

ECONOMIC VITALITY DIVISION MISSION

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

The mission of the **Community Investment Section – Community Design and Redevelopment** is to create, enhance and preserve 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.

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, local character, and the cultural diversity and heritage of Flagstaff.

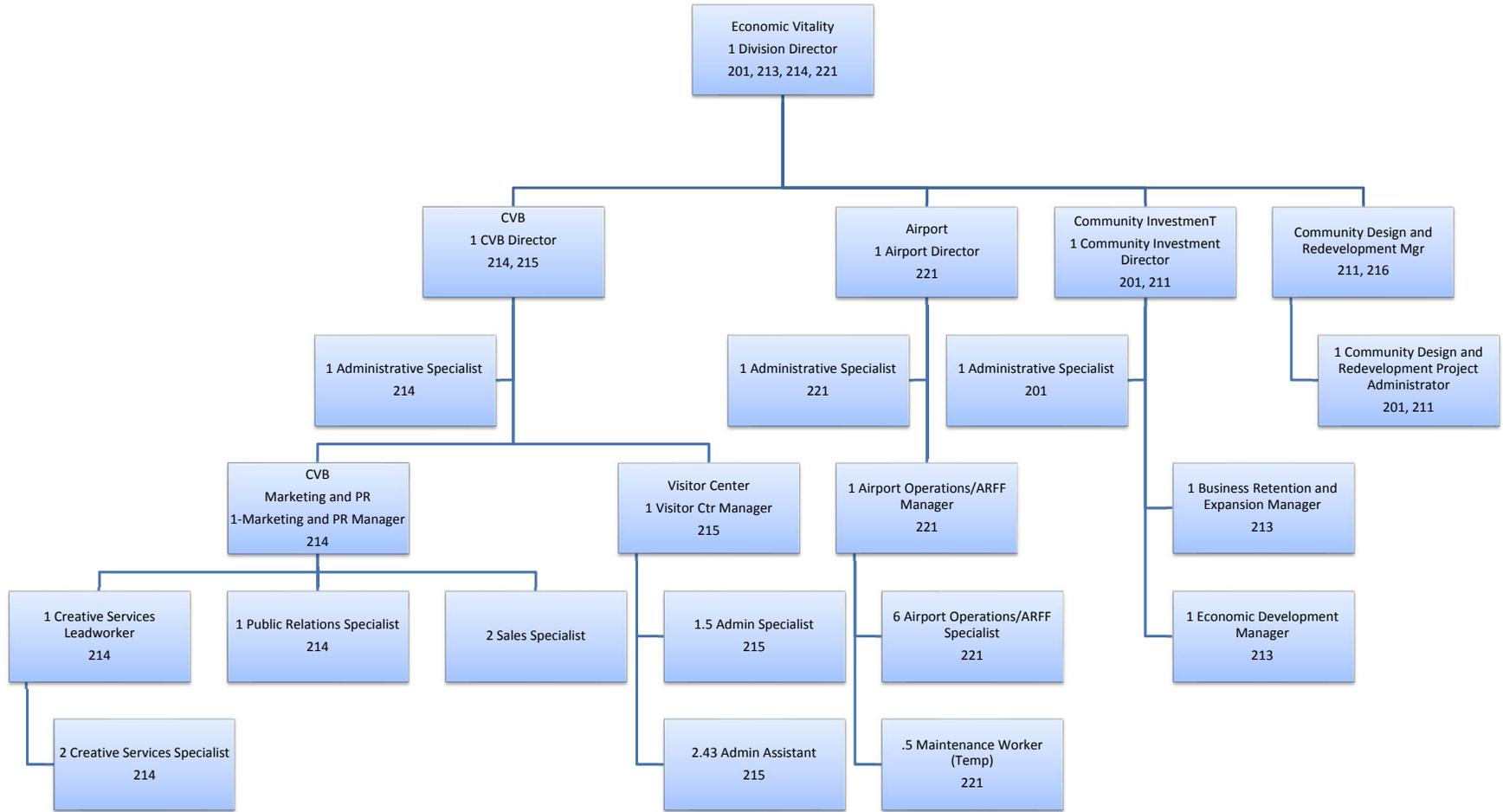
The mission of the **Convention and Visitors Bureau** is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially.

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.

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

ECONOMIC VITALITY



ECONOMIC DEVELOPMENT

Includes Community Investment General Administration and Economic Development.

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 14 ACCOMPLISHMENTS

- ✓ Successfully managed and executed a Pre-Annexation, Development, and Over-sizing Agreement between W.L. Gore and Associates and the City of Flagstaff which allows for future potential expansion.
- ✓ Successfully managed and executed a Real Estate Donation and Exchange Agreement between W.L. Gore and Associates and the City of Flagstaff which also contributes land to the FUTS Program.
- ✓ Worked successfully with Tesla Motors to locate and open a charging station in Flagstaff.
- ✓ Sold Lots 1, 13, and Tract A at the Flagstaff Autopark.
- ✓ Facilitated the negotiation and sale of City parcels at Fourth Street and Route 66 to Evergreen Development Company for new retail development, known as The Trax.
- ✓ Expanded economic development outreach to over 300 small and large businesses, entrepreneurs, stakeholders, industry groups/associations, real estate executives, and developers in Flagstaff, and presented economic development services.
- ✓ Coordinated with ECONA on the presentation of the Certified Sites Program by the Arizona Commerce Authority to regional commercial brokers; began populating the site which is a primary tool for site selectors.
- ✓ Expanded business retention and expansion business interviews to include some or all of the following tools: stakeholder needs analysis, B3 interviews, Economic Development toolbox, incentive and grant overview, and advocacy and coordination between the business community and City Hall.
- ✓ Advanced community efforts for workforce development by taking a position on the Workforce Investment Board, collaboratively developing an internship seminar, and sponsoring five (5) students through the Manufacturing Certification Program.
- ✓ Worked with two (2) local businesses to submit applications to the Arizona Commerce Authority grants program by promoting available grant and incentive opportunities to all local applicable businesses.
- ✓ Continued managing the Arizona Commerce Authority Rural Economic Development Grant which was awarded to the Joy Cone Company for the decommissioning of their incinerator and expansion of their batter room.
- ✓ Promoted the newly established Northern Arizona Capital Loan Fund with regional partners and funded eight (8) loans to local businesses.
- ✓ Successfully implemented the City's Revolving Loan Fund (RLF) through the Economic Development Administration for \$217,000 for expansion and retention purposes.
- ✓ Used the Buxton data (consumer-based demographic information) to provide custom needs-based market reports to numerous startups and existing businesses, as well as retail prospects.

- ✓ Added six (6) new and expanding retailers to the community, targeting established developments and infill opportunities: Modern Grove, Sprouts, REI, Alliance Bank, National Bank of Arizona, and Ceiba Adventures, which amounted to 225 jobs created and 66,450 square feet, with four (4) more announcements prior to fiscal year-end.
- ✓ Added three (3) new non-retail businesses and start-ups to the general community: Sidlinger Tech, Stealth Tech, and the Campbell Group.
- ✓ Facilitated locating, planning, and development of the new APS Substation to provide expanded power service to the Airport Business Park and surrounding area for commercial and industrial business expansion.
- ✓ Implemented an initiative to connect City leadership to business with numerous site tours to private and not-for-profit businesses.
- ✓ Continued financial and personnel support to ECONA, STEM Consortium, Flinn Foundation, and Science Foundation Arizona.
- ✓ Continued leadership support of ECONA in the areas of Business Retention and Expansion, and Business Attraction.
- ✓ Developed and published new website ChooseFlagstaff.com, providing updated information and links.
- ✓ Responded to eight (8) PIF's from the Arizona Commerce Authority for new business attraction/relocation.
- ✓ Continued building relationship with Community Development Division, by providing support and a "bridge" to companies locating or expanding.
- ✓ Participated in expansion of Flagstaff Medical Center operations in rural areas.
- ✓ Facilitated and completed design and award construction contract for Business Accelerator on Innovation Mesa.
- ✓ Coordinated regional effort to submit an application for designation as a "Manufacturing Community" through the Investing in Manufacturing Communities Partnership (IMCP) program and EDA.
- ✓ Continued working with NACET to provide assistance in creating 50 new jobs (42 new jobs reported as of third quarter).
- ✓ Continued supporting Flagstaff's entrepreneurial environment through outreach with SBDC/CCC, NACET, and various other groups working to diversify and strengthen our economic base.
- ✓ Developed marketing and listing RFP for the undeveloped parcels in and around the Airport Business Park to encourage new development and increase our economic base.
- ✓ Advanced community connectivity with stakeholders, businesses, and developers in other markets to increase deal flow, correctly position Flagstaff's opportunities, and provide more resources to the local business community.

FY 15 NEW INITIATIVES AND GOALS

- Facilitate the construction of expanded infrastructure services and annexation of parcels owned by W.L. Gore and Associates.
- Continue outreach to increase awareness and visibility of the City's Economic Development program and services; specifically business retention, expansion, and attraction.
- Explore and advance workforce development opportunities for pre-K through higher education through partnerships with First Things First, Coconino County Career Center, Flagstaff Chamber of Commerce, and ECONA for specific industry sectors.
- Develop and implement an action plan to build the manufacturing network in the community and region as articulated in the IMCP application.
- Identify and promote available grant and incentive opportunities to all local businesses; continue to successfully partner with qualified companies, facilitate appropriate application(s), secure award(s), and manage award(s).
- Promote, educate and award local business(es) utilizing the City's Revolving Loan Fund for retention and expansion purposes (as part of the greater Northern Arizona Capital Loan Fund Committee).
- Provide custom needs-based market reports to existing and prospective businesses, as well as developers.
- Assist three (3) existing businesses with expansion for a total of ten (10) new jobs using Buxton data.
- Add three (3) new non-retail businesses and startups to the general community.

ECONOMIC VITALITY	SECTION 201/213	ECONOMIC DEVELOPMENT
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- Sell a minimum of one (1) lot at the Flagstaff Autopark.
- Facilitate the construction of new APS Substation to provide power to the Airport Business Park to support commercial and industrial business expansion.
- Continue financial and personnel support to ECONA, STEM Consortium, Flinn Foundation, and Science Foundation Arizona.
- Continue leadership support of ECONA in the areas of Business Retention and Expansion and Business Attraction.
- Develop a “map” or flowchart of the development review process for existing and new businesses to assist them in navigating the process.
- Continue building relationship with Community Development Division by providing support and a “bridge” to companies locating or expanding.
- Continue working with NACET to provide assistance in creating fifty (50) new jobs.
- Continue supporting Flagstaff’s entrepreneurial environment through outreach with SBDC/CCC, NACET, and various other groups working to diversify and strengthen our economic base.
- Advance community connectivity with stakeholders to increase deal flow, and correctly position Flagstaff’s opportunities.

PERFORMANCE MEASURES

Priority: Council - Retain, expand and diversify economic base

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: Business outreach programs, trend analysis, Buxton market analysis, City, State and Federal grant and incentive programs, Revolving Loan Fund, ECONA, staff advocacy, workforce development tools, Northern Arizona Business Capital Loan Fund Committee, NACET, and other business performance programs.

Frequency: Regular contact via phone, email, and in-person business visits, speaking engagements, ChooseFlagstaff.com, and educational outreach.

Scoring: Retain 95% of Flagstaff’s major employers (75 or more employees) and add 10 new jobs to three (3) existing businesses using Buxton data.

Trend: ↔

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Local businesses retained and/or expanded; and, net new jobs created	95% / N/A	95% / N/A	95% / 10	95% / 10
Job creation: Incubator and Accelerator	N/A	42 (through 3 rd quarter)	50	60

Priority: Regional Plan (2030) – Economic Development, Business Attraction (Goal ED.4)

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: Buxton data, Arizona Commerce Authority, ECONA, ChooseFlagstaff.com, FlagstaffProspector.com, certified sites, trade shows, outbound lead generation, advertising and other marketing materials, and generating appropriate lead referrals from existing companies.

Frequency: Planned sales missions and trade shows to strategically targeted regions/industries to meet with high wage / low impact business owners, commercial real estate executives, and multipliers. Ongoing marketing programs that connect and engage with high wage / low impact business owners, commercial real estate executives and multipliers through web, social media, public relations, and advertising.

ECONOMIC VITALITY	SECTION 201/213	ECONOMIC DEVELOPMENT
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Scoring: Respond to 100% of qualified leads with/from ECONA, Arizona Commerce Authority, site locators, and existing companies. City Economic Development staff to conduct 350 sales calls to qualified businesses interested in locating to Flagstaff.

Trend: ↔

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Respond to qualified new business leads	100%	100%	100%	100%
Outbound business development efforts to businesses, commercial real estate executives and stakeholders looking to locate or invest in Flagstaff	N/A	540	400	600
Expand workforce through the creation of high wage / low impact jobs	N/A	5	5	8

Priority: Regional Plan (2030) – Economic Development, Responsive Government (Goal ED.1)

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, Real Estate Networking Group, Capital Community Group, Development Review Process, Zoning Code, Regional Plan, incentive policies, retail analysis, business assistance kiosk, community outreach, and other data research

Frequency: Regular ChooseFlagstaff.com and social media updates, regular business/industry meetings, annual ICSC attendance, and other trade shows.

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

Trend: ↔

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Transition viable projects to DRB/IDS process	85%	90%	90%	90%
Square footage of new locates Economic Development staff have assisted	N/A	66,450	75,000	125,000

SECTION: 201-COMMUNITY INVESTMENT					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 152,916	\$ 162,210	\$ 162,210	\$ 150,385	\$ (11,825)
Contractuals	11,268	98,453	98,453	20,268	(78,185)
Commodities	7,599	28,315	28,315	12,150	(16,165)
Capital	-	324,000	324,000	281,500	(42,500)
TOTAL	\$ 171,783	\$ 612,978	\$ 612,978	\$ 464,303	\$ (148,675)
EXPENDITURES BY PROGRAM:					
General Administration	\$ 104,611	\$ 128,201	\$ 128,201	\$ 114,591	\$ (13,610)
Community Design	59,854	66,277	66,277	68,212	1,935
Brownfields Management	1,593	-	-	-	-
Brownfield Assessment	5,725	418,500	418,500	281,500	(137,000)
TOTAL	\$ 171,783	\$ 612,978	\$ 612,978	\$ 464,303	\$ (148,675)
SOURCE OF FUNDING:					
GENERAL FUND				\$ 339,984	
LIBRARY FUND				14,909	
HIGHWAY USER REVENUE FUND				14,496	
TRANSPORTATION FUND				2,952	
WATER AND WASTEWATER FUND				49,629	
STORMWATER FUND				2,183	
AIRPORT FUND				2,944	
SOLID WASTE FUND				34,050	
SEMS				3,156	
				\$ 464,303	
COMMENTARY:					
<p>The Community Investment operating budget has decreased 37%, and capital expenditures total \$281,500, resulting in an overall net decrease of 24%. Personal Services decreases are due to salary savings from position turnover net of increases for merit. Contractual decreases are due to reductions in Consultant Fees, travel, lodging, meals, postage and advertising. Commodities decreases are due to a reduction in workorder credits, operating supplies, promotional materials, copying and printing. Major capital (>\$10,000) is for the Brownfield Coalition Grant (\$281,500).</p>					

ECONOMIC VITALITY

SECTION 201/213

ECONOMIC DEVELOPMENT

SECTION: 213-ECONOMIC DEVELOPMENT					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 220,742	\$ 212,987	\$ 187,057	\$ 221,656	\$ 8,669
Contractuals	534,578	481,617	446,617	408,248	(73,369)
Commodities	24,583	18,728	18,728	18,384	(344)
TOTAL	\$ 779,903	\$ 713,332	\$ 652,402	\$ 648,288	\$ (65,044)
EXPENDITURES BY PROGRAM:					
General Administration	\$ 64,766	\$ 37,619	\$ 37,619	\$ 84,630	\$ 47,011
Incubator	257,500	265,947	265,947	267,563	1,616
Service Partner Agencies	115,401	64,500	64,500	5,400	(59,100)
Business Retention & Expansion	101,052	90,241	90,241	98,687	8,446
Business Attraction	139,060	155,025	129,095	157,008	1,983
Recovery-Econ Dev Commerce Grant-SWWP	(4)	-	-	-	-
ACA Rural Grant FY 12/13 (Mach. Solutions)	95,044	-	-	-	-
ACA Rural Grant FY 13 (Joy Cone)	7,084	100,000	65,000	35,000	(65,000)
TOTAL	\$ 779,903	\$ 713,332	\$ 652,402	\$ 648,288	\$ (65,044)
SOURCE OF FUNDING:					
ECONOMIC DEVELOPMENT FUND				\$ 648,288	
				\$ 648,288	
COMMENTARY:					
<p>The Economic Development operating budget has decreased 9%, and there are no major capital expenditures planned. Personal Services increases are due to a merit increase, one time payments and increased cost of benefits. Contractual decreases are due to reductions in service partner contracts. Commodities decreases are due to reduction in stakeholder meeting amenities. There are one-time authorized expenditures of \$2,500 for increased workforce training. The ACA Rural Grant (Joy Cone) has a carry forward from FY 2014 of \$35,000.</p>					

- ✓ Designed, procured, and installed Route 66 FUTS Rest Stop Interpretive Sign Project.
- ✓ Completed Route 66 BNSF Underpass Beautification project (in partnership with Community Development staff).
- ✓ Completed East Flagstaff Gateway public outreach and design; construction documents underway.
- ✓ Completed Butler North Edge public outreach and design; construction documents underway.
- ✓ Inventoried, evaluated, and issued RFP for the rights-of-way beautification maintenance areas; maintenance of areas to remain in-house through the Parks program.
- ✓ Assisted with design for Innovation Mesa project and site plan approval.
- ✓ Assisted with design for new APS Substation.
- ✓ Assisted Housing Section with several designs for the O'Leary Street site.
- ✓ Assisted Public Works with several designs for the Core Services Facility.
- ✓ Assisted Real Estate Manager with several designs associated with City property disposition.
- ✓ Designed Habitat Verde project; secured site plan approval and building permits.
- ✓ Processed three Landmark designations including first archeological site.
- ✓ Assisted Seligman with historic preservation technical matters related to the Cottage Hotel.
- ✓ Assisted Housing Section and Environmental Services with NHPA Section 106 Compliance.
- ✓ Brought significant cultural resource studies to Heritage Preservation Commission for consideration: Tourist Home and 23 S. Agassiz Street.
- ✓ Secured curation of cultural resource studies by Cline Library.
- ✓ Completed study of Community Reinvestment Policy and presented to City Council for action.
- ✓ Continued Northern Arizona partnership on Route 66 Coalition Brownfields Grant.
- ✓ Formed Downtown Revitalization District: provided day-to-day management for downtown during transition.
- ✓ Presented Fourth Street Corridor Master Plan to City Council for action.

FY 15 NEW INITIATIVES AND GOALS

- Continue grant seeking, using said funds to leverage the execution of other goals.
 - Maintain a high level of community partnering.
 - Maintain a high level of community engagement and outreach.
 - Continue to provide excellent customer service for external and internal customers.
 - Designate additional local landmarks.
 - Continue to conduct outreach efforts for VisionFlagstaff.com and advance implementation of notable projects.
 - Finalize and implement Infill Incentive Policy for commercial businesses.
 - Finalize/Close-out Brownfield Community-wide Assessment Grant.
 - Complete significant Beautification Projects: Butler North Edge, Fourth Street Interim, East Flagstaff Gateway, and Train Station Platform.
 - Complete significant public art projects: Airport Murals, Kings House Partnership Mural, and Utility Box Art.
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PERFORMANCE MEASURES

Priority: Regional Plan (2030) – Economic Development, Community Character (Goal ED.7)

Goal: Implement Community Design and Redevelopment programs and associated projects to improve Flagstaff’s surroundings and residents’ quality of life.

Objective: Flagstaff has a high quality of life; and an improved quality of life through Community Design and Redevelopment programs.

Type of Measure: Outcome

Tool: Ongoing online survey; projects added to VisionFlagstaff.com and transitioned to feasibility studies

Frequency: Tallied quarterly

Scoring: 1 (Low) through 5 (High); 3 = Neutral

Trend: ← →

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Average score of survey asking respondents to rate Flagstaff as a place to live.	N/A	< 3	<3.3	<3.5

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Average score of survey asking respondents to rate if CD&R programs have improved the quality of life in Flagstaff.	N/A	< 3	<3.3	<3.5

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
Number of projects on VisionFlagstaff.com website; number transitioned to feasibility studies	N/A	29 / 0	40 / 2	45 / 4

MISSION

To protect and enhance the quality of life and economic prosperity by creating, enhancing, and preserving the sense of place, local character, and the cultural diversity and heritage of Flagstaff.

PROGRAM DESCRIPTION

The Beautification General Administration program is the personnel component for Arts and Sciences, Beautification, Community Design, Heritage Preservation, and Redevelopment.

For planning purposes, the administration and implementation of the programs and activities of this Section are combined with Community Design, Arts and Science, and Beautification General Administration, and are planned comprehensively. See Section 201/216/211, Community Design and Redevelopment, for greater detail.

FY 14 ACCOMPLISHMENTS

✓ See Section 201/216/211, Community Design and Redevelopment.

FY 15 NEW INITIATIVES AND GOALS

➤ See Section 201/216/211, Community Design and Redevelopment.

PERFORMANCE MEASURES

See Section 201/211/216, Community Design and Redevelopment.

SECTION: 211-BEAUTIFICATION					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 138,911	\$ 126,034	\$ 126,034	\$ 134,663	\$ 8,629
Contractuals	35,893	48,375	23,375	6,450	(41,925)
Commodities	2,699	900	1,061	710	(190)
TOTAL	\$ 177,503	\$ 175,309	\$ 150,470	\$ 141,823	\$ (33,486)
EXPENDITURES BY PROGRAM:					
General Administration	\$ 106,488	\$ 130,309	\$ 130,309	\$ 141,623	\$ 11,314
Commission	490	-	161	200	200
Enhanced Service District	48,645	20,000	-	-	(20,000)
Wheeler Park Lighting	21,880	25,000	20,000	-	(25,000)
TOTAL	\$ 177,503	\$ 175,309	\$ 150,470	\$ 141,823	\$ (33,486)
SOURCE OF FUNDING:					
BEAUTIFICATION FUND				\$ 141,823	
				\$ 141,823	
COMMENTARY:					
<p>The Beautification operating budget has decreased 19% and there are no major capital expenditures planned. Personnel Services increases are due to a merit increase, one-time payments and increase cost of benefits. Contractual decreases are due to the removal of Wheeler Park Lighting and FY 2014 having a one-time budgeted amount for the Enhanced Service District. The Commodities decreases are due to decrease in office supplies and copying and printing. There is \$3,348 budgeted for travel and registration, training, and web hosting. There is no major capital (>\$10,000) for this section.</p>					



ECONOMIC VITALITY	SECTION 202	EDA Revolving Loan Fund
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SECTION:	202-EDA REVOLVING LOAN				
EXPENDITURES BY CATEGORY:	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Contractuals	\$ -	\$ 220,000	\$ -	\$ 220,000	\$ -
TOTAL	\$ -	\$ 220,000	\$ -	\$ 220,000	\$ -
EXPENDITURES BY PROGRAM:					
EDA Revolving Loan	\$ -	\$ 220,000	\$ -	\$ 220,000	\$ -
TOTAL	\$ -	\$ 220,000	\$ -	\$ 220,000	\$ -
SOURCE OF FUNDING:	GENERAL FUND			\$ 220,000	
				\$ 220,000	
COMMENTARY:	The EDA Revolving Loan program implementation was delayed from FY 2014 to FY 2015, thus, the budget for FY 2015 is the same as FY 2014.				



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 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 percent of BBB tax revenues. 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 14 ACCOMPLISHMENTS

- ✓ Increased BBB revenues by 4.42% (thru Dec 2013) through targeted media advertising plans, enhanced leisure, meetings, group sales, and increased public relations efforts.
- ✓ Rolled out new imagery and marketing campaign. The overall reimagining won a Marcom Platinum Award and the destination marketing campaign was a Marcom Gold award winner.
- ✓ Launched newly designed and content rich website along with a mobile version.
- ✓ Increased frequency and reach of marketing efforts, specifically for a Cactus League Spring Training program, promotion of the winter season, and in the Las Vegas DMA.
- ✓ Utilized high-impact outdoor advertising placements in the Phoenix market to launch the new imagery and campaign. This included five (5) light rail center wraps and four (4) metro bus “king kong” wraps focusing on the downtown areas.
- ✓ Re-designed the Official Flagstaff Visitor Guide for 2014, which includes components of the new imagery as well as new maps and resources.
- ✓ Developed new sales and media kits for use in promoting Flagstaff as a premier travel destination with professional services.
- ✓ Conducted multiple photo shoot productions and photo assignments with local photographers and models.
- ✓ Secured local video production company to film the Flagstaff destination video series, creating 10 new videos and generating a library of footage.
- ✓ Updated the Flagstaff Explore Guide copy for translation and redesign of the publication.
- ✓ Hosted more than 40 media familiarization tours.
- ✓ PR increased presence with Flagstaff media through regular appearances on local radio stations and with tourism articles in Flagstaff Business News.
- ✓ Staff pitched and assisted with media coverage for a total publicity value of \$2,716,340 which is a 3% increase over the prior year. Noteworthy coverage included Sunset Magazine, the New York Times, LA Times, and North Valley Magazine, among others.
- ✓ Created and managed social media promotions on Facebook including: I Found Flagstaff: Visitor Stories, North Pole Experience Christmas in July Giveaway, Dew Downtown Flagstaff VIP Experience Giveaway, and Spring Training Giveaway.
- ✓ Developed 35 specialty pages/micro sites for the website promoting different partners and events. This included a Travel Advisory page with up-to-date information regarding the government shutdown and area park closures, with resources for both visitors and travel professionals.
- ✓ New Facebook followers increased by 71.9% over the same time period last fiscal year.
- ✓ Placed 370 advertisements including print, online, and specialty inserts.

- ✓ Launched local outreach campaign to educate both stakeholders and the community regarding the CVB and its role. The campaign included local radio, TV, and newsprint spots, distribution of bookmarks with tourism stats, multiple community group presentations, vehicle decals and window clings welcoming visitors to Flagstaff, and offering directions to the Visitor Center.
- ✓ Produced the Governor's Conference on Economic Development Community Route 66 Reception for approximately 225 attendees consisting of elected officials and economic development professionals from around the state. This reception was held on Mike's Pike and brought attention to the redevelopment and exciting new establishments on the south side.
- ✓ Attended the second annual Arizona Science & Astronomy Expo to increase the astronomy and science based visitors to Flagstaff; collected information on 56 astronomer and science contacts.
- ✓ Increased the number of meeting/event leads by 3%.
- ✓ Performed data collection from 13 international tour operators to further compare actual numbers of rooms booked annually.
- ✓ Met with 220 tour operators and increased the number of overall leads by 52%.
- ✓ Utilized Educational Guide for Student Groups to assist in securing two (2) new student group tour bookings.
- ✓ Created a product inventory of Australian tour operators through IPW 13, Visit USA Australia, and the US Commercial Service Australian office.
- ✓ Developed Note from the Director eNewsletter and utilized the format for travel advisories and meeting invitations.
- ✓ Developed the "Tourism Coffee Klatch" where the CVB Director meets with area stakeholders monthly to give a recap of past and future efforts.
- ✓ Assisted with the Dew Downtown event through sponsorship creation and sales, along with marketing and design.

FY 15 NEW INITIATIVES AND GOALS

- Foster student tour interest in Flagstaff and secure two (2) new student tour groups.
 - Secure new tours or FIT itineraries with three (3) Australian tour operators.
 - Increase international bookings by 1% and utilize tracking form to show performance to stakeholders.
 - Conduct 1:1 sales meetings with a minimum of 50 stakeholders.
 - Grow niche markets of Astronomy, Biotech, and Sciences by showing a 1% increase in leads.
 - Target a minimum of 12 local businesses or organizations to educate them on the CVB services we provide.
 - Improve the online presence of Flagstaff meeting resources available through flagstaffarizona.org.
 - Increase Public Relations value of earned media by 2% through targeted presence in key markets.
 - Increase fan/follower engagement on social media sites, including Facebook and Twitter, by 3% through interactive elements, contests, and providing timely, up-to-date information.
 - Continue quarterly e-communication with media by offering timely and relevant story ideas and news.
 - Establish a destination blog optimizing the content by utilizing professional bloggers and writers.
 - Continue strategic collaboration between Visitor Services, Sales, Public Relations, and Marketing programs to create a cohesive destination message.
 - Implement an innovative, comprehensive, and aggressive media plan in targeted markets utilizing a mix of advertising media.
 - Post video content online at least six (6) times throughout the year.
 - Utilize landing pages and interactive elements on website to provide content which speaks to the user needs and optimizes the visitor experience.
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PERFORMANCE MEASURES

Priority: Council - Retain, expand, and diversify economic base

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: STR report, BBB revenue report, room night bookings generated through leads, 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, Occupancy, RevPar, and ADR

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY15 Proposed
Bed Board and Booze (BBB) Tax revenues	\$5,667,320	\$6,078,903	\$6,125,000	\$6,185,000
Occupancy	65.5%	66.4%	67.0%	67.7%
RevPAR (Revenue per available room)	\$50.94	\$54.61	\$55.15	\$55.70
ADR (Average Daily Rate)	\$75.80	\$82.24	\$83.06	\$83.89



ECONOMIC VITALITY

SECTION 214

TOURISM

SECTION: 214-TOURISM					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 548,848	\$ 600,448	\$ 600,448	\$ 684,074	\$ 83,626
Contractuals	670,296	804,785	809,585	745,467	(59,318)
Commodities	120,143	113,047	113,047	132,275	19,228
TOTAL	\$ 1,339,287	\$ 1,518,280	\$ 1,523,080	\$ 1,561,816	\$ 43,536
EXPENDITURES BY PROGRAM:					
General Administration	\$ 623,542	\$ 662,480	\$ 667,280	\$ 749,411	\$ 86,931
Marketing and Promotion	613,218	727,150	727,150	701,255	(25,895)
Sales	68,626	85,780	85,780	77,280	(8,500)
Public Relations	33,108	42,120	42,120	33,120	(9,000)
Film Office	793	750	750	750	-
TOTAL	\$ 1,339,287	\$ 1,518,280	\$ 1,523,080	\$ 1,561,816	\$ 43,536
SOURCE OF FUNDING:					
TOURISM FUND				\$ 1,561,816	
				\$ 1,561,816	
COMMENTARY:					
<p>The Tourism operating budget has increased by 3%, and there are no major capital expenditures planned. Personal Services increases are due to an increase in one FTE for a Creative Services Leadworker, a merit increase, one-time payments and increase cost of benefits. Contractual decreases are due to anticipated utility rate increases for electricity and increases in building maintenance, and reductions in advertising from prior year one-time allocations. Commodities increases are due to marketing and promotional expenditures into a new market. There are one-time authorized expenditures for travel, training, lodging and meals, \$105,000 for advertising, \$8,000 for marketing and promotional materials, \$19,000 for copying and printing, \$3,200 for a controllable webcam, \$6,500 for new booth displays for tradeshow and promotional items, and \$3,000 for a carry forward of unused catastrophic funds from FY 2014.</p>					

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 provide superior customer service to aid in their decision to extend their stay and/or encourage return visits to Flagstaff.

PROGRAM DESCRIPTION

Located in the Historic Train Station, the 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 revenues. Programs include: visitor services, train station operations, educational programs, and creation of local partnerships.

FY 14 ACCOMPLISHMENTS

- Assisted 42,391 visitors in the first six months of the fiscal year and 85,519 in calendar year 2013.
 - Enhanced relationships with front-line hotel staff and local businesses to broaden awareness of Visitor Center services.
 - Maximized partnerships through our Referral Program, receiving 245 for the 2013 calendar year, a 2% increase over the prior year.
 - Increased Visitor Center services through the placement of referral coupons; received 99 coupons with this newly established program.
 - Generated further awareness of the Visitor Center through distribution/placement of CVB window clings in the historic Downtown district welcoming visitors to our location.
 - Sold 770 Grand Canyon entrance passes: 715 weekly and 55 annual "America the Beautiful" passes. A 33% increase for calendar year 2013 over 2012.
 - Participated in First Friday Art Walk, bringing an additional 1,756 walk-ins into the Visitor Center and increasing awareness of visitor services within our community.
 - Expanded outreach through participation in National Train Day, CVB Holiday Open House, and National Tourism Week.
 - Distributed/redeemed 1,178 Route 66 Passports to Visitors; a 51% increase in calendar year 2013 over 2012.
 - Assisted with 239 inquiries for Pioneer Museum Historic/Haunted Tours.
 - Developed and provided on-site opportunities: three (3) educational forums and 12 informational displays for local attractions and businesses.
 - Hosted representatives from the Council for Indigenous Arts and Culture, created Tourism Week activities, along with a Train Day event, to enhance both the visitor and local community's experience.
 - Improved the visitor experience by enhancing the historic appeal of the Visitor Center through facility upgrades.
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FY 15 NEW INITIATIVES AND GOALS

- Increase visitor walk-ins by 1% through enhanced programming.
- Participate in Visitor Profile Survey to update previous 2008 survey information.
- Continue discussion with the Beautification & Public Art Commission and Heritage Preservation Commission on the long range project to improve quality and functionality of the Train Station platform.
- Enhance the referral program through stronger engagement of hotel front line staff.
- Participate in the development of a self-guided Southside Historic Tour Brochure, utilizing stories provided by the Southside Association and transcripts from the Cline Library Oral History Project.
- Monitor and measure Trip Advisor satisfaction ratings of the Visitor Center, and maximize reply communications to project positive image and raise customer service level ratings.

PERFORMANCE MEASURES

Priority: Management - Customer Service

Goal: Customer service will be provided in an efficient, equitable, and effective manner.

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

Type of Measure: Customer service satisfaction ratings, staff knowledge of Flagstaff area, and walk-ins.

Tool: Customer service surveys, Trip Advisor ratings, and walk-in data.

Frequency: Monthly

Scoring: 96% and above is excellent; 90 to 95 is caution; less than 90% is concerning.

Trend: ↑

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimate	CY 15 Proposed
VC Customer Service Survey (# surveys / % satisfaction)	438 / 97.9%	441 / 98%	450 / 98%	475 / 98%
Trip Advisor (# comments / % satisfaction rating)	48 / 94%	66 / 97%	73 / 97%	82 / 98%
Trip Advisor (Ranking out of 42 Flagstaff attractions)	6 th place	6 th place	5 th place	5 th place
Visitor Center Walk-ins	87,272	85,519	86,375	87,250

SECTION: 215-VISITOR SERVICES					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 205,335	\$ 216,903	\$ 216,903	\$ 212,088	\$ (4,815)
Contractuals	93,093	112,654	120,154	138,829	26,175
Commodities	50,289	31,821	31,821	30,067	(1,754)
TOTAL	\$ 348,717	\$ 361,378	\$ 368,878	\$ 380,984	\$ 19,606
EXPENDITURES BY PROGRAM:					
General Administration	\$ 231,830	\$ 250,078	\$ 257,578	\$ 250,493	\$ 415
Train Station Operations	116,887	111,300	111,300	130,491	19,191
TOTAL	\$ 348,717	\$ 361,378	\$ 368,878	\$ 380,984	\$ 19,606
SOURCE OF FUNDING:					
TOURISM FUND				\$ 380,984	
				\$ 380,984	
COMMENTARY:					
<p>The Visitor Services operating budget has increased 5%, and there are no major capital expenditures planned. Personal Services decreases are due to a reduction in overtime expense net of increase. Contractual increases are due to anticipated utility rate increases for electricity and increases in building maintenance and structures, and landscaping. Commodities decreases are due to computer equipment replaced last fiscal year. There are one-time authorized expenditures of \$22,000 for building maintenance and structures repairs, \$2,500 for installation of a concrete walkway, and \$7,500 for the carry forward for unused catastrophic budgeted expenditures from FY 2014.</p>					

MISSION

To protect and enhance the quality of life and economic prosperity by creating, enhancing, and preserving the sense of place, local character, and the cultural diversity and heritage of Flagstaff.

PROGRAM DESCRIPTION

With guidance from the Beautification and Public Art Commission, this program delivers a variety of public art programs and projects throughout the City. In addition, arts, science, and cultural opportunities in Flagstaff are fostered by our work with Flagstaff Cultural Partners, providing direct technical and financial support to non-profit and private agencies engaged in these fields.

For planning purposes, the administration and implementation of the programs and activities of this section are combined with Community Design, Arts and Science, and Beautification General Administration, and are planned comprehensively. See Section 201/211/216, Community Design and Redevelopment, for greater detail.

FY 14 ACCOMPLISHMENTS

✓ See Section 201/211/216, Community Design and Redevelopment.

FY 15 NEW INITIATIVES AND GOALS

➤ See Section 201/211/216, Community Design and Redevelopment.

PERFORMANCE MEASURES

See Section 201/211/216, Community Design and Redevelopment.

SECTION: 216-ARTS AND SCIENCE					
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Contractuals	\$ 381,437	\$ 405,683	\$ 405,683	\$ 409,500	\$ 3,817
Commodities	-	3,123	3,123	3,123	-
Capital	14,150	233,400	-	208,400	(25,000)
TOTAL	\$ 395,587	\$ 642,206	\$ 408,806	\$ 621,023	\$ (21,183)
EXPENDITURES BY PROGRAM:					
General	\$ 800	\$ 183	\$ 183	\$ -	\$ (183)
Public Artwork	19,787	237,023	3,623	212,023	(25,000)
Service Partner Agencies	290,000	340,000	340,000	340,000	-
FCP Administration	65,000	65,000	65,000	69,000	-
Riordan Mansion	20,000	-	-	-	-
TOTAL	\$ 395,587	\$ 642,206	\$ 408,806	\$ 621,023	\$ (21,183)
SOURCE OF FUNDING:					
ARTS AND SCIENCE FUND				\$ 621,023	
				\$ 621,023	
COMMENTARY:					
<p>The Arts and Science operating budget has increased 1%, and capital expenditures total \$208,400, resulting in an overall net decrease of 3%. There are no Personal Services in this section. Contractual increases are due to contract increases for partner administration. Commodities remained flat. There is \$15,000 budgeted as one-time authorized expenditures for the Science Foundation Arizona. Major capital (>\$10,000) is for various public art projects totaling \$208,400 which were project delays originally planned for FY 2014 now moved to FY 2015 and FY 2017.</p>					



MISSION

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

PROGRAM DESCRIPTION

Flagstaff 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, operations, 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). Airport Staff are also in partnership with Economic Development staff to expand development at the Airport Business Park.

FY 14 ACCOMPLISHMENTS

- ✓ Upgraded appearance of ticketing area in the terminal by remodeling airline counters.
 - ✓ Achieved a discrepancy-free FAA Certification and Safety inspection.
 - ✓ Released Request for Proposal for additional air carrier service from Flagstaff to a hub city east and/or west of Flagstaff; advanced efforts to secure second airline utilizing SCASDP grant.
 - ✓ Worked with the FAA/Airways Facilities to replace the Instrument Landing System, and initiated construction.
 - ✓ Airport Director was elected 1st Vice President of the Arizona Airports Association.
 - ✓ Airport Director mentored students at Sinagua Middle School to increase their knowledge of aviation and expand their curriculum as part of the STEM Program.
 - ✓ Secured ADOT grant to replace joint seals on south concrete ramp.
 - ✓ Initiated Westplex taxilane pavement project.
 - ✓ Renewed rental car leases.
 - ✓ Transferred control of airspace from Albuquerque Center to Phoenix TRACON.
 - ✓ Began EMT training for all Airport Operations/ARFF Specialist.
 - ✓ Created new Airport logo and initiated branding efforts.
 - ✓ Obtained and awarded Sustainability Master Planning Grant for the Airport.
-

FY 15 NEW INITIATIVES AND GOALS

- Secure a second air carrier and/or new route(s) from Flagstaff.
 - Finalize the Airport Sustainability Master Plan.
 - Complete the Westplex taxilane repaving project.
 - Secure additional FAA grant funding for Airport capital projects.
 - Train additional Airport Operations/ARFF Specialist in the FAA Certification and Safety Inspection process.
 - Plan and host the annual Armed Forces Day Open House to promote community awareness of the Airport.
 - Maintain full occupancy of the aircraft storage hangars and shade facilities.
 - Release RFP/RFQ for development of the adjacent parcels to the Airport.
 - Promote Airport usage through public speaking engagements with business and community members.
 - Work with ADOT to obtain additional grant funding for Airport capital projects.
 - Advance the merger of American Airlines and US Airways.
-

PERFORMANCE MEASURES

Priority: Council - Repair, Replace, Maintain Infrastructure

Goal: Ensure that Airport operations and facilities 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 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Percentage of scheduled commercial flights cancelled	2.2%	3.48%	3.0%	3.0%

Priority: Regional Plan (2030) – Transportation, Mobility and Access (Goal T.10)

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, SCASDP grant.

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 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Percentage change in annual passenger enplanements	+3.0%	-7.9%	+1.0%	+3.0%

Priority: Regional Plan (2030) – Public Buildings, Services, Facilities, & Safety, Resiliency Planning (Goal PF.3)

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 within 3 minutes – caution, warning. Less than 97% of responses within 3 minutes – need to review, discuss.

Trend: ←→

Measures:	CY 12 Actual	CY 13 Actual	CY 14 Estimated	CY 15 Proposed
Percentage of emergency call responses within three minutes	100%	100%	100%	100%

ECONOMIC VITALITY

SECTION 221

AIRPORT

SECTION:		221-AIRPORT			
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2012-2013	Adopted Budget 2013-2014	Estimated Expenditures 2013-2014	Proposed Budget 2014-2015	Budget-Budget Variance
Personnel Services	\$ 620,268	\$ 651,646	\$ 651,646	\$ 751,284	\$ 99,638
Contractuals	360,816	1,161,010	361,010	1,251,876	90,866
Commodities	105,070	143,433	143,433	204,024	60,591
TOTAL	\$ 1,086,154	\$ 1,956,089	\$ 1,156,089	\$ 2,207,184	\$ 251,095
EXPENDITURES BY PROGRAM:					
General Administration	\$ 467,211	\$ 490,673	\$ 490,673	\$ 492,748	\$ 2,075
Safety and Security	112,173	111,277	111,277	143,340	32,063
Snow Control	51,763	74,803	74,803	83,964	9,161
Maintenance Buildings & Grounds	407,934	401,721	401,721	598,561	196,840
Maintenance Runway & Taxiway	47,073	77,615	77,615	88,571	10,956
Small Commercial Air Service Development	-	800,000	-	800,000	-
TOTAL	\$ 1,086,154	\$ 1,956,089	\$ 1,156,089	\$ 2,207,184	\$ 251,095
SOURCE OF FUNDING:					
AIRPORT FUND				\$ 2,207,184	
				\$ 2,207,184	
COMMENTARY:					
<p>The Airport operating budget has increased 13%, and there are no major capital expenditures planned. Personal Services increases are due to a merit increase, one time payments and increase cost of benefits for some employees from ASRS to PSPRS. Contractual increases are due to anticipated utility rate increases for electricity and increases in building maintenance, a security gate replacement, and terminal repairs. Commodities increases are due to hangar repairs and partial street overlay project, hangar structural repairs, and signage improvements. There are one-time authorized expenditures for \$40,000 for a security gate replacement, \$45,000 for terminal repairs, \$58,000 for hangar repairs and street overlay project, and \$8,000 for structural repairs of a hangar.</p>					