

**CITY OF TUCSON
HABITAT CONSERVATION PLAN
Stakeholder Advisory Committee Meeting
July 27, 2005 1:00 – 4:00pm
Arizona Game and Fish Department Conference Room
555 N. Greasewood Road**

MEETING MINUTES

Attendees: Karen LaMartina, Carolyn Campbell, Emily Brott, Diana Rhoades (Sonoran Institute), Lori Lustig, Bob Peterson (alternate for City of Tucson – Transportation), Nancy Zierenberg, Lynn Hubbard (alternate for alternate for City of Tucson – Environmental Services), Michael Wyneken (City of Tucson – Planning), Leslie Liberti and Jessica Lee (SWCA)

1) Update on Recent TAC and SAC Meetings/Upcoming Meetings

a. *Scheduled SAC Meetings:*

- **August 17**, 3-5 pm, @ Game and Fish. Tentative Topics: Conservation measures for Avra Valley species and implementation options.
- **August 31**, 3-5 pm, @ Game and Fish. Tentative Topics: Conservation measures for Santa Cruz River River species and implementation options.

b. *Scheduled TAC Meetings:*

- **August 9**, 1-4 pm, @ **Fish and Wildlife**. Continuing conversation on Southlands.
- **August 23**, 1-4 pm, @ Game and Fish. Tucson Water presentation and covered activities for Avra Valley.

Michael noted that Larry Marshall had resigned from the SAC. Michael asked if the SAC wanted to find another river person. Lori suggested that Michael ask Larry who would be a good replacement for him. Leslie gave an update on TAC future meetings. She suggested having another joint meeting sometime in September so SAC and TAC could get/give feedback, ask questions, and touch base. SAC members thought it would be a good idea.

2) Old Business

a. *Meeting Minutes – Discussion and Approval of May 4, May 26, and June 22, 2005 Minutes*

Leslie said there are updates to both the May 4 and June 22 meeting minutes. On the June 22 meeting minutes, David commented on the wording on Trevor's question about overall costs involving acquisition. Leslie said that Carolyn sent the correct wording and it was added to the minutes. Leslie noted that the TAC had approved the June 22 minutes on July 26, and asked if anyone else had comments. The SAC approved the June 22 meeting minutes with Carolyn's corrected funding language. The SAC members said the May 26 meeting minutes looked fine. Karen said she has some comments to

the May 4 meeting minutes and she would email Leslie her comments. Leslie said that once she got Karen's edits, she would resend the minutes to the SAC. Ralph Marra (Tucson Water), who had given the presentation on May 4 on the future of Tucson's water, had already provided comments on the May 4 minutes. Leslie passed out a new draft of the meeting minutes with Ralph's comments. Carolyn asked if Ralph's comments were clear in the new meeting minutes, and Leslie said the comments had all been incorporated, but the new draft of the meeting minutes (with Karen's comments) came out they would have all of the comments/edits highlighted.

b. Action Items from Previous Meeting

No action items were held over from the July 12 meeting.

c. Topics Held Over from Previous Meeting

No topics were held over from the July 12 meeting.

3) New Business

a. State Trust Land Reform Presentation

Leslie noted that Diana had given this presentation to the TAC on July 26. Diana passed out handouts that include a guest opinion in *The Republic*, the "Conserving Arizona's Future" initiative language, and an initiative fact sheet.

**"State Trust Land Reform: A Citizens' Initiative for Conserving Arizona's Future"
Diana Rhoades (Outreach Specialist, Sonoran Institute)**

Diana started the presentation by giving a brief introduction to the Sonoran Institute (www.sonoran.org). Diana said that the Sonoran Institute just filed a petition on July 21, 2005 for a citizen initiative that would protect lands owned by the Arizona State Land Department (ASLD). She said that the Sonoran Institute is part of a coalition that is working on state land trust reform (she included a long list that includes organizations from around the state).

Diana said that in Arizona, State Trust land makes up 13% of the state, while 17% is private land, 26% is tribal land, and 44% is federal land. Arizona's Constitution requires that all State Trust land to be leased or sold at auction. She said that, currently, no State Trust land has been set aside for conservation. The state land commissioner, Mark Winkleman (a governor appointee), is the only person who can make conservation decisions for state land. The initiative, titled "Conserving Arizona's Future," would require ASLD to: conserve 700,000 acres of some of the most important natural areas in Arizona and protect them from development; provide state and local authorities the power to limit and control development and force developers to build quality projects; to protect an essential classroom funding stream ensuring better schools in Arizona; and to create a seven member committee to oversee the ASLD commissioner.

Diana said that the ASLD was created in 1912 to manage State Trust lands and resources to enhance value and optimize economic return for the Trust [beneficiaries](#). Public schools are the largest beneficiary. Eight million of acres of ASLD are leased for grazing, and the initiative doesn't try to change grazing program. Ultimately, trust land is

sold to the highest bidder. Without reform, all ASLD can do is lease and sell state lands. Arizona is the second fastest growing state in country, and state lands are being pursued at higher rates for development. Around Phoenix is where state trust lands are most threatened and large land sales are happening regularly. However, Diana pointed to the McDowell Sonoran Preserve in Phoenix as an example of people wanting to protect land, but they cannot because ASLD doesn't have the ability to incorporate conservation values. State Land trust beneficiaries recognize non-monetary values, including conservation values. Diana noted that John Wright, President of the Arizona Education Association, recognizes that land have other values besides monetary values, such as conservation values. The initiative would save approximately 700,000 acres from development; require ALDS to work with local governments, and guarantee classroom funding. She said that these special areas on the map (700,000 acres) come from voter-approved lands for open space, important natural areas, wildlife habitat and corridors, state parks, national parks and public lands.

Out of the 700,000 acres of conservation reserves, there are three types: 73,000 acres are "educational" reserves, 259,000 acres are "permanent" reserves, and 362,000 acres are "provisional" reserve.

Diana said that the initiative would define conservation in the Arizona Constitution as: "preserving the natural, cultural or historical assets of land such as open space, scenic beauty, geology, archaeology, protected plants, wildlife, and other ecological values." Locally, the provisional areas would expand both Saguaro National Park West and East, preserve state land trust corridors, and protect land in the Rincon Valley and Colossal Cave Mountain Park. Permanent reserves would include expanding: Cienega Creek Reserve, San Pedro River, the Picacho Mountains, Ironwood Forest National Monument, and the Santa Rita Experimental Range. She said that paying for conservation has been successful because citizens have approved a number ballot measures for this purpose. The initiative would also remove language from the Arizona Constitution that dictates all State Lands to be sold at auction.

Diana talked about specific local wildlife corridors that would be created, including: Catalina State Park to the Tortolita Mountains, and the Santa Rita Mountains to the Tumacacori Highlands. She said that approximately ½ of the 700,000 acres is in Pima County (287,828 acres).

The coalition wants to get cities to plan for conservation. She said we have seen very little in the way of conservation planning on State Trust land, although the Houghton Active Management Plan (HAMP) is an example of where planning for future growth in the area has included trust land. She pointed to the Fantasy Island Bike Park as an example of how citizens can be involved in conservation planning. The initiative would require ASLD to follow local plans, such as preserving Fantasy Island. She noted that various state counties have successfully passed bond packages and/or sales taxes to pay for conservation. In Pima County, passed conservation legislation in 1997 and 2004.

Arizona also needs a constitutional amendment to improve ASLD management of the 9.2 million acres of state trust land. ASLD has no plans to sell rural lands; the land they sell is usually urban trust land. Diana said that the coalition would need to get approximately 280,000 signatures by July 6, 2006, to get the initiative on the ballot. She welcomes anyone who wants to get those signatures.

Lori asked how the State Trust land beneficiaries are compensated when State Trust land is immediately set aside as a permanent reserve. She was also curious about where the money will come from to maintain the land after it is set aside for conservation. Diana said the initiative would allow ASLD to access up to 8% of the funds from leases/sales. She explained that ASLD will then have more money to be able to better manage the lands, and then it will be up to the publics to influence ASLD to better manage them. She said that the education beneficiaries feel that they will not lose money through the creation of preserves since the lands that are next to the preserves will likely sell at higher prices. Leslie asked who holds the title to lands that are automatically preserved. Diana said educational reserve lands will be transferred to the Arizona Board of Regents, and then to the respective universities upon request. Lands that are permanent reserves would stay in management of ASLD, and provisional reserves would go to the jurisdiction/entity who purchased it. Nancy wondered if ASLD would still manage new permanent reserve parcels that exist in the middle of national parks. Diana said those titles could be transferred over to federal agencies. Michael asked if there is a sunset time for the provisional lands, after which they could no longer be purchased for conservation. Diana said that if it is within a jurisdiction then there is a 5 year minimum to come up with a plan for purchase, it could be longer than that, once you come up for a plan for purchase, you have 25 years to pay for the land.

b. Conservation Strategies Process Update (Leslie)

Leslie said that TAC talked on July 26 about using sub-watersheds as the basis for a reserve design. She said that by using infrastructure to divert water into these protected sub-watersheds, riparian areas could be enhanced. She noted that the TAC had been discussing what is more important, uplands or riparian areas. Some TAC members felt that riparian areas could be created so they were less important to preserve as is, and others worried if it was possible to preserve enough of the uplands to make a difference for species like the Pima pineapple cactus on-site.

c. Implementation and Funding Options

Leslie put together a 10-page packet of municipal funding options. At the last SAC meeting, Leslie said it appeared that not everyone was familiar with certain concepts and the specific terms used. Leslie said she tried to come up with a list of potential funding mechanisms available to municipalities in Arizona. Also Leslie made a bullet point list of the general concepts and specific funding mechanisms mentioned at the last SAC meeting. On the back of this list, Leslie included a few interesting elements of the funding recommendations made by the Stakeholder Group for the Sonoran Desert Conservation Plan (SDCP).

Leslie said that she hoped the SAC could continue brainstorming and asking questions about specific implementation options. Leslie suggested that, for those options that look feasible, SAC should consider them in closer detail and identify the strengths and weaknesses of various tools, discuss equity issues, and get a better sense of how these tools could fit into the HCP. Emily said, that after reviewing the case studies, she was struck by the fact that many of them place heavy restrictions on landowners and put the burden of cost on taxpayers. She said that she understands why that is necessary, but asked what is the process to get something like that approved. Michael said it would happen through a two-prong approach. Michael said that first, we would have to identify those mechanisms that would be used to fund the HCP, then the draft plan would go

through regular mayor and council process. Emily further asked if the plan that would be presented to mayor and council would need some sort of public approval first. Michael said that the TAC is just looking at the science to provide recommendations to achieve conservation goals, and the SAC needs to translate that into working public policy and then make recommendations to mayor and council. He said that this includes talking to the people you represent and seeing how they feel about the plan. Emily asked when the public outreach happens in this process. She was concerned that the SAC doesn't really represent those who would pay the taxes. Michael said that once SAC gets their preliminary draft, then it would go to the public. Leslie said that the City has been really good to make sure that their policies are taken to the public before being approved.

Lori wanted to get a better sense of what we mean by preserving and setting aside land. She also said that having creative funding options is important, rather than heavy-handed policy. Leslie agreed that creativity is going to be essential, but that the City will be required to provide assurances that the plan can be implemented. Assessing fees on a project-by-project basis would not provide that assurance. Carolyn said the other side of creativity is having certainty that the plan will be adequately funded and implemented. Carolyn noted that the more the pots of money a funding project has, the more successful these efforts tend to be. Carolyn added that another funding idea is taxing recreational equipment to shift the costs onto those who use the open space as recreational lands. She said that it is just an example of small fees that would all add up. Leslie said there should be a discussion of user fees, because not only does it give you more options, but it also makes it easier to sell a plan to the community because those who are benefiting are sharing more of the costs. Lori made a point about being careful while talking about creative funding options because SAC needs to make sure the City has the authority to levy these types of fees, and brought up the example of the gasoline tax. Michael said that is what needs to come out of this conversation is to see what the authorities are to do the various funding option. He agreed that the SAC should not put the cart before the horse, and must look at what the TAC proposes before they get too set on particular funding sources. He said that the point of the SAC conversation is to make sure we all understand what options are available. He pointed out that this meeting is a time for education and a discussion of feasibility.

Leslie noted that excise taxes are interesting. This is a tax that is supplemental to the sales tax. Pima County is the only county in Arizona that doesn't have one. Leslie asked Carolyn why one of the Pima County Board of Supervisor is always against an excise tax. Carolyn said that he is against any tax increase and will not vote for any. She said that he isn't against the mechanism, but against raising any tax. Carolyn said Leslie's 10 page packet was good, and asked if Leslie could prioritize the options because it seems like she might have some insight into which mechanisms would work better. Leslie suggested that the SAC be the ones to prioritize these mechanisms, just to determine which ones to tackle first. The city attorneys can then help figure out which ones are feasible, and what process would need to happen for them to be approved. Leslie said that she didn't consider feasibility when putting together the packet, but rather just as compilation of possible options.

Lori suggested increasing the bed tax because conservation would increase the amount of tourism to the area. She said that this would be more palatable than putting the entire cost on the backs of residents. Leslie said this is one of the major selling points of an HCP; it is not just about preserving species, but also about maintaining/improving quality of life. Carolyn said that, in the County meeting, a tax on golfers came up. Leslie

suggested that a recreational area could be set up along the urban fringe and maybe a park (fee park) could be set up. Michael pointed out recreational tax would require the City to provide a recreational opportunity. Leslie noted that people pay \$20 per year to go on to State Trust land; the City could do a similar annual pass. Lori said enforcement would be impossible; ASLD already has trouble enforcing their lands.

Lynn talked about Brownfield contamination, and said that the City pays for the remediation, but then collects the costs by establishing a CFD and whoever moves in pays towards this fund. Michael said that two CFDs have been used in Marana. Leslie offered to talk to Marana staff about their experience and find out more about those CFDs. Lori wonders if type of tool could be used in such a large area as the Southlands. Carolyn wants to know more about how Marana has used this; Leslie said she would follow up to see what recommendations/insight they could give us. Lori pointed out that this community has said they value preserving open space, and they can be talked to about supporting conservation within the City. Leslie said bonds would be challenge to the City because they don't have much bonding authority. Leslie suggested a surcharge on high consumption water users. Leslie noted that smaller municipalities have more flexibility with revenue bonds. She said that State statute says that cities can only levee bonds to pay for utilities. Michael said that when Southlands start to develop he believes that the CFDs will be used down there anyway. Lori didn't think that this would affect the general revenue bonding and would give a separate stream of revenue. Michael said that is true, but would be affected by a bad turn in the economy. Leslie pointed out that grants and transfers could be supplemental, but not a major source of funding. It was mentioned that property taxes hadn't been discussed. Michael said that City property tax system is fairly limited because of the City charter. Lynn agreed. Lori asked about certificates of participation. Michael said the City used them for lots of road projects in last year's budget. Lori said it might be possible if it worked on that type of activity, and wonders if could use for acquisition or O&M. Leslie noted that the City of Peoria proposed them for open space improvements in their desert lands conservation master plan. Leslie said municipal property corporations are a non-profit bonding, rather than bonding through private companies. Michael suggested making a list of bond related things, and to give it to the City bond attorney to give us an explanation. He also suggested that maybe one of their attorneys could meet with SAC sometime. Leslie said that the charter is going to also limit the pool of available mechanisms, and that state law won't be our only limitation.

Michael emphasized that we need a big toolbox, because we can't try to cover all the cost with only impact fees. They can take a long time to generate any money. Karen said the other reason we don't want to put all eggs in one basket is that things might change. Leslie noted that an advantage of a CFD is that it gives flexibility and may be less susceptible to legal challenge than an impact fee. With impact fees, there needs to be a reasonable relationship between the cost and the fee, and it has to be used to benefit the area. She said that because of that, if open space is not located near the proposed development, it is often not a viable fee. Michael said that impact fees couldn't be spent on areas outside the City limits. He said that this could be a limit on acquisitions.

Michael said we don't want to lose track that everyone in the City is benefiting from this, so there needs to be an effort to spread out the cost. He noted that there are City charter issues with trying to impose an increase in property tax. He said that sales tax requires voter approval. Michael said if the 0.5% increase in sales tax for transportation passes, might be getting high enough where people will start resisting. Emily asked what charter

Michael was talking about. Michael said it is the “city’s rules” on how the City is governed, including taxing authorities. Leslie wanted to know, if the City wanted to spread the cost across an entire jurisdiction, what mechanism would be available right now. Michael said there might not be one besides the sales tax. Michael noted that another approach would be to capture costs from visitors. But, he said that the City has found out that this is a volatile method. Michael said that this is a tough one to rely on because we don’t want to fall back on the fact that we are relying on good economy to fund conservation. Michael said a sales tax and impact fee, while it would spread out the cost of conservation, are both still related to economic activity, thus this could be problematic. He recommended choosing funding mechanisms that don’t track together.

Lori noted that that impact fees would not be Citywide. Leslie said that the SAC should look into what feasible mechanisms are currently being used by City, so we don’t go too far on what is already being done. She also suggested that we find out for those mechanisms, is there any limit with state law/City charter, can those limits be changed, and if they can be changed, what is the approval mechanism. She also suggested that we try to find out the approximate amount of money that could be generated from each mechanism.

Carolyn said the hotel industry might not like an increase in bed tax. Lori pointed out that the County just raised this tax, and there wasn’t much of an outcry. Carolyn doesn’t think a sales tax is very viable, because transportation is going for it, and the timing might be bad to have two projects going after an increase. Lori wants to know if the City has a preliminary idea of a timeline for a conservations strategy for the Southlands. Leslie said that TAC will likely try to develop several alternatives and it is going to take them a little time to figure that out. She explained that is why SAC/TAC are tackling the Southlands first, because it is the most challenging of the planning areas. Leslie said that perhaps SAC could look at the different beneficiaries of conservation and focus on coming up with creative solutions for them to help cover the costs. Carolyn said that one of the largest beneficiaries is the City of Tucson Development Department because they get to build infrastructure in new developments.

4) Call to the Public

No members of the public were present.

5) Next steps/Future meetings

SAC scheduled meetings through November. The dates are: September 21, October 5, October 19, November 2, and November 16. These meetings are all from 3-5pm at the Arizona Game and Fish Department conference room. In addition a joint SAC/TAC meeting will be scheduled for early September. Leslie noted that August 4 is the one-year anniversary of the City of Tucson HCP advisory meetings, and today’s meeting is the 27th advisory committee meeting during the past year.