



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on September 25, 2018.

Date of Meeting: February 21, 2018

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:41 p.m., on Wednesday, February 21, 2018, all members having been notified of the time and place thereof.

1. ROLL CALL

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

Present:

Regina Romero
Paul Cunningham
Paul Durham
Shirley C. Scott
Richard G. Fimbres
Steve Kozachik
Jonathan Rothschild

Council Member Ward 1
Vice Mayor, 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 AND APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

a. INVOCATION

The invocation was given by Debra S. Counsellor, City Clerk's Office.

b. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was presented by the entire assembly.

c. PRESENTATIONS:

1. Mayor Rothschild, assisted by Council Member Durham, proclaimed February 21st to be "Michele Brubaker Appreciation Day." Michele Brubaker accepted the proclamation.

d. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 57, dated February 21, 2018, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Romero, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointment of Michael Peel to the Commission on Food Security, Heritage, and Economy (CFSHE).

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

There were none.

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

Mayor Rothschild announced City Manager's communication number 50, dated February 21, 2018, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council and the City Manager to report on current events and asked if there were any reports.

Current event reports were provided by Vice Mayor Cunningham, Council Members Romero, Durham, and Fimbres.

No report was given by the City Manager

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

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

Mayor Rothschild announced City Manager’s communication number 51, dated February 21, 2018, was received into and made part of the record. He also announced this was the time scheduled to allow Boards, Committees and Commissions to report on their activities during the past year, as well as, anticipated future activities.

Reports were given by Jeff Singleton, Independent Audit and Performance Commission (IAPC) Chairperson, John Dalton, Human Relations Commission (HRC) Chairperson; and Gary Bachman, Industrial Development Authority (IDA) President.

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 52, dated February 21, 2018, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

b. Liquor License Application(s)

New License(s)

1. F & A C-Store, Ward 1
1715 W. Irvington Rd.
Applicant: Kevin Arnold Kramber
Series 10, City 101-17
Action must be taken by: February 23, 2018

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

Public Opinion: Written Argument in Support Filed

2. Famous Dave’s, Ward 3
4565 N. Oracle Rd.
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 2-18
Action must be taken by: March 5, 2018

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

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

Person Transfer(s)

3. Lim Bong Liquor & Groceries, Ward 3
688 W. Grant Rd.
Applicant: Van Thanh Thi Pham
Series 9, City 102-17
Action must be taken by: February 23, 2018

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

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

Person/Location Transfer(s)

4. 191 Toole, Ward 6
191 E. Toole Ave.
Applicant: Thomas Robert Aguilera
Series 6, City 1-18
Action must be taken by: March 4, 2018

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

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

c. Special Event(s)

1. Salpointe Catholic High School, Ward 6
265 S. Church Ave.
Applicant: Kasey Elizabeth Barghout
City T7-18
Date of Event: April 21, 2018
(2018 Salpointe Gala)

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

2. Kidsrock, Inc., Ward 6
8th St. between 4th Ave. & Herbert Ave.
Applicant: Scott James Cummings
City T12-18
Date of Event: February 24, 2018
(Spring Celebration & St. Patrick's day Festival)

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

3. Tucson Girls Chorus, Ward 3
3800 E. River Rd.
Applicant: Marcela Molina
City T13-18
Date of Event: March 4, 2018
(Fundraiser)

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

4. St. Augustine Catholic High School, Ward 2
8800 E. 22nd St.
Applicant: Sarah Doreen Alderete
City T14-18
Date of Event: March 3, 2018
(8th Annual Western BBQ Dinner)

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

5. Tucson Festival of Books, Ward 6
720 N. Martin Ave.
Applicant: Sarah Cohen
City T15-18
Date of Event: March 10, 2018
(Festival Concert)

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

6. Museum of Contemporary Art, Ward 6
265 S. Church Ave.
Applicant: Alexis Page Smith
City T16-18
Date of Event: March 15, 2018
(Third Thursday-Beauty Bar)

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

7. Museum of Contemporary Art, Ward 6
265 S. Church Ave.
Applicant: Alexis Page Smith
City T17-18
Date of Event: April 14, 2018
(Annual Gala: Local Genius Award)

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

8. Tucson Botanical Gardens, Ward 5
990 S. Cherry Ave.
Applicant: Mary Ann Confrey
City T18-18
Date of Event: March 10, 2018
(Charity Event)

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

9. Tucson Celtic Festival Association, Ward 2
150 S. Kolb Rd.
Applicant: Sarah Lauren Mackie
City T19-18
Date of Event: March 17, 2018
(Fundraiser)

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

- d. Agent Change/Acquisition of Control/Restructure

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

It was moved by Council Member Durham, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b4, and 5c1 through 5c9 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:

Bonnie Poulos
Rolande Baker
Pedro Hernandez
Jessica Muiseke
Jasmine Simons
Toni Harris

Urban Scurry
Lisa Garland
Yolanda Herrera
Chris Pierce
Joe Audino
Elizabeth Mead

Levi Koenen
Courtney Benke
Antha Whitehorn
Summer Aguilar
Grace Gegenheimer

Council Member Romero stated that the item discussed during the Call to the Audience was not agendized, but asked if there was a possibility of getting some sort of timeline on the project being discussed and what was at their disposal to listen to the community.

Michael Rankin, City Attorney, responded that the item was simply being brought up during the Call to the Audience and was not on the agenda and could not be subject of discussion among the Mayor and Council. He said he would be happy to take direction to have staff follow up with them and the speakers with respect to the process required for the project.

Vice Mayor Cunningham requested a Study Session item to discuss the proposed housing development on Fourth Avenue.

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

RECESS: 7:01 p.m.

RECONVENE: 7:14 p.m.

The meeting was called to order by Mayor Rothschild. All members were present as they were at the beginning of the meeting.

7. CONSENT AGENDA – ITEMS A THROUGH I

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 FEB21-18-54 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of July 5, 2017

b. TUCSON CODE: AMENDING (CHAPTER 12) RELATING TO ELECTIONS

1. Report from City Manager FEB21-18-58 CITY WIDE
2. Ordinance No. 11525 relating to Elections; repealing current Tucson Code Chapter 12; enacting a new Tucson Code Chapter 12 to govern City primary, general, and special elections; and declaring an emergency.

c. CITY VEHICLES: ANNUAL APPROVAL OF EXEMPTION OF CERTAIN CITY VEHICLES FROM BEARING IDENTIFYING MARKINGS

1. Report from City Manager FEB21-18-59 CITY WIDE

2. Resolution No. 22866 relating to City vehicles; Pursuant to A.R.S. Section 38-538.03(B), exempting certain City motor vehicles from the requirement that they bear markings identifying them as City vehicles; making this exemption effective from February 28, 2018 through and including February 27, 2019, and declaring an emergency.
- d. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH GREGORY K. HUTCHINSON, PAMELA A. PERRY AND CITY REDEVELOPMENT L.L.C., OWNERS OF PARCELS 109-26-004A, 109-26-003D, AND 109-26-003H
1. Report from City Manager FEB21-18-53 WARD 2 AND OUTSIDE CITY
 2. Resolution No. 22867 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson, Gregory K. Hutchison and Pamela A. Perry, and City Redevelopment, L.L.C., owners of Parcel Nos. 10926004A, 10926003D, and 10926003H.
- e. REAL PROPERTY: AUTHORIZING TRANSFER OF TITLE BY QUITCLAIM DEED TO PIMA COUNTY FOR THE JANUARY 8 MEMORIAL AT EL PRESIDIO PARK
1. Report from City Manager FEB21-18-60 WARD 1
 2. Ordinance No. 11526 relating to Real Property and Memorials; authorizing the issuance of a Quitclaim Deed to Pima County for the January 8 Memorial at El Presidio Park; and declaring an emergency.
- f. TUCSON CODE: AMENDING (CHAPTER 20) MOTOR VEHICLES AND TRAFFIC, RELATING TO SPEED LIMITS ON COLUMBUS BOULEVARD; REPEALING ORDINANCES 11220 AND 11221
1. Report from City Manager FEB21-18-56 WARD 6
 2. Ordinance No. 11527 relating to Motor Vehicles and Traffic; repealing Ordinance No. 11220 adopted December 9, 2014; designating current streets or parts of streets where thirty miles per hour speed limit is imposed, pursuant to Section 20-140 of the Tucson Code; and declaring an emergency.
 3. Ordinance No. 11528 relating to Motor Vehicles and Traffic; repealing Ordinance No. 11221 adopted December 9, 2014; designating current streets or parts of streets where thirty-five miles per hour speed limit is imposed, pursuant to Section 20-141 of the Tucson Code; and declaring an emergency.

- g. GRANT AGREEMENT: WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION MULTIMODAL PLANNING DIVISION FOR FEDERAL FISCAL YEAR 2018 SECTION 5310 OPERATING FUNDING FOR SUN VAN
 - 1. Report from City Manager FEB21-18-64 CITY WIDE
 - 2. Resolution No. 22868 relating to Transportation; authorizing and approving the Grant Agreement between the City of Tucson (City) and the Arizona Department of Transportation (ADOT) Multimodal Planning Division, acting for and on behalf of the State of Arizona, for Federal Transit Administration (FTA) federal fiscal year (FY) 2018 Section 5310 operating funding; and declaring an emergency.

- h. TUCSON CODE: AMENDING (CHAPTER 22) ADOPTION OF FISCAL YEAR 2019 TUCSON SUPPLEMENTAL RETIREMENT SYSTEM EMPLOYER AND EMPLOYEE CONTRIBUTION RATES
 - 1. Report from City Manager FEB21-18-55 CITY WIDE
 - 2. Ordinance No. 11529 relating to Tucson Supplemental Retirement System (TSRS); Tucson Code Chapter 22, pensions, retirement, group insurance, leave benefits and other insurance benefits, Article III, TSRS, Division 1, Types of Retirement and Benefits; adopting Fiscal Year 2019 (FY19) TSRS employee and employer contribution rates; setting an effective date; and declaring an emergency.

- i. INDUSTRIAL DEVELOPMENT AUTHORITY: APPOINTMENT TO THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON
 - 1. Report from City Manager FEB21-18-65 CITY WIDE
 - 2. Resolution No. 22869 relating to the Industrial Development Authority of the City of Tucson; appointing Neal Eckel to the Board of Directors of the Industrial Development Authority of the City of Tucson, to serve the remainder of a six-year term ending on March 12, 2021; and declaring an emergency.

Roger W. Randolph, City Clerk, announced the City Attorney had some amendments to read into the record for Item e.

Michael Rankin, City Attorney, announced that with respect to Item e, the Quitclaim Deed transfer of property to Pima County for the January 8 Memorial, staff would be attaching a location map to the Ordinance that better defined the property. He said it was basically a forty-five foot, sort of irregular strip, adjacent to the courthouse parcel.

It was moved by Council Member Scott, duly seconded, to pass and adopt Consent Agenda items a – i.

Vice Mayor Cunningham asked for clarification regarding the Pre-Annexation Agreement on Item d. He asked, if by agreeing to the Pre-Annexation, were they also agreeing to future zoning.

Mr. Rankin replied there was no commitment and could not be a commitment through a contract such as a pre-annexation agreement to approve rezoning. He stated that the Pre-Annexation Agreement simply established what the process was, and that the future rezoning request had to follow the full statutory procedure and comply with the City's code and be processed in the normal fashion through public hearings with the Zoning Examiner (ZE), followed by a review by the Mayor and Council

Council Member Durham asked if he understood it correctly that there was not any substantive impact from the Pre-Annexation Agreement; if it was only procedural. He said if the applicant did not like the rezoning, then no annexation occurred; it really just changed the order of the process.

Mr. Rankin said his explanation was a fair description but he always hesitated to say that "if something was not substantive" because establishing procedure, he thought was a substantive and important thing. He said it put everyone on notice that the proposed development did not just involve pre-annexation development agreement or just an annexation, or just original City zoning. It laid out all of the elements that say, very plainly, that there would be a request for rezoning and here was how it was going to work and what the order and timeline would be.

Mr. Rankin stated, in essence, he was correct; it gave the applicant/property owner the opportunity to back out of a commitment to annex after learning what the ZE's report and recommendation was.

Council Member Durham clarified that this did not eliminate any opportunity for public input to the rezoning process.

Mr. Rankin responded affirmatively.

Council Member Romero questioned the Quitclaim Deed and stated she did not have an opportunity to look at the map beforehand and asked the City Manager about the protocol or process on how such real estate property was disposed of. She also asked how the Mayor and Council were informed about these types of real estate transactions. She said this property was located in Ward 1 and her office was not made aware of the Quit Claim Deed.

Michael Ortega, City Manager, said his understanding was that his office did reach out to the Ward Offices and apologized if her office was not informed. He said this project had been going on for some time and the conversations had been built with the

January 8 Memorial folks, as well as with Pima County. He explained the map that was recently handed out was a corrected version of the initial map which was not clear and appeared to show a larger parcel, but was only a forty-five foot strip.

Council Member Romero stated she was aware of the project and memorial and was 100% in support, but said she had concerns with not being privy to the Quit Claim Deed and felt it was inappropriate to be handed and updated map right before the Mayor and Council were to take action on the item.

Council Member Kozachik questioned when the area was rezoned and they were asked to assign original City zoning, how the footprint would be affected by land that was otherwise spoken for under a conservation land plan with Pima County that existed prior to the City zoning discussion.

Mr. Rankin clarified the sequence on the Pre-Annexation Development Agreement (PADA). He said by virtue of having the PADA in place, that allowed the City to begin the annexation process and work the original City zoning and proposed rezoning process together, such as those things would all come back to the Mayor and Council, ultimately on the same agenda. He said they still had to be in order where the property had to be annexed before original City zoning went into place and before any rezoning could be considered.

Mr. Rankin explained that as part of the applicant's submitted rezoning request there would be a review of the compliance with the riparian conditions, a survey related to the important riparian areas, and a determination on whether the proposed rezoning did or did not comply with the preservation of the identified target in the Pima County Conservation Land System (CLS).

The motion to pass and adopt Consent Agenda Items a – i and the proper action taken was passed by a roll call vote of 7 to 0.

8. ZONING: (C15-17-02) ESTABLISHING ORIGINAL CITY ZONING FOR SWAN AND VALENCIA EAST ANNEXATION DISTRICT, COUNTY TH, CR-3, CR-4, TR, CMH-1, CB-1, CB-2, CI-1, AND CI-2 TO CITY RV, R-1, R-2, R-3, MH-1, C-1, C-2, I-1 AND I-2, ORDINANCE ADOPTION, EXTENSION OF THE MAJOR STREETS AND ROUTES PLAN AND AIRPORT ENVIRONS ZONE

Mayor Rothschild announced City Manager's communication number 63, dated February 21, 2018, was received into and part of the record. He also announced this was a request to establish Original City Zoning within the Swan and Valencia east annexation district, roughly bounded by Valencia, Swan, and Los Reales Roads and extending approximately 1,200 feet east of Craycroft Road. He stated the Zoning Examiner and staff recommended approval of the Original City Zoning and extension of the Major Streets and Routes Plan and the Airport Environs Zone overlay within the Annexation District.

Mayor Rothschild asked the City Clerk, to read Ordinance 11530 by number and title only.

Ordinance No. 11530 relating to zoning: establishing Original City Zoning in the area located in an area roughly bounded by Valencia Road on the north, Swan Road on the west, Los Reales Road on the south and extending approximately 1,200 feet east of Craycroft Road in Case C15-17-02, Swan and Valencia East Annexation District, County TH, CR-3, CR-4, TR, CMH-1, CB-1, CB-2, CI-1, and CI-2 to City RV, R-1, R-2, R-3, MH-1, C-1, C-2, I-1 and I-2; and setting an effective date.

It was moved by Council Member Fimbres, 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 11530.

9. ZONING: (C9-17-11) MIDFIRST BANK – I-10 AND CRAYCROFT ROAD, C-2 AND R-1 TO I-1, CITY MANAGER'S REPORT

Mayor Rothschild announced City Manager's communication number 62, dated February 21, 2018, was received into and made part of the record. He also announced this was a request to rezone approximately 14.61 acres from C-2 and R-1 zoning I-1 zoning, located along the south frontage of I-10, extending southeast from South Burcham Avenue. He stated the Zoning Examiner and Staff recommended approval subject to certain conditions.

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

Chuck Martin, Rick Engineering, was present and stated they were agreeable to the proposed requirements.

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

10. ECONOMIC DEVELOPMENT: APPROVAL OF A WATER INFRASTRUCTURE INCENTIVE PROGRAM (CONTINUED FROM THE MEETING OF FEBRUARY 6, 2018)

Mayor Rothschild announced City Manager's communication number 61, dated February 21, 2018, was received into and made part of the record. He asked the City Clerk to read Resolution 22862 by number and title only.

Resolution No. 22862 relating to Economic Development; approving adoption of water infrastructure incentives linked to the existing primary jobs incentive program; and declaring an emergency

Mayor Rothschild explained that he was the one who requested staff to develop a water infrastructure incentive program to solve a particular problem that he had seen in the community. He went on to explain that some of the problems, requirements, and incentives of this economic development strategy and asked for responses from the Council Members.

Mayor Rothschild stated businesses that came to Tucson looking for places to locate, tended to bypass areas where the City would like them to focus on. He said this was land basically along I-10 and I-19, and in Wards 4, 5 and along the Planned Sonoran Corridor.

Mayor Rothschild commented that staff was directed to come back with an environmental component in addition to the jobs requirement for someone to obtain the incentive, which was what was before the Council that evening. He complimented staff for working with the Citizens' Water Advisory Committee (CWAC) on the environmental component and had put in place good environmental requirements.

Mayor Rothschild explained this was an incentive and not for everybody. He said it was discretionary with the Mayor and Council and was only available to businesses to provide well-paying jobs that meet the primary job incentive. He stated the business was only entitled to the sum if they could show they were returning more money to the community than the incentive itself.

Mayor Rothschild said, more importantly, it had to meet three or more conservation sustainability criteria; lead certification, outdoor/indoor water conservation, planning substantial canopy of native trees, providing alternatives to transportation for people, hiring veterans or the formerly incarcerated. He stated, in addition, not only were the targeted areas where the incentives were offered desirable for manufactured or logistic uses, there were also located in zip codes that scored high on the City's distressed communities index which was an annual report the City did.

Mayor Rothschild further explained that the incentive was not available until businesses could show they complied with the requirements to receive it. When issued the Certificate of Occupancy (CofO), they can receive half of the incentive and the other half, three years later. He said additionally, the fund could help to replenish itself with the construction sales tax received in impact fees received.

Mayor Rothschild commented that earlier in the day, the Mayor and Council looked at Tucson Water's (TW) plans for the future and were reminded that \$4 million dollars a year were committed to TW's conservation fund and close to \$1 million to TW's low income assistance fund; which could and should be bigger. He said he thought TW was recommending an increase to that fund in FY 2019 with additional increases each year thereafter. He stated TW was recommending making an agreement with the Tucson Unified School District (TUSD) to be responsive to their needs.

Mayor Rothschild said this program was a very small part of the many things that TW can do to help the community and certainly getting high paying jobs for the community was important. He recapped that the businesses were going to have to be environmentally friendly, pay well, hire veterans or the formerly incarcerated, built to LEED (Leadership in Energy and Environment Design) and conserve water.

Council Member Romero commented on past economic development strategies and how she had always supported them. She stated she had concerns over this particular incentive. She said she felt that it created a precedent of building water infrastructure for corporations and paying it out of the pockets of the rate payers. She went on to discuss and query the job incentive programs and how they operated.

Council Member Romero stated that earlier there was conversation about increasing water rates for rate payers by 27.2% within the next four years. She said this did not include administrative service charges which were approximately 3% nor did it include any storm water utility fees or any other miscellaneous fees not included in the 27.2% rate increase water customers would have to pay. She said the capital funds used for the program could be used for other older infrastructure replacements. She commented this was not free money that was found; it was being paid by the rate payers and would affect other capital projects in the future.

Council Member Romero noted that the Primary Job Incentives and other incentives currently in place were enough. She said she thought the \$2.5 million per year of capital funds should be used to create a green infrastructure fund; something everyone agreed on. She stated instead of charging rate payers more, the \$2.5 million should be used to start the program and invest in areas that need large neighborhood scale water harvesting projects for neighborhoods that typically flood in the community.

Council Member Romero said, because of previous discussions earlier on water rate increases, 27.2% within the next four years, she was not going to support the item and thought it should not be passed. She asked for the record, who came up with the proposal and why and what groups worked with the proposal.

Mayor Rothschild stated he spoke to Tucson Water and asked if they could take a look at the program, but did not direct them on how it should look. He also mentioned that the Economic Initiatives Department worked with Tucson Water as well.

Tim Thomure, Tucson Water Director, responded that meetings were held with members of the Citizens' Water Advisory Committee (CWAC) and Watershed Management Group on the sustainability criteria and meetings were also held with the Southern Arizona Leadership Council. He said CWAC reviewed the program as proposed back in June and then again more recently.

Mayor Rothschild commented he too met with CWAC regarding the environmental component.

Council Member Romero stated she was glad the proposal had an environmental component to it. She said even if something was “greenwashed,” the financial inequity was still present. She asked for an approximate number of how much construction sales tax monies were normally left over from the Primary Jobs Incentive program. She said, typically, the Primary Jobs Incentive program used construction sales taxes to build infrastructures surrounding new development or used it to train employees, therefore leaving very little money to use elsewhere.

Mr. Ortega responded, he was not sure monies were left over, generally speaking, those dollars were set aside for public infrastructure and training. He said there might be instances where the dollars were not used immediately and would remain there within the time lines outlined for future use. He said it could be that the company would not ever use the training dollars as outlined so those dollars would come back into the General Fund.

Mr. Ortega commented that generally speaking, if it was the agreement upfront, that those dollars be set aside, then they need to be put aside and not dip into the General Fund and not counted on for future use.

Council Member Romero explained that the Primary Job Incentive Program typically used the construction sales taxes on the infrastructure of the company being incentivized or training for their employees leaving very little construction sales taxes in the end. She said the reason she kept honing in on this issue was that there was a claim this program did not affect Tucson Water rates and the rate payer. She said she wanted an explanation of where these dollars came from if they were not from the rate payer.

Mr. Thomure responded that the funding for the water infrastructure incentive was budgeted within the Tucson Water Capital Improvement Program and its budget capacity, on an annual basis, of the \$2.5 million per year was only utilized if incentives were granted in any given year.

Council Member Romero clarified the capital funds were funded by the Tucson Water ratepayers. She continued saying it was a fallacy to state the \$2.5 million for the incentives were not funded by the rate payer. She stated it was important to clarify where the \$2.5 million in capital funds came from. She said the rate payers were being asked to pay \$2.5 million a year to corporations which she felt was very different than the Primary Job Incentives and any other incentive program in the City. She said by approving this program, she felt it was setting a precedent with funding infrastructure for corporations by the Tucson Water rate payers and strongly suggested that the item should not be passed.

Council Member Durham stated there were excellent metrics and objective standards in four of the six conservation and sustainability measures in Section B of Exhibit A to the Resolution. He said he wanted to “beef” up the other two measures. He stated Measure #4, titled “Increase to Urban Pre-Canopy Cover” required twenty-five percent of the non-roof area of the parcel after a ten year establishment period. He said

there was a three year holdback, but was pretty difficult to enforce a ten year requirement with the three -year holdback. He commented that Measure #5, titled “Provide Alternative Transportation Incentives.” He said this was an increasingly popular benefit for employers to provide; its objective was to require an employer using the water infrastructure incentive to implement something above and beyond what they normally would have done to raise the bar. He stated that way it would ensure that the City was actually getting something for their money.

Council Member Durham stated the language he proposed to add would require that alternative transportation incentives be above average for similar employers, similarly located.

It was moved by Council Member Durham to amend Measures #4 and #5 as follows:

- Add two sentences to the end of Measure #4 to read, “The development agreement shall require Tucson Water, at the end of the ten year establishment period to verify compliance with the coverage requirement. If the coverage requirement is not met at that time, the development agreement will require the employer to plant additional trees to meet the coverage requirement.”
- Add one sentence to the end of Measure #5 to read, “The plan for meeting the alternative transportation incentives measure will be included in the development agreement and shall include incentives that are above the average for similarly employees, similarly located.

Mayor Rothschild stated a motion was needed for the requested amendment before he could ask the motion maker if they would accept the amendment.

Vice Mayor Cunningham stated before making the motion, he asked for clarification on the point system for the incentive requirements. He explained that there was an elaborate point system; if someone only qualified for the minimum number of points, which was four points, then the highest subsidy they could get was a half million dollars, not \$2.5 million. He continued that in order to qualify for that, they had to provide a minimum of fifty jobs of over fifty-two thousand dollars a year and had to invest a minimum of \$10 million in construction. He said the average wage of the jobs had to be a minimum of sixty thousand dollars a year.

Vice Mayor Cunningham reported that that alone, just based on state shared revenues, would get the City the half million dollars back. He said this was a program that had a social justice component built into it, a sustainability component, environmental component, and also had a component where areas were targeted where it was basically infill and allowed for this industrial piece.

Vice Mayor Cunningham explained he understood that the Mayor and Council were charged with so many things; one being trying to expand the economy and

opportunities for the City of Tucson. He said too often, those opportunities were yanked by Phoenix and the opportunities they offered. He stated the City had to have the ability to be competitive.

It was moved by Vice Mayor Cunningham, duly seconded, to pass and adopt Resolution 22862, with the added language Council Member Durham recommended on Measure No. 4. He agreed it was important to verify the compliance. He suggested that the added language for Measure #5 be left out because he was not sure how they would be able to track that particular requirement.

Council Member Durham explained why the language was needed in Measure No. 5 and provided an example. He said he did not want an employer to put up half a dozen bike racks to qualify for the incentive because the City was not getting its money worth; he wanted to raise the bar. He stated the Mayor and Council had the opportunity to review the development agreement and make any changes/requirements deemed necessary. He commented that by including the changes to Measure #5, it established the general policy that Measure #5 should be above average for similar employers with similarly locations.

Vice Mayor Cunningham reiterated his feelings on the verbiage stating it was going to be hard to track and did not feel the intent was to let people get away with putting up two bike racks.

Mayor Rothschild commented that each potential incentive request would be handled on a case by case basis and if the language suggested was in there it would raise the bar. He said it would show that the Mayor and Council were making a statement on the requirements needed for compliance and would provide leverage. He commented he was being supportive of the amendment.

Vice Mayor Cunningham responded he would accept both pieces of language if that was agreeable with the person who seconded the motion.

Council Member Scott, as the seconder of the motion, stated she was in agreement.

Council Member Kozachik agreed the incentive needed to be more robust and supported Council Member Durham's suggestion. He said the incentive was more comprehensive and firm and he was now ready to support it.

Council Member Durham explained that the parcels in question would receive water service under the Water Service Area Policy. He said if the Mayor and Council did not adopt the measure, those parcels would be developed with less water and energy efficient buildings.

Council Member Romero wanted to note for the record she attended a Community Water Coalition Meeting that Mr. Thomure also attended where discussion

was held on what the program was and was not. She said even though the green measures included in the program were discussed, they had recently taken the same position she had taken, in that it needed to be clear. She said once the Community Water Coalition realized the social and financial inequity in the program, took a position against the incentive. She said she wanted to be clear that the Coalition was either under the impression that the program was inevitable and wanted to add some green components to it, but just recently had taken a position against it because of the social and financial inequity in the incentive.

The motion to pass and adopt Resolution 22862, with the amendments to Measures #4 and #5 of the Conservation and Sustainability Requirements in Section B of Exhibit A to the Resolution, was passed by a roll call vote of 6 to 1 (Council Member Romero dissenting).

11. ADJOURNMENT: 7:57 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, March 6, 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 21st day of February 2018, and do hereby certify that it is an accurate transcription.


DEPUTY CITY CLERK

RWR:cl:jg