

**REGULAR MEETING OF THE  
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT  
AND REVITALIZATION DISTRICT**

**Tuesday, June 6, 2017 – 10:00 AM  
Staff Conference Room - Second Floor  
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

**A G E N D A**

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A) (3).*

1. Call to Order
2. Roll Call
3. Approval of Minutes of the Board Meeting of April 4, 2017.
4. Consideration of Resolution No. 2017-01: A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (DISTRICT) ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE DISTRICT FOR THE FISCAL YEAR 2017-2018; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS
5. PUBLIC PARTICIPATION  
  
*Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.*
6. Report of Board of Directors.
7. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m. in accordance with the statement filed by the Board with the District Clerk.

\_\_\_\_\_  
Elizabeth A. Burke, MMC, District Clerk

**REGULAR MEETING OF THE  
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT  
AND REVITALIZATION DISTRICT**

**Tuesday, April 4, 2017 – 10:00 AM  
Staff Conference Room - Second Floor  
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

**MINUTES**

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).*

1. Call to Order

Chairman Stilley called the meeting of April 4, 2017, to order at 10:02 a.m.

2. Roll Call

MEMBERS PRESENT:

Chairman David Stilley  
Vice Chairman Karen Kinne-Herman  
Member Antoinette Beiser  
Member John VanLandingham

MEMBERS ABSENT:

Member Tim Kinney

Others present: District Attorney Dana Kjellgren; District Treasurer Brandi Suda; District Clerk Elizabeth A. Burke; Downtown Business Alliance Director Terry Madeksza.

3. Approval of Minutes of the Board Meeting of January 3, 2017.

Staff was asked to provide brief detail under DOWNTOWN WIFI in the minutes.

**Vice Chairman Kinne-Herman moved to approve the minutes of January 3, 2017, as amended; seconded; passed unanimously.**

4. Approval of Financial Statements for:

- A. December 2016
- B. January 2017
- C. February 2017

**Member VanLandingham moved to approve Items 4A, 4B and 4C; seconded; passed unanimously.**

5. Consideration of Authorization of Semiannual Payment to Flagstaff Downtown Business Alliance in the amount of \$79,250.

Vice Chairman Kinne-Herman said that the Flagstaff Downtown Business Alliance (FDBA) is doing a fabulous job and **she moved to authorize the semiannual payment to the FDBA in the amount of \$79,250; seconded; passed unanimously.**

6. Discussion of FY2017-2018 Budget and Proposed Calendar.

Ms. Suda reported that other than the regular expenses, they have spent \$6,600 of the \$17,000 approved for the infrastructure project. Ms. Madeksza noted that there will still be a charge related to their installation, but that will be done in July in conjunction with the kiosks installations, and would probably be under \$5,000.

Ms. Kjellgren noted that the FDBIRD was committed to spending at least \$15,000 for the infrastructure project. It was agreed that since the Board had previously approved spending up to \$17,000 for the project, Ms. Madeksza was authorized to order additional bike racks to increase the amount spent on the project.

The Board agreed to go with the schedule proposed by the Treasurer to hold special meetings on June 6 and June 27 related to the 2017-2018 Budget.

7. Discussion of Potential Board Members.

Chairman Stilley noted that they have been having difficulty getting Member Kinney to attend meetings. He has sent him an e-mail, but they have not yet been able to discuss the issue. He and the Vice Chairman have compiled a list of potential board members for consideration. Ms. Kjellgren reminded them that any vacancy must be filled by appointment by the Flagstaff City Council.

After further discussion, Chairman Stilley agreed to continue trying to contact Member Kinney, and contact some of the potential members to see if they had any interest. He would then meet with the City Manager to bring the issue forward to the City Council for action.

8. Discussion of County Request for Information re New Courthouse Facility.

Vice Chairman Kinne-Herman said that she had recently read an article in the newspaper about the Request for Information submitted by the County for ideas related to the downtown court facility and potential commercial corridor. She voiced concern that property owners in the downtown district had not heard about this.

Ms. Madeksza noted that she and Mr. VanLandingham were invited to a meeting with Sue Brown, Director of Facilities for the County, on Friday morning as she and the County Manager, Cynthia Seelhammer, were trying to engage downtown stakeholders in the process. She said that at this time they are only seeking concepts. After they go through the Request for Information process, they will go through a Request for Qualifications process to see who might be qualified, both with experience and financially, and then they would move into the Request for Proposals phase where it becomes more real.

She said that at this point, this was more of an education and information sharing. There was not an opportunity to provide input as to what was included in the RFI. She and Mr. VanLandingham were clear they would like to have someone from the FDBA or FDBIRD involved so they had representations as they go through the entire process. Mr. VanLandingham said that their request was heard, but there was no commitment made.

Vice Chairman Kinne-Herman said that she was glad to know they were there and made that request. At present, the taxing district does include the County space so it does involve the FDBIRD and they need to be represented at some level.

Ms. Madeksza noted that the RFI was not just about the courthouse. She said that the County has all sorts of needs and they currently have the funding to do quite a bit. The bond that was part of the last election was for the City's participation in the shared courthouse; the County already has the cash in hand.

It was noted that the deadline for the RFI submittals is May 3. Ms. Kjellgren noted that most of the properties being considered are in the county districts of Supervisor Liz Archuleta and Art Babbott and it may be worthwhile to contact them directly to ask for representation. Chairman Stilley noted that he would contact Supervisor Babbott.

9. Quarterly Report by FDBA Director Terry Madekzsa.

Ms. Madeksza gave an Annual Update, following Exhibit A attached hereto and made a part hereof. She said that they have been going block by block, gathering and inputting information on property owners, business owners, number of employees, where they park, etc. She said that they are doing it for all floors of a building and it is being input into a GIS system for easy access.

She reported that they secured a \$25,000 check to manage the painting of all downtown assets green and an additional \$5,000 to manage the public outreach for the new parking system.

With regard to parking, she said that they continue to move ahead as planned. They have no concerns or issues throwing them off path. There is a City ordinance which requires a separate accounting of monies generated from the kiosks to ensure those funds will not be used for other things. There is another ordinance that requires a minimum of 20% of the gross revenues to be deposited in a separate fund dedicated to future parking supply. Brief discussion was held on the benefit of it reading "minimum of 20%" so that more than that amount could be deposited, if available. She added that the important thing is that all stakeholders agree on this program.

Member VanLandingham said that was the value of the advocacy component of the district's formation. He said that these are long-term strategic processes and they will

bear long-term fruit. He tied them directly to the formation and hiring of Terry Madeksza as their Executive Director.

Ms. Madeksza said that the footers for the kiosks are in the ground and the hours of operation signs are complete. They were originally proposed to be six hours a day, but will now be seven hours a day. She said that the kiosks and signs will be going in the last week of July. She said that the FDDBA is managing the outreach for the parking program. They have a website and will begin to see a big push around 60 days.

She reported that they are getting ready for the Movies of the Square to begin, on May 27. Also, Locals Night is the third Tuesday of every month and the currently have over 20 businesses participating. They are also creating some vibrancy on Heritage Square, where they will have a band playing on April 18 and in May they will have music in businesses.

Ms. Madeksza reported that in February they had a Mardi Gras event, which was more successful than she had anticipated.

She completed her report by saying that there is some real energy coming from the south side and they have been working hard over the last two years to build relationships. People want to organize on the south side and she thinks that the FDDBA is positioned to help facilitate that organization.

10. PUBLIC PARTICIPATION

*Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.*

None

11. Report of Board of Directors.

None

12. Adjournment

The regular meeting of the Flagstaff Downtown Business Improvement and Revitalization District held April 4, 2017, adjourned at 11:06 a.m.

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David Stilley, Chairman

ATTEST

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Elizabeth A. Burke, District Clerk

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT  
AND REVITALIZATION DISTRICT  
OF FLAGSTAFF, ARIZONA**

RESOLUTION NO. 2017-01

A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (DISTRICT) ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE DISTRICT FOR THE FISCAL YEAR 2017-2018; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS

**WHEREAS**, on February 4, 2014, the City Council of the City of Flagstaff, Arizona (the "City"), adopted a Resolution ordering and declaring the formation of the Flagstaff Downtown Business Improvement and Revitalization District (the "District") in the City of Flagstaff, Arizona; and

**WHEREAS**, the District is a special purpose tax levying revitalization district as provided in Section 48-6807 of the Arizona Revised Statutes, and is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

**WHEREAS**, a tentative budget must be adopted by the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT OF FLAGSTAFF, ARIZONA** as follows:

SECTION 1. That the accompanying statements and exhibits attached to this Resolution as Schedules A, B, C, D, E, F, and G are incorporated herein by this reference, and are hereby adopted as the tentative budget for the Flagstaff Downtown Business Improvement and Revitalization District for the fiscal year 2017-2018.

SECTION 2. That the District Clerk be, and she hereby is, authorized and directed to publish in the manner prescribed by law the estimates of expenditures as set forth in Schedules A, B, C, D, E, F, and G together with a notice that the District will meet on June 27, 2017, for the purpose of a final hearing of taxpayers and for the adoption of the 2017-2018 Annual Budget for the Flagstaff Downtown Business Improvement and Revitalization District and related tax levy.

PASSED by the District Board of the Flagstaff Downtown Business Improvement and Revitalization District this 6th day of June, 2017.

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Chairman

ATTEST:

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District Clerk

APPROVED AS TO FORM:

Kjellgren & Speed, PLC

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Attorney for the District

ATTACHMENTS:

SCHEDULE A  
SCHEDULE B  
SCHEDULE C  
SCHEDULE D  
SCHEDULE E  
SCHEDULE F  
SCHEDULE G

**OFFICIAL BUDGET FORMS**

**Flagstaff Downtown Business Improvement and Revitalization District**

**Fiscal Year 2018**



**Flagstaff Downtown Business Improvement and Revitalization District**

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Schedule F—Expenditures/Expenses by Department (as applicable)

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**Flagstaff Downtown Business Improvement and Revitalization District  
Summary Schedule of Estimated Revenues and Expenditures/Expenses  
Fiscal Year 2018**

THE FINAL OPPORTUNITY FOR PUBLIC INPUT ON THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT BUDGET WILL OCCUR ON JUNE 27, 2017 AT 10:00 A.M. IN THE CITY OF FLAGSTAFF CITY HALL, STAFF CONFERENCE ROOM, 211 W. ASPEN AVENUE, FLAGSTAFF, AZ

The budget may be reviewed at the City of Flagstaff in the City Clerk's Office, 211 W. Aspen Avenue, Flagstaff AZ 86001  
or at the website: <http://downtownflagstaff.org>

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2017	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	0	214,650	0	0	0	0	0	214,650
2017	Actual Expenditures/Expenses**	E	0	182,824	0	0	0	0	0	182,824
2018	Fund Balance/Net Position at July 1***			93,591						93,591
2018	Primary Property Tax Levy	B	0							0
2018	Secondary Property Tax Levy	B		132,006						132,006
2018	Estimated Revenues Other than Property Taxes	C	0	36,616	0	0	0	0	0	36,616
2018	Other Financing Sources	D	0	0	0	0	0	0	0	0
2018	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2018	Interfund Transfers In	D	0	0	0	0	0	0	0	0
2018	Interfund Transfers (Out)	D	0	0	0	0	0	0	0	0
2018	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
										0
										0
2018	Total Financial Resources Available		0	262,213	0	0	0	0	0	262,213
2018	Budgeted Expenditures/Expenses	E	0	204,915	0	0	0	0	0	204,915

**EXPENDITURE LIMITATION COMPARISON**

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2017	2018
1.	\$ 214,650	\$ 204,915
2.		
3.	214,650	204,915
4.		
5.	\$ 214,650	\$ 204,915
6.	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Flagstaff Downtown Business Improvement and Revitalization District  
Tax Levy and Tax Rate Information  
Fiscal Year 2018**

	<b>2017</b>	<b>2018</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	131,900	132,006
C. Total property tax levy amounts	\$ <u>131,900</u>	\$ <u>132,006</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 128,900	
(2) Prior years' levies	3,000	
(3) Total secondary property taxes	\$ 131,900	
C. Total property taxes collected	\$ <u>131,900</u>	
5. Property tax rates		
A. District tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate	1.6862	1.6637
(3) Total District tax rate	<u>1.6862</u>	<u>1.6637</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District  
Revenues Other Than Property Taxes  
Fiscal Year 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<b>SPECIAL REVENUE FUNDS</b>			
Intergovernmental			
Payment in Lieu of Taxes	\$ 36,599	\$ 36,599	\$ 36,496
Municipal contribution			
Interest Income	500	120	120
	\$ 37,099	\$ 36,719	\$ 36,616
<b>Total Special Revenue Funds</b>	<b>\$ 37,099</b>	<b>\$ 36,719</b>	<b>\$ 36,616</b>

**Flagstaff Downtown Business Improvement and Revitalization District  
Other Financing Sources/<Uses> and Interfund Transfers  
Fiscal Year 2018**

<b>FUND</b>	<b>OTHER FINANCING 2018</b>		<b>INTERFUND TRANSFERS 2018</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>SPECIAL REVENUE FUNDS</b>				
None	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
<b>Total Special Revenue Funds</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>TOTAL ALL FUNDS</b>	\$ _____	\$ _____	\$ _____	\$ _____

**Flagstaff Downtown Business Improvement and Revitalization District  
Expenditures/Expenses by Fund  
Fiscal Year 2018**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>SPECIAL REVENUE FUNDS</b>				
Revitalization District	\$ 214,650	\$	\$ 182,824	\$ 204,915
<b>Total Special Revenue Funds</b>	<b>\$ 214,650</b>	<b>\$</b>	<b>\$ 182,824</b>	<b>\$ 204,915</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District  
Expenditures/Expenses by Department  
Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
Revitalization District				
Special Revenue Funds	\$ 214,650	\$	\$ 182,824	\$ 204,915
<b>Department Total</b>	<b>\$ 214,650</b>	<b>\$</b>	<b>\$ 182,824</b>	<b>\$ 204,915</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District  
Full-Time Employees and Personnel Compensation  
Fiscal Year 2018**

<b>FUND</b>	<b>Full-Time Equivalent (FTE) 2018</b>	<b>Employee Salaries and Hourly Costs 2018</b>	<b>Retirement Costs 2018</b>	<b>Healthcare Costs 2018</b>	<b>Other Benefit Costs 2018</b>	<b>Total Estimated Personnel Compensation 2018</b>
<b>SPECIAL REVENUE FUNDS</b>						
Downtown Revitalization	None	\$	\$	\$	\$	\$
<b>Total Special Revenue Funds</b>		\$	\$	\$	\$	\$
<b>TOTAL ALL FUNDS</b>		\$	\$	\$	\$	\$