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# MEMORANDUM

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Date: May 28, 2015

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

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "C.H. Huckelberry", is written over the typed name and title.

Re: **Estimated Operation and Maintenance Cost Increases to Taxpayers Associated with the 2015 Bond Package**

## Background

In preparation for the November 3, 2015 bond election, we have developed estimates of operating and maintenance costs for proposed bond projects. It should be noted that the new and increased costs for operating and maintaining these facilities have been estimated and disclosed for projects throughout the planning process, and this information will be included in the bond implementation plan ordinance currently being drafted for Board of Supervisors consideration prior to early voting.

The County has consistently stated that prior to initiating design and construction of projects, cities, towns and nonprofit organizations will be required to enter into agreements with the County that require commitments to fund necessary operations and maintenance costs. The County will also be subject to the same budgeting requirements. These requirements will be included in the County's Truth in Bonding Code updates to be considered by the Board in June.

## One Third of Bond Projects Will Result in No Additional Operating and Maintenance Costs to Taxpayers

After reviewing the bond projects and their estimated operations and maintenance costs, we found that one third of the bond projects when completed would not result in additional operations and maintenance costs to taxpayers. These include facilities that will be operated through nonprofit partnerships, such as the YMCA, and facilities for which operations and maintenance costs will not increase above current cost as a result of the bond-funded improvements.

## Annual Increased Operations and Maintenance Costs by Project and Jurisdiction

If voters approve all seven ballot propositions, the County intends to sell bonds once a year over 12 years so as to not to exceed the voluntary property tax rate cap. This means that some projects will be complete and operational early in the 12-year program, while others

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will not be until Year 12 or 13. The table below shows the total estimated operating and maintenance cost increase after year 12, since that is when all projects are estimated to be complete and operational, as well as the impacts by jurisdiction.

**Annual Operation and Maintenance Cost  
Increase after Year 12.**

<b>Jurisdiction</b>	<b>Amount</b>
Pima County	\$6,144,021
City of Tucson	\$5,011,120
Town of Oro Valley	\$498,200
Town of Sahuarita	\$435,000
Town of Marana	\$373,000
City of South Tucson	\$47,360
Pascua Yaqui Tribe	\$32,060
Tohono O'odham Nation	\$29,896
<b>Total</b>	<b>\$12,570,657</b>

Pima County's proportionate share is 49 percent of the total for all jurisdictions. To put this information in perspective, the estimated \$6,144,021 in increased operating and maintenance costs for the County is one half of one-percent of the adopted budget for next fiscal year. Hence, in the context of the overall budget, adding operating and maintenance cost for bond approved projects is insignificant.

The attachment to this memorandum shows each project that would result in increased operations and maintenance cost is listed by jurisdiction, along with the estimated cost increase. It should be noted that for several City of Tucson and County bond projects, the expectation is that revenues for use of the facilities will partially offset increases in operations and maintenance costs. This analysis, however, assumed no offset.

It should also be noted that the Neighborhood Reinvestment and Affordable Housing bond programs are not included in this analysis. These programs include criteria for individual projects that are developed by neighborhoods and affordable housing developers after voter approval through a public project selection process and may or may not result in projects that add additional operations and maintenance costs to the County and other jurisdictions.

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Road Repair and Pavement Preservation Program

The repairs that would result from the proposed \$160 million road repair program would fall within the category of no net increase in maintenance costs to the County and other jurisdictions. In the short term, maintenance costs will decrease; however, overall maintenance costs for road repair are a continuing issue without a long-term solution. Staff is currently developing the criteria for the road repair and preservation program in conjunction with cities and towns, as well as the Pima Association of Governments. As I have stated previously, we will identify and map the roads slated for bond funding under this program prior to the November 2015 election; either individually or by criteria that prioritizes repair by surface condition or salvage value of existing investment.

CHH/anc

Attachment

- c: Chair and Members, Pima County Bond Advisory Committee  
Hank Atha, Deputy County Administrator for Community and Economic Development  
Tom Burke, Deputy County Administrator for Administration  
John Bernal, Deputy County Administrator for Public Works  
Jan Leshner, Deputy County Administrator for Medical and Health Services  
Nanette Slusser, Assistant County Administrator for Public Works Policy  
Nicole Fyffe, Executive Assistant to the County Administrator  
Diana Durazo, Special Staff Assistant to the County Administrator

<b>Pima County Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
Sonoran Corridor Highway Improvements	\$183,060
Science Park Drive at UA Tech Park	\$10,080
Pima County One Stop Career Center	\$78,000
Sahuarita Branch Library	\$972,000
Flowing Wells Branch Library Expansion	\$398,204
Joyner-Green Valley Library Expansion	\$77,600
Southeast Branch Library	\$850,000
Canoa Ranch New Museum/Orientation Center and Improvements	\$224,000
Regional Sports Fields and Lighting (Pima County portion)	\$210,000
Rillito Park	\$79,000
Flowing Wells Skateboard Park and Improvements	\$28,400
Kory Laos Freestyle Memorial BMX Park	\$12,000
Southwest Regional Sports Tournament Complex at Kino Complex	\$690,000
Esmond Station Regional Park	\$260,000
Canoa Preserve Park	\$57,000
Lawrence Park Improvements and Pool	\$220,000
Pima County Softball Tournament and Recreation Park at Sports Park	\$101,000
River Park Acquisitions and Development Countywide	\$60,000
Kino Sports Complex Repurposing and Expansion	\$40,000
County-wide Splash Pad Program (Pima County portion)	\$60,000
Southeast Regional Park Shooting Range Improvements	\$200,000
36th Street Natural Resource Park	\$30,000
Agua Caliente Park Pond Restoration	\$30,000
Pima County Office of Medical Examiner Expansion and Remodel	\$176,000
Vail Sheriff Substation	\$35,000
Pima County Jail Annex at Juvenile Detention Center Complex	\$472,777
Pedestrian Safety and Walkability	\$2,400
Open Space Acquisition Program	\$140,000
Ajo Curley School Gym, Town Plaza & Other Historic Buildings	\$200,000
Site Interpretation/Preservation of County-owned Cultural Resource Sites	\$75,000
Public Natural Park Trails & Trailheads	\$80,000
El Corazon - Santa Cruz River: Rillito to Canada del Oro Confluence	\$40,000
Altar Valley Watershed Restoration Project	\$15,000
Floodprone and Riparian Land Acquisition	\$37,500
<b>Total</b>	<b>\$6,144,021</b>

<b>City of Tucson Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
South 12th Avenue Cultural and Culinary Corridor	\$50,000
Downtown Community Theaters & Historic Cultural Landscape	\$150,000
Temple of Music and Art	\$71,000
Udall Park Expansion	\$475,000
Jacobs Park Recreation Center	\$400,000
Reid Park Improvements	\$53,000
Purple Heart Park Expansion	\$139,000
Sentinel Peak - A Mountain Park Improvement Project	\$47,000
PR34 -- Urban Greenways City of Tucson	\$27,000
Freedom Center Expansion and Pool Improvements	\$329,000
Lincoln Park Improvements	\$472,000
Regional Sports Fields and Lighting - City of Tucson portion	\$210,000
Oury Pool Renovations	\$252,000
Adaptive Recreation Center Expansion	\$460,000
Silverlake Park Expansion	\$95,000
Murrieta Park Improvements	\$250,000
Jesse Owens Park Development	\$50,000
Fort Lowell Park Improvements	\$250,000
County-wide Splash Pad Program - City of Tucson portion	\$60,000
Pedestrian Safety and Walkability Enhancements	\$25,120
El Pueblo Center Improvements	\$297,000
Quincie Douglas Center Expansion	\$192,000
Clements Senior Center Expansion	\$407,000
Historic Fort Lowell Park - Master Plan Implementation	\$250,000
<b>Total</b>	<b>\$5,011,120</b>

<b>Town of Oro Valley Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
County-wide Splash Pad Program - Naranja Park	\$30,000
Naranja Park Improvements	\$250,000
Steam Pump Ranch Rehabilitation	\$190,000
Public Natural Park Trails & Trailheads, Oro Valley Linda Vista Trailhead	\$12,500
Public Natural Park Trails & Trailheads, Oro Valley Tortolita Mountain Park Trailhead	\$12,500
Pedestrian Safety and Walkability Enhancements	\$3,200
<b>Total</b>	<b>\$498,200</b>

<b>Town of Sahuarita Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
County-wide Splash Pad Program - Anamax Park	\$30,000
Sahuarita Pool and Recreation Complex /YMCA	\$405,000
<b>Total</b>	<b>\$435,000</b>

<b>Town of Marana Estimated O&amp;M After Year 12</b>	
<b>Bond Program</b>	<b>O&amp;M</b>
Marana Cultural and Heritage Park	\$315,000
Marana Pool Renovation	\$58,000
<b>Total</b>	<b>\$373,000</b>

<b>City of South Tucson Estimated O&amp;M After Year 12</b>	
<b>City of South Tucson</b>	<b>O&amp;M</b>
South Tucson Retail Tax Base Expansion Redevelopment*	
El Paso Southwestern Greenway - South Tucson	\$40,000
Pedestrian Safety and Walkability Enhancements	\$7,360
<b>Total</b>	<b>\$47,360</b>

\*O&M costs are still being developed.

<b>Pascua Yaqui Tribe Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
Lawrence Hiaki Pathway (Pascua Yaqui)	\$4,500
Pascua Yaqui Tribe Regional Drainage Construction	\$25,000
Pedestrian Safety and Walkability Enhancements	\$2,560
<b>Total</b>	<b>\$32,060</b>

<b>Tohono O'Odham Nation Estimated O&amp;M After Year 12</b>	
<b>Bond Project</b>	<b>O&amp;M</b>
Cemetery Wash Drainage Improvements	\$25,000
Pedestrian Safety and Walkability Enhancements	\$4,896
<b>Total</b>	<b>\$29,896</b>