



MEMORANDUM

Date: March 18, 2019

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

From: C.H. Huckelberry
County Administrator

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

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

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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 threefold 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.

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- 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 if 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 Leshar, 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

From: Ally Miller
Sent: Wednesday, February 27, 2019 12:47 PM
To: Carmine DeBonis
Cc: Lori Hunnicutt; Tyler Mott
Subject: TAC Commission meeting

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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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 if these are real discernible costs it may be reasonable to consider in that process.

Thank you,

Regards,

Ally

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ATTACHMENT 2

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

Impact Fee Area	Planned Project	Planned Expenditure [2]	FY2018 Ending Cash Balance [1]
Altar Valley			\$ 848,710
	Development Impact Fee Study	\$ 16,574	
Avra Valley			\$ 193,164
	Development Impact Fee Study	\$ 16,574	
Catalina Foothills			\$ 5,895,033
	Kolb Road: Savino Road to Sunrise Drive	\$ 5,652,883	
	Development Impact Fee Study	\$ 16,574	
	Houghton Road: I-10 to Golf Links Rd [3]	\$ 5,600,000	
CDO			\$ 279,417
	Development Impact Fee Study	\$ 16,574	
	La Cholla: Overton to Tangerine	\$ 3,150,000	
	First Avenue: Orange Grove to Ina Rd [3]	\$ 700,000	
Southeast			\$ 13,863,353
	Development Impact Fee Study	\$ 16,574	
	Houghton Road: I-10 to Golf Links Rd [3]	\$ 10,208,991	
	South Houghton Rd Study and Shoulders	\$ 637,881	
	South Houghton Rd Widening	\$ 13,000,000	
	Valencia Road Extension [4]	\$ 15,000,000	
San Xavier			\$ 3,475,265
	Development Impact Fee Study	\$ 16,574	
	Wilmot Road: Valencia Rd to DMAFB Entrance	\$ 385,000	
	Valencia Road: Kolb Rd to Houghton Rd [3]	\$ 4,000,000	
Santa Cruz			\$ 3,496,107
	Development Impact Fee Study	\$ 16,574	
Silverbell Tortolita			\$ 2,627,577
	Development Impact Fee Study	\$ 16,574	
Tucson Mountain			\$ 1,264,688
	Development Impact Fee Study	\$ 16,574	
	Sunset Road: Silverbell Rd to I-10	\$ 285,333	
	Sunset Road: I-10 to River Rd	\$ 1,500,000	
	Silverbell Road: Ina Rd to Grant Rd [3]	\$ 6,400,000	
Southwest			\$ 13,906,638
	Development Impact Fee Study	\$ 16,574	
	Bopp Rd: Sarasota Blvd at Kinney Rd Improvements	\$ 1,484,274	
	Valencia Road: Wade Rd to Ajo Highway	\$ 13,730,096	

Notes:

[1] FY2018 Ending Cash Balance from the 1/23/2019 Department of Transportation Cash Flow

[2] Planned Expenditures from PB FSQ "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.