MAYOR AND COUNCIL Study Session Minutes

Approved by Mayor and Council
on June 23, 2026.

Date of Meeting: December 16, 2025

The Mayor and Council of the City of Tucson met in a study session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona at 11:09 a.m., on Tuesday, December 16, 2025, all members having been notified of the time and place thereof.

OFFICIAL MEMBERS PRESENT:
Mayor Regina Romero
Vice Mayor Lane Santa Cruz (Ward 1)
Council Member Cunningham (Ward 2)
Council Member Kevin Dahl (Ward 3)
Council Member Nikki Lee (Ward 4)
Council Member Selina Barajas (Ward 5)
Council Member Miranda Schubert (Ward 6)

OFFICIAL MEMBERS ABSENT: None

STAFF:
Kristina Swallow, Assistant City Manager
Roi Lusk, City Attorney
Yolanda Lozano, Interim City Clerk

(NOTE: Minutes for Study Session are transcribed in verbatim format.)

1. **Executive Session – Cramer v. City of Tucson, et al., Pima County Superior Court Case No. C20233132 (City Wide) SS/DEC16-25-249**

   It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to enter into Executive Session as noticed on the agenda.

RECESS: 11:10 a.m.
RECONVENED: 11:50 a.m.
MAYOR & COUNCIL: All present (Council Member Barajas arrived at 11:51 a.m.)
STAFF: All present

Executive Session was held from 11:21 a.m. to 11:36 a.m.

It was moved by Council Member Cunningham, duly seconded, and carried by a cote of 6 to 0 (Council Member Barajas absent/excused), to return to open session.

2. **Mayor and Council Direction Regarding Executive Session – Cramer v. City of Tucson, et al., Pima County Superior Court Case No. C20233132 (City Wide) SS/DEC16-25-248**

It was moved by Council Member Lee, duly seconded, and carried by a voice vote of 7 to 0, to proceed as discussed in Executive Session and to settle the case for $50,000.

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Mayor Romero: What's the Council's pleasure for Item 2.

City Attorney Roi Lusk: Mayor, an appropriate motion would be to proceed as discussed in executive session and to settle the case for $50,000.

Council Member Lee: So, moved, Mayor.

Council Member Dahl: Second.

Mayor Romero: There's a motion and a second. Any further discussion? Hearing none, all those in favor indicate by saying aye.

All: Aye.

Mayor Romero: Any against, motion carries. Item 3.

3. **Update on Strategic Initiatives Related to Unsheltered Homelessness (City Wide) SS/DEC16-25-245**

Introductory comments were made by Liz Morales, Assistant City Manager.

Information was provided by Brandi Champion, Community Safety Health and Wellness (CSHW) Program Director; Justin Hamilton, Multi-Agency Resource Coordinator; Stacie Shaner, Tucson Police Department Assistant Chief; and Kat Davis, Tucson Pima Collaboration to End Homelessness (TPCH).

Additional information was provided by Roi Lusk, City Attorney.

It was moved by Council Member Dahl, duly seconded, to identify the Vice Mayor as City's elected official designated to serve on the TPCH Board. Serving on TPCH's Board will be part of the duties of the Vice Mayor position.

Discussion ensued.

The motion was carried by a voice vote of 7 to 0.

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Mayor Romero: As we have been doing for the last two years, I've requested an update on strategic initiatives related to unsheltered homelessness. Ms. City Manager, you can start us off.

Assistant City Manager Kristina Swallow: I'm actually going to turn it over to Liz Morales, Assistant City Manager.

Assistant City Manager Elizabeth Morales: Thank you, Madam Mayor, Members of Council, happy to be able to bring you another update to the unsheltered homelessness effort under our Safe City Initiative. We have pulled together all the departments and we are doing regular meetings and updates, and today's update will be a reflection of that work that we're doing under Safe City. And so, we're going to have four speakers today and we're going to start with Community Safety, Health and Wellness Program Director, Brandi Champion.

Community Safety, Health, and Wellness Program Director Brandi Champion: Honorable Mayor, Members of the Council, I'd like to welcome Council Member Barajas and Council Member Schubert. Welcome, so today's update reflects the City's balance and coordinated approach, one that combines housing solutions, compassionate outreach, regional partnerships, and enforcement when necessary to protect public safety and restore shared community spaces. The efforts discussed today are guided by the Safe City Initiative, Homeless Protocol, Tucson Police and other departments, as well as close coordination with the Tucson-Pima Collaboration to End Homelessness. Housing First remains one of the cornerstones of Tucson's homelessness response, with the goal of stabilizing people first while concurrently providing the services and support needed to address behavioral health, substance use, employment issues and getting folks into long term stability.

Today, the city supports a range of Housing First and shelter programs Citywide. Across four of our shelters that we support, they have a current census of 169 adults and 105 children that will not sleep on the streets tonight that are getting comprehensive resources and services to get back on their feet. I want to highlight one of the shelters that we also support, STAR Village. Specifically, I want to highlight it. It's operated by Primavera Foundation. It plays a critical role in our system as placement option for individuals wanting to exit unsheltered homelessness. It provides stability paired with services and has become an important resource during some of our encampment resolution efforts. They served 335 individuals in the month of November. It's a strong concentration of outreach from Ward 3. Really indicating the program's reaching its intended geographical areas.

The outreach volume still remains high relative to our housing capacity, which affects downstream enrollment and referrals. 67 housing assessments were completed during the reporting period and there are 21 active residents at STAR Village today. 11 residents are enrolled in case management and there have been 218 individuals that were unable to be referred to STAR Village largely due to capacity constraints or eligibility limitations.

All are given resources and shelter nonetheless, and where the information can be accessed for other shelters and other services. Some of the strengths of this effort, this pilot that we're doing are a high outreach effort. Like I said, in the geographical area that it was intended to Ward 3. Stable active resident population that's engaging emphasis on well-being and support services. And some of the challenges are limited housing capacity relative to the need and demand for people to get into housing. In the first three months, STAR Village has demonstrated great frontline engagement and stabilization efforts, and we can best support this pilot by identifying better housing placement options for all of these clients. It's a clear example of how these collaborations connect directly to encampment reduction and public safety concerns.

Mayor Romero: I'm sorry we're having some technical difficulties. OK, but go ahead. I think you're good to go.

Director Champion: OK, so I want to shift to another effort that we're working on in collaboration with our outreach deployments that we're doing citywide. We've seen a gap and a need on how to help our in-House neighbors with their personal property. When individuals are ready to go into shelter or treatment or even when they go to jail, what happens to their stuff, right? Many of the shelters and treatment facilities don't allow pets or property to come with the individual, which is a reason why many people decline services, right? This issue was raised recently by Council Member Cunningham in a recent Mayor and Council meeting because it is definitely a need, right? In our Safe City implementation meetings, we have finalized a policy and the procedures to be implemented which we're calling the Personal Property Program.

This program establishes a clear step by step process for assessing, collecting, documenting, transporting, storing and returning personal property to folks. Right, it ensures that individuals receive notification, a tracking number, and clear instructions on how to retrieve their belongings. This program ensures personal belongings are protected while allowing the city to maintain public health, safety, and access to public spaces. And it allows for a centralized property hold system with documentation and accountability at every step. This program will roll out in January of 2026, and I will keep this Mayor and Council updated on that. I would like now to invite Justin Hamilton, the Multi Agency Resource Coordinator and Assistant Chief Schaner, to speak about outreach and encampment initiatives.

Multi Agency Coordinator Justin Hamilton: Thank you, Brandi. Honorable Mayor and Council Members. I'd like to speak today a little bit about the 100 acres bike park. First thing I'd like to point out is it's been definitely, at least I've been going there my whole career, it's been providing outreach to that park for at least three to four years now for my career anyways. It's been a huge endeavor. We broke the park down into three separate categories because the park was so large. We decommissioned the last zone of the park on November 18th of this year. So, it was a citywide effort. We had about 94 personnel on that day. 30 individuals we engaged on site that day, 17 individuals accepted services, 6 individuals were transported directly in the permanent housing. We were able to identify those individuals and move them directly into their permanent housing units. 4 individuals were connected to Gospel Rescue Mission Day respite. Two individuals were transported to Amphi Shelter to receive substance abuse intakes at CMS, and one individual was transported to STAR Village.

It's very important that we point out that TPCH has been working at this site since July of this year. They were able to house more than half of the population of the encampment before the actual day of the decommissioning. The numbers to speak of that actually currently right now, 65 people are in their permanent housing from that encampment. And 15 other folks are on that list waiting for their permanent units for that, for their housing.

So, the operation took approximately 17 hours. We had high hopes we'd be able to do the operation in one day. That was not the case. It was stretched over two days, about 17 hours. We ended up getting around roughly over 300 tons of debris removed from the encampment, so that's a large amount of debris. 230 shopping carts were removed from the encampment that day, and also animals were safely transported to PACC: 1 turtle 8 puppies, one adult dog and 12 kittens that day as well. The important conclusion, like the 100 acres I think it just highlights that the individuals that were out there were connected to services and housing. The area was restored for public and recreational use and public safety risks were significantly reduced in that area.

If I can, I'd like to talk about a little bit of the deployments, if you don't mind, guys, then I'm going to turn it over to Assistant Chief Schaner. Like to talk first about our operational Clear Path Model. We've had four deployments as of date for the operation Clear Path, which we've engaged 139 individuals and provided 13 individuals to shelter, 12 to treatment and removed 80 tons of debris from the city streets and addressed 35 encampments. The city's balanced approach of engagement is responsible for maintaining our safe and accessible public spaces. Deployments reduce environmental and safety hazards and prevent long-term encampment growth and connect individuals to services without allowing unsafe conditions to persist. To talk a little bit more about the deployments, I'll turn it over to Stacie Schaner.

ACM Morales: Mayor, if I may, Justin, can you explain the difference between Operation Clear Path and the TPD's deployments?

Coordinator Hamilton: Yes, ma'am. Mayor and Council Members, the difference between Operation Clear Path and the other deployments, the main difference is who leads the operations. The loop, that's maintenance led by the divisions of TPD, and the other Clear Path deployments are by led by TPD core unit and myself throughout the City. So that's the main difference in the deployments, but all deployments, they're all the same, it's just a matter of where the services are delivered in the model.

Mayor Romero: And save city Clear Path is out when we have a holistic approach. We have nonprofit organizations, the City of Tucson, TPD, Housing First, Community, Safety, Health, and Wellness. The safe city deployments are the ones that are focused on public safety, OK.

Assistance Chief of Police Stacie Schaner: Honorable Mayor, Members of the Council, I'd like to offer a special welcome to our new Council Members. My name is Stacie Schaner. I'm an Assistant Chief over Patrol Services Bureau. Thank you for that question. It's a good transition into what I'm here to present today regarding the Safe City enforcement deployments. This is just one piece of the overall strategy to address ongoing concerns and issues within our public spaces. And particularly along the loop that surrounds the city of Tucson, with the ultimate goal

of engaging individuals with the right services and opportunities to help them make positive changes within their lives.

As Justin mentioned, the Operation Clear Path Operations are more outreach led in bringing out the different outreach providers and opportunities to the scene to really provide that opportunity to individuals to engage in the moment, bringing the services to them, rather than having to assist them in getting them later or giving them information so they have to follow up on their own. When that doesn't work, the maintenance in these spaces falls within the patrol divisions to take lead on that, and that's where I come into play and my team comes into play. The divisions have developed different maintenance strategies to maintain positive outcomes within the areas where we've provided a lot of resources and a lot of investment and sometimes it's not enough to manage with just some on duty resources, maybe some special checks, maybe some regular proactive deployments in those areas which I will touch on after speaking on these larger deployments.

But when that happens, we do come together and bring in different stakeholders to have a more, a larger impact on an area with collaboration and enforcement efforts. And again, those efforts, while they are in place to address criminal activity in the area to address violent crime that's occurring within these populations, are still an opportunity to connect individuals to the right resources. So, within the memo, you'll see that there are six different deployments that were listed there. Since the memo was submitted, we did have another one on October, I'm sorry. December 8th. I will verbally provide those numbers now. We had 14 arrests, including eighteen. New misdemeanor charges for new felony charges, as well as serving 35 misdemeanor warrants and one felony warrant. To align the data with the information that's already provided. In total, over 7 enforcement Safe City enforcement operations. We've made approximately 200 arrests, but we've made many more contacts, and I want to make it clear that just because these have more of an enforcement and criminal activity focus, we do have the same type of stakeholders engaged with these operations. Justin and his team are present with us, we engage with the transition center through the Pima County Jail.

The hope is that we can connect people to the right opportunities when they are either not willing in the moment or don't have the ability to make that decision or facing other barriers to that connection, helping to get them to the Transition Center so they can be connected appropriately with that. These deployments we use a variety of resources and a variety of stakeholders that are there with us. Like I said, mentioning Justin's team and the Transition Center. We also partner with Pima County Sheriff's Department, Pima County Flood control, Tucson Fire Department, the Transition Center, and a variety of others. We usually set up a command post where we have a variety of resources available to help process. As Brandi had mentioned, personal property is very important to us. So, we bring out evidence technicians to help process personal property, on site. So, there's less chance for mistakes or problems to occur within that, and we can get people connected back to their property sooner.

We'll use different technology or different vehicles such as ATVs, drones, bikes, bicycles, motorcycles, officers on foot, whatever we can do to connect with individuals that are off the normal paths per sey, so, in the end, like I said, these are maintenance operations. This is the larger scale which is presented in the memo on a smaller scale. Currently, Operations Division

West in the Rillito River Path from Stone to 1st Ave., which is a very small location. They are dedicating daily seven days a week for 2/5-hour shifts. What we call a bakery unit. So, a two-person unit. Where they're responsible for high visibility presence, engage with people on the path, make contact with individuals that may be engaging in criminal activity, but really try to positively activate that space to provide support for people that are using it appropriately and address people that are not.

That's a significant use of the resources. So, this is something that helps for the maintenance of the bridge, while other opportunities in that same area. Such as technology and Pima County Flood Control doing some cleanups in the wash and stuff like that to mitigate the environment. These are all things that are part of the larger strategy to try to make improvements. So, if there's no questions for me at this time, I would like to pass on the mic to Kat Davis with TPCH for their update.

Tucson Pima Collaboration to End Homelessness (TPCH) Kat Davis: Good morning, everyone. Thank you so much for having me today. Welcome to our new Council Members. Honorable Mayor and Council TPCH has some big updates this month. On November 3rd, the Department of Housing and Urban Development, sorry, November 13th, the Department of Housing and Urban Development released the latest continuum of care Notice of Funding Opportunity (NOFO) each year. When this happens, TPCH holds a local funding competition. for community agencies, we have independent review panels that rate and rank those applications, and then the City of Tucson is the collaborative applicant on behalf of TPCH, to combines all of those applications to submit to HUD.

This is an extremely labor-intensive process for both the city staff as well as our community agencies, and then this year's NOFO was additionally complicated because a lot of the changes that had included in the NOFO, it required us to quickly redesign the homeless response system for our community. And then last Monday, December 8th, HUD withdrew the NOFO, stating that there would be revisions. And then they would re-release something. So as a result, TPCH has paused our local competition. Withdrawing this funding opportunity is likely in response to several lawsuits that the HUD is facing about this NOFO, and we expect more clarification on next steps this Friday, December 19th as we expect to hear about a couple preliminary injunctions having to do with these lawsuits. So, when we receive more information from HUD on how this is going to move forward, we'll keep Mayor and Council updated.

Mayor Romero: I am going to pass you for a minute and have maybe Liz or Roi talk to us about the lawsuit. The reason why the notice of funding was paused with the Continuum of Care, and why the Attorney General filed lawsuit? I think we added the City of Tucson to that lawsuit. Can you explain a little bit more about what happened there?

City Attorney Roi Lusk: Sure, Honorable Mayor, Members of Council and I do have Regina Nassen, who's in the audience with us today for additional clarification. But the main issue was that the NOFO that was issued included a lot of the conditions which the City of Tucson has already engaged in litigation against, along with other cities across the country, related to unrelated conditions, including immigration enforcement and DI and those sorts of things. In addition, it radically restructured the program. So, in general, in prior years and this was a two-

year NOFO that was issued last year, but the administration decided to reissue a NOFO after only one year. The difficulty with that reissuance, though, was that it radically restructured the program to take what we would call permanent housing focused relief from about 90% down to about 30%. So, what Kat had referred to as radically restructuring the program is indeed what was required. And I believe that's the reason why we've agreed to engage in litigation on that point as well as the AG.

Mayor Romero: So, it would have eliminated about 80% if I'm correct, 80% of the funding for permanent supportive housing. And either just remove the funding altogether or use that funding for mental behavioral I believe.

Kat Davis: Yeah. So, they were switching a lot of it from permanent housing. They put a cap on permanent housing in or switch it to transitional housing. Which functions a bit differently, right?

Mayor Romero: And permanent supportive housing really keeps people out of homelessness, and you know the research suggests that permanent supportive housing and that route those wrap around services really eliminate a lot of acute disorders, right? Acute disorders in terms of mental behavioral health issues, substance use disorders, etc. And so, for the City of Tucson and also, Attorney General Mayes, it was unacceptable because the work that we have succeeded in doing and keeping people out of the street and unsheltered, would have.

Kat Davis: Would have drastically changed drastically. People who are in transitional housing are still considered homeless, so it's very much different than permanent supportive housing. So TPCH is currently planning the 2026 point in time count. So, this will occur on January 28th of 2026 at 6:00 AM. So, if any of you want to be up bright and early that morning with us please feel free to contact me directly and we will get you assigned to an appropriate team. We have open volunteer recruitment that opened on December 3rd and that'll be open through mid-January. Operation Deep Freeze is also underway. This is our TPCH annual winter weather response, so it has not yet been activated this season because it's been fairly warm, but it is ready to go. We have three shelters participating this year, so when this is activated, we will send out notifications both through the TPCH listserv as well as the TPCH website and social media.

And then as you know, TPCH has been working on a new strategic plan for most of this year. Most recently, our public comment period ended on November 30th. So, we're now working to make revisions to that draft. We're still on schedule to have the TPCH General Council adopt this plan in February of 2026. So, we look forward to the many opportunities this plan includes to partner with our jurisdictional partners to work toward addressing homelessness.

Lastly, TPCH is expanding the TPCH board to include additional designees, so this expansion will include both law enforcement as well as elected officials. So TPCH respectfully requests that Mayor and Council identify a Council Member who would be willing to serve on the TPCH Board and help guide the Continuum Care Coordination, and partnership with the City of Tucson. The first meeting for this new designee would be on January 27th. So, if you have any questions about participation, again, please reach out to me. I'm happy to talk about details.

So, in closing, TPCH appreciates Mayor and Council support on the continuing of care funding process. All the advocacy that has been done to that end, as well as your leadership on the housing first coordinated outreach and regional partnership. So, thank you so much, we look forward to continuing our updates as work continues. Thank you.

Mayor Romero: And do we have a report on Housing First or was it done? Alrighty. So, I think the most important piece of work that we need to do right now is specify which Council colleague is going to be appointed to the TPCH Board. It sounds like there's going to be three elected officials and two law enforcement representatives added to the board. Correct, Kat. And Liz, I don't know if you have a suggestion in terms of how we go about selecting, I mean all of us on this Council are interested in this issue and want to make sure that the city's voice and perspective is added to the TPCH Board. So, what's your suggestion?

ACM Morales: Thank you, Mayor, and Council members, I believe that for the sake of consistency because this will be a long-standing commitment. And we know that board changes. I would recommend that we slot the Vice Mayor role versus an individual so that way as those roles change, they can that individual, that council member that's serving in as a vice mayor could serve on the board and then that way there's a clear path forward for the TPCH on who will be serving on the general counsel.

Mayor Romero: So that's a suggestion. Do you all have any thoughts in terms of the suggestion? I like the idea of adding that role to the vice mayor position, like that's part of what they're responsible for so I'm open to some discussion from the colleagues on the Council. Council Member Dahl.

Council Member Dahl: This is something that interests you?

Mayor Romero: Any thoughts, Council Woman Lee.

Council Member Lee: That makes a lot of sense, Mayor. Do you want feedback just on that piece or just?

Mayor Romero: I think let's make the decision on that and then let's open it up for questions.

Council Member Lee: That's perfect.

Mayor Romero: Alrighty. Do you need a motion?

Assistant City Manager Morales: Mayor, I do.

Mayor Romero: OK. May I have a motion?

Council Member Dahl: So, moved.

Mayor Romero: So, motion to appoint the Vice Mayor, whoever serving in the Vice Mayor role of representing the Mayor and Council at TPCH.

Council Member Barajas: Second.

Mayor Romero: Motion and second any further discussion, hearing none. All those in favor, please signify by saying aye.

All: Aye.

Mayor Romero: Any against, motion carries OK. Now we open up for questions. I just wanted to start by thanking you all for your work. I usually like to say the incredible work that you're all doing together. With our Housing First, with our Tucson Police Department, with our Community, Safety, Health, and Wellness. I mean, it really, truly is, work that is being done by all and being done incredibly well. You know the way that the City of Tucson, Mayor and Council and our team approaches unsheltered homelessness and the fentanyl opioid public health crisis that's happening on our street, the needs of the most vulnerable really in our community, the way we approach it, is something that I as a Mayor and I know my Council colleagues have been very proud about. And really doing this work with an eye to offering resources and services not wanting to criminalize unsheltered homelessness or mental behavioral health issues or substance use disorders, but trying to house individuals first, offer them the resources available. And wrap around those services.

The Housing First investments that this mayor and Council have done have been truly historic and thinking about the point in time count that we're about to do again, the data shows that the chronically unsheltered folks, those that are hardest to serve, have a direct connection to mental behavioral health care issues and substance use disorders many times put together. And those are, in what we're seeing, right, what we're seeing as a team, those are the biggest gaps. Those are the areas that we need to find long term solutions for and partnerships with Pima County, with the State of Arizona and the Federal Government.

Unfortunately, our Federal Government is moving in the opposite direction of what we need, so the numbers connected to the point in time count. Our Housing First program has been housing more and more individuals. What we need are connections to behavioral mental health services and substance use services like detox and medically assisted treatment, etc. Those are the conversations that we've been having with Pima County and that's the help we've been asking them to act urgently to help solve them with us. I'm going to open it up for questions, but my first question is, I'll open it up with the 100-acre woods.

Two things. One, what I have heard from residents is I don't know where to call. If I see an encampment, and I think that one of the impediments to getting information to the community is like the information that we have, who's doing the work and how do we, how do we call it in? So, Justin, since I see you up on the mic. What's the best approach for residents to call an encampment in to the City of Tucson.

Coordinator Justin Hamilton: Mayor and Council Members, the best way for the public to report is actually through the 311 line to report our encampments. They can triage that call, they will put the report into our dashboard, and we will build it to assess it from there.

Mayor Romero: OK. So, you heard it here, folks called 311 if you see something. The approach that we will always use as a city is to provide resources first and ask questions and see how we can provide help. The other question I had, that I hear a lot of frustration from residents is we see that some encampments are cleared and then there's people coming back. So, what's going to happen with 100-acre woods? And how are we going to make sure that, that we refer the people that want to use that space as an encampment to any resources.

Coordinator Hamilton: We do have a safety plan in effect where our camp assessors are stopping there twice daily in the morning and in the evening. The Parks Department is there at midday and then the Tucson Police Department is our eyes on at night. We actually haven't had anybody come back into the park. I think it speaks volume to the fact that I think our message is being received about some of our public spaces where it shows that we where we had a positive impact was Aviation Parkway. We had to be out there, yeah, a few weeks after the fact, but the Parkway has remained clear to this day.

Mayor Romero: Any questions from my colleagues, Council Woman Lee, and then Council Member Cunningham and Vice Mayor.

Council Member Lee: Thank you, Mayor. I want to start by also thanking Brandi, Justin and your teams, our Parks, team, Housing and Community Development, the city manager's office, TPD, TPCH, and all of our nonprofit partners, as well as Pima County for specifically the work on 100 acres. This site is near my ward, and it also borders 5 & 6, and I know how complex and long running of a challenge that has been. I appreciate the phased coordinated approach that your teams took and the clear focus on safety outreach and as you said, Justin, restoring the space for public use. That's really important for the community. This might be a Lara question, but I'm guessing maybe one of you all may know. I know there's construction already happening on the location, but does anyone know when we are expecting that construction to be done and that amenity to come online? Maybe not, and that's OK.

Coordinator Hamilton: No, I know that we're actually taking bids. I think we're on target for the construction to commence here in a few weeks. I think we're on target for spring of 2026 for completion.

Council Member Lee: I also just want to acknowledge the efforts already in place to prevent repopulation that you mentioned. That work is going to be just as important after the park is built to keep this amenity safe, accessible, and welcoming for the community, for the long term. And finally, I just want to recognize a strong partnership with Pima County on this effort as well as the other efforts mentioned in the memo, there was a long list of County teams and as we're working on our collaboration with them, I wanted to specifically mention that and these results are what's possible when we work together with the City and the County and all of our partners, so great work to the team. Thank you.

Coordinator Hamilton: Thank you, Nikki.

Mayor Romero: Council Member Cunningham and then Vice Mayor, thank you.

Council Member Cunningham: With this item, I want to stress people to participate in point in time. We never really have enough volunteers. I participated in the last couple years. It's an important piece of work you do. So, for people who are watching, I just asked to try to volunteer for a team and point in time. That's really important. My office will continue to be your go to for relocation services. We've now, I think helped I think five or six people relocate back to their hometown or back to where they wanted to go. We'll be open to that. We have set up a way that we can book the tickets and get them on the bus and get them some money while they're on the road. So, it's gone pretty well. We just sent them a couple more people on their way last week. One guy was going to Maine, which was interesting but and also you know when you're doing that type of work, you get to know the person and you get to work, learn their story and learn kind of what, what, what all about and get some perspective on just different people's lifetimes. So, we'll continue to do that out of our office Justin, our team's ready to continue that. I know that's one that has not been refunded. So, we're going continue to help with that.

One of the biggest issues that we're having right now is utility debt, especially in rehousing. We're going announce, we're raising some private money to have a Utility Debt Relief Fund. So, for some of our folks that are unhoused, who don't, who owe like maybe $700-$900 to TEP and they've saved up enough probably to move out, but they don't have enough because of their utility debt, please let us know. We're really, I think our funds gonna be willing to step in and provide some utility debt relief for folks that are being rehoused out of our shelters. So, I think specifically to start it would be part of that House program that we've really just launched, but that's what we're working on.

I'm really excited about the personal property program that Brandi's launching. I think the facilitation is that transportation of the personal property, and I think we can coordinate with environmental services to set up some type of permanent group like Environmental Services Officer, whatever we want to call it that could, it would be through the ES Enterprise Fund, but they'd actually facilitate the transportation of that upset personal items. Because sometimes there's quite a bit of it and it becomes a little bit more complicated than that. We've also seen the conditions of some of those items, and the sanitation of some of those items. So, we have to consider those things, and I think this is an opportunity to do that. It definitely makes it if we can marry that in with like an ATJ program, with alternative to jail, so we're not booking people into county while we're helping them and engaging services. We're kind of hitting the trifecta, you know. So that's the other piece.

Finally, I think the last the crowning achievement, we can go to and I'm going to keep pushing for this is however, we do the opiate money, I'd love to see the Pima County Transition Center open seven days a week at least from 8:00AM to 7:00 PM and if we have kind of all those things cooking, all that stuff's going to fall into place. Everything's kind of going to fall into place and I think we'll be where we need to be. Other than that, I couldn't, at the end of the year in this situation, I can't be more appreciative and more thankful for the team we do have. We have got some of the best people and the best minds in the country working on this stuff. I think we're far ahead of some other people, we've invented new ways of things and we've been very innovative in meeting this crisis that faces a lot of cities nationwide. So, thank you for your work.

Mayor Romero: Vice Mayor and then Council Member Schubert.

Vice Mayor Santa Cruz: Thank you, Mayor. I want to thank our city staff, Brandi Champion, Justin, Assistant Chief Schaner, and Kat for all your coordinated work on this and for this very extensive update. As we're tracking how many folks you know, we've gotten into services and housing, we are also tracking the arrests and what happens post arrest as part of the Safe City Enforcement deployments. Are they getting connected to services as well, are they in jail, are they in housing? How are we tracking them?

Assistance Chief of Police Schaner: Honorable Mayor, Members of the Council, Vice Mayor Santa Cruz, yes, we are. I don't have those stats for you now, but that is something that we're working with through the Transition Center and pretrial services is to find out what's happening next. So, individuals that are arrested and connected to services that way, finding out how many are engaging in the services, how many they're able to connect and continue to engage after a period of time. And so that that information, like I said, I can't report on specifically now, but we are doing that.

Vice Mayor Santa Cruz: Alright, thank you so much, I would appreciate it if that was also part of the updates that we're looking at the outputs after we've interacted. I also want to encourage my Council colleagues to be part of the point and count. I also did it last year. It's a very sobering experience to hear and talk to folks, and a lot of the challenges that they're facing, and I think it's important for us as legislators to also have that engagement with the people most affected by homelessness so that we can better legislate. Finally, I you know, I think my Council colleagues for appointing the vice mayor to serve on the TPCH General Council, and I look forward to bringing the city's voice to that table.

Mayor Romero: Thank you, Vice Mayor. I think that it's a really good question and wonderful point to make because of the infrastructure that we're building that also, Council Member Cunningham talked about and the work that's being done with the Safe City Initiative, Safe City deployments and Safe City Clear Path. The entire point is to respond to the needs of the community and leverage people into treatment, not jail, right? Make sure that we have alternatives to incarceration and diversion and deflection strategies. We don't want to incarcerate people that shouldn't be in jail because they have behavioral mental health issues or substance use disorders and knowing that data Assistant Chief will help us also figure out where the gaps are. Do we have enough beds, do we have programs that offer mental behavioral health Services, do we not have enough? I know that you all know we don't have enough, but at least we'll be empowered with that information to be able to advocate for investment in those places that we have gaps in. So, I really appreciate the work, and I know that you're all thinking about that, too, Council Member Schubert.

Council Member Schubert: That leads in pretty well to my comments. Thank you. I appreciate the updates and as a new Council Member, I'm looking forward to connecting with each of you more and getting to know each other. So yeah, somewhat related to the idea about gaps, you know, as I'm hearing about these updates and thinking about our solutions, I'm really thinking of it through the lens of prevention and response. And so, hearing about things like 311, the personal property program, you know the cost of, you know, I'm thinking about things like the

cost of removing people versus just paying for housing, the cost of these patrols versus funding more resources. So, I'm really curious to know if we have information about fiscally, how the more holistic approach to, say, the safe city clear path, you know, kind of outreach and resource focused approach, how that matches up with maybe more traditional ways that we have had of approaching these problems. I mean because folks around this table are speaking my language about not wanting to jail people and I feel the same way, but I wonder like what more information or data we can gather about the efficacy and the fiscal responsibility of those you know, because every time we book one of the jail costs is a lot of money.

So just want to make that comment, I will also be signing up for the point in time count. I did it last year and it was really, really impactful. I talked to 21 individuals that morning in Estevan Park, so that's just my comment. Just curious about measurables points for comparison versus these holistic research driven approaches versus more traditional ways of doing things.

Mayor Romero: I don't know if you have any commentary about that, but thank you for the input, Liz. Did you want to?

ACM Morales: No. Mayor, Council Member Schubert, thank you for that. Certainly, can look at how to do that along with the information on tracking that you mentioned, Vice Mayor, so thank you.

Council Member Schubert: Yeah, just like environmental services clean up versus the cost of maintaining public restrooms.

Mayor Romero: Council Member Barajas.

Council Member Barajas: Thank you all for the good work you're doing. You and your staff. I appreciate the rundown, and I too look forward to working with you all in doing that count with our staff. I just want to dig a little deeper into some of the data, you know, especially the folks that have received permanent housing, the six individuals that were transported. I would love to know the pipeline like where they're working at, are they going to school and what models worked for their success? Because I know it's always a transition and it's always a process, but it would be great to have almost like focus group kind of opportunities to get to know the numbers behind the names behind those numbers and just see how we as a city can support more of a long-term sustainable pipeline for jobs and for education or just other type of social services but thank you all.

Mayor Romero: Alrighty, thank you. There are no additional decisions to be made on this item, so thank you all so much. Thank you, team. Wonderful and beautiful work you all do. I appreciate it. Item 4.

4. Discussion and Direction Regarding Future Use and Potential Disposition of City-Owned Property (Wards 1, 6, and 2) SS/DEC16-25-252

Information was provided by Kristina Swallow, Assistant City Manager, who fielded and answered questions.

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to issue a Request for Information (RFI) to obtain input on options for redevelopment of the Joel D. Valdez Main Library and adjacent property.

It was moved by Council Member Schubert, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to initiate a two-step process to solicit a Statement of Interest from potential developers, followed by issuing a new Request for Proposals to redevelop the Ronstadt Transit Center and adjacent properties in alignment with current City policies and Mayor and Council priorities.

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to issue a Request for Information to obtain input on options for redevelopment of the Ward 2 Council Office complex, to determine the highest and best use.

It was moved by Vice Mayor Santa Cruz, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to continue negotiations with the Museum of Contemporary Art (MOCA) to determine if they want to purchase the building and/or land.

Roi Lusk, City Attorney, said staff would continue with a valuation of the property to allow MOCA to acquire the property within their means.

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Mayor Romero: Time has been set aside for discussion direction regarding future use and potential disposition of city owned properties in Wards 1, 2 and 6. Al ighty, so we go to you, Assistant City Manager Swallow. If you want to introduce the item, I think that it would be beneficial to just start a little bit with what we're thinking in terms of the disposition of these pieces of land. And I think we should deal with them one by one, because I think there's some nuances that we have to talk about in each.

Assistant City Manager Swallow: Thank you, Mayor, and Members of the Council. Before us, we have, as you mentioned, four items that we're seeking direction from the Mayor and Council on how we should pursue if and how we should pursue disposition of these parcels. All of them are fairly recent, have had fairly recent or pending changes, and so we wanted to seek your guidance and direction as we move forward.

Going on a one-by-one basis, we'll start with the Valdez Main Library and the adjacent property. As you're aware. The library has been in the building since 1990. I believe it's a 90,000 square foot library. It occupies the entire block just down the street here that County has indicated their interest in moving out of the building has actually purchased the property. The Wells Fargo Building in order to move the library. That creates an opportunity for us to vision, what we might want to do with that piece of property in downtown, the Heart of Downtown, and to help with that, we recommend the manager recommends issuing a request for information to invite

Community partners and industry members to tell us what might be good, as the highest best use of that property might be. It would be a two-step process wherein we would collect that information and then come back to you, the Mayor and Council for your guidance on how we might move forward after that, once we have an understanding of what the community and our partners might say we should do.

Mayor Romero: Thank you so much. OK, first and foremost and to make it very, very clear to the community, we are not disposing of this property right now. We're actually wanting to plan what we can do with such an important piece of downtown first and foremost, and an important public asset. The conversation has been had at the Pima County Board of Supervisors in their plans and moving out of Joel Valdez Library. I believe that it is an important opportunity to reimagine and re envision that space, and possibly even take advantage, additional advantage of that space so a request for information from developers is basically that right? Bring your ideas to us and tell us what you think we can do here. The RFI is included in your attachments, and I believe we had this conversation at this table when Pima County was discussing their move of the library into the Wells Fargo Bank and we all said, yeah, let's make sure that we're starting to plan.

So, this is the opportunity for Mayor and Council to go out to the development community and say, hey, can we do something privately, can we do something publicly? My vision for that space is to, you know, keep that a public space. Right now, we have so many different activities, including Tucson. Meet Yourself and Garibaldi, at the International Mardi Conference and you know, we have concerts there and it's an important civic space for our community. We also have some pieces of land that we can grow up and build some mixed-use mixed income on the land that we have. There're possibilities of art and cultural spaces in that area.

So again, this is the start of a long process. We will be including the voices of community. And businesses surrounding that space and other jurisdictions that, especially Pima County that should be part of this conversation. So I just wanted to see what the appetite was for my colleagues on the Council, but I personally support moving this space to our request for information and see what type of ideas we can get. Anyone interested in starting, Vice Mayor?

Vice Mayor Santa Cruz: Thank you, Mayor, I, just like you mentioned about it being a public space, I think we have so many festivals, so many very Tucson celebrations that happen in that area, that whatever we do moving forward, that it centers that. That tradition, that opportunity for community come together. So, thank you for putting this in front of us. So, we can keep moving it forward.

Mayor Romero: All righty, is there any interest in putting a motion to move forward with an RFI?

Council Member Cunningham: So, moved, Your Honor.

Council Member Dahl: Second.

Mayor Romero: There is a motion and a second. Any further discussion. Any other ideas? Council Member Dahl.

Council Member Dahl: Thank you, Mayor. I think it's a great idea. I like the way the request for information was written. That Plaza is really important in our history and as a southwestern city, having a Plaza makes so much sense to recognize our heritage and what we're doing now, what we want to do in the future. One note and this is completely personal bias. The piece of art in front of the library that's orange colored mangled metal, I don't think it fits in. We have so much wonderful public art in Tucson. I wonder if we can get that replaced, personal opinion thank you, Mayor.

Mayor Romero: Noted. You know, beauty is in the eye of a beholder Council Member. I want to make sure that the RFI has the possibility of doing a private public partnership, because the city of Tucson does own our nonprofit development arm. So, if there could be mixed income opportunities for housing with a private public partnership that would be amazing. But other than that, any other input there's a motion and a second. If there's no further discussion. All those in favor of the motion, please signify by saying aye.

All: Aye.

Mayor Romero: Any against motion carries. The next item is let me see and make sure its Ronstadt Transit Center. Did you want to?

ACM Swallow: Yes.

Mayor Romero: Give us an update.

ACM Swallow: So, this property we actually have done quite a bit of work on. The work that we are now asking to move forward with again started back in 2014 or probably even before 2014, when we actually went out on the street with the community to envision what we would like for the 4.3-acre acres of land centered around the Ronstadt Transit Center. We developed some concepts of what could be developed there. We went out for statements of interest from qualified developers and actually selected Peach Properties. Unfortunately, that agreement has expired and recent negotiations included amendments that would be substantial enough that it would no longer stay true to the original proposal.

So, we are asking mayor and Council direction today to move forward again with a 2-step process. We have already envisioned with the Community what could be on that site. We're asking for direction to allow the city manager to update that in accordance with some of the recent approved plans and proposals that Mayor and Council have already approved. So, update it, ensure that it aligns with our current focus and then go back out again. Two-step process to solicit statements of interest from potential developers and then once we have those, move forward with an RFP to get a single development partner.

Mayor Romero: The other piece that you want to make sure that we have in the new RFP is adding the City's plans for bus rapid transit to end at the Ronstadt as well. So, we have to make sure that that's.

ACM Swallow: Yes, Mayor, thanks for catching that.

Mayor Romero: Alrighty. So, in this one, the city manager is recommending that we go out to RFP, which is a request for proposals updated RFP that would include the Housing Affordability Strategy, the Tucson Resilient Together Climate Action Plan, Plan Tucson and then revise it to include plans for a bus rapid transit system, OK. I do see some hands, Council Member Cunningham.

Council Member Cunningham: I don't, I know this is going to sound pretty lame, but I kind of like the Ronstadt Center the way it is, and I don't know. We went through this visioning process 10 years ago. It was an up, I think ultimately, I wasn't very excited about it because I felt there was too much, it was too much and sure enough, in the 10 years nothing got done. It just actually didn't get done. We probably need to focus on a lot more than just BRT. I kind of wanted to. I'm thinking about multimodal between Ronstadt, the 4th Ave. Trolley Barn and the and the train depot. Ultimately, we can have a train depot go to Kino, the Kino Stadium and back to that kind of ties into it. We also should be looking at a long term express to the VA, the Laos Center, the Airport and the Casino, along with and the Desert Diamond Casino in Raytheon. There should be a way to have an express that goes out of Ronstadt.

So, I'm thinking about those things, and more importantly, how will we incorporate this public space with the public space of Valdez? So, while we get the request for information of Valdez, I'm not sure I'm ready to solicit proposals for Ronstadt. I'd like to wait and have a little bit longer of a community conversation, but it isn't Ward two and I want to trust my colleagues on what their judgment is here, but I want to at least give my input this afternoon to let you know that it's really important that we went down this request for proposal and us kind of, our eyes got too big for our stomachs. We've got to be really aware of what we can and actually can't do, and ultimately having that full, multimodal piece where you can go from, where you can go from Streetcar to either standard gauge like a doodlebug rail on regular rail or Amtrak or go to the transit. Our bus line, or BRT, is pretty important and I don't know what I'm worried about is that if we go out to an RFP and we sign some contracts for this space, we're not going to be able to do those things in the long term. So I understand that we want to develop it and get back to some use for it, but I don't think we need to be in a rush to do it.

Mayor Romero: Alrighty. Any others? Council Member Schubert and then Council Member Barajas.

Council Member Schubert: Thank you. I'm really excited to hear you talk about multimodal connections, Paul, excited to continue those conversations and we're also supposed to ride the bus together, so, I'm looking forward to that. I think there's a lot of potential here and this is a desperately needed update of a very important part of downtown. Because it's in Ward 6, you know, we feel an added layer of responsibility. But this really affects all of us. And so, I want to welcome my Council colleagues to collaborate with me and share your ideas, because it's only

going to make our vision stronger. And I agree about not rushing it because it is a really important decision and I think with the proximity to the library parcel it, there could be a lot of value to thinking of those things together thinking about connections and accessibility and how it all fits together and just making it a beautiful, you know, public space that feels dignified and welcoming. And yeah, those are my comments for now. I'm really looking forward to seeing what we get.

Mayor Romero: Council Member Barajas.

Council Member Barajas: Thank you, Mayor. Well, you know, when I was looking at this plan it got me excited to think about the future for Tucson. It's critical for me that this RFP includes an affordable housing component because we just passed Tucson Norte Sur. That's a project that I actually worked on. And that was at ETOD Equitable Transit Oriented Development project to ensure that equity is in the forefront. So, when thinking about this, I want to see if there's a way where we could put some language in there for affordable housing to ensure that our transit investments benefit those who rely on transit as an affordable and accessible option for commuting and getting around Tucson. Additionally affordable housing Downtown would ensure that Downtown remains accessible for all mixed income levels. So, families, of all income, can enjoy the future of developments like The Plaza that we just discussed. I also want to see if there's a way in which we could explore the cost benefit for additional parking underground, above parking, possible parking right for the garage because there is a lack of parking in Downtown. So, when we're thinking about BRT and doing a park and ride, if we could search for some options and then just see what that what that revenue can look like?

Mayor Romero: Alrighty, so I completely disagree with you, Council Member Cunningham. I think that Ronstadt is the place to build density and mixed uses and mixed income. And in terms of taking our time, you know the Federal Transit Administration is involved, so that naturally, is going to add a lot of review. In the review process, I think that the original intent of building on the on the Ronstadt was to have multimodal uses and transit-oriented development. And so, the original intent, I remember the conversation because I was there to have buses future possible bus rapid transit or extension on the streetcar into the airport and that hopefully is still the plan, either via bus rapid transit, or Streetcar. Although the streetcar is so expensive. But to be able to have a zipcar and scooter and you know and Uber or ride facilities there, so that it will be a bike. you know parking there, so, it could be multimodal, really and so I think that updating our request for proposals is a good idea. We do need a motion if you all feel that we should proceed with an RFP process, cleaning up the RFP, updating it and then based on your input and feedback that we give our city attorney and our city manager, we move forward. So, it is going to be a natural long process. Because of the nature of the Federal Transit administration and then the process of putting it out. So, I don't know if there's any appetite on the Council to move forward with an RFP.

Council Member Schubert: I just want to follow up on Council Member Barajas' comments about affordable housing on the site. I too, very much believe in the approach of equitable transit-oriented development and the need for affordability. My comment to that is just I want to be cautious about ensuring that any requirements that we put in place are achievable and I think generally I support a mixed-use project, mixed income housing seems to be easier to achieve

under our current conditions. I've also heard that hospitality is something that should be included in this plan from some folks in the field so I do feel comfortable moving forward with the RFP process for this.

Mayor Romero: Can you make that in the form of a motion?

Council Member Schubert: I move to move forward with the Ronstadt Transit Center request for proposals

Vice Mayor Santa Cruz: Second.

Mayor Romero: There's a motion and a second, and of course, including all of the comments from the Council colleagues, Vice Mayor, I know that you had.

Vice Mayor Santa Cruz: Yes, I mean, I think the only thing I would add to it is that we've talked about whether we should have food trucks or we need, you know, access to food, groceries, all that, that was part of the original plan if that continued to be there. I would say as far as the parking for Council Member Barajas, maybe staff can open Park Tucson can kind of do an overview of our parking status and how we're moving forward with that because I know a lot of other developments Downtown are planning for that, so I don't know that this specific location needs to be aside for more parking.

Mayor Romero: Maybe a parking evaluation, available spaces and how it all works with with the capacity of building more uses at the at the transit, Council Member Dahl, you had your hand up.

Council Member Dahl: Thank you, I want to echo the vice mayor when I saw some of the versions of the plans, it's really hard to attract a grocery store, but we need a grocery store Downtown or close, so maybe it's not at this site, but let's keep thinking about it. And as part of the project, there was parking across the street. Parking garage near the and so I agree. Let's look at parking holistically and see how much might need to or would help if it was included.

Mayor Romero: I know that Gibson's is building a little market, you know, in the corner. Is it the same corner? Is it across the street from Ronstadt? So, we'll see how hopefully that is successful and what it's offering. So, there's a motion a second. Any further discussion on the motion? Hearing none, all those in favor, please signify by saying aye.

All: aye.

Mayor Romero: Any against motion carries. Alrighty. The next one is 7820 E. Broadway. This is the center east. Can you give us a little bit of an update and then we'll, I know that Council Member Cunningham wants to lead on this conversation.

ACM Swallow: Happy to Mayor. So, we acquired this property in 2022 through a land exchange where we received 6.1 acres and three office buildings in exchange for the former Ward 2 Office and that has enabled the Ward 2 Office to expand in their new site. We have learned that given

some of the condition of the structures and the size of the property, this might actually today provide a really opportune, an opportunity for redevelopment. And so, what has been offered is to potentially pursue a two stage, two stage process wherein we would get an RFI. We would ask the Community what could be developed and then we would come back to Mayor and Council with some options before we move forward with any further development or disposition of the land.

Mayor Romero: Thank you for the update, Council Member Cunningham.

Council Member Cunningham: Few things, so, for those who are not familiar with the site, there's 96,000 square feet of finished space in three different buildings on 6 stories', three 2-story buildings and then there's 6.1 acres, mostly of parking. A lot of it is covered. One of the buildings is occupied by Ward 2 and acts as a de facto Community Center. And then on the top floor, we're actually receiving rental income from two of our union partners. So that's been a pretty good process.

The other two buildings, the conditions are they vary, one of the conditions of the building one building maybe oh really quick on the materials. We got the wrong address 7820 is actually the current ward office, so for the record we should be talking about 7848 and 7060. So, 7840 is the one that we probably, the condition that building its kind of 50/50, you could either try to refurbish it or you could raise it and I think that's not for us to decide. I think if we want to do cash, we should just consider listing it for about $125.00 to $150.00 a square foot, which is about the going rate for commercial space and see if anyone is willing to purchase if someone comes to us and says they'd like to purchase the other building. Or the other part of the site as well. Great, we can have that discussion. But I'd really like to see us consider listing that site at about $125.00 we'd receive between $2.6 and $2.8 million. And it would, if we, if we carrier in turn of a finance agreement, it could carry some $450 to $500,000 per year for seven years for the City General Fund.

So, I think there's some options there, but I don't really want to get in too much to the minutia until we know if there's anybody actually into, we may list it and nobody wants to do anything, and then we'll be looking at an RFI or RFP process, but from, just from a cash management standpoint for 7840 specifically, we can let that go right away. As far as the 7860 building, my recommendation to the Council is that it be considered for multi-agency use right now. Licks and Team Four are just off site and we could probably consolidate some services there, as well as adult probation and SNAP services are just down the street and just off site in areas that also need redevelopment. So, I think there's some opportunity to collaborate with the county and build kind of multi-agency program for government. So, at least in the 7860 building. So those are my thoughts. I'm happy to hear some input from my council members.

Mayor Romero: Yeah. No, I've always supported the concept when we, you know when we traded our Speedway Ward 2 Office for this particular piece. I think this is an incredibly important piece of property on the east side that could really, if we reimagine it and partner. With developers it could have incredible mixed uses. There's a possibility of doing, you know, mixed income. It could be a public private partnership. I really do want, you know, to take into consideration the feedback from Council Member Cunningham, but I do also want to make sure

that we have a process with the community surrounding it. And I think that the best way to get the best ideas is to go through a process to engage developers, maybe a request for information in terms of ideas and then determine what the best and highest use is for that area. It really is an opportunity that we should explore carefully and be able to put out and see what type of proposals we get.

My biggest concern about just putting it on the market and selling just one building is that we're not giving ourselves or the community that surrounds that space the opportunity to give us input to see what they want to see happen there. Right now, we have 3 buildings and only one of that building is occupied, which is the Ward 2 Office and I know that the 2nd floor has some labor organizations on top of it, but I think that it is very, very unfortunate that the two other buildings have been empty for the last three years, four years, 16 months, 16 years. And so, I really think we owe it to the community surrounding that space to reimagine that space. To bring them in in the process of putting out a request for information and interest, to see if there's a best and highest use to redevelop that land. If we could do public, private housing and mixed income even better.

So, I would suggest that we do go through what the city manager wants us to do, which is move forward with a request for information, or interest, see what the best and highest use is and see how we can, if we can sell, you know most of that space in rehab the Ward 2 Office, that's wonderful. But I do want to make sure that we take our time and do it well, so those are my thoughts. So, any of my colleagues want to jump in.

Council Member Barajas: I just have a question; how many parcels is this area? And then what is it zoned for?

Council Member Cunningham: It's one parcel OC 3.

Mayor Romero: Alrighty so. Anyone have that information? OK. I think we'll have to get that information or Kristine, would you?

ACM Swallow: Council Member Cunningham said it was OC, I'd have to confirm.

Mayor Romero: So, the zoning and then the, I think one of my questions, what is the condition of the buildings there.

ACM Swallow: Good question. Not good. I don't know that there's like really a condition rating, but as we've looked at and as Council Member said, as we've looked at trying to find ways that they could be used in their current state, it would require significant work and significant investment in order to bring both of the other two buildings up to an occupiable condition.

Mayor Romero: I know that there were significant ADA concerns because of the width of the hallways and the and the doors, etc.. Is that correct?

Council Member Cunningham: That's only in 7840.

ACM Swallow: There's also concern regarding some of the existing systems, both the existing mechanical systems and the electrical systems. There is significant work needed on both of the buildings.

Mayor Romero: So be able to reuse the buildings, would be expensive.

ACM Swallow: Correct.

Mayor Romero: OK.

Council Member Cunningham: So really quick, but not as expensive as sometimes it gets overstated. We moved in for $9 a square foot, so I will say that for 7840, again, as someone who's walked in that building like 40 times at this point, it's 50/50 on whether it's better to raise it or rehab it. On the other, the other buildings, 7860 is in much better condition. I'm OK with doing the RFI, but my biggest point, my biggest issue is that whenever we do these, we put too many conditions on and no one makes the investment or we're stuck with what I just talked about with Ronstadt, right where we messed around for 10 years.

So, that's why I'm. I'm just saying that, yeah, we can go look at this private public partnership, but we're going to get three proposals where they're going to say, yeah, well, the property from you, but you want you to pay us to do that. And that's the type of stuff that I'm like, that's why I'm kind of saying we need to be a little bit careful. I'm fine with going with an RFI, but to be responsible to our constituents, we need to get value for whatever happens. So, I just think about what happened with Ronstadt and that's why I'm I brought up Ronstadt the same way. It was that we did the RFI and then we did an RFP and 10 years later we have nothing. So, I don't want to go down that route with this property. That's all I was saying.

Mayor Romero: And I agree with you 100%. Has there been any conversations with the surrounding communities? The neighbors in the area in terms of what they'd like to see.

Council Member Cunningham: Yes, most people would like well, I mean again, it's it hasn't been as formal, but I do know that a discussion of doing east side team four out of that out of the out of that second, the third building where we've increased the square footage in the secure parking capacity for the officers has been met with excitement with enthusiasm.

Mayor Romero: Kristina.

ACM Swallow: Mayor, the team has been texting, and the site is C-1, it is also CC-2 eligible, and it was one of the sites. That we had looked at when we were looking at what the impact of CCT could be.

Mayor Romero: So, it is Community Corridors Tool eligible. So, there could be additional density, design standards and density to make sure that you know it allows affordability, all of that stuff. So, I agree with you, Council Member Cunningham, are you open to the RFI process and moving?

Council Member Cunningham: Yeah, we've got to base on how I'm reading the room, I think that's the route we're going to go. But I'm going to tell you that if we're thinking about our budget, and we wanted to get cash fast we could, that was kind of my suggestion coming in with talking about the finance piece, but we can wait. We can play it slowly in RFI, but just remember my biggest issue is the thing. I apologize about the C-1, OC 3 is a different building right down the street that I was thinking about that we just had a conversation. It's the GEICO building on Speedway and Kolb; we just had that conversation about yesterday. So that's why I had OC-3 in my mind.

Mayor Romero: Alrighty, Vice Mayor and then Council Woman Lee.

Vice Mayor Santa Cruz: Mayor. I was just going to say that I was supportive of what you had outlined for us to move this forward.

Mayor Romero: And that's going with the city manager recommendation, which is going out to an RFI out, what I hear is that we want we want to move as quickly as possible but make sure that we're including the community in in their voices here. Council Woman Lee.

Council Member Lee: Thank you, Mayor. I just have to lovingly push back on Paul a little bit on moving team forward to that location while folks in Ward 2 might like that, folks in Ward 4 realize that it takes 45 minutes, lights and sirens. You knew this was coming, Paul. To get from one end of Ward 4th to the next. That would further move people outside of some of the parts of Ward 4 that need service too. So, I am not a fan of moving team four (4) into that building.

Mayor Romero: May I have a motion to move forward? Council Member Cunningham with the RFI and to move as expeditiously as possible. To help determine the highest and best use.

Council Member Cunningham: So, moved.

Council Member Dahl: Second.

Mayor Romero: There is emotion in a second. Any further discussion on the motion? Hearing none. All those in favor, please signify by saying aye.

All: Aye.

Mayor Romero: Any against motion carries. And then last item is the Museum of Contemporary Art. Can you give us a little bit of an update and then we'll move forward?

ACM Swallow: Yes, Mayor. The Museum of Contemporary Art, MOCA has been in the former Central fire station since 2009, on a year-to-year lease and they have indicated interest in purchasing the property, although they can't currently meet the current appraisal, they've offered a different amount. The city manager has looked at some options and recommends pursuing a transaction in which MOCA may be able to purchase the building, but the city maintains, retains the land ownership.

Mayor Romero: Vice Mayor

Vice Mayor Santa Cruz: I'm going to jump in because this is in Ward 1. I'm a little troubled that, I mean, we had folks from MOCA reach out that the conversations never included. That the city would retain the land. And so, this will catch them by surprise because that wasn't the conversation they thought was going to be presented to us. So, I don't know I don't feel comfortable moving forward with the recommendation as it stands without having had further conversations with MOCA and the Board about what's feasible. Before it comes back to Mayor and Council.

Mayor Romero: I think I like the idea of selling the building to MOCA. I really think that it is only fair to at least start resolving the situation. I know that when they are applying for grants to fix the building, then you know, one of the biggest obstacles is not owning the building or land. And so, they've been at a year-to-year lease of the building since 2009. So, even though I agree with you, Vice Mayor, I think that we should give direction to continue negotiating with the Executive Director and the Board of MOCA and then figure out, you know, let them figure it out as we have those conversations. But I think most importantly, do we or do we not want to negotiate with MOCA, make sure that they are in first line of being able to purchase the building and or land.

Vice Mayor Santa Cruz: Yes, agreed. Mayor.

Mayor Romero: So, Council Member Cunningham and then I would love to be able to have some sort of a motion if you feel comfortable, Vice Mayor, so that we can give direction to staff, Council Member.

Council Member Cunningham: The only piece that I kind of see that would be kind of interesting for us is if we do offer MOCA, which I think totally makes sense, by the way, they should own that building. What I'd really like to see is if we can do it right. Maybe we carry their note if we're allowed to, I don't know. I don't know what the state Statute, so I guess my question is, can we do some research where if they do get the opportunity to purchase, can we carry their note instead of going to a third-party file?

Mayor Romero: Yeah, I think that is part of the negotiations, right. Will it be only the building depending on what they afford or the building in the land? I think that that negotiations should continue, but one of the most important things that I would like to make clear is that I want to be able to give some clarity to MOCA and be able to give them an opportunity to negotiate with us so that we can finally figure out the ownership of that building and so, as you move forward in your negotiations, you can always come back, but for me I feel comfortable giving direction and yes, I want MOCA to stay there, and yes, continue to negotiate.

Vice Mayor Santa Cruz: So, moved, Mayor.

Council Member Dahl: Second.

Mayor Romero: So, there is a motion. There's a second any further discussion on this? Hearing none. All those in favor of the motion, please signify by saying aye.

All: Aye.

Mayor Romero: Any against, motion carries. Roi, did you want to add anything to this because, I know that there's been some negotiations with your office.

City Attorney Roi Lusk: There have been Mayor and Regina Nassen is here in the audience. If you have additional questions. My understanding is that we are proceeding down a path really related to the valuation of the property to allow MOCA to acquire the property within their means. So, I think that's where we're headed.

Mayor Romero: Alrighty, and that there will be continued negotiation with MOCA.

City Attorney Lusk: Mayor, that's correct.

Mayor Romero: OK. All righty, anything else? We move on to Item 5.

5. NDA Discussion (City Wide) SS/DEC16-25-251

(Note: Vice Mayor Santa Cruz departed at 1:15 p.m.)

Information was provided by Roi Lusk, City Attorney, who fielded and answered questions.

Discussion ensued.

It was moved by Council Member Lee, duly seconded, to approve and adopt the proposed NDA (Non-Disclosure Agreement) policy and standard mutual NDA template as presented, and direct staff to proceed with implementation in accordance with the policy, including the quarterly reporting to Mayor and Council.

(Note: Vice Mayor Santa Cruz returned at 1:22 p.m.)

Discussion continued.

Roi Lusk, City Attorney, clarified that the motion included proceeding with the creation of an Administrative Directive, which would include notifying City departments.

The motion was carried by a voice vote of 7 to 0.

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Mayor Romero: Time has been set aside for Mayor and Council to review and discuss a draft policy on the use of Non-Disclosure Agreements. Ms. Assistant City Manager.

Assistant City Manager Swallow: Yes, thank you. I'm going to turn the mic over to Roi, who has been working on these materials.

City Attorney Roi Lusk: Thank you, Honorable Mayor, Members of Council, the draft policy that you have before you represent the conversation that I know Mayor and Council has had with our office and with others relating to how we use these appropriately. Obviously, the Non-Disclosure Agreement (NDA) is an appropriate agreement for economic development and technology and being at the forefront of technology and they're consistently used in those arenas. What you have in front of you is a plan to put in an administrative directive for the City of Tucson for use throughout the city and throughout city departments. It also allows for the storage and retention of NDAs in a central location so that they can be properly recorded and reported upon. I know the Mayor Council has also requested that they receive quarterly reports on these NDA and that will allow us to do us do that well.

Additionally, some of the requirements relate to required provisions and terms. So the term required or the required term under this AD would be three years, but it would terminate within 90 days of a public approval and any required public approval. So, if there's a process where an NDA is entered into but then, then there's a public vote that has to be had, that NDA would terminate 90 days before that vote. More also important, we were using a standard city NDA template. That is helpful for the city to ensure that the appropriate provisions are included. But it's also helpful for people who are coming to the city to engage in and to engage in these NDA's because these standard templates can then be improved by the city manager without any additional review by the City Attorney's office because we've already approved the template and that should shorten the process for most folks. The only issue would be if somebody wants to use or make modifications to that template, or if they want to use their own template that would extend the process for them and we would, we would, our office would review that.

Generally, what would happen is, we would provide that, or the department working with the outside entity would provide that template to the outside entity. They would assign it, send it back to the city manager's office for review and approval. We're hoping that the city manager's office can do that within about 5 days, drastically shortening, shortening the process to engage and then to engage in further communication without outside entity.

Additionally, of course, if there's, you know, modifications or other requests for a different template and that would extend the process. Additionally, excuse me, the once executed, those NDA's that won't be provided to the City Clerk's office for retention and then they would be reported on within 90 days to the Mayor and Council.

Mayor Romero: Thank you, Roi so much, really appreciate your work on this. I know that Council Woman Lee was instrumental in making sure that we had this conversation at the table. So, appreciate you all being so clear and thoughtful. I just wanted to add that you know NDAs, are a tool, not a default and they can serve a purpose in early negotiations, particularly in competitive economic development environments. But they should never outlast their usefulness. Too often, NDAs are used in government not because the public shouldn't know something, but because powerful interest would prefer the public not to know. And really, this is not acceptable

to me. I know not acceptable to anyone of us. What this draft does, or it's a few important things that I think matter to people who are rightfully skeptical of government and NDAs.

First, it's to put the clock on NDAs, no open-ended agreements, no forever confidentiality and no NDAs that survives into the moment when the public and this Council are asked to make a decision. That's an important piece, it takes NDA's out of the shadows. And lastly, but this is really important, this policy does not give corporations special treatment. It uses a template that everyone has to fill out mutually. It makes clear what the city will and will not agree to, and it signals that confidentiality is a narrow exception, not a blank check. So, appreciate, bringing a thoughtful template to the mayor and council and appreciate the work that's been done so far. I did want to call on Council Woman Lee because. I know that you have some definitive thoughts on this.

Council Member Lee: I do. Thank you, Mayor, and thank you, Roi and your team for jumping on top of this. As you said, Roi and Mayor, I did specifically ask for this item following the Project Blue decision that we had in August and then we had this conversation at the table in early September because we really wanted to take that experience and what we learned during that process and immediately move it into how we can do things better in the future. And the goal was to strengthen how we handle NDAs so that we can protect legitimate, confidential information that companies may not be ready to share with the public while still being as transparent as possible with us as the decision makers as well as the Community.

I appreciate what's been brought forward today. I think it really responds to that direction and moves us in the right space I also want to highlight the importance of the quarterly memos. I think that's going to be critical to keep us informed, but if something comes up that's significant, you don't have to wait till a quarterly memo to let us know. I think we definitely want to be looped in as soon as possible, if anything is major with, you know, land use or policy implications, I think we want to know sooner rather than later. So, overall I think this is a wonderful step to balance economic development, transparency, and good governance. And with that, I want to move to approve and adopt the proposed NDA policy and standard mutual non-NDA agreement as presented and direct staff to proceed with implementation in accordance with the policy, including the quarterly reporting to Mayor and Council.

Council Member Schubert: Second.

Mayor Romero: There is a motion and a second, any further discussion from the colleagues, Council Member Dahl.

Council Member Dahl: Thank you, Mayor, I have a couple of questions, and I think my first one may have been answered. I'm covered by an NDA that the manager has signed. But I need to know if I'm meeting with someone from that company beforehand. So, I imagine the manager would let us know. And wouldn't wait for 1/4 report in that sort of instance, right?

City Attorney Lusk: If I may, Council Member Dahl, thank you for the question and just so the Council and Mayor are aware, Mike Czechowski is here also related, and he can answer questions about the economic development process and those sorts of things. But generally, the

communication about a particular NDA, especially as it relates to economic development, I think the economic development folks are very good about communicating with Mayor and Council, about particular projects and would definitely be make you aware of that.

Council Member Dahl: Thank you. Two more questions. Just to confirm the 90 days before that makes all that prior information that was confidential public, so that the public can interact with us and are making of the decision. That's the public decision.

City Attorney Lusk: Mayor, Council Member Dahl, Members of council, the NDA is covers a particular subject matter. Whatever the subject matter of that NDA would be, it would be open to the public at that point. In the prior. I just want to distinguish a little bit between the prior to sessions and the subject matter of the NDA. Those may be different, not to say that they would actually. It would be a problem to disclose those things. It just they can be different depending on the negotiations.

Council Member Dahl: Thank you. This may not happen again, but I had a conversation with Biel and knowing that we are under an NDA, I did not want to talk to them in under the NDA and I said this is not covered by the NDA and they agreed. Was that legal, can we say this this part of the conversation don't reveal anything to me that you want to remain private.

City Attorney Lusk: Council Member Dahl, Mayor, Members of Council, that's absolutely appropriate and within legal bounds, both parties can waive particular portions of the NDA. It's always helpful to have that in writing, of course, but that conversation between the two parties is available and possible. Yeah.

Council Member Dahl: Thank you, Roi. Thank you, Mayor.

Mayor Romero: Any others, Council Member Barajas.

Council Member Barajas: I just have a quick question. Who will have access to the NDA information?

City Attorney Lusk: Council Member Barajas, thank you for the question. So, it depends on the subject matter, I guess. So, the NDA itself, we will report that through this process that we just discussed, the subject matter of the subject matter of the NDA would be with the appropriate parties within the city who are either working on the economic development project and or the technology that's involved. Now if the city is the party to the NDA though, so, if there's a need to know within the city, then anybody who needs to know that information will know that information.

Mayor Romero: Roi, how does this policy interact with Arizona's Public Record Laws, and does it prevent NDAs from being used to delay disclosure temporarily or indefinitely?

City Attorney Lusk: Thank you, Mayor. That's a good question. So generally, the way public or the way our template works is there is an exclusion for public records requests and what we generally do is notify the other party, the outside entity, that there has been a public records

request. We would assert any exemptions that we would have for that public records request and then they would have the opportunity to assert their own exemptions. We're not responsible for them asserting their exemptions. So, we if they have to go in a court of law or get a preliminary injunction or something like that, they will have to do that on their own.

Mayor Romero: OK, any other questions? Alrighty, so there's a motion and a second. Any further discussion on the motion? hearing none. Did you want to add something because. I see your hand.

City Attorney Lusk: Sorry, Mayor, I just wanted to clarify. Sorry, Mayor. I just wanted to clarify, so, the direction would be to move forward with the AD process, which involves notifying the departments and those sorts of things.

Mayor Romero: Yes, all right.

City Attorney Lusk: Thank you, Mayor.

Mayor Romero: Of course, all those in favor of the motion signify by saying aye.

All: Aye.

Mayor Romero: Any against, motion carries. Alrighty, thank you so much, really appreciate it. So, we move on to items. We're moving, well, we're moving. Well, somebody asked me to. Somebody asked me to be to act like an auctioneer in today's meeting and I'm feeling. I'm feeling good that I'm moving it along.

(Note: Vice Mayor Santa Cruz departed at 1:15 p.m. and returned at 1:22 p.m.)

6. Additional and New Tax and Fee (Revenue) Options (City Wide) SS/DEC16-25-247

Introductory comments were provided by Mayor Romero, who requested the consideration of a proposed advertising privilege tax be continued to a future meeting without a specified date.

Information and presentation was provided by Anna Rosenberry, Assistant City Manager, who fielded and answered questions along with Angele Ozoemelam, Business Services Department Director.

Discussion ensued; formal action is scheduled to take place during the Regular Meeting.

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Mayor Romero: Before we start the conversation. We do have Assistant City Manager Swallow and Assistant City Manager Rosenberry, that's going to give a presentation. I would like to, before we start the conversation, really asked to continue the conversation at the for the advertising privilege tax only because I have a lot of questions. There are some even legal

questions that we have to make sure that we talk about so, instead of going around and round, I think it is appropriate just to ask that we continue that particular item. And figure out, you know, in terms of Proposition 126 and the legalities of it and you know and how it affects local versus national advertisers and profits for nonprofits and all those concerns that we have been hearing, I think it's appropriate just to kind of put that to the side, continue it, continue the discussion and figure things out with that saying that if that's OK with my colleagues on the Council that OK,

All: OK.

Mayor Romero: So, then what I'd like to do is Ms. Rosenberry, if you can please provide us an update on how we're working to balance this budget so far, I would like to ask you to start with facts. Right. Where are we with our budget? What are the cuts that we have already put into place as Mayor and Council from the departments because what we hear when we have conversations about additional revenues is that we should cut first. So, tell us, how have we done that first already? And then talk to us a little bit about the revenues that are coming in and the and what our team and our financial department have been noticing in terms of the revenues et cetera, et cetera. So please shower us with the facts about our budget and where we are and then we can talk about the additional taxes and fees that that we have in front of us.

Assistance City Manager Anna Rosenberry: Mayor and Council Members, I'm happy to do that. Thank you, I'd like to introduce our new Council members also this afternoon to Business Services Director Angele Ozoemelam and our first time being at the table altogether. So, thank you. She's a critical part of this conversation. So, to give you some context and some numbers as to why we developed for the Mayor and Council's consideration, these additional revenue items, and the importance that they can play in our current and future budgets. As you may recall, this past spring when we were developing our FY26 budget, we had a significant amount of difficulty getting our general fund budget balanced.

The General Fund is our most flexible funding source, and it supports the widest variety and range of city services. So, the General Fund is the primary support for Police, Fire, 911 and 311, Parks and Recreation services, planning and Development Services, Attorneys, courts, prosecutors, our criminal justice function, as well as administration facilities, IT, HR, Business Services and Ward Offices as well and I'm sure I've left out some divisions and departments there in that large list of what the city's General Fund supports.

So, of our $2.4 billion budget in this current fiscal year, this flexible portion, which is the General Fund, that has a lot of demands on it each year that General Fund budget is right around $830 million. So, it is about 1/3 of the city's total budget. So, within $2.4 billion, one third has this flexibility and honestly, a responsibility and obligation to fund these key services for the community. The other 2/3 of the city's budget has some sort of form of restrictions on it. We are not able to, for instance, the Water Fund lies outside the General Fund. It's in that other 2/3 of the budget. We can't take those water revenues and use them to fund the fire department. It's not allowed. And similarly, that 2/3 of the vote of the budget has restrictions on it placed on us by either state law, federal law voters, you know, voter approved initiatives for a specific purpose or grantors.

And so that's one of the difficulties within the General Funds, but one of the criticalities of General Fund revenues is that they can be very flexible. In ways that other parts of the budget aren't. Within the General Fund in particular, we have lost approximately $40 million a year in revenues from the State shared income tax source because of the implementation of the flat tax. It's been a struggle we've been talking about for a couple of years now, because it happened over a multi-year period, revenues were stepped down. But really, that's an impact of loss of about $40 million a year within the General Fund.

Mayor Romero: That has been for the past how many years?

ACM Rosenberry: Oh my gosh, I believe it's three.

Mayor Romero: So, for the past three years, we have been seeing because of the flat tax, the loss of $40 million per year.

ACM Rosenberry: I will need to get the details for you, Mayor. It's been it was stepping down. And I, Angele, do you recall if it's the total 40 for three years we can get you the details on what that looks like? But we're now in this world, the universe of it's about a $40 million reduction. And it will continue at that level and even flow with State income tax collections. Our local sales tax and use taxes as well as receipts from hospitality-related revenues have been declining and not increasing as we had expected. We saw this notably beginning in January of this last year. January 2025 and we had prepared the FY26 budget that incorporated some of these declines. But as you know, as the months have gone on this fall, we continue to see these revenues fail to meet our budget projections.

Our update to the Mayor and Council in late October included an estimate that was based on a 1.5% decline in collections. Below what was collected in fFY25 and that is not meeting the budget that we, the budget estimate that we had developed which where we were expecting to see 2 1/2 percent increase above the prior year. So, we're not meeting prior year, we're actually below it and our budget assumed that there was going to be an increase above the prior year. That creates a funding problem for us, a deficit within the budget on a projected basis, those are projections.

We've also seen the local and the national economic trends from this spring continue to persist. So, this spring, as we were developing the budget, we were struggling to understand and project the impact of on again, off again, tariff policies. What were they going to do to consumers within the City of Tucson as well as what were they going? What impact was that going to have on business growth? We have, we were seeing, and we continue to see declining travel, particularly international travel to our area. There have been job losses at the federal level and within the private sector. And I think as we were sitting here at the table this afternoon, the feds have released two months' worth of data, they're a month behind the federal shutdown on job related information and we were also this this spring seeing what I wrote down here is housing unaffordability. Not an elegant way to say it, but you know, you know what I mean? The ability or the attainability of housing for our residents was not good this spring and we have not seen significant changes for the better in any of these areas. now that we sit here in December.

So, the city team has been developing spending plans that could meet our pressing community needs for our services and better align it with the scarcity of resources and the changes that we were seeing in local revenues. Within the budget development itself, you saw us bring forward a recommended budget this past spring that reduced 36 positions within the General Fund and reduced a little over $18 million of base budget spending. So that that could be reallocated, all those dollars could be reallocated in other areas of need within the General Fund, particularly in community and public safety areas. And after the budget was adopted and again as we've seen the General Fund revenues continue to decline this summer and fall, we did two things.

First, we brought forward to Mayor and Council in August this discussion of additional revenue options for your consideration. At the time that we met in August, I think we had eleven additional items that we were talking about at the table. And the five items that are on the agenda and in front of you today came from that conversation of 11. We have also since this fall and wintertime, your executive leadership team, your department directors, and the city manager's office have developed and implemented a spending plan that reduces approximately $34 million out of the current budget.

In ongoing costs, one time cost and some and a little bit of capture of funding balance for FY26, for the FY26 budget, our current budget. Some of those items include strategies about how we deliver service and some of those items are requiring us to delay services and or just flat out cut spending? With all of these measures, as we reported to you in October, we're still projecting an operating deficit of approximately $21 million in this current fiscal year. So, we still have significant work to do to bring our current year's spending plan in on balance and that's an important again, an important piece of context as we consider these additional revenue items, they can play an important part in our overall financial plan this year and could assist in future budgets that we develop. Thanks, Mayor.

Mayor Romero: Sobering

Assistant City Manager Rosenberry: Sorry.

Mayor Romero: Information though, we've been having this conversation for some time. It's not a surprise, and it's not a surprise to anyone. You know, we know that this year in particular, you all have been noticing the decline in revenues coming in and every single one of the areas that cities and towns across Arizona especially for us here in Tucson. And it really is a reflection of the instability and uncertainty people feel. Because I mean, and I'm going to be clear, because of the Trump on/off tariffs and concerns about mass deportation people are scared, the mass layoffs, we are seeing across the country in federal agencies are affecting here in the city of Tucson. We rely heavily on international and cross-border travelers. That the mass deportation agenda of the Trump administration, and we're seeing it based on reports of sales tax diminishing and of travelers using our you know our shoppers using our spaces.

So this is you know, an inflection on the agenda that Trump is imposing on our country. Shoppers who have traditionally crossed the border come and you know stay here for 3-4 days. Purchase there you know their clothing. In the summer they come when they're going to start, the kids are going to start school. In the winter, they come to drop money to buy their Christmas

gifts. We're not seeing those sales taxes from international travel, and you know all having negative consequences. People are concerned about their jobs and even though this administration and the economists are not saying we're in a recession, it feels like it and as much as your Mayor and Council have the capacity to improve the quality of life for our community. We don't have fairy dust, and we do not control the economy that is being driven, by a maligned agenda federally.

The economy is something that Mayor and Council do not have any control or power over. I guess for me is, taking a look at what we've done already, right that we have looked. Many times, when we are confronted as a Mayor and Council with having to consider new taxes and fees. People come to us and say, well, you're not cutting enough. You need to do your homework on the cuts first. How much have we cut so far to be able to present this to the community.

ACM Rosenberry: So, Mayor and Council Members, as I said, this, the spending plan itself cutting out of the current budget that was authorized your staff has come up with approximately $24 million of cuts in the current year and in order to develop that balanced budget to begin with, we were reducing base budget spending by over $18 million and cutting 36 positions in areas. Some of that was reallocated, much of the reallocation occurred from non-public safety departments into public safety and community safety focused areas, which is an area of primary need and concern expressed by residents who come and talk to us about the budget.

Mayor Romero: So, all in all, adjusted $18 million and cut spending $24 million. OK. So, we have a responsibility as Mayor and Council to respond early with transparency and deliberately. And as difficult as it is to have a conversation about new fees, and taxes, we have a responsibility to be able to deliver the services that people expect. So, I do not accept the accusation that we are not doing our homework and that there's no leadership amongst both the city manager's side of the work that we're doing and the Mayor and Council side of the work that we're doing.

You know, for me, we need to have this conversation with Tucsonans, and we've been having it at this table for a year. We expected that we had a conversation with Tucsonans, early this year about Proposition 414. We did warn people that it was going to get very tough. Many of the people in opposition said, find another way. So, we're finding another way and what we have to confront, not just Mayor and Council and our administrative team, but what every single Tucsonan we all have to confront together is what type of city and what type of investment we need to do to be able to have a good quality of life and a safe city where we can provide the services that not only our Charter but that our priorities as a Mayor and Council, what we want to deliver to the Community.

It's time for us to save ourselves, invest in ourselves. The federal government is not going to come and save us; the state government is not going to come and save us; we need to do this together. So, I just wanted to add that because I am hearing a lot, there's a lot of information coming at us, and a lot of that information is not correct and its misinformation. And so, I wanted some clarity on that. Before we, we start with questions. I just wanted to ask our Council colleagues; do you want, I know that Anna has a presentation in front of us. Did you want to hear that for a few minutes and then open it up for questions and comments y'all feel.

All: Yes

Mayor Romero: OK, Anna, go ahead.

ACM Rosenberry: Thank you, Council Members. I mean, you will recognize we have one slide per revenue type, kind of summarizing each of these topics. They will be coming to you tonight on the consent agenda. I've heard there's expressed interest in pulling them off the consent agenda, possibly Mayor, so that they could be voted on as well as if one of them is going to be continued.

So, within each of these revenue items, again there will be separate votes for you during your regular session. We talked about the method necessary for enactment. The estimated annual additional revenues and the rate change. All of this information has a lot more details contained within the memorandum, and we can discuss that further. So, the first slide that I had was for the advertising privilege tax, which has been suggested that that will be continued. I'll skip that one. The second additional revenue item is for a change to the pawn shop's secondhand fees and license taxes. This can be enacted with Mayor and Council vote. The estimated additional revenues derived from this fee change will be approximately $400,000 a year, with the new rate going I believe from $1.00 per transaction to $3.00 per transaction is the newly recommended rate.

Then we have the public utility tax increase again this can be enacted by a vote of the Mayor and Council. The estimated annual additional revenue would be $5.3 million a year, and the new rate established would be 5% for this utility tax. That's an increase from its current rate of 4.5%. And then there's a reminder that the 2.6% Privilege Tax rights on top of this tax o, there is a combined rate of seven points, there would be a combined rate of 7.6% if this is approved. The next item, the next two items relate to Hotel/Motel short-term rentals and it's a little bit complicated, this one because currently we have a tax rate, plus, a surtax that is applied to an overnight stay with a hotel. And our recommendation is to eliminate that flat dollar surtax and increase the tax itself from 6% to a new rate of 9%. This can be done with a vote of the Mayor and Council. It is estimated that additional annual revenues would be $1.1 million for this, and again we would have that new tax of 9% percent.

And then the last item is to do something very similar to what was just discussed for hotel rooms and to further refine a definition of a short-term rental in this area, so that short-term rentals would have a new rate of 10% for the Transient Occupancy Tax and would also no longer pay that flat dollar surtax. So those are the items that we have prepared for conversation, Mayor.

Mayor Romero: Alrighty, so I'm going to open it for questions comments, Council Member Cunningham.

Council Member Cunningham: Sorry. We are continuing the Advertising Tax for another day. Right now, there's a lot of different things in that discussion regarding how it affects local internet companies and out of city local Internet companies, how many broadcast companies we have inside the city limits. And so, we might, that might be more trouble than it's worth I just want to let you guys know.

Pawn Shop the issue that I'm having on the pawn shop piece is that it's really, it's really aggressive to triple a tax in one year. If we want to phase this in, hear a little more from the stakeholders that could be helpful, but it's really tough to triple the secondary market tax, all at once it's a little, for me it's a little excessive. I'm kind of thinking like 0.50 or 0.75 cents or something, then maybe a little more next year, but just dropping it like that is I'm I've got some concerns. The half-penny on public power is going to get passed on and when we talk about affordability that is that is one of the utility debt and utility pieces are one of the hardest things we do now. What I will say is that to be fair, this makes a great and incredible case for why we want public power.

One of my questions on this was, are you taxed on the solar power that you generate. So, in other words, are you taxed on just the net meter, or are you taxed on the gross meter as well? And so, I've really got that's one of the big nuances here that I have as far as the questions go. The other thing I point out is that our final tax, I really like to know where we stand compared to other cities and other counties or other cities combined with their utility tax, their municipal tax combined before I vote for this. And then the reason is because I don't have the highest utility tax in Arizona. I just won't do it, so I just want to know where we stand compared to other cities. This brings me to the hotel tax. And so, what was the methodology? What were we assuming? The aggregate average night par rate was.

Director of Business Services Department Director Angele Ozoemelam: Council Member Cunningham, we assume the rate of $150 per night.

Council Member Cunningham: OK, so on $150 per night, we break even at 14. I think we break even at 14.71. No. If we break even if we charged 14.71, that would put us in the highest echelon of taxes in the state. In Pima County, the highest, transient occupancy tax is 14.5 percent 14.55%. So, we've got to be careful about our competitors, our competitors will take advantage of this. So, I'm OK with getting rid of the surcharge because we were comparing apples and oranges, but I don't think I'd be comfortable going anywhere below 14.7. I mean above 14.7% and yeah, we break even on $150.00, but I still think we'd get a little more because we'd be a little bit more competitive and some of the rates will go up next year.

So that's kind of where I'm at there. We actually get rid of the surcharge. We were the only ones that had the surcharge, but at 15.05, only one other jurisdiction in the entire, well two jurisdictions would be higher this in the entire State of Arizona that, out of 91 cities and I don't want to be in the like that, especially with the amount of revenue we rely on for the hotel rate. And those are my comments.

Mayor Romero: Thank you, Council Member. I'm just going to come back over to the Vice Mayor and then just go down the line and offer and see if you all want to ask questions. Vice Mayor.

Vice Mayor Santa Cruz: Thank you, Mayor, and thank you, staff. I know we've been working on this for a while, but most like in the what the direction came earlier in the fall. So, I know we need to do a little more work on the add tax like the Mayor had shared. I also just wanted to

jump in to talking about our city budget and the fiscal responsibility that we have. I think it's interesting how when it comes to our city organization, the city budget we're looked at as everything it should be, we should just cut and be ineffective. And we have the responsibility of the public to deliver on the services that not only our Charter requires us to, but we also know our Charter is almost 100 years old. And the needs of our community have drastically changed. I'm so just like in our personal life and when you own a business, the there are fixed costs that you have, whether it's increases in your life insurance and security cameras, taking care of debt, that you're also looking at new revenues to address the cost of food. I have, if you know food increases, it doesn't mean the cost of food increases. It doesn't mean I'm going to eat less. You know, I have four children. And I have to feed them. And so, as I'm looking at my personal budget, it's like I am not making enough to cover my needs. I have to increase my revenues. I have to figure out how else I'm going to have income to address the needs, just like a business would. They're not going to sell you less; items are going to get creative and how they can sell you more, sell you something different so that their income can continue.

So, as I look at the city organization, that is similar, I guess perspective that I bring to it, and I think these fees and these taxes that we're discussing are more progressive than when we're talking about a sales tax that a lot of the times, we're trying to balance a budget on our lowest income communities. And so, that's the way I am looking at this. I know the conversation also started with how we fund transit and some of the other. Areas that we know heavily rely on the general fund. So, Mayor, like you, I am supportive of all the other fees and doing more work on the Advertising Privilege Tax. Thank you.

Mayor Romero: Thank you, Council Member Dahl.

Council Member Dahl: Thank you, Mayor. I don't have any questions, and I am supportive of these. I think we need to do them to keep up our level of service, and I'm wistful about that and angry at the state legislature. I think I need to reiterate what you were saying earlier, Mayor, and add that the $40 million we're losing every year would have come from people who are making the most income in the state. So, people who could easily afford, on a progressive tax to put in their fair share, no longer have to, because the legislature is at is beholden to people who are rich into corporations. So, it's a struggle. I think staff have done a great job at ferreting out what we can do and I'm supportive. Thank you.

Mayor Romero: Council Woman Lee.

Council Member Lee: Thank you, Mayor, and Anna, I really appreciate the summary of the challenges that many of my colleagues have mentioned and what we've been up against for the past few years have really brought us to this point. And I also really appreciate the explanation of the extensive cuts that we have done because that was part of my request is before we do anything more, please tell us so that we can communicate what all that we have done. And Mayor, I agree with you completely on us needing to continue the conversation with the community about what they do want to support. If it wasn't Prop 414, what does that look like? Because what we have, what we're up against is not sustainable. And if we don't make some corrections, we're going to be depleting our reserves and that is a scary place for me to be in, as someone who likes to have a nice little nest egg.

So, for my comments, I want to acknowledge that I'm going to have a differing opinion, most likely from what my colleagues have, and I respect everyone's viewpoints and I have a different take on this one and really everything I'm going to say right now is really about the sequence of how we're moving forward more than the items themselves, it's really the sequence. So, I want to start by kind of grounding the conversation, ask some of my colleagues what they have done and how it began. And as the vice mayor pointed out earlier in the year, we began having conversations about how to bring in additional revenue to address the pressures of the budget; while trying to keep transit fares free, the direction of the time was to explore some additional revenue options to offset that lost fare revenue. And now we're in a position where we're really looking at it more broadly in terms of how we address the deficit for city.

I really appreciate the work that the staff has done to continue to work on this and identify options, but I want to be very clear that this matters in these taxes and fee increases will represent real and recurring costs that are going to be passed directly on to residents and businesses. In particular, I have serious concerns about the Public Utility Tax increase. It's not a discretionary expense for people. You can't really opt out of water or electricity or heat or air conditioning in Tucson. These are essential utilities, not optional services. And when we raise a public utility tax, I think a lot of people might think we're just passing that on to TEP or to ourselves at Tucson Water. But we're making a conscious policy choice to raise people's bills for the electric and water necessities, and the utilities are not going to absorb these costs even with Tucson Water, we're going to have to pass those costs directly on to residents. And we've heard repeatedly how frustrated people are with TEP rate increases and we know another rate is expected of 14%. And people are really paying attention, and they don't want to pay more for things right now, they're struggling.

So even if the city's portion is only a few dollars a month or a few dollars a year, it stacks on top of everything else. And people are starting to feel nickeled and dimed to death. And this would be a choice that would also add to that burden. And this is also a compounding effect that it's also easy to overlook that we ourselves, a major electricity customer, so higher power costs show up in Tucson Water operations and other city services. And those costs are ultimately going to get passed back down to our rate payers and before we talk about asking residents to pay for more for utilities or everyday business activities, I think we need to be honest about what's happening inside of our budget, and we have definitely started to do that for sure.

Today, we're subsidizing transit at a level that is far out of balance with pure jurisdictions. Roughly 9% of our General Fund, which equals tens of million dollars, is being used to put into transit system beyond our existing funding sources and this is taxpayer money that needs to go into core services. Most comparable cities spend between zero and two or three percent of their General Fund on transit subsidies, and we are an extreme outlier, and it is not sustainable. This imbalance is costing us. It impacts our ability to do fleet replacement, maintenance infrastructure and fun, Charter mandated services and we need to be moving in the other direction with general fund dependency.

So, this is where I fundamentally struggle with advancing these taxes and fees. Today we have a lever sitting directly in front of us that we have not pulled and that is reinstating bus fares under

the city manager's prior recommendation that could generate more than $8 million annually and that is also while providing free and low-income bus fares for folks who need it. So, this is more than the total revenue of everything we're trying to race through this entire package today without raising utility bills or increasing everyday cost for residents. So, until we're willing to take that step, I can't justify asking people to pay more for electricity, water, or heat. I'm definitely open, continuing the conversation on some of these revenue ideas in the future, cause some of them do make sense in the right context, but not before we reinstate fares and demonstrate that we have done everything in our power to control and rebalance our budget.

I do want to touch on General Fund sustainability in general, as we're talking about this item, and I want to step back and add a broader question. You know, we're we have a lot of things that are at play right now. They're completely out of our control. The flat tax, corporate tax cuts, visitors not coming, so, I'm really trying to understand better what is in our control and this is a genuine curiosity I have here. I'm not trying to be shady at all. I'm generally curious here. When I came into office, from everything I can tell, the General Fund was about $550 million in FY2019-2020 and today, what did you say, Anna? It's $830 million, adopted budget. Is that what you said?

Assistant City Manager Rosenberry: Yes, $830 adopted budget.

Council Member Lee: So, in those six years there's been a massive amount of growth in the size of our General Fund and at the time pools were open, we weren't talking about cutting services. So, I'm genuinely curious. What structurally changed in the past six years. I know that we made a lot of important investments in our employees with a lot of raises, which is critical, and I support that. But I think what would be really helpful as we're looking at everything in general. And understanding how to move forward is a clear breakdown of what has changed.

So basically, how general fund spending has changed over the past six years, and I'll send you these questions. So, you don't have to write them all down. What new ongoing obligations have been added over the past six years and why so? What are those and who drove those? Was it us? Was it? What other factors? What costs are truly fixed versus discretionary? And whether there's a realistic path back to a more historically sustainable General Fund because it feels like we're moving back toward that direction with ARPA dollars and other factors applied.

So those are really my comments right now. And again, this is purely a sequence issue for me, not necessarily the items in front of us. I think that we need to do, reinstating bus fares before we do this, so I will not be supporting these ideas tonight, but appreciate all the work that staff has done.

Mayor Romero: Anna, it might be unfair, but would you be able to explain to us now what has been influencing, both the expenditures and the revenue and the General Fund.

Assistant City Manager Rosenberry: Mayor, off the top of my head, I do think that the Council Member, in her own comments, kind of acknowledged my educated guess at this point, before we go back and look at the numbers are the significant increases that we have made in wages, benefits and pension costs, support for the pension benefits within the General Fund. I

would think that that's playing a big part in that increase, but we don't we can definitely follow up with that comparison.

Mayor Romero: Yeah, I think that that also what has been very concerning to me the last six years has been the cost of healthcare going up as well and the cuts in the funds coming in through via the state, which is the flat tax. So, I want to pay our employees well and I want to be able to offer them healthcare. And in the past, you know, except for this year in the past we have been seeing good economic activity coming into our community, the economy is changing. And we're in a downward slide. And so, yeah, there I have additional comments, but I want to make sure that I give my colleagues, Council Member Barajas and Council Member Schubert an opportunity.

Council Member Barajas: Sorry, at the heart of these issues our community needs revenue you know, to address the challenges that we're facing to remain vibrant, but at the same time, our community members are also facing challenges with what we're hearing, increasing household costs and expenses for our small businesses to really shine. So, looking at these I am having a pause on the Advertising Tax especially because it will affect a lot of our small businesses. You know especially our Spanish language advertisement firms. And it's just really aggressive from zero, like starting at 0% to what we see here at 2.6%, but at the same time, our neighboring jurisdictions, they're at 2.5. So, I really want to see how we could gradually, if we are going to move forward, implement that.

And then just again to piggyback on Council Member Lee, you know the Utilities tax. I am, I want to make sure that it's not passed on to the residents and especially our working-class low-income families, because that's something that they can't choose. So, I really want to pause on that because it is going to impact them. And there's just so much happening with our utilities and proposed rate hikes. And then we're hearing, you know, we're having less visitors come into town, so thinking about the increase of the Transient Occupancy Tax, if we could study our neighboring folks and I and we did look at that and it is pretty comparable, but I want to just ensure that I that we're, that these five are the ones that are going to be the strongest and if we need them shift. Things and we need to shift things. But that's just where I'm at right now. But I appreciate the very thorough overview because our community does deserve, you know, all the amenities.

Mayor Romero: Council Member Schubert.

Council Member Schubert: Thank you. Appreciate all the comments being made in this very rich conversation that really deserves our attention. I want to echo my support for pulling the ad tax from the consent agenda but moving forward with the other three. I do have some comments about that. I personally, you know, nobody likes taxes. Nobody wants to raise fees or taxes on anybody, but as the mayor said, we don't fairy dust. Vice Mayor talked about progressive ways of taxing and assessing fees versus regressive. I would like to name that reinstituting fairs for public transit would be one of the most regressive forms of taxing that I can think of. When we're talking about the incomes on our working family, where we talk about the impacts on our working families of all of these different things that we're facing, the thought of taking away

their ability to get around, does not sit well with me. I think you know public transit is a public good and we need to treat it that way.

I understand that folks have talked about a permit system. I have deep concerns about adding any barriers to people who already face many barriers when we had low-income passes before, they could only be issued for 28 days at a time and you had to go in person, which is very difficult for people who lack transportation of their own. And this problem is only going to get worse. I foresee and so any little thing that we can do, such as keeping the buses free, will go a long way. At least with the Public Utility Tax (PUT), it's equitable because it's spread out over every rate payer. I did want some clarification about how much the PUT would cost people per year. I did some back of the envelope math. If it's expected to generate $5.25 million, if you divide that by the residents of Tucson, that gives you around 10 bucks annually per resident. But I'm not sure if that's accurate I'm not an expert.

I agree with Council Member Lee that conversations with the community are incredibly important, and I know that the Ward 6 Team wants to be a part of ensuring that community input shapes the way that we move forward with any taxes. I also, you know, I don't want to nickel and dime people either. And I also hear the point made that it may feel uncomfortable to be unusual, to be out of step with the way other cities might be approaching these issues. I will just say that I don't think it's realistic to expect usual answers in the face of unusual circumstances. And also, when it comes to subsidizing transit, that's something I'm proud of here in Tucson because we are being a leader. There are other communities that are engaging in pilot programs around far free transit. We had the community in Massachusetts, Merrimack Valley make their transit fare free based on a business analysis of the economic impact locally.

The other thing to mention about the potential impact of increasing or reinstating public fares is the dip in ridership. So, I think without a full economic picture of what, reinstating fares would look like, the cost of reinstating the dip in ridership, and how that could impact revenue, it doesn't sound responsible to me to move forward with that at this time. I know it's not even on the table right now, but it's hard to not think of it when we're talking about increasing other taxes.

You know, I do also think it's important to be honest about the budget and to be transparent about our thought process. So again, I appreciate this conversation. I know we all don't see eye to eye, but that we care about continuing to deliver on those essential services and we can't continue cutting, cutting, cutting, cutting and still deliver excellent core services to our constituents.

Mayor Romero: Thank you, Council Member. I too agree that we should move forward with the additional four pieces presented to us today. As I said, it is hard, but this is what we have to do right as Mayor and Council, we are elected to make hard decisions. I don't know if Council Member Cunningham was here when we went through the first deep recession back in 2008, 2009, 2010, we had to make very similar choices. And so, we will have to have additional conversations with the community about how we continue delivering the services that Tucsonans deserve.

Now when it comes to taxes, you know, I hear the word regressive taxes or progressive taxes, and you know. I hear a concern about hurting low-income people, those against Prop 414 called

our request for sales tax, regressive and hurting low-income people. And there are a lot in the business community that put a lot of money against 414 and they told us go back to the drawing table and we have genuinely looked at everything in front of us. We did a lot of adjustments and cuts ahead of moving forward in this direction. I believe that that's the difference between a public utility and a private utility. With Tucson Water, we are actually proposing the Tucson Water Department, is actually proposing that we lower the increase that was scheduled to come before us. We're lowering it by two percentage points, right? It was going to be a 5.5% increase. Tucson Water is actually saying we proposed that you make it less just so that it could pay for the water service and water utility.

The difference between a private utility and a public utility is that Mayor and Council sit as its board. And we have very intentionally created a very robust low-income program that actually helps the people that need it the most. It is a false premise to say and to hear from the utilities, the private utilities. telling us we're just going to pass this on to the consumer. That's because there's a bottom line that they're protecting. They're protecting the bottom line and they're protecting their shareholder. That's the difference between a private utility and a public utility, and Tucson Water is one. They can, they can afford to pay a utility tax, just like Tucson Water is paying it and is protecting low-income residents and is lowering the increase, and what we're going to charge next year?

And so, I usually hear the same scenario being played out and called out when we ask for the minimum wage to increase, we're just going to pass it on. It's because they do not want to cut their revenue. So, I do not like for these groups and companies to come to us and tell us you're suggesting a sales tax, your regressive, low-income people are going to feel it. And then we think about something by the way that what we are considering, the options that we're focusing on are mostly visitors, utilities, and corporations. And there's a huge difference in saying a utility tax that can be, that there's less shock rate to people that the utility tax, the more you use, the more you pay. If that's what the corporation wants to do, right, the corporation wants to pass it on to the user. Then the more you use, the more you pay.

So, it is much more progressive now when it comes to the conversation about our transit system, when we do a study about what people spend their money in, most of it goes to rent and mortgage and transportation. Most people spend 30% of their income on transportation. And so, I believe it's also a false premise to say, we charge transit first and then we go into this. If you really think about putting it together, even if we were to charge for transit, it doesn't cover our whole in the budget. So, it's not one or the other. That's a false premise as well. Those are my thoughts and as hard as these conversations are to have and these decisions are to make, I am supportive of the last four suggestions and options. Vice Mayor, I don't know if you wanted to add.

Vice Mayor Santa Cruz: I think I was just going to add that you know, Tucson Water, as a utility, has led responsibly in making sure we're always increasing our low-income fund so that folks who would be impacted have an opportunity to payless into that utility and that these other utilities. If they really cared about low-income people, they could be doing the same. I just wanted to add that.

Mayor Romero: Alrighty, we don't have to make a decision right now at the study session. We do have the decision making at the regular meeting, but it was good to have a discussion. Council Member Cunningham, I don't know if you have additional.

Council Member Cunningham: There's just one thing, and that's on the hotel thing, and I know that I'm beating this one to death and but if we lower just a little bit, we stay competitive and we still increase revenues by $400,000. So, we still get a little extra money, we're changing the formula, we're dropping the surcharge, but at 14.7% we still stay competitive. We're still at the same level with about 20 other cities. If we go to 15.05, it's just us, Bisbee and Superior. Those are the only three cities out of 91 that are at that that at that rate or more. So, I'm just telling you, it would make a lot of sense and be a nice little nod and we wouldn't lose more than about $350,000 in revenue, $400,000 on the estimates.

Mayor Romero: It's about I did ask the question about lowering it to reflect possibly like what Marana and Oro Valley charge, and we would be losing another half a million dollars and in eliminating that or tabling or continuing the add tax already diminishes what we had planned by half $1,000,000. And losing another half $1,000,000 really starts to concern me. You know, I hear you, but I think .05 I believe is the difference, will not make a huge, huge difference in terms of the people that want to come to Tucson. So, Vice Mayor, I don't know if you have anything to add.

Vice Mayor Santa Cruz: The only thing I just wanted to add to that was that I think when people are staying in the city, we're providing a very different amenity than when you're staying in Oro Valley or Marana hotels inside the city or near a Convention Center are more urban hotels that are attracted different demographic, a different interest that, you know, you get an ease of travel, and you get other city amenities that in these other locations that you don't so like you, I don't think it makes that big of a difference to try to take away what a 0.5% point from it.

Mayor Romero: If there's no additional questions, comments, I think we've got to do some decision making in the regular agenda. We will have to move forward with the next item on the agenda, Item 7.

7. Discussion and Direction Relating to a Transit Safety and Security Action Plan (City Wide) SS/DEC16-25-246

Introductory comments were provided by Kristina Swallow, Assistant City Manager.

Information was provided by Sam Credio, Department of Transportation and Mobility Director, who fielded and answered questions.

Discussion ensued.

It was moved by Vice Mayor Santa Cruz, duly seconded, to approve the City Manager's recommendation as presented in the agenda material.

Mayor Romero offered an amendment to the motion, accepted by the motion-maker, to include finding funding to continue the pilot Ambassador Program.

Council Member Lee offered an friendly amendment to the motion, accepted by the motion-maker, to direct staff to continue to refine the long-term elements of the Action Plan over the next 90 days, and return with estimated corresponding costs for Mayor and Council consideration during their second meeting in April 2026.

The motion, as amended, was carried by a voice vote of 7 to 0.

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Mayor Romero: Time has been set aside to review and discuss an Action Plan to improve Safety and Security on the Transit System to include buses, bus stops, and transit centers. Ms. Manager, I know we have Sam Credio here with us, so I am going to toss it over to you.

Assistant City Manager Swallow: Thank you, Mayor. As you mentioned, we do have Sam. This is an item we've been talking about for some time, and I think most recently was a couple meetings ago, we were directed to bring back an action plan and so Sam has been working with Chief Kasmar on developing some very specific action steps, and we do have a specific ask for you today, Sam.

Department of Transportation and Mobility Director Sam Credio: Thank you, Assistant City Manager, Swallow and good afternoon, Mayor, and Members of the Council. I don't have a formal presentation like I did last time. I do have a verbal update for you, and if you'll just bear with me because I do have quite a bit to cover. First, just as an overview, back on October 8th, we did present a draft action plan to all of you, and you all gave us feedback, specifically in the form of a motion. And so that is what we've been going off all this time, and I'll be giving you an update on all the work that we've accomplished since that meeting.

One of the first things I do want to announce is one of the items in the motion was to move forward with a transit app. That's transit with a capital T that is a company that provides a mobile application for transit agencies. I'm happy to report that as of December 1st, we have launched the Transit App Royale. That is now the SunTran App that we use for our system. And so that is in effect now. And if you all have any questions on how to use that or now. I'd be happy to meet with you offline to talk through that.

One of the items in the motion was to engage some key stakeholders on providing input and feedback on how we would structure our Transit Safety and Security Plan. So, I'd like to spend a little bit of time talking with you all about the meetings that we've had and the feedback we've received before I go into the action plan. First and foremost, we met with Teamsters Local 104 leadership right out of the gate to talk directly with them about what they are hearing and seeing from their drivers as it relates to transit safety and security. We also met with the drivers by way of meeting with the stewards from the Union at SunTran as well as attending one of their safety meetings. And so, all in total, we've met with about 50ish drivers. That meeting was also

recorded and shared with the other drivers that couldn't attend, and what we heard from the Teamsters as well as the drivers are a few things I summarize in a few themes here.

Concerns with the effectiveness of our contract security guards looking to explore a transit specific police deployments, the need to update our radio system which we're currently working on, the use of code words to report issues inconspicuously on the bus when there are issues, the need for a clear and enforceable rider conduct and suspension policy, and then the need for better and increased lighting at bus stops. We've also met with the Tucson Transit Advisory Committee on two occasions now, most recently yesterday afternoon and I'd like to share just a few comments we had from them. Clear communication with riders through improved signage and tools to report concerns, refined rider suspension procedures, targeted resource deployment, enhanced lighting is a good thing, and they supported that piece of it, expanded outreach partnerships which we can get into a little bit later, police on the bus would help riders feel safe. There was an interest in understanding the writer suspension policy a little bit more, which I'll talk about towards the end of the action plan. A general concern was expressed over the high cost of enforcement and then at the end of yesterday's meeting, ultimately the TTAC did vote to approve the action plan as a good start and would like to remain involved as the action plan evolves.

My last brief summary on the stakeholder outreach we did is just the presentation we gave to the Safe City Task Force last Friday and some of the things we heard from the Task Force, were they expressed a positive response overall to the action plan. Some of the members did express some concern with how a rider suspension policy would be enforced, which again I'll talk about here in just a moment. And then just some questions, you know what happens after someone is suspended, how do they get reinstated? There were some general questions about expanded authority for security guards and ensuring that safety for everyone is kept in mind. And then there was an interesting anecdote from one of the Task Force members, it just talked about when clients are being discharged from treatment and they talk about what some of the triggers are in society, they've heard often that one of the triggers is the transit system itself because that is where they were using and had access to drugs that, that they were addicted to at that time. So, that was just an interesting bit of feedback from that group.

Now I want to shift over to the action plan itself and the way that we structured and organized the action plan was to very closely follow the motion that was given to staff on October 8th. And the way that we did that is we separated the action plan into seven elements safety, partnership and presence, targeted safety interventions, transit ambassadors and outreach teams, operator safety enhancements, operator safety policies, stakeholder and operator engagement, rider feedback, and communication systems. And then within each of those elements, we've identified some actions as sub elements.

I won't go through that in great detail because you do have it as part of your material. What I do want to get to be the implementation and monitoring portion, which essentially was developed based on the feedback that we heard from those various stakeholders. We broke it up into three segments. The first was immediate actions that we could do today for no additional costs or very little cost. That includes providing technology to connect existing cameras on buses to CSARC. We have a little bit of funding so that we can connect about 12 buses that would allow CSARC

to have a real time look into buses when there is an incident. Right now, all of the buses have multiple cameras, but in order to access that data, the buses have to be brought back into the yard and then downloaded. This would provide real-time connectivity.

Better coordination between the city, SunTran, contract security, Tucson Police Department and Community Safety, Health and Wellness staff, and really anyone else that's working to address these problems. We identify that there are clear opportunities to better coordinate across multiple agencies. We've now begun to do that on a more intentional and regular basis. We are working on joint deployment plans to address hotspot bus stops and corridors and then a continued discussion engagement with the SunTran operators in Teamsters Local 104. We don't want this to be a one and done, this has to be an ongoing conversation so that way we're addressing the safety and security of our drivers.

Moving on to the second segment, there were some near-term actions, and this is really where the ask is for today is allocating a one-time a safety allocation of $500,000. You know as we took into account all of the feedback that we heard and what we're hearing that, that we need to address these problems that we presented on October 8th, it really fell into two buckets. The first was allocating about $350,000 for off duty police special deployment. How that breaks down is to about three officers 25 hours per week, including vehicles that would be dedicated to the transit system specifically. This mirrors a success that we've had at the Ronstadt Transit Center with Rio Nuevo where off duty police officers have been hired to address concerns not only at the transit center but also downtown.

It also aligns with some of the responses that we heard from the Teamsters leadership, as well as SunTran operators. And then the remaining $150,000, we'd like to allocate to environmental design improvements. We've made some spot improvements across the city. They have proved to be successful and what we'd like to do is expand that citywide. That includes increase and enhanced lighting, landscape improvements at bus stops and then any other physical modifications that we think we could make to address better visibility at bus shelters and bus stops. That's what this funding would go towards, and we would prioritize hot spot corridors to make sure we get the best bang for our buck.

And then lastly, looking at long term actions and this really you know falls on the tails of what we discussed back on October 8th is the RTA Next allocation of roughly $2 million per year. That is a funding allocation that you know is in the horizon if that vote is successful. And so, we wanted to do is develop a menu of options of items that could be funded with that money. We didn't actually break out the $2 million specifically because I think at the end of the day that will be dependent on how we to allocate that money across the system. But every action item you see in the action plan under the long-term actions are either people or stuff to do additional enforcement or improvements for safety and security on the transit system. So that might include expanding the special deployment of off duty officers, adding additional contract security and taking a look at their contract and how we could potentially expand their authority, doing a more wide scale improvement of lighting and bus stop improvements, working with not only Community Safety, Health, and Wellness team to expand their staffing, but potentially being able to work with other partners like Primavera to expand the resources that we have out into the community.

And then the last piece is just that expanded technology piece that I talked about under the near-term actions potentially adding more connectivity to buses for the cameras having pull mounted cameras at specific intersections or bus stops so, we have that real time connectivity to CSARC. Before I conclude, oh, and the last thing I'll mention on the action plan is there are two appendices included as part of the action plan. The first is a bus stop policy that is a draft policy, so your feedback and input would be appreciated on how we deal with requests for removal of bus stops and bus stop amenities. That actually does happen often. We've been very reluctant to remove bus stops and having some sort of guidance would help us make those decisions on when it does make sense or other solutions we can provide.

And then lastly, something that we have not ever had, at least in recent history, is rider suspension policy. This is something that we heard over and over again that there are bad actors in the transit system that, you know, maybe commit some sort of violent act either towards a bus driver or a bus rider and a day later they're right back at the transit center or on the bus. And so, we've put together a draft policy. The one thing that I think we heard across all of our stakeholder meetings is that there has to be a way that we enforce that rider suspension policy, there has to be some administrative piece on the back end for tracking and we have to really make sure that we're not putting the bus drivers in a position to have to enforce those rider suspensions, that we've got a mechanism to support them in those situations. And then lastly, how do we deal with people that are suspended and maybe do resolve whatever issue they were having and would like to return to the transit system, having a way for people to appeal that suspension and be reinstated.

So, those are some of the comments we heard as it relates to the rider suspension policy, so that rounds out my comments on the Transit Safety and Security Action Plan. I want to note that this is intended to be a living document. This is not something that we just put on the shelf, and we don't look at again as you go through the document, you'll see that there are plenty of items that have maybe not started or are ongoing. And so, we do intend to periodically update this and expect it to evolve over time to address issues that we have.

I want to close by just saying that I really want to express my gratitude to the team for helping prepare this action plan. On October 8th, we were asked to return in 60 days. I think today is about the 65th day, but by the time that material was due it was less than 60 days. These sort of action plans and other agencies take several months involve hiring a consultant and cost hundreds of thousands of dollars. We did this in less than 60 days in all in House staff. Specifically, I want to thank Andy Bemis, James Castaneda from our team, the Transit Services Team Ian Sansom, Susan Spies, TPD Stacy Schaner, who I know is in the audience today, was a big help from TPD side and the SunTran team Andrew Vargas, DaVita Mueller and lastly, Roi Lusk and Dennis McLaughlin from the attorney's office for their support. And with that, Mayor, I'd be happy to answer any questions. Thank you.

Mayor Romero: Thank you so much Sam, we really appreciate this incredible work that you've brought to us, I agree, I want to thank all of the team that has put this together, yourself included and your leadership team at Department of Transportation Mobility, Assistant Chief Stacie Schaner, and the entire team at TPD putting their heads together. I know that SunTran

administration has been working with you, our Safe City task force, as well as TTAC, the entire team, of course Roi and your team, for really helping us move forward.

I know that it was when back in August that, thanks to the Vice Mayor, we started talking about transit safety and security and having. The dialogue about OK, we need to something is not working. And you know, there's a lot of perceptions in terms of the amount of crime that is happening, but still, even if you know if those perceptions, there's been, and I don't minimize the issues that have happened in our transit centers and within our system, our transit system. But it's important that we're having this conversation, that we have a plan to move forward and that there's an immediate action items that we have been able to add to work on and that we can continue to get better and better.

So, Sam, thank you so much for your presentation. Thank you for the incredible work that the entire team is doing together. I appreciate it. I support your recommendation and put that half a million dollars to work immediately, and I did want to say that the work that we're doing is informing us how we move forward, right? That conversation that we had from TPD to the Department of Transportation Mobility to SunTran to the users and the operators are all teaching us that the systems that we had before we're not working and so that we have to adjust the systems in order to be able to deliver to our operators and our riders and our community.

I do want to say how much how much interest I have in continuing the SunTran Ambassador Program. I know that it was a pilot with Primavera. But I would. I really want to make sure that we continue looking at that Ambassador Program because it really is about continuing the work that we already do, that we've been doing for six years with Housing First and our Housing First Navigators. It's just putting them within our transit system and then offering that resource and those services and programs on the bus system. That I hope that it's not just at the centers, but it's at the bus stops and that it is on the buses themselves. I know that Proposition 418 and 419 is on the March ballot. And that there is dedicated funding through the RTA Next to be able to provide security services for the next 20 years. But let's make sure that we're also looking at the Ambassador Program. Is there the capacity to be able to continue partnering with nonprofit organizations to continue providing those services as we as we learn right what the fate of Proposition 418 and 419. Those are my comments, and I'll open it up. I know Vice Mayor; you have some questions and comments.

Vice Mayor Santa Cruz: Yes, I do too, thank you, Mayor, and staff for bringing this forward. I'm hopeful as you know that we can continue to have updates on the safety pieces that we're discussing, and I don't in the future that looks like some sort of dashboard that's public facing where we could have more in real time information. I too, like the Mayor, want to reiterate, yeah or address this perception that you know the our transit system is unsafe. We know that through this investigation, we have challenges at specific routes. And stops that we're addressing and prioritizing in this and that our transit system is just going to mirror a lot of the societal challenges we're having in our parks, our libraries, our sidewalks, our alleys, our washes, these are all public spaces that are going to feel the same impact.

And so, like the Mayor said, our the way we were doing things before are not meeting the moment, are not addressing the needs that we have right now and we need to figure out a way

that it doesn't get to this point, so I'm curious like how are we thinking about being proactive behaviors at bus stops or at the or on, you know, on the routes that are not OK that it shouldn't have ever gotten this bad. And so, I just want to make sure that as we're seeing other things kind of come up that we are addressing them and taking them seriously right away and that safety should always be at the very top of how we operate our transit system.

Moving forward, also, you know want to see more of these partnerships with the transit ambassadors and the outreach that they're doing directly on the buses, not just at the transit stops, that perhaps we can, you know, work with our Pima County colleagues and other partners such as Primavera, who did the pilot for this past year, how we continue to offer services on our routes that need it the most. And I know that we are the transit app has gone live. I want to know what the plan is to get folks, you know, using it and really putting it out there as a way for folks to not only get information, but also give feedback. I want to, you know, make sure that our SunTran management company has the support that they need to be innovative and seek improvements and not having to wait on Mayor and Council direction at a return.

Mayor Romero: Council Member Cunningham.

Council Member Cunningham: I think going forward, I'd like to build into the safety package that we include, we look at how we purchase buses that have a safe box for the driver, an actual safe one and not just erected plexiglass. That's been a point of contention. I mean, driver safety is probably my most important piece. We have some unpredictable behavior that's occurring on the bus from time to time, and every single time, I think, I hear about it, I get nightmares from the movie Speed. So, I just that's one piece that I think we can talk about long term. I also still think I'm still going to hold onto the idea that at some point we need to look at having a pass system, whether it's a robust free system with fares or without fares, we have to be able to identify who gets haunted off the bus, and we have to figure out how to pay for that to implement it. I don't know if what this transit safety plan does will do what we want it to do, but what I do know is that we can, if we can run a robust low-income program for another different things, then we can obviously run a robust, safe a robust free pass program that people can use, and it gives some folks who are willing to pay into the system an opportunity to improve it.

Finally, I'd like to talk really quick about having a transit safety plan. I understand the platitudes that the bus is safe, but if we if it's so safe, then why are we having this conversation? So, I think there's a big perception that it isn't safe and that's kind of why we're having a conversation and whether or not it is, there's probably some data that can tell us what not the incidents that we're having at bus stops and at and on buses is within the models of different jurisdictions and stuff like that. But what I would say is that over on the east side on the east Speedway side, we had two or three assaults of people that were under the age of 14 and that was really, really concerning to me. And so that was kind of why I was so proactive and really wanting to take a look at our safety on the bus.

So, we, I had the, I had said kind of more what I needed to say the last time we brought this up. But I'm hoping that we get some improvement on our buses, but. I think I don't think this conversation is over and the and the fact that this is a living document and at least take some

measures is a good step. And so, I'm going to be supportive of it, but at the end of the day, I'm not sure. I mean, I'm just hopeful that it yields results.

Mayor Romero: Council Member Dahl and then Council Woman Lee.

Council Member Dahl: Thank you, Mayor. Thank you, Sam. Many kudos to you and your staffs and TPD staff work on this. It was a quick thing, but I think you did deep work on it. It's clear we don't have enough funding for what we would really like to do, and we will have been having a different conversation in mid-March after we know whether the RTA safety funding will be available to us. Nevertheless, I think we can keep going. I support it. I do think enforcement on the buses is a key or quick enforcement, and I like the stop gap measure of deploying some police officers and especially in concentrated areas, special routes, the transit centers, and troubled bus stops.

We've talked about the security company that's on that is on the buses. I think we need to revisit that. And to me, it indicates that there's a procurement problem because we knew this company didn't perform very well for us at Tucson House. And I don't know if that information was in the decision making to hire this particular company. Thank you again. I support it and I hope your team will keep working on it seems like there's some open-ended suggestions that we need to get better and I'm glad you're going that way. Thank you.

Mayor Romero: Alrighty. Councilwoman Lee.

Council Member Lee: Thank you, Mayor. So, I want to first also thank you and the team for putting this together and saving us a lot of money, and Paul Cunningham's favorite thing. Consultants really appreciate the quick turnaround and also this reflects the engagement that you all did, I say well. I turn mic off. There we go, only doing this for six years. The riders, the Teamsters, TPD advisory groups and I really appreciate that work is reflected here and I'm obviously very well aware of our budget constraints that were operating under right now and I really appreciate the opportunity to sip, you know, to support this plan and putting precise targeted investments with the funding that we do have available. And obviously we know that the challenge we have in front of us is going to need a lot more funding than what we have now.

But in terms of near-term activities? Definitely support this and I don't think that doing nothing is an option for us right now. I think this enforcement, this target enforcement, lighting improvements, environmental upgrades and better conditions and coordination's are all necessary steps. Couple concerns I have thinking about for a longer term though is relying on existing TPD officers. I've written about this in my communication I think for a longer-term solution we need new capacity, we need new positions for new police officers, so we're not taking people off patrol and other critical missions because we know our TPD staff are already stretched way, way too thin. But in the near term, we definitely need to utilize the resources that we have on the most problematic areas. So, I'm definitely in support of that, but as we've talked about, I'm really looking forward to what happens with RTA Next in that $2,000,000.

So, I really appreciate you guys having some longer-term elements listed out. One thing I would like to ask is kind of, and I don't know if we need a motion to move forward with, you know,

adopting this plan and moving forward, but if we do, I'll make that. But I also want to tack onto it sort of an exercise for you guys, Sam, you've already put the long-term elements in place, but I don't have any sense of what those costs. Right. So, if we get to April and we know if RTA Next passes or doesn't we have, as you said, Sam, a menu of options, but what do those things cost? And what would it take to implement those and to Paul's point, what's the best solution that we need to have to address the question of who's getting on and off the buses so that when we have a suspension policy, it actually is enforceable because that suspension travels with that person, whether they switch routes or drivers. How do we know that that person is suspended? So, I think those are things that I would like to see so that we could revisit this after the RTA vote and know exactly what options we have on the table, what would it cost, what funding we have to do it and be able to continue to move forward with the longer-term solutions. So, do you need a motion Mayor? That was a lot. I think we can continue. OK, alright. Well, that concludes my comments.

Mayor Romero: Since we started the trend. Council Member Barajas and then Council Member Schubert.

Council Member Barajas: Well, thank you, Sam, I know this document was really impressive because you only had limited time and I read through it multiple times just because this is something that I'm really concerned about. You know, it's something that I hear from all voices, from drivers to writers to family members to educators. You know that do rely on our public transit. And I understand this is a living document, so I know we're going to have many more conversations, but just some, some elements that I would love to think about moving forward. I would love to see if we could do some type of community outreach campaign, revolved around the app because I don't think a lot of our businesses, our schools, our nonprofits, our mutual aid groups, our residents are aware of this tool. So, I would love to see if there's a way where we could really engage with all. Really robust engagement effort to get folks on that so, they'll know that they could access that tool.

And something too that I would love to see, when you were talking about the rider suspension policy, you know, doing different work in different communities. I know the folks that could really transform an area of folks from that area and have real lived experience. So maybe if there's a way where we could provide some type of like community investment element, so, if there is somebody that is suspended or you know, there's an altercation that doesn't that doesn't need TPD's attention, but we want to, you know, approach, it I think it will be really beneficial for our greater Tucson community to have some folks do some neighborhood beautification projects along the corridors along the bus shelters. You know, I drive down the hotspot area of South 6th every morning, every day, every evening, and I see, you know, trash in the mornings, gone. And then in the evening, it's back.

So, if there's a way where we could provide some type of community. I want to call it community investment because they are going to have to reinvest in this community, instead of community service because I feel like that's going to really hopefully transform for our repeated, you know folks to not want to engage in that type of activity and then take care for this community because it's their community, but they have to also take care of it and not disrespect. You know, the areas that I see, a lot of disrespect happening and yeah, just I want to also come in

all the partners that were part of this, I would like to see some listed partners here, some listed nonprofits here, some school sites that are specifically along these hot spot areas, some business owners along these corridors to engage with this plan as well as we move forward. Thank you.

Mayor Romero: Council Member Schubert.

Council Member Schubert: I think it's important to note, you know, if we're talking about safety, that since Council Member Barajas and I were elected on November 4th, we've had 14 fatalities and five serious crashes. And eight of those were hit and runs. Right now, we've had 94 traffic fatalities in Tucson as of today. So, I hold that in my mind along with these very valuable conversations that we have about safety on transit, which I agree are important. Everything I've learned from transit riders is that these routes are very different from each other. I've talked to so many parents who send their teenagers on the bus without thinking twice. People who grew up riding the bus and then I hear about the experiences of others.

So, I think it's important to be thoughtful with our solutions. I just want to say, you know, when it comes to other users of the road, no nightmare is needed. It's their everyday life that they're taking their lives into their own hands, their well-being into their own hands just for. A simple commute. Pretty much any bicyclist in Tucson is in that category. I'm not trying to offer platitudes or dismiss, you know, safety concerns on the buses, but I think it's important to right size this discussion in the bigger picture of what it means to keep our community safe. I'm super interested in continuing the Ambassador Program, and I'm curious to know if the other Council members have received a report out about the efficacy of that pilot program. I'm pretty interested in that.

Director Credio also mentioned the success of the Rio Nuevo funding of off duty cops at Ronstadt. I'd be interested in seeing data about that too, and kind of comparing, you know, again, just kind of going back to thinking about holistic long-term solutions versus short term enforcement, short term solutions and what the costs might look like. Just some other questions. Looking at the suspension procedure, I think it is really important. I want to echo some of the other comments I've heard about stepping through each part of the process to ensure that we have a full plan in place and aren't putting bus drivers in a bad position, like what happens if those suspended come back on.

Council Member Barajas, I really liked your idea of community investment. Having that element in the safety plan that gets more at that holistic approach that I would like to see. I also liked your ideas about broader stakeholder engagement as well as community outreach. I'm a big fan of the transit app, but many people are not familiar with it. So, we definitely would like to be a part of helping with awareness. I also liked Vice Mayor Lane Santa Cruz' suggestion about a public facing dashboard for tracking these impacts. I appreciate that this is a dynamic and evolving plan and very much hope that we can make changes as we go along and make you know sort of make modifications so that we're effective and also fiscally responsible.

Just you know, when it when it comes to focusing on enforcement, my question is always what happens with that individual afterward. Because if they're not, if they're not on the buses, then they are somewhere else in our communities. So, they are still individuals struggling with

addiction, mental health and other issues and I think it's important to keep that sort of resource holistic approach. You know, sort of that Community, Safety, Health and Wellness approach.

Mayor Romero: Yeah. No, I absolutely agree with those comments. In terms of the Ambassador Program, I really want to make sure that we get the input and data, and it was if it was effective and how to change it or how to add to it or how to you know what the effect of it. And I wonder if we could talk with Pima County Board of Supervisors about the possibility of them participating with us and possibly helping fund the Ambassador Program, which is a service oriented, deflection kind of Community, Safety, Health and Wellness, type of approach. Because I agree that we need to make sure that we recognize the safety elements as well as the service provision of it. And that they're not mutually exclusive, right? Providing safety is not mutually exclusive to providing the services and resources that individuals need.

My question is, will our investment in off duty police officers, which I think is really good, because I too have been hearing about the lack of effectiveness of the security company that SunTran hires. So, I'm really happy that we are investing in our own off duty police officers. I know that Council Woman Lee talked about the possibility of having like transit, a dedicated police officers and that would be an addition and an adjustment, right, but I wonder if those officers are going to stay like at the Ronstadt, at Tohono Tadai, and Laos, or will they be, you know, on the bus as well and hitting the hot spot, both bus lines and stops.

Director Credio: Yeah. Thank you, Mayor, for that question. So, I think the answer is all of the above. We would work with our TPD partners as well as SunTran to coordinate the deployment of those off duty officers. Our expectation is that they would be on the routes themselves. Potentially at the transit centers and identifying hot spots. I think it's also important to acknowledge that as we start to really hit these hot spots, the hot spots are going to shift and so we have to be prepared to shift with that as well. And also, Mayor, I'll just offer if you'd like, I could give a very high-level brief summary of the Primavera pilot, if you'd like me to do so. I've got a little bit of data that I can share with the Mayor and Council right now.

Mayor Romero: Do it quickly and then we'll have a motion for you.

Director Credio: Thank you, Mayor. So, I should have mentioned my previous comments. We did have a Primavera pilot that we've been working on. The pilot is expected to be actually ending at the end of this month. The high level is it was two outreach staff four days per week, primarily at outreach at Laos and Ronstadt Transit Centers, as well as 21 other bus stops. There was some conversation about doing outreach on the buses themselves. After you know some back and forth between SunTran and the folks organizing the Primavera work, I think everyone agreed it was best to focus on the stops and the Transit Centers themselves.

The cost was about $120,000. Fifty thousand of it was from the City of Tucson. And I do have just briefly the September update, which by the way, we did speak with Primavera and there will be an annual report that'll come out, probably in January, and we will share that with all of you. But in September community, the cumulative update that engaged 454 community members, 882 referrals to services were provided. And so, we do think there is value in continuing if not that pilot project, a pilot project, very similar. Thank you, Mayor.

Mayor Romero: Yeah, I absolutely agree we should we should definitely continue that Ambassador Program and I think that that is something that we should possibly ask the Pima County Board of Supervisors, if they're willing to invest in behavioral mental health, you know, all of these issues that we talked about in our joint meeting and things that we want to solve together and see if they're interested in in partnership and investing in the continuation of the SunTran Ambassador Program, Vice Mayor.

Vice Mayor Santa Cruz: Thank you, Mayor, I also just wanted to thank Council Member Schubert for her remarks especially around private vehicle traffic. Because having my colleagues make the suggestion that charging fares on public transit would have a positive benefit to public safety completely ignores the statistics of the violence and injury that we're seeing on our roads, on our everyday traffic. Council Member Schubert gave the numbers that we're facing just this year alone, I hope that that same energy comes back when we're having that discussion as we focus on pedestrian and bicyclists safety as part of the safety initiative for the city.

Also, Council Member Lee, you're the only Council colleague that hasn't gone on a bus ride with me and so I hope that I'm going to follow up again and reach out to your office that we can do that because I think it's important again as we want to legislate that we're also seeing for ourselves on the ground the impact that that has. So, with that Mayor, I want to move that we accept, the city manager's recommendation for this item.

Mayor Romero: There is a motion. May I have a second.

Council Member Schubert: Second.

Mayor Romero: There's a motion and a second. Council Woman Lee and I also would like to make sure that we have continuation in terms of looking for ways to continue funding the central ambassador program. I don't know if that's the official name. I know it was the pilot's name. But if we can add to the motion that we continue our work in trying to find the funding for the ambassador program as well. Thank you so much. Council Woman Lee, and then Council Member Barajas.

Council Woman Lee: Thank you. I wanted to, Oh, you're good. You're good. Well, Sam can vouch for me. I have ridden the bus with Sam before and so I have been out on the transit system. I wanted to see if we could attach a friendly amendment that would also give direction between now and the next 90 days to look at those long-term elements and continue to refine those and provide cost estimates. And then bring this back to the first meeting in April after we know what's happening with RTA. If you would be willing to accept that amendment.

Vice Mayor Santa Cruz: That's fine.

Mayor Romero: Yes, Amendment accepted the seconder.

Council Member Schubert: Second accepted

Mayor Romero: So, there's a couple of amendments, Council Member Barajas.

Council Member Barajas: I was just wondering too if there's a way that we could implement that the ambassadors, yeah, the Sun Tran ambassadors actually be on the bus, not just the transit stations in the bus stops.

Director of Department of Transportation and Mobility Credio: Mayor, Council Member Barajas, yes absolutely. We can work that out with whichever partner we end up selecting. If it's Primavera, we will work on making sure that that is part of the plan.

Mayor Romero: Alrighty. So, we've got clarity in terms of the motion and the additional amendments, OK. Great. Thank you, Ms. Clerk. Anything else, I know, Kristina, you had your hand up for something. No, you're good. Already, if there's no further comment, all those in favor of the motion signify by saying aye.

All: Aye.

Mayor Romero: Any against, motion carries. I'm gonna give you a little bit of a break so that you can stretch your legs, use the restroom. I think this a good place to stop and we will see you in the next 6-8 minutes.

RECESS: 3:05 p.m.
RECONVENED: 3:22 p.m.
MAYOR AND COUNCIL: All present
STAFF: All present

Mayor Romero: Alrighty, we're gonna continue our discussion. There has been a request by Council Member Cunningham that we advance the conversation on Item 10 for the Cost of Services Rates and Fees.

10. Discussion Regarding Proposed Cost of Service Rates and Fees for Tucson Water, and the Transportation & Mobility, Environmental Services, Parks & Recreation, and Planning & Development Services Departments (City Wide and Outside City) SS/DEC16-25-244

This item was taken out of order.

Introductory comments were provided by Kristina Swallow, Assistant City Manager.

Information and presentation were provided, and questions were fielded and answered, by Sam Credio, Department of Transportation and Mobility Director; Silvia Amparano, Tucson Water Deputy Director; Carlos De La Torre, Environmental Services Department Director; Koren Manning, Planning and Development Services Department Director; and Lara Hamwey, Parks and Recreation Department Director.

Discussion ensued; no formal action was taken.

(Note: Council Member Cunningham departed at 4:03 p.m.)

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Mayor Romero: Time has been set aside at the request of Mayor and Council to discuss the proposed rates and fees for Tucson Water, Transportation and Mobility, Environmental Services, Parks and Recreation, and Planning and Development Services. Assistant City Manager Swallow you can present the item.

Assistant City Manager Kristina Swallow: Thank you, Mayor, and Council. This is an item that we've been talking all day about our challenges with our General Fund, and this isn't just General Fund, this is also a couple of our Enterprise Funds, but it's to ensure that we maintain sustainability of our Enterprise Funds as well as address the cost increases that we're seeing within our General Fund on the areas that we can. Our teams went through an effort earlier this year to identify the cost of delivering services and have developed some potential recommendations on how we may move forward. This item is intended to just be informational at this point. We're looking for and soliciting feedback from you in terms of your thoughts and what you're feeling about the current suite of recommendations. Based on that feedback, we will do some additional work and then take any action which would start with a Notice of Intent in late March, and with that I am going to turn it over to Sam to start.

Department of Transportation and Mobility Director Sam Credio: OK, all right, great. Well, we do have some slides for you. I'm going to skip over the Tucson water slides and we'll come back to those once my colleague gets here. I think, as I've mentioned in our briefings, we have undertaken a process to perform a cost-of-service study. Specifically for Transportation and Mobility, it's for right away permits and fees. And so, I'll make my presentation pretty brief.

We really had three goals. The first was to simplify our fee structure. Currently we have 37 fees and with the cost-of-service study, it proposed that we drop down to 23 fees. So that's a good thing. The other is full cost recovery and so the report is included in your material for this item. We found that currently; to administer our right of way permits and fees, we are right around 60% cost recovery. So, we're not covering our full cost. And so, the idea is to go to full cost recovery for our permit, right-of-way permits.

And then lastly, we are proposing 2 new fees. They are loss of use, which is, in other words, lane closures and also a loss of value fee which is essentially when the pavement is cut, every time it's cut, it degrades it a little bit and we want to recoup the value of that. And so again that's a new fee. The idea for the implementation is that we would go to 100% full cost recovery in year one, for the right of way fees and you can see the figures on the screen and in your material of what that would generate. And then for the loss of use and loss of value since those are new fees, we would propose that we implement that over a three-year period. We do have a revenue projection for the lane closure fees as you see on the screen there. We do not have one for loss of value because that is a brand-new fee that we've never collected before, and it is very difficult to project what that revenue would look like.

And again, these are just revenue estimates. But it does give you a sense of scale of what implementing these fees could look like, and I will turn it over to is Silvia here. All right, great. I'll turn it over to Silvia.

Tucson Water Deputy Director Silvia Amparano: That's OK.

Mayor Romero: I'm sorry, Silvia's having to catch her breath. I'll give you a little bit of time and I'll explain what's happening because we had to move this item forward, so thank you. Sylvia, you've done wonderful. Thank you so much.

Deputy Director Amparano: All right. Thank you. So, Tucson Water operates as an Enterprise Fund, which means that our water rates are cost based. So, we set our rates to recover the full cost of providing safe, reliable water service to our community. It covers our daily operations, infrastructure improvements, our debt obligations and long-term water supply. We don't rely on the City's General Fund.

In January of 2023, Mayor and Council approved a four-year rate cycle for FY23-27 that included annual increases of 5 1/2 percent. Since that time, several additional rate related actions have occurred. In February of 2025, adjustments were made to the commercial and industrial summer surcharge to further incentivize conservation within that customer class, along with an increase to the water supply fee to cover the cost of Colorado River Water. And in September 2025, differential rates were implemented. While that change was revenue neutral, overall, it did shift how costs were allocated among customer classes.

So, we now have updated our Tucson Waters Financial Five-Year Financial Plan for FY 27-31. While there is still one year remaining under the previously approved rate cycle, staff is recommending establishing the next four-year rate cycle framework now, covering FY27-30. This approach allows us to smooth future impacts and provide customers with predictability while continuing to cover annual operating costs, capital improvement needs and debt service obligations. We're also nearing the completion of an update to the miscellaneous fee study. This is the first comprehensive update in 13 years, since 2013. And like our rates, these rates are also cost-based and are currently in final review with our rate consultant Raftelis.

So initially, staff recommended four annual systemwide revenue increases of 3 1/2 percent. This approach meets the Utility's minimum financial metrics and maintains our goal of funding approximately 40% of our CIP through debt. The Citizens Water Advisory Committee, or CWAC, considered this recommendation and voted to support a slightly different approach, maintaining the already approved 5 1/2 percent increase in 2027, followed by 3 1/2 percent increases in FY28-30. CWAC also supports maintaining the 40% debt funded CIP target. Included in your materials are two financial plans that support these recommendations. Staff is continuing to advance both cost of service models and we will return to Mayor and Council in the spring with a notice of intent for both the water rates and the miscellaneous fees. hank you.

Mayor Romero: Thank you, Silvia.

Environmental Services Department Director Carlos De La Torre: Mayor and City Council, good afternoon. As it relates to Environmental Services (ES), the current fee structure, is really financially solid and really just to meet the short term current financial obligations. What does that mean, that we can pay for gas, we can pay for labor, but it really doesn't give us the really the ability really to sustain a long term Financial Plan as it relates to capital improvements, vehicle replacement programs, really being a position really to absorb and create a lot of the zero waste initiatives as well as really to continue to be on a very proactive manner in terms of environmental compliance not only as it released to the active Los Reales Sustainability Campus, but also the closed landfills, we know, we got over 60 landfills that are still close that that we still need to monitor, we do need to do a lot of compliance a day, requires a lot of a lot of work, really just to be in compliance.

So, the fees that the Council enacts are really needed to fully recover the cost of really refuse and recycling collection, landfill operations, the waste diversion programs, as well as the citywide community cleanup efforts. We do that in a very passive mode in terms of cleanup efforts. And so, one of the things we're looking at that is can we enhance some of the services I mentioned, what are some of the long term sustainability require? I get fleet and equipment fleet that as it relates to collection equipment's ranging from just pick-up trucks to skid steers to all the various types of collection equipment, rear loaders, front loaders, sight loaders and then equipment at Los Reales Sustainability Campus, which are your bulldozers, your hall trucks, your compactors, all that equipment, that is very, very much needed and very expensive.

Capital improvements, looking at really creating with the notion of the Los Reales Sustainability. Campus really going out there and deploying the landscaping buffer? We're essentially have outgrown our facility at Los Reales, we need to expand, we need to add restroom facilities, we need to add locker facilities. And so those are really some of the capital improvements programs. Serial waste initiatives are really continuing to support the plastic reuse program, as well as, the other programs in there, environmental compliance, landfill gas, groundwater monitoring. So those are the things we need to be equipped. Really, to fund those programs.

So the cost of service, the draft cost of service, has been pretty much completed, but we are at the request of Environmental Services Advisory Committee, as well as, direction for the city manager's office, is can we look at really not just really looking at increase in the rate, but really looking at and diving into it is can we look at and design a rate, a separate rate, which is called which we're now calling a Clean City Fee and is that really to encapsulate try to recover the cost really to provide for the homeless camp cleanup program, the homeless work program, the graffiti abatement program, the illegal dumping cleanup program, and then the team up team up to clean up a program, not really in going in from really just more of a volunteer passive program really to more of an active cleanup program citywide.

So, we're developing essentially those numbers. What is that really equate to so that we can be in a position really to bring that back to the Council for your consideration in, in briefings, pretty much in in January. So, we can get some feedback and direction as we move forward with that for the implementation and proposal for FY27. Thank you.

Planning and Development Services Department Director Koren Manning: Good afternoon, honorable Mayor and Members of Council, PDSD is also proposing an increase to our fees to better reflect the cost of our planning and development services. First, I want to kind of go over how some of our fees are structured, really about 70% of our permit volume is building permits and those fees are charged as a percentage of the construction valuation. For those permits, what we are proposing is to continue what we have been doing over the past two years, which is to update our construction valuation table to reflect current cost of construction and to stay current with that construction cost so that those building permit fees adjust incrementally with the cost of construction. So that is proposed to go into effect July 1 of 2026 and that is we're still kind of doing some catch up on that construction valuation table. We had a gap in how frequently we updated that for several years. So, we over the past three years have been catching up to the current construction valuation table, so as of July 1, 2026, we will be on the current construction valuation table and will be maintaining that moving forward.

So, that really covers the large volume of our permit fees how we charge permit fees. The other portion of our revenue comes from permits that are not based on that construction valuation table, so site plan, special approvals, there's other large volume of permits there. For those, we took a closer look at our cost of service, our cost of performing the plan review and inspections involved in those permit types and are proposing a more targeted the increase for the rest of our permit types.

So, we did start with 5% as kind of our standard fee increase for those non-valuation-based permits, as we call them. That reflects just ongoing increases in cost inflation, etc. But then, as I mentioned, we have a more targeted proposal for areas where we are currently under the value of providing that service. So, I want to mention some of those areas where we are proposing beyond that tip standard 5% increase. One area is designing professional review fees currently we don't pass that full cost of on to the customer and we are proposing to do so also proposing more significant increases for floodplain use permits and related permit types, a 25% increase for special approvals are special districts that require much more staff time in those review processes that usually involve public boards and commissions. A 10% increase for sign permits, a 10% increase for rezoning and entitlement fees. And an increase fee for pre application conferences for commercial projects. And a reduction in fees actually for residential pre-application meetings and then establishing new site review fees for developments utilizing the Community Corridors Tool to account for the additional staff time that will be involved in reviewing those applications which I will add is often in place of a rezoning on that site, because this Community Corridor Tool offers a more streamlined option.

So, while there are some fees that we're proposing much, much lower than a rezoning, which would have been the alternative previously. So that's our proposal for planning and development services fees for development permits. The other piece of this is a proposal for code enforcement fees where we are proposing to reinstate a fee that is on the books but is not currently charged. There's actually a fee that we currently are authorized to charge $75.00 for a reinspection, meaning a reinspection when a site is not in Code compliance after they've been issued a notice of violation. That hasn't been charged in recent years due to the administrative overhead of collecting on that fee. So, we are proposing to reinstate that and increase it to $200.00, which is

on par with what we see other cities charging for that, including the City of Mesa. So that is our proposal for PDSD fees.

Parks and Recreation Department Director Lara Hamwey: Good afternoon, Mayor, and Council. So, when it comes to Parks and Recreation, kind of wanted to lay the framework of how we approached looking at our fees in general. We're really trying to align our fees to service demand, but also recovery of a greater share of what the actual cost is to provide s program, a facility or access to parks and reduce some of the gap that currently exists when it comes to what it costs us to provide it versus what we've been generating. And a lot of the key drivers behind that is the increased operating and staff costs since the last time that we really touched any of these fees, a lot of these fees were not, have not been updated since 2010, which is a pretty significant amount of time and so you can just imagine how just if you think about what minimum wage has changed in those years, why are we looking at this?

We also are trying to be very mindful about maintaining a discount fee structure proposal. In our briefings, I did talk with you about how right now our discount program is a flat 50% reduction. But if we adopt a different discount model that is very tied to the federal poverty guidelines, we can look at adopting something that would allow for an 80/60/40% discount model which would definitely help the families that need it the most. We are also looking at recommending some new fees and also adjusting or removing fees that we no longer utilize or are not efficient.

In our Code currently, we charge non-city residents a 25% increase on top of what a resident would pay. And so, we're recommending adjusting that to a 50% increase. So, in straight terms, if someone pays for a leisure class $100 and they're a city resident paying $100, a non-city resident would pay $150.00, so pretty simple.

So, looking at some of our newer fees that we are recommending is in our youth sports world, we have spring and fall season. We get a pretty significant demand for use of our field facilities. And we get told very high numbers in terms of the number of children that they are serving, but what we know is ultimately we don't have enough fields and the fields are very expensive to maintain. We would like to introduce a Team fee. So basically, $100 per team/per season. This would allow us to start recouping some of the cost that goes towards maintenance, but we're hoping also helps us to get a little more truth in reporting of who they're serving or how many kids they're serving in each particular season would also allow us to collect some very valuable data for long term investment purposes in terms of future fields.

Over in the aquatic side, there's a number of fees that we are looking at, introducing a lap fee, a lap swim fee for monthly use. Our therapeutic pool, we know that that we are providing a very significant benefit from that, but it comes at a pretty high cost to provide six days a week access. We've had inquiry into private swim lessons. We don't have a fee adopted for that. We have a lot of external groups that want to utilize our pools, some of them exclusively, some of them shared, some modifying our fee proposal to allow us to enable more of a yes than they, hey, we're not really built to do those kinds of things.

We're looking at our facilities, pickleball courts, very high demand, but we currently do not charge. At a couple of our locations for outdoor pickleball use, we do have a current tennis

management agreement. We could opt to potentially have them help us with doing that or implement our own fee collection mechanism. We have 5 golf courses in the city and it is cost to maintain them and capital improvement needs in the future. We have the Greens Committee that has made a recommendation to do a $2.00 per round of golf surcharge, which then would get dedicated into specific golf account for future investment. And also, we have areas that we consider open area rental space, but we don't have a specific fee that allows us to charge for that. So just giving us another tool at our disposal and.

Then another area that we often run into is for people that might want to have staff help support certain activities or after-hours access to facilities, but that would come at a direct cost to the department. So essentially, we would be subsidizing their use. We'd like to introduce a direct cost recovery fee. So basically, you tell me you need a particular Center for a certain number of hours after hours. I could direct bill you for that cost and then the city is recovering it and then we're no longer subsidizing their access or having to say no.

So key program adjustments and impact that we want to make sure that we're cognizant of recognizing is KIDCO after school and summer camp. This fee has not adjusted over the years at all. Right now, you have families that are paying $50.00 a month for after school. And $250 for eight weeks of summer camp care. And that does come at a pretty significant cost. So, we would like to do a better cost recovery for that. Leisure classes, like your pottery class, jewelry class, gymnastics class, sorry, I'm going to cough. It's like your worst nightmare when you're doing a presentation, right? That's good. Thank you.

So, right now if someone is paying for pottery class, it's really not accounting for the one day that we're going to have to replace the kiln, or we're going to have to purchase additional glazes. So, and I just do that as an example because I happen to take pottery classes, so we'd like to build. I want to 130% cost recovery so the total cost of the class plus 30% extra that allows us to start long term planning and making sure that we can sustain those classes as they exist and all the resources that are affiliated with them.

We are looking at restructuring some of our field rentals. We've been doing like, oh, daytime hours, nighttime hours let's just have by type rather than time of day. We facilitate a lot of tournaments that come to the area for baseball/softball. Looking at the impact of that on our department and our resources, it's great for tourist dollars and for visitor dollars, but it's not really helping us when it comes to standing up those fields for tournament use, and then what our costs are to line the fields and readiness for game play.

And then the finally just events, we have a signature event every year. And I did research on what other arts and crafts events and markets charge their vendors, and we are significantly low. But we're also not completely covering our cost. So, we're looking at increasing that. It's a one-time event that brings in 5-6,000 people over Thanksgiving weekend. And we love having it but we need to do a better job of defraying that cost.

So that's a pretty big overview over our fees. What are the next steps and then we'll put it to you for questions, is our plan would be to have a Notice of Intent coming to you in March. Then we would immediately go into public open houses, probably at different centers, as well as virtual

meetings to really allow the public to engage with us on what the final Notice of Intent on fee adjustments would be. Then we would come back to you with a proposal of adoption of rates in May with them to go live July 1, 2026. I do want to say for the Parks Department, since we know we have such a wide audience that we are impacting with our recommendations, we would plan to start doing some informal conversations based on your feedback and what we're told we can proceed with.

Mayor Romero: Alrighty, that was the last presentation. I know that Council Member Cunningham is jumping here to get his word in, so let's do that and then come to Vice Mayor, and then I'll go down the, we could start Ward 6 as well too, so just to be fair, Council Member Cunningham.

Council Member Cunningham: Few things, number one is when we're comparing our peer cities, I want to use markets that are similar to ours and also ones that are in the state. This is specifically for the garbage fees in the state, for Environmental Services, services that are in the state, but for all other fees as well. So, in the state I'm really interested in looking at these markets. These are markets that are about our size, that are in both Maricopa, they're all over the state, Oro Valley, Marana, Casa Grande, Phoenix, Yuma, Chandler, Flagstaff, Mesa, Scottsdale, and Tempe. And if we can get an aggregate or even an average of those 10 states whenever we're doing these, I don't need to be first, I don't need to be last, I just want to be, you know, normal, average.

So, I think there's an opportunity to take a look at what they charge in fees for certain things. Sometimes it's going to be apples and oranges, and that's fine. Sometimes we're going to have a city that has 7.7% sales tax rate compared to us, but they also tax food. And so, it's apples and oranges. So, we've got to be able to be aware of that, but at least getting to know what it is apples to apples with those jurisdictions, we get a better idea. The ones outside of Tucson that are in the NSA and kind of the municipality range of us are, Birmingham, Stockton, El Paso, Albuquerque, Fresno, Bakersfield, and Tulsa. These are Western cities, except for Birmingham, the university; they have a military base, and they have about the same amount of people we do. So, I think those cities are really good comparable ways that we can look at how we do fees.

I want you to consider those places when looking at and analyzing how our fees. And our fee structure measures up compared to other places; I think those, I mean New York City is a different place, Honolulu you know the aggregate income there is like triple all of ours in household income. So, that one doesn't make sense but these. Really do and these have a these are a good place. So, I think it's great that the city, that city water is looking at reducing the long term five 5.5%. It's just another testament to how well they're doing their job, but well, I will say I want to know what that total is if we're also adding that utility tax and how that affects that piece. And so that's kind of a big piece to this are we going to drop the 3.5 on them and the five and the and the other half cent, so I think that's a good part to that. But at the same time, we have some groundwater fees and some other fees in our water system that are good. But I'm pretty sure on the first 6 to 8 CCFS we charge less than a lot of jurisdictions in Arizona and I'd like to look at that.

I think parks are totally on the right track and let me make this really clear about the youth sports stuff because it's what I do. It is common practice to overstate how many kids you have, and my phone blows up all the time from coaches complaining about a field that's empty, that's been reserved by another coach. Not only that, but the fee also that you're proposing is $1.00 per kid per week, per team. Most teams you know, we can call it 10 to 15 depending on the age group depending on the sport. But it's ten kids and it's 10 weeks. The season's about 10 week, so, we're talking about $1.00 per kid per team. I actually have argued we should charge more, so, I actually think this is a good mechanism and this was brought to us by coaches in different clubs, both baseball. I will say though, we're missing one piece and that is that the long staples like Little League, who are nonprofit, and our nonprofit youth sports leagues probably should have a different schedule than our for-profit club teams, and that's no slight on the club teams, but the bottom line is it's really important that we make youth sports equitable. Youth sports have become less and less equitable over the years, and when I grew up, everybody played. It didn't matter if you were good or bad, you played.

And so, we've got to get back to that. In fact, I'm leaving right now to go do participate in a very equitable youth sports program for like one hour. I'll be back, but all right. Anyway, I just wanted to make sure that we're looking at that nonprofit piece. The other thing I thought that we kind of overlooked on this one is. The need for indoor basketball gym space, especially at the elementary school level, is huge in Tucson and we should be able to make those spaces available at least on Saturday mornings. You know, we could run a kind of municipal level league at that level where we use the covered are covered outdoor courts for practice, but we use the gym on Saturdays for games, and it wouldn't be $135 a month plus $75 per tournament. It'd be like $90 bucks for the whole season, and we could probably run that if we got the right partners through a non-profit.

As far as KIDCO, the big thing I see on KIDCO we need to be very aware that we do not duplicate what DES already does. So, DES already has a subsidized daycare program for 165% of the federal poverty line or lower. And I think that's a really good program. It's actually a better deal than KIDCO itself. Even with the reduction right now. So, if we increase our KIDCO. which we may need to do, but only slightly, I want to be at the lowest price for everyone as we can because we already have that DES, it has been argued by me over and over at this table that we've never really gotten traction on it. I still believe we can do a pilot where we have a school with an room and a school with a cafeteria and do two programs simultaneously. So, we have DES and KIDCO on the same site. The only people that would know they're in opposite programs would be the kids. But after the kids are, you know, roll call is taken and everybody's checked in. The two programs can coexist, and we'd really be giving a universal after school program for every single person in Tucson. We'd have the only universal program out there, and that's a really big deal, that's what makes Tucson affordable for everybody.

So, when we talk about those things, I just think, those pieces are a good start. Finally, with Sam Credio, it's one word, Sam Credio. With Sam, sorry, I had a cup of coffee before I started talking. So, with Sam, all those things that you brought up with the asset management on the streets and when they cut the streets is important. But we've really got to take a look at what the franchise agreement says for our franchise partners because the bottom line is this man, is that if you're operating within a franchise agreement, I don't know if all those lane closure fees apply

and whenever they cut street or whenever they're blocking traffic, and responding to a down, whether it's a utility pole for telecommunications and telecom or for electricity there, I think they operate within their franchise agreement for the lane closure. And really, we're the ones getting inconvenienced.

So that's really another piece to this on how we can look at meeting some of our cost recovery. So, I think that's like my biggest piece, not a lot of private construction businesses, construction projects are closing lanes for more than two or three days and a lot of the lane closures that we do, we can probably learn to do in house so, we don't end up taxing ourselves, but the bottom line is, is that we've really got to take a look at what those franchise agreements say. Those are kind of the nuances, that's the stuff off the top of my head, but I will say, this fee proposal and the fee discussion is actually really, I think one of the more healthy ones we've looked at and it's probably been a long time coming, so really well done, especially the $100 fee, a dollar per kid per week. I just, I can't believe you guys got there and it really makes a lot of sense. So that's all, Mayor. Thank you for indulging me.

Mayor Romero: We're going to come back over to the Vice Mayor and then take the line down.

Vice Mayor Santa Cruz: Yeah. Thank you for the presentation and for updating this. I think we've shared in the past that this is an important conversation that we need to be having ongoing. I don't know if it is yearly or every two years, so that we're keeping up to what we're seeing in other jurisdictions. As far as our PDSD, I'm curious how much would it cost for PDSD to function more as an enterprise and paper itself. I know we've talked a lot about how development should do that. So, what we're we getting at now and how much is the General Fund subsidizing, I'd be curious to see that and if there are any other jurisdictions where PDSD works as its own kind of enterprise for, for their city or the municipality.

For environmental services, I think our community, we create too much trash, and it should cost us to put trash in our landfills and these precious places. So, and I know we've tried to disincentivize by having different site containers, but I think the more we're paying what we should be paying to create trash also so we can fund some of our other programs like the Clean City Initiative and also our food composting program, which you know, we still are ongoing and rolling that out

When it comes to KIDCO, I think my biggest concern is raising the rates, the KIDCO fees. I think it's important that it continues to be a resource for Tucson families especially during these times. So, I'm curious if you could explain this graduated discount structure and how that would change cost for different income levels, how are the discount levels being selected, why are we using the federal poverty levels instead of our area medium income here in the City of Tucson. So, we're using data that's hyperlocal because right now the federal poverty level is historically undercalculated and we've not updated this in decades, ao, 175% for a family of four is 56,263 for this hypothetical family to send two children to KIDCO for the school year would go from $1,440 from $500. So, if we compare the 80% area median income per family of four, that would get us closer to 76,900, so, could we consider extending the discount levels to reach those families as well? And I know even though I said I'm supportive of, you know, some of these

other rates and fees, I know we'll continue to get more feedback between now and the time this comes back to Mayor and Council. So, thank you staff for all your work.

Mayor Romero: Alrighty can we go down the line and then come back to you, Council Member Dahl. Did you have anything to add.

Council Member Dahl: Thank you, Mayor, really quick. Great work, all of the departments, very impressed and I know that this is going to be a process. So, I don't have a lot of detailed comments now, but I'm glad the public will be involved, and we'll know more. One point and I appreciate the that we're going to be adding some aquatic fees, I think it's important that the open swim for families in the summer continue to be free, especially as every summer gets hotter. Thank you.

Mayor Romero: Council Woman Lee.

Council Member Lee: Thank you, Mayor. Unlike the earlier fees, these are all tied to cost of service. So, I am super supportive and really grateful for all of the team's work to pull this stuff together. I have another curiosity, Lara on the therapeutic pool. This is just totally a random idea, and it might be a horrible one, it probably is, but I just was curious if there is any opportunity to bill insurance or for the person using the pool to use their insurance as a mechanism. It looks like if it is medically necessary for therapeutic pool, I just don't know if that could be a funding mechanism to help offset the cost of that pool.

P&R Director Hamwey: I think the and we could certainly explore it, but because we're not designated as an official rehab location and our staff are lifeguards and not, but we can certainly ask the question, I just don't know how we insert into a mechanism like that, but it reminds me of. Back in the day, there was this program called Parks RX, where your doctor would prescribe you to go to the park. So maybe there's a way of doing something along those lines.

Council Member Lee: Yeah. So, look into it. We need to bring back parks RX for sure. We all need to go touch some grass. And no, it was just a curious thing because it looks like if it is deemed medically necessary it could be eligible for reimbursement. I'm just trying to be creative, right?

P&R Director Hamwey: It's an interesting concept.

Council Member Lee: For DTM, Sam, for you, we talked about this one-on-one as well. But I had a question about how, for example, when roads lanes are taken offline, roads are cut up and that revenue is generated from that particular incident. How can we make sure that that funding stays in the area similar to how we have impact fee areas, stays in the area where the impact is happening. So, Houghton is a good example of where we had this beautiful brand-new road, and then within like a year or two, I'm not going to mention the name of utility, but they were out there with the right lane closed for like 9 months, cutting up the brand-new road and then that just increased the cost to maintain it. Now that the structure has been the integrity of the structure has been impacted, so, have you thought anymore about how we could maybe solve for that

because? That's an important one to us when we have so much construction going on out in Ward 4.

DTM Director Credio: Yeah, thank you, Mayor. Council Woman Lee. So, I believe we've got a mechanism to track geographically where the fees or where the work is occurring, and the value of those fees being collected. I know that other than impact fees, we don't track any other fee geographically. So, we would just have to think through what the mechanism of that would look like. So, we'd have to do some more exploration.

Council Member Lee: OK. Thank you. I would like to see what a mechanism could look like just so we're making sure that the impact, who are, you know, the people feeling the impact are also realizing the benefit from whatever fees we have. For Koren, you're over there, Koren. Quick question for you. I'm going back in my memory, but I think last year when we had this conversation, the study indicated that you needed to scale up, I think, and hire some more people to increase the throughput, I believe. And I was curious at that time to understand how we could better tell that story about, you know, we're increasing these fees, what sort of experience our customers expect now that we're charging more, like how are we going to improve the service. And I remember asking for that update. So, I don't know Koren, if you have anything along those lines or you could send anything that kind of shows us where we were at before we raised fees, where we're at now, so we can demonstrate to the customers that we serve the value, especially as we're going to be raising more fees on them. So those are just my only comments, but supportive of the proposals in front of us.

Mayor Romero: Council Member Barajas.

Council Member Barajas: Thank you, Mayor, I don't really have any comments for all the departments but thank you all for presenting. I feel like I've had a crash course on everybody's budget and work the past two weeks. I just have, I guess, a suggestion for the field rentals. Is there a reason why we're not doing like a tier system of like a city fee, a county fee, and then maybe possibly like a nonprofit/school fee and maybe a business fee for like our local gyms in our in the area to participate in the in the fields just so we could have ongoing presence. Thank you.

P&R Director Hamwey: We could definitely put something together and respond. So, the $100 per team is specifically around youth sports. And, like Council Member Cunningham mentioned, we have the little leagues and then we have club ball. And those pretty much tend to be the common users that participate in our master allocation. And to that point, we are also adjusting the way we do allocation to prioritize the little leagues before we start going to club ball, which is a higher cost and more private based. So, we feel like we're also giving them that advantage and also paying attention where historically they've been playing, but we can explore what would it look like if we were to do a tiered system?

Council Member Barajas: And that's what the fee rental rate, the flat fee, that's what I was referring to.

P&R Director Hamwey: So, Honorable Mayor and Council, so we've got a couple things surrounding sports and fields. So, the first one is $100 per team for youth and then we have general field rentals. Those are typically adults that are renting. And that could be daytime evening for tournaments, games, practice, practice, practices it just varies. So, what they're going to pay is going to be based on what their elected use of the field would be. The one recommendation, because historically, we've allowed seniors to come and use the fields during daytime hours, we're recommending keeping that going because we do value their use of the fields and they tend to kind of use them and work around when we're maintaining them. Thank you.

Mayor Romero: Council Member Schubert.

Council Member Schubert: I wanted to 1st thank staff for putting this information together. You know, increasing fees isn't fun, but I think this is so transparent and it's really easy to refer back and like, give rationales to why this is happening. So, I definitely appreciate that. I want to echo the concern about the KIDCO increase. I understand that the fees haven't been updated since 2012 I think according to the table. So, I can understand that probably the cost of delivering has increased quite a bit, but I am really worried about impact on families, and I agree that we should be using more local data and not the federal poverty line to determine the discount levels.

I also support Council Member Dahl's support for continuing open swim in the summer if we can do that. I liked Council Member Lee's thoughts outside the box on the therapeutic pool. We only have one in the whole city and it's like, I'm just thinking if anybody's PT prescribe something, it's like that's the pool you have to go to. So, is there a way to serve that population more effectively and equitably? I also liked the suggestion about loss of service fees, trying to track the that geographic area and keep it local so that you know the folks impacted in that area do recognize realize the benefit.

What else, oh yeah, the comments about making people pay more for generating more waste. I like that too. So, I'm very interested in the Environmental Services presentation that will get in January. And I know that we're going to have a lot more conversations and public outreach about this, and I just think it's incredibly important that as we're doing that, we're trying to reach impacted people using a variety of different accessible methods, like not just technology and zooms, but also meeting people where they're at, having bilingual content and ensuring that the people who are going to be most impacted by these changes have a chance to weigh in and give their feedback. Thank you.

Mayor Romero: Yes, go ahead. Jump in.

P&R Director Hamwey: Thank you, Mayor and Council. I just want to be really clear so that there's no misinformation. We are not looking to remove open swim and add a fee. Summer swim is still free. I just want to make sure because that is something we know is super important. We're just trying to address the things that are outside of that summer use, OK.

Mayor Romero: Yes, absolutely. Council Woman Lee.

Council Member Lee: This is for Council Member Cunningham, since he had to step away. He had a question Koren, for you about carving out, carve out for adaptive reuse. Do you know what he means by that? Because I don't fully know, but I'm glad you do. OK, here she comes.

PDSD Director Manning: Yes, I think that's definitely something we can look at. How can we use our fee table to incentivize adoptive reuse? That's something we can look at as we continue to refine the proposal.

Council Member Lee: Thanks. Council Member Cunningham would like for you to do that.

Mayor Romero: Alrighty, thank you so much. I do want to thank and appreciate each department director and their teams for taking a thoughtful, transparent results, different driven approach to this. I do agree that our Environmental Services Department and our Los Reales Sustainability Campus delivers many, many options for diverting waste and our food cycle program and so many other programs that we have should take precedence and I agree the more ways you produce, the more you should pay for it. I really like the Clean City Fee. These are additional activities that we should be providing our community with and their important clean up. efforts and so I really like the idea of a Clean City Fee and looking forward to the that additional discussion and see where we take it.

On the Planning and Development Services fees. I just want to make sure that there are cost recovery but also, I don't want to get in the way of building affordable housing or delivering projects quickly add to our community. So, just want to make sure that we are really looking at that possibility.

With the Parks and Recreation fee adjustments, I don't think we should ever get to the point of hey, it's been 15 years, and we haven't looked at this fee before. I really do think that because then it's a shock. And it's in right now. We just had a conversation about the budget and the possible recession or what's happening to our economy, people are feeling the pinch, they're feeling, you know, the childcare going up, healthcare, going up, food going up, rent going up. And so, I think we have to be very deliberate in how we raise these fees. I know that there are other departments like DTM, that's saying, hey, so we don't cause the shock we're going to take it in increments.

What you're suggesting is that we go after school from $500 a year to $1200 a year. That's a 60% increase, 60-70% increase and so I think we have to put more thought into what we're doing with KIDCO. I agree that we should recover. I know that we're paying more, you know, minimum wages higher. I know that sometimes we have facility uses. I agree, and I'm not against moving those fees up, but I think that we have to be much more deliberate and conscious about out how we move through that through that concern and the cost recovery. I think the three tiers are complicated. I don't know how we do it right now. I think low income receives 50% and it's just one way of doing it. I think we had talked about the three tiers before and scratched it because it was so complicated. So, I would have you think about making it simpler and then and then how do we charge it right? I agree that it shouldn't be low federal low-income levels because those are

really, really low. And then what is the difference between the residents and what residents pay, and then what outside of the city, and how much they pay.

I'm curious about how we're going to charge program fees for pickleball ball, golf, open air area rental fees and if those are based on cost recovery. It seems to me that we're looking at KIDCO after school and charging 60/70% more for that, but then the golf improvement fee is only $2.00, so I mean is that connected to cost recovery or is it just, whoa. $2.00 would be OK. I want to know if there's any connection to cost recovery or to what we need to do in terms of capital improvement, repairs, and capital improvement fees. So, is there some mathematical equation that we're looking at, that we're charging $2.00 or does it need to be different based on the capital improvement needed?

I am very happy that Tucson Water staff is suggesting that we charge 3.5% on our water utility versus 5.5%. We just had a conversation about that. If that is, you know, cost recovery and equitable, I think that that's my preferred direction in terms of where we go with that, but thank you all so much, really appreciate it, I know that your kind of starting or finishing up or putting this together for us as we as we come back and that we don't have to make any decisions on about it today. I'm trying to see what text messages that Paul sent me. Pool fees are fine as long as summer splash stays free. So, thank you for the clarity on that. I really appreciate you; you are being clear about summer swim staying free.

Other than that, anything else that you all want to add to this. Any other questions or comments from colleagues, OK. Thank you so much and glad that we were able to adjust for Council Member Cunningham on that. Ok, so we are going to move back to the previous items. Let me just find myself here. Ok, Dr. Cullen is here, let me see. We will move quickly on Item 8.

8. Planning and Development Services Code Update Package - C8-25-03 (City Wide) SS/DEC16-25-239

Information and presentation was provided by Koren Manning, Planning and Development Services Department Director, who fielded and answered questions.

Discussion ensued.

It was moved by Vice Mayor Santa Cruz, duly seconded and carried by a voice vote of 6 to 0 (Council Member Cunningham absent/excused), to direct staff to initiate the code amendment process.

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Mayor Romero: Time has been set aside as requested by Mayor and Council on the initiation of a proposed Code Update package to streamline codes and processes. Ms. Swallow.

Assistant City Manager Kristina Swallow: I will turn it directly over to our Director of Planning and Development Services Koren Manning.

Planning and Development Services Department Director Koren Manning: Thank you, Mayor and Council Members. I'm here to present and request Mayor and Council's direction on a proposed Code update package for Planning and Development Services (PDSD) codes and some related city codes. So, there's a couple things that we are trying to do with this code update package. This is something that we try to do every couple year. We are always looking at how to improve our services at PDSD, and part of that is keeping our codes current with our community's needs and the evolving landscape in the community.

So, there's a couple things we're trying to do with this Code update package. One of the goals is to reauthorize and update the City's Sign Code, which does sunset August 3, 2026. There are also some aspects we need to update to comply with state legislation regarding adaptive reuse and construction hours. And then overall, we're looking to streamline and improve usability of our development codes, to make it easier for customers, developers, and property owners.

Next, to identify and address inconsistencies, errors and other areas that need cleanup in our Code and then address some other areas identified in previous outrage related to Code updates. But we're not included in previous amendments. So, if you recall the last time Mayor and Council adopted one of these kinds of catch all Code amendments was in March 2023, we made a number of significant changes in that Code update, but there were a few that didn't make it into that package, so are included in this package. It's not intended to address areas of significant policy change that were addressing through other Code amendments, such as the amendments were working on related to data centers to shelter care, etcetera.

So, the approach we took was to identify and prioritize proposed code changes, kind of internally, that's how we landed on the draft list of code updates that was included in your materials, and then we also plan to do a stakeholder and community survey to gather additional feedback and input, should this move forward today and then again keep up with the pace of regular Code updates approximately every two years to stay up to date with our needs as a community.

So, the policy guidance for this code update package will be looking at Plan Tucson 2025. What are some new areas and policy goals identified in that Plan, that should be reflected in our codes. The Tucson Resilient Together Climate Action Plan, there's a number of areas that are where we're looking at resilience and sustainability in our Codes and then the Housing Affordability Strategy for Tucson. What are some small changes we can make to our Code to make it easier to build housing that our community has identified as a priority.

So, the categories that we have identified for the Code update, as I mentioned, reauthorizing and updating the Sign Code, integrating emerging land uses and promoting adaptive reuse. So new land uses that have come up in recent years that need to be addressed in our Code. Simplifying review processes, removing barriers to housing, modernizing our design standards, clarifying parking standards, improving Code clarity and usability, and then also updating sidewalk and landscape maintenance standards that are in the city code.

So, I'll go through each of those pretty briefly. As I mentioned, the Sign Code of sunsets August 31, 2026, and requires reauthorization. This is not an area we see a lot of changes likely, but

there are some minor adjustments that we would like to make to the existing standards. And potentially look at making the Sign Code now a permanent part of our Code that does not sunset every five years or so. Integrating emerging land uses and encouraging adaptive reuse. This is how we can reflect evolving land uses in our community. We have a number of quirks and outdated aspects of the Code. For example, hair salons are not allowed in office uses and these things come up from time to time, and we have, as you can imagine, a long list of uses that we need to just make a little simpler across the city. And then on adaptive reuse, something we hear frequently as a priority from Mayor and Council, as well as the community, there's a number of aspects that we'll be looking at in terms of how to make adaptive reuse easier. Simplifying review processes, we're looking at ways to shorten review times, clarify procedures, and lower development costs.

So, there's a number of things we're looking at there in terms of our historic minor review process requirements for rainwater harvesting cisterns, so, a variety of things in the Code that we're looking to simplify. Removing barriers to housing, there's a number of kinds of emerging housing models that are not reflected in our Code today that we would like to incorporate and create appropriate regulations. Another component of this bucket is to look at a subdivision process for middle housing. That's something that came up from Planning Commission and in our discussions around middle housing and is feedback we got from Mayor and Council previously, so that would also be an ask of component of this code update.

In terms of modernizing design standards, just looking for ways to simplify some of our regulations for accessory structures, wall heights making that more consistent across different zones and across our Code. Clarifying parking standards again, there are just some inconsistencies in the Code that we'll be looking at how to simplify. And this will be an area we can continue to get feedback on as well from the community and public as we do further outreach. We'll also be looking at Code clarity and usability, so correcting some errors and points of confusion in the Code. Again, these would not be substantive changes, but really just updating some formatting and outdated processes. And then also DTM it will be looking at the sidewalk and landscape maintenance standards to clean up some of the outdated right-of-way management provisions and related provisions in the City Code.

So, in terms of the timeline, this is really the beginning of the process looking for Mayor and Council initiation and feedback today. If directed to move forward, we would spend the next several months refining this proposal through community input. There might be areas to add additional components to this package, refine the proposal and just get more feedback as we draft that code amendment, we'll be taking in that public input and comment to come up with a Code package that would then go to Planning Commission. We're targeting next spring for that and aiming to bring this to mayor and Council by June of next year so that we are bringing this to you in advance of that August 31 sunset date for the Sign Code. And happy to answer any questions.

Mayor Romero: Any council members? Let's start with six Council Member Schubert.

Council Member Schubert: I appreciate the attention to equity. Thank you so much for the presentation. I'm really excited about this. So, you know, we had a conversation, you know,

earlier this week with you and PDSD staff that we would like to visit parking requirements, especially for adaptive reuse and small businesses. We have kind of a wish list of other items that I could preview now or just send your way but I just want to mention right now that I'm thinking about parking requirements pretty closely. Do you want to hear about any of our other ideas? You want me to send that to you, Koren?

PDSD Director Manning: We'd be happy either way Council Member.

Council Member Schubert: OK, we're interested in what we can do to prohibit new drive throughs. We are also interested in having conversations about using form-based standards citywide, rather than looking at use based, you mentioned the hair salons and office zone spaces. Yeah, because overhauling outdated office zoning is also on our list. Reassessing bar parking requirements is also on our list. Why would we have greater parking requirements for those establishments than ones that don't serve alcohol? And happy to send this your way. Just want to let my Council members know what I'm thinking about, what the Ward 6 team is thinking about. So, thank you.

Mayor Romero: Good things. Council Member Barajas.

Council Member Barajas: Well, thank you so much. I appreciate you bringing this forward and getting this all updated. Just in terms of community engagement, you know codes, and zoning and planning could be really technical, especially when we talk about engaging with the community and folks that might not fully have a grasp on it. So, I would like to incorporate some type of like planning 101, brief intro conversation and then if you do have an ambassador component to your engagement piece, I think that would be helpful as well.

PDSD Director Manning: That's great, thank you. I think that kind of 101 would be really helpful, not just for this Code amendment, but other work that we're doing as well.

Mayor Romero: Absolutely, Council Woman Lee.

Council Member Lee: I actually have no comments. Looking forward to the next package.

Mayor Romero: Council Member Dahl.

Council Member Dahl: Good work.

Mayor Romero: Vice Mayor

Vice Mayor Santa Cruz: Yeah. Thank you, Mayor. I'm going to second everything, Council Member Schubert said around parking and drive-through standards and then also include allowed uses in office zones which a lot of our downtown office stock underutilized. We have an opportunity to allow a wider range of light commercial uses, including restaurants and retail, small-scale services such as acupuncture, spa services, medical services that can help activate our former office areas that support adaptive reuse and reduce vacancies, and we have a need for

yeah, more dentist offices, more chiropractors, acupuncturists there's just such a need here. I don't need to be driving to the east side to get all those needs met.

Mayor Romero: Yeah, it should be everywhere. I agree. I really appreciate the initiation of this work. Again, one thing that Council Member Cunningham talked about and he and I have been here for years, talking about is making it easier to adaptively reuse buildings, making sure that we're also looking at historic preservation of and how to use buildings adaptively, making it easier to be able to reuse commercial buildings as something that I'm very interested in, modernizing design standards is something I've been talking about for some time and in this conversation that you're about to begin, I just wonder if there is room to make sure that we are looking at what type of design standards are we ready for right now.

You know, land use codes and changing the sign codes and improving code clarity. is important, but I think it's time for us to think about the importance of design standards and how visually design standards impact our communities. So, if there's any room in there for any additional conversations that are longer term maybe, I'm very interested in hearing about. I'm glad to hear we're starting this glad to see that there's a lot of appetite on the on the Council for this conversation looking forward to these discussions. I know that you're great Koren, the Planning Development Services Department and you are great in bringing in stakeholders and having conversations in our community about all these things that impact people every day.

For me, it's about allowing density in our community, especially in the most appropriate areas. Adaptive reuse and the reuse of commercial buildings and office buildings that sit vacant is important for me to be able to fill. And making sure that we continue building a base and growth inside the City of Tucson. Ms. Swallow.

City Manager Assistant Swallow: We do need a motion to initiate the Code.

Mayor Romero: OK.

Vice Mayor Santa Cruz: So, moved.

Council Member Dahl: Second.

Mayor Romero: There's a motion in a second to initiate the process. Any further discussion hearing? None. All those in favor, please signify by saying aye.

All: Aye.

Mayor Romero: Any against motion carries. Thank you so much. I really appreciate it. What I'm going to do since we do have Dr. Cullen here and Brian Eller, I am going to move, again to Item 11 and invite Dr. Cullen and Brian Eller. If you'd like to join us at the table, you're more than welcome too.

11. **Discussion and Direction Relating to Matters that are Pending in Front of the Pima County Board of Supervisors and Other Regional Jurisdictions, Including an Update from Pima County on the Regional Opioid Settlement Advisory Committee (ROSAC) (City Wide and Outside City) SS/DEC16-25-243**

This item was taken out of order.

Introductory comments were provided by Mayor Romero.

Information and presentation were provided by Dr. Theresa Cullen, Pima County Health Department Director, and Brian Eller, Pima County Community Mental Health and Addiction, who fielded and answered questions.

Discussion ensued; no formal action was taken.

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Mayor Romero: Time has been set aside to give Mayor and Council an opportunity for discussion and direction to matters that are pending in front of Board of Supervisors and other Regional Jurisdictions. One of the reasons that I requested that we have an update on the opioid settlement funds is because I know that there's a lot of movement happening that there was an I request for proposals process and one of the huge issues that Mayor and Council were very interested in was a Safer Center and Sobering Alternative for Recovery Facility and Center. I know that we work with the Board of Supervisors to expand that concept and make it a bigger pilot than what we had originally seen the recommendations for and so, love to hear the update. Thank you so much, welcome Doctor Cullen and thank you for joining us.

Pima County Health Department Director Dr. Theresa Cullen: Welcome. Thank you so much, Mayor, Vice Mayor, Members of the Council, New Members of the Council. I'm Terry Cullen, I'm the Pima County Health Director. With me is Brian Eller, who's the Division Director for our Community Mental Health and Addiction Program. We do have a slide deck that Brian is going to present and then we will take questions. Thank you for the opportunity.

Pima County Community Mental Health and Addiction Program Division Director Brian Eller: Agreed. Thank you all. So, if we'll proceed to the next slide here. So, what we're going to cover today is an overview of the One Arizona agreement we're going to look at some of the settlement sources revenues, the local distributions, the IGA's, the expenditures. We'll get some details about the Regional Opioid Settlement Advisory Committee or ROSAC for short, especially for the new members that might be of interest. We'll look at the priorities and funding recommendations and then the current status of the RFP's, which I'm assuming that's going to be most of the interest. So, I'll cut through a lot of the other information pretty rapidly and just invite any of you if you have further questions, reach out to us and we'll be sure to address those. OK.

So, here's a brief history of the opioid misuse prevention milestones you can see from 2015 and prior all the way through 2025. Some key dates up here that I want to point out from 22 to 23,

there was a large IGA outlining the One Arizona agreement that was signed with all jurisdictions, including City of South Tucson, Township of Marana County, Township Oro Valley, Township of Sahuarita, and City of Tucson. And then in 2024, there was the more specific partnership IGA that was signed between the City of Tucson, Pima County, City of South Tucson and Township of Marana. And that allowed us to actually braid funding, which in a couple of slides you're going to see the impact of that, that financial decision for all of the organizations and the official formulation of the regional Opioid Settlement Advisory Committee, which is the recommending body for how those allocated funds should be expended.

One of the other dates I want to highlight here is the award to CBI for the Safer Center as well. Looking at a quick overview of the One Arizona Opioid Settlement Funds here, you can see the organizations there that were involved in the various lawsuits, McKesson, Jansen, Mallinckrodt so on, so forth. Arizona's projected to receive $1.215 billion in 18 years. There's two really important points here that I want to make sure are related though is that these are not always consistent. There're organizations that will go bankrupt which could affect the overall amount of funds that we receive. You'll see another slide on this a little bit further, but that that's a really key point because the sustainability of the funds and how we allocate those funds becomes really a priority of discussion within ROSAC based on what we have currently. So, we don't know what we're going to get on a day-to-day basis. Tomorrow we could get another settlement fund allocation. It could be two weeks from now. We don't know what that looks like.

So, we'll talk more about that in a bit. We do know the state will receive 44% of the total at $535 million. The counties will receive 56% or $680 million to distribute to the cities and the towns within those specific regions and all of those funds are outlined by the One Arizona Agreement and how those jurisdictions were to be awarded those funds. So, I'll see you all later. Here we are OK. Administration of settlement funds, Pima County is the fiscal administrator of these funds. There again, we're talking about the established IGA that supported the pooled funding between all of us. There's some links embedded in this presentation that I would invite you all to look at. Or if you're looking for more information or clarity around these, again myself or Lee Hopkins, who's on the ROSAC, are excellent sources of information for more details about this.

Real quick graphics here illustrate the settlement funds for the region. So, we're anticipated to receive $126 million over the 18-year One Arizona settlement period. To date, the region has received $31 million of that $126 which is roughly 24%, you'll see over on the graph on the right here, what that total anticipated amount is versus the current status. In the bottom there for that $31 million amount. That $126 million represents the ceiling of the funds, but again, remember that some of these organizations might claim bankruptcy, so we don't know exactly what we're going to end up expecting after the 18-year period of all of this. The receipt of those funds again is unknown. The estimating the historic averages the region has averaged like received roughly $8 million annually since the inception of that. So that's a big reason for why the allocation of the $8 million amount. Through the decision of ROSAC was decided upon to ensure that there were some sustainable mechanisms behind the projects that were being funded through this project.

Looking at the pool versus non-pooled distribution in the green there you'll see the $787,431.00 that is the non-pooled allocated to Oro Valley and Sahuarita. The rest of that $30 million is pooled funding allocated to Pima County, City of Tucson, Marana, and the City of South

Tucson, which is one of the massive benefits of entering into this kind of IGA. And this kind of agreement and moving forward with the ROSAC and I think looking at the national landscape, we're kind of a really good example of how to do this between different jurisdictions. There's not a lot of jurisdictions at any kind of other state level that have chosen to enter in this type of financial agreement from counties to city levels. So, it you know, we are kind of an example of that, I think. And I think the other important point here, the non-pooled have received that $787,000. So, on the far right, in the very, very small print, you'll see where the percentage allocated as dictated by the state is outlined there. Pima County is allocated to receive 72% of that total amount, the City of Tucson 22.94%, the Town of Marana, 2.06%, Town of Oro Valley 1.72%, Town Sahuarita 0.81%, and City of South Tucson, 0.13%.

This is a slide of some expenditures to date and some of the programmatic expenditure plan that have been done so far. A big amount of this, about $3 million, went to the Medicaid Assisted Treatment Program within the Pima County Detention Center. So, you'll see that amount allocated within that graph. There are a couple of other categorical areas which have been budgeted out and planned expenditures for year, RFP's years 1 through 3. So, you'll see prevention efforts there listed across, that includes things like our harm reduction materials, staffing at the Health Department to help cover a lot of the expenditures, the contracting staff, the folks that develop the RFP's that oversee and manage a lot of the programs and project related to that, and then you'll see just underneath that the RFP totals were an $8-million-dollar amount has been allocated from year one, year two, year three to that total amount and then the total for all three of those categories listed towards the bottom there.

Giving some more detail on some of those expenditures that harm reduction and prevention expenditure, again, my salary is paid from that. We have a data analysis manager that is paid by this, a contract specialist, and a settlement program management specialist, which will be hired at the county eventually to oversee all of the RFP contracts, the reporting, the fiscal requirements and everything which is extremely detailed and highly transparent, which you'll see some examples of that later. We've made some Narcan purchases for distribution when we've had shortfalls from ADHS to supplement, getting Narcan out to the community for $180,000. And then there were two previous contracts allocated through the predecessor to ROSAC. There was $100,000 contract on both of these were awarded through competitive bid process. CODAC was the recipient of both of these projects. The first was for pregnant and parenting women to establish linkages to care and ensure that support provided to those individuals, and the second was for $300,000 to increase referral pathways in training for medical staff and law enforcement to increase mobile service provisions for individuals with substance use disorder.

So, let's talk a little bit about the Substance Abuse Advisory Committee, which was a predecessor to ROSAC. They convened from 2022 all the way to 2024. They were made up of five members of the Board of Health, one from each district. They had monthly meetings, they reviewed data, best practices identified, 20 community advisors, some with lived experience around substance use disorder, they conducted five 90-minute focus groups with 17 community organizations, surveyed over 1000 community members, and recommended and implemented the initial staffing the Narcan funding, the RFP's for both the mobile MOUD and services for pregnant and parenting women.

So, in the previous slide, 2 slides ago where I was talking about those funding allocations. This was how those decisions were made or through this community-based recommendation series of proposals. And so now that leads us to the ROSAC, which is the result of those IGA's that were signed between the city and the county. In July of 2024, the advisory settlement spending shifted from that Board of Health to the ROSAC Committee, which is the organization responsible for the selection and recommendation of funding for the One Arizona approved expenditure. There were 15 meetings held from July 24 through June 25, we continue to meet this starting this next calendar year. we'll be meeting once every two months with some meetings in between. The staff from the Pima County Health Department support the facilitation. We get a lot of requests for, hey, we need more information on this, please do some deep dive research analysis into this, we then develop those materials in collaboration with organizations like CDC, Astro, Nacho and then provide that material to ROSAC. And it's really important, this is a. really key thing here that all of the efforts that ROSAC undergoes are informed by people with lived experience, best practices and based on community needs.

The ROSAC members, you can see it to the right, the current chair is Deputy Chief Roberto Jimenez from the Marana Police Department for the Town of Marana, Jesse La Soya, who is a City of Tucson representative and the CEO of Amity, is the Co-Chair for the committee, Dr. Andrews Bell, from U of A, who runs the Wassaja Center, is one of the Pima County representatives, Dr. Lisa Soltani, who's a medical director from El Rio, is a Pima County representative, Lee Hopkins over here from City of Tucson CSHW is one of the cities representative and then last is Brian Flagg, who's on the City Council for the City of South Tucson. So, these six individuals have been meeting frequently to help establish these parameters and priorities.

In order to identify what these ROSAC spending priorities were, what we did was do an exercise where we took 12 very large sheets of paper and listed out the One Arizona allotted expenditures, and then we went through consensus voting activity with all of those Members to identify these four priority areas. So, these are all pretty much verbatim from the where One Arizona agreement. We did this through three meetings where we talked about some of the Community needs expressed by those representatives from those jurisdictions to emerge with these top four priorities, which then led us to develop this identified strategy guide. So, we took information from Johns Hopkins and the recommended best practices for allocating settlement funding and developed this rubric, which you see on the right where we have criteria which are scored on a one, zero to three basis. The criteria were public health impact, equity, accessibility. jurisdictional need, evidence-based practice, community driven and sustainability. And then we went through each one of the activities proposed by Members from ROSAC and scored these out, which eventually led to the funding recommendations included in the RFP's.

This took about 14/15 meetings to go through all of this in detail. There were a lot of really intense study guide sessions. We developed a lot of materials to help support that and eventually what that did is it led to these allocations for recommended expenditures. You'll see the process over here on the right, the introduction and background on opioid overdose in the jurisdiction, the identified spending priorities for each of those jurisdictions, which was covered two slides ago, the examining of each spending priority. So, for example, youth prevention was something that came up and we'd go back and look at those priorities that were identified, that was

something that the ROSAC Committee strongly felt that prevention is a very important mechanism to prevent people from initiating opioid use, right? So, you can see youth prevention, peer navigation support, transitional wrap around support, law enforcement Co response, mobile medication assisted treatment services, the safer implementation and the staffing and overdose prevention. All of these things were things that were run through this rubric and decided to allocate funding to through ROSAC and that committee.

I'll do just brief tags on each one of these. So, youth prevention, this is both an overview and example activities. So, in the RFP, we said here are things that you as a community organization can apply for funds to base on the total allocated amount that ROSAC has said for this category are applied here, you know and just hearing in tangent some of the discussion that was happening here at the table just a few moments ago, I think there's a lot of shared values with the City of Tucson and access to physical activity spaces is the importance of community building and centering around those things. So, I feel proud to be a part of this city and the space and what you all do as a result of that. And I think it aligns well with this effort.

But you know, look when we. Look at stats like roughly one in five adolescents report experiencing anxiety or depression, which eventually can be connected to substance use, right? It's really important that we find mechanisms to support youth, in dealing with those things. Peer navigation and support here, just quick call out here. We know that currently there's not enough peer navigators to meet the need for substance use dependency in our community. And really important, peer navigators connect with folks effectively and efficiently due to that shared lived experience. They're going to be able to have that conversation that I'll never be able to have coming from that space of hey, I've been through this, I know what it's like and that really incentivizes folks to think that they're actually worth recovery, which is a big part of what we try to do as a division.

The transitional wrap around support, we've heard time and time again through all kinds of different forums that that transition, whether it be from hospital health care systems, from behavioral healthcare, into living, from incarceration, whatever, those spaces are that, that transition wrap around support is definitely a massive gap in our community. So, this was definitely supposed to be an area that can help support that and you'll see that written into the life., I think we saw a lot of that written at the RFP's, although I wasn't involved in a lot of that process, so.

The Law Enforcement Co response was another activity that was discussed heavily in ROSAC. TPD does an excellent job of this I think they're a national model on how to do this, so we want to try to expand that work further in scope across the jurisdiction of the county. So, this was written as was a potential area for funding. Mobile MAT service continuation, this is a, not an extension of the contract with CODAC, but a new contract for medication assisted treatment. Mobile medication assisted treatment services, we know transportation and access to medic is a major barrier for a lot of folks, especially in rural areas. So, this was an identified priority area.

And last but not least, the Safer Center and the implementation of that. Which I think, yeah, we're really excited about that, and the upcoming work related to that over the next couple of months. And last but not least, here you see the continued PCHD staffing to support contracting

in overdose prevention, and some of the activities that we engage in at the division and across the department to support this work. Last but not least, here is the current status of RFP's and I'll answer some questions about some of these here momentarily. If you go to this link, you'll see where those RFP's were issued, as well as some award letters. We're still pending awards for the large contracts for the larger RFP, which has the five categorical areas embedded in it. We're anticipating the public announcement on January 6th at the Board of Supervisors meeting, so we'll be sure to share that with you all as soon as possible. We've been in really good communication with Assistant City Manager Liz and Lee. The Safer contract was competitively awarded. There was a kickoff meeting held on the 12th of December, just a couple days ago, and we've received and reviewed the needed policies and procedures for that, CBI center, the Community Bridges Inc was the awardee for that to begin that work, looking at a host of things like policies related to hypertension and no wrong door approaches, things of that nature.

So, I tried to run through that quickly and again I'm totally available if there's more that you want to dig deeper into, we'll definitely make ourselves available to that, but we can answer any questions at this point.

Mayor Romero: Thank you so much, Dr. Cullen and Brian, really appreciate all the incredible work and partnership with Pima County. We have been working and collaborating with each other for a long, long time and on my end I'm, you know, very happy that we decided to pull City of Tucson and Pima counties funds together. That constitutes the grand majority of the opioid settlement funds. Our intent at the time when we had the conversation with your last chair at the time Chair Grijalva, the whole idea was to be able to come to conclusions together with experts in the field and that's why we decided to create the ROSAC, the committee that is helping us make decisions on how these monies are funded.

I guess for me, one of the reasons why I wanted to make sure that Mayor and Council had this update is that there's a lot of questions, right? There's a lot of interest in this and the community really deserves to be well informed as well as Mayor and Council. My first question is in terms of the awards; I know that we had an RFP process and there were different panels that helped make decisions on how to spend those funds. What's the results of those and what is the, you know what's the current update in terms of the contract awards and how they're going to be presented.

Director Dr. Cullen: Thank you for that question, Mayor and Council. So currently, as you know, the Safer contract has been awarded. It has a kickoff, there was actually a communication kickoff, I think Monday, yesterday. The other five areas which Brian talked about here were all included in one large RFP. Each of those five areas had an established panel, some of them which are continuing today to review the application specifically for that. For instance, there were City of Tucson representatives on some of those panels. The awards are very, very close and I was actually hopeful that they would happen today at the Board of Supervisors, but they didn't. But we do anticipate that without any other problems that we can estimate what might happen that, the next Board of Supervisors meeting those announcements will go out.

Some of those contracts have already been sent out to the awardee, but we are not at liberty to share who those are. The one thing I do want to indicate, however that on that one slide, you'll

see the amount of money that went to each area. Some of the areas will have multiple awardees, so people were if you that there's a link to the RFP's in the slide deck itself. If you go to that, you can see someone, a proposer could say, you know what I want to do this but I'm only going to do for $500,000, so just to let people know, it's not like everyone of those will only have one awardee, some will have multiple and I want to reiterate that area where Brian talked about the chart that has the different considerations on decision making, that was shared with the panel members. So, our goal was to ensure, for instance, that there was equity that would, there was diversity, that there were proven examples. And many of the proposals submitted, for instance letters of support, that would indicate that they would have a successful outcome. The one other thing that's important to note in this is in all the RFP's is there is a heavy emphasis on evaluation. All of the awardees will have multiple metrics that they will have to report on. We will be monitoring them regularly on a monthly basis and all of the awards, I'm pretty sure I can say all of the awards have a 1 plus Awardee, which is an award for another subsequent one or two years, which is why you saw that extension of the $8 million across a three-year cycle. Thank you.

Mayor Romero: And then on the contract, the pending awards, in terms of the anticipated public announcement, that's going to be done in conjunction with the Mayor and Council, right? We're not since we're in an intergovernmental agreement, we're not going to find out what the rest of the public, right.

Director Dr. Cullen: Yes, Mayor and Council, you will know when the board, doesn't know either, right? Right, actually my boss doesn't know.

Mayor Romero: OK, I just want to make sure that we're coordinating internally to make sure that whatever information the Board of Supervisors have, we have perfect and that we work together to make sure that we announce to the public what the ROSAC have, you know, what the panel's decided to award these funds to.

Director Dr. Cullen: Right, because especially as we've noted, I have apologized to Liz once before, where I noted ROSAC and did not note the City of Tucson. So, we are. We will ensure that the City of Tucson, Pima County, the City of South Tucson and Marana are all named in that, and I do know that the communication campaign that we're trying to do was Safer, is really to ensure that there is adequate knowledge and sharing. Of whom is responsible for this, and Mayor, as you know, you were very supportive of the Safer I think Brian and I are, and I would hope Liz is also our fairly excited from our kickoff meeting where we believe that this may be a transformative moment.

Mayor Romero: Absolutely. I, we've absolutely realized the importance of the Safer Center and what that pilot program can possibly do. And I know that our Assistant City Manager Liz Morales is working with your Deputy County Administrators Steve Holmes in terms of how the announcement, you know, goes out with the rest of the awards. And I think that, you know, for the benefit of the public we need to make sure that they understand the collaborative work that we're doing through ROSAC and that this is something that we decided to do together. For me, my question is on the budget slide you have a line that says we're spending $1.5 million in Mat PCADC services. Can you describe that and what it is and then the other question I had, what is the percentage in administrative cost that we're attaching to these funds, in other words, when I

see nonprofit budgets administrative costs are always attached to grant awards or then described generally for the budget; this is the administrative costs that were spending in is that can we do that with the budgets moving forward.

Director Eller: I think we can definitely do that, separate that out. All I can speak on behalf of that $1.5 allocated to Matt, that was, that was a decision that was made by a previous deputy at the county level. And that allocation are funds medication assisted treatment inside of the jail to get people onto medication for opiate use disorder and covers some of the expenditures around that. We can try to ask to see if we can get a little bit more information about that, but that's as that's as much as we know about it.

Mayor Romero: So, for fiscal years, it just says RFP year one and expanded funds. So, it's just $1.5 million. It's not $3 million.

Director Eller: Over the two-year period, the total amount is $3 million.

Mayor Romero: The total amount is $3 million, and this is for medically assisted treatment inside the county jail,

Director Eller: Correct, yes, inducting people onto MOUD inside of the county jail and paying for that medication while they're on the jail system.

Mayor Romero: So, the opioid settlement funds pick that expense up.

Director Eller: That was done previous to the settle Settlement Misuse Advisory Committee or ROSAC, so those decisions were made in advance.

Mayor Romero: Perfect. Any questions, comments, Vice Mayor.

Vice Mayor Santa Cruz: Thank you, Mayor. I wanted to give you know just a note of gratitude to both of y'all Dr. Cullen and Brian for all of your work on this, I know it's heavy work, to you're not responsible, we're not responsible for this Opioid Epidemic that corporate greed brought to our doorstep. So, I want to thank you for leading with integrity. I had the opportunity to visit one of your events SaludArte that we covered together by local artist Elizabeth Burden, that really centered the folks with lived experience most impacted by this, and how do we not think of them as disposable, but that there are our family members and. They have a right to live. So, thank you for creating those opportunities for us to engage with each other. It was a very powerful emotional experience to be there. Some of my questions are around, so, you showed the graph of the other jurisdictions that decided not to pull their money. So that was Oro Valley and Sahuarita, is the county providing any kind of support or are they just completely on their own?

Director Eller: Yes, Council Member Lane, Mayor, we have been replying to some requests from Oro Valley about the use of some of the funds that, some purchases that and we're offering technical assistance in regard to some of those purchases. So, we definitely would love to offer any support to those jurisdictions, any jurisdiction within Pima County we are, we're very grateful and would approach that from a service-based perspective.

Vice Mayor Santa Cruz: OK. I guess I just want to make sure that we're prioritizing spending money in the areas that wanted to work together and not the ones who wanted to go on their own but then are still expecting, you know, access to funding.

Director Dr. Cullen: Vice Mayor, Mayor and Member of committee, yes. To be clear, our only support for them first off, we are the fiscal intermediary, so we need to report to the state the reports that they sent to us. But secondly, we want to ensure that whatever they use the purchase the money for aligns with the One Arizona Agreement. So, they have occasionally come to us and said, do you think it's OK if we purchase this? And so, we do spend time then looking at the analysis of whether that would be an appropriate purchase. Some of that is to protect all of us to make sure that none of the money that's coming to Pima County has to undergo increased scrutiny because jurisdiction decides to purchase something that is not appropriate, but beyond that, to say what to reiterate what you're saying, yes, our emphasis is on the jurisdictions that have pulled the resources.

Vice Mayor Santa Cruz: Thank you, Dr. Cullen, excited to hear about the progress we've made on the Safer Center. And you know, congratulations to CBI for being awarded. Do we have a location identified? And then what's the time frame for the roll out?

Director Eller: Yes, thank you, Council Member Lane, Mayor. The location identified was at the tool CBI site. I believe that there's going to be some collaborative efforts with the city and CBI to engage in some. It's not Armory Park association; do I have that right? Armory Park. Thank you, to engage in communications with that community, there's a communications group that met on Monday, which includes representatives from the city, the county and CBI, to ensure the communications are really clear and tight. And the slated opening is January 1st. So, we're hoping to schedule some tours as well with officials from both the city and the county to give a preview into that space and give you all a feeling for what that space will look like and how it will operate and run.

Vice Mayor Santa Cruz: Thank you, Brian, and then finally I know we have other, the other RFP's that are in process around these priority areas. When will we know who gets awarded?

Director Dr. Cullen: Vice Mayor, Mayor, and Council. We are trying to get them on the Board of Supervisors scheduled for January 6th, so our hope is that we will have firm commitments probably by the end of December. So, within 10 days this December, right.

Vice Mayor Santa Cruz: So, the idea is that for the other priority areas that programming will start next year as well.

Pima County Health Department Director Dr. Cullen: Yes, and they are 12-month contracts that will be awarded.

Vice Mayor Santa Cruz: Thank you.

Mayor Romero: Questions. Comments. Council Member Schubert.

Council Member Schubert: Thank you so much for the presentation. I really enjoyed learning more about these efforts. I just want to mention that the Ward 6 Office is very keen to be involved in the Safer Center conversations with the Armory Park Neighborhood Association and with other folks in the in the city. So, we would love to help with those outreach efforts and communicating with the neighbors. I'm sure there will be lively discussion.

Mayor Romero: Alrighty. Anything else? Thank you so much, really appreciate. I don't know how long you have been waiting for us but thank you so much. I really appreciate your time and effort, and we are looking forward to our continued work together, this is like you said, Dr. Cullen, transformational work. We have an incredible opportunity, City, County, South Tucson, and Marana to really do transformational work together. So, appreciate you, Brian. Thank you so much, Dr. Cullen, we'll see you soon and looking forward to the announcements of the additional grant, thank you. Alrighty, we move on to Item 9.

9. Housing and Homelessness Emergency Declaration (City Wide) SS/DEC16-25-250

Introductory comments were provided by Vice Mayor Santa Cruz. She said the agenda material didn't reflect the direction provided by Mayor and Council in October.

Discussion ensued.

Roi Lusk, City Attorney, said the direction from October was contained in the draft Ordinance, which would authorize Mayor and Council to make the emergency declaration. He suggested the Ordinance could be adopted during that evening's Regular Meeting, providing Mayor and Council the authority to declare the emergency, and the Resolution could be brought back in January with modified language to make the declaration.

Formal action is scheduled to be taken during the Regular Meeting.

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Mayor Romero: Time has been set aside to discuss a proposed Housing and Homelessness Emergency Declaration as requested by Mayor and Council. I will just throw it over to you Vice Mayor because I know that you've been keeping track of this item.

Vice Mayor Santa Cruz: Yes, thank you, Mayor. I know we want to move along, so our goal in declaring a Housing and Homelessness Emergency was to create the conditions that would make it easier to build and provide emergency shelter and housing during these difficult economic times. While I do believe strongly in having a process and transparency, I'm concerned that the direction Mayor and Council gave to staff of what this housing emergency would entail, came back as something completely different at the in the 11th hour. So I'm concerned that having a three-to-six-month zoning examiner special exception process remains onerous, which is exactly what we're trying to avoid.

So, I want to go back to the hybrid option we discussed where some of the requirements such as parking and minimum size are automatically approved while other exceptions are granted on a case-by-case basis as it makes sense to our PDSD Director and our City Manager's office. Modifying the site standards goes a long way in creating sites where shelter and housing can be created. We need to streamline this process, reduce costs and expedite any application that addresses our housing crisis. So, I'm not sure because the language on the item and the regular agenda is very different to what we thought was going to be there. So, I don't know if we will make these ordinance changes or amendments now to get a change in time for the regular agenda, or I need to defer to the city attorney, what needs to happen.

Mayor Romero: I think it would be appropriate for us to discuss what you're interested in. Back in October, we voted on a hybrid option or a hybrid approach where we would move forward throughout the city with basically regular setbacks from other facilities, minimum light sizes and maximum lot coverage, I believe it is. And then that we would the hybrid approach would make sure that we would look at case by case basis for additional relief needed. So, it was to apply broad temporary waivers to address the most significant barriers that have historically been associated with shelter care land use, while still retaining the ability to grant additional case by case relief. That was the hybrid approach that we voted on and gave direction on, so I just want to make sure that that's where you are.

Vice Mayor Santa Cruz: Yes, Mayor.

Mayor Romero: And then at the time, the timeline duration of the Homeless and Housing Emergency was to be a two-year timeline with periodic reviews. And I think that timeline is important because development of course, as we all know, takes time. So, I think that's where we are. Some of the larger barriers that could be addressed are minimum lot size, allowed uses in residential zones and parking requirements. Those are the areas where we said we had much more broader waivers and then consider everything else case by case by the department director and, if necessary, the city manager. Is that where we are? OK. Just to make sure that.

Council Member Dahl: I wonder if we need to continue the item to the next one. So, we have more background material on that particular proposal. I was briefed on a different proposal.

Vice Mayor Santa Cruz: Well, it's not. It's the direction we gave it just came back differently. So, we're not, I don't think we need other than having it drafted the ordinance language drafted to the direction we gave needs to match, because what came back to Mayor and Council is not what we gave direction on.

Mayor Romero: This was in October. I think we all voted for this.

Council Member Dahl: I understand that, but since I was briefed on something else, I would feel uncomfortable at this point in time when we have very little time to dig into it. And I would like to see the ordinance.

Vice Mayor Santa Cruz: We dug into it in October and that was when we gave clear direction. So, my frustration is that what's coming to Mayor and Council now to vote on is not what we

gave direction on, and I am trying to take us back to the original direction that we gave so we can move forward, with that.

Mayor Romero: Mr. Attorney.

City Attorney Roi Lusk: Mayor, Vice Mayor, Council Member Dahl, Council Members, I think what might be helpful to move the item forward is I believe that the direction is contained within the ordinance adoption, giving the Mayor and Council the authority to declare the emergency. I think the challenges with the resolution, if the Mayor and Council want to move forward tonight on the ordinance and then we can bring back the resolution language if that's amenable to everybody.

Mayor Romero: With clarity, I feel comfortable with that, we passed the resolution?

City Attorney Lusk: We pass the Ordinance tonight and bring back the resolution.

Mayor Romero: We passed the ordinance tonight and then bring back a clean resolution.

City Attorney Lusk: Clean Resolution with obviously input to make sure that we're doing the right thing.

Mayor Romero: Any questions, comments. OK, input, Council Member Dahl.

Council Member Dahl: We pass the ordinance tonight and then we come back at another in January to do the resolution.

City Attorney Lusk: That's correct, Council Member Dahl. So, the ordinance tonight would just give the Mayor and Council the authority to declare the housing emergency, and we can declare by resolution in January.

Mayor Romero: So that way we get the ordinance tonight, we declare it and then we move forward with clear language, exactly what we had voted in October. And then everyone feels comfortable in moving that language forward. OK, everyone feels OK.

Vice Mayor Santa Cruz: So, need to make a motion for that.

City Attorney Lusk: The ordinance is on the agenda tonight. So, the only thing I think we'll have to do is we'll have to pull both off of the consent agenda. OK. Just, to be clear that we're only moving forward on the ordinance.

Vice Mayor Santa Cruz: OK, thank you.

Mayor Romero: Already everyone feels good. Perfect. So let me see. We have some clarity on that. We move on to Item 10, we did, Item 11, we did, Item 12.

10. **Discussion Regarding Proposed Cost of Service Rates and Fees for Tucson Water, and the Transportation & Mobility, Environmental Services, Parks & Recreation, and Planning & Development Services Departments (City Wide and Outside City) SS/DEC16-25-244**

This item was taken out of order and considered after Item 7.

11. **Discussion and Direction Relating to Matters that are Pending in Front of the Pima County Board of Supervisors and Other Regional Jurisdictions, Including an Update from Pima County on the Regional Opioid Settlement Advisory Committee (ROSAC) (City Wide and Outside City) SS/DEC16-25-243**

This item was taken out of order and considered after Item 8.

12. **Update on and Direction Relating to State and National Legislation, Executive Orders and Administrative and Agency Orders; and Update on Federal, State and Regional Committees (City Wide and Outside City) SS/DEC16-25-242**

Assistant City Manager Kristina Swallow said an update had been provided to Mayor and Council via email.

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Mayor Romero: Time has been set aside for Mayor and Council to receive an update on State and National Legislation and Regional Committees, Executive Orders and Direction to an Associated Litigation. Ms. Assistant City Manager, do we have any update on this matter.

Assistant City Manager Kristina Swallow: An update was provided via email to Mayor and Council in advance of the meeting. No further update at this point.

Mayor Romero: Perfect, thank you, Item 13.

13. **Mayor and Council Discussion of Regular Agenda (City Wide) SS/DEC16-25-241**

Council Member Lee stated Consent Agenda Item c would be continued to an unspecified meeting date, as mentioned earlier during Study Session Item 6. She requested Consent Agenda items b, d, e, f, and s be considered separately.

Item 7b: APPROVAL AMENDING TUCSON CODE (CHAPTER 19) RELATING TO TAX RATE CHANGE FOR PUBLIC UTILITY TAX (CITY WIDE) DEC16-25-409

Item 7c: APPROVAL AMENDING TUCSON CODE (CHAPTER 19) RELATING TO PRIVILEGE TAX RATE CHANGE FOR ADVERTISING (CITY WIDE) DEC16-25-410

Item 7d: APPROVAL AMENDING TUCSON CODE (CHAPTER 7) RELATING TO IMPOSITION OF FEES FOR SECONDHAND DEALERS (CITY WIDE) DEC16-25-411

Item 7e: APPROVAL AMENDING TUCSON CODE (CHAPTER 19) RELATING TO TAX RATE CHANGE FOR OCCUPATIONAL LICENSE TAX ON HOTELS RENTING TO TRANSIENTS AND ELIMINATING THE VARIABLE DOLLAR AMOUNT SURTAX (CITY WIDE) DEC16-25-412

Item 7f: APPROVAL AMENDING TUCSON CODE (CHAPTER 19) RELATING TO ADDITIONAL TAX RATE FOR TRANSIENT OCCUPATIONAL LICENSE TAX ON VACATION RENTAL OR SHORT-TERM RENTAL AND ELIMINATING THE VARIABLE DOLLAR AMOUNT SURTAX (CITY WIDE) DEC16-25-408

Item 7s: FINAL PLAT FOR (TD-DIV-0824-00069) SWAN & 29TH STREET (WARD 4) DEC16-25-402

Vice Mayor Santa Cruz requested Consent Agenda item t be considered separately, as discussed during Study Session Item 9.

Item 7t: HOUSING AND HOMELESSNESS EMERGENCY DECLARATION (CITY WIDE) DEC16-25-414

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Mayor Romero: Does anyone have any items to remove from the Consent Agenda. We have a full schedule of the ones we want to remove.

Council Member Lee: Thank you, Mayor. Just to a recap, we're going to pull 7b, 7c, which is the ad tax which is continued, 7d, 7e, 7f. So those are the five taxes or fees and then I would like to specifically request 7s to discuss separately.

Mayor Romero: All righty, any others?

Vice Mayor Santa Cruz: Sorry, I'm just trying to pull it up here. So, then we need to pull item 7t which is a housing and homelessness emergency declaration. Thank you.

Mayor Romero: Any others? Am I forgetting? Was it 7s Council Member Lee? OK.

Interim City Clerk Lozano: And 7c, we're going to continue.

Mayor Romero: And 7c we are going to continue. Anything else? I feel like there were so many. We were going to pull to consider separately. Anything else we can always get there and consider it separately then just in case we're forgetting anything. Anything else? So Item 14.

14. Mayor and Council Discussion of Future Agendas (City Wide) SS/DEC16-25-240

No items were identified for future agendas.

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Mayor Romero: Does anyone have any future agenda items to present today. If not, Study Session is adjourned; the Regular Session will begin at 5:45 p.m. The next Study Session is scheduled for Tuesday, January 6, 2026, thank you all very much. It was a monster meeting, a lot to cover, but we did great, thank you all. See you at 5:45.

ADJOURNMENT: 5:15 p.m.

MAYOR

ATTEST:

For CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the study session meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 16th day of December 2025, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

YL:sz