

**Pima County Bond Advisory Committee
Meeting**

**The Manning House
450 W. Paseo Redondo
Thursday, January 14, 2010
8:00 a.m.**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Pat Benchik
Gary Davidson
Pete Delgado
Brian Flagg
Rene Gastelum
Harry George (8:20 a.m.)
Jesus Gomez
Byron Howard
Terri Hutts
Rebecca Manoleas
Chris Sheafe
Thomas Six
Dan Sullivan
Tom Warne

Committee Members Absent

A.C. Marriotti
Peter Backus
Kelly Gomez
David Lyons
Wade McLean
Ted Prezelski
Patty Richardson
Greg Wexler

1. Welcome

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

2. Approval of the December 18, 2009 Meeting Summary

MOTION: Mr. Sheafe moved, and Mr. Warne seconded, approval of the December 18, 2009 meeting summary. Motion approved 16-0.

The Board of Supervisors will be discussing the possibility of a 2010 bond election at their February 2, 2010 Board meeting. County Administrator Chuck Huckelberry explained that revised projections of assessed property values will be available prior to the Board meeting, and that he expects the forecasts to be troublesome. An additional concern continues to be what happens at the State level with the State budget.

Mr. Sullivan asked if Mr. Huckelberry had any idea how the Board was leaning. Mr. Huckelberry responded that they are increasingly concerned.

Mr. Davidson commented that he does not feel this Committee is abdicating its responsibilities by asking for input from the Board.

Mr. Warne asked how the County forecasts commercial values. Mr. Huckelberry responded that commercial values are assessed locally and also centrally by the State. He reported seeing drops of 60 percent in assessed values for commercial properties.

Mr. Sullivan asked whether the February 2nd item will be accompanied by a recommendation from the County Administrator. Mr. Huckelberry replied that he would not provide a recommendation unless all factors point in a clear direction.

Mr. Sheafe asked whether the question of a bond election was all or nothing. Mr. Huckelberry replied that yes, it will either be that we hold a bond election in 2010 or do not. We won't hold a smaller issue or just a revenue bond election. Regarding the need for sewer revenues, the County had determined that we can issue debt without voter approval, with just slightly higher basis points. This scenario will be discussed with the wastewater advisory committee this afternoon. Mr. Sheafe talked about the benefits of WIFA loans whether voter approval to increase the allowable WIFA debt would be less costly.

Vice Chair Campbell asked whether this Committee is required to make a recommendation on timing. Mr. Huckelberry responded that it is within this Committee's purview.

Mr. Flagg stated that the Committee should give the Board the best package possible so they can make the decision on whether it is saleable to the public. There is a real need for jobs and investments in neighborhoods and affordable housing.

Mr. Six and Mr. Sullivan agreed that it is hard to argue that these projects are not needed, but the reality is that we don't want to put an issue forward if it is likely to fail.

Mr. Sullivan asked whether the Committee should cancel the January 29 meeting in light of the Board meeting on February 2.

Mr. Warne asked whether it was still true that delaying the election would not impact the timing of when projects could be built. Mr. Huckelberry responded that he was correct. The County, due to expected drops in property tax revenues, will not be able to issue debt until 2012 or 2013 anyway. So a 2010 bond election does not get the projects built faster than a 2011 bond election. Mr. Benchik responded that the Committee should recommend a delay in the timing of an election since the projects can't get built until at least 2012 anyway, even though there is the need now. Mr. Flagg asked if there is the need now, why not go forward? Chairman Hecker responded that we don't want to have an election that fails and that 2010 will be a politically tumultuous election. For the 2011 election, the County will have much more time to educate the public on the issue since the ballot won't be as crowded. Vice-Chair Campbell noted that the economy could be in a better or perhaps worse position come 2011.

MOTION: Mr. Sullivan moved, Mr. Six seconded, to cancel the January 29, 2010 meeting in light of the February 2, 2010 Board meeting. Discussion included agreement that the Committee should still meet on February 19 no matter what the Board does on February 2, and whether the Committee should make a recommendation to the Board today on the timing of a bond election. It was clarified that the timing was not a noticed agenda item and that the Committee had voted at the last meeting to continue working on project prioritization until March. Motion approved 13-3.

3. 2010 Bond Election Planning Process

A. Criteria Discussion and Application to Projects

It was noted that the criteria was not in order of priority. Discussion included using the criteria when voting on projects for the tentatively approved list as opposed to using the criteria to reduce the overall package after a tentatively approved list is complete. Mr. Davidson stated that additional criteria might need to be added to provide for a balance between funding categories. Vice-Chair Campbell stated that underserved and stress areas could be added to the criteria. It was suggested by Chairman Hecker that the Committee wait until they have a tentatively approved list of projects and then revisit the criteria to further pair down that list.

B. Discussion and Prioritization of Projects that Fall in Group 2 – Subcategory B (Projects where the County Administrator recommended less than the Subcommittees)

Mr. Huckelberry briefly went through each of the projects in Group 2B and provided an explanation for why he recommended less than the subcommittees. These justifications were previously provided to the Committee in his November 19 memorandum to the Committee.

For FM108, Mr. Huckelberry notes that \$10 million would fund a library and Sheriff substation in the first phase of the Eastside Government/Community Center, on County property at the Fairgrounds. If the Committee would like to add a park to the first phase, add another \$4 million. If the Committee chooses to recommend another location that would require land acquisition, add another \$2 million or so. It was also clarified that this was not supposed to change the Southeast Community Park project from the 2004 bond election that the City requested, to be located north of Interstate 10. It was further clarified that a center at the Fairgrounds location would be midway between the population to the north of the Interstate and the population in Corona de Tucson. Mr. Howard noted that the City has no intention of annexing Corona de Tucson, and that those two populations are very different.

Vice-Chair Campbell stated that it might not be the best plan to prioritize projects that should include private funding matches, unless the match is likely. Mr. Huckelberry responded that the types of projects where he recommended a private match were for projects that only differed slightly in his funding recommendation versus the subcommittees, with the expectation that the scope could be reduced and project still be built almost in its entirety if no matching funds are secured (i.e. three softball fields versus four at a complex).

Mr. Flagg stated that the average family income in South Tucson is \$15,000 a year and that this population really needs help in the way of Affordable Housing and Neighborhood Reinvestment. He also noted that South Tucson could get out the votes.

MOTION: Mr. Flagg moved, seconded by Mr. Benchik, to tentatively approve \$30 million for Affordable Housing (CD-1) and \$30 million for Neighborhood Reinvestment (CD-2).

Mr. Benchik noted that if the Committee is to recommend an increase from Mr. Huckelberry's recommendation, then perhaps the Committee should recommend a decrease in another project that may not need funding, such as the Marana Health Center. Mr. Six and Mr. Sullivan noted that Green Valley and Marana also have significant needs. Vice-Chair Campbell questioned whether \$30 million was enough and stated that the Committee should use the subcommittees' recommendations as the baseline, not Mr. Huckelberry's. Mr. Flagg agreed to a friendly amendment to consider the votes separately for each project. Mr. Davidson said the Committee should still give credence to Mr. Huckelberry's recommendations and think of other funding sources. Mr. Davidson further stated that the 1997 Neighborhood Reinvestment and Affordable Housing bond projects were small and targeted, and questioned whether municipalities should step up to fund larger projects versus significantly expanding and generalizing these project categories. Mr. Warne agreed with Mr. Flagg's motion stating that Tucson has become unsafe, Arizona is 49th in education, etc.

SUBSTITUTE MOTION: Mr. Sullivan, seconded by Mr. Six, moved a substitute motion to tentatively approve \$15 million for Neighborhood Reinvestment. Ms. Hutts stated that the Committee was going at this wrong and that there will likely be the need to recommend substantially less for most projects. The substitute motion failed 8-8.

The original motion passed 14-2 for tentative approval of Affordable housing (CD-1) at \$30 million, and 10-6 for tentative approval of Neighborhood Reinvestment (CD-2) at \$30 million.

MOTION: Mr. Benchik moved, seconded by Mr. Flagg, to tentatively approve \$5 million for Floodprone Land Acquisition (FC-2). Motion approved 15-0 (Mr. Sullivan left meeting).

Vice-Chair Campbell asked Linda Mayro, Cultural Resources manager for Pima County, to explain the recommendations regarding 3 cultural resource projects.

MOTION: Mr. Davidson moved, seconded by Vice-Chair Campbell, to tentatively approve \$1.5 million for HP-103 Archaeological Site Acquisitions. Motion approved 14-0 (Mr. Hecker not present for vote).

MOTION: Mr. Benchik moved, seconded by Ms. Hutts, to tentatively approve \$2 million for HP-108 Site Interpretation/Preservation. Motion approved 14-0 (Mr. Hecker not present for vote).

MOTION: Mr. Sheafe moved, seconded by Mr. Warne, to tentatively approve \$250,000 for HP-109 Vail Historic Sites. Motion approved 14-0 (Mr. Hecker not present for vote).

Moving on to the Davis-Monthan Open Space project, Mr. Howard asked about deferring the vote until someone from that Committee or a member of the affected public could come before the Committee. It was discussed whether it was still valuable to keep voting on each project individually and the Committee decided to continue.

MOTION: Mr. Sheafe moved, seconded by Mr. Benchik, to tentatively approve \$5 million for OS-1 David Monthan Approach Corridor Open Space Acquisitions. Motion approved 13-1 (Vice-Chair Campbell not present for vote).

MOTION: Ms. Hutts moved, seconded by Mr. Six, to tentatively approve \$110 million for OS-2 Habitat Protection Priorities. Vice-Chair Campbell stated that the Board approved a phased acquisition of the Marley Ranch, the second two phases would cost \$80 million, and therefore \$110 million would only leave \$30 million for other properties. Mr. Davidson stated that it was still \$110 million, which would once again provide open space category with one of the highest amounts of funding, similar to the 2004 bond election. Mr. Hecker clarified that there was an oversight committee that decides which properties are purchased with this bucket of funding. Nicole Fyffe, Assistant to County Administrator, noted that the second two phases of the Marley acquisition are options, and that the County or oversight committee could choose not to exercise the options, though that was unlikely. Mr. Flagg stated that he highly supported the open space projects. Vice-Chair Campbell added that the Rosemont Ranch is one of the properties included as eligible to purchase with this funding source, and that \$110 million may not get both the Marley Ranch and Rosemont Ranch, should it become available. Vice-Chair Campbell also noted that The Nature Conservancy had written a letter to the Committee stating that there still is a chance for State Trust land reform, and if such reform did occur, funding would be needed to acquire State Trust land for conservation. Mr. Huckelberry had stated that one of his reasons for recommending a greatly reduced amount for open space was that State Trust land reform had not yet occurred.

SUBSTITUTE MOTION: Vice-Chair Campbell moved a substitute motion, seconded by Mr. Sheafe, to delay a vote on OS-2 and OS-3 to see if State Trust land legislation moves forward. Mr. Sheafe noted that in Washington State they save significant money by purchasing just the development rights on properties. Vice-Chair Campbell responded that the County's program has tried to purchase just development rights but that sellers have not been interested. Motion approved 13-2.

MOTION: Mr. Sheafe moved, seconded by Ms. Hutts, to tentatively approve \$5 million for PR-8- Canoa Ranch Historic Interpretive Center. Motion approved 15-0.

Since this was the end of the projects in Table 1 and the meeting was coming to a close, the Committee agreed to continue the other tables to the next meeting.

4. Other Future Agenda Items and Next Meeting

Next meeting is scheduled for February 19, 2010. Agenda items will include a report on the Board of Supervisors February 2, 2010 discussion regarding a future bond election, as well as continued deliberation by the Committee on projects in Group2B. Mr. Hecker requested a graphic similar to fundraising goal graphics, to show how much of the available funding the Committee has already consumed via the tentatively approved projects.

5. Call to the Audience

Two speaker cards were submitted in support of the Ajo Community Golf Course (Carol Peek and Leonard Peek).

Chuck Catino spoke in support of BAJA Sports Complex, and urged the Committee to make a decision soon.

Elizabeth Webb stated that outlying areas such as Vail carry the vote. She thanked the Committee for supporting Vail Area Historic Sites project. She also stated that Corona de Tucson Fire District is opposed to Mr. Huckelberry's suggested location for the Eastside Gov/Community Center, and that other County and private parcels north of Interstate 10 should be researched. Furthermore she supports \$15.8 million for the Eastside Gov/Community Center, to include a park in first phase and land acquisition.

6. Adjournment

Meeting was adjourned at 10:35 a.m.