



MEMORANDUM

Date: March 9, 2018

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

From: C.H. Huckelberry
County Administrator 

Re: **Valencia Road Extension from Houghton Road to Old Spanish Trail**

The County continues to review appropriate development and infrastructure construction agreements with Diamond Ventures regarding the construction of an arterial roadway improvement from Houghton Road, along the Valencia Road alignment to Old Spanish Trail, including a bridge structure over the Pantano Wash. The anticipated total costs will be approximately \$15 to \$17 million.

Based on continuous financial review by County staff, it is likely a development agreement for these improvements will be placed on the Board of Supervisors Agenda as early as May 2018. The development agreement will provide a financing mechanism wherein the improvements are initially financed by the County through Certificates of Participation and will be entirely repaid by development impact fees associated with the Rocking K development. If development impact fees are not available to repay the debt, the developer will repay the debt. Land owned by the developer of equal or more value than the outstanding debt will be held in trust for the County as collateral for the debt.

In my opinion, this proposal is a no lose proposition for the County since the County is receiving an approximate \$15 to \$17 million investment in our arterial highway system at no cost to the taxpayers. The improvements will be paid for by development impact fees assessed on the future Rocking K development or directly by the developer.

This memorandum is to alert the Board of Supervisors of the ongoing activities of staff regarding negotiations and discussions with the developer regarding appropriate development and other agreements associated with financing of these public improvements.

CHH/anc

c: Tom Burke, Deputy County Administrator for Administration
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Julie Castañeda, Clerk of the Board
Ana Olivares, Director, Department of Transportation
Keith Dommer, Finance, Finance and Risk Management