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## Minutes of SPECIAL MAYOR AND COUNCIL Meeting

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Approved by Mayor and Council  
on April 7, 2015.

Date of Meeting: June 30, 2014

The Mayor and Council of the City of Tucson met in special session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 6:00 p.m., on Monday, June 30, 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  
Paul Cunningham

Karin Uhlich  
Shirley C. Scott  
Steve Kozachik  
Jonathan Rothschild

Council Member Ward 1  
Vice Mayor, Council Member Ward 2  
(arrived at 6:02 p.m.)  
Council Member Ward 3  
Council Member Ward 4  
Council Member Ward 6  
Mayor

Absent/Excused:

Richard G. Fimbres

Council Member Ward 5

Staff Members Present:

Richard Miranda  
Michael Rankin  
Deborah Rainone

City Manager  
City Attorney  
Chief Deputy City Clerk

Presentation:

- a. Mayor Rothschild, assisted by Council Member Kozachik, announced the presentation of 50 Automatic External Defibrillators (AEDs) to the Tucson Police Department (TPD) by the Steven M. Gootter Foundation.

Andrew Messing, Steven M. Gootter Foundation President, presented the TPD with 50 AEDs to be used in patrol cars. He stated AEDs had been around for many years and the Gootter Foundation delivered them to schools, churches, and athletic arenas. He stated Tucson was one of the first cities to implement this program which increased survivorship by five times.

Roberto Villaseñor, Tucson Police Department Chief of Police, thanked Council Member Kozachik and Ann Charles, Ward 6 Chief of Staff, who were the driving force behind the donated AEDs. He stated it was the goal of the Fire and Police Departments to serve the community and having the AEDs greatly helped.

Dr. Carl Kern, University of Arizona Sarver Heart Center, gave a demonstration on how to use the AED.

**2. PUBLIC HEARING: DEVELOPMENT (IMPACT) FEE LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLANS FOR STREETS, PARKS AND RECREATION, POLICE, AND FIRE**

Mayor Rothschild announced City Manager's communication number 202, dated June 30, 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 Development Impact Fee Land Use Assumptions and Infrastructure Improvement Plans (IIP) for Streets, Parks and Recreation, Police and Fire. He stated staff wanted to make a brief presentation before beginning the public hearing.

Nicole Ewing-Gavin, Office of Integrated Planning Director, explained the public hearing was a step in the process to adopt new impact fees. She said a new state law went into effect in 2011 that required Arizona Cities and Towns to update their impact fee programs. She explained impact fees were a funding mechanism to cover the cost of facilities and infrastructure needed to serve new development. She said the City first established impact fees for streets and parks in 2004 and then for fire, police and public facilities in 2007.

Ms. Ewing-Gavin stated the City had collected close to \$60 million dollars since impact fees were put in place. In January 2012, due to the state law change, public facilities fee was removed, and police and fire fees were reduced. She said in September 2013, the City began the process of re-doing the fee program to meet state law requirements and advised that the timeline was discussed with the Mayor and Council on June 3, 2014. She stated that the public hearing was for Land Use Assumptions and Infrastructure Improvement Plans which were required elements of the state law. She

advised that the next step was to return to the Mayor and Council on August 5, 2014, with final reports.

Ms. Ewing-Gavin stated stakeholder discussions were held with representatives of the Southern Arizona Home Builders Association (SAHBA), Metropolitan Pima Alliance (MPA) and Arizona Multi-Housing Association (AMA). She summarized some of the issues raised which were concerns with raising fees, the methodology used to establish the proposed fees, existing levels of service, specific projects being proposed, the need for greater transparency, and how funds were being expended. She said one example mentioned was the way the Regional Transportation Authority (RTA) displayed signs on how projects being funded by the RTA were being done and if there was something like that the City could do to show the benefit of impact fees.

Ms. Ewing-Gavin said additional stakeholder meetings would be held as land use assumptions and infrastructure improvement plan reports were being finalized. She said she thought many of the concerns being raised could be addressed, but others that were problematic would be worked out with the City Attorney and the stakeholders.

Ms. Ewing-Gavin explained the reports presented at the evening's meeting for public hearing: the land use assumption report which projects growth, land use, and employment within each of five benefit districts over a ten year period. She said data from the Pima Association of Governments (PAG) and Plan Tucson was used to develop these numbers. She said they projected seventy-three thousand new residents in Tucson over the ten year period, which translated into thirty-one thousand new housing units and forty-eight thousand new jobs. She said that formed the basis on how revenue was estimated and projects were planned in the IIP.

Ms. Ewing-Gavin stated what the plans did for each of the services they were proposing impact fees for, streets, parks, police and fire, was to establish the current level of service, which meant level of infrastructure and facilities, being provided to existing residents. The plans were also to calculate the cost per new unit of development and establish the upper limit for the impact fees, project revenues based on projected growth, and develop a ten year project list based on the projected revenue. She said the total project cost needed to match the projected revenue over the ten year period.

Ms. Ewing-Gavin gave an overview of each specific study for the different facilities. She said the IIP for streets was based on the demand for new arterial capacity and used data from the Institute of Transportation Engineers Trip Generation. She said the level of service was based on that data, and the cost of building new capacity was estimated based on the construction cost of recently completed roads. She explained the revenue was estimated by the five benefit districts and used to develop a ten year project plan. She explained the proposed projects were based on projects in the existing impact fee plans, in the Capital Improvement Plan (CIP), RTA projects that required an impact fee match, and the City's unmet needs list.

Ms. Ewing-Gavin explained the IIP for parks was developed using the calculated net facility value of all current park assets, which included land and improvements, to establish a replacement cost. She said the replacement cost was then divided by the existing population to establish per unit value which would then be charged to new development. She explained fees for parks were proposed only to be charged to residential because of a very difficult challenge in tying the need for parks with commercial development. She mentioned that in a letter from SAHBA that issue was raised and was something the City could look at. She said most cities seemed to be charging residential, but there were some that were picking an arbitrary number, five or ten percent, and charging that to commercial development. She stated a ten year project plan would be developed where the total project cost must roughly match the projected revenues.

Ms. Ewing-Gavin said that for both streets and parks there were five benefit districts. She said because parks and streets were geographically based services, these districts helped ensure funds were spent in reasonable proximity to new development. In other words, she said, funds collected in a particular district needed to be expended in that district. She explained that for police and fire, the impact fees were a little different. She said they were assessed, collected and spent on a city wide basis because the services were not stationary; they were services that came to the problem. She said impact fees were charged to both residential and non-residential at percentages based on 911 call data.

Ms. Ewing-Gavin stated that since the reports were posted online on May 1, 2014, in addition to meeting with stakeholders, additional review had been done by staff and they had corrections to be made to the final report. She said there were four corrections they would like to make.

Ms. Ewing-Gavin said first was to include Certificates of Participation (COPs) when calculating the net asset valuation. For example, to calculate the net asset valuation for parks, they took the current value to replace all parks facilities and then deducted the debt on those facilities. She said they did not think the COPs should be included in the pool of debt, but upon further review, COPs debt was something that needed to be included and would serve to reduce the fee when the calculation was completed. She stated the second correction was that they also realized the old fire facility cost was included and not the new Fire Central facility. She said the new facility cost needed to be reflected.

Ms. Ewing-Gavin said the third change was to re-evaluate the non-residential square footage that existed today. She said in order to figure out the amount of impact fee to charge new commercial development; the City had to figure out how many existing commercial facilities had been built out. She stated part of that calculation was figuring out how much commercial square footage existed in Tucson today.

Ms. Ewing-Gavin stated, originally, the consultants came up with commercial square footage in Tucson as two hundred seventeen million. She said that seemed high compared to what was used in 2004, so staff went back to work with PAG and the Pima

County Assessor's Office and came up with a more accurate number of one hundred forty-nine million. She also noted that for police, the City had inadvertently used replacement vehicles for the infrastructure plan which needed to be removed as they were not an eligible expense.

Ms. Ewing-Gavin explained the revised updated impact fee table that was distributed to the Mayor and Council. She said for single family residential the historic fees, were just over seven thousand eight hundred dollars and the new study was showing a charge of ten thousand nineteen dollars for a single family home, which was the actual cost to serve new development with facilities in streets, parks, police and fire. She explained that the Mayor and Council did not have to set the fee at that number, but that was the upper limit.

Ms. Ewing-Gavin said under non-residential uses, the fees had gone down under office and industrial. She said office was just over six thousand dollars previously and the study was showing the fee at four thousand six hundred dollars. She stated under industrial, it was just over three thousand dollars to just over one thousand six hundred dollars. She said complaints were previously received stating nonresidential fees were too high and explained that the study looked at tripped generation rates by different land use categories which were the major cause of the decrease.

Ms. Ewing-Gavin explained how the City compared to other jurisdictions for a single family home that had impact fees locally. Tucson was a little over ten thousand dollars, Marana, who just updated their fees was at eleven thousand three hundred dollars, Oro Valley, who also just updated their fees was close to seven thousand dollars and Pima County at six thousand nine hundred dollars. She said Pima County did not have to update their impact fee per the state law. She explained the chart that showed the ten year projected revenue if fees were set at the level based on the growth assumption.

Ms. Ewing-Gavin also explained the process for updating the information. She said that the reports could be updated and modified every five years per the state law, but could also be done as frequently as needed. She said if the reports were updated and impact fees were not increased more than five percent, which was a fairly simple process that involved a thirty day notice, without a public hearing. She said once the Mayor and Council adopted the reports, the City was not locked in to exactly what was in them, and changes and updates could be made.

Ms. Ewing-Gavin recommended endorsement to incorporate the corrections and direction to work with stakeholders and ward offices to consider additional changes before the item is returned to the Mayor and Council on August 5, 2014.

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

The following individuals spoke at the public hearing.

David Godlewski, Southern Arizona Home Builders Association (SAHBA) President, presented a copy of the summary and formal comments that were previously submitted by SAHBA to the Mayor and Council. He also recognized Josh Robinson, Pulte Homes and SAHBA Vice-Chair. He explained this was an important issue to SAHBA and the City of Tucson in financing future public infrastructure. He wanted to make sure the fees were fair and reasonable but most importantly calculated according to *Arizona Revised Statutes (A.R.S.)* requirements.

Carter Froelich, Development Planning and Financing Groups (DPFG) Managing Principal, stated they were retained by SAHBA to evaluate on a high level the City of Tucson's streets, parks, police and fire impact fees studies for compliance with *A.R.S.* and industry standards related to such matters. He expressed concerns of the four issues they felt were the significant concerns. The first area of significant concern related to service areas and levels of service. He said the City and their impact fees defined five benefit districts, or service areas, which did not take the next step to determine the actual levels of service that were being provided in each one of the service areas as required by *A.R.S.*. He would like to ask that the City go back to their consultant and estimate the actual levels of service in each one of the five benefit areas and recalculate the impact fees accordingly based on the recalculation.

Mr. Froelich said the second item related to the street report, which had two specific items of concerns. First, was the inclusion of \$107 million worth of improvements for sidewalks, which was about four hundred thirty miles of sidewalks included within the central, west and eastern service areas. He said he had looked at impact fees for a long time and had never seen anything like that which caused him to question as to why sidewalks would be included in areas that have already been developed. He said he went on-line and looked up the City of Tucson's 2012 Sidewalk Inventory that indicated significant gaps in the City's sidewalk infrastructure and related primarily to the fact that the City was not requiring the inclusion of sidewalks for developments in projects that were constructed prior to 1980. Additionally, he said, there were some areas of town including the Fort Lowell area where the residents did not want sidewalks.

Mr. Froelich expressed that the reason this was important was that, by law, cities could not correct existing deficiencies with their infrastructure by requiring new growth pay for infrastructure for which they received no benefit. He said one of the actions they were asking the City to consider was to go back to their impact fee consultant to determine whether any of the \$107 million for sidewalk improvements was actually related to correcting a deficiency, and if it was that it be removed from the fee study.

Mr. Froelich next concern was with the Regional Transportation Authority's (RTA's) contribution. He said currently, new growth was being asked to fund one hundred percent of the \$63 million of the City's RTA matching obligation. He said they could not discern why new growth was being required to fund on hundred percent of these costs. Typically, he said, one would expect it to be broken out between existing residents and new growth. Again, he asked that the City go back to their consultants and

provide documentation related to why new growth should pay one hundred percent of the cost.

Mr. Froelich said the third concern related to parks. He said first was that commercial uses were not being charged development impact fees even though the fee study related to parks showed commercial land uses benefited from them. He said *A.R.S.* stated if a development impact fees were being levied, all land use categories must be charged an impact fee. He stated the second item related to parks in excess of thirty acres. He advised the *A.R.S.* stipulated to the extent a City wished to levy an impact fee for parks in excess of thirty acres, the impact fee study must demonstrate there was a direct benefit from the parks to new growth. He said based upon their review of the impact fee study, there was roughly about \$73 million in land costs in excess of the thirty acres that were being allocated to and new growth was being asked to fund. He said DPFG was asking that the City to go back and either demonstrate that the direct benefit existed or alternatively adjust the fee study accordingly.

Mr. Froelich spoke about the police and fire fee. He said the only comment he had was that a uniform replacement cost was utilized for both police and fire facilities. He said regardless of the type of building that was being valued for replacement costs, the same uniform replacement cost of either three hundred ninety-three dollars per square foot for police or three hundred twenty dollars for fire facilities was utilized. He said either way, police headquarters, or a cinder block warehouse building, both were valued in the same manner and logic dictated that the police headquarters building had a different replacement cost per square foot than a cinder block tilt-up concrete building. Again they asked that the City go back to their consultants and have a licensed professional evaluate the replacement costs for police and fire facilities.

Forest Weier, Pedestrian Advisory Committee Member, spoke in support of the Streets Infrastructure Improvement Plan under consideration. He said he particularly supported the Funding of Sidewalks Improvements Independent of Roadway Capacity Projects.

Ruth Beeker, representing the Board of Directors of the Tucson Residents for Responsive Government (TRRG), spoke in support of accountability in matters such as revising Impact Fees within the three years required by law.

Connie McMahan, retained speaker for the Metropolitan Pima Alliance (MPA), recognized the need for impact fees but spoke in opposition of the new proposed fee increases.

Chris Gans spoke in support of the Development Impact Fees. He expressed his concerns about the impact fees, the accessibility and quality of life for residents in the city.

Jaime Gutierrez, Arizona Multi-Housing Association, spoke in opposition of the impact fees and their necessity.

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

Council Member Scott asked why the public hearing was being closed when another meeting was scheduled for this topic. She wondered if all the requests made by the stakeholders would be addressed by August 5, 2014.

Michael Rankin, City Attorney, suggested closing the public hearing to move to the next step in the process within the timeframes established under the *A.R.S.* He said he anticipated part of the direction from the Mayor and Council would be when the issue was brought back on August 5, 2014, the issues and concerns raised by the speakers and in the materials submitted were addressed as was anticipated in the request of staff regarding Mayor and Council direction.

Council Member Kozachik asked if the *A.R.S.* prescribed multiple public hearings.

Mr. Rankin stated there would be an additional public hearing scheduled in September, prior to adoption of an ordinance.

It was moved by Council Member Scott, and duly seconded, to proceed with staff's recommendation, which was a reflection of one she had brought forward regarding affordable housing and providing the necessary infrastructure for the community, keeping the best interest of the homebuyer in mind, ensuring the policies adopted do not conflict with the Statute, and review of the study based on the action requests provided by DPF, and incorporate all comments including the stakeholders.

Council Member Uhlich said as far as proximity of new development to parks in the various districts; she said she felt there should be good data regarding the utilization of sports facilities and other activities that were special to some of the regional parks in the Parks Plan. She said those investments benefited all residents and new development. She said she had some concerns about new development and existing businesses becoming burdened with the cost of putting in new sidewalks whenever renovation was addressed with a new permit. She stated the City was trying to find a balance for how to provide the infrastructure the community needed to stay mobile and safe. She said there were some new elements of street and infrastructure that required the installation of sidewalks in order to receive any federal funding and asked how this factored into the process.

Ms. Ewing-Gavin responded impact fees could be used for sidewalks when widening a road or adding capacity to a road. She said staff had proposed, with the new program, pedestrian improvements be considered on their own as eligible. She said student housing and other downtown projects used independent fee study calculations and paid lower impact fees when the reports showed low impact on roads. She said there was obvious impact on pedestrian facilities to get to transit, the work place, and even the University of Arizona. She stated development was generating the need for road capacity

improvement and sidewalks. She advised staff was currently working on a County Bond Program for sidewalks, and felt the program would be able to address the unmet needs considered ineligible for impact fees.

Council Member Uhlich recognized that younger generations were shifting more to using multi-modal forms of transportation. She said with vehicle acquisition, she said she thought she understood replacement police vehicles would not expand the capacity to serve new development which was why they would not be eligible for impact fee funding. She asked, to the extent the City was investing in transit infrastructure for expansion through the RTA, such as the Compressed Natural Gas (CNG) Facility or the acquisition of additional buses, was that something that could be documented and included in the study.

Ms. Ewing-Gavin stated transit was not an eligible expense for impact fees. She explained bus pullouts could be paid for using impact fees because they provided more street capacity for cars.

Mr. Rankin agreed and advised he would look into the definition of necessary public service.

Vice Mayor Cunningham asked how Tucson fared compared to other Cities with regards to impact fees. He stated other Cities were competitors and he wanted to enhance the economic viability and stability of Tucson. He requested a chart so the Mayor and Council could compare Tucson's impact fees to those of other Cities. He stated, if the *A.R.S.* allowed, maybe the City should offer incentives for "green construction", so that solar or rainwater harvesting impact fees would be reduced. He stated based on the success of *Plan Tucson*, he was optimistic all the stakeholders would come to an agreement.

Council Member Scott questioned an attachment which stated "this is based on single family residences of 2,250 square feet." She said on the Parks and Recreation sheet, the fee was based on a 3,000 square foot home and asked if this was an oversight or if this made a difference.

Ms. Ewing-Gavin stated the current program charged on a square foot basis and maxed out at 3,000 square feet. She explained the regional average for a single family residence was 2, 250 square feet and was used for comparison.

Council Member Scott asked for clarification on the information under the DPF. She said under Parks, in the Grant Fund Offset, staff used the Consumer Price Index (CPI) to offset amounts in 2014 dollars and suggested that instead of the CPI, the Engineering News Record or the Construction Cost Index be used. She wondered if it was a reasonable request or why CPI would be used.

Ms. Ewing-Gavin stated the request was reasonable and staff realized the adjustments had not been made for police and fire and would go back and standardize the reports.

Council Member Scott stated Ward 4 had the fewest number of acres available for parks and Ward 4 residents went to other parks because investments like ramadas, and picnic benches were not in plentiful supply in Ward 4. She encouraged new development and growth because it would assist in funding park improvements.

Council Member Kozachik questioned how many times the City met with the Multi-Family Housing Association, SAHBA, and the MPA.

Ms. Gavin answered there was one group meeting and some individual meetings.

Council Member Kozachik stated the updated impact fee table represented the upper limit and asked if that was assuming everyone agreed on the methodology.

Ms. Ewing-Gavin answered this was correct.

Council Member Kozachik asked if the netting out of the valuation of assets for parks, police, and fire by deducting COPs was because staff recognized them as a debt encumbrance on those assets.

Ms. Ewing-Gavin answered this was correct and outstanding bond debt had been removed and COPs were added to the studies.

Mr. Rankin clarified under the statutory language there had to be an acknowledgement of contribution coming from other sources with respect to the valuation of those assets. He said they believed the definition in statutes for impact fees as to what contribution you had to take into consideration, assessments and taxes; staff believed COPs needed to be factored in as well.

Council Member Kozachik stated there had been discussions on the need for sidewalks and in the materials, it cited *A.R.S.* stating that fees may not be used for upgrading, updating, or expanding to meet a level of service beyond the existing development. He said, if the City was going to expand the use of impact fees to add sidewalks in areas beyond the existing level of service, how would that be dealt with in the Statutes.

Mr. Rankin answered two things had to be looked at most carefully, because of the limitation in the statutory framework with respect to not using impact fees to enhance services rather than to provide services at the same level as existing levels of service, but also to use the revenues to address the impact of new development. He said he thought in the case of sidewalks staff needed to make sure they were in compliance with the statutory limitation.

Council Member Kozachik stated in the streets infrastructure plan it said the City had proposed to fund deficiencies with impact fees and asked if this was the same point that needed to be reconciled. He said he had the same issue with respect to the proportional share. He asked if staff would reconcile the different growth projections throughout the City and spread the cost throughout the City where the growth occurred.

Mr. Rankin answered yes.

Council Member Kozachik clarified that parks fees would continue to apply to new residential development only and was not a change but something the City had done consistently in the past.

Ms. Ewing-Gavin answered yes.

Mr. Rankin answered this was correct and clarified under the new statute there was a provision when assessing impact fees, impact fees must be assessed against all the different categories of development. He said the statute still allowed discrimination between the amounts of the impact fees in individual categories for each type of development. He clarified what was proposed was not a change from the current structure.

Council Member Kozachik stated the Statutes called for a change.

Mr. Rankin clarified the City was charging development fees against all categories of development. He said staff needed to look into whether non-residential development should be charged a nominal fee with respect to the parks impact fee.

Council Member Kozachik referenced Mr. Froelich's statement about police and fire facilities replacement costs. He asked if common ground could be found using the assessed valuation of each structure and setting it as a cap for which impact fees applied.

Mr. Rankin explained assessed valuation would not work because the discussion was of replacement costs in the facilities. He said he believed a compromise could be made regarding the valuation of the individual buildings.

Council Member Kozachik asked about the different types of "things" discussed, parks, golf courses, splash pads, etc., as necessary public service and if these items needed to be closer looked at in terms of what was being charged.

Mr. Rankin stated it was a consistent theme throughout the comments and staff would be reviewing the definition of "necessary public service" to ensure that City was in compliance.

Council Member Kozachik asked about the timeline necessary to meet the December 23, 2014 deadline.

Ms. Ewing-Gavin stated over the next three weeks an agreement would be reached with the stakeholders. She said staff would make some changes for approval at the August 5, 2014 Mayor and Council meeting. She advised to meet the deadline, the Mayor and Council needed to approve the reports on August 5, 2014.

Council Member Romero asked who the stakeholders were in the process.

Ms. Ewing-Gavin said the stakeholders were those who expressed the most interest or those paying the fees and the organizations representing them, as well as the residents of the City.

Council Member Romero wanted to make sure the stakeholders included community groups and community members, such as the Living Streets Alliance, the Pedestrian Advisory Committee, and various neighborhood groups. She said she felt they needed to be kept in the loop because it was the future of Tucson. She expressed disappointment despite having three years to address the issue and that there would be several months when the City would not charge impact fees, losing several million dollars. She also said it was important to take the sidewalk expansion project seriously because Tucson had two thousand six hundred miles without sidewalks. She expressed pleasure over the plan for parks.

Mayor Rothschild stated he was looking for a legal opinion from the Attorney, but the Statute was very clear, new development should pay for required infrastructure. He said competitive fees had to be balanced against what was required for quality infrastructure. He said he believed a good quality infrastructure would lead to a better product, a better price for the home builders, and a better community.

Council Member Scott said she was interested in knowing what staff would do if an area voted not to have sidewalks.

The motion carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to proceed with staff's recommendation incorporating all comments including the importance of providing affordable housing and the necessary infrastructure for the community, keeping the best interest of the homebuyer in mind, ensuring the policies adopted do not conflict with the plan, and review of the study based on the action requests provided by Development Planning & Financing Group (DPFG), incorporate all comments also and include stakeholders.

**3. PUBLIC HEARING: AMENDMENT TO THE PIMA COUNTY BOND IMPLEMENTATION PLAN ORDINANCE TO ADD THE PAINTED HILLS PROPERTY TO THE LIST OF PROPERTIES ELIGIBLE TO PURCHASE**

Mayor Rothschild announced City Manager's communication number 205, dated June 30, 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 Amendment to the Pima County Bond Implementation Plan Ordinance to Add Painted Hills Property to the List of Properties Eligible to Purchase.

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

The following individuals spoke at the public hearing:

Carolyn Campbell, Coalition for Sonoran Desert Protection, spoke in support of the Painted Hills Bond Ordinance Amendment.

Ed Verburg, Community Water Coalition and past president of the Tucson Mountains Association, expressed his support of the Painted Hills Property Bond Ordinance Amendment.

Gayle Hartmann spoke in favor of the Painted Hills Property.

Matt Clark, Tucson Audubon Society, spoke in support of the Painted Hills Acquisition and Preservation and encouraged the City Council to vote yes on the Resolution.

Bob Gilby, Tucson Mountains Association President, spoke in support of the Painted Hills Property.

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

Mayor Rothschild asked the City Clerk to read Resolution 22253 by number and title only.

Resolution No. 22253 relating to Parks and Recreation; requesting the Pima County Board of Supervisors to amend Pima County Ordinance 2004-18, the Bond Implementation Plan Ordinance for the May 18, 2004 bond election to add the Painted Hills property to the list of properties eligible to purchase under projects OS1.15 Agua Caliente and Brawley Wash, OS1.16 36<sup>th</sup> Street Corridor and Valencia, and OS1.17 Habitat at 36<sup>th</sup> and Kino; and declaring an emergency.

Council Member Romero expressed the importance of preserving the Painted Hills Property and the open space for Tucsonans. She acknowledged the big step the City and citizens took in supporting the Painted Hills Property. She summarized what was accomplished to preserve the Painted Hills in 1997 and 2004. She said she was glad the Mayor and Council made the purchase to preserve the Painted Hills Property.

It was moved by Council Member Romero, duly seconded, to pass and adopt Resolution 22253.

Council Member Uhlich congratulated Vice Mayor Cunningham and Council Member Romero for their leadership in the call for reconsideration during the process. She also thanked Katie Bolger, Ward 2 Chief of Staff, and Tamara Prime, Ward 3 Chief of Staff, for their work to ensure the preservation of this land.

Vice Mayor Cunningham acknowledged the hard work of Chris Avery, Tucson Water Deputy Director, who won the case that allowed the City to choose where to provide water. He thanked staff and the members of the community who helped make it happen.

Council Member Kozachik agreed with Vice Mayor Cunningham and thanked staff. He asked if the bond failed the following year would the County still be responsible for their portion of the \$3.5 million and if the sale would still go through.

Michael Rankin, City Attorney, answered this was correct.

Council Member Kozachik asked where the language was in the ordinance guaranteeing the land would be preserved as open space.

Mr. Rankin explained it would be accomplished at a later date as part of the transaction itself and this ordinance would clear the path for the county to amend the bond ordinance. He stated the purchase for open space would require the County to preserve it for that purpose in perpetuity.

Council Member Scott expressed appreciation for the cooperation between the City and the community to achieve a positive result.

Council Member Romero expressed thanks to Mr. Rankin and Mr. Avery for what was accomplished with their help. She also thanked Diana Rhodes and Mac Hudson, former members of the Ward 1 staff.

Resolution 22253 was declared passed and adopted by a roll call vote of 6 to 0 (Council Member Fimbres absent/excused).

**4. MAYOR AND COUNCIL: PROCESS FOR RECRUITING AND SELECTING THE CITY MANAGER**

Mayor Rothschild announced City Manager's communication number 204, dated June 30, 2014, was received into and made part of the record. He said staff wanted to make a brief presentation before beginning the public hearing.

Michael Rankin, City Attorney, stated information was provided with respect to services and anticipated cost on an executive search firm and what the search entailed for the recruitment and selection process for a new City Manager. Additional information provided was the profile and recruitment flyer used the last time recruitment for a City Manager was conducted in 2012 to be used as a template. He requested direction from the Mayor and Council in order to move expediently through the process as to which firm should be hired so that a representative could be brought back as early as July 8, 2014 to receive input from the Mayor and Council on the desired process and candidate profile.

Council Member Kozachik asked if Mr. Rankin wanted direction or if it had to be handled through Procurement.

Mr. Rankin answered it was acceptable if the Mayor and Council were comfortable giving direction. The information provided was for six vendors who were already on the City's list. He advised previously the City had utilized the services of Bob Murray and Associates.

Mayor Rothschild clarified the City utilized Bob Murray and Associates in 2012 and at that time the Mayor and Council essentially said they could develop the profile. If that was eliminated from the "menu," then Mr. Murray's price would be less than any other firms and very reasonable. He said he had experience with Mr. Murray when Richard Miranda was hired as the City Manager.

Mayor Rothschild also commented he had the opportunity to work with Mr. Murray when the Regional Transportation Authority (RTA) chose Farhad Moghimi as their Director. He stated that was a far more complex national search with quite a few good candidates. He said he did not know much about the other firms on the list, but liked the idea of going with someone who had worked out in two prior incidences. He suggested that if Mr. Murray was selected, he could meet individually with each of the Council Members to receive their input on what they were looking for including in the candidate profile.

Council Member Uhlich supported Mayor Rothschild's recommendation of hiring Bob Murray and Associates and wanted community input regarding developing a candidate profile. She stated it would be an important step and a good opportunity to engage the community.

Council Member Romero summarized the information provided by Tucson Residents for Responsive Government (TRRG) regarding the community profile which included areas of need; poverty levels and urban stress, to be included in the candidate profile. She said she wanted to see how the compensation of the City Manager compared to other cities of similar size, and a timeline for the process. She requested extensive advertising with a focus on the diversity of the applicants, ensuring that the candidate resides within the City of Tucson limits, and information on how community input would be obtained.

Mayor Rothschild reiterated that the Council's task for the evening was to direct staff on the use of an Executive Search firm, the process to select the firm and the scope of the recruitment process.

It was moved by Council Member Scott, duly seconded, to select Bob Murray and Associates as the Executive Search Firm and begin fee negotiations.

Council Member Scott asked if the Mayor and Council wanted to allow the hired City Manager to bring an employee with them to serve as their second in command.

Council Member Kozachik asked if staff needed direction on the scope or just on the Executive Search Firm to be used.

Mr. Rankin replied that the way he saw it moving forward, if the Mayor and Council approved the motion, was for the Council to have the full benefit of the expertise of the firm in making all of the decisions necessary by meeting individually with everyone to understand what the expectations were and building those in to all of the other services moving forward.

Council Member Kozachik stated he did not see a need to increase the cost of services by creating a position brochure. He said the candidate screening was important for the firm to do. He stated for the semi-finalist panel interviews, he wanted the Mayor and Council to be the ones to select those individuals; two to three people per Ward office and the Mayor. He expressed concern over the stakeholders involved in the meets and greets.

Mr. Rankin replied the Mayor and Council had complete control over the process as far as determining level of citizen involvement or what the stakeholder's process would be. He suggested by selecting a recruiting firm early in the process their expertise would be utilized in making those decisions.

Council Member Kozachik as Mr. Miranda, City Manager, who the stakeholders were when he went through the process in 2012.

Richard Miranda, City Manager, clarified the interview process he had participated in involved interviews with Mr. Murray and the Mayor and Council. He stated that in the process to be hired as Chief of Police, the interviewing stakeholders were expert panels who articulated specific problems or issues related to policing or community groups with different issues within the community. He advised he had been through two different processes and each was just as strenuous as the other and a unique experience, but the diversity, in terms of the stakeholder groups were divided into an expert panel, community panel, and the Mayor and Council.

Council Member Kozachik expressed further concerns. He said presumably, if Bob Murray and Associates was selected, subsequent to that, a fee would be negotiated. He stated that in order to negotiate a fee, further input from the Mayor and Council was required. He asked when Bob Murray and Associates would be engaged to focus the scope of what they would be asked to do.

Mr. Rankin stated if the motion passed, staff would engage Bob Murray and Associates, have the firm come out to get input from the Mayor and Council and discuss the fee based on services needed.

Mayor Rothschild clarified Mr. Rankin hoped a firm would be chosen and brought in before July 8, 2014.

Mr. Rankin answered this was correct.

Council Member Kozachik asked if the role of the stakeholders and community groups would be determined at the July 8, 2014 Mayor and Council meeting.

Mr. Rankin stated it would include stakeholder or citizen involvement and determine what would work best regarding all of the issues, including confidentiality. He said staff was not requesting direction on the scope yet.

Vice Mayor Cunningham asked for confirmation that the vote was to retain Bob Murray and Associates, and decide what steps would be incorporated into the hiring process.

Mayor Rothschild confirmed this was correct.

Mr. Rankin explained the motion was to retain Bob Murray and Associates and have them come back to the Mayor and Council to determine what the hiring process would be.

Vice Mayor Cunningham asked if meeting with a Bob Murray and Associates representative had to be done in executive session, a public meeting, or individually.

Mr. Rankin stated July 8, 2014, was a public meeting where the Mayor and Council would interact with a firm representative. He said he also expected the Mayor and Council would be contacted by the firm for their individual input on the hiring process and the position profile so the representative would have an idea of what the Mayor and Council wanted.

Council Member Kozachik asked if the evening's vote should not be to hire Bob Murray and Associates; but to engage the Mayor and Council in the negotiation process.

Mr. Rankin stated Bob Murray and Associates was already on contract with the City and the vote would be to select them as the preferred vendor and later negotiate a fee.

The motion to retain Bob Murray and Associated as the Executive Search Firm and begin fee negotiations was carried by a voice vote of 6-0 (Council Member Fimbres absent/excused).

**5. EXECUTIVE SESSION – SANCHEZ V. CITY OF TUCSON, ET AL., UNITED STATES DISTRICT COURT CASE NO. CV-14-01903-TUC-JGZ**

Deborah Rainone, Chief Deputy City Clerk, announced the Executive Session was being held pursuant to A.R.S. §§ 38-431.03(A)(3) and 38-401.03(A)(4).

Mayor Rothschild announced City Manager's communication number 203, dated June 30, 2014, was received into and made part of the record. He asked for a motion to go into Executive Session.

It was moved by Council Member Uhlich, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to enter into Executive Session for Item 5 as noticed in agenda.

**RECESS: 8:05 p.m.**

**RECONVENE: 8:58 p.m.**

(Executive Session was held from 8:11 p.m. to 8:48 p.m.)

It was moved by Council Member Romero, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to return to open session.

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	Vice Mayor, Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Steve Kozachik	Council Member Ward 6
Jonathan Rothschild	Mayor

Absent/Excused:

Richard G. Fimbres	Council Member Ward 5
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Staff Members Present:

Richard Miranda	City Manager
Michael Rankin	City Attorney
Deborah Rainone	Chief Deputy City Clerk

**6. MAYOR AND COUNCIL DIRECTION RELATING TO EXECUTIVE SESSION – SANCHEZ V. CITY OF TUCSON, ET AL., UNITED STATES DISTRICT COURT CASE NO. CV-14-01903-TUC-JGZ**

Mayor Rothschild announced City Manager's communication number 206, dated June 30, 2014, was received into and made part of the record.

It was moved by Council Member Scott, duly seconded, and carried by a voice vote of 5 to 1 (Council Member Fimbres absent/excused and Vice Mayor Cunningham dissenting), to proceed as discussed in Executive Session.

**7. ADJOURNMENT:** 9:06 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, July 8, 2014, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

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MAYOR

ATTEST:

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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 30th day of June 2014, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

RWR:ms:dd