



July 1, 2014

Mayor and Council:

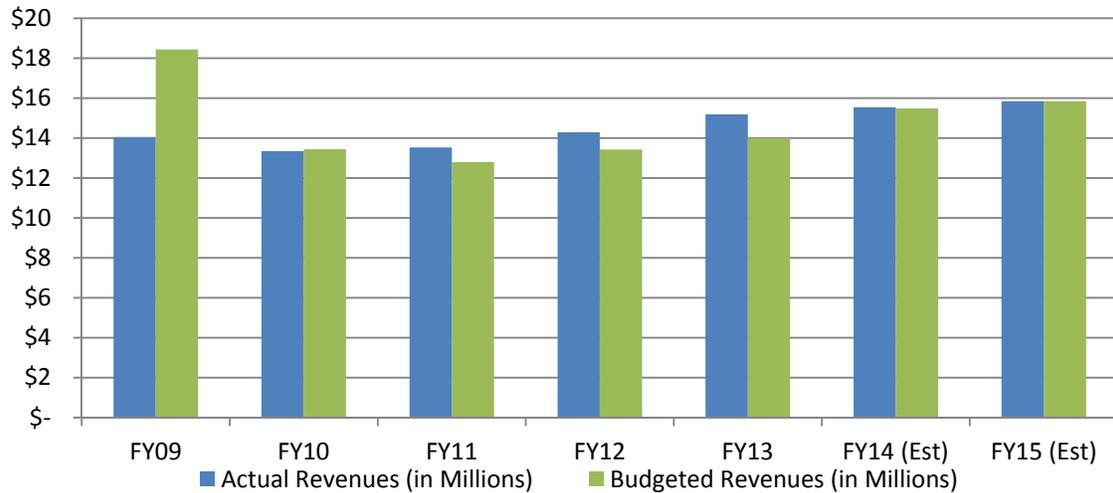
With this letter, I transmit the Adopted FY2015 Budget.

This Budget has the best ability to stabilize the physical and fiscal condition of this organization of any budget since the Great Recession by addressing much of the pent up demand associated with providing the current level of municipal services. I have used terms like “cracks in the hull” in past budget cycles to illustrate the point that the City of Flagstaff is financially challenged in taking care of current assets. We have been especially diligent to make sure that ongoing expenditures are being paid for with ongoing revenue. This prudent approach ensures that the City remains fiscally responsible while continuing to provide the quality programs and services that our residents and visitors have come to expect and enjoy. The difficulty is that we have largely maintained pre-recession service levels by deferring maintenance on infrastructure (including streets, fleet and facilities), maintaining minimum staffing levels, and holding compensation below market levels. The result is infrastructure that is showing failures (such as high profile water main breaks, a chiller failure at the ice rink, and poor road conditions), service levels that are not always fulfilled (such a timely meter reads, timely replacement of computer hardware and software, or lengthier processing of development impact analyses), and turnover increases and vacancies that are not filled across multiple divisions, but particularly in the Police Department. Consequently, this Budget advances the Council identified budget priorities for FY15 by making necessary investments in employee compensation, staffing and infrastructure. Before I review this progress, let me outline our general economic condition going into this fiscal year.

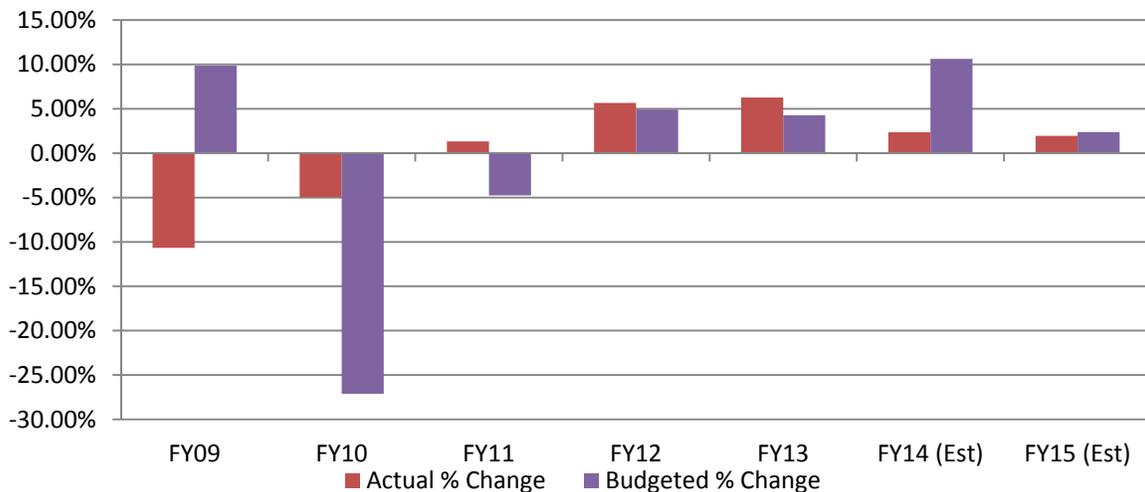
Economic Condition

While the national, state and local economic conditions have improved since the Great Recession, they do so at an uneven and less robust pace for FY15. Locally, the Flagstaff economy can perhaps best be measured by three indicators--sales tax, unemployment and the construction industry. Actual sales tax growth in FY13 (July 1, 2012 – June 30, 2013) was remarkably strong—[6.27% growth over FY12]. However, sales tax growth thus far in FY14 has been positive but mediocre [2.35% growth over FY13]. With only some new retail stores expected in FY15, it is best to predict only a 1.95% growth in sales tax revenue for the year ahead.

General Fund Sales Tax Revenues

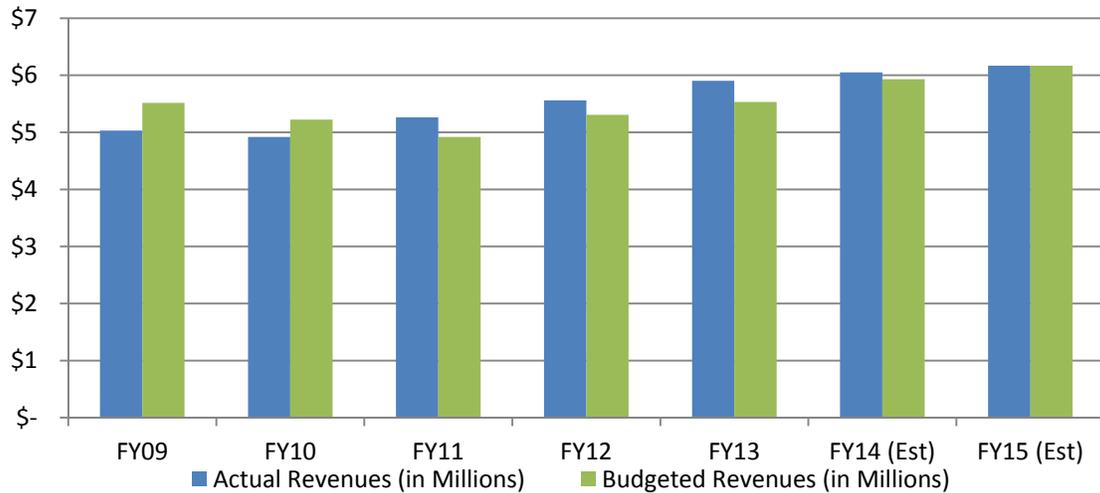


General Fund Sales Tax Revenues (% Change)

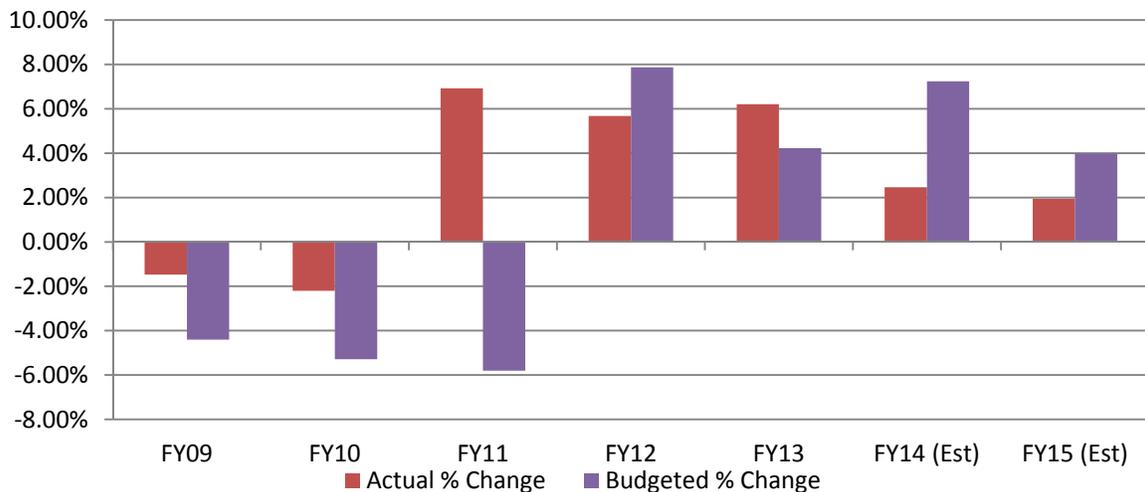


A corollary to sales tax is the Bed, Board and Beverage (BBB) tax. BBB is a great indicator of the health of our tourism sector which continues to be a significant part of our overall economy. This portion has remained incredibly strong relative to the national and state tourism industry and has been a crutch for Flagstaff through the recession. BBB growth was also remarkably strong in FY13 but has tapered off in FY14. Therefore, we are also cautiously projecting new revenue growth at 1.95%

Bed, Board, and Beverage (BBB) Tax Revenues

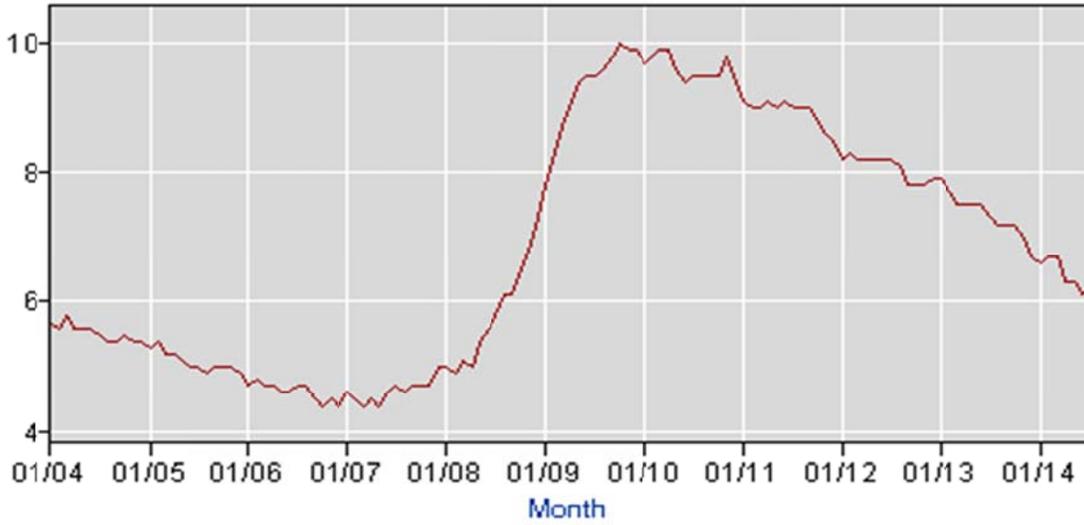


Bed, Board, and Beverage (BBB) Tax Revenues (% Change)

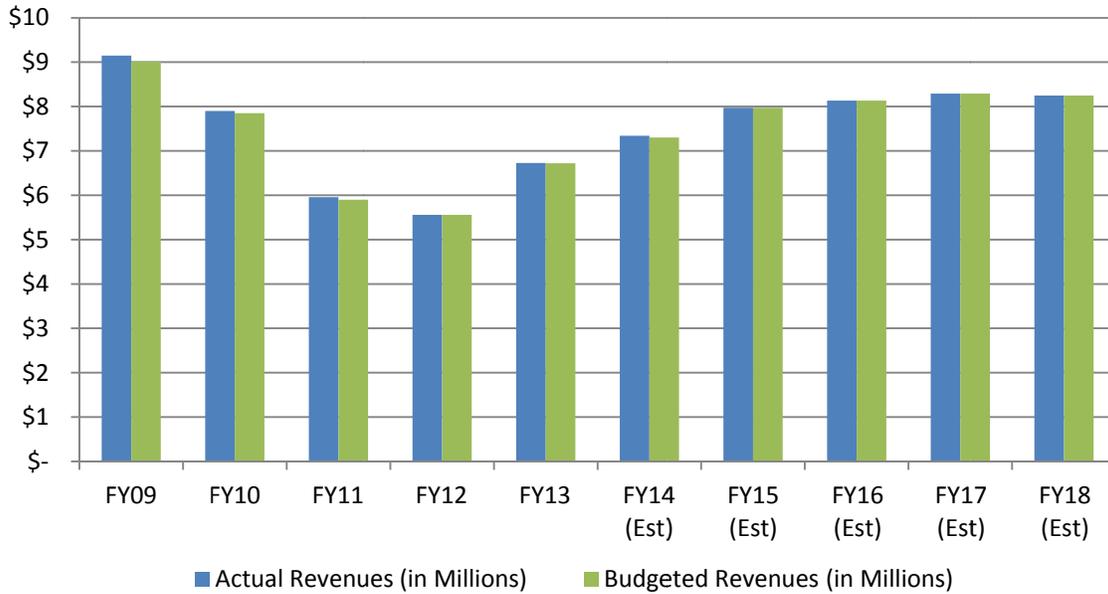


Another measure of our economic health is unemployment. While the City does not predict unemployment in its annual budget, the rate can affect revenue. The most direct correlation is the State Shared Income Tax. This revenue source is remitted to the City from the State approximately two years in arrears. Consequently, we know exactly how much is going to be remitted in the upcoming fiscal year. For FY15, we are receiving the bump that we saw in FY13. This is of great help to the ongoing portion of the General Fund. Looking out at unemployment rate, however, while it is improving, it is improving at a slower rate. So as we project out the next 5 years, our growth in State Shared Income Tax is not projected to grow as rapidly in future years as it does in FY15.

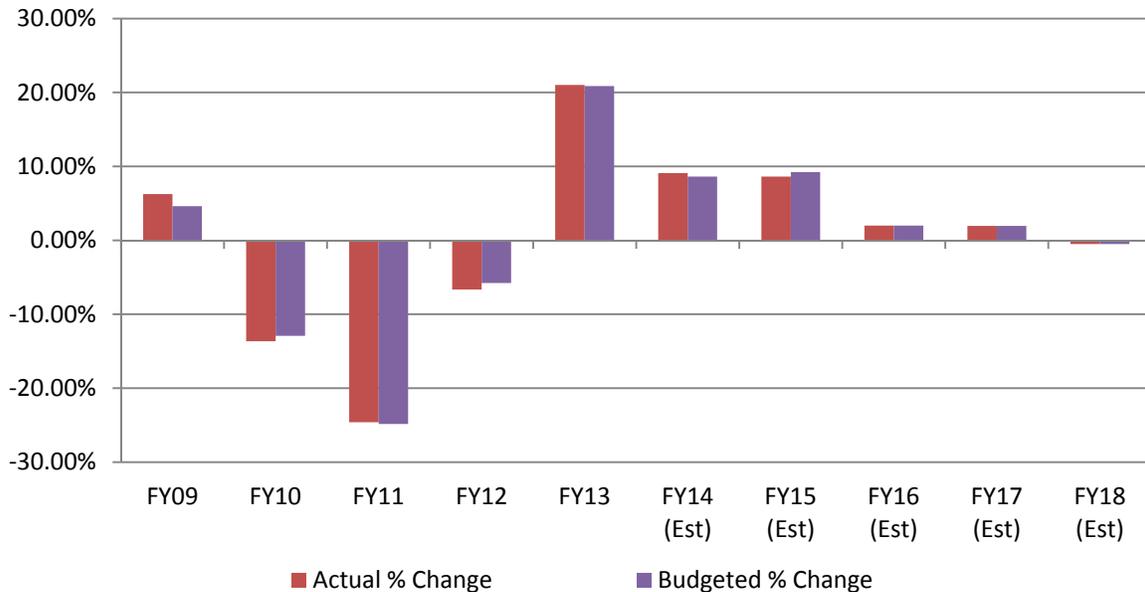
Unemployment Rate



State Shared Income Tax Revenues



State Shared Income Tax Revenues (% Change)



In pre-recession times, the combination of new residential and commercial construction growth both provided its own stimulation to the economy (building permits, construction material, sales tax, etc), but also signified new residents spending new money and new retail establishments to capture sales tax leakage. This helped drive our local economy. The past calendar year, 2013, saw the recovery of new single family housing construction. In fact, the number of building permits meets our long term average and predicted growth rate in the updated Regional Plan. The problem is that in terms of “construction value,” calendar year 2013 actually represented a decrease. Again, Flagstaff is fortunate to have a second economic crutch and that is Northern Arizona University. With the recession, many people returned to, or stayed in, school. Likewise, NAU has been aggressively growing its enrollment and its campus facilities. The combination led to construction of new student housing units both on campus and off as well as new academic facilities. The value of that growth has not only sustained the City through decreasing sales tax times, but set a high bar for the construction industry to meet on an on-going basis. In fact, in CY13, single family permits grew 37%, but total construction value dropped 32%. Therefore our FY15 projections are fairly flat.

In summary, our economy is growing incrementally stronger. This translates into only incremental growth in our on-going revenue. In order to maintain existing services levels and address the maintenance, inflationary, and competitive costs of infrastructure, staffing and compensation, this budget makes strong use of one-time dollars and implements new revenue sources.

Resources

One-time resources is money that the City received that we do not expect to reoccur in subsequent fiscal years. Primary sources of one-time resources include: unspent funds from the

prior fiscal year, grants, bonds, and atypical revenue from a particular industry. The latter is most commonly associated with the auto and construction industry. Auto sales vary widely from year-to-year. Consequently, when sales tax associated with the auto-industry is atypically high, we carry most of that forward as one-time revenue. The City budgets the construction industry the same way. Given the banner year FY13 turned out to be, we have approximately \$2.1 million in one-time dollars to allocate in the General Fund for FY15. This is particularly helpful given we are only projecting \$500,000 in on-going money after deducting inflationary expenses associated with fixed costs, FY14 payroll triggers, and reclasses/rezones.

Because of limited new on-going dollars, City Council has agreed to implement the second step of a three-step recreation fee increase. This 7% increase in fees will generate approximately \$50,000 and get us closer to the cost-recovery rate of 25% set by Council policy. Additionally, Council directed staff to bring forward the necessary agenda items to put in place a 1% use tax. The City currently does not impose a use tax (commonly coupled with a sales tax but for out of town non-taxed purchases). The State of Arizona and 83% of cities our size or larger in the State have a use tax. Implementing this change will generate an anticipate \$150,000.

As an additional measure to find on-going revenue to fund budget priorities, staff identified \$500,000 in reduced expenditures. This represents slightly less than 1% of the General Fund. These include:

- \$100,000 in additional vacancy savings;
- \$350,000 in workers compensation and liability insurance savings; and
- \$50,000 in Community Development savings.

These are collectively referred to as the “1%.”

Before highlighting (via the chart below) on-going and one time revenue projections in other funds, the State of Arizona FY15 Adopted Budget restores a portion of swept HURF funds. This translates into a \$330,000 increase in revenue for HURF. This is good, but does not significantly improve our pavement preservation program because 1/3 of that money needs to go toward paying for the maintenance of LPS street lights. In addition, ongoing pavement preservation funding falls short by over \$2 million.



Fund	One-time Available	Ongoing Available
General Fund	\$2,730,000	\$1,245,000
Library (City & District funds)	284,000	\$0
FMPO	\$1,200	\$4,000
Housing and Comm.Services	\$220,000	\$0
Flagstaff Housing Authority	\$0	\$0
Environmental Management	\$28,540	\$20,000
Highway User Revenue	\$1,495,200	\$26,000
Solid Waste	\$800,000	\$96,000
BBB Funds		
<i>Beautification</i>	\$120,000	\$0
<i>Economic Development</i>	\$15,700	\$10,000
<i>Tourism</i>	\$136,600	\$86,000
<i>Arts & Science</i>	\$4,000	\$29,000
<i>Recreation</i>	\$1,585,000	\$0
Airport	\$83,300	\$0
Stormwater	\$375,000	\$36,150
Water/Wastewater	\$1,500,000	\$730,000

Expenditures

Consistent with previous budgets, both revenue and expenditures are split between “on-going” and “one-time” within each fund. This is particularly helpful in understanding the degree of impact the expenditure change can make on the level of service and/or Council goals and priorities. Council goals for the FY15 Budget are infrastructure, staffing and compensation.

General Fund

Compensation

For the General Fund, the use of on-going money principally addresses compensation while the use of one-time money principally addresses infrastructure and staffing. While significant progress was made with the base revenue growth of \$500,000, use of the 1% and new revenue sources enabled greater gains pertaining to the staffing and compensation issues discussed in the September, December and February retreats.

Specifically, the \$500,000 in on-going General Fund revenue from existing sources is combined with \$40,000 from vacancy savings and applied toward compensation. As discussed in the February budget retreat, merit increases and compaction were the two highest compensation priorities. The EAC took the lead in designing a solution with a fixed budget. In short, based upon an employee’s years of service, they will be eligible for the following merit:

- 1 year 0.4%
- 2 years 0.8%
- 3 years 1.2%
- 4 years 1.6%
- 5 years or more 2.0%

In other words, employees are eligible to receive 4/10th of a percent merit increase for each year an employee was eligible to receive a merit. The five year period reflects the five fiscal years in which there were no merits (FY10-FY14) but still don't add-up to what was an average single year merit pre-recession (i.e. 3.2%). Therefore, in addition, a one-time longevity payment, requiring approximately \$250,000 in one-time dollars, is approved to address compaction. This would be awarded mid-fiscal year in the following amounts:

- 1 year \$100
- 2 years \$150
- 3 years \$250
- 4 years \$350
- 5 years or more \$450

The shortcoming of this proposal is that City employees will likely fall further behind the market average as a survey of our competitive agencies shows an anticipated movement of about 1.8% in FY15. This information is known and understood by the EAC and Leadership and the focus upon merit and compaction is the preferred emphasis.

This compensation strategy will be replicated in each fund. All funds can pay for the one-time amounts with the exception of the Library and Flagstaff Housing Authority. All funds can pay for the on-going obligations with the exception of the HURF, Library, Airport and the Flagstaff Housing Authority. Therefore, those, together with funding necessary for reclass/rezone and Trigger #1, will require a transfer from the General Fund. This requires use of a portion of the 1% savings.

Trigger #1 Transfer	\$73,000	HURF and FHA
Merit	\$91,500	Library, HURF, FHA, Airport
Reclass/Rezone	\$16,800	Airport and HURF

Three additional notes regarding compensation within the General Fund: first, the Fire Department overtime budget has been running over-budget for the last several years due to a correction made to Holiday Pay relative to regular pay and a decrease in funding. Consequently, the FY15 Budget allocates \$115,000 from the 1% saving towards this on-going expenditure.

Second, for the past several years, we have been using sales tax triggers to address compensation issues such as reclassifications and market adjustments. In FY 14, we only met one of the three targets—reclassification of Maintenance Workers and Equipment Operators. This meant the reorganization of Library personnel and the second of two phases moving Commissioned Police personnel closer to market was not complete. The Recommended Budget proposes using \$125,000 of the 1% savings to put toward the Library Trigger. This completes the multi-year reorganization and associated reclassifications. The second phase of Commissioned Police personnel would require additional new revenue (see staffing section).

Lastly, the NAPEBT Trustees recommends holding all health insurance premiums flat for employees by reallocating NABEPT fund balance.

Staffing

Staffing associated with Public Safety remained the item of greatest discussion in preliminary Council budget retreats. The staffing goal was primarily focused upon filling the vacancies that already exist but can't be filled due to compensation issues, but also included structuring our staffing in such a way to deliver the current expected level of service.

Perhaps the most pressing position is the creation of a 911 Coordinator that benefits all members of the dispatch center. This was accomplished by reclassifying a dispatcher into this coordinating position (a cost of \$6,000/year). Additionally, the Police Department will reorganize from a 6 squad format to 8 squad format. This strategy supports a more efficient allocation of officer time; however, will not increase the number of officer positions. This is expected to cut down on over-time and burn-out of officers associated with constant vacancies and extended coverage from one shift to the next. Both of these endeavors address staffing challenges in the Division that experiences the most critical turnover and retention. This Budget also calls for the second phase of market based pay for Commissioned Police personnel (\$200,000) and the increase in Police uniform allowances from \$600 to \$1,000 per year (\$45,000). Lastly, Council authorized \$40,100 in "Add Pay" to compensate field training officer and dispatch training personnel when training. All of these efforts will substantially assist in attracting and retaining Police Officers. These increases are how the new revenues sources identified above are to be allocated.

Additionally, I am recommending the use of Affordable Housing Revolving Funds to provide down-payment assistance to Commissioned Police personnel and Dispatch personnel buying their first home in the area. The City funds a similar program offered through Bothands that is limited to low income residents in Flagstaff. Purchasing a house often establishes greater roots in a community and deterring one to leave for a competitive agency. Additionally, this money must be repaid if the Officer leaves before the required term.

On the Fire Department side, this Budget recommends the partial funding of a Regional Training Coordinator who will be jointly funded and will share training duties across the fire agencies in northern Arizona. This creates a great deal of efficiency across the departments and decreases some of the over-time that must be expended by existing personnel training their colleagues. Council further allocated \$22,000 toward bringing Paramedics within the Fire Department closer in line with the market and \$23,000 for uniform allowance from \$250 to \$500 per year.

Additionally, the Recommended Budget proposes using one time dollars to hire a part time billing technician in Finance to manage the billing of Flagstaff Fire Department equipment and personnel when called for out-of-town to State and national disasters. These disasters typically pay above direct costs, but are only valuable if we are successful and efficient in recovering the fee. Other one-time dollars will support staffing needs necessary for the implementation of Innoprise Financial System, meter reading and IT help desk support.

Infrastructure

Infrastructure in the FY13 Budget was most pronounced in the area of funding Fleet replacement. In the FY14 Budget, it was most pronounced in the area of road repair (more specifically pavement preservation). While the on-going amount contributed to pavement preservation in FY14 remains, and \$650,000 in one time dollars was added, the focus is

principally upon facilities in FY15. We continue to experience failures to critical systems while the wear-and-tear to valuable public assets is becoming more detrimental. The good news is money towards facilities goes a lot further than money towards road repairs.

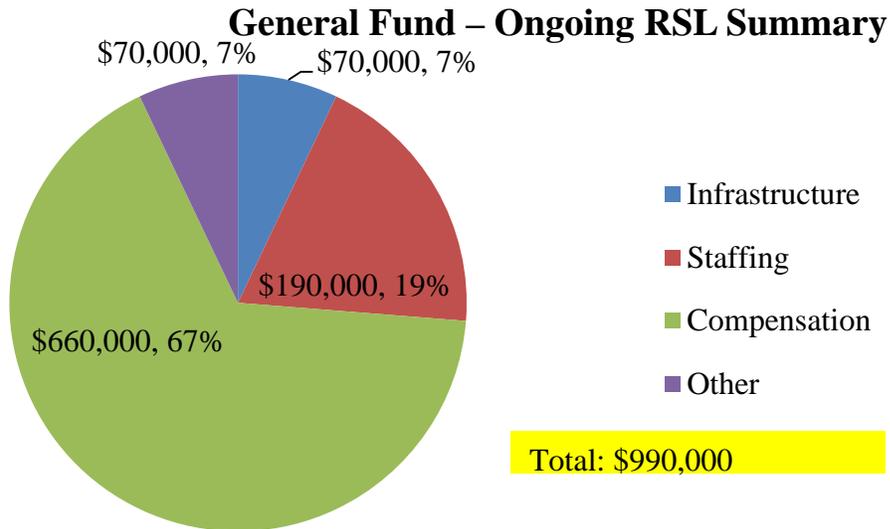
Approximately \$1.7 million in one time dollars and operating capital budgets with the General Fund funds are dedicated to infrastructure including significant increases for facilities and information technology (IT). The main public library is a significant recipient as we look to replace the roof, the boiler and begin saving to modify the public rest room and entry ramp to be ADA compliant. IT will replace its network core-switches as well as accelerate some computer replacement due to Microsoft’s discontinuation of support and future security enhancements for the vulnerable Windows XP operating software.

Other proposed infrastructure expenditures that involve various funds include \$108,000 for increased maintenance costs on street lights, the replacement of a fire engine, 4 police sedans, the Zamboni and 3 motor graders, 2 street sweepers and other fleet equipment in solid waste and utilities. The trade-in of equipment helped offset some of these expenses.

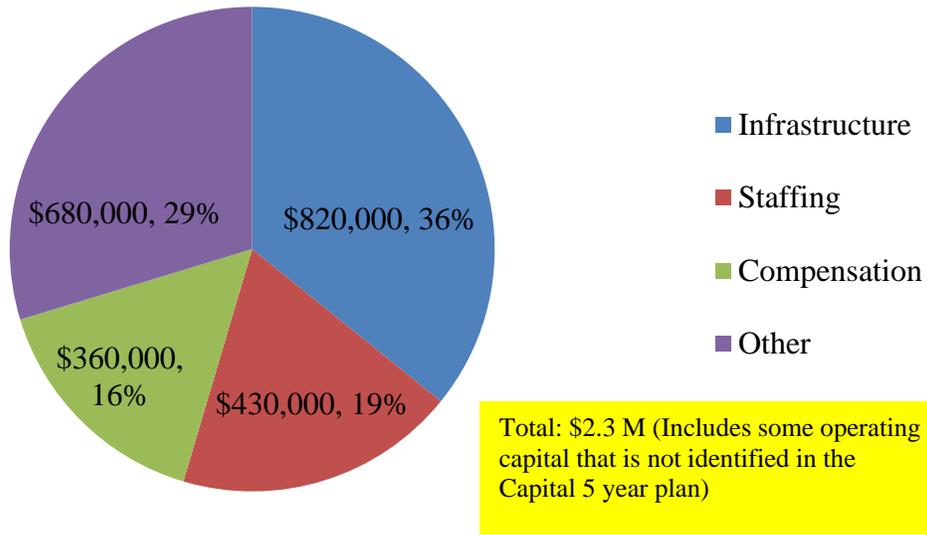
Additionally, there is \$1.58 million available in one-time BBB-Recreation funds. These funds will go toward Parks and Recreation facilities that have often waited for General Fund dollars to become available. They include:

- Install Second Chiller at Ice Rink;
- Construct Phase II of Bushmaster Park;
- Remove fake stone and install tile at Aquaplex pool;
- Replace HVAC in Flagstaff Recreation Center;
- Replace four tennis courts at Flagstaff Recreation Center;
- Various Ice Rink Repairs;
- Construct chemical storage room for Aquaplex;
- Install security cameras at Aquaplex; and
- Replace rubber flooring at J. Lively.

Summary



General Fund – One-Time RSL Summary



Utilities

Water and Wastewater continue to rebuild their operational and capital plans post Wildcat Wastewater Treatment Plant Upgrade which depleted reserves and presented some continuing challenges. The good news is there are healthy on-going and one-time revenues in FY15.

The ongoing revenues will be used to create a Regulatory Compliance Manager. Lessons learned from the consent decree with ADEQ during FY14 were that our regulatory compliance efforts were really dispersed across each sub-operation. Consolidating them in one section with a dedicated manager will keep these issues front-and-center and provide a check-and-balance across the utilities. Additionally, this budget will convert 1.5 temporary Multi-Skilled Workers into 2 regular positions to assist in increased solids handling on a year-round operation associated with the geo tubes.

On the one-time side of the equation, the Recommended Budget will allocate more dollars to hire outside consultants to complete Water and Sewer Impact Analyses (WSIA) of new developments. This money is reimbursed by the developer, but development activity has skyrocketed and it is no longer possible to complete this work in-house. The Utilities budget will also spend money on numerous information technologies (IT) to increase our monitoring and reporting. The largest single expense is the purchase of a back-up generator to power our wells (mainly the Ft. Tuthill well) in case of power outage. This is a vulnerability in our system and the plan is to add generators each year to address this concern.

Stormwater has a very ambitious work program in FY15 including allocating an additional \$375,000 for capital construction focused on drainage improvement on Columbia Circle and Schultz Creek. Other one-time expenditures include allocating \$20,000 toward continued surveying, mapping and engineering of parcels to correct floodplain maps for individual citizens erroneously moved into the floodplain by FEMA.

Bed Board and Beverage Funds

The City of Flagstaff collects a 2% sales tax on restaurants, bars and hotels (commonly referred to as BBB). BBB funds are then divided into five categories: Recreation (33%), Tourism (30%), Beautification (20%), Economic Development (9.5%) and Arts and Sciences at (7.5%). As noted above, FY15 has some decent but minimal increases in revenue as BBB grows. This combined with fund balances from previous years in each of the BBB funds presented some opportunities for improved service levels.

I noted earlier the BBB-Recreation has \$1.58 million in one-time dollars. This will go strictly to capital projects.

It is evident that funding for marketing influences BBB revenues. Therefore, this Budget recommends the use of on-going BBB Tourism funds to pay for a new Creative Leadworker to assist with marketing.

There is \$1.4M of BBB- Beautification along with a small portion of the existing Transportation sales tax has been set aside for improvements to Fourth Street focused between Route 66 and Seventh Street and the Locket and Cedar intersection. There is \$1.75 million available for these improvements in FY15 and another \$250,000 available for improvements in 2017. What the improvements will be still requires design and approval by City Council.

BBB-Arts and Sciences will see a \$29,000 increase in funding toward FCP grants and administration.

Other Funds

A 5 year plan and departmental detail of each fund is not suited for this letter but can be found in the Financial Summaries of this budget book.

Summary

TOTAL APPROPRIATIONS - FY 2015	
Operations	\$ 109,718,766
Equipment	11,107,687
Capital Improvement Projects	93,256,402
Debt Service	15,983,227
Reserves/Contingencies	8,118,320
	<u>\$ 238,184,402</u>

TOTAL APPROPRIATIONS - FY 2014	
Operations	\$ 106,841,104
Equipment	6,950,225
Capital Improvement Projects	107,224,567
Debt Service	16,281,660
Reserves/Contingencies	6,175,250
	<u>\$ 243,472,806</u>

The availability of one-time money, and the City Council's commitment to a more narrow focus of compensation, staffing and infrastructure, enables the FY15 Budget to be successful in stabilizing service levels and developing a platform for looking forward.

Respectfully Submitted,



Kevin Burke
City Manager





The City of Flagstaff Service At A Higher Elevation

Mission

To protect and enhance the quality of life of its citizens

Vision

The City of Flagstaff is a safe, diverse, vibrant, and innovative community with a unique character and high quality of life. The City fosters and supports a balance of economic, environmental, educational, and cultural opportunities.

Values

Teamwork

Accountability

Communication

Quality

Leadership



City of Flagstaff – Priorities

FY 2015 Council Goals are as follows:

- ❖ Repair, replace, maintain infrastructure (streets & utilities)
- ❖ Fund existing and consider expanded recreational services
- ❖ Address Core Services Maintenance Facility
- ❖ Complete Rio de Flag
- ❖ Retain, expand, and diversify economic base
- ❖ Complete Water Policy
- ❖ Review financial viability of pensions
- ❖ Review all commissions
- ❖ Zoning Code check in and analysis of the process/implementation
- ❖ Develop an ongoing budget process

FY 2015 Council Budget Priorities are as follows:

- ❖ Compensations
- ❖ Staffing
- ❖ Infrastructure

Management Priorities:

- ➔ Effective Governance
- ➔ Customer Service
- ➔ Straightening the Pipes
- ➔ Resiliency and Preparedness Efforts

Flagstaff Regional Plan (2030) Priorities are as follows:

Environmental Planning & Conservation

AIR QUALITY

- Goal E&C.1. Proactively improve and maintain the region's air quality.

CLIMATE CHANGE AND ADAPTATION

- Goal E&C.2. Reduce greenhouse gas emissions.
- Goal E&C.3. Strengthen community and natural environment resiliency through climate adaptation efforts.
- Goal E&C.4. Integrate available science into policies governing the use and conservation of Flagstaff's natural resources.

DARK SKIES

- Goal E&C.5. Preserve dark skies as an unspoiled natural resource, basis for an important economic sector, and core element of community character.

ECOSYSTEM HEALTH

- Goal E&C.6. Protect, restore and improve ecosystem health and maintain native plant and animal community diversity across all land ownerships in the Flagstaff region.

ENVIRONMENTALLY SENSITIVE LANDS

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

NATURAL QUIET

- Goal E&C.8. Maintain areas of natural quiet and reduce noise pollution.

SOILS

- Goal E&C.9. Protect soils through conservation practices.

WILDLIFE

- Goal E&C.10. Protect indigenous wildlife populations, localized and larger-scale wildlife habitats, ecosystem processes, and wildlife movement areas throughout the planning area.

Open Space

OPEN SPACE

- Goal OS.1. The region has a system of open lands, such as undeveloped natural areas, wildlife corridors and habitat areas, trails, access to public lands, and greenways to support the natural environment that sustains our quality of life, cultural heritage, and ecosystem health.

Water Resources

WATER SOURCES

- Goal WR.1. Maintain a sustainable water budget incorporating regional hydrology, ecosystem needs, and social and economic well-being.
- Goal WR.2. Manage a coordinated system of water, wastewater, and reclaimed water utility service facilities and resources at the City level and identify funding to pay for new resources.

WATER DEMAND

- Goal WR.3. Satisfy current and future human water demands and the needs of the natural environment through sustainable and renewable water resources and strategic conservation measures.
- Goal WR.4. Logically enhance and extend the City's public water, wastewater, and reclaimed water services including their treatment, distribution, and collection systems in both urbanized and newly developed areas of the City to provide an efficient delivery of services.

STORMWATER AND WATERSHED MANAGEMENT

- Goal WR.5. Manage watersheds and stormwater to address flooding concerns, water quality, environmental protections, and rainwater harvesting.

WATER QUALITY

- Goal WR.6. Protect, preserve, and improve the quality of surface water, groundwater, and reclaimed water in the region.

Energy

EFFICIENT USE OF ENERGY

- Goal E.1. Increase energy efficiency.
- Goal E.2. Expand production and use of renewable energy.

Community Character

SCENIC RESOURCES AND NATURAL SETTING

- Goal CC.1. Reflect and respect the region's natural setting and dramatic views in the built environment.

HERITAGE PRESERVATION

- Goal CC.2. Preserve, restore, and rehabilitate heritage resources to better appreciate our culture.

COMMUNITY DESIGN

- Goal CC.3. Preserve, restore, enhance, and reflect the design traditions of Flagstaff in all public and private development efforts.
- Goal CC.4. Design and develop all projects to be contextually sensitive, to enhance a positive image and identity for the region.

ARTS, SCIENCES, AND EDUCATION

- Goal CC.5. Support and promote art, science, and education resources for all to experience.
- Goal CC.6. Encourage Native American art and Southwestern culture.

Growth Areas & Land Use

REINVESTMENT

- Goal LU.1. Invest in existing neighborhoods and activity centers for the purpose of developing complete and connected places.

GREENFIELD DEVELOPMENT

- Goal LU.2. Develop Flagstaff's Greenfields in accordance with the Regional Plan and within the growth boundary.

APPLICABLE TO ALL LAND USES

- Goal LU.3. Continue to enhance the region's unique sense of place within the urban, suburban, and rural context.
- Goal LU.4. Balance housing and employment land uses with the preservation and protection of our unique natural and cultural setting.
- Goal LU.5. Encourage compact development principles to achieve efficiencies and open space preservation.
- Goal LU.6. Provide for a mix of land uses.
- Goal LU.7. Provide for public services and infrastructure.
- Goal LU.8. Balance future growth with available water resources.

URBAN AREA GOALS AND POLICIES

- Goal LU.9. Focus reinvestment, partnerships, regulations, and incentives on developing or redeveloping urban areas.
- Goal LU.10. Increase the proportion of urban neighborhoods to achieve walkable, compact growth.

DOWNTOWN

- Goal LU.11. Prioritize the continual reinvigoration of downtown Flagstaff, whose strategic location, walkable blocks, and historic buildings will continue to be a vibrant destination for all.
- Goal LU.12. Accommodate pedestrians, bicyclists, transit riders, and private cars to supplement downtown's status as the best-served and most accessible location in the region.

SUBURBAN AREA

- Goal LU.13. Increase the variety of housing options and expand opportunities for employment and neighborhood shopping within all suburban neighborhoods.

RURAL AREA

- Goal LU.14. Maintain the character of existing rural communities.

EMPLOYMENT AREA

- Goal LU.15. Plan for and encourage employee-intensive uses throughout the area as activity centers, corridors, research and development offices, business parks, and light industrial areas to encourage efficient infrastructure and multimodal commuting.
- Goal LU.16. Establish heavy industrial areas that provide for the manufacturing of goods, flexible space, and intermodal facilities that are well maintained, attractive and compatible with adjoining nonindustrial uses.

SPECIAL PLANNING AREA

- Goal LU.17. Protect, manage, and enhance the region's Special Planning Areas to benefit the whole community.

ACTIVITY CENTERS AND CORRIDORS

- Goal LU.18. Develop well designed activity centers and corridors with a variety of employment, business, shopping, civic engagement, cultural opportunities, and residential choices.
- Goal LU.19. Develop a manageable evolution of the main corridors into contextual place makers.

Transportation

MOBILITY AND ACCESS

- Goal T.1. Improve mobility and access throughout the region.

SAFE AND EFFICIENT MULTIMODAL TRANSPORTATION

- Goal T.2. Improve transportation safety and efficiency for all modes.

ENVIRONMENTAL CONSIDERATIONS

- Goal T.3. Provide transportation infrastructure that is conducive to conservation, preservation, and development goals to avoid, minimize, or mitigate impacts on the natural and built environment.

QUALITY DESIGN

- Goal T.4. Promote transportation infrastructure and services that enhance the quality of life of the communities within the region.

PEDESTRIAN INFRASTRUCTURE

- Goal T.5. Increase the availability and use of pedestrian infrastructure, including FUTS, as a critical element of a safe and livable community.

BICYCLE INFRASTRUCTURE

- Goal T.6. Provide for bicycling as a safe and efficient means of transportation and recreation.

TRANSIT

- Goal T.7. Provide a high-quality, safe, convenient, accessible public transportation system, where feasible, to serve as an attractive alternative to single-occupant vehicles.

AUTOMOBILE

- Goal T.8. Establish a functional, safe, and aesthetic hierarchy of roads and streets.

PASSENGER RAIL AND RAIL FREIGHT

- Goal T.9. Strengthen and support rail service opportunities for the region's businesses and travelers.

AIR TRAVEL

- Goal T.10. Strengthen and expand the role of Flagstaff Pulliam Airport as the dominant hub for passenger, air freight, public safety flights, and other services in northern Arizona.

PUBLIC SUPPORT FOR TRANSPORTATION

- Goal T.11. Build and sustain public support for the implementation of transportation planning goals and policies, including the financial underpinnings of the Plan, by actively seeking meaningful community involvement.

Cost of Development

COST OF DEVELOPMENT

- Goal CD.1. Improve the City and County financial systems to provide for needed infrastructure development and rehabilitation, including maintenance and enhancement of existing infrastructure.

Public Buildings, Services, Facilities, & Safety

RESILIENCY PLANNING

- Goal PF.1. Work across all government operations and services to prepare for the impacts of natural and human-caused hazards.

Planning

LOCATING FACILITIES

- Goal PF.2. Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics.

PUBLIC SAFETY

- Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Neighborhoods, Housing, & Urban Conservation

NEIGHBORHOODS, HOUSING, AND URBAN CONSERVATION

- Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff
- Goal NH.2. Look to downtown Flagstaff as the primary focal point of the community character.
- Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors.
- Goal NH.4. All housing is safe and sanitary.
- Goal NH.5. Eliminate homelessness.
- Goal NH.6. Neighborhood conservation efforts of revitalization, redevelopment, and infill are compatible with and enhance our overall community character.

Economic Development

RESPONSIVE GOVERNMENT

- Goal ED.1. Create a healthy environment for business by ensuring transparent, expeditious, and predictable government processes.

EDUCATION AND WORKFORCE TRAINING

- Goal ED.2. Support and encourage an excellent educational system that promotes critical thinking and job training programs at all levels.

BUSINESS RETENTION, EXPANSION, AND ENTREPRENEURSHIP

- Goal ED.3. Regional economic development partners support the start-up, retention, and expansion of existing business enterprises.

BUSINESS ATTRACTION

- Goal ED.4. Support efforts to recruit diverse new businesses and industries compatible with the region.

PULLIAM AIRPORT

- Goal ED. 5. The Pulliam Airport will continue to serve the Northern Arizona region for air transportation, multimodal connectivity and business growth potential.

COMMUNITY CHARACTER

- Goal ED.7. Continue to promote and enhance Flagstaff 's unique sense of place as an economic development driver.

ACTIVITY CENTERS

- Goal ED.8. Promote the continued physical and economic viability of the region's commercial districts by focusing investment on existing and new activity centers.

REDEVELOPMENT AND INFILL

- Goal ED.9. Promote redevelopment and infill as a well-established means to accomplish a variety of community economic, planning, and environmental goals.

Recreation

RECREATION

- Goal REC.1. Maintain and grow the region's healthy system of convenient and accessible parks, recreation facilities, and trails.

