MEMORANDUM

Date: March 18, 2019

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

From: C.H. Huckelberry
County Administrator

Re: Responses to Supervisor Miller’s Questions Following the Transportation Advisory Committee February 26, 2019 Meeting

Supervisor Miller attended the February 26, 2019 meeting of the Pima County Transportation Advisory Committee and followed up with questions via email (Attachment 1):

1. How much has Pima County expended on Issuance costs and interest related to the 1997 HURF bonds?

   As of June 30, 2018, Pima County has spent approximately $1.2 million in issuance costs and $88.6 million in interest on the 1997 HURF Bonds.

2. As we all know a bill was passed to add an additional “fee” on Vehicle licenses in the amount of $32. This fee is going to raise $185 million this year. How much is Pima County expecting to receive in increased VLT as a result of the imposition of this fee?

   The information we have received from Pima Association of Governments is that the fee would cover 110 percent of the last fiscal years’ Department of Public Safety (DPS) transfer of HURF, which could result in an additional $2.7 million Pima County HURF allocation.

3. I would like a schedule of the impact fees available by benefit area as well as any planned expenditures for those funds.

   See Table (Attachment 2).

4. Ana discussed that The Loop was removed from the department of transportation and is now under the jurisdiction of Flood District. What year was The loop moved to the Flood Control District?

   The Loop was not moved from Transportation to the Regional Flood Control District (RFCD). It was originally constructed by the RFCD as part of bank stabilization required under the Clean Water Act, Section 404, and to provide maintenance and public safety
access. Ms. Olivares’ comments were limited to the bicycle operator program, of which
The Loop component for bike maps and education was transferred from Transportation
to the RFCD, Natural Resources, Parks and Recreation Department, and the Health
Department in December 2017.

5. I was listening to audio of the TAC meeting this afternoon and Yves made a comment
that the failed road problem in Pima County is now $900 million. Is he speaking about all
jurisdictions in Pima County? I’ve seen several different numbers in the past months and
would like to know what the total estimate is for unincorporated Pima County as well as
the region as a whole if you have that information available.

The referenced amount is for the unincorporated County only and is merely an estimate.
An estimate that has been updated several times. The amount is based on many variable
factors including pavement condition, treatment type, material and labor costs and the
timeframe in which the deficit may be mitigated. These factors can reasonably be
expected to vary based on the specific circumstances at any given time. The recently
stated amount varies from those provided in the past as roads have further deteriorated.
Continued deterioration leads to increased repair costs each year the problem is not
addressed. In the less than two years since the Transportation Advisory Committee began
meeting in August 2017, the number of miles of failed roads has increased more than
threelfold as previous poor and fair roads have deteriorated further.

Refinements to estimates will continue to occur based on the prevailing circumstances
at the time estimates are made, and using the latest tools available. The Transportation
Department has also procured more precise tools to calculate pavement maintenance
needs based on deterioration curves specific to the types of pavement. Use of these new
analysis tools is facilitating establishment of higher maintenance expectations for the
different roadway classifications, particularly arterials and collectors, which can also
effect estimates. However, projected amounts may be reduced based on continued
efforts to find more cost-effective solutions to pavement maintenance, such as evaluating
the performance of the San Joaquin test sections of the fourteen different pavement
types. To place any County estimate into perspective, the Pima Association of
Governments has estimated a need of $3.6 billion for the entire region to bring 80 percent
of the region’s pavements above poor conditions and maintain them at that level through
2045.

It matters little whether the estimate is $400 million or $900 million when the basic
revenue source is grossly inadequate to solve the problem. These estimates will continue
to grow over time. The simple answer is – the longer we wait to address the problem
with a viable funding proposal, the greater the cost will be and it will increase year over
year.
6. There was also a discussion regarding the potential of imposing “regional” impact fees for maintenance of roads. My understanding is these are monies that would be assessed on developers to be distributed across all jurisdictions within a designated region. Is this something that is being pursued legislatively? Isn’t this already considered via Impact fee benefit areas? Is it feasible to consider some modification to that assessment vs adding another layer of impact fees? I don’t think developers would be pleased but it these are real discernible costs it may be reasonable to consider in that process.

Multiple scenarios for funding pavement maintenance were proposed by Mr. Lueck, including the possibility of a regional impact fee. As indicated at the meeting by Mr. Lueck, the current statutory authority limits transportation impact fees to capacity enhancement such that these collections cannot be used for roadway maintenance projects. Any expansion beyond the capacity limitation would require legislative change, which is not currently pursued. Mr. Lueck used this example as one of many ideas for new revenue sources and suggested that the Pima County Transportation Advisory Committee create a matrix of all potential funding sources, which would provide an index of the necessary effort associated with each and the potential for successful implementation. The Committee voted in agreement to work on such a matrix through a subcommittee.

CHH/mp

Attachments

c:  Jan Lesher, Chief Deputy County Administrator
    Carmine DeBonis, Jr., Deputy County Administrator for Public Works
    Francisco Garcia, Assistant County Administrator
    Chris Cawein, Director, Natural Resources, Parks and Recreation
    Ana Olivares, Director, Department of Transportation
    Suzanne Shields, Director, Regional Flood Control District
Good afternoon Carmine,
Ana Olivares did an excellent presentation at the TAC meeting yesterday. I would like to get a copy of that presentation at your earliest convenience.
I also had several questions as a result of attending the meeting and will list them here.
1. How much has Pima County expended on Issuance costs and interest related to the 1997 HURF bonds?
2. As we all know a bill was passed to add an additional “fee” on Vehicle licenses in the amount of f$32. This fee is going to raise $185 million this year. How much is Pima County expecting to receive in increased VLT as a result of the imposition of this fee?
3. I would like a schedule of the impact fees available by benefit area as well as any planned expenditures for those funds.
4. Ana discussed that The Loop was removed from the department of transportation and is now under the jurisdiction of Flood District. What year was The loop moved to the Flood Control District?

Thank you for your assistance,

Regards,

Ally
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Pima County Supervisor
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***All messages created in this system should be considered a public record subject to disclosure under Arizona public records law (ARS 39-121) with no expectation of privacy related to the use of this technology.***
From: Ally Miller  
Sent: Wednesday, February 27, 2019 2:19 PM  
To: Carmine DeBonis  
Cc: Lori Hunnicutt; Tyler Mott; Ally Miller  
Subject: Question related to comment by Yves Khwam at TAC meeting

Good afternoon Carmine,

I was listening to audio of the TAC meeting this afternoon and Yves made a comment that the failed road problem in Pima County is now $900 million. Is he speaking about all jurisdictions in Pima County? I’ve seen several different numbers in the past months and would like to know what the total estimate is for unincorporated Pima County as well as the region as a whole if you have that information available.

There was also a discussion regarding the potential of imposing “regional” impact fees for maintenance of roads. My understanding is these are monies that would be assessed on developers to be distributed across all jurisdictions within a designated region. Is this something that is being pursued legislatively? Isn’t this already considered via impact fee benefit areas? Is it feasible to consider some modification to that assessment vs adding another layer of impact fees? I don’t think developers would be pleased but it these are real discernible costs it may be reasonable to consider in that process.

Thank you,

Regards,

Ally

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Table responds to Question 3, Schedule of Impact Fees Available by Benefit Area and Planned Expenditures for funds.

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Notes:
[2] Planned Expenditures from PB FSO "CIP_FRCST_DEPT_REV" on 3/6/2019
[3] Project is included for planning purposes and reflects the Impact Fees associated with approved RTA projects
[4] There is a development and financing agreement for this project; impact fees collected within the limits of the development will be used for debt service and impact fees collected outside of the development limits will not be used for this project.