

Memorandum

City Manager's Office



Date: August 14, 2014
To: Mayor and Council
Through: Andrew Ching, City Manager
From: Marge Zylla, Government Relations Officer

Subject: League of Arizona Cities and Towns Proposed Resolutions

This Issue Review Session item provides an opportunity for Mayor and City Council to review, comment and provide direction on the proposed League of Arizona Cities and Towns (LACT) resolutions.

Annually, LACT and some member cities and towns propose a number of resolutions to be considered as part of the upcoming LACT legislative agenda. The proposed resolutions were evaluated by a subcommittee made up of 10 mayors from across the state and then LACT asks each of the 91 member cities and towns to vote on the proposed resolutions at the annual LACT conference. Mayor Mitchell will serve as the City of Tempe representative on the Resolutions Committee at this year's LACT conference in Phoenix on August 19th.

The table in Attachment 1 outlines summaries and Tempe staff assessments for each resolution. Tempe staff have evaluated the impact to Tempe and recommended a position for each resolution. The table also displays the results of the LACT subcommittee recommendations for each resolution. The resolutions designated as SMI (significant municipal issue) and NRP (not recommended for passage) will not be voted on for inclusion in LACT's policy platform unless a city representative motions to have the resolution re-categorized as RFA (recommended for approval) and that motion is granted. Historically, re-categorization has been uncommon. Attachment 2 outlines additional background information for the resolutions, authored by the municipalities that proposed the resolutions.

After the resolutions subcommittee, the approved resolutions are brought forward at the business meeting during the LACT conference for ratification. Once approved and ratified, the resolutions are included in the LACT's annual Municipal Policy Statement. This policy statement is the foundation of the LACT lobbying effort at the State Legislature on behalf of its member cities and towns.

Please contact me with any questions or concerns.

League of Arizona Cities and Towns - Proposed Resolutions for 2015 Legislative Session

No.	Summary	Sponsor	Co-Sponsor	League Subcommittee Recommendations	Tempe Dept(s)	Summary of Positive or Negative Effect on Tempe (or N/A)	Staff Recommendation
<i>Tempe Staff Recommendation: SUPPORT</i>							
1	Creation of Enhanced Municipal Services Districts as a new type of improvement district not restricted to slum or blight.	Lake Havasu	Kingman, Bullhead City, Winslow, Tucson, Page	Recommend for Adoption	Economic Development, Finance, Community Development	Not a requirement for a city, but would allow cities more flexibility for a proactive approach to improve areas prior to the areas becoming distressed.	Support
2	Revenue Allocation District - any incremental increase in revenue streams above the base could be used by the district to fund public improvements within the district. Allows anticipated revenues to be used to finance components of projects.	Lake Havasu	Bullhead City, Kingman, Winslow, Page	Recommend for Adoption	Economic Development, Finance	Not a requirement for a city, but would allow cities financial flexibility, particularly in improving specific development hubs.	Support
4	Make retention and detention basins eligible for operation and maintenance cost payments through an improvement district.	Yuma	Apache Junction	Recommend for Adoption	Finance, Community Development	Tempe would be unlikely to have a situation that would warrant use of this tool. Cities would be able to choose whether or not to use this financing tool.	Support
5	Establish a mechanism enabling local government to create renewable energy and conservation financing districts.	Flagstaff	Tucson	Recommend for Adoption	Finance, Community Development	Allows public financing of private renewable energy improvements. Currently, improvement district and community facility district financing is used for public infrastructure improvements. Using improvements on private property to support	Support

						debt could be more risky, but the City would not be required to use this development tool. The financial impact to cities could be mitigated by securing rights to property other than the renewable energy improvements in the event that assessments are not paid.	
6	Stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and to restore HURF funding to FY2008 levels.	Yuma	Sedona, Apache Junction, Winslow	Recommend for Adoption	Public Works, Finance	Restoring the FY 2008 HURF funding levels provides Tempe with additional fiscal resources to make much needed improvements on streets, curbs and gutters, sidewalks, landscape, etc. If the State returned to statutorily-defined HURF funding distributions Tempe would experience approximately \$3 million in additional funding for street projects next year.	Support
7	HURF revenue study committee to develop recommendations for new or expanded revenue streams.	Kingman	Apache Junction, Bullhead City, Camp Verde, Clifton, Lake Havasu, Somerton, Page, Payson, Sierra Vista, Tombstone,	Recommend for Adoption	Public Works, Finance	Encouraging the legislature to use relevant data to study the current and forecasted state of transportation funding could offer insight and could cue revisiting transportation investment.	Support

			Winslow				
10	Restore the Arizona State Park Heritage Fund.	Sedona	Kingman, Bullhead City, Camp Verde, Cottonwood, Lake Havasu, Globe, Winslow, Page, Flagstaff	Recommend for Adoption	Finance, Public Works	Restoring the Heritage Fund would enable Tempe to apply for park restoration grants that were available in the past. Amounts would depend on available funding and project scopes.	Support
11	Appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level. Insulate the fund from future sweeps.	Apache Junction	Chino Valley, Queen Creek, Sahuarita	Recommend with Amendments	PD, Public Works	Would reinstate the funding that was initially appropriated to GADA.	Support
14	Make the requirements for annexation a more simple and flexible process.	Yuma	Oro Valley, Bullhead City, Marana, Wickenburg	Recommend for Adoption	Finance, Community Development	Financial impact is limited to the costs and benefits derived from an improved ability to annex properties in the future.	Support
17	Permanently allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.	Gilbert	Queen Creek, Lake Havasu, Clifton, Oro Valley, Bullhead City, Snowflake, St. Johns	Recommend for Adoption	Clerk	Tempe supported previous legislation with this provision, which was signed into law temporarily. A permanent change would allow cities to continue to base the majority vote count on the total votes for the specific position in question.	Support
20	Pass legislation or engage in other activities that support and advocate for resources to improve Arizona's ports of entry with Mexico and related infrastructure.	Douglas	Bisbee, Sierra Vista, Marana, Yuma	Recommend for Adoption	Economic Development	While Arizona is part of the CANAMEX Commerce Corridor with products being transported to and from Mexico, Tempe is not directly impacted; however,	Support

						international ports have regional impacts.	
21	Support the long-term retention of Arizona's military installations.	Sierra Vista	Bisbee, Marana, Peoria, Yuma	Recommend for Adoption	Economic Development	The City of Tempe does not have a military presence; however, there are regional economic and employment benefits from Luke Air Force Base.	Support
22	Support legislation to preclude the Arizona Department of Transportation (ADOT) from requiring cities and towns to completely indemnify ADOT in order to obtain access to certain federal funds.	League		Recommend for Adoption	Finance, Public Works	This may lower Tempe's risk and could reduce costs brought on by liabilities.	Support
23	Support legislation to streamline the implementation of development impact fees including, but not limited to, expansion and clarification of allowable uses, shorter implementation time frames, and reduction of complexity and ambiguity.	League		Recommend for Adoption	Community Development	Clarification for impact fee structure and definitions could assist the city in complying with legislation without challenges, legal or otherwise.	Support
<i>Tempe Staff Recommendation: NEUTRAL</i>							
3	Encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.	Bullhead City, Lake Havasu, Kingman (Tri-City Council of Mohave County)		Recommend for Adoption	Economic Development	It is unlikely that Tempe would engage in the incentivizing that this proposal would create. Adding a threshold for the number of jobs or other standards could make this more applicable to Tempe.	Neutral
9	Restore AZ Housing Trust Fund.	Flagstaff	Chino Valley, Prescott Valley	Significant Municipal Issue	Human Services	Tempe has not received funds directly from the Housing Trust Fund. Non-profit low	Neutral

						income development entities in Tempe may benefit.	
15	Place reasonable limits on the frequency of requests for public records and on requests that are overbroad or abusive.	Yuma	Apache Junction	Recommend for Adoption	Clerk	Tempe has not experienced issues with overly burdensome public records requests. The city believes that any aim of achieving transparency in government is inconsistent with placing limits on the scope or number of public records requests. City staff has the ability to work with requestors on custom, non-commercial public records requests.	Neutral
16	Ban the use of a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency.	Sedona	Bullhead City, Kingman	Significant Municipal Issue	PD	PD is neutral on this proposal as a League resolution.	Neutral
18	Allow the state of Arizona to partner with cities and towns for the operation and maintenance of Arizona State Parks under long-term leases.	Yuma	Apache Junction, Flagstaff, Sierra Vista	Not Recommended	Finance, Public Works	Would not apply to Tempe.	Neutral
19	Reduce the shortage of health care professionals in Arizona, INCLUDING ADDRESSING THE ISSUE OF RESIDENCY.	Sierra Vista	Wickenburg, Bisbee	Recommend with Amendments	Finance	The impact on the City is unknown.	Neutral

Tempe Staff Recommendation: OPPOSE

8	<p>Authorize municipalities to use a sampling method to determine population estimates and housing vacancy rates for mid-decennial population updates.</p>	Prescott Valley	Page, Chino Valley	Recommend for Adoption	Finance	<p>Cities are currently able to fund population estimates or use state population estimates for their own city if they wish to use more frequent population estimates. Requiring the use of state estimates for all cities would result in more frequently updated data, but data that is less in-depth. It would require all cities to replace a good data source with one that is not as accurate.</p>	Oppose
(12)	<p>(Include one representative from both a large city and a small non-metropolitan city on the PSPRS and ASRS Boards.)</p>	Sierra Vista	Apache Junction	Merge with #13	HR, FMRD, PD	See #13 below.	Oppose
13	<p>Explore mechanisms to improve public safety pensions that create an economically sustainable retirement system, SUCH AS INCLUDING ONE REPRESENTATIVE FROM BOTH A LARGE CITY AND A SMALL NON-METROPOLITAN CITY ON THE PSPRS and ASRS BOARDs.</p>	Flagstaff	Paradise Valley	Recommend with Amendments (merge with #12)	HR, FMRD, PD	<p>The board was recently expanded to 7 representatives and cities and towns are already represented. By expanding the board again in number or by creating more criteria it may make it harder to find qualified appointments and could impair the balance of the board's representation. Efforts could be focused on different priorities.</p>	Oppose

Key to League Subcommittee Recommendations

Recommend for Adoption (RFA) – Becomes a part of the Municipal Policy Statement and helps guide legislative activity in the coming session.

Recommend with Amendments (RFA w/Amend.) – Will become a part of the Municipal Policy Statement and help guide legislative activity in the coming session but needs amending for either content or technical reasons.

Significant Municipal Issue (SMI) – Although an important concept to cities and towns, does not quite rise to the level of legislative activity. League staff may address the issue with state agencies or other stakeholders.

Not Recommended for Passage (NRP) – The resolution may be too confined to one community, be on its face contrary to core principles, or be out of line with current agreements with other stakeholders.



2015 *Proposed* Resolutions

**To be reviewed
By the Resolutions Committee
On August 19, 2014**

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #1

Amend ARS 48-575 to allow an Enhanced Municipal Services District (District) to be formed anywhere within a city or town’s jurisdiction and make additional changes to guarantee that all participants in the district voluntarily join.

Submitted by: City of Lake Havasu City, City of Kingman, City of Bullhead City, City of Winslow, City of Tucson, City of Page

* * * * *

A. Purpose and Effect of Resolution

An Enhanced Municipal Services District is a type of municipal improvement district that is authorized “to provide public service within the district at a higher level or greater degree than provided in the remainder of the community, including such services as public safety, fire protection, refuse collection, street and sidewalk cleaning or landscape maintenance in public areas, planning, promotion, transportation and public parking.” A District can be useful in providing a mechanism for additional cities services to businesses, such as more frequent trash service or landscaping of rights-of-way, without forcing the other taxpayers to subsidize those costs. Additionally, a District may be used to promote the members of the District, which helps ensure their continued success.

Current law requires Districts to be formed in *designated areas*, which are defined as areas of the municipality that are either designated as a slum or blighted area or as a pocket of poverty or a neighborhood strategy area by the United States Department of Housing and Urban Development. Because of this requirement, many property owners are unwilling to participate in the formation of these districts even though such a district would greatly aid in promoting and maintaining key retail areas in cities in towns like downtown areas and historic neighborhoods. Additionally, there may be areas within a city or town that are not a slum or blighted area, but would simply like the ability to pay their jurisdiction for additional services.

B. Relevance to Municipal Policy

This resolution will provide all cities and towns with an opportunity to aide, retain, promote and attract local business owners, which keeps jobs in their community and provides revenue to the city or town.

C. Fiscal Impact to Cities and Towns

Being a voluntary District, only the property owners that participate in the formation of these districts would be impacted by them. Participating property/business owners would likely experience increased revenue as the purpose of the District is to foster economic activity and help promote and preserve existing businesses.

D. Fiscal Impact to the State

There is no direct fiscal impact to the state. The state may see an increase in revenue, as the District would help foster increased economic activity and jobs, leading to increased tax revenue.

E. Contact Information

Name: Charlie Cassens Title: City Manager, Lake Havasu City

Phone: 928-453-4141 Email: cassenc@lhcaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #2

Assist the legislature and Governor in the passage of a bill that enables Arizona cities and towns to invest future revenues in economic development projects through the formation of REVENUE ALLOCATION DISTRICTS.

Submitted by: City of Lake Havasu City, City of Bullhead City, City of Kingman, City of Winslow, City of Page

* * * * *

A. Purpose and Effect of Resolution

Large-scale economic development projects are a tremendous catalyst for job creation and economic growth in Arizona cities and towns. When large projects are constructed, they generate increased TPT and new property tax receipts. In some cases, a halo effect is created when property values and economic activity in adjacent areas of the city also increase as a result of their proximity to the new development.

However, in today’s financial environment, financing the upfront costs of large projects, which often include substantial public components, can often be difficult, if not daunting. Creating a Revenue Allocation District may help solve this dilemma by allowing anticipated revenues from a completed project to be used to finance key components of the project itself.

For example, if Lake Havasu City wanted to encourage redevelopment of the English Village area around the London Bridge, the city could form a Revenue Allocation District around the area with the consent of 51 percent of the landowners within the District. The pre-construction dollar amount of TPT and property tax collections from within the English Village District would establish the base on the date that district was formed. In future years, any incremental increase in either of these revenue streams above the base could be used by the District to fund public improvements within the district. Most importantly, the District would have the authority to issue bonds to help finance the project and those bonds would be repaid by new revenue generated within that District.

B. Relevance to Municipal Policy

Promoting economic development and job creation is important to every city in the state of Arizona. Revenue Allocation Districts would give cities another option for supporting these projects. For those cities’ proposals or projects that are pending financing, this legislation could serve as a catalyst for economic development. For cities that choose not to use this tool, this legislation would have no impact.

C. Fiscal Impact to Cities and Towns

The legislation calls for districts to capture only the city portion of NEW revenue that is generated as a result of a project being built. Other taxing jurisdictions such as schools and community colleges would not be affected. Municipal taxpayers located outside the District would be held harmless.

D. Fiscal Impact to the State

No state funds would be involved in the funding of a District because the legislation pertains only to the city portion of the TPT and property tax. However, the state would receive increased income tax collections from the new employees that work within the District in addition to increased corporate income tax receipts from the companies that move into the District.

E. Contact Information

Name: Charlie Cassens Title: City Manager, Lake Havasu City

Phone: 928-453-4141 Email: cassensc@lhcaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #3

Promote state legislation that provides Cities and Towns with tools to encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.

Submitted by: Tri-City Council of Mohave County: City of Bullhead City, City of Lake Havasu City, City of Kingman

* * * * *

A. Purpose and Effect of Resolution

Many Arizona communities suffer from a lack of standing inventory of ready-to-occupy commercial buildings that businesses looking to relocate to the state are seeking. This legislation would seek to incentivize speculative commercial building by removing the property tax-related financial pressure of investing in a commercial parcel that may stand vacant for an unpredictable period of time.

B. Relevance to Municipal Policy

Supporting the development of speculative construction allows municipalities to increase the inventory of ready-to-occupy structures that many businesses looking to locate to Arizona are asking for. Relieving the tax-related financial stress associated with speculative building, communities will increase the offering of available structures for immediate commercial use. The communities, builders and the state will enjoy the economic benefits of the added construction and related jobs, as well as the long-term economic benefits related to the business enterprises it will attract.

C. Fiscal Impact to Cities and Towns

Any proposal developed by this resolution will be optional, meaning that there will be no fiscal impact to cities and towns that do not choose to participate. Those that are successful in inducing speculative commercial construction will experience positive fiscal results from the construction. Those communities will also be better positioned to attract a business that is looking to relocate, but not ready or willing to build.

D. Fiscal Impact to the State

The state will benefit from the construction-related tax revenues and the subsequent commercial and/or industrial enterprise that is later generated by the availability of real inventory. There are no fiscal impacts to the state related to the reduction of property taxes because such taxes are only assessed at the local level.

E. Contact Information

Name: Toby Cotter Title: City Manager, City of Bullhead City

Phone: 928-763-0122 Email: tcotter@bullheadcity.com

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #4

Amends A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.

Submitted by: City of Yuma, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

A.R.S. § 48-574 currently authorizes improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities, parking and parkways. The proposed statutory change makes retention and detention basins eligible for operation and maintenance cost payment through an improvement district.

Under current state law, improvement districts are not specifically authorized to maintain retention and detention basins. As a result, off-site retention, which benefits only a small, localized area, is often subsidized by landowners outside of the area receiving the benefit (and who may already bear the burden of on-site retention on their parcel). Alternatively, under current law, a municipality could require the formation of a homeowner’s or neighborhood association to maintain basins. Permitting a developer the flexibility to form an improvement district would allocate such costs directly to and in proportion to the benefit without the requirement of a homeowner’s or neighborhood association.

The proposed legislation would allow operation, maintenance, improvement and repair costs for retention and detention basins to be included in the tax levy as part of a property owner’s tax bill in accordance with assessed value or assessment of each lot within the improvement district in proportion to the benefit to each lot. The district would not have the authority to issue improvement bonds or to engage in any activity other than operation, maintenance, repair and improvement of the retention and/or detention basin.

B. Relevance to Municipal Policy

Improvement districts are prevalent across the state. A uniform process that allows cities and towns to more fairly distribute the perpetual maintenance costs of retention and detention basins will provide long-term cumulative savings to municipalities, provide developers with an alternative to homeowner’s or neighborhood associations, and facilitate ease of payment for homeowners.

C. Fiscal Impact to Cities and Towns

Cities and towns that approve retention and detention basin improvement districts would realize savings that could be spent for other improvements or services.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information

Name: Steven W. Moore

Phone: (928) 373-5050

Title: City Attorney

Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #5

Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts. In addition, encourage the Arizona State Legislature to identify and define energy efficiency, renewable energy and water conservation as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.

Submitted by: City of Flagstaff, City of Tucson

* * * * *

A. Purpose and Effect of Resolution

Renewable energy and conservation financing district authority enables local government to create a financing mechanism to provide up front funds to commercial property owners for energy efficiency, renewable energy, and water conservation improvements. Property owners can opt in to finance energy efficiency improvements, renewable energy installation, and water conservation improvements on their property and repay financing through a property assessment.

Energy efficiency, renewable energy and water conservation create an opportunity to utilize our nation’s resources wisely and secure reliable, clean, and safe energy. In the current economic climate the upfront financial commitment necessary to implement energy efficiency, renewable energy, and water conservation improvements is often a barrier for property owners. A voluntary renewable energy and conservation financing district can remove these barriers.

In Arizona, energy efficiency, water conservation and renewable energy financing programs have significant potential to stimulate the state’s economy, create jobs and transition residents to sustainable energy use and production. Such programs can deliver benefits beyond energy independence, including new sources of workforce stabilization and development, increase value and comfort of buildings, provide protection from increasing energy costs and enhance community awareness.

Energy efficiency, water conservation and renewable energy financing programs have been developed in numerous communities across the nation. At least 30 states have passed enabling legislation that allows local government to establish property assessed energy efficiency, water conservation and renewable energy financing districts, defines energy efficiency, water conservation and renewable energy as a public benefit, and grants the authority to issue bonds.

The federal government currently encourages the installation and use of renewable energy through a series of federal tax incentives and credits. Arizona also has several tax incentive-based programs to encourage the production of renewable energy. These incentives collectively make renewable energy projects more affordable only after installation but do little to address the upfront financial commitment.

Improving the energy efficiency of existing structures and deploying renewable energy installations supports adopted Arizona House Bill 2638 (2007), which requires towns, cities, and counties with a population greater than 150,000 to adopt an energy element to their planning policies that will encourage and provide incentives for the efficient use of energy and requires that community general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

This resolution also supports Arizona regulated utilities’ efforts to meet the Arizona Corporation Commission’s Renewable Energy Standard that requires 15 percent of their energy generation to come from renewable resources by 2025.

B. Relevance to Municipal Policy

This resolution would support municipalities that choose to promote energy efficiency, renewable energy and water conservation practices within their communities. Many Arizona communities are working to improve the efficiency of existing building stock in the residential and commercial sectors to promote sustainability and help protect community members from rising energy costs.

C. Fiscal Impact to Cities and Towns

Renewable energy and conservation financing district authority would allow local governments to proactively provide a mechanism for property owners to decrease their fossil fuel use and increase energy cost savings. Energy efficiency, renewable energy and water conservation financing programs can remove upfront financial barriers for property owners that would like to develop energy efficiency, renewable energy and water conservation projects. With enabling legislation, local governments could voluntarily elect to establish energy efficiency, renewable energy and water conservation financing program and participation in the program would be completely voluntary for interested property owners. There would be no fiscal impact on the city or town.

D. Fiscal Impact to the State

There are no fiscal impacts to the State. Energy district authority would allow for opt-in energy efficiency and renewable energy financing programs at the fiscal responsibility of the property owner.

E. Contact Information

Name: Nicole Woodman / Jerene Watson

Title: Sustainability Manager / Deputy City Manager

Phone: 928-213-2149 / 98-213-2073

Email: jerenewatson@flagstaffaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #6

Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and urges to restore HURF funding to FY2008 levels.

Submitted by: City of Yuma, City of Sedona, City of Apache Junction, City of Winslow

* * * * *

A. Purpose and Effect of Resolution

HURF funds come from a number of sources including use fuel taxes, motor carrier fees, vehicle license taxes and motor vehicle registration fees. Statutes provide a method of distributing these funds among the state, counties, and cities for the purpose of construction, improvements and maintenance of streets and roadways within their jurisdictions. The State has swept portions of these revenues each year since FY2008, mainly to support Arizona Department of Public Safety (DPS). These sweeps affect every municipality and county in the state. As a result of these sweeps, more than 38 percent of Yuma’s major roadways are in poor or below average condition. Delayed maintenance on streets has caused many streets to now need total replacement, at a much greater cost. The poor condition of transportation infrastructure is a detriment to attracting new commerce and industry.

In addition to the direct impact on cities’ streets and roadways, this slowdown and halt of street construction and maintenance has cost jobs. The Arizona chapter of the Associated General Contractors estimated in 2011 that 42,000 jobs have been lost due to the lack of highway construction. This loss has had a negative impact on the economic viability of the State.

B. Relevance to Municipal Policy

The longer the attention to street maintenance is neglected, the more costly it becomes to bring streets up to even average condition. Many Arizona counties, cities and towns experience a significant rise in population during the winter months. The declining street infrastructure negatively affects the states’ tourism industry and makes other warm states more attractive to these visitors.

C. Fiscal Impact to Cities and Towns

The sweeps have touched every county, city and town in Arizona. There are no replacement revenues for cities to tap. As maintenance is delayed, the cost rises. Restoring full HURF funding to local jurisdictions will allow much needed street replacement, repair, and maintenance.

D. Fiscal Impact to the State

Reinstating the statutory distribution of HURF monies, including the funds to be allocated to DPS pursuant to statutes, may require the State find other sources of revenue for DPS.

E. Contact Information

Name: Steven W. Moore
Phone: (928) 373-5050

Title: City Attorney
Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #7

Urges the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona’s transportation network now and into the future.

Submitted by: City of Kingman, City of Apache Junction, City of Bullhead City, Town of Camp Verde, Town of Clifton, City of Lake Havasu City, City of Somerton, City of Page, Town of Payson, City of Sierra Vista, City of Tombstone, City of Winslow

* * * * *

A. Purpose and Effect of Resolution

Investment in our transportation system is absolutely vital for Arizona’s economic expansion and the safety of our traveling public. The quality of Arizona’s transportation infrastructure directly affects the quality of life of Arizonans through mobility, safety and jobs. To be successful, commerce, economic development and international trade depend on quality transportation systems. Good quality roads are an integral part of tourism, one of Arizona’s top economic drivers. Infrastructure enhances accessibility of tourists to different parts of our state. More specifically, transportation is an essential component of successful tourism development that creates an impression of our state, induces the creation of attractions and encourages the growth of existing ones. The quality of Arizona’s transportation infrastructure continues to deteriorate. Revenue going into the Highway User Revenue Fund (HURF) has decreased substantially and over the past several years, hundreds of millions of dollars have been diverted from the already declining HURF fund. Arizona’s transportation funding levels, while once average, now ranks 42nd in the nation. Modernization of how we pay for infrastructure needs to be reviewed to secure adequate and sustainable funding. Transferring of HURF revenues to pay for other government programs needs to stop. Arizona cannot afford to slip further behind.

- Transportation revenue collection continues to decline. Gasoline tax has lost its value over the past decade. And gas and fuel tax revenues will continue to decrease over time due to the increased fuel efficiency of the fleet. With more fuel efficient fleet, increasing the gasoline tax may not be a viable solution to sustain our current and future infrastructure needs. HURF revenues for 2013 of nearly \$1.2 billion were \$200 million less than 2007 and even less when compared to 2004.
- According to ADOT’s numbers, fuel tax revenues collected in FY 2013 totaled \$647.9 million. In FY 2004 \$642.5 million in fuel taxes were collected – that’s less than a percent difference over a span of 10 years, yet the rate of inflation over this period of time is 23.9 percent.
- Due to our state’s critical transportation funding gap, highway construction has become increasingly reliant on Washington. However, federal transportation dollars are drying up as well; it is expected that there will be no federal funding for new projects in fiscal year 2015 and beyond. Arizona currently receives roughly \$675 million in federal highway funding. The continuation of receiving federal assistance remains highly volatile.
- Americans pump less gas these days, have a greater dependence on mass transit and live in walkable communities where they walk to services, schools and jobs. With persistently high gas prices, fuel efficient cars like hybrids and electric cars are important factors for consumers. According to the University of Michigan, vehicles manufactured in the month of February 2014 averaged 25.2 mpg, a drastic improvement compared to 16.9 mpg in 1991 – the last time AZ gas taxes were addressed.
- The 2013 ASCE report card for Arizona’s infrastructure reflects 52 percent of Arizona roads were rated in poor to mediocre condition, and driving on these poor roads costs Arizona motorists almost \$887 million per year in vehicle repair and operating costs. Additionally the report reflects 3.2 percent of Arizona bridges are structurally deficient and 9.2 percent are functionally obsolete.

Arizona’s HURF revenue collection system is clearly outdated, running a budget based on a 1991 tax. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up –

to-date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future. *Examples* of possible alternative revenue sources the committee can explore include, but are not limited to:

- Increase to the current taxing rates.
- Implement some sort of indexing mechanism.
- Move to a vehicle miles traveled tax.
- Implement a transportation-targeted state and local sales tax.
- Permit cities and towns to collect their own gas tax.

Example of possible study committee composition can include a 19-member team representing all regions of Arizona and from the following groups: state, county and local government officials, League staff, business, labor and advocates for motorists, to name a few.

Our recommended timeline is for the study committee to be appointed in the 2015 legislative session, with a report of its findings and recommendations to the Governor and the legislature on or before December 1, 2015.

B. Relevance to Municipal Policy

Arizona is at a crucial decision point for transportation funding; our transportation system is in trouble. Allowing our roads to crumble, losing jobs and tourists and endangering the public is a disastrous plan, when we could secure adequate, sustainable transportation funding. Cities and towns across our state are struggling with a backlog of pavement preservation projects and dwindling transportation revenues.

Arizona's gasoline tax has stood at 18 cents per gallon for nearly 23 years. Over those years, the average rate of inflation is 2.63 percent making that 18 cents now worth what a dime was in 1991. Had the rate of inflation been kept up, that 18 cents tax would be .33 cents today. The buying power to construct new transportation improvements and maintain the existing transportation infrastructure has diminished due to inflation. Growth, changes to fuel saving automotive technology and driving habits are resulting in less revenue to repair our crumbling transportation infrastructure. Infrastructure is deteriorating on a yearly basis resulting in escalating and unaffordable costs for repair; it's reached a tipping point!

Fundamental responsibility for transportation decision-making should be at the local level. Municipalities should have the ability to set their own priorities in transportation investment that satisfy local needs and objectives. Maintaining and expanding our vital transportation infrastructure is critical for economic growth in our communities. With the overwhelming amount of economic activity that occurs in cities and towns, investing in infrastructure at the local level will create jobs, encourage tourism, and attract out-of-state businesses and to keep local businesses in our communities.

C. Fiscal Impact to Cities and Towns

Streets, roads and bridges are critical assets for local government. HURF revenues are our primary source of street funding. While we appreciate the inclusion of some restored HURF revenue in the recently adopted state budget, over the past decade, more than \$200 million in city and town HURF funds have been transferred to DPS. These legislative sweeps have been devastating to local governments. Sweeps need to stop and be redirected back to their intended use.

Local roads comprise over 75 percent of the nation's pavement. Roughly half of all HURF revenues are directed to county and municipal road programs. Mohave County alone has seen its HURF dollars reduced by 20

percent, losing \$5.9 million which has contributed to 80 percent of its road network reaching or surpassing its pavement service life.

Declining revenues and HURF sweeps have greatly affected the City of Kingman's transportation infrastructure program:

- Kingman has an increasing backlog of annual maintenance needs with a current estimated shortfall of approximately \$11 million.
- A funding gap of \$26.5 million is required to complete Kingman's much needed short term transportation projects.
- Kingman's 20 year Long Range Transportation Projects, which considers such factors as pavement conditions, congestion levels and safety performance, are estimated to have a \$365.9 million funding gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by cities and towns across Arizona.

D. Fiscal Impact to the State

Economic development and job growth continue to be cited as top priorities of public, local and state government officials, legislators and the Governor. Both are dependent on quality and capacity of our transportation infrastructure.

Infrastructure investment means higher economic activity for the construction industry. During the recession, Arizona construction jobs were slashed from 250, 000 to 120,000.

Maintenance in the state's transportation infrastructure already in place is not being adequately addressed. Last year's five-year program update provided \$150 million per year for maintenance while ADOT's pavement preservation staff estimate they need roughly \$260 million. ADOT estimates its system has \$18.4 billion worth of assets that would cost over \$100 billion to replace.

Due to declining transportation revenues, last year's ADOT five-year plan update required \$350 million in previously planned highway construction and maintenance activity. ADOT has had to cut or defer \$537 million in needed infrastructure projects, current revenue collection is woefully deficient.

The state's 25-year Long Range Transportation Plan, which considers such factors as pavement conditions, congestion levels and safety performance, projects a \$63 billion gap between needs and revenues. Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by the state to properly fund vital infrastructure.

E. Contact Information

Name: Jackie Walker Title: Intergov & Human Resources/Risk Mgt

Phone: 928-753-8107 Email: jwalker@cityofkingman.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #8

Requests the Legislature amend statute ARS 42-5033.01 to authorize municipalities options in lieu of conducting a special census to determine population estimates and housing vacancy rates for mid-decennial population updates.

Submitted by: Town of Prescott Valley, City of Page, Town of Chino Valley

* * * * *

A. Purpose and Effect of Resolution

In 2003, the Arizona State Legislature passed SB 1209 which gave municipalities three options in lieu of conducting a special census to calculate their population estimate for shared revenue purposes. Those options included using their population estimate from the 2000 census, contracting with the Census Bureau to conduct a sample survey or using a population estimate approved by the Director of the Department of Economic Security.

The 2010 census was conducted in the midst of the worst economy this country has seen since the great depression. It was a time of high foreclosures and residents abandoning their homes because they were upside down on their mortgage. This resulted in the census reporting dramatically higher vacancy rates, and lower population numbers, for many cities.

The effect of this resolution would allow municipalities similar options afforded to all jurisdictions throughout the past 30 years to determine 2015 population estimates, thereby offering a reasonable alternative to the very costly door-to-door census count.

B. Relevance to Municipal Policy

Currently, the only option cities and towns have to update population estimates used to distribute state shared revenues mid-decade is to conduct a special census.

C. Fiscal Impact to Cities and Towns

Cities and Towns with abnormally high vacancy rates in 2010 are being negatively impacted by inaccurate population estimates used to determine state shared revenues. Enabling municipalities to correct vacancy rates from 2010 and use other methods for population estimates in 2015 would more accurately portray municipal populations; thereby impacting state shared revenue for each jurisdiction.

D. Fiscal Impact to the State

There is no fiscal impact to the state. Any population changes made would simply re-allocate the distribution of state shared revenues between municipalities to reflect a more accurate population estimate.

E. Contact Information

Name: Larry Tarkowski

Title: Town Manager

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #9

Support the restoration of funding to the Arizona Housing Trust Fund.

Submitted by: City of Flagstaff, Town of Chino Valley, City of Prescott Valley

* * * * *

A. Purpose and Effect of Resolution

Created in 1988 to provide a flexible funding source to assist in meeting the needs of low-income households in Arizona, the Housing Trust fund is funded from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. The Housing Trust Fund was initially funded by 35 percent of unclaimed property proceeds and then increased over time to 55 percent to better address rural housing needs. Prior to the Great Recession, the Housing Trust Fund received over \$30 million annually. Due to state budgetary constraints, in 2010 the Housing Trust Fund was capped at \$2.5 million.

B. Relevance to Municipal Policy

Cities and towns as well as non-profits are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded and other funding to be leveraged.

C. Fiscal Impact to Cities and Towns

Funding from the Housing Trust Fund has the potential to bring much needed funding to communities to address housing needs, either through the city, town or a non-profit application for use to further local housing objectives.

D. Fiscal Impact to the State

When the Housing Trust Fund was capped at \$2.5 million in 2010, the funding from the sale of unclaimed property was reallocated to other areas. Restoration of funding to the Trust Fund will potentially pull funding away from the areas to which it was reallocated.

E. Contact Information

Name: Sarah Darr

Title: Housing Manager

Phone: 928-213-2745

Email: saradarr@flagstaffaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #10

Urges the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds.

Submitted by: City of Sedona, City of Kingman, City of Bullhead City, Town of Camp Verde, City of Cottonwood, City of Lake Havasu City, City of Globe, City of Winslow, City of Page, City of Flagstaff

* * * * *

A. Purpose and Effect of Resolution

The Arizona State Parks (ASP) Board Heritage Fund that was established in November 1990 by voter initiative provides up to \$10 million annually to ASP from Arizona Lottery proceeds (A.R.S. §41-503). There were three competitive grant programs offered annually from the Heritage Fund dollars to provide opportunities for the public to enjoy parks and outdoor recreation and to help preserve natural and cultural resources. 17 percent of the State Parks Heritage Fund revenues were available annually (up to \$1.7 million) through the Historic Preservation (HP) Grant Program. 35 percent of the revenues (up to \$3.5 million) were available through the Local, Regional and State Parks (LRSP) Grant Program and 5 percent of the revenues (up to \$500,000) went to the Trails Heritage Fund, of which 95 percent was available through the competitive grant program.

Since 2009, sweeps of the Heritage Fund resulted in the discontinuation of the Heritage Fund Grant Programs due to lack of funding. The Heritage Fund Grant Programs were an important source of funding, through the LRSP in particular, to Cities and Towns for their ability to enhance and expand local park sites. The sweep of Heritage Funds directly impacts the ability of Cities and Towns to provide funds to conserve our state’s natural, cultural and historic resources and shifts costs to Cities and Towns that are the burden of the state and benefit the state.

Not only were the remaining Heritage Funds eliminated – funds that were used for Capital Improvements to the Arizona State Parks – but also the Legislature fully repealed the funding mechanism for Heritage Funds through the repeal of authorizing statutes A.R.S. 41-501, 41-503, and 41-504 effective on July 1, 2011. The FY 12 State Budget swept the remaining \$2,090,000 of the Enhancement Fund, which eliminated the amount available for Capital Programs and left ASP with no capital funds available to repair structural emergencies. Without reauthorization of the related statutes, there is no vehicle to appropriate funds and the future of not only local funding but also the entirety of Arizona State Parks hangs in the balance. The inability to fund needed Capital Improvements and even emergency repairs puts ASP at a dangerous financial precipice.

B. Relevance to Municipal Policy

Approval of this resolution and resulting policy changes would provide a vehicle for funding to continue municipalities and the states’ ability to provide and enhance the conservation of our state’s natural, cultural and historic resources. It would shift the responsibility for these programs back to the state and reinforce the voter-approved initiative that originally placed the burden on the state

C. Fiscal Impact to Cities and Towns

Reenactment of Arizona Heritage Fund appropriations would have a significant positive impact on recreational opportunities; environmental education for the K-12 curriculum and enrichment for educators; grants and research; as well as response to and help with ameliorating human-wildlife conflicts in urban areas. It also would positively impact the viability of State Parks as the sweep of funds has left ASP without funds for capital improvements or for any structural emergency. The loss of Heritage Funds has a direct impact on Cities and Towns due to the economic impact of State Parks as evidenced in the “The Economic Impact of Arizona State Parks 2007,” study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.

D. Fiscal Impact to the State

The restoration of Arizona Heritage Fund dollars to pre-2009 levels would require \$10 million, which previously had been authorized from Arizona Lottery proceeds per A.R.S. §41-503.

E. Contact Information

Name: Nicholas R Gioello Title: Assistant to the City Manager & Government
Relations Manager
Phone: 928-203-5100 Email: ngioello@sedonaaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #11

Requests the Legislature appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level. Further requests the Legislature insulate the GADA fund from future sweeps.

Submitted by: City of Apache Junction, Town of Chino Valley, Town of Queen Creek, Town of Sahuarita

* * * * *

A. Purpose and Effect of Resolution

Adoption of this resolution will:

- Support economic development in small, rural and tribal communities through infrastructure investment
- Address an urgent need to upgrade deteriorating infrastructure
- Provide affordable financing for smaller municipalities
- Create a sustainable source of funding for Arizona’s infrastructure needs

In FY1997, the State created the Greater Arizona Development Authority to fund the infrastructure needs of small, rural and tribal communities across the State of Arizona. Since that time, GADA has leveraged an initial State appropriation of \$20 million to successfully finance 84 projects, totaling \$575 million.

Since FY2008, the State has swept unrestricted GADA fund balances into the General Fund. This has significantly diminished the ability of small cities and towns to plan and execute capital improvement projects. The practice has negatively impacted every municipality with a population of fewer than 50,000 residents and every county with a population of fewer than 200,000 residents. Infrastructure investment plays a critical role in the economic viability of our communities not only in terms of future development, but also in terms of retaining existing employers and industry.

B. Relevance to Municipal Policy

Infrastructure investment creates jobs, builds better communities and makes the State of Arizona a safer and more productive place to live. The GADA fund has provided financing for a wide variety of infrastructure projects, including public safety, road improvements, wastewater system improvements, community centers, libraries, parks and recreation facilities and municipal service buildings. The projects are as unique and varied as the communities themselves. The projects have included new initiatives as well as renovations to dangerous and outdated infrastructure. Maintaining and improving infrastructure creates viable communities where people want to live, work and visit.

C. Fiscal Impact to Cities and Towns

Not only has GADA been able to provide access to bond markets for municipalities with unproven and weaker credits, but GADA’s strong bond rating has resulted in lower interest rates for the borrower. Further, GADA has provided for significantly lower issuance costs for municipalities. The lower costs have been accomplished through direct subsidies as well as cost allocation across a pool of participants. To date these lower interest

rates, subsidies and allocations have totaled almost \$18.5 million or an average of approximately \$250k in savings per financing. These savings are significant for small, rural and tribal communities.

Failure to pass this resolution will drive up the cost of infrastructure financing for many of our small municipalities.

D. Fiscal Impact to the State

To date, GADA has leveraged an initial \$20 million in appropriations from the State into \$575 million in infrastructure projects. This represents a net cost avoidance to the State and its taxpayers of \$555 million in direct capital investment. This also represents an effective leverage rate of almost 30:1. That is to say, for every \$1 of State appropriation, GADA has successfully provided almost \$30 of infrastructure investment in our communities.

Reinstatement of the GADA fund, with statutory insulation from future sweeps, will allow GADA to provide future infrastructure loans from cash flow.

E. Contact Information

Name: Matt Busby

Title: Asst. to the City Manager

Phone: 480-474-5096

Email: mbusby@AJCity.Net

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #12

Urge the Governor and State Legislature to amend A.R.S §38-848.3 and A.R.S §38-713a1b to include one representative from a large city along with one representative from a small non-metropolitan city on the Public Safety Retirement System Board of Trustees and the Arizona State Retirement System Board.

Submitted by: City of Sierra Vista, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

This resolution seeks to add more balanced representation of local government to both the Public Safety Personnel Retirement System Board of Trustees as well as the Arizona State Retirement System Board. Currently, Small municipalities in the state are being impacted by the decisions being made to reform the public safety retirement system. Including members from a large and small city will allow a broader perspective on discussions as it relates to proposed changes to the system.

B. Relevance to Municipal Policy

Cities and towns across the state are being significantly impacted by the pension issue, particularly the PSPRS system decisions. Small communities with smaller police and fire departments are particularly hard hit with major increases, and several smaller rural communities are among the highest percentage of contributions in the state. The City of Bisbee pays 64.7 percent and Prescott 59.66 percent of their respective public safety payroll toward PSPRS. Making sure small rural communities have a voice at the table is important.

C. Fiscal Impact to Cities and Towns

This resolution has no fiscal impact to the Cities and Towns directly. However, Arizona Cities and Towns are keenly affected by the decisions of both retirement bodies. Therefore, it is essential that the perspective of municipalities be considered in system-wide decisions.

D. Fiscal Impact to the State

This resolution has no fiscal impact to the State.

E. Contact Information

Name: Mary Jacobs

Title: Assistant City Manager

Phone: 520-439-2147

Email: Mary.Jacobs@SierraVistaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #13

Adopt further improvements to Arizona’s public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability recruit and retain talented public safety employees.

Submitted by: City of Flagstaff, Town of Paradise Valley

* * * * *

A. Purpose and Effect of Resolution

Explore mechanisms to improve public safety pensions for both employer and employees that create an economically sustainable retirement system that protect taxpayers.

B. Relevance to Municipal Policy

Need for sound financial planning and budgeting and use of the taxpayer dollars. How cities spend the taxpayers’ money is one of its most important responsibilities and a significant factor in garnering the trust of our citizens.

C. Fiscal Impact to Cities and Towns

The disparate fiscal impact on each of the municipalities varies widely and creates challenges in budgeting and planning for the future. The current unfunded liability and increasing contribution rates for the public employee retirement systems are not financially sustainable and create a heavy burden on local governments to continue to fund pensions.

D. Fiscal Impact to the State

Leveling the state contribution to be applied more uniformly across municipalities could be an impact to the State budget. The anticipated costs associated with decreasing unfunded liability will have a big impact on state and local budgets for years to come and is an essential component of any pension reform measure.

E. Contact Information

Name: Michelle D’Andrea/Jerene Watson

Title: City Attorney/Deputy City Manager

Phone: 928-213-2044/928-213-2073

Email: jerenewatson@flagstaffaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #14

Develop and pass legislation to make the requirements for annexation a more simple and flexible process.

Submitted by: City of Yuma, Town of Oro Valley, City of Bullhead City, Town of Marana, Town of Wickenburg

* * * * *

A. Purpose and Effect of Resolution

The annexation process is cumbersome and needs examination. This resolution proposes to advocate for reasonable solutions to the annexation dilemma.

Excessive signature requirements are a deterrent to annexation. Cities and towns are required to obtain signatures from utility companies and other entities that do not own real property in the proposed annexation area. Cities and towns are also required to meet an assessed valuation threshold, but when the city or town does not levy a property tax, the value of the property is irrelevant.

Over time, cities created county islands by annexing around the areas that did not meet the statutory signature requirements for annexation. This has resulted in pockets of non-incorporated areas dotted throughout cities. These county islands do not receive the same level of public services, such as improved infrastructure, water and sewer services, sanitation, and public safety and emergency services, as the property as close as next door. An unintended consequence is that when an emergency arises in an unincorporated area that is wholly within or adjoining a city’s boundaries, there is often confusion over which agency should respond. For example, when emergency assistance calls from an unincorporated area are received by a city, there may be delays in responding while the call is routed to the county. Or, both jurisdictions may respond to a public safety event when the boundaries are not readily known, and in the worst case neither may respond.

The irony is that unincorporated areas contribute to a city’s economy, but cannot participate in decisions affecting their community and, at the same time, create burdens on cities that adjoin or surround them and on the counties they look to for services. This resolution seeks to alleviate this situation and will benefit all property owners within a city’s annexation area and county islands.

The League, interested members, and other stakeholders should convene to discuss these problematic areas and design legislation that will enhance the annexation process without undue burden to any one party.

B. Relevance to Municipal Policy

Statutes regarding municipal annexation have become more complicated over time. Simplifying the annexation process to allow cities and towns to provide important urban services within their boundaries is good policy. Annexation also fosters civic engagement in the democratic process and a sense of shared responsibility for our communities.

C. Fiscal Impact to Cities and Towns

Residents living in unincorporated areas are affected by decisions made by cities and towns, yet they have no voice in the governing process. Reducing the unincorporated population is a key strategy for cities and counties to maintain fiscal stability. Annexation allows cities and towns a way to expand their retail sales tax base providing greater fiscal stability. This increased governance capacity ensures that cities and towns are able to provide adequate services to all Arizona citizens. If legislation moves forward that allows greater flexibility in annexing county islands, it would be up to cities and towns themselves to determine when and if they annex these areas. Those communities that choose to move forward will need to extend their services to newly annexed areas. Those costs would be different for each community. But nothing in the legislation should require a city or town to annex county islands if they feel they cannot provide services.

D. Fiscal Impact to the State

There is no fiscal impact to the State when it comes to which local government provides local services. Minor adjustments in state-shared revenues would be made based on population changes, but it would be a reshuffling of the total allocation, not an increase in state revenues to local government. Eliminating barriers to annexation would also encourage economic development, which would ultimately result in increased revenue to the sSate.

E. Contact Information

Name: Steven W. Moore
Phone: (928) 373-5050

Title: City Attorney
Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution # 15

Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. Such limitations may include placing reasonable limitations on the number of requests from individuals or groups within a specified, reasonable period of time.

Submitted by: City of Yuma, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

This Resolution seeks amendments to public records access laws that will allow cities and towns to facilitate and maintain timely and complete citizen’s access to public records while discouraging frequent, overbroad or abusive requests.¹

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from the media and persons who may or may not make other requests, but who seek specific and limited information. However, there are times when filling these requests is delayed because of frequent, extensive or excessive numbers of requests of other persons. Requests from these few individuals require a significant and disproportionate amount of staff time to locate, review, redact and prepare voluminous amounts of documents or materials from multiple departments for inspection and/or copying. In some cases, the requesting party doesn’t review the records after having been notified they are available for inspection. This creates unnecessary work for employees, delays other important work (including filling public records requests from other persons) and drains the public coffers.

Some requests by these individuals are overbroad, such as requests for “All documents, e-mail, memoranda, etc. pertaining to the city action....” These documents can cover many years, require production of hundreds or thousands of documents and involve research and review by several City departments. Again, after spending many hours locating, assembling, redacting and copying these records, some are never inspected by the requestor.

Municipalities also receive and process numerous requests for public records from only a few individuals. As an example, Yuma received 46 requests in 44 business days from a single individual, including nine filed in one day, while 25 other filed requests of the same individual waited to be reviewed. A single individual is responsible for the following statistics:

<u>Year</u>	<u>Number of requests</u>
2008	114
2009	120
2010	85
2011	155
2012	81
2013	163
2014 (as of May 7)	36

¹ Nothing in this Resolution is intended to limit media access to public records.

This resolution requests amendment of Title 39 to give municipalities the ability, in limited instances, to place reasonable restrictions on the number or frequency of requests made by a single individual. It also requests to limit certain requests such as those with a broad scope or ones that cover an extensive time period and those where the individual is unwilling to narrow the request. Such restrictions will allow cities to both comply with the spirit and intent of public records laws, while discouraging the frequent, numerous, overbroad or abusive requests. These limited restrictions will discourage abusive requests while maintaining public records access for all citizens. Those individuals making frequent, numerous or overbroad requests may be limited in the number of requests accepted within a specified time and have new requests held until all previous requests have been inspected. Additional requests beyond these numbers would still be filled, however, the taxpayer would not have to continue bear costs of over-burdensome requests.

B. Relevance to Municipal Policy

Transparency is an essential component of a responsive, representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals that are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency and will hurt citizen access to, and the availability of, public records.

C. Fiscal Impact to Cities and Towns

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

D. Fiscal Impact to the State

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

E. Contact Information

Name: Steven W. Moore Title: City Attorney

Phone: (928) 373-5050 Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #16

Urges the Legislature to pass legislation that bans the use of cell phones, smart phones or similar data devices with one or both hands, particularly texting, while in control as the driver of a motorized vehicle.

Submitted by: City of Sedona, City of Bullhead City, City of Kingman

* * * * *

A. Purpose and Effect of Resolution

The purpose of this legislation is to ban the unsafe practice of using a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency. The effect would be to limit the distraction of the vehicle driver, thereby improving public safety while driving on public and private roads, thoroughfares and highways.

According to the National Highway Transportation Safety Administration (NHTSA), 43 states including D.C. Puerto Rico, Guam and the U.S. Virgin Islands ban text messaging for all drivers. 12 states including D.C., Puerto Rico, Guam and the U.S. Virgin Islands prohibit all drivers from using handheld cell phones while driving.

In 2009, several large scale naturalistic driving studies conducted by Virginia Tech Transportation Institute concluded the following concerning the use of cell phones and texting while driving:

For light vehicles or cars:

- Dialing a cell phone made the risk of crash or near-crash event 2.8 times as high as non-distracted driving;
- Talking or listening to a cell phone made the risk of crash or near-crash event 1.3 times as high as non-distracted driving; and
- Reaching for an object such as an electronic device made the risk of crash or near-crash event 1.4 times as high as non-distracted driving.

For heavy vehicles or trucks:

- For heavy vehicles or trucks:
- Dialing a cell phone made the risk of crash or near-crash event 5.9 times as high as non-distracted driving;
- Talking or listening to a cell phone made the risk of crash or near-crash event 1.0 times as high as non-distracted driving;
- Use of, or reach for, an electronic device made the risk of crash or near-crash event 6.7 times as high as non-distracted driving; and
- Text messaging made the risk of crash or near-crash event 23.2 times as high as non-distracted driving.

Virginia Tech Transportation Institute also found that when a driver of a vehicle is texting, five seconds is the average time your eyes are off the road. When traveling at 55mph, five seconds is enough time to cover the length of a football field.

The NHTSA states the following facts (February 2014, Traffic Safety Facts Research Note DOT HS 811 884):

- The percentage of drivers holding cell phones to their ears while driving stood at 5 percent in 2012. This rate translates into an estimated 660,000 vehicles driven by people using hand-held cell phones at a typical daylight moment in 2012. It also translates into an estimated 9 percent of the vehicles whose drivers were using some type of phone (either hand-held or hands-free) at a typical daylight moment in 2012.
- Hand-held cell phone use continued to be highest among 16- to 24-year-olds.
- The percentage of drivers visibly manipulating handheld devices while driving increased from 1.3 percent in 2011 to 1.5 percent in 2012.
- Since 2007, the percentages of drivers' visibly manipulating hand-held devices while driving has been significantly higher among drivers age 16 to 24 than those of other age groups.

Multiple studies have concluded that using cell/smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle-- and especially the practice of texting-- dramatically escalates the distraction rate of a driver and leads to statistically higher rates of injuries and fatalities in motorized vehicle accidents. Studies have also shown that young drivers, ages 16 to 24 have the highest rates of cell phone usage while driving a vehicle compared to all other age groups.

B. Relevance to Municipal Policy

A comprehensive statewide ban on the use of cell/smart phones with one or both hands including texting while driving a motorized vehicle would be easy for all municipalities across the state to consistently enforce a law that would improve public safety and save lives. It will also give citizens greater comfort in knowing that hands-on cell/smart phone usage is prohibited everywhere at all times instead of learning which towns/cities/counties have bans in place and the differences of the laws in each jurisdiction. Having one consistent policy across the state should improve the chance for voluntary compliance among citizens.

C. Fiscal Impact to Cities and Towns

The fiscal impacts are unknown, however the decline in serious vehicular accidents, injury and death as a result of such legislation should have a positive impact on the need for emergency response personnel and municipal services, thus freeing up emergency personnel and equipment for other emergencies.

D. Fiscal Impact to the State

It is anticipated there would be little if any fiscal impact to the state from such a ban.

E. Contact Information

Name: Nicholas Gioello Title: Assistant to the City Manager & Government Relations Manager

Phone: 928-203-5100 Email: ngioello@sedonaaz.gov

Resolution #17

Requests that the Legislature amend statute (A.R.S. § 9-821.01) to allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.

Submitted by: Town of Gilbert, Town of Queen Creek, City of Lake Havasu City, Town of Clifton, Town of Oro Valley, City of Bullhead City, Town of Snowflake, City of St. Johns

* * * * *

A. Purpose and Effect of Resolution

During the 2010 Legislative session, the Legislature amended A.R.S. § 9-821.01 to allow cities and towns to adopt an ordinance to provide that the total of all votes tabulated for mayoral candidates constitutes the total number of votes cast at the election for purposes of calculating whether a candidate for Mayor or City Council has received the majority of votes. This amendment was necessary in order to ensure that the majority vote threshold was based off only those voters who chose to vote on the local portion of the ballot when state offices were also included.

In the 2012 Legislative Session, the Legislature passed HB 2826 Consolidated Election Dates, Political Subdivisions, which required municipal elections to occur at the same time as the election of state officials. Unfortunately, HB 2826 did not address the issue of the majority vote threshold in races for Council in municipalities which have Mayors who serve a four-year term or those that do not directly elect their Mayor. Therefore, at these elections, the majority threshold to win outright in the primary for Council candidates would be based on the total number of votes cast in the election, regardless of whether those votes were cast for state or local office. Since this vote threshold would likely be unachievable for a Council candidate and the winner(s) would not be determined at the primary, it could force cities and towns the unnecessary expense of having to fund a run-off/general election to determine the winner(s).

During the 2014 Legislative Session, the Legislature passed HB 2126 which recalculated the majority vote threshold for Council candidates to be based off the total number of votes cast in the local election, divided by the number of seats and then by two, but this was only a temporary fix for the 2014 election. This resolution would seek to codify the same methodology used in HB 2126, permanently, making the majority vote calculation threshold consistent for all cities and towns.

B. Relevance to Municipal Policy

The proposed resolution would affect non-charter cities and towns throughout the State that have four-year Mayoral terms or do not directly elect their Mayor. The resolution would establish a consistent method that would be applied to all municipal candidates for office at every election, rather than requiring a higher number of votes to achieve a majority for elections when the office of Mayor is not included on the ballot. Without the new calculation method and in years when the office of Mayor is not included on the ballot, cities and towns could be required to hold a run-off/general election as they will likely not have any candidate achieve the existing majority vote threshold.

C. Fiscal Impact to Cities and Towns

Without this resolution, affected cities and towns could be required to go to the additional expense of holding a general election. If adopted, this expense could be avoided if candidates receive a majority of votes and are declared elected to municipal office in a primary election.

D. Fiscal Impact to the State

The proposed resolution does not have a fiscal impact to the State.

E. Contact Information

Name: Leah Hubbard Rhineheimer Title: Intergovernmental Relations Director

Phone: (480) 503-6773 Email: leah.hubbard@gilbertaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #18

Urges the Legislature and the Governor to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.

Submitted by: City of Yuma, City of Apache Junction, City of Flagstaff, City of Sierra Vista

* * * * *

A. Purpose and Effect of Resolution

When the State became unable to continue full support of its parks, local governments and non-profit groups in Arizona stepped up to the plate and entered into short-term agreements to operate and maintain the parks in or near their jurisdictions (Alamo Lake, Boyce Thompson Arboretum, Fort Verde, Homolovi, Jerome, Lost Dutchman, Lyman Lake, McFarland, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake, Tombstone Courthouse, Tonto Natural Bridge, Tubac Presidio, Yuma Territorial Prison State Historic Park, Yuma Quartermaster Depot State Historic Park) so Arizona residents and visitors alike could continue to enjoy the rich recreational experiences that state parks provide. These Agreements have proven to be successful. However, the State has been reluctant to enter into leases for longer than three years. In order to make the current partnerships between the State and local governments more viable over time and to encourage partnerships with both public and private non-profit organizations, longer term leases (such as 10 years) and a continuing, dedicated and reliable funding stream from the State, local governments and non-profits will be needed.

Longer term leases and a dedicated funding stream will assure that Arizona's State Parks remain open to the public as a recreational, environmental and cultural benefit that supports and generates tourism and provides important revenue to not only local, but also to the regional and statewide economies. In addition, the availability of the State Parks System will continue to provide a high quality of life for Arizona residents and serve as an attraction to new residents.

B. Relevance to Municipal Policy

State Parks are essential to the rural economies and people of Arizona. The continued threat to their operation leaves a continued threat to the weakened local economies in rural Arizona. In addition, Arizona's natural environment, including access to the environment through availability of State Parks across the state, draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy. Increasingly, ASP is reliant on partnerships with local governments to make its state parks viable. This comes at a time when local resources are shrinking.

C. Fiscal Impact to Cities and Towns (Newer statistics are not available.)

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

D. Fiscal Impact to the State

The economic benefit of the State Park System is statewide. Calculated at the state level for FY07, the total economic impact of Arizona State Parks (direct, indirect and induced) on the state was \$266,436,582. This total state income resulted in 2,397 direct jobs and 950 indirect jobs for a total of 3,347 jobs statewide. The jobs provided were generated directly through State Parks employment, as well as indirectly for the tourism industry that is supported and enhanced by the existence of State Parks.

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

(Economic figures cited are from “The Economic Impact of Arizona State Parks 2007” study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.)

E. Contact Information

Name: Steven W. Moore

Phone: (928) 373-5050

Title: City Attorney

Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #19

Urges the Governor and the State Legislature to develop and pass legislation that supports efforts to reduce the shortage of health care professionals in the State of Arizona. The League encourages the Legislature to consider: expanding the level of Graduate Medical Education (GME) funding; expanding medical school capacity within the state universities; addressing issues affecting the attraction and retention of physicians and other health care professionals, from out-of-state; reducing obstacles to medical practice in Arizona; and addressing any other major issues that affect a physician's, and other health care professionals, decision to locate or remain in Arizona to practice.

Submitted by: City of Sierra Vista, Town of Wickenburg, City of Bisbee

* * * * *

A. Purpose and Effect of Resolution

Part II of the 2005 Arizona Physician Workforce Study, conducted by specialists from the University of Arizona and Arizona State University, identified that since 1992 to 2004, Arizona's physician supply is not keeping up with its population growth. The situation has not gotten any better. Arizona has 219 physicians per 100,000 people, well below the national average of 293 per 100,000. Rural communities in the state are affected by the shortage even more with one county at under 60 physicians per 100,000. Specialty physicians are particularly difficult to recruit and retain. By way of example, the city of Sierra Vista's regional hospital is now the only location in all of Cochise County in which a woman can deliver a baby outside of a setting in which emergency services are available. In addition, as the Baby Boomer population ages, more of the older doctors in rural communities will retire, potentially exacerbating the situation.

Since approximately 60 percent of physicians who complete their training in Arizona teaching hospitals remain practicing within the state, enhancing the Graduate Medical Education (GME) program is a critical component to addressing this shortfall and has been identified by previous gubernatorial task forces. Also recommended were efforts to reduce obstacles to medical practice in Arizona. Recruitment and retention of physicians is hampered throughout the state by higher professional liability premiums as compared to other states,. This is certainly an obstacle needing attention. Recent actions to reduce funding to the State's Medicaid program will only exacerbate the issue statewide. Now, more than ever, action is needed to retain existing physicians and ensure Arizona is a desirable place to practice for others.

B. Relevance to Municipal Policy

Health care is a key component of the overall quality of life for any community. It is an attraction and retention component for business and military activities, both of which are the backbone of the state's economy. An adequate supply of physicians is the foundation of quality healthcare and although most barriers to physician recruitment and retention are beyond the direct control of local government, the health of our citizens should be a strong consideration for local legislative input and advocacy. The National League of Cities has incorporated citizen health in its overall federal legislative platform by developing and advocating for health programs for children and youth.

C. Fiscal Impact to Cities and Towns

There should be no negative fiscal impact on Cities and Towns. To the contrary, not only will there be an intrinsic gain to Cities and Towns in overall quality of life of their residents if accessibility to health care is improved, but all communities in the state can use improved health care as an economic development tool in the future.

D. Fiscal Impact to the State

There are some solutions such as investing in the graduate medical program that will require additional investment by the state in medical education. However, some recommendations can be implemented with little to no effect on state finances. But like the cities and towns, improvement in access to health care results in an improvement in the ability of the State to attract corporations who value health care access as a major factor in relocation to Arizona. In addition, more physicians in the rural areas of the state will reduce the number of trips on already overcrowded roadways residents from those areas make to the Phoenix or Tucson metropolitan areas to seek treatment.

E. Contact Information

Name: Mary Jacobs Title: Assistant City Manager

Phone: 520-458-3315 Email: Mary.Jacobs@SierraVistaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #20

The City of Douglas along with the co-sponsor cities urge the Governor and the State Legislature to develop and pass legislation or engage in other activities that support and advocate for the dedication of resources to improve Arizona’s ports of entry with Mexico and related infrastructure and will enhance international trade and improve the global competitiveness for Arizona with Mexico.

Submitted by: City of Douglas, City of Bisbee, City of Sierra Vista, Town of Marana, City of Yuma

* * * * *

A. Purpose and Effect of Resolution:

Mexico is Arizona’s top trading partner. Our shared border is the gateway for \$26 billion worth of imports and exports and 44 million people (crossings) each year. Mexican visitors spend approximately \$7.3 million each day in Arizona, which provides an annual impact of \$2.3 billion. Trade with Mexico supports six million jobs in the U.S. and tens of thousands jobs in Arizona. In addition, Mexico is now the third-ranked commercial partner of the U.S. and the second largest market for U.S. exports.

Despite this wealth of opportunity, recent studies show that competing Border States such as Texas are far outpacing Arizona when it comes to developing trade relations with Mexico. While Arizona exports to Mexico totaled about \$5.7 billion in 2011, in Texas, the total was \$87 billion. Mexico is the 13th largest economy in the world, and in 2010, Mexico invested an unprecedented five percent of its Gross Domestic Product (GDP) in infrastructure.

Arizona’s ports of entry face significant challenges, including aging infrastructure and an often inadequate number of customs and border protection agents needed to staff these facilities. A heavy focus on security has impacted the tourism industry by diverting investments from needed improvements and leaving a multibillion dollar deficit in border infrastructure.

With 23 million northbound visitor border crossings and 373,000 northbound truck crossings, long waits at the border and congestion north of our ports of entry suppress economic development. In addition, greater emphasis is needed in upgrading southbound passenger vehicle and pedestrian crossings. According to the Arizona State University North American Center for Transborder Studies, needed enhancements include staffing, technology infrastructure and communications.

Through the Arizona League of Cities and Towns, Arizona’s cities and towns should unite in support of legislation or other policy measures that will enhance international trade and improve the global competitiveness for Arizona with Mexico, the 13th largest economy in the world and this State’s number one trading partner.

B. Relevance to Municipal Policy:

The vast majority of the economic benefit generated by trade passing through Arizona’s ports of entry is realized within the State’s cities and towns.

The logistics centers, warehousing and distribution facilities and value-added manufacturing centers for these commodities are located primarily within the State's cities and towns, along with the associated sustainable wage jobs that are created as a result of this economic activity. The economic multiplier effect that these jobs create adds to the prosperity in these communities and enhances tax revenue at a time when every dollar of local revenue is precious to the sustainability of cities and towns. Enhancing trade opportunities with Mexico will only further stimulate the economies in Arizona's cities and towns.

C. Fiscal Impact to Cities and Town:

As described above, enhancing international trade and improving the global competitiveness for Arizona with Mexico will have a positive fiscal impact to cities and towns. Border communities bore the burden of well over 900 million legal crossings every year. Recognizing the desperate need to improve our ports and witnessing the significant delays by the federal government to dedicate resources to these projects will mean that state, local agencies and municipalities will need to step in and contribute resources to prevent further harm to the stragglng state economy.

D. Fiscal Impact to the State:

Similarly, supporting the requested legislation and policies will have a positive fiscal impact to the State and will further diversify our economic base. Failure to do so will sustain the advantage that other border states currently enjoy over Arizona.

The border is clearly a dynamic region that attracts all aspects of social, economic, commercial and cultural likes of our state and in many ways the entire nation. Without the allocation of federal funding towards POEs and the continuing dramatic reduction in border crossing traffic and increase in border wait times, Arizona will be at a physical and economic security disadvantage.

E. Contact Information

Name: Ana Urquijo

Title: Deputy City Manager

Phone: 520-458-3315

Email: Ana.Urquijo@douglasaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #21

Urges the Governor and the State Legislature to develop and pass legislation that supports the long-term retention of Arizona's military installations and provides opportunities to use the synergies connected to the military operations in the attraction of new or expanded governmental and non-governmental missions or businesses.

Submitted by: City of Sierra Vista, City of Bisbee, Town of Marana, City of Peoria, City of Yuma

* * * * *

A. Purpose and Effect of Resolution

Arizona's military sector is an essential component of the state economy and most local economies within the state. There are five major military installations in Arizona, plus four principal National Guard operations. According to a 2008 report by The Maguire Group, commissioned by the Arizona Department of Commerce at the time, it is conservatively estimated that this sector produces over 96,000 direct, indirect and induced jobs in the state, with over \$9.1 billion in economic impact.

The Maguire report further quantified the amount of revenue Arizona's military installations contribute directly to state and local governments at just over \$400 million annually, split nearly evenly between the two. In general, jobs connected to the military are especially valuable to the Arizona economy because they are largely unaffected by routine economic cycles, which means revenues associated with their presence are more stable. The Maguire report noted "Arizona would do well to guard this economic asset and preserve its viability." It further stated "Maintaining these operations and the jobs and economic output they support should be a priority of state and local government."

Support from Arizona's local governments, through the Arizona League of Cities and Towns, for legislation that could enhance military effectiveness or protect against efforts to erode military missions is critical in the state's long term success retaining Luke AFB, Davis-Monthan AFB, Fort Huachuca, Marine Corp Air Station Yuma and the Yuma Army Proving Ground. As federal budget reductions continue, each of the existing installations and their supporting contractors remain at risk of potential impacts, both small and large.

Arizona's cities and towns must be unified in our support for the military, working together to identify opportunities to demonstrate that support through such things as: encouraging officials from state and local government to elevate needs identified by military installations for legislative action; supporting the continued activity and existence of the Governor's Military Affairs Commission; supporting funding for economic development efforts at the state level to attract new/expanded military and military-connected missions and businesses; encouraging the use and continued funding of the Military Installation Funds (MIF) to help mitigate encroachment; and supporting legislative proposals regarding state land transfers to reduce potential encroachment around military installations.

B. Relevance to Municipal Policy

At a time in which every dollar of local revenue is even more precious to cities and towns, we must guard against inadvertent or blatant measures that could jeopardize existing military installations and the over \$200

million it directly contributes to local government. Encroachment is a major issue across the state and is not only associated with new subdivisions. Water use, electromagnetic interference, lighting, airspace and other issues can ultimately affect military missions or could result in the state's five major bases not being considered for realigned missions in the future.

The Maguire study excluded military-related businesses such as Raytheon, Boeing and those associated with the redeveloped Williams Center in Gilbert, which take advantage of synergies with the state's military community but separately add hundreds of millions more in economic impact to the state and local economies. If the military missions are not retained, then opportunities to grow or expand these types of businesses and the resulting impact on the state and local economy could be missed.

C. Fiscal Impact to Cities and Towns

Failure to protect such a valuable asset to the state will have a direct and potentially devastating effect on local government. The military industry directly contributes approximately \$200 million in tax revenues annually to local government alone.

D. Fiscal Impact to the State

Similarly, Arizona's military installations contribute about \$200 million in revenue annually to the state government. Any loss of missions could erode that revenue, as well as impact future expansion opportunities for both military and non-military missions.

E. Contact Information

Name: Mary Jacobs Title: Assistant City Manager

Phone: 520-458-3315 Email: Mary.Jacobs@SierraVistaAZ.gov

No.	Summary	Sponsor	Subcommittee Recommendation
1	Creation of Enhanced Municipal Services Districts as a new type of improvement district not restricted to slum or blight.	Lake Havasu	Recommend for Adoption
2	Revenue Allocation District - any incremental increase in revenue streams above the base could be used by the district to fund public improvements within the district. Allows anticipated revenues to be used to finance components of projects.	Lake Havasu	Recommend for Adoption
3	Encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.	Bullhead City (Tri-City)	Recommend for Adoption
4	Make retention and detention basins eligible for operation and maintenance cost payments through an improvement district.	Yuma	Recommend for Adoption
5	Establish a mechanism enabling local government to create renewable energy and conservation financing districts.	Flagstaff	Recommend for Adoption
6	Stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and to restore HURF funding to FY2008 levels.	Yuma	Recommend for Adoption
7	HURF revenue study committee to develop recommendations for new or expanded revenue streams.	Kingman	Recommend for Adoption
8	Authorize municipalities to use a sampling method to determine population estimates and housing vacancy rates for mid-decennial population updates.	Prescott Valley	Recommend for Adoption
9	Restore AZ Housing Trust Fund.	Flagstaff	Significant Municipal Issue
10	Restore the Arizona State Park Heritage Fund.	Sedona	Recommend for Adoption
11	Appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level. Insulate the fund from future sweeps.	Apache Junction	Recommend with Amendments
(12)	(Include one representative from both a large city and a small non-metropolitan city on the PSPRS and ASRS Boards.)	Sierra Vista	Merge with #13
13	Explore mechanisms to improve public safety pensions that create an economically sustainable retirement system, SUCH AS INCLUDING ONE REPRESENTATIVE FROM BOTH A LARGE CITY AND A SMALL NON-METROPOLITAN CITY ON THE PSPRS and ASRS BOARDs.	Flagstaff	Recommend with Amendments (merge with #12)
14	Make the requirements for annexation a more simple and flexible process.	Yuma	Recommend for Adoption
15	Place reasonable limits on the frequency of requests for public records and on requests that are overbroad or abusive.	Yuma	Recommend for Adoption
16	Ban the use of a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency.	Sedona	Significant Municipal Issue
17	Permanently allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.	Gilbert	Recommend for Adoption
18	Allow the state of Arizona to partner with cities and towns for the operation and maintenance of Arizona State Parks under long-term leases.	Yuma	Not Recommended
19	Reduce the shortage of health care professionals in Arizona, INCLUDING ADDRESSING THE ISSUE OF RESIDENCY.	Sierra Vista	Recommend with Amendments

20	Pass legislation or engage in other activities that support and advocate for resources to improve Arizona’s ports of entry with Mexico and related infrastructure.	Douglas	Recommend for Adoption
21	Support the long-term retention of Arizona’s military installations.	Sierra Vista	Recommend for Adoption

League Staff Recommendations

1	Support legislation to preclude the Arizona Department of Transportation (ADOT) from requiring cities and towns to completely indemnify ADOT in order to obtain access to certain federal funds.		Recommend for Adoption
2	Support legislation to streamline the implementation of development impact fees including, but not limited to, expansion and clarification of allowable uses, shorter implementation time frames, and reduction of complexity and ambiguity.		Recommend for Adoption

Key to Subcommittee Recommendations

Recommend for Adoption – Becomes a part of the Municipal Policy Statement and will help guide legislative activity in the coming session.

Recommend with Amendments - Becomes a part of the Municipal Policy Statement and will help guide legislative activity in the coming session, but needed amending for either content or technical reasons.

Significant Municipal Issue – Although an important concept to cities and towns, does not quite rise to the level of legislative activity. League staff may address the issue with state agencies and/or other stakeholders.

Not Recommended – The resolution may be too confined to one community, be on its face contrary to core principles or not in line with current agreements with other stakeholders.

Subcommittee amendments use parentheses to indicate mergers, strikethroughs to indicate deletions, and red capitals for new language.