

**Report and Recommendations on Amending Pima County Bond Ordinances
Pima County Bond Advisory Committee, March 4, 2011**

Ordinance No. 2011 - _____ Amending Ordinance Number 1997-35 Bond Improvement Plan, May 20, 1997 Special Election (as amended September 22, 1998 by Ordinance Number 1998-58; August 20, 2001 by Ordinance Number 2001-111; March 9, 2004 by Ordinance Number 2004-15; October 11, 2005 by Ordinance Number 2005-91; April 4, 2006 by Ordinance Number 2006-19; October 17, 2006 by Ordinance Number 2006-82; April 10, 2007 by Ordinance Number 2007-32; November 6, 2007 by Ordinance Number 2007-94; April 1, 2008 by Ordinance Number 2008-24; November 18, 2008 by Ordinance Number 2008-107; October 6, 2009 by Ordinance Number 2009-90; April 13, 2010 by Ordinance Number 2010-23: and October 19, 2010 by Ordinance Number 2010-64)

Ordinance No. 2011 - _____ Amending Ordinance Number 1997-80 Bond Implementation Plan, November 4, 1997 Special Election (as amended September 22, 1998 by Ordinance No. 1998-59; August 20, 2001 by Ordinance No. 2001-112; December 14, 2004 by Ordinance No. 2004-118; October 11, 2005 by Ordinance No. 2005-90; April 4, 2006 by Ordinance No. 2006-20; October 17, 2006 by Ordinance No. 2006-83; November 6, 2007 by Ordinance No. 2007-93; April 21, 2009 by Ordinance No. 2009-39; October 6, 2009 by Ordinance No. 2009-91; April 13, 2010 by Ordinance Number 2010-22; and October 19, 2010 by Ordinance Number 2010-62)

Ordinance No. 2011 - _____ Amending Ordinance Number 2004-18 Bond Implementation Plan, May 18, 2004 Special Election (as amended October 11, 2005 by Ordinance Number 2005-92; April 4, 2006 by Ordinance Number 2006-21; October 17, 2006 by Ordinance Number 2006-84; April 10, 2007 by Ordinance Number 2007-33; November 6, 2007 by Ordinance Number 2007-95; April 1, 2008 by Ordinance Number 2008-25; November 18, 2008 by Ordinance Number 2008-106; April 21, 2009 by Ordinance Number 2009-40; October 6, 2009 by Ordinance Number 2009-92; April 13, 2010 by Ordinance Number 2010-24: October 19, 2010 by Ordinance Number 2010-63; and December 7, 2010 by Ordinance Number 2010-70)

Ordinance No. 2011 - _____ Amending Ordinance Number 2006-29 Bond Implementation Plan, May 16, 2006 Special Election (as amended October 6, 2009 by Ordinance Number 2009-93)

I. Background

The County is currently implementing several bond programs: the May 20, 1997 General Obligation and Sewer Revenue Bond Program, the November 4, 1997 Highway User Revenue Fund (HURF) Transportation Bond Program, the May 18, 2004 General Obligation and Sewer Revenue Bond Program, and the May 16, 2006 General Obligation Bond Program. Pima County Code Chapter 3.06, the "Truth in Bonding" code, requires that bond 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.

Recommended amendments to these bond programs include proposed changes to 11 projects from the May 20, 1997 General Obligation and Sewer Revenue Bond Program, 8 projects from the November 4, 1997 Transportation Bond Improvement Program, 16 projects from the May 18, 2004

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General Obligation and Sewer Revenue Bond Program, and 2 projects from the May 16, 2006 General Obligation bond program. The recommended amendments would affect the following projects:

1997 GO and Sewer

S-2 -- Sheriff Maximum Security Detention
P-4 -- Tucson Mountain Park Renovation
P-8 -- Mehl-Foothills Park Improvements
P-44 -- Branding Iron Park
P-45 -- Marana Rattlesnake Park (Continental Ranch)
T-22 -- Tucson Diversion Channel Trail Connection
L-2 -- City of Tucson Midtown Library
FC-9 -- Green Valley Number 9
P-40 -- Old Nogales Park
P-56 -- Thomas Jay Community Center
FC-2 -- Santa Cruz River, Congress Street to San Xavier Reservation

1997 Transportation

DOT-7 - Orange Grove Road at Geronimo Wash
DOT-10 - La Canada Drive, Ina Road to Lambert Lane
DOT-42 - South Tucson, 6th Avenue and Various Locations
DOT-47 - Sunrise Drive, Craycroft Road to Kolb Road
DOT-50 - Kinney Road, Ajo Way to Bopp Road
DOT-51 - La Canada/Las Quintas Highway Drainage Improvements
DOT-52 - Palo Verde Road, Gas Road to 44th Street
DOT-57 - Safety Improvements

2004 GO and Sewer

3.2 New Pima County Justice Court/City of Tucson Municipal Court Complex
4.2 Canoa Ranch Buildings Rehabilitation
4.3 Juan Bautista de Anza National Historic Trail
4.4 Fort Lowell Acquisition and San Pedro Chapel
4.6 Steam Pump Ranch Rehabilitation
4.8 Marana Mound Community Site
4.15 Pantano Townsite Preservation
4.19 Southeast Regional Park/Shooting Range
4.30 Eastside Sports Complex and Senior Center Site
4.31 Northside Community Center
4.32 Southeast Community Park
4.33 Houghton Greenway
5.4 Tohono O'odham Nation Drainage Improvements
5.9 Santa Cruz River in the Vicinity of Continental Ranch

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- 6.1 Roger Road Wastewater Treatment Plant (WWTP) Infrastructure & Environmental Improvements
- 6.6 Marana Regional Airport Sewer Connection

2006 GO

- Question 3 Psychiatric Urgent Care Facilities
- Question 4 Psychiatric Inpatient Hospital Facilities

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

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.

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III. Recommended Amendments

In order to amend the bond ordinances, the Board will be asked to adopt a separate ordinance for each of the four affected bond programs. The four 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 ordinances is underlined (example). Note that the titles of projects were originally underlined, and therefore this does not necessarily mean that the titles are changing. In this format, the ordinances only contain those projects that are being amended, and do not reproduce the entirety of each of the four bond ordinances.

In addition, as requested by the Bond Advisory Committee during the last round of ordinance amendments, attached is a list of each of the bond programs’ implementation periods with the associated fiscal years.

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

A. Recommendations for Ordinance Amendments Relative to the 1997 General Obligation Bond Program

- S-2 -- Sheriff Maximum Security Detention**
- P-4 -- Tucson Mountain Park Renovation**
- P-8 -- Mehl-Foothills Park Improvements**
- P-44 -- Branding Iron Park**
- P-45 -- Marana Rattlesnake Park (Continental Ranch)**
- T-22 -- Tucson Diversion Channel Trail Connection**
- L-2 -- City of Tucson Midtown Library**
- FC-9 -- Green Valley Number 9**

These projects have all been completed. This ordinance amendment corrects the amount listed as other funding.

- P-40 -- Old Nogales Park**
- P-56 -- Thomas Jay Community Center**

The Old Nogales Park project was completed in 2004 and the Thomas Jay Community Center project was completed in 2009. A \$50,000 Community Development Block Grant (CDBG) was spent on the Old Nogales Park project, as well as an \$88,000 CDBG on the Thomas Jay project. This ordinance amendment would reflect these grants as other funding. In addition, a total of \$109,032 in bond funding from Thomas Jay was spent on the Old Nogales Park project. The Old Nogales Park project had unexpected construction costs, as well as costs to address vandalism, both of which were covered with a transfer of surplus funds from the Thomas Jay project. An ordinance amendment should have been processed at the time, but was inadvertently overlooked. This ordinance amendment would correct this mistake, recording the transfer of bond funding.

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

This project is also known as Paseo de las Iglesias, which includes the U.S. Army Corps of Engineers and the City of Tucson in the study and planning for environmental restoration, flood control, and recreation along this reach of the Santa Cruz River. The feasibility study has been completed, along with the concept design for the first phase from Ajo Way to Silverlake. In addition right of way has been acquired along the river and West Branch. Final design and construction has begun. This ordinance amendment increases bond funding by \$188,483, which was remaining funding from a completed 1997 flood control project. The ordinance amendment also extends the implementation period through fiscal year 2012/13.

B. Recommendations for Ordinance Amendments Relative to the 1997 HURF Bond Program

DOT-7 - Orange Grove Road at Geronimo Wash

This ordinance amendment would discontinue this project, reducing the bond funding to just the bond amounts spent, and increasing other funding to the amounts spent. The original intent of this project was to provide an all weather access along Orange Grove Road by constructing a new box structure to carry Geronimo Wash under Orange Grove in the vicinity of Calle de Estevan. When this project location is prioritized using the Department of Transportation's computerized prioritization system, it ranks 67 out of 68 projects. The system uses factors such as congestion, safety and cost to establish priority rating. Staff recommends this project be discontinued due to its very low priority rating and inadequate cost/benefit ratio, and that the remaining funds be transferred to DOT-57 Safety Improvement Program.

**DOT-10 - La Canada Drive, Ina Road to Lambert Lane
DOT-47 - Sunrise Drive, Craycroft Road to Kolb Road**

DOT-47 - Sunrise Drive, Craycroft Road to Kolb Road is substantially complete and will have approximately \$3.5 million in surplus bond funding due to a favorable construction bidding environment. DOT-10 - La Canada Drive, Ina Road to Lambert Lane is currently under construction. The overall cost of DOT-10 can be reduced by almost \$3.2 million also due to a favorable construction bidding environment. Since bonds were already sold for DOT-47, staff is recommending that the \$3.5 million in bonds no longer needed for DOT-47 be transferred to DOT-10, reducing the need for other funding. Other funding includes HURF revenues, impact fees, and RTA funding, all of which have been on the decline due to economic conditions.

To summarize, this ordinance amendment would increase bond funding for DOT-10 by \$3.5 million, reduce other funding by \$3.5 million and reduce the overall cost of the project by \$3.2 million. For DOT 47, this ordinance amendment would reduce the total project cost and bond funding by \$3.5 million.

- DOT-42 - South Tucson, 6th Avenue and Various Locations**
- DOT-51 - La Canada/Las Quintas Highway Drainage Improvements**
- DOT-52 - Palo Verde Road, Gas Road to 44th Street**
- DOT-57 - Safety Improvements**

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DOT-42 was completed in 2003. DOT-51 and DOT-52 were completed in 2006. This ordinance amendment corrects the amounts listed as other funding. The projects were all completed with less bond funding than authorized and therefore this ordinance amendment also transfers the remaining funding from each project to the DOT-57 Safety Improvement Program. The DOT-57 Safety Improvement Program would then be increased by these amounts, and by the amount remaining from the discontinuance of DOT-7 Orange Grove Road at Geronimo Wash, as described above.

DOT-50 - Kinney Road, Ajo Way to Bopp Road

This ordinance amendment extends the implementation period for this project through fiscal year 2013/14. This project is on hold due to the delay of private development in the area.

C. Recommendations for Ordinance Amendments Relative to the 2004 General Obligation and Sewer Revenue Program

3.2 New Pima County Justice Court/City of Tucson Municipal Court Complex

This ordinance amendment would reduce the scope of this project to phase one of the project. Phase one would include the design and construction of the core and shell for a 257,000 square foot seven story building, along with a stand along central plant. Phase one is projected to cost \$98.5 million, \$76 million of which would be bond funded. The additional \$22.5 million would be funded with non-bond funding, subject to concurrence by the City of Tucson. Phase one is projected to begin construction in late summer 2011 and take approximately one year. A supplemental memo on this project will be provided to the Bond Advisory Committee prior to the meeting.

Phase two, not included in this bond project, would include tenant improvements to the phase one building, including 30 court rooms. The building would be expandable to an ultimate size of 420,000 square feet accommodating up to 46 courtrooms.

4.2 Canoa Ranch Buildings Rehabilitation

This ordinance amendment would extend the implementation period through fiscal year 2013/14. The exterior repairs were substantially completed in February 2011. New Public restrooms, site work, and additional building improvements are expected to be completed by April 2013.

4.3 Juan Bautista de Anza National Historic Trail

This ordinance amendment would add to other funding an Arizona State Heritage Grant in the amount of \$47,271. The grant was awarded to supplement bond funding for the construction of the Haven Bridge on the Anza Trail.

4.4 Fort Lowell Acquisition and San Pedro Chapel

This ordinance amendment would extend the implementation period through fiscal year 2015/16. Non-historic structures were removed from the former Adkins parcel. This work was completed in October 2010. Future phases of work on the Adkins parcel historic buildings are dependent on the completion of soil remediation by the City of Tucson.

4.6 Steam Pump Ranch Rehabilitation

This ordinance amendment would extend the implementation period through fiscal year 2011/12. The Town of Oro Valley is rehabilitating the exterior of the Pusch House and Proctor–Lieber House with available bond funds matched by the Town. Completion is scheduled for June 2011.

4.8 Marana Mound Community Site

This ordinance amendment would extend the implementation period through fiscal year 2013/14. Conservation of the portion of the site on private land has been delayed due to a delay in the related development plan.

4.15 Pantano Townsite Preservation

This ordinance amendment would extend the implementation period through fiscal year 2011/12. The final task of mapping and inventory of the site is underway and will be completed in fiscal year 2011/12.

4.19 Southeast Regional Park/Shooting Range

This ordinance amendment would extend the implementation period through fiscal year 2011/12. Delayed by a change in construction management, construction is now planned to start in April 2011 and be completed in December 2011.

4.30 Eastside Sports Complex and Senior Center Site

This ordinance amendment would extend the implementation period through fiscal year 2011/12. Initially delayed by land acquisition issues, the improvements at Udall Regional Park are now complete and the improvements at Lincoln Regional Park are planned for completion in December 2011.

4.31 Northside Community Center

This ordinance amendment would extend the implementation period through fiscal year 2015/16. The City of Tucson does not have the funding necessary to operate the community center at this time.

4.32 Southeast Community Park

This ordinance amendment would extend the implementation period through fiscal year 2015/16. This park is planned to be located on State Trust land. During the early stages of the project, the Arizona State Land Department (ASLD) was unwilling to put this land up for auction. A lack of vacant private land in the area further delayed the project. ASLD is now willing to auction the land, Pima County has submitted an application to purchase the land, and anticipates a 2012 auction date.

4.33 Houghton Greenway

This ordinance amendment would extend the implementation period through fiscal year 2015/16. This project is managed by the City of Tucson and the City is in the process of acquiring right-of-way. The project is currently planned to be completed in June 2012. However, staff is recommending that the implementation period be extended beyond the scheduled completed date in case unforeseen issues delay the project.

5.4 Tohono O'odham Nation Drainage Improvements

This ordinance amendment would extend the implementation period through fiscal year 2015/16. The Nation has expanded the scope of the project and secured additional funds. Development of additional agreements and the intergovernmental agreement will extend the project completion date.

5.9 Santa Cruz River in the Vicinity of Continental Ranch

This project was completed in 2007. This ordinance amendment corrects the amount listed as other funding.

6.1 Roger Road Wastewater Treatment Plant (WWTP) Infrastructure and Environmental Improvements

This project was completed in 2009. This ordinance amendment corrects the amount listed as other funding.

6.6 Marana Regional Airport Sewer Connection

In 2008 an ordinance amendment was approved placing this project on hold and transferring the remaining bond funding, \$2.4 million, to Project SS6.10 New Marana Wastewater Treatment Facility Expansion, which at the time was under construction and in need of additional funding. This current ordinance amendment would retire this project, reflect the \$187 of other funding spent on the project, and correct the amount shown as total costs for the project. This project became obsolete when Marana discontinued the intergovernmental agreement with the County for sewer services.

D. Recommendations for Ordinance Amendments Relative to the 2006 General Obligation Program

Question 3 Psychiatric Urgent Care Facilities

Question 4 Psychiatric Inpatient Hospital Facilities

It is estimated that the psychiatric hospital improvements and crisis response center (formally called the Psychiatric Urgent Care Center), will be substantially completed by the end of April, with an opening to the public sometime in August. Because of favorable bids received for improvements to the psychiatric hospital improvements and the crisis response center, approximately \$7 million is available for complementary improvements to the Kino health campus. This ordinance amendment would expand the scope of both of these projects to include design,

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construction and equipment for health clinics and associated labs to be built at the Kino health campus. It would also extend the implementation by two years through fiscal year 2012/13 in order to complete these improvements.