

PIMA COUNTY REAC AGENDA

September 10, 2015

1. **The Fraternal Order of Police and the Pima County Deputy Sheriff's Association have been pushing for pay increases they say many Pima County deputies and corrections officers were promised and are long overdue to receive.**

- ◆ **Is there a scenario under which the County can afford to increase salaries based on current and projected revenues?**

A pay increase is a recurring cost and must be paid for from a recurring revenue stream. Pima County levies just enough taxes to cover expenses. A pay increase would likely require a tax increase.

- ◆ **There has been some rumor that the legislature might consider changes to the public safety pension system. Are you hearing anything along those lines?**

The County isn't sure what the State legislature may do. The League of Cities and Towns has recommended changes for employees hired after July 1, 2016. Because any changes would only affect new hires, the impact would not be seen for many years since it would not affect the current staff of PCSD. According to an Arizona Republic article on May 27, 2015, the League's plan would:

- Create a different pension system for new employees hired after July 1, 2016.
- Have employers and employees pay the same amount of money or contribution rate into the trust. Currently, employers pay four to eight times the contribution rate of employees.
- Pool assets and liabilities to spread the risks among all government bodies.
- Have a pension board of trustees who are independent, qualified experts. The current board has four public employees with three — a firefighter, police officer and county supervisor — who benefit from the system.

2. **How will the County handle the retirement of Deputy County Administrator Hank Atha?**

- ◆ **Is there someone within the County that can fill that role or will you need to hire someone new?**

No New hires – internal reorganization will allow Chuck to directly oversee Economic Development, Stadium District and Libraries.

3. **The Pima County Assessor's office reclassified hundreds of Tucson-area properties which are rented as short-term vacation rentals as commercial this year.**

- ◆ **What brought about the change in classification?**

According to the newspaper article: "County Assessor Bill Staples said state law defines transient lodging establishments as those that rent for less than 30 days at a time. Because vacation rentals and short-term rentals meet this criteria, the properties were reclassified as commercial."

◆ **How were properties identified for reclassification and are there others out there that are likely to be reclassified in the future?**

According to the newspaper article: "One way the County Assessor's Office determined which properties to reclassify was to search vacation-rental websites for local properties."

◆ **What is the anticipated increase in revenue to the County?**

Net increase in revenues to Pima County is negligible. There were 235 reclassified properties. If we assume they have an average assessed value of \$200,000 (which is high for Pima County), the net increase in primary taxes is \$150K to \$200K (or 1/20th of 1 percent).

◆ **There has been some editorializing that the reclassification should be delayed. If property owners agree to no longer use the property for short-term rentals, how do they get the reclassification reversed?**

The owner would need to appeal the notice of value from the Assessor or later file a notice of claim for incorrect classification.

4. **The Board of Supervisors recently approved the new Pima County Economic Development Plan.**

◆ **Can you provide us with a perspective on how the County's *End Poverty Now* works?**

There are four essential dimensions to Ending Poverty Now:

- Partnering with **businesses** to promote employment retention and career advancement of workers;
- Supporting Bridges Out of Poverty and other models that empower **under-resourced people** to get ahead instead of just get by;
- **Coordinating** and bundling resources in support of people moving out of poverty

In October the County Health Department, Public Library, Community Action Agency and One-Stop will partner with Grace Temple on a Bridges class for youth and young adults who are parenting or expecting a baby.

- Engaging multiple sectors in a **partner network** to work together to address poverty.

It is a drain on our healthcare system, public education, law enforcement, courts, prisons, and for-profit companies.

◆ **Is there any movement on funding for Job Training and Development to help Pima County residents get into higher paying jobs?**

Pima County One Stop Job Training Initiatives for higher paying jobs:

Southern Arizona Manufacturing Partnership (SAMP)- 24 trained/in training and 32 enrolled

SAMP is a committed group of Tucson manufacturing companies working in close partnership with Pima County One Stop, Pima Community College (PCC), Desert View High School and Tucson Magnet High School to develop the manufacturing workforce of the future.

Southern Arizona Technical Career Pathways – 277 individuals trained

A US Department of Labor H1B funded training initiative targeted for incumbent workers currently employed in (junior) technician positions in Aerospace/Defense. The training is focused on demand occupations of Engineering, Information Technology, and Production Management.

Advanced Manufacturing Jobs and Innovation Accelerator Challenge – 118 individuals trained

A US Department of Labor H1B funded training initiative through the Arizona Commerce Authority focused on providing training for mid to upper level incumbent workers in the Aerospace/Defense Industry.

Innovation Frontier Arizona Youth Career Connect Grant- 90 students enrolled

A US Department of Labor H1B funded regional STEM career-pathway initiative establishing and supporting identified cohorts of high school students through four year pathways in identified demand areas of applied information technology, industrial technology, biotechnology and aviation technology.

◆ **With respect to Economic Development for the region, how can the County champion a complete plan that includes ALL stakeholders so every municipality wins in Development?**

Do you see another WIN to follow on the footsteps of Home Goods?

Identifying employment centers such as the aerospace corridor and coordinating infrastructure to meet anticipated needs in those centers provides a base to bring new employment “wins” in and increase retention and growth of existing businesses. These can be assisted with job-training activities, which are available county-wide, as are many other services.

Regarding the regional approach including all stakeholders, Teresa Bravo just sent an invitation Tuesday to all the southern Arizona jurisdictions including Cochise, Santa Cruz, Pinal and Yuma Counties to begin quarterly economic development meeting on Oct. 2. While developing the County ED plan, we invited all local jurisdictions, including the two Indian Nations to share their plans and priorities with us to incorporate into the final plan.

5. **What was the County’s role in the recent Maquiladora suppliers’ expo in Sonora?**

The Maquiladora industry in Nogales, Sonora includes approximately 110 maquiladoras that employ an estimated 35,000 people.

The Maquiladora Association of Nogales, Sonora (INDEX) recently hosted their 5th Annual Supplier Expo where they sold out 170 booths.

Pima County facilitated the attendance of a regional group which shared a booth at the 2015 Supplier Expo. These regional partners included; City of Tucson, Town of Sahuarita, Pascua Yaqui Tribe, Sun Corridor, Inc. and Pinal County.

Our region has been successfully working as team in economic development efforts. Pima County and our regional partners are very interested in the manufacturing industry and also want to focus on the concentration of suppliers in Arizona.

◆ **Is the County's goal to bring in new potential suppliers or to increase the sales/revenue volumes for existing Pima County businesses?**

Both. Pima County's goal is to identify the needs of the *Maquilas* in Nogales, Sonora and help fill the gap with Arizona suppliers. Ideally, this expansion of supply chain opportunities will benefit existing businesses and attract new business to Pima County to strengthen our local and regional economies.

◆ **What do you see as the short and long term potential for growth of this supplier market?**

Both the long term and short term potential for growth are excellent. Mexican GDP expanded 2.2 percent in the second quarter of 2013 and is forecasted to rise to rise to 3.4 percent by 2018. Sonora and the other Mexican trade regions most associated with Southern Arizona's economy will continue to benefit from the dynamism of the export-based manufacturing in Mexico. Pima County staff is working to identify particular gaps in the supply chain (such as metal plating, plastic injection molding, small metal fabrication, etc.) that can be filled by existing local and regional companies or by attracting new business to our region to meet these supply needs.

◆ **In addition to enhancing relationships with Mexico, do you see any focus on enhancing relationships with Canada?**

Pima County is the only governmental partner of the Canada Arizona Business Council (CABC) in all of Southern Arizona. The CABC has had great success in Maricopa County in terms of increased trade, tourism, supply chain opportunities and foreign direct investment. We plan to expand that success here. We are working to retain important Canadian companies in Pima County, such as Bombardier and Fortis, and assist them with any expansion needs they may have. We're also working with the CABC to identify Canadian investment opportunities for Southern Arizona and actively looking for Canadian companies that are seeking to set up operations in Southern Arizona to serve the supply needs of Mexican manufacturing.

Our strategies for Mexico and Canada are laid out in detail in Pima County's 2015-2017 Economic Development Plan. The Canadian economy has recently hit a downturn that may impact our tourism efforts, but the opportunities for foreign direct investment in Pima County have increased as Canadian investors look for stronger markets.

6. How does the operation of the Rapid Rectangular Flashing Beacons that the County is trying out differ from the HAWK lights that are typically used at pedestrian crossings?

HAWK regulates vehicles and pedestrians RRFB encourages vehicles to yield to pedestrians.

◆ Would they be effective in urban settings or are they really more for rural settings such as the one being tried out in Vail?

Either application could work in Vail. HAWK to be installed at Cienega High School. RRFB recently installed at Marsh Station Road Cienega Creek Bridge at Arizona Trail crossing (see attached memoranda).

7. ADOT's Passenger Rail Corridor Study Draft Tier 1 EIS has been published for review.

◆ How active has Pima County been in the development of this study and what is the next step moving forward?

Pima County has been an active participant in the EIS process, attending several meetings and workshops with ADOT and other stakeholders, and providing information and input when requested. From a practical standpoint, since there is no money to build anything, once the EIS is approved the project is effectively at a standstill until a funding source is identified.

8. Where does the County's process to modernize the Permitting System stand and what is the timeframe for completion?

New permitting software, Accela Automation, launched on July 27. All indications are positive reception from customers (see attached press release).

◆ Is there a way that what you are doing could be used to assist the City of Tucson as well?

We have reached out to the City of Tucson about exploring opportunities for collaborating on building code review functions.