



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on September 9, 2014

Date of Meeting: March 18, 2014

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 5:33 p.m., on Tuesday, March 18, 2014, 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:

Regina Romero	Council Member Ward 1
Paul Cunningham	Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Vice Mayor, Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Council Member Ward 6
Jonathan Rothschild	Mayor

Absent/Excused:

None

Staff Members Present:

Kelly Gottschalk	Assistant City Manager/Chief Financial Officer
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Pastor Marlon Harmon, Restoration Community Worship Center, after which the Pledge of Allegiance was presented by the entire assembly.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 59, dated March 18, 2014, 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 to report on current events and asked if there were any reports.

Current event reports were provided by Vice Mayor Scott, Council Members Romero, Cunningham and Fimbres. A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

4. CITY MANAGER’S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 60 dated March 18, 2014, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

Current event report was given by Kelly Gottschalk, Assistant City Manager/Chief Financial Officer. A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

5. LIQUOR LICENSE APPLICATIONS

Mayor Rothschild announced City Manager’s communication number 72, dated March 18, 2014, 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. Applebee’s Neighborhood Grill & Bar, Ward 3
565 E. Wetmore Rd.
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 99-13
Action must be taken by: February 17, 2014

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

2. Applebee's Neighborhood Grill & Bar, Ward 6
4625 E. Grant Rd.
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 100-13
Action must be taken by: February 17, 2014

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

3. Applebee's Neighborhood Grill & Bar, Ward 6
5870 E. Broadway Blvd.
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 101-13
Action must be taken by: February 17, 2014

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

Public Opinion: Written Argument in Favor Filed

4. LongHorn Steakhouse #5529, Ward 6
5725 E. Broadway Blvd.
Applicant: John Michael Knapp
Series 12, City 5-14
Action must be taken by: March 8, 2014

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

5. The Hog Pit Smokehouse, Ward 2
6910 E. Tanque Verde Rd.
Applicant: Les Brent Baxter
Series 12, City 9-14
Action must be taken by: April 5, 2014

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)

NOTE: There are no application(s) for person transfers scheduled for this meeting.

c. Special Event(s)

1. Southern Arizona AIDS Foundation (SAAF), Ward 3
1102 W. Grant Rd.
Applicant: Monique Marie Vallery
City T20-14
Date of Event: May 3, 2014
(27th Annual Jello Wrestling)

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

2. Saints Peter and Paul Catholic School, Ward 6
1436 N. Campbell Ave.
Applicant: Patrick M. Crino
City T23-14
Date of Event: April 5, 2014
(Fundraiser)

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

3. Many Mouths One Stomach, Ward 1
100 S. Avenida del Convento
Applicant: Paul J. Weir
City T25-14
Date of Event: March 29, 2014
(2014 All Souls Procession Fundraiser)

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

4. El Grupo Youth Cycling, Ward 1
600 N. 9th Ave.
Applicant: Paul William Durham
City T27-14
Date of Event: April 12, 2014
(Annual Fundraiser)

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

5. Tucson Celtic Festival Association, Ward 3
3054 N. 1st Ave.
Applicant: Erin Renee Haugen
City T28-14
Date of Event: April 5, 2014
(Fundraiser & Cultural Event to Celebrate Tartan Day)

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

6. Museum of Contemporary Art, Ward 6
265 S. Church Ave.
Applicant: Dan S. Martin
City T29-14
Date of Event: April 11, 2014
(Annual Gala)

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

7. Museum of Contemporary Art, Ward 6
265 S. Church Ave.
Applicant: Dan S. Martin
City T30-14
Date of Event: April 19, 2014
(Fundraiser)

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

8. Ben's Bells Project, Ward 6
40 W. Broadway Blvd.
Applicant: Jeannette L. Maré
City T33-14
Date of Event: April 12, 2014
(Annual Fundraiser)

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

- d. Agent Change/Acquisition of Control

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

It was moved by Council Member Romero, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b5 and 5c1 through 5c8, 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:

Martha Gerganoff
Elizabeth Davison

Keith Van Heyningen
Sheldon Gutman

Roy Goodman

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 F

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 MAR18-14-65 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of July 9, 2013
3. Mayor and Council Special Meeting Minutes of July 9, 2013
4. Mayor and Council Study Session Legal Action Report and Summary Minutes of July 9, 2013

b. ZONING: EXTENDING PROTECTED DEVELOPMENT RIGHTS FOR THE TENTATIVE AND FINAL PLATS FOR DESERT VIEW PLAZA (S06-094)

1. Report from City Manager MAR18-14-61 WARD 5
2. Resolution No. 22195 relating to Zoning: extending the duration of protected development rights for the tentative and final plats for Desert View Plaza (S06-094) which were previously approved as protected development right plans; and declaring an emergency.

c. INTERGOVERNMENTAL AGREEMENT: WITH PIMA COUNTY FOR ONGOING USE AND SUPPORT OF THE PIMA COUNTY WIRELESS INTEGRATED NETWORK

1. Report from City Manager MAR18-14-75 CITY WIDE

2. Resolution No. 22201 relating to Intergovernmental Agreements; approving and authorizing the execution of an Intergovernmental Agreement (IGA) between the City of Tucson (CITY), Pima County and Drexel Heights regarding ongoing use and support of the Pima Emergency Communications Operation Center (PECOC) and Thomas O. Price Service Center (TOPSC) in furtherance of the Pima County Wireless Integrated Network (PCWIN); and declaring an emergency.
- d. REAL PROPERTY: VACATION AND SALE OF A PORTION OF CAMPBELL AVENUE RIGHT OF WAY
 1. Report from City Manager MAR18-14-68 WARD 5
 2. Ordinance No. 11149 relating to Real Property; vacating and declaring a portion of Campbell Avenue right of way to be surplus property; authorizing the sale thereof to Fullerton Tucson Kino Parkway, LLC; and declaring an emergency.
 - e. REAL PROPERTY: ACQUISITION OF RIGHT OF WAY FOR THE SILVERBELL ROAD IMPROVEMENT PROJECT
 1. Report from City Manager MAR18-14-66 WARDS 1 AND 3
 2. Resolution No. 22197 relating to Transportation; authorizing the City Manager to acquire by negotiation, and the City Attorney to condemn if necessary, certain real property needed as right of way for the Silverbell Road Improvement Project from Goret Road to Grant Road; and declaring an emergency.
 - f. TRANSPORTATION: AMENDMENT TO THE TRANSIT SERVICES TITLE VI PROGRAM
 1. Report from City Manager MAR18-14-67 CITY WIDE AND OUTSIDE CITY
 2. Resolution No. 22198 relating to Mass Transit; approving amendment of the City of Tucson Transit Services - Title VI Program to include current demographic information and submission to the Federal Transit Administration (FTA); and declaring an emergency.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, that Consent Agenda Items a – f, be passed and adopted and proper action taken.

8. PUBLIC HEARING: AMENDING (CHAPTER 23B) THE UNIFIED DEVELOPMENT CODE RELATING TO HISTORIC PRESERVATION ZONE AND HISTORIC LANDMARK

Mayor Rothschild announced City Manager's communication number 71 dated March 18, 2014, 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 text amendments to the Unified Development Code, relating to the Historic Preservation Zone. He said staff wanted to make a brief presentation before beginning the public hearing.

Ernie Duarte, Planning and Development Services Department (PDSD) Director, stated the public hearing was for a proposed text amendment to the Unified Development Code (UDC) and was consistent with the Mayor and Council action of May 2013, which simplified the current process. He said the amendment established a specific fee for creation of a historic landmark. He mentioned the current fee relied solely on the current rezoning fee schedule and had been viewed as a deterrent to potential historic landmark applications.

Mr. Duarte stated the amendment had extensive public review and discussion by the historic neighborhoods, the Tucson Pima County Historical Plans Review Subcommittee, the Tucson Historic Preservation Foundation, and the Land Use Code Committee. He said the Planning Commission held a study session and a public hearing whereby the Commission recommended approval of the text amendment.

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

John Burr, Armory Park Neighborhood Association, spoke in support of adoption of the Ordinance.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11150 by number and title only.

Ordinance No. 11150 related to Planning and Zoning: amending certain portions of the City of Tucson Unified Development Code (UDC), Article 5, Section 5.8., "H" Historic Preservation Zone (HPZ) and Historic Landmark (HL); Section 5.8.1., purpose; Section 5.8.2., applicability; Section 5.8.3., standards for establishing and amending HPZs; adding a new Section 5.8.4., steps to establish or amend a HPZ; adding a new Section 5.8.5., standards for establishing and amending HLs; adding a new Section 5.8.6., steps to establish or amend a HL; renumbering Section 5.8.4. to 5.8.7., permitted uses; renumbering Section 5.8.5. to 5.8.8., design review required, and amending portions of the same; renumbering section 5.8.6. to 5.8.9., design standards; renumbering Section 5.8.7. to 5.8.10., demolition review required, and amending portions of the same; renumbering section 5.8.8. to 5.8.11., maintenance; renumbering Section 5.8.9. to 5.8.12., pending HPZs, and amending portions of the same; amending certain portions of the UDC Administrative Manual, Section 4, development review fee schedule, Subsection 4-01.7.0, Change of Zoning fees; and setting an effective date.

Council Member Uhlich reiterated the goal was to simplify the HL designation process and fee schedule so that groups could choose to simply engage with the City to preserve their historic properties. She said the HPZ process was overlapped with the HL process in the old version of the Code and both needed to be clarified without losing the intent of any elements in the HPZ that currently provided assurances for historic zones. She stated she wanted to make sure there were no significant changes to processes or assurances for HPZs in the amendment.

Mr. Duarte stated there were no significant changes to the process for designating HPZs.

Council Member Uhlich asked, aside from the required materials in the nomination proposal, what was required or considered in PDSD's reviews.

Jonathan Mabry, Historic Preservation Officer, stated the submittal requirements were reviewed by City staff in a couple of ways; one was in terms of completeness and sufficiency. He said one of the important submittal requirements was documentation of the eligibility for this type of historic designation which was not locally defined in the Ordinance. He stated the criteria for eligibility for City HL or HPZ designation were linked to the National Register of Historic Places.

Council Member Uhlich stated there were some instances where properties might enter the pipeline or had already done so, but had issues as to whether or not a property needed to come into full compliance with other codes in order to pursue HL designation. She asked for clarification on how that would be handled.

Mr. Duarte stated for the purpose of establishing the HL and what they looked at was site or the structure at that site and designating it as a landmark. He said it would not trigger any improvements per say of parking, loading, or landscaping, just the structure of and the creation of a specific designation for that particular structure or sight.

Council Member Uhlich stated in February, the Mayor and Council confirmed legally that more restrictive zones rule when there was an overlap. She said with both the UDC and the Code issues addressed by Mr. Duarte, the materials in the Code were silent on this matter. She wondered what was needed to codify those points which had been confirmed but not debated. She stated where the code and/or documents were silent on this issue; it put staff in a difficult possession because there was no clarity.

Michael Rankin, City Attorney, stated there was a provision in the UDC that contained the language he referred to at the last study session where Council Member Uhlich's concerns were addressed. He commented there were certain conflicting provisions of the Code with respect to certain overlays. He said he could provide that information to the Mayor and Council in a memo form that addressed all the Code issues.

Council Member Uhlich confirmed with Mr. Rankin what he stated was there was legal assurance within the current UDC and in the areas of the HPZ where the HPZ was more restrictive over layer zone and would be the requirement for that area of development.

Mr. Rankin confirmed there was a general provision within the UDC that stated that requirement and he would provide it to the Mayor and Council.

Council Member Uhlich stated if there needed to be some cleanup, she was not sure it could be done at this time and was concerned to ensure that was understood and somehow codified so staff was not left to make determinations that were not clear.

Mr. Rankin mentioned there were some provisions that were conflicting or had tension with each other and so it was best to come back do some clean up.

Council Member Uhlich asked if a second motion was needed to direct staff to proceed and initiate the process as discussed.

Mr. Rankin stated it was a natural follow up to the discussion they had at the prior Study Session relating to the item.

It was moved by Council Member Uhlich, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11150.

9. PUBLIC HEARING: CENTURY PARK MARKETPLACE ANNEXATION DISTRICT

Mayor Rothschild announced City Manager's communication number 77 dated March 18, 2014, was received into and made part of the record. He also announced this was the time and place legally advertised for the public hearing on the proposed Century Park Marketplace Annexation District. He also announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

Mayor Rothschild asked if there was anyone wishing to speak on the item. There was no one.

It was moved by Vice Mayor Scott, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

It was moved by Vice Mayor Scott, duly seconded, to proceed with the Century Park Marketplace Annexation District.

Council Member Kozachik asked for his questions to be clarified which were interrelated to the PADA. He stated when this item was presented to the Mayor and Council it was in draft form and there were some issues with the commitments as to who was on the “hooks” for what. He said he wanted to make sure all the language was clarified so the Mayor and Council knew what they were voting on.

Council Member Kozachik asked about the southern alignment and the area titled, “retail development.” He said in the documentation received, reference was made to the County land which was the Davis Monthan (DM) buffer. He asked if the Regional Transportation Authority (RTA) had come up with a cost for the southern alignment.

Farhad Moghimi, Pima Association of Governments (PAG)/Regional Transportation Authority (RTA) Executive Director, stated the RTA did not currently have a cost estimate, but were looking at both alternatives and would have a cost estimate by the end of April.

Council Member Kozachik asked if the RTA approved the southern alignment, would the City of Tucson become the lead agency on the project.

Mr. Moghimi stated currently the RTA was taking the lead on this project and he assumed that would continue unless there was another proposal on the table that he was not aware of.

Council Member Kozachik stated his concern was the lead agency was the one that paid for the cost overages above what the RTA was prepared to fund.

Mr. Moghimi stated regardless of whom took the lead on the project cost, it included the right of way cost and would need to be built into the budget.

Council Member Kozachik stated in all the RTA contracts he saw, the lead agency was specifically called out to pay any cost overrun on RTA projects. He said if we could find out if the RTA was the lead agency on the project, then we had a total non-issue.

Mayor Rothschild stated that was the understanding so far.

Council Member Kozachik stated the language needed some clarification in the information that was given which spoke about the RTA. He said there was a discussion about the construction of the existing Kolb to Valencia section. He said that was just a small section in the middle of the southern alignment and if the project went north, then the developer had the ability, that the City agreed to let them build that small section right south of his development.

Mr. Moghimi stated he was not sure of which agreement the Mayor and Council was talking about. He said from the RTA's perspective, whether it was the northern alignment or the southern alignment, once the decision was made it would be obvious and cleared with staff.

Council Member Kozachik stated the owner may request City approval of a connection from Kolb Road to the existing Valencia Road along the southern boundary which was the section he was talking about. He said the City agreed to allow the owner to construct in the southern alignment and needed to make sure that in the paragraph in Section 4.32 that it simply referenced that one small section in the middle, south to the retail development.

Chris Avery, Assistant City Attorney, stated the connection between Kolb Road eastward to Valencia Road and basically in that section, the language refers to where the City agrees to designate that section from Kolb Road east of Valencia Road along the southern edge as an arterial road way.

Council Member Kozachik stated so as long as he continued to use the phrase southern alignment it was just that one section. He said, because that small section of Kolb Road to Valencia Road served primarily a private purpose, were there any gift clause issues with the City designating development impact and fees to that section.

Michael Rankin, City Attorney, stated it was not a gift clause issue; it was a question of whether it was an eligible offset under the development impact fee ordinance. He said the Mayor and Council were identifying what the benefit was in terms of the agreement, designating it as an arterial which made it eligible for development impact fee offsets, but only to the extent that the owner or developer expends the cost for the construction of that improvement. In other words, they would only get the offset if they expended the funds.

Council Member Kozachik stated there was mention of two entry points on that small section, and asked if it was still up for discussion with the City, the Developer and Traffic Engineers to determine whether or not it would be too many entry points off of that small section in terms of traffic engineering.

Mr. Rankin stated it would be and all of it was subject to TIA traffic impact analysis as per the agreement.

Council Member Kozachik read an excerpt from a RTA presentation regarding local governments contributing \$22 million from DIF contributions. He stated this was not a part of the discussion that evening, but wanted to know how it all worked regarding taking out a loan from the RTA to fund the difference between the \$7 million dollars on hand by the local government and the \$22 million needed to fund the project.

Mr. Moghimi stated he did not believe so and was not sure where that document was from; he said it could have been in reference to the extension of Valencia Road which was beyond Kolb Road.

Mayor Rothschild stated there was talk of the extension well past Rita Ranch. He said those were conversations going on between the RTA and Pima County. He said he was not sure how the City played into that.

Council Member Romeo asked if the owner or representative of the property wanted to speak.

Mike Farley, Owner, stated he was present to answer any questions that the Mayor and Council had.

Mayor Rothschild asked Mr. Farley if he understood the questions that were asked by Council Member Kozachik.

Mr. Farley stated he did and would have answered them the same way as well.

The motion to proceed with the Century Park Marketplace Annexation District was carried by a voice vote of 7 to 0.

10. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH TITLE SECURITY AGENCY OF ARIZONA, OWNERS OF CENTURY PARK MARKETPLACE PARCELS

Mayor Rothschild announced City Manager's communication number 78 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22202 by number and title only.

Resolution No. 22202 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and Title Security Agency of Arizona Trust No. 2003, owners of the Century Park Marketplace Parcels.

It was moved by Vice Mayor Scott, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22202.

11. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH FIDELITY NATIONAL TITLE TRUST, OWNERS OF THE QUAIL CALL PARCELS, FOR PROVIDING WATER SERVICE

Mayor Rothschild announced City Manager's communication number 69 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22199 by number and title only.

Resolution No. 22199 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and Fidelity National Title Trust 60357 Attn: Old Well, LLLP, the Owners of the Quail Call Parcels.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22199.

12. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH EL ENCANTO PARTNERS LLC, OWNERS OF EL ENCANTO PARCELS, FOR PROVIDING WATER SERVICE

Mayor Rothschild announced City Manager's communication number 70 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22200 by number and title only.

Resolution No. 22200 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of Pre-Annexation and Development Agreement between the City of Tucson and El Encanto Partners LLC, owners of the El Encanto parcels.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopted Resolution 22200.

13. CITY MAGISTRATES: APPOINTMENT OF SPECIAL MAGISTRATE AND FIXING COMPENSATION

Mayor Rothschild announced City Manager's communication number 64 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11148 by number and title only.

Ordinance No. 11148 relating to City Magistrates; appointing Arlene Debra Leoni as Special City Magistrate to serve upon call by the Presiding Magistrate of the City Court; fixing compensation; and declaring an emergency.

It was moved by Council Member Fimbres, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11148, naming Arlene Debra Leoni as Special City Magistrate.

14. CITY MAGISTRATES: APPOINTMENT OF SPECIAL MAGISTRATE AND FIXING COMPENSATION

Mayor Rothschild announced City Manager's communication number 63 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11147 by number and title only.

Ordinance No. 11147 relating to City Magistrates; appointing Kenneth B. Bowman as Special City Magistrate to serve upon call by the Presiding Magistrate of the City Court; fixing compensation; and declaring an emergency.

It was moved by Council Member Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11147, naming Kenneth B. Bowman as Special City Magistrate.

15. REAL PROPERTY: APPROVING A REAL PROPERTY PURCHASE CONTRACT WITH CORE CAMPUS INVESTMENT PARTNERS, LLC AND AMENDING THE GROUND LEASE WITH DIRECT CENTER FOR INDEPENDENCE AND APPROVING A TRI-PARTY AGREEMENT TO GOVERN TRANSACTIONS

Mayor Rothschild announced City Manager's communication number 74 dated March 18, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11151 by number and title only.

Ordinance No. 11151 relating to Real Property; approval of a Real Property Purchase Contract with Core Campus Investment Partners, LLC (CORE CAMPUS); approval of an Amendment to the Ground Lease with Direct Center for Independence (DIRECT); approval of a Tri-Party Agreement with Core Campus and DIRECT to govern the transactions; and declaring an emergency.

Council Member Kozachik stated there did not appear to be a time frame in the agreement for the payment of \$1.4 million North TI Zone at 1001 Alvernon but the proceeds had been included in the Fiscal Year 2015 budget.

Michael Rankin, City Attorney, stated if the Mayor and Council approve the agreement, Core Campus would close on the Alvernon property within the next thirty days and begin the tenant improvements that were necessary for relocation of current tenants at the Tyndall property, DIRECT, to the replacement facility on Alvernon. He said staff anticipated the process; completing tenant improvements; obtaining a Certificate of Occupancy and relocating DIRECT to the facility on Alvernon would be completed in August and would close on the Tyndall property immediately thereafter and close sometime in August or September near the beginning of FY 2015.

Council Member Cunningham asked was that already included in the budget discussion the Mayor and Council already had or was this additional revenue that was not actualized.

Kelly Gottschalk, Assistant City Attorney/Chief Financial Officer, stated this was monies that were already included in the budget.

Council Member Fimbres asked if this proposal was a sale or lease agreement.

Mr. Rankin stated it had elements of both. It was a three party agreement and by selling the property at Tyndall, the City would net \$1.5 million dollars from that sale. He said Core Campus was purchasing the property on Alvernon, the replacement property, and relocating the current tenant DIRECT over to the relocation site on Alvernon at which time the City would take ownership of that replacement property. He said after improvements were made, the City would lease to DIRECT at that new facility. He commented there was a lease agreement, a purchase agreement and a three party agreement that coordinated all those moving parts.

Council Member Fimbres asked what potential liabilities did the three party agreements incur to the City.

Mr. Rankin responded under the three agreements, once DIRECT moved to the new facility on Alvernon they had the right to use that property for up to fifty years as long as they continued to engage in the use of providing services to persons with disabilities in the community. He stated under the terms of that lease, DIRECT would continue to indemnify and insure the City against any claims or losses associated with their use of the property.

It was moved by Council Member Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11151.

16. ECONOMIC DEVELOPMENT: CONSIDERATION OF UPDATED ECONOMIC DEVELOPMENT INCENTIVE PROPOSAL FOR THE FIFTH AND CONGRESS PROJECT

Mayor Rothschild announced City Manager's communication number 76 dated March 18, 2014, was received into and made part of the record. He asked staff if they wanted to make a brief presentation.

Michael Rankin, City Attorney, stated this item would normally be presented to the Mayor and Council as a Study Session agenda item, but because the agenda was already booked and the start time moved to an earlier time, staff added it to the regular meeting agenda.

Mr. Rankin stated staff was not asking the Mayor and Council to approve an agreement or award the incentives. He said the City was at a stage in the application process where approval to move forward with the independent financial analysis was being sought as noted in the Communication from the City Manager's Office.

Mr. Rankin said this was a project the Mayor and Council had looked at before but had evolved with the hotel described in the materials being moved to the new location at 151 E. Broadway behind the HUB restaurant. He stated the project itself included three phases; the first phase being construction of two of the three restaurants referenced and the second phase being the site work on the lot where the hotel would go, including utility work on Arizona Avenue and construction of the new restaurant above the existing Playground Bar and Lounge.

Mr. Rankin said the third phase was the construction of the hotel which was estimated to be 147 room boutique hotel with the AC brand, incorporating a first floor retail and a parking garage within the hotel site. He said the incentives that were being requested included GPlat for the both the 200 hundred block of east Congress and the hotel, a HUD 108 loan as described in the communication, as well as, a site specific sales tax generated from the hotel and retail use as part of the project.

Mr. Rankin stated the Communication and attachments outlined some of the time lines the implementation and the funding source that were anticipated for this project. He said by moving forward in getting the independent financial analysis, it would give the City the data needed to be provided to the Mayor and Council to inform their decision with respect to the award of any economic development incentives that were available as previously approved. He noted that Scott Stiteler was present and had a short presentation for the Mayor and Council.

Council Member Kozachik asked if the participation of Rio Nuevo in the garage funding satisfied their need for a notice to proceed.

Mr. Rankin stated that included the settlement agreement with Rio Nuevo, if they participated in the development agreement that was mutually agreed upon, that would include their financial participation towards the construction and operation of the hotel and agree to satisfy from the City's perspective there statutory requirement and notice to proceed for a hotel development. He said this was certainly a project that could get them over that hump and satisfy the obstacle.

Council Member Kozachik asked if that was the City's call or could the legislature weigh in and state that it was not what was meant.

Mr. Rankin stated he thought the City's call could go a long way in establishing whether they had satisfied that requirement.

Council Member Kozachik said he also wanted to point out that there was over \$30 million dollars of private money invested in this project.

Scott Stiteler, Tucson Urban LLC, gave a brief PowerPoint presentation and spoke about how Marriot Corporation had approached them with a new brand called AC by Marriot which had twenty-two AC's approved in the United States. He said within the next three to four years they hoped to have more AC's built in New Orleans, Chicago, New York, San Diego, South Beach, San Francisco and Tucson.

Mr. Stiteler said he believed they were at a fork in the road with downtown and he was eight years into this journey. He spoke about all of the businesses and retail stores in the area that made a thriving downtown. He said that backbone was the StreetCar increasing their exposure to the downtown area.

Mr. Stitler said the AC Tucson Hotel would have 196 desks and 40 small businesses were lined up and he hoped within the next six to nine months, it would be full with businesses and people. He described some of the highlights of the hotel and surrounding streets. He said they worked real hard on the architecture for all sides of the building and believed in Downtown Tucson, and the bar was being raised in this area.

It was moved by Vice Mayor Scott, duly seconded, and carried by a voice vote of 7 to 0, to approve the City Manager's recommendation and direct staff to proceed with the next step in the incentive approval process for the Fifth and Congress project.

Council Members Romero and Cunningham commented on their concerns and support of the project, by using local businesses and restaurants.

17. BOARDS, COMMITTEES AND COMMISSIONS: APPOINTMENT TO THE CIVIL SERVICE COMMISSION

Roger W. Randolph, City Clerk, announced this item was being continued to the Mayor and Council meeting of April 8, 2014.

18. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 73, dated March 18, 2014, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Uhlich, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointments/reappointments to the El Presidio Historic Zone Advisory Board (EPHZAB): Joseph Wilder, Christopher Domin and Charles Pifer, in the Special Qualifications Category, Johna Cronk and Ilyen Sloan in the Resident category and Susan Aiken, in the Property Owner category.

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

There were none.

19. ADJOURNMENT: 6:51 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, April 8, 2014, 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 18th day of March, 2014, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR: agj:yl