

Ward 6 Staff



Steve Kozachik
Council Member



Ann Charles



Donovan Durband



Teresa Smith



Christal Ferree



Bonnie Medler



Ward 6 – Newsletter

A Message from Steve

APRIL 14, 2011

Tuesday's M&C meeting included everything from talking about how to best deal with what some State Legislators would call "varmint" to FBI investigations into the Rio Nuevo legacy, bus fare and water rate increases, and a performance review of the Metropolitan Convention and Visitor's Bureau. Lots on the plate, so I'll just do an overview of them all, except the Rio Nuevo item. That one needs a full explanation.

The State Legislature named a new Rio Nuevo Board about a year ago. Since that time we have been trying to come to agreement on the disposition of several assets. Depending on whom you ask, our inability to come to an agreement is due to any number of reasons. At this point, those reasons are of less importance to me than the fact that we're still not playing well together with Rio, they have sued the City, and now an Attorney General/FBI investigation has begun over the manner in which the many millions of Rio Nuevo taxpayer dollars were spent over the past decade.

That investigation must be conducted, the truth as to wrongdoing must be made public, and that must happen quickly so the taxpayers finally have some closure on this issue - and so that the deck is cleared between the City and Rio so we can begin to work together in a productive manner. I firmly believe that we have the basis for an agreement on the distribution of the assets, but that until the investigation is completed, there are those who will stand in the way of any agreement. Below, I am providing a table that simply lays out the terms we have sent to Rio for adoption. Without the underlying level of distrust, and the investigation that has stemmed from it, we should have a settlement, and we should be moving ahead with the revitalization of downtown. So, as I did last week, I am calling on the Attorney General to expedite his investigation of Rio Nuevo if he believes there is reason to suspect criminal behavior occurred, bring that investigation to closure as quickly as possible, and let the chips fall where they may so these two bodies can finally begin to work with one another.

Here's the summary of the items contained in the proposed term sheet, along with the disposition of each item. There is no reason Rio should not agree to each of these items. Doing so would in no way preclude the Attorney General, or any other entity from bringing further investigations forward if new evidence was discovered. You all deserve to see this settled, and to see us working productively with Rio. It's your money we're spending.



Important Phone Numbers

Tucson Police
Department
911 or 791-4444
nonemergency
Mayor & Council
Comment Line
791-4700
Neighborhood
Resources
791-4605
Park Wise
791-5071
Water Issues
791-3242
Pima County Animal
Control
243-5900
Street Maintenance
791-3154
Planning and
Development
Services 791-5550
Southwest Gas
889-1888
Gas Emergency/
Gas Leaks
889-1888
West Nile Virus
Hotline
243-7999
Environment
Service
791-3171
Graffiti Removal
792-2489
AZ Game & Fish
628-5376

Continued: A Message From Steve

Summary of Term Sheet Executed by the City of Tucson ("COT") and the Rio Nuevo Multipurpose Facilities District Board ("RN") [executed 12/30/10]

Property/ Project	Disposition per Term Sheet	Notes/Other
Depot Garage	COT retains ownership, and is responsible for operations and maintenance	COT pays a monthly fee to RN that ramps up from \$58k/yr in 2011 to \$285k/yr in 2014, with adjuster thereafter; RN pays/reimburses COT up to \$1.5M outstanding for construction costs
Arena Site [Congress/I-10]	COT owns	Any sale is per competitive process, for development that benefits RN and COT; RN gets \$894k from proceeds; RN has 2 reps on recommending committee
351 S. Brickyard	COT transfers ownership to RN	Legal description to be determined by survey, to be obtained by COT
Tucson Origins Properties	RN and COT to jointly solicit Master Developer; future development to benefit Components of RN, but also must be consistent w/ Prop 400 elements, including cultural and transit-oriented	Joint committee, with equal representation to make recommendations to each governing body; approval of both is required. Any proceeds from disposition shall be reinvested in mutually beneficial projects or distributed as mutually agreed
Presidio property	Ownership remains as is; RN owned portions (museum/office and restrooms, and 133 W. Washington) leased to COT for \$5/year; COT responsible for insurance and upkeep	Lease as contemplated already executed by the Parties
Court Ave. Duplex (196-200 N. Court)	Ownership remains w/ RN	
Church/Council parking lot	COT to transfer ownership to RN.	Lease revenues flow to RN (as they have been – no change)
Stone and Council parking lot	Not owned by COT or RN. Ownership stays with IDA	
Post/Bourn	COT and RN agree to cooperate in any future action	Note – RN now has named COT in lawsuit regarding this property



Important Phone Numbers

Senator John
McCain (R)
520-670-6334

Senator Jon Kyl (R)
520-575-8633

Congresswoman
Gabrielle Giffords
(D)
(8th District)
520-881-3588

Congressman
Raul Grijalva (D)
(7th District)
520-622-6788

Governor Janice
Brewer (R)
Governor of Arizona
602-542-4331

Toll free:
1-800-253-0883

State Legislators

Toll Free
Telephone:
1-800-352-8404
Internet:
www.azleg.gov

Mayor Bob Walkup
791-4201

City Infoguide
[http://
cms3.tucsonaz.gov/
infoguide](http://cms3.tucsonaz.gov/infoguide)

Property/ Project	Disposition per Term Sheet	Notes/Other
TCC [primary component]	RN to expend at least \$3M from 2008 Bond proceeds for renovations; COT and RN to identify improvements, with goal of increasing use/revenues; priority given to upgrade of bathrooms and bleachers in the arena	
Expenditure of Bond Proceeds for Encumbered Projects	Encumbered Proceeds as shown in 2011 RN Budget to be expended by RN for the specified projects upon adequate documentation submitted by COT. Note – these projects are: DP Garage (\$1.5M); portion of Cushing St. Bridge (\$330k); Portion of DIIP (\$145k); small portion of Mission San Augustine (\$17k) – Not including Barrio projects	To be more specifically articulated in settlement agreement.
Mutual Release	Parties agree to release from other claims, including COT's claims for reimbursements under prior IGA (\$1.7M) and RN's claims for overpaid interest in earlier payments (\$442k)	Release written so as to only apply to the 2 parties; does not apply to the State (Leg or AG); also excludes claims re: uncollected rental tax at TCC or claims arising out of accounting errors by COT resulting in funds not being credited to RN.
Plans, Designs, etc.	Each party shall share with the other without cost or condition	
Science Center Project	Not addressed in Term Sheet	Subsequent to Term Sheet, RN raised concerns relating to sale of Arena Site; COT has addressed

Earlier this year both the City and the County independently of one another began reviews of the Metropolitan Convention and Visitor's Bureau. We received our first briefing on that review today. While I believe the MTCVB is engaged in some wonderful activities (such as the recent Mexico Relations Trip that I wrote about 2 weeks ago), there are still some elements of their operation that I feel need to be tightened up. Two examples are:

- Nearly every penny the City gives to the MTCVB (just under \$3M) goes to pay salaries and benefits. The Bureau is funded by other jurisdictions from the region, and with those other dollars, less than 25% of their total budget goes to marketing the area. Marketing is what they're in business to do. They need to shift that allocation so that more is being spent on their primary mission, and less is going into personnel expenses.
- The Bureau is given just under \$200K to use in luring guests to the TCC by offering discount rates on bookings and marketing the venue.

If they don't spend their full allotment in a given year (it's 2% of the previous year's bed tax

revenues), they're supposed to use the left over money to fund a TCC capital expense pool. Those extra dollars were not put into any such pool, but were simply rolled over to the next year's TCC marketing budget. Nobody had the unilateral authority to decide to opt out of the TCC capital fund. The MTCVB must go back into their records and identify exactly how much money should be in that fund, and we must work towards getting it there. The TCC has plenty of face-lifting needed. Those dollars would be a start. The asset is owned by Rio Nuevo (the City is leasing it from Rio.) We have to get the proper amount of money into that capital fund, and sit with Rio to decide how best to allocate those dollars. Those are just two examples of issues the City Manager will be addressing when he brings back a full report to M&C following the conclusion of the County audit.

Water rates were discussed. Today's agenda item was just a briefing from Tucson Water on their proposed rate increases. There will be a public hearing next month before any increases are implemented. On this one I'm a broken record; that is, the RTA has cost shifted nearly \$60M in water line work to the City since I was elected. That debt should be covered by the RTA 1/2 cent sales tax, not the TW ratepayers. Nearly 80% of TW revenues come from water sales, and nearly 70% of their costs are fixed - debt service. We encourage people to conserve, and when they comply and our water sales drop, we increase rates to compensate. The picture is skewed. I joined other council members today in encouraging TW to come up with a different rate structure that both encourages conservation and treats the low end users fairly. The goal is to achieve rate stability so the ratepayers know what to expect from year to year. If the current rate structure is adopted, the average user will see an increase of about \$2.60 in water rates (the county sewer rates are also increasing.) I want them to work off debt, not take more on, and to level out the low end rate block so over the next few years we can get to a point where the department's fiscal situation has stabilized.

Bus fares will increase. The M&C voted 6-1 to change the recommendations given to us by the Citizen's Transit Task Force, and adopt new fares that are lower than what was proposed. The difference between what the TTF proposed and what M&C approved is found in the low-income fares. The TTF suggested a 50% increase / council adopted 1/2 of that. Low-income riders will buy bus rides for .50 (council) as compared to .60 (TTF and me.) They will purchase low-income monthly passes for \$15, not the \$18 proposed by the Task Force. Each proposed low-income fare category was cut in half from what the TTF recommended. The net result of that is another \$265K the City will need to find in order to balance the budget.

If Sun Tran is ever going to reduce its drain on the General Fund, we need to encourage more discretionary riders, and we must get beyond the current 20% cost recovery that the fares are producing. One of the reasons we have the significant subsidy that we do (over \$32M annually) is that we have not increased the low-income fare in over 11 years - and when we did, we at that time only went from .35 to .40. Now, eleven years later, M&C have voted to go from .40 to .50. Fuel costs are increasing and a one penny increase in fuel costs results in a \$30,000 hit to the system. The fleet is aging, and we're already seeing a reduction in our full-fare riders. It's a balancing act that needs to consider the financial stability of the system, and find a fare structure that is affordable, does not run off customers, and that is also fair to the taxpayers who are paying the lion's share of the costs, whether or not they ride the bus. I think we took a baby step

in that direction, but missed an opportunity to improve our financial position.

Lastly, Locana De Souza and Robert Fink, both Urban Wildlife Specialists from the Game and Fish department walked us through some very good information related primarily to javelina in our neighborhoods. The short message is that we can provide disincentives to their sticking around once they arrive if we do not provide them with food sources. Placing trash containers out in the morning, and not the night before pick-ups, planting native plants, getting birdseeds up off the ground and making sure dog and cat foods are not left out as attractive nuisances were all discussed as ways to keep the javelina from hanging around our homes. The Game and Fish people regularly educate neighborhood associations on how to deal with urban wildlife. If you have questions, call them at 628.5376.

Sincerely,



Steve Kozachik
Council Member, Ward 6
www.tucsonaz.gov/ward6

Remember the Ward 6 Council office will be closed for a furlough day tomorrow, Friday, April 15. There are many fun things going on this weekend and the weather is supposed to be perfect for being outdoors in our community. You can check out Zocalo's website for fun events going on this weekend. <http://www.thezmag.com/>

Plan Tucson

The City of Tucson is preparing a new General Plan, called Plan Tucson. When completed, Plan Tucson will replace the City's existing General Plan. General plans, which are required by state law to be readopted or ratified every 10 years, provide policies to guide decision making in the many areas important to a well functioning city, from jobs, housing, and education to land use, transportation, and natural resources. Six General Plan introductory meetings are being held in April. For more information, visit the Plan Tucson website at www.tucsonaz.gov/plantucson or attend the meeting in Ward 6.

Thursday, April 14, 5:30 p.m. to 7 p.m.
Randolph Golf Clubhouse/Copper Room
200 S. Alvernon Way