

Frequently Asked Questions

Q - How will these capital improvement bond projects meet public goals established by the community?

A - Bond projects were identified through citizen input and various community planning processes. Citizen input included City Boards and Commissions, the Bond Advisory Task Force, public meetings, community surveys and focus groups, and public comment at City Council meetings. Community planning processes include the Flagstaff Area Regional Land Use and Transportation Plan which was ratified by voters in May 2002; the Open Space and Greenways Plan developed by the City, Coconino County, U.S. Forest Service, National Park Service, Arizona Game & Fish Department and the Arizona State Land Department; the Parks and Recreation Long-Range Plan adopted by the City Council in 1996; and the Vision 2020 public/private sector process.

Through this bond election, citizens have the opportunity to consider near-term and long-range capital investments and determine how the City will meet many of its capital needs and goals over the next several years.

Q - What process will be used to determine the new locations for the fire stations?

A - The City is conducting an in-depth analysis with a professional planning group to identify optimum placement options for each fire station. This will achieve the goals of improved response times and equal distribution of calls among all stations.

Q - What process will be used to determine whether to sell some of the land on McMillan Mesa for cost recovery?

A - The land on McMillan Mesa that is proposed for open space acquisition is currently private property and zoned for development. If the McMillan Mesa Open Space Land Acquisition Project is approved by voters, the City will enter into negotiations with the land owners to acquire the designated parcels. The City Council may also elect to resell portions of the acquired parcels that are less environmentally significant to offset the total cost of purchasing these lands. The funds from the sale would be used to repay bonds.

Q - How was the Continental Regional Park selected as the site for additional multipurpose recreation fields?

A - The Continental Regional Park is owned by the City, and has available land that is appropriate for multipurpose field development. The Park has been master planned to include the multipurpose recreational fields proposed in this bond election.

Q - What are the various types of funds that can be used for the Flagstaff Urban Trail System (FUTS), and how have previously authorized funds been used?

A - The City has been able to construct about 32 miles of the FUTS system through funding from the City's Bed Board & Booze tax, Transportation Tax and Arizona State Heritage Funds. The proposed bond will be used for land acquisition for urban open space purposes and right-of-way needed for approximately 50 miles of FUTS trails. These bonds will fund acquisition of land that cannot be funded through the other sources or development projects.

Q - How will the park acquisition lands near Lake Mary Road and Christensen and Mt Elden Schools become available to the City?

A - The lands off Lake Mary Road and those adjacent to Mt Elden School and Christensen School are lands currently managed by the U.S. Forest Service and are anticipated to be acquired by the City after congressional authorization of the Northern Arizona National Forest Land Exchange Act of

2003. If the Exchange Act is not authorized, the City will continue its pursuit for acquisition.

Q - What features will the proposed Municipal Swimming and Aquatics Center have that are not provided by other pools in the community, and how will the location be determined?

A - The proposed Municipal Swimming and Aquatic Center will be designed with features for multiple uses and ages. It is intended to include a competitive swim pool, a therapeutic pool, and recreational and play features such as a water slide and spray fountains. The location will be determined by the City Council through a public input process. One site under consideration, McPherson Park, would offer utility cost savings and maintenance efficiencies such as heat exchange opportunities with the existing ice skating rink.

Q - If the General Services Administration (GSA) lease expires prior to repayment of the bonds for the expansion of the U.S. Geological Survey campus, how are the bonds for the facility to be paid?

A - In addition to lease payments from the GSA, State-shared revenues, as well as private leases will be used to retire the bonds if the GSA lease expires prior to repayment of the bonds. Bonds issued for expansion and renovation of the U.S. Geological Survey facilities will not increase property taxes.

Q - What will be the combined effect on property taxes if the City bond program and the Flagstaff Unified School District override are both passed?

A. City capital improvement projects will be phased in over ten years, with new bonds issued as previous bond projects are paid off. By implementing projects over time, all City projects can be funded with no increase to the City secondary property tax rate.

Secondary property taxes paid by Flagstaff citizens also fund the Flagstaff Unified School District (FUSD). On the May 2004 General Election Ballot, the FUSD is asking for a ten percent budget override. This override would replace the four percent budget override approved in 2000. The ten percent override would generate approximately \$4.7 million a year, or approximately \$2.8 million more per year than generated by the current four percent FUSD budget override.

If the FUSD override is approved, the owner of a \$200,000 home would pay approximately \$128 in secondary property taxes for the ten percent FUSD override assessment. The owner of a \$200,000 home pays approximately \$52 in annual secondary property taxes for the current four percent budget override.

If the override is approved, the owner of a business with \$500,000 in assessed valuation would pay approximately \$800 in secondary property taxes for the ten percent FUSD override assessment. The owner of a \$500,000 business pays approximately \$320 in annual secondary property taxes for the current four percent budget override.

If the ten percent FUSD override is not approved, the four percent FUSD budget override stays in effect.

The City portion of the secondary property tax is not affected by the FUSD Override

**For More Information about the May 18, 2004
General Election or the City Capital Improvement Program:**

Call 779.7603

Visit www.flagstaff.az.gov

Review the Information Pamphlet for the City of Flagstaff May 2004 General Election



OUR TOWN • OUR FUTURE



The City of Flagstaff seeks direction from voters on future capital improvement projects

The results of the May 18, 2004 General Election will guide the City of Flagstaff on capital improvement projects for the next several years.

A lengthy public process was used to identify projects to be placed on the ballot. The Mayor and City Council sought comment from the community, the citizens Bond Advisory Task Force, the City's citizen Boards and Commissions, and City staff.

The capital improvement projects identified for this bond program address a variety of community needs and priorities.

- They provide additional office space for research and scientific purposes, to maintain current and prepare for possible increases in the job base in the City;
- They continue to address current and future water needs through the drilling of wells, upgrading of the City's reclaimed wastewater system, and acquisition of additional water rights;
- They more efficiently and effectively provide fire protection and response services;
- They continue the extension of the Flagstaff Urban Trails System in the City's neighborhoods;
- They protect open spaces for public use and access within urbanized areas and on the edges of the City;
- They acquire lands for future public parks and provide sports fields, a snow play area, and multi-generational and aquatic facilities to meet recreation needs of the community.

City of Flagstaff • 779.7603 • www.flagstaff.az.gov

For information in Spanish about the bond program, please call 779.7603

Para mas información en español, por favor llame 779-7603

Capital Improvement Projects Will be Funded by Bonds

There are two types of property taxes that help fund the operations and services of state, city, county, school district, and other governing entities. Primary property tax revenues are used to fund the maintenance and operation budgets. Secondary property taxes fund such things as bond issues, budget overrides and special districts.

Capital improvement projects approved by voters in the May 2004 election will be funded by bonds. Bonds will be sold periodically over a ten-year time period as funds are needed for specific projects. Present and future residents will repay the bonds over a period of time in the same manner that homeowners pay on a home mortgage.

Three types of bonds will be issued, depending on the nature of the project.

Municipal Corporation Bonds will be issued to fund the expansion and renovation of facilities for the U.S. Geological Survey campus. These bonds will be issued after leases are secured from the U.S. Government or other lessees, and bonds will be repaid from the lease

payments. Because bonds will be repaid by lease payments, there will be no tax or fee impact on City residential or business property owners.

Utility Revenue Bonds will be issued for the three water and wastewater projects. These bonds will be repaid with revenues from utility customers, such as fees collected from water and wastewater (sewer) bills.

General Obligation Bonds will be issued for the fire and emergency services, open space, and parks and recreation projects. These bonds will be repaid by City secondary property tax rate. By implementing these projects over time, all projects will be funded with no increase in the City secondary property taxes. Future City Councils will determine the timing of projects such that the City's secondary tax rate does not increase over 2004 levels to fund all or any of these projects. For example, bonds will be issued and new projects started only when bonds for previously approved projects are paid off.

Project Selection Process

Bond projects were selected by the City Council following citizen input and various community planning processes.

Citizen input included City Boards and Commissions, the Bond Advisory Task Force, public meetings, community surveys and focus groups, and public comment at City Council meetings.

Community planning processes include the Flagstaff Area Regional Land Use and Transportation Plan which was ratified by voters in May 2002; the Open Space and Greenways Plan developed with

citizens by the City, Coconino County, U.S. Forest Service, National Park Service, Arizona Game & Fish Department and the Arizona State Land Department; the Parks and Recreation Long-Range Plan, and the Vision 2020 public/private sector process.

Through this bond election, citizens have the opportunity to consider near-term and long-range capital investments and determine how the City will meet many of its various capital needs and goals over the next several years.

Proposed Community Development Project

U.S. GEOLOGICAL SURVEY CAMPUS FACILITIES CONSTRUCTION AND/OR RENOVATION



Amount: \$61,200,000

Description: This project will provide space for scientific research and development by the U.S. Geological Survey (USGS) and expansion of the USGS campus. Replacement of existing USGS campus buildings and expansion of the existing campus will help retain existing USGS groups in Flagstaff and meet future needs for USGS programs that may be relocated to Flagstaff.

Timing: This project is proposed to begin after lease agreements are secured from the U.S. General Services Administration (for the U.S. Geological Survey) or other governmental, scientific research, and related private sector leases. The project is expected to begin in 2005 and may continue through 2014.

Financial Impact: Municipal Corporation Bonds will be issued for this project after leases are secured. Lease payments will be used to repay bonds over the life of the bonds. Bonds issued for expansion and renovation of the U.S. Geological Survey facilities will not increase property taxes.



The U.S. Geological Survey campus is located off Forest Avenue on McMillan Mesa.

Contact Information: City Planning Division, 779.7685, ext 7357

Proposed Water & Wastewater Projects



RECLAIMED WATER SYSTEM AND RELATED WASTEWATER IMPROVEMENTS

Amount: \$23,100,000

Description: The reclaimed water system project will make improvements at the City's two wastewater treatment plants and provide reclaimed water to more areas of the City.

Equipment and process improvements at the Wildcat Hill

Treatment Plant will upgrade the quality of the reclaimed water to meet open-access irrigation standards for planned residential, school, and park use. Improvements at the Rio de Flag Treatment Plant will include replacement filters to reduce maintenance and allow the plant to consistently meet demand. Included in the project are a pump station and reclaimed water line extensions to connect the two reclaimed water systems together and provide reclaimed water to more areas of the City.



The quality of reclaimed water from the Wildcat Hill Treatment Plant will be upgraded to meet open-irrigation standards.

Timing: This project is proposed to begin in 2004 and may require three or more years to complete.

Financial Impact: Bonds for this project would be repaid by utility user fees and capacity fees. Fee increases would be phased in over three years, at which time it is estimated that the increased cost will be approximately \$1.93 per month for a residence using approximately 5,000 gallons of wastewater per month and approximately \$0.75 per month for a retail commercial property owner using approximately 2,000 gallons of wastewater per month.

Contact Information: City Utilities Department, 779.7646

WATER WELLS

Amount: \$8,500,000

Description: The Water Wells project will provide funds to drill up to four additional water wells. The new wells will reduce dependence on current wells and allow the Woody Mountain and Lake Mary well fields to recharge. This project will include drilling and equipping additional water wells and their connection to the City's distribution system.

Timing: This project is proposed to begin in 2004 and may require four or more years to complete.

Financial Impact: Bonds for this project will be repaid by utility user fees and capacity fees. Fee increases will be phased in over three years, at which time it is estimated that the increased cost will be approximately \$0.87 per month for a residence using approximately 6,000 gallons of water per month and approximately \$0.27 per month for a retail commercial property owner using approximately 2,000 gallons of water per month.

Contact Information: City Utilities Department, 779.7646



Well sites for future wells will be determined after geophysical testing.

WATER RIGHTS ACQUISITION AND/OR WATER DEVELOPMENT

Amount: \$15,000,000

Description: This project will provide authorization for the City to sell and issue bonds for the acquisition and/or development of property or water rights for surface water, groundwater, or groundwater recharge located either within or outside the boundaries of the City.

Timing: This project is proposed to begin in 2004 and may require four or more years to complete.

Financial Impact: Bonds will only be issued if future water sources are identified, in the amount needed for the acquisition or development project, and not to exceed \$15,000,000. Bonds will be repaid by utility user fees and capacity fees. Fee increases will be phased in over three years, at which time it is estimated that the increased cost, if \$15,000,000 of bonds are issued, will be approximately \$1.51 per month for a residence using approximately 6,000 gallons of water per month and approximately \$0.49 per month for a retail commercial property owner using approximately 2,000 gallons of water per month.

Contact Information: City Utilities Department, 779.7646

Proposed Public Safety Project



FIRE FIGHTING FACILITIES AND ACQUISITION OF EMERGENCY RESPONSE VEHICLES AND EQUIPMENT

Amount: \$16,800,000

Description: This project will relocate up to four of the existing six fire stations, construct a multi-purpose Training and Emergency Operations Center, purchase a new ladder/quint engine and wildland engine, and replace safety equipment. Included in the project are costs for relocating, designing and constructing the fire stations, land acquisition, equipment, and furnishings.

Timing: This project is proposed to begin in 2004, and every effort will be made to relocate the facilities and purchase the authorized equipment at the earliest time frame.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Fire Department, 779.7685, ext. 7287



Up to four of the City fire stations will be relocated to improve response times and the capacity of the City's fire protection system.

Proposed Parks and Recreation Projects



MULTI-GENERATIONAL RECREATION CENTER EXPANSION OR NEW CONSTRUCTION

Amount: \$6,100,000

Description: This project will provide for expansion of the existing Adult Center at Thorpe Park or construction of a new facility in another area of the City. The facility will provide for multi-generational recreational, social and physical wellness needs for the community. City Council, with public input, will determine whether the project will be an expansion of the existing facility or construction of a new facility.

Timing: This project is proposed to begin in 2007 and require approximately three years for completion.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Parks and Recreation Division, 779.7685, ext 7308



The existing Adult Center at Thorpe Park will be expanded, or a new multi-generational recreation facility will be constructed.

MUNICIPAL SWIMMING / AQUATIC CENTER CONSTRUCTION

Amount: \$8,600,000

Description: This project will provide for a municipal indoor multi-activity swimming and aquatic facility. The facility will include leisure pool, therapeutic pool, and lap/competitive features. The location of the facility will be determined by City Council with public input.

Timing: This project is proposed to begin in 2004 and require approximately three years for completion.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Parks and Recreation Division, 779.7685, ext 7308



The swimming/aquatic center will include leisure, therapeutic and lap swim features.

Proposed Parks and Recreation Projects (continued)



LAKE MARY REGIONAL PARK AND OTHER PARKS LAND ACQUISITION

Amount: \$2,800,000

Description: This project will provide for future City park needs. Acquisition will include approximately 223 acres of land east of Lake Mary Road, approximately 11 acres adjacent to Mount Elden Middle School (near Linda Vista and Fourth Street), and approximately 17 acres adjacent to Christensen Elementary School (at Cummings near Highway 89 North).

Timing: This acquisition is proposed to begin and be completed within the ten-year time frame of the bond program.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Parks and Recreation Division, 779.7685, ext 7308

CONTINENTAL PARK RECREATIONAL FIELD DEVELOPMENT

Amount: \$3,100,000

Description: This project will provide for additional multi-purpose recreational fields at the existing Continental Park in east Flagstaff, north of Old Walnut Canyon Road. The recreational fields are identified in the Parks and Recreation Long-Range Plan.

Timing: This project is proposed to begin in 2004 and require approximately two years for completion.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Parks and Recreation Division, 779.7685, ext 7308



Multi-purpose recreational fields will be developed as part of the master plan for Continental Regional Park in east Flagstaff.

SNOW PLAY AREA DEVELOPMENT

Amount: \$4,100,000

Description: This project will include construction of a snow play area, with facilities for snowmaking, lifts, tubes, lighted runs and a warming facility. Snowmaking ability is available through existing reclaimed water on site. The snow play area will be located on City-owned land on McMillan Mesa, off Cedar Avenue near Coconino High School and the Sunnyside community.

Timing: This project is proposed to begin in 2012 and require approximately two years for completion.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Parks and Recreation Division, 779.7685, ext 7308



The snowplay area will include features such as ground-level lifts, lighted tube runs, a warming facility, and snowmaking through existing reclaimed water on site.

Proposed Open Space Projects



NEIGHBORHOOD OPEN SPACE AND FUTS LAND ACQUISITION

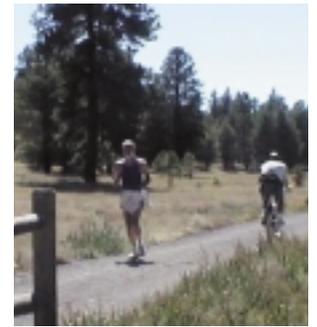
Amount: \$7,600,000

Description: This project will provide authorization for the acquisition of approximately 550 acres of open space lands in and around the City's neighborhoods for approximately 50 additional miles of the Flagstaff Urban Trails System (FUTS). These open space lands will allow for the FUTS connection to neighborhoods, parks, schools, employment, shopping and other areas. The acquisitions will include wildlife habitat and neighborhood open space lands consisting of geological features, riparian sites, scenic areas, and buffers in the city.

Timing: This land acquisition is proposed to begin in 2005 and implementation is expected to continue throughout the ten-year capital improvement bond program.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City's secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Planning Division, 779.7685, ext. 7268



Land will be acquired for up to 50 additional miles of the Flagstaff Urban Trails System.

REGIONAL OPEN SPACE OBSERVATORY MESA LAND ACQUISITION

Amount: \$5,500,000

Description: This land acquisition will include Arizona State Trust land designated for public open space multiple use in the Flagstaff Area Regional Land Use and Transportation Plan. The land is located within the city limits on Observatory Mesa adjacent to Lowell Observatory. Up to three-quarters of a section (approximately 480 acres) may be acquired.

Timing: This land acquisition is proposed to be implemented in 2013, or sooner, in coordination with Arizona Preserve Initiative or State Trust land reform matching grants.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Planning Division, 779.7685, ext. 7255



Arizona State Trust lands will be acquired to provide permanent natural open spaces for public use, for wildlife habitat protection, and conservation of observatory viewing quality.

MCMILLAN MESA OPEN SPACE LAND ACQUISITION

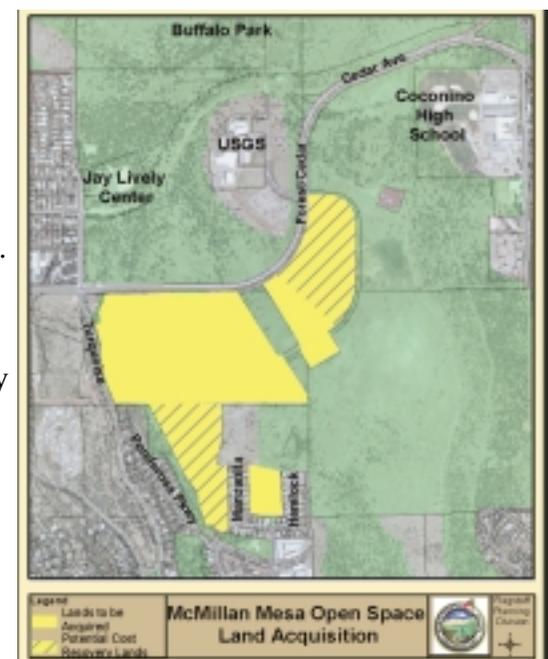
Amount: \$10,100,000

Description: This acquisition will include open space lands on McMillan Mesa, located south of Forest/Cedar Avenue expanding west from Gemini to Turquoise and Ponderosa Parkway. The City Council may elect to resell portions of the acquired parcels that are less environmentally significant to offset the total cost of purchasing these lands. The funds from the sale will be used to repay bonds.

Timing: This land acquisition is proposed to begin in 2005 and may continue until 2014.

Financial Impact: This project will be funded by General Obligation Bonds, which will be repaid by City secondary property taxes. By implementing this project over time, this project will be funded with no increase to the City secondary property tax rate. Bonds for this project will be issued as bonds for previously approved projects are paid off.

Contact Information: City Planning Division, 779.7685, ext. 7268 or 7255



Financial Considerations for City Secondary Property Tax

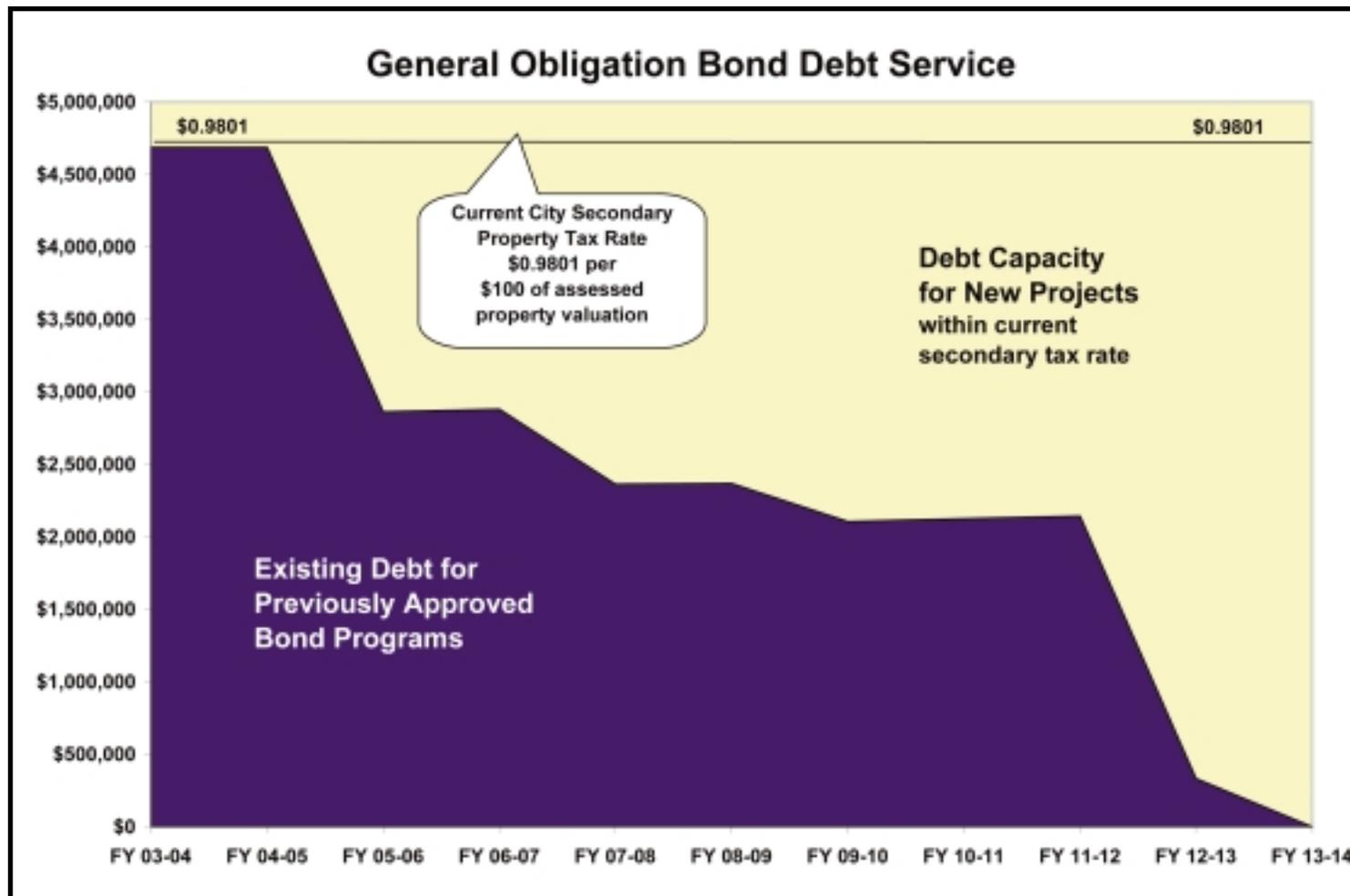
Secondary property taxes fund such things as bond issues, budget overrides and special districts for governing entities such as the state, cities, counties and school districts.

If approved in the May election, the following projects will be funded by bonds which will be repaid by City secondary property taxes:

- ◆ Fire and Emergency Services
- ◆ Open Space
- ◆ Parks and Recreation

Based upon voter direction, the City expects to sell bonds by means of a phased bonding program conducted over the next ten years. The projects will be started over time as bonds for previously approved projects are paid off.

Approval of all or some of these bond projects will not increase the City's secondary property tax rate above the 2004 level. The City portion of the secondary property tax rate is \$0.9801 per \$100 of assessed property value.



The chart at left illustrates how debt capacity for new projects will be available with no increase in the City's secondary property tax rate.

Bonds for new projects will be issued as existing debt for previously approved programs are paid off.

Note: Debt Service is based on actual Secondary Assessed Valuation for 2003-04. Subsequent values assume 3% growth in FY 2005-09; thereafter, no growth is assumed.

Important Voting Information

Date of Election

Tuesday, May 18, 2004

Polling places will be open from 6:00 A.M. to 7:00 P.M.

Last Day to Register to Vote

Monday, April 19, 2004

First Day Early Ballots Available

Thursday, April 15, 2004

Last Day to Request an Early Ballot

by Mail: Friday, May 7, 2004

in Person: Monday, May 17, 2004

Last Day to Return Early Ballots

by 7:00 P.M. Tuesday, May 18, 2004

The May 18, 2004 General Election will include:

- ◆ City of Flagstaff Mayoral election
- ◆ Flagstaff City Council election
- ◆ City of Flagstaff capital improvements bond authorization election
- ◆ Flagstaff Unified School District override election.

Coconino County will mail an official Voter Information Guide with a sample ballot and polling locations to all registered voters in April. Sample ballots may be taken to the voting place and into the voting booth on the day of the election.

If you do not know if you are qualified to vote in this election, please call the Coconino County Elections Office at (928) 779-6589.

Additional information about the City Capital Improvement Bond Authorization Program is available by calling 779.7603 or online at www.flagstaff.az.gov.