



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on February 6, 2018.

Date of Meeting: June 20, 2017

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 5:45 p.m., on Tuesday, June 20, 2017, 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
Richard G. Fimbres
Steve Kozachik
Jonathan Rothschild

Vice Mayor, Council Member Ward 1
Council Member Ward 2
Council Member Ward 3
Council Member Ward 4
Council Member Ward 5
Council Member Ward 6
Mayor

Absent/Excused:

None

Staff Members Present:

Michael J. Ortega
Michael Rankin
Roger W. Randolph

City Manager
City Attorney
City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Missionary Cherry Jackson, Church of God in Christ, after which the Pledge of Allegiance was presented by the entire assembly and joined by Ryan Eli and the Boy Scouts.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 199, dated June 20, 2017, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

Current event reports were provided by Vice Mayor Romero, Council Members 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 200, dated June 20, 2017, 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 201, dated June 20, 2017, 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. Monello, Ward 6
222 E. 6th St.
Applicant: Scott Ryan Girod
Series 12, City 90-16
Action must be taken by: January 5, 2017

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

2. Seis Kitchen, Ward 3
1765 E. River Rd. #131
Applicant: Jake Jesus Munoz Jr.
Series 12, City 32-17
Action must be taken by: July 2, 2017

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

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

Person Transfer(s)

3. Sea of Glass-Center for the Arts, Ward 6
330 E. 7th St.
Applicant: Catherine J. Lilly
Series 7, City 5-17
Action must be taken by: March 11, 2017

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

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

c. Special Event(s)

1. Make-A-Wish Arizona, Ward 1
2045 N. Forbes Blvd. #105
Applicant: Robert Kenneth LaMaster
City T56-17
Date of Event: July 1, 2017
(Fundraiser)

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

d. Agent Change/Acquisition of Control

1. Hub, Ward 6
266 E. Congress St.
Applicant: Andrea Dahlman Lewkowitz
Series 12, City AC7-17
Action must be taken by: June 25, 2017

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

2. Playground, Ward 6
278 E. Congress St.
Applicant: Andrea Dahlman Lewkowitz
Series 6, City AC8-17
Action must be taken by: June 25, 2017

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

3. MOD Pizza, Ward 2
6351 E. Broadway Blvd. #129
Applicant: Andrea Dahlman Lewkowitz
Series 12, City AC9-17
Action must be taken by: June 26, 2017

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

4. MOD Pizza, Ward 3
4386 N. Oracle Rd. #150
Applicant: Andrea Dahlman Lewkowitz
Series 12, City AC10-17
Action must be taken by: June 26, 2017

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 Council Member Kozachik, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b3, 5c1, and 5d1 through 5d4, to the Arizona State Liquor Board with a recommendation for approval.

6. CALL TO THE AUDIENCE

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

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

Comments were made by:

John Matias
Suzanne Schafer

Edward Cizek

Keith Van Heyningen

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

7. CONSENT AGENDA – ITEMS A THROUGH O

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 JUN20-17-202 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of September 7, 2017
3. Mayor and Council Study Session Legal Action Report and Minutes of September 7, 2016

b. REAL ESTATE: APPROVING A LEASE AGREEMENT WITH PIMA COUNTY FOR CITY-OWNED OFFICE SPACE AT 320 NORTH COMMERCE PARK LOOP

1. Report from City Manager JUN20-17-208 WARD 1
2. Ordinance No. 11467 relating to Real Property; approving and authorizing the Lease Agreement for City-owned office space located at 320 North Commerce Park Loop to Pima County; and declaring an emergency.

c. REAL ESTATE: APPROVING A LEASE AGREEMENT WITH TD4TUCSON FOR CITY-OWNED OFFICE SPACE AT 147 NORTH STONE AVENUE

1. Report from City Manager JUN20-17-217 WARD 1
2. Ordinance No. 11468 relating to Real Property; approving and authorizing the Lease Agreement for City-owned office space located at 147 North Stone Avenue to TD4Tucson dba the Arizona Bowl; and declaring an emergency.

- d. MAYOR AND COUNCIL: AMENDING THE 2017 MAYOR AND COUNCIL MEETING SCHEDULE
 - 1. Report from City Manager JUN20-17-206 CITY WIDE
 - 2. Ordinance No. 11465 relating to Administration; amending the Mayor and Council's 2017 meeting schedule to schedule a new regular meeting on Tuesday, October 10, 2017 and move the regular meeting currently scheduled for Tuesday, October 17, 2017 to Tuesday, October 24, 2017; and declaring an emergency.

- e. AGREEMENT: WITH THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY FOR DELEGATION OF UNDERGROUND STORAGE TANK INSPECTIONS
 - 1. Report from City Manager JUN20-17-221 CITY WIDE
 - 2. Resolution No. 22771 relating to Intergovernmental Agreements; approving and authorizing execution of an Intergovernmental Delegation Agreement between the City of Tucson and the Arizona Department of Environmental Quality (ADEQ) for renewal of Delegation Agreement/ADEQ # 14-062239 for inspection of underground storage tanks; and declaring an emergency.

- f. TUCSON CODE: AMENDING (CHAPTER 22) ARTICLE V, SECTION 22-90(2) LEAVE BENEFIT PLAN RELATING TO SICK LEAVE ACCRUAL
 - 1. Report from City Manager JUN20-17-209 CITY WIDE
 - 2. Ordinance No. 11469 relating to leave and other benefits; the Tucson Code, Chapter 22, pensions, retirement, group insurance, leave benefits and other insurance benefits, Article V, leave benefit plan, amending Section 22-90(2) sick leave accrual to incorporate applicable earned paid sick time provisions of the Fair Wages and Healthy Family Act, setting an effective date; and declaring an emergency.

- g. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH THE OWNERS OF PARCEL 114-02-001C, FOR WATER SERVICE
 - 1. Report from City Manager JUN20-17-204 WARD 2 AND OUTSIDE CITY

2. Resolution No. 22766 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and AEH 1989 Irrevocable Trust and WJH 1989 Irrevocable Trust, owners of Parcel No. 114-02-011C.

(This item was considered separately at the request of Council Member Cunningham.)

h. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY SUPERIOR COURT FOR PROVIDING JURORS TO THE TUCSON CITY COURT

1. Report from City Manager JUN20-17-210 CITY WIDE
2. Resolution No. 22768 relating to Intergovernmental Agreements (IGA); approving and authorizing the execution of Amendment No. 05 to the IGA between the Arizona Superior Court in Pima County and the Tucson City Court for providing jurors to the Tucson City Court; and declaring an emergency.

i. REAL ESTATE: APPROVING A LEASE AGREEMENT AMENDMENT WAREHOUSE ARTS MANAGEMENT ORGANIZATION FOR THE CITIZEN'S WAREHOUSE PROPERTY AT 44 W 6TH STREET

1. Report from City Manager JUN20-17-211 WARD 1
2. Ordinance No. 11470 relating to Real Property; authorizing and approving a First Amendment to the Master Lease Agreement between the City of Tucson (City) and Warehouse Arts Management Organization (WAMO) for real property located at 44 W 6th Street (Citizen's Warehouse) Tucson, Arizona; and declaring an emergency.

(This item was considered separately at the request of Vice Mayor Romero.)

j. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH UNIVERSITY OF ARIZONA'S PIMA COUNTY COOPERATIVE EXTENSION FOR THE SMARTSCAPE WATER-CONSERVATION EDUCATION PROGRAM

1. Report from City Manager JUN20-17-212 CITY WIDE AND OUTSIDE CITY

2. Resolution No. 22769 relating to Intergovernmental Agreements; authorizing and approving the execution of First Amendment to the Intergovernmental Agreement between the City of Tucson and the University of Arizona Board of Regents on behalf of the University of Arizona Cooperative Extension, SmartScape Outreach Program; a landscape water conservation program; and declaring an emergency.
- k. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY FOR SEWER BILLING SERVICES
1. Report from City Manager JUN20-17-213 CITY WIDE AND OUTSIDE CITY
 2. Resolution No. 22770 relating to Water; authorizing and approving First Amendment to Intergovernmental Agreement with Pima County for Wastewater Billing Services; and declaring an emergency.

(This item was considered separately at the request of Vice Mayor Romero.)

- l. FINANCE: ALLOCATION OF FUNDS FROM THE WARD 5 BUDGET FOR BARRIO SANTA ROSA PARK PLAYGROUND UPGRADE AND TRAFFIC SPEED HUMP AT SIERRA MIDDLE SCHOOL
1. Report from City Manager JUN20-17-223 WARD 5
 2. Resolution No. 22774 relating to Park and Street Improvements: approving the expenditure of budgeted Ward 5 funds for Barrio Santa Rosa Park playground upgrade and construction of a speed hump at Sierra Middle School; and declaring an emergency.

Roger W. Randolph, City Clerk, read a correction into the record. He said there would be three speed humps at Sierra Middle School.

- m. TUCSON CODE: AMENDING (CHAPTER 23A) ARTICLE III, SECTIONS 23A-90 AND 23A-91 IMPACT FEE REGULATIONS - EXTENSION OF DEVELOPMENT IMPACT FEE PHASE-IN FEE RATES
1. Report from City Manager JUN20-17-219 CITY WIDE
 2. Ordinance No. 11471 relating to development impact fees for fire facilities, parks and recreational facilities, police facilities and street facilities; amending Tucson Code, Chapter 23A, Article III, development impact fee regulations, Division 4, development impact fee schedules and effective dates, Sections 23A-90 and 23A-91; and declaring an emergency.

- n. INDUSTRIAL DEVELOPMENT AUTHORITY: APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON
 - 1. Report from City Manager JUN20-17-220 CITY WIDE
 - 2. Resolution No. 22772 relating to the Industrial Development Authority of the City of Tucson; appointing Meredith Aronson and Patricia Schwabe to the Board of Directors of the Industrial Development Authority of the City of Tucson; and declaring an emergency.

- o. REAL PROPERTY: SALE OF SURPLUS CITY PROPERTY LOCATED AT 114-124 EAST BROADWAY BOULEVARD
 - 1. Report from City Manager JUN20-17-226 WARD 6
 - 2. Ordinance No. 11473 relating to Real Property; declaring Property located at 114-124 East Broadway Boulevard to be surplus City-Owned Property; authorizing the sale thereof to Warne-Semro Investments, LLC, and declaring an emergency.

It was moved by Vice Mayor Romero, duly seconded, and passed by a roll call vote of 7 to 0 that Consent Agenda Items a – o, with the exception of Items g, i, and k which were considered separately, be passed and adopted and the proper action taken.

7. CONSENT AGENDA – ITEM G

- g. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH THE OWNERS OF PARCEL 114-02-001C, FOR WATER SERVICE
 - 1. Report from City Manager JUN20-17-204 WARD 2 AND OUTSIDE CITY
 - 2. Resolution No. 22766 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and AEH 1989 Irrevocable Trust and WJH 1989 Irrevocable Trust, owners of Parcel No. 114-02-011C.

Council Member Cunningham stated he did not pull the item specifically for the item, but to talk about the process used for providing water services. He said he wanted everyone to know, that for the future even though there was a pre-annexation agreement, if the area was not annexed in a long time, the City had to be made whole.

Council Member Cunningham said if a developer built in a place where a well could be placed, the City would receive public benefit. The City would receive zero

construction taxes and zero construction revenue, how soon could the area be annexed based on it being four miles outside the City and the City would be providing water and getting nothing. He said when the City was not receiving anything back; they needed to reevaluate the water policy again and see what could be done.

Council Member Kozachik asked if it was correct that once the developer signed the Planned Area Development Agreement (PADA), they could not build a well.

Mayor Rothschild and Michael J. Ortega, City Manager, responded affirmatively.

Mayor Rothschild also indicated this was a philosophical discussion. They were paying all costs from a water conservation aspect and this stopped people from drilling wells.

It was moved by Council Member Cunningham, duly seconded, and passed by a voice vote of 7 to 0, that Consent Agenda Item g be passed and adopted and the proper action taken.

7. CONSENT AGENDA – ITEM I

i. REAL ESTATE: APPROVING A LEASE AGREEMENT AMENDMENT WAREHOUSE ARTS MANAGEMENT ORGANIZATION FOR THE CITIZEN’S WAREHOUSE PROPERTY AT 44 W 6TH STREET

1. Report from City Manager JUN20-17-211 WARD 1
2. Ordinance No. 11470 relating to Real Property; authorizing and approving a First Amendment to the Master Lease Agreement between the City of Tucson (City) and Warehouse Arts Management Organization (WAMO) for real property located at 44 W 6th Street (Citizen's Warehouse) Tucson, Arizona; and declaring an emergency.

Vice Mayor Romero requested more details on the extension of the master lease holder for the Citizen’s Warehouse property.

Albert Elias, Assistant City Manager, stated that when the Arizona Department of Transportation original acquired the Citizen’s Warehouse for a roadway project, they subsequently decided to change the design and transferred easement and control of the property to the City. He said in response to the desire to keep the facility active as part of the Warehouse Arts District, the City went through a Request for Proposals (RFP) process to identify a master lease holder.

Mr. Elias stated that as part of the direction received in 2010 by Vice Member Romero, an Ordinance was adopted by the Mayor and Council that authorized the issuance of a lease agreement awarded to Warehouse Arts Management Organization (WAMO). He said the original provision of the agreement was that WAMO was

responsible for all property management and the lease rate was set at five thousand dollars annually and the original term of the agreement was for five years with two extensions.

Mr. Elias said the lease was now set to expire on June 30, 2017 and the item on the evening's agenda gave the Mayor and Council the opportunity to approve a one year extension of the original agreement with potentially two more extensions, giving it a total of three years. He stated the terms would remain the same.

Vice Mayor Romero stated she was concerned about not being given the opportunity to learn about the extension sooner. She said WAMO, under the agreement, had specific uses/plans to revitalize both the Steinfeld Warehouse and the Citizen's Warehouse. She said none of the work WAMO promised the City they would do had been done.

Vice Mayor Romero requested the item be continued to the July 5th meeting so that the terms of the agreement could be discussed further in detail.

Mayor Rothschild asked the representative from WAMO if the two week extension would hurt the project.

Jim Glock, WAMO Board of Directors President, responded it would not.

Michael J. Ortega, City Manager, stated that the terms should be extended for thirty days so as not to be without a lease. He said the item would return to the Mayor and Council on July 5th.

Mayor Rothschild asked if two weeks was enough time to prepare the item and suggested maybe returning the item in August.

Mr. Ortega said he could do either or and was dependent on the Mayor and Council. After further discussion, Mr. Ortega suggested the item return in sixty days or to the meeting of August 6th.

Mayor Rothschild asked that information be brought back on the current use of the WAMO building and what the imminent plans were

It was moved by Vice Mayor Romero, duly seconded, and passed by a voice vote of 7 to 0, to continue the item to the August 6th meeting and extend the current lease by that amount of time.

7. CONSENT AGENDA – ITEM K

- k. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY FOR SEWER BILLING SERVICES

1. Report from City Manager JUN20-17-213 CITY WIDE AND OUTSIDE CITY
2. Resolution No. 22770 relating to Water; authorizing and approving First Amendment to Intergovernmental Agreement with Pima County for Wastewater Billing Services; and declaring an emergency.

Vice Mayor Romero stated she pulled the item because she wanted to hear more about the financial considerations and the impact on the agreement extension.

Michael J. Ortega, City Manager, stated that the agreement was for the reimbursement of the City's cost by Pima County for including their sewer bills with the City's bills. He said the cost was \$3.25 million per year to the Water utility for roughly two hundred thirty thousand accounts. He said this was merely an extension and a current cost analysis was being determined on the actual cost of service. He said when complete, staff would bring back recommendations to the Mayor and Council.

Vice Mayor Romero asked how long the process would take.

Mr. Ortega stated it was suggested it would take thru the end of the calendar year with an administrative extension to July 2018.

Mayor Rothschild asked if staff knew how much money the City was getting, was it a fifty/fifty split.

Mr. Ortega said the way the agreement was structured; Pima County actually paid the City \$3.25 million dollars to include their sewer bill in the City's bill, which was the cost. He stated staff was updating the actual cost for services which would be the bill for Pima County.

Mayor Rothschild asked if it would be possible to have the analysis completed and brought back as an amended agreement before the year.

Mr. Ortega said he didn't think it would take the full year but wanted to make sure there was enough time built-in to do the analysis and also have conversations with the County. He said he had no problem bringing it back sooner if the analysis was completed and conversations were held with Pima County.

Vice Mayor Romero asked when the last time was the City did a cost analysis.

Timothy Thomure, Tucson Water Director, responded the last cost analysis was conducted three years ago.

It was moved by Vice Mayor Romero, duly seconded, and passed by a voice vote of 7 to 0, that Consent Agenda Item k be passed and adopted and the proper action taken with direction to staff to return to the Mayor and Council with renewal prior to the end of the calendar year, if possible.

8. ZONING: (C9-16-14) AIR CONCEPTS – 22ND STREET, R-2, C-1, AND C-3 TO I-1, CITY MANAGER'S REPORT

Mayor Rothschild announced City Manager's communication number 214, dated June 20, 2017, was received into and part of the record. He also announced this was a request to rezone approximately 1.39 acres from R-2, C-1 and C-3 to I-1. He said the Zoning Examiner and staff recommend approval subject to certain conditions.

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

Brian Rumsey, Rumsey Architecture, Applicant for the Project stated the property owners were in agreement to the proposed requirements.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to approve the request as recommended by the Zoning Examiner.

9. FINANCE: FIXING AND LEVYING THE PRIMARY AND SECONDARY PROPERTY TAXES FOR FISCAL YEAR 2018

Mayor Rothschild announced City Manager's communication number 218, dated June 20, 2017, was received into and made part of the record. He asked the City Clerk to read Ordinance 11451 by number and title only.

Ordinance 11451 relating to taxation; fixing, levying, and assessing primary and secondary property taxes for the City of Tucson upon the assessed valuation of the property within the City of Tucson subject to taxation, each in a certain sum upon each one hundred dollars of valuation, sufficient to raise the amount estimated to be required in the annual budget, less the amounts estimated to be received from other sources of revenue and unencumbered balances from the previous fiscal year; providing funds for various purposes, all for the fiscal year ending June 30, 2018; and declaring an emergency.

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 11451.

10. ECONOMIC DEVELOPMENT: APPROVAL OF PRIMARY JOBS INCENTIVE DEVELOPMENT AGREEMENT WITH SANTE PARTNERS II, LLC

Mayor Rothschild announced City Manager's communication number 225, dated June 20, 2017, was received into and made part of the record. He asked the City Clerk to read Resolution 22773 by number and title only.

Resolution 22773 relating to Economic Development Incentives; authorizing and approving the Development Agreement between the City of Tucson (City) and Sante Partners II, LLC. for the Primary Jobs Incentive (Project).

Council Member Cunningham stated that this project created twenty-five primary jobs and with an average income is fifty-two thousand dollars a year. He said most of their money came from out of state considering they provide short-term rehabilitation to people that would go to other cities elsewhere.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22773.

11. ECONOMIC DEVELOPMENT INCENTIVES AND REAL PROPERTY: AUTHORIZING GOVERNMENT PROPERTY LEASE EXCISE TAX LEASE AGREEMENT FOR HSL LA PLACITA APARTMENTS, LLC

Mayor Rothschild announced City Manager's communication number 207, dated June 20, 2017, was received into and made part of the record. He asked the City Clerk to read Resolution 22767 by number and title only.

Resolution 22767 relating to Economic Development Incentives and Real Property; authorizing and approving the Government Property Lease Excise Tax (GPLET) Lease Agreement between the City of Tucson (City) and HSL La Placita Apartments, LLC (HSL La Placita) for redevelopment of La Placita Village located at 110 South Church Avenue (project).

Council Member Kozachik requested clarification on what was in the materials. He stated that the materials indicated HSL was going to pay fifty-one thousand six hundred dollars annually as a GPLET rent for eight years and that the rent was ten percent of the value of the forgone property tax. He said that was ten percent of what HSL paid to all taxing jurisdictions. He said the City's piece was about sixty-two thousand dollars according to the materials. He stated that the GPLET rent was essentially making the City whole and the rest of the taxing jurisdictions were the ones that were carrying the loss.

Camila Bekat, Economic Development Specialist, responded he was correct on both issues; it was the overall forgone property tax value.

Council Member Kozachik also mentioned that the analysis stated it was unlikely that a credit decision would be made based on a municipal incentive with the concern that the goal was to help the project out with the margins. He said he wondered if there was more than one way that the City could cross the finish line by committing to things such as two-week turnaround on plans review or next day inspections. He said time was money on construction projects and if the City could achieve that financial protection in or around the margins by things that could be done; he wondered if the same things could be achieved.

Ms. Bekat stated that in her conversations with the underwriters for the different deals in the downtown area, the financial piece, through an approved Mayor and Council

process gave them that certainty that it was indeed happening. She said with the permitting, there was a lot of uncertainty.

Omar Mireles, HSL Properties, stated their answer was no; they are dependent on the cash flow considerations of that incentive going forward into the cash flow analysis over a period of eight years after the receipt of the Certificate of Occupancy (CofO). He said ultimately, the long answer was that they need the cash flow, more than ever, because they have had a significant amount of construction.

It was moved by Council Member Kozachik, duly seconded, to pass and adopt Resolution 22767.

Council Member Uhlich asked if there were any tax implications for the GPLET in terms of federal tax savings that are appreciated because of the transfer of the ownership of the property.

Mr. Mireles stated, there were no federal tax implications in the project.

Council Member Uhlich added that she had concerns regarding the project. She said it was difficult from a distance, especially knowing of a very active company that clearly was able to complete projects throughout the region. She said there was benefit in having a great deal of diversity in the downtown area. She said she appreciated that this project, like so many others in the downtown area, was put through the very rigorous process to bring in a good blend of housing that makes for a healthy community.

Council Member Cunningham asked for clarification on when the fifty-one thousand dollars for rent was due for the GPLET.

Ms. Bekat stated that the GPLET rent did not come into effect until the CofO has been issued and the project was complete.

Resolution 22767 was passed by a roll call vote of 7 to 0.

12. TUCSON CODE: AMENDING (CHAPTER 19) SECTIONS 1 AND 66 RECREATIONAL VEHICLE SURCHARGE

Mayor Rothschild announced City Manager's communication number 222, dated June 20, 2017, was received into and made part of the record. He asked the City Clerk to read Ordinance 11472 by number and title only.

Ordinance No. 11472 relating to Occupational License Tax; adopting certain fees on Recreational Vehicle Park Operators by amending Chapter 19, Sections 1 and 66 of the Tucson Code; establishing an effective date; and declaring an emergency.

It was moved by Council Member Uhlich, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11472.

13. FINANCE: APPROVING THE APPOINTMENT OF PETE SAXTON AS FINANCE DIRECTOR FOR THE CITY OF TUCSON

Mayor Rothschild announced City Manager's communication number 205, dated June 20, 2017, was received into and made part of the record. He asked the City Clerk to read Ordinance 11466 by number and title only.

Ordinance No. 11466 relating to the Department of Finance; approving the appointment of Pete Saxton as the Director of the Finance Department and fixing compensation; and declaring an emergency.

Vice Mayor Romero stated she would like to see the financial considerations disclosed in the Mayor and Council material for hiring all future Department Directors.

Mayor Rothschild asked staff if there was a compelling reason(s) why this information was not included with staff's recommendation.

Michael J. Ortega, City Manager, reported there was no compelling reason why this information was not provided. He said he would include that information in the future.

It was moved by Council Member Scott, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11466.

14. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 203, dated June 20, 2017, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Vice Mayor Romero, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointments of J.L. Giovanna Hesley and John Burr to the Armory Park Historic Zone Advisory Board (APHZAB).

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

There were none.

15. ADJOURNMENT: 6:50 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on July 5, 2017 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 20th day of June, 2017, and do hereby certify that it is an accurate transcription.


DEPUTY CITY CLERK

RWR:amo:dp