



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on January 24, 2017.

Date of Meeting: May 17, 2016

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 5:39 p.m., on Tuesday, May 17, 2016, 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	Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Vice Mayor, Council Member Ward 6 (arrived at 5:48 p.m.)
Jonathan Rothschild	Mayor

Absent/Excused:

None

Staff Members Present:

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

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Pastor Brian Goodall, 4Tucson, after which the Pledge of Allegiance was presented by the entire assembly.

Presentations:

- a. Mayor Rothschild proclaimed May to be “Better Hearing Month.” Dr. Janis Gasch, Arizona Hearing Specialists, accepted the proclamation
- b. Mayor Rothschild proclaimed May to be “Mental Health Awareness Month.” Greg Taylor, Cenpatico Integrated Care, accepted the proclamation
- c. Mayor Rothschild presented the Tucson Parks and Recreation Commission Awards.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 146, dated May 17, 2016, 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 Council Members Romero, Cunningham, Scott 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 147, dated May 17, 2016, 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 Michael J. Ortega, City Manager. 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 148, dated May 17, 2016, 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. Starbucks Coffee #8901, Ward 2
9525 E. Old Spanish Trail #113
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 30-16
Action must be taken by: May 19, 2016

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

2. AM Vet's Post #107, Ward 5
2308 S. Park Ave.
Applicant: James Edwin Smith
Series 14, City 31-16
Action must be taken by: May 19, 2016

Planning & Developments Services Department and Revenue Division- Investigations have indicated the applicant is in compliance with city requirements.

Tucson Police Department has indicated the applicant is not in compliance with city requirements.

This application was withdrawn at the request of the applicant.

3. Baja Cafe, Ward 3
2970 N. Campbell Ave.
Applicant: Kimberly R. Scanlan
Series 12, City 33-16
Action must be taken by: May 29, 2016

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

4. Dillinger Brewing Company, Ward 3
3895 N. Oracle Rd., Suites #A & #B
Applicant: Thomas Robert Aguilera
Series 3, City 35-16
Action must be taken by: May 29, 2016

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

5. O Sushi, Ward 6
4689 E. Speedway Blvd.
Applicant: In Suk Park
Series 12, City 36-16
Action must be taken by: May 29, 2016

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

6. Argen Distribution, Ward 2
140 S. Camino Seco #404
Applicant: Kevin Arnold Kramber
Series 4, City 39-16
Action must be taken by: May 29, 2016

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

7. Sushi Fresh Pho, Ward 2
7159 E. Broadway Blvd.
Applicant: Duoc Le
Series 12, City 40-16
Action must be taken by: May 28, 2016

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

8. Murphys Public House, Ward 2
140 S. Kolb Rd.
Applicant: Thomas Robert Aguilera
Series 6, City 41-16
Action must be taken by: June 2, 2016

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

Public Opinion: Written Argument Opposed Filed

This item was considered separately.

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)

9. Plaza Liquors, Ward 3
2642 N. Campbell Ave.
Applicant: Mark Robert Thomson
Series 7, City 37-16
Action must be taken by: May 26, 2016

Tucson Police Department and Planning & Development Services Department have indicated the applicant is in compliance with city requirements.

Revenue Division-Investigations and City Clerk's office have indicated the applicant is not in compliance with city requirements.

This item has been continued at the request of the applicant.

10. Plaza Liquors, Ward 3
2642 N. Campbell Ave.
Applicant: Mark Robert Thomson
Series 9, City 38-16
Action must be taken by: May 26, 2016

Tucson Police Department and Planning & Development Services Department have indicated the applicant is in compliance with city requirements.

Revenue Division-Investigations and City Clerk's office have indicated the applicant is not in compliance with city requirements.

This item has been continued at the request of the applicant.

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)

11. CVS/Pharmacy #10742, Ward 1
2385 N. Silverbell Rd.
Applicant: Jason Barclay Morris
Series 9, City 32-16
Action must be taken by: May 20, 2016

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. Patronato de Kino, Ward 5
4823 S. 6th Ave.
Applicant: Oscar Humberto Stevens
City T48-16
Date of Event: June 18, 2016
(Fundraiser)

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

2. Tucson Advertising Federation Educational Foundation, Ward 1
140 N. Main Ave.
Applicant: James Rowley
City T53-16
Date of Event: May 19, 2016
(Charity Fundraiser)

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

d. Agent Change/Acquisition of Control/Restructure

1. Lindy's Diner, Ward 6
431 N. 4th Ave.
Applicant: Thomas Robert Aguilera
Series 12, City AC6-16
Action must be taken by: June 2, 2016

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

NOTE: The local governing body of the city, town or county may protest the acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control. (A.R.S. Section 4-203.F)

It was moved by Vice Mayor Kozachik, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1, 5b3 through 5b7, 5b11, 5c1 through 5c2, and 5d1 to the Arizona State Liquor Board with a recommendation for approval.

5. LIQUOR LICENSE APPLICATIONS

c. Liquor License Application(s)

New License(s)

8. Murphys Public House, Ward 2
140 S. Kolb Rd.
Applicant: Thomas Robert Aguilera
Series 6, City 41-16
Action must be taken by: June 2, 2016

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

Public Opinion: Written Argument Opposed Filed.

Roger W. Randolph, City Clerk, announced the item to be considered separately was item 5b8, Murphys Public House, located in Ward 2.

Council Member Cunningham asked if Mr. and Mrs. Harrison were in attendance, there was no answer. He said the area where this bar was being proposed was in an area that has had a bar for the last 30 years. He continued stating that about eighteen months ago the bar adjacent to it subsequently closed down. He indicated they were in compliance, and was an area where there was activity already through the night and he was inclined to recommend the application for approval.

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license application 5b8 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 at this meeting. 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:

Cody Ritchie	Suzanne Schafer	Mari Guillen
Bill DuPont	Mary DeCamp	Lena Rothman
Ryan De Joe	Julie Kosies	Jim Thomas
Ruth Beeker	Robert L. Melvin	Jeremy Bow
Max Eklund		

Mayor Rothschild asked staff to include Mr. DuPont’s comments in the recommendations to the Mayor and Council regarding “Red Tags” and Group Dwellings.

Council Member Fimbres requested staff to look into Mr. Thomas’ concerns.

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

7. CONSENT AGENDA – ITEMS A THROUGH N

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 MAY17-16-149 CITY WIDE
 2. Mayor and Council Regular Meeting Minutes of October 20, 2015
- b. INTERGOVERNMENTAL AGREEMENT: WITH ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS) FOR FEDERAL MATCHING FUNDS FOR UNINSURED COSTS AT TUCSON MEDICAL CENTER
1. Report from City Manager MAY17-16-162 CITY WIDE
 2. Resolution No. 22569 relating to Intergovernmental Agreements (IGAs); approving an IGA between Arizona Health Care Cost Containment System Administration (AHCCCS) and the City of Tucson (City) to allow the City to provide funding to secure federal matching funds for uninsured costs at Tucson Medical Center (TMC); and declaring an emergency.
- c. FINANCE: AUTHORIZING THE SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2016
1. Report from City Manager MAY17-16-163 CITY WIDE
 2. Resolution No. 22562 relating to Real and Personal Property; authorizing the execution and delivery of amendments to Lease-Purchase Agreements, Depository Trust Agreement and a Continuing Disclosure Undertaking; acknowledging and approving the execution of a Certificate Purchase Agreement and amendments and supplements to a Declaration of Irrevocable Trust and the sale and delivery of one or more series of Refunding Certificates of Participation in the Lease-Purchase Agreements pursuant thereto; and declaring an emergency.
- d. FINANCE: SALE OF GENERAL OBLIGATION BONDS, SERIES 2012-D (2016) AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016
1. Report from City Manager MAY17-16-164 CITY WIDE
 2. Ordinance No. 11351 an Ordinance relating to Finance; authorizing the issuance and sale of (I) City of Tucson, Arizona, General Obligation Bonds, Series 2012-D (2016), as tax-exempt or taxable bonds, in a principal amount not to exceed \$20,000,000 and (II) City of Tucson, Arizona, General Obligation Refunding Bonds, Series 2016, as tax-exempt or taxable bonds, in a principal amount not to exceed \$30,000,000 (collectively, the "Series 2016 Bonds"); providing for sale thereof and the levy and collection of ad valorem taxes for the payment of the principal of and interest on the Series 2016 Bonds; providing for the application of a portion of the proceeds therefrom for the acquisition and construction of

certain municipal improvements and the refunding of the bonds to be refunded and for the payment of principal and interest thereon; providing certain terms, covenants and conditions relating to the Series 2016 Bonds; authorizing the execution and delivery of a Depository Trust Agreement and appointing a Depository Trustee with respect to the bonds to be refunded; authorizing the execution and delivery of a Bond Purchase Agreement and a continuing disclosure undertaking with regard to the Series 2016 Bonds; appointing a Bond Registrar, Transfer Agent and Paying Agent for the Series 2016 Bonds; authorizing the preparation and delivery of an official statement with respect to the Series 2016 Bonds; and declaring an emergency.

e. FINANCE: PROPOSED SALE OF WATER SYSTEM REVENUE OBLIGATIONS, SERIES 2016

1. Report from City Manager MAY17-16-165 CITY WIDE
2. Ordinance No. 11352 an Ordinance relating to Finance: authorizing the Finance Director of City of Tucson, Arizona, to cause the sale and execution and delivery pursuant to an obligation indenture of Water System Revenue and/or Revenue Refunding Obligations, Series 2016, evidencing proportionate interests of the holders thereof in installment payments of the purchase price to be paid by the City of Tucson, Arizona, pursuant to a Series 2016 City Purchase Agreement; authorizing the completion, execution and delivery with respect thereto of all agreements necessary or appropriate for the refinancing or financing of costs of acquiring improvements to the storage, treatment and distribution facilities of the water system of the City and related financing costs including the delegation to the Finance Director of certain authority with respect thereto and including with respect to such refinancing authorization of the execution and delivery of a Depository Trust Agreement with respect to certain obligations to be refunded; authorizing the preparation and delivery of an Official Statement with respect to such Series 2016 Obligations; ordering the sale of such Series 2016 Obligations; authorizing the execution and delivery of a Continuing Disclosure Undertaking with respect to such obligations; authorizing the Finance Director to expend all necessary funds therefor and declaring an emergency.

f. FINAL PLAT: (S16-006) BROADWAY FESTIVAL, LOTS 1 THROUGH 3

1. Report from City Manager MAY17-16-151 WARD 6
2. Staff recommends that the Mayor and Council approve the final 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.

- g. FINAL PLAT: (S15-048) EL RANCHO BUNGALOWS, BLOCK 1
 - 1. Report from City Manager MAY17-16-152 WARD 6
 - 2. Staff recommends that the Mayor and Council approve the final 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.

- h. FINAL PLAT: (S13-036) HACIENDAS AT WRIGHTSTOWN, LOTS 1 THROUGH 12
 - 1. Report form City Manager MAY17-16-153 WARD 2
 - 2. Staff recommends that the Mayor and Council approve the final 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.

- i. FINAL PLAT: (S16-001) ESPERANZA EN ESCALANTE VETERANS HOUSING, LOTS 1 AND 2
 - 1. Report from City Manager MAY17-16-158 WARD 4
 - 2. Staff recommends that the Mayor and Council approve the final 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.

- j. SURPLUS PROPERTY: DONATION OF AN AERIAL BUCKET TRUCK TO THE CITY OF SOUTH TUCSON
 - 1. Report from City Manager MAY17-16-154 CITY WIDE

- k. REAL PROPERTY: ACQUISITION OF WATER EASEMENTS FOR PROPOSED WATER INFRASTRUCTURE LOCATED IN THE VICINITY OF INA ROAD AND I-10
 - 1. Report from City Manager MAY17-16-155 OUTSIDE CITY
 - 2. Resolution No. 22567 relating to Real Property and Tucson Water; authorizing the City Manager to acquire by negotiation, and the City Attorney to condemn if necessary, certain water easements for proposed water infrastructure on property located in the vicinity of Ina Road and the I-10 traffic interchange; and declaring an emergency.

1. SETTLEMENT AGREEMENT: WITH THE UNITED STATES AIR FORCE REGARDING COMPENSATION FOR DIOXANE REMEDIATION COSTS
 1. Report from City Manager MAY17-16-167 CITY WIDE AND OUTSIDE CITY
 2. Resolution No. 22568 relating to Tucson Water; authorizing and approving execution of a Settlement Agreement between the United States Air Force and the City of Tucson regarding compensation to the City of Tucson for dioxane remediation; and declaring an emergency.

- m. AGREEMENT AMENDMENT: WITH FRIENDS OF TUCSON'S BIRTHPLACE AND PIMA COUNTY FOR DEVELOPMENT, OPERATION AND MAINTENANCE OF THE MISSION GARDEN
 1. Report from City Manager MAY17-16-173 WARD 1
 2. Resolution No. 22572 relating to Parks; authorizing and approving Amendment No. 1 to the Agreement for the Development, Operation, and Maintenance of Mission Garden between Pima County, the City of Tucson and Friends of Tucson's Birthplace; and declaring an emergency.

- n. FINAL PLAT: (S16-018) CARLTON CIRCLE HOMES, LOTS 1 THROUGH 8
 1. Report from City Manager MAY17-16-174 WARD 3
 2. Staff recommends that the Mayor and Council approve the final 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.

(NOTE: Vice Mayor Kozachik departed at 6:45 p.m. and returned at 6:47 p.m.)

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

8. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 15) RELATING TO CHANGES IN RESIDENTIAL AND COMMERCIAL COLLECTION AND DISPOSAL FEES AND SERVICES

Mayor Rothschild announced City Manager's communication number 161, dated May 17, 2016, 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 proposed changes to Environmental Services fees and services. He said the public hearing was scheduled to last for no more than one hour and speakers were limited to five minute presentations.

Kristin Ginter spoke in support of the changes in residential and commercial collection and disposal fees and services and Margot Garcia spoke in support of the recycling surcharge.

Ruth Beeker and Donald Ijams spoke in opposition to the changes in residential and commercial collection and disposal fees and services.

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

Roger W. Randolph, City Clerk, announced the City Manager's recommendation was for the Mayor and Council to provide direction to staff on which fees they would like to bring forward.

Mayor Rothschild named off the five different fees; Recycling Surcharge, Groundwater Protection Fee, Commercial Collection, Guaranteed Annual Tonnage, and Community Services Fee.

Council Member Cunningham stated he wanted to talk about the annual tonnage since it was the one he had the most concerns with. He asked how many carriers were qualified to dump one hundred fifty-two thousand tons into the City's landfill.

Pat Tapia, Environmental Services Interim Director, stated there was currently one eligible carrier at this time.

Council Member Cunningham asked if there was another carrier at one hundred forty thousand tons.

Mr. Tapia responded there was one at forty thousand, and it went by tiers, and there was a table.

Council Member Cunningham stated he had seen the table and asked how the City avoided the gift clause for that. He stated the City was basically giving this deal of seventeen dollars a ton to one company.

Michael Ortega, City Manager, answered there was no gift simply because the tonnage was guaranteed. He said when the analysis was complete, from a business stand point that was the cost recovery for the guarantee of tonnage. He stated the difficulty with smaller providers was that they could not guarantee that level of participation of tonnage.

Council Member Cunningham clarified that with a company that guaranteed the tonnage, they were incentivized to pay seventeen dollars for one hundred fifty-two thousand tons. He asked if that amount was paid up front and if every ton was actually counted.

Mr. Tapia, replied, “no, the amount was not paid up front.” He said it was billed monthly as the tons were brought in, they got charged the disposable tonnage rate. He said every ton was actually counted.

Council Member Cunningham then asked why the City would incentivize somebody to fill up the landfill and discourage recycling.

Mr. Tapia replied it was not an incentive to fill the landfill but an incentive to bring disposal tons to the landfill which was at a rate the City could continue to do operationally. He commented that when disposal rates were done, they looked at future capitals, full cost recovery and how things could be done to function operationally and cover costs. He said it was not a matter of filling the landfill and as far as cost, it was only saving about two years with regards to the sixty year plan for the landfill.

Council Member Cunningham then asked why the City created a tier at seventeen dollars and another tier at a dollar lower which was twelve thousand tons more, when they could have just stopped at one hundred forty thousand tons.

Mr. Tapia responded it was to increase tonnage. What they were talking about was a very large corporation that could start a transfer station if they wanted to and the tonnages would leave Tucson.

Council Member Cunningham asked, for clarification, that the City would be in danger of losing all of the business if rates were raised on that business.

Mr. Tapia indicated that was correct.

Mr. Ortega said the number of tons, on an annual basis over the life of the landfill, was how costs could be spread out. He stated by having the guarantee of tonnage, costs for all users could be spread out which ultimately benefited the residents of the community. He said that was basically the analysis and when staff went through this conversation some time ago, the same challenges that Council Member Cunningham was suggesting were made. He said staff ran the numbers and if the tonnages from the model were excluded, rates would go up as did the price per unit. He commented that the landfill was extremely capital intensive and there were a lot more fixed costs than there were variable costs on an annual basis.

Council Member Cunningham asked how many years were being guaranteed at this cost.

Mr. Tapia stated the guarantee was to year 2020 with a five year extension to 2025.

Council Member Cunningham reiterated the time line and asked if the guarantee was not extended to 2025 would they walk.

Mr. Tapia stated they would honor the contract to 2020 but would begin building their own transfer station.

Council Member Cunningham stated that the City's biggest issue was that the company could build their own transfer station. He asked where the City thought they would build it and how much would it cost.

Mr. Tapia answered that was something the company would have to answer.

Council Member Cunningham stated that was information he wanted to have before he agreed to enter into a long term agreement that basically gave them the benefits that none of the little guys who had twenty, thirty pulls a year and were paying forty-two dollars a ton and these guys, because they were filling up the landfill were paying sixteen dollars a ton. He said he appreciated they were partners with the City, and the City gave them a break or discount, but he was uncomfortable with guaranteeing them another five years now with this conversation only. He said this was news to him and if the City was going to make a long term \$2.3 million agreement with another corporation then he needed to have someone come to his office and explain to him why. He stated he would not vote for the item.

Mayor Rothschild asked for clarification that in the City Manager's recommendation, he was asking the Mayor and Council to direct staff as to which fees and services to incorporate for Fiscal Year 2017 within the *Code*. He said staff would then return on June 21, 2016 for final adoption of the *Code*. He asked the Mayor and Council their thoughts on any of the other four areas.

Vice Mayor Kozachik stated he was in agreement the Environmental Services Advisory Committee (ESAC) on the Community Service fee for a few reasons. He said he had been asking staff to bring back examples on how the City could increase the charges for code violators. He asked if that information could be provided prior to June 21, 2016. He said he also wanted to know the impact to Winterhaven, who was on their own well, and multi-family housing units who were using commercial providers; would they be included in the entire conversation as well.

Council Member Romero wanted to add her voice to the Community Service fee. She said she thought it was wrong and should be called Clean City Fee, since Code Enforcement and Graffiti Abatement were such an important part of keeping the City clean. She said the Clean City Fee could potentially be used for other uses or needs the City had. She said she wanted to know what the return on investment was for customers; what they were getting for their investment, was it more Code Enforcement Officers, or a new system for current officers.

Mayor Rothschild asked the City Manager if the Community Service Fee was not part of the recommended budget for this year.

Mr. Ortega agreed that the fee was not part of the budget. He said the idea was to bring it forward for conversation at a later date for a clean city fee.

Council Member Romero restated that the conversation with the Mayor and Council regarding the Clean City Fee was not part of this year's budget.

Mr. Ortega answered that was correct.

Mayor Rothschild stated he had given this a lot of thought and to get more services, there had to be more money. He said he agreed with Council Member Romero that it should be called Clean City because it was separate from Environmental Services. He said everyone knew that code enforcement was thinning and the solution was going to have to be more funds. He stated the City Manager had asked for what he wanted to bring back for the budget. He asked for a motion on coming back with the recycling surcharge, groundwater protection fee, and commercial collection fee.

It was moved by Council Member Scott, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to return on June 21, 2016, with the proposed rates for the recycling surcharge, groundwater protection fee and commercial collection fee.

Mayor Rothschild commented on the guaranteed annual tonnage and confirmed that all of the other items had been previously discussed. He asked if staff could come back sometime before June 21, 2016, and have the department head or appropriate person come to the council offices and discuss the analysis to give everyone a better chance for discussion.

Mr. Ortega stated it would work and suggested if there was a need they could come back on June 7, 2016 for discussion as a group and they would be briefed individually and educated on what the thoughts were. He suggested it be brought back on June 21, 2016.

Council Member Cunningham interjected saying Allied Republic was a reputable company, there was no question of that. He stated that a six year contract could not be guaranteed in the blind and staff needed to do better than that.

It was moved by Vice Mayor Kozachik, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to return on June 21, 2016, with the proposed guaranteed annual tonnage fee.

Mayor Rothschild stated the community service fee was essentially resolved so there was no need for a motion on that item. He asked for clarification that the guaranteed annual tonnage was not for this year's budget since there was a current contract in place.

Mr. Ortega indicated the contract was already in place and was for a few more years. He said the request from the company was to extend the contract because they

were looking for some significant capital investments. He stated staff would bring back that information for discussion and the Mayor and Council could give direction then.

9. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 27) RELATING TO AN INCREASE IN WATER RATES FOR FISCAL YEARS 2017 AND 2018

Mayor Rothschild announced City Manager's communication number 169, dated May 17, 2016, 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 proposed increase to water rates. He said the public hearing was to last for no more than one hour and speakers were limited to five-minute presentations.

Mark Day spoke and gave his comments in regards to the increase in water rates.

Mayor Rothschild asked staff if they wanted to make a brief statement.

Timothy Thomure, Tucson Water Department Director, indicated they had four town halls over the past weeks, where they took feedback from the public. He stated while nobody was overwhelmingly in favor of increasing rates they acknowledged how funds were being used wisely within the Utility. He said the City was well prepared for shortages on the Colorado River and were in a good position.

Mr. Thomure said in response to the proposal discussed, the Utility had asked for two years to do a very thoughtful look over the rate model, the decisions being made and how revenues and rates were allocated. He said that time was needed to complete a thorough analysis of what were the initial and unintended consequences of any changes the Utility made. He said they were very open to that and were going to be launching that process as soon as the evening's public hearing was complete.

Mr. Thomure stated they were asking for the opportunity to do that in a thoughtful and planned out manner with the Citizen's Water Advisory Committee (CWAC) plugged in throughout the process.

It was moved by Council Member Cunningham, 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 11361 by number and title only.

Ordinance No. 11361 relating to Water; amending certain portions of the Tucson Code, Chapter 27, Water, Article II, Rates and Charges; Section 27-32.1, Monthly reclaimed water service charges; Section 27-33, Monthly potable water service charges; and Section 27-34, Charges for fire protection service for Fiscal Year (FY) 2017 and Fiscal Year (FY) 2018; and setting an effective date.

Council Member Cunningham indicated there had been a lot of thought in his office regarding the proposal. He stated Mr. Thomure had been very responsive to the Ward 2 office about allocating the conservation fee and ensuring they would look at all different options presented. He discussed the differences in the two options presented and stated he wanted to look at the seven cents down the road, especially in the low tier in the next process. He said with Option 2 and the smoothing option, the City was presenting a plan where people knew what was going to happen over the next two years.

It was moved by Council Member Cunningham, duly seconded, to pass and adopt Ordinance 11361, Option 2.

Council Member Romero stated she was going to support the motion due to the small percentage of change to the residential customer. She said it was concerning to her to continue adding to the fixed cost, a cost that was unrelated to usage for every customer. She said the Utility has always had a signaling affect, the more you use, the more you were charged. She said the fixed cost had nothing to do with that but paying the bill.

Council Member Romero requested that staff work with CWAC and other partners in a creative way not a corporate way of ensuring the bill could be paid. She again said she did not support bringing up fixed cost to balance the budget, it hurt working families. She said she thought pushing the low income funding from four hundred thousand dollars to nine hundred twenty-five thousand dollars was much more realistic in terms of what the department used for the low income program. She said she looked forward to further conversations of the future of Tucson Water especially in how it charged the community.

Vice Mayor Kozachik said he agreed with Council Member Romero's comments. He wanted to reiterate a question he had about the costs outlined in the plan; it had mandatory and discretionary costs. He said if the mandatory expenses were split out, it was 5.3% or 5.4% of the seven being discussed. He stated \$2 million of the cost, on the other side, non-mandatory expenses, were for vehicles. He asked why the Utility was not relying on Tucson Area Remediation Project (TARP) fees to pay for the vehicles and reduce the 7% rate increase down to 5.3% or 5.4%.

Mr. Ortega stated there were a few things going on. He said first and foremost the 5.4% was what they knew went up regardless and there was nothing they could do about that. He commented that was what was needed to stay even and those costs were out of the City's control.

Mr. Ortega explained that the other piece was capital investment. He said they did not have the option of moving the capital investment in terms of where it was going to fail. He said what ended up happening was that the City had to fund the capital improvement program on a macro scale, particularly for maintenance. He said those additional costs were where the capital investments needed to be placed.

Mr. Ortega said part of the conversation also included where those same revenues needed to be increased down the road because of the investment in capital. He stated his suggestion on the smoothing and the two years was to give some stability and give staff the opportunity to start planning ahead and looking at that so they did not have to come back each year.

Vice Mayor Kozachik commented he understood. He remarked that Tucson Water was an excellently run department.

Council Member Fimbres stated he knew water was a precious resource for the City and in the valley. He said he agreed with Council Member Romero regarding low income families and asked about some of the low income water programs the City had that could assist them. He also asked how much had been spent in the program and what would be available in the coming years.

Mr. Thomure stated the low income program was budgeted at just under \$1 million dollars. He said that program, through agency partners, had a qualification step. He said, as a City, they had taken some steps to stream-line the process. He said they were taking a proactive approach with Environmental Services to get customers qualified for the program and if qualified for the program it gave a 50% reduction off their bill.

Mr. Thomure said they were also establishing low income opportunities for the water harvesting and rebate programs. He commented the rebate programs had been in existence for a while and range from appliance rebates to water harvesting. As pointed by the Council there was not a good geographic penetration of those programs. He stated as they worked with Council offices on how to approach that, they have worked hard on how to get those into the hands of those who most need it, the low income community.

Mr. Thomure stated commitment was that the Mayor and Council would see improvement in the program over the next couple of years. He said they had the resources and were working on the community partnership in order to mobilize those resources into the parts of the community where most needed.

Council Member Uhlich said the two year process they wanted to engage in with CWAC was important. As for the fixed rate, they were not able to account for the financial benefit to Tucson Water of the conservation programs. She said there were movements around the country to look at conservation as an add water program, and what was stored in Tucson would last longer with every drop of rain that was preserved.

Council Member Uhlich said she thought CWAC, Tucson Water, and the community needed to have that conversation because it was a very substantial financial benefit that was not being factored in. She said as the City conserved, they wanted to raise fixed fees to make the Utility work, but if conservation was not done, then water would have to be bought or added from somewhere and would be very costly. She said she hoped the two year process with CWAC could get to that stage of forward thinking.

Council Member Uhlich said it was a tough call and she wanted to support staff and understood the need for Option 1 in some regards, but also respected that CWAC had given it some good thought. She said in some ways Option 2 drove the City more urgently toward that longer term vision.

Council Member Scott thanked the CWAC committee for their time and effort in bringing the recommendations forward.

Ordinance 11361, Option 2 was passed and adopted by a roll call vote of 7 to 0.

At this time, Council Member Cunningham asked Mayor Rothschild if Item 21 could be taken out of order by judgement of the crowd.

Mayor Rothschild agreed but was interjected by Council Member Romero for Items 17 and 18 to also be taken out of order at which he then retracted and stated there were a lot of people in attendance with important items and have been waiting and did not want to take preference. He said each item was as equally important as were the constituents and continued forward with Item 10.

10. PUBLIC HEARING: BRYSON ANNEXATION DISTRICT

Mayor Rothschild announced City Manager's communication number 156, dated May 17, 2016, 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 proposed Bryson Annexation District located along East Speedway Boulevard, east of Houghton. He said the public hearing was scheduled to last for no more than one hour, and speakers are limited to five minute presentations.

There were no speakers.

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

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to proceed with the Bryson Annexation District.

11. ANNEXATION: DESERT WILLOW ANNEXATION DISTRICT, ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 157, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Ordinance 11357 by number and title only.

Ordinance No. 11357 relating to Annexation; extending and increasing the corporate limits of the City of Tucson, Pima County, Arizona pursuant to the provisions of Title 9, Chapter 4, Arizona Revised Statutes, by annexing thereto the Desert Willow Annexation District Property, more particularly described in the body of this ordinance.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11357.

12. ZONING: (C9-16-04) BOURN – IRVINGTON ROAD, R-1 TO PAD, CITY MANAGER'S REPORT, ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 168, dated May 17, 2016, was received into and made part of the record. He said this was a request to rezone property located just west of Interstate 19 (I-19) at the northwest area of I-19 and Irvington Road, from R-1 to Planned Area Development zoning. He said the Zoning Examiner and staff recommend the ordinance be adopted.

Mayor Rothschild asked the representative if the applicant was in agreement to the proposed requirements.

Keri Silvyn, Lazarus, Silvyn & Bangs, P.C., on behalf of the owner, stated they are in agreement.

Mayor Rothschild asked the City Clerk to read Ordinance 11360 by number and title only.

Ordinance No. 11360 relating to Zoning: amending zoning district boundaries just west of Interstate 19 (I-19) at the northwest area of I-19 and Irvington Road in case C9-16-04, Bourn - Irvington Road, R-1 to PAD; and setting an effective date.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to approve the request as recommended by the Zoning Examiner and pass and adopt Ordinance 11360.

13. ZONING: (SE-15-93) VERIZON – HARRISON ROAD, WIRELESS COMMUNICATIONS FACILITY, C-1 AND R-2 ZONES, SPECIAL EXCEPTION LAND USE, ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 159, dated May 17, 2016, was received into and made part of the record. He said this was a special exception land use request for property located 75 feet west of Harrison Road and 150 feet south of Speedway Boulevard in the C-1 and R-2 zones. He said the Zoning Examiner and staff recommend approval of the special exception land use with conditions.

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

Michelle Lamoureux, Pinnacle Consulting, stated their client was agreeable to the proposed requirements.

Mayor Rothschild asked the City Clerk to read Ordinance 11358 by number and title only.

Ordinance No. 11358 relating to Zoning; a special exception land use - wireless communications facility - SE-15-93 Verizon - Harrison Road - located 75 feet west of Harrison Road and 150 feet south of Speedway Boulevard; approving with conditions the construction of a wireless communication tower with eight antenna panels concealed within an artificial palm tree (monopalm), 60 feet in height, within an approximately 196 square foot lease area in the C-1 and R-2 zone; and setting an effective date.

Council Member Cunningham explained this was set up in a veterinarian's office parking lot and improved the overall reception in the area. He said there was only one protest at which they did not want the monopalm, they only wanted to have the tower. He stated after some discussion the monopalm was the better choice.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11358.

14. ZONING: (C9-15-07) MAINSTREET HEALTH – ROSEMONT BOULEVARD, R-1 TO R-2, CHANGE OF CONDITIONS AND PRELIMINARY DEVELOPMENT PLAN, ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 160, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Ordinance 11359 by number and title only.

Ordinance No. 11359 relating to Zoning: amending zoning district boundaries located at the northeast corner of Rosemont Boulevard and Pima Street in case C9-15-07 Mainstreet Health - Rosemont Boulevard R-1 to R-2; and setting an effective date.

It was moved by Vice Mayor Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11359.

15. TRANSPORTATION: COMMEMORATIVE NAMING OF THE WARREN AVENUE UNDERPASS AT SPEEDWAY

Mayor Rothschild announced City Manager's communication number 166, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Resolution 22570 by number and title only.

Resolution No. 22570 relating to Transportation; Commemorative naming of the Warren Avenue Underpass at Speedway Boulevard for former Tucson Mayor and City Council Member Thomas Volgy; and declaring an emergency.

Vice Mayor Kozachik stated the only opposition he heard was that there was not enough being done for Mr. Volgy as he had been advocating for safety and was in support.

Mayor Rothschild added that when he spoke to Mr. Volgy about what he would like in the way of a tribute, he indicated what was being done was enough. He stated he was in agreement and proceeded to tell him the story behind it.

It was moved by Vice Mayor Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22570.

16. FINANCE: TENTATIVE ADOPTION OF FISCAL YEAR 2017 BUDGET

Mayor Rothschild announced City Manager's communication number 175, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Resolution 22563 by number and title only.

Resolution No. 22563 relating to Finance; adopting a tentative budget for the 2017 Fiscal Year and fixing times and places, confirming time and place to conduct a public hearing on said budget, to adopt the final budget in a special meeting, to fix time and place to determine the primary and secondary tax levies for said Fiscal Year.

It was moved by Council Member Scott, duly seconded, to pass and adopt Resolution 22563.

Council Member Uhlich said she wanted to make sure the direction offered in Study Session was incorporated which included the proposal put forth by Council Member Cunningham on transit fares, if acceptable to the motion maker and seconder. She said she also wanted to ensure in the transit process, that the public knew how to access the Jarett Walker study for transit service plans and the Transit Task Force recommendations.

Resolution 22563, as amended, was passed and adopted by a roll call vote of 7 to 0.

Mayor Rothschild announced that the final hearing on the budget was scheduled for the meeting of June 7, 2016.

17. AGREEMENT: WITH THE GADSDEN COMPANY AND RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT FOR PROPERTY SOUTH OF CONGRESS STREET, WEST OF THE SANTA CRUZ RIVER

Mayor Rothschild announced City Manager's communication number 170, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Resolution 22571 by number and title only.

Resolution No. 22571 relating to Development; authorizing and approving an Assignment and Assumption Agreement with the Gadsden Company and the Rio Nuevo Multipurpose Facilities District relating to property south of Congress Street, west of the Santa Cruz River; and declaring an emergency.

Council Member Romero said she wanted to make sure the partnership with Rio Nuevo, in terms of investment, was recognized. She stated there were many people who had worked on the Tucson Origins Heritage Park for many years and there were over four thousand years of archeology and history in the City. She commented that Proposition 400 was approved by the voters in 1999 which endorsed the investment of millions of dollars in the Tucson Origins Heritage Park.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22571, and direct staff to allocate \$1.2 million from the proceeds of the sale of Gadsden Development Agreement to Rio Nuevo for the Tucson Origins Heritage Park and surrounding plan features and infrastructures.

Michael Rankin, City Attorney, announced the following technical correction in the assignment and assumption agreement. He said there were actually three bond numbers and only two were included. He said in the final form of the agreement the number of the third bond would be included.

18. RESOLUTION: RECOGNIZING THE IMPORTANCE OF TUCSON ORIGINS HERITAGE PARK

Mayor Rothschild announced City Manager's communication number 172, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Resolution 22573 by number and title only.

Resolution No. 22573 relating to Tucson Origins Heritage Park; protection of the property for its historical and economic importance; and declaring an emergency.

Council Member Romero stated this particular resolution was to declare the importance of the historical and economical importance and significance of the Tucson Origins Heritage Park. She said within the area, there were different governmental partners, the City of Tucson, the Rio Nuevo Board and Pima County.

Council Member Romero said the goal was to have each of these governments approve a resolution making sure the area was codified declaring the Tucson Origins Heritage Park, as that, a heritage park and that the property contain the Mission Gardens, the Leo Carrillo house site, the Carrillo House, reconstructed Mission Lane, Mission San Augustin Cultural Center and the settlement area including the chapel granary and Rancho Tucson.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22573.

19. PERSONNEL MATTERS: REAPPOINTMENT OF THE CITY ATTORNEY

Mayor Rothschild announced City Manager's communication number 171, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Ordinance 11362 by number and title only.

Ordinance No. 11362 relating to the City Attorney; appointing the City Attorney; and declaring an emergency.

Council Member Fimbres thanked Mr. Rankin for the outstanding job he has done in his tenure.

Council Member Cunningham congratulated Mr. Rankin on his work. He said it was told to him by people in other jurisdictions around the State that Mr. Rankin was worth his weight in gold.

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 11362.

Mr. Rankin thanked the Mayor and Council for the opportunity to serve the community and his family for their support.

20. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 150, dated May 17, 2016, was received into and made part of the record. He asked if there were any personal appointments.

Council Member Cunningham announced his personal appointment of Steven Bresler to the Pedestrian Advisory Committee (PAC).

21. LICENSE AGREEMENT: WITH ICEARIZONA AHL CO., LLC FOR USE OF THE TUCSON CONVENTION CENTER FOR AMERICAN HOCKEY LEAGUE GAMES

Mayor Rothschild announced City Manager's communication number 179, dated May 17, 2016, was received into and made part of the record. He asked the City Clerk to read Resolution 22574 by number and title only.

Resolution No. 22574 relating to the Tucson Convention Center; approving and authorizing execution of a License Agreement with IceArizona AHL Co., LLC for use of the Tucson Convention Center for American Hockey League Games; and declaring an emergency.

Council Member Cunningham stated there might be some discussion and a few changes made. He thanked the Coyotes organization, and City staff for their hard work. He thought the agreement was made in good faith and would begin a long-term partnership. He said this was a big opportunity to bring professional hockey to Tucson.

It was moved by Council Member Cunningham, duly seconded, to pass and adopt Resolution 22574.

Council Member Uhlich said the challenge was obvious; it was a huge document, a complex negotiation and a three-party agreement. She said it may be imperfect and suspected there were ways that perhaps the agreement could be improved, but she believed the public was protected and the investment was well placed, and if they did not do this, the City would have missed an opportunity. She said part of the Council's charge was to do their best and also to take opportunities as they arise.

Vice Mayor Kozachik stated this was getting to the point of being a good deal. He did want some clarification on some points. He said there had been two drafts and an amendment to the agreement to date and wanted to ensure it was right. He stated with respect to section 3.6 there was a phrase that related to the Transaction Privilege Tax (TPT) that were directly attributable to hockey. He said he wanted to make sure the parties were in agreement as to what was attributable such as events that happened inside the confines of the arena or things that happened outside such as hotel rooms, car rentals, etc.

Fletcher McCusker, Rio Nuevo Board Chair, responded it was clear to them it was what was generated inside the arena.

Michael Rankin, City Attorney, stated that could be addressed in the Resolution by adding it to the end of section 3.6, "based on revenues from the arena only."

Vice Mayor Kozachik continued stating that in section 4.1 it spoke to areas of exclusivity and said, "...all areas involving the ingress and egress to the locker rooms and all the capital improvements being made.." He said his questions then was how the University of Arizona (UofA) hockey and visiting teams would access their areas. He stated Mr. Rankin had some suggestions for some possible language change.

Mr. Rankin stated they could address that issue by changing the language in section 4.1 to read, instead of "all means of ingress and egress" to "reasonable means of ingress and egress." He said this would then mean that more than one party could use the ingress and egress.

Representatives assured the Mayor and Council that it was noted the Coyotes did not want to disenfranchise the Wildcats, they were in fact upgrading their locker room, and building a college visitor's locker room and there was a lot of energy in supporting the Wildcats and their program.

Vice Mayor Kozachik then asked about section 4.2 which related to the skate around time span before and after potential dual events. He said he wanted to ensure the Coyotes were in connection with the UofA hockey team and would work cooperatively with the two consecutive hours before for ice team.

Representatives spoke about their first meetings in regards to how they were willing to work together about dual events and ice times.

Vice Mayor Kozachik then referred to section 4.3 (iii) which related to scheduling language and having priority over bookings. He said the intent of that was to not bump other events that had already been scheduled.

Mr. Rankin responded he thought the City had reach an agreement on the language that would replace that last sentence such that it would read, "hockey team shall have first priority to book the Arena on any open dates for its home playoff games; and the Licensor (the City) agrees to use commercially reasonable efforts to accommodate home playoff games by not booking more than 6 dates in any two week period during the months of April and May for other uses until such time as the Team is eliminated from playoff contention:".

Vice Mayor Kozachik said his questions were all fairly minor, but the last two could be considered as huge because they constitute the safety net that he had been looking for in the agreement. One was the rewrite of section 13.2 where Rio Nuevo stepped up and said they would fund through two different means the infrastructure potential capital needs for the facility and the second was in section 23.15, the waiver of special damages, where together they provide the protection for potential catastrophic losses that could have put the City in a real financial bind and under water had those two pieces not been written into the agreement. He asked the City Attorney if he had characterized that correctly.

Mr. Rankin indicated there was talk during Study Session about section 13.2, and asked, as part of the motion to adopt the resolution approving the agreement, that it include the revisions to section 13.2 that were described. He said that was the section that established the capital reserve account, to which the portions of the Rio Nuevo surcharge and the City's facility fee would fund that account which would be used for any repairs or replacements above fifty thousand dollars including such things as replacement of the ice floor as an example.

Mr. Rankin continued stating that if the revenues were not adequate within that fund at that time, Rio Nuevo would advance the funds necessary to make the repair and would be repaid over time by the future contributions to that reserve account. He said

with respect to section 23.15 there was a provision that the parties agreed to within the first or second draft agreeing there would be no claims for special damages against one another for things like lost profit, consequential damages, speculative damages, etc. He said that helped both parties know and manage the risk associated with entering into this agreement.

Mayor Rothschild stated there was a motion and a second. He asked for an amendment to adopt the revisions as listed by Vice Mayor Kozachik and Mr. Rankin.

Mr. Rankin indicated there would be one more revision. He said as part of the budget Rio Nuevo would be considering and if approved, then the existing language in 4.5 (v) would be in conflict of said budget, and had to do with who would pay for certain camera equipment. He said contingent on the Rio Nuevo action and approval, section 4.5 (v) in the version of the agreement presented to the Mayor and Council would be deleted.

Mayor Rothschild clarified that in other words, the proposal was for the City to pick up that portion of the expense.

Mr. Rankin indicated Mayor Rothschild was correct. He continued that on page 51 and 52 of the agreement, which were place holders in the exhibits describing the improvements before the actual Swaim Associates documents were received, should be stricken and would be from the final version.

Council Member Cunningham amended his motion to include all of the discussion points from Vice Mayor Kozachik. He said he had assumed the new 13.2 was already attributed in the original motion, the part of section 23.15 was already included in the motion and finally the four minors things talked about at the front end, along with the striking of the two exhibits and the delineation of section 4.5, he wanted to incorporate all of those points into his motion.

Council Member Fimbres, the seconder of the original motion, was agreeable to the amendment.

Mayor Rothschild expressed his concern about the financial viability of the City. He said the City was not in a position to put themselves in a risk loss situation. He stated he had the same concerns as Vice Mayor Kozachik and thought the time frame probably influences them both in their positions. He said after reading all of the documentation, he believed the license fee, along with the concessions, parking, advertising, naming rights, along with the facility fee funds both Rio Nuevo and the City were going to contribute and the requirement in the agreement for early termination by the Coyotes was a good agreement for Tucson.

Mayor Rothschild said the capital improvements as he understood them gave him the final satisfaction. To have a partner like the National Hockey League (NHL) was a good opportunity for Tucson and he looked forward to strengthening the working relationship.

Council Member Cunningham thanked the Coyotes for their efforts, investment and commitment, and welcomed them to Tucson.

Resolution 22574, with the amendments, was passed by a roll call vote of 7 to 0.

22. ADJOURNMENT: 8:20 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, June 7, 2016, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

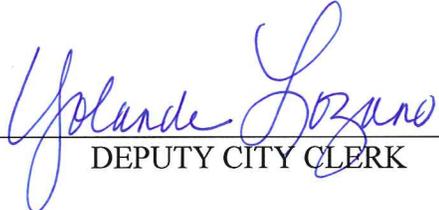
MAYOR

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 May 2016, and do hereby certify that it is an accurate transcription.


DEPUTY CITY CLERK

RWR:bf:rg