



Sierra Vista

A R I Z O N A

EXTRAORDINARY SKIES.
UNCOMMON GROUND.

2021 LEGISLATIVE AGENDA

State Legislative Agenda

In addition to targeted feedback on specific issues, these guiding principles and key priorities will guide actions of City staff and external consultants on all other legislative matters that arise during the 2021 State legislative session. The Council-approved agenda will define the City of Sierra Vista's priorities and frame City lobbying activities at the Arizona State Legislature.

GUIDING PRINCIPLES AND KEY PRIORITIES

Fiscal Sustainability

The City of Sierra Vista supports the preservation of shared revenues, including state transaction privilege tax (sales) and urban revenue (income) tax at the 15% distribution level and opposes any reduction or cap, regardless of the method.

In addition, the city supports the continued full disbursement levels of existing revenue streams including the Highway User Revenue Fund (HURF), Local Transportation Assistance Fund (LTAF), and Vehicle License Tax (VLT). The City opposes attempts to redirect those funds away from these accounts, and appreciates the Legislature's full restoration of HURF funds to cities and counties for transportation uses last year. The City further supports the sustainment, and advocates for the expansion of, the State Aviation Fund for the state's portion of matching of federal grant investments in local airports.

The City also supports protection of local funding and authorities that bring revenues to local governments. The City opposes any effort to limit the elected body's ability to collect locally established taxes or fees, as well as any action that would increase costs to the residents of the City.

Further, the City supports actions to improve the long-term viability of all state retirement systems, including the fair allocation of financial responsibility to local governments. The City advocates for increased transparency related to PSPRS 3-5 year projections and continued reforms to the Public Safety Retirement System (PSPRS) that will return the system to financial viability based upon reasonable actuarial assumptions and an increase in participant obligations.

Local Authority

Cities and towns were voluntarily created by the residents of their communities to provide local self-government, and to allow their respective Councils to make decisions at the local level that best meet the needs of their communities. The City of Sierra Vista supports the protection of local control and decision-making authority and opposes efforts to erode this control through preemptions or mandates.

One current threat to local authority is the proposed ADEQ Protected Surface Waters program. Establishing a new state standard that exceeds the federal standard is an overreach. This program would lead to additional permitting and associated costs, and open the door to lawsuits by private organizations against local governments based on the state's expanded definition.

The development of infrastructure to facilitate community and economic development is a key function of local government and City supports local control as it pertains to all components of the planning and development process, including water requirements.

Economic Development

A strong and vibrant economy is essential to the quality of life for the City's residents, businesses, and visitors. The City of Sierra Vista supports working with the State through the Arizona Commerce Authority and Office of Tourism, other governments, and private enterprises to identify sustainable economic opportunities, and supports efforts to enhance the tools available to attract and retain quality jobs. The City opposes legislation that would diminish the ability of local governments to provide supportive services to local businesses or revitalize areas within City boundaries.

The City supports efforts to protect and expand tourism assets, as well as increase the visibility of Arizona, Sierra Vista, and Cochise County as tourism destinations.

An expanded Port of Entry in Douglas would benefit the entire region economically, and the City supports the efforts of Douglas and Cochise County to build a new POE. Related regional improvements, such as an improved and expanded Highway 191, are also supported.

The advent of 5G is an important step in communication technology, and the City supports efforts of the State to expand 5G to rural communities. The implementation of 5G will have a positive and far-reaching impact on Fort Huachuca, residents, and businesses alike.

Sierra Vista recognizes that access to capital is one of the major impediments to the formation and growth of new companies. Venture capital drives job creation and economic growth by helping entrepreneurs turn innovative ideas and scientific advances into products and services. The City supports efforts to enhance and facilitate venture capital investments within Arizona, including extending, enhancing, or adding appropriate tax credits.

Military Preservation and Expansion

The City is an active partner in sustaining and expanding the long-term mission viability at Fort Huachuca and all Arizona-based Department of Defense facilities. Fort Huachuca has the largest economic impact of any installation in the State of Arizona. In a report released in 2017 based on data collected in 2015, the State of Arizona estimated Fort Huachuca is directly or indirectly responsible for more than 21,000 jobs, nearly \$1 billion in wages, and \$2.9 billion in

output. Despite the Department of Defense spending over \$15 billion in Arizona during 2019, there is no concerted state level proactive approach to support military installations and prevent the loss of critical defense businesses across the state. The City of Sierra Vista will continue to be involved in, and supports reasonable efforts to strengthen local and state efforts to minimize encroachment, enhance compatible land use planning, and elevate the advantages of the region and state for future mission expansions.

The City strongly advocates for the State's Military Affairs Commission and funding of the Military Installation Fund. Please see additional information at the end of this document regarding the need for a coordinated statewide effort to support military installations in a competitive Department of Defense environment.

The City further advocates for environmental resource policies that support military centers of excellence and facilitate continued economic development in our region.

Transportation

In addition to the support for HURF and the State Aviation funds, the City supports strong partnerships in planning for and funding future infrastructure improvements to enhance the region's and state's economic competitiveness through both national and international trade and tourism, as well as the overall quality of life of area residents. As one of the fastest growing states in the nation, the City recommends relooking at funding for transportation, with particular respect to both maintaining the current infrastructure and future needs.

Public Safety

The City supports efforts that preserve and enhance the ability of local governments to strategically plan for and respond to emergencies, and maintains its support of a state-wide emergency communications network. In addition, with HURF funding restored to communities, the City strongly advocated for the state DPS taking back full responsibility for responding to calls and conducting accident investigations on state routes within the City limits, or conversely allocating the funding distributed to the City in order to compensate it for taking on that role. In addition, the City supports the return of appropriate and statutorily required responsibilities to the State Fire Marshall's Office.

The City supports development of state guidance on the storage and retention of body-worn camera data, and requests consultation with interested cities on the development of any statewide requirements.

Neighborhoods

The City of Sierra Vista recognizes that healthy neighborhoods are the cornerstone of a healthy community. Proper enforcement of uniform codes for property maintenance, criminal activity and other nuisances can greatly contribute to improving neighborhoods. County islands within the City are provided a rural level of service by their governing body, and the differing codes and higher response rates bleed into adjacent incorporated areas. The City supports efforts to enhance a community's ability to annex County islands to improve consistency, improve government efficiency, and enhance neighborhoods. The City further supports legislation that will allow for the City's restitution of public funds utilized to clean up or to secure dilapidated properties whether these properties are in the county or on state trust land.

Education

The City of Sierra Vista supports educational programs, policies and appropriate funding that result in a college, career-bound and technically skilled Arizona workforce. A highly-qualified workforce will support Arizona's competitiveness in the retention and attraction of quality high wage jobs.

Federal Legislative Agenda

The federal government collects tax dollars from Sierra Vista residents and the City is committed to working with its federal representatives to assure that the community receives the benefits of these contributions in the form of investments in infrastructure, including wastewater and transportation, as well as defense. The City supports collaboration with the federal government and locally-driven decision-making. Sierra Vista has a responsibility to shape regional economic development, therefore the City advocates for and needs appropriate authority, flexibility, and resources from federal, state, and county government partners to insure it can be an effective leader in job retention and expansion in the community.

GUIDING PRINCIPLES AND KEY PRIORITIES

Military Preservation and Expansion

The City of Sierra Vista is committed to sustaining and expanding the long-term mission viability at Fort Huachuca. The City will continue to be involved in, and support all local, state, and federal efforts and partnerships to elevate the programs, military value, and services currently provided at the Fort and also to advocate for mission expansion.

In concert with Sierra Vista's policy focus at the local and State levels, the City advocates for environmental resource policies that support military centers of excellence and facilitate continued economic development also extend to the federal government.

Gila River Adjudication

Fort Huachuca, Sierra Vista, and BLM have been through their trials, but no decision has been rendered yet. After a decision is rendered on the adjudication, how enforcement of water rights occurs will be our primary concern and issue moving forward. There are different ways enforcement could occur ranging from enforcement through legal action to a negotiated settlement. Without knowing how the federal government will want to enforce its water rights, it is difficult to plan what the City will do, but recently efforts began to discuss a collaborative agreement with BLM and Cochise County.

Summary of Arizona's Need for Military Support in a Competitive DoD Environment

The state of Arizona enjoyed the influence and protection of U.S. Senator John S. McCain III with concern to the state's military missions and installations.

Sen. McCain took action to protect missions such as Fort Huachuca's Electronic Proving Ground from a political attack to increase the mission at Aberdeen Proving Ground by the Maryland delegation. In the 2015 NDAA, Sen. McCain added language to require the DoD to report to Congress any plans to consolidate or eliminate test ranges such as the Electronic Proving Ground at Fort Huachuca. Sen. McCain went further by preventing the elimination of the A-10 and protecting the capability as trained at Davis-Monthan Air Force Base in Tucson.

At the 2018 Association of Defense Communities Annual Meeting in Washington D.C., Assistant Secretary of Defense for Sustainment Robert H. McMahon spoke to the assembled community leaders. He opened with, **"It is a privilege to have a military installation outside of your community, not a right, and you had better wake up every day thinking about how you can assist your installation."**

Without the support of Sen. McCain, Arizona as a state is vulnerable to political decisions to relocate military missions and units, ultimately negatively impacting Arizona's GDP with DoD providing over 4% to the Arizona economy (Maguire study identified \$11.5 B in economic impact). Without an active and funded Military Affairs Commission, the burden has been left to local communities to protect military missions.

In 2019 Arizona's **potential loss of the UAS training mission at Fort Huachuca** due to political pressure from Alabama was only stopped by the entire Congressional Delegation engaging the Secretary of the Army.

Direct Potential Loss to Fort Huachuca/Sierra Vista/Cochise County -

- 189 Military Positions/94 Dept. of the Army Civilian Positions
- Approximately 270 contract positions
- Over 1500 students each year
- Direct Impact to local economy (Conservatively) \$30M in salaries

Arizona's Military Affairs Commission

The Commission has not met in over 3 years. State budgets have not included Military Installation Funds to support military missions since the last infusion of \$2.5 million in 2015 for an airport study, and 2011 for general fund appropriation. In comparison, the state of Texas committed \$66.6 million between 2015 and 2020 to support their installations while also securing the home of the Army's Futures Command. There is no concerted state level proactive approach to support military installations and prevent loss in potential capability to defense industries in Arizona. The Sentinel Landscape designation opens up the potential for significant funding from DoD and Department of Agriculture with matching funds from the state, but none are currently available or planned.

Additionally, Arizona is missing out on potential grants and economic assistance from DoD Office of Economic Adjustment (OEA) to improve our military value and support the defense industry.

Arizona is not actively supporting Defense Related Business within the State (AZ Commerce Authority states 1,200 Aerospace and Defense Related Business in the State) – even compared to California where their Governor's office led an effort to secure an OEA grant. In July 2017, the state of California

announced that it had received a \$2.9 million grant from the United States Department of Defense Office of Economic Adjustment (OEA) to bolster California's defense supply chain cybersecurity resilience, innovation capacity and diversification strategies, and to support the growth and sustainment of California's Cybersecurity workforce through cybersecurity-related education curricula, training and apprenticeship programs.

Recommendations

- **Arizona must reauthorize Military Installation Funds (MIF) in the upcoming budget.**
- **Regular meetings of the Military Affairs Commission should be reestablished.**
- **Recommend a review of other states to identify potential solutions for a state level office to proactively manage the defense installations and defense companies within the state.**
- **Initiate a study (potentially funded by OEA) to identify potential long-term solutions for the State of Arizona in protecting and attracting military missions and furthering the defense related industry of the state.**