



**PIMA COUNTY BOARD OF SUPERVISORS**  
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**ALLY MILLER**  
SUPERVISOR

**MEMORANDUM**

To: Robin Brigode

Date: October 21, 2015

Re: **Agenda Item for Nov. 10, 2015**  
Board of Supervisors Meeting

From: Ally Miller, District 1, Supervisor  
Pima County Board of Supervisors

A handwritten signature in blue ink, appearing to be "AM", is written over the "From:" line.

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Please place the following item on the **November 10, 2015**, Board of Supervisors Meeting Agenda:

Discussion of Pima County's purchase/transaction with South Tucson for Sam Lena Library.



Home / News / Local news

# County set to buy South Tucson library in debt-aid plan

Respond: Write a letter to the editor | Write a guest opinion



Pima County is offering to buy the Sam Lena Library in South Tucson for \$450,000 to be applied toward sums the city owes for the Pima Animal Control Center and the county jail. The county had been leasing the library for roughly \$98,000 a year.

[Buy Now](#)

September 18, 2015 7:28 pm • By Joe Ferguson

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One of tiniest cities in southern Arizona is about to get a little smaller.

At least in terms of its city-owned property.

The South Tucson City Council will decide on Monday night whether to sell the Sam Lena Library to the county for \$450,000 in a financial arrangement intended to help the cash-strapped city with its mounting debt.

Under the terms of the deal, no money will change hands. Instead the city will be able to pay down

### South Tucson anniversary party lost money



Revenue for the city's 75th anniversary fell short of expectations. [Read more](#)

debt owed to Pima County as well as refinance its existing debt over a 20-year period.

It was South Tucson's idea to propose selling the library, housed in South Tucson's municipal complex at 1607 S. Sixth Ave., rather than enter into a new multiyear lease agreement with the county, said **Lourdes Aguirre**, the finance director for the city.

"When we were originally contacting the county, we asked them to provide us with the option for both renting and selling the property to them," Aguirre said.

The county had been spending roughly \$98,000 a year on leasing space from South Tucson, but the lease expired last May.

South Tucson officials had hoped a new lease with the county would have brought more revenue, said Interim City Manager **Veronica Moreno**. She noted the current adopted South Tucson budget had anticipated an increase in revenues from the lease.

"The city was hopeful that the negotiation process would resolve itself promptly and as a result, a conservative increase in lease revenues was added and used to balance our city budget," Moreno wrote in a letter to the county in August.

An outside appraisal from a private firm hired by the county determined the library to be only worth leasing for \$63,357 a year.

The library needs tens of thousands of dollars in repairs to the roof as well as some repairs to the exterior of the building, county documents reveal.

County documents reveal former South Tucson City Manager **Benny Young** and Aguirre stated in June that the city was not financially able to make such repairs.

Under the terms of the sale proposal, \$40,000 would be applied toward fiscal year 2015 invoices South Tucson owes the county for Pima Animal Control Center services. And \$213,521 will be used to pay down jail debt, with the remaining \$198,000 going to cover animal control center fees for next fiscal year.

As part of the deal with the county, South Tucson will be able to refinance the balance of its debt — currently nearly \$1 million — over a 20-year period. That's twice the time South Tucson currently has to pay off its debt.

"It was tough," Aguirre conceded, noting the annual \$106,760 payment for animal care services was difficult to make given current financial issues.

County Administrator **Chuck Huckelberry** said he happy to work with city officials on finding solutions to help pay down debt, noting he believes the city will need a long time to recover financially.

"We understand the financial issues the city of South Tucson is facing," he said.

Over the long term, the county will save on the cost of leasing the Sam Lena Library for thousands of dollars per month.

The refinancing also gives South Tucson a more manageable debt payment.

The county and South Tucson have tried a number of solutions to pay down jail debt since the late '90s with limited success, Huckelberry has previously stated.

Jail debt is only one of the issues the city of South Tucson is struggling with financially.

Earlier this month, Waste Management severed ties with the town over a reported \$300,000 in unpaid debt. That forced South Tucson to begin picking up residential trash using leased equipment from the city of Tucson.

It's a solution that Aguirre says is not financially sustainable in the long-term. South Tucson continues to investigate a new private contract that could easily triple the cost of garbage collection

for an estimated 1,200 residents in the 1.2-square-mile town.

In 2014, South Tucson city officials eliminated a secondary property tax that never got the voter approval required under state law.

The city had received about \$1.8 million through the secondary property tax over the 2011, 2012 and 2013 tax years.

An audit of South Tucson finances, which covered the year that ended June 30, 2013, found the city had more than a dozen problems that could lead to a misstatement of its finances.

In 2010, the city of Tucson wrote off roughly \$894,000 in transit and para-transit fees.

**Ken Strobeck**, the executive director for the League of Arizona Cities and Towns, said he believes he has seen South Tucson move in a positive direction as it attempts to tackle its finances.

"For a number of years there has seemed to be a lack of transparency in the name of the city," he said. "It is my impression that is changing, and they are certainly trying to make changes."

It is very difficult for a small "landlocked" city to make large changes overnight, he said, noting South Tucson lacks a big economic base to get new tax revenue.

But, Strobeck said, it's not impossible.

"I've seen a couple (of municipalities) who are working their way out of these type of problems."

Contact Joe Ferguson at 573-4197 or [jferguson@tucson.com](mailto:jferguson@tucson.com). On Twitter: [@JoeFerguson](https://twitter.com/JoeFerguson).

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**Tags** Steve Kozachik, South Tucson, Waste Management, City Of South Tucson, Residential Trash Collection, Debt, Environmental Services Department, Tucson Arizona, Pima County Arizona, Lourdes Aguirre, Veronica Moreno, Sam Lena Library, Chuck Huckelberry, South Tucson Library, Ken Strobeck, Benny Young

## Jeannie Davis

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**From:** Jeannie Davis  
**Sent:** Wednesday, October 21, 2015 1:26 PM  
**To:** Chuck Huckelberry; Melinda Cervantes  
**Cc:** Ally Miller  
**Subject:** Sam Lena Library

Mr. Huckelberry,

Supervisor Miller is requesting a copy of all documentation involving the Sam Lena Library transaction including financial agreements and contracts as well as Pima County's cost estimate to run the Sam Lena Library including their gate count.

Respectfully,

**Jeannie Davis**  
*Chief of Staff*  
**Pima County Supervisor Ally Miller – District 1**

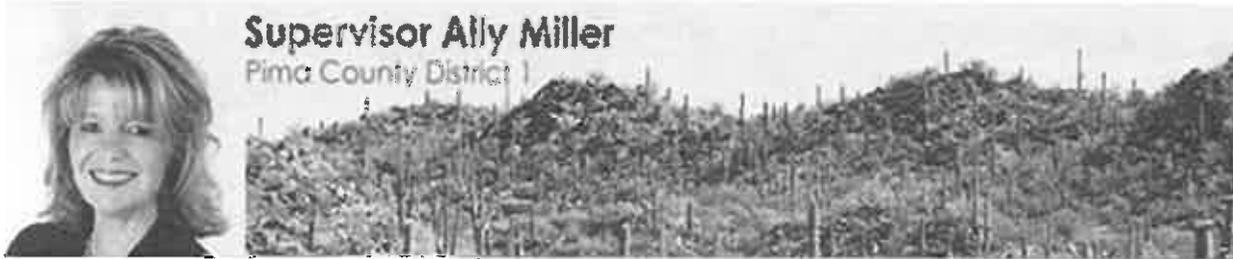
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