

Pima County Conservation Acquisition Commission

**Manning House
450 West Paseo Redondo
Wednesday, June 30, 2004
5:00p.m.**

SUMMARY OF MEETING

The following is a summary of the June 30, 2004 meeting. Audio tapes of the meeting are available upon request.

1. Roll Call

The meeting was called to order at 5:10 p.m. with a quorum.

Commissioners Present

Tom Sheridan
Wanda Shattuck
Rob Marshall
Chuck Pettis
Bill Roe
Helen Wilson
Trevor Hare
Bill Arnold
Tim Prouty
Jan Johnson

Commissioners Absent

Les Corey

2. Election of Chair and Vice-Chair

The Commission elected Bill Roe as Chair and Jan Johnson as Vice-Chair.

3. Potential Acquisition of A-7 Ranch

Former Mayor of the City of Tucson, George Miller, spoke to the Commission regarding the City's original reasons for purchasing the A-7 Ranch and encouraged the Commission to recommend the County purchase the ranch.

Commissioner Marshall excused himself from the discussion and vote on A-7. Commissioner Marshall works for the Nature Conservancy, which previously owned the ranch and currently holds conservation interests on adjacent lands.

County Administrator Chuck Huckelberry introduced City staff and briefly discussed a tour of the ranch hosted by the City on June 24. He stated that the facilities and the property were in good shape and were being managed well by the City. He also explained that if the County was to purchase the ranch, it is likely the County would enter into a transitional agreement with the City of Tucson to continue management for a period of time, while the County looks at various management options. The County doesn't want to operate ranches, but does want to ensure the preservation of the biological and cultural values.

Vice-Chairwoman Johnson provided an overview of the tour on June 24, also praised the current management and the condition of the facilities, and passed around photos taken during the tour.

Commissioner Wilson asked which department the management funds would come out of for A-7. Mr. Huckelberry clarified that the \$600,000 figure that's been in the news regarding management costs was incorrect because it also includes debt service. Less than half of that is management, and a large portion of those management cost are for grant funded improvements to the property. Mr. Huckelberry stated that increasing the numbers of cattle from 200 to 400 may cover management costs, bond funds can be used for the initial securing of the property, and the County has already heard from 2 ranchers who may be interested in managing the property. Management funds typically come out of Natural Resources Parks and Recreation, but in this case the County has set aside a small amount of the funds for initial securing and management as stated in the bond ordinance.

Commissioner Prouty stated that the A-7 Ranch was mentioned in the bond ordinance but for the purchase of a conservation easement not outright purchase. Commissioner Prouty also stated the more properties are included in the bond program than can purchase, and asked if the County had considered just purchasing the development rights. Mr. Huckelberry stated that the County is responding to the City's bid process that allows for the property to be purchased without any conservation protections in place. Mr. Huckelberry references management option 4 in his memo to the Commission whereby the County would seek a rancher to purchase the fee land while the County holds onto a conservation easement.

Chairman Roe asked if there was a maximum amount of acquisition costs per year that could be paid for with bond funds. Mr. Huckelberry said that acquisition costs would generally be less than one percent of the acquisition, and would only cover actual expenses.

Commissioner Sheridan stated that he supported the purchase, that the purchase shows the County's commitment to working ranches, and shows geographical balance since the purchase of the Sweetwater Preserve occurred in the Tucson Mountains. He added that if County does purchase the ranch, the Commission could consider management options later. Commissioner Sheridan stated that the ranch is operating well below the maximum stocking capacity, and asked how likely it was that the County would follow the funding sources outlined in the email to the Commission. Mr. Huckelberry stated that those are the likely funding sources, but that the County would first need to ask City about reallocating funds from the Kino and 36th Street acquisition, and get a letter stating that the County does not have a willing seller for Kino and 36th Street. Mr. Huckelberry also stated that if the Board of Supervisors approves this purchase, and City approves the County's offer, the acquisition could close in August. Assistant City Manager Mr. Young, reported that the Mayor and Council did vote to accept an offer from the County and to close the bid process pending such an offer from the County.

Chairman Roe asked if the County has a title report and appraisal in hand. The County has the appraisal and the tile report, which will be included in the due diligence part of the acquisition process.

Commissioner Pettis moved that the Commission approve the purchase of A-7 Ranch by the County as outlined. Commissioner Sheridan seconded the motion. Commissioner

Shattuck asked whether the Commission could be involved in management issues. Mr. Huckelberry stated that the Commission could be as involved as much as they want to be with regard to management issues.

Commissioner Arnold stated that the action taken by Mayor and Council on Monday was to cancel the bid process, and therefore there was no rush for the Commission to decide on this tonight. Commissioner Arnold then asked if the County should receive a discount because the City's debt service on the ranch could be paid off in a lump sum. Mr. Huckelberry explained that the action taken by Mayor and Council was dependent on an offer from Pima County on June 6. Assistant City Manager Mr. Young, stated that the debt instrument used by the City to purchase A-7 were certificates of participation and are not callable. Commissioner Arnold asked the County to double-check the acreages that differ in various documents. He then noted that someone should check the language that stating "14 State Land Department water rights". He also asked about differing figures in various correspondences regarding the operation and management budgets.

Commissioner Arnold then presented an alternative concept whereby the County would purchase the leases, various improvements, water rights, cattle, communications facility and personal property. The City would sell the fee land with a conservation easement that allows for a maximum of 40 homes. Commissioner Arnold stated that this would preserve 99.9 percent of the land, and would preserve \$1.3 to \$1.5 million in bonding capacity to use for other open space purchases.

Commissioner Hare responded to this idea by stating his concern that this concept would lead to increased development activity in the area, as well as the introduction of paved roads, additional utility right of ways, dogs and cats etc.

Mr. Huckelberry stated that the idea was sound but not the most cost effective for this transaction because the land in this transaction is so inexpensive per acre. Concepts such as this may work better for potential acquisitions that cost much more to preserve.

Chairman Roe raised the boundary line issue between the City and the Smallhouses who are the neighboring ranchers. Mr. Huckelberry said that the County would work to resolve any boundary issues regarding the A-7 Ranch and the Smallhouse property. Andrew Smallhouse spoke to the Commission about this issue and asked that he be able to walk the survey line with the City surveyor. Assistant City Manager Mr. Young agreed to have the City Surveyor walk the line with Mr. Smallhouse.

Chairman Roe asked what obligations the County would be taking over with regard to the Arizona Water Protection Fund grant. Mr. Huckelberry stated that the County would like to establish an intergovernmental agreement whereby the City completes any remaining obligations under the grant. Ranch Manager Bart McGuire noted that significant improvements have been made to the land under this grant and that the final report due in March 2005 is almost completed. Mr. McGuire listed several activities that need to be completed, and also described a grassland reserve program grant the City has applied for.

Commissioner Wilson expressed concern that the Commission had to rush through this acquisition, and stated that the Commission should be able to make recommendations on future management plans for this property. Commission Wilson also stated that she

would like to have more assurances on which categories of bond funds the funding for this acquisition would come from.

Commissioner Hare also expressed concern about the speed of which this acquisition was taking place, and would also have liked to review grazing management plans and trends, and an analysis for Section 10 credit based on a wide range of management options. Commissioner Hare said he liked the memo from the County Administrator stating that the County does not intend to be in the ranching business.

Vice-Chairwoman Johnson, responding to Commissioner Arnold's concept, stated some concerns regarding any development on the A-7, and clarified that the costs expressed by the Ranch Manager for remaining grant projects would be paid from grant money as opposed to a City or County obligation. Assistant City Manager, Mr. Young, clarified that the Mayor and Council directed staff to cease marketing of the ranch pending a receipt of an offer from the County. If County does not make an offer, staff is to continue the bid process for the sale of the Ranch without restrictions.

Commissioner Wilson said for future acquisitions, she would like to see grazing management plans. Commissioner Wilson also asked about public access on A-7 Ranch. Mr. Huckelberry explained that public access would be maintained as it has been by the City of Tucson, and in addition the bond implementation plan includes statements on public access with regard to hunting on state trust lands.

Commissioner Sheridan, who seconded the original motion, asked if he could add an amendment stating that the Commission recommends the acquisition of the A-7 Ranch and that management options be brought back to the Commission.

Commissioner Shattuck stated that while the Commission feels rushed on this, this acquisition is different from the Sweetwater situation in that the City has set certain deadlines that the County must meet in order to preserve the Ranch.

Commissioner Prouty stated his appreciation for Commissioner Arnold's concept, and stated that putting land back on the tax rolls should be considered. Commissioner Prouty also asked that the County only pay for what is left in debt service on the ranch.

Bill Doelle, President of the Center for Desert Archaeology, stated that this organization has been working with the City of Tucson for a couple of years to purchase the 35-acre parcel that includes the Reeve Ruin site. The organization has a heritage fund grant to purchase this parcel and manage the preservation of this site as part of its conservation mission.

Andrew Smallhouse, owner of the ranch adjacent to A-7 Ranch, stated that he liked the 4th option in Mr. Huckelberry's management memo, which proposes that the County keep the development rights and sell the remainder rights to a rancher. Mr. Smallhouse noted that someone like himself may be interested in this option.

Commissioner Arnold stated that the ordinance adopted by Mayor and Council only vacated the sale on July 15, and only authorized the sale to the County. Therefore there was no rush for this Commission to act. Commissioner Arnold also responded to some of the concerns raised by other Commissioners regarding his alternative acquisition concept. Commissioner Arnold then asked the Commission to consider attaching the concept to the report to the Board of Supervisors.

Commissioner Pettis did not accept the amendment to direct the County to bring back a management plan to the Commission. Commissioner Wilson proposed a substitute motion that a management plan be brought back to this Commission. Commissioner Wilson also asked if Commission Arnold was right that the County and the Commission have more time to act on this. Mr. Huckelberry and Assistant City Manager Mr. Young clarified that the Mayor and Council directed staff to cease the bid process subject to an offer from the County, and that if an offer is not forthcoming, the bid process will continue.

Commissioner Wilson asked if she could make her substitute motion. Commissioner Pettis called for the question. Chairman Roe called the question. The motioned carried 4 to 3 with 1 abstention. Commissioner Wilson noted that she would have voted for the motion with an amendment. Chairman Roe clarified that part of the charge of this Commission is to make recommendations on land management, so this can be done at a later date. Commissioner Sheridan made a motion to have the County come back to this Commission when it has developed some concrete management options, such that the Commission can make recommendations. Commissioner Hare seconded the motion. The motion passed 10-1.

4. July 14, 2004 Meeting Agenda Items

Chairman Roe asked that Commissioners contact himself or Nicole Fyffe to make changes to the agenda.

Commissioner Arnold noted that the Commission needs to pay more attention to what funds are used to purchase land because if a property is not permanently protected, the property could be resold at a later date.

Chairman Roe asked that a date be set for the August meeting. Commissioner Shattuck requested that staff provide location maps that show the acquisition properties in relation to eastern Pima County as a whole. Vice-Chairwoman Johnson asked that criteria for selection be added to the July 14 agenda. Commissioner Prouty asked for clarification on whether appraisals need to be commissioned by the County, since the appraisal for A-7 came from the City. Staff was directed to find an answer to this and to continue updating the table submitted by Commissioner Marshall at the last meeting. Commissioner Marshall clarified that staff would be presenting on the various categories of open space at the next meeting. Commissioner Wilson asked whether the Commission would be required to prioritize the Community Open Space Parcels at the next meeting. Nicole Fyffe stated that that was up to the Commission, but prioritization is needed in order for staff to move forward with the real property acquisition process for some of these properties. It was clarified that if the Commission ran out of time at the next meeting, any items could be continued to another meeting.

The meeting was adjourned at 6:45 p.m.