



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on October 9, 2014

Date of Meeting: April 23, 2014

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:33 p.m., on Wednesday, April 23, 2014, all members having been notified of the time and place thereof.

1. ROLL CALL

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

Present:

Regina Romero	Council Member Ward 1
Paul Cunningham	Vice Mayor, Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Council Member Ward 6
Jonathan Rothschild	Mayor

Absent/Excused: None

Staff Members Present:

Richard Miranda	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Chaplain Richard Lopez, Fellowship of Christian Athletes, after which the Pledge of Allegiance was led by Casas Adobes American Legion Auxiliary Memorial Poppy Princess Grace Willard.

Mayor Rothschild congratulated Council Member Scott on the anniversary of the date she became a United States Citizen.

Presentations:

- a. Mayor Rothschild proclaimed April 23rd to be “American Legion Auxiliary Memorial Poppy Day.” Ana Marie Arenas accepted the proclamation.
- b. Mayor Rothschild proclaimed April 23rd to be “Outstanding Teen Citizen Day” and presented the Dorothy Finley Outstanding Teen Citizen’s Council Award for Outstanding Teen Citizen.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 104, dated April 23, 2014, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

Current event reports were provided by Council Members Romero, Uhlich, Scott, Fimbres and Vice Mayor Cunningham. A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

4. CITY MANAGER’S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 105, dated April 23, 2014, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

No report was given.

5. LIQUOR LICENSE APPLICATIONS

Mayor Rothschild announced City Manager’s communication number 108, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

- b. Liquor License Application(s)

New License(s)

1. Roadhouse Cinema, Ward 2
4811 E. Grant Rd. #150
Applicant: Vincent Edward Mast
Series 12, City 1-14
Action must be taken by: February 24, 2014

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

2. Wingstop, Ward 1
1710 W. Valencia Rd. #140
Applicant: Thomas Robert Aguilera
Series 12, City 14-14
Action must be taken by: April 20, 2014

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

3. Wingstop, Ward 1
2106 W. Grant Rd.
Applicant: Thomas Robert Aguilera
Series 12, City 15-14
Action must be taken by: April 21, 2014

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

4. Wingstop, Ward 2
7940 E. Broadway Blvd. #120
Applicant: Thomas Robert Aguilera
Series 12, City 16-14
Action must be taken by: April 21, 2014

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

5. Wingstop, Ward 3
3122 N. Campbell Ave. #130
Applicant: Thomas Robert Aguilera
Series 12, City 17-14
Action must be taken by: April 21, 2014

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

Public Opinion: Written Argument in Favor Filed

6. B-Z's Pizza Company, Ward 2
8838 E. Broadway Blvd.
Applicant: Carl Ferris Sorell
Series 12, City 19-14
Action must be taken by: May 3, 2014

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

7. Yard House #8356, Ward 6
5870 E. Broadway Blvd. #440
Applicant: Andrea Dahlman Lewkowitz
Series 12, City 20-14
Action must be taken by: May 3, 2014

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

8. Fry's Food & Drug #34, Ward 2
7812 E. Speedway Blvd.
Applicant: Robert Joseph Nelson
Series 9S, City 21-14
Action must be taken by: May 5, 2014

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

9. Fry's Food & Drug #42, Ward 2
9401 E. 22nd St.
Applicant: Robert Joseph Nelson
Series 9S, City 22-14
Action must be taken by: May 5, 2014

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

10. Fry's Food & Drug #42, Ward 2
9401 E. 22nd St.
Applicant: Robert Joseph Nelson
Series 9S, City 23-14
Action must be taken by: May 5, 2014

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

11. Mercado y Carniceria Mexicana, Ward 6
6211 E. 22nd St.
Applicant: Jose Luis Cornejo Gracia
Series 10, City 25-14
Action must be taken by: May 11, 2014

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

Public Opinion: Written Arguments in Favor Filed

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

Person/Location Transfer(s)

12. Residence Inn Tucson Airport, Ward 5
2660 E. Medina Rd.
Applicant: Christopher Joseph Calvin
Series 7, City 18-14
Action must be taken by: April 27, 2014

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

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

c. Special Event(s)

1. The Centurions, Ward 3
4502 N. 1st Ave.
Applicant: Ronald Teaney
City T35-14
Date of Event: May 17, 2014
(Fundraiser for Carondelet Tucson Hospitals)

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

2. International Gay Bowling Organization, Ward 2
7600 E. Broadway Blvd.
Applicant: Richard Alan Foster
City T43-14
Date of Event: May 15, 2014 - May 17, 2014
(Hospitality Suite)

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

3. YWCA, Ward 1
525 N. Bonita Ave.
Applicant: Eula Liane Hernandez
City T51-14
Date of Event: May 4, 2014
(Artisans Show)

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

4. YWCA, Ward 1
525 N. Bonita Ave.
Applicant: Eula Liane Hernandez
City T52-14
Date of Event: May 21, 2014
(Art Opening)

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

5. St. Ambrose Catholic School, Ward 6
300 S. Tucson Blvd.
Applicant: Sonia Valencia
City T53-14
Date of Event: May 4, 2014
(Alumni Annual Reunion)

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

6. Tucson Musicians Museum, Ward 2
2960 N. Swan Rd.
Applicant: Susan Eileen French
City T54-14
Date of Event: May 17, 2014
(Fundraiser)

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

7. Tucson Celtic Festival Association, Ward 6
2719 E. Broadway Blvd.
Applicant: Erin Renee Haugen
City T55-14
Date of Event: May 17, 2014
(Welsh Cultural Festival & Fundraiser)

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

8. Aerie #180 Fraternal Order of Eagles, Ward 3
1530 N. Stone Ave.
Applicant: Charlene S. Gutierrez
City T56-14
Date of Event: May 10, 2014
(Mother's Day Celebration)

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

d. Agent Change/Acquisition of Control

1. Rancho Rustico Family Mexican Restaurant, Ward 4
8270 S. Houghton Rd. #140
Applicant: Adan Arceo Verbera
Series 12, City AC3-14
Action must be taken by: May 2, 2014

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

2. Fuku Sushi, Ward 6
940 E. University Blvd.
Applicant: Jaswinder Singh
Series 12, City AC4-14
Action must be taken by: April 27, 2014

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

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

It was moved by Council Member Scott, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b12, 5c1 through 5c8, and 5d1 and 5d2 to the Arizona State Liquor Board with a recommendation for approval.

6. CALL TO THE AUDIENCE

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

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

Comments were made by:

Debi Mabie	Evan Davis	Karen Falkenstrom
Michael Martin	Tom Prezelski	Keith VanHeyningen
Glenn Wolfgang	Athena Hagen-Krause	Craig Schumacher
Amit Mehrotra	Zack Williams	

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

7. CONSENT AGENDA – ITEMS A THROUGH F

Mayor Rothschild announced the reports and recommendations from the City Manager on the Consent Agenda were received into and made part of the record. He asked the City Clerk to read the Consent Agenda.

a. APPROVAL OF MINUTES

1. Report from City Manager APR23-14-109 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of September 24, 2013
3. Mayor and Council Study Session Legal Action Report and Summary Minutes of September 24, 2013

b. FINAL PLAT: (S13-040) CATALINA FARMS FLOWER ANNEX, LOTS 1 AND 2

1. Report from City Manager APR23-14-106 WARD 3

2. Staff recommends that the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- c. **BOARDS, COMMITTEES AND COMMISSIONS: AMENDING THE MEMBERSHIP OF THE PARKWISE COMMISSION**
1. Report from City Manager APR23-14-115 CITY WIDE
 2. Ordinance No. 11161 relating to the Parkwise Commission; amending Tucson Code Section 10A-147 to increase the membership of the Parkwise Commission from 15 to 17 members, with Wards II and IV now also each appointing one (1) neighborhood representative; also amending section 10A-147(a)(3) to reflect the Metropolitan Tucson Convention and Visitor's Bureau's change of name to Visit Tucson, and the Chamber of Commerce's change of name to Tucson Metro Chamber; and declaring an emergency.
- d. **FINANCE: PROPOSED SALE OF WATER SYSTEM REVENUE OBLIGATIONS, SERIES 2014**
1. Report from City Manager APR23-14-118 CITY WIDE
 2. Ordinance No. 11156 an Ordinance relating to Finance: authorizing the Finance Director of City of Tucson, Arizona, to cause the sale and execution and delivery pursuant to an obligation indenture of not to exceed \$38,000,000 aggregate principal amount of Water System Revenue Obligations, Series 2014, evidencing proportionate interests of the holders thereof in installment payments of the purchase price to be paid by the City of Tucson, Arizona, pursuant to a Series 2014 City Purchase Agreement; authorizing the completion, execution and delivery with respect thereto of all agreements necessary or appropriate for the financing of costs of acquiring improvements to the storage, treatment and distribution facilities of the water system of the City and related financing costs including the delegation to the Finance Director of certain authority with respect thereto; authorizing the preparation and delivery of an official statement with respect to such obligations; ordering the sale of such obligations; authorizing the execution and delivery of a continuing disclosure undertaking with respect to such obligations; authorizing the Finance Director to expend all necessary funds therefor and declaring an emergency.

e. FINANCE: SALE OF GENERAL OBLIGATION BONDS, SERIES 2012-B (2014)

1. Report from City Manager APR23-14-119 CITY WIDE
2. Ordinance No. 11155 an Ordinance relating to Finance; authorizing the issuance and sale of City of Tucson, Arizona, General Obligation Bonds, Series 2012-B (2014), as tax-exempt bonds, in a principal amount of \$20,000,000 (the "Series 2014 Bonds"); providing for sale thereof and the levy and collection of *ad valorem* taxes for the payment of the principal of and interest on the Series 2014 Bonds; providing for the application of a portion of the proceeds therefrom for the acquisition and construction of certain municipal improvements and for the payment of principal and interest thereon; providing certain terms, covenants and conditions relating to the Series 2014 Bonds; ordering the sale of the Series 2014 Bonds; authorizing the execution and delivery of a continuing disclosure undertaking with regard to the Series 2014 Bonds; appointing a Bond Registrar, Transfer Agent and Paying Agent for the Series 2014 Bonds; authorizing the preparation and delivery of an official statement with respect to the Series 2014 Bonds; and declaring an emergency.

f. FINANCE: AUTHORIZING THE SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2014

1. Report from City Manager APR23-14-120 CITY WIDE
2. Resolution No. 22214 relating to Real and Personal Property; authorizing the execution and delivery of an equipment lease, a lease-purchase agreement, amendments to lease-purchase agreements, depository trust agreement and a continuing disclosure undertaking; acknowledging and approving the execution of a certificate purchase agreement and amendments and supplements to a declaration of irrevocable trust and the sale and delivery of one or more series of certificates of participation and refunding certificates of participation in the lease-purchase agreements pursuant thereto; and declaring an emergency.

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

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, that Consent Agenda Items a – e be passed and adopted and the proper action taken.

7. CONSENT AGENDA – ITEM F

f. FINANCE: AUTHORIZING THE SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2014

1. Report from City Manager APR23-14-120 CITY WIDE
2. Resolution No. 22214 relating to Real and Personal Property; authorizing the execution and delivery of an equipment lease, a lease-purchase agreement, amendments to lease-purchase agreements, depository trust agreement and a continuing disclosure undertaking; acknowledging and approving the execution of a certificate purchase agreement and amendments and supplements to a declaration of irrevocable trust and the sale and delivery of one or more series of certificates of participation and refunding certificates of participation in the lease-purchase agreements pursuant thereto; and declaring an emergency.

Roger Randolph, City Clerk, announced the item to be considered separately was Consent Agenda Item f at the request of Council Member Kozachik.

Council Member Kozachik questioned what project costs would be funded using the twenty million dollars, from the Certificates of Participation (COP), allocated to the SunLink Streetcar Project, considering only testing had not been completed.

Albert Elias, Assistant City Manager, answered the City committed to contributing twenty-six million dollars to the SunLink Streetcar Project budget submitted to the Federal Transit Administration (FTA). He said the proceeds from the COP financing would be used to purchase five streetcars, and those streetcars would be pledged as collateral. He also advised this would fulfill the City's funding commitment for the budget approved by the FTA in October of 2010.

Council Member Kozachik questioned the value of liquidated damages amassed by the City.

Mr. Elias explained an answer would not be available until negotiations with contractors were completed after taking possession of the streetcars.

Council Member Kozachik queried if any sources of funding outside of the General Fund had been considered and whether it would be better to wait and apply the liquid damages not yet collected by the City instead of taking on added debt. He also questioned when the charges would be due for the new COP funding.

Mr. Elias answered the item was structured to get the maximum amount of financing available and as the liquidated damages owed to the City were collected, and contracts with the various contractors were completed, the amount of COP financing utilized would be reduced.

Council Member Kozachik questioned when the City would have all eight streetcars.

Mr. Elias stated he anticipated delivery of all eight streetcars by the end of May 2014.

Council Member Kozachik asked why they were considering taking on more debt when the total amount of debt accrued in the purchase of the streetcars was not available until delivery of the final streetcar.

Kelly Gottschalk, Assistant City Manager/Chief Financial Officer (CFO), clarified the timing of this issue was based on a July 1, 2014, deadline for payment or restructuring. She also explained the issued amount would be an estimate of what was needed in order to avoid multiple payments of issuance fees. She explained the City could pay down the debt with any over issued funds. She also answered the liquid damages had not been considered as a means of lowering the issuance amount.

Council Member Kozachik questioned what other contractual issues, still under negotiation, could be utilized to offset the COP issuance amount.

Mr. Elias answered multiple contracts were still under negotiation.

Council Member Kozachik expressed reluctance to assume any unnecessary debt funded through the General Fund.

Mr. Elias answered the COP issuance was necessary and it had always been planned for the City's contribution to the SunLink Streetcar Project budget as approved by the FTA, and the only question was the issuance amount.

Council Member Kozachik explained he disagreed with the statement made by Mr. Elias.

Mr. Elias reiterated his previous statement.

Council Member Uhlich questioned whether the funds would be issued in pieces as needed, or if the whole fifty million would be issued at one time.

Silvia Amparano, Finance Department Director, answered the authorization provided the ability to go out to market. She explained the estimated amounts needed were eighteen million dollars for the streetcar, thirteen million two hundred thousand dollars for the budgeted restructuring and fourteen million dollars for refunding of debt service savings; resulting in the estimated total of forty-five million dollars presented at the previous study session. She also explained the fifty million dollars was a "not to exceed" amount to provide flexibility in case changing market conditions resulted in the need for more than the anticipated amount of forty-five million dollars.

Mayor Rothschild clarified the information requested by Council Member Uhlich.

Ms. Gottschalk answered the issuance amount would be the amount estimated to be necessary on the day it goes to pricing.

Council Member Uhlich requested further clarification.

Ms. Gottschalk explained the bond proceeds would be issued within 30 days because it would close by June 30, 2014. She also explained flexibility was necessary for the refunding of debt service savings because they constantly monitor and adjust the maturities of all of the City's outstanding debt in order to save money as changing interest rates allow. She stated flexibility was desired for the COP maturity restructuring because it allowed the bonds to be priced in a different way to lower the true interest cost of the issuance. She also explained flexibility was desired for the streetcar project to address the costs that are still unknown. She explained the money was necessary for the streetcar, and if they over-issued the proceeds could be used to pay principle on the bonds immediately.

Council Member Uhlich asked if the proceeds from an over-issue could be used to retire higher interest debt.

Ms. Gottschalk clarified the proceeds must be used to pay off this issue, but this was undesirable and they attempt to keep the issuance as close to the estimated amount as possible.

Council Member Uhlich requested updates on this issue at the May 6, 2014, and May 20, 2014, Mayor and Council meetings as a part of the budget discussion. She also expressed concern that the City was reverting to COP debt unnecessarily.

Ms. Gottschalk stated they would bring the issue back to the Mayor and Council with more accurate amounts prior to the pricing date.

Council Member Uhlich expressed concern over receiving budget information that was too fragmented to base financial decisions on.

It was moved by Council Member Fimbres, duly seconded, to pass and adopt Resolution No. 22214, authorizing the issuance of Certificates of Participation in the amount not to exceed fifty million dollars.

Council Member Kozachik asked about the consequences of waiting for more accurate estimates in May.

Ms. Gottschalk answered the process leading up to issuance required the extra time. She also advised the City had the ability to lower the dollar amount until issuance took place.

Resolution 22214 was declared passed by a roll call vote of 5 to 2 (Council Members Uhlich and Kozachik dissenting).

8. PUBLIC HEARING: RIO NUEVO REDEVELOPMENT PLAN AMENDMENT (PA-13-03), 450 NORTH GRANDE AVENUE – RECREATIONAL VEHICLE PARK

Mayor Rothschild announced City Manager's communication number 110, dated April 23, 2014, was received into and made part of the record. He also announced that this was the time and place legally advertised for a public hearing on a request to amend the *Rio Nuevo Development Plan* to allow Recreational Vehicle (RV) Park designation. He said staff would make a brief presentation before beginning the public hearing.

Ernie Duarte, Planning and Development Services Director, explained this issue was a proposed amendment to the *Rio Nuevo Development Plan* and the precursor to a rezoning request. Mr. Duarte added this issue had been presented at a previous Mayor and Council Study Session and there had been a public hearing in front of the Planning Commission, who recommended approval of the amendment.

Mayor Rothschild said the Public Hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations. Mayor Rothschild asked if anyone wanted to speak on this subject.

Gene Einfrank and Dick Remaly spoke in support of the amendment to the *Rio Nuevo Redevelopment Plan*.

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

Mayor Rothschild asked the City Clerk to read Resolution 22215 by number and title only.

Resolution No. 22215 relating to Planning and Zoning; amending the Rio Nuevo Redevelopment Plan - March 1982 (RNRP) - Parcel "C", PA-13-03, 450 North Grande Avenue - Recreational Vehicle Park; and declaring an emergency.

Council Member Romero expressed her support of the efforts to amend the *Rio Nuevo Redevelopment Plan* and the development of the proposed RV Park.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22215.

9. ZONING: (C9-85-95) 22ND STREET/PANTANO PARKWAY ANNEXATION DISTRICT, I-1, CHANGE OF CONDITIONS AND ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 113, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11160 by number and title only.

Ordinance No. 11160 relating to Zoning: amending Ordinance No. 6503 as to certain conditions for property zoned I-1 located south of 22nd Street and east of Pantano Road (Eastside Research/Commerce Center, Lot 6) in case no. C9-85-95 (22nd Street/Pantano Parkway annexation area); and setting an effective date.

It was moved by Council Member Scott, duly seconded, and passed by a roll call vote of 7 to 0, to approve the request as recommended by the Zoning Examiner and pass and adopt Ordinance 11160.

10. ZONING: (C9-13-14) INSITE – GRANT ROAD, RX-2 TO C-1, CITY MANAGER’S REPORT, DIRECT ORDINANCE ADOPTION

Ernie Duarte, Planning and Development Services Director, announced Condition 7 of Exhibit A to Ordinance 11157 would be revised to remove “with a site inspection” as a means to effectuate the rezoning since a site inspection was not required. Mr. Duarte also clarified the one protest received on the case had been removed.

Mayor Rothschild announced City Manager's communication number 111, dated April 23, 2014, was received into and made part of the record. This was a request to rezone the property located on the north side of Grant Road, west of Tanque Verde on the south bank of the Pantano Wash. The Zoning Examiner and staff recommended approval of the C-1 zoning subject to certain conditions. He also asked if the applicant or representative was present.

Eric Uebelhar, InSite Real Estate, stated they were agreeable to the proposed requirements.

Mayor Rothschild asked the City clerk to read Ordinance 11157 by number and title only.

Ordinance No. 11157 relating to Zoning: amending zoning district boundaries located on the north side of Grant Road, approximately 700 feet west of the intersection of Grant and Tanque Verde on the south bank of the Pantano Wash in case C9-13-14, InSite - Grant Road, RX-2 to C-1; and setting an effective date.

Vice Mayor Cunningham stated he wanted to recognize the work of city staff on the issue.

It was moved by Vice Mayor Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to approve the request as recommended by the Zoning Examiner and pass and adopt Ordinance 11157 with the revision to condition seven.

11. ZONING: (C9-13-16) FRIENDS OF THE LIBRARY - BRAY ROAD, R-2 TO C-1, CITY MANAGER'S REPORT

Mayor Rothschild announced City Manager's communication number 103, dated April 23, 2014, was received into and made part of the record. This was a request to rezone the property located southeast of Grant Road and Country Club Road, east of Country Club Road and Bray Road. He also asked if the applicant or a representative was present.

Rob Longacre (ph), WB Group, stated his client was agreeable to the proposed requirements.

Council Member Kozachik announced the rezoning would bring the site into compliance with the Unified Development Code.

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

12. ZONING: (C9-05-01) AGM CONTAINER – PRESIDIO ROAD, R-2 TO P, CHANGE OF CONDITIONS AND ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 112, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11158 by number and title only.

Ordinance No. 11158 relating to Zoning: amending zoning district boundaries located on the north side of Presidio Road, between Palo Verde Road and Richey Boulevard in case C9-05-01, AGM Container – Presidio Road, R-2 to P; and setting an effective date.

It was moved by Council Member Uhlich, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11158.

13. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH INTERSTATE 10/VALENCIA PROPERTIES, OWNERS OF THE I-10 AND VALENCIA PARCELS

Roger W. Randolph, City Clerk, announced the materials distributed to Mayor and Council stated Resolution No. 22213, but it had been corrected to Resolution No. 22212.

Mayor Rothschild announced City Manager's communication number 114, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22212 by number and title only.

Resolution No. 22212 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and Interstate 10/Valencia Properties, LLC, owners of the I-10 and Valencia parcels.

It was moved by Council Member Fimbres, duly seconded, to pass and adopt Resolution 22212.

Council Member Uhlich inquired whether the annexation was imminent and if the process would begin immediately.

Chris Kaselemis, Economic Initiatives Program Director, answered yes and said the public hearing had been scheduled for May 6, 2014.

Council Member Kozachik requested information about whether the City would be placed in a situation with the potential for vulnerabilities and legal exposure regarding development impact fees.

Michael Rankin, City Attorney, clarified the City would only owe credits that would be used to offset impact fees owed by the property owner. He also stated there were no circumstances under which the City would owe money to the property owner.

Mr. Kaselemis explained if there were no impact fees there would be no credit owed to the property owner.

Resolution 22212 was declared passed and adopted by a roll call vote of 7 to 0.

14. ANNEXATION: GHOST RIVER RANCH ANNEXATION DISTRICT

Mayor Rothschild announced City Manager's communication number 107, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11159 by number and title only.

Ordinance No. 11159 relating to Annexation; extending and increasing the corporate limits of the City of Tucson, Pima County, Arizona pursuant to the provisions of Title 9, Chapter 4, Arizona Revised Statutes, by annexing thereto the Ghost River Ranch Annexation District Property, more particularly described in the body of this ordinance.

It was moved by Vice Mayor Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Ordinance 11159.

15. WATER: NOTICE OF INTENTION TO INCREASE CERTAIN TUCSON WATER RATES AND FEES AND SCHEDULING A PUBLIC HEARING FOR JUNE 3, 2014

Mayor Rothschild announced City Manager's communication number 116, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22216 by number and title only.

Resolution No. 22216 relating to Water; approving the publication of a notice of intention to increase certain water rates and fees and scheduling a public hearing; and declaring an emergency.

It was moved by Council Member Romero, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22216 and direct staff to file the proposed fee schedule with the City Clerk's Office, and set June 3, 2014, for the Public Hearing regarding the proposed fees.

16. REAL PROPERTY: APPROVAL OF A SETTLEMENT, OFFER TO PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 1050 WEST IRVINGTON ROAD

Mayor Rothschild announced City Manager's communication number 121, dated April 23, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11162 by number and title only.

Ordinance No. 11162 relating to Real Property; approval of Offer to Purchase and Sale Agreement and related Settlement Memorandum with Irvington Interstate Partners, LLC for the sale of property located at or near 1050 West Irvington Road; and declaring an emergency.

Council Member Romero questioned what direction was appropriate for the item.

Michael Rankin, City Attorney, explained the ordinance would approve both the Purchase and Sale Agreement and the Settlement Memorandum that would carry out the transaction discussed on April 8, 2014, in executive session, after which he was directed to bring back to the Mayor and Council for approval. He said the terms of the sale and settlement were described in the Mayor and Council Communication for the item.

Mayor Rothschild asked if the contract was incorporated into the ordinance.

Mr. Rankin repeated the ordinance approved both the Purchase and Sale Agreement and the Settlement Memorandum. He said the Agreement and Settlement Memorandum provided for a transaction under which Irvington Interstate Partners (IIP) would purchase the subject property which consisted of approximately fifty-three net acres and carved out the portion of the property necessary for the maintenance of the Tucson Water facility. He stated the purchase price would be established by a new appraisal that would value the property at its highest and best use as if it had been rezoned for commercial retail uses and excluding the possibility of development of a large retail establishment that would require legislative approval by the Mayor and Council. He said the purchase price would not be less than four million dollars but it would ultimately be set by the appraisal. He stated the appraiser would be selected from the City of Tucson's approved Member of the Appraisal Institute appraiser list. He explained the transaction was structured so there would be an inspection period and a rezoning period, each nine months in length, prior to closing. He said the purchaser's deposits, totaling five hundred thousand dollars would become nonrefundable when the rezoning period commenced, after the nine month inspection period. He stated pursuant to the terms of both the Purchase Agreement and the Settlement Memorandum, IIP would dismiss the pending litigation against the City, with prejudice so that it would not be re-filed. He said the Purchase and Sale Agreement also provided for IIPs funding of the extension of Calle Santa Cruz, which was necessary to provide reasonable access to the property as well as the Tucson Water facility. He stated the Settlement and Purchase Agreement also addressed the issue of impact fees and defined, with respect to the extension of Calle Santa Cruz, eligible impact fee offsets would be capped at five hundred thousand dollars regardless of whether the cost of the extension exceeded that amount. He stated the agreements also addressed issues with respect to Tucson Water facilities located onsite. He said a couple of Tucson Water wells would be abandoned and enclosed as they were no longer needed for water quality monitoring. He advised another term of the Purchase Agreement and Settlement was that IIP, or its successor, would not be able to request authorization of a large retail establishment zoning. He also explained a condition of the Purchase Agreement and Settlement, IIP indemnified the City against prior claim filed with respect to retail use restriction asserted to exist on the property.

It was moved by Council Member Romero, duly seconded, to pass and adopt Ordinance 11162.

Mr. Rankin explained the Ordinance authorized the City Manager to sign the documents necessary to complete the transaction, including the release associated with the settlement and the dismissal of the lawsuit with prejudice.

Ordinance 11162 was declared passed and adopted by a roll call vote of 7 to 0.

17. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 117, dated April 23, 2014, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Kozachik, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointment of William Burks to the Veterans' Affairs Committee.

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

There were none.

18. ADJOURNMENT: 7:16 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, May 6, 2014, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the (day) day of (Month) (Year), and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR:dd:(sn)