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## Minutes of MAYOR AND COUNCIL Meeting

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Approved by Mayor and Council  
on November 14, 2018.

Date of Meeting: April 17, 2018

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:35 p.m., on Tuesday, April 17, 2018, all members having been notified of the time and place thereof.

### 1. **ROLL CALL**

The meeting was called to order by Mayor Rothschild and upon roll call, those present and absent were:

Present:

Paul Cunningham	Vice Mayor, Council Member Ward 2
Paul Durham	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Council Member Ward 6
Jonathan Rothschild	Mayor

Absent/Excused:

Regina Romero	Council Member Ward 1
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Staff Members Present:

Michael J. Ortega	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

**2. INVOCATION AND PLEDGE OF ALLEGIANCE AND APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS**

a. INVOCATION

The invocation was given by Pastor Otis F. Brown, Siloam Freewill Church.

b. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Roxanne Reese, American Legion Auxiliary President.

c. PRESENTATIONS:

1. Mayor Rothschild, assisted by Vice Mayor Cunningham and Council Member Fimbres, recognized the Pima Community College Men's Basketball Team for participating in the National Junior College Athletic Association (NJACC) Division II Men's Basketball Championship Game.
2. Mayor Rothschild presented "Outstanding Teen Citizen Awards" from the Metropolitan Education Commission, assisted by Ed Nossem.
3. Mayor Rothschild proclaimed May 4 and May 5 to be "American Legion Auxiliary Memorial Poppy Days." Jen Rice, American Legion Auxiliary Community Service Chairperson, accepted the proclamation.
4. Mayor Rothschild proclaimed May 3 to be "National Day of Prayer." Paul Parisi, Tucson and Catherine Silvas, National Day of Prayer Pima County Coordinator, accepted the proclamation.

d. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 127, dated April 17, 2018, was received into and made part of the record.

Mayor Rothschild asked if there were any personal appointments to be made.

Council Member Fimbres announced his personal appointment of Michael Ford to the 2017 Public Safety Tax Oversight Commission (PSTOC), Eric Kahn to the Transit Task Force (TTF), and Larry Goebel to the Tucson Greens Committee (TGC).

**3. MAYOR AND COUNCIL/CITY MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS**

Mayor Rothschild announced City Manager's communication number 118, dated April 17, 2018, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council and the City Manager to report on current events and asked if there were any reports.

Current event reports were provided by Council Members Durham and Fimbres.

No report was given by the City Manager.

A recording of this item is available from the City Clerk's Office for ten years from the date of this meeting.

**4. BOARDS, COMMITTEES AND COMMISSIONS: REPORTS TO MAYOR AND COUNCIL**

Mayor Rothschild announced City Manager's communication number 119, dated April 17, 2018, was received into and made part of the record. He also announced this was the time scheduled to allow Boards, Committees and Commissions to report on their activities during the past year, as well as, anticipated future activities.

No reports were given.

**5. LIQUOR LICENSE APPLICATIONS**

Mayor Rothschild announced City Manager's communication number 120, dated April 17, 2018, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

b. Liquor License Application(s)

New License(s)

1. Hush Social Club, Ward 6  
1112 S. Wilmot Rd.  
Applicant: Shannon Orlando Roberts  
Series 14, City 10-18  
Action must be taken by: April 21, 2018

Staff has indicated the applicant is in compliance with city requirements.

2. Native Grill and Wings, Ward 4  
10255 E. Old Vail Rd.  
Applicant: Amy S. Nations  
Series 12, City 13-18  
Action must be taken by: April 29, 2018

Staff has indicated the applicant is in compliance with city requirements.

3. Bisbee Breakfast Club, Ward 2  
410 N. Wilmot Rd. #110  
Applicant: Kevin Arnold Kramber  
Series 12, City 15-18  
Action must be taken by: May 3, 2018

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a new license application “In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires and that the best interest of the community will be substantially served by the issuance of a license”. (A.R.S. Section 4-201)

Person Transfer(s)

4. The Monkey Bar, Ward 6  
1120 S. Wilmot Rd.  
Applicant: Kevin Arnold Kramber  
Series 6, City 11-18  
Action must be taken by: April 22, 2018

Staff has indicated the applicant is in compliance with city requirements.

5. Cobra Arcade, Ward 6  
63 E. Congress St. #109  
Applicant: Andrea Dahlman Lewkowitz  
Series 6, City 14-18  
Action must be taken by: April 27, 2018

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a person to person transfer Mayor and Council may consider the applicant's capability qualifications and reliability. (A.R.S. Section 4-203)

Person/Location Transfer(s)

6. Hampton Inn Tucson North #161, Ward 1  
1375 W. Grant Rd.  
Applicant: Nicholas Carl Guttilla  
Series 6, City 12-18  
Action must be taken by: April 27, 2018

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a person and location transfer Mayor and Council may consider both the applicant's capability qualifications reliability and location issues. (A.R.S. Section 4-203; R19-1-102)

c. Special Event(s)

1. Zuzi Dance, Ward 6  
738 N. 5th Ave.  
Applicant: Scott H. Bird  
City T40-18  
Date of Event: May 12, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

2. Friends of Tucson's Birthplace, Ward 1  
946 W. Mission Lane  
Applicant: Katya Peterson  
City T42-18  
Date of Event: April 27, 2018 - April 28, 2018  
(Agave Festival)

Staff has indicated the applicant is in compliance with city requirements.

3. Sonoran Art Foundation dba Sonoran Glass School, Ward 1  
633 W. 18th St.  
Applicant: Lynn Kathryn Davis  
City T43-18  
Date of Event: April 28, 2018  
(Retirement party for Tom Philabaum)

Staff has indicated the applicant is in compliance with city requirements.

4. Native Seeds/Southwest Endangered Aridlands Resources Clearing House, Ward 6  
146 E. Broadway Blvd.  
Applicant: John Steven Wilder  
City T44-18  
Date of Event: April 27, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

5. Our Lady of Lavang Parish, Ward 5  
800 S. Tucson Blvd.  
Applicant: Van Hieu Nguyen  
City T45-18  
Date of Event: April 20, 2018 - April 22, 2018  
(Crawfish Festival)

Staff has indicated the applicant is in compliance with city requirements.

6. Tucson Kitchen Musicians Association, Ward 1  
255 W. Alameda St.  
Applicant: Claud Blackburn  
City T46-18  
Date of Event: May 5, 2018 - May 6, 2018  
(Annual Tucson Folk Festival)

Staff has indicated the applicant is in compliance with city requirements.

7. Knights of Columbus #5133, Ward 2  
1800 S. Kolb Rd.  
Applicant: William Roy Markley  
City T47-18  
Date of Event: May 4, 2018  
(Cinco de Mayo)

Staff has indicated the applicant is in compliance with city requirements.

8. Real Change International Group Inc., Ward 5  
1000 E. 22nd St.  
Applicant: Louanna Faine  
City T48-18  
Date of Event: April 28, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

9. Ben's Bells Project, Ward 6  
40 W. Broadway Blvd.  
Applicant: Helen Charlie Horman  
City T49-18  
Date of Event: May 4, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

10. Combat Veterans Motorcycle Association 32-2, Ward 5  
4823 S. Sixth Ave.  
Applicant: Jason Eugene Red  
City T50-18  
Date of Event: May 11, 2018 - May 13, 2018  
(Veteran & Charity Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

11. The Desert Laboratory on Tumamoc, College of Science, UA, Ward 1  
1675 W. Anklam Rd.  
Applicant: Benjamin T. Wilder  
City T51-18  
Date of Event: May 2, 2018  
(Tucson Agave Heritage Festival VIP Reception)

Staff has indicated the applicant is in compliance with city requirements.

12. CMB Foundation, Ward 1  
2106 N. Forbes Blvd. #103  
Applicant: Georgine Betancourt  
City T52-18  
Date of Event: April 21, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

13. AZMAC-Arizona Media Arts Center, Ward 6  
127 E. Congress St.  
Applicant: Claudia Jespersen  
City T53-18  
Date of Event: April 20, 2018 - April 29, 2018  
(Arizona International Film Festival)

Staff has indicated the applicant is in compliance with city requirements.

14. Rillito Park Foundation, Ward 3  
4502 N. 1st Ave.  
Applicant: Paul Bear  
City T54-18  
Date of Event: May 5, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

15. India Society of Southern Arizona, Ward 2  
3231 N. Craycroft Rd.  
Applicant: Seema Jha  
City T55-18  
Date of Event: April 21, 2018  
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements.

- d. Agent Change/Acquisition of Control/Restructure

NOTE: There are no application(s) for agent changes scheduled for this meeting.

It was moved by Vice Mayor Cunningham, duly seconded, and carried by a voice vote of 6 to 0, (Council Member Romero absent/excused) to forward liquor license applications 5b1 through 5b6 and 5c1 through 5c15 to the Arizona State Liquor Board with a recommendation for approval.

**6. CALL TO THE AUDIENCE**

Mayor Rothschild announced this was the time any member of the public was allowed to address the Mayor and Council on any issue except for items scheduled for a public hearing. Speakers were limited to three-minute presentations.

Mayor Rothschild also announced that pursuant to the Arizona Open Meeting Law, individual Council Members may ask the City Manager to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during “call to the audience.”

Comments were made by:

John Burnham  
Marie Tanner  
Carrie Nelson

Greg Wilson  
Anthony Potter

Frank Velasquez Jr.  
Scott Coverdale

A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

**7. CONSENT AGENDA – ITEMS A THROUGH D**

Mayor Rothschild announced the reports and recommendations from the City Manager on the Consent Agenda were received into and made part of the record. He asked the City Clerk to read the Consent Agenda.

- a. APPROVAL OF MINUTES
  1. Report from City Manager APR17-18-123 CITY WIDE
  2. Mayor and Council Regular Meeting Minutes of October 24, 2017
  
- b. FINAL PLAT: (S17-032) BERMUDA MINOR SUBDIVISION, LOTS 1 THROUGH 3
  1. Report from City Manager APR17-18-121 WARD 3
  2. Staff recommends that the Mayor and Council approve the plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
  
- c. FINAL PLAT: (S17-072) CHICANOS POR LA CAUSA IRVINGTON EXPANSION, LOTS 1 THROUGH 2
  1. Report from City Manager APR17-18-122 WARD 5
  2. Staff recommends that the Mayor and Council approve the plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
  
- d. TUCSON CODE: AMENDING (CHAPTER 10) MODIFICATIONS TO THE ANNUAL COMPENSATION PLAN FOR FISCAL YEAR 2018 AND AMENDING ORDINANCES 11464 and 11511
  1. Report from City Manager APR17-18-128 CITY WIDE
  2. Ordinance No. 11542 relating to Compensation Plan; Tucson Code Chapter 10, Civil Service - Human Resources, Article II, Compensation Plan, Section 10-31, amending Ordinance Nos. 11464 and 11511 to approve revised compensation schedules; otherwise reaffirming the provisions of Ordinance Nos. 11464 and 11511; setting an effective date; and declaring an emergency.

It was moved by Council Member Scott, duly seconded, and passed by a roll call vote of 6 to 0 (Council Member Romero absent/excused) that Consent Agenda Items a – d be passed and adopted and the proper action taken.

## 8. PUBLIC HEARING: RIVER HOUSE ANNEXATION DISTRICT

Mayor Rothschild announced City Manager's communication number 124, dated April 17, 2018, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed annexation district located west of Craycroft, north of the Rillito River.

Mayor Rothschild said the public hearing was scheduled to last for no more than one hour and speakers were limited to five minute presentations. He said before beginning the public hearing, he wanted staff to give a brief overview of the item.

Mike Czechowski, Annexation Project Manager, stated this was a rather small annexation just north of the Rillito River, encompassing approximately seven residential properties and several Pima County owned tax-exempt properties. He stated this was a potential annexation that could be further developed based on what the owner was looking at doing.

Mr. Czechowski stated the Mayor and Council approved a pre-annexation agreement regarding this property a few months back for a potential rezoning for an assisted living facility.

One speaker card was received from Dr. Abdolmaild Kabiri who stated he was opposed to the annexation proposal.

Mayor Rothschild asked if there was anyone else wishing to be heard on the item.

There was no one.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Romero absent/excused), to close the public hearing.

Vice Mayor Cunningham asked what the process was that the developers needed to go through after the annexation was done.

Mr. Czechowski stated that developers still needed to go through the rezoning process to develop an assisted living facility.

Vice Mayor Cunningham stated that by doing this, it would continue to expand the state income tax base in Pima County.

It was moved by Vice Mayor Cunningham, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Romero absent/excused), to proceed with the River House Annexation District.

**9. PUBLIC HEARING: ZONING (C9-18-01) PARTNERS ON FOURTH PAD – 4TH AVENUE AND 8<sup>TH</sup> STREET, I-1 AND C-3 TO PAD-33, CITY MANAGER'S REPORT, ORDINANCE ADOPTION**

Mayor Rothschild announced City Manager's communication number 125, dated April 17, 2018, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on a request to rezone approximately 1.68 acres from I-1 and C-3 to Planned Area Development (PAD) zoning. The rezoning site is located near the southwest corner of Fourth Avenue and 8th Street.

Mayor Rothschild said the Zoning Examiner (ZE) and staff recommend approval of PAD zoning and adoption of the ordinance.

Michael Rankin, City Attorney, announced that, as discussed during the Study Session, Mayor Rothschild was recusing himself from the item due to a potential conflict of interest.

Mayor Rothschild announced the Vice Mayor would handle the item.

(Note: Council Member Fimbres departed at 7:24 p.m. and returned at 7:26 p.m., and Council Member Kozachik departed at 7:26 p.m. and returned at 7:28 p.m.)

Vice Mayor Cunningham asked if the applicant or representative was present. He stated Council Member Kozachik had a few questions before the applicant began their presentation.

Council Member Kozachik asked staff what heights were allowable under the existing zoning in the area and the western-most portion.

Scott Clark, Planning Services and Development Services (PDS) Interim Director, advised that under C-3 and I-1 zoning currently in existence, the maximum height that could be obtained was seventy-five feet and in the western-most portion was also seventy-five feet, but could include up to Fourth Avenue.

Council Member Kozachik said there had been some expressed concerns over the demolition of a historic building. He asked what approvals and process was conducted to recommend the proposed rezoning of the PAD.

Mr. Clark explained that the historic building was not registered on either the National or State Register for Historic Buildings. He stated that the review of the building found that it was largely dilapidated with large portions unusable and very difficult to rehabilitate. He said the process to go through the demolition was to do a full photo documentation inside and out prior to granting any demolition permit. He stated a permit, through the building official, required review and notification and was part of the process that would take place after the rezoning occurred.

Council Member Kozachik asked the Zoning Examiner, if in the course of the hearings, if consideration was given on what the impact would be to the surrounding businesses on the closure of Herbert Avenue. He said he wanted assurance that provisions for service easements to the surrounding businesses were present.

Steve Shell, Zoning Examiner, stated that the closure never came up during the presentations but there was an easement to get back out to Fourth Avenue.

Council Member Kozachik expressed concern about the traffic in the area to surrounding neighborhoods, Fourth Avenue Merchants Association (FAMA) and West University Neighborhood Association (WUNA). He asked what commitment was made to the Iron Horse Neighborhood Association (IHNA) in terms of traffic mitigation.

Thomas W. Warne, Partners on Fourth Investments, LLC, on behalf of the property owner, stated a traffic study was performed that also included some of the traffic flow on Fourth Avenue and Sixth Avenue even though these were not part of the project. He said they met with the IHNA several times. He commented they took three locations and did the counts and checked the flows of the proposed PAD.

Mr. Warne also stated they checked the flow and amount of cars per hour mainly from about 5:00 p.m. until 2:00 a.m. on the site. He said on Thursday through Saturday nights, the flow got up to about 400 cars in an hour. He explained that one year after the Certificate of Occupancy (CofO) on the completion of the project; the owner was then committed to do the same study to determine if there were any deviations from those counts. He stated it was agreed with the neighborhood that the development would contribute up to \$35,000 for speed bumps, roundabouts, or whatever was needed to mitigate traffic.

Council Member Kozachik stated that the zoning documents showed it was \$25,000 and up to \$35,000. He said concern was also raised about the impact on Sixth Avenue between Speedway Boulevard and Sixth Street. He said there was an interest in having the Tucson Department of Transportation (TDOT) set aside the delta between \$25, 000 and \$35,000 to look at a road diet for that segment. He stated the road diet would eliminate the center turn lane and create protected bike lanes outside of the parked cars on that segment of road.

Mr. Shell stated that was never discussed.

Michael J. Ortega, City Manager, stated something like that could be accommodated.

Council Member Kozachik asked what commitments within the documents existed for Zipcars, and other ride sharing programs, and disaggregating rents from the access to parking spaces in the parking garage.

Mr. Warne stated that Zipcars were mentioned in the PAD and that twenty-five parking spots were allocated for retail. He also stated that the Neighborhood had asked for ten additional parking spots; bringing the total to thirty-five parking spots for ten thousand feet of commercial space. He stated that was more parking per one hundred square feet than required in the *Tucson Code* and any part of Tucson. He also explained that the parking could be managed by Park Tucson, the owners or a third party. He said if someone were to rent or buy an apartment or condo, they had to commit and spend money to rent the parking space; the parking spaces would not be free.

Council Member Kozachik asked how many parking spaces would there be between the spaces managed and what was required by *Code* and what actually would be available in the residential and commercial spaces.

Mr. Warne answered that there would be thirty-five commercial spaces and an additional conservatively estimated twenty to thirty spaces, for a total of fifty-five to sixty-five spaces.

Council Member Kozachik inquired about the ten thousand square feet of commercial space available.

Mr. Warne agreed that ten thousand square feet of commercial space was available. He stated that the developer committed to approximately four one thousand square feet spaces for local businesses. He said he believed there was a strong demand for local businesses.

Council Member Kozachik asked for clarification about the commitment to no fewer than four one thousand square feet store fronts for up to fifteen months.

Mr. Warne agreed with that commitment.

Council Member Kozachik asked about the issue of prohibited uses, concerning the differences between how a bar and a restaurant that served alcohol were permitted or if one would be prohibited.

Mr. Warne stated it was a Series 12 bar/restaurant license.

Council Member Kozachik asked if group dwellings or student housing was prohibited.

Mr. Warne stated that both were prohibited under the PAD.

Council Member Kozachik expressed concern over shutting down the rooftop amenities after 10pm to proactively deal with some issues that might arise.

Mr. Warne advised that strong language in the PAD existed that dealt with noise and operations on the balconies.

Council Member Kozachik wanted to ensure certain points were included as conditions if the Mayor and Council approved the PAD. He said his first point was the \$25,000 for IHNA up to an additional \$10,000 for TDOT to do a road diet on Sixth Avenue. The second point was the local business commitment for one thousand square feet store fronts or smaller on the commercial portion and the last point was for the shutting down of the rooftop amenities by 10pm.

Mr. Warne clarified that if a person did not have a balcony and there were two couples who went to a game and wanted to barbeque on the roof, not have a party, should the wording be, less than, so that they could utilize the roof top.

Vice Mayor Cunningham announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

Comments in support were made by:

Steven Tofel	Mark Irvin	Frank Mascia
Alejandro Angel	Jennie Mullins	Cindy Hogan

Comments in opposition were made by:

Karen Robison	Joe Audino	Fred Ronstadt
Arlene Leaf	Andreas Delfakis	Henry Werchu
Al Rosen	Dorreen Martinez	Chris Gans
Ryan Stephenson	Nicole Holodynski	

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 5 to 0 (Council Member absent/excused and Mayor Rothschild recused), to close the public hearing.

Council Member Durham asked if the \$35,000 for traffic mitigation available to IHNA was dependent on the traffic study post occupancy. He also asked if the money available for Sixth Avenue was only if the \$35,000 was not fully used by IHNA.

Mr. Warne stated that the agreement with IHNA was for \$25,000, no matter what, for speed bumps and a roundabout. He said if more was needed, IRNA asked if they could have up to \$35,000 if it was proven to be needed and then expended.

Council Member Kozachik reiterated and confirmed it was not dependent on the traffic study.

Council Member Durham also asked if the money available for traffic mitigation (road diet) on Sixth Avenue was only out of the \$35,000 if not fully used. He also asked Mr. Warne to expand on the question of policing the balconies and if they were only above the fifth floor.

Mr. Warne stated that was how he understood it. He stated that the balconies they worked out with the IHNA would be above a certain level on the east portion of the building. He said the balconies on the north and west portion face basically industrial property and the streetcar barn. He stated the management of the balconies and noise level was based on *City Code* and noted in the PAD that they would be strictly policed by the property manager/owner of the facilities. He said the balconies began on the fourth floor.

Council Member Durham stated the Infill Incentive District (IID) Ordinance was written so that it discouraged destruction of historic structures. He cautioned using the PAD as a way to circumvent the IID to demolish a historic structure.

Mr. Warne stated that the northern part of the building was condemned by the City and other portions had been so modified over the years that they were no longer historic. He stated after all the photographs and studies on the property were completed, the report was sent to the State Historic Preservation Office (SHPO) in Phoenix for review. He said the SHPO report confirmed it did not qualify and was not on the historic registry and therefore a demolition permit was issued.

Council Member Scott asked what a new building's effect had on the mood, texture and culture of what was already on Fourth Avenue. She asked for Mr. Warne's thoughts if the PAD was to pass.

Mr. Warne stated that where the retail was, in the front part of the building, allowed for seventy-five feet, but they elected to only have it at thirty feet which was pretty consistent with Fourth Avenue. He commented that in the PAD, the architecture was specified that went along with Fourth Avenue. He said, in addition, when they had meetings with IHNA and other neighborhoods, it was suggested that the new building height and look be similar when facing the back portion of the old warehouse. He stated there would also be ventilation grills at the parking garage level.

Mr. Warne said that urban development and redevelopment studies showed that one's eyes usually did not go over eighteen feet. So, if someone looked from the front, instead of looking at broken up black top, the first portion would be thirty feet. He said the next step would be fifty feet, and then terraced up again to one hundred feet. He stated that the tallest portion was almost two hundred feet back from the front and facing the streetcar barn. He explained that there was no single family housing next to the project and would add some character to Fourth Avenue.

Council Member Fimbres asked what other revisions or further details were recommended by the Zoning Examiner.

Mr. Shell stated that, after the first Zoning Examiner's hearing, there were quite a few neighbors that brought up some valid points. He said he had also made some notes that he thought would help ease the process. He said between the first and second hearing, he wrote a letter to the applicant requesting six items.

Mr. Shell stated on the first item, the neighborhood requested there be a fifteen foot easement provided from Stevens through the project to connect into the inner parking area and would also be a combination bike path. He stated the applicant provided for that in the PAD. The second item he asked for was that no drive through services be allowed at all. He said there were not any drive-through services in the PAD.

Mr. Shell said he asked the developer to establish some sort of homeowners association for residential and some sort of retail merchants association for all the commercial uses so some written rules for behavior and policy could be established to oversee some of the issues such as balcony uses, roof top uses, etc. He stated the applicant responded that such associations could not be enforced as a zoning requirement by the City of Tucson, but did say they would try their best to police this through the management of the facility.

Mr. Shell commented that the fourth item he requested was to encourage the use of zip cars, or other similar ride sharing programs, in an effort to reduce the parking demand, which the developer came back and offered a certain number of zip cars which also reduced some of the parking requirements. He said item five was to encourage locally or regionally-owned businesses to move into the project. He said the response from the developer was that "Fourth Avenue was noted for and appreciated as a collection of unique local and regional businesses, locally and regional-owned businesses shall be strongly encouraged to become part of this development."

Mr. Shell said the sixth item he asked for was to provide for the safe and continued use and operation of the existing businesses and parking on the blocks; specifically the O'Malley's that was remaining. He said it included maintaining all public and employee access to all service, deliveries, and garbage pickup services currently being used by the existing businesses.

Mr. Shell said the developers came back with some additional comments that he did not request, but basically said exceptions to the minimum building height requirements may be allowed or architectural design was approved by the IID for architectural relief and articulation such as open space, step backs, awnings and the like. He said if outdoor roof top areas and balconies were developed as open space for the residential projects, the managers of the project shall enforce the requirements that loud and excessive noise not be allowed past 10pm.

Council Member Kozachik gave a summary of the conditions included in the PAD that would run with the property. He listed the following conditions:

- Requested that a member of FAMA be represented on the Design Review Committee (DRC)
- The \$25,000 with respect to IHNA and traffic mitigation was not subject to the traffic study

- Up to \$10,000 more be allocated to the road diet on Sixth Avenue from Sixth Street to Speedway Boulevard and to allocate the impact fees generated from the project for the immediate area
- Zip cars
- Local business – a minimum of four store-fronts with less than or equal to one thousand square feet.
- Parking not allocated to residence or guests and be made available to public parking.
- Series 12 liquor license be for commercial use.

Council Member Kozachik stated with regards to the lady who ran the hotdog cart, discussions had already taken place with City staff to discuss putting in place some new regulations and policies with respect to where those types of activities could take place, not just on Fourth Avenue, but within the City.

It was moved by Council Member Kozachik, duly seconded, and passed by a roll call vote of 5 to 0 (Council Member Romero absent/excused and Mayor Rothschild recused), to pass and adopt Resolution 11540 and the proper action taken.

**10. ZONING: (C9-18-03) TUCSON ELECTRIC POWER PLANNED AREA DEVELOPMENT – IRVINGTON CAMPUS, I-1 AND I-2 TO PAD 34, CITY MANAGER'S REPORT, ORDINANCE ADOPTION**

Mayor Rothschild announced City Manager's communication number 126, dated April 17, 2018, was received into and made part of the record. He also announced this was a request to rezone property located on the 345-acre Tucson Electric Power Irvington Road Campus from I-1 and I-2 zoning to a Planned Area Development. He said the Zoning Examiner and staff recommend approval subject to certain conditions.

Mayor Rothschild asked if the applicant or representative was present and agreeable to the proposed requirements.

Keri Silvyn, Lazarus, Silvyn & Bangs representing Tucson Electric Power (TEP), stated they were agreeable to the proposed requirements.

Mayor Rothschild asked the City Clerk to read Ordinance 11541 by number and title only.

Ordinance No. 11541 relating to Zoning: amending zoning district boundaries in the area located on the southeast corner of Alvernon Way and Irvington Road in case C9-18-03, Tucson Electric Power, Irvington Road I-1 and I-2 to PAD 34; and setting an effective date.

It was moved by Council Member Fimbres, duly seconded, to pass and adopt Ordinance 11541, as recommended by the Zoning Examiner.

Council Member Durham stated he heard from environmentalists and wanted to know why the developer was not replacing the Reciprocating Internal Combustion Engine (RICE) with solar plus battery storage. He also wanted to compare the cost between a RICE facility and an equivalent solar plus battery facility.

Ms. Silvyn stated that this zoning was a PAD to permit entitlements into the future and allow some flexibility. So, the RICE generating was certainly contemplated in the development standards, but it was not specifically for that use. She said it was a twenty year plan for the project.

Larry Lucero, Tucson Electric Power, Senior Director for Government Relations, stated that TEP was embarked on a very aggressive plan to achieve a renewable portfolio, including wind, solar and perhaps other resources that would reach 30% of their retail generation portfolio by 2030, which also included 30% natural gas and 30% coal. He said in order to get to a 30% renewable goal by 2030, TEP had to make some changes in the way electric generation facilities were utilized. He said with the experience gained over the last ten years, with respect to installing renewables, it became very clear that integration and mitigation of the intermittency of renewables was a challenge.

Mr. Lucero said, as a result, they were retiring generation facilities that were either coal or natural gas fired that were not as responsive. He said TEP's challenge was to find technologies to bridge them to a point where they would be able to use other storage technologies to mitigate the intermittency that they found with the renewable goals they had. He commented that in order to get there, the current technology, with respect to the quick start equipment they were going to install, was one answer.

Mr. Lucero stated that the other part of the answer had to do with much more research on storage technology; which was batteries. He stated two projects were already underway, two very small ten megawatt storage facilities. Also, TEP recently concluded a power purchase agreement for one hundred megawatts of new solar generation that would also include thirty megawatts of storage capacity. He said TEP would continue to go down that pathway in order to be as sure as possible, of how to best utilize battery technology going forward.

Mr. Lucero mentioned that they had not been able to quantify what that impact was on rates and that it was premature to make an estimation of whether \$10 million, \$20 million or \$800 million was going to equate in to a rate case that resulted in a rate that was 2, 3, 4, or 20% higher until that point was determined on whether or not those investments were prudent. He said when those investments were prudent, he could then better answer that question, but, it was currently a learning process for TEP.

Council Member Durham asked if the cost of building solar plus storage batteries would roughly double the cost of the RICE plant.

Mr. Lucero stated that was an accurate reflection of comparison, but TEP's current estimates to try and equal the two hundred megawatts of RICE capacity in storage would be twice as expensive.

Council Member Durham inquired about the problem with batteries was that they had a life cycle of fifteen years, whereas the RICE facility had thirty years so the batteries would have to be replaced after fifteen years. He asked what the cost would be to replace the batteries after fifteen years assuming current battery prices.

Mr. Lucero said the current forecast for that technology was that it would have a life cycle of fifteen years, but until that technology was actually utilized, you then start to learn lessons. He said TEP's expectation was that technology would continue to change and improve and efficiencies would increase and capacity of the storage devices would continue to increase. He stated they also expected those technology changes to decrease the cost, so it was hard to estimate what that would be, and it was equally tough to look that far out into the future because technology was changing so rapidly.

Mr. Lucero commented that in today's dollars it would be about a couple of hundred million dollar investments for machines, or fossil fuel machines, versus about a four hundred million dollar expense for storage to equate the same amount of capacity. He said, at the end of the day, they still needed to have the ability to generate in order to provide the storage to occur. He said they were making progress in lessons learned from their experiences with renewables as it was today and TEP would continue to endeavor in becoming experts in that field as well.

Council Member Durham asked if current batteries ramped up or down as fast as the RICE technology and how much additional solar would the RICE facility support.

Mr. Lucero answered he was not sure that was their experience. He said the beauty of storage devices today was that they were dispatchable in a fairly quick manner. He said as they continue to evolve their energy generation portfolio, it was expected that they might need to add other types of generation in the future in order to be able to integrate the additional renewable resources that would be added to their portfolio.

Mr. Lucero said they were looking at about eight hundred more megawatts of new renewable resources that would be needed to get to that 30% goal. TEP recently concluded a request for proposals for wind energy and were going to import into the region about one hundred fifty megawatts of wind. He said they were continuously working on identifying technologies and developers and those who would invest in those technologies, to meet the goal.

Mr. Lucero stated it was an ongoing process, but in order to address the intermittency issue, TEP was then going to have to make other incremental changes to how much quick start capacity for generation was available.

Council Member Durham clarified that eight hundred megawatts of additional renewables was needed to reach the 30% goal. He said the information he had was that a RICE facility would support an additional two hundred ninety to three hundred eighty-five megawatts of renewable resources. He said if you round up those numbers, they would be supporting up to half of the additional renewables needed to reach TEP's goal.

He asked why CNG Thermal Units 1 and 2 were being retired and Units 3 and 4's capacity was being reduced.

Mr. Lucero stated that was correct, Units 1 and 2 were steam generators and were not needed and would be retired. He said the RICE machines would basically replace that capacity, which then allowed them to continue more efficient units, 3 and 4 more recent in construction, to be utilized for summer peaking and must run requirements that they needed to have in order to support voltage and frequency in the area. He stated that in order to attract electricity into the region, there needed to be a little bit of local generation in order to be able to bring in the remote generation TEP utilized to power the community.

Vice Mayor Cunningham asked if the RICE generators would result in more efficient service delivery and if an accelerated path to using renewables would result in higher or lower rates for the neighbors.

Mr. Lucero stated it was not so much a matter of price or rates, but a matter of voltage and frequency that should be considered.

Vice Mayor Cunningham asked if capacity at peak could be met.

Mr. Lucero said it was not about being able to meet capacity, but about the integration of the intermittency that needed to be dealt with. He said utilizing renewables so that they had other generation available that was quick start in nature in order to address the fluctuations that were seen every day with respect to what TEP's renewables portfolio did.

Vice Mayor Cunningham stated one of the things discussed in his office was where to put batteries. He said he hoped the City and TEP could form a healthy partnership in looking at landfill sites and other places to put batteries and solar panels.

Council Member Fimbres commented that some of the conversation was about the stacks and if they would be coming down. He asked Mr. Lucero to explain.

Mr. Lucero stated currently there were three shorter stacks that were part of the system; and a couple of them were not going to be needed. The big stack would remain, but what was really changing, in terms of the topography of the land, were the coal handling facilities. He said TEP stopped using coal in late 2014 and, as a result, all of the coal handling facilities were being demolished and had been partially demolished already. He said by 2022, the profile of the campus would be markedly different without the coal handling facilities.

Council Member Kozachik inquired about the stormwater retention requirements being built into the site design.

Mr. Lucero said TEP was required to have stormwater retention as a part of the development and they had 15% reduction in sheet flow off the site.

Council Member Kozachik asked what measures were in place to provide methane gas protection.

Mr. Lucero stated the methane system being supplied by Los Reales Landfill, has been a very safe operation. He stated there had been no leakages in that system. He said TEP had highly regulated, very rigid, and rigorous safety standards, but it was nothing compared to how pipelines were treated. He said TEP also had transmission provided by Transwestern Pipeline Company/Kinder Morgan.

Council Member Kozachik stated the public hearing was a rezoning not an ACC hearing. He said nothing in the PAD mandated that TEP built out with RICE generators, but it allowed for a change in the *Unified Development Code (UDC)* to provide for power generation systems, generally. He asked if that was essentially what the conversation was about.

Ms. Silvyn stated the uses were permitted on the underlying zone, which were predominantly I-2, and a small portion of I-1. She stated the main reason for the PAD was that the *UDC* did not really contemplate *Development Standards* for a large power generating plant, and so it was going to require a whole host of variances every time they came in. She said, in sitting down with staff, it was discussed stepping back and really creating the PAD to allow the *Development Standards*. She said it was somewhat unusual in requesting a PAD to permit uses that were not otherwise allowed; this one was related to the *Development Standards*.

Council Member Kozachik asked if TEP was prepared to prohibit uses on the site such as coal or nuclear going forward. He said it was a PAD, a rezoning and could be a condition or to stipulate some component of solar being required when the RICE generation went in.

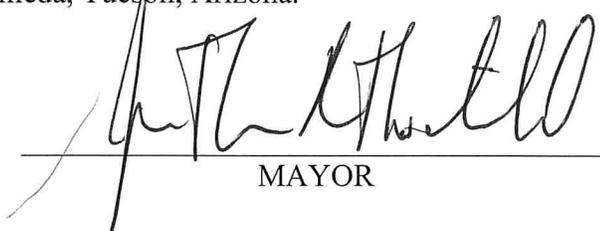
Mr. Lucero stated no coal would be used at the facility. He said the campus already supported the original solar test yard. He said they had an extensive array of different technologies that they had been studying in collaboration with the University of Arizona (UofA). He commented that that has allowed them to scale up the renewables program as a result of that experience. He said the campus was quite limited in terms of additional space for large scale, community scale solar, but had a steam generation concentrated solar facility that provides some support for the generation facility, which takes a substantial amount of space on the campus.

Mr. Lucero mentioned it had been their experience that the site selection process for additional future solar sites was dependent on transmission access as well as the ability to integrate those renewable resources into the grid in a manner that made more sense and allowed for better integration into the system. He said that was why one could see the scattered array of solar facilities already in the community.

The motion to approve the request as recommended by the Zoning Examiner and pass and adopt Ordinance 11541, was passed by a roll call vote of 6 to 0 (Council Member Romero absent/excused).

**10. ADJOURNMENT:** 8:31 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on May 8, 2018, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

  
MAYOR

ATTEST:

  
CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 17th day of April 2018, and do hereby certify that it is an accurate transcription.

  
DEPUTY CITY CLERK

RWR:dzm:amo