

## A Message from Steve:

Last Wednesday the City Council tackled several issues that are of great importance to the community. These included:

- A lengthy discussion of the City's need to become much more aggressive in how we handle economic development. I have been prodding the City Manager on this since I took office and am pleased to see the product that has now evolved. Soon the City will have in hand a comprehensive menu of funding options that we can bring to the table for prospective developers. While we have to maintain a level playing field and award any development contracts in a fully competitive process that is open to all bidders, the ability to embed in our RFP's a list of how the City can assist in leveraging bridge loans, grants or assistance in infrastructure cost relief will allow interested parties to put together project *pro formas* in a more comprehensive manner. The outcome will be new jobs for our community and new revenues to assist the City of Tucson as we work our way out from the current budget situation in which we find ourselves.
- With respect to the budget, I voted to oppose placing on the November ballot a ½-cent sales tax increase. The City Manager has presented to Mayor and Council a budget that is being "balanced" on the basis of sale of land and sale/lease-back of City property. If the \$24.7 million he anticipates from those transactions do not come to pass, he anticipates \$10 million to be generated this fiscal year from the sales tax.

It is my position that we should cut \$10 million in spending from the current budget rather than impose this regressive tax on the community. Further, I believe the anticipated revenues will not pan out. If the sales tax is passed, Tucson will jump ahead of Sahuarita, Marana and Oro Valley in the percentage rate of tax being levied, which puts Tucson at a competitive disadvantage to those communities with the lower sales tax rates.

The sales tax increase, if approved by the voters, will encourage large-ticket-item customers to leave the city limits and make those purchases in surrounding communities. I will continue to urge we make cuts now and not wait until the middle of the fiscal year to begin to do that. If we rely on a budget strategy of hope, people will certainly lose their jobs.

- We also agreed to place on the November ballot a series of four proposed changes to the City's Charter. These have been given a lot of local press, so the brief description is:
  - a) Giving the Mayor parity in voting privileges and forming a quorum.

b) Changing the election cycle so that Mayor and Council run on the same ballot, in odd-numbered years. While this will not save as much money as having us run concurrently in even-numbered years (the option I would have preferred) we will still save money by the concurrent nature of the new process.

c) The City Manager will have authority to hire and fire department heads with the exception of City Attorney, City Clerk, and the Police and Fire Chiefs. I was concerned that removing civil service protections from deputy directors would increase costs to the City (higher salaries), decrease our applicant pool (potential applicants less likely to choose to give up civil service protection, opting for a reduction to a "protected" position instead of accepting the deputy class under the new conditions), and create a pool of "yes men" if protected status were to be removed.

While I would have preferred to have the deputy directors removed from the ballot measure entirely, the best I was able to negotiate was a 3-year grandfather term so that current deputies will continue their present status until 2014, at which time they will fall under the same terms of employment as the directors now will if these changes are adopted by the voters.

d) Increasing Mayor and Council Members' salaries to reflect the full-time nature of these positions. The Mayor's salary would increase from \$42,000 to approximately \$82,000 per year, and Council Members' salaries would increase from \$24,000 to approximately \$62,000 per year. I attempted to have this measure pulled from the ballot bundle and be voted on as a separate measure. It is my belief that there is a strong possibility that this part of the package will cause voters to reject the entire group. I believe the other three measures represent a step forward in our governance structure and am concerned that we will lose that opportunity by asking for voters to approve a salary increase as a part of the package. My effort to pull it aside was not accepted, and so the bundle of four measures will appear on the ballot in November as one.

I believe they represent an improvement on how we currently run local government. I encourage the voters to study the various measures and make their own independent judgments; get active in the process so you will be in a position to cast an informed vote this fall.

From a personal perspective, if the salary increases are approved, I will not accept the increase but will continue to serve on Council at the current salary level as long as I retain my position with the University. Adopting such a significant salary increase at this time strikes me as being insensitive to the budget cuts we have made, and will continue to have to make. The increases will need to fall under the existing Council office budgets. Cutting back on my staff would have a negative impact on constituent service and that is not an option I find acceptable. I want to make clear, though, that other Council Members may not have the benefit

of a second income as I do. Each of us will have to weigh our own personal circumstances and gauge accordingly if the measure is adopted by the voters.

- We discussed the proposed convention hotel once again. A local group of businessmen brought Dr. Heywood Sanders into town and I took that opportunity to have him present his Brookings Institution-published findings to the Mayor and Council. The very brief description of those is that convention center hotels are reaching the saturation point in the national marketplace, and cities are offering deep discounts to attract a declining pool of conventions.

I am concerned that if the hotel and convention center do not draw enough conventions and attendees, they will cannibalize leisure demand from our existing hotels. If the hotel does not make the projected revenues, it will be forced to undercut our local hoteliers, who are already struggling in this current deep recession. The author of the study upon which this project's entire financial plan relies, HVS, recently warned the City of Greensboro, North Carolina that this was the likely scenario if it proceeded with its plan to build a luxury hotel.

This uncertainty over whether the convention hotel can meet its projections makes it even more critical that the exposure of our General Fund be minimized, if not totally eliminated, should we decide to move forward with this project.

I have yet to see financial numbers that I find compelling enough to vote in favor of the hotel.

- Finally, we adopted an easing in the rules governing the conditions under which businesses may be granted a Certificate of Occupancy. While this may sound arcane, it is something that I entered office with a strong interest in achieving. What it means is that local businesses will be able to use existing buildings, having non-safety codes grandfathered in if the structure was in place in May 2005. It is the large chain stores who can afford to bring Land Use Code policies into compliance. By not having made this change we have been preventing small local businesses from opening and thriving.

Consider the corner of Ft. Lowell and 1<sup>st</sup> Avenue. Not too long ago there was a series of one-story "period" architecture buildings on the corner. They were recently demolished, and now a Circle K is going in. While I don't know the details of that transaction, one has to wonder whether the original structure could have been saved had this C of O ordinance change been in place.

There is a similar condition at the corner of Country Club and Grant; that is, several small locally-owned businesses in older buildings surround an empty lot on the corner. Now that we have made this change, I believe we have set the stage to save those locals and avoid the same fate that the 1st/Ft. Lowell corner suffered.

There were some very reasonable concerns raised by members of the public—concerns over enforcement and unintended consequences. I exhorted the Director of Planning and Development Services to maintain vigilant oversight over how the new ordinance is implemented so we can make changes if necessary. Other concerns were raised that I feel are a hyped-over statement of the potential negative consequences of this change. Equating this to allowing deep water off-shore oil drilling marginalizes those who make such claims from engaging in future exchanges on the level of rational discourse. Builders own homes in our neighborhoods. They have a vested interest, indeed an obligation to be good neighbors. The change we made will be critical to our local business economy, preserving locally-owned businesses and creating jobs.

- Also at the July 7 Council meeting, we learned that Amtrak has announced that it will soon be expanding intercity rail service on the Sunset Limited line through Tucson, with daily departures, and at the same time will be changing those connection times to more convenient arrival/departure hours. This should be a huge benefit to our local tourism market, as well as providing Tucsonans with an upgraded alternate mode of transportation in and out of the city.

### **Community Events:**

- The Tucson Toros will be hosting the International Minor League All-Star Game at Hi Corbett Field this Wednesday, July 14<sup>th</sup>. Gates open at 6:00pm with game time at 7:00pm.
- Just as we have “First Thursday Art Walks” on University Blvd. each month at Main Gate Square, “First Fridays” at the Tucson Museum of Art, “First Saturdays” in the Arts District, and “2<sup>nd</sup> Saturdays Downtown”, we have “Third Thursdays” at the Tucson Botanical Gardens, through September.

Third Thursdays are a family-friendly concert series held from 5:00 to 9:00pm on the third Thursday of the month at the Gardens, 2150 N. Alvernon Way. This Thursday, July 15, Third Thursdays brings Strings & Steel with Desert Bluegrass and the University of Arizona steel drum band, Apocalypse.

- Café 54 in Downtown Tucson is hosting a gallery opening on Saturday, July 24, from 4:30 to 6:30pm, entitled “Evening of Expression”. The mission of Café 54 is to provide an award-winning training program serving individuals recovering from mental illness, and it fulfills this mission through the operation of a full-service bistro in the heart of Downtown. It offers delicious New American Fusion cuisine in an artsy, urban atmosphere. The café is located at 54 E. Pennington, near the Pennington Street Garage, and is open Monday through Friday for lunch, from 11:00am to 2:00pm. Its menu changes daily.

- This fall brings the annual Open Studio Tour in the Warehouse Arts District and all over metro Tucson, and the early-bird registration for artists who want to be included in the tour is coming up soon. The registration fee costs \$45 if sent in by July 29 to Tucson-Pima Arts Council, 100 N. Stone Ave. #303, Tucson, AZ 85701. After July 29, but prior to the Final Deadline of August 26, the registration fee is \$55.

The 2010 Fall Tucson Open Studio Tour will be held on Saturday, November 13 and Sunday, November 14, from 11:00am to 5:00pm.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Kozachik".

Steve Kozachik  
Council Member, Ward 6  
<http://cms3.tucsonaz.gov/ward6>