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## Minutes of Special Mayor and Council Meeting

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Approved by Mayor and Council  
on October 19, 2010

Date of Meeting: May 17, 2010

The Mayor and Council of the City of Tucson met in special session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 10:05 a.m., on Monday, May 17, 2010, all members having been notified of the time and place thereof.

### 1. ROLL CALL

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

Present:

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

Absent/Excused:

None

Staff Members Present:

Mike Letcher	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

**2. INTERGOVERNMENTAL AGREEMENT: WITH THE TRANSPORTATION AUTHORITY FOR THE DOWNTOWN/UNIVERSITY HIGH-CAPACITY TRANSIT (STREETCAR)**

Mayor Walkup announced City Manager's communication number 249, dated May 17, 2010, was received into and made part of the record. He asked the City Clerk to read Resolution 21556 by number and title only.

Resolution No. 21556 relating to transportation; authorizing and approving the Intergovernmental Transportation Funding Agreement between the Regional Transportation Authority of Pima County (RTA) and the City of Tucson for Preliminary Design, Final Design and Construction of the Downtown/University High-Capacity Transit (Streetcar); and declaring an emergency.

It was moved by Council Member Romero, duly seconded, to pass and adopt Resolution 21556.

Mayor Walkup asked if there was any discussion.

Council Member Romero commented on the important step the City was taking regarding the Modern Streetcar and the Intergovernmental Agreement (IGA) with the Regional Transportation Authority (RTA). She asked the City Attorney about Item (B)(6) on Page 14 of Exhibit B to the IGA, specifically what it meant and what it did in terms of it being unique for the project and how it obligated the City and/or the Mayor and Council for any future agreements for economic benefits sharing.

Michael Rankin, City Attorney, responded that it obligated the City to consider sharing in future economic benefits that had to be defined and required a separate agreement by the Mayor and Council. He said it did not obligate the current Council or perhaps a future Council to affirmatively share economic benefits associated with a project, but was a statement of good faith that they would be discussed and ultimately did not commit the Council.

Mr. Rankin said that was important to keep in mind because in early drafts of the IGA, it was at the request of the RTA to have this language stronger, in fact, committing the Council, to sharing for future economic benefits. He said that could not be done for the very reasons he had explained, either binding the current or future Council to undefined economic impacts of the project.

Mr. Rankin said, as far as what it meant, it meant that both parties recognize and acknowledge that there are future economic impacts of the project and as the project moved forward, there would be discussion as to what those are and if there will be any sharing between the jurisdictions of those benefits.

Council Member Romero asked Mr. Rankin if he had seen this language in any other IGA with the RTA or on any other project the City or other jurisdictions had with the RTA.

Mr. Rankin responded he had not.

Council Member Uhlich stated she agreed this was a pivotal point in this important project. She said she too had some questions regarding the IGA. She stated that the IGA and Exhibits used terms such as review and concur, cooperate, review and provide comment, which to her, indicated a shared commitment to ensure there were layers of public scrutiny and the opportunity for another set of eyes or governing body to provide comment and make public their views on how well the City was managing the project. She said that was appropriate and felt that that commitment should be shared to ensure, most importantly, that the tax-paying public and everyone invested in the plan had absolute assurance there was proper and appropriate management.

Council Member Uhlich asked the City Manager if sales tax receipts, due to economic benefit, increased in the City, did that benefit the RTA; did the revenue stream increase for the RTA.

Mike Letcher, City Manager, stated if there was an economic benefit from the Streetcar, in terms of generating additional revenue because of the regional tax, it also benefited the RTA.

Council Member Uhlich stated, if she was not mistaken, the City of Tucson was the major city in the region and wanted the City to move away from any perception that if Tucson advanced, the RTA, or in fact the entire region did not. She said, as the City, regardless if people called Marana, Oro Valley, or Sahuarita their town, we were the City in the region, and everyone benefited when the City benefited and tangibly so did the RTA.

Council Member Uhlich asked about Items 3 and 4 of Exhibit B. She said her concern, in Item 4, was that all contracts identified in the IGA shall be approved by both the City and the RTA. She asked the City Attorney if that was a unique element or was that the case with all RTA projects.

Mr. Rankin stated the entire concept of “co-management” was unique to the IGA in terms of other agreements. He clarified that Council Member Uhlich referred to Item 3(a) and 4(a) and said that staff could probably give an explanation of where they were in the contracting process so that the Mayor and Council could get an idea of what the scope of that provision meant. He also noted that in the body of the IGA itself, and in the particular language, it made it clear that it was ultimately the Department of Procurement who had final executory authority over the contracts issued under the IGA.

Mr. Rankin read Paragraph 4(c) in the narrative of the IGA on page 4, to clarify who the responsible agency was for the design and construction and for selecting the consultants and contractors to be used on the project. He stated that the IGA referenced that the implementing agency was the City of Tucson.

Council Member Uhlich asked for clarification, if prior to that point, approval was needed by both the Mayor and Council and the RTA Board and could one or the other say no and stop things before they got to Procurement.

Mr. Rankin stated he did not believe that the RTA Board could stop the project and say no, but fundamentally, the RTA's authority in the project was not cutting the checks. So if the RTA determined that the progress of the project was not consistent with the language of the IGA, then they could raise an issue in terms of reimbursements.

Council Member Uhlich stated she had no problem with issues being raised, highly transparent, even monthly public sessions to review any and all concerns, figures, budgets, timelines and giving both bodies and the public an opportunity to be critical, scrutinize the project. She said when things were not clear as to who was responsible, nobody was responsible. She stated she did not want this project to get mired in a situation where the City was looking at an agreement, and at that stage, recognizing that it could end up in a finger-pointing match or one that freezes progress.

Council Member Uhlich said she wanted crystal clear terms so that if there was a delay in the project, which governing entity had the ultimate authority to ensure the project did not get bogged down with finger-pointing,

Mr. Rankin stated the City of Tucson had the authority to go forward with the contracts but reiterated that the RTA had the power of the checkbook. He said if the RTA had a disagreement on how things were progressing, then that could come up in the context of the reimbursements.

Council Member Uhlich asked if that already existed in the existing RTA structure to which Mr. Rankin responded in the affirmative. She stated she wanted to understand what "co-management" meant. She said, to her, it was not a very reassuring term. She said she wanted to know where the "buck" stopped and wanted to ensure that the project kept moving and did not stop.

Mr. Letcher said he thought they were looking at the end result of "co-management" which was the contract. He said they needed to think about the upfront result. He said the RTA would be developing the contracts with the City to ensure that they are co-managed contracts, so the probability of having a "hiccup" when awarding the contract was very slim. He said the problem before was that the City received the bids, award the contract, and then there were questions afterwards in terms of when the disbursements would be made.

Mr. Letcher continued stating that this was "front-ending" the process to resolve issues so that at the "back-end," when the contract is awarded, there would not be "hiccups" in terms of delaying payments due to further review of the RTA before the disbursements are released.

Council Member Uhlich asked if subsequent discoveries were made that one of the contracts was not in compliance with the Federal guidelines or the Federal

Transportation Authorities (FTA), who was on the hook for that. She also asked if, in the contract, there were any provisions, just as the City shared co-management authority, the risk and liability were also shared with the RTA so that if there were any problems, the RTA would share in the exposure.

Mr. Rankin stated that as the recipient of the FTA grant, the City was responsible for the administration of the grant funds consistent with grant terms. Mr. Rankin said that a change had been made to what was ordinarily standard language in the IGA with the RTA, which made the lead agency assume all the risk. He said, in the current instance, since the City was going to be engaged in co-management, the standard language was changed to indicate that the City assumed the risks in association with the City's responsibilities under the contract, but not all the risks under the project.

Council Member Uhlich asked the City Attorney, if in his mind, that was clear enough in terms of the risk sharing and liability, if the FTA were to question or rescind funds. She asked if it was clear financially that both the City and the RTA were responsible for covering that exposure.

Mr. Rankin stated that what was standard for the projects was that the local jurisdiction, in the current case the City of Tucson, was responsible for the costs that exceed the project cost or level of funding from the RTA. He said the scope of the funding from the RTA would be limited to what was approved in the RTP by the voters. He said to the extent that there were risks, if the City lost the other funds, he did not think it was a situation where the RTA could step in and replace those funds beyond what was approved in the RTP.

Mr. Rankin said it was incumbent on the City if different sources of funding fell through, that the City would be the ones responsible for identifying the funding replacement.

Vice Mayor Scott asked, while the project was underway, who would be managing it and making sure that things happen.

Mr. Letcher stated he assigned the Richard Miranda, Deputy City Manager, to manage the project as the point person from the City. Mr. Miranda would be working with a counterpart, Dan Sullivan from the RTA. He said making sure that the project stayed on schedule and the day-to-day operational engineering decisions would be made by Jim Glock, Transportation Department Director, who in turn would work very closely with Mr. Miranda.

Vice Mayor Scott asked, with regard to insurance and liability, during the lifetime of the project construction and thereafter, would the City have the lion share, if not the entire responsibility of insurance and liability should anything happen such as some of the incidences that the City of Phoenix had.

Mr. Rankin answered affirmatively stating that the City would have the responsibility, keeping in mind that with ownership, those responsibilities became the

City's. He said the IGA provided that the ownership of all improvements was the agency, which was the City of Tucson.

Vice Mayor Scott then asked if that did not make the City more vulnerable than the RTA and since the City was self-insured, was there enough to cover any unforeseen incidences.

Mr. Letcher stated that currently they were dealing with the contract, but beyond that there were a couple of things. First, he said, the Streetcar configuration was much different than the one in Phoenix as he too had some of the same questions regarding all of the accidents they had. Secondly, in terms of liability, similar to the Council's consideration of the mass transit, at some point, he said he thought they would have to have the RTA manage the mass transit on a regional basis, and at some point, there would be similar discussions, down the road, on the Modern Streetcar.

Mr. Letcher stated that if buses were working with the RTA, in the future, did it make sense that the Streetcar be part of that component. He asked Mr. Glock to clarify the City's design of the Streetcar.

Jim Glock, Transportation Department Director, explained that the Modern Streetcar would operate very similar to how the busses operated, in traffic and along the rail alignment, which was different than the Metro system in operation in Phoenix where actually they had a separate right-of-way for the light rail vehicle. He said their current challenges were where the light rail vehicles crossed the right-of-way, violating drivers' expectations to see a light rail vehicle come from its right-of-way entering into the motor vehicle's right-of-way.

Mr. Glock stated the Modern Streetcar operations would meet drivers' expectations because it would be in the travel lane just as buses and other vehicles. He said the City did not anticipate quite the exposure that Phoenix was enduring. He said the City planned to look at the Sun Tran organizational model with respect to its operation where they had a third party transit management or transit operation expert to run the operation. He said whether that partnership was with the RTA or as part of the overall Sun Tran operations was still something that was being resolved.

Mr. Glock said the establishment of the partnership with the RTA, via the IGA, he felt the City had a vehicle by which to further those discussions. He said, clearly, the City wanted the Modern Streetcar to work seamlessly with the Sun Tran system overall. He said just, as with the Sun Tran system, there were some risks placed associated with its operation on the transit management consultant, he envisioned a type of risk-sharing arrangement for the Modern Streetcar operation.

Vice Mayor Scott asked if traffic signals would have to be adjusted because of the need to meet headways and times when people anticipated the stops of the Streetcar, about eighteen different stops. She asked if traffic signals would interfere with the delivery of the pick-up service.

Mr. Glock said it was anticipated to have the signal system coordinated to work in conjunction with the Modern Streetcar. He said there was only one location where they would be a specialty signal for the Streetcar itself, which was when it was heading eastbound on Broadway Boulevard and Fifth Avenue where the Streetcar will shift to the north to turn left around Broadway Boulevard and on to Toole Avenue.

Mr. Rankin pointed the Mayor and Council to Exhibit A of the IGA, paragraph nine, to the language that specifically addressed Vice Mayor Scott's concerns.

Council Member Fimbres asked, on the project oversight, who was the fiscal agent, the City or the RTA and who was responsible for the final decisions.

Mr. Glock stated that the City will be the designated grant recipients associated with the federal funds made available for the project. He said he did not believe there would be co-sponsorship with respect to the grant recipient status. He said there were quite a few parties that had some responsibility, but clearly, the City was following the federal process outlined subject to the National Environmental Policy Act. He said, in terms of the grant, once executed, will outline responsibilities associated with any reimbursements and financial draw-downs with the allocated funding.

Council Member Fimbres stated that in the IGA under the overview, it referred to project costs. He asked what allocated contingency was.

Mr. Glock stated that when a project cost estimate was being developed, early in the project design phase, the larger, from a cost estimating respect, a contingency is placed upon the project for risks associated with the cost estimate. A non-allocated contingency was a contingency dollar amount that the FTA asked to be included with the cost estimates anticipating that there could possibly be some "unknowns" based upon the degree and completion of the project that incur costs.

Mr. Glock said, as the project progressed, that contingency amount is reduced so that ultimately the goal is to have 100% completion and a final cost estimate where there was not an unallocated contingency whatsoever.

Council Member Fimbres commented on Section B, Project Funding and Fiscal Responsibility, on page 14. He asked if the RTA had the ability to stop or modify contracts.

Mr. Rankin reiterated that ultimately the City had the authority to go forward with the contacts or necessary amendments. As the funding authority, the RTA could scrutinize the project in terms of determining eligibility for reimbursement, which pointed out by Council Member Uhlich, was consistent with how the RTA operated on all projects under the plan.

Council Member Fimbres asked about Immigration Compliance in Section 19 on page nine and if SB 1070 created more work for Procurement to create special identification cards for individuals working on the construction project.

Mr. Rankin stated he did not think SB 1070 changed the terms of the City's contractual requirements. He said with respect to the workers act element of SB 1070 and the earlier law, SB 1070 and HB 2162 made some changes with respect to building in an entrapment defense for employers who ultimately hire individuals who are not legally documented. He said he did not feel it would materially change Procurement's responsibilities in determining compliance.

Council Member Fimbres stated his last question was in regards to the cost of the project, which in the literature the Council had received said the cost was \$150 million, but yet in the IGA, it stated \$196 million. He asked for clarification.

Mr. Glock stated that there were some increases from the earlier estimate. The most significant increase was the inclusion of the Cushing Street Bridge in the project which was not in the original estimate. He said that the Project Management Oversight Consultant hired by the FTA continued to have the City use unit costs that pre-date the downturn in the economic climate. He said he believed they would see that cost estimate come down, but nonetheless, the FTA was calling the shots to their satisfaction on how the cost estimates were built.

Council Member Kozachik asked about Item O on page 4, Items A and B on page 5, and Items 3 and 4 of Exhibit B, as brought up by Council Member Uhlich, who would break the tie and speak to the issue of who was ultimately the manager of the project. He said there was a lot of language in those items that spoke about concurrence and wanted clarification.

Mr. Rankin responded that, ultimately, the procurement authority lied with the Procurement Director, who would break the tie. He said he thought it was right for the Mayor and Council to be honing in on this issue, which was an agreement that created co-management with decisional authority that lied between both parties. He said as pointed out by Council Member Uhlich, even with final say by Procurement, it would be run to both boards for approval before finalizing agreements.

Council Member Kozachik asked about staff's memo where it referred to a \$10.4 million estimate by Tucson Water. He said, in looking at the enabling legislation for the RTA and a light rail system, one of the sections made reference to Utility relocation. He asked why Tucson Water had to incur those costs and not the project.

Mr. Glock stated that the Streetcar project was not a light rail system, but rather a Modern Streetcar, which was a distinctly different type of technology than light rail so the language in the enabling legislation did not apply.

Council Member Kozachik asked about Item 4(n) on page 7 with regard to the cost of the project. He wanted to know, as co-managers in the project, would the RTA assist the City in funding costs beyond the \$87 million or was that something the City had to come up with.

Mr. Rankin stated that if it was funding, that was something the City had to come up with beyond the RTA funding which was the language he had referred to earlier in terms of the City's exposure in identifying alternative funding in the event that the funding already identified did not come through.

Council Member Kozachik asked, in Exhibit A who the Project Management Consultant was, Vehicle Contract Oversight at \$3.3 million dollars.

Mr. Glock said the management consultant was HDR and the project designer was URS.

Council Member Kozachik asked if that part of the project was complete which amounted to approximately \$10 million worth of costs.

Mr. Glock stated that there were still some costs associated with the \$10 million. He said what was anticipated was getting the funds provided to allow the City to encumber the total contact dollar amount and paid respective to the work completed.

Council Member Kozachik asked about Maintenance Facility, specifically the architect stating that \$3.3 million on a \$13 million facility was a twenty-five percent architectural fee.

Mr. Glock responded that the table under Item 14, Exhibit A, the \$3.379 million was the encumbrance needed for the advance purchase of the rail and was in the wrong line of the table.

Council Member Kozachik asked about the schedule stating that it had been pushed out to August 2013. He said, in an earlier statement from the RTA, there was indication that if the contract was awarded in early April 2010, the City had thirty-two months to take delivery and substantially complete the procurement of the cars before the end of 2012. He said the critical part was the completion of the project spending per the Tiger Grant requirement. He asked if the Tiger Grant spending would cease at the end of 2012, and how it related to the new project schedule.

Mr. Glock stated that in the Tiger Grant application material, credit was given for projects that could be completed by February 2012. He said every single Tiger Grant application claimed that the project would be completed by then. He said the City had subsequently learned that that was not a requirement of the Tiger Grant, but merely a means by which the FTA and the United States Department of Transportation (USDOT) was going to evaluate the different projects. He said he thought the City had until 2014 to fully draw down all of the funds associated with the Tiger Grant under the American Reinvestment Recovery Act language. He said the goal was to get the cars delivered and then there was a six-month "shake-down" period where they are tested, put on the tracks in the early morning and late evening hours to ensure that they are operating correctly. He said there should be substantial completion, with respect to the track and ground, the overhead conductor system, traction power, sub-station, as well as the maintenance facility.

Council Member Kozachik asked if the City was concerned that the Tiger Grant funding would be “yanked” since they were a year and a half behind schedule. He asked if the co-manager, the RTA, was ready to carry their funding forward until August 2013.

Mr. Glock stated that from the stand point of the day-to-day interaction with the RTA, since the inception of the first IGA, they have had staff members and representation on the technical advisory committee in working with the City. Mr. Glock said they welcomed the RTA participation as they have been able to bring value to the project management process overall. He said, from a project delivery perspective, the co-management designation being sought by the RTA, was something that they had already been doing in an informal fashion and saw no problem with it being formal.

Council Member Kozachik stated that in the IGA, reference was made to project budget and cost breakdown whereby an item was eligible for reimbursement by the Authority including proposed billing of staff time directly attributable for the project. He asked if the City was then paying for RTA staff time as they worked on the project.

Mr. Glock replied that his understanding was that the City would not pay for the RTA staff time, they would charge their time directly against the budget; it was not something the City paid and had to seek reimbursement from the RTA and they would attribute a portion of their pastime as they participate in the planning of the work against the budget. He said the City had built that into their overall project estimates.

Council Member Kozachik asked if that was made clear because as it appeared in the IGA, it looked like that was a part of the project cost that the City was accountable for unless that was already included in the \$87 million dollar funding by the RTA.

Discussion continued about where in the IGA this reference was made.

Council Member Kozachik asked if the City would continue to pay RTA staff time until all warranties applicable on the project had expired or once the warranties on the Streetcar expired.

Mr. Rankin stated that what Item 2 (a-g) provided for was the general description of the overall scope of the project and the charges that could be billed against the project, which included staff time directly attributable to the project, including the City’s staff time, that got billed back to the project.

Mr. Rankin said that, in Item 3, one of the requirements was to define the length of the term of the IGA. He stated this section did just that; it stated how long the agreement was once approved by both bodies, whether or not it was recorded, and that it would continue until all warranties on the project had expired. Mr. Rankin pointed out that language in Exhibit A, both parties had to recognize that it would take additional agreements and amendments to take the IGA through construction and operation because they were not covered within the scope of the agreement as it currently stood.

Council Member Kozachik asked what the funding source was for the RTA's staff time.

Mr. Glock stated he believed the funding source would come from the RTA allocation of \$87 million.

Council Member Kozachik asked for explanation on Items K and P on page 4.

Mr. Rankin replied that it went back to the point that the City recognized that there would ultimately be additional agreements or amendments because the IGA only encumbered the \$48.8 million and did not get the City all the way through construction and operating responsibilities. He explained that for Item P, it did not create General Fund exposure, although it did identify that if there were conflicts between the RTA Administrative Code and the FTA regulations, then the more restrictive would apply. He said that was an important point because obviously there would be a layer of FTA regulations associated with the Tiger Grant that the City would have to comply with the express terms of that grant and expending the funds.

Mr. Rankin said, as a follow-up to that, in Exhibit B, with respect to agreements with the FTA, specifically, in subparagraph A.5, as well as B.2, the RTA role in the context of the IGA and/or acceptance agreements with the FTA was a review and comment and was not a concur or agree. He said the agreements with the FTA are between the City and the FTA, although the City will work with the RTA to ensure they had the information and could make comments on those agreements.

Council Member Kozachik asked a question about Item 4 (e) and if that was referencing Operations and Maintenance (O&M) costs going forward and what the funding source was. He said, in other words, once the RTA was done with their \$87 million and the Streetcar was up and running, were there RTA funds to speak to O&M costs or were they General Fund exposures.

Mr. Rankin stated he thought that was yet to be determined and was something that needed to be agreed upon between the parties on how the O&M was covered. He said the IGA did not address O&M.

Council Member Kozachik commented that he thought it was important to drill down on the IGA. He said co-management was a good thing, but as others had noted, if the responsibility and authority of the respective parties was defined. He stated if Mr. Rankin and Mr. Letcher felt those were clearly defined, but he saw a lot of blurriness in the IGA, but he sure wanted to through his support behind the City's staff as manager of the project with the hope as it moved forward it did not result in delays as a result of lack of clarity in some of the language in the IGA.

Mayor Walkup asked about the "what next" procedures. He said, at the last RTA meeting, they had a presentation by Mr. Glock on the status of the Modern Streetcar. He said he felt it was well accepted and discussion was held on the next steps. He said one of the things discussed was that they were in moments of finalizing, word for word, the

revised, restated IGA which allowed the City to move forward. He said by Thursday afternoon, they had a document, as a result of a joint meeting, everyone agreed, word for word, on the proposed IGA, which was then sent to the City and to the RTA Board for consideration.

Mayor Walkup said, having been through this, the worst thing that could happen was to begin “word smithing” a document that had been carefully put together. He said it was his hope that the City could say, “yes, we get it” and not change a word. He said the exact document would then go back to the RTA Board of Directors for their consideration. He said for clarity and vision, one hoped that the RTA Board would see it the same way, understand it, and ultimately approve it without a single word change.

Mayor Walkup said he understanding was then with filing the IGA, the City would be in the position of initiating action for items listed on page 13 of Exhibit A; which was the \$45.8 million dollars, some of which would not all be expended initially, but got long lead items on order.

Mayor Walkup stated that they were beginning to hear that there might be consideration from others who might want to change a word or thought, or make some changes to the IGA, which in his opinion, could jeopardize moving in a very expeditious manner on some critical things. He asked for an explanation of the procedures for which the Council addressed on the on-going abilities of the Council and the RTA Board to make adjustments to the IGA without stopping the process. He said assuming the IGA was approved by the Council and the RTA Board, without any changes, and was registered, what was the process if one of the agencies wanted to have consideration of an adjustment.

Mr. Rankin stated that any adjustment to the IGA required approval by both bodies, both entities, that were parties to the agreement. He said the way that worked, if there was a proposed amendment to the IGA, once executed by both parties, then the proposals would be brought forward by management and in the City’s instance, by Deputy City Manager Richard Miranda, to be discussed by the Mayor and Council in Study Session. The RTA would schedule a meeting to discuss the proposed amendments as well. He said then, if there was agreement, it would be placed on a Mayor and Council Regular Meeting Agenda for approval.

Mr. Rankin commented on one thing to follow-up on how the Mayor was describing next steps, was that once the IGA is filed or recorded, the City could move forward with the contracts. He said that, actually, the recordation of the IGA was not required before it went into affect. He stated that moving forward and continuing progress on the project was allowed as soon as the IGA was executed by both parties.

Mayor Walkup asked for staff to explain exactly what would happen as soon as there was concurrence from the Council and the RTA relative to moving forward in a real fashion to take action, or in the second minute after the IGA was approved.

Mr. Glock replied that the second minute after the IGA was approved, Step 1 was to get concurrence of both project directors, Mr. Miranda and Mr. Sullivan, on a recommendation to the Procurement Director for the Modern Streetcar manufacturer. Step 2 was to get the Procurement Department's issuance for a Request for Proposals (RFP) for the rail and then finalize the contacts, again with Mr. Miranda's and Mr. Sullivan's recommendation to the Procurement Director for the Project Management Consultant and the Design Consultant contract.

Council Member Romero asked about what responsibilities, as co-managers, the RTA had towards the City and the Mayor and Council in terms of reporting. She asked if Gary Hayes or Dan Sullivan were present at the meeting.

Mr. Rankin responded they were not in attendance and that the fair answer was that individually, they did not have the responsibility to update the Mayor and Council, but there were people that were accountable for that. He said they would be receiving regular updates on the progress of the project, as well as, the attainment of any milestones and financial issues that came up along the way.

Council Member Romero requested, but not to be included in the IGA, that a co-manager representative from the RTA be present at Mayor and Council meetings just as the City's representative and staff were present at RTA meetings. She said it was always good to have input from the RTA representative for any future updates, reports, feedback and to have the opportunity to speak and answer questions. She asked if the decisions that had already been made with regards to the location of the Streetcar, routes and stops, and what needed to happen for the Streetcar to be finalized, could be changed by the RTA.

Mr. Rankin responded that the RTA, for example, could not change the alignment of the project. He said certainly, the City would have to comply with project decisions made up to this point and were the basis for the securing of the Tiger Grant.

Council Member Uhlich commented that she appreciated the RTA was the City's primary partner in the project. She said she wanted to make sure that the IGA was structured to facilitate success and the concern she was expressing had to do more with that potential for lack of clarity in who was responsible and who ultimately needed to move things forward. She said it was a fundamental management, structural issue and certainly did not reflect a lack of respect, appreciation or trust in the intentions of the RTA.

Council Member Uhlich gave three scenarios that for her were a more appropriate way of structuring the responsibility. She said she wanted express her view in case, at any point, the City wanted to review and reflect on them to come up with another or better way of ensuring strict oversight and true partnership.

She said, one was to proceed with the standard agreements that had been in play with the RTA, however, with monthly, public, joint oversight meetings, structured in a number of ways, so that the management of the RTA and the City directly report and

receive all information on the progress of the project. Second, she said, was to identify a primary and secondary management entity, so that while both are integrally involved in review and approval processes, there was still a clear delineation of who ultimately had authority. She suggested that, in that scenario, the risks and responsibilities associated with the project be apportioned appropriately. In other words, the degree to which an entity is sharing in the management authority was the degree to which, in fairness, should be shared in risk and responsibility to get the project fully funded. She said she did not see that proportionate risk sharing and responsibility sharing, only the authority part, which was difficult for her to sign off on.

Council Member Uhlich said her final scenario was to allow for joint management/co-management with singular governance; one authorized governing body so that if the joint managers did not come to an agreement there was still one entity, one governing authority, that would ultimately make decisions on how to proceed. She said whether that was the Mayor and Council or the RTA, that authority should be the one bearing the risk and responsibility associated with the project. She stated that in the RTA Board's discussions, she hoped that it could be recognized that it was not just a "yes or a no" or an "all or nothing" and that there were different ways to approach the IGA.

Council Member Kozachik stated he appreciated Council Member Uhlich's scenarios and asked for clarification as to whether or not the City was pretty much operating under the third scenario; co-managing, but according to what he had heard, the City ultimately had the final say.

Mr. Rankin replied that he thought that was fair in light of the provisions he had pointed out about the City's relationship with the FTA and the limited scope or roll the RTA had in the context of that relationship. He said the RTA could comment on and review agreements with the FTA, but ultimately if there was no concurrence or approval from the RTA board in that, as well as, the specific reference in A(4) under Exhibit B that final execution of contracts lied with the Department of Procurement.

Mr. Rankin stated this was the first time the City was trying to co-manage a project with the RTA, and although he said he felt it fell under the third scenario as described by Council Member Uhlich, that it maybe did not fall cleanly under that because there were the other agreements which were exclusively the City of Tucson in dealing with the FTA.

Discussion continued regarding the language in the Arizona Revised Statutes pertaining to the project.

Mayor Walkup asked if there was any further discussion. Hearing none, he asked for a roll call vote.

Upon roll call, Resolution 21556 was declared passed and adopted by a vote of 7 to 0.

**3. ADJOURNMENT:** 11:08 a.m.

Mayor Walkup announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, May 18, 2010, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

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MAYOR

ATTEST:

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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 17th day of May 2010, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

RWR:yl