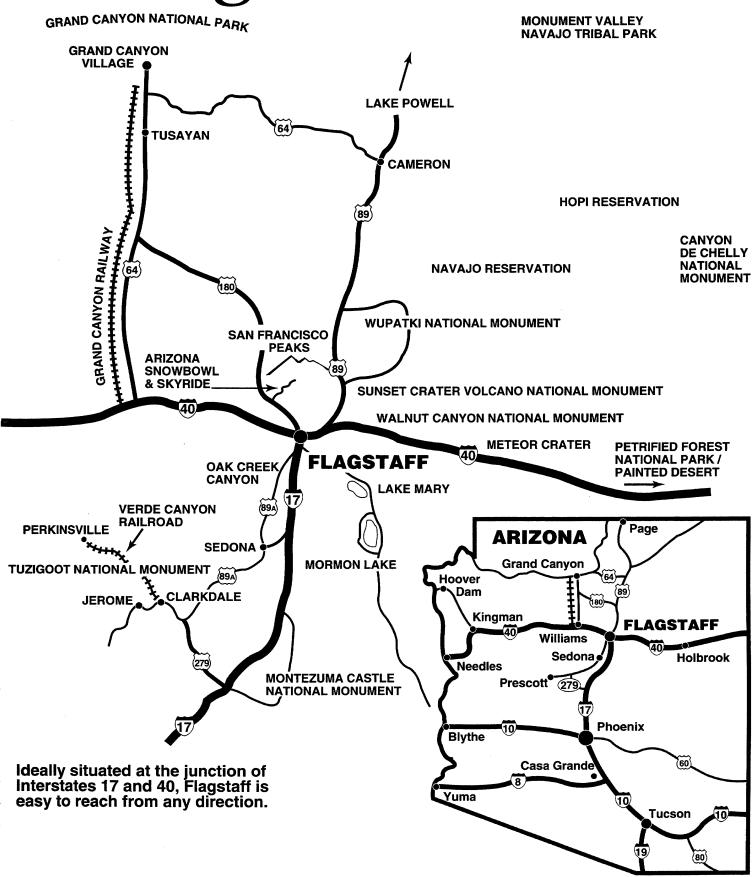
Flagstaff Arizona



COMMUNITY PROFILE

Known as the "Land of Seven Wonders," Flagstaff attracts millions of tourists each year due to its easy access to such scenic attractions as the Grand Canyon, Sedona, Oak Creek Canyon, Meteor Crater, Walnut Canyon, Fairfield Snowbowl, Wupatki National Monument, and Sunset Crater.

Flagstaff drew its name from a very tall pine raised on Independence Day, July 4, 1876. The lone pine was to serve as a trail marker for westbound wagon trains seeking the promise of fertile soil and opportunity in California. Eventually, the trail became the famous Route 66.

One of the highest cities in the nation at an altitude of nearly 7,000 feet and at the base of the majestic San Francisco Peaks (12,633'), the city, like most mountain communities, has four classic seasons.

Flagstaff averages 283 days without precipitation each year, so it is not surprising that our residents love the great outdoors, and the mild climate encourages year-round outdoor activities. Surrounded by National Forest, the area is a playground for hikers, backpackers, campers, and rock climbers, as well as downhill and crosscountry skiers in the winter. Other outdoor activities include golf, boating, hunting and fishing, softball, volleyball, soccer, ice hockey, hang gliding, and bicycling. For those who make walking, running, or bicycling a part of their normal exercise routine, Buffalo Park, a woodland mesa with spectacular views of the Peaks, features a 2mile cinder track, complete with a 20-station Vita Course and a multitude of trails. The City has been constructing the Flagstaff Urban Trail System (FUTS) to provide bicycle and pedestrian linkage between all major areas of the City. The current draft of the proposed City/County regional plan shows an estimated 55 miles of FUTS. The City has completed approximately 24 miles to date.

POPULATION: WHO WE ARE

The results of the 2000 census indicate the population of the City of Flagstaff to be 52,894. The City has submitted an appeal to the U.S. Census Bureau since that number indicates the City has grown by less than 200 people from the 1995 Special Census count of 52,701. A response to our appeal is expected by the end of September 2002. Since the 2000 Census, the

economic growth indicators reflect a strong growth pattern so the City of Flagstaff will be using the Arizona Department of Economic Security population estimate of 57,700.

The City has grown and is expected to continue to grow at a very moderate and stable growth rate of 1.97% per year. This has allowed the City to keep pace with population demands and manage growth in a manner that is consistent with the economic, environmental and fiscal qualities that are priority values of our community.

EDUCATION: THE FACTS SPEAK FOR THEMSELVES

Education is a high priority in Flagstaff, and Flagstaff Unified School District #1 is widely recognized as one of the finest in the Southwest with 12 elementary schools, 2 middle schools, 1 alternative school and 3 high schools. The Arizona Department of Education has commended the Flagstaff school system for its positive learning atmosphere and innovative instructional programs. The district has one of the lowest dropout rates in the State and students consistently score well above state and national averages on achievement tests.

In addition to the school system, there are 10 chartered schools run by private parties. These schools provide educational opportunities for children in kindergarten to high school. The schools specialize in everything from specific learning styles to programs focused on the Arts.

Flagstaff's commitment to education is enhanced by Northern Arizona University's contribution to the community. Established in 1899, NAU is one of Arizona's three state universities. In the Fall of 2001, NAU offered 105 Bachelor, 44 Master, and 9 Doctorate degrees. Its approximately 19,726 students (14,185 of which were enrolled at the Flagstaff campus) are enrolled in standard curriculum in business, arts and sciences, and specialized degree programs in forestry, physical therapy, and hotel/restaurant management.

Coconino County Community College offers associate degrees, continuing education, and special programs for small businesses. Enrollment is approximately 3,358 students (2,621 of which were enrolled at the Flagstaff campus).

Flagstaff Unified School District also provides an outstanding vocational education program.

ECONOMY: PROGRESS MUST ENHANCE THE QUALITY OF LIFE-OR IT ISN'T PROGRESS

Flagstaff serves as the economic hub of Northern Arizona. It is the largest city in Coconino County, which is the nation's second largest county (almost 12 million acres), bounded on all sides by the Coconino National Forest, the largest stand of Ponderosa Pines in the U.S. Not surprisingly, the U.S. Forest Service, the U.S. Geological Service, and Coconino County are major employers.

NAU, the largest employer in the City, has an economic impact of nearly \$250 million annually. The campus is used year-round and hosts many professional athletes, e.g., Phoenix Cardinals and Phoenix Suns, and Olympic athletes that choose Flagstaff as a training site because of the climate, altitude, and available facilities. The University, in partnership with the City of Flagstaff and the State of Arizona, has institutionalized this with the development of the High Altitude Training Center. The Center invites athletes worldwide to train at our 7,000 feet elevation, which has proven to offer a competitive advantage. The Center offers facilities, health assessments, and other services to these international athletes.

Five business and industrial parks are situated with excellent access to the Interstates (I-40 and I-17). Two additional sites reside within 15 miles of the City limits. Major manufacturers include W.L. Gore & Associates (of Gortex renown), manufacturer of medical equipment; Ralston Purina, manufacturer of dry pet food; and SCA Tissue, manufacturer of tissue paper.

The following is a breakdown of the 6,786 active business licenses by category:

Construction Contracting	1,526
Construction Contracting	,
Building Materials	123
General Merchandising Stores	14
Drug and Liquor Stores	22
Food Stores	145
Auto Sales, Parts, etc.	320
Clothing Stores	69
Home Furnishings	413
Rentals	745
Advertising, Publishing, and Printing	118
BBB	375
Misc. Retail	1,624
Service Related (Business Licenses)	1,292
·	6.786

Total sales generated by Flagstaff businesses reached \$2.2 Billion in FY 2002.

Tourism is a year-round industry attracting skiers in the winter, vacationers in the summer, and sightseers viewing the aspen turning gold in the fall. Slightly less than 50% of the local economy is based on trade and services, with 375 licensed businesses generating BBB tax revenues (an additional 2% sales tax).

TRANSPORTATION: AT THE CROSSROADS

Flagstaff is ideally situated at the juncture of I-17 and I-40, and with its close proximity to the Grand Canyon and six other National Parks and Monuments. Flagstaff understands the importance of ensuring people getting to where they want to go; whether this be the tourist en route to the Grand Canyon, the winter visitor headed for the slopes or nordic trails, or the local area residents getting out and about town.

Our commitment to maintaining and enhancing our transportation infrastructure includes street improvements, airport expansion, and completion of the next link of FUTS and completion of a regional transportation plan.

The City was designated an urbanized area in response to the 1995 census population exceeding 50,000. A Metropolitan Planning Organization (MPO) has been formed. Their mission is to prepare and implement a comprehensive transportation plan for the community.

Pulliam Airport is located four miles south of the city and provides five daily flights, three Saturday flights, and four Sunday flights to Phoenix, where connections can be made to international and national destinations. The terminal facility that provides 21,000 square feet opened in May 1993.

Santa Fe Railway provides piggyback service for rail freight, and Amtrak provides passenger service with daily arrivals and departures. Additionally, intra and interstate bus service (Greyhound) and local service (Mountain Line) operate in Flagstaff.

As a complement to the Flagstaff lifestyle and ancillary to the transportation network within the city, a non-motorized urban trails system (FUTS), consisting of a proposed 55 miles of interconnected trails linking virtually every area of the city will be completed over a ten-year period. Users include pedestrian commuters, runners, bicyclists, hikers, and cross-country skiers.

ENVIRONMENTAL FOCUS: AWARENESS AND SENSITIVITY

"Flagstaffers" realize that the quality of life enjoyed in this mountain community is intricately related to the preservation of our environment. Manpower and other resources are allocated to various programs that are dedicated to environmental issues. Clean and Green (an affiliate of Keep America Beautiful) sponsors a variety of programs including the Adopt-A-Park (20 parks) and Adopt-A-Street (over 74 miles) programs. Recycling programs have focused on public awareness and education, drop-off centers, cooperative venture in developing a school curriculum program (Waste in Place), and a curbside recycling program including the construction of a Materials Recovery Facility (MRF). Water conservation programs include a reclaim water treatment plant and related distribution lines to transport water to large irrigation water users, as well as a low-flow toilet rebate program. The toilet rebate program of \$13,000 has been extended to commercial and industrial users as well as residential customers. Additionally, the City provides funding support to not-for-profit organizations such as the Resource Center for Environmental Education and the Museum of Northern Arizona.

Open Space and Regional Plans

These programs are not stand-alone, token efforts. An environmental consciousness is pervasive in our actions. For example, fixing leaking waterlines in the Inner Basin will eliminate a water supply area animals have come to rely on. Therefore, the City worked with the Arizona Fish and Game to provide trick tanks (water ponds) when the leaking lines are replaced. Such actions are illustrative of our environmental ethos.

CULTURAL OPPORTUNITIES: AWARENESS IS A QUALITY OF LIFE ATTRIBUTE

Flagstaff serves as the cultural hub of Northern Arizona. Because arts and cultural activities enhance the quality of life and have an economic impact, the City supports these endeavors. This year, these endeavors will receive \$402,699 and of this amount \$47,900 will go towards the Art in Public Places program. Funding support for these activities comes from the Bed, Board and Booze tax, and the General Fund. The Arts and Science disburse Commission will these funds. Throughout the year, there are art shows, festivals, live theater performances, and Native American arts and crafts exhibits to satisfy the most ardent enthusiast. The Flagstaff Symphony Orchestra performs eight orchestra concerts, a young people's orchestra, and a children's holiday concert each year. The annual concert series often featuring guest artists of national and international renown. The orchestra consists of approximately 55 members.

Lowell Observatory, famous for its discovery of the planet Pluto, was built in 1894 on Mars Hill and remains one of the country's leading astronomical institutions, operating telescopes in and around Flagstaff. The Lowell Observatory also offers daily guided tours and night viewings to the public. The Museum of Northern Arizona offers internationally recognition exhibits in archeology, ethnology, geology, biology, and fine art of the Colorado Plateau. Four especially notable exhibitions, which attract national and international visitors, include the annual Zuni, Hopi, Navajo, and Hispanic Exhibitions with contemporary and traditional pottery, weaving, jewelry, and sand paintings, as well as native artist demonstrations and traditional dance.

RECREATION: A FOCAL POINT FOR LIVING

A substantial portion of the tourism industry is tied to the outdoor amenities surrounding the area. Flagstaff is in close proximity to an array of scenic attractions. Canyons include the Grand Canyon and Oak Creek Canyon. Indian ruins are found in numerous locations with Walnut Canyon National Monument and Wupatki National Monument ten miles east of the City. Sunset Crater Volcano has trails, which meander through the lava flows and between the cinder cones. The City is surrounded within and without by coniferous forests, which allow for an array of outdoor sports and camping and backpacking opportunities. averages more than 108 inches of snow annually. Downhill skiers enjoy 32 runs down the San Francisco Peaks, just 14 miles from downtown Flagstaff. Groomed trails at a nordic center provide over 40 kilometers of cross-country skiing. Endless miles can be skied on the hundreds of miles of forest service roads. Flagstaff even sponsors the annual Winter Festival that includes dog sled races.

Hikers, joggers, and mountain bikers will find miles of trails, which range from gentle grades to extremely difficult terrain. The outdoor sportsman will find opportunities for hunting and fishing. The individual committed to an exercise routine, which includes running, or walking will find a 2-mile track complete with a 20-station Vita Course at Buffalo

Park, a woodland area atop a mesa with spectacular views of the San Francisco Peaks.

For those who enjoy organized team sports, the City has adult and youth leagues for softball, baseball, basketball, soccer, ice hockey, and volleyball throughout the year. Additional recreation amenities include the skateboard park

and disc golf course, which provide year-round recreational opportunities. Additionally, the City is committed to the development of a non-motorized urban trail network (FUTS), which will interconnect virtually all areas of the City when completed and will serve as an important transportation element as well as a recreation amenity.

2001-2002 Major Taxpayers City of Flagstaff, Arizona

Company Name		mated 2001-02 et Secondary essed Valuation	As % of the City's 2001-02 Net Secondary Assessed Valuation		
Arizona Public Service Company	\$	12,690,610	3.11%		
W L Gore & Associates Inc.		10,577,757	2.59%		
Northern Arizona Gas Division (Citizens Utilities)		9,194,655	2.25%		
U. S. West Communications Inc.		7,081,338	1.73%		
Ralston Purina Co.		5,274,488	1.29%		
Little America Refining Company		5,149,226	1.26%		
Consolidated Investments Company Inc.		3,086,173	0.76%		
Flagstaff Mall Associates Ltd. Partnership		2,996,319	0.73%		
Walstaff Associates (Walgreens)		2,940,753	0.72%		
SACO Management Inc.	-	2,498,291	0.61%		
	\$	61,489,610	15.05%		

Source: Arizona Department of Revenue

General Obligation Debt Servicing:									
		FY 1998		FY 1999		FY 2000		FY 2001	FY 2002
Secondary Assess Value Population Debt as a % of AV	\$	340,743,258 58,148 13%	\$	362,625,557 59,945 11%	\$	385,098,813 52,894 9%	\$	408,592,733 52,894 8%	\$ 429,030,400 57,700 8%
Per Capita Debt	\$	784.82	\$	678.35	\$	689.37	\$	597.02	\$ 590.26
Property Tax Rate:									
Primary		0.7326		0.7326		0.7326		0.7326	0.7326
Secondary		0.9801		0.9801		0.9801		0.9801	0.9801
Total Tax Rate		1.7127		1.7127		1.7127		1.7127	1.7127

Miscellaneous Statistical Data

Date of Incorporation - 1894		Fire Protection	0
		Number of Stations	6 98
Date First Charter Adopted October 3, 1958		Number of Employees (FTE)	90
33.325. 3, 1333		Police Protection	
		Number of Employees	142
Date Present Charter Adopted		Number of Calls for Service	
April 10, 1984		Annual Report-12/31/00	55,801
		Average Personnel for 24 hour period	32
		Vehicular Patrol Units	32
Form of Government		Coconino County Jail	
Council, City Manager		Prisoner Capacity	562
Area - Square Miles		Pulliam Airport	
2002	73.600	Fixed Base Operators	1
2001	73.600	Locally Based Aircraft	130
2000	65.926	Tiedowns	49
1995	65.926	Enclosed Hangars	42
1985	65.049	Open Hangars	38
1975	64.500		
1965	62.500	Elections	
M''		Number of Registered Voters	04.40=
Miles of Streets, Alleys and Sidewalks	004.50	May 2002	24,167
Streets	204.58	Number of Votes Cast	0 201
Alleys Total	10.08 214.66	Last Municipal Election May 2002 Percentage of Registered Voters	8,381
Total	214.00	Voting in Last Municipal Election	34.70%
Sidewalks	135.28	voting in Last Municipal Election	34.70%
Miles of Sewer		Parks and Recreation	
Storm	39.25	Number of Developed Parks	27
Sanitary	231.76	Number of Un-developed Parks	3
		Park Acreage	585.95
N 1 (0) (1) (1)	2 222	Flagstaff Urban Trail System-Miles	21.64
Number of Street Lights	2,898	Number of Other Facilities	
Number of Eiro Hydrente	2.425	Number of Other Facilities: Swimming Pools (School Owned)	2
Number of Fire Hydrants	2,435	Recreation Centers	2 5
Number of Manholes	5,979	Tennis Courts	17
Number of Manholes	5,515	Handball Courts	5
Other City Buildings	34	Ramadas	8
Includes City Buildings in Addition to Fire	0.1	Softball/Baseball Fields	17
Stations and Recreation Buildings		Ice/Roller Rinks	1
· ·		Playgrounds	19
Employees as of June 30, 2002		Skate Tracks	1
Merit System	544	Soccer Fields	1
Exempt	115	Disc Golf Course	1
Temporary	218	Basketball Courts	15
Elected Officials	7		

Miscellaneous Statistical Data

Population

		Census Population Count-Last Five Censu	ıses:
Education		2001	57,700
Number of Schools:		2000	52,894
Public Elementary	13	1995*	52,701
Public Middle School	2	1990	45,854
Public High School	3	1985	38,247
Private and Parochial K-1	2 12	1980	34,743
Technical Schools	3	*Special Census	
Coconino Community Co	llege 1	·	
Northern Arizona Univers			
		2000 Census Information:	
Number of Teachers:		Age Distribution of Population	
Public Elementary, Middle		for Urbanized Areas Only	
and Ungraded (Certified		1-4 Years	3,546
Northern Arizona Univers	ity	5-17 Years	9,288
Professional Staff	737	18-24 Years	11,487
Coconino Community Co	llege	25-44 Years	16,111
Professional/Staff	322	45-64 Years	8,309
		65+ Years	4,153
Number of Students:		<u> </u>	52,894
Public Schools	11,573		
Charter, Private and Parc	ochial K-12 2,463	Average Persons per Housing Unit	2.59
Northern Arizona Univers			
Coconino Community Co	llege 2,621	Per Capita Income (2000)	5 11,517 *
Calco Toy			
Sales Tax Retail Sales by Fiscal Year:		Utility Enterprise	
2002 \$	1,404,232,492	Total Active Accounts on June 30, 2002	
2001	1,324,735,136	Water	16,356
2000	1,238,195,104	Sewer	15,956
1999	1,117,197,604	Average Gallons/Household/Month	6,727
1998	1,065,133,746		
1997	1,016,570,260		
1996	965,100,588	Plants Capacity (Million Gallons per Day):	
1995	905,801,130	Water Treatment Plant	7.2
1994	867,566,687	Reservoir Filtration Plant	3
1993	776,546,307	Wildcat Hill Plant	6
1992	686,784,204	Rio de Flag Reclaim Plant	4
1991	659,778,700	Miles of Water Lines	348.80
1990	631,835,742	Wells	24
1989	595,358,235	Reservoirs	8
1988	546,806,636	Reclaimed Reservoirs	1
1987	525,528,924	Miles of Reclaimed Lines	16.57
1986	469,294,230	Miles of Sewer Lines	232.91
1985	453,236,712		
Total Sales Tax Revenue for	Fiscal Vear 2002		
Total Sales Tax Revenue for \$	11,135,228		
•	, , ,		

Property Tax Rates and Tax Levies Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	City	School District	Community College	County	State	Total
	-					
1993	2.1114	6.4710	0.3589	1.1815	0.4700	10.5928
1994	2.1014	6.3515	0.3671	1.1650	0.4700	10.4550
1995	2.0823	6.3778	0.3706	1.1622	0.4700	10.4629
1996	1.7983	6.7903	0.3728	1.1472	0.4700	10.5786
1997	1.8283	6.5237	0.3784	1.1386	-	9.8690
1998	1.7127	6.6634	0.3869	1.1168	-	9.8798
1999	1.7127	6.5477	0.3952	1.1094	-	9.7650
2000	1.7127	6.5585	0.5947	1.1444	-	10.0103
2001	1.7127	6.6885	0.5724	1.1336	-	10.1072
2002	1.7127	6.6885	0.5724	1.1336	-	10.1072
Note: Tax rate	es are per \$100 a	ssessed valuation	on.			
	-		Tax Levies			
1993	5,620,237	16,905,293	925,154	3,070,523	1,211,542	27,732,749
1994	5,743,129	17,177,928	987,329	3,146,188	1,264,082	28,318,656
1995	5,910,644	17,960,572	1,038,919	3,269,358	1,317,571	29,497,064
1996	5,424,449	20,199,032	1,096,407	3,401,466	1,382,273	31,503,627
1997	5,638,222	20,034,474	1,157,420	3,492,093	-	30,322,209
1998	5,754,197	22,148,857	1,275,182	3,706,162	-	32,884,398
1999	6,138,071	23,252,495	1,393,923	3,936,405	-	34,720,894
2000	6,526,010	24,786,048	2,252,184	4,324,131	-	37,888,373
2001	6,936,955	26,912,268	2,305,697	4,560,552	-	40,715,472
2002	7,271,109	28,170,830	2,414,069	4,773,684	-	42,629,692

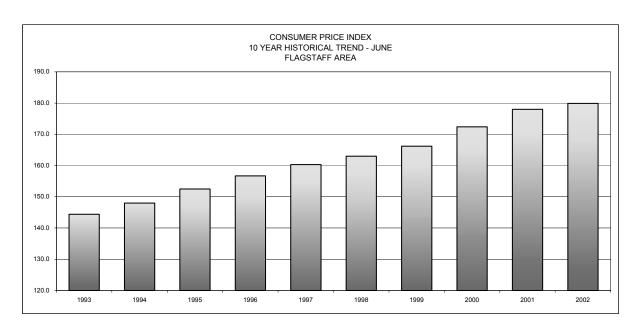
Ten Year Resume Population, Assessed Valuations, Tax Rates, Property Tax Collections and Average Propoerty Tax per Capita

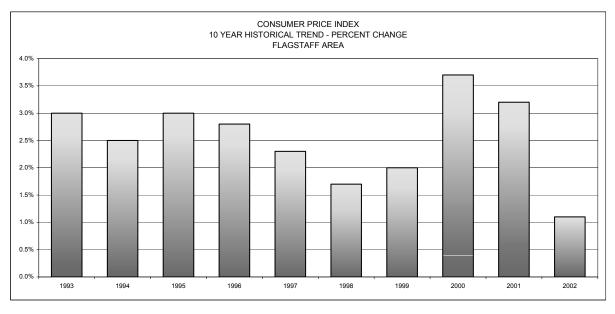
Last Ten Fiscal Years

Fiscal Year	Population	Secondary Assessed Value	Combined Primary & Secondary Tax Rates	Cumulative Combined Property Tax Collections	Average Property Tax Collection Per Capita
1993	49,536	270,046,968	2.1114	5,622,898	113.51
1994	50,744	275,309,728	2.1014	5,796,650	114.23
1995	52,701	285,499,920	2.0823	5,928,226	112.49
1996	53,966	309,828,076	1.7983	5,477,979	101.51
1997	55,885	310,066,911	1.8283	5,646,621	101.04
1998	58,145	340,743,258	1.7127	5,758,078	99.03
1999	59,945	362,625,557	1.7127	6,115,544	102.02
2000	60,880	385,098,813	1.7127	6,572,875	107.96
2001	62,710	408,592,733	1.7127	6,956,955	110.94
2002	57,700	429,030,400	1.7127	7,475,750	129.56
	Fiscal Year	Primary	Secondary		
	1993	0.6644	1.4470		
	1994	0.6644	1.4370		
	1995	0.6644	1.4179		
	1996	0.7326	1.0657		
	1997	0.7326	1.0957		
	1998	0.7326	0.9801		
	1999	0.7326	0.9801		
	2000	0.7326	0.9801		
	2001	0.7326	0.9801		
	2002	0.7326	0.9801		

United States Consumer Price Index 10 Year Historical Trend - June versus June Flagstaff Area, Non-Seasonally Adjusted

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
June	144.4	148.0	152.5	156.7	160.3	163.0	166.2	172.4	178.0	179.9	
Percent Change	3.0%	2.5%	3.0%	2.8%	2.3%	1.7%	2.0%	3.7%	3.2%	1.1%	





Source: Tax, Licensing, and Revenue Division