




MEMORANDUM

Date: October 3, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Annual Bond Program Update Report for Fiscal Year 2017/18**

Attached is the Pima County Bond Program Update for Fiscal Year 2017/18. Twenty projects were completed during this year and an additional six projects were under construction. Four projects receiving general obligation bond proceeds will be complete by the end of this current fiscal year. When these are complete, the only project remaining to be funded with general obligation bond proceeds will be the improvement of animal care facilities in Ajo with residual proceeds from completing the new Pima Animal Care Center.

As you know, the 1997 Transportation Bond Program, funded with Highway User Revenue Funds (HURF), has taken longer to complete than expected due to a reduction in HURF revenues caused by the Great Recession, more fuel-efficient vehicles, and sweeps by the State legislature. In addition, the State legislature has not increased the state gas tax since 1991, which is a key source of revenue for the HURF and has lost much of its purchasing power due to inflation. Other states have acted more wisely. In fact, 26 states in the last four years have raised their state gas tax. Without the necessary revenues to repay the debt, the County had to delay selling bonds that required the HURF revenues for repayment. That said, all of the remaining projects not currently under construction, are scheduled to being construction between 2018 and 2020. Five of these are managed by Pima County, and three by the City of Tucson. We are committed to completing these projects and continuing to comply with annual audits of the use of HURF revenues for authorized transportation projects, as required for all Arizona counties.

CHH/dr

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Nicole Fyffe, Executive Assistant to the County Administrator

PIMA COUNTY BOND PROGRAM UPDATE

Annual Report for Fiscal Year 2017/2018



Period Ending June 30, 2018





PIMA COUNTY

Pima County Board of Supervisors

Richard Elías, Chairman, District 5

Ally Miller, District 1

Ramón Valadez, District 2

Sharon Bronson, District 3

Stephen W. Christy, District 4

Pima County Administrator

Chuck Huckelberry

Pima County Bond Advisory Committee Members

Tom Dunn, Chair - Town of Marana

Carolyn Campbell, Vice Chair - District 5

Joe Boogaart - District 1

Edward Buster - District 4

Gary Davidson - District 1

Brian Flagg - District 5

Joyce Garland - City of Tucson

René Gastelum - District 2

Kelly Gomez - Pascua Yaqui Tribe

Curtis Lueck - District 3

Michael Lund - District 4

David Lyons - District 4

Wade McLean - County Administrator

Joyce Powers - Town of Oro Valley

Ted Prezelski - District 5

Patty Richardson - County Administrator

Ted Schmidt - District 3

Chris Sheafe - County Administrator

Arthur Eckstrom - District 2

John Sundt - District 1

James Ward - Town of Sahuarita

Tom Warne - District 2

Greg Wexler - District 3

These bond programs are overseen by an active 25-member citizen's committee appointed by each city and town, the two Native American tribal governments, the Pima County Board of Supervisors and the County Administrator.

Pima County Bond Program Update

Annual Report for Fiscal Year 2017/2018

Period Ending June 30, 2018

About Pima County's Bond Programs

Since 1997, Pima County and its partner jurisdictions have completed over 700 bond projects with voter-approved bond funding, resulting in significant investments in this community's infrastructure, providing tremendous benefit to the everyday lives of our residents and visitors and creating thousands of construction-related jobs. The projects are located throughout Pima County, many within municipalities and tribal areas. They include new and improved libraries; community centers; parks and trails; health and medical facilities; affordable housing; justice and law enforcement facilities; historic preservation; roads; wastewater facilities; flood control improvements; and much more. Funding for the projects was approved by voters at county-wide elections held in 1997, 2004, 2006, and 2014.

A 2013 audit of the County's general obligation bond programs by the State Auditor General's office found the County's bond programs to be a unique collaborative effort between the County and its cities, towns and tribes; verified that bond proceeds were used for the purposes authorized by voters; and stated that projects benefited citizens throughout Pima County.

About this Report

Per Pima County's Truth in Bonding Code (Chapter 3.06), status updates on the progress of completing bond projects are provided twice a year to the Bond Advisory Committee, the Board of Supervisors and the public. Since the majority of projects are now complete, Pima County has less to report. As a result, the format of this report has been updated to summarize, in a more concise manner, the accomplishments of each bond program and the status of the remaining projects. Additional information about completed projects, active projects and financial data is available on the County's bond website at www.pima.gov/bonds. This annual report is for the period ending June 30, 2018.

Pima County's project delivery process for completing these projects has become a model adopted by other governmental agencies in Pima County, Phoenix and Texas.

Status of Bond Programs June 30, 2018

Completed Bond Programs

1997 Sewer Revenue
2004 Sewer Revenue
2006 General Obligation (Behavioral Health Facilities)

Substantially Completed Bond Programs

1997 General Obligation
2004 General Obligation
2014 General Obligation (Pima Animal Care Center)

Active Bond Programs

1997 HURF (Transportation)

Financial Summary

Since 1997, voters have authorized \$1.52 billion in bonds. As of June 30, 2018, Pima County had sold all but 4 percent of the bonds over 27 individual sales. The remaining General Obligation bond authorization was sold on February 1, 2017. A portion of the County's share of Highway User Revenue Funds are used to repay the transportation bond debt, sewer fees are used to repay the sewer debt, and secondary property taxes are used to pay off the General Obligation bonds that fund the remainder of projects. Pima County bonds are sold with no more than a 15-year payback term. Pima County's conservative approach to debt management is reflected in its superior credit ratings and low interest rates.



The Warden Family Splashpad at Manzanita Park was completed and open to the public on July 28, 2018. It is adjacent to the Manzanita Swimming Pool, utilizing existing parking lot and restroom infrastructure at the Drexel Heights Community Center and consists of a 60 foot diameter spray park with ground sprays and spray features, a 15 foot ring of natural grass encircling the pad, 4 covered ramadas, and associated support structures and equipment.

Bond Sales (As of June 30, 2018)

Bonds	Total Authorization (Millions)	Total Bond Sales (Millions)	Remaining Authorization (Millions)	Percent Remaining
1997 General Obligation	\$ 257.0	\$ 257.0	\$ 0.0	0%
1997 Sewer Revenue	\$ 105.0	\$ 105.0	\$ 0.0	0%
1997 HURF Revenue	\$ 350.0	\$ 287.6	\$ 62.4	18%
2004 General Obligation	\$ 582.2	\$ 582.2	\$ 0.0	0%
2004 Sewer Revenue	\$ 150.0	\$ 150.0	\$ 0.0	0%
2006 General Obligation	\$ 54.0	\$ 54.0	\$ 0.0	0%
2014 General Obligation	\$ 22.0	\$ 22.0	\$ 0.0	0%
Total	\$1,520.2	\$1,457.8	\$62.4	4%



The Marist on Cathedral Square project will feature two complexes for affordable, senior living. The first will be a seven-story, 75-unit complex at Broadway Boulevard and Church Avenue and the second will reside in the rehabbed Marist College building, 8 units in what was Tucson's first parochial school and the tallest adobe structure in Arizona. Pima County's bond funding contributions to this project are complete.

1997 HURF Revenue Bond Program - Active

In November 1997, Pima County voters approved \$350 million in Highway User Revenue Fund (HURF) bonds, to be repaid with a portion of the County's share of HURF revenues from the State, to widen and rebuild roadways throughout Pima County and within cities and towns.

This funding has:

- Leveraged more than \$340 million in federal, state and local transportation funding
- Built more than 55 segments of roadway totaling over 250 lane miles
- Completed more than 100 safety projects
- Reduced congestion by 43% and more than doubled average roadway capacity

The program includes 56 site-specific projects, many of which have been constructed in phases. Three additional projects, Neighborhood Transportation Improvements, Safety Improvements, and Road Repair and Pavement Preservation, include many smaller subprojects. Of the 56 site-specific projects, 100% are complete, under construction, or under development.

While 1997 HURF revenue projects were originally planned for completion by Fiscal Year 2013/14, a lack of HURF revenues caused by the economic downturn, sweeps by the State Legislature and more fuel efficient vehicles, means that projects have taken longer to complete. For Fiscal Year 2017/18, HURF revenues to Pima County are projected to total approximately \$61.6 million, and 40% are forecasted to repay debt for these transportation projects. Several projects are also reliant on Regional Transportation Authority (RTA) funding and scheduling. Three projects are managed by the City of Tucson.



Highway User Revenue Funds (HURF) are funding the Cortaro Farms Road improvements.

Projects Completed During Fiscal Year 2017/18

- DOT-57 Safety Improvements – Pima County:
Curtis Rd. Traffic Safety Improvements
Square Tube Breakaway Sign Posts

Projects Under Construction

- DOT-18 Cortaro Farms Rd., Camino de Oeste to Thornydale Rd. – Pima County
- DOT-29 Houghton Rd., Widening at Union Pacific Railroad – City of Tucson (RTA)
- DOT-57 Safety Improvements – Pima County:
South Houghton Intersection Improvements
Durable Pavement Marking Upgrade Project
Intelligent Transport System Signal Coordination & Cabinet Upgrade

Projects Under Development

Estimated to begin construction between 2018 and 2020

- DOT-23 Thornydale Rd., Cortaro Farms Rd. to Sumter Dr. – Pima County
- DOT-29 Houghton Rd., Valencia to Mary Ann Cleveland Way;
Houghton Rd., Union Pacific Railroad to I-10 – City of Tucson
- DOT-32 Kolb Rd., Sabino Canyon Rd. to Sunrise Dr. – Pima County
- DOT-50 Kinney Rd., Alexandrite Ave. to Bopp Rd. – Pima County
- DOT-56 Broadway Blvd., Euclid Ave to Country Club – City of Tucson (RTA)
- DOT-57 Safety Improvements - Pima County:
South Camino De La Tierra - Highway Drive to Curtis Rd.
Benson Highway at Drexel Rd. Intersection Improvements
Speedway Blvd., Painted Hills Rd. to Camino de Oeste
Ina Rd., Shannon Rd. to La Cholla Blvd. Sidewalks
Bopp Rd., Sarasota Blvd. at Kinney Rd. Improvements
Tanque Verde Rd. at Tanque Verde Loop Rd.
King Canyon Trailhead Parking
White Elementary and Pistor Middle Schools – Pedestrian Safety
and ADA Access Improvement
- DOT-58 22nd Street, I-10 to Tucson Blvd. – City of Tucson (RTA)
- DOT-59 Road Repair and Pavement Preservation – Pima County

2014 General Obligation Bond Program, Pima Animal Care Center - Substantially Complete

On December 26, 2017, the first phase of the new Pima Animal Care Center opened to the public. The new facility is designed and built to support PACC's life-saving operations, improve disease control, increase adoptions and become a community resource by providing better services to the residents of Pima County. The first phase includes a large public adoption and licensing lobby, expanded cat housing with multiple cat group rooms, an increase in the number of indoor/outdoor dog housing, the Pet Support Center with separated dog and cat waiting areas, processing rooms and triage and holding spaces, a veterinary clinic with dedicated waiting areas, exam rooms, a surgery suite, dog and cat isolation housing for disease control, more efficient staff work areas and a community meeting room.

The second phase of the project is quickly nearing completion and opened to the public on June 23, 2018. This phase includes a complete renovation of the existing facility providing additional dog housing, multiple visitation rooms, shelter support services, foster and rescue staff offices, volunteer center/breakroom, multiple play yards and expanded parking. The final site work is on schedule to be complete in August of 2018. Staff will then determine the amount of bond proceeds remaining and how to most effectively spend those bond proceeds to improve Pima County's animal care facility in the Town of Ajo, as stated in the voter information pamphlet and the bond implementation plan ordinance.

Projects Completed During Fiscal Year 2017/18

Phase 1: New Pima Animal Care Center

Phase 2: Renovation of Existing Facility

Future Project

Improvements to Town of Ajo Pima Animal Care Facility.



On June 29, 2018 the temporary dog housing tent, erected in 2014, was removed along with two modular buildings. These three structures were integral in allowing the Pima Animal Care Center to provide the necessary services until the new facility was completed. Their removal marks a new era in animal related services to the people and companion animals of Pima County.

1997 General Obligation Bond Program – Substantially Complete

In May 1997, Pima County voters approved \$257 million in General Obligation bonds for a variety of capital improvement projects throughout Pima County, including within cities and towns.

Completed bond projects include:

- A new adult detention facility, a new juvenile detention facility and court complex, and 11 Superior Court courtrooms
- 2 new libraries, 5 new pools, 8 new community centers, 11 new or expanded regional parks, 16 neighborhood parks, 9 miles of river parks, expansion of Tucson Mountain Park and acquisition of Canoa Ranch
- A levee along seven miles of the northern bank of the Santa Cruz River protecting a major portion of Marana
- Expansion of the Sahuarita Landfill, closure of the Tangerine Landfill, and many other facility improvements

Projects Completed During Fiscal Year 2017/18

NR-16 Neighborhood Reinvestment:

Menlo Park Exercise Stations – City of Tucson

Sunnyside Airport Wash Walking Path – City of Tucson

Barrios Santa Rosa and Viejo Shade Structures and Basketball – City of Tucson

Midvale Park – Oak Tree Drive Lighting – City of Tucson

Santa Cruz Pedestrian Safety Improvements – City of Tucson*

Elvira Neighborhood Solar Lighting System – City of Tucson*

PR-52 Manzanita Splash Pad – Pima County

SW-4 El Camino del Cerro Environmental Remediation – Pima County

Final Project to be Completed by End of Fiscal Year 2018/19

SW-2 Ina Road Landfill Closure – Pima County

*Project completed shortly after end of Fiscal Year 2017/18

2004 General Obligation Bond Program – Substantially Complete

In May 2004, Pima County voters approved \$582.2 million in General Obligation bonds for a variety of capital improvement projects and land acquisitions throughout Pima County, including within cities, towns and tribal areas.

Completed bond projects include:

- A new emergency communications system used by 55 emergency service providers
- A new public service center, public health center and interagency victim advocacy center
- New and improved libraries, community centers, museums, parks and recreational facilities
- Hundreds of new affordable housing units
- Many miles of new flood control improvements
- Hundreds of acres purchased to prevent urban encroachment on Davis-Monthan Air Force Base
- Thousands of acres purchased to serve as mitigation for future development while expanding nature-based recreational opportunities
- Rehabilitation of historic buildings and purchase of priority archaeological sites



Bond funds were used to upgrade the 50-acre Mike Jacob Sports park, including work to renovate the restrooms and ticket facilities, the addition of accessibility features such as ramps and railings and improvements to the existing irrigation system.



The Llano Grande Trailhead campsite commemorates the Anza Expedition of October 24, 1775. It is located along the west bank of the Santa Cruz River in Sahuarita. The trailhead includes vehicle parking, horse trailer parking, a shade ramada, and interpretive signage. The trailhead will be signed and marked by the beginning of October 2018, at which point the trailheads and trail will be open to the public.

Projects Completed During Fiscal Year 2017/18

- CR4.03 Anza Trail, Llano Grande Campsite – Sahuarita
(open to the public October 2018)
Anza Trail, Oit Par Trailhead – Trico Road at Santa Cruz River
(open to the public October 2018)
- HR2.10 Affordable Housing:
 - Sonora Rehab Project
 - Marist on Cathedral Square
 - Ontario Rental Housing Project
 - Linda Avenue House Restoration – Pima County
 - TMM Family Services Senior – Veteran Rental Housing*
- NR2.09 Naylor – Changemaker Sidewalks and Improvements –
Pima County for the City of Tucson
 - Country Club – Glenn Treat Avenue Improvements –
City of Tucson*
 - Santa Cruz Pedestrian Safety Improvements – City of Tucson*
- PR4.22 Mike Jacobs SportsPark Upgrades – Pima County

Final Three Projects Under Construction

- FC5.04 El Rio Golf Course Neighborhood Drainage Improvement
- NR2.09 Neighborhood Reinvestment:
 - Greenway Land Acquisition and Access – Pima County for the
City of South Tucson
 - Five Points Intersection Gateway – City of Tucson

* Project completed shortly after end of Fiscal Year 2017/18

For more information, please visit www.pima.gov/bonds

