

**Report and Recommendations on Amending Pima County's
1997 and 2004 General Obligation Bond Ordinances
Pima County Bond Advisory Committee, March 21, 2014**

I. Background

Pima County Code Chapter 3.06, the "Truth in Bonding" code, requires that bond implementation plan ordinances be amended to reflect substantial modifications to bond-funded projects. The code defines what constitutes a "substantial modification," and when an amendment must be adopted in relation to actions of the Board that implement affected projects. The code also requires that amendments to bond ordinances be considered and adopted by the Board at public hearings, after advance public notice, and only after review by the County Bond Advisory Committee. Certain projects also require action by the governing body of cities and towns, and other County committees.

This round of bond ordinance amendments only affects 10 projects from the May 20, 1997 and May 18, 2004 General Obligation (GO) Bond Programs:

1997 GO

- P-5. Tucson Athletic and Play Field Improvements
- P-36 Santa Cruz River Park, Irvington to Valencia
- T-23 Various Trail Acquisitions
- FS-13 Improve Disabled Access
- FC-2 Santa Cruz River, Congress Street to San Xavier Reservation
- SW-1 Regional Solid Waste Management
- SW-2 Tangerine Closure
- SW-4 El Camino del Cerro Environmental Remediation

2004 GO

- 4.8 Marana Mound Community Site
- 4.31 Northside Community Center

II. Ordinance Amendment Requirements Per the Truth In Bonding Code

Section 3.06.070 of Pima County's Truth in Bonding Code establishes procedures for making changes to a bond implementation plan ordinance. Recognizing that over time the availability of more detailed design and cost information, and changes in circumstances, often require changes in a bond implementation plan presented to the voters at the time of a bond election, Section 3.06.070 authorizes the Board to amend bond implementation plans to accommodate "substantial modifications" to projects. Substantial modifications are defined as:

1. An increase or decrease in total actual project costs by 25 percent or more
2. An increase or decrease in actual bond costs by 25 percent or more
3. An increase or decrease in actual other revenues by 25 percent or more
4. A delay in a project construction or implementation schedule of 12 months or more
5. A delay in the scheduled sale of bonds of 24 months or more
6. Any project that is not constructed
7. Any project that is added to those to be constructed
8. Any increase or decrease in the project scope that alters the disclosed project benefits
9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election

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The required timing of an amendment varies based on whether the amendment impacts only funding, or other aspects of a project. Pursuant to the Code, the Board of Supervisors can authorize a substantial modification to the funding for a project on a de facto basis by awarding or amending a contract for the project that reflects that change in funding, while at the same time acknowledging that the action will require a future conforming amendment to the bond ordinance. In this situation, the amendment takes place after the Board takes action by awarding a contract. The reason for this is that amendments should not be based on cost estimates, and prior to the awarding of contracts or approval of purchase agreements, cost estimates may vary. For all other types of substantial modifications, an amendment of the bond ordinance is necessary before the modification is implemented.

The County Bond Advisory Committee is tasked with reviewing and making recommendations to the Board of Supervisors regarding all proposed bond ordinance amendments. One project, the Northside Community Center, was originally a City of Tucson requested project. Per the 2004 Bond Ordinance Mayor and Council approved the amendment after a public hearing on June 18, 2013.

III. Recommended Amendments Relative to the 2004 General Obligation Bond Program

The 1997 and 2004 ordinances are attached to this report, with language that is being deleted shown in the “strike-out format” (~~example~~), while new language that is being added to the ordinance is underlined (example). All changes are highlighted as well. In this format, the ordinance only contains those projects that are being amended, and does not reproduce the entirety of the ordinance.

A brief description of the recommended ordinance amendments impact on each project is presented below.

1997 GO

P-5. Tucson Athletic and Play Field Improvements

There is \$330,000 of bond authorization remaining in this project. This amendment would expand the project scope to enable remaining funds to be spent on improvements to Manzanita Pool located along Irvington just west of Mission, and possible access improvements to connect neighborhoods along the Santa Cruz River to The Loop. The amendment would also add an implementation period to allow for the completion of these projects, and recognize \$943,434 in other funding that was spent on previously completed projects.

P-36 Santa Cruz River Park, Irvington to Valencia

This amendment would extend the implementation period through Fiscal Year 2014/15. This project is currently under design and construction is scheduled to begin in October 2014.

T-23 Various Trail Acquisitions

This amendment would extend the implementation period through Fiscal Year 2014/15 and recognize \$57,551 in other funding received from Arizona State Parks a number of years ago.

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\$63,158 in bond authorization for this project remains and will be spent on construction of a canopy under the rail road that crosses the Arizona Trail along Cienega Creek, as required by Union Pacific in case materials were to fall of trains; and the Arizona Trail crossing across Marsh Station Road adjacent to the Cienega Creek. Both projects are scheduled to be completed this fiscal year, but this amendment would provide an additional year just in case it is needed.

FS-13 Improve Disabled Access

This amendment would extend the implementation period through Fiscal Year 2014/15 and recognize \$17,204 of other funding that was spent on previously competed projects. \$87,252 in bond authorization remains for this project. It is anticipated that Pima County's Facilities Management will spend the remaining funds by the end of fiscal year 2013/14. However, this amendment would provide an additional year just in case it is needed.

FC-2 Santa Cruz River, Congress Street to San Xavier Reservation

This amendment would extend the implementation period to Fiscal Year 2014/15 and recognize \$1,522,375 of Pima County Regional Flood Control District funding that was previously spent on the project. The project is currently under construction.

SW-1 Regional Solid Waste Management

SW-4 El Camino del Cerro Environmental Remediation

The amendment would transfer the remaining bond authorization for SW-1 Regional Solid Waste Management, \$1,110,557, to SW-4 El Camino del Cerro Environmental Remediation, and would add an implementation period to SW-4 El Camino del Cerro Environmental Remediation to provide more time to complete the project. Pilot testing of groundwater treatment system is ongoing. The landfill has been appropriately covered and further operation of the gas control systems is not anticipated. These additional bond funds are needed to continue pilot groundwater testing and any additional future remediation tasks. The amendment would also recognize \$99,900 in insurance claim revenue that was spent on SW-1.

SW-2 Tangerine Closure

The amendment would add an implementation period to provide more time to complete this project. The Tangerine Landfill is no longer accepting waste but has some remaining capacity for disposal of future County waste as necessary. The landfill will require official closure and these funds will be used for that purpose. None of the \$3 million in bond authorization have been spent. Additional funds will likely be needed. The County is evaluating the availability of cover material and developing scenarios for final closure.

2004 GO

4.8 Marana Mound Community Site

This amendment would transfer the remaining \$17,004 in this project to 4.04 Fort Lowell Acquisition and San Pedro Chapel, which is currently under construction and scheduled for completion in June 2014. The majority of the Marana Mound Community Archaeological Site is on State Trust land and the Arizona State Land Department has been unwilling to put the property up for auction.

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4.31 Northside Community Center

This ordinance amendment would change the scope of this project from design and construction of a community center, to design and construction of soccer fields and associated facilities at Rillito Regional Park, in conjunction with the County's current and future efforts to expand the number of soccer fields at Rillito. This funding will result in 3 additional soccer fields and construction is scheduled for completion by end of 2015. This was originally a City of Tucson requested project. Per the 2004 Bond Ordinance Mayor and Council approved the amendment after a public hearing on June 18, 2013.

1997 GO Bond Amendments

Table 5

Planned Bond Project/Program Implementation Period

| <u>Fiscal Year</u> | <u>Implementation Period</u> | <u>Cumulative Bond Sale</u> |
|---------------------------|-------------------------------------|------------------------------------|
| 1997/98 | 1 | \$ 30,000,000 |
| 1998/99 | 1 | 60,000,000 |
| 1999/2000 | 2 | 90,000,000 |
| 2000/01 | 2 | 120,000,000 |
| 2001/02 | 3 | 160,000,000 |
| 2002/03 | 3 | 205,000,000 |
| 2003/04 | 4 | 256,980,000 |
| 2004/05 | 4 | --- |
| 2005/06 | 5 | --- |
| 2006/07 | 5 | --- |
| 2007/08 | 6 | --- |
| 2008/09 | 6 | --- |
| 2009/10 | 7 | --- |
| 2010/11 | 7 | --- |
| 2011/12 | 8 | --- |
| 2012/13 | 8 | --- |
| <u>2013/14</u> | <u>9</u> | <u>---</u> |
| <u>2014/15</u> | <u>9</u> | <u>---</u> |

A. Question No. 1 - Juvenile Detention and Court Facilities

5) Project P-5 -- Tucson Athletic and Play Field Improvements

Location: Various locations within the City of Tucson **and metro area.**

Bond Funding: \$3,000,000

Scope: Projects will only be constructed on public property in neighborhoods with high negative stress factors to be defined by using existing census or other reliable databases within the city limits of Tucson. Work will consist of upgraded accommodations for **recreational facilities including** athletic fields, courts, turf areas, walking/running asphalt paths, and nighttime lighting within a project funding limit of \$150,000.

Benefit: More and improved athletic and recreational **facilities fields** will be available throughout the community.

Other Funding: **\$0-943,434**

Implementation Period: 1, 2, 3, 4, 5, 6, 7, 8, **9**
Future Operating &
Maintenance Costs: Varies

36) Project

P-36 -- Santa Cruz River Park, Irvington to Valencia

Location: Santa Cruz River, Drexel to Valencia, Southwest Tucson
Bond Funding: \$1,200,000
Scope: Work consists of development of a public linear park extension along the Santa Cruz River, from Drexel to Valencia, including bike and walking paths, ramadas, picnic areas, irrigation, landscaping, and parking.
Benefits: Accommodation of the public need for linear park access and facilitation of recreational opportunity.
Other Funding: \$0
Implementation Period: 2, 3, 4, 5, 6, 7, 8, **9**
Future Operating &
Maintenance Costs: \$50,000 per mile

D. Question No. 4 - Sonoran Desert Open Space and Historic Preservation

24) Project

T-23 -- Various Trail Acquisitions

Location: Various locations identified below
Bond Funding: \$1,000,000
Scope: T - 23A Trail Acquisitions
Arizona Trail: Acquire 5 miles of trail corridor along Cienega Creek.
Agua Caliente Hill North Trail Access: Acquire a 15-foot corridor from the east end of Roger Road to the Coronado National Forest.
Wild Burro Wash Trail: Acquire 3.5 miles of trial corridor from CAP to Red Hawk development.
Shurban Wash Trail: Acquire 2 miles of trail corridor along Shurban Wash.
Rincon Creek Greenway Trail: Acquire 1 mile of trail corridor from Pantano Wash to Spanish Trail.
T - 23B Trail/Trailhead Developments

Rincon Creek Trail: Develop 3 miles of a 10-foot multi-use trail along the bank of the Rincon Creek from Spanish Trail east to Camino Loma Alta, install signage and fencing as necessary.

Camino Loma Alta Trail: Construct approximately 2 miles of natural surface trail 4 feet wide within the Camino Loma Alta right-of-way from Old Spanish Trail to the southern boundary of Saguaro National Park.

Spanish Trail Right-of-Way Trail: Construct 3 miles of natural surface trail 4 feet wide from Pima County's Rincon Valley District Park site to Camino Loma Alta within the Old Spanish Trail right-of-way.

Anza National Historical Trail: Construct a segment of the Anza Trail on recently granted trail corridor in the Green Valley area, along with a public staging facility and interpretive signage.

Houghton Road Right-of-Way Trail: Construct approximately 2 miles of natural surface multi-use trail 4 feet wide within the Houghton Road right-of-way between Old Spanish Trail and the Pantano Wash.

Colossal Cave Mountain Park Trail System - Phase I: Plan and construct 2.5 miles of recreational trails.

Central Arizona Project Trail - Phase II: Construct approximately 10 miles of natural surface multi-use trail 8 feet wide within the CAP right-of-way.

Ventana Canyon Trailhead: Acquisition of 5,200 feet of access from Ventana Canyon Parking lot to Coronado National Forest boundary.

Benefit: Projection of natural resource areas and provision of links and access to trail systems throughout the community

Other Funding: \$0-57,551

Implementation Period: 1, 2, 3, 4, 5, 6, 7, 8, 9

Future Operating &
Maintenance Costs: Minimal

E. Question No. 5 - Public Health, Safety, Recreational, and Cultural Facilities

12) Project FS-13 -- Improve Disabled Access

Location: Various Pima County Facilities

Bond Funding: \$1,100,000

Scope: Modify various County buildings to correct remaining deficiencies of accessibility to accommodate the public and employees as mandated by the Americans with Disabilities Act. This program will address those areas not previously modified to ADA standards at the following facilities: Downtown Governmental Center, outlying governmental centers, libraries, health clinics, Kino Hospital, Posada del Sol Health Care Center, Sheriff's facilities, additional parks and recreational facilities, and other Pima County facilities.

Benefit: Completion of the remaining accessibility deficiencies will bring Pima County public buildings into compliance with the federally mandated Americans with Disabilities Act.

Other Funding: \$0-17,204

Implementation Period: 2, 3, 4, 5, 6, 7, 8, 9

Future Operating &
Maintenance Costs: Minimal

F. Question No. 6 - Flood Control Improvements

2) Project FC-2 -- Santa Cruz River, Congress Street to San Xavier Reservation

Location: Santa Cruz River, Congress Street to San Xavier Reservation

Bond Funding: \$4,188,483

Scope: Although the Santa Cruz River 100-year flow is contained within the existing high banks, the earthen banks are unstable and are highly susceptible to lateral erosion during large flows. Two (2) miles of new soil cement bank stabilization will be constructed along both banks, which will tie into existing bank stabilization at the upstream and downstream ends.

This project has been included as a portion of the Army Corps of Engineers, Pima County and City of Tucson's Paseo De Las Igelasis project, which includes flood hazard mitigation and riverine eco system restoration. The Paseo De Las Igelasis project will promote flood control, and in addition cultural resource preservation, recharge Central Arizona Project water, and associated recreational river park facilities.

Benefit: Areas to be protected from bank erosion include the Midvale Park residential and commercial subdivision along the west bank; Calle Santa Cruz along the east bank; and commercial development nodes at Irvington and Drexel Roads. Working with the Army Corps of Engineers will provide additional amenities and funding for the project.

Other Funding: ~~Army Corps of Engineers Federal funding \$1,522,375 (Flood Control Tax Levy)~~

Implementation Period: 2, 3, 4, 5, 6, 7, 8, 9

Future Operating & Maintenance Costs: Minimal

G. Question No. 7 - Solid Waste Improvements

1) Project **SW-1 – Regional Solid Waste Management**

Location: Location to be determined

Bond Funding: ~~\$2,000,000~~ 889,443

Scope: The County is evaluating alternatives to meeting community needs for regional solid waste management.

Benefit: Pursuant to state mandates, Pima County will continue to provide waste disposal services after closure of Tangerine Landfill. The County itself, however, will not implement and operate a new regional landfill. Instead, the County has initiated a process to evaluate the use of private waste management companies to provide long-term waste management services.

Other Funding: ~~\$0~~ 99,900 (AZ Property & Casualty Funding)

Implementation Period: To be determined.

Future Operating & Maintenance Costs: Equipment and personnel from the closed Tangerine Landfill will transfer to other County solid waste management facilities and departments.

2) Project **SW-2 -- Tangerine Closure**

Location: Tangerine Road, One mile west of I-10

Bond Funding: \$3,000,000

Scope: In accordance with State permit conditions, following facility operational closure, construct a landfill final cover system, revegetate the final cover surface, and possibly install a landfill gas collection and control system.

Benefit: Provide for long-term protection of the public and the environment.
Other Funding: \$0
Implementation Period: 5, 6, 7, 8, **9**

Future Operating & Maintenance Costs: Pursuant to state permit requirements, Pima County is responsible for long-term post-closure maintenance of this solid waste facility.

4) Project

SW-4 -- El Camino del Cerro Environmental Remediation

Location: Santa Cruz River, El Camino del Cerro and I-10

Bond Funding: ~~\$3,500,000~~ **4,610,557**

Scope: Groundwater Operable Unit (211047):

In response to regulatory obligations, design, permit, and construct a groundwater remediation system that collects and treats contaminated groundwater in the County project response area, and a related groundwater compliance monitoring system.

Landfill Operable Unit (2ECDCR):

In response to regulatory obligations, design, permit, and construct the remaining portion of the landfill final cover system, the landfill perimeter stormwater management system, and a landfill gas extraction system. Operate the landfill gas control system and the soil vapor extraction system as needed for source control of potential gas migration.

Benefits: Reduced environmental contamination potential to groundwater and increased integrity of the landfill final cover and stormwater management systems.

Other Funding: \$450,765

Implementation Period: 1, 2, 3, 4, 5, 6, 7, 8, **9**

Future Operating &

Maintenance Costs: Long-term operation of a groundwater treatment system will require funding for both operation and maintenance. Similarly, if extended operation of the two existing landfill gas control systems is warranted, this will require funding for both operation and maintenance.

2004 GO Bond Amendments

D. Question No. 4 - Parks and Recreational Facilities

4.8 Marana Mound Community Site

Location: The portion of the Marana Mound Community located largely west of the CAP Canal and east of Interstate 10.

Scope: Purchase of prehistoric archaeological sites, most notably the Marana Platform Mound site that is the major site within the Marana Mound community, all of which is threatened by development.

Benefits: This project will preserve and protect extremely significant Hohokam archaeological sites from impending development. The Marana Mound Community consists of several large Hohokam village sites dating from AD 1150 to 1300, a late period of Hohokam occupation and land use, that covers more than 50 square miles. This community represents the height of population and organizational complexity in the area. Sites in the Marana Mound Community have a wide functional range: a platform mound ceremonial and residential center, walled adobe residential compounds, hillside terrace sites, and a variety of agricultural fields and features that include extensive rock pile fields used for agave production and a six mile long canal from Los Morteros. This acquisition is focused on the platform mound ceremonial center, which is located primarily on State Trust lands and partly on private lands in an area of rapid urban growth. The State lands are designated for commercial development. This project will benefit all residents of Pima County and visitors. The project was retired and the remaining funds were moved to CR4.04 Fort Lowell Acquisition and San Pedro Chapel.

Costs: \$50,000-32,996

Bond Funding: \$50,000-32,996

Other Funding: None identified at this time

Project Duration: Planning at 12 to 18 months and Land acquisition at 27 to 36 months.

Implementation Period: 1, 2, 3, 4, 5

Project Management: Pima County Cultural Resources and Historic Preservation Office and Pima County Natural Resources, Parks and Recreation through an intergovernmental agreement with the Town of Marana.

Future Operating and Maintenance Costs: None

4.31 Northside Community Center Regional Park

Location: This project will be located on the City of Tucson's north side and will serve an area of the community with a shortage of park facilities as defined in the City of Tucson Parks and Recreation Strategic Service Plan 2013.

Scope: This project includes the design and construction of a new Community Center soccer fields and associated support facilities to serve north side residents. The design of the community center soccer fields will be determined confirmed through a public participation process. The new facility fields will be developed on land purchased by the County, pursuant to Project 4.26, which is part of the at Rillito Racetrack/Regional Park.

Benefits: This project will provide recreational facilities additional field sport opportunities for residents living in an area of the City of Tucson with a shortage of parks and recreational facilities. This project will address the community's need for parks and recreational facilities as identified in the City of Tucson Parks and Recreation Ten Year Strategic Service Plan 2013.

Cost: \$5,500,000, with Planning/Design being \$800,000, Construction being \$4,200,000, and Other being \$500,000.

Bond Funding: \$5,500,000

Other Funding: None identified at this time. The City of Tucson will pursue other revenue sources, including Arizona Heritage Funds.

Project Duration: Planning, Design and Procurement Phases will require 13 to 15 months. Construction will require another 15 to 18 months.

Implementation Period: 1, 2, 3, 4, 5, 6

Project Management: The City of Tucson Pima County will manage the project, pursuant to an intergovernmental agreement with Pima County the City of Tucson.

Future Operating and Maintenance Costs: The City of Tucson Pima County will own and operate the completed project. The additional annual operation and maintenance cost for this project is estimated to be \$220,000 120,000 for Phase 1 improvements. This cost will be funded through the City of Tucson Operating Budget - General Fund.