

ECONOMIC VITALITY DIVISION MISSION

The mission of the **Community Investment Section** is to retain and strengthen existing local businesses while helping to grow and attract innovative companies for sustainable economic health.

The **Airport Section** mission dedicates its efforts to provide quality service for the ever-growing transportation needs of Northern Arizona.

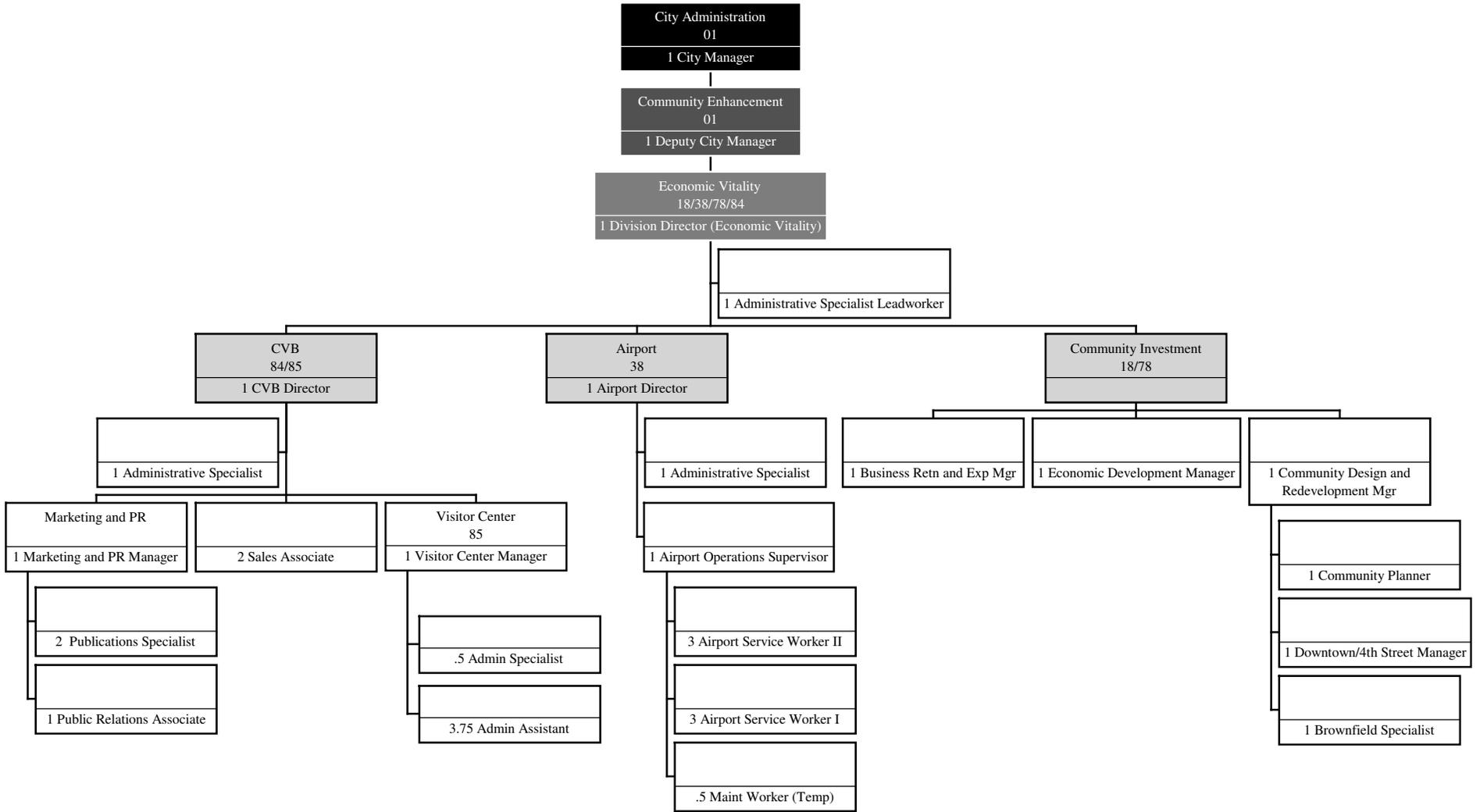
The mission of **The Arts and Science Section** is to deploy Bed, Board, and Beverage tax monies efficiently and effectively to create, enhance, and preserve the cultural heritage of Flagstaff.

The mission of **Beautification General Administration** is to deploy Bed, Board, and Beverage tax monies efficiently and effectively to create, enhance, and preserve the sense of place, both the built and natural environment, of Flagstaff.

The mission of the **Convention and Visitors Bureau** 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 mission of **Visitor Services** is to introduce and educate visitors about the vast tourism opportunities within Flagstaff and the surrounding areas, and to increase the frequency of visits and length of stay to Flagstaff.

ECONOMIC VITALITY



ECONOMIC DEVELOPMENT

Includes 1801 (Community Investment Gen. Admin.), and 78 (Business Attraction, Retention and Expansion)

MISSION

Retain and strengthen existing local businesses while helping to grow and attract innovative companies for sustainable economic health.

PROGRAM DESCRIPTION

The Economic Development Program promotes sustainable retail, commercial, and industrial development that enhances high wage/low impact employment and increases revenues by providing support, analysis and programs for businesses; develops and cultivates infrastructure that preserves quality of life and allows access to intellectual resources; and, develops connections between businesses, people, and the organizations that can take them to the next level.

FY 11 ACCOMPLISHMENTS

- ✓ Completed 32 visits for the B3 (Building Bridges to Business) program.
- ✓ Retained major employer – Southwest WindPower; provided program and data in an effort to keep this renewable energy manufacturer. Competition included five other states.
- ✓ Added three new retailers to the market, including Ashley Furniture, Chipotle and Freddy's.
- ✓ Two businesses accepted into Flagstaff Enterprise Zone program.
- ✓ Implemented a community wide "trailing partner" program tying employers and employment resources through the CityofInnovation.com website.
- ✓ Conducted a strategic household analysis through the Buxton Company; shared information with over 10 community organizations and 25 private businesses and retail developers.
- ✓ Established two new companies for the University to Business program.

- ✓ Increased business retention partnerships by providing LEAN and Anatomy and Physiology training programs to three major Flagstaff companies, resulting in the training of 60 employees in the manufacturing sector.
- ✓ Responded to over 23 business attraction inquiries produced from ROI, ECoNA, Arizona Department of Commerce, local inquiries and CityofInnovation.com website.
- ✓ Published quarterly Flagstaff economic development newsletter and distributed to over 1,500 recipients in economic development database.
- ✓ Provided 12 referrals to the Northern Arizona Center for Emerging Technologies (NACET).
- ✓ Assisted NACET with strategic analysis of facility expansion as capacity increased with 20 new clients; amended ground lease and implemented first two phases.
- ✓ Responded to USGS Solicitation for Offers (SFO) which will entail a major remodel of the McMillan Mesa campus.
- ✓ Amended Ground Lease with Loven Contracting and coordinated implementation of Innovation Mesa with Community Development, including Planning & Zoning Commission and DRB.
- ✓ Assisted Auto Park dealers with the implementation of an off premise sign and retention of existing auto manufacturers.
- ✓ Furthered the establishment of ECoNA. Staff support includes Chair of the Business Retention and Expansion Team, and staff participation on both the Business Attraction and Redevelopment Teams.
- ✓ Revised Lumberyard lease to tighten parameters for parking lot completion regardless of Rio De Flag completion date.
- ✓ Improved our relationship with the statewide alliance (GPEC, TREO, GYEC) for targeted business attraction. Advanced from a primarily telemarketing organization to two direct sales people in California.
- ✓ Initiated 18 real estate searches for companies investigating expansion or relocation in the Flagstaff market.
- ✓ Assisted a new charter school in their real estate search and guidance through the Community Development process.

- ✓ Expanded the “Business Toolbox” on the CityofInnovation.com website to assist businesses with one stop solutions to often requested programs and problems and techniques.
- ✓ Participated with SEDI in two primary initiatives: SEED’s and SCIP programs.
- ✓ Successfully awarded two Arizona Commerce Authority Grants for the expansion of the T-Gen facility and an extension of the Joy Cone rail spur.
- ✓ Attended International Council of Shopping Centers in Las Vegas and presented community data to targeted companies for retail attraction.
- ✓ Promoted Flagstaff at the Medical Device & Manufacturing trade show and Solar International trade show, as part of a coordinated statewide effort.

FY 12 NEW INITIATIVES AND GOALS

- Continue business retention and expansion efforts by conducting at least 26 business interviews and documenting critical performance measures using the B3 process.
- Add one new automobile manufacturer to the Auto Park.
- Support the expansion of the Mall and Marketplace by facilitating the addition and relocation of critical businesses in that development.
- Add at least three new retailers to the community.
- Submit and obtain new Enterprise Zone status for the City of Flagstaff.
- Assist local businesses in qualifying for Enterprise Zone employment and equipment tax credits.
- Assist at least two Flagstaff businesses with business or technical issues by collaborating with Northern Arizona University through the University to Business program.
- Assist Northern Arizona University’s MBA program in placing semester-long interns in local companies.
- Fund workforce development programs targeting specific training needs using community partners such as Coconino Community College, Northern Arizona University, and the Arizona Manufacturing Extension Partnership.

- Support new graduates of NACET with relocating in the community.
- Facilitate and assist NACET through Phase 3 of their Strategic Expansion Plan.
- Lead the development process for the USGS expansion and for Innovation Mesa (science and technology park).
- Increase interest and awareness of Airport Business Park and secure at least one new ground lease.
- Respond to business retention and expansion and business attraction inquiries from ECoNA.
- Provide leadership in ECoNA BR&E efforts, redevelopment, and business attraction strike team.
- Facilitate extension and realignment of the Joy Cone rail spur extension.
- Facilitate the expansion of T-Gen North’s facility by collaborating with landlord using grant funding.
- Assist SEDI in developing infrastructure so local entrepreneurs and micro-businesses can flourish.
- Continue expansion and publication of the “Business Toolbox” for local businesses.
- Develop a Phoenix / Tucson networking program to attract small bioscience and technology firms to Flagstaff and include community developers.
- Refine attraction efforts by supporting tighter focus of the statewide alliance (GPEC, TREO, GYEC and Pinal County) to improve efficiency and results.
- Educate and assist local manufacturing and other high impact employers in obtaining job training grants.
- Conduct quarterly business outreach seminars to educate Flagstaff’s business community as to available federal, state, and local assistance programs.
- Assist Coconino County’s Workforce Investment Board (WIB) in developing programs and initiatives to help potential employees develop general workforce skills.
- Work with key employers to develop and assess a behavioral screening tool / test for potential employment applicants.
- Continue support of the Flagstaff Area Employment Resource website and provide assistance as needed to professionals new to the community.

➤ Upgrade Flagstaff’s City of Innovation website to include more real-time data and local economic development news.

➤ Utilize Buxton data to target compatible retail opportunities for various developments.

PERFORMANCE MEASURES

Council Priority: **A sustainable community through economic vitality, environmental protection and social inclusion.**

Goal: Create an environment that retains and expands local businesses in Flagstaff.

Objective: Monitor health of businesses in the community and provide tools and programs for existing businesses to improve their performance.

Type of Measure: Program outcome

Tools: Trend analysis through B3, City and State incentive programs, ECoNA, staff advocacy, workforce development tools, and other business performance programs.

Frequency: Regular contact via phone, email, and in-person business visits, CityofInnovation.com updates, Quarterly e-newsletter, and educational outreach.

Scoring: Retaining 95% of Flagstaff’s major employers (75 or more employees).

Trend: ←→

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Local businesses retained and/or expanded	N/A	100%	95%	95%

Council Priority: **A sustainable community through economic vitality, environmental protection and social inclusion.**

Goal: Create an environment that is attractive to high wage/low impact companies.

Objective: Market aggressively to targeted sectors and utilize incentive policies.

Type of Measure: Policy/Program outcome

Tools: Statewide Alliance, Arizona Commerce Authority, ECoNA, CityofInnovation.com, FlagstaffProspector.com, trade shows, advertising and other marketing pieces, and generating appropriate leads through existing companies.

Frequency: Regular meetings with existing companies, planned trade shows, ongoing web site updates and quarterly e-newsletter.

Scoring: Respond to 100% of qualified leads through/from ECoNA, Arizona Commerce Authority, site locators, and existing companies.

Trend: ←→

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Respond to qualified new business leads	N/A	100%	100%	100%
Percentage of total commercial listings on Prospector site	N/A	75%	85%	85%

ECONOMIC VITALITY	SECTION 18/78	COMMUNITY INVESTMENT
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Council Priority: (1) A sustainable community through economic vitality, environmental protection and social inclusion. (2) Effective governance.

Goal: Sustain existing development projects

Objective: Facilitate and support existing developments, developers, leasing agents, and funders by providing assistance in locating appropriate tenants and helping to navigate the DRB process.

Type of Measure: Program Outcome

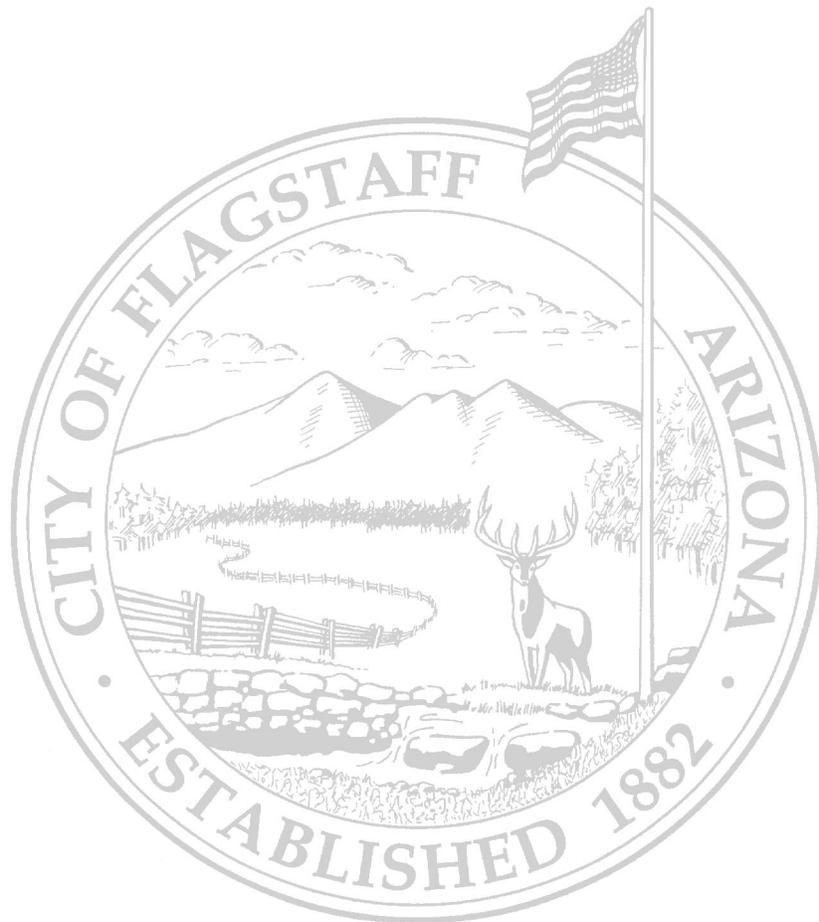
Tool: FlagstaffProspector.com, Development Review Process, LDC, Regional Plan, Incentive Policies, Retail Analysis and other data research

Frequency: Quarterly e-newsletter to site location firms, regular business meetings, annual ICSC attendance.

Scoring: Based on Economic Development staff contacts from committed projects/tenants, 80% of viable developments and signed leases transitioned to DRB process.

Trend: ←→

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Transition viable projects to DRB process	N/A	80%	80%	80%
Percentage of total commercial listings on Prospector site	N/A	75%	85%	85%



COMMUNITY DESIGN & REDEVELOPMENT

Includes 1807 (Community Design), 1815 (Brownfield Land Recycling Program), 71 (Arts and Science), and 73 (Beautification General Administration).

MISSION

The Community Design and Redevelopment Program creates, enhances, and preserves the sense of place, the built and natural environment, and the cultural heritage of Flagstaff by implementing the community's vision for character and design, the environment, resources, and economic sustainability.

PROGRAM DESCRIPTION

The Community Design and Redevelopment Program is accomplished through a series of programs described as follows:

Arts and Sciences – This program involves the preservation and enhancement of the aesthetic, scientific, and cultural environment of Flagstaff. Program staff works with the Beautification and Public Art Commission for public art and with Flagstaff Cultural Partners for support of local arts, science, and cultural activities and projects.

Community Design – This program generates and executes beautification projects, as well as provides demonstrative design work for economic development, the Design Review Board, heritage preservation, capital improvements, and other internal and external customers. Program staff works with the Beautification and Public Art Commission for beautification projects.

Design Review – Program staff serves as a member of the Design Review Board, providing design review, comments, and conditions to assure that public and private development is consistent with the community's vision and meets design and aesthetic standards.

Heritage Preservation – Sustaining heritage and cultural resources, through preservation and re-use, is the focus of this program. Work includes inventories, landmark and historic district formation and maintenance, design review, and impact analysis. Program staff works with the Historic Preservation Commission on heritage preservation efforts.

Redevelopment – This program facilitates infill, redevelopment, revitalization, and preservation within targeted areas through policy development, planning, infrastructure development, and other community investment projects. Program staff also assists property owners and developers with planning, design, and permit processing.

Brownfields – The Brownfield Land Recycling Program is dedicated to revitalization of abandoned, idle, or underused commercial and industrial properties with real or perceived environmental contamination. Program staff assists property owners and developers by providing technical assistance, grants, and resource information for site assessment, clean-up, and redevelopment.

FY 11 ACCOMPLISHMENTS

- ✓ Installed public art pieces including Centennial Mural, Southside Bicycle Racks, Route 66 Preservation Project Bicycle Racks, PAWS Sculptures, and indoor art program.
- ✓ At the direction of the City Council and working with the Beautification and Public Art Commission, developed and initiated Arts Stimulus Program.
- ✓ Compiled inventory of public art (City and privately owned) and published Public Art Map.
- ✓ Beautification in Action Grants initiated for small community/neighborhood projects.
- ✓ Installed new streetscape on Beaver and San Francisco Streets (Southside).
- ✓ Installed Route 66 Preservation Project that includes historic preservation, FUTS amenity, beautification, and public art components.
- ✓ Initiated community design process for East Flagstaff Gateway Project.
- ✓ Provided design assistance and review, including Wal-Mart, Sam's Club, Chipotle, McDonalds, Science and Technology Park, Verizon Store, CVS, and Juniper Point.

- ✓ Working with the community, the Heritage Preservation Commission, and the State Historic Preservation Office, developed and integrated heritage preservation into the Land Development Code.
- ✓ Completed listing of Southside on the National Register of Historic Places.
- ✓ Developed and successfully implemented systematic approval of Housing Program Section 106 review process. Initiated adoption of Programmatic Agreement with State Historic Preservation Office.
- ✓ Connected property owner and the National Park Service for technical assistance in the preservation of the Pelota Court.
- ✓ Completed preservation painting for Two-spot the Train.
- ✓ Contributed to replacement of historic fences along Route 66 at Colton Park and at Buffalo Park entrance.
- ✓ Presented to the City Council for consideration, redevelopment and infill policy and plan options, including Brownfield opportunities.
- ✓ Completed Fourth Street Corridor Study which provides critical information for physical and financial planning.
- ✓ Continued development of management plans for Downtown and East Flagstaff (includes facilitating formation of independent business districts).
- ✓ Integrated Brownfields knowledge into project review information through GIS database.
- ✓ City-owned Brownfields: Physical clean-up of 116 W. Phoenix Avenue and obtained grant and Phase I studies prepared for five other holdings.

- ✓ Expanded Brownfield program exposure through outreach and participation in State and national events – Western Brownfield Workshop speaker, formation and membership in Consortium for Business and the Environment, published articles, and EPA Documentary.

FY 12 NEW INITIATIVES AND GOALS

- For all programs, we plan to expand our grant seeking, using said funds to leverage the execution of other goals.
- For all programs, we plan to maintain a high level of community engagement and outreach, and provide excellent customer service in response to community goals and concerns.
- Install significant public art piece (Lumberyard Mural for example).
- Complete and initiate implementation of Arts Stimulus Program.
- Construct water-wise and aesthetic median landscaping along Butler Avenue and along Beulah and Woodlands Blvd.
- Construct East Flagstaff Gateway Project that includes branding, beautification, and public art components.
- Continue to provide design assistance and review for heritage preservation and economic development projects.
- Complete adoption of Housing Program Programmatic Agreement with State Historic Preservation Office.
- Continue development of management plans for Downtown and East Flagstaff (includes facilitating formation of independent business districts).
- Seek capital for Fourth Street improvements.
- Implement City Council approved infill and redevelopment incentive polices.
- Expand Brownfield program opportunities by identifying and securing clean-up funding sources.

PERFORMANCE MEASURES

Council Priority: A sustainable community through economic vitality, environmental protection and social inclusion.

Goal: Improve neighborhoods (livability), protect our natural and built environment, and utilize our resources efficiently by stimulating redevelopment and infill.

Objective: Facilitate the stakeholder development of sustainable strategies for resource and operational management for Downtown and East Flagstaff.

Type of Measure: Outcome

Tool: Survey seeking stakeholder satisfaction with process, timeliness, and output

Frequency: Quarterly

Scoring: Percent satisfaction

Trend: ← →

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Stakeholder satisfaction with facilitation and strategy development.	N/A	80%	80%	80%

Council Priority: A sustainable community through economic vitality, environmental protection and social inclusion.

Goal: Remove existing environmental hazards, improve neighborhoods (livability), and protect our natural and built environment, by assisting in the clean-up of contaminated properties.

Objective: Continue to provide community education, funding, and technical assistance for the identification, assessment, and clean-up of Brownfields.

Type of Measure: Output

Tool: Monitoring outcome

Frequency: Annual

Scoring: Count

Trend: ← →

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Number of customer properties with Phase I Studies or clean-up completed.	N/A	5	5	5

Council Priority: Diversity of arts, culture and educational opportunities.

Goal: Improve neighborhoods (livability) through the preservation and enhancement of the aesthetic, scientific, and cultural environment of Flagstaff.

Objective: Tangible, accessible preservation or enhancement programs or works in beautification, art, sciences, or cultural arts.

Type of Measure: Output

Tool: Monitoring outcome

Frequency: Quarterly

Scoring: Count

Trend: ← →

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Number of programs or works	32	32	32	32

ECONOMIC VITALITY

SECTION 18

COMMUNITY INVESTMENT

SECTION: 18-COMMUNITY INVESTMENT					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 248,264	\$ 283,593	\$ 286,177	\$ 285,633	\$ 2,040
CONTRACTUAL	150,119	306,714	157,920	442,133	135,419
COMMODITIES	8,428	15,788	12,819	16,988	1,200
TOTAL	\$ 406,811	\$ 606,095	\$ 456,916	\$ 744,754	\$ 138,659
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 153,303	\$ 188,857	\$ 125,545	\$ 123,138	\$ (65,719)
COMMUNITY DESIGN	64,173	66,555	66,372	66,237	(318)
REINVEST AND ECONOMIC DEV	1,882	-	-	-	-
HOUSING	87	-	-	-	-
LAND TRUST PROGRAM	9	-	11	-	-
DOWNTOWN MANAGEMENT	(250)	-	58,894	65,027	65,027
BROWNFIELDS	80,113	89,992	87,694	90,352	360
BROWNFIELDS	98,994	-	-	-	-
RT 66 CREOSOTE PIT SITE	8,500	118,400	118,400	-	(118,400)
GREATER SUNNYSIDE REDEV	-	142,291	-	400,000	257,709
TOTAL	\$ 406,811	\$ 606,095	\$ 456,916	\$ 744,754	\$ 138,659
SOURCE OF FUNDING:					
GENERAL FUND				\$ 524,334	
LIBRARY FUND				27,622	
HIGHWAY USER REVENUE FUND				29,053	
TRANSPORTATION FUND				10,449	
WATER AND WASTEWATER FUND				78,942	
STORMWATER FUND				4,813	
AIRPORT FUND				9,272	
ENVIRONMENTAL SERVICES FUND				60,269	
				\$ 744,754	
COMMENTARY:					
The Community Investment operating budget has increased 23%, however, most of this relates to grant funded projects. There are no capital expenditures. Personal Services increases (1%) are due to small increases in retirement and benefits. Contractual increases are primarily due to the Greater Sunnyside Redevelopment project. There are no major capital (>\$10,000) expenditures planned for this section.					

ECONOMIC VITALITY

SECTION 78

ECONOMIC DEVELOPMENT

SECTION: 78-ECONOMIC DEVELOPMENT GENERAL ADMINISTRATION					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 172,265	\$ 185,289	\$ 188,331	\$ 189,824	\$ 4,535
CONTRACTUAL	591,383	769,290	749,340	1,848,065	1,078,775
COMMODITIES	13,307	15,055	21,735	16,741	1,686
TOTAL	\$ 776,955	\$ 969,634	\$ 959,406	\$ 2,054,630	\$ 1,084,996
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 82,266	\$ 59,742	\$ 60,431	\$ 60,809	\$ 1,067
INCUBATOR PROGRAM	316,310	313,201	301,848	260,000	(53,201)
MARKETING	1	-	30	-	-
CONTRIBUTIONS	69,000	114,400	114,400	139,500	25,100
PARTNERSHIP TRAINING	300	-	-	-	-
BUS RETENTION AND EXPANSION	110,800	122,492	120,156	122,885	393
BUSINESS ATTRACTION	83,651	105,621	108,363	109,558	3,937
REDI GRANT	7,530	-	-	-	-
TRAILING SPOUSE PROJECT	-	-	-	80,000	80,000
DEBT SERVICE	-	-	-	25,000	25,000
REC-EXPAN TGEN N.FACILIT	-	-	-	1,000,000	1,000,000
SW WINDPOWER COMMERCE	107,097	254,178	254,178	256,878	2,700
TOTAL	\$ 776,955	\$ 969,634	\$ 959,406	\$ 2,054,630	\$ 1,084,996
SOURCE OF FUNDING:					
ECONOMIC DEVELOPMENT FUND				\$ 2,054,630	
				\$ 2,054,630	
COMMENTARY:					
<p>The Economic Development operating budget has increased 112% primarily due to grants totalling \$1,105,000. Personal Services increases are a result of increased benefit and retirement costs. Additional expenditure increases are Debt Service, Business Attraction program needs, and Contributions. The reduction in cost for the Incubator Program relates to the renegotiation of the facility lease and the tenant responsibility for utility costs. There are no planned changes in the Personal Services for this fiscal year nor are there any major capital (>\$10,000) expenditures planned for this section.</p>					

MISSION

The Airport Section is dedicated to providing quality air service to meet the ever-growing transportation needs of northern Arizona.

PROGRAM DESCRIPTION

The Airport Section operates and maintains Flagstaff Pulliam Airport. The Airport is certified as a non-hub air carrier and general aviation airport by the Federal Aviation Administration (FAA). Responsibilities of the section include administration, safety, operation, and maintenance of all buildings, pavements and airfield lighting with federal mandates to provide aircraft rescue/firefighting, medical first response and area security. Certain segments of passenger and terminal security are also Airport responsibilities as outlined in Department of Homeland Security (DHS) and Transportation Security Administration (TSA) directives. Other services are provided through lease agreements with the direct service providers (i.e., airlines, car rental agencies, fixed base operator and other concessionaires). The Airport Section is also partnering with the Economic Development staff to expand development of the Airport Business Park.

FY 11 ACCOMPLISHMENTS

- ✓ Achieved another discrepancy-free annual FAA Certification and Safety Inspection.
- ✓ Completed grant funded restriping of the airport runways and taxiways.
- ✓ U.S. Airways enplanements grew by 21% in 2010.
- ✓ Through the efforts of airport staff, the airport remained open despite record levels of snow.

- ✓ Worked with TSA to resolve security plan issues and maintain compliance.
- ✓ Completed RFP and secured four (4) new three-year contracts (with two one-year options) with the rental car agencies.
- ✓ Completed RFP and secured new one-year contract (with a one-year option) for advertising/media agreement.
- ✓ Completed Air Rescue Firefighting training for staff and maintained FAA compliance.
- ✓ Hosted the third annual Armed Forces Day Open House.

FY 12 NEW INITIATIVES AND GOALS

- Seek opportunities to expand Flagstaff's air service to multiple direct destination choices.
- Secure a Small Community Air Service Development Program (SCASDP) Grant toward development of second air carrier.
- Secure additional FAA grant funding for airport capital projects.
- Seek additional Airport Business Park revenue and employment opportunities through new tenants/business leases.
- Maintain full occupancy of airport general aviation hangar and shade storage facilities to maximize aircraft storage revenues.
- Achieve a discrepancy-free FAA Certification and Safety inspection.
- Streamline airport operations and maintenance costs to preserve budget dollars.
- Continue to enhance airport snow removal capability to minimize both the number and length of runway closures during snow events.
- Plan and host a fourth annual no-fee airport open house to increase community awareness of the airport's capabilities, functions and equipment.

PERFORMANCE MEASURES

Council Priority: Maintain and deliver quality, reliable infrastructure

Goal: Ensure the entire airport’s operational and facility tasks function in concert to promote and support reliable commercial air travel.

Objective: Reduce commercial flight cancellations through effective runway and taxiway maintenance, timely snow removal operations and regular maintenance of airfield navigation aids.

Type of Measure: Program Outcome

Tool: Air carrier flight activity and landing reports, daily operations inspection logs, published Notices to Airmen and passenger feedback

Frequency: Monthly

Scoring: 5% or less cancelled – Progressing, average. 5+ to 7% cancelled – Caution, warning. More than 7% cancelled, Need to review, discuss

Trend: ←→

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Percentage of scheduled commercial flights cancelled	2.4%	4.6%	3.0%	3.0%

Council Priority: A sustainable community through economic vitality, environmental protection and social inclusion

Goal: Provide a safe and secure environment where air passengers have multiple travel destination choices at affordable prices.

Objective: Grow commercial air travel to and from Flagstaff in the form of increased enplanements.

Type of Measure: Program Effectiveness

Tool: Air carrier flight activity and landing reports, passenger comment cards, CVB, Visitor Center and Chamber of Commerce feedback

Frequency: Measured monthly; reported annually

Scoring: 3% growth or more – Progressing, average. Less than 3% to zero growth – Caution, warning. Any annual decline – Need to review, discuss

Trend: ↓

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Percentage change in annual passenger enplanements	+48.4%	-7.4%	+3.0%	+3.0%

Council Priority: Maintain public safety short response times and encourage expanded health services

Goal: Meet or exceed FAA requirements for Aircraft Rescue Firefighting and on-airport medical responses.

Objective: Consistently arrive at the scene within three minutes of alert notification

Type of Measure: Program Effectiveness

Tool: Air Traffic Control tower logs, Airport incident report forms, daily operations inspection checklists/logs

Frequency: Measured monthly; reported annually

Scoring: 100% of responses within 3 minutes – Progressing, average. 99.9% to 97% response success – Caution, warning. Less than 97% of responses within 3 minutes – Need to review, discuss.

Trend: ←→

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Percentage of emergency call responses within three minutes	100%	100%	100%	100%

SECTION: 38-AIRPORT					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 621,536	\$ 654,989	\$ 625,663	\$ 630,320	\$ (24,669)
CONTRACTUAL	322,001	333,195	308,015	945,582	612,387
COMMODITIES	151,337	149,740	161,968	147,774	(1,966)
CAPITAL	-	12,500	23,098	-	(12,500)
TOTAL	\$ 1,094,874	\$ 1,150,424	\$ 1,118,744	\$ 1,723,676	\$ 573,252
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 369,450	\$ 429,289	\$ 424,151	\$ 479,165	\$ 49,876
SAFETY AND SECURITY	114,711	123,441	123,745	96,853	(26,588)
SNOW CONTROL	121,612	107,696	90,759	86,126	(21,570)
MAINT BLDGS AND GROUNDS	421,008	392,096	378,470	379,725	(12,371)
MAINT RUNWAY AND TAXIWAY	67,961	97,602	101,619	81,507	(16,095)
AIRPORT COMMISSION	132	300	-	300	-
SMALL COMM AIR SVCS DVLP	-	-	-	600,000	600,000
TOTAL	\$ 1,094,874	\$ 1,150,424	\$ 1,118,744	\$ 1,723,676	\$ 573,252
SOURCE OF FUNDING:					
AIRPORT FUND				\$ 1,723,676	
				\$ 1,723,676	
COMMENTARY:					
<p>The Airport operating budget has increased 51% due to an expected grant (within Contractuals) of \$600,000 for developing an additional airline presence. There are no planned changes in Personal Services. There were retirement payouts in FY-2011, along with SmartWorks costs, reflecting a decrease in Personal Services budget of (\$24,114). However, there are expected increases in costs for retirement and benefit costs. Contractuals have increased for Maintenance Buildings and Grounds. Commodities have decreased slightly in the areas of Sign and Paintshop Materials.</p>					

MISSION

The Arts and Science Fund deploys Bed, Board, and Beverage Tax monies efficiently and effectively to create, enhance, and preserve the cultural heritage of Flagstaff.

PROGRAM DESCRIPTION

The Arts and Science Fund utilizes dedicated Bed, Board, and Beverage Tax monies to support the operations of local arts, science, and cultural organizations, and their projects, as well as to install public art within the community. Grant funding of organizations and their projects is administered by Flagstaff Cultural Partners, and overseen by program staff. Public art includes an indoor art program that utilizes City owned facilities including City Hall, Thorpe Park Community and Senior Center, Pulliam Airport Terminal building, and the Aquaplex for display. Permanent outdoor art pieces are installed at various locations throughout the City.

For planning purposes, the administration and implementation of the programs and activities of this section are combined with Section 18 (Community Design) and Section 73 (Beautification General Administration), and are planned comprehensively. See Section 18, Community Investment, for greater detail.

FY 11 ACCOMPLISHMENTS

- ✓ See Section 18, Community Investment.
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FY 12 NEW INITIATIVES AND GOALS

- See Section 18, Community Investment.
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PERFORMANCE MEASURES

See Section 18, Community Investment.

SECTION: 71-ARTS AND SCIENCE					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
CONTRACTUAL	\$ 411,458	\$ 670,464	\$ 422,179	\$ 663,044	\$ (7,420)
COMMODITIES	692	3,008	3,009	3,039	31
TOTAL	\$ 412,150	\$ 673,472	\$ 425,188	\$ 666,083	\$ (7,389)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 24	\$ 1,025	\$ 105	\$ 1,025	\$ -
CONTRACTUAL SERVICES	309,750	333,000	333,000	293,000	(40,000)
PUBLIC ARTWORK	33,626	269,622	22,258	282,233	12,611
FCP ADMINISTRATION	68,750	69,825	69,825	69,825	-
RIORDAN MANSION	-	-	-	20,000	20,000
TOTAL	\$ 412,150	\$ 673,472	\$ 425,188	\$ 666,083	\$ (7,389)
SOURCE OF FUNDING:					
ARTS AND SCIENCE FUND				\$ 666,083	
				\$ 666,083	
COMMENTARY:					
<p>The Arts and Science operating budget has decreased by 1% over FY-2011. Personal Services are handled through internal charge outs and are included in Commodities. One-time expenditures for this division are: \$18,000 for the Flagstaff Cultural Partners, \$278,400 for Public Artwork specific projects, and \$20,000 for the Riordan Mansion. Minor fluctuations in year-to-year budgets relate to specific program needs each year while maintaining adequate fund balance. There are no major capital (>\$10,000) expenditures planned for this section.</p>					

MISSION

The Beautification General Administration program deploys Bed, Board, and Beverage Tax monies efficiently and effectively to create, enhance, and preserve the sense of place, both the built and natural environment, of Flagstaff.

PROGRAM DESCRIPTION

The Beautification General Administration program oversees the expenditures of Bed, Board, and Beverage Tax monies that are dedicated to beautification. This includes Beautification and Public Art Commission staff support, beautification projects generated under the Community Design program, and other activities related to the development of the community.

For planning purposes, the administration and implementation of the programs and activities of this section are combined with Section 18 (Community Design) and Section 71 (Arts and Science Fund) and are planned comprehensively. See Section 18, Community Investment, for greater detail.

FY 11 ACCOMPLISHMENTS

- ✓ See Section 18, Community Investment.
-

FY 12 NEW INITIATIVES AND GOALS

- See Section 18, Community Investment.
-

PERFORMANCE MEASURES

See Section 18, Community Investment.

ECONOMIC VITALITY

SECTION 73

BEAUTIFICATION

SECTION: 73-BEAUTIFICATION GENERAL ADMINISTRATION					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 105,001	\$ 104,114	\$ 103,837	\$ 104,545	\$ 431
CONTRACTUAL	3,403	46,905	47,050	28,900	(18,005)
COMMODITIES	1,165	1,175	1,210	1,175	-
TOTAL	\$ 109,569	\$ 152,194	\$ 152,097	\$ 134,620	\$ (17,574)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 109,455	\$ 107,194	\$ 107,097	\$ 109,620	\$ 2,426
COMMISSION	114	-	-	-	-
WHEELER PARK LIGHTING	-	25,000	25,000	25,000	-
RIORDAN MANSION	-	20,000	20,000	-	(20,000)
TOTAL	\$ 109,569	\$ 152,194	\$ 152,097	\$ 134,620	\$ (17,574)
SOURCE OF FUNDING:					
BEAUTIFICATION FUND				\$ 134,620	
				\$ 134,620	
COMMENTARY:					
The Beautification operating budget has decreased 12% and there are no capital expenditures. Personal Services include a pension increase. Contractual decreases are due to Riordan Mansion maintenance services being transferred to Div 71 - Arts and Science. Commodities has a net change of 0%. There is no major capital (>\$10,000) for this section.					

MISSION

The mission of the Convention and Visitors Bureau (CVB) 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.

PROGRAM DESCRIPTION

The CVB is charged with administering tourism programs for the City of Flagstaff and receives an allocation of 30% of the BBB tax collected. Programs include marketing to tour operators, travel agents, meeting planners, group coordinators and individual leisure travelers, as well as development of public outreach and educational programs, media relations and media coverage. The CVB is also responsible for the creation and maintenance of partnership opportunities both locally and regionally.

FY 11 ACCOMPLISHMENTS

- ✓ Received AZ Governor's Award for Innovative Promotions for the CVB Stimulus campaign.
- ✓ Organized and promoted city-wide "Kick Return to Flagstaff Deals" campaign with emphasis on Cardinals Training Camp visitors returning to Flagstaff during the winter season. Heavily promoted Cardinals Training camp, with nearly 19,000 web hits to the online splash page.
- ✓ Hosted 2nd Annual Treasure Tourism event in partnership with the Flagstaff Lodging and Restaurant Association, celebrating individuals and organizations in the industry while also raising funds for NAU School of HRM scholarships.
- ✓ Enhanced sales and marketing efforts to produce 26% more leads with the potential to generate over 13,400 more room nights as compared to the same period of time last fiscal year.

- ✓ Secured the Governor's Rural and Regional Development Conference and hosted *A Taste of Fall in Flagstaff* Welcome Reception for attendees and sponsors. Also helped secure the National Association of Counties Western Interstate Region Conference, Harley Davidson motorcycle rally, and Navajo Nation Behavioral Health UAD Conference.
- ✓ Jointly hosted Travel Classics West media FAM tour, partnering with the Sedona Chamber of Commerce.
- ✓ Increased sales and public relations efforts in multiple markets due to reductions of state support. Efforts included taking part in a new Japanese market collaborative, partnering with state-wide CVB's to attend ITB, and coordinating a state-wide LA Media Marketplace.
- ✓ Utilized Flagstaff HD footage to expand video coverage of Flagstaff through multiple media outlets, including television and online channels.
- ✓ Distributed quarterly *My Flagstaff* consumer marketing e-newsletter, with over 10,000 subscribers to five topics of interest: Dining & Nightlife, Arts & Entertainment, Science & Education, Active in the Outdoors, and Family Fun.
- ✓ Developed several splash pages within the CVB website supporting specific promotions, including Fourth of July events and Winter Recreation.
- ✓ Garnered significant media coverage, including *USA Today*, *Sunset Magazine*, *American Way*, and *Arizona Highways Magazine*.
- ✓ Updated CVB collateral materials to remain competitive in the market, including the *Visitor Guide* and *Explore Flagstaff* series.

FY 12 NEW INITIATIVES

- Increase BBB revenues by 2% through targeted leisure and group sales and marketing efforts.
- Increase both number of web visits and duration of online visit by 10% through implementation of effective consumer applications and marketing efforts.
- Increase the quantity of consumer database subscribers by 8% reaching an open rate of 22% to effectively influence potential visitors.

- Produce new group leads and assist current operators/planners, resulting in 2% increase in number of 'definite' room nights generated through CVB efforts.
- Expand number of feature Flagstaff media placements resulting in 6% increase in PR value of articles that the CVB generates/assists with.
- Lay groundwork to create a new advertising /media campaign, including conducting focus groups/market research and updating imagery.

PERFORMANCE MEASURES

Council Priority: Sustainable Community through economic vitality, environmental protection and social inclusion; Diversity of arts, culture and educational opportunities

Goal: Provide the community with resources that meet or exceed expectations through increased BBB revenues.

Objective: Increase visitation and extend the length of stay by positioning Flagstaff as the premier year-round destination while maintaining strong travel patterns on weekends and during high season, and increasing occupancy mid-week and in slower shoulder and off-seasons.

Type of Measure: Outcome

Tool: Room night bookings generated through leads, RevPAR (revenue per available room) and occupancy reports, restaurant/bar sales, attraction visitation, media coverage and publicity value, reach and frequency of marketing, website visits, fulfillment request/distribution and e-marketing/social media subscribers/interactions.

Frequency: Monthly

Scoring: BBB revenues at or above projection

Trend: ↑

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Bed Board and Booze (BBB) Tax revenues	\$4,985,630	\$5,140,954	\$5,240,000	5,340,000

SECTION: 84-CONVENTION AND VISITORS BUREAU					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 614,394	\$ 550,202	\$ 544,564	\$ 557,388	\$ 7,186
CONTRACTUAL	499,689	571,229	568,234	566,501	(4,728)
COMMODITIES	121,799	101,828	109,550	124,571	22,743
TOTAL	\$ 1,235,882	\$ 1,223,259	\$ 1,222,348	\$ 1,248,460	\$ 25,201
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 653,337	\$ 579,543	\$ 573,770	\$ 609,522	\$ 29,979
MARKETING AND PROMOTION	476,013	532,500	539,734	546,950	14,450
SALES	77,577	80,028	79,625	67,750	(12,278)
PUBLIC RELATIONS	27,174	30,438	28,469	23,488	(6,950)
FILM OFFICE	1,781	750	750	750	-
TOTAL	\$ 1,235,882	\$ 1,223,259	\$ 1,222,348	\$ 1,248,460	\$ 25,201
SOURCE OF FUNDING:					
TOURISM FUND				\$ 1,248,460	
				\$ 1,248,460	
COMMENTARY:					
The Tourism operating budget has increased 2% since FY-2011. Personal Services have increased as a result of benefit and retirement costs. Commodities increases reflect program needs for Promotional Materials and Copying/Printing There are no 1X nor major capital (>\$10,000) expenditures for this section.					

MISSION

The mission of the Visitor Center is to introduce and educate visitors about the vast tourism opportunities within Flagstaff and the surrounding areas, and to increase the frequency of visits to Flagstaff and length of stay.

PROGRAM DESCRIPTION

Located in the Historic Train Station, the Flagstaff Visitor Center is charged with providing local, state and regional information to visitors in order to enhance or extend their stay. The Visitor Center (VC) is funded through the Flagstaff Convention and Visitors Bureau (CVB) allocation of BBB tax collections. Programs include visitor services, train station operations, educational programs, and creation of local partnerships.

FY 11 ACCOMPLISHMENTS

- ✓ Coordinated the installation of the Centennial Mural, an official Arizona Centennial Legacy Project.
- ✓ Successfully transferred the Historic Downtown Tours program to the AZ Historical Society; trained guides and provided reservation assistance.
- ✓ Developed a Route 66 Walking Tour on the south side of downtown which is coordinated and conducted by a well-known community volunteer.

- ✓ Conducted on-site outreach programs, including NAU Bookstore author book signings, Council for Indigenous Arts and Culture educational events, and National Train Day program.
 - ✓ Initiated installation of Grand Canyon ticket kiosk where visitors can purchase passes in advance of their trip and obtain additional Flagstaff information.
 - ✓ Promoted Visitor Center as single point of contact for recreational snowplay information.
 - ✓ Recruited and trained multiple volunteers at the Visitor Center to increase customer service opportunities.
 - ✓ Installed new gift shop point of sale system to better track revenues and product inventory.
-

FY 12 NEW INITIATIVES

- Enhance relationships with front-line staff and local businesses to broaden awareness of the Visitor Center as the primary resource for regional information and collateral material.
 - Continue to develop and provide on-site opportunities, such as educational forums, informational displays and programs to enhance both the visitor and local community's experience.
 - Take part in the AZ Centennial Celebrations as available, highlighting Flagstaff's role in the state's history and future.
 - Maximize regional partnerships to expand use of the Visitor Center, such as working with Route 66 Association as a redemption point for the passport program and selling Grand Canyon Park passes.
-

PERFORMANCE MEASURES

Council Priority: Sustainable Community through economic vitality, environmental protection and social inclusion; Maintain and deliver quality, reliable infrastructure

Goal: Provide excellent customer service which meets and exceeds the City of Flagstaff's mission.

Objective: Enhance existing customer service programs to encourage visitors to stay longer and/or revisit Flagstaff.

Type of Measure: Program Effectiveness

Tool: Customer service surveys, fulfillments, walk-in visitation

Frequency: Monthly

Scoring: Percentage of survey respondents with satisfaction rating of 4 or above on scale or 1 to 5 (5 being highest) and number of visitors that utilize the Visitor Center

Trend: ↑

Measures:	CY 09 Actual	CY 10 Actual	CY 11 Estimate	CY 12 Proposed
Visitor Center Customer Service Survey (# surveys / % satisfaction)	324 / 96%	400 / 95%	420 / 96%	450 / 96%
Visitor Center Walk-ins	92,938	82,638	90,000	100,000

SECTION: 85-VISITOR SERVICES					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2009-2010	Adopted Budget 2010-2011	Estimated Expenditures 2010-2011	Proposed Budget 2011-2012	Budget-Budget Variance
PERSONAL SERVICES	\$ 234,706	\$ 224,124	\$ 216,622	\$ 195,992	\$ (28,132)
CONTRACTUAL	92,747	79,709	85,293	90,179	10,470
COMMODITIES	38,957	25,536	26,211	25,126	(410)
TOTAL	\$ 366,410	\$ 329,369	\$ 328,126	\$ 311,297	\$ (18,072)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 260,242	\$ 244,144	\$ 237,084	\$ 215,312	\$ (28,832)
TRAIN STATION OPERATIONS	106,168	85,225	91,042	95,985	10,760
TOTAL	\$ 366,410	\$ 329,369	\$ 328,126	\$ 311,297	\$ (18,072)
SOURCE OF FUNDING:					
TOURISM FUND				\$ 311,297	
				\$ 311,297	
COMMENTARY:					
The Visitor Center's operating budget has decreased 5% since FY-2011. Personal Services decreases are due to a .76 FTE staffing reduction for an Administrative Assistant funded with 1X money in FY-2011. In addition, there were minor increases in Personal Services as a result of benefit and retirement costs. Contractual increases are due to Telephone, Equipment Maintenance, Miscellaneous Services, Janitor and Other Operating Supplies There is no major capital (>\$10,000) for this section.					

