MEMORANDUM

Date: July 18, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Additional Information - Intergovernmental Agreement with the City of South Tucson Regarding Economic Development Assistance**

This Intergovernmental Agreement (IGA) with the City of South Tucson was continued from the July 2, 2019 Board of Supervisors meeting to clarify the specific area of South Tucson to be included in the expanded City of South Tucson Government Property Lease Excise Tax Incentive (GPLET) eligible area. The previous description was difficult to follow.

When the County held initial discussions with South Tucson we never envisioned the GPLET area expansion being north of 36th Street. We have now included a map in the IGA which is consistent with our discussions with South Tucson regarding economic development. The map depicts both their existing area as well as the proposed expanded GPLET eligible area (which is also their designated Central Business District/Redevelopment Area). We have been actively involved in assisting South Tucson with the identification of possible economic development opportunities in this area for over a year.

The City of South Tucson may choose to expand this area north of 36th Street; however, the County's assistance on economic development would generally be limited to the expanded GPLET area identified in this IGA. If the City does choose to further expand the zone, their City Manager has indicated that they will be completing appropriate findings of conditions supporting a redevelopment area designation, notifying all property owners within the proposed expansion area, and holding the appropriate public hearing(s) prior to seeking formal/final approval of the GPLET area expansion by the City Council.

CHH/anc

Attachment

c: Benny Young, Program Manager, Public Works Administration

Intergovernmental Agreement
between
Pima County and City of South Tucson
regarding
Economic Development Assistance

This Intergovernmental Agreement ("**IGA**") is entered into by and between Pima County, a body politic and corporate of the State of Arizona ("**County**") and the City of South Tucson ("**City**") pursuant to A.R.S. § 11-952.

1. **Background and Purpose.**

   1.1. Because of a number of factors, including a concentration within the City of organizations serving the homeless population and the City's location relative to the Pima County Adult Detention Center, the City has historically carried a disproportionate share of the community-wide burden of homeless and at-risk individuals in Pima County.

   1.2. The City also has a relatively small size and relatively low assessed property values.

   1.3. Because of those and other factors, Pima County has periodically provided financial assistance to City and is currently assisting City with the settlement of a taxpayer lawsuit regarding secondary property taxes levied by City in the 2011, 2012, and 2013 tax years.

   1.4. Pima County has authority, under A.R.S. § 11-254.04, to appropriate and expend money for and in connection with economic development activities. City has authority to do the same, under A.R.S. § 9-500.11.

   1.5. The Board of Supervisors of County, and the City Council of City have determined that it is in the best interests of the residents and taxpayers within their jurisdictions to cooperate regarding economic development activities.

2. **Economic Development Activities**. County will provide City, at City's request, technical assistance with respect to economic development activities that City wishes to undertake, including:

   2.1. Expansion of City's existing Governmental Property Lease Excise Tax Eligible Zone (GPLET – Central Business/Redevelopment Area) north to 36th as indicated on Exhibit A.

   2.2. Use of City's eminent domain authority to provide public infrastructure within the expanded GPLET zone as indicated in 2.1 (and shown on Exhibit A).

   2.3. Redevelopment of slum and blighted areas.

   2.4. Use of City's share of Regional Transportation Authority (RTA) funds to build infrastructure, including improvements to 40th Street and creation of an internal loop to

serve developing property north of the I-10 frontage road, west of the Union Pacific Railroad Nogales Line, generally along or south of the 40th Street alignment, and including 6th Avenue on the west.

2.5. Activities to attract Federal Opportunity Zone investors.

2.6. Creation of special improvement districts to provide enhanced municipal services.

3. **Separate IGAs for Economic Development Projects**. Nothing in this IGA requires City to undertake any of the enumerated economic development projects, nor does it obligate the County to provide any specific form of assistance, which will depend on available resources. It is an expression of intent by the parties to work cooperatively to increase the economic viability of City's tax base. The parties' obligations with respect to any project jointly undertaken will be memorialized in a separate IGA.

4. **Term**. This IGA will be effective on the date it is fully executed by both parties and will continue for a period of ten years unless it is, prior to the expiration of such period, extended or terminated by agreement of the parties.

5. **Compliance with Laws**. The parties will comply with all federal, state and local laws, rules, regulations, standards and Executive Orders. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this IGA and any disputes. Any action relating to this IGA will be brought in a court in Pima County.

6. **Non-Discrimination**. The parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties under this IGA. The parties will comply with the provisions of Executive Order 75-5, as amended by Executive Order 2009-09, which is incorporated into this IGA by reference.

7. **ADA**. The parties will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

8. **Severability**. If any provision of this IGA, or any application of a provision to the parties or any person or circumstance, is found by a court to be invalid, that invalidity will not affect other provisions or applications of this IGA that can be given effect without the invalid provision or application.

9. **Conflict of Interest**. This contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

10. **Non-Appropriation.** Not withstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors or the South Tucson City Council does not appropriate sufficient monies for the purpose of maintaining this IGA. In the

event of such cancellation, the parties will have no further obligations under this IGA other than for payment for services rendered prior to cancellation.

11. **Legal Authority.** Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, will be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.

12. **Worker's Compensation.** Each party will comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.

13. **No Joint Venture**. It is not intended by this IGA to, and nothing contained in this IGA will be construed to, create any partnership, joint venture or employment relationship between the parties or create any employer-employee relationship between a party and the employees of the other party. Neither party will be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.

14. **No Third Party Beneficiaries**. Nothing in this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.

15. **Notice**. Any notice required or permitted to be given under this IGA must be in writing and served by delivery or by certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party):

County:	City:
C. H. Huckelberry County Administrator 130 West Congress St., 10th Floor Tucson, AZ 85701	John Vidaurri City Manager 1601 South Sixth Avenue South Tucson, AZ 85713
With copies to: Clerk of the Board 130 West Congress, 5th Floor Tucson, AZ 85701	City Clerk 1601 South Sixth Avenue South Tucson, AZ 85713

16. **Entire Agreement**. This document, and any exhibits attached to it, constitutes the entire agreement between the parties pertaining to the subject matter addressed, and all prior or contemporaneous agreements and understandings, oral or written, are superseded and merged

into this IGA. This IGA may not be modified, amended, altered or extended except through a written amendment signed by the parties.

PIMA COUNTY:

_____
Richard Elías, Chair
Board of Supervisors

ATTEST

_____
Clerk of the Board

CITY OF SOUTH TUCSON:

_____
Bob Teso, Mayor
City Council

ATTEST

_____
City Clerk

Approval

The foregoing Intergovernmental Agreement between Pima County and the City of South Tucson has been reviewed by the undersigned, and is hereby approved as to content.

_____

Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the City of South Tucson has been reviewed by the undersigned, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party he or she represents.

PIMA COUNTY:

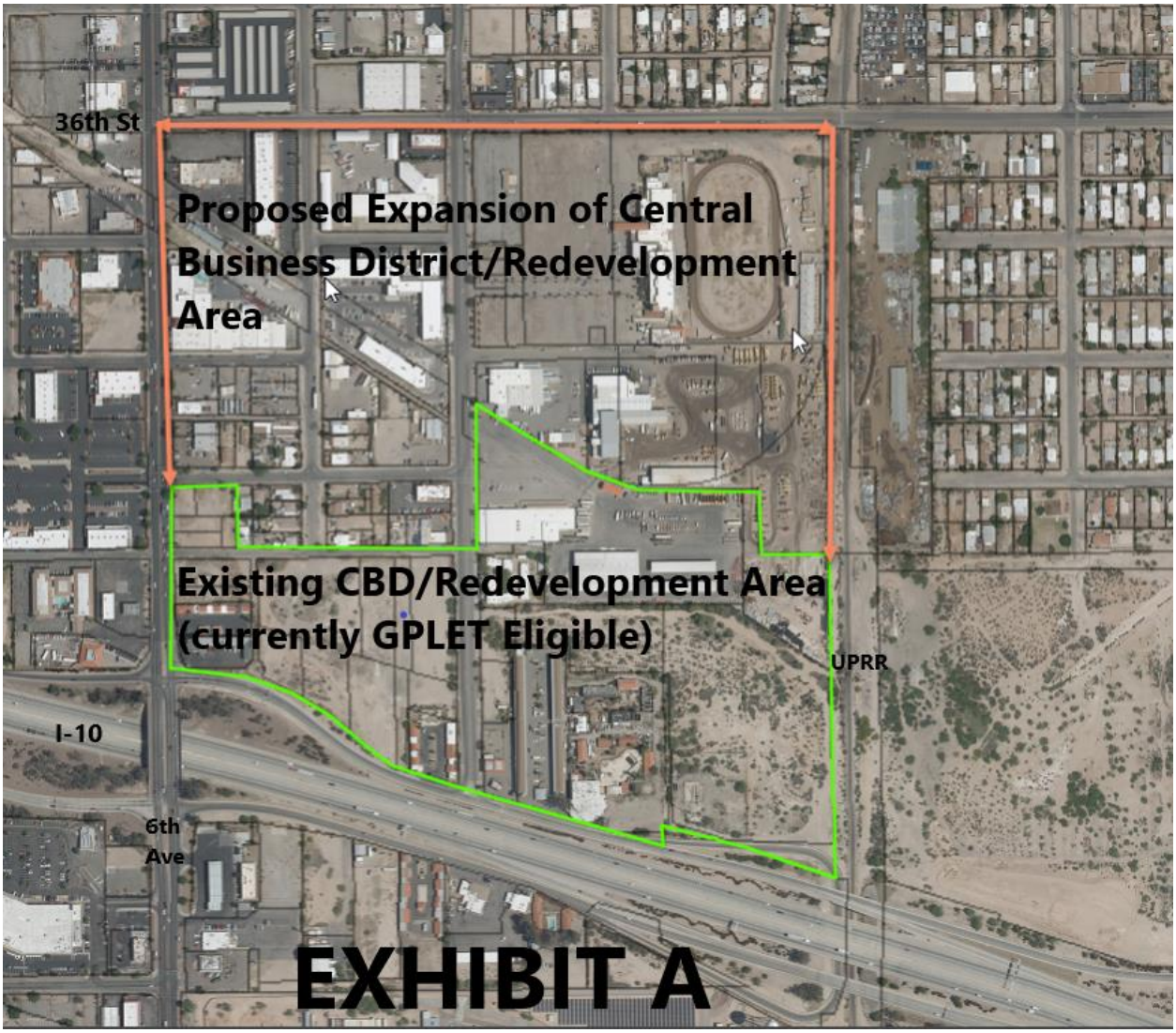
Deputy County Attorney

DANIEL JURKOWITZ

CITY OF SOUTH TUCSON:

City Attorney

Exhibit A


36th St
Proposed Expansion of Central Business District/Redevelopment Area
Existing CBD/Redevelopment Area (currently GPLET Eligible)
UPRR
I-10
6th Ave
EXHIBIT A