



MEMORANDUM

Date: February 9, 2011

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

From: C.H. Huckelberry
County Administrator 

Re: *Arizona Daily Star* February 6, 2011 Article Regarding County Withholding \$80 Million for City of Tucson Road Projects

The *Arizona Daily Star* (ADS) article requires discussion for what was omitted regarding County actions.

Practical and Legal Availability of Funds

First, you cannot withhold what you do not have. During my discussion with the ADS reporters, I made it clear the County would be willing to provide funds if they were available. These funds are not available for a variety of reasons that are obvious and well known. These include action by the State Legislature to divert Highway User Revenue Fund (HURF) funds to balance the State budget that would otherwise be due Pima County and all other counties and cities; and the economic conditions of the severe recession, which due to highly variable and high fuel prices, has reduced travel demand and corresponding fuel tax revenues.

In addition, the article discusses development impact fees and implies the County is obligated to provide these fees for transportation improvements within incorporated jurisdictions such as the City of Tucson. Such is illegal under present State law. County transportation impact fees are raised from developments that generate traffic demand within the unincorporated area, not within cities or towns; hence, the development impact fees should not have even been raised in the article as an available revenue source for City projects.

Fails to Disclose Advance Notice to City Regarding Funding Availability

The article also fails to include information provided to the reporters regarding our obligations and understanding with the City of Tucson regarding when funds would be made available. This information is contained in intergovernmental agreements (IGAs) entered into by the County and City for these funds as well as in a separate document: a Memorandum of Understanding (MOU) executed by the Tucson Mayor and the Chairperson of the Board of Supervisors on May 7, 2004.

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The MOU identifies five projects specifically to be funded by time periods; these time periods relate to the County Truth in Bonding Ordinance, not the Regional Transportation Authority (RTA) implementation periods. Of the five projects listed, three are complete, and the other two are partially funded through an IGA. The MOU also discusses reciprocal understandings regarding City efforts to fund extension of improvements on roadways where the County was making the investments – specifically Broadway Boulevard from Park Avenue to County Club Road – for an estimated cost of \$25 million. It is our understanding the City has made little progress or effort at advancing this segment of Broadway Boulevard.

In addition, the MOU specifically addresses Houghton Road and states:

“The Mayor and Chairperson also agree to make every reasonable effort to ensure the \$20 million from the 1997 bonds shall be used to assist with the improvement of Houghton Road from Golf Links to Interstate-10. Said amount is anticipated to be matched by impact fees collected by the City of Tucson and such other regional or state funds as may be secured/ necessary to fully implement this project.”

It was also acknowledged the County has a continuing responsibility to provide transportation improvements in the unincorporated area as the County is the only local governmental agency providing same. The MOU states,

“The Mayor acknowledges that the County continues to have responsibilities to implement transportation improvements throughout Pima County as a result of the successful 1997 Transportation Highway User Revenue bond election.”

Finally, the MOU clearly states the obvious, which is that the availability of revenues to the County and our ability to issue revenue bonds is completely dependent upon the actions of others and economic conditions:

“The Mayor acknowledges that State legislation to balance the State budget or other economic conditions affect the flow of County Highway User Revenue Funds necessary to support these bonds for City projects.”

When the County and the City entered into this MOU, there were very specific amounts allocated to projects and timeframes that have largely been completed. Houghton Road was addressed in a separate paragraph with no schedule for implementation, and it was acknowledged the flow of funds from the County would be completely dependent upon economic conditions and the revenues available to the County through HURF distributions. A copy of the MOU is included with this memorandum as Attachment 1.

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We have contributed \$1.5 million to the 22nd Street/Kino Parkway project and \$1.5 million to the Broadway Boulevard project despite implications in the article the County has contributed nothing to these projects.

The IGAs entered into by the County and City further documented the conditions of disbursement regarding County bonds. These IGAs clearly disclose the risk involved with relying on County HURF bond funds in any specific schedule. Section 10, Financing of the Project, states:

"City hereby acknowledges that County bond funds may be limited for City projects in any given fiscal year because actual revenues available to the County do not meet expectations due to a variety of reasons, such as actions of the Arizona Legislature to reduce state shared revenues, increased commodity costs of construction materials or fuels, or general economic conditions."

These disclosures clearly indicate the County's provision of these funds to the City is subject to variable economic conditions and actions of the State Legislature that are beyond the control of the County.

HURF and Impact Fee Declines are Significant

First, it is important to remember these are County funds. The City receives a separate and distinct allocation of City HURF. Hence, we are making a voluntary fund contribution to the City.

To refresh the Board's memory regarding our HURF recurring annual revenues and their declines, I am enclosing information (Attachment 2) that indicates the HURF has declined in revenues from \$44.5 million in 2007 to an estimated \$36.7 million in 2011, a decline of nearly 18 percent; and as the Board understands, this decline is partially due to diversion by the Arizona Legislature to balance the State budget. The Governor, as well as the Legislature in their budget deliberations, anticipates further raids on the HURF to balance the present budget; hence, these funds will decline even further. Our dilemma is not imaginary; it is not politically motivated; it is based on reality.

Even if impact fees could be used for streets and highways in cities and towns, these revenues have also substantially declined based on local economic conditions. For the unincorporated area development, they have declined from \$10.6 million in 2007 to less than \$3 million in 2011.

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HURF Bonds Issued and Retired

To date, the County has issued \$242 million in HURF bonds. Due to the short term of the indebtedness, there is an outstanding debt as of 2011 of \$131 million. Therefore, \$111 million of debt has been repaid, and the capacity to issue new debt depends largely on the revenues available to the HURF, which are continually being diverted by the Arizona Legislature and which have suffered significant declines in accumulated amount due to depressed economic conditions.

Reinforcing the discussion at the beginning of this memorandum, we cannot withhold what we do not have. These issues were brought to the Board's attention in a memorandum I directed to the Board on December 22, 2010 (Attachment 3) regarding an update on the 1997 General Obligation and HURF Bond Programs.

Using County General Fund to Supplement City Projects is Poor Fiscal Policy

The ADS article suggests the County could provide its General Fund balance for this purpose. As you know, based on budget adoption last year and my previous budget communications, I have cautioned the Board regarding the need to increase our fund balances significantly to offset the adverse impacts of a shrinking revenue and tax base. Revenues from state shared sources have decreased by \$29 million from a high in 2007 of \$138 million to the forecasted revenues next year of \$109 million. Further, responding to economic conditions, the tax base shrunk by 0.50 percent last year and is forecasted to shrink the primary property tax base by as much as eight percent for the budget we will be preparing for your consideration this spring. To use our unrestricted fund balance that has been increased for budget stability purposes to fund City transportation projects is poor fiscal policy and deserves no serious consideration.

Are City Projects for 22nd Street, Houghton and Broadway Ready for Construction?

A question that was not addressed at all by the article is whether any of the projects referenced are ready to be implemented by the City of Tucson. The answer is none of the projects is on the verge of implementation, and all have implementation concerns. Further, the Broadway Boulevard project has seen significant citizen concerns raised at RTA Board and City sponsored meetings over the amount of widening and whether it is needed. The Houghton Road project has also had citizen protest at RTA Board meetings and some proposed improvements have been deemed outside the authorized scope of the RTA project. Finally, questions about applicability of the Neighborhood Protection Act for the 22nd Street/Kino Parkway Overpass continue to be raised.

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Can the County Provide HURF Bonds to the City or RTA to Conform with the RTA Implementation Schedule?

Another issue not addressed by the article is whether the projects are anywhere near implementation by the RTA. The projects are included in the RTA Expenditure Plan. The 22nd Street project is scheduled for implementation between 2012 and 2021, and the Broadway Boulevard project between 2012 and 2016. Houghton Road is scheduled for implementation over two periods – the first ending in 2011 and the second ending in the period ending in 2021; hence, funds to implement any of the remaining projects are not presently due in the RTA project schedule, with the exception of the Old Vail Road/Houghton Road intersection project, which is under construction.

Summary

The County will meet its commitment to provide funding under the terms and conditions previously approved and enumerated to the City and acknowledged in the MOU and subsequent IGAs entered into by the City and County for specific projects. These agreements acknowledge the difficulty in predicting when revenues will be available from HURF revenues due to a variety of reasons beyond the control of the County, including actions of the State Legislature and economic conditions. It should be understood the implementation periods specified in the RTA Expenditure Plan are being, and likely will be met, by the County notwithstanding the revenue difficulties related to HURF. It should also be noted the RTA has given the City more than their fair share of funding. Since 2009/10, the City received 68 percent of RTA funding – substantially more than their share of regional population.

I hope this clarifies the ADS article published on February 6, 2011 and provides details omitted from it.

CHH/mjk

Attachments

c: John Bernal, Deputy County Administrator for Public Works
Nanette Slusser, Assistant County Administrator for Public Works Policy
Priscilla Cornelio, Director, Transportation
Gary Hayes, Executive Director, Regional Transportation Authority
Dan Sullivan, Consultant to the Regional Transportation Authority

ATTACHMENT 1

**Memorandum of Understanding
Between the Mayor of the City of Tucson and the
Chairperson of the Pima County Board of Supervisors
in Their Individual Official Capacities**

for

**1997 Pima County Transportation Bond Program
Remaining Projects Within the City Limits**

Whereas, the voters of Pima County, including those in the City of Tucson, approved a County Transportation Highway User Revenue Bond proposal on November 4, 1997, and

Whereas, the election authorized County transportation improvements within the City of Tucson using County bond proceeds, and

Whereas, the City and County desire to expend authorized County Highway User Revenue Bonds to maximize mobility benefits for the residents of the City and County, and

Whereas, the City and County desire to work together on improving transportation throughout the City and County, and

Whereas, the Mayor of Tucson will ask that the City request the County to amend the 1997 Transportation Bond Implementation Plan as specified below,

Now, therefore, be it understood, that the Mayor of the City of Tucson and the Chairperson of the Pima County Board of Supervisors mutually agree to make every reasonable effort to ensure that the following projects are funded and implemented utilizing bonding authority approved by voters in 1997:

Project	Allocation of County HURF Bonds			Schedule*	Implementing Agency
1. Alvernon Way, Fort Lowell to River Rd	\$12M			Period I	County
2. Overpass at 22nd St and Kino Blvd	\$10M			Period I	City
3. Broadway Blvd, Euclid to Campbell	\$25M	Design, R/W Acquisition & Construction	\$11M \$14M	Period I Period II	City City
4. Valencia Rd, Mission Rd to I-19	\$6M			Period I	County
5. Country Club, 36th St to Milber	\$7M			Period I	County

*Period I: Fiscal Years 2005-2009 (starting 7-01-04)
Period II: Fiscal Years 2010-2014

EX. A TO RESOLUTION NO. 19830

The Mayor agrees to make every reasonable effort to have the City fund the extension of improvements on Broadway from Campbell to Country Club in Period II (Estimated Cost \$25 million).

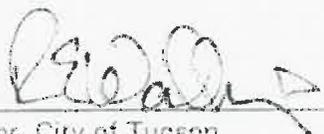
The Mayor and Chairperson also agree to make every reasonable effort to ensure the \$20 million from the 1997 bonds shall be used to assist with the improvement of Houghton Road from Golf Links to Interstate-10. Said amount is anticipated to be matched by impact fees collected by the City of Tucson and such other regional or state funds as may be secured/necessary to fully implement this project.

The Mayor acknowledges that the County shall retain appropriate controls over the actual disbursement/expenditure of the 1997 bond funds as required by law.

The Mayor acknowledges that the County continues to have responsibilities to implement transportation improvements throughout Pima County as a result of the successful 1997 Transportation Highway User Revenue bond election.

The Mayor acknowledges that State legislation to balance the State budget or other economic conditions affect the flow of County Highway User Revenue Funds necessary to support these bonds for City projects. The Chairperson agrees that every effort will be made to adhere to the project improvement schedules outlined above.

The Mayor and Chairperson acknowledge that additional actions may be necessary by each governing body to carry out the intent of this Memorandum of Understanding and each pledges to support these agreed upon principles when asking for further governing board approvals that may be necessary.



Mayor, City of Tucson

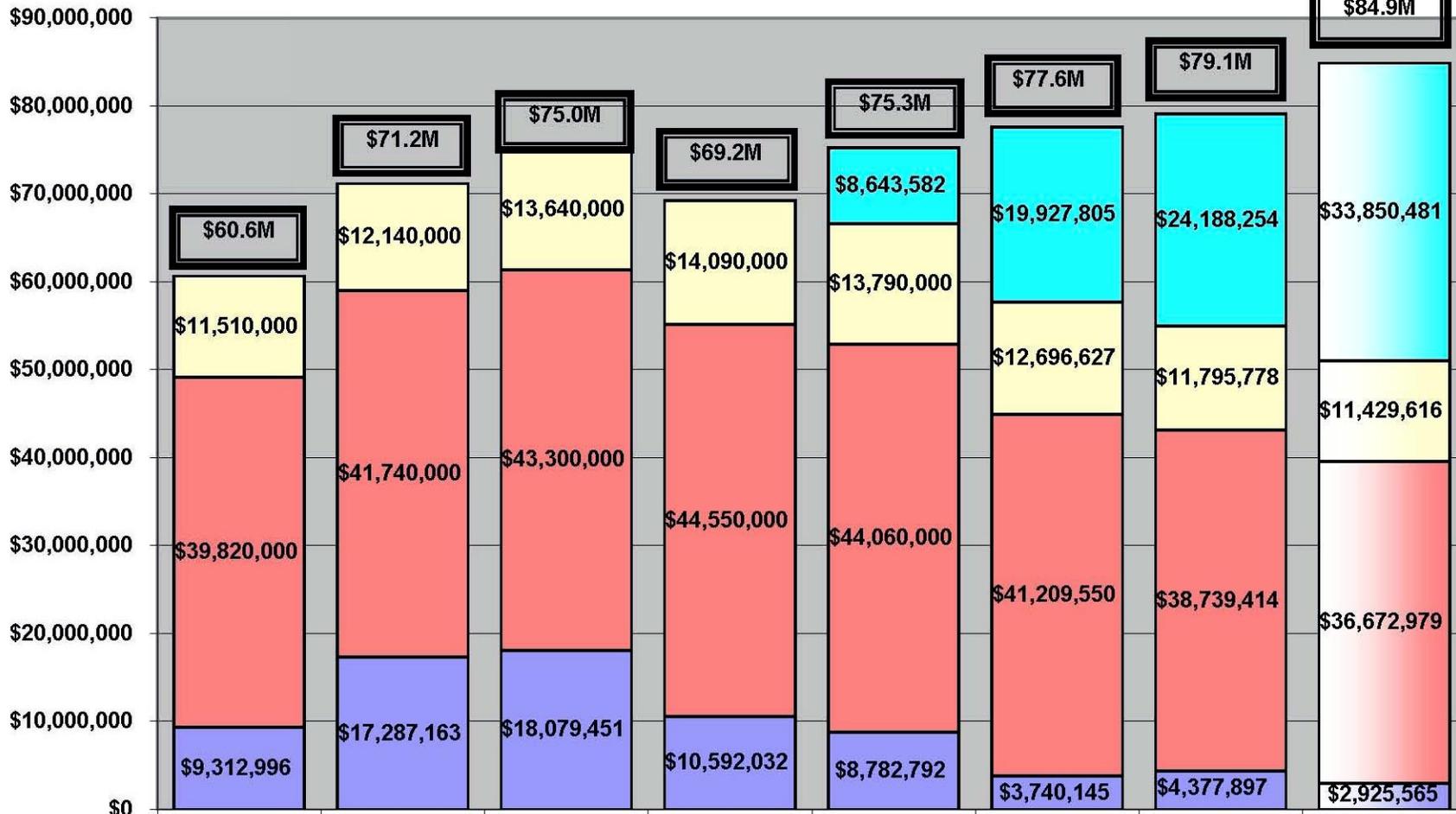


Chairperson, Pima County Board of Supervisors

Date: 5-7-2004

Date: 5-7-2004

ATTACHMENT 2



■ DIFO
 ■ HURF
 ■ VLT
 ■ RTA

PCDOT REVENUE HISTORY

ATTACHMENT 3



MEMORANDUM

Date: December 22, 2010

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

From: C.H. Huckelberry
County Administrator 

Re: **Update on the 1997 General Obligation and HURF Bond Programs**

Background

On October 19, 2010, the Board requested additional details on the status of the remaining 1997 General Obligation and Highway User Revenue Fund (HURF) bond program projects. The Board also requested an update on bond funded Regional Transportation Authority (RTA) projects. This memorandum is provided to meet this request. This is in addition to the semi-annual and end of fiscal year reports the Board and the Bond Advisory Committee receive per the County's Truth in Bonding Code.

1997 General Obligation Bond Program

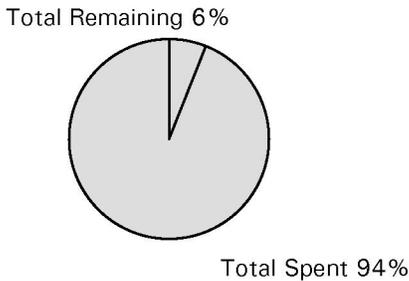
The 1997 General Obligation (GO) bond program is substantially complete. The total funding authorized by the voters was \$256,980,000. Of this, \$14,423,725, or six percent, remains unspent. 277 projects and sub-projects have been completed. 18 projects are ongoing. Summaries of these 18 ongoing projects are provided in Table 1, along with more explanations of their status following Table 1.

Over 40 percent of the remaining funds are for three solid waste projects, which remain unspent primarily due to the lack of urgency to close the Tangerine landfill and continuing discussions with the State regarding remediation of the El Camino del Cerro landfill. About 28 percent of the remaining funds are for nine parks and recreation projects. An additional 10 percent remains allocated for the Paseo de las Iglesias Flood Control project, in conjunction with the US Army Corps of Engineers and City of Tucson. Five smaller projects make up 13 percent of the remaining \$14.4 million (Superior Court, Canoa Ranch, open space, ADA improvements, and neighborhood reinvestment). Seven percent of the remaining funds are left over from completed projects, the majority of which is needed to cover costs of previous bond sales. Of the 18 ongoing projects, nine are to be completed within the next 12 months, four within the next 18 months, and five will continue beyond 18 months.

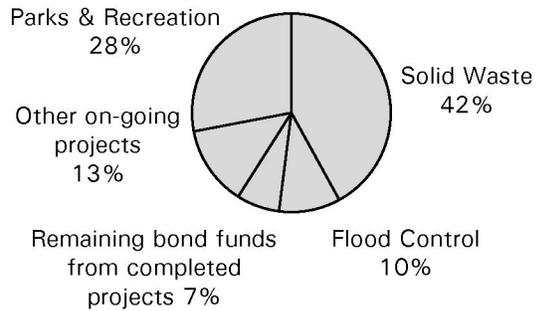
**Table 1
 18 Ongoing 1997 General Obligation Bond Projects**

<u>Department</u>	<u>Bond No.</u>	<u>Project Name</u>	<u>Status</u>	<u>Estimated Completion Date</u>	<u>Remaining Bond Funds</u>
<u>Question 2 – Public Safety, Law Enforcement & Superior Court</u>					
Facility Management	SC-08	Superior Court New Court Rooms	Under Development	1/28/2011	\$536,879
Total:					\$536,879
<u>Question 3 - Parks</u>					
Parks & Recreation	P-05	Tucson Athletic & Play Field Improvements	Under Development	6/30/2012	\$293,457
Parks & Recreation	P-11	Yaqui Park Improvements	Under Construction	6/30/2011	627,487
Parks & Recreation	P-31	Rillito River Park –Campbell to Alvernon	Under Development	12/31/2011	306,602
Parks & Recreation	P-32	Rillito Park at Columbus Blvd. District Park	Under Development	6/30/2011	114,205
Parks & Recreation	P-36	Santa Cruz River Park – Irvington to Valencia	Under Development	11/06/2013	1,106,554
Parks & Recreation	P-37	Santa Cruz River Community Park – Menlo Park	Under Development	9/30/2011	848,481
Parks & Recreation	P-51	Lawrence Park Infrastructure Improvements	Under Development	10/30/2011	398,323
Total:					\$3,695,109
<u>Question 4 – Sonoran Desert Open Space & Historic Preservation</u>					
Cultural Resources	CH-29	Canoa Ranch Buildings Rehabilitation	Under Construction	6/30/2011	\$131,516
Open Space	SD-05	Tortolita Mountain Park	Under Development	6/30/2012	215,869
Parks & Recreation	T-22	Tucson Diversion Channel Trail Connection	Under Construction	6/30/2011	297,414
Parks & Recreation	T-23	Various Trail Acquisitions	Under Construction	6/30/2011	95,653
Total:					\$740,452
<u>Question 5 – Public Health, Safety, Recreational & Cultural Facilities</u>					
Facility Management	FS-13	Improve Disabled Access	Under Development	6/30/2014	\$219,486
Community Development	NR-16	Neighborhood Reinvestment	Under Development	6/30/2012	817,241
Total:					\$1,036,727
<u>Question 6 – Flood Control Improvement</u>					
Flood Control	FC-02	Santa Cruz River, Congress St. to San Xavier	Under Development	6/29/2012	\$1,415,159
Total:					\$1,415,159
<u>Question 7 – Solid Waste Improvements</u>					
Solid Waste	SW-01	Regional Solid Waste Management	On Hold	6/30/2014	\$1,677,081
Solid Waste	SW-02	Tangerine Closure	On Hold	6/30/2013	3,000,000
Solid Waste	SW-04	El Camino del Cerro Enviro. Remediation	Under Development	8/30/2012	1,370,075
Total:					\$6,047,156
Sub Total – Remaining Bond Funds for Ongoing Projects					\$13,471,482
Remaining Bond Funds for Completed Projects					\$1,454,243
Less Bond Issuance Costs					(502,000)
Total Bond Funds Remaining					\$14,423,725

**Total 1997 GO Bond Funds Authorized:
\$256,980,000**



**Remaining 1997 GO Bond Funds:
\$14,423,725**



Additional Details on the 18 Ongoing 1997 General Obligation Bond Projects

SC-8 Superior Court New Courtrooms
\$11.5 million authorized; \$536,879 remaining

The majority of these improvements were completed in June 2005 at a cost of \$10.4 million. The remaining funding, combined with 2004 bond funding, is currently being used to relocate office space for Adult Probation and Pretrial Services from the 8th floor of the Superior Court to the former Health and Welfare building, and to remodel the 8th floor to add additional courtrooms and court accessory uses. This relocation and remodeling is scheduled to be completed by spring 2012. It is anticipated that the 1997 funds will be expended by the end of January 2011.

P-05 Tucson Athletic and Play Field Improvements
\$3 million authorized; \$293,457 remaining

Projects under this program are limited to \$150,000 per project. To date, 20 projects have been completed. The additional funding will be spent when additional projects are proposed.

P-11 Yaqui Park (now called Carmelin Castro Itom Usim Children's Park)
\$1,246,351 authorized; \$627,487 remaining

These park improvements are under construction and scheduled for completion by June 2011.

P-31 Rillito River Park, Campbell to Alvernon (Mountain to Campbell Addition South Bank)
\$2,261,202 authorized; \$306,602 remaining

The original length of this project (Campbell to Alvernon) is complete. The Board approved an ordinance amendment on October 19, 2010, enabling use of the remaining funds to extend

the length of the river park for another half mile between Campbell and Mountain. The project is scheduled to be complete by December 2011.

P-32 Rillito Park at Columbus Boulevard District Park
(Divided Urban Pathway Mountain Avenue to First Avenue Addition)
\$634,471 authorized; \$114,205 remaining

The majority of this original project was completed in November 2008. The County then received a Transportation Enhancement grant to complete improvements to the south bank from Mountain to First Avenue. This additional sub-project is scheduled for completion in June 2011.

P-36 Santa Cruz River Park Irvington to Valencia
\$1.2 million authorized, \$1,106,554 remaining

The Board approved an ordinance amendment on October 19, 2010 extending the implementation period for this project. A significant archaeological site is located within this area along the east bank of the Santa Cruz River. Mitigation and preservation plans are necessary before park improvements are developed. The cost of mitigation and preservation may preclude development with existing funds.

P-37 Santa Cruz River Community Park (Menlo Park)
\$850,000 authorized, \$848,481 remaining

The Board approved an ordinance amendment to this project in November 2008, changing the location of this project from the east bank of the Santa Cruz River at Ajo Way, to Menlo Park north of Congress Street. The original location was determined to be insufficient due to land used for the Interstate 19 and 10 interchange, lack of bank protection, and significant archaeology. The City of Tucson is managing this project and it is scheduled for completion by September 2011.

P-51 Lawrence Park Infrastructure Improvements
\$680,000 authorized, \$398,323 remaining

The Board approved an ordinance amendment to this project in October 2010, extending the implementation period and adding the construction of a softball field. This project is scheduled for completion by October 2011.

CH-29 Canoa Ranch Buildings Rehabilitation
\$1.5 million authorized; \$131,516 remaining

The majority of the funds have been expended to repair and improve buildings at Canoa Ranch and it is expected that the small amount of funds remaining will be expended by June 2011.

SD-05 Tortolita Mountain Park

\$4,028,950 authorized; \$215,869 remaining

The majority of this funding was expended to acquire six properties in the area of Tortolita Mountain Park. In consultation with the Conservation Acquisition Commission, the remaining funding is being reserved for potential legal costs associated with the Dos Picos property. If the funds are not necessary for Dos Picos, they are to be spent within the area of Tortolita Mountain Park. It is estimated that these funds will be expended by June 2012.

T-22 Tucson Diversion Channel Trail Connection

\$300,000 authorized; \$297,414 remaining

This project is being constructed in conjunction with the Yaqui Park project (P-11), which is now under construction and scheduled for completion by June 2011.

T-23 Various Trail Acquisitions

\$1 million authorized; \$95,653 remaining

The majority of the funds for this project have been spent to acquire various trail alignments. The funding remaining is allocated to the acquisition of right of way northeast of Tucson, to provide access into the Rincon District of the Coronado National Forest. Negotiations are ongoing and the project is expected to be completed by June 2011.

FS-13 Improve Disabled Access (ADA Facility Accessibility Projects)

\$1.1 million authorized; \$219,486 remaining

The funds expended to date have been used to provide ADA modifications and improvements to County facilities. These have included bathroom renovations at 97 E. Congress, accessible parking and curb ramps at the County Recorder's Office on Broadway, and pushbutton door openers in many County buildings. The remaining funding will be spent as the need for additional modifications and improvements arise.

NR-16 Neighborhood Reinvestment (includes Affordable Housing Reinvestment)

\$10 million authorized; \$817,241 remaining

One remaining Neighborhood Reinvestment project, Barrio Kroger Lane park improvements, is under construction with a completion date of March 2011. \$150,000 of the remaining funding is committed to completing this project.

FC-02 Santa Cruz River, Congress Street to San Xavier Reservation

\$4 million authorized; \$1,415,159 remaining

This project is also known as Paseo de las Iglesias, which includes the US Army Corps of Engineers (Corps) and the City of Tucson in the study and planning for environmental restoration, flood control and recreation along this reach of the Santa Cruz River. The

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Feasibility Study with the Corps has been completed. The concept design for the first phase of the project from Ajo Way to Silverlake has also been completed, which included survey work, cultural resources surveys, biological surveys, and a detailed hydrologic analysis of the river and tributaries. In addition, right-of-way has been acquired along the Santa Cruz River and West Branch. Final design and construction of the first phase from Ajo Way to Silverlake has begun and will include funding from 2004 Bond Project FC5.06.

SW-01 Regional Solid Waste Management

\$2 million authorized; \$1,677,081 remaining

The County has evaluated options and legal requirements regarding regional landfill issues. At this time the County is not planning the development of any additional landfill capacity. We are, however, researching the feasibility of developing a transfer station at the Tangerine Landfill.

SW-02 Tangerine Landfill Closure

\$3 million authorized; \$3 million remaining

The Board approved an ordinance amendment for this project on April 13, 2010, extending implementation through 2012/13, and deferring closure of the landfill. Useful life of the landfill facility has been extended due to lower volumes of waste being disposed of at the facility.

SW-04 El Camino del Cerro Environmental Remediation

\$3.5 million authorized; \$1,370,075 remaining

The Board approved an ordinance amendment for this project on October 19, 2010, extending the implementation through 2012/13. Following extensive discussions with the State regarding contamination, proper remediation, and treatment of this landfill site, the County is currently undertaking a pump and treat pilot test to remediate groundwater contamination.

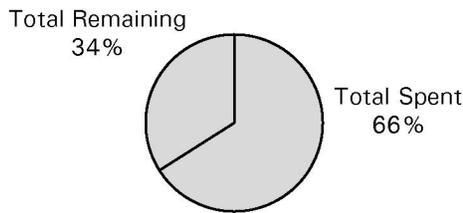
Groundwater treatment completion is dependent on the results of the pilot test, and surface restoration will follow groundwater work.

1997 HURF Bond Program and RTA Associated Projects

The 1997 HURF bond program includes 58 projects. Two of these projects are non-site specific programs that have many individual projects (DOT-41 Neighborhood Transportation Improvements and DOT-57 Safety Improvements). Of the 56 site specific projects, 35 have been completed, and one, River Road at Ventana Wash, was discontinued per recent Board approval. Of the remaining 20 site specific projects, nine are now RTA projects. Summaries of these 20 ongoing site-specific projects and two programs are provided in Tables 2, 3, and 4, along with more explanations of their status following Table 4.

Voters approved \$350 million for the 1997 HURF bond program, and of this, \$118.5 million or 34 percent remains unspent. The program is funded by HURF bonds, which are issued and repaid with street and highway user revenues distributed by the State. Due to the economic downturn, decreased revenues to the State and State diversions to help balance the State budget have in turn resulted in decreased revenues to the County, limiting the amount of HURF bonds that the County can issue, and therefore limiting the number of projects that can move forward. The program was originally structured as a 16 year program, with a completion date of fiscal year 2013/14. Due to both a lack of HURF revenues in the short-term, and the need for additional funding for some projects, it is now anticipated that the program will take longer to complete. Note that over \$8 million remains from completed projects that could be reallocated to remaining projects through future bond ordinance amendments.

**Total 1997 HURF Bond Funds
 Authorized: \$350 million**



**Table 2
 RTA Projects**

<u>Status</u>	<u>Projects</u>
Under Construction	5
Under Design	4
Total:	9

**Table 3
 Non-RTA Projects**

<u>Status</u>	<u>Projects</u>
Ongoing Programs	2
Under Construction	1
Under Design	2
Future	7
Recommended to be Discontinued	1
Total:	13

Table 4
Remaining 1997 HURF Bond Projects

<u>Bond No.</u>	<u>RTA No.</u>	<u>Project/Subproject Name</u>	<u>Status</u>	<u>Estimated Completion Date</u>	<u>Remaining Bond Funds</u>	<u>Other Funding</u>
DOT-06	RTA-12	Magee Rd., La Canada Dr. to Oracle Rd.	Design	FY2014	\$2,957,175	\$17,134,659
DOT-07		Orange Grove Rd. at Geronimo Wash	Recommended to be discontinued	—	695,331	—
DOT-10	RTA-11	La Canada Dr., Ina Rd. to Calle Concordia	Under Construction	FY2012		27,948,840
DOT-11		Drexel Rd., Tucson Blvd. to Alvernon	Future	FY2018	6,500,000	—
DOT-18		Cortaro Farms Rd., Camino de Oeste to Thornydale Rd.	Future	FY2018	242,680	17,160,855
DOT-20	RTA-10	La Cholla Blvd., Ruthrauff Rd. to River	Under Construction	FY2012	1,068,143	17,522,871
DOT-23		Thornydale Rd., Cortaro Farms Rd. to Linda Vista Blvd.	Future	FY2018	909,755	19,399,995
DOT-24		Mainsail Blvd. & Twin Lakes Dr., Twenty-Seven Wash	Future	FY2018	2,459,356	—
DOT-28	RTA-28	Speedway Blvd., Camino Seco to Houghton Rd.	Under Construction	FY2013	—	17,771
DOT-29	RTA-32	Houghton Rd., Golf Links Rd. to I-10	Design	FY2018	19,949,316	12,163,864
DOT-31	RTA-27	Tanque Verde Rd., Catalina Highway to Houghton Rd.	Under Construction	FY2012	614,498	14,191,969
DOT-32		Kolb Rd., Sabino Canyon Rd. to Sunrise Dr.	Future	FY2018	7,147,922	3,843,002
DOT-37	RTA-35	I-19 Northbound Frontage Rd., Canoa Rd. to Continental	Under Construction	FY2011	—	20,531,547
DOT-40	RTA-18	Grant Rd., Oracle Rd. to Park Ave.	Design	FY2015	—	—
DOT-41		Neighborhood Transportation Improvements	Ongoing	FY2018	8,688,883	—
DOT-44		Orange Grove Rd., Thornydale Rd. to Oracle Rd.	Future	FY2018	15,709,952	13,193,385
DOT-47		Sunrise Dr., Craycroft Rd. to Kolb Rd.	Under Construction	FY2011	5,708,162	—
DOT-50		Kinney Rd., Ajo Way to Bopp Rd.	Future	FY2018	2,818,087	16,608,239
DOT-53		Old Tucson-Nogales Highway – Summit Neighborhood	Design	FY2013	971,204	1,317,785
DOT-56	RTA-17	Broadway Blvd., Euclid Ave. to Campbell	Design	FY2018	23,652,753	—
DOT-57		Safety Improvements	Ongoing	FY2015	1,138,973	2,098,486
DOT-58		Kino Parkway Overpass at 22 nd St.	Design	FY2014	9,223,166	
Sub Total – Remaining Bond Funds for Ongoing Projects					\$110,455,356	
Remaining Bond Funds for Completed Projects					\$8,648,234	
Sub Total – Remaining Bond Funds for Ongoing & Completed Projects					\$119,103,590	
Less Bond Issuance Costs					(595,000)	
Total Bond Funds Remaining					\$118,508,590	

*Future meaning no formal activity is ongoing.

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Additional Details on the 22 Ongoing 1997 HURF Bond Projects

DOT-6 (PC-RTA-12) Magee Road, La Cañada Drive to Oracle Road
\$3.75 million authorized; \$2.96 million remaining

This project is now an RTA project and is being managed by Pima County. The project is currently under design, with an expected construction start date of May 2012.

DOT-7 Orange Grove Road at Geronimo Wash
\$800,000 authorized; \$695,331 remaining

The original intent of this project was to provide an all weather access along Orange Grove Road by constructing a new box structure to carry Geronimo Wash under Orange Grove in the vicinity of Calle de Estevan. When this project location is prioritized using the Department of Transportation's computerized prioritization system, it ranks 67 out of 68 projects. The system uses factors such as congestion, safety and cost to establish priority rating. Staff recommends this project be discontinued due to its very low priority rating and inadequate cost/benefit ratio.

DOT-10 (PC-RTA-11) La Cañada Drive, Ina Road to Lambert Lane
\$8.5 million authorized; \$0 remaining

The La Canada segment from Calle Concordia to Lambert Lane was constructed by the Town of Oro Valley. The segment from Ina Road to Calle Concordia is currently under construction by Pima County as an RTA project with an expected completion date of October 2011.

DOT-11 Drexel Road, Tucson Boulevard to Alvernon Way
\$6.5 million authorized; \$6.5 million remaining

This is a future project that has been delayed due to a lack of HURF revenues from the State.

DOT-18 Cortaro Farms Road, UPRR to Thornydale Road
\$10.4 million authorized; \$242,680 remaining

The Cortaro Farms Road segment from Union Pacific Railroad to Camino de Oeste was constructed by the Town of Marana. The remaining segment from Camino de Oeste to Thornydale will be completed by Pima County when additional funding becomes available. Preliminary design work on this segment has been completed.

DOT-20 (PC-RTA-10) La Cholla Boulevard, Ruthrauff Road to River Road
\$2.1 million authorized; \$1.1 million remaining

This project is now an RTA project and is being managed by Pima County. This project is currently under construction with an expected completion date of August 2011.

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DOT-23 Thornydale Road, Cortaro Farms Road to Linda Vista Boulevard
\$1.0 million authorized; \$909,755 remaining

This is a future project that will be started when additional funding becomes available. Pima County will apply for PAG regional funding as an additional source of funding.

DOT-24 Mainsail Boulevard & Twin Lakes Drive, Twenty-Seven Wash Vicinity
\$2.7 million authorized; \$2.5 million remaining

This is a future project that has been delayed due to a lack of HURF revenues from the State.

DOT-28 (COT-RTA-28) Speedway Boulevard, Camino Seco to Houghton Road
\$582,000 authorized; \$0 remaining

This project is now an RTA project and is being managed by the City of Tucson. Construction began in September 2010 and is expected to be completed by September 2012.

DOT-29 (COT-RTA-32) Houghton Road, Golf Links Road to Interstate 10
\$20 million authorized; \$19.9 million remaining

This project is now an RTA project and being managed by the City of Tucson. The project is currently under design.

DOT-31 (PC-RTA-27) Tanque Verde Road, Catalina Highway to Houghton Road
\$2.4 million authorized; \$614,498 remaining

This project is now an RTA project and is being managed by Pima County. This project is currently under construction with an expected completion date of September 2011.

DOT-32 Kolb Road, Sabino Canyon Road to Sunrise Drive
\$10 million authorized; \$7.1 million remaining

This is a future project that will move forward when both HURF funding and additional sources of funding become available. The improvements to the Kolb Road/Sunrise Drive intersection were completed as part of the DOT-47, Sunrise Drive, Craycroft Road to Kolb Road, project.

DOT-37 (PC-RTA-35) Interstate 19 NB Frontage Road, Canoa to Continental
\$3.65 million authorized; \$0 remaining

This project is now an RTA project and is being managed by Pima County and RTA. The project is currently under construction with an expected completion date of January 2011.

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DOT-40 (COT-RTA-18) Grant Road, Oracle Road to Park Avenue
\$348,000 authorized; \$0 remaining

This project is now an RTA project and is being managed by the City and RTA. The construction period for the segment from Oracle Road to Castro Avenue is 2011 to 2012 and the construction period for the Castro Avenue to Park Avenue segment is 2014 to 2015.

DOT-41 Neighborhood Transportation Improvements
\$10 million authorized; \$8.7 million remaining

This program provides funding for improvements to neighborhood streets within District 2. To date, four projects have been completed and one project is underway. The program was slow to develop due to administrative changes, but several potential new projects have now been proposed and it is likely that many of these will be approved and implemented over the next few years.

DOT-44 Orange Grove Road, Thornydale Road to Oracle Road
\$20 million authorized; \$15.7 million remaining

This is a future project that will be started when both HURF funding and additional sources of funding become available.

DOT-47 Sunrise Drive, Craycroft Road to Kolb Road
\$23.3 million authorized; \$5.7 million remaining

This project is currently under construction with an expected completion date of January 2011.

DOT-50 Kinney Road, Ajo Way to Bopp Road
\$3.8 million authorized; \$2.8 million remaining

This project is listed as a future project. It was anticipated that an agreement with Walmart would generate additional funding, but an agreement has not been completed. Without Walmart or other traffic generating uses in the area, traffic demands currently do not support a need for the project.

DOT-53 Old Tucson-Nogales Highway – Summit Neighborhood
\$1.1 million authorized; \$971,204 remaining

This project recently started design and is programmed to be constructed in FY 2012.

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DOT-56 (COT-RTA-17) Broadway Boulevard, Euclid Avenue to Campbell
\$25 million authorized; \$23.6 million remaining

This project is now an RTA project and is being managed by the City of Tucson. The project is currently under design and construction is not scheduled to begin before 2014.

DOT-57 Safety Improvements
\$18.3 million authorized; \$1.1 million remaining

Sixty one individual safety projects have been completed as part of this program, four are in design, and four others are in progress. Additional projects will be completed as needed.

DOT-58 Kino Parkway Overpass at 22nd Street
\$10 million authorized; \$9.2 million remaining

This project is being managed by the City of Tucson and is currently under design. Construction is expected to begin in FY 2012.

Summary

In summary, the 1997 general obligation bond program is substantially complete, with 277 projects and sub-projects completed and just six percent of the funding remaining. Of the 18 projects remaining, nine are to be completed within the next 12 months and four within the next 18 months. Five will continue beyond 18 months, three of which are the solid waste projects that will be unlikely to spend substantial funds for a while.

The 1997 HURF program is an ongoing program, with 35 site-specific projects completed and 63 projects within the two programs completed. The two programs, DOT-41 Neighborhood Transportation Improvements and DOT-57 Safety Improvements, are ongoing. 20 site specific projects are also ongoing, of which 9 are now RTA projects. More than half of the RTA projects are under construction with the rest under design. For the 13 ongoing non-RTA projects, the reduction in HURF revenues to the State due to the economic downturn, as well as the need for additional other sources of funding, continue to be issues. In addition staff is recommending that one additional project, DOT-7 Orange Grove Road at Geronimo Wash, be discontinued as it is a high cost project that is low priority from a safety and congestion standpoint. That said, we are committed to completing all of the other projects in the program, but it will take longer than originally anticipated.

CHH/dr

c: Nicole Fyffe, Executive Assistant to the County Administrator