




MEMORANDUM

Date: June 5, 2013

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator 

Re: **Proposed Process to Review and Evaluate Bond Project Proposals**

After discussion with the Chair and ViceChair, it may be helpful for the Bond Advisory Committee (BAC) to have a draft process and timetable for review at the meeting now rescheduled for June 14, 2013. The following is proposed for consideration based on the BAC's familiarity with the Tentatively Approved projects and the need for continued public input, especially on the newly proposed projects.

Proposed Process and Timetable

June 14, 2013 BAC Meeting

- BAC to revisit criteria for reviewing projects and consider a draft application that could be provided to those that submitted new and resubmitted projects that would require explanations of how the projects meet or do not meet the criteria.
- BAC to discuss an upper limit for the total amount of the bond package.
- BAC to generally discuss the project proposals and updates to Tentatively Approved projects.
- BAC to consider deleting the projects on the Tentatively Approved list that are no longer needed (projects highlighted in yellow).
- BAC to consider requesting that cities and towns, who have not done so already, prioritize (1, 2, 3 etc.) the projects they requested, including projects already included on the BAC's Tentatively Approved list and new/resubmitted requests made recently.
- BAC to consider the process and timeline provided herein and provide input to staff.

July/August 2013

- Public input: Staff will solicit public input on remaining Tentatively Approved projects, resubmitted projects and new projects.

- Projects in need of rejustification: Staff will work with applicable parties to develop recommendations for the Tentatively Approved projects identified as needing substantial rejustification (projects highlighted in blue).

September 20, 2013 BAC Meeting

- Staff will report on public input.
- BAC will consider updates to the Tentatively Approved projects, including updates to scope and funding (projects highlighted in red) and recommendations on those identified for rejustification (projects highlighted in blue). This is in addition to the BAC's year-end review of current bond programs.

October, November and December 2013 BAC Meetings

BAC to consider new projects and resubmitted projects, with the goal of developing a draft BAC recommended bond package by the end of the December meeting.

January 2014

Public input: Staff will solicit public input on the draft BAC recommended bond package.

February and/or March 2014 BAC meetings

BAC will consider public input, modify as necessary, and approve a final recommended bond package to the Board of Supervisors.

Criteria for Reviewing and Prioritizing Projects

On September 11, 2009, the BAC adopted the following criteria for reviewing and prioritizing projects:

- Broad demonstrated public support
- Regional benefit
- Regional or jurisdictional balance
- Partnerships
- Other funding sources or matches
- Regulatory mandates
- Education workforce development
- Advances Board-adopted principles of sustainability and conservation
- Previously authorized large-scale bond projects or programs that are now short on funding
- Phasing of large projects

The regulatory mandates criterion is no longer applicable now that the County is no longer pursuing voter-approved bond funding for mandated improvements for the treatment of wastewater. The BAC may want to consider deleting this criterion.

I believe regional or jurisdictional balance is an important criterion; however, it makes sense to apply it to the review of an overall bond package, as opposed to individual projects. I am not recommending any change to this criterion, just that it be identified as one that applies at the end of the project selection process.

I recommend rewording the education workforce development criteria to read "Education and Workforce Training." Given present economic conditions, this is a very important criterion and should support training the existing workforce to advance export based jobs.

BAC Chairman Larry Hecker suggested the impact on operating and maintenance costs for governments be considered as a new criterion. I am very much in favor of such an addition based on our experience with several 2004 bond projects. In the area related to maintenance expenses, I would urge the BAC to exclude any project that is a reconstruction of an existing public facility, since it is bad policy to use long-term capital financing to finance maintenance obligations.

I would also recommend two additional criterion:

1. Advances Board adopted principles of economic development and basic employment growth that will attract more jobs to the community. This addition would ensure there is some policy continuity with County long-term capital improvements and Board approved economic development plans. In addition, it highlights the importance of expanding basic economic employment.
2. Advances the following nine principles that represent the shared values identified in the Imagine Greater Tucson process: accessibility, educational excellence, environmental integrity, good governance, healthy communities, higher education, prosperity, quality neighborhoods, and regional identity. In December 2012, I transmitted to you a review of cities and counties that held bond elections in 2012. The City of Austin, Texas, held a successful \$307 million bond election last year, and one of the criteria used by its council was to support projects that reflected the values and priorities identified in the Imagine Austin Comprehensive Plan.

An edited version of the BAC's existing criteria list showing these recommended changes is attached (Attachment 1).

In addition to the BAC considering revisions to these criteria, I would suggest that those who submitted new and resubmitted projects be asked to complete an application that states how the project meets or does not meet the BAC's criteria. Attached is a sample

application based on one of the projects submitted by the County (Attachment 2). We could request that applications be completed and returned to the County by July 1, and the results would be sent to the BAC shortly thereafter.

Corrections and Changes Since the May 17, 2013 Transmittal of New, Resubmitted, and Revised Projects

Since sending the BAC the May 17, 2013 report, there has been one correction regarding a Sahuarita proposal, changes to two already proposed projects, changes to four Tentatively Approved projects, and one resubmittal. These are attached as a supplement to the May 17, 2013 report (Attachment 3).

Request Tucson, South Tucson and Sahuarita Prioritize Requests

The towns of Marana and Oro Valley clearly listed the priority of each of their requested projects (1, 2, 3 etc.). These were transmitted to the BAC in the May 17, 2013 report. For example, Marana now ranks as their number one project PR213 Marana Cultural & Heritage Park. In 2007, the Town ranked it number five. It would be helpful to the BAC if the City of Tucson, South Tucson and the Town of Sahuarita could submit the same. To be clear, the prioritized list should include projects requested by the city or town that have already been tentatively approved by the BAC, as well as the new and resubmitted proposals provided recently.

Recommendations

As outlined in this memorandum, I respectfully recommend that the BAC take the following actions at the June 14, 2013 meeting:

1. Update the criteria for reviewing projects by removing "Regulatory mandates", rewording "Education workforce development" to "Education and Workforce Training", adding "Impact on Operating and Maintenance Costs for Governments", adding "Advances Board adopted principles of economic development and basic employment growth that will attract more jobs to the community", and adding "Advances the following nine principles that represent the shared values identified in the Imagine Greater Tucson process: accessibility, educational excellence, environmental integrity, good governance, healthy communities, higher education, prosperity, quality neighborhoods, and regional identity."
2. Approve the Application of Criteria for Pima County Bond Project Proposals
3. Delete from the Tentatively Approved project list those projects no longer needed (highlighted in yellow in the May 17, 2013 report under the Updated Tentatively Approved Projects tab).

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4. Support a request to the City of Tucson, City of South Tucson and Town of Sahuarita to prioritize the projects they requested (1, 2, 3, etc.) to include projects requested by the city or town that have already been tentatively approved by the BAC, as well as the new and resubmitted proposals provided recently.
5. Approve the process and timeline for reviewing projects as included in this memorandum, including outreach to the public that would take place this summer.

CHH/dr

Attachments

- c: The Honorable Chairman and Members, Pima County Board of Supervisors
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Staff Assistant to the County Administrator

ATTACHMENT 1

Pima County Bond Advisory Committee
Criteria for Reviewing and Prioritizing Projects

MARKED UP VERSION REFLECTING RECOMMENDED CHANGES AS STATED
IN THE MEMORANDUM (underline text would added, strike through text would be
removed)

- Broad demonstrated support by public
- Regional benefit
- Partnerships
- Other funding sources or matches
- ~~Regulatory mandates~~
- Education and workforce ~~development~~ training
- Advances Board adopted principles of sustainability and conservation
- Previously authorized large-scale bond projects or programs that are now short funding
- Phasing of large projects
- Impact on operating and maintenance costs for governments
- Advances Board adopted principles of economic development and basic employment growth that will attract more jobs to the community.
- Advances the following nine principles that represent the shared values identified in the Imagine Greater Tucson process: accessibility, educational excellence, environmental integrity, good governance, healthy communities, higher education, prosperity, quality neighborhoods, and regional identity.
- Regional or jurisdictional balance*

*This criterion would apply to the entire bond package at the end of the process and not be applied to individual projects

ATTACHMENT 2

Application of Criteria for Pima County Bond Project Proposals

Directions: The Pima County Bond Advisory Committee adopted criteria for reviewing and prioritizing proposals. For each resubmitted and new bond project proposal, please answer how the project meets the criteria below. If certain criteria does not apply to the project, please answer not applicable. The total response for each project should be no longer than two pages in Arial size 11 font. Please do not submit exhibits or attachments. The completed form should be e-mailed to Deseret.Romero@pima.gov on or before July 1, 2013. Below is an example based on a new project proposal from Pima County.

Project Name: Southeast Regional Community Branch Library at UA Tech Park

1. **Broad Public Support:** Generally libraries receive public support from a broad constituency with activities and programs that appeal to all ages. Every month, combined visits to all 27 Pima County Library branches total approximately 500,000 visits. There are no library branches in this far southeast area. The closest, and furthest east, is Miller-Golf Links Branch, which is one of the busiest branches. In February 2013 Miller had nearly 21,000 visits and circulated over 38,000 items. There was active written and verbal citizen support for a Southeast branch library at the original Public Facility Sub-Committee meetings.
2. **Regional Benefit:** This new stand-alone library will provide regional library service to the entire southeast area including Rita Ranch, Vail, Corona de Tucson. It will be immediately accessible from I-10 east and easily accessible from Rita Road, Houghton and Old Vail Road. It will be within ½ mile of Vail Technical Charter High School and approximately 2 miles from Empire High School. The library would provide collections of books, support of computer literacy, meeting rooms for large group meetings, study rooms and separate areas for teens and children.
3. **Partnerships:** Partners in this project include the University of Arizona, the YMCA, the University Tech Park and the many businesses at the University Tech Park.
4. **Other Funding Sources or Matches:** It is expected that land at this site will be provided by the Tech Park. Parking and mechanical facilities will be shared with the YMCA.
5. **Education and Workforce Training:** The Library will be located on the edge of the University Tech Park. It will be designed to accommodate work force training classes. The Pima County Library has well developed literacy, education, computer training and job placement programs. All of these existing programs will be offered in this new Library facility. The facility will be designed and built to fully accommodate those existing programs.
6. **Impact on Operating and Maintenance Costs for Governments:** Operating and maintenance costs are estimated at \$790,000 annually and would be funded by the Library District's property tax levy.
7. **Advances Board Adopted Principles of Sustainability and Conservation:** The Library will be built to LEEDS Silver or Gold standard. It is expected that solar electric generation will be incorporated in the building and that it will provide programming related to the UA Tech Park's solar demonstration and research/development projects, of which there are currently

six. Construction will include a paved link to the Julian Wash part of the Loop Bicycle Path.

8. Advances Board adopted principles of economic development and basic employment growth that will attract more jobs to the community: The library's location on the edge of the University Tech Park enhances the quality of life for employees at the Tech Park, which could assist firms in retaining and attracting new employees. Library programming will also include workforce training and job placement.
9. Advances the following nine principles that represent the shared values identified in the Imagine Greater Tucson process: accessibility, educational excellence, environmental integrity, good governance, healthy communities, higher education, prosperity, quality neighborhoods, and regional identity. Please list which of the nine principles are advanced by the project. Descriptions of the principles can be accessed at www.imaginegreatertucson.org/progress/values-pledge. The library will advance the following principles: Accessibility, educational excellence, environmental integrity, good governance, healthy communities and prosperity.
10. Previously Authorized Large-scale Bond Projects Now Short of Funding: Not applicable.
11. Phasing of Large Projects: At such time that the future area population warrants a larger library, this facility will be designed for easy conversion to a work force training facility for businesses located in the Tech Park and surrounding sites, and a new larger library facility would be constructed at an alternative site.

ATTACHMENT 3

Updates and Corrections to Projects since the May 17, 2013 Memorandum

Quail Creek – Veterans Municipal Park Phase II - Town of Sahuarita

- This project was incorrectly listed at \$3 million in the Index, when in fact the amount requested is \$3.9 million. The Index has been corrected on the website.

Oury Pool Renovations – City of Tucson

- The BAC tentatively approved PR201 Oury Pool Renovations in 2010 for \$620,000. The Ward 1 office of Councilmember Regina Romero submitted a revised project sheet for this project. The scope was amended to include more detail on proposed improvements and requests a bond allocation of \$1.5 million. (received May 22, 2013)

Oury Park Festival Area – City of Tucson

- This project is a resubmittal. PR44 Oury Recreation Center Improvements was originally submitted for an allocation of \$900,000, but was not approved. The Ward 1 office of Councilmember Regina Romero has resubmitted this project under the new name - Oury Park Festival Area, with a different scope and bond allocation request of \$1.5 million. (received May 22, 2013)

Pima Air and Space Museum – UA Space Gallery and Cold War Hanger

- The BAC tentatively approved FM109 Pima Air and Space Museum Cold War Hanger for \$4 million. The County's Economic Development Action Plan included a proposal for \$8 million in bond funding for a University of Arizona Space Gallery displaying artifacts and exhibits related to the significant contributions made by the University of Arizona to the exploration of space. It has been determined that the UA Space Gallery project is not feasible due to a lack of artifacts to display. The County Administrator and the Pima Air and Space Museum are proposing to withdraw the Space Gallery project, and instead expand the Cold War Hanger project and add to it a 200-seat theater, increasing the bond funding from \$4 million to \$10 million.

Baja Senior Sports Complex – Pima County

- The BAC tentatively approved \$4 million for PR137 Baja Senior Sports Complex. The County has invested \$500,000 in the project to date. Therefore the request is to decrease the bond funding from \$4 million to \$3.5 million.

Flowing Wells, Kino and Other Swimming Pool Renovations – Pima County

- The BAC tentatively approved \$1.5 million for PR95 Flowing Wells, Kino and Other Swimming Pool Renovations. Since then the school district has completed the Flowing Wells pool renovations. It is proposed that the name and scope of the project be changed to remove the Flowing Wells Pool and add the Ajo Pool.

Tumamoc Regional Visitors Center

- This is a \$10 million project that was proposed by Pima County in conjunction with the University of Arizona. The prime location for this project is within Tucson Origins Heritage Park, adjacent to Santa Cruz River and River Park and in close proximity to the Modern Streetcar alignment. This project will require the full and close cooperation of

the City of Tucson and the Rio Nuevo District since this property is owned by either the City or the District. Given past difficulties, the County Administrator recommends that the BAC not consider this project until land rights are secured.

Green Valley Performing Arts Center and Canoa Ranch Museum/Orientation Center

- The BAC tentatively approved \$16 million for expansion of the Green Valley Performing Arts Center. The Community Performing Arts Center Foundation currently operates the center but continues to request that Pima County provide General Fund support for operational costs, which was not originally intended. The County Administrator's February 15, 2013 updates identified the \$16 million expansion project as a project in need of substantial re-justification (highlighted in red). In the May 17, 2013 report to the BAC, the County proposed as a new project the Canoa Ranch Museum and Orientation Center for \$10 million. The County Administrator is recommending that the Performing Arts project be deleted and that \$13 million of that \$16 million capacity be allocated to the new Canoa Ranch project.