

**Report and Recommendations on Amending Pima County's
1997 and 2004 General Obligation Bond Ordinances
Pima County Bond Advisory Committee, September 9, 2016**

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, towns, tribes and other County committees.

This round of bond ordinance amendments affects three projects from the May 20, 1997 General Obligation Bond Program:

1997 General Obligation Bonds

SW-2 Tangerine Landfill Closure

SW-4 El Camino del Cerro Environmental Remediation

P-36 Santa Cruz River Park, Irvington to Valencia

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, may 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; for projects with other revenues estimated at zero, a substantial modification shall be defined as an increase in "other" (non-bond) revenues of \$100,000 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

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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.

III. Recommended Amendments

The 1997 ordinance is 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). 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 General Obligation Bonds

1997 SW-2 Tangerine Landfill Closure

Construction activities to close the Tangerine Landfill are expected to be substantially complete by the end of September. A vegetation contractor will then place seed/mulch material over the entire site, which will be followed by the submittal of a closure report to the Arizona Department of Environmental Quality (ADEQ) for their approval. It is often difficult to predict when a landfill will reach capacity and the Tangerine Landfill was able to accept waste until a couple of years ago. As a result of these ongoing operations, the actual closure activities funded by these 1997 bond funds only began recently. This ordinance amendment would add an implementation period, through Fiscal Year 2016/17, and other funding, largely from a Solid Waste operating fund balance and the sale of heavy equipment.

1997 SW-4 El Camino del Cerro Environmental Remediation

Pima County has been performing remedial activities at this site since the early 1990s. Currently, Pima County is conducting pump and treat remediation to address groundwater contamination at this site and will continue to do so until an endpoint can be negotiated with ADEQ. Pima County has been providing data to ADEQ to address claims that the groundwater contamination in the area was not largely caused by Pima County. At this point it is difficult to predict what ADEQs findings will be and how much more Pima County will be required to do. This ordinance amendment would add two implementation periods, through Fiscal Year 2018/19, in order to continue expending these 1997 bond funds for this effort.

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1997 P-36 Santa Cruz River Park, Irvington to Valencia

This project is substantially complete and opened to the public in the Spring of 2015. It is also known as the Paseo del Las Iglesias project that included significant ecosystem restoration along both banks of the river, a new section of The Loop, parking areas, a restroom and new soil cement bank protection. This ordinance amendment would add an implementation period for the purposes of completing the public art, which is scheduled to be complete this fiscal year.

Bond Implementation Plan

ORDINANCE NO. 1997-35

(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; and April 4, 2006 by Ordinance Number 2006-19; and October 17, 2006 by Ordinance Number 2006-82; and April 10, 2007 by Ordinance Number 2007-32; and November 6, 2007 by Ordinance Number 2007-94; and April 1, 2008 by Ordinance Number 2008-24; and November 18, 2008 by Ordinance Number 2008-107; and October 6, 2009 by Ordinance Number 2009-90; and April 13, 2010 by Ordinance Number 2010-23, and October 19, 2010 by Ordinance Number 2010-64, and on April 5, 2011 by Ordinance Number 2011-19, and on October 18, 2011 by Ordinance Number 2011-78, and on April 17, 2012 by Ordinance Number 2012-18, on November 13, 2012 by Ordinance Number 2012-65, and on May 7, 2013 by Ordinance Number 2013-22, and on April 8, 2014 by Ordinance Number 2014-14, and on April 5, 2016 by Ordinance Number 2016-19, and on October 18, 2016 by Ordinance Number 2016-__)

ORDINANCE NUMBER 2016-____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY ARIZONA RELATING TO GENERAL OBLIGATION AND SEWER REVENUE BOND PROJECTS AMENDING ORDINANCE NUMBER 1997-35 BOND IMPLEMENTATION PLAN, MAY 20, 1997 SPECIAL ELECTION (AS PREVIOUSLY AMENDED) FOR THE PURPOSE OF AMENDING OTHER FUNDING AND IMPLEMENTATION PERIODS FOR CERTAIN PROJECTS.

The Board of Supervisors of Pima County (the “Board”) finds that:

- A. The Board of Supervisors adopted Chapter 3.06 of the Pima County Code titled “Bonding Disclosure, Accountability and Implementation”; and,
- B. In compliance with Chapter 3.06, the Board of Supervisors adopted Ordinance Number 1997-35, the “Bond Implementation Plan, May 20, 1997 Special Election”; and,
- C. The Board of Supervisors, has previously amended the Bond Implementation Plan a number of times in compliance with provisions of Chapter 3.06; and
- D. The Board of Supervisors desires to amend Ordinance Number 1997-35 (as previously amended) in compliance with provisions of Chapter 3.06;

BE IT ORDAINED by the Board of Supervisors of Pima County, Arizona, that:

Ordinance Number 1997-35 (as previously amended) is hereby amended as follows:

C. Question No. 3 - Parks

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, 10

Future Operating & Maintenance Costs: \$50,000 per mile

G. Question No. 7 - Solid Waste Improvements

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-\$444,565~~ (\$60,794 Other Misc. Rev, \$379,297 Solid Waste Fund, \$4,474 General Fund)
Implementation Period: 5, 6, 7, 8, 9, 10

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: \$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, 10, 11

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.

PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, on this ____ day of _____, 2016.

Chair, Pima County Board of Supervisors

Attest:

Reviewed by:

Clerk, Pima County Board of Supervisors

County Administrator

Approved as to Form:

Civil Deputy County Attorney