



## COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER  
130 W. CONGRESS, TUCSON, AZ 85701-1317  
(520) 740-8661 FAX (520) 740-8171

C.H. HUCKELBERRY  
County Administrator

July 8, 2011

The Honorable Steve Kozachik  
Council Member, Ward Six  
City of Tucson  
3202 E. First Street  
Tucson, Arizona 85716

**Re: Ward Six July 7, 2011 Newsletter**

Dear Council Member Kozachik:

I recently read your newsletter in reference to County bond issues. We welcome your interest in the County bond program that benefits all residents of Pima County.

As you know, newspaper articles are not always the best source of information about detailed and complex programs. I am enclosing for your information a copy of the opinion I authored in response to the article by Andrea Kelly referenced in your newsletter.

The 1997 bonds can mean Highway User Revenue Fund (HURF) bonds for transportation projects as well as General Obligation bonds for non-transportation projects. No City resident funding is used to repay County HURF bonds; only County HURF revenues are used to repay these bonds. I believe Pima County Bond Advisory Committee (BAC) Chair Larry Hecker has, or soon will, provide you with my March 1, 2011 memorandum to the BAC regarding this subject. This memorandum should provide you with a great deal of clarity regarding the difference between County and City HURF revenues and bonds.

One concern you raised is whether secondary property taxes collected from City residents that were supposed to pay for Tucson projects are being shifted to other jurisdictions. Such cannot occur without the approval of the Tucson Mayor and Council. Our bond ordinance requires that jurisdictional projects, those under the control of the jurisdiction and within the jurisdiction, can only be modified after public hearing of the jurisdiction's

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governing body. The Board of Supervisors can only act on a modification after it has been recommended by the governing body of the affected jurisdiction and after it has been recommended by the BAC.

We would be happy to provide City staff with any desired information regarding our bond program and individual projects. Please have them contact Nicole Fyffe, Executive Assistant to the County Administrator, at 520.740.8661 or [nicole.fyffe@pima.gov](mailto:nicole.fyffe@pima.gov). Extensive information regarding bond program development and implementation is also available at <http://www.bonds.pima.gov/index.htm>. I also understand BAC Chairman Hecker has also provided you with information regarding County bond programs and management.

Please feel free to contact me if we can be of further assistance to you regarding this matter.

Sincerely,



C.H. Huckelberry  
County Administrator

CHH/mjk

Attachment

c: Chair and Members, Pima County Bond Advisory Committee  
Mike Letcher, City Manager, City of Tucson  
Nicole Fyffe, Executive Assistant to the Pima County Administrator



## Pima County bond projects often complex, especially when partners join

**Chuck Huckelberry Special To The Arizona Daily Star | Posted: Sunday, May 30, 2010 12:00 am**

On May 23, the Star ran an article about Pima County's bond programs. The county uses the sale of bonds to construct essential facilities like libraries, parks, roads and sewer facilities, as well as to protect important natural areas. Voters approved \$2 billion in 11 elections since 1974 for such uses.

The county has become very effective in implementing these programs, has always been transparent and has provided for close citizen scrutiny. The level of public confidence in the programs is evident from the overwhelming voter approval of our 2004 and 2006 ballot proposals.

Recent bond elections were held in 1997, 2004 and 2006. Sunday's article focused mostly on 1997 bond programs, criticizing the county for cost increases and delays. What the article failed to mention was the complexity associated with projects, often requiring considerable participation from other entities.

In building the Northwest YMCA Community Center, now used annually by 28,000 residents, the county partnered with the YMCA and Pima Community College to build a much larger facility. The county funded \$4.7 million, 34 percent over original estimates, and our partners contributed \$4 million.

In building the Vail Park Improvements, the county partnered with Vail School District to build significantly more amenities. The county's \$562,000 was combined with \$2.6 million from Vail School District, almost five times the county's bond contribution.

Partnering adds complexity, but has brought in an additional \$629 million toward these 1997 projects, almost doubling initial investments.

Changes to schedules, scopes and costs of certain projects were often beyond the county's control, including increases of 300 to 600 percent and more for some material costs during the first 10 years of 1997 bond programs.

State-level funding cuts and project adjustments by our partners resulted in a decision five years ago to extend the 1997 road program through 2014. For the past three years, the state Legislature has taken \$2.5 million annually from county shares of highway-user revenues, which could result in a loss of \$25 million of bonding capacity, if continued. This and lower highway-user revenues due to economic conditions, are further delaying completion of 1997 road projects.

That said, we are proud of the more than 150 1997 bond projects completed.

County code mandates stringent oversight and transparency, including an oversight committee that holds regular public meetings and issues semiannual status reports.

Changes require two public hearings, one by the Bond Advisory Committee and one by the Board of Supervisors after notice in the newspaper.

Any change impacting projects requested by the cities, towns or tribes also requires those public bodies to hold a public hearing.

This deliberative and transparent process provides the public with multiple opportunities to comment on necessary changes.

We are unaware of any local government that provides this level of transparency. As we complete these programs and plan for a future bond election, we encourage your participation and invite you to visit our [www.bonds.pima.gov](http://www.bonds.pima.gov) website.

As a final point, the county's bond rating was recently recalibrated and increased by Moody's and Fitch Ratings. The ratings are based on the fiscal stability of the county. High credit ratings lead to lower cost of borrowing and savings for the taxpayers.