

**Pima County Bond Advisory Committee
Meeting**

**The Manning House
450 W. Paseo Redondo
Friday November 19, 2010
8:00 a.m.**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Peter Backus
Pat Benchik
Donald Chatfield
Pete Delgado
Brian Flagg
Jesus Gomez
Byron Howard
Terri Hutts
A.C. Marriotti
Wade McLean
Rebecca Manoleas
Patty Richardson
Chris Sheafe
Thomas Six
Dan Sullivan
Tom Warne (arrived 8:10)
Greg Wexler

Committee Members Absent

Gary Davidson
Rene Gastelum
Harry George
Kelly Gomez
David Lyons
Ted Prezelski

MOTIONS

MOTION: Rebecca Manoleas moved, seconded by Greg Wexler, to approve the October 15, 2010 meeting summary. Motion approved 18-0.

MOTION: Patty Richardson moved, seconded by Dan Sullivan, to start meeting quarterly to meet the Committee's obligations to oversee the current bond programs, and to discuss the state of the economy and its impact on when to move forward with a future bond election.

AMENDMENT TO THE MOTION: Tom Six asked that the motion include a recommendation from the Committee to the Board of Supervisors to postpone the

2011 bond election. Patty Richardson and Dan Sullivan agreed with the amendment to the original motion. Motion approved 19-0.

MOTION: Tom Warne moved, seconded by Tom Six, that the Committee review proposed legislation or legislative actions that would affect the ability of the County to pay off debt associated with the sale of bonds. Motion approved 19-0.

MOTION: Chris Sheafe moved, seconded by Peter Backus, to tentatively approve \$5 million for PR231 Arizona Velodrome Bicycle Center. Motion approved 19-0.

MOTION: Tom Warne moved, seconded by Pat Benchik, to locate the Velodrome at the Kino campus, and if the location were to change, the proposal for another location would come back before the Bond Advisory Committee for approval. Motion approved 10-9.

MOTION: Tom Warne moved, seconded by Pat Benchik, to create a subcommittee to explore financial options for the Velodrome including the use of bond funds to pay back debt incurred to build the facility. Motion approved 19-0.

MOTION: Carolyn Campbell moved, seconded by Chris Sheafe, to tentatively approve \$15 million for PR34 City of Tucson Trails, Urban Pathways, and River Parks. Motion approved 18-0.

MOTION: Dan Sullivan moved, seconded by Greg Wexler, to accept Mr. Huckelberry's offer to provide written recommendations on the remaining 50 or so projects, and defer consideration of these projects until the next meeting. Motion approved 19-0.

MEETING SUMMARY

1. Welcome

Meeting began at 8:05 a.m. with a quorum.

2. Approval of the October 15, 2010 Meeting Summary

MOTION: Rebecca Manoleas moved, seconded by Greg Wexler, to approve the October 15, 2010 meeting summary. Motion approved 18-0.

3. Committee Deliberation Regarding 2011 Bond Election Planning

A. Discussion and possible action on whether to continue planning for a 2011 bond election or defer until 2012

Mr. Huckelberry summarized the memorandum he provided to the Committee prior to the meeting, which included a recommendation to postpone the 2011 bond election due to continuing concerns regarding the economy and a general lack of support by voters for revenue

increasing measures. Mr. Huckelberry asked that the committee continue to refine the list of projects for a future bond election, though meeting as frequently would no longer be necessary, and to remain flexible as new projects may be proposed and existing projects may need to be amended.

The discussion amongst the Committee and Mr. Huckelberry included the following:

- Need for jobs
- Possible legislation at the State level that may hurt the Tucson economy
- Likelihood that the State will continue to shift costs to counties
- Request for State Senate and House leadership to address the Committee
- No change anticipated in the County's bond rating
- County's budget remains relatively stable
- Possible legislation at the State level that would decrease commercial property tax rates, thus increasing the burden on residential tax payers. The Committee requested updates on this and other legislation that may impact the County's bonding capacity.
- Mr. Huckelberry estimated that the cost to hold these Committee meetings was approximately \$5,000 a meeting, including staff time to prepare and attend, cost to distribute materials, and meeting room costs.

MOTION: Patty Richardson moved, seconded by Dan Sullivan, to start meeting quarterly to meet the Committee's obligations to oversee the current bond programs, and to discuss the state of the economy and its impact on when to move forward with a future bond election.

AMENDMENT TO THE MOTION: Tom Six asked that the motion include a recommendation from the Committee to the Board of Supervisors to postpone the 2011 bond election. Patty Richardson and Dan Sullivan agreed with the amendment to the original motion.

Tom Warne suggested that quarterly meetings would also enable the Committee to stay aware of legislative proposals and actions.

Vice-Chair Campbell stated that she felt the Committee should continue to work through the project list so as to not leave proposed projects in limbo.

There was discussion of holding the next meeting in either late February or early March to combine the oversight of current bond programs with updates on legislative activities/proposals, and economic indicators.

Motion approved 19-0.

MOTION: Tom Warne moved, seconded by Tom Six, that the Committee review proposed legislation or legislative actions that would affect the ability of the County to pay off debt associated with the sale of bonds.

Byron Howard stated that Mr. Huckelberry and Chairman Hecker should have the latitude to act in a timely manner if need be.

Chris Sheafe reported that there was an effort at the State legislature to craft a jobs bill involving the correctional system, education system, and other important aspects, and that it appears to be a well coordinated, non-political effort. Tom Warne agreed the Committee should stick to the facts.

Motion approved 19-0.

Mr. Huckelberry reported that the psychiatric and crisis recovery center buildings at the Kino Health Campus, should be complete by mid 2011. In addition, he anticipates being able to construct at least the shell of the Joint Courts facility downtown prior to a 2012 bond election.

B. PR231 Arizona Velodrome Bicycle Center

The Committee tentatively approved \$3.5 million, out of the full request for \$5 million, for the Velodrome project on April 16, 2010. On May 21, 2010, the Committee suggested that proponents for the projects present more details to the committee including concept designs, and consider funding the entire \$5 million out of bonds. At the November 19, 2010 meeting, Richard DeBernardis, president of Perimeter Bicycling, along with Curtis Gunn, 2005 winner of El Tour de Tucson, Sheila Foracre, Education and Youth Director, Jay Guyot, a proponent for the project, and Don Melhado, Representative of USA Cycling, presented various aspects and benefits of the Velodrome project. Mr. DeBernardis also explained that the proponents had considered several locations in and around Tucson, and have settled on two: Kino Sports Park and downtown Tucson. However, after multiple discussions with the Rio Nuevo Board, nothing came about regarding the downtown location. Therefore, currently, Kino Sports Park was their top location. Benefits of the Kino location include an association with UMC and orthopedic planned improvements to the Kino health campus. Mr. DeBernardis also reminded the Committee that they have secured a commitment for operating funds from the Zimmerman Foundation, as well as training funds from the County's Bicycle Coordinator's office.

Discussion with the Committee included:

- Whether community fundraising would provide the necessary funding sooner
- Mr. Huckelberry stated that yes the site at Kino campus was available.
- Naming rights could be worth at least \$1 million. The County does not have a consistent policy with regard to naming rights. Mr. Huckelberry suggested that the funds received for the naming rights should be put to

a public benefit, either additional capital improvements for public facilities or scholarships as discussed for the indoor basketball facility.

- Difference between Rio Nuevo Board and City Council
- County would own the facility and lease it to Perimeter Bicycling.

MOTION: Chris Sheafe moved, seconded by Peter Backus, to tentatively approve \$5 million for PR231 Arizona Velodrome Bicycle Center.

Mr. Dan Eckstrom spoke in support of locating the Velodrome at the Kino campus, and spoke highly of the work done by Mr. DeBernardis.

Motion approved 19-0.

MOTION: Tom Warne moved, seconded by Pat Benchik, to locate the Velodrome at the Kino campus, and if the location were to change, the proposal for another location would come back before the Bond Advisory Committee for approval.

There was discussion on whether it was too early to approve a location or whether approving a location would help with fundraising.

Motion approved 10-9.

Peter Backus asked if a private funder were to advance the \$5 million to build the velodrome in the short term, could bond funding then be used to re-pay the private funder? Mr. Huckelberry responded that it may be possible through some type of lease-purchase agreement, but that our bond lawyers would have to take a close look at such a proposal, and that it may be too easily challenged. There was discussion of forming a subcommittee to explore alternative financing options to get the Velodrome built soon while the momentum is still going.

MOTION: Tom Warne moved, seconded by Pat Benchik, to create a subcommittee to explore financial options for the Velodrome including the use of bond funds to pay back debt incurred to build the facility. Motion approved 19-0.

C. PR34 City of Tucson Trails, Urban Pathways, and River Parks

At the last Committee meeting, the Committee considered a proposal to fund this project at \$4 million. The Committee directed staff to revise the proposal to fund it at \$15 million, and include more specifics including a segment to serve South Tucson. Julie Parizek, City of Tucson, presented the results, which included the addition of the El Paso Southwestern Greenway through South Tucson. The total cost to complete the 5 greenways (Arroyo Chico, Arcadia, Alamo, Atturbury, and El Paso) is estimated at \$52 million. The City is asking for \$15 million towards this total cost. It was noted that the numbers on the map provided did not reflect priorities.

MOTION: Carolyn Campbell moved, seconded by Chris Sheafe, to tentatively approve \$15 million for PR34 City of Tucson Trails, Urban Pathways, and River Parks. Motion approved 18-0.

D. PR280 School District Partnerships

Mr. Huckelberry reported that the County had recently surveyed school districts regarding this potential program, and had received differing responses. There are two issues in particular that need more discussion: (1) how will public uses versus use by the schools be divided, and (2) how will maintenance responsibilities be divided. We need reach agreement on uniform standards that clearly state division of use and division of maintenance responsibilities, and that are substantially consistent across the region. We need a little more time to communicate with the school districts.

E. Deliberation on remaining projects – majority fall in Group 3 – Subcategory B (projects not recommended by County Administrator)

Mr. Huckelberry recommended the Committee defer action on these 50 or so projects, and that he take another look at these projects and provide written recommendations to the Committee.

MOTION: Dan Sullivan moved, seconded by Greg Wexler, to accept Mr. Huckelberry's offer to provide written recommendations on the remaining 50 or so projects, and defer consideration of these projects until the next meeting. Motion approved 18-0.

A question was asked about whether Mr. Huckelberry would accept assistance in reviewing the 50 or so projects, to which he replied yes.

Chairman Hecker asked whether the County would be willing to pursue legislation to enable the County to hold bond election in the month of May again. Mr. Huckelberry stated that yes the County could pursue legislation to allow twice a year bond elections.

4. Future Agenda Items and Next Meetings

December 17, 2010 meeting canceled.

The next meeting will be scheduled for the end of February or beginning of March.

Agenda items to include:

- Semi-annual update on 1997, 2004, and 2006 bond programs
- Amendments to bond programs if necessary
- Update on economic indicators
- Update on State legislative actions and proposals impacting current or future bond programs

- Appointment of members to subcommittee to consider financing options for velodrome project
- School District Partnership program
- Deliberation on remaining projects proposed for a future bond election, including updated recommendations from Mr. Huckelberry.

5. Call to the Audience

Jerry Shapins spoke in support of the City of Tucson's urban greenways project. Elizabeth Scott submitted a card in support of this project but did not wish to speak.

Kaissa Gurvine spoke in support of additional soccer fields in the area of Dan Felix Park and the El Corazon project.

John Kromko, Claudia Ellquid, Kent Solberg, Beryl Baker, and Richard Basye spoke in opposition to the use of bond funds for a portion of the proposed PR267 Sentinel Peak A-Mountain Park Improvement Plan that would close the overlook loop to vehicle traffic.

6. Adjournment

Meeting was adjourned at 10:15 a.m.