Date: March 4, 2019

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator

Re: Pima County Bond Programs Update

In light of the fact that we have few remaining bond projects to deliver, I am providing this update to you in the form of a memorandum instead of the more lengthy booklets of the past. Additional information is maintained on the County’s bond webpage at www.pima.gov/bonds.

1997, 2004 and 2014 General Obligation Bond Programs

All general obligation bond projects have been completed, with the exception of the following:

1. SW-2 Ina Road Landfill Closure (1997 bonds)

On March 9, 2018 the Bond Advisory Committee recommended bond proceeds remaining from the El Camino del Cerro Environmental Remediation bond project be allocated to begin closure activities at the Ina Road landfill. The required bond ordinance amendment was publically noticed and the Board of Supervisors held a public hearing on April 17, 2018 prior to approving the amendment. The final draft of the plans and specifications for the Ina Road landfill are expected by the end of February and will be submitted to ADEQ for approval. Once approved, the project will go out for bid and construction is expected to begin in May. Construction is expected to take 4 to 6 months. The remaining $967,523 in 1997 bond proceeds will be used to begin these closure activities.

2. FC5.04 El Rio Golf Course Neighborhood Drainage Project (2004 bonds)

Although the plans for the El Rio Golf Course Drainage Project were complete as of July 2018, the City of Tucson requested the project be put on hold in order to gather additional input from the public, better coordinate golf course closure with reduced demand, and revisit the hydrology for the greater El Rio Watershed. It is anticipated that the revised hydrologic study will be completed in March, which will then be presented at neighborhood and public meetings. Construction would then begin in May and be completed by September. The remaining $600,000 in 2004 bond proceeds are committed to completing this project.
3. NR2.09 Neighborhood Reinvestment Greenway Land Acquisition and Access, City of South Tucson (2004 bonds)

Acquisition of a former Chevron property adjacent to the El Paso Southwestern Greenway has been completed. Installation of the first phase of a neighborhood park on the property is currently under design and will be constructed before June 30, 2019. The remaining $190,000 in bond proceeds are committed to completing this project.

4. NR2.09 Neighborhood Reinvestment Five Points Intersection Gateway, City of Tucson (2004 bonds)

This project includes federal funding awarded through the Arizona Department of Transportation (ADOT), as well as County bond proceeds. ADOT is currently reviewing the design and approval is expected in March. The artist is continuing to fabricate the sculpture to be installed. The remaining $324,078 in bond proceeds are committed to this project via an intergovernmental agreement (IGA) with the City of Tucson. The IGA requires the City of Tucson to fully expend these remaining bond proceeds by June 30, 2019. Non-bond proceeds will then be spent to complete the project, which is anticipated to occur by October of 2019.

5. Pima Animal Care Center (2014 bonds)

Construction of the new Pima Animal Care Center (PACC) was completed in December 2017 and the renovation of the old facility was completed in July 2018. The project has been highly successful and transformed the way services are delivered to the community, enhanced the welfare of companion animals, and facilitated staff and volunteer operations. Approximately $1 million in bond proceeds remain and will fund improvements to the Ajo animal care facility, purchase of capital medical equipment, and security related improvements to the new facility. The Facilities Management and PACC team are working together to develop a schedule for the timing of these improvements that takes into account the feedback from the PACC Advisory Committee, PACC Jurisdictional Partners, and the operational needs of the organization.

1997 HURF/Transportation Bond Program

During the first half of this fiscal year (July 1-December 31, 2018), the following transportation bond projects were completed: DOT-23 Thornydale Rd. from Cortaro Farms Rd. to Sumpter Dr.; DOT-50 Kinney Rd. from Alexandrite Ave. to Bopp Rd.; and several DOT-57 safety improvement projects. The County is scheduled to sell an additional $25 million in HURF bonds in April. Sales of the remaining $37.4 million will occur as the final projects proceed.
Attached is a memorandum provided to the Board of Supervisors on December 13, 2018 in response to questions regarding remaining HURF bonds and the status of these final projects. As you will see, the majority of the funding is allocated to three City of Tucson projects (Broadway Boulevard, Houghton Road and 22nd Street). There may be HURF bond authorization remaining after the completion of these final projects. Pima County District 4 Supervisor Steve Christy has asked the Transportation Advisory Committee to consider whether to recommend reallocating these remaining funds. Any substantial modification that results in the need for a bond ordinance amendment will still have to follow the public process stated in County Code.

CHH/dr

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Jan Lesher, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Carmine DeBonis, Deputy County Administrator for Public Works
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Projects Manager, County Administrator’s Office
MEMORANDUM

Date: December 13, 2018

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

From: C.H. Huckelberry
County Administrator

Re: Remaining 1997 HURF Bonds

Background

At the December 4, 2018 Board meeting there was a discussion regarding remaining 1997 HURF bonds, whether there are any unissued bonds that could be reallocated to road repair and the process to do so. To reallocate unissued bonds to road repair would require an amendment to the 1997 bond ordinance and I previously outlined the bond amendment process in my November 27, 2018 memorandum (attached). The majority of the $62.4 million in HURF bonds that have not yet been issued, but are designated for projects, either with Intergovernmental Agreements (IGAs) or contracts with design and construction firms. In fact, over $40 million of the remaining HURF bonds are designated for three projects with the City of Tucson, for which the City and County have executed IGAs on $30 million of those bonds as well as commitments to enter into two additional IGAs for the remaining $10 million. As Chief Deputy County Attorney Andy Flagg stated at the Board meeting, the County would be in breach of contract if the Board chose unilaterally not to contribute the 1997 HURF bond proceeds to those City projects for which there are active IGAs.

City Transportation Projects Designated to Receive 1997 HURF Bond Proceeds, Project Status and Consequences of Reallocation of the Funding to Road Repair

DOT 29, Houghton Road, Golf Links Road to Interstate 10: Includes $12.3 million of unspent bond funds. $2.1 million of those remaining bond funds have been committed via an IGA with the City of Tucson for the Union Pacific Railroad (UPRR) to I-10 phase, currently under construction. The remainder of the bond allocation was included in the Regional Transportation Authority (RTA) program as a committed non-RTA revenue for two additional phases of the Houghton Road project: Valencia Road to Mary Ann Cleveland Way and 22nd street to Irvington Road. Although IGA’s have not yet been entered into for these last two phases, construction is anticipated to begin in August 2020 and August 2021, respectively, and therefore the process to enter into IGAs for these phases is expected to begin shortly.
DOT 56, Broadway Boulevard, Euclid Avenue to Country Club Road: Includes $19.4 million of unspent bond funds. The entire remaining bond amount has been committed in an IGA with the City and was included in the RTA program as committed non-RTA revenue.

DOT 58, 22nd Street, I-10 to Tucson Boulevard Improvements: Includes $9.2 million of unspent bond funds. $8.5 million of those remaining bond funds have been committed via an IGA with the RTA, and the City provided a construction start date of January 2020 for the Kino Parkway to Tucson Boulevard phase. The additional $700,000 is not yet committed via an IGA, but since the project has not been fully designed, nor construction bid, it is premature to determine whether the remaining $700,000 will be needed.

County Transportation Projects Designated to Receive 1997 HURT Bond Proceeds, Project Status and Consequences of Reallocating the Funding to Road Repair

The remainder of this memorandum will focus on the HURT bonds that are designated to projects in unincorporated Pima County and the consequences of reallocating those HURT bonds to road repair instead of completing those projects.

DOT-23, Thornydale Road, Cortaro Farms Road to Linda Vista Boulevard: Includes $555,000 of unspent bond funds. The full amount is needed to pay for the construction work that is under contract and in progress now.

DOT 32, Kolb Rd, Sabino Canyon Road to Sunrise Drive: Includes $5.14 million of unspent bond funds. This project is in design and not projected to require any of the remaining bond proceeds for construction. Funding sources for the project include federal funds and County impact fees. However, if the construction low bid exceeds the project forecast, bond funds may be needed to complete the project. Construction is scheduled to be bid in summer of 2019, and then we will know whether all or some of the $5.14 million of the bond funds will not be needed for this project and if the balance could be proposed for road repair through the bond amendment process. The estimated project costs are $8.3 million. At a minimum, it is recommended that a 10 percent contingency, or $830,000, be reserved from the $5.14 million. Assuming this contingency, $4.3 million of remaining bonds could be reallocated to road repair through the bond amendment process, or not sold.

DOT 50, Kinney Road, Alexandrite Avenue to Bopp Road: Includes $326,000 of unspent bond funds. This project is currently under construction, will be complete in the next month, and it is anticipated the project will spend the remainder of these funds.

DOT 57 Safety Improvements: Includes $5.5 million of unobligated bond funds, and approximately $2.4 million that is obligated to thirteen (13) different safety projects. Ten of these projects are federal and the bond funds are used as the local match, leveraging over $10.5 million of federal funding. If the $2.4 in obligated bond funds are not available due to
reallocated to road repair we will have to cancel the projects and refund FHWA approximately $975,000 of federal money previously reimbursed on these projects (see attachment). Assuming the obligated funds continue to be reserved for these projects, 10 percent of the estimated total project costs, or $1.7 million of the unobligated funds should be held as contingency in case bids exceed the estimates. Bidding for these 13 projects is planned between summer 2019 and summer 2020. The remaining $3.8 million of remaining bonds could be allocated to additional safety projects, proposed for road repair through the bond amendment process or not sold.

**DOT 59, Road Repair and Pavement Preservation:** Includes $8.9 million of unspent bond funds. A two-year program for this bond program was approved by the Board of Supervisors as part of the $16 million reallocation approved in April 2018; the first year’s projects are substantially complete and year two will be constructed in fiscal year 2020.

Summary tables of the remaining 1997 HURF Bond Projects is provided for your reference.

**Recommendation**

Based on the above summary, it is recommended that: 1) The amounts allocated to City of Tucson projects and the Pima County Thornydale Road (DOT-23), Kinney Road (DOT-50) the thirteen (13) Safety Improvement (DOT-57) projects not be reallocated. 2) Of the remaining $5.14 million of unspent bond funds for Kolb Road (DOT-32), it is recommended that $830,000 be reserved for contingency and that no funds be reallocated until the project cost is firmed up by bid. The remaining $4.3 million in bonds should be reallocated to the Safety Improvement Program through the bond amendment process. 3) For Safety Improvements (DOT-57), it is recommended that $1.7 million, be reserved as contingency for these projects. The remaining $3.8 million of bonds should be considered for allocation to additional safety projects.

CHH/lab

**Attachments**

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Ana Olivares, Director, Transportation Department