



Metropolitan Pima Alliance

ADDENDUM MATERIAL

DATE 2-16-16

ITEM NO. 4

The Honorable Sharon Bronson
Chair
Pima County Board of Supervisors
130 W. Congress St., 11th Floor
Tucson, AZ 85701

February 14, 2016

Chairwoman Bronson,

The Metropolitan Pima Alliance is a membership based association dedicated to finding common ground between the public and private sector specific to real estate and land use decisions. We work to foster a collaborative environment for the overall benefit of the community to achieve vibrant neighborhoods and a strong quality of life for all residents.

In reviewing the item as related to the Development Service Department's repayment, MPA strongly opposes taking these steps under the misguided notion that the department has reached financial stability. The nature of DSD is to create jobs and tax revenue for the County as it processes new building permits, rezonings and other services necessary for revitalization and new development. While Arizona, and specifically Pima County, remain dependent on the construction industry, when there is a decline in building activity like during the Great Recession, this department is heavily impacted. The General Fund had to slightly subsidize DSD but ultimately, during this same period, the department became more stream lined, efficient, and customer service driven as other communities remained at the status quo. The joint MPA/SAHBA 2015 survey provided information in which Pima County DSD scored the most positive scores regarding its process and customer service levels as compared to the rest of the region. To send the message that the department borrowed money from the General Fund and now must pay it back due to the efficiencies gained creates no incentive for this department and others to perform at the highest quality level. As properties change from vacant land to job creating businesses, both property and sales tax dollars grow for the benefit of the whole community increasing general fund balances. While DSD department revenue was down, the jobs performed by DSD created revenue for the General Fund. This department must retain its earnings so to be able to remain stable as this recession continues into what is predicted to be another recession in the very near future per local economists.

The MPA membership are those that meet with the mom and pop entrepreneurs working to start a new business. The engineers, planners, architects and permit expeditors meet these people first hand and they have testimonials on the effect fees have on their ability to open a business. They are extremely price sensitive and development service fees are often a surprise to these


individuals. Pima County has taken efforts to appear business friendly to large companies like Home Goods and Worldview. This message must spread all the way through to even the smallest entrepreneurs which make up a significant portion of the volume of work within DSD.

County Administrator Chuck Huckelberry proposes shifting this payback of \$5 million over to transportation maintenance and yet he repeatedly has stated that this is a \$300-million-dollar problem and a few million dollars of investment is not effective. This continuous push to penalize the business and real estate community to carry the burden of roadway maintenance is extremely short sighted. MPA recognizes the significant funding issue associated with the need to repair our roads; however, why should those that have invested in our future be the same ones responsible for the present conditions of our roads? Impact fees are already assessed to those bringing in new construction jobs, residents and businesses. Using excess funds from this department generated by new businesses that already paid impact fees and development service fees, is overburdening businesses for a recognized community problem.

MPA is actively engaged in working to develop a community solution to our roadway maintenance funding issue. In fact, as incoming Vice-Chair of the RTA Citizens Advisory Regional Transportation committee, I am committed to driving the community discussion of this critical infrastructure problem.

MPA strongly encourages the Board to not penalize the Development Service Department for being efficient in providing a service to the community that works to bring General Fund revenue into the County. The possibility of decreased efficiencies or increased fees that inevitably would be requested to offset the cost of the \$5 million payback would create a far greater negative ripple effect than the token impact to roadway maintenance. Why would the County choose to penalize the department that directly works with those that choose to invest in our community? Please feel free to contact me with any questions, comments or concerns at 520.878.8811.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Amber Smith', with a stylized, cursive script.

Amber Smith, MPA
Executive Director
Metropolitan Pima Alliance.