




MEMORANDUM

Date: February 21, 2007

To: Chair, Vice Chair and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator 

Re: Overall Criteria for Prioritizing the Funding of Programs or Projects by the Bond Advisory Committee

First, let me say that there are no right or wrong answers regarding how the Bond Advisory Committee ultimately determines what projects or programs to fund in a possible 2008 bond election. I would start with a set of general criteria to prioritize specific bond projects or programs. The criteria that I would suggest would be:

1. **Broad Demonstrated Support by the Public** - Clearly, public desires regarding what specific projects and programs they would like funded must be a very important criterion for Committee consideration. True, there are certain items that may not be popular with the public that require funding; however, we are using the public's taxes to retire the authorized bond debt. Hence, their opinion should be very important to the Committee. A sense of these opinions comes from the result of public forums that have been held to date, as well as e-mails and letters we have received. Public forums will also be held in the future, and other public opinion type actions could be undertaken by the Committee to gauge the support of the public for specific programs. For example, a questionnaire inserted in the daily newspapers asking that it be returned to the Committee could be a strategy employed by the Committee at some point in the future.
2. **Projects or Programs of Regional Significance** - The County's secondary property tax to retire our General Obligation Bond indebtedness is a Countywide tax. Everyone pays the tax. Therefore, we should emphasize projects or programs that have broad, regional significance and benefit the greatest number of individuals or participants. For example, I believe it would be more important to fund regional park improvements as opposed to a neighborhood park. It is more important to fund a program such as neighborhood reinvestment broadly to assist distressed communities rather than a specific project in a neighborhood that identifies itself as distressed.
3. **Regional and Jurisdictional Balance** - Every geographic location in Pima County has needs of one form or another, whether it be park or transportation improvements. From the perspective of equity, it is important that every jurisdiction and every geographic location within Pima County receive some benefit from a bond program or project.

4. **Public and Private Partnerships, Particularly With Other Non-Profit Organizations** - It is important to form strong alliances in meeting future community needs. Public and private alliances in the form of partnerships are one method of meeting future community needs, but lessening the burden for existing taxpayers. Very often, community non-profits provide services to a variety of community individuals in need, but lack the capital that could be provided by and through bonds to increase their ability to serve the community. These public, private and non-profit partnerships, when they have a common purpose, should be fostered and encouraged.
5. **Other Funding Sources** - Often, large or regional scale infrastructure needs can be supplemented with federal or state funds when such projects or programs can attract significant other governmental investment. Those projects or programs should receive priority over others that do not.
6. **Regulatory Mandates** - Very often, certain capital improvements are mandated by regulatory actions of either the state or federal governments. A good example is the huge capital investment now needed in the area of Wastewater Management to denitrify effluent being discharged to the Santa Cruz River. Such is a regulatory requirement of the Arizona Department of Environmental Quality, and will require the County to expend \$100 million to \$200 million to comply. In the past, the County has been under federal court order in the area of jail expansion. Hence, regulatory requirements may, in fact, cause very specific funding priorities for capital bond projects or programs. However, they should also be viewed cautiously to ensure that the regulatory threat is real and exists. Other than the need for capital investment in Wastewater infrastructure noted above, I do not believe we have any other regulatory mandates to fund capital improvements.

These criteria, stated in priority order, would be my view of what the Bond Advisory Committee should consider when evaluating what projects or programs to include in a 2008 bond program that can fund only \$700 million to \$800 million in General Obligation Bonds and \$250 million to \$500 million in Sewer Revenue Bonds of an already listed \$3.5 billion funding need. There are no correct answers or precise criteria that can be used to develop exactly what projects or programs to fund. General criteria should be used broadly with the understanding that there will always be exceptions to the criteria, which simply means the best bond program to be placed before the voters represents the composite views and values of the entire Bond Advisory Committee.

CHH/jj

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