com
Phone: 800-783-3100, ext. 119.

With a copy to:
Procurement Contact
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: _____

26. Severability. If any provision of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions of this Contract will not be affected or impaired.

27. Complete Agreement. This Contract, including all exhibits hereto, and any written amendments hereto, constitutes the entire agreement between the parties and supersedes all prior agreements, promises and understandings, whether oral or written.

28. Survival of Provisions. The following Sections, and any other sections which by their nature should survive, each shall survive termination or expiration of this Contract: Section 5. Consultant Materials, License, City's Work Product, Reuse; Section 7. Indemnity; Section 8. Warranty; Section 9. Limitation of Liability and Disclaimer of Warranties; Section 12. Records.

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

CONSULTANT:

By:_____

Title:_____

Date:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

Date:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

Attachments:

Exhibit A Scope of Work & Schedule

Exhibit B Standard Insurance Requirements

EXHIBIT A
SCOPE OF WORK & SCHEDULE

EXHIBIT A: SCOPE OF WORK

The Proposer will assist the City's housing staff ("Housing Staff") in managing the project as it moves to financial closing, support the City in selecting a development partner, and assist in the financial analysis of the project. All project agreements, including but not limited to applications, contracts, and proposals, are subject to the review of the City of Flagstaff legal counsel and its outside legal counsel. Housing Staff with legal counsel shall be the primary interface with HUD.

Service Deliverables

The list of services outlined below is provided solely as an example and is not exhaustive. The scope of services required may be modified to exclude services or include or expand beyond the services and responsibilities specifically listed, as determined by the City in its sole discretion.

1. **Project Management and Strategic Advisory Services, such as:**
    a. Coordinate with the City and the selected development partner to ensure alignment in project deliverables.
    b. Advise on project planning and budgeting.
    c. Deliver regular progress reports to Housing Staff and support presentations to the City Council, the CFHA Board of Commissioners, and the community.
    d. Review proposals and financing plans and provide actionable recommendations.
2. **Development Partner and Selection, such as:**
    a. Assist with the procurement process, including drafting the RFP for Housing Staff and legal counsel review, participating in proposal evaluations with Housing Staff, and upon approval of Housing Staff, presenting development partner recommendations to City Council.
    b. Housing Staff and outside legal counsel will lead all negotiations for all development construction-related contracts.
3. **Financial Strategy and Funding Support, such as:**
    a. Help assess financial feasibility and identify potential funding sources for development proposals, which shall include specific ranking of funding scenarios should the first-selected scenario become unattainable
    b. Assist in developing financial models, including tax credits, bonds, and other financing mechanisms.
    c. Support the preparation of funding applications.
4. **Other Relevant Services, such as:**
    a. Recommend to Housing Staff additional strategies or services to enhance the success and sustainability of the RAD conversion and maximize available opportunities for the City.

Contract Hourly Rates

Description	Billable Rate
Engagement Lead/Program Director	$250.00
RAD Expert/Executive Sponsor	$225.00
RAD Expert/Program Manager	$185.00
RAD Expert/Senior Manager	$165.00
Senior Analyst	$150.00
Training/LIHTC Expert	$165.00
Relocation Expert/SME	$150.00
Finance Principal/SME	$300.00
Consultant I	$130.00
Project Admin/HUD Submissions Coordinator	$110.00

Not-to-Exceed Estimate Breakdown		
Task Order	Phase	Estimated Labor Cost
Task Order #1	Phase I	$56,170.00
Task Order #1	Phase II	$50,500.00
Task Order #1	Phase III	$45,000.00
Task Order #1	Phase IV (Project 1)	$26,000.00
Task Order #2 (subject to negotiation)	Phase IV (Project 2)	$26,000.00
Task Order #2 (subject to negotiation)	Additional support post-LIHTC application, technical assistance, and advisory services (upon request)	$100,000.00
	Total Labor Estimate	**$303,670.00**

Other Expenses (billed at cost)	Estimated Cost
Capital Needs Assessment (CNA)	$50,000.00
Travel (flight, accommodations, per diem, rental car, etc.)	$23,050
Total Other Expenses Estimate	**$73,050.00**

TASK ORDER #1

Term: January 1, 2026–April 30, 2027

For Task Order #1, the NMA team will perform the following four (4)-phased approach to provide Comprehensive Project Management and Consulting services for the City of Flagstaff. Once the development partner is selected, this task order will support the design process up to the point of initial tax credit application for the first construction project. Additional task orders will be required for advising on additional tax credit phases/ applications, construction financial close, monitoring developer construction and developer re-occupancy for the initial construction project, as well as for design and funding support, etc. for subsequent construction projects/phases.



Throughout all phases, the NMA team will provide continued project management to the City of Flagstaff related to the project (RAD portfolio conversion), which shall include:

- Coordination with third parties
- Tracking overall project budget and timeline status
- Delivering regular progress reports to City and Housing Staff, including project accomplishments, obstacles, key decisions, budget, and timeline
- Tracking development partner progress, conducting ongoing communication to ensure progress and alignment in project deliverables
- Providing stakeholder communications at staff's request:
    - Supporting and providing educational and decision-making content and presentations to City leadership, City Council, the CFHA Board of Commissioners, and the community
    - Supporting ongoing content for regular communication channels for residents and the neighboring community
    - Preparing progress reports and presenting to Board/City Council as requested, but no more than four times annually
    - Updating stakeholders (Housing staff, City leadership, City Council, CFHA Board of Commissioners, and any other identified stakeholders)

PHASE I Strategic Advisory Services

During Phase I, NMA will provide Strategic Advisory Services, which shall include facilitating project kickoff activities, ensuring alignment on expectations and responsibilities, conducting

site visit(s) and reviewing materials, and providing initial recommendations. Scope of services under Phase I shall include:

- Conducting program kickoff activities, which shall include:
  - Introductory conference call with City of Flagstaff and any stakeholders
  - One (1) onsite kickoff meeting with City of Flagstaff, which shall include project site visit(s), as time permits
  - Reviewing project approach with the City
  - Requesting any necessary materials to provide the requested services
  - Defining Responsible, Accountable, Consulted, Informed (RACI) Chart
- Coordinate and conduct resident meetings required for RAD application
- Draft meeting agenda, presentation materials, and resident notifications in consultation with Housing Staff.
- The City will, in consultation with Housing Staff arrange meeting logistics, send communications to residents, and perform other appropriate outreach.
- Performing an Initial Portfolio Analysis, which shall include:
  - Contracting and coordinating the performance of the RAD-required Capital Needs Assessment (CNA), subject to legal counsel and Housing Staff review and approval of contractor and contract
  - Reviewing the CNA, and integrating into cash flow models
  - Providing ongoing technical assistance, research, support, and advisory services, upon request.

PHASE II Financial Strategy & Funding Support

During Phase II, the NMA team will provide Financial Strategy and Funding Support to the City of Flagstaff. The support will include presentations to the City of Flagstaff and the Housing Authority Board.

- **DELIVERABLE:** NMA shall deliver the **Initial Portfolio Analysis** to the City of Flagstaff and the Housing Authority Board, which shall include:
  - Development options (rehab/new construction) for each property
  - RAD program options for each property
  - Approximate budget for development options for each property
  - Project financial feasibility, and key development and financing models and mechanisms
- Upon delivery of the **Initial Portfolio Analysis,** NMA will also provide the following supportive services during Phase II:
  - Working with the City's contracted architect(s) on budgetary impact of concept options
  - Recommending optimal financing structures
- Revisions to Initial Portfolio Analysis, if needed (two (2) iterations allowable per property, i.e., initial document plus up to two (2) revisions)
- Supporting the City in advising and preparation of funding applications:

- It is anticipated that the eventual development partner shall prepare applications for tax credit and debt financing. However, the City may directly apply for or supply other sources of funding.
- Supporting City through resident meetings and board requirements.

PHASE III Developer Partner Selection

During Phase III, NMA will support the City of Flagstaff in its selection of a developer partner, which shall include:

- Working with City of Flagstaff and City legal counsel and outside legal counsel to determine developer selection method(s), e.g., Request for Applications (RFA), Request for Proposals (RFP), survey of qualified organizations, review of unsolicited proposals, etc.
- Supporting the City of Flagstaff's developer selection process, which includes:
  - Drafting solicitation documents and policies and procedures for developer selection for and providing such documents for procurement and legal review.
  - Assistance in responding to developer inquiries during the response preparation period; provided, however, at no time shall NMA represent that it is speaking on behalf of the City or that it has authority to make decisions for the City.
  - Reviewing and providing analysis of developer qualifications (e.g., developer familiarity with RAD, organizational and financial capacity).
  - Supporting City of Flagstaff in selecting qualified and competent developer partners based on review, which may include:
    - Participation in evaluation committee discussions and developer interviews.
    - Support for developer selection documentation and presentation to the City of Flagstaff City Council.
  -

PHASE IV Design Support

NMA will provide support to the City as its developer(s) begins the following activities for the first construction project (Project 1):

- After developer selection, and throughout the design process, NMA shall assist City in refining/re-iterating financial models:
  - Reviewing developer construction budget revisions
  - Reviewing developer pro forma revisions
  - Making any required revisions to the Initial Portfolio Analysis
  - Coordinating with third parties
  - Reviewing construction budget
  - Refine/review pro formas

- Reviewing and providing analysis of LIHTC application and self-scoring by developer(s), assuming:
    - Support for initial LIHTC pre-application and application.
    - NMA is not responsible for any fees associated with the LIHTC and other funding and debt applications.
- Third-party stakeholder coordination

Upon completion of Phase IV under Task Order #1, negotiation of Task Order #2 will be necessary in order for NMA to complete Phase IV tasks for Project 2.

Phase IV Assumptions

Successful execution of Phase IV is contingent upon the following:

- Timely decisions within mutually agreed-upon time frames
- Approach does not significantly change or impact the ability for NMA to successfully support City through Phases I–III, described above
    - If the approach changes significantly, Phase IV will necessitate an amendment to incorporate changes and any associated costs.

Phase IV Note

Timing and breadth of services in Phase IV are highly contingent upon timely decision-making, phasing, and timelines associated with each project. The City's redevelopment approach, as it is understood today, may lead to highly variable outcomes, which can impact timing and cost. If City's approach or requirements change, negotiation of a monetary contract amendment will be necessary. NMA shall provide services through April 2027 and will complete as much of Phase IV as possible under the current not-to-exceed contract amount.

Task Order Hourly Rates

Description	Billable Rate
Engagement Lead/Program Director	$250.00
RAD Expert/Executive Sponsor	$225.00
RAD Expert/Program Manager	$185.00
RAD Expert/Senior Manager	$165.00
Senior Analyst	$150.00
Training/LIHTC Expert	$165.00
Relocation Expert/SME	$150.00
Finance Principal/SME	$300.00
Consultant I	$130.00
Project Admin/HUD Submissions Coordinator	$110.00

Provided below is estimated pricing for Task Order #1 by Phase. This pricing does not include proposed scope additions. Please also note that Phase IV pricing is subject to decisions made in Phases I & II.

Total Task Order #1 Not-to-Exceed: $250,720.00

Phase	Estimated Labor Cost
Phase I	$56,170
Phase II	$50,500
Phase III	$45,000
Phase IV (Project 1)	$26,000
Total Labor Estimated NTE	**$177,670**

Other Expenses (billed at cost)	Estimated Cost
Capital Needs Assessment	$50,000
Travel (flight, accommodations, per diem, rental car, etc.)	$23,050
Total Other Expenses Budget	**$73,050**

Exhibit A-1: CITY OF FLAGSTAFF HOUSING PORTFOLIO

The City of Flagstaff Housing Authority (“CFHA”), a high-performing agency, manages the City’s public housing portfolio. The City owns and operates 265 public housing units, including 100 units at Siler Homes, 127 units at Brannen Homes, and 38 scattered units. All properties are a part of HUD’s Public Housing program. Other City-owned properties may be included in the repositioning and redevelopment process.

SITES UNDER CONSIDERATION:

SITE ONE: SILER HOMES

Siler Homes is located in east Flagstaff and includes 100 family units, a management office, a maintenance shop, a Head Start preschool, and a recreation center across 54 buildings constructed in 1972. The property features a mix of single-family homes and duplexes with two- to five-bedroom units. The buildings are dated and require repositioning and redevelopment to better serve the community's needs. Surrounding properties include a City park, residential neighborhoods, and commercial centers with shopping and dining. Public transportation is accessible near the main entrance at Fanning Drive and Elder Drive. The 15-acre property is bordered by Fanning Drive, Elder Drive, Thomas Drive, and Miller Drive. Given the property's size and the community's evolving needs, an increase in density or a change in unit mix should be considered.

SITE TWO: BRANNEN HOMES

Located in the City's Pine Knoll neighborhood, Brannen Homes consists of 127 family units, an office, a maintenance shop, and a recreation center in 41 buildings built between 1952 and 1964. The existing one- to four-bedroom units are outdated and need repositioning and redevelopment to better serve current needs. Surrounding properties include a public school, residential neighborhoods, commercial centers with shopping and dining, and nearby Northern Arizona University and Coconino Community College. Public transportation is accessible at the main entrance at Brannen Circle and Lone Tree Road. The 21.8-acre site is bordered by Lone Tree Road, Paseo del Rio, Calle Contenta, Paseo del Flag, and Woodland Drive. An increase in density and a shift in unit mix may be needed to meet community demand.

SITE THREE: CFHA SCATTERED SITES

CFHA manages 38 scattered-site units, including 23 units built in 2003, consisting of 18 three-bedroom and five four-bedroom townhome-style units. The remaining 15 units, acquired and rehabilitated in 1986, are all three-bedroom homes. These properties are located across various neighborhoods, with a combined acreage of 3.77 acres. The units will be included in the repositioning and redevelopment analysis, considering property values and density factors.

OTHER SITES UNDER CONSIDERATION

The City owns several additional properties with potential for development that may be considered in the repositioning and redevelopment plan. One notable site is a 2.09-acre property situated along Locket Road and Fanning Drive, which is adjacent to Siler Homes.The City reserves the right to add or remove other sites from the scope of work as it determines in its sole discretion.

EXHIBIT A-2: BACKGROUND INFORMATION

HOUSING EMERGENCY AND 10-YEAR HOUSING PLAN

On December 1, 2020, the City Council declared a Housing Emergency and committed to prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members. A 10-Year Housing Plan (the "Plan") was developed to address the Housing Emergency by summarizing the City's immediate and long- term needs and strategies for improving housing affordability. The Plan can be found at https://www.flagstaff.az.gov/DocumentCenter/View/72509/Flagstaff-10-Year-Housing-Plan---FINAL-6152022.

The Plan's overarching goal for the next decade is to reduce the current affordable housing need in the community by half:

- **Element one:** Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- **Element two:** Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market

rate, workforce, and affordable housing occupied by local residents.

Limited land and the current shortage in housing supply relative to demand are the primary reasons housing costs are increasing in the City. The Housing Plan includes the following strategies specific to affordable rentals:

- **Create 5.9:** Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other City-owned parcels for affordable and mixed-income housing.
- **Connect 3.2:** Encourage neighborhoods, housing types, and building practices that increase health.

PROPOSITION 442 – HOUSING BOND

In the November 2022 Election, voters approved $20 million in general obligation bonds to create rental and homeownership opportunities for City residents. Of the $20 million, $5 million is designated to redevelop City-owned housing to create additional rental units.

PROJECT OBJECTIVES

The City intends to reposition and redevelop its public housing to increase the inventory of public and private or public-private affordable housing for renters and, potentially, homeowners in the City. The City's vision is to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs. The City's goals are to reposition and redevelop its public housing portfolio through RAD and other options allowed by HUD to stabilize funding, modernize properties, and increase the number of affordable housing units. The City shall maintain majority ownership in each project [site or project – Discuss] and intends to retain long-term management of all properties.

Note: Although the CFHA manages the City's public housing, it is part of the City and does not have independent authority to approve significant contracts, purchase or hold title to property, borrow funds, or issue bonds without direction, approval, and, as appropriate, authorization and delegation for signatures to City staff. In accordance with Arizona state law and the City code, such powers and decision-making responsibilities rest with the City Council.

THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM

All work shall be performed in compliance with the Rental Assistance Demonstration ("RAD") program Housing and Urban Development ("HUD") requirements, including but not limited to the following (as may be amended):

Statutes	42 U.S.C. § 1437f*
Regulations	24 C.F.R. Part 880 for Project Based Rental Assistance ("PBRA") projects*
	24 C.F.R. Part 983 for Project Based Vouchers ("PBV") projects*
Notices	RAD Final Implementation, Revision 4, H-2019-09 PIH-2019-23 (HA) Fair Housing, Civil Rights and Relocation Notice, H 2016-17 PIH 2016-17 (HA) (the "RAD Relocation Notice")

Website	www.radresource.net (includes supplemental guidance, training materials, and form documents)

*As may be modified by the RAD Notice.

Schedule

		2025		2026												2027											
		1-Nov	1-Dec	1-Jan	1-Feb	1-Mar	1-Apr	1-May	1-Jun	1-Jul	1-Aug	1-Sep	1-Oct	1-Nov	1-Dec	1-Jan	1-Feb	1-Mar	1-Apr	1-May	1-Jun	1-Jul	1-Aug	1-Sep	1-Oct	1-Nov	1-Dec
	Contract Approval																										
Phase I	**Strategic Advisory Services**			PHASE I: Strategic Advisory Services																							
	Kickoff/Site Visit																										
	Contract/Coordinate/Review Capital Needs Assessment																										
	Initial Portfolio Analysis																										
	Technical Support & Advisory Services																										
Phase II	**Financial Strategy & Funding Support**				PHASE II: Financial Strategy & Funding Support																						
	Site Concepts																										
	Ownership Structures																										
	Finalize/Present Initial Portfolio Analysis																										
	Financing Structures																										
	Resident Engagement																										
	Submit RAD Application																										
FOR ILLUSTRATIVE PURPOSES ONLY																											
Timing for Phases and Tasks below are contingent on successful completion of Phases I & II by estimated dates. The nature of the work and timing of Phase III and Phase IV are also contingent upon strategic direction coming out of Phase II decisions.																											
Phase III	**Developer Partner Selection**						TENTATIVE - PHASE III: Developer Partner Selection																				
	Selection Process Determination																										
	Solicitation Documents																										
	Response to Inquiries																										
	Reviewing Qualifications																										
	Evaluation Support																										
	Negotiations & Contracting Support																										
Phase IV	**Design Support**													TENTATIVE - PHASE IV: Design Support													
	Partner Coordination																										
	Review Developer Revisions																										
	Review Construction Budget Revisions																										
	Reviewing Pro Forma Revisions																										
	Revisions to Portfolio Analysis																										
	LIHTC Pre-Application Support																										
	LIHTC Application Support																										

EXHIBIT B

STANDARD INSURANCE REQUIREMENTS

(Last Updated January 19, 2023)(modified for this Contract)

*The term "Contractor" shall mean "Consultant".

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

4. RESERVED

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: Kevin Fincel, Interim Deputy City Manager

Co-Submitter: Heidi Hansen

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval: City of Flagstaff Advertising Policy for the Flagstaff Pulliam Airport

STAFF RECOMMENDED ACTION:

Approve the proposed advertising policy for Flagstaff Pulliam Airport

Executive Summary:

The City of Flagstaff previously permitted advertising at the Flagstaff Pulliam Airport.

Staff discussed the idea of creating a City of Flagstaff Advertising Policy for the Flagstaff Pulliam Airport and presented the City Council with a draft policy for consideration at work sessions on September 12, 2023, and November 14, 2023. At the November 14, 2023, work session, the City Council directed staff to not proceed with the policy and cease the paid advertising programs at the Airport and City recreation facilities.

Since November 2023, staff have continued to discuss the merits of a paid advertising program at the Flagstaff Pulliam Airport with internal and community partners. On October 14, 2025, staff returned to City Council to discuss resuming the advertising program at the Airport, and the City Council directed staff to finalize a proposed advertising policy for consideration and potential approval.

Financial Impact:

Airport staff estimate that a paid advertising program at the Flagstaff Pulliam Airport will generate up to $25,000 annually with a potential of $80,000 - $100,000 if all advertising spaces are kept sold on a consistent basis. There are several factors our business community are dealing with, so it is hard to forecast a consistent revenue stream for the airport at this time, but we will be sharing the available options on an ongoing basis and will share our progress with City Leadership.

Policy Impact:

Approving an advertising policy and resuming a paid advertising program at the Flagstaff Pulliam Airport will generate revenue for the Airport while providing our businesses and event producers with another resource to message to locals and visitors.

Previous Council Decision or Community Discussion:

City Council previously discussed a draft advertising policy for the Flagstaff Pulliam Airport on September 12, 2023, November 14, 2023, and October 14, 2025.

Options and Alternatives to Recommended Action:

Approve the proposed advertising policy.
Revise and approve the proposed advertising policy.

Choose not to move forward with the proposed advertising policy and continue not to allow a paid advertising program at the Flagstaff Pulliam Airport.

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: Flagstaff Pulliam Airport Advertising Policy

CITY OF
FLAGSTAFF

CITY OF FLAGSTAFF PULLIAM AIRPORT ADVERTISING POLICY

1. PURPOSE

This policy establishes criteria for advertisements at the Flagstaff Pulliam Airport (the "Airport") and provides guidelines for the sale of advertising space within the Airport. The City of Flagstaff's ("City") objective in managing its advertising at the Airport is to generate revenue by offering opportunities to promote activities and brand local businesses while maintaining a welcoming and comfortable environment for Airport patrons.

The primary purpose of the Airport is to provide safe and efficient air transportation to and from the greater Flagstaff region. Consistent with this purpose, the City places great importance on maintaining secure, safe, and comfortable facilities for Airport patrons. This policy is intended to provide clear guidance regarding the types of advertisements that will allow the City to generate advertising revenue and at the same time realize the following important goals and objectives:

- Maximize Airport use and maintain a safe environment for Airport users and other members of the public.
- Prohibit advertising that will foreseeably disrupt Airport operations.
- Maintain a position of neutrality and prevent the appearance of favoritism or endorsement by the City.
- Prevent the risk of imposing objectionable, inappropriate, or harmful subject matter on a captive audience.
- Preserve the value of the advertising space.
- Prevent any harm or abuse that may result from running objectionable, inappropriate, or harmful advertisements.
- Preserve the Airport's business reputation as a professional, effective, and efficient provider of air transportation services.

2. NONPUBLIC FORUM STATUS

The Airport is a nonpublic forum, and the City does not intend for its acceptance of advertising at the Airport to convert its Airport facilities into public forums for discourse and debate or other expressive activities. In furtherance of its discreet and limited objective of accepting advertising to generate additional revenue to support Airport operations, the City retains strict control over the nature and subject matter of the ads accepted for placement in the Airport and maintains its advertising space as a nonpublic forum.

3. APPLICABILITY

This policy applies to the placement of all new advertisements at the Airport on or after the effective date of this policy. Any advertisements that would be prohibited by this policy but have been placed at the Airport pursuant to the terms of a fully executed advertising agreement prior to the effective date of this policy will be allowed to remain for the duration of the executed agreement.

4. PERMITTED TYPES OF ADVERTISING

The permitted subject matter of advertisements shall be limited to content falling within one of the following permissible areas:

Commercial Advertising: advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution, or availability of goods, property, products, services, or events that anticipate an exchange of monetary consideration for the advertiser's commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce, or similar organizations that promote the commercial interests of its members, and museums that offer free admission to the public.

Government Advertising: advertising that advances specific government purposes from a federal, State of Arizona, or Coconino County local governmental entity. The governmental entity must be clearly identified on the face of the advertising.

This policy does not apply to public service announcements from the City of Flagstaff or partner agencies; however, any such public service announcements involving elected officials who are running for reelection or other public office will not run six months prior to a general election through the canvassing of the election.

5. ADVERTISING CONTENT RESTRICTIONS

The following types of advertising are prohibited:

a. Advertising that is false, misleading, or deceptive.
b. Advertising that promotes or encourages the use or possession of illegal goods or services under local, state, or federal laws.
c. Advertising that is libelous or defamatory.
d. Advertising that infringes on any copyright, trademark, or service mark.
e. Advertising that promotes, solicits, depicts, or markets the sale or use of cigarettes or electronic cigarettes, tobacco, marijuana, or related goods or services.

f. Advertising that depicts or portrays images or descriptions of graphic violence, including dead, mutilated, or disfigured human beings or animals, the act of killing, mutilating, or disfiguring human beings or animals, or intentional infliction of pain or violent actions towards or upon a person or animal.
g. Advertising that depicts the use of a weapon in a manner that is intended to harm another individual or animal, including advertising that depicts the use of a weapon being used or discharged at a target or figure shaped like a human.
h. Advertising that contains any threat, implied or direct, to harm a particular individual or group of individuals.
i. Advertising that depicts language, gestures, conduct, or graphical representations that are obscene, pornographic, vulgar, profane, or scatological.
j. Advertising that represents, by language or graphics, nude or seminude people as those terms are defined in Arizona Revised Statutes § 11-811.
k. Advertising that depicts, relates to, or references a website or other medium that relates to specific sexual activities or specific anatomical areas as those terms are defined in Arizona Revised Statutes § 11-811.
l. Advertising that is political in nature or contains political messages, such as advertising that refers to a specific ballot question, initiative, petition, or referendum, refers to a political party, or supports a candidate for public office. This prohibition does not apply to advertorials made by local elected officials promoting the City of Flagstaff or local tourism.
m. Advertising that promotes or markets an adult-oriented business, as that term is defined in Flagstaff City Code Section 3-08-001-0002.

These content restrictions are intended to be viewpoint neutral and will be enforced in a viewpoint neutral manner. Under no circumstances will the City prohibit a certain subject matter of advertising and then allow advertising that expresses a position against that same subject matter.

6. ADVERTISING LOCATIONS

The City of Flagstaff reserves the sole right to determine the locations available in its facilities for advertising programs and to change such locations as needed.

7. APPLICATION AND REVIEW PROCESS

All proposed advertising must be submitted to the Airport designee using the form provided by the Airport. The advertising proposal must include the advertiser's name, creative file, and the desired format of the presentation. The Airport’s designee will review the creative file for compliance with this policy and determine if any changes are required to bring the proposed advertisement into compliance. If no changes are needed, or if the advertiser makes the necessary changes to the advertisement content or presentation, the advertisement will be accepted for display.

If the Airport designee finds that the proposed advertisement does not comply with this policy, the designee will inform the advertiser in writing that the proposed advertisement will not be accepted and will cite the reason(s). The decision of the Airport designee may be appealed to the Economic Vitality Director. All appeals must be in writing and delivered to the Economic Vitality Director within ten days of the denial. Failure to appeal within the timeframe allotted will constitute a waiver of the right to appeal. The Economic Vitality Director will render a written decision following consultation with the City Attorney's Office. The Economic Vitality Director's decision regarding the proposed advertisement shall be final.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Ivey Coss, Senior Project Manager â€“ Capital Improvements

Co-Submitter: Trevor Henry

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-01: A resolution of the Flagstaff City Council authorizing the submission of an application to the State of Arizona for the Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund for the JW Powell Lake Mary to Interstate 17 project

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-01 by title only
2. Clerk reads Resolution No. 2026-01 by title only (if approved above)
3. Adopt Resolution No. 2026-01

Executive Summary:

The City desires to submit an AZ Smart Fund Grant Application up to the amount of $2.3M to fund the design for the project.

This JW Powell, Lake Mary to Interstate 17 (I-17) project (Project) seeks to construct a 1.4-mile segment of John Welsey Powell Boulevard (JWP) from east of its intersection with S. Pulliam Drive, along the northern border of Flagstaff Airport, to its existing T-intersection with Lake Mary Road adjacent to the eastern edge of the airport. The improvements include on-street bike lanes, ADA-compliant sidewalks, roadway widening, corridor access management solutions with a raised median and two roundabouts, with increasing drainage capacity for new structures.

This segment of JWP is in the city's five-year capital improvement program (CIP) and will complete an important connection between I-17 and areas east of the airport, both within the city and within the Coconino National Forest (NF or Forest).

Financial Impact:

The approved total budget for the Project is $14,502,000 from the Transportation Tax -- Roadway, Pedestrian, Bicycle, and Safety Improvements -- Street Widening category. The current estimated total cost of the Project is $23,356,292. If awarded, the $2.3 million AZ SMART Fund grant will offset design costs, reducing the City's financial burden. In accordance with program guidelines, the City will have two years from the award date to a construction grant to complete the project. If a construction grant is awarded, it will help cover the gap between the approved project budget and the current estimated total cost.

Policy Impact:

NONE.

Previous Council Decision or Community Discussion:

NONE.

Options and Alternatives to Recommended Action:

- Approve the AZ Smart Fund Grant Application of a Grant Agreement with AZ State Transportation Board for JW Powell, Lake Mary to Interstate 17 (I-17) project.
- Not approve for consideration the AZ Smart Application which would prevent $2.3M of financial benefit to the City of Flagstaff.

Background and History:
The JW Powell, Lake Mary to Interstate 17 (I-17) Project is located along the southern edge of the Flagstaff Pulliam Airport and extends approximately 1.4 miles from east of S. Pulliam Drive to the existing T-intersection with Lake Mary Road. This corridor is a critical east-west connection in the City's transportation network and is identified in the City's five-year Capital Improvement Program (CIP).

The Project will construct a new segment of John Wesley Powell Boulevard (JWP), including roadway widening, on-street bike lanes, ADA-compliant sidewalks, a raised median for access management, and two new roundabouts. It will also improve drainage capacity with new structures. These improvements will enhance multimodal connectivity, reduce congestion, and improve safety for all users.

The Project supports the City's Complete Streets policy by integrating multimodal infrastructure and improving access to key destinations, including the Flagstaff Airport, Interstate 17, and adjacent areas within the Coconino National Forest. It also aligns with regional transportation goals and complements ongoing planning efforts in the area.

The City will coordinate with key stakeholders including the Arizona Department of Transportation (ADOT), Northern Arizona Intergovernmental Public Transit Authority (NAIPTA), Flagstaff Unified School District (FUSD), Arizona State Land Department (ASLD), the Federal Aviation Administration (FAA), the U.S. Forest Service, Flagstaff Pulliam Airport, and nearby property owners and developers. Public engagement and interagency coordination will be essential to the success of the Project.

Connection to PBB Priorities and Objectives:
Deliver outstanding services to residents through a healthy, well-maintained, and connected infrastructure system. The JW Powell, Lake Mary to Interstate 17 (I-17) Project will enhance regional mobility, improve safety, and support multimodal transportation options, aligning with the City's commitment to infrastructure investment and service excellence.

Connection to Regional Plan:

- Improve mobility and access throughout the region by completing a critical east-west connection between Lake Mary Road and Interstate 17.
- Improve transportation safety and efficiency for all modes through the addition of two roundabouts, raised medians, and ADA-compliant sidewalks.
- Promote transportation infrastructure and services that enhance the quality of life for residents, businesses, and visitors near the Flagstaff Airport and surrounding areas.
- Increase the availability and use of pedestrian and bicycle infrastructure, including on-street bike lanes and sidewalks, as part of a safe and livable community.
- Design infrastructure to provide safe and efficient movement of vehicles, bicycles, and pedestrians, consistent with the City's Complete Streets policy.

Connection to Carbon Neutrality Plan:

- Based on 2045 traffic projection, the planned JW Powell extension will reduce travel by more than 1.6 miles from southern Flagstaff to I-17, the airport, and Fort Tuthill Regional Park compared to current

routes. This reduction in vehicle miles traveled from the JW Powell/Lake Mary Road intersection to I-17 is estimated to cut 2.0 metric tons of CO_2 emissions per day.
- Improves access to the airport and surrounding areas, supporting future land use patterns that align with sustainability and encourage vibrant, appropriate development.
- Integrates multimodal elements into the JW Powell corridor design to create inclusive walking and biking networks that are continuous, safe, and convenient for all ages.

Connection to 10-Year Housing Plan:
n/a

Connection to Division Specific Plan:
n/a

Attachments: Res. 2026-01
Project Map
Presentation

RESOLUTION NO. 2026-01

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE STATE OF ARIZONA FOR SUPPLEMENTAL FUNDS FOR THE JW POWELL LAKE MARY TO INTERSTATE 17 PROJECT

RECITALS:

WHEREAS, in Chapter 322 of the Laws of 2022 ("the Act"), the Arizona Legislature established the AZ SMART Fund and program, and authorized the State Transportation Board, among other things, to award grants to Eligible Applicants for design and other engineering services (“DOES”), grant development and submission (“GDS”), and Match for a surface transportation project for which the Applicant will submit a Federal Grant application; and

WHEREAS, ARS §28-399.Q.1 as amended in Chapter 120 of the Laws of 2024 defines “Federal grant” to mean a federal discretionary grant program administered by any federal agency for surface transportation purposes; and

WHEREAS, the AZ SMART Fund Request for Grant Applications and Agreement (“RFGAA”) defines “surface transportation purposes” to mean a road, bridge, transit, or rail infrastructure project, study, or plan document that is eligible for a Federal Grant; and

WHEREAS, Applicants for AZ SMART Fund must apply in accordance with the requirements of the Act and the RFGAA; and

WHEREAS, the City of Flagstaff has determined that it will apply to the AZ SMART Fund for design funding for the JW Powell, Lake Mary to the Interstate 17 (I-17) Project (the “Project”); and

WHEREAS, the RFGAA requires that applications include a resolution from the governing body of the Applicant stating the Project is in the best interests of the residents of the municipality or county in which the Project is or will be located and requires the resolution to state the commitment of Applicant funds, if applicable.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the City of Flagstaff Project described above is in the best interests of the residents of Flagstaff, Arizona.

SECTION 2. That the City of Flagstaff requests $2.3 million in design funding from the AZ SMART Fund for the JW Powell, Lake Mary to the Interstate 17 (I-17) Project.

SECTION 3. That the City of Flagstaff intends to pursue federal grant funding for construction of the Project within two years of the AZ SMART Fund award, in accordance with program

requirements.

SECTION 4: That staff is authorized to submit and sign the RFGAA on behalf of the City of Flagstaff.

SECTION 5. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 6th day of January 2026.

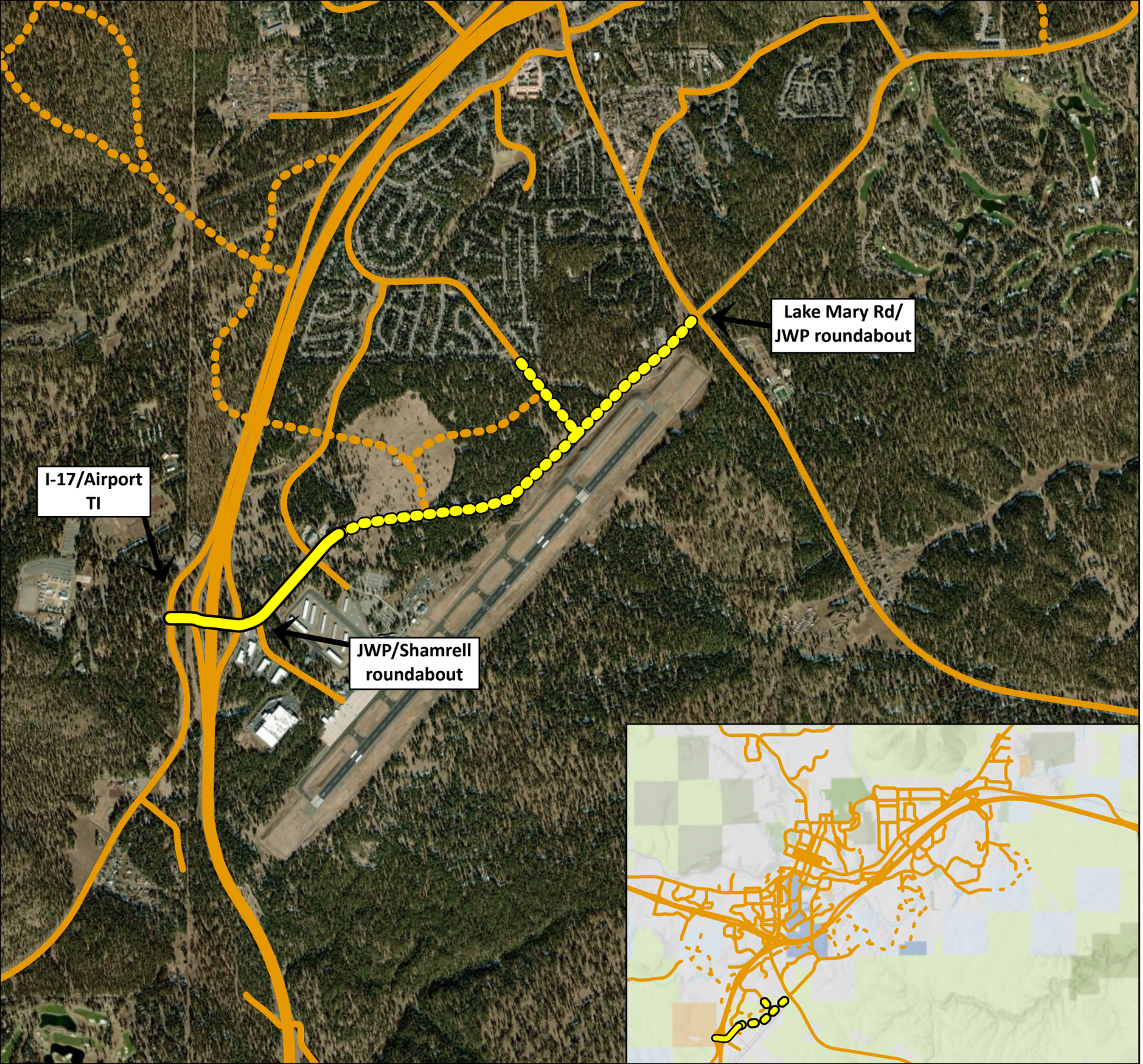
MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



JW Powell - Lake Mary to Airport Project Area

Regional Plan Roadway Network

- Existing
- Planned

JWP AZ SMART

- New Construction
- Engineering Study

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Resolution

Consideration of AZ SMART Grant Application for the JW Powell - Lake Mary to I-17 Project

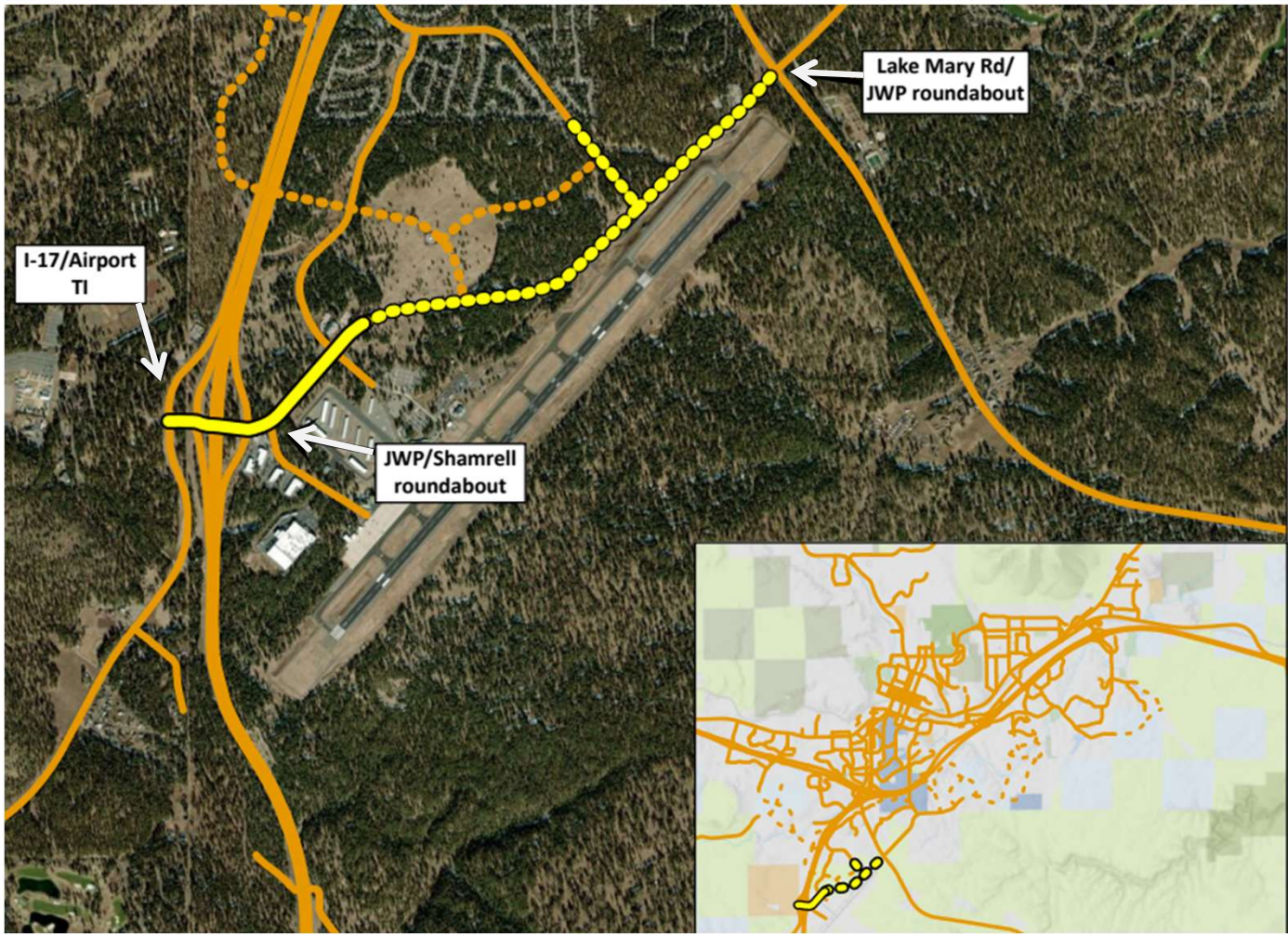
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TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

AZ SMART GRANT-Resolution

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

JW Powell
Lake Mary to I-17
Project Area



AZ SMART GRANT-Resolution

Consideration of AZ SMART Grant Application for the JW Powell - Lake Mary to I-17 Project

- The City desires to submit for an AZ SMART Grant Application in the amount of **$2.3M** to fund the design for the project
- Once the grant is awarded, the City will have two (2) years to apply for a Federal Grant to fund the project

AZ SMART GRANT-Resolution

Anticipated Project Costs: Design & Construction

- Engineering Design Costs - **$2.3M**
- Anticipated Construction Costs - **$23.4M**
- The City would like to apply for the AZ SMART Grant up to the amount of **$2.3M**
- This resolution will authorize the City of Flagstaff to apply for the AZ SMART funding application
- Current project budget for FY26: **$200K** with appropriations in FY30 for **$14.3M**

AZ SMART GRANT-Resolution



*Units in **Feet***

AZ SMART MATCH-Resolution

QUESTIONS?

Ivey R. Coss, MBA, PMP
Project Manager, Sr. – Capital Improvements
Ivey.Coss@flagstaffaz.gov
Office: 928-213-2679

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Consideration and Approval: Use of the Council Initiative Fund

STAFF RECOMMENDED ACTION:

1. Consideration of the use of the Council Initiative Fund to support NAU's first annual Martin Luther King Jr. Gala
2. Consideration of the use of the Council Initiative Fund for any other programs Council may like to consider funding within the fiscal year.

Executive Summary:

A request was made by Councilmember Matthews to consider using the Council Initiative Fund in the amount of $1,000 to support NAU's first annual Martin Luther King Jr. Gala

Financial Impact:

Cost: Up to $25,000
Account Number Budgeted: 001-09-401-1300-1-4290
FY26 Budgeted Amount: $25,000.00
Funding Source: General Fund

Amount currently available for use is $11,200.

Policy Impact:

None

Previous Council Decision or Community Discussion:

None

Options and Alternatives to Recommended Action:

None

Background and History:

The Council Initiatives Fund was established as part of the FY2020-21 Budget. The formation of this particular fund was not driven by any singular request or need, but rather as a proactive measure to enable our City Council to approve unforeseen expenditures, from time to time, that would be of benefit to the Flagstaff community. The fund is limited in amount ($25K annual appropriation) and it does not rollover or accumulate. It is an annual appropriation.

There are numerous instances throughout the course of the fiscal year where Council may want to approve

miscellaneous expenditures, for the benefit of our community, that simply do not fall neatly within a specific budget appropriation. This fund is intended to allow Council some discretion to approve such expenditures. There is no established process for doing so, other than majority support. We of course always need to stay within our legal parameters and our City Attorney can advise accordingly. Similarly, such matters should be identified on the Council meeting agenda, as an action item.

Connection to PBB Priorities and Objectives:
The Council Initiative fund is intended to support all Council goals, objectives and priorities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Genevieve Pearthree, Senior Sustainability Planner

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE
Energy Code Update Options

STAFF RECOMMENDED ACTION:

City Council direction on updates to the Building Code, focusing on the 2024 International Energy Conservation Code (IECC). Upon receiving Council direction, staff will explore the 2024 IECC through further research and community engagement. Staff will return to Council in mid-2026 for review and possible adoption of all of the 15+ codes in the 2024 Suite of Codes, including the 2024 IECC.

Executive Summary:

The City of Flagstaff is evaluating and preparing to adopt the 2024 suite of model Building and Fire Codes--the 2024 Suite of Codes--published by the International Code Council (ICC), with local amendments. The IECC is the most effective tool to reduce building energy use in new buildings, support long-term affordability through utility cost savings, and improve health outcomes.

City staff will present four energy code options for Council consideration, ranging from the least to most aggressive in meeting Flagstaff's adopted climate goals. The IECC (or energy code) consists of a base code and optional appendices that cities can adopt (often with local amendments) to advance energy efficiency locally. The four energy code options represent different ways to use the IECC: each option includes a distinct combination of IECC amendments and appendices that Flagstaff could adopt. Staff request Council direction on which option to explore as part of the larger Building and Fire Code update process.

1. What energy code option should staff explore?
2. Should staff explore other Energy Code options, beyond those presented here?
3. What "complementary" code options should staff explore, if any?
4. What additional information will be helpful to include when staff return to Council with proposed Energy Code updates in mid-2026?

Information:

1. Background Information on Building Codes

Model codes are published every three years by the International Code Council (ICC)--a group of national and international code experts--with input from builders, building officials, researchers, and others. These codes undergo a stringent three-year development, review, and vetting process. They are written to improve health and safety, and conserve resources in new buildings. Large and small cities nationwide can adopt these base codes and appendices with local amendments to the model code language.

The City of Flagstaff is on a six-year Building and Fire Code update cycle:

- In 2013, the City adopted most of the 2012 Suite of Codes, with local amendments.
- In 2019, the City adopted most of the 2018 Suite of Codes, with local amendments.
- The 2024 Suite of Codes were published in 2024; this includes the 2024 IECC.

Flagstaff's current adopted Building and Fire Codes and local amendments are available here: https://www.flagstaff.az.gov/494/Building-Safety. Staff propose to continue this adoption schedule and are researching the 2024 codes (available here: https://codes.iccsafe.org/codes/i-codes/2024-icodes). This presentation is focused on the **2024 International Energy Conservation Code** (IECC)--one of the 15+ codes in the 2024 Suite of Codes.

Staff will review and vet the proposed codes internally and with the Board of Appeals, City Commissions, design and construction experts, and other interested parties according to the following tentative timeline:

2025:

- **Step 1:** April 8: City Council presentation - Introduction to Building and Fire Codes.
  - Recording available here: https://www.youtube.com/live/LiPRlV9owLM?t=5390s; time stamp is 1:29:50.
- **Step 2:** September 25 -- December: Staff review key changes from 2018 -- 2024 for all codes
- **Step 3: TODAY, December 16, 2025: Energy Code Update Options**

2026:

- **Step 4:** January: Staff draft potential code revisions.
- **Step 5**: January - February: review and vet key code changes and potential local amendments for all codes with the City staff, the Building and Fire Codes Board of Appeals, developers, City Commissions, and the public (including open houses)
- **Step 6:** March: Incorporate feedback into proposed codes + City Attorney's Office full legal review of all proposed codes and local amendments
- **Step 7:** April/May: City Council Work Sessions
- **Step 8:** June/July: City Council -- code adoption

The City of Flagstaff's Building Safety Section is leading the Building Code update effort in partnership with the Fire Department, the Sustainability Division, and other City divisions (Sustainability is assisting due to the critical impacts of the energy code on the City's climate goals).

2. Focus of this Presentation
Staff seek Council direction on advancing energy efficiency standards to meet Flagstaff's carbon neutrality goals. Reducing energy use and greenhouse gas emissions from buildings is essential to achieving carbon neutrality by 2030. The Flagstaff Carbon Neutrality Plan contains several strategies for reducing emissions in the built environment, including for new residential construction to be net-zero energy by 2030 (net-zero homes are extremely energy efficient, and energy use is offset by renewable energy from solar panels).

Staff identified four energy code options for Council consideration. The IECC (or energy code) consists of a base code and optional appendices that cities can adopt (often with local amendments) to advance energy efficiency locally. The four energy code options represent different ways to use the IECC: each option includes a distinct combination of IECC amendments and appendices that Flagstaff could adopt. Option 1 provides no improvement in energy efficiency and makes the least progress towards Flagstaff's carbon neutrality goals; Option 4 provides the greatest improvement in energy efficiency and progress towards carbon neutrality goals.

- **Option 1:** No change. Keep the 2018 IECC and decline to adopt the 2024 IECC *(a 0% improvement in energy efficiency).*
- **Option 2:** Stay the course. Adopt the 2024 IECC base code and minor appendices *(a 15%-29% improvement in energy efficiency).*
- **Option 3:** Progress to net-zero. Adopt the 2024 IECC base code, minor appendices, and the 'stretch' code appendix *(a 24%-34%+ improvement in energy efficiency).*
- **Option 4:** Net-zero-ready. Adopt the 2024 IECC base code, minor appendices, and the net-zero-ready appendix *(31% - 42% improvement in energy efficiency).*

Staff also seek direction on whether staff should explore two "complementary" code options:

1. Allowing new large multifamily residential buildings to opt into the residential energy code.
2. Requirements for radon mitigation and/or testing in new homes.

3. Energy Code Overview

The energy code primarily applies to new construction. The 2024 IECC includes a base code and optional appendices to enhance energy efficiency beyond the base code. Each edition reflects advancements in technology and building science, incorporating cost-effectiveness, lessons learned, and expert consensus from thousands of contributors nationwide.

The IECC includes separate Residential and Commercial standards. The Residential code covers low-rise housing (up to three stories), while the Commercial code applies to all other buildings, including larger multifamily structures. Commercial standards are slightly more stringent, and both codes offer flexible compliance options for builders.

3. Why Adopt a Strong Energy Code?

Staff developed their approach to energy code options based on a core set of principles aimed at improving affordability through long-term utility cost savings, enhancing public health, and reducing energy consumption in new construction across Flagstaff.

1. We are building for the next **75+ years**

Buildings can last over a century, so today's decisions will shape Flagstaff's housing for generations. Durable, adaptable homes, like those in historic neighborhoods, have served diverse residents over time. While new housing may start as high-end, it often becomes middle-income through market filtering. Modern homes must also support emerging technologies, from energy management to climate resilience. Updating building codes is a key opportunity to ensure new construction meets future needs and challenges.

2. Healthier, more efficient buildings can benefit **everyone**
Strong energy codes ensure all new buildings, whether luxury homes, affordable housing, or commercial spaces, are healthy, comfortable, and energy-efficient. These standards benefit everyone, reducing utility costs, supporting climate goals, and promoting equity across all communities, now and for future generations.

3. Utility costs are projected to **increase** over the next 75+ years
Utility prices are projected to increase due to the cancellation of renewable energy projects, extreme weather conditions, supply constraints, and rising demand. Both APS and UniSource--the natural gas provider for Flagstaff--have rate increase cases before the Arizona Corporation Commission, which regulates utilities in Arizona. Although exact future rate increases are unknown, energy-efficient buildings will save residents money over the next 75+ years by partially insulating them from utility price increases.

4. Energy efficiency and lower monthly utility costs can help with **affordability**
Energy codes are a key climate tool, but must align with Flagstaff's urgent housing needs. The Building and Fire Code update presents an opportunity to advance both goals by promoting energy-efficient, climate-resilient buildings that reduce utility costs, enhance health, and support long-term affordability. Higher efficiency at construction can save residents thousands over time, helping them stay in their homes as energy costs rise.

5. Energy efficiency features are a **small percentage** of total housing construction costs
Energy codes account for a small portion of overall construction costs, which are primarily driven by factors such as home size, materials, layout, and finishes. Unlike many design choices, energy efficiency features pay off over time through lower utility bills. According to the National Association of Homebuilders, construction costs make up just 64.4% of a home's final price. The table below shows the components that contribute to the final sales price of a new single-family home (national average). The average sales price in Flagstaff in November 2025 for a new single-family home was $911,037. Many energy upgrades cost less than the 2.8% (of the average Flagstaff sales price) spent on sales commissions.

Figure 1: Results from the most recent National Association of Homebuilders (NAHB) national study of single-family home price and cost breakdowns.

Table 1. SINGLE-FAMILY PRICE AND COST BREAKDOWNS
2024 National Results

	Average Lot Size:	20,907
	Average Finished Area:	2,647
I. Sale Price Breakdown[1]	**Average**	**Share of Price**
A. Finished Lot Cost (including financing cost)	$91,057	13.7%
B. Total Construction Cost	$428,215	64.4%
C. Financing Cost	$10,220	1.5%
D. Overhead and General Expenses	$38,248	5.7%
E. Marketing Cost	$5,633	0.8%
F. Sales Commission	$18,955	2.8%
G. Profit	$72,971	11.0%
Total Sales Price	**$665,298**	**100.0%**

Source: National Association of Home Builders (NAHB) (2025).

6. The Energy Code is linked to **other** development code changes
It is important to consider how potential Energy Code updates are related to, and impact, other development codes. Updates to other Building and Fire codes may also impact housing construction costs (the Energy Code is one of only 15 codes in the 2024 Suite of Codes). For example, a stronger Energy Code may reduce the need to incentivize or require additional energy

2024 Suite of Codes). For example, a stronger Energy Code may reduce the need to incentivize or require additional energy efficiency standards in the Zoning Code, for example.

It is also important to consider how development codes impact costs holistically. Recent Zoning Code changes, including for Middle Housing, Resource Protection standards, Accessory Dwelling units, the Zoning Map Amendment Process, the Subdivision Review Process, and others, are intended to streamline standards and processes, thereby reducing barriers to building housing in Flagstaff.

Potential future development changes, especially those resulting from the Code Analysis Project (LASS+CAP), could continue to reduce barriers to housing development, including reducing costs. For example, reducing parking can save $3,000 to $35,000+ per space, while increasing density and/or decreasing unit sizes can lower the cost per unit. Reducing off-site transportation improvements could save tens to hundreds of thousands of dollars, depending on the scope of the improvement (the final CAP report will be delivered in 2026 and will provide code and policy recommendations and estimated cost impacts). In this context, additional construction costs from the Energy Code would be more than offset by cost savings associated with other code changes, in addition to long-term utility cost savings from energy efficiency improvements.

7. The Energy Code supports **resilience** to extreme weather and grid outages
Energy-efficient, well-insulated, air-tight buildings protect residents from wildfire smoke, extreme heat, and cold. When the power goes out, they also stay livable for longer than poorly insulated buildings. A Rocky Mountain Institute study found that **homes built with higher energy codes retained heat significantly longer during a simulated cold snap, with the highest-efficiency homes lasting six days** before dropping below 40ÃF. In contrast, a typical 1950s home took only 8 hours to drop below 40ÃF (report available here: https://rmi.org/wp-content/uploads/2020/02/Hours-of-Safety-insight-brief.pdf).

8. Flagstaff has a unique climate in Arizona, and we can learn from **other peer cities**
Flagstaff is in Climate Zone 5B (Cool, Dry). In contrast, Phoenix and Tucson are in Climate Zone 2B (Hot, Dry), and Prescott is in Climate Zone 4B (Mixed, Dry). The Pacific Northwest National Laboratory found the 2024 Residential IECC improves energy efficiency over the 2018 IECC in each of these climate zones (2B: 17.1% , 4B: 16.7%, 5B: 15.2%). Differences are due to the variation in building energy use across the climate zones. Flagstaff can learn from other cities and towns in Climate Zone 5B across the Mountain West that are national leaders in advancing energy efficiency, including Denver and Boulder.

9. The Energy Code is one of the most **effective ways** to accelerate climate action
In 2023, 55% of Flagstaff's greenhouse gas emissions came from building energy. Residential buildings accounted for almost 39% of these emissions. Flagstaff needs to drastically reduce energy use and emissions from buildings to achieve carbon neutrality by 2030. The recent *Analysis of the Costs, Benefits, and Barriers to Building Highly Energy-Efficient and All-Electric Residential Homes in Flagstaff, Arizona* (presented to City Council on December 9, 2025) found that improving energy efficiency by approximately 24% over Flagstaff's current code resulted in an 18-58% reduction in greenhouse gas emissions.

Specifically, the adopted CNP calls for new homes to be net-zero energy by 2030, which would reduce greenhouse gas emissions from buildings by 100% over Flagstaff's current code. Net-zero homes deliver extremely low utility bills, greater comfort, and zero operational emissions. Adopting strong energy codes now is a critical step toward reducing energy use and emissions from new construction.

10. Local amendments will help fit the code to our local needs
Municipalities often choose to adopt model codes, including the Energy Code (base code and appendices), with local amendments to make the code better fit the local context. Local amendments can include additions, deletions, and modifications (the City adopted the 2018 IECC with local amendments). Once staff receive Council direction, staff will work with the Building and Fire Code Board of Appeals, builders, and the Flagstaff community to identify appropriate amendments and bring them back to Council in mid-2026. It is likely that the final package of Energy Code updates brought back to Council will look slightly different than the options presented here.

5. Overview of Energy Code Options

To develop the energy code options, City staff looked to Arizona cities and energy code leaders across the country, especially in Colorado, where many cities have a similar climate to Flagstaff. Staff organized the 2024 IECC amendments and appendices into four options. Option 1 makes no improvement in energy efficiency; Option 4 makes the greatest improvement and progress toward Flagstaff's climate goals. Detailed information about the 2024 IECC and appendices is provided as an attachment.

Table 1: Residential Energy Code Options

Option 1: No change 0% improvement in energy efficiency	**Option 2: Stay the course** 15% improvement in energy efficiency	**Option 3: Progress to net-zero** 24% improvement in energy efficiency	**Option 4: Net-zero-ready** 31+% improvement in energy efficiency
	2024 IECC with	2024 IECC with	2024 IECC with

Keep Flagstaff's current energy code (decline to adopt the 2024 IECC)	local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC	local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC	local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC
	Appendix RE Electric Vehicle Charging Infrastructure	Appendix RE Electric Vehicle Charging Infrastructure	Appendix RE Electric Vehicle Charging Infrastructure
	Appendix RK Electric-Ready Residential Building Provisions	Appendix RK Electric-Ready Residential Building Provisions	Appendix RK Electric-Ready Residential Building Provisions
	Appendix RB Solar-Ready Provisions--Detached One- and Two-Family Dwellings and Townhouses	Appendix RL Renewable Energy Infrastructure	Appendix RL Renewable Energy Infrastructure
		Appendix RG 2024 IECC Stretch Code	Appendix RC Zero Net Energy Residential Building Provisions

Table 2: Commercial IECC Energy Code Options

Option 1: No change 0% improvement	**Option 2: Stay the course** 29% improvement	**Option 3: Progress to net-zero** 34%+ improvement	**Option 4: Net-zero-ready** 42% improvement
Keep Flagstaff's current energy code (decline to adopt the 2024 IECC)	2024 IECC with local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC	2024 IECC with local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC	2024 IECC with local amendments: • 95% efficient gas furnace • Cold climate heat pump • Large multifamily can opt into the Residential IECC
	Appendix CB Solar-Ready Zone--Commercial	Appendix CB Solar-Ready Zone--Commercial	Appendix CB Solar-Ready Zone--Commercial
	Appendix CG Electric Vehicle Charging Infrastructure	Appendix CG Electric Vehicle Charging Infrastructure	Appendix CG Electric Vehicle Charging Infrastructure
	Appendix CH Electric-Ready Commercial Building Provisions	Appendix CH Electric-Ready Commercial Building Provisions	Appendix CH Electric-Ready Commercial Building Provisions
		Appendix CI Demand Responsive Controls	Appendix CI Demand Responsive Controls
		Appendix CE	Appendix CD the

		Appendix CE Required HVAC Total System Performance	Appendix CE the 2030 Glide Path
		Appendix CF Energy Credits	

Option 1: No change from current code (0% improvement in energy efficiency)
Option 1 keeps Flagstaff's current energy code (the 2018 IECC) and keeps new construction at the current required level of energy efficiency. It veers from Flagstaff's past Building and Fire Code updates by declining to adopt the most current energy code. It holds Flagstaff back from meeting carbon neutrality goals for new construction by 2030 and will require a massive improvement in energy efficiency to get to net-zero in the next Building and Fire Code update.

Option 2: Maintain Flagstaff's current course (15% - 29% improvement in energy efficiency)
Option 2 adopts the base 2024 IECC with minor appendices. It is a similar approach to the City's recent energy code update. Option 2 reduces energy use while adding new standards for electric-ready construction. It is better than Option 1 for energy efficiency, but it still holds Flagstaff back from meeting its carbon neutrality goals for new construction by 2030. It will require a dramatic increase in energy efficiency to get to net-zero in the next Building and Fire Code update.

Option 3: Intermediate step to net-zero (24% - 34% improvement in energy efficiency)
Option 3 builds on Option 2 and is an intermediate step to net-zero construction. It takes a more aggressive approach to energy efficiency. Option 3 builds on Option 2 by including stronger standards for solar-readiness and energy efficiency. Option 3 is better than Options 1 and 2 for energy efficiency, and it moves Flagstaff closer to meeting its carbon neutrality goals for new construction by 2030. It will require an increase in energy efficiency to get to net-zero in the next Building and Fire Code update.

Option 4: Net-zero-ready construction (31% - 42% improvement in energy efficiency)
Option 4 gets to net-zero-ready new construction. It builds on Option 3 by including stronger energy efficiency standards. Net-zero-ready buildings can easily become net-zero with the future addition of solar panels to offset their annual energy use. Net-zero-ready homes include energy efficiency improvements to the building envelope that are easy to install during construction, but extremely difficult to retrofit. Option 4 is better than Options 1-3 for energy efficiency, and it gets Flagstaff on track to meet its carbon neutrality goals for new construction by 2030. The next Building and Fire Code update will need to require new construction to install solar panels to offset annual energy use to get to net-zero.

Beyond Option 4: Net-zero construction (100% improvement in energy efficiency)
To meet the Carbon Neutrality Plan goal for net-zero construction, Council can require net-zero construction now (five years ahead of the 2030 goal) or choose to require net-zero construction in the next building code update.

Cost Implications of Energy Code Options
Estimates of the impacts of the Energy Code options on construction costs and utility cost savings are provided in the presentation and other attachments. Costs and savings are provided as a range (when multiple data points are available). Values should be taken as a ballpark estimate, given the potential for large variations in construction costs and utility savings based on building type, available electricity rate plans, heating and cooling system types, actual future utility cost increases, building occupant behavior, and other external factors.

Estimates are based on multiple local and national data sources. Local Flagstaff data is primarily from the recent *Analysis of the Costs, Benefits, and Barriers to Building Highly Energy-Efficient and All-Electric Residential Homes in Flagstaff, Arizona* (presented to Council on December 9, 2025). National data sources include: the National Association of Homebuilders (NAHB), the Rocky Mountain Institute (RMI), and the Department of Energy (DOE), including the Pacific Northwest National Laboratory (PNNL) and the Energy Information Administration (EIA).

Attachments: Additional Information on the 2024 IECC and Appendices - FINAL
Presentation
Potential Cost Impacts of Energy Code Updates

Additional Information on the 2024 IECC and Appendices

1. 2024 IECC Compliance Options

The 2024 Residential and Commercial IECC provide multiple ways that builders can meet code requirements, thereby increasing flexibility and allowing builders to pick what works best for them:

1. Prescriptive Compliance Path – Sets specific standards that builders need to meet.
2. Simulated Building Performance Path – Uses energy modeling to compare estimated energy costs of the proposed home with energy costs of a reference home.
3. Energy Rating Index Path (Residential Only) – Uses energy modeling to calculate an energy rating index (ERI). The ERI must be less than the maximum allowed for that climate zone.

2. 2024 IECC Adoption in Other Cities and States

Among Arizona cities, Phoenix and Chandler have already adopted the 2024 Residential and Commercial IECC base code with local amendments. Mesa, Avondale, Tempe, Tucson, and others are considering adopting the 2024 IECC. These cities were (or still are) on the 2018 IECC. The City of Scottsdale is on a staggered 6-year code update cycle (they are on the 2021 IECC).

Nationally, the state of Rhode Island and the City of Austin, Texas have adopted the 2024 IECC. Several other states and cities are considering adopting the 2024 IECC, including Nevada, Illinois, California, Colorado, New York, Oregon, and Washington.

The IECC was fully released in mid-late 2024 and the code adoption cycle typically takes 1-3 years to give municipalities time to review, vet, and propose local amendments to model codes. Many municipalities, like Flagstaff, are still reviewing the 2024 IECC. It is likely that the list of municipalities that adopt the 2024 IECC will grow as they complete their code update process.

3. Key IECC Changes from 2018 – 2024

The Pacific Northwest National Laboratory found the 2024 IECC base code improves energy efficiency, lowers utility costs, and reduces greenhouse gas (GHG) emissions over the 2018 IECC base code in Flagstaff's Climate Zone (Zone 5).

Table 1: Pacific Northwest National Laboratory (PNNL) findings on the 2024 IECC vs. the 2018 IECC

2024 Residential IECC	2024 Commercial IECC*
• 15% improvement in energy efficiency • 13% reduction in energy costs • 12% reduction in greenhouse gas (GHG) emissions	• 29% improvement in energy efficiency • 28% reduction in energy costs • 29% reduction in GHG emissions

\Commercial.code.assumptions.are.preliminary.because.PNNL.has.not.released.their.final.determination¡

Potential cost implications: High energy efficiency standards add to construction costs, but can lower utility bills for residents throughout the 75+ year lifetime of the building, leading to long-term savings that more than offset additional costs.

2024 Residential IECC

The 2024 Residential IECC is available here: Chapter Re 1 Scope And Administration - International Energy Conservation Code (IECC). It impacts the design of individual building systems (and the building as a whole) that could affect energy use, including:

- Wall, roof, and floor insulation
- Windows and skylights
- Space cooling and heating equipment (air conditioners, furnaces, heat pumps)
- Air distribution systems
- Air sealing and ventilation
- Water heaters
- Electrical power and lighting systems
- Appliance efficiency

The 2024 Residencial IECC improves energy efficiency over the 2018 IECC through:

1. Inspections for air barriers and insulation
2. Higher efficiency windows
3. Higher efficiency skylights
4. Higher insulation values for wood frame walls
5. Additional options for floor insulation
6. Increased depth for slab edge insulation
7. Expanded ductwork design requirements to size HVAC equipment
8. Required testing of 100% of ductwork (provides for flexibility to meet standards, especially for large and smaller homes)
9. Increased insulation for hot water pipes
10. Controller added to bathroom exhaust fans (such as a timer or sensor)
11. Limits the amount of electric resistance heating to 2 kW unless a heat pump is installed
12. Increased controls for ice melt systems to prevent use when not necessary
13. Gas fireplace systems cannot be equipped with a continuous pilot light
14. Minimum efficiency for vented gas fireplace heaters
15. Minimum efficiency standards for permanent lighting
16. Automatic lighting shutoff requirements
17. Homes that choose the Prescriptive Compliance Path must earn additional energy efficiency credits (they can choose from over 50 options)

The National Association of Homebuilders provides a detailed analysis on key code changes from the 2018 to the 2024 Residential IECC: Microsoft Word - 2024 IECC Major Changes for Tool Kit V6 Draft.

2024 Commercial IECC

The 2024 Commercial IECC is available here: CHAPTER CE 1 SCOPE AND ADMINISTRATION - 2024 INTERNATIONAL ENERGY CONSERVATION CODE (IECC). It impacts the design of individual building systems (and the building as a whole) that could affect energy use, including:

- Wall, roof, and floor insulation
- Windows and skylights
- Cooling equipment (air conditioners, chillers, and cooling towers)
- Heating equipment (boilers, furnaces, and heat pumps)
- Pumps, piping, and liquid circulation systems
- Heat rejection equipment (fan cooling towers, air-cooled condensers)
- Service water heating (kitchens, lavatories, and pools)
- Electrical power and lighting systems (lighting types, densities, zones, and controls)
- Energy-using equipment (walk-in coolers and freezers, electric transformers and motors, elevators and escalators)

The 2024 Commercial IECC improves energy efficiency over the 2018 IECC through:

1. Requirements for additional information on construction documents:
    a. Identifying the energy code compliance path
    b. Documentation confirming air sealing
    c. Location of pathways for routing raceways or cables from on-site renewable energy systems to electrical distribution equipment
    d. Location and layout of designated areas for an energy storage system (ESS) and specify the rated energy and power capacity of an installed or planned ESS.
2. A thermal envelope certificate to be completed by an approved party and posted in an approved location (includes insulation values for ceilings, roofs, walls, foundations, and slabs, U-factors, solar heat gain coefficients for windows, and air leakage test results
3. Additional insulation for metal-frame buildings
4. Alternatives for energy code compliance for balancing aesthetics and performance while maintaining key energy efficiency measures
5. Clarity in roof and ceiling insulation for projects that use the Prescriptive Compliance path
6. Requirements specifying where perimeter insulation must be installed for slab-on-grade and heated slab floors
7. Higher efficiency windows
8. Additional required items for air barrier design and documentation
9. Specific air sealing requirements for electrical and communication boxes
10. Mandatory whole-building air leakage testing for commercial buildings, raising the standard for envelope airtightness and accountability
11. Buildings that choose the Prescriptive Compliance Path must earn additional energy efficiency credits (they can choose from 40 options).
12. Solar and renewable energy requirements

3. Amendments and Appendices in Energy Code Update Options

*IMPORTANT NOTE: It is likely that the Flagstaff Community, Building and Fire Codes Board of Appeals, City Commissions, design and construction professionals, and City staff will generate additional local amendments to the 2024 IECC base code and appendices as part of the larger code vetting and review process starting in early 2026. These amendments, along with any amendments and appendices that Council direct staff to explore, will be brought for consideration during Council work sessions in mid-2026. As such, the options presented below should be viewed as a starting point for conversations about how far to advance energy efficiency with the next Building and Fire Code update. It is likely that the final package of code updates brought to Council for consideration and adoption in mid-2026 will look different than the options presented here.

Local Amendments to the 2024 Residential and Commercial IECC base code

Energy Code options 2-4 include two local amendments to the 2024 Residential and Commercial IECC that Flagstaff could adopt.

1. **Gas furnaces installed in new construction must be at least 95% efficient.**
    a. **Overview:** This amendment would not require the installation of gas furnaces. Instead, if a builder chooses to install a gas furnace in a new building, it must meet minimum efficiency standards. A 95% efficient furnace means at least 95% of the natural gas fuel is converted into usable heat.
    b. **Comparison to Flagstaff's current code:** Gas furnaces can be installed under current code. This amendment would increase minimum efficiency standards from 90% to 95% for gas furnaces installed in new construction (Flagstaff adopted a local amendment in 2018 requiring 90% efficient furnaces at minimum).
    c. **Potential cost impacts:** Several Flagstaff builders already install high efficiency furnaces, including over 97%, so this amendment may not increase construction costs over current practice. Higher efficiency furnaces are more costly than lower efficiency furnaces (exact costs are unknown but may be **under $1,000**). Costs are included in the 2024 IECC base code cost estimate for mixed-fuel homes. Installing a high efficiency furnace during construction can save residents thousands in costly and difficult future retrofits and may lower utility costs for residents by reducing energy use.
2. **Air source heat pumps installed in new construction must be rated to operate efficiently in a cold climate (for example, as low as -22°).**
    a. **Overview:** This amendment would not require the installation of heat pumps. Instead, if a builder chooses to install an air source heat pump in a new building, it must meet minimum efficiency standards. Air source heat pumps provide heating and cooling by moving heat from one place to another (basically, they are an air conditioner that can also operate in reverse: they bring warm air into the home when it is cold outside, and take warm air out of the home when it is hot outside). Minimum efficiency standards will prevent the installation of heat pumps in new construction that are inappropriate for Flagstaff's climate. Non-cold climate heat pumps do not operate efficiently at cold temperatures and may be unable to meet Flagstaff's heating needs.

b. **Comparison to Flagstaff's current code:** Typical air source and cold climate air source heat pumps can be installed under current code. This amendment would add new efficiency standards for air source heat pumps.

c. **Potential cost impacts:** Cold climate heat pumps are more costly than non-cold climate heat pumps due to their improved efficiency at cold temperatures. The cost difference between an air source heat pump and a cold-climate air source heat pump can be **several thousand dollars**, depending on the heat pump size and model, and whether it is ducted or ductless. Costs are included in the 2024 IECC base code cost estimate for all-electric homes. This amendment may lower utility costs for residents by reducing energy use.

Residential Appendices

Options 2-4 include six appendices to the Residential IECC that Flagstaff could adopt. The Residential IECC contains 12 optional appendices to provide municipalities the opportunity to advance energy efficiency locally beyond the base code. In comparison, the 2018 IECC only had one appendix—for solar-ready requirements). Staff selected the six appendices below because they are likely to have the greatest benefits for residents and the largest greenhouse gas emissions reductions compared to upfront costs.

Appendices in Options 2, 3, and 4:

1. **Appendix RB Solar-Ready Provisions–Detached One- and Two-Family Dwellings and Townhouses.**

    - **Overview:** This appendix continues Flagstaff's current solar-ready requirements by ensuring it is feasible to add solar panels to a building in the future. This appendix is available at: Appendix Rb Solar Ready Provisions Detached One And Two Family Dwellings And Townhouses - International Energy Conservation Code (IECC).

    - **Comparison to Flagstaff's current code:** Flagstaff adopted the residential solar-ready appendix with local amendments in 2018.

    - **Other cities that adopted this appendix or related standards:** Phoenix adopted this appendix in 2024. Tucson has required solar-ready construction since 2008. Colorado and Massachusetts require cities to include solar-ready provisions. Austin, Boston, New Castle, DE, New York City, and Seattle are also among the cities that require solar-ready construction.

    - **Potential cost implications:** The NAHB estimates that this appendix costs approximately $100. However, it would not add to current construction costs because Flagstaff already has a solar-ready appendix. This appendix helps residents avoid costly future electrical panel upgrades, which can cost thousands of dollars, and ensures residents don't have to spend thousands to move roof obstructions to create a solar-ready zone.

    - **Included in Energy Code Update Options:** 2, 3, and 4.

2. **Appendix RE Electric Vehicle Charging Infrastructure**

    - **Overview:** This appendix supports electric vehicle (EV) charging through minimum standards for EV electrical infrastructure in garages and parking lots for single-family

homes, duplexes, townhomes, and smaller multifamily residential developments. Appendix RE requires new residential garages to provide one EV-capable space, EV-ready space, or full EV space. New residential parking lots (for residential buildings 3 stories or less) are required to provide one EV-capable space, EV-ready space, or full EV space for 40 percent of the dwelling units or automobile parking spaces, whichever is less.



This appendix is available at: Appendix Re Electric Vehicle Charging Infrastructure - International Energy Conservation Code (IECC).

- **Comparison to Flagstaff's current code:** This appendix did not exist in the 2018 IECC, so Flagstaff adopted local amendments to the 2018 International Residential Code (IRC) and the International Building Code (IBC) to require minimum standards for EV charging infrastructure. Flagstaff's current code requires:

    i. An EV-ready space in residential garages (a 240-volt outlet). To charge an EV, the resident would need to separately purchase an EV charger. Residents can also use the 240-volt outlet for other high-electricity appliances (such as a clothes dryer, welding machine, and an air compressor).

    Appendix RE requires one EV-capable, EV-ready, or full EV space in new residential garages. If Council directs staff to move forward with Appendix RE, Sustainability staff recommend adding a local amendment to make EV-ready spaces in residential garages the minimum standard (to match Flagstaff's current code).

    ii. Flagstaff's code requires up to three EV-capable spaces in parking lots associated with new development for buildings subject to the International Building Code. The number of EV parking spaces required in this appendix is higher than Flagstaff's current code. These spaces cannot be used for EV charging without adding an EV charger.

- **Other cities that adopted this appendix or related standards:** The Colorado Model Electric Ready and Solar Ready Code requires cities statewide to include EV-ready provisions when they update their energy codes. Phoenix adopted this appendix as part of the 2024 IECC. Cities across the U.S., including Denver, San Francisco, Portland, New York City, Charlotte, Columbus, Orlando, Chicago, and others, have adopted minimum standards to support EV charging in new construction.

- **Potential cost implications:** The NAHB estimates that an EV-ready space (240-volt outlet) in a residential garage costs approximately **$650**.

    i. This appendix would not add to current construction costs for residential garages because Flagstaff's code already requires an EV-ready space. It would increase costs for residential parking lots because the required number of EV spaces is higher than Flagstaff's current code.

ii. It is easiest to install EV electrical infrastructure during construction and can save residents thousands of dollars on costly future retrofits. Owning an EV can provide residents with long-term cost savings, as it offers lower fuel and maintenance costs compared to gasoline-powered vehicles.

- **Included in Energy Code Update Options:** 2, 3, and 4.

3. **Appendix RK Electric-Ready Residential Building Provisions**

- **Overview:** This appendix ensures electric wiring and outlets are in place for mixed-fuel (natural gas/electric) homes to easily switch to electric appliances in the future (stove, water heater, and clothes dryer). It supports residents who want to improve indoor air quality and reduce greenhouse gas emissions by switching to electric appliances in the future.
- **Comparison to Flagstaff's current code:** This appendix adds new requirements for electric-ready construction compared to Flagstaff's current code. This appendix did not exist in the 2018 IECC.
- **Other cities that have adopted this appendix or related standards:** Cities and states across the country have adopted codes to require or encourage all-electric appliances in new buildings.
- **Potential cost implications:** NAHB estimates this appendix adds approximately **$1,050** to the construction costs of mixed-fuel homes. It adds **$0** to all-electric homes. It is much easier and less costly to install this infrastructure during construction. It helps residents avoid costly future electrical upgrades, which can cost thousands of dollars per appliance.
- **Included in Energy Code Update Options:** 2, 3, and 4.

Appendices in Options 3 and 4 only:

2. **Appendix RL Renewable Energy Infrastructure**

- **Overview:** This appendix applies solar-ready requirements to a greater variety of residential building types and has more requirements for solar-ready electrical infrastructure than Appendix RB. It makes it easier for residents to install solar panels in the future. It is available at: Appendix Rl Renewable Energy Infrastructure - International Energy Conservation Code (IECC).
- **Comparison to Flagstaff's current code:** This appendix would expand Flagstaff's current solar-ready requirements by extending requirements to a larger variety of residential building types, and including additional standards for electrical wiring for detached single-family homes, townhomes, and duplexes.
- **Other cities that have adopted this appendix or related standards:** Colorado and Massachusetts require cities to include solar-ready provisions. Austin, Boston, New Castle, DE, New York City, and Seattle are also among the cities that require solar-ready construction.
- **Potential cost implications:** The NAHB estimates that this appendix costs approximately **$700**. This appendix helps residents avoid costly future electrical panel upgrades, which

can cost thousands of dollars, and ensures residents don't have to spend thousands to move roof obstructions to create a solar-ready zone. It also avoids some of the costs of electrical infrastructure for solar panels.

- **Included in Energy Code Update Options:** 3 and 4 only.

3. **Appendix RG 2024 IECC Stretch Code**

    - **Overview:** This appendix provides improves energy efficiency by an estimated 24% improvement over Flagstaff's current code. This appendix is available at: Appendix Rg 2024 Iecc Stretch Code - International Energy Conservation Code (IECC).

    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. This appendix did not exist in the 2018 IECC.

    - **Other cities that have adopted this appendix or related standards:** Nine states (California, Colorado, Illinois, Maine, Massachusetts, New York, Oregon, Rhode Island, and Vermont) have adopted statewide "stretch" codes intended to advance energy efficiency beyond the base IECC.

    - **Potential cost implications:** High energy efficiency standards add to construction costs, but can lower utility bills for residents throughout the 75+ year lifetime of the building, leading to long-term savings that more than offset additional costs.

    - **Included in Energy Code Update Options:** 3 only.

4. **Appendix RC Zero Net Energy Residential Building Provisions**

    - **Overview:** This appendix provides improves energy efficiency by an estimated 31% improvement over Flagstaff's current code. These homes are so energy-efficient that they can easily become net-zero (a 100% improvement in energy efficiency) with the future addition of solar panels to offset their annual energy use. This appendix is available at: Appendix Rc Zero Net Energy Residential Building Provisions - International Energy Conservation Code (IECC).

    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. It did not exist in the 2018 IECC.

    - **Other cities that adopted this appendix or related standards:** Nine states (California, Colorado, Illinois, Maine, Massachusetts, New York, Oregon, Rhode Island, and Vermont) have adopted statewide "stretch" codes intended to advance energy efficiency beyond the base IECC.

    - **Potential cost implications:** High energy efficiency standards add to construction costs, but can lower utility bills for residents throughout the 75+ year lifetime of the building, leading to long-term savings that more than offset additional costs.

    - **Included in Energy Code Update Options:** 4 only.

2024 IECC Commercial Appendices

The 2024 Commercial IECC consists of 10 appendices that cities can choose to adopt to enhance energy efficiency beyond the base code (in comparison, the 2018 IECC only had one appendix for solar-ready requirements). Staff identified seven appendices that are likely to have the greatest benefits for building tenants and owners, and have the largest greenhouse gas emissions reductions compared to costs.

Cost estimates are not provided for the 2024 IECC Commercial appendices because cost data is not available (estimating typical commercial cost data is not feasible because there are many different commercial building types, and costs vary greatly). However, commercial buildings are more likely to be constructed and occupied by the same person or company, which allows the building owner to benefit directly from upfront investments in energy efficiency. Commercial buildings are also designed to stronger building construction standards and protection systems, and can last longer than residential buildings, providing for even greater utility costs savings over the long-term. Finally, out-of-state commercial building developers work under building codes across the country, including codes that are stronger than Flagstaff's, and may already be familiar with these Energy Code provisions.

\IMPORTANT.NOTE¿These.appendices.can.be.adopted.with.local.amendments.(additions?deletions?and.modifications)¡

Appendices in Options 2, 3, and 4:

1. **Appendix CB Solar-Ready Zone—Commercial**
    - **Overview:** This appendix continues Flagstaff's current solar-ready requirements by ensuring it is feasible to add solar panels to a building in the future. This appendix is available at: Appendix Cb Solar Ready Zone Commercial - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** Flagstaff adopted the commercial solar-ready appendix with local amendments in 2018.
    - **Other cities that adopted this appendix or related standards:** Colorado and Massachusetts require cities statewide to include solar-ready provisions when they update their energy codes. Austin, Boston, New Castle, DE, New York City, and Seattle are also among the cities that require solar-ready construction.
    - **Potential cost implications:** This appendix would not add to construction costs because Flagstaff already has a solar-ready appendix. This appendix helps building owners avoid costly future electrical panel upgrades, which can cost thousands of dollars, and ensures they don't have to spend thousands to move roof obstructions to create a solar-ready zone.
    - **Included in Energy Code Update Options:** 2, 3, and 4.
2. **Appendix CG Electric Vehicle Charging Infrastructure**
    - **Overview:** This appendix supports electric vehicle (EV) charging in new parking lots by requiring a minimum number of EV-capable, EV-ready, and EV-installed spaces; requirements vary based on building type. It is available at: Appendix Cg Electric Vehicle Charging Infrastructure - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** Flagstaff's code requires up to three EV-capable spaces in parking lots associated with new development for buildings subject to the

International Building Code. The number of EV parking spaces required in this appendix is higher than Flagstaff's current code.

- **Other cities that have adopted this appendix or related standards:** The Colorado Model Electric Ready and Solar Ready Code requires cities statewide to include EV-ready provisions when they update their energy codes. Cities across the U.S., including Denver, San Francisco, Portland, New York City, Charlotte, Columbus, Orlando, Chicago, and others, have adopted minimum standards to support EV charging in new construction.
- **Included in Energy Code Update Options:** 2, 3, and 4.
- **Potential cost implications:** This appendix will likely add to construction costs. However, it helps avoid costly future electrical upgrades, which can cost thousands per parking space.

3. **Appendix CH Electric-Ready Commercial Building Provisions**
    - **Overview:** This appendix ensures electric wiring is installed in mixed-fuel buildings (natural gas/electric) so tenants can easily switch to electric appliances in the future (for space heating, hydronic heating, water heating, cooking, and clothes drying). It is available at: Appendix Ch Electric Ready Commercial Building Provisions - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** This appendix adds new requirements for electric-ready construction compared to Flagstaff's current code. This appendix did not exist in the 2018 IECC.
    - **Other cities that have adopted this appendix or related standards:** Cities and states across the country have adopted codes to require or encourage all-electric appliances in new buildings.
    - **Potential cost implications:** This appendix will likely add to construction costs. However, it helps avoid costly future electrical upgrades, which can cost thousands per appliance.
    - **Included in Energy Code Update Options:** 2, 3, and 4.
4. **Appendix CI Demand Responsive Controls**
    - **Overview: This appendix** provides the electrical infrastructure to allow buildings to opt into the Arizona Public Survey (APS—Flagstaff's electricity provider) Cool Rewards program to reduce demand for electricity during peak hours (and receive energy cost savings). It is available at: Appendix Ci Demand Responsive Controls - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. It did not exist in the 2018 IECC.
    - **Other cities that have adopted this appendix or related standards:** California, New York, Massachusetts, Illinois, Washington, and Colorado either require or encourage demand response controls in new construction statewide.
    - **Potential cost implications:** This appendix will likely add to construction costs. However, residents and tenants who opt into the APS Cool Rewards program can experience lower

electricity bills. It helps avoid costly future electrical upgrades, which can cost thousands per residential unit or commercial tenant space.

- **Included in Energy Code Update Options:** 2, 3, and 4.

Appendices in Options 3 and 4 only:

5. **Appendix CE Required HVAC Total System Performance Ratio (TSPR)**
    - **Overview:** This appendix improves the efficiency of mechanical systems by 5% over minimum efficiency standards. It applies to systems that provide building heating, cooling, ventilating, and refrigeration. It is available at: Appendix Ce Required Hvac Total System Performance Ratio Tspr - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. It did not exist in the 2018 IECC.
    - **Other cities that have adopted this appendix or related standards:** Massachusetts, New York, Illinois, and Maine are among the states that have adopted statewide stretch codes that include commercial provisions
    - **Included in Energy Code Update Options:** 3 only.
6. **Appendix CF Energy Credits**
    - **Overview:** This appendix allows builders to choose from a menu of options to enhance energy efficiency. It increases the required number of credits buildings must achieve over the base code (credits are associated with installing energy efficiency features). It is available at: Appendix Cf Energy Credits - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. It did not exist in the 2018 IECC.
    - **Other cities that have adopted this appendix or related standards:** Massachusetts, New York, Illinois, and Maine are among the states that have adopted statewide stretch codes that include commercial provisions
    - **Included in Energy Code Update Options:** 3 only.
7. **Appendix CD the 2030 Glide Path**
    - **Overview:** This appendix improves energy efficiency by 29% over the 2024 Commercial IECC base code (42% over Flagstaff's current code) through an increase in energy efficiency over the base code and a greater requirement for renewable energy generation. It is intended to be adopted by jurisdictions that will require new construction to be net-zero by 2030. It is available at: Appendix Cd The 2030 Glide Path - International Energy Conservation Code (IECC).
    - **Comparison to Flagstaff's current code:** This appendix adds new minimum energy efficiency standards compared to Flagstaff's current code. It did not exist in the 2018 IECC.

- **Other cities that have adopted this appendix or related standards:** Massachusetts, New York, Illinois, and Maine are among the states that have adopted statewide stretch codes that include commercial provisions
- **Included in Energy Code Update Options:** 4 only.

4. Complementary Code Options

Staff seek Council direction on whether to explore two "complementary" code options, in addition to the four energy code options discussed above.

Amend the 2024 Residential and Commercial IECC to Allow Large Multifamily Construction to Opt into the Residential Energy Code

Staff seek Council direction on whether to explore an amendment to the Residential and Commercial IECC to allow large new multifamily buildings to opt into the Residential IECC instead of the Commercial IECC. The Residential IECC applies to single-family homes, duplexes, townhomes, and other residential structures three stories or less in height. The Commercial IECC applies to all other buildings, including large multifamily residential buildings.

- **Overview:** Without this amendment, new large multifamily residential buildings will be required to comply with the Commercial IECC. The Commercial IECC energy efficiency standards are slightly stronger than the Residential IECC standards. It also contains additional standards for solar and renewable energy generation, building design, and commissioning that are not present in the Residential IECC.
- **Comparison to Flagstaff's current code:** Large multifamily residential buildings are currently required to comply with the 2018 Commercial IECC.
- **Other cities that adopted this appendix or related standards:** Several Arizona cities, including Phoenix, Chandler, Avondale, Tucson, and others, have adopted or are considering adopting this amendment.
- **Potential cost impacts:** This amendment **may lower the design and construction costs by tens if not hundreds of thousands of dollars** of large multifamily residential developments by avoiding costs associated with additional Commercial IECC standards.

Require Radon Mitigation in New Construction

Staff seek Council direction on whether to explore the adoption of International Residential Code (IRC) Appendix BE: Radon Control Methods and the 2024 International Mechanical Code (IMC) to require radon mitigation and/or testing in new construction. Installing radon mitigation features during construction can improve indoor air quality, reduce lung cancer cases, and save residents thousands of dollars in costly future retrofits. Eleven U.S. states already require radon-resistant new construction.

Radon overview: Radon is the leading cause of lung cancer in non-smokers. The Environmental Protection Agency (EPA) estimates the national average indoor radon concentration in homes is about 1.3 pCi/L (picocuries per liter). The EPA estimates that radon exposure at this level is the cause of 21,000 deaths

from lung cancer in the U.S. annually. However, this is far below the EPA's maximum recommended exposure level of 4.0 pCi/L—the equivalent of smoking eight cigarettes per day.

Radon is a colorless, odorless radioactive gas released from the natural breakdown of uranium and other radioactive elements in the soil, rock, and water. Radon will seep into and concentrate in the home when radioactive elements are present underneath a home, and the home does not have radon-resistant construction features. Indoor radon concentrations tend to peak during the winter months in cold climates.

Radon is present in Arizona because radium and uranium are common in the rocks and soil. The Arizona Department of Health found that the average radon concentration in homes across Arizona is 2.9 pCi/L, while 26% of Arizona homes may contain radon at concentrations that exceed 4/0 pCi/L. Anecdotal evidence from Flagstaff community members and local radon mitigation installers suggests that radon is prevalent in Flagstaff, including at levels that exceed 4.0 pCi/L.

Energy efficiency improvements and radon: Studies suggest that indoor radon concentrations increase as homes become more energy-efficient and air-tight unless radon mitigation features are installed. This is because air-tight homes provide fewer opportunities for radon to exit once it is inside the home.

Radon mitigation: Radon mitigation consists of passive and active measures. Radon in new construction can be mitigated through passive and active means, while active mitigation is generally most feasible for existing construction.

- Passive radon mitigation is much easier and less costly to install in new construction. It can include preparation of the subfloor to ensure good air flow, a soil-gas-retarder and sealing of floor openings, concrete joints, masonry walls, drains, air handling units, and crawlspace floors to prevent radon from seeping into the home, ventilation pipes that use air pressure to provide an easy path for radon to escape from under the home, and a junction box to allow the future installation of an active radon mitigation system (a fan). The EPA estimates passive radon mitigation in new construction can reduce indoor radon by 99%.
- Active radon mitigation includes the installation of a fan that pulls the radon out from under the home and out through a pipe that vents above the home's roof. On existing construction, a radon fan can be installed in less than a day and can reduce indoor radon by 90%.

Flagstaff's current code:

- In 2018, the City adopted the IRC.Appendix.F.- .Radon.Control.Methods?which includes standards for passive radon mitigation. However, the EPA identifies Coconino County as having moderate radon potential, which means mitigation is not required in Flagstaff. Instead, the appendix provides standards for builders who voluntarily.choose to install radon mitigation.
- The 2018 International Mechanical Code (IMC) includes provisions for a subslab soil exhaust system (passive radon mitigation), when one is provided. However, a subslab soil exhaust system is not required. The IMC applies to all buildings subject to the International Building Code (IBC)—all buildings excluding detached one- and two-family dwellings and townhouses not more than three stories.

2024 Code:

- If the City adopts the 2024 IRC Appendix BE Radon Control Methods, the standards will be optional without a local amendment to make the standards mandatory. The 2024 appendix also includes

standards for radon testing after construction, and for the installation of a fan if radon is found to be greater than 4 pCi/L.

- The 2024 International Mechanical Code (IMC) contains similar provisions to the 2018 IMC. If the City adopts the 2024 IMC, installing a subslab exhaust system will be optional without a local amendment to make it mandatory.

Other cities that adopted this appendix or related standards: Eleven states (Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, Oregon, and Washington), as well as several cities and counties in Colorado and Virginia, require radon-resistant new construction. The Arizona Department of Health provides resources for radon testing and mitigation, but radon-resistant construction is not required in Arizona.

Cost implications:

- Passive mitigation: The Arizona Department of Health estimates passive radon mitigation during construction costs $350 - $500. It can be extremely difficult and costly to retrofit these features in existing construction.
- Active mitigation: The cost of installing a radon fan in Flagstaff in an existing building can start at $2,300. The average operating cost for a fan in Arizona is $3.00/month, and the expected fan lifespan is 11 years (fan replacement cost is approximately $500).
- Costs of a subslab exhaust system in commercial buildings are unknown.

Energy Code Update Options

Genevieve Pearthree

Flagstaff City Council | January 6, 2026

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Seeking Council Direction

- Today, staff seek direction from Council on which energy code option to **explore**
  - 4 specific questions

- Based on Council direction, staff will:
  - Explore the preferred option through **further research**
  - **Meet** with development and building partners and the Flagstaff community to review barriers and opportunities

- Staff will **return to Council in 2026** to share community feedback received, additional research performed, proposed local amendments, and draft code language - for **all** of the 2024 codes

Seeking Council Direction

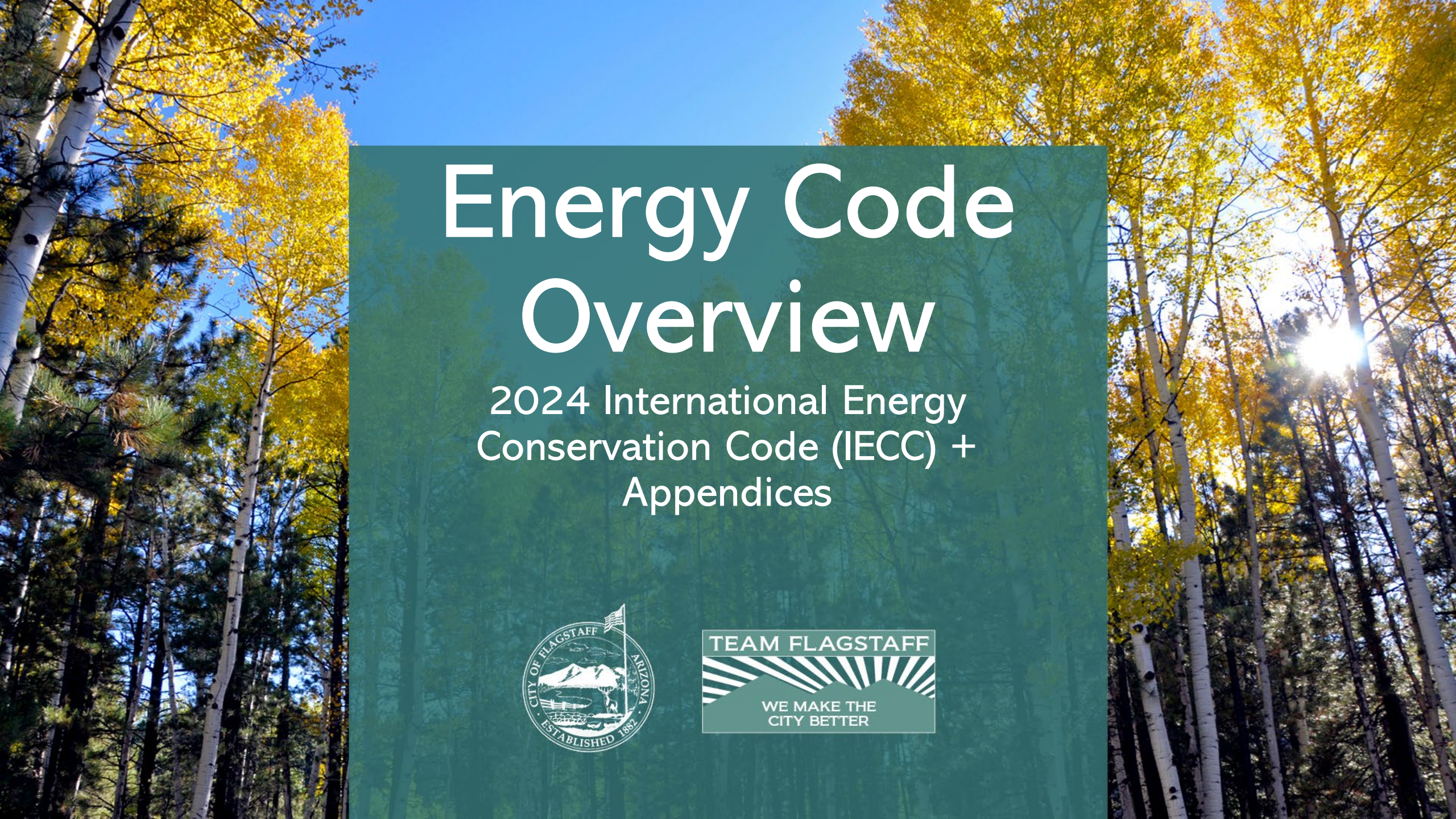
1. What energy code **option** should staff explore?
2. Are there any **other energy code options** that staff should explore, beyond the options presented here?
3. What **“complementary”** code options should staff explore, if any?
4. What **additional information** should be included when staff return to Council with proposed energy code updates in mid-2026?

Agenda

1. Energy code overview
2. Guiding principles
3. Energy code options and costs
4. “Complementary” code options
5. Summary and questions

Energy Code Overview

2024 International Energy Conservation Code (IECC) + Appendices



Why Are We Here Today?

The City is on a 6-year update cycle for building and fire codes

- **Current code:** 2018 Suite of Codes (adopted in June 2019)
- 2024 codes are published; **goal is to adopt in mid-2026**
- City is preparing to vet potential code updates with the Flagstaff community before bringing them to City Council

Model codes are created by **national experts** at the International Code Council (ICC)

- ICC creates a standardized set of building regulations that incorporate advancements in technology, sustainability, and construction practices to enhance safety, efficiency, and resilience
- States, counties, and cities adopt these codes, often with local amendments

Flagstaff's Adopted Building & Fire Codes

Adopted in June 2019

- 2018 International…
  - **Building** Code (IBC)
  - **Fire Code** (IFC)
  - **Residential** Code (IRC)
  - **Existing Building** Code (IEBC)
  - **Mechanical** Code (IMC)
  - **Plumbing** Code (IPC)
  - **Fuel Gas** Code (IFGC)
  - **Swimming Pool and Spa** Code (ISPSC)
  - **Solar Energy** Provisions (ISEP)
  - **Energy Conservation** Code (IECC)

- Other codes
  - NFPA 70 / National **Electrical** Code (NEC) (2017)
  - ICC A117.1-2017 **Accessible and Usable** Buildings and Facilities
  - Uniform Code for the **Abatement of Dangerous Buildings** (1997)
  - Uniform Administrative Code (1997)
  - Uniform Housing Code (1997)
  - Wildland Urban Interface (IWUIC) (2006)

Today's focus for *preliminary* discussion

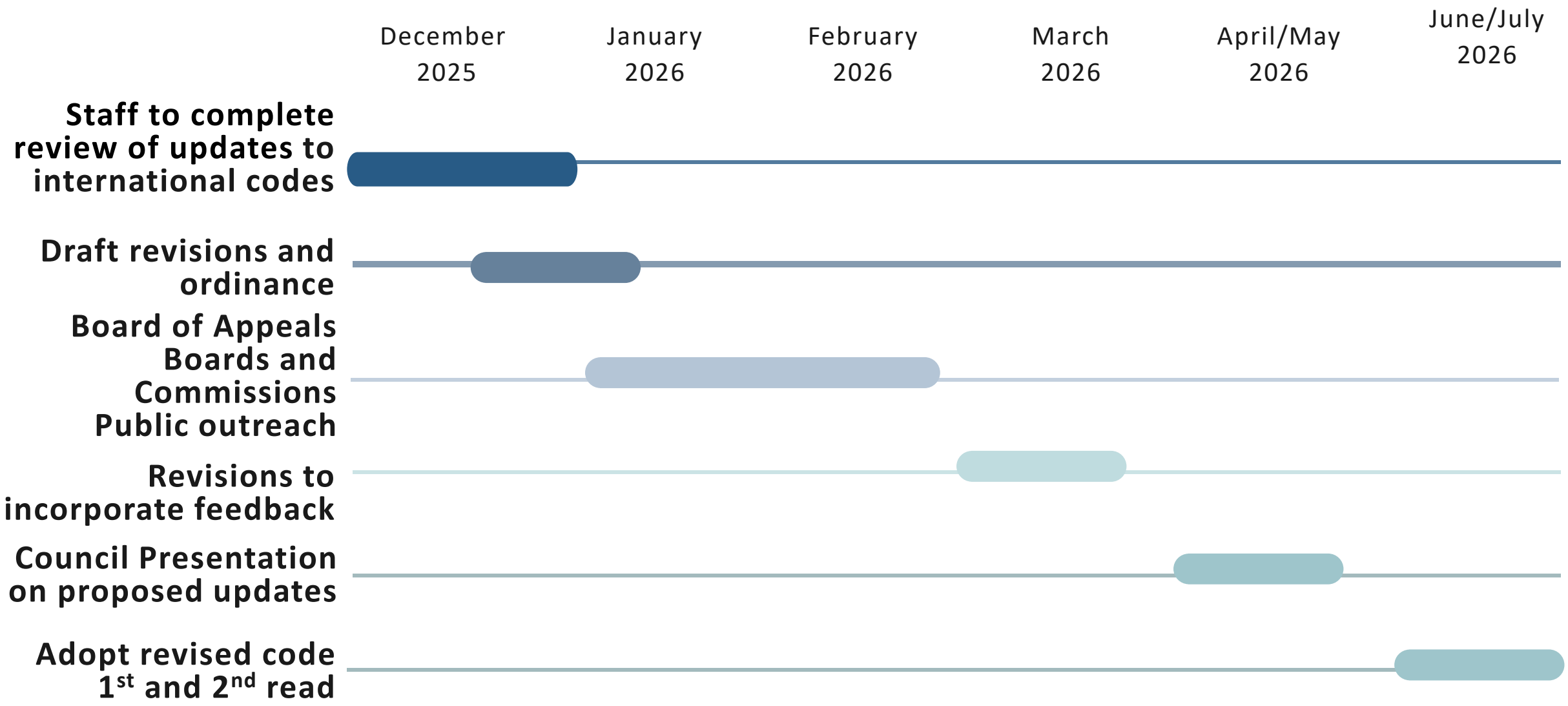
2024 Suite of Codes

- 2024 International…
  - **Building** Code (IBC)
  - **Fire Code** (IFC)
  - **Residential** Code (IRC)
  - **Existing Building** Code (IEBC)
  - **Mechanical** Code (IMC)
  - **Plumbing** Code (IPC)
  - **Fuel Gas** Code (IFGC)
  - **Swimming Pool and Spa** Code (ISPSC)
  - **Solar Energy** Provisions (ISEP)
  - **Green Construction Code** (IgCC)
  - **Energy Conservation** Code (IECC)

- Other codes
  - NFPA 70 / National **Electrical** Code (NEC) (2017)
  - ICC A117.1-2017 **Accessible and Usable** Buildings and Facilities
  - Uniform Code for the **Abatement of Dangerous Buildings** (1997)
  - Uniform Administrative Code (1997)
  - Uniform Housing Code (1997)
  - Wildland Urban Interface (IWUIC) (2024)

Today's focus for *preliminary* **discussion**

Draft Timeline: 2024 Building and Fire Code Update

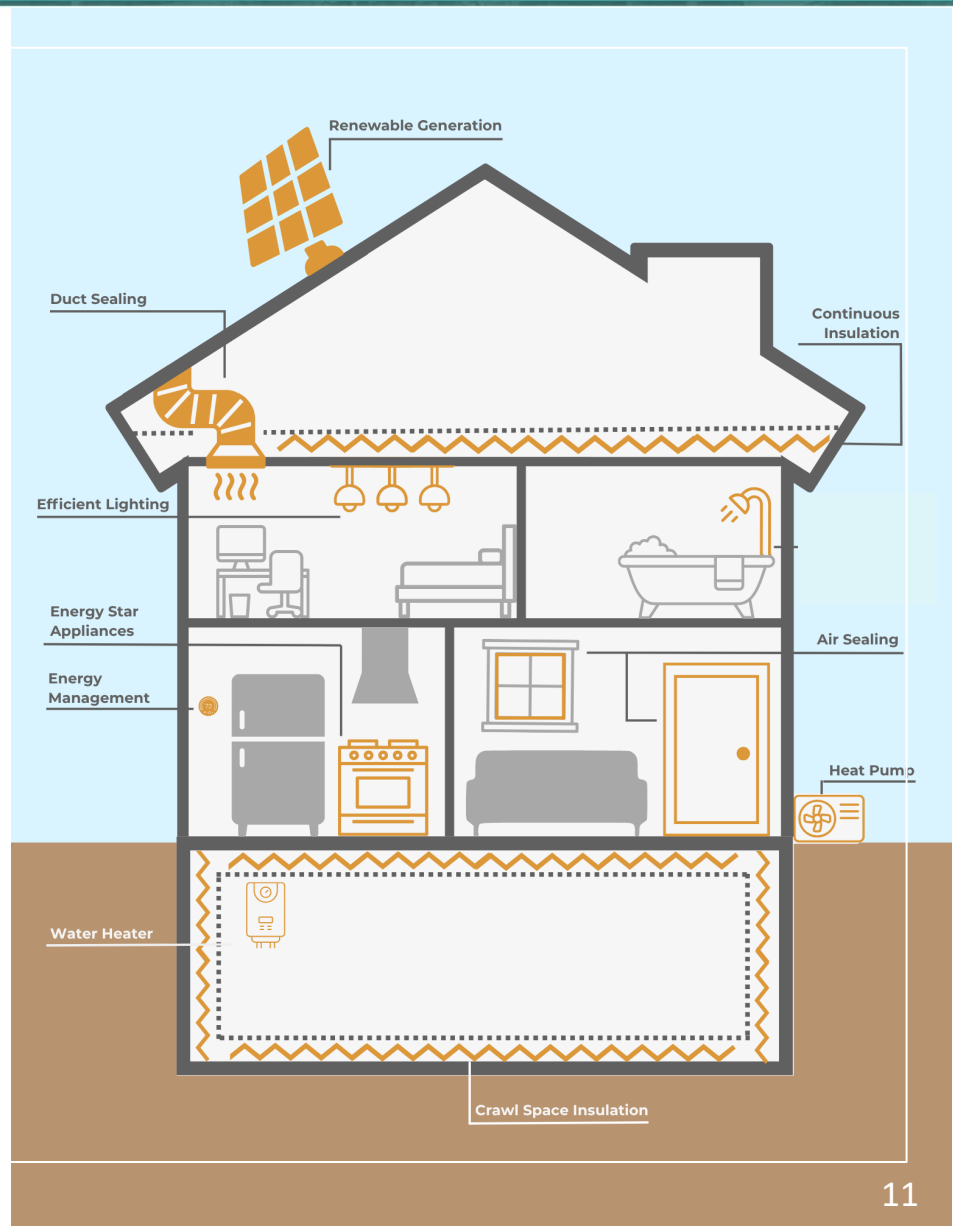


The Energy Code Is…

- A technical code developed by thousands of national **building science experts** over a rigorous 3-year process
- Designed to be **broadly adopted** by small and large cities, states, and counties across the U.S.
- Sets **minimum energy efficiency standards** in new buildings
- Standards vary by type of construction
  - **Residential:** single-family homes, duplexes, townhomes, and other residential buildings three stories or less in height
  - **Commercial:** all other buildings, including large multifamily residential

What the Energy Code Regulates

1. Insulation amount and location
2. Window and skylight efficiency
3. Ductwork design and requirements
4. Duct and building envelope testing
5. Efficiency of appliances and mechanical systems
6. Lighting and electrical outlet efficiency
7. Standards for gas fireplaces and heaters
8. Minimum amount of renewable energy, if required
9. Other energy-using equipment
10. Pumps, piping, circulation systems
11. **Many more features**



What the Energy Code Is Not

The energy code **does not:**

- Regulate development patterns, building placement (height, setbacks), land use, site design, etc.
- Regulate transportation patterns or infrastructure
- Usually apply to existing construction
- **Require one building energy type over another**

2018 vs. 2024 Energy Code

- Both codes include a **base code and optional appendices**
  - Provides **flexibility** to advance energy efficiency locally

Energy efficiency + cost savings for Flagstaff's climate zone:

2024 Residential IECC vs 2018	2024 Commercial IECC vs 2018
• 15% improvement in energy efficiency • 13% reduction in energy costs • 12% reduction in greenhouse gas (GHG) emissions	• 29% improvement in energy efficiency • 28% reduction in energy costs • 29% reduction in GHG emissions

Source: Pacific Northwest National Laboratory (PNNL). Commercial code assumptions are preliminary because PNNL has not released their final determination.

Energy Code Importance

"Every new structure built to outdated standards locks in inefficiencies for decades — making retrofits costly, disruptive, and often out of reach. Strong energy codes do more than save energy; they reduce utility bills, improve comfort, improve survivability in extreme weather, strengthen grid reliability, and cut greenhouse gas emissions."

- Southwest Energy Efficiency Partnership (SWEEP), 2025

Our Approach: Key Principles

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Key principles

1. We are building for the **next 75+ years**
2. Healthy, more efficient buildings can benefit **everyone**
3. Utility costs are projected to **increase** over the next 75+ years
4. Energy efficiency and lower monthly utility costs can help with **affordability**
5. Energy efficiency features are a **small %** of total housing construction costs
6. The energy code is linked to **other** development code changes
7. The energy code supports **resilience** to extreme weather and grid outages
8. Flagstaff has a unique climate in Arizona, and we can learn from **other peer cities**
9. The energy code is one of the **most effective ways** to accelerate climate action
10. **Local amendments** will help fit the code to our local needs

1. We are building for the next 75+ years

- The buildings we build today will last 50-100+ years
- New construction is the least expensive way to avoid costly retrofits later
- Our building stock is part of our resilience to climate change
- Operational costs impact a home over its life expectancy
- Durable, well-built housing can endure for generations

2. Healthy, more efficient buildings can benefit everyone

- Codes can lead to long-term benefits for building occupants including improved health outcomes
- Codes can help reduce exposure to harmful pollutants generated outside and inside of the house, including wildfire smoke



3. Utility costs are expected to increase over the next 75 years

- Electricity and natural gas rates are projected to increase
  - APS and Unisource have requested rate increases
  - Arizonans are expected to spend $92,500 on utilities over the next 25 years
- Energy-efficient buildings will save occupants thousands over the building's lifespan by partially insulating them from future utility price increases

4. Energy efficiency and lower monthly operational costs can help with affordability

- We can address housing and climate goals concurrently through more energy-efficient buildings, which can lower utility costs
  - Low-income households pay up to 15% of their income on energy costs
- Residents benefit from lower utility bills every month over the building's life

5. Energy efficiency features are a small % of total housing construction costs

- Energy efficiency features represent less than 5% of the average sales price of a new single-family home in Flagstaff
- Cost of energy efficiency features can be equivalent to the cost of countertops, windows, and other features, or the sales commission
- Energy efficiency features can lower monthly utility bills and save residents money—unlike many other design decisions

Energy efficiency is a small % of housing development costs

Table 1. SINGLE-FAMILY PRICE AND COST BREAKDOWNS
2024 National Results

Average Lot Size:	20,907
Average Finished Area:	2,647

I. Sale Price Breakdown[1]	Average	Share of Price
A. Finished Lot Cost (including financing cost)	$91,057	13.7%
B. Total Construction Cost	$428,215	64.4%
C. Financing Cost	$10,220	1.5%
D. Overhead and General Expenses	$38,248	5.7%
E. Marketing Cost	$5,633	0.8%
F. Sales Commission	$18,955	2.8%
G. Profit	$72,971	11.0%
Total Sales Price	**$665,298**	**100.0%**

Source: National Association of Homebuilders (NAHB), 2025.

Average sales price in Flagstaff for a new single-family home in November 2025: $911,037

Source: Realtor.com

6. The energy code is linked to other development code changes

- Energy code updates should be considered holistically with other development code updates
- Other Building and Fire Code updates may impact costs
- Several recent code changes aim to reduce housing barriers and costs
- Future code changes from LASS+CAP could also reduce costs
- Energy code costs may be small compared to potential cost savings

7. The energy code support resilience to extreme weather and grid outages

- Well-insulated, energy-efficient homes are more comfortable and protect occupants from extreme weather
- The Federal Emergency Management Agency (FEMA) sees the adoption of current building codes, including the energy code, as a key tool in building natural hazard-resistance
- Homes enhance passive survivability—how long a resident can stay in their home when the power goes out

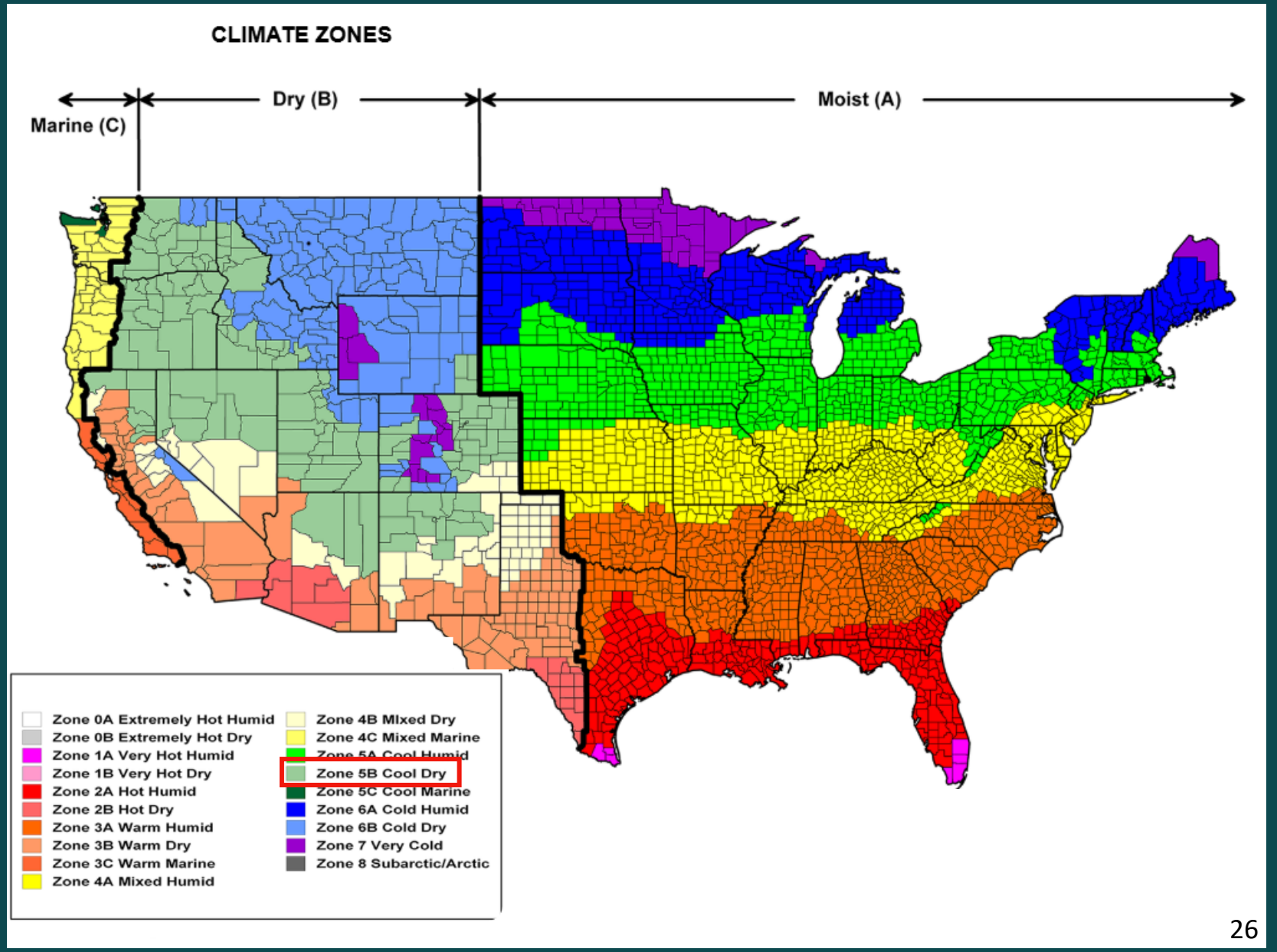
More Efficient Homes Stay Warm Longer

Time to Fall Below 40°F in a Power Outage

House model	Number of hours
Typical 1950s home	8
Typical 1980s home	23
Code-compliant 2009 home	45
Net-zero energy ready home	61
Passive House	152

Source: Rocky Mountain Institute, 2020.

8. Flagstaff has a unique climate in Arizona, and we can learn from other peer cities



9. The energy code is one of the best ways to accelerate climate action

- Buildings account for 55% of Flagstaff's greenhouse gas emissions
- The energy code is the most effective way to reduce emissions from our built environment
  - Reaching CNP goals requires net-zero construction by 2030
- A building's operations and environmental impact is largely determined by up-front decisions before construction
- Retrofits are costly and difficult



10. Local amendments will help fit the code to our local needs

- Easy to adopt the 2024 IECC with additions, deletions, and modifications to the base code and appendices
- Common for cities to adopt with local amendments
  - Flagstaff adopted the 2018 IECC with local amendments
- Building and Fire Code Board of Appeals, developers, the Flagstaff community, and staff will generate additional amendments
- Final energy code update will be slightly different than the options presented here

Energy Code Options



Energy Code Options

Option 1	**No change** Remain on the 2018 energy code. Flagstaff will be behind in meeting its climate goals.
Option 2	**Stay the course** Continue using base codes: Adopt the 2024 energy code + minor appendices. Flagstaff will be closer, but still behind its climate goals.
Option 3	**Progress to net-zero** An intermediate step beyond the base code, prioritizing energy efficiency. Flagstaff will be closer to meeting its climate goals.
Option 4	**Net-zero-ready** Buildings can become net-zero with the future addition of solar panels. Flagstaff will be on track to meet its climate goals.

Option 1: No change from current code

0% improvement in energy efficiency over Flagstaff's current code

Stay on the 2018 IECC (decline to adopt the 2024 IECC)

Maintain current energy efficiency standards

Option 2: Maintain Flagstaff's current path

15% - 29% improvement in energy efficiency over Flagstaff's current code

Adopt the 2024 base code with amendments

- Gas furnaces in new construction must be at least **95% efficient**
- Heat pumps in new construction must be **cold-climate heat pumps**

Adopt these 2024 appendices

- **Solar-ready**
- **Electric vehicle charging** (w/ amendment to ensure minimum standards are not less than current code)
- **Electric-ready**
- **Demand responsive controls** (Commercial only)

Option 2: Base 2024 IECC + Minor Appendices

Appendices

Solar-Ready Zone Appendix





Electric Ready + EV Charging Appendices





Demand Responsive Controls Appendix (commercial only):



Option 3: More progress to net-zero

24 - 34%+ improvement in energy efficiency over Flagstaff's current code

Adopt the 2024 base code with the amendments in Option 2

Adopt the 2024 appendices in Option 2 plus the following:

- **Stronger solar-ready** standards (residential)
- **Stretch code** (residential): additional +10% energy efficiency over base code
- **HVAC Total System Performance** (commercial): +5% energy efficiency
- Additional **energy credits** over 2024 IECC base code (commercial)

Option 4: Net-zero ready

31 - 42%+ improvement in energy efficiency over Flagstaff's current code

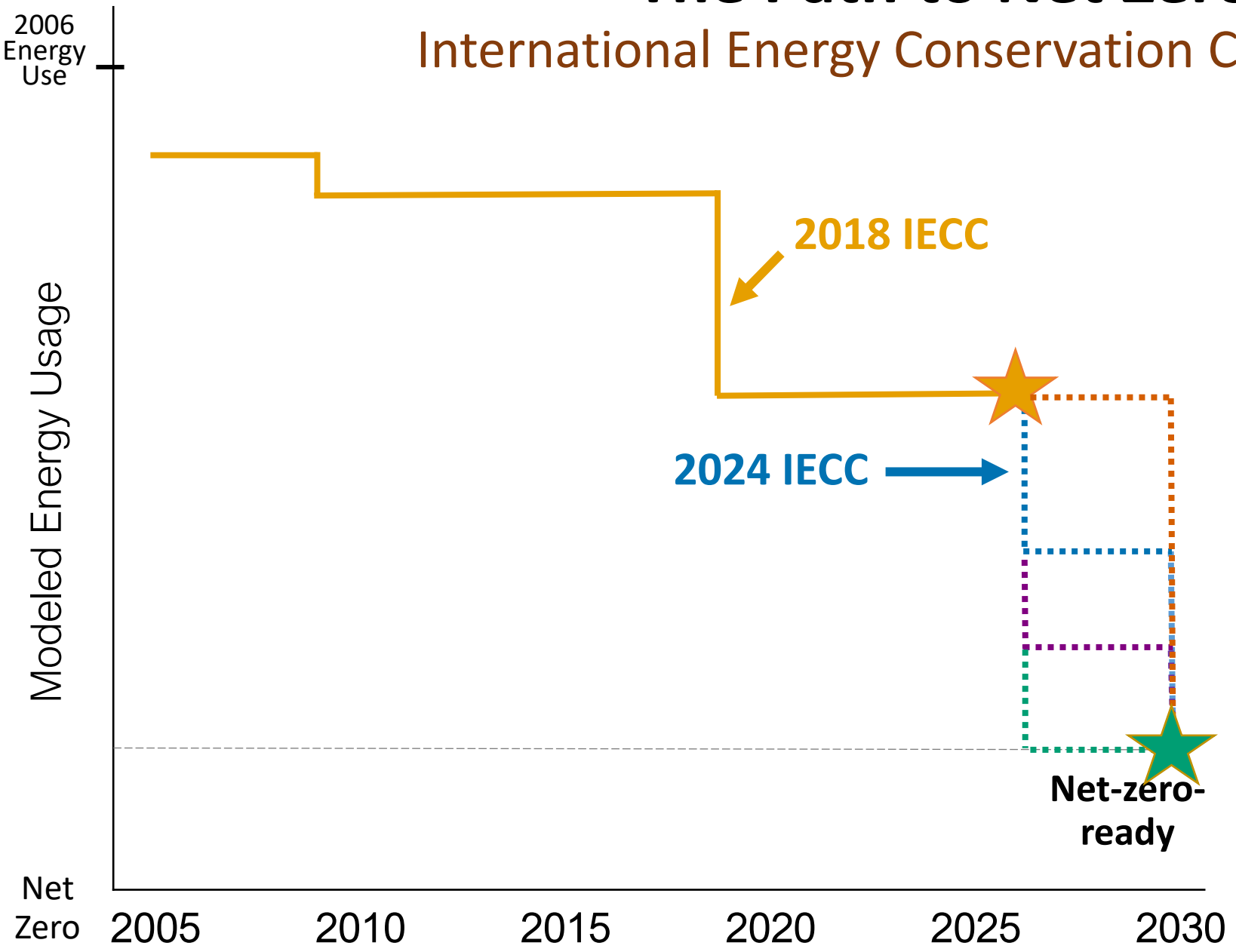
Adopt the 2024 base code with the amendments in Option 2

Adopt the 2024 appendices in Option 2 plus the following:

- **Stronger solar-ready** standards (Residential)
- **Net-zero-ready** standards (Residential: +16% energy efficiency)
- **2030 glide path** (Commercial: +29% energy efficiency)

The Path to Net Zero

International Energy Conservation Code (IECC)



Flagstaff energy code

Where we are today

Energy Code Option 1
0% improvement

Energy Code Option 2
15%+ improvement

Energy Code Option 3
24%+ improvement

Energy Code Option 4
31%+ improvement

Net-zero ready
becomes net-zero with renewable energy

Potential Cost Impacts of Energy Code Updates

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More Information on Costs Estimates

- Construction cost and utility savings estimates are for **single-family homes** because more data are available
- Provided as a **range** when multiple data points are available
- Should be taken as **ballpark estimates**, due to large variation in construction costs and utility cost savings based on:
  - Building type, heating and cooling system types, available utility rate plans, building occupant behavior, other external factors
  - Actual utility rate increases

Data Sources

- Local and national data sources:
  - *Analysis of the Costs, Benefits, and Barriers to Building Highly Energy-Efficient and All-Electric Residential Homes in Flagstaff, Arizona* – (data from 13 local builders and energy modeling)
  - Capstone Homes
  - U.S. Department of Energy (DOE)
    - Energy Information Administration
    - Pacific Northwest National Laboratory
  - National Association of Homebuilders (NAHB)
  - Rocky Mountain Institute (RMI)

Staff will continue to update cost estimates when additional data are available.

Cost Estimate Assumptions

- Approximate home size: 2,000 – 2,500 sq ft
- Utility costs from recent Flagstaff *Energy Efficiency Costs, Benefits…* study
  - Based on Flagstaff weather patterns and utility rates
- Utility rate increases
  - Low: assumes approximately 3% annual increases
  - High: assumes APS and UniSource requested rate increases are approved in 2026 (14% and $5, respectively), followed by 3% annual increases
- Mortgage rate assumptions
  - Low: 3% interest, 20% downpayment (based on lowest construction cost)
  - High: 6% interest, 10% downpayment (based on highest construction cost)
- Simple payback period
  - Time it takes for utility cost savings to offset additional construction costs

Option 1: No change

Keep the 2018 IECC: 0% improvement in energy efficiency

Additional up-front cost	$0
Additional mortgage cost	$0
Annual utility cost savings	$0
Total utility cost savings over 75 years	$0
Simple payback period (average cost)	N/A

Option 2: Stay the Course

Adopt the 2024 IECC + minor appendices: *15% improvement in energy efficiency*

Additional up-front cost	$4,300 - $14,900 ($9,700 average)	
Additional mortgage cost	$24 - $119 monthly	
Utility cost savings	Year 1: $250 - $350 Year 12: $350 - $500 Year 30: $550 - $850 Year 75: $2,100 - $2,600	$21 - $29 monthly $29 - $42 $46 - $71 $175 - $217
Utility cost savings over 75 years	$64,900 - $80,200 ($72,500 average)	
Simple payback period	11 – 33 years (22 years average). *National estimate for climate zone 5B: 16.7 years*	

Option 3: Progress to Net-Zero

Adopt the 2024 IECC + minor appendices + Stretch Code Appendix:
24% improvement in energy efficiency

Additional up-front cost	$7,300 - $19,300 ($13,300 average)	
Additional mortgage cost	$39 - $154 monthly	
Annual utility cost savings	Year 1: $250 - $600 Year 12: $350 - $850 Year 30: $600 - $1,450 Year 75: $2,350 – $4,250	$21 - $50 monthly $29 - $71 $50 - $121 $196 - $354
Utility cost savings over 75 years	$72,150 - $130,500 ($101,350 average)	
Simple payback period	14 – 27 years (21 years average)	

Option 4: Net-Zero Ready

Adopt the 2024 IECC + minor appendices + Net-Zero-Ready Appendix:
31% improvement in energy efficiency

Additional up-front cost	$8,550 – $27,400 ($18,000 average)	
Additional mortgage cost	$64 - $175 monthly	
Annual utility cost savings	Year 1: $400 - $800 Year 12: $600 - $1,050 Year 30: $1,000 - $1,850 Year 75: $3,700 - $5,450	$33 - $67 monthly $50 - $88 $83 - $154 $308 - $454
Utility cost savings over 75 years	$113,350 - $167,200 ($140,250)	
Simple payback period	11 - 30 years (21 years average)	

Going Further: Net-Zero

100% improvement in energy efficiency over Flagstaff's current code

Additional up-front cost	$25,800 - $44,550 ($35,200 average)	
Additional mortgage cost	$145 - $356 monthly	
Utility cost savings	Year 1: $1,750 – $2,450 Year 12: $2,350 – $3,550 Year 30: $4,000 – $6,350 Year 75: $15,100 – $20,100	$146 - $204 monthly $196 - $296 $333 - $529 $1,258 - $1,675
Utility cost savings over 75 years	$465,800 – $596,750 ($531,250 average)	
Simple payback period	10 – 17 years (14 years average)	

Summary of Average Cost Estimates

Option	Additional Construction Costs	Additional Monthly Mortgage Costs	Monthly Utility Cost Savings (over 30 years)	Total Utility Cost Savings (over 75 years)	Ratio of Construction Costs to Total Utility Cost Savings	Payback Period
Option 1	$0	$0	$0	$0	N/A	N/A
Option 2	$9,700	$72	$35	$72,500	747%	22 years
Option 3	$13,300	$97	$49	$101,350	762%	21 years
Option 4	$18,000	$120	$68	$140,250	779%	21 years
Net-zero	$35,200	$247	$255	$531,250	1,509%	14 years

Notes on Commercial IECC Costs

- Costs are not provided because there is **very little data**
- Often constructed and occupied by same company
  - **Owner benefits directly** from investments in energy efficiency through lower utility costs
- Commercial buildings often **last longer** than residential
  - Utility cost savings can accrue over a longer period
- Out of state commercial developers work with building codes across the country, including codes stronger than Flagstaff's

“Complementary” code update options for Council consideration



“Complementary” Code Options

1. Should staff explore a local amendment to allow large multifamily construction to opt into the Residential IECC?
2. Should staff explore local amendments to make standards for radon mitigation required for new construction?

Large Multifamily Can Opt Into the Residential IECC

- Large multifamily residential required to meet Commercial IECC standards in the 2024 IECC
- Commercial standards are higher than Residential
- Allowing these buildings to opt into the Residential IECC may **decrease design and construction costs**
- Several AZ cities have adopted or are considering this amendment
  - Phoenix, Tucson, Chandler, Avondale

Radon Gas Overview

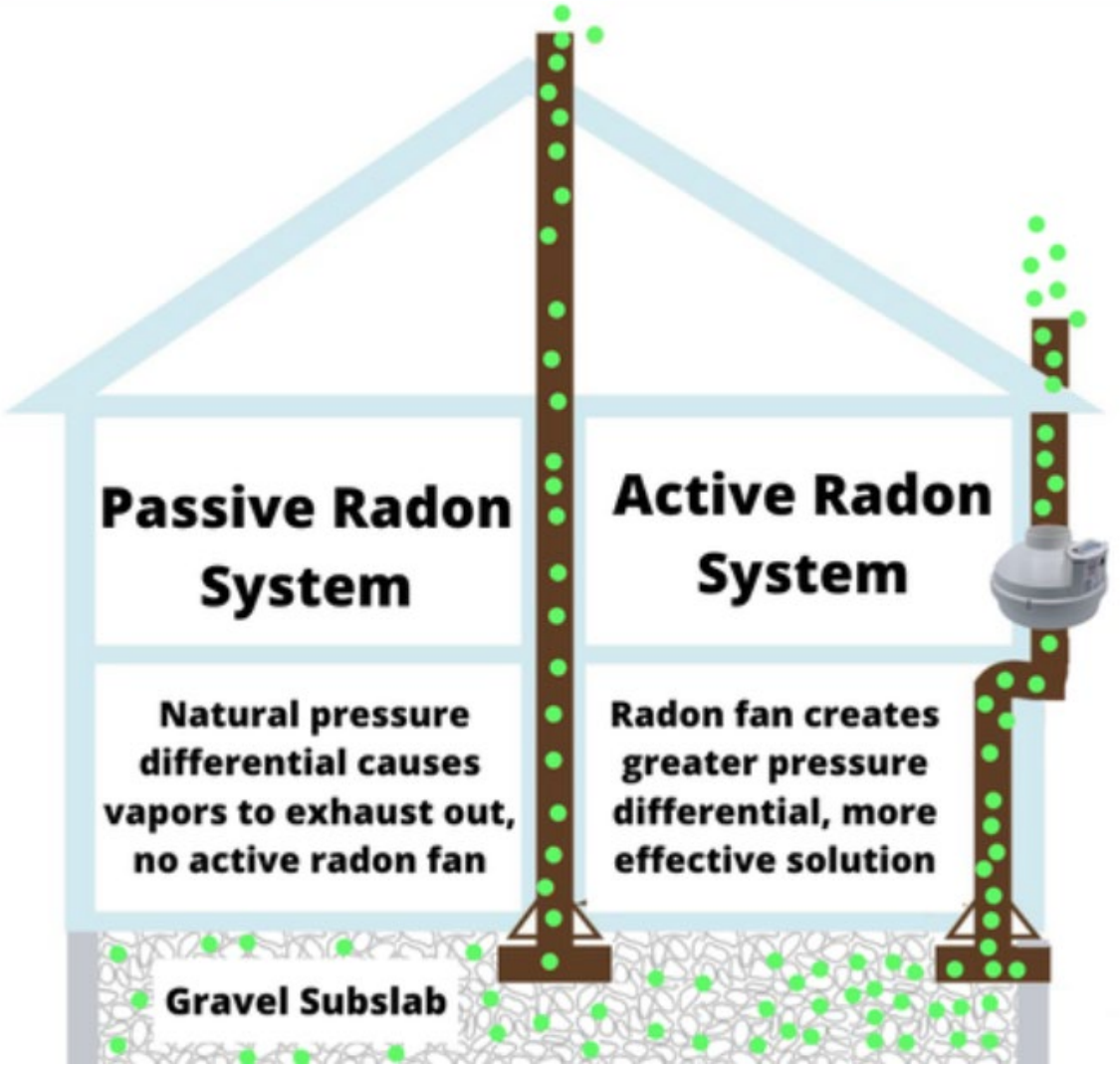
- **Leading cause of lung cancer in non-smokers**
  - 21,000 people die annually in the U.S. from lung cancer caused by radon
- No safe level of radon
  - EPA maximum recommended level of 4.0 pCi/L is the equivalent of **smoking 8 cigarettes a day**
- Colorless, odorless radioactive gas from the breakdown of uranium
  - Concentrates in buildings without radon-resistant features

Why are we talking about radon?

- Energy efficiency can **increase** indoor radon
  - Air-tight homes offer fewer pathways for radon to escape
  - Not part of the IECC (but can offset a potential impact of the IECC)
- Flagstaff adopted the 2018 International Residential Code (IRC) **Appendix F: Radon Control Methods** and the 2018 **International Mechanical Code (IMC)**
  - Provide standards for **passive** radon mitigation in new construction
  - Standards are **optional** because the EPA identifies Coconino County as having *moderate* radon potential (2-4 pCi/L)
- Anecdotal evidence suggests **radon is present in Flagstaff**, and at higher concentrations than 4pCi/L in some locations

Benefits of Radon Mitigation During Construction

- *Passive* mitigation during construction is **easier and less costly**
  - National estimate: $350 - $500
- Active mitigation (retrofit) is **more costly and difficult**
  - Radon fan costs $2,300 in Flagstaff
- **Mitigation at construction** is the most effective way to reduce radon
- **2024 code standards**
  - IRC: passive mitigation, testing, and active mitigation (if testing confirms need)
  - IMC: passive mitigation



Summary and Questions

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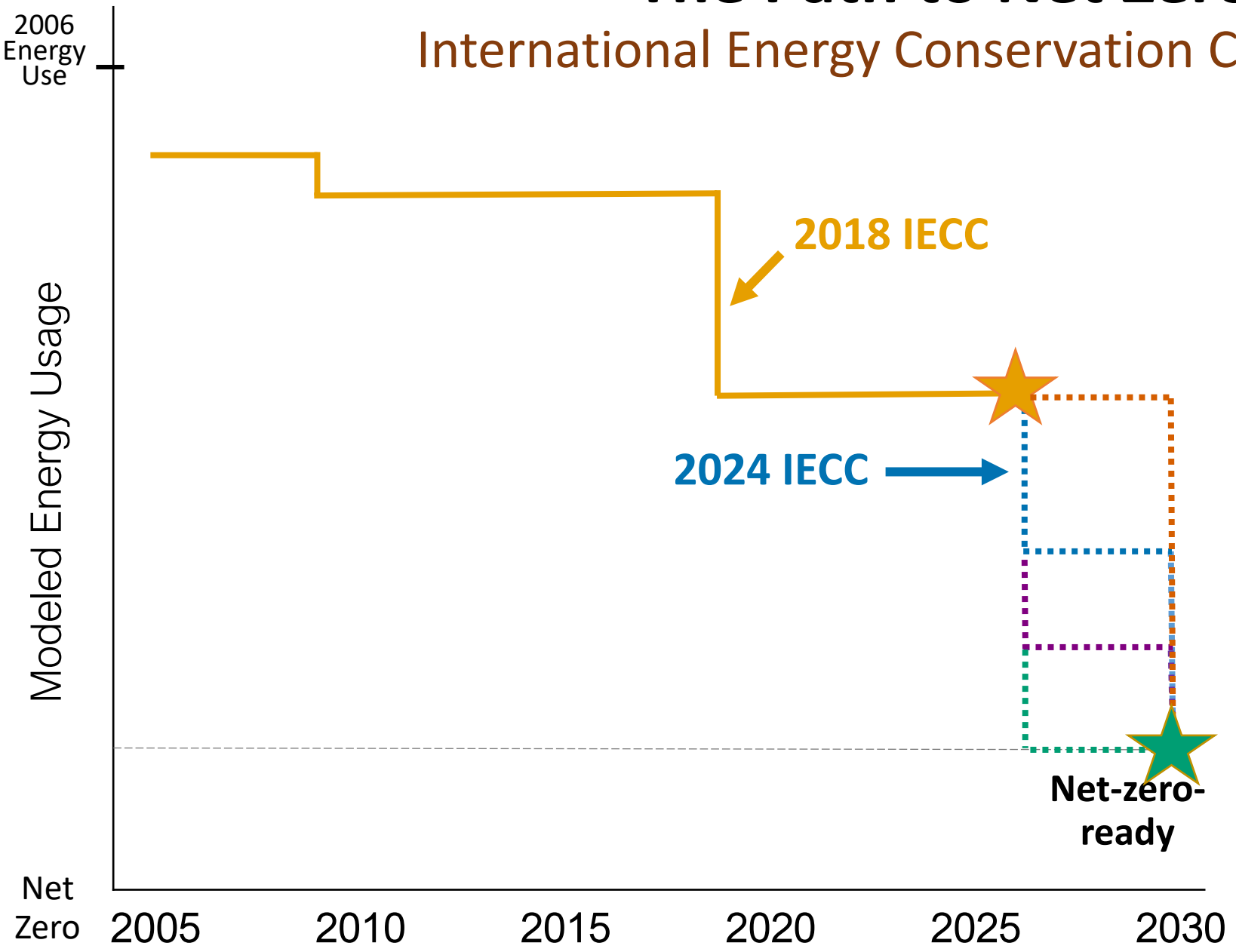
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Next Steps

Today	City Council direction on preliminary energy code options
January – March 2026	Staff research on energy code options, based on Council direction
	Community engagement on *all codes*: staff (including legal review), design community, developers, City commissions, Board of Appeals, community members
April - May	City Council work sessions to review all proposed code updates and finalize draft amendments
June-July	City Council review and adoption process

The Path to Net Zero

International Energy Conservation Code (IECC)



Flagstaff energy code

Where we are today

Energy Code Option 1
0% improvement

Energy Code Option 2
15%+ improvement

Energy Code Option 3
24%+ improvement

Energy Code Option 4
31%+ improvement

Net-zero ready
becomes net-zero with renewable energy

Seeking Council Direction

1. What energy code **option** should staff explore?
2. Are there any **other energy code options** that staff should explore, beyond the options presented here?
3. What **“complementary”** code options should staff explore, if any?
4. What **additional information** should be included when staff return to Council with proposed energy code updates in mid-2026?

Council Direction: Question 1

What energy code option should staff explore?

Option 1	**No change** Remain on the 2018 energy code. Flagstaff will be behind in meeting its climate goals.
Option 2	**Stay the course** Continue using base codes: Adopt the 2024 energy code + minor appendices. Flagstaff will be closer, but still behind its climate goals.
Option 3	**Progress to net-zero** An intermediate step beyond the base code, prioritizing energy efficiency. Flagstaff will be closer to meeting its climate goals.
Option 4	**Net-zero-ready** Buildings can become net-zero with the future addition of solar panels. Flagstaff will be on track to meet its climate goals.

Council Direction: Question 2

Are there any other energy code options that Council would like staff to pursue, beyond the options presented here?

Council Direction: Question 3

What "complementary" code options should staff explore, if any?

1. Should staff explore local amendments to allow large multifamily construction to opt into the Residential IECC?
2. Should staff explore local amendments to make standards for radon mitigation required for new construction?

Council Direction: Question 4

What additional information will be helpful to include when staff return to Council with proposed energy code updates in mid-2026?

Thank you

Genevieve Pearthree
gpearthree@flagstaffaz.gov
928-213-2156

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Potential Impacts of APS and UniSource Rate Cases on Estimated Utility Cost Savings

Energy Code Options	Cost Estimates w/o Rate Cases			Cost Estimates w/ Rate Cases		
	Average Utility Cost savings (30 years)	Average Total Utility Cost Savings (75 years)	Average Payback Period (years)	Average Utility Cost savings (30 years)	Average Total Utility Cost Savings (75 years)	Average Payback Period (years)
Option 1	$0	$0	N/A	$0	$0	N/A
Option 2	$12,000	$68,700	22	$12,950	$74,250	21
Option 3	$16,850	$96,500	22	$18,950	$108,650	20
Option 4	$23,250	$133,100	22	$27,400	$156,800	20
Net-zero	$86,350	$501,000	15	$94,050	$545,000	13

Current cases before the Arizona Corporation Commission:
APS: 14.58% rate increase (residential) | UniSource: $5 increase to base fees (residential)

How this relates to the Code Analysis Project (LASS+CAP)

Energy Code

- Minimum standards that all new buildings must meet
- Basic energy efficiency standards & options to enhance energy efficiency

It is critical to analyze energy code updates in relation to any other code changes to ensure changes work together

Code Analysis Project

- How all development codes advance Flagstaff's housing and climate goals
  - Primarily Zoning and Engineering codes
- Broader development process

LASS +CAP
LAND AVAILABILITY AND SUITABILITY STUDY + CODE ANALYSIS PROJECT

Summary of energy code Options

Option 1: No change

- Decline to adopt the 2024 IECC
- Keep Flagstaff's current energy code (2018 IECC)
- **0% energy efficiency improvement**

Option 2: Stay the course

- Adopt the 2024 IECC with minor appendices
- Improve energy efficiency:

  15% residential
  29% commercial

Option 3: Progress to net-zero

- Adopt the 2024 IECC with minor appendices
- Adopt stretch code appendix to improve energy efficiency
- Improve energy efficiency:

  24% residential
  35% commercial

Option 4: Net-zero ready

- Adopt the 2024 IECC with minor appendices
- Adopt appendix to require net-zero ready construction
- Improve energy efficiency:

  31% residential
  42% commercial

Potential Cost Impacts of Energy Code Updates

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Option 1: No change

Keep the 2018 IECC: 0% improvement in energy efficiency

Additional up-front cost	$0
Additional mortgage cost	$0
Annual utility cost savings	$0
Total utility cost savings over 75 years	$0
Simple payback period (average cost)	N/A

Option 2: Stay the Course

Adopt the 2024 IECC + minor appendices: *15% improvement in energy efficiency*

Additional up-front cost	$4,300 - $14,900 ($9,700 average)	
Additional mortgage cost	$24 - $119 monthly	
Utility cost savings	Year 1: $250 - $350 Year 12: $350 - $500 Year 30: $550 - $850 Year 75: $2,100 - $2,600	$21 - $29 monthly $29 - $42 $46 - $71 $175 - $217
Utility cost savings over 75 years	$64,900 - $80,200 ($72,500 average)	
Simple payback period	11 – 33 years (22 years average). *National estimate for climate zone 5B: 16.7 years*	

Option 2 Costs: Stay the Course

Code Section	Upfront Cost	Cost Savings
2024 Residential IECC Base Code	$3,300 - $14,900	Potential for utility cost savings from a 15% reduction in energy use
95% efficiency gas furnace amendment	$0*	- Can reduce natural gas utility cost by 5% - Helps avoid $1,000s in costly retrofits
Cold climate heat pump amendment	$0*	- Can reduce electricity costs by installing high efficiency heat pumps
Solar-ready appendix	($100)**	- Helps avoid $1,000s in costly retrofits - Already in Flagstaff code
EV charging appendix	($650)**	- Helps avoid $1,000s in costly retrofits - Already in Flagstaff code
Electric-ready appendix	$1,000	Helps avoid $1,000s in costly retrofits

*Cost already included in the IECC base code.

**Standard is in Flagstaff's current code.

Option 3: Progress to Net-Zero

Adopt the 2024 IECC + minor appendices + Stretch Code Appendix:
24% improvement in energy efficiency

Additional up-front cost	$7,300 - $19,300 ($13,300 average)	
Additional mortgage cost	$39 - $154 monthly	
Annual utility cost savings	Year 1: $250 - $600 Year 12: $350 - $850 Year 30: $600 - $1,450 Year 75: $2,350 – $4,250	$21 - $50 monthly $29 - $71 $50 - $121 $196 - $354
Utility cost savings over 75 years	$72,150 - $130,500 ($101,350 average)	
Simple payback period	14 – 27 years (21 years average)	

Option 3 Costs: Progress to Net-Zero

Code Section	Upfront Cost	Cost Savings
2024 IECC + minor appendices	$4,300 - $14,900	- Potential for lower utility costs - Savings from avoiding costly retrofits
Stronger solar-ready requirements	$600	Helps avoid $1,000s in costly retrofits
Stretch Code Appendix	$2,400 - $3,800	Potential for utility cost savings from a 24% reduction in energy use

Option 4: Net-Zero Ready

Adopt the 2024 IECC + minor appendices + Net-Zero-Ready Appendix:
31% improvement in energy efficiency

Additional up-front cost	$8,550 – $27,400 ($18,000 average)	
Additional mortgage cost	$64 - $175 monthly	
Annual utility cost savings	Year 1: $400 - $800 Year 12: $600 - $1,050 Year 30: $1,000 - $1,850 Year 75: $3,700 - $5,450	$33 - $67 monthly $50 - $88 $83 - $154 $308 - $454
Utility cost savings over 75 years	$113,350 - $167,200 ($140,250)	
Simple payback period	11 - 30 years (21 years average)	

Option 4 Costs: Net-Zero-Ready

Code Section	Upfront Cost	Cost Savings
2024 IECC + minor appendices	$4,300 - $14,900	- Potential for lower utility costs - Savings from avoiding costly retrofits
Stronger solar-ready requirements appendix	$600	Helps avoid $1,000s in costly retrofits
Net-zero-ready appendix	$3,600 – $12,000	Potential to lower utility costs from a 31% reduction in energy use

Going Further: Net-Zero

100% improvement in energy efficiency over Flagstaff's current code

Additional up-front cost	$25,800 - $44,550 ($35,200 average)	
Additional mortgage cost	$145 - $356 monthly	
Utility cost savings	Year 1: $1,750 – $2,450 Year 12: $2,350 – $3,550 Year 30: $4,000 – $6,350 Year 75: $15,100 – $20,100	$146 - $204 monthly $196 - $296 $333 - $529 $1,258 - $1,675
Utility cost savings over 75 years	$465,800 – $596,750 ($531,250 average)	
Simple payback period	10 – 17 years (14 years average)	

Beyond Option 4 Costs: Net-Zero

Code Section	Upfront Cost	Cost Savings
2024 IECC + minor appendices	$4,300 - $14,900	- Potential for lower utility costs - Savings from avoiding costly retrofits
Net-zero-ready appendix	$3,600 – $12,000	- Prepares homes to be net-zero with the addition of solar panels
Solar Panels	$13,000 - $23,750	- 100% improvement in energy efficiency = extremely low utility costs (starting at $30 month)

The sums of the low and high costs on this slide do not match the range provided on the previous slide due to different solar PV system sizes needed to offset annual energy use and differences in costs to improve energy efficiency across building fuel types.

More Information on Costs Estimates

- Construction cost and utility savings estimates are for **single-family homes** because more data are available
- Provided as a **range** when multiple data points are available
- Should be taken as **ballpark estimates**, due to large variation in construction costs and utility cost savings based on:
  - Building type, heating and cooling system types, available utility rate plans, building occupant behavior, other external factors
  - Actual utility rate increases

Data Sources

- Local and national data sources:
  - *Analysis of the Costs, Benefits, and Barriers to Building Highly Energy-Efficient and All-Electric Residential Homes in Flagstaff, Arizona* – (data from 13 local builders and energy modeling)
  - Capstone Homes
  - U.S. Department of Energy (DOE)
    - Energy Information Administration
    - Pacific Northwest National Laboratory
  - National Association of Homebuilders (NAHB)
  - Rocky Mountain Institute (RMI)

Staff will continue to update cost estimates when additional data are available.

Cost Estimate Assumptions

- Approximate home size: 2,000 – 2,500 sq ft
- Utility costs from recent Flagstaff *Energy Efficiency Costs, Benefits…* study
  - Based on Flagstaff weather patterns and utility rates
- Utility rate increases
  - Low: assumes approximately 3% annual increases (based on industry standard & EIA projections)
  - High: assumes APS and UniSource requested rate increases are approved in 2026 (14% and 5$, respectively), followed by 3% annual increases
- Mortgage rate assumptions
  - Low: 3% interest, 20% downpayment (based on lowest construction cost)
  - High: 6% interest, 10% downpayment (based on highest construction cost)
- Simple payback period
  - Time it takes for utility cost savings to offset additional construction costs

Commercial IECC Costs Notes

- Costs are not provided because there is **very little data**
- Often constructed and occupied by same company
  - **Owner benefits directly** from investments in energy efficiency through lower utility costs
- Commercial buildings often **last longer** than residential
  - Utility cost savings can accrue over a longer period
- Out of state commercial developers work with building codes across the country, including codes stronger than Flagstaff's

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sydney Juve, Transportation Engineer Associate

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:

Discussion on the possibility of speed humps in Flagstaff and how they could work with snow operations

DESIRED OUTCOME:

Discussion and direction on the addition of speed humps to the Residential Traffic Management Guide.

Executive Summary:

A FAIR was made by Mayor Daggett to discuss the possibility of speed humps and how they could work with snow operations. Staff looked at the guidelines and processes of other municipalities and worked with other City Divisions to identify potential requirements for the City of Flagstaff. Staff found that speed humps could be used in Flagstaff and could be added to the Residential Traffic Management Guide for future implementation.

Information:

After Council discussion, Staff will revise the Resdiential Traffic Management Guide as directed and take to Transportation Commission for approval.

Attachments: SPEED HUMP PRESENTATION

Speed Humps

Consideration for Traffic Calming Use

December 9, 2025

Purpose

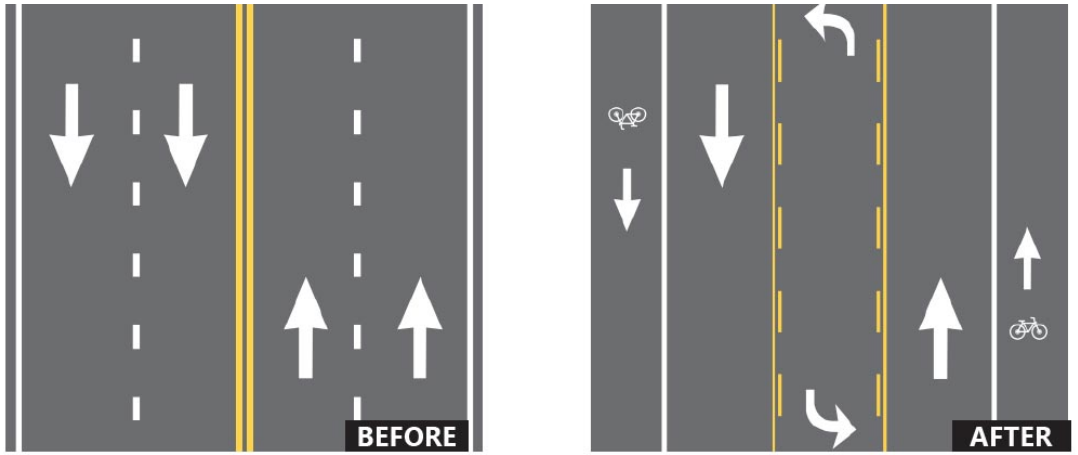
- Future Agenda Item Request by Mayor Daggett to have a future City council discussion on the possibility of speed humps in Flagstaff and how they could work with snow operations
- Discuss findings related to speed humps and how they can be added to our existing traffic calming toolbox

Traffic Calming Overview

- Residential Traffic Management Guide (RTMG) is used to define the process for addressing traffic concerns in neighborhoods
- Broken into four categories:
  1. Speeding Issues
  2. Excessive volume
  3. Pedestrian crossings
  4. Bicycle facilities
- Threshold for speeding concerns: Percentage of vehicles traveling more than 5 mph above the speed limit must be greater than 30%.
- Program considers residential, commercial local, and minor collector roadways

Existing Toolbox

- Speeding
  - Targeted Enforcement
  - Signing or Striping changes
  - Radar Feeback Signs
  - Lane Reductions
  - Curb Extensions
  - Speed Tables
  - Medians
  - Pedestrian Refuge Islands
  - Traffic Circles
- Volume and Cut Through
  - Half Closure
  - Full Closure
  - Diagonal Diverter



Striping Changes



Diagonal Diverter

Existing Toolbox

- Crossing
  - Striped crosswalk and pedestrian signage
  - Curb Extensions
  - Pedestrian refuge islands
- Bicyclists
  - Shared Lane Markings
  - Striped bicycle lanes
  - Buffered bicycle lanes
  - Advisory bicycle lanes



Pedestrian Refuge Island



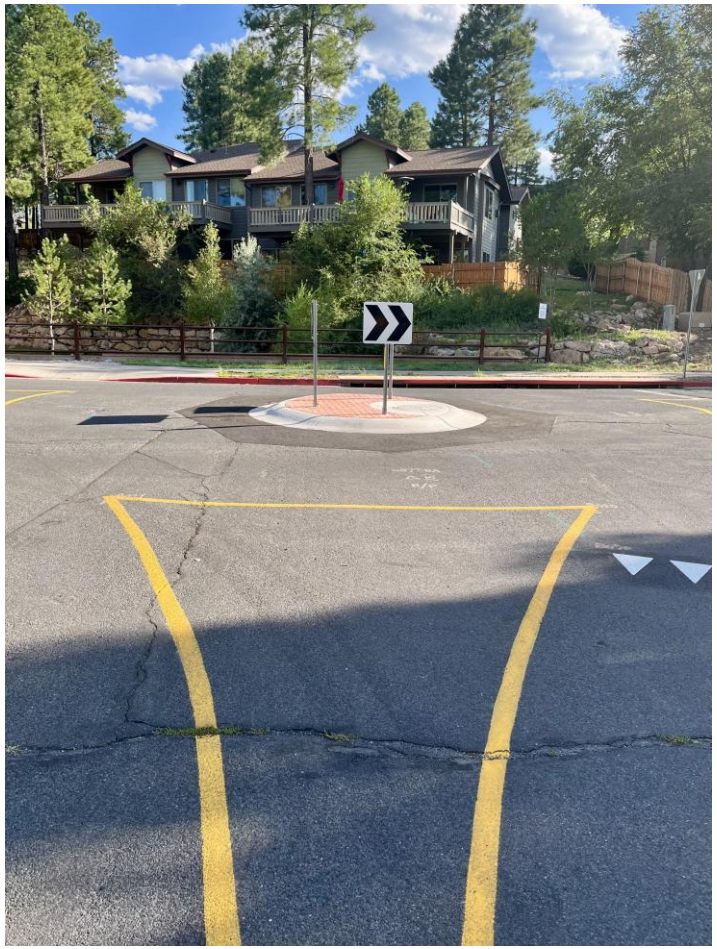
Advisory Bike Lane

New and Existing Neighborhoods

- New developments are designed with quality of life in mind
  - Length of straight segments is limited, use of roadway curvature required, minimum intersection spacing, and other traffic calming measures as needed when primary factors cannot be met
  - No houses fronting collectors
  - Far less speed concerns in these newer areas
- Older developments were not designed with the same considerations and most speed concerns come from these areas
- In most cases, traffic calming requests are not linked to a safety issue as most do not have crashes.

Completed Traffic Calming Projects

	Percentage of vehicles traveling more than 5 mph above the speed limit **before improvement**	Percentage of vehicles traveling more than 5 mph above the speed limit **after improvement**
University Medians	22%	11%
University Circles	22%	4%
Woodland Circles	16%	4%
Fremont Art	32%	19%



Woodland Dr Traffic Circle

Speed Hump Overview

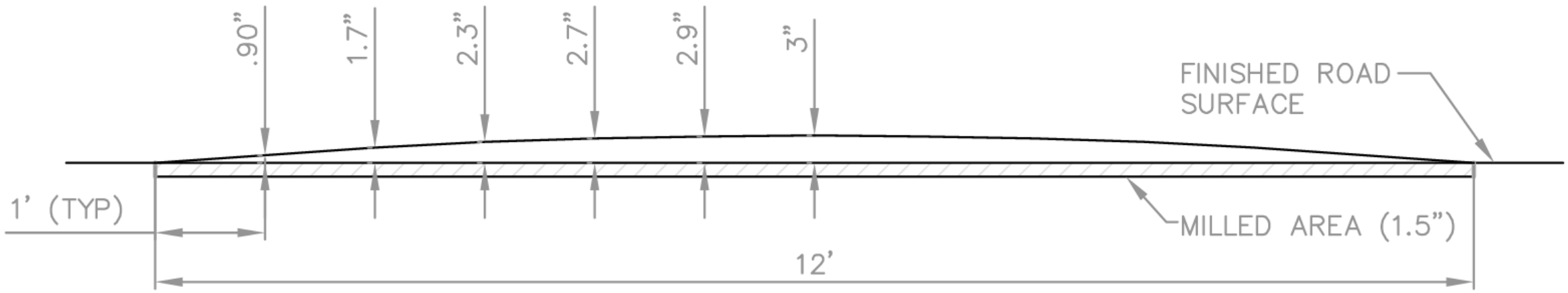
- Speed Humps are an effective traffic calming tool
  - Reduce speeds on local roads by 5-13 mph in the vicinity of the installation
- Used in many AZ cities and peer cities that get comparable snow amounts
- Low cost, approximately $7,500 ea.
- Low maintenance
- Address quality of life issues



Speed Hump

Speed Hump Overview

- Typical Dimensions
  - 3 to 4 inches high, with a majority towards a 3 to 3.5 inch maximum
  - 12 to 14 feet in the direction of travel



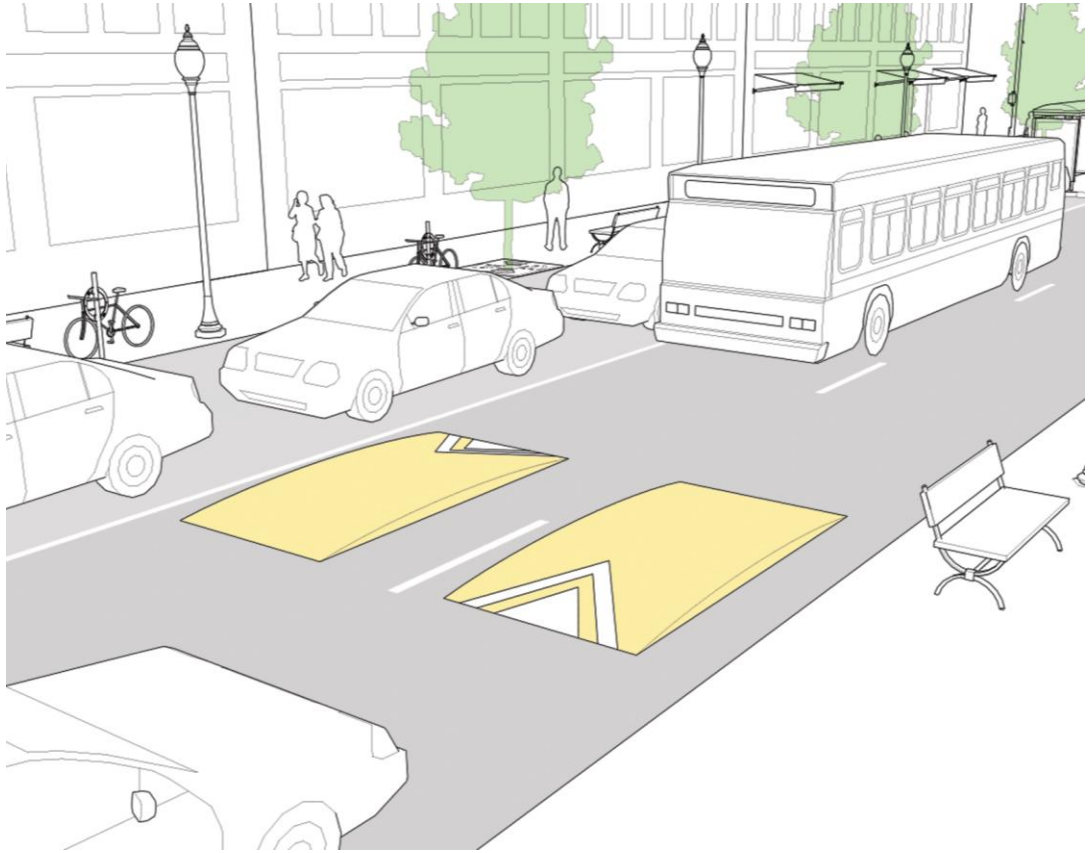
Speed Hump Profile Example

Thresholds for Speed Humps

- Existing threshold for speeding concerns
  - Percentage of vehicles traveling more than 5 mph above the speed limit must be greater than **30%**.
- Speed humps are more cost effective
  - Thresholds can be lowered for this specific tool
  - Proposed to make threshold be **10%** of vehicles traveling more than 5 mph above the speed limit

Where Speed Humps Can Go

- Most cities limit use of speed humps to local and some minor collector roads
- Avoid ‘critical routes’
  - Frequently used by Fire and emergency response
  - Priority plow routes
  - Transit routes
- Plan to use speed cushions on minor collectors to allow emergency response vehicles to straddle the cushion and minimize delay



Speed Cushions

Engineering Considerations

- Minimum of two speed humps spaced 250 to 600 feet apart
- Limited to roads with grades at 8% or less
- Allow on roads with all curb types including no curb
  - Utilize signs to block shoulders when applicable
- Intersection spacing to nearest speed hump
  - 250 feet from a signalized intersection
  - 100 feet from collector/local intersections
  - 25 ft from local/local intersections

Costs

- Currently there is no annual budget for traffic calming
- Many cities allow or make citizens pay for a portion of speed humps
- Some options
  - Allow citizens to pay to increase the priority
  - Make citizens pay for a portion based on % speeding
  - Make citizens pay a portion based on volumes



Other Considerations

Fire

- Response times could go up. Less speed humps to go over on a road, the faster response
- Straddling a speed cushion could be a preferred method

Police Department

- If done properly, will reduce enforcement needs in neighborhoods that are currently monitored

Public Works

- Plowing operations could be slower in neighborhoods with speed humps
- Slowing over the speed humps can create a higher snow berm in front of houses
- Will increase maintenance needs due to increased signing and markings

Stormwater

- Location of speed humps will need to be reviewed by Stormwater
- Older streets were designed for lower flow and speed humps could impact drainage

Conclusion

- Staff will revise the Residential Traffic Management Guide to include speed humps in the toolbox for residential traffic concerns.
- Take the revised RTMG to Transportation Commission in February
- Once Transportation Commission approves the updated RTMG, speed humps will be a new tool for addressing speeding concerns

Thank you

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STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sam Beckett, Public Works Streets/Solid Waste Section Director

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE:
Streets Snow Readiness Report

DESIRED OUTCOME:

This is an informational presentation on the state of city Streets as it relates to snow operations and expectations.

Executive Summary:

The City Streets Section provides roadway snow plowing service to all city-owned and managed roadways, equating to roughly 700 lane miles of roadway. This task is organized through a strategic division of resources to provide 24-hour coverage, ensuring we provide constant snow plowing and ice cinder services. The intent of this presentation is to discuss with you our staffing and equipment preparations as well as a review of snow response priorities.

Information:

N/a

Attachments: Streets 2025-26 Snow Readiness Presentation



Streets 2025-26 Snow Operations

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Presentation Objectives

- Review NWS Winter Weather Outlook
- 2025-26 Season Review
- Current Snow Shifts- Staffing & Equipment
- Streets Snowplowing Fleet
- Streets Winter Responsibilities
- Streets Snow Operations Policy's
- Post-event Operations



PUBLIC WORKS
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El Niño/La Niña Status & Outlook

Weather Forecast Office
Flagstaff, AZ
Monday, October 20

El Niño/La Niña Status & Forecast

La Niña Advisory

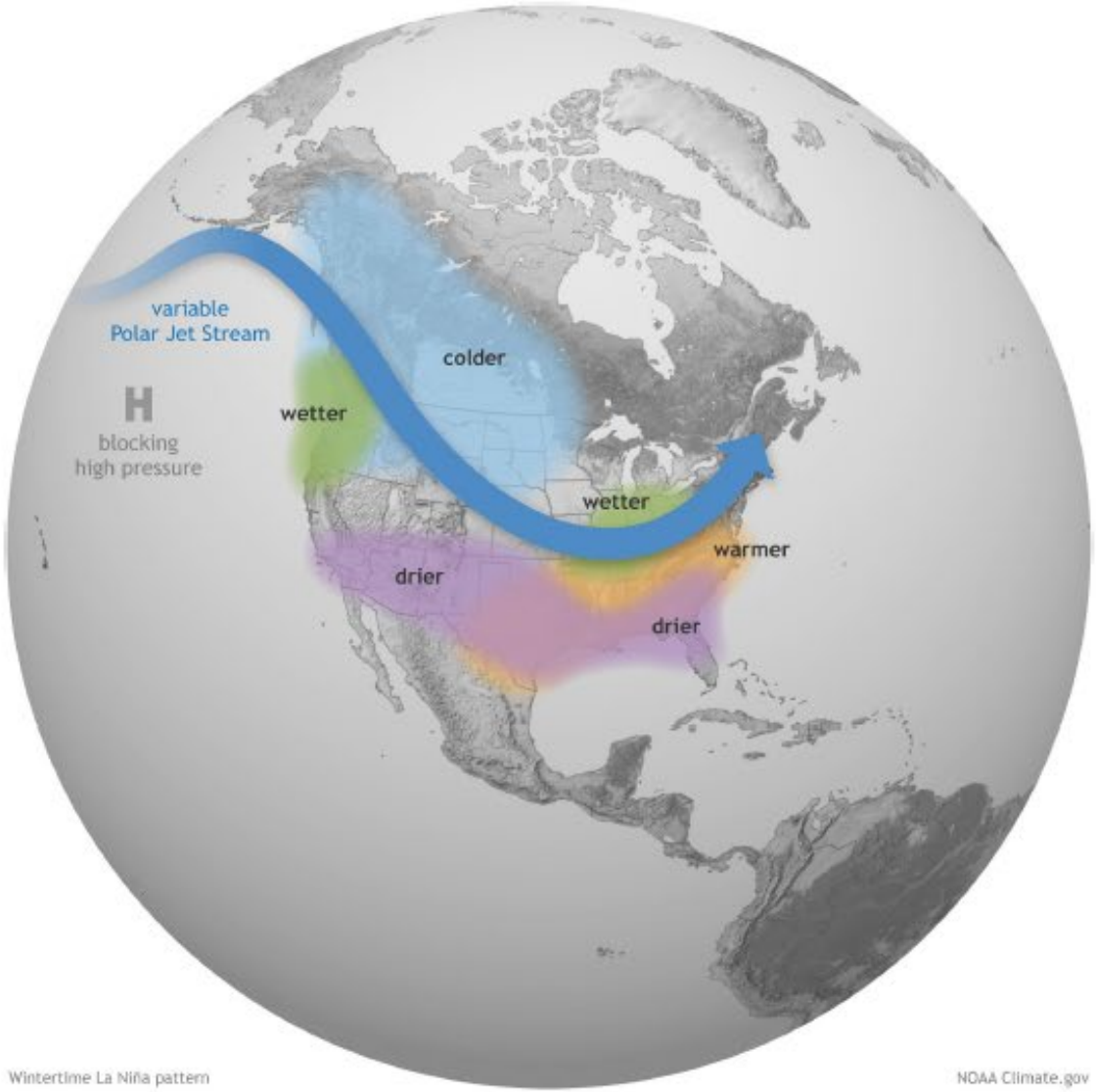
Favored Wintertime Effects in Northern AZ

⚠ No two years are alike

Drier than average	Warmer than average

Weak La Niña conditions are favored to continue into winter, with a transition to ENSO neutral likely by early spring.

Weak La Niña conditions are less likely to result in typical La Niña impacts.



*Typical **La Niña** Deviations From Average*

Snow Operations Staffing

- 24 of 29 Streets Technicians filled
- 11 of 24 are New Hires
- 66% Have 1 year or less snow operations experience
- 41% Have no snow operations experience
- 31 Possible Temporary Staff (Availability Varies)
- Focused Training Efforts

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Streets Overall Staffing

- Streets has a total of 34 operational team members
- Staffing is at 85%, best we have seen in 5 years
  - Lots of new faces and lots of training
- New Streets Manager this year
- 3 of 4 Streets Supervisors hired this year



Snow Shifts- Equip & Staffing

Day Operations 12pm-12am	Night Operations 12am-12pm
1- Snow shift supervisors	2- Snow shift supervisors
7- Operators	7- Operators
3-5 Snow temps (as available)	3-5- Snow temps (as available)
Our Goal - 12 Snowplow trucks	Our Goal - 12 Snowplow trucks

Snow Shifts- Equip & Staffing

Grader/Loader Shift 8pm-8am

1 - Snow shift supervisor

10 - Operators

3-5 Snow temps (as available)

Our Goal -

10 Motor Graders

2 Loader Mounted Plows

Streets Snowplow Fleet

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16- 10-Wheel Snowplows

4- 6-Wheel Plow Trucks

10- Motor Graders

5- Front-end Loaders

1- Truck Mounted Snow Thrower



Streets Winter Responsibilities

Event Responsibilities

- 24hr snowplow coverage until all roads are plowed.
- Streets plows 700+ lane miles of roadway.
  - Equates to 2600 miles traveled to plow roads 1 time includes emergency lanes, shoulders, bike lanes, and turn lanes
- Apply ice cinders
- Coordinate with partner agencies on snow ops.
- Hauling of snow piles
- Patch potholes in roadways
- Sweep ice cinders
- Provide On-call services

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Streets Snow Response Policy

2025-26 Streets Snow Readiness & Operations Manual

- An operational guide which is updated annually.
  - This manual is distributed to all operators.
- Review nationwide policies, best practices, and technology to ensure we are constantly progressing.
- Supports APWA accreditation process



Streets- Snow Plowing Priorities

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Priority Routes – Open and Passable at all times

- Main Routes and Arterials
- Major Hills
- Downtown Core
- FUSD & Mountain Line Bus Routes

Secondary Priority Routes - Residential Streets & Cul-de-sacs

Residential streets are not plowed until priority one routes are completed and more than four inches of snow has accumulated on residential roadways.

❖Ice control for the duration of each storm event.

Streets- Snow Plowing Priorities

Residential Streets and Cul-de-sacs

Residential streets are not plowed until priority one routes are completed and more than four inches of snow has accumulated on residential roadways.

Second priorities will be completed:

within 12 hours after up to 8 inches of accumulation

within 18 hours after 8 to 12 inches of accumulation

within 36 hours after more than 12 inches of accumulation

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Post Event

- Snow hauling operations
  - Downtown Parking
  - Main arterial roads
  - Cul-de-sacs
- Intersection clean up and push back
- Damaged sign repairs
- Prolonged ice control and trouble spots monitoring
- Ice cinder sweeping
- Roadway damages and potholes

Snow Operations Strategic Vision and Goals

To provide the most effective and safe snow operations to our community.

Enhance best practices through training, proper equipment, and staffing.

3-5 yr. goals are to meet the staffing needs of our current infrastructure and to better support the residents of Flagstaff.

Questions?



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CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Seth Gregar, Fire Captain

Co-Submitter: Mark Gaillard

Date: 12/29/2025

Meeting Date: 01/06/2026

TITLE
CARE unit 6-month update

STAFF RECOMMENDED ACTION:

Update Council on operations post Terro's taking over EMT operations and discuss future direction.

Executive Summary:

In FY2020-2021, the City of Flagstaff determined the number of 911 non-emergent type calls was outpacing the resources of the Flagstaff Fire Department, Flagstaff Police Department, and local private ambulance company. These types of calls were predominately based around substance use and mental health issues. With numerous other resources in the city, it was also determined that taking these clients to the hospital was not always the best option. The City of Flagstaff, community members, and a special committee partnered together to approve and fund the CARE unit. Through an RFP process, Terros was awarded a 3-year contract as a partner with the ability to extend for two more years. The unit is staffed by a behavioral health professional and a Firefighter/Emergency Medical Technician (EMT) from Flagstaff Fire Department. It took months of planning, inter-agency and inter-divisional collaboration and finally hiring and training to support the new unit becoming operational.

On March 28, 2022, the unit went operational on a 10-hr workday from 9:00 a.m. to 7:00 p.m. The unit was mobile in the community conducting public outreach and when not engaged with a client would respond to calls for service that came through 911 Dispatch. Over the last three years, the role of this unit is becoming clearer and the impact it has on the city, partners, Flagstaff Police Department, and the Flagstaff Fire Department. The unit is based out of Fire Station 6 on Lake Mary Road, utilizing the community room for its headquarters.

In June 2024, Terros staff took over EMT services that were previously provided by the Flagstaff Fire Department to provide the most appropriate response level. Per council direction, an update was requested to ensure the CARE unit was still meeting the mission and objectives of the program.

The CARE contract is currently in the 5th and final year and we will begin solicitation for services to continue the program.

Information:

The CARE unit continues the excellent work being done by the Terros team following the July 2025 transition to Terros staffing with EMTs and Behavioral Health Technicians. The CARE team has increased the public outreach, which could potentially be leading to reduced use of the 911 emergency system. The unit has evolved from primarily distributing basic supplies to delivering higher-level medical and behavioral health support, including wound care education, on-scene health checks, and distribution of first aid kits that have been widely welcomed. Clients continue to recognize and trust the CARE van, are more willing to have wounds assessed, and are increasingly open to hospital transport when medically necessary. This trust is reflected in thoughtful medical upgrades, which increased slightly post-transition because of better clinical

assessment, not over-escalation. The transition has also led to increased Firefighter moral by allowing those individuals being available to respond to emergency calls.

The data is showing that a significant portion of CARE-related demand occurs during daytime hours, when the CARE team is actively deployed, and that this alignment is producing meaningful results. Flagstaff Fire Department data from October 2024 through September 2025 indicate that alcohol-related calls are more than twice as common during CARE hours (0900--1900), with 792 calls during the day compared to 380 overnight. Behavioral health calls show an even stronger daytime concentration, with 222 calls during CARE hours versus just 78 at night. This pattern reinforces that CARE is operating when community need is highest but is showing that Flagstaff Fire emergency units are still responding to many low acuity alcohol/behavioral health calls despite the CARE van being in service.

At the same time, the Flagstaff Police Department data illustrates the broader context CARE is working within. While public assist rides are more frequent at night, behavioral health and alcohol-related calls remain consistently high across both day and night shifts. CARE's daytime presence helps absorb a substantial share of these complex calls, reducing pressure on the Police and Fire emergency responses and keeping them available for those true emergencies.

Equally important, CARE continues to demonstrate strong de-escalation and client-centered practices. There have been no Police upgrades for violent clients during the time period presented, showing that CARE staff are effectively managing challenging situations while respecting client autonomy and maintaining safety. Overall, with the data and narrative together, the CARE is a strong success. However, we are seeing the CARE unit workload increasing, as is Police and Fire's responses when the CARE unit is not in service or committed to another call. We will continue to monitor this data and work towards identifying the best contract proposal moving forward.

Attachments: Presentation

Pre-July 2025

- **Vision of the Council**
- **Create an alternative response model**
- **TERROS and Flagstaff Fire**
- **Started on March 28, 2022**
- **Behavioral Health Technician**
- **Firefighter/EMT**
- **Community Support / Reduction on Public Safety**
  - **Proactive Outreach**
  - **911 dispatch Omega**

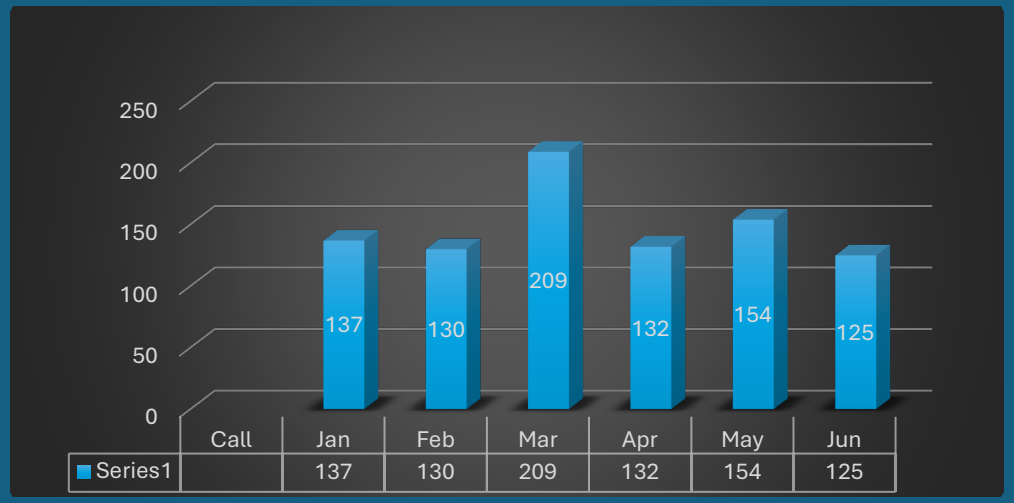
July 2025

-Terros Health transitioned to staffing Emergency Medical Technicians(EMT), while continuing staffing Behavioral Health Technician (BHT).

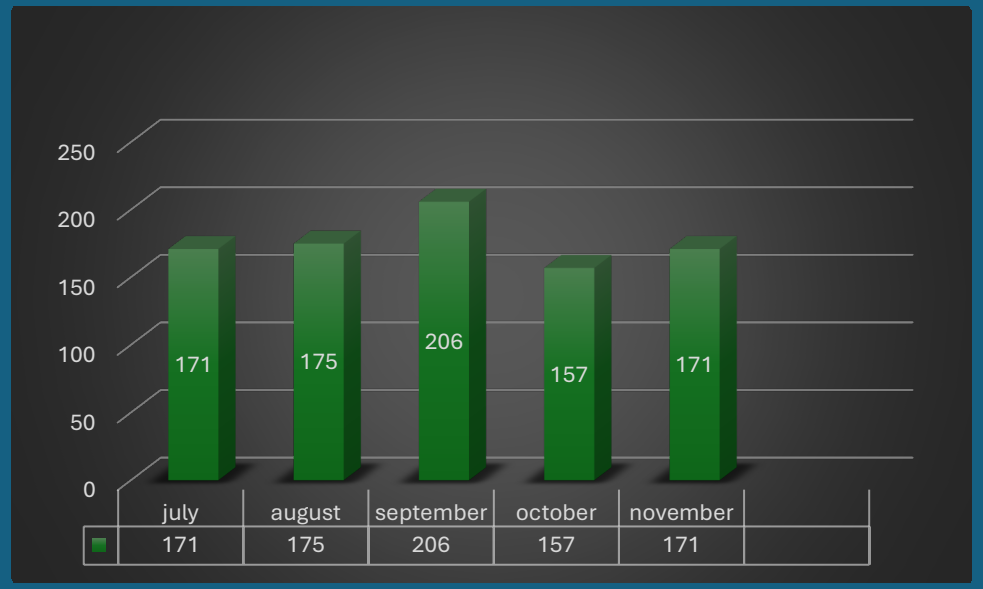
-Increased outreach activities

How is the transition going?
Call Volume

Pre July 2025 (6 months)
Calls

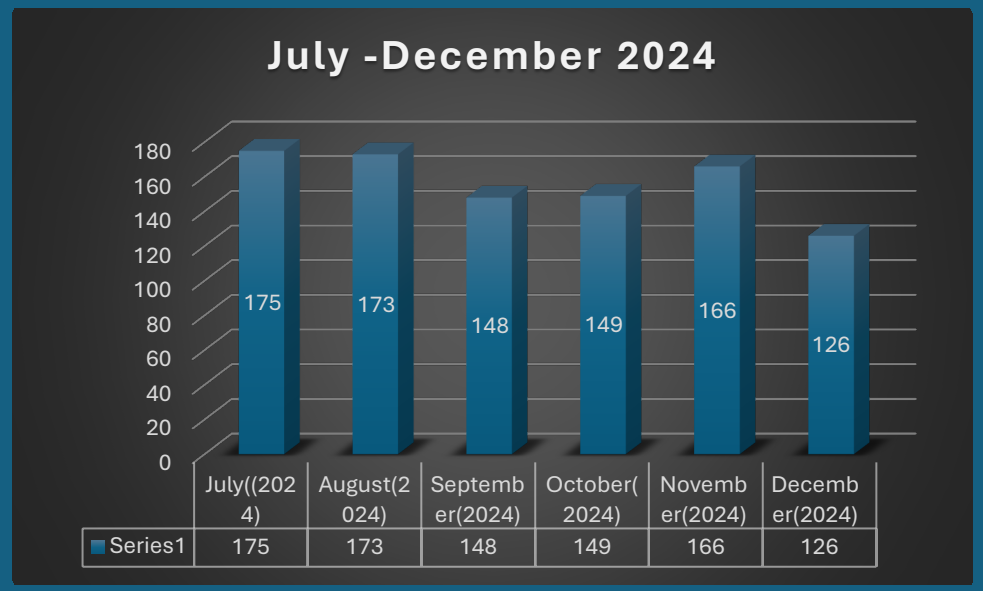


Post July 2025 (6 months)
Calls

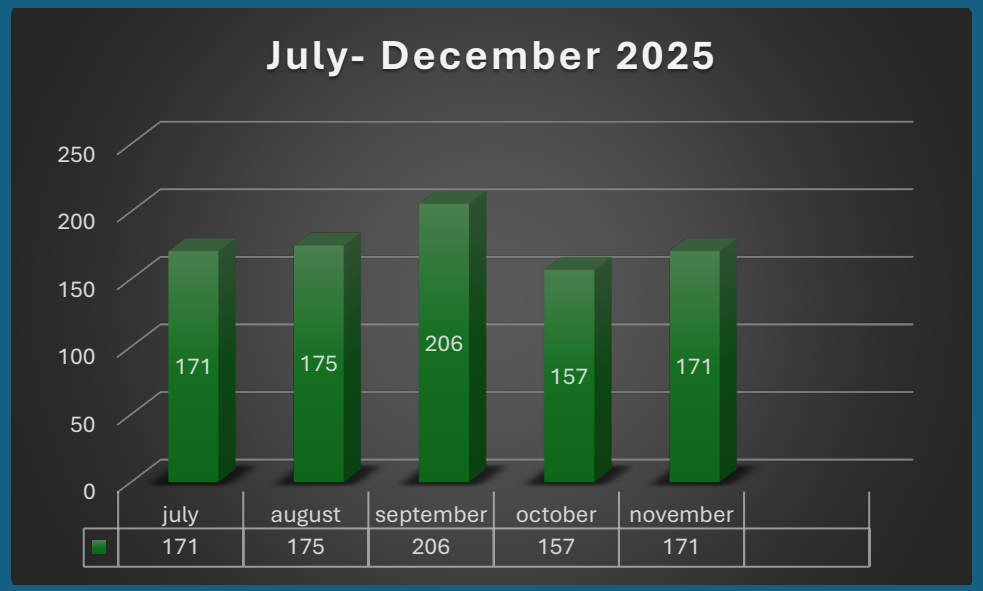


How is the transition going?
Call Volume

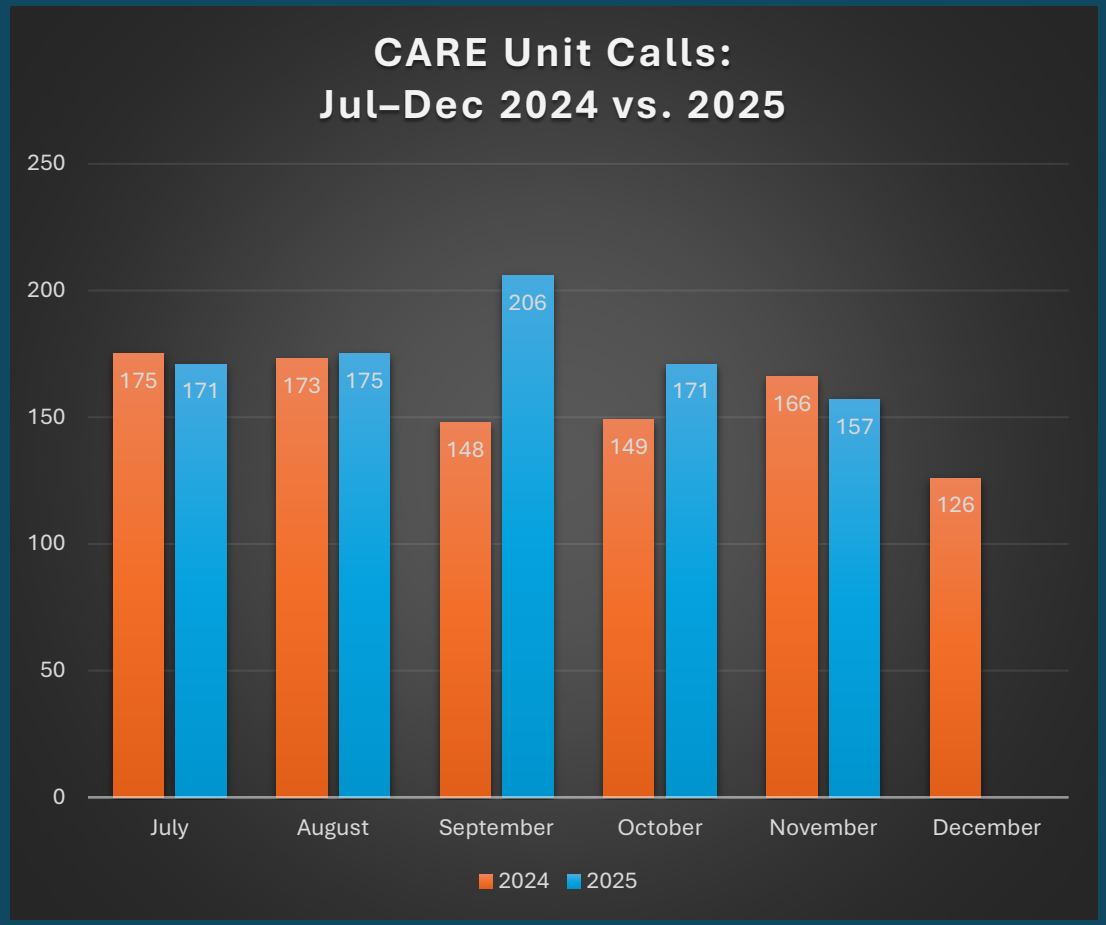
Pre July –December (6 months) Calls



Post July-December 2025 (6 months) Calls



JUL-DEC Pre 2024 vs Post 2025

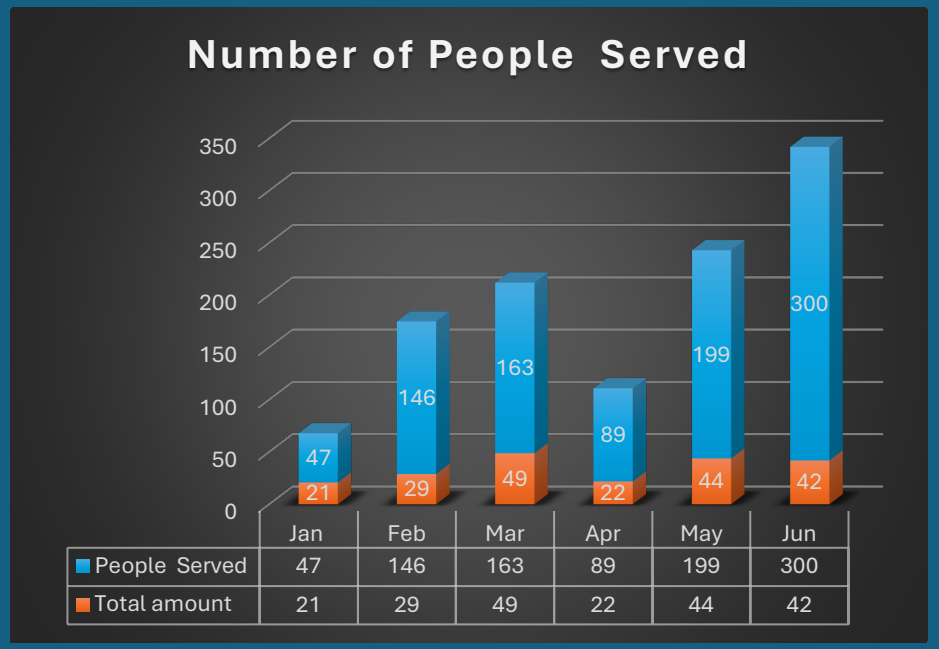


- 2024 Jul -Dec pre transition CARE total **936** calls
- 2025 Jul -Dec post transition CARE total of **880** calls
  Pending December numbers

How is the transition going?

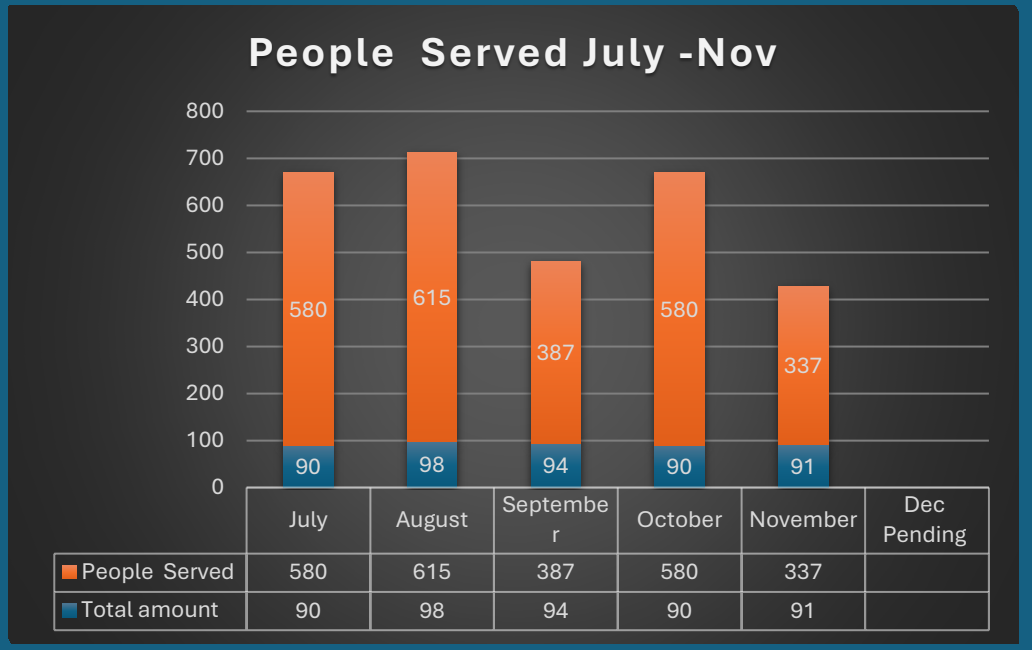
Outreach and Client served

Pre July 2025 (6 months) Outreach



	Jan	Feb	Mar	Apr	May	Jun
People Served	47	146	163	89	199	300
Total amount	21	29	49	22	44	42

Post July 2025 (6 months) Outreach

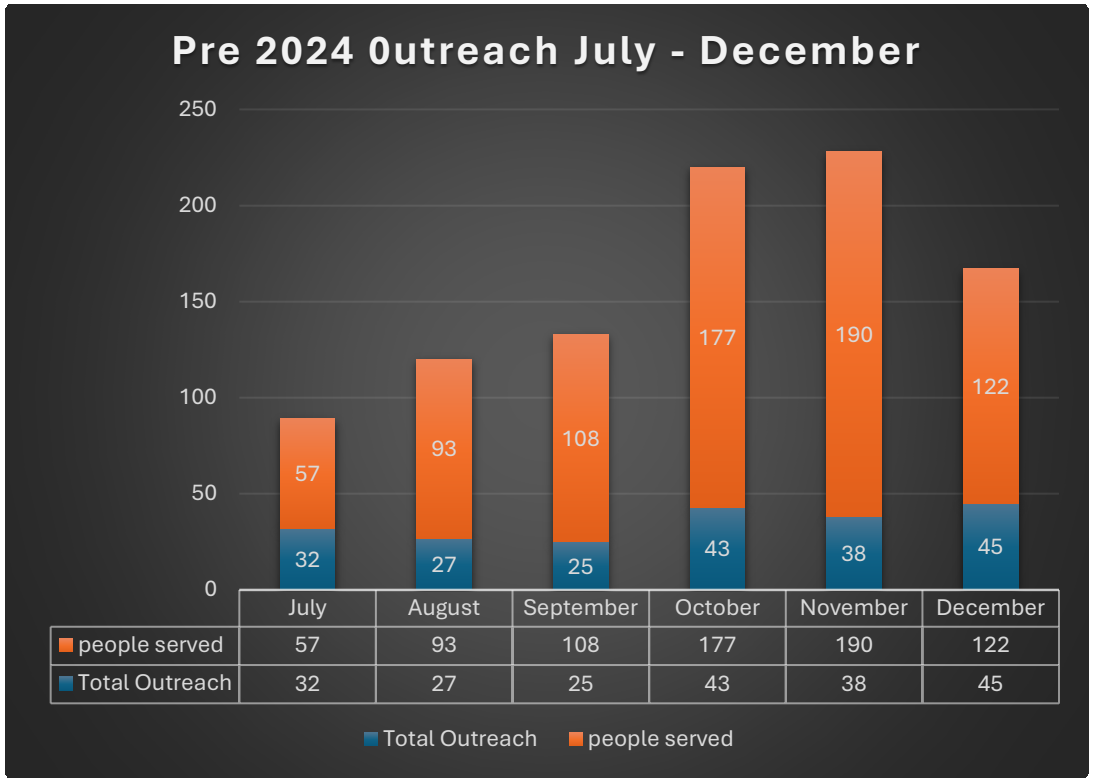


	July	August	September	October	November	Dec Pending
People Served	580	615	387	580	337	
Total amount	90	98	94	90	91	

How is the transition going?

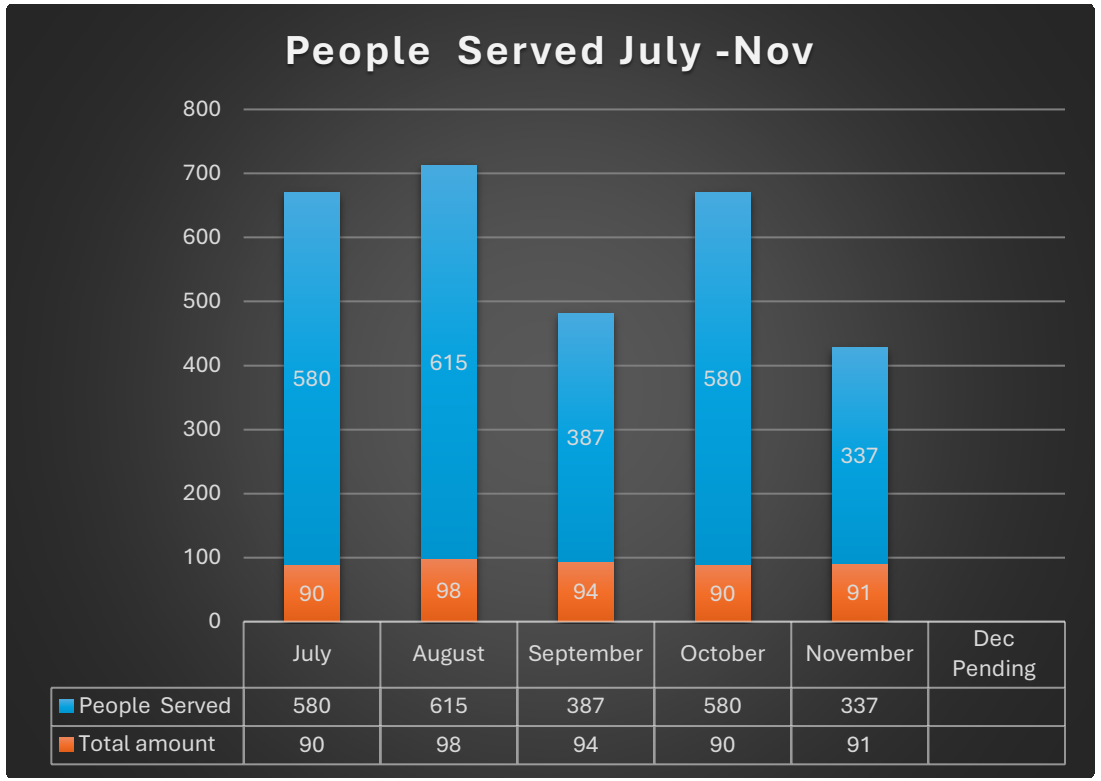
Outreach and Client served

Pre 2024



	July	August	September	October	November	December
people served	57	93	108	177	190	122
Total Outreach	32	27	25	43	38	45

Post 2025



	July	August	September	October	November	Dec Pending
People Served	580	615	387	580	337	
Total amount	90	98	94	90	91	

Outreach Comparison 2024-2025(July–December)

2024 (Pre-Transition):

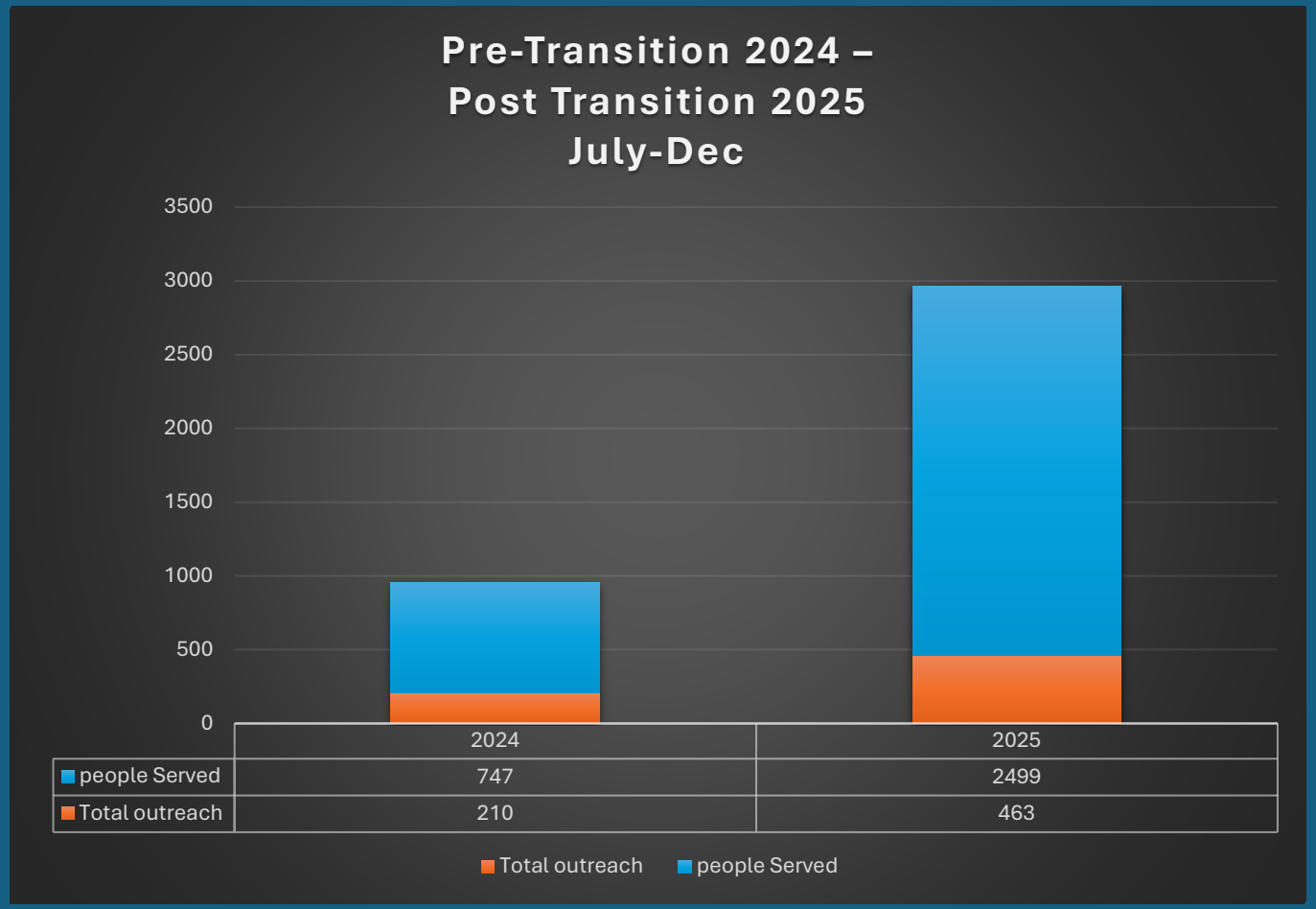
- 210 outreach activities
- 747 client interactions

2025 (Post-Transition):

- 463 outreach events
- 2,499 client interactions
- December 2025 outreach data pending

Total outreach = number of times the team attempted/ initiated outreach;

Clients served = total client interactions.



How is the transition going? Outreach

- Pre transition CARE primarily distributing food, water, clothing, sleeping bags, and assisting with connections to resources
- **Since the transition,** CARE EMTs have been offering education on wound care and encouraging clients to seek hospital treatment when signs of infection are present. They also distribute first aid kits containing bandages, aloe vera, travel-size ointment, and mosquito repellent, which have been a huge hit with the community.
- Because of this, clients recognize the CARE van, trust the team to check their wounds, and are more willing to go to the hospital to receive further care.



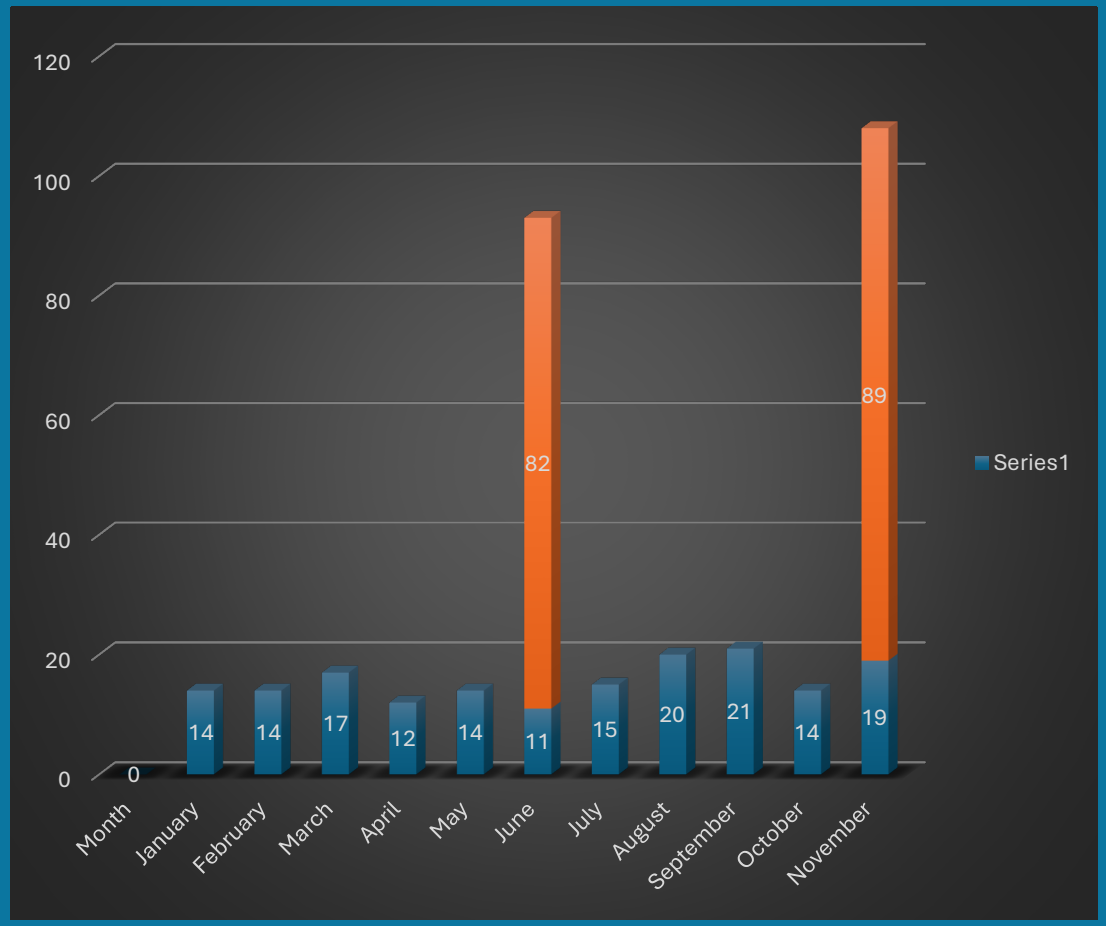
How is the transition going?

Upgrades

- **Upgrade:** An upgrade is required anytime a client needs a higher level of response. CARE will request **Guardian Medical Transport (GMT)** to transport the client to **Flagstaff Medical Center (FMC)** when the client is **medically acute**, unable to care for themselves, or requires hospital-level medical evaluation.

- An upgrade to the **Police Department (PD)** is initiated when there are **safety concerns, aggression, weapons present, or law enforcement involvement is required**.

How is the transition going?
Medical Upgrades



- Post transition, there has been a slight increase in upgrade calls.
- Pre transition from January to June, CARE upgraded a total of 82 call to GMT.
- Compared to post-transition, 89 upgrades from July to November.

How is the transition going? PD Upgrades

- CARE documents all dispatched calls in the Electronic Health Record (EHR) system. Which then tracks PD involvement needed.
- PD is requested when a client becomes violent or immediate law enforcement support is required.
- Year-to-date: CARE has not requested an upgrade for PD assistance for any violent clients.
- When a client who is **escalated** refuses interaction and there are no medical concerns, CARE respects the client's autonomy.
- When a client has previously refused interaction and is escalated, CARE notifies dispatch that if additional calls occur for this client, PD may need to respond instead.
- No changes observed from pre and post transition.

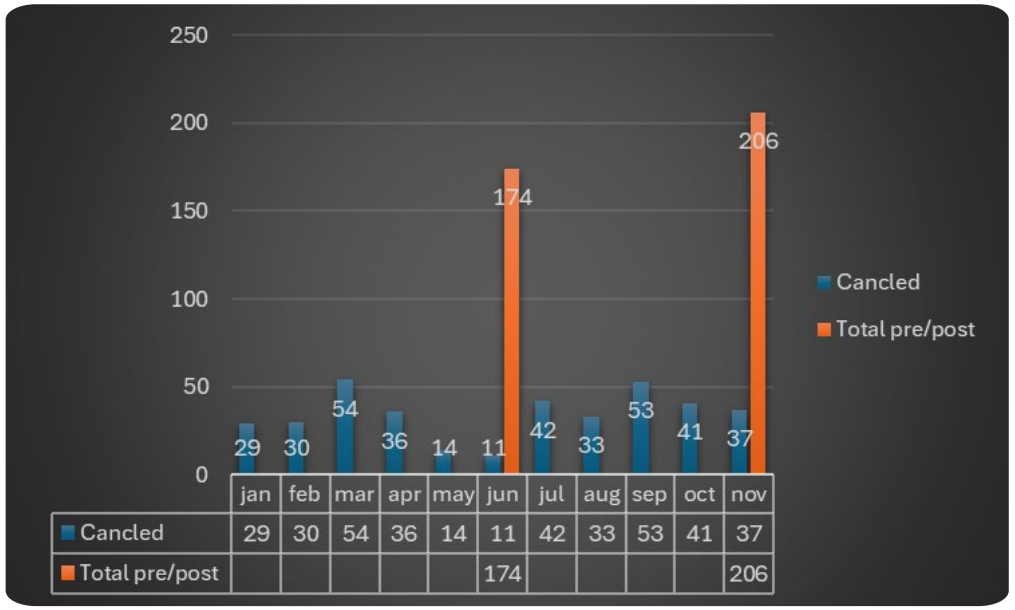




How is the transition going? Cancelled Calls

- A cancelled call occurs when CARE is dispatched but, while enroute, the call is determined to be inappropriate for CARE response. This may happen if the client leaves the location or if the situation is identified as more medically focused, requiring a different level of care.
- An unable to locate (UTL) call occurs when CARE arrives on scene but is unable to find the client.

How is the transition going?



- Post transition, there has been an increase in cancelled/unable to locate calls.
- Pre transition from January to June, CARE total cancelled/unable to locate was a 174.
- Compared to post-transition, there are most recently 206 cancelled/unable to locate calls.

CARE hours of operation:

0900-1900

FFD-Alcohol and Behavioral Health calls October 2024-September 2025

<u>Alcohol/Behavioral Health</u>

- During CARE hours – 1014
- After CARE hours - 458

CARE hours of operation: 0900-1900

Public Assist Rides

- Day Shift – 233
- Night Shift – 681

FPD-Alcohol and Behavioral Health calls October 2024-September 2025

Alcohol/Behavioral Health

- During CARE hours– 2,693
- After CARE hours – 2,796

WHAT'S NEXT??



CONTINUE THE OUTSTANDING WORK



MONTHLY EVALUATION OF PROGRAM



SOLICITATION OF CONTRACT