



Board of Supervisors Memorandum

April 21, 2015

Resolution Ordering and Calling a Special Bond Election to be Held in and for Pima County, Arizona on November 3, 2015 for the Purposes of Road and Highway Improvements, Economic Development, Libraries and Workforce Training, Tourism Promotion, Parks and Recreation, Public Health, Welfare, Safety, Neighborhoods and Housing, Natural Area Conservation and Historic Preservation, and Flood Control

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I. Introduction

On March 13, 2015, the Pima County Bond Advisory Committee (BAC) recommended specific projects totaling \$653,264,863 be included in a bond election to be held on November 3, 2015. A letter from the BAC Chair and Vice-Chair transmitting the Committee’s recommendations to the Board of Supervisors is attached (Attachment A). Also attached for the Board’s consideration is a resolution to order and call a special bond election for November 3, 2015 (Attachment B).

The resolution includes seven ballot propositions; which, if approved by voters, would authorize the County to sell \$815.8 million in general obligation bonds for purposes defined by each proposition. This is \$162.5 million more than recommended by the BAC, and the differences are explained in this memorandum. The ballot propositions are the product of consultation between bond counsel and staff to bundle similar projects under separate bond questions as

required by State statute. By adopting this resolution, the Board would be ordering the election and approving the following seven ballot propositions:

Table 1: Proposed General Obligation Bond Ballot Propositions and Amounts.

Proposition	Bond Funding
Proposition 425: Road and Highway Improvements	\$200,000,000
Proposition 426: Economic Development, Libraries and Workforce Training	91,375,000
Proposition 427: Tourism Promotion	98,600,000
Proposition 428: Parks and Recreation	191,500,000
Proposition 429: Public Health, Welfare, Safety, Neighborhoods and Housing	105,300,000
Proposition 430: Natural Area Conservation and Historic Preservation	112,050,000
Proposition 431: Flood Control and Drainage	16,935,000
Total	\$815,760,000

Attachment C includes a list of each of the projects organized by propositions. The specific project-level details, including project scopes, project funding amounts and timing of when projects would be built, would be formally approved by the Board by adopting a bond implementation plan ordinance, as required by County code, prior to the start of early voting and only after review by the BAC and after considerable consultation with cities, towns and tribes concerning projects they requested.

The resolution also includes an exhibit that would be posted in newspapers and on the County’s website providing notice of the election and, as required by State statute, soliciting arguments for and against the bond propositions to be published in a publicity pamphlet distributed to each household with a registered voter. Per the notice, such arguments could be filed with the Elections Department between May 18 and June 5, 2015.

The purpose of this memorandum is to transmit this resolution to the Board for consideration, as well as to provide the information necessary for the Board to make an informed decision.

II. Capital Bond Investment Needs and Benefits from Previous Bonds

It has been almost 11 years since the last comprehensive bond election in 2004, which was followed by a single issue bond election in 2006 for behavioral health facilities and a single-issue bond election in 2014 for animal care improvements. The 2004 and 2006 bond programs are substantially complete and successfully resulted in the following:

- A new Regional Emergency Communications Center and Network that is being used by 55 police and fire agencies and organizations, making it easier to communicate with each other during emergencies.

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- A new Downtown Court Complex and Public Service Center, providing all Justice Court functions at a single location for the first time in 18 years, including modern security, up-to-date courtroom technology and comfortable and accessible facilities for the public.
- The new Herbert K. Abrams Public Health Center, which houses the Pima County Departments of Health and Behavioral Health, physician clinic space for the Family and Community Medical Center, the Diabetes Center, a Gastroenterology Laboratory, and The University of Arizona Collaboratory on Metabolic Disease Prevention and Treatment.
- The new Crisis Response Center and Behavioral Health Pavilion, serving approximately 15,000 people per month, reducing pressure on crowded emergency rooms and reducing the drop-off time for law enforcement officers to less than 10 minutes per case.
- A new health clinic southeast of Green Valley.
- The new Wheeler Taft Abbett Marana Library, a complete remodel of the Wilmot Branch Library, and major expansions to the Oro Valley and Eckstrom Columbus libraries.
- 454 new affordable housing units.
- 25 new sports fields, the lighting of 34 sports fields, 19 new playgrounds, 39 new picnic areas, two new dog parks, one new pool, three new splash pads, five new community centers, seven new basketball courts, three new skateboard parks, significant expansion of The Loop, including 18 new trailheads and 38 miles of new multi-use paths and trails, and the acquisition of almost 300 acres for future parks and community facilities development.
- The purchase of 52 properties totaling 47,000 acres, expanding regional parklands and conservation areas, providing 20 years of mitigation for future development, and increasing recreational access via seven new trailheads and 77 miles of new trails.
- The rehabilitation of 23 historic buildings, eight new miles of the historic Anza Trail along with three new trailheads, and acquisition of four priority archaeological sites.
- 394 street lights, 37 speed humps, six traffic circles, four crosswalks, 38 Americans with Disabilities Act (ADA) compliance curb ramps, and 19 miles of sidewalks.
- Cooperation with jurisdictions to address urban drainage and flooding issues along major watercourses, including construction of the Columbus Wash storm drain which removed 235 properties from the floodplain, as well as bank protection along the Santa Cruz River in Continental Ranch to protect the new Wheeler Taft Abbett Library and Silverbell Park.
- Improvements to an additional 12 community facilities.

Bond funded facilities such as these are one of the most direct ways voters and taxpayers see their tax dollars at work; whether it be the new playground their children are using at their neighborhood park, the new library at which they attend business startup training, or the newly renovated clinic space for a specialty doctor visit. The 2004 and 2006 bond programs resulted in significant investments in this community's infrastructure and are providing tremendous benefit to the everyday lives of our residents and visitors.

Since 2004, our population has grown by 10 percent and is conservatively expected to grow by another 11 percent over the next decade. New areas of the community have sprung up, are paying taxes and rightfully expect to have access to libraries, parks and law enforcement. Older areas of the community are in need of reinvestment. Road conditions continue to deteriorate as traditional funding mechanisms fail to keep up with needs. Basic County facilities such as health clinics, the Medical Examiner's office and the County jail, are facing increased demand and are in need of expansion. During this time period, our region was also hit hard by the Great Recession; losing thousands of construction, tourism and other jobs that have not yet been recovered. We need to invest in public infrastructure that initially creates construction jobs, but over the long term protects our existing major employers and supports the expansion of primary based employment. This includes tourism, which is one of our top industries and has been slow to recover in comparison to tourism growth in the Midwest and eastern United States. Tourists cite our environment as the top reason to visit, which is why we must continue to invest in conserving our unique natural areas and improve access to popular mountain parks. In addition, many of our major tourism-related venues are public owned, like the Arizona-Sonora Desert Museum, and in need of reinvestment to continue to attract visitors.

III. History of Planning and Public Involvement for the Next Bond Election

Planning for the next comprehensive bond election began in September 2006, with County departments and other jurisdictions submitting requests for projects totaling \$3.2 billion, followed by seven open houses held around the County. From 2007 onward, public involvement was directly related to the BAC and their task in reviewing and deliberating on projects in order to develop recommendations to the Board of Supervisors. The BAC is a 25 member committee with the following representation: Three members appointed by each County Supervisor and the County Administrator, and one member appointed by each of the incorporated cities, towns and two tribes.

In 2007, the BAC formed subcommittees, meeting February through September 2007, and transmitting initial recommendations to the full BAC in October 2007: \$1.35 billion in General Obligation projects and \$565 million in sewer revenue projects. Between then and now, the BAC recommended deferring a bond election multiple times based on poor economic conditions; the County pursued and issued non-voter approved sewer revenue obligations negating the need for a sewer revenue bond election; the BAC recommended and the County pursued a successful bond election for new animal care facilities; and the BAC heard many presentations on projects, received new proposals and deliberated on a tentative, and eventually a final, list of projects.

The BAC and its subcommittees have conducted more than 100 public meetings related to planning for a bond election. A town hall was held in Vail in 2007 involving 300 members of the public, with the results transmitted to the BAC. In 2009, at the BAC's request, the County

conducted an online survey regarding timing and project preference that resulted in 2,576 responses. In 2013, the County conducted another online survey, also at the BAC's request, receiving nearly 17,000 responses, with less than two percent of these responses (319) opposing a bond election. Furthermore, in the last two years, stakeholder attendance at BAC meetings has ranged from 60 to 320 people per meeting, and public comments (letters, email correspondence and speaker cards completed at meetings) total over 3,000. The BAC spent the majority of many meetings hearing from the public, and I commend them for committing to such an open and transparent process.

Since the March 13, 2015 BAC meeting, my office has received 24 letters and emails and a 143-signature petition supporting either individual bond projects or general support for calling a bond election this year. Only one comment was received in opposition. All letters and emails will continue to be forwarded to the Board. We are aware Board offices have been receiving similar comments. The following groups, not directly associated with a particular bond project, have recently spoken at Board meetings or submitted written statements in support of calling a bond election for this year: Tucson Regional Economic Opportunities, Inc. (TREO), Southern Arizona Leadership Council, American Institute of Architects, Arizona Builders Alliance, Construction and Design Partnership, Downtown Tucson Partnership, Center for Biological Diversity, and the Menlo Park Neighborhood Association.

IV. Pima County Bond Advisory Committee Recommendations and Continuing Oversight

After years of deliberation and multiple postponements of a bond election, on March 13, 2015 the BAC recommended a bond package of 96 projects totaling \$653,264,863. The project names and amounts are listed in Attachment A, along with criteria adopted to guide their deliberations.

This part of the BAC's job is complete. However, if the Board does call for an election this year, we will be seeking the BAC's input on the bond implementation plan ordinance; and if the propositions are approved by voters, the BAC will oversee implementation of the bond program at public meetings held at least twice each year until the projects are completed. This is an oversight activity that adds to voter confidence that the bond program will be implemented consistent with the purposes for which they approved.

V. Road Repair and Rehabilitation

The BAC, on a number of occasions, has discussed the state of road repairs; both in the unincorporated area of the County, as well as the City of Tucson. The general consensus was that something needed to be done, but there was no consensus about how much funding, how funds would be distributed, or if General Obligation bonds were the appropriate funding mechanism.

County staff and I continued to suggest to the BAC that user fees or a gas tax would be the most equitable and appropriate method of financing street and highway repairs. This was done with the hope the Arizona Legislature would address the issue in the most recent legislative session. Unfortunately, such did not occur. In fact, in adopting the State Budget, the hoped-for increased reduction in Highway User Revenue Fund (HURF) diversions did not occur.

As the Board recalls, two legislative sessions ago, \$30 million of diversion relief was obtained with a promise that another \$30 million would occur during this most recent legislative session. The Governor proposed a Vehicle License Fee increase of \$8 to provide these funds. This proposal was unwisely rejected by the Legislature; hence, the promised additional \$30 million in road repair funding will not be available.

It is inevitable the Arizona Legislature or the people of Arizona, through initiative, will have to address long-term transportation financing. However, short-term measures, such as limited General Obligation bonding, may be the only local response available to improve our road maintenance capabilities.

At the April 7, 2015 Board meeting, there was general Board discussion regarding \$100 million to \$200 million in General Obligation bond funds for road repair, provided the debt retirement period was limited to no more than 10 to 12 years. For this reason, I have included an additional \$160 million for road repairs through General Obligation bonding to be issued over the first five years of the program. The debt repayment period for road repair bonds will be reduced to 10 years. Hence the repairs will last longer than the debt repayment. These funds will then be divided and spent in proportion to each contributing jurisdiction's assessed value as shown in Table 2 below. As always, General Obligation bond funding contractual obligations remain with the County; therefore, the County will enter into Intergovernmental Agreements with the appropriate jurisdictions for the selection and implementation of road repairs within each jurisdiction in a priority developed by the jurisdiction and concurred by the County. This is similar to how Neighborhood Reinvestment bond funding improvements were delivered by the County inside incorporated jurisdictions.

Table 2: Net Assessed Value of All Property by Jurisdiction.

Jurisdiction	FY 2015/16 Net Assessed Valuation (January 9, 2015 Assessment Roll)	Net Assessed Valuation Percentage of Total
Marana	\$445,006,943	5.84
Oro Valley	572,696,599	7.51
Sahuarita	203,179,337	2.67
South Tucson	20,327,664	0.27
Tucson	3,123,679,235	40.99
Unincorporated County	3,255,471,857	42.72
Total Pima County	\$7,620,361,635	100.00

In the past concerns had been raised about using General Obligation funds to fund road repair only in the unincorporated areas because General Obligation bonds are repaid by many residents residing within incorporated cities and towns; hence, my recommendation that bond funding be used to repair roads within cities and towns, as well as the unincorporated area. Table 3 below shows the County’s population by supervisorial district and the percentage of incorporated and unincorporated populations in each district.

Table 3: County Incorporated and Unincorporated Populations by Supervisorial District.

District	Total Population	Percent Incorporated	Percent Unincorporated
1	196,287	29	71
2	194,743	88	12
3	196,031	54	46
4	197,928	66	34
5	195,260	83	17

VI. Additional Possible Changes to the Bond Advisory Committee Recommendations

In addition to the \$160 million for road repair, I also recommend several other changes to the BAC’s recommendations as listed in Table 4 and described below.

Table 4: County Administrator Bond Project Recommendations.

Project	BAC Recommendation	County Administrator Recommendation	Difference
Road Repair and Pavement Preservation	\$0	\$160,000,000	+ \$160,000,000
Southeast Regional Park Shooting Range	\$0	\$2,500,000	+ \$2,500,000
Pedestrian Safety and Walkability	\$14,400,000	\$12,000,000	-\$2,400,000
County Fairgrounds	\$6,000,000	\$6,500,000	+ \$500,000
Colossal Cave Mountain Park	\$3,000,000	\$3,350,000	+ \$350,000
Arizona-Sonora Desert Museum	\$8,000,000	\$9,350,000	+ \$1,350,000
Rillito Park	\$1,500,000	\$1,700,000	+ \$200,000
Pascua Yaqui Tribe Drainage	\$1,936,363	\$1,935,000	-1,363
South 12 th Avenue	\$3,178,500	\$3,175,000	-3,500
BAC Recommendation			\$653,264,863
Net Increase From County Administrator Recommendation			\$162,495,137
Total County Administrator Recommendation			\$815,760,000

Southeast Regional Park Shooting Range Improvements - \$2.5 million addition

The BAC deleted a \$3 million shooting sports project without any discussion and after years of supporting it. The project originally included improvements to the range within Tucson Mountain Park, as well as the ranges and clay target center at the Southeast Regional Park. Pima County's parks and recreational facilities reflect the diversity of sports demanded by the community. Our existing shooting ranges are at capacity with requests for expansion and extended hours of operation. Fees are charged for use of the ranges, the revenue of which will increase with more participation. In addition, these facilities are heavily supported by volunteers; 5,622 volunteer hours were contributed in 2014 alone. I recommend expansion of the rifle and pistol range, as well as the clay target center, all located at the Southeast Regional Park at a cost of \$2.5 million. The rifle and pistol range improvements will add 12 new stations, increasing capacity by 40 percent, which will conservatively result in a 20 percent increase in annual revenue. The clay target center improvements will assist with public requests for increase in hours of operation for the clay target center, which is currently only open to the public on weekday mornings. With this project, multiple new revenue generating opportunities will be available and the sporting clays course and evening shooting opportunities are expected to attract a new customer base.

Pedestrian Safety and Walkability Improvements - \$2.4 million reduction

The BAC, at their final meeting, added \$2.4 million to the Pedestrian Safety and Walkability Improvements project. This is one of the few projects for which I would support significant changes to during the drafting of the bond implementation plan ordinance. Currently, it includes \$14.4 million of projects largely for the City of Tucson. County staff, under my direction, identified three projects that are examples of needs within unincorporated Pima County. Staff also developed programmatic criteria that I recommend including in the bond implementation plan ordinance as a way to prioritize how funding under this program would be spent – primarily that connections to existing multiuse pathways and pedestrian systems should be funded first. I also recommend removing the additional \$2.4 million from this program and reallocating it to the Fairgrounds, Colossal Cave Mountain Park, Arizona-Sonora Desert Museum, and Rillito Park as follows:

County Fairgrounds - \$500,000 addition

The BAC recommended \$6 million for two important projects at the Fairgrounds, and this resulted in the removal of funding originally approved by the BAC for water and well infrastructure. An additional \$500,000 is needed for the improvement of the two wells and water infrastructure located at the Southeast Regional Park, the larger County property in which the Fairgrounds is located, and used for potable water, irrigation and fire suppression.

Colossal Cave Mountain Park - \$350,000 addition

The BAC recommended \$3 million for much needed infrastructure improvements at Colossal Cave Mountain Park. However, more recent costs estimates show that additional \$350,000 is needed to address the minimal needs necessary to attract positive responses to the current request for proposals for a new operator.

Arizona-Sonora Desert Museum - \$1,350,000 addition

Similar to the Fairgrounds, the BAC recommended \$8 million for this project, which resulted in the removal of funding originally approved for water and well infrastructure to serve the Desert Museum, as well as other County properties in Tucson Mountain Park. The BAC's final recommendation also reduced funding for the Desert Museum's major new exhibit – Coast to Canyons: Journey of the Jaguar. I recommend adding \$600,000 to this project for the water and well infrastructure, as well as an additional \$750,000 for the exhibit.

Rillito Park - \$200,000 addition

The project originally included a much-needed maintenance building at this park and is estimated to cost \$200,000. When the project was reduced by the BAC from \$14 million to \$1.5 million, this item was inadvertently removed.

Pascua Yaqui Tribe Drainage and South 12th Avenue Projects Adjustments - \$4,863 reduction

Bonds can only be sold in \$5,000 increments; therefore, it is necessary to slightly adjust the bond funding amounts for these two projects.

VII. Public Infrastructure Leverages Private Investment

Many of the proposed projects include a match or contribution of private dollars. For example, the YMCA Community Center at the UA Tech Park is actually a \$12 million project, with \$6 million in bond funding and \$6 million in funding from the YMCA. Similarly, the Reid Park Zoo project is actually an \$18 million project, with \$8 million in bond funding, and \$10 million in private funding from the Zoological Foundation. Overall, an additional nine percent, or \$75 million, in private funding is expected to be leveraged by the County's bond funding of \$815.8 million.

VIII. Conservative Debt Management and Other Variables that Impact Total Size of a Future Bond Program

There are a number of constraints and variables that govern the total amount of bonds that could be issued as part of a future bond program: a voluntary secondary property tax rate cap committed to by the Board, the tax base and its growth, the length of a bond program, and the repayment schedule for debt service or terms of the bonds. In addition, there is a State constitutional debt limit of 15 percent of the County’s net secondary assessed valuation. Pima County, however, has remained well below this cap and, therefore, it is not a practical constraint. For Fiscal Year 2014/15, the constitutional debt limit is \$1.1 billion; however, the actual General Obligation bonded indebtedness of the County is \$422 million. In addition, if the Board decides to call an election for \$815.8 million over 12 years, the County will remain well below the constitutional debt limit, as this debt is not sold all at once and existing and new debt will continue to be paid off rapidly.

Voluntary Secondary Property Tax Rate Cap of 81.5 cents per \$100 in Net Assessed Value

The primary constraint is the voluntary secondary property tax rate cap. The secondary property tax rate is applied annually to the secondary net assessed property value of the County to generate revenue to repay bond debt for a given year. The cap has previously been set by the BAC and approved by the Board at \$0.8150 per \$100 of net assessed property value. The current rate for Fiscal Year 2014/15 is \$0.7000. Table 5 below shows the tax rate for the last 15 years; and as can be seen, it has been as low as \$0.6050 and as high as \$0.9350.

Table 5: Secondary Debt Service Tax Rate.

Fiscal Year	Debt Service Tax Rate
FY 2000/01	\$0.9350
FY 2001/02	0.8950
FY 2002/03	0.8150
FY 2003/04	0.8150
FY 2004/05	0.8150
FY 2005/06	0.7150
FY 2006/07	0.7150
FY 2007/08	0.6850
FY 2008/09	0.6050
FY 2009/10	0.7100
FY 2010/11	0.7500
FY 2011/12	0.7800
FY 2012/13	0.7800
FY 2013/14	0.7800
FY 2014/15	0.7000

We have clearly stayed below the \$0.8150 limit set in 2004, and I have assumed this voluntary limit will remain in place for a new debt issuance.

Tax Base and Conservative Forecasts

The tax base and how it grows or shrinks is a critical variable in how much bond debt the County and taxpayers can afford. The tax base can be defined as the sum of all taxable property in Pima County. As property values and the tax base increase and the tax rate is held constant, we have more capacity to retire debt. The tax base of Pima County contracted significantly during the recent Great Recession. The bond debt service tax base dropped from a value of \$9.86 billion in Fiscal Year 2009/10 to \$7.58 billion today, a 23.1 percent reduction. For the first time in five years, we are now forecasting a very slight increase in our net assessed value for bond debt service, rising from \$7.58 billion to \$7.62 billion for Fiscal Year 2015/16. We also forecast the tax base to rise to \$8.7 billion in Fiscal Year 2019/20, essentially five years from now.

Aggressive Repayment of Bond Debt within 15 Years

Another constraint is the debt retirement schedule. The County has traditionally limited this to 15 years, which is viewed by our credit rating agencies as a very rapid debt repayment schedule in comparison to many other local governments. In fact, typically after 10 years, 90 percent of our debt is retired. We also do not artificially alter the debt schedule, such as making interest only payments for the first few years and then aggressive principal payments at the end of the debt period.

Length of the Bond Program

The length of the bond program also impacts the total size of the program. We have traditionally selected 10 years, meaning a portion of the total bond authorization would be sold once each year for 10 years. Selling the bonds over several years, rather than in a single year, is necessary to prevent significant fluctuations in tax bills. However, there is nothing sacrosanct about the 10-year period; it could be longer, but should not be much longer, as voters will expect to see projects built within a reasonable time period after voting.

IX. Criticism of County Debt

We will continue to face criticism concerning the County's debt regardless of the fact that our credit rating agencies consider our debt moderate for a jurisdiction of our size and regardless of the fact our debt is well managed.

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To put Pima County's debt in perspective, it is first important to realize almost all of our debt comes from voter authorization. Prior to the issuance of sewer obligations, almost all of our debt and capital financing debt instruments were approved by the voters, rather than being only approved by a jurisdictional governing body. Most new debt by other jurisdictions in Pima County has been authorized by the governing body of that jurisdiction without voter approval. Pima County remains one of the few large jurisdictions in Arizona to ask the voters to approve debt for bonds.

We are typically compared to Maricopa County, which is often cited as having no debt. However, Maricopa County transferred their hospital system to a special taxing district; and recently, Maricopa County voters approved the issuance of capital debt in the amount of \$935 million for a new hospital system. In addition, Maricopa is actively discussing how to finance nearly \$188 million of capital improvements for their detention facilities. The method of financing most often discussed is to issue Certificates of Participation (COPs) without voter approval. Hence, as much as \$1.1 billion in new debt (\$935 million in General Obligation bonds for a hospital and \$188 million in COPs for detention facilities) may be issued in Maricopa County in the near future. This is a substantial debt incurrence by Maricopa County, much more than is being considered by Pima County.

The next fact to consider is that we have a long history of issuing bond debt. Since May 1974, voters in Pima County approved bond proposals at countywide elections 12 separate times. A total of 54 bond proposition questions were approved by the voters, and only four were not approved. In total, \$2.064 billion in bonds - General Obligation, sewer revenue and Highway User Revenue Fund (HURF) - have been approved over the last 41 years. The most recent approval is for a new animal care facility in November of 2014 for \$22 million.

Of the \$2.064 billion in bonds approved by the voters, \$1.965 billion has been issued and \$1.258 billion has been repaid. The remaining debt of \$707 million, which is \$422 million in General Obligation bonds, \$157 million in sewer revenue bonds and Water Infrastructure Finance Authority of Arizona (WIFA) loans, and \$128 million in HURF bonds is being repaid at an approximate rate of 10 percent per year. Hence, in 10 years if no new debt is issued, Pima County will be almost completely out of bond debt. In fact, over this 10-year period, this debt will be reduced by 92 percent from what it is today.

Our County is unique among Arizona counties in that we own and operate a regional wastewater system. Funded previously with voter approved debt, in 2010 we began issuing non-voter approved sewer obligations in response to federal requirements to improve effluent quality. Because these significant capital improvements were required, it would have been disingenuous to ask for a public vote when we were required to fund the improvements regardless of whether voters said yes or no. To date, the County has issued \$531 million in sewer obligations and repaid \$37 million.

Furthermore, the County's bond programs have evolved over time into an important funding mechanism for cities and towns. This is unique in Arizona. Although our debt per capita is lower

than the debt per capita of all of the cities and towns in Pima County, with the exception of Oro Valley where it is approximately the same, these cities and towns would essentially have significantly higher per capita debt if they were no longer able to rely upon the County to fund a portion of their capital improvements.

Debt financing is an important capital development strategy for a growing and expanding community, as is growing and expanding our tax base. Short-term capital debt is the most appropriate and equitable way to have community beneficiaries, existing residents and future residents, pay for capital public facilities. In addition, one of our most important long-range budget strategies should be to invest in expenditures that will grow the tax base and with it our financial stability.

In short, how much debt a county has incurred is not particularly important. What is important is how well that debt is managed. County debt has been well managed, and the implementation of our capital debt programs through bonding has withstood serious but unfounded criticism.

X. Independent Reviews

In 2012, the Arizona Legislature passed unprecedented legislation directing the Auditor General to audit Pima County's bond programs. This legislation essentially arose from the dispute between Pima County and the Town of Marana over sewer facilities. After an extensive and costly audit, for which the State was required to pay, the Auditor General found that:

1. Pima County takes a collaborative approach in administering its bond programs, which is unique in all of Arizona.
While other jurisdictions in the state typically issue general obligation bonds for specific projects that benefit only their own jurisdictions, Pima County issues debt for many projects that are located in, and primarily benefit, residents within incorporated cities and towns.
2. Bond proceeds have been fairly used for authorized purposes.
Auditors analyzed each change in approved expenditures or in anticipated completion date of projects and found they were approved by the BAC and the Board of Supervisors and properly accounted for, without any indication that changes were made to reward or punish any other entities.
3. Bond projects benefited citizens throughout Pima County.
Projects tended to benefit individual jurisdictions in approximate proportion to the secondary property taxes paid by citizens within those jurisdictions. Auditors determined some differences are to be expected when projects are weighed based on public benefit. The greatest deviation occurred regarding the City of Tucson, which paid 43 percent of the taxes and received 50 percent of the value of the completed projects, and

unincorporated Pima County, which paid 43 percent of the taxes and received 36 percent of the value.

These findings by a completely independent auditor confirm the integrity of the County bond program and instill confidence in continuing the program. From a process standpoint, this audit was substantially less cumbersome for the auditors and the County because of our well-documented procedures concerning accountability, transparency and oversight at the individual project level. We remain unaware of any other governmental entity in Arizona that follows such a strict level of conduct regarding the issuance of voter approved debt and the implementation of debt funded projects.

Another independent assessment of Pima County's bond programs and general fiscal health are credit ratings. During recent credit rating reviews, the County maintained its high AA credit rating and stable financial outlook. In particular, the Fitch review noted that, "Capital needs are sizable but should not increase the county's currently moderate debt burden given a very rapid debt repayment schedule."

XI. New Bond Authorization – Proposed Bond Sale Amounts and Projected Tax Rates

There is no right or wrong way to develop the ultimate bond program. The projects or project amounts could be different. The total bond program size could be larger or smaller. The length of the program could be longer or shorter. The bond program, and specifically the ballot propositions proposed for Board consideration, reflect considerable time and effort by the BAC, proponents of particular projects, general public participants, and the governing bodies and staff associated with the cities, towns, tribes and the County. Working closely with our Finance Department, I am confident the County can sell and repay approximately \$835.8 million in bonds while maintaining our conservative debt management principles; which include maintaining the secondary property tax rate cap at \$0.8150, an aggressive debt repayment schedule of 10 years for the road repair bonds and 15 years for the remainder bond, and conservative tax base growth assumptions.

The forecast shown in Table 6 below applies these principles to new debt in the amount of \$815.8 million, assumes the debt will be issued over 12 years (five years for the road repair bonds), and continues to repay the County's previous General Obligation debt of \$422 million. The forecast shows the projected tax rate would increase from the current \$0.7000 rate to the \$0.8150 cap. By scheduling the bond sales over a 12-year period, we can issue this new debt without exceeding the debt service tax rate cap.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: Resolution Ordering and Calling a Special Bond Election to be Held in and for Pima County, Arizona on November 3, 2015
 April 21, 2015
 Page 16

Table 6: Projected Tax Rate and Estimated Values									
Pima County General Obligation (GO) Bonds									
Assuming \$655,760,000 for GO Projects and \$160,000,000 for Roads.									
		\$40,681,000 Existing			\$655,760,000 GO Bonds		\$160,000,000 Road		
Fiscal Year		Projected Secondary Assessed Valuation(1)	Future Bond Sales	Projected Tax Rate	Future Bond Sales	Projected Tax Rate	Additional Road Bond Sales	Projected Tax Rate For Road Bonds	Total Projected Tax Rates
2014	- 15	\$7,579,898,868	\$15,000,000	\$0.7000					\$0.7000
2015	- 16	7,620,361,635	15,681,000	0.7000					0.7000
2016	- 17	7,838,429,574	5,000,000	0.7034	\$30,000,000	\$0.0418	\$35,000,000	\$0.0698	0.8150
2017	- 18	8,169,396,772	5,000,000	0.6861	30,000,000	0.0597	35,000,000	0.0692	0.8150
2018	- 19	8,437,574,563		0.6312	35,000,000	0.0961	30,000,000	0.0876	0.8150
2019	- 20	8,702,322,344		0.6317	40,000,000	0.0921	30,000,000	0.0912	0.8150
2020	- 21	8,963,392,014		0.5548	40,000,000	0.1116	30,000,000	0.1487	0.8150
2021	- 22	9,232,293,775		0.5365	60,000,000	0.1443		0.1342	0.8150
2022	- 23	9,509,262,588		0.3757	65,000,000	0.2668		0.1725	0.8150
2023	- 24	9,794,540,466		0.2610	70,000,000	0.3818		0.1721	0.8150
2024	- 25	10,088,376,680		0.1752	70,000,000	0.4567		0.1831	0.8150
2025	- 26	10,391,027,980		0.1691	70,000,000	0.4825		0.1634	0.8150
2026	- 27	10,702,758,819		0.1181	83,264,000	0.4923		0.2046	0.8150
2027	- 28	11,023,841,584		0.0748	62,496,000	0.5995		0.1407	0.8150
2028	- 29	11,354,556,831		0.0270		0.6578		0.1303	0.8150
2029	- 30	11,695,193,536		0.0207		0.7424		0.0519	0.8150
2030	- 31	12,046,049,343		0.0076		0.7564			0.7640
2031	- 32	12,407,430,823		0.0037		0.5434			0.5471
2032	- 33	12,779,653,747				0.4531			0.4531
2033	- 34	13,163,043,360				0.3825			0.3825
2034	- 35	13,557,934,661				0.3410			0.3410
2035	- 36	13,964,672,701				0.2660			0.2660
2036	- 37	14,383,612,882				0.2292			0.2292
2037	- 38	14,815,121,268				0.1538			0.1538
2038	- 39	15,259,574,906				0.1310			0.1310
2039	- 40	15,717,362,153				0.0853			0.0853
2040	- 41	16,188,883,018				0.0025			0.0025
			\$40,681,000		\$655,760,000		\$160,000,000		

(1) Pima County estimated Secondary Assessed Value for through 2020; assumes a 3 percent growth thereafter.

The Board should be aware that the estimates of assessed value shown in Table 5 are based on the County’s economic growth models through 2020 and 3-percent growth in assessed values thereafter, which have been consistently verified as both conservative and relatively accurate based on response of the tax base to both appreciation and growth. This is by all accounts the most likely scenario. However, State statutes concerning how assessed value is displayed in voter publicity pamphlets require the use of unreasonably low estimates of growth in the assessed property value; a cap for the first five years at the average for the preceding 10 years and a cap thereafter at one fifth of the 10-year average. This means we are required to show assessed value increases only at 2.76 percent for the first five years and only at 0.5576 percent thereafter in the publicity pamphlet. In order to maintain the voluntary tax rate

cap for purposes of how tax rates are displayed in the publicity pamphlet, the length of the bond program will have to be shown as longer than 12 years; with smaller bonds sales annually, even though in reality, projects will be built sooner.

XII. Putting into Perspective the Amount of General Obligation Bond Debt Issuance and the Aggregate Tax Base Value

Given the unprecedented decline in the Pima County tax base since 2009, as previously discussed, with a 23.1 percent reduction, one might conclude that it may not be appropriate to issue more debt now and to simply wait until the tax base has more fully recovered. To evaluate this concern, it is appropriate to compare the magnitude of the previous General Obligation bond debt voter authorizations to the value of the tax base at the time of voter authorization. Table 7 below shows the immediate past voter authorizations that occurred in 1997, 2004, 2006 and 2014, with 2004 being the single largest at \$582 million.

Table 7: Bond Authorizations Compared with Assessed Value.

Authorization Date	Assessed Value	Total Authorization	Percent of Assessed Value
May 20, 1997	\$3,700,269,211	\$256,980,000	6.9
May 18, 2004	5,633,321,019	582,250,000	10.3
May 16, 2006	6,887,803,879	54,000,000	0.8
November 4, 2014	7,579,898,868	22,000,000	0.3
November 3, 2015	7,620,361,635	815,760,000	10.7

As can be seen, the tax base at the time of the 2004 voter authorization of \$582 million was nearly \$2 billion less than it is today. From a tax base fiscal capacity stand point, issuing \$815.8 million using today's tax base would equate to 11 percent of today's assessed value, which is comparable to what it was in 2004.

XIII. Cost to Average Homeowner

State statutes now require the publicity pamphlet mailed to each registered voter to disclose the estimated cost per residential unit with a full cash value of \$250,000. In Pima County, however, the average full cash value for residential units is only \$152,511. Based on the total values of all property contained on the 2015 Assessment Roll from the Assessor, we have estimated that a tax rate of \$0.3640 per \$100 of assessed valuation would yield the amount needed for debt service on \$815.8 million of new debt. For a home with a value of \$152,511, the average home in Pima County, the cost is estimated to be \$4.63 per month, or \$55.51 per year. For a home with a value of \$250,000, the cost is estimated to be \$7.58 per month, or \$91 per year.

XIV. Operating and Maintenance Costs

Many of these projects will be operated by the County, or cities and towns and will rely all or partially on taxpayer revenues to fund operations and maintenance. These costs have been estimated and disclosed for each project throughout the BAC deliberation process; and, in fact, the BAC and the City's bond advisory committee that advised the Mayor and Council spent a great deal of time discussing these impacts and considering whether to support projects with high operational costs. Revisions to the County's Truth in Bonding Code will likely require, as part of Intergovernmental Agreements, that prior to initiating the design and construction of projects, cities and towns demonstrate they are able to fund the associated operating costs. The County will face the same budgeting considerations.

The BAC supported projects involving public/private partnerships, such as the YMCA, Tucson Children's Museum, Oro Valley Business Accelerator, and even the acquisition of ranch lands, whereby County bond funds (taxpayer dollars) fund the construction, but operations and maintenance remain the responsibility of the operating entity and are not borne by taxpayers. All of these partnerships provide services the County could provide itself; but for which it is more cost effective to delegate to these nonprofit organizations, or in the case of the ranches, private ranch managers.

There are also projects for which the capital improvements are expected to increase revenues or fees for use of the facilities, which will offset at least partially the operation and maintenance costs. Examples include the shooting range improvements, sports field improvements, community centers, the County's North health clinic, and the Medical Examiner's Office.

In addition, there are some projects for which the improvements would decrease annual operation and maintenance costs, such as the road repair and pavement preservation program. An effective pavement preservation program will integrate preventive maintenance strategies that reduce short-term maintenance costs.

XV. Resolution Language Regarding Maximum Bond Term (Length) and Interest

The Board should be aware that the resolution calling the election and attached notice contain the following language: "The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law."

Pima County includes this language on the ballot questions on the advice of counsel in order to obtain a voter authorization sufficiently broad to cover most future circumstances. In fact, however, over the past 40 years, Pima County has only sold bonds with a maturity of no more than 15 years so the County's debt can be retired in a timely manner, and future generations

are not burdened with large debt. Furthermore, although the maximum interest rate would not be higher than 8 percent per year, Pima County expects to sell bonds at much lower rates. In the last five years of sales of General Obligation bonds by the County, the average interest rate has been 2.78 percent per year.

XVI. Construction Job Creation from County Bond Programs

Since 2006, County staff have been tracking the number and value of County capital improvement projects and the number of construction jobs created as a result of these projects. Over this time period, approximately 280 awarded construction projects totaled more than \$1.58 billion invested in Pima County's capital infrastructure, creating approximately 17,125 construction jobs in the region. If the Board and voters were to approve a \$815.8 million bond package with a similar make-up of projects and costs as recommended in this memorandum, it is estimated approximately \$564 million would go toward construction costs, creating approximately 6,130 construction jobs in the region. This job estimation comes from the American Recovery and Reinvestment Act (ARRA) of 2009 formula of "\$92,000 of government spending creates 1 job-year," a direct job creation of one job for one year. The private funding commitments of an additional \$75 million for these bond projects are estimated to fund approximately \$60 million in additional construction costs, creating an additional 650 jobs, for a total of 6,780 construction related jobs.

XVII. Additional Economic Benefits by Project Type and Proposition

Of the proposed \$815.8 million in projects, \$390 million, or almost half of the bond program, is for projects traditionally understood as providing direct economic development benefits. These include the projects under road improvements, economic development and job training, and tourism promotion. Many of the other projects may not typically be viewed as economic development projects, but they are also expected to contribute to a more prosperous community. Below are examples of how various types of projects further our economic development goals. Some of this material can be found in the draft Pima County Economic Development Plan: 2015-2017. Should the Board call an election for this year, research will continue in more detail regarding the economic impacts of these projects and be made available to the Board and the public within the next few months.

Road and Highway Improvements

The proposed bond package includes \$200 million for road improvements, including two new roads that are included primarily to facilitate job growth by improving logistics through the UA Tech Park and south of the growing aerospace and defense corridor. The third project is the road repair and pavement preservation program.

The road repair and pavement preservation program is expected to bring immediate benefits to road users through improved access to hospitals, schools, and markets; improved comfort, speed, and safety; and lower vehicle operating costs. A well-maintained and efficient transportation system provides the backbone for all economic activity. A well-performing transportation network maintains jobs, allows businesses to expand, and lowers prices on household goods. It allows businesses to manage their inventories and transport goods more cheaply and efficiently. Families also benefit as consumers of lower priced goods and as workers by gaining better access to jobs. Postponing road maintenance results in high direct and indirect costs. If road defects are repaired promptly, the cost is usually modest. If defects are neglected, an entire road section may fail completely, requiring full reconstruction at three times or more the cost, on average, of maintenance costs. Included in the economic impacts are transportation-related benefits in the form of time savings for households and businesses, as well as the beneficial effect of an increase in construction and engineering activity.

Economic Development, Libraries and Workforce Training

The proposed bond package includes funding for two business startup facilities, two traditional workforce training facilities, five libraries, two projects that would expand and improve retail and commercial opportunities, a regional orientation center and the acquisition of private and State Trust land within Davis-Monthan Air Force Base (DMAFB).

1. Business Startup Facilities

A total of \$35 million in bond funding is proposed for developing a biosciences start-up facility at Innovation Park in Oro Valley and developing a technology start-up facility at the UA Tech Park - The Bridges location, both of which are for the purpose of facilitating job growth and opportunities for incubator and spinoff companies in these high paying industries.

2. Workforce Training

Pima County One Stop provides basic job seeker and employer services to all individuals and companies and funds education and training programs for individuals eligible for specific programs. The Community Action Agency is collocated in the One Stop and provides assistance to households to prevent eviction, utility shut-off, homelessness, and other crisis situations. Requested bond funds will provide a suitable facility to collocate many partners under one roof. This supports a regional workforce service system that breaks down resource silos to ensure the right service mix for each company and/or job seeker served. Between July 2011 and June 2014, the One Stop hosted 85,000 customer visits; provided \$17 million of direct assistance to job seekers, including tuition and training, support, work-experience and basic education; and provided \$3.3 million of rent, utility and other emergency assistance to 14,000 households. Job seekers who were enrolled in One Stop received an estimated \$68,555,521 in wages during their initial six months of new employment.

3. Libraries

Libraries may not be traditionally viewed as facilitators of economic development, but Pima County's Library System is in fact that. In addition to assisting over 11,000 job seekers last year, the Library continues to offer GED/High School Equivalency preparation and tutoring services, English Language learning, and reading comprehension instruction. Dedicated job help computers allowed over 30,000 community members to perform research related to career readiness, education and business research. The Library also serves more than 1,300 new and existing companies, startups and nonprofits each year through the providing of resource, workshops and one-on-one assistance. In 2014, expanded library programming helped 453 residents explore interests and learn new skills to complete the business registration process, launch a new business, or take the next steps to a new venture or future career. The Library also aims to increase childhood literacy rates through parent education and early childhood education. The Library system, including the new libraries and library expansions proposed in the bond package, will play an increasingly important role in workforce development, education and job training in the future. Five library projects are included in the proposed bond program for a total of \$18.2 million, one of which is for land acquisition only. It is estimated that operating the other four libraries, new and expansions, after construction, would require the addition of 22 new employees, for a total new job expenditure of \$770,557.

4. Retail and Commercial Development

The bond package includes a redevelopment project within the City of South Tucson and a pedestrian improvement project along South 12th Avenue, for a total of \$8.2 million in bond funding. Both projects include the construction of public infrastructure to facilitate new retail and restaurant type job opportunities, increase consumer spending at those locations, and increase tax revenues to the cities and the County.

5. Regional Orientation Center

\$18 million is proposed for development of a regional orientation center west of downtown Tucson, with easy access to and from Interstate 10 and the modern streetcar. This project is a partnership among many different public agencies and private nonprofit organizations to educate visitors on the diversity of southern Arizona's attractions and increase visitation numbers and lengths of stay, directly contributing to our tourism economy.

6. Davis-Monthan Land Acquisition

\$5 million in bond funding is included to purchase private property and State Trust land located within the Base boundary and currently leased by the Base at a cost exceeding \$380,000 annually. By purchasing these properties, and leasing them to DMAFB at no cost, the Base's operating costs would be lowered; something that will be increasingly important as federal and defense spending reductions occur. In Fiscal Year 2012/13, DMAFB provided an economic

benefit to the community of \$1.5 billion; employing 10,400 and creating 4,403 indirect additional jobs. Protecting the future of the Base is critically important to our economy.

Tourism Promotion

The proposed bond package includes over \$114 million for museums and other public-owned tourism venues that would be specifically funded as part of the Tourism Promoting ballot proposition. There are, however, many other bond proposals in separate bond propositions that are related to expanding tourism, including the open space acquisition program, sports tournament site, the Velodrome, and river park improvements, among others. Visitors spend more than \$2.1 billion annually in Pima County, and the tourism industry employs 22,000 people in our region. Promoting tourism is one of the key strategies included in the Pima County Economic Development Plan. The key to expanding the economic impact of tourism is attracting new visitors and lengthening the number of days they stay. The benefit of this bond package is that it includes major improvements to so many tourism venues, it is expected to have the effect of creating the critical mass necessary to achieve both these goals.

Approximately half of these projects are what we call County leased properties, or public/private partnerships. A recent analysis of the County's leased properties found that out of town visitors and local visitors to these facilities support an estimated 546 direct and induced jobs in the community, \$46.8 million in spending, and \$14.7 million in salaries and wages. If the economic benefit of all of the tourism-related facilities included in the bond for expansion, as well as proposed new facilities, were included in the analysis, this number would likely be quite a bit higher.

Parks and Recreation

The proposed bond program includes almost \$200 million for parks and recreation facilities. Parks provide a great benefit to citizens, both those who live nearby and tourists. Creating well planned parks can generate financial returns that are often many times greater than the money initially invested into the project, even with the factoring of maintenance costs. The 2013 Economic, Environmental, Community and Health impact Study of The Loop, one of the region's largest and most popular recreational amenities, shows over \$9 in value for every \$1 invested in The Loop. Companies often choose to locate in communities that offer amenities such as parks as a means of attracting and retaining top-level workers. Depending on their size, parks can draw visitors from near and far, bringing tourism revenue to local restaurants, hotels, snack shops, and stores. Parks can host festivals, concerts and athletic events, bringing additional boosts to the local economy.

In 2003, the Trust for Public Land invited 24 park experts and economists to collaborate on identifying the economic benefits of a park system. While some benefits cannot be economically quantified, such as the mental health value of a walk in the woods, seven economic benefits of parks were identified. This paper describes and provides a case study for each: Proximity to

parks increases property value and increases revenue from property taxes; parks lead to increased sales tax from spending by tourists who visit primarily because of a region's parks and/or events held at the parks; parks provide residents with free or low cost recreation; parks provide a multitude of ways to stay healthy; parks and the related human relationships lead to stronger, safer and more successful neighborhoods; and parks can lower the cost of treating storm water and absorb air pollutants.

Public Health, Welfare, Safety, Neighborhoods and Housing

1. Public Health and Medical Facilities

The bond proposal includes \$40 million for the relocation and expansion of the County's North Health Clinic; and expansions of the MHC Healthcare Flowing Wells Clinic, the Banner University Medical Center - South Campus, and the Medical Examiner's Office. These improvements will increase and improve the region's capacity to provide medical and behavioral healthcare services, continue training medical professionals, and promote continued growth of healthcare related jobs in the community.

2. Public Safety

\$8 million is included for a new Sheriff substation in Vail and conversion of a portion of the Juvenile Detention Center for adult jail population use. Obviously, a safer community attracts more visitors, professional job seekers, and more economic investment generally. Regarding the Jail specifically, this \$5 million option equates to a cost of \$27,777 for 180 beds and is significantly less than the initial proposal of \$150,000 per bed to expand the Jail itself; a savings to both the County and taxpayers.

3. Neighborhood Reinvestment

With the \$20 million in 2004 bond funds, 55 projects were completed in stressed and older neighborhoods across Pima County, including many park and recreation improvements, as well as public safety improvements such as street lighting, speed bumps and sidewalks. Investing in these types of small public improvements adds value to our older neighborhoods, while improving the quality of life for residents. It is often these types of bond improvements that are most visible to our residents and can often leverage additional investment. This bond proposal includes \$25 million. It is estimated that 70 projects could be completed with the \$25 million based on the average 2004 bond funded per project cost.

4. Affordable Housing

The \$15 million in 2004 bond funds for affordable housing resulted in 454 affordable housing units. This bond proposal includes \$20 million for continuing this program. Based on the average 2004 bond funded amount per unit, it is estimated \$20 million could develop over

1,000 affordable housing units. Bond funds are an important source of funding for affordable housing that, based on the 2004 bond program, leverage \$10 for each \$1 of bond funds, resulting in another \$200 million for affordable housing. It is estimated an additional 1,000 units could support over 2,000 construction jobs, as well as generate significant local, state and federal tax revenues. Most importantly, affordable housing provides families with a stable living situation, improving the ability to maintain a steady job and regularly attend school, which are necessary to a thriving economy.

Natural Area Conservation and Historic Preservation

1. Natural Open Space Acquisitions, Trails and Trailheads

The bond package as proposed includes \$95 million to continue the County's land conservation program, as well as \$3.75 million for new and improved trailheads and trails to expand outdoor recreation opportunities at County mountain parks and the Coronado National Forest. The economic benefits of land conservation and outdoor nature-based recreation, to our region in particular, cannot be understated. The primary reason visitors travel here is our natural environment. Whether tourists are hiking in our parks, cycling through them, driving to Gates Pass to watch the sunset, or staying in a resort adjacent to Tucson Mountain Park, it is these unique and beautiful areas that draws them here.

There are multiple reports available that attempt to quantify the economic impacts associated with land conservation, parks themselves, and outdoor recreation. The results show that these activities combined directly support thousands of jobs in Pima County and generate hundreds of millions of dollars in direct spending locally. For example, in 2013, it was estimated that 680,000 visitors to Saguaro National Park spent over \$41 million locally, supporting 570 jobs. In 2008, it was estimated that Tucson Mountain Park had even more visitors, excluding those to the Desert Museum and Old Tucson. One single outdoor recreation activity, wildlife watching, was estimated in 2001 to generate \$174 million in sales locally, supporting 3,196 jobs.

Other economic benefits include increased property values for residences in proximity to undeveloped natural areas, reduced healthcare costs, retaining and attracting young professionals to the region, cost savings to local governments and taxpayers by not having to extend public infrastructure to far flung areas, reduced flood insurance premiums, and increased certainty for private developers regarding Endangered Species Act compliance.

2. Historic Preservation

Historic preservation is critical to the concept of sustainable community development that recognizes environmental responsibility, economic development, and social and community wellbeing. Nationally, the economic benefits of historic preservation are diverse and may be measured in multiple ways: jobs, property values, heritage tourism, environmental savings, and

neighborhood and downtown revitalization. Certainly, all of these factors apply locally; but of particular note is the economic development potential of heritage tourism that has been determined to be an exceptionally profitable means of attracting well-educated and affluent visitors who seek authentic heritage and cultural experiences in unique environmental locations. The bond package as proposed includes \$13.3 million for five specific historic sites, including the San Xavier Mission, as well as one program that would fund the preservation and interpretation of several cultural resource sites across the region.

Flood Control and Drainage

General Obligation bonds of the County, the Regional Flood Control District (RFCD), and the RFCD tax levy have been used in the past as an investment tool to minimize or eliminate flood risk, develop the regional river park system, and conserve important riparian areas. These are all activities that improve the economic condition of our region. Almost \$17 million is proposed for five flood control and drainage related projects. These include two traditional drainage projects requested by the Pascua Yaqui Tribe and Tohono O'odham Nation; the El Corazon project involving bank protection and drainage improvements to protect Interstate 10, the railroad, Silverbell and the future connection of Sunset Road, as well as environmental restoration and river park improvements; continuation of the Floodprone Land Acquisition Program; and improvements within the Altar Valley watershed to reduce flooding downstream in Avra Valley and Marana, as well as improve the quality of the grasslands for wildlife and ranching. These are examples of beneficial public investments that reduce long-term risk and financial loss, as well as contribute to the array of economic benefits associated with the conservation of important riparian areas and reuse of property for outdoor recreational activities.

XVIII. Process for Calling an Election through Election Day

Should the Board approve this resolution, the process prior to Election Day on November 3, 2015 would include the following:

- Posting the Notice of Special Bond Election and the call for arguments in the newspaper at the beginning of May, in English and Spanish, with a filing period from May 18 to June 5 for the arguments.
- Board consideration of updates to the County's Truth in Bonding Code (County Code Chapter 3.06) in June or July.
- Drafting of a bond implementation plan ordinance, its approval by the BAC and the Board after a public hearing in September, and posting it in full in the newspaper and on the County website prior to early voting.
- Drafting of and mailing to each household containing a registered voter the statutorily required publicity pamphlet, in English and Spanish, no later than 35 days prior to election.
- Ongoing development and updating of materials and bond web page to inform the public.

- September 19 is the deadline to send military and overseas ballots.
- October 8 is the first day of early voting for all other voters.

XIX. Cost of an Election

The animal care bond election last year was held during a general election, which meant that where many items already on the ballot that required a countywide election be held regardless of whether the animal care bond proposition was on the ballot or not. As a result, there was essentially no cost to adding the animal care proposition to the ballot. The only major cost was printing and mailing of the publicity pamphlet.

This November 3, 2015 election is not a general election, and while we expect several school districts, as well as cities and towns, to hold elections, the County would not have had to administer a countywide election if it was not for the bond election. This is similar to when the County used to hold bond elections in May. Therefore, there is a cost associated with this bond election. If the Board calls for a bond election, the total cost for the County to administer the election is estimated to be \$2.6 million. After approximately \$300,000 in possible reimbursements from the cities, towns and school districts for their ballot items, \$2.3 million is estimated to be the bond election's share of the costs. The Election Department's main costs are for printing ballots, printing and mailing the publicity pamphlets to each household containing a registered voter, and paying poll workers. The Recorder's main costs are for printing, assembling and mailing the early voting packets, as well as paying temporary employees. These costs could be reduced by as much as \$1 million if we combined more precincts into voting areas, but this is a decision that can be addressed in the future.

XX. Additional Resources

The County's bond website contains descriptions of each bond project, maps of project locations, and a wealth of other information developed by staff and those requesting projects during the BAC meeting process. Please visit www.pima.gov/bonds and scroll down to the Future Bond Election Planning link. If the Board does in fact call for an election, an updated website will be made available at the following address: www.pima.gov/bonds2015.

If there is anything further to assist in your preparation for this meeting, please contact me.

XXI. Summary

I would like to summarize with these key points:

1. The proposed bond projects directly address the need for job creation and retainment; address critical infrastructure needs, including road repair; and include quality of life projects. Some will argue the quality of life type projects are not necessary; however, many of these projects improve our health and wellbeing and contribute to the type of community sought by job seekers and businesses considering relocation, as well as our own young professionals.
2. Municipal bonds are commonly used across the United States and have been the primary method used by the County to fund capital improvements since at least 1974. Pima County voters have approved a total of 54 bond ballot questions over 12 elections since 1974; only 4 bond ballot questions were not approved.
3. Taxpayers inside and outside incorporated cities and towns pay secondary property taxes, many of the projects are located within cities and towns, and the majority of projects will provide countywide benefits. Each of the cities and towns are represented on the BAC and have actively participated in the project deliberation process.
4. If all seven bond propositions are approved, the cost to the average homeowner would be \$4.63 per month.
5. The County's past bond programs have been well managed and a conservative approach to debt management will continue. The 2013 independent audit by the States Auditor General of the County's bond programs confirmed this, as did recent reviews by our credit rating agencies.
6. Over 100 public meetings have been held and thousands of participants have contributed to the proposed bond package. It is now up to the Board whether voters will be able to decide in November whether to tax themselves for the types of projects proposed.

Recommendation

I recommend the Board of Supervisors approve the resolution ordering and calling a special bond election to be held on November 3, 2015 for the purposes of road and highway improvements; economic development; libraries and workforce training; tourism promotion; parks and recreation; public health, welfare and safety; neighborhoods and housing; natural area conservation and historic preservation; and flood control.

Respectfully submitted,



C.H. Huckelberry
County Administrator

CHH/dr – April 8, 2015

Attachments

Attachment A



Pima County
BOND ADVISORY COMMITTEE

130 West Congress Street, 10th Floor • Tucson, Arizona 85701 • 520.724.8450

Members

Lawrence M. Hecker, Jr. Chair

*Carolyn Campbell
Vice-Chair*

Joe Boogaart

Edward Buster

Donald Chatfield

Paul Diaz

Gary Davidson

Tom Dunn

Brian Flagg

Rene Gastelum

Kelly Gomez

Kelly Gottschalk

Terri Hutts

Michael Lund

David Lyons

Wade McLean

Ted Prezelski

Patty Richardson

Chris Sheafe

Matt Smith

Dan Sullivan

John Sundt

James Ward

Tom Warne

Greg Wexler

March 31, 2015

**Honorable Chair and Members
Pima County Board of Supervisors
130 W. Congress, 11th Floor
Tucson, Arizona 85701**

Chair Bronson and Members of the Board:

On behalf of your 25-member Pima County Bond Advisory Committee, we are honored to present to you our recommendations for a regionally-balanced comprehensive bond package that addresses the community's most pressing needs. Our Committee respectfully requests that the Board schedule a Bond Election for November 3, 2015. We feel the citizens of Pima County will endorse this bond package just as they have done in past elections dating back to 1974. We are both fully committed to ensuring the passage of this bond package, as we are fully supportive of its value to the entire community.

Our Committee has been meeting since 2006 to consider a bond package, with an election originally anticipated to be held in 2008. There was then, and is now, a tremendous unmet need for capital improvements throughout our region. In 2006, we were presented with close to \$3 billion in projects, and have been working since then to narrow projects and programs to an amount that fits within the Board-imposed secondary property tax limit.

The positive community response to a bond package proposal has been overwhelming, to say the least. In 2013, the County received almost 17,000 responses to an online survey it conducted that included almost 6,000 open ended comments. Less than 1% of these responses were opposed to a bond.

The Committee has held over 100 meetings and listened to the impassioned testimony of thousands of citizens and jurisdictional representatives. In the past two years alone, the Committee has held 19 public meetings with attendance ranging from 60 to 320 citizens per meeting, culminating in our March 13th, 2015 vote to overwhelmingly support the \$653 million bond package before you.

The 96 projects we are recommending will protect and preserve some of our most cherished historic, natural and cultural treasures, provide funding for neighborhood improvement and affordable housing programs, make essential improvements to our parks, libraries, and public buildings, build soccer, baseball and other sports fields and provide other important improvements that better our quality of life. We are presenting to you projects that help implement the Board's economic

March 31, 2015
Page 2

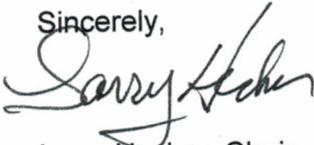
development strategy and provide infrastructure improvements that will make Pima County more competitive when it comes to job creation and retention and business attraction.

We have both served on dozens of community boards and citizens committees. We are so proud of this Committee, and cannot think of one whose members have devoted as much diligence, independence, scrutiny and hard work as these members. Your appointees are conscientious watchdogs who understand their responsibilities to you and the taxpayers.

And finally, we feel that we must commend all the County staff, as well as staff representing the cities and towns, who have devoted so much time and effort to this project. You have excellent employees throughout the various departments that have done a tremendous amount of good work. But in particular, those staffing the Bond Advisory Committee have been exemplary ensuring that the Committee was well informed and has had the information needed to evaluate each project and that the input received from the taxpayers is promptly communicated.

Again, it has been a great pleasure chairing the Bond Advisory Committee over the last nine years. Please accept this bond package in its entirety and present it to the voters of Pima County on November 3rd, 2015.

Sincerely,



Larry Hecker, Chair



Carolyn Campbell, Vice-Chair

Cc: Members of the Pima County Bond Advisory Committee
Chuck Huckelberry, Pima County Administrator
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Staff Assistant to the County Administrator

Attachments:

Project list and amounts
Criteria for project inclusion

Bond Advisory Committee's Recommended 2015 Bond Package 3.13.15			\$653,264,863
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ID		Libraries and Community Facilities	BAC 3.13.15
		Libraries	
FM	35	Southwest Branch Library Land Acquisition	600,000
FM	45	Sahuarita Branch Library	7,500,000
FM	51	Flowing Wells Branch Library Expansion	3,100,000
FM	48	Joyner-Green Valley Library Expansion	1,000,000
N	1	Southeast Branch Library at UA Tech Park	6,000,000
		SUBTOTAL	18,200,000
		Community Facilities	
PR	18	El Pueblo Center Improvements	2,000,000
PR	42	Quincie Douglas Center Expansion	1,000,000
PR	11	Clements Senior Center Expansion	4,500,000
N	3	YMCA Community Center at the UA Tech Park	6,000,000
N	6	Sahuarita Food Bank and Multi-Agency Community Service Facility	300,000
		SUBTOTAL	13,800,000
		TOTAL	32,000,000

ID		Museums and Tourism	
FM	107	Tucson Children's Museum	5,000,000
FM	109	Pima Air and Space Museum Cold War Hangar	4,000,000
FM	77	County Fairgrounds Building & Infrastructure Improvements	3,000,000
N	7	County Fairgrounds RV Park and Infrastructure Improvements	3,000,000
N	10	Old Pima Co. Courthouse Restoration, Jan. 8th Memorial, Tucson Museum of Art	25,000,000
N	11	Arizona-Sonora Desert Museum-Exhibits and Facility Expansion	8,000,000
PR	80	Canoa Ranch New Museum/Orientation Center & Improvements	10,000,000
N	13	Reid Park Zoo African Expansion Phase II	8,000,000
N	14	Southern AZ Regional Orientation Center	18,000,000
N	21	Downtown Community Theaters & Historic Cultural Landscape	23,500,000
N	22	Temple of Music and Art	900,000
FM	79	Colossal Cave Mountain Park Improvements	3,000,000
N	12	Old Tucson Expansion by Arizona Sonora Western Heritage Foundation	3,000,000
		TOTAL	114,400,000

ID		Historic, Cultural and Natural Area Conservation	
		Historic and Cultural Resources	
HP	111	Steam Pump Ranch Rehabilitation	2,000,000
HP	125	Ajo Curley School Gym, Town Plaza & Other Historic Buildings	1,300,000
HP	108	Site Interpretation/Preservation of County-owned Cultural Resource Sites	2,000,000
HP	115	Historic Ft. Lowell Park Master Plan Implementation	4,000,000
HP	126	Dunbar School Rehabilitation	1,500,000
N	15	Mission San Xavier East Tower & Façade Restoration	2,500,000
		SUBTOTAL	13,300,000
		Natural Area Restoration	
PR	262	Altar Valley Watershed Restoration Project	1,000,000
		SUBTOTAL	1,000,000
		Floodprone and Open Space Land Acquisitions	
FC	2	Floodprone and Riparian Land Acquisition	5,000,000
OS	2	Open Space Acquisition Program	95,000,000
		SUBTOTAL	100,000,000
		TOTAL	114,300,000

ID		Parks and Recreation	
		City of Tucson proposals	
PR	4	Udall Park Expansion	4,000,000
PR	5	Jacobs Park Recreation Center	4,000,000
PR	20	Reid Park Improvements	2,000,000
PR	29	Purple Heart Park Expansion	1,500,000
PR	267	Sentinel Park - A Mountain Park Improvement Project	1,500,000
PR	34	Urban Greenways City of Tucson/City of South Tucson	10,000,000
PR	19	Freedom Center Expansion and Pool Improvements	2,500,000
PR	28	Lincoln Park Improvements	1,500,000
PR	35	Regional Sports Fields and Lighting	12,000,000
PR	201	Oury Pool Renovations	1,500,000
PR	220	Adaptive Recreation Center Expansion	6,000,000
PR	14	Silverlake Park Expansion	2,300,000
PR	46	Kennedy Park Improvements and Expansion	2,500,000
N	24	Murrieta Park Improvements	5,000,000
N	55	Jesse Owens Park Development	1,000,000
N	56	Buffalo Soldiers Memorial	250,000
N	57	Fort Lowell Park Improvements	2,000,000
		SUBTOTAL	59,550,000
		Town of Marana proposals	
PR	213	Marana Cultural and Heritage Park	14,000,000
N	60	Marana Pool Renovation	3,000,000
		SUBTOTAL	17,000,000
		Pima County proposals	
PR	103	Rillito Park	1,500,000
PR	109	Flowing Wells Park Skateboard Park and Improvements	1,250,000
PR	237	Flowing Wells District Park Expansion	500,000
PR	273	Kory Laos Freestyle Memorial BMX Park	1,300,000
PR	138	SW Regional Sports Tournament Complex	25,000,000
PR	13	Esmond Station Regional Park	6,800,000
PR	137	Canoe Preserve Park	3,250,000
PR	140	Willie Blake Park	350,000
PR	280	Flowing Wells High School Track Improvements	1,000,000
PR	116	Lawrence Park Improvements and Pool	3,500,000
PR	277	Pima County Softball Tournament & Recreation Park at Sports Park	3,200,000
PR	96	Model Airplane Parks	1,000,000
PR	278	River Park Acquisitions and Development Countywide	10,000,000
PR	281	Public Natural Park Trailheads	3,750,000
N	25	Kino Sports Complex Repurposing and Expansion	2,300,000
N	26	County-wide Splash Pad Program	4,200,000
N	27	36th Street Natural Resource Park	480,000
N	28	Agua Caliente Park Pond Restoration	1,000,000
		SUBTOTAL	70,380,000

Town of Sahuarita proposals			
PR	181	Sahuarita Pool and Recreation Complex /YMCA	14,000,000
Town of Oro Valley proposals			
PR	217	James D. Kriegh Park Upgrades	3,000,000
PR	218	Naranja Park Improvements	10,000,000
		SUBTOTAL	13,000,000
Pascua Yaqui Tribe proposals			
PR	228	Lawrence Hiaki Pathway	500,000
Other Organization proposals			
PR	231	Arizona Velodrome Center - Kino Campus	3,500,000
FM	92	Ajo Community Golf Course Improvements	320,000
N	35	First Tee of Tucson Youth Golf & Life Skills Center at Crooked Tree Golf Course	800,000
		SUBTOTAL	4,620,000
		TOTAL	179,050,000

Neighborhoods, Affordable Housing, Public Health, Justice & Law Enforcement			
Neighborhood Reinvestment & Affordable Housing			
CD	1	Pima County Affordable Housing Program	20,000,000
CD	2	Pima County Neighborhood Reinvestment Program	25,000,000
N	36	Pedestrian Safety and Walkability Improvements	14,400,000
N	37	South 12th Avenue Cultural and Culinary Corridor	3,178,500
		SUBTOTAL	62,578,500
Health			
FM	97	Pima Co. North Clinic Relocation & Expansion	4,000,000
FM	84	MHC Healthcare, Flowing Wells Family Health Center	3,000,000
N	38	Pima County Office of Medical Examiner Expansion & Remodel	15,000,000
		SUBTOTAL	22,000,000
Justice & Law Enforcement Facilities			
N	58	Pima County Jail Annex at Juvenile Detention Center Complex	5,000,000
FM	108a	Vail Sheriff Substation	3,000,000
		SUBTOTAL	8,000,000
		TOTAL	92,578,500

Flood Control			
FC	58	El Corazon - Santa Cruz River: Rillito and Canada del Oro Confluence	7,000,000
N	45	Cemetery Wash Drainage Improvements	2,000,000
N	46	Pascua Yaqui Tribe Regional Drainage Construction	1,936,363
		TOTAL	10,936,363

Job Growth, Education and Workforce Training			
FM	1	Pima County One Stop Career Center	6,000,000
N	47	Banner University Medical Center South Campus Expansion	18,000,000
N	48	Innovation/Technology Building, UA Tech Park at The Bridges	20,000,000
N	49	Science Park Drive at UA Tech Park	10,000,000
N	51	Sonoran Corridor Highway Improvements	30,000,000
N	52	Oro Valley Business Accelerator	15,000,000
N	54	JobPath Program Facility	1,000,000
N	59	Davis-Monthan Air Force Base Land Acquisition Program	5,000,000
		South Tucson Retail Tax Base Expansion Redevelopment Project	5,000,000
		TOTAL	110,000,000

Pima County Bond Advisory Committee
Criteria for Project Inclusion
Revised June 14, 2013

- Broad demonstrated support by public
- Has regional public benefit
- Partnerships
- Other funding sources or matches
- Education and workforce training
- Advances Board adopted principles of sustainability and conservation
- Previously authorized large-scale bond projects or programs that are now short funding
- Phasing of large projects
- Impact on operating and maintenance costs for governments and commitment to fund these ongoing costs
- Project or program is a capital improvement, not a repair or maintenance project

Criteria below would apply to the entire bond package at the end of the process and not to individual projects:

- Advances Board adopted principles of economic development and basic employment growth that will attract more jobs to the community.
- Advances the following nine principles that represent the shared values identified in the Imagine Greater Tucson process: accessibility, educational excellence, environmental integrity, good governance, healthy communities, higher education, broad-based prosperity, quality neighborhoods, and regional identity.
- Regional or jurisdictional balance

Attachment B

RESOLUTION NO. 2015 - ____

**RESOLUTION ORDERING AND CALLING A SPECIAL BOND ELECTION TO
BE HELD IN AND FOR PIMA COUNTY, ARIZONA ON NOVEMBER 3, 2015.**

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

- A. It is in the best interests of Pima County, Arizona (the “County”) to issue and sell up to \$815,760,000 principal amount of general obligation bonds of the County.
- B. The Arizona Constitution requires the Board to submit Propositions relating to the issuance and sale of County general obligation bonds to the qualified electors of the County.
- C. As of the date of this resolution, the County has \$422,275,000 aggregate principal amount of outstanding general obligation bonds authorized by previous bond elections.
- D. As of the date of this resolution, the County’s Constitutional debt limitation is \$1,136,984,830.

NOW THEREFORE, BE IT RESOLVED, that:

- 1. A special bond election will be held on November 3, 2015, to submit to the qualified electors of the County the Propositions set forth in the form of Notice of Special Bond Election (the “Notice”), which shall be in substantially the form attached to this Resolution as Exhibit A and incorporated herein by reference (the “Propositions”).
- 2. The County Administrator and the County Elections Director, or their designee(s) will cause the following to take place:
 - a. Publish the Notice, in substantially the form attached to this Resolution as Exhibit A, in a newspaper published and circulated generally within the County.
 - b. Mail to the residence of each registered voter in the County, not less than 35 days prior to the election, an informational pamphlet containing the information required by law.
 - c. Publish the full text of a Bond Implementation Plan Ordinance approved by the Board, prior to the start of early voting, in a newspaper published and circulated generally within the County and on the County website.
 - d. Designate polling places for approval by the Board. The polls will be open during the periods of time stated in the Notice.
 - e. Prepare and deliver to the election boards, to be furnished to the qualified electors wishing to vote at the special bond election, ballots and related materials in the form and containing the information required by law.
 - f. Direct early voting, in the manner provided by law, with the assistance of the County Recorder.

- g. Arrange for all voting to take place on voting equipment authorized by the Arizona Secretary of State.
 - h. Conduct the special bond election and keep the poll lists in the manner provided by law.
 - i. In order to comply with the Voting Rights Act of 1965, as amended, include, in each of the following, as it is posted, published, and recorded, a Spanish translation: the Notice, the informational (publicity) pamphlet, the ballot, all early voting materials, and all instructions at the polls.
 - j. Return the results of the special bond election to the Board within twelve days after the special bond election.
 - k. Submit a copy of the informational pamphlet to the department of revenue within thirty days after the special bond election.
3. The Board will hold a special meeting within twenty days after the election to canvass the votes cast and certify the results of the special bond election, as provided by law. The Board will be governed by the vote of the majority as to the Propositions. The Clerk of the Board is hereby directed to prepare and present to the Board, at that special meeting, a certificate as required by law, and cause that certificate to be recorded in the office of the Pima County Recorder after approval by the Board.
4. Written arguments of no more than 300 words in length for and against the Proposition, for inclusion in the informational pamphlet to be distributed to registered voters in connection with the special bond election as required by law, must be submitted as provided in the Notice and must be received no earlier than 8:00 a.m. on May 18, 2015 and no later than 5:00 p.m. on June 5, 2015.
5. If issuance of bonds is authorized at the special bond election, the expenditure of the bond proceeds will be governed by the provisions of Chapter 3.06 of the Pima County Code "Bonding Disclosure; Accountability and Implementation," as it may be amended from time to time.
6. If any provision of this resolution, or its application to any person or circumstance, is determined to be invalid, that will not affect other provisions or applications of this resolution that can be given effect without the invalid provisions or applications.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona, on April 21, 2015.

PIMA COUNTY, ARIZONA

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP
Bond Counsel

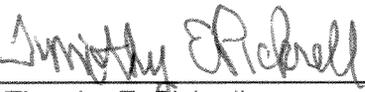
By:  _____
Timothy E. Rickrell

EXHIBIT A

**NOTICE OF SPECIAL BOND ELECTION TO BE HELD IN AND FOR
PIMA COUNTY, ARIZONA ON NOVEMBER 3, 2015**

AND

SOLICITATION OF ARGUMENTS FOR AND AGAINST THE PROPOSITIONS

TO THE QUALIFIED ELECTORS OF PIMA COUNTY, ARIZONA:

A special bond election will be held on November 3, 2015 (the "Election").

The purpose of the Election is to submit seven separate propositions to the qualified electors of the County whether the County should be authorized to issue County bonds in addition to those authorized at previous elections.

The propositions to be submitted are as follows:

Proposition No. 425

Road and Highway Improvements

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$200,000,000 for the purpose of improving, constructing, reconstructing, extending, repairing and preserving roads and highways in the County, including the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 426

Economic Development, Libraries and Workforce Training

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$91,375,000 for the purpose of providing or improving real or personal property which promotes or preserves economic development and workforce training in the County, including, without limitation, job training facilities, business innovation centers, educational facilities and libraries, commercial facilities, infrastructure improvements and the acquisition of property in the vicinity or within the boundary of Davis Monthan Air Force Base to prevent urban encroachment and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 427

Tourism Promotion

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$98,600,000 for the purpose of acquiring, developing, expanding, improving, reconstructing and equipping new and existing facilities promoting tourism in the County, including, without limitation, museums, cultural or recreational facilities, facilities for the arts and improvements at or related to the County fairgrounds and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 428

Parks and Recreational Facilities

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$191,500,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing parks and recreational facilities, including, without limitation, athletic fields, senior centers, community centers and multi-use trails and trailheads and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 429

Public Health, Welfare, Safety, Neighborhoods and Housing

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$105,300,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing facilities to further the health, welfare and safety of the citizens of the County, including, without limitation, hospitals, clinics, facilities for the County Sheriff's and County Medical Examiner's offices, pedestrian safety improvements, food distribution facilities, improvements and property to further neighborhood reinvestment and affordable housing and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that

permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 430

Natural Area Conservation and Historic Preservation

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$112,050,000 for the purpose of acquiring, conserving, restoring, improving and providing recreational access to natural areas and historic properties in the County, including, without limitation, open space, mountain parks, wildlife habitat, working ranches, washes and rivers to protect water quality, and historic buildings and cultural resource sites, and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

Proposition No. 431

Flood Control and Drainage

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$16,935,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing property for flood control and drainage purposes in the County, including, without limitation, bank stabilization, channels, drainage ways, dikes, levees and other flood control improvements and related river parks and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

The polls will be open during the period from 6:00 A.M. to 7:00 P.M., inclusive, on the day of the election.

Any qualified elector may vote by early ballot in the manner provided by law. Official early balloting materials may be requested by telephone or mail from the County Recorder, 115 North Church Avenue, Tucson, Arizona; telephone 724-4330, prior to 5:00 P.M. on October __, 2015. Any elector prevented from voting at the polls as a result of an emergency occurring between 5:00 P.M. on October __, 2015 and 5:00 P.M. on November 2, 2015 should contact the County Recorder for directions as to voting.

The County hereby solicits the submission of written arguments of no more than 300 words in length for and against any or all of the propositions on the issuance of the bonds for inclusion in the informational pamphlet to be distributed to registered voters in connection with the special election, as required by law. Each argument shall contain the name of each person sponsoring it. Such arguments, identifying which proposition to which it relates, must be submitted to Pima County Election Department, 6550 South Country Club Road, Tucson AZ 85756, and must be received no earlier than 8:00 a.m. on May 18, 2015 and no later than 5:00 p.m. on June 5, 2015. A \$100 fee payment in the form of cash, check or money order payable to the Pima County Elections Department, must accompany each argument submitted to offset a portion of the printing and mailing costs associated with the informational pamphlet.

The person or persons submitting the argument(s) shall identify themselves by giving their residence or mailing address and phone number, which information will not be printed in the informational pamphlet.

If you have any questions about the foregoing, please contact the _____ of the County at (520) _____ or _____@pima.gov.

DATED _____, 2015.

PIMA COUNTY, ARIZONA
By: Robin Brigode
Clerk, Board of Supervisors

Attachment C

**PIMA COUNTY
PROPOSED BOND ELECTION NOVEMBER 3, 2015
Draft Bond Propositions and Related Projects
(As of April 8, 2015)**

1. Road and Highway Improvements

Projects:

Sonoran Corridor Highway	\$30,000,000
Road Repair and Pavement Preservation	160,000,000
Science Park Drive at UA Tech Park	10,000,000

Total: \$200,000,000

Draft Ballot Proposition:

Proposition No. 425

Road and Highway Improvements

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$200,000,000 for the purpose of improving, constructing, reconstructing, extending, repairing and preserving roads and highways in the County, including the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

**PIMA COUNTY
 PROPOSED BOND ELECTION NOVEMBER 3, 2015
 Draft Bond Propositions and Related Projects
 (As of April 8, 2015)**

2. Economic Development, Libraries and Workforce Training

Projects:

Pima County One Stop Career Center	\$6,000,000
JobPath Program Facility	1,000,000
Innovation/Technology Building, UA Tech Park at The Bridges	20,000,000
Oro Valley Business Accelerator	15,000,000
South Tucson Retail Tax Base Expansion Redevelopment Project	5,000,000
Davis Monthan Air Force Base Land Acquisition Program	5,000,000
South 12 th Avenue Cultural and Culinary Corridor	3,175,000
Sahuarita Branch Library	7,500,000
Flowing Wells Branch Library Expansion	3,100,000
Joyner-Green Valley Library Expansion	1,000,000
Southeast Branch Library	6,000,000
Southwest Branch Library	600,000
Southern Arizona Regional Orientation Center	18,000,000

Total: \$91,375,000

Draft Ballot Proposition:

Proposition No. 426

Economic Development, Libraries and Workforce Training

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$91,375,000 for the purpose of providing or improving real or personal property which promotes or preserves economic development and workforce training in the County, including, without limitation, job training facilities, business innovation centers, educational facilities and libraries, commercial facilities, infrastructure improvements and the acquisition of property in the vicinity or within the boundary of Davis Monthan Air Force Base to prevent urban encroachment and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

**PIMA COUNTY
 PROPOSED BOND ELECTION NOVEMBER 3, 2015
 Draft Bond Propositions and Related Projects
 (As of April 8, 2015)**

3. Tourism Promotion

Projects:

Tucson Children's Museum	\$5,000,000
Pima Air & Space Museum Cold War Hangar & Exhibits	4,000,000
Pima County Fairgrounds Building, RV Park & Infrastructure Improvements	6,500,000
Colossal Cave Mountain Park Improvements	3,350,000
Old Pima County Courthouse Restoration, January 8th Memorial, Tucson Museum of Art	25,000,000
Arizona-Sonora Desert Museum-Exhibits & Facility Expansion	9,350,000
Canoa Ranch New Museum/Orientation Center & Improvements	10,000,000
Reid Park Zoo African Expansion Phase II	8,000,000
Downtown Community Theaters & Historic Cultural Landscape	23,500,000
Temple of Music and Art	900,000
Old Tucson Expansion by Arizona-Sonora Western Heritage Foundation	3,000,000

Total: \$98,600,000

Draft Ballot Proposition:

Proposition No. 427

Tourism Promotion

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$98,600,000 for the purpose of acquiring, developing, expanding, improving, reconstructing and equipping new and existing facilities promoting tourism in the County, including, without limitation, museums, cultural or recreational facilities, facilities for the arts and improvements at or related to the County fairgrounds and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

PIMA COUNTY
PROPOSED BOND ELECTION NOVEMBER 3, 2015
Draft Bond Propositions and Related Projects
(As of April 8, 2015)

4. Parks and Recreational Facilities

Projects:

Udall Park Expansion	\$4,000,000
Jacobs Park Recreation Center	4,000,000
Reid Park Improvements	2,000,000
Purple Heart Park Expansion	1,500,000
Sentinel Park - A Mountain Park Improvement Project	1,500,000
Urban Greenways City of Tucson	8,500,000
Freedom Center Expansion and Pool Improvements	2,500,000
Lincoln Park Improvements	1,500,000
Regional Sports Fields and Lighting	12,000,000
Oury Pool Renovations	1,500,000
Adaptive Recreation Center Expansion	6,000,000
Silverlake Park Expansion	2,300,000
Kennedy Park Improvements and Expansion	2,500,000
Murrieta Park Improvements	5,000,000
Jesse Owens Park Development	1,000,000
Buffalo Soldiers Memorial	250,000
Fort Lowell Park Improvements	2,000,000
Marana Cultural and Heritage Park	14,000,000
Marana Pool Renovation	3,000,000
Rillito Park	1,700,000
Flowing Wells Park Skateboard Park and Improvements	1,250,000
Flowing Wells District Park Expansion	500,000
Kory Laos Freestyle Memorial BMX Park	1,300,000
SW Regional Sports Tournament Complex at Kino Complex	25,000,000
Esmond Station Regional Park	6,800,000
Canoa Preserve Park	3,250,000
Willie Blake Park	350,000
Flowing Wells High School Track Improvements	1,000,000
Lawrence Hiaki Pathway	500,000
Lawrence Park Improvements and Pool	3,500,000
Pima County Softball Tournament & Recreation Park at Sports Park	3,200,000
Model Airplane Parks	1,000,000
River Park Acquisitions and Development Countywide	10,000,000
Kino Sports Complex Repurposing and Expansion	2,300,000
County-wide Splash Pad Program	4,200,000
Southeast Regional Park Shooting Range Improvements	2,500,000

36th Street Natural Resource Park	480,000
Agua Caliente Park Pond Restoration	1,000,000
Arizona Velodrome Center - Kino Campus	3,500,000
Ajo Community Golf Course Improvements	320,000
First Tee of Tucson Youth Golf & Life Skills Center at Crooked Tree	800,000
Sahuarita Pool and Recreation Complex /YMCA	14,000,000
James D. Kriegh Park Upgrades	3,000,000
Naranja Park Improvements	10,000,000
El Paso & Southwestern Greenway - South Tucson	1,500,000
YMCA at the UA Tech Park	6,000,000
El Pueblo Improvements	2,000,000
Quincie Douglas Center Expansion	1,000,000
Clements Senior Center Expansion	4,500,000

Total: \$191,500,000

Draft Ballot Proposition:

Proposition No. 428

Parks and Recreational Facilities

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$191,500,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing parks and recreational facilities, including, without limitation, athletic fields, senior centers, community centers and multi-use trails and trailheads and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

**PIMA COUNTY
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5. Public Health, Welfare, Safety, Neighborhoods and Housing

Projects:

Banner University Medical Center South Campus Expansion	\$18,000,000
Pima County North Clinic Relocation & Expansion	4,000,000
MHC Healthcare, Flowing Wells Family Health Center	3,000,000
Pima County Office of Medical Examiner Expansion	15,000,000
Vail Sheriff Substation	3,000,000
Pima County Jail Annex-Juvenile Detention Center Complex	5,000,000
Sahuarita Food Bank & Multi-Agency Facility	300,000
Pedestrian Safety and Walkability Improvements	12,000,000
Pima County Neighborhood Reinvestment Program	25,000,000
Pima County Affordable Housing Program	20,000,000

Total: \$105,300,000

Draft Ballot Proposition:

Proposition No. 429

Public Health, Welfare, Safety, Neighborhoods and Housing

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$105,300,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing facilities to further the health, welfare and safety of the citizens of the County, including, without limitation, hospitals, clinics, facilities for the County Sheriff's and County Medical Examiner's offices, pedestrian safety improvements, food distribution facilities, improvements and property to further neighborhood reinvestment and affordable housing and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

**PIMA COUNTY
 PROPOSED BOND ELECTION NOVEMBER 3, 2015
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6. Natural Area Conservation and Historic Preservation

Projects:

Open Space Land Acquisition Program	\$95,000,000
Steam Pump Ranch Rehabilitation	2,000,000
Ajo Curley School Gym, Town Plaza & Other Historic Buildings	1,300,000
Site Interpretation/Preservation of County Cultural Resource Sites	2,000,000
Historic Ft. Lowell Park Master Plan Implementation	4,000,000
Dunbar School Rehabilitation	1,500,000
Mission San Xavier East Tower & Façade Restoration	2,500,000
Public Natural Park Trailheads	3,750,000

Total: \$112,050,000

Draft Ballot Proposition:

Proposition No. 430

Natural Area Conservation and Historic Preservation

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$112,050,000 for the purpose of acquiring, conserving, restoring, improving and providing recreational access to natural areas and historic properties in the County, including, without limitation, open space, mountain parks, wildlife habitat, working ranches, washes and rivers to protect water quality, and historic buildings and cultural resource sites, and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

**PIMA COUNTY
 PROPOSED BOND ELECTION NOVEMBER 3, 2015
 Draft Bond Propositions and Related Projects
 (As of April 8, 2015)**

7. Flood Control and Drainage

Projects:

El Corazon - Santa Cruz River: Rillito & CDO Confluence	\$7,000,000
Cemetery Wash Drainage Improvements, Tohono O'odham San Xavier District	2,000,000
Pascua Yaqui Tribe Regional Drainage Construction	1,935,000
Altar Valley Watershed Restoration Project	1,000,000
Floodprone and Riparian Land Acquisition	5,000,000

Total: \$16,935,000

Draft Ballot Proposition:

Proposition No. 431

Flood Control and Drainage

Shall Pima County, Arizona be authorized to issue and sell general obligation bonds of the County in an aggregate principal amount not exceeding \$16,935,000 for the purpose of acquiring, developing, expanding, improving and equipping new and existing property for flood control and drainage purposes in the County, including, without limitation, bank stabilization, channels, drainage ways, dikes, levees and other flood control improvements and related river parks and the acquisition or improvement of real and personal property or interests or rights in property for such purpose and paying all expenses properly incidental thereto and to the issuance of such bonds? The bonds to be issued in one or more series, maturing not less than one year and not more than 20 years following the date of issuance of each series, bearing interest at a rate or rates not higher than 8 percent per annum and to be sold at prices that may include a premium not greater than that permitted by law. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.