

**Report and Recommendations on Amending County Bond Ordinances  
County Bond Advisory Committee, March 19, 2010**

Ordinance No. 2010 - \_\_\_\_\_ Amending Ordinance Number 1997-35 Bond Implementation Plan, May 20, 1997 Special Election (as amended September 22, 1998 by Ordinance Number 1998-58; August 20, 2001 by Ordinance Number 2001-111; March 9, 2004 by Ordinance Number 2004-15; October 11, 2005 by Ordinance Number 2005-91; April 4, 2006 by Ordinance Number 2006-19; October 17, 2006 by Ordinance Number 2006-82; April 10, 2007 by Ordinance Number 2007-32; November 6, 2007 by Ordinance Number 2007-94; April 1, 2008 by Ordinance Number 2008-24; November 18, 2008 by Ordinance Number 2008-107; and October 6, 2009 by Ordinance Number 2009-90)

Ordinance No. 2010 - \_\_\_\_\_ Amending Ordinance Number 1997-80 Bond Implementation Plan, November 4, 1997 Special Election (as amended September 22, 1998 by Ordinance No. 1998-59, August 20, 2001 by Ordinance No. 2001-112, December 14, 2004 by Ordinance No. 2004-118, October 11, 2005 by Ordinance No. 2005-90, April 4, 2006 by Ordinance No. 2006-20, October 17, 2006 by Ordinance No. 2006-83, November 6, 2007 by Ordinance No. 2007-93, April 21, 2009 by Ordinance No. 2009-39, and October 6, 2009 by Ordinance No. 2009-91)

Ordinance No. 2010 - \_\_\_\_\_ Amending Ordinance Number 2004-18 Bond Implementation Plan, May 18, 2004 Special Election (as amended October 11, 2005 by Ordinance Number 2005-92 and April 4, 2006 by Ordinance Number 2006-21 and October 17, 2006 by Ordinance Number 2006-84 and April 10, 2007 by Ordinance Number 2007-33 and November 6, 2007 by Ordinance Number 2007-95 and April 1, 2008 by Ordinance Number 2008-25 and November 18, 2008 by Ordinance Number 2008-106 and April 21, 2009 by Ordinance Number 2009-40 and October 6, 2009 by Ordinance Number 2009-92)

**I. Background**

The County is currently implementing several bond programs: the May 20, 1997 General Obligation and Sewer Revenue Bond Program, the November 4, 1997 Highway User Revenue Fund (HURF) Transportation Bond Program, and the May 18, 2004 General Obligation and Sewer Revenue Bond Program. Pima County Code Chapter 3.06, the "Truth in Bonding" code, requires that bond ordinances be amended to reflect substantial modifications to bond-funded projects. The code defines what constitutes a "substantial modification," and when an amendment must be adopted in relation to actions of the Board that implement affected projects. The code also requires that amendments to bond ordinances be considered and adopted by the Board at public hearings, after advance public notice, and only after review by the County Bond Advisory Committee.

Recommended amendments to these bond programs include proposed changes to 6 projects from the May 20, 1997 General Obligation and Sewer Revenue Bond Program, 4 projects from the November 4, 1997 Transportation Bond Improvement Program, and 10 projects from the May 18, 2004 General Obligation and Sewer Revenue Bond Program. This is the 12th round of amendments for the 1997 General Obligation and Sewer Revenue Bond Program, the 10th round of amendments for 1997 Transportation Bond Improvement Program, and the 10th round of amendments to the May 18, 2004 General Obligation and Sewer Revenue Bond Program. The recommended amendments affect the following projects:

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1997 GO and Sewer

- P-5 Tucson Athletic and Play Field Improvements
- P-11 Yaqui Park Improvements
- FC-1 Santa Cruz River, Grant to Ft. Lowell
- SW-2 Tangerine Landfill Closure
- SS-5 Tanque Verde Interceptor, Craycroft to Tucson Country Club (Phase I)
- SS-15 Ed Pastor Environmental Restoration Project

1997 Transportation

- DOT-11 Drexel Road, Tucson Boulevard to Alvernon Way
- DOT-20 La Cholla Boulevard, Ruthrauff to River Road
- DOT-31 Tanque Verde Road, Catalina Highway to Houghton Road
- DOT-37 Interstate 19 Northbound Frontage Road, Canoa to Continental

2004 GO

- 1.18 Kelly Ranch
- 3.1 Pima County Regional Public Safety Communications Network
- 4.8 Marana Mound Community Site
- 4.11 Honey Bee Village Site Acquisition
- 4.13 Tumamoc Hill Acquisition
- 4.16 Ajo Curley School Art Institute
- 6.3 Santa Cruz Interceptor, Prince to Franklin
- 6.4 Roger Road Wastewater Treatment Plant (WWTP) to Ina Road Interconnect
- 6.10 New Marana Wastewater Treatment Plant (WWTP) Expansion
- 6.12 Mt. Lemmon Sewer System

**II. Ordinance Amendment Requirements Per the Truth In Bonding Code**

Section 3.06.070 of Pima County's Truth in Bonding Code establishes procedures for making changes to a bond improvement plan ordinance. Recognizing that over time the availability of more detailed design and cost information, and changes in circumstances, often require changes in a bond improvement plan presented to the voters at the time of a bond election, Section 3.06.070 authorizes the Board to amend bond improvement plans to accommodate "substantial modifications" to projects. Substantial modifications are defined as:

1. An increase or decrease in total actual project costs by 25 percent or more
2. An increase or decrease in actual bond costs by 25 percent or more
3. An increase or decrease in actual other revenues by 25 percent or more
4. A delay in a project construction or implementation schedule of 12 months or more
5. A delay in the scheduled sale of bonds of 24 months or more
6. Any project that is not constructed
7. Any project that is added to those to be constructed
8. Any increase or decrease in the project scope that alters the disclosed project benefits
9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election

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The required timing of an amendment varies based on whether the amendment impacts only funding, or other aspects of a project. Pursuant to the Code, the Board of Supervisors can authorize a substantial modification to the funding for a project on a de facto basis by awarding or amending a contract for the project that reflects that change in funding, while at the same time acknowledging that the action will require a future conforming amendment to the bond ordinance. In this situation, the amendment takes place after the Board takes action by awarding a contract. The reason for this is that amendments should not be based on cost estimates, and prior to the awarding of contracts or approval of purchase agreements, cost estimates may vary. For all other types of substantial modifications, an amendment of the bond ordinance is necessary before the modification is implemented.

The County Bond Advisory Committee is tasked with reviewing and making recommendations to the Board of Supervisors regarding all proposed bond ordinance amendments.

**III. Recommended Amendments**

In order to amend the bond ordinances, the Board will be asked to adopt a separate ordinance for each of the two affected bond programs. The three ordinances are attached to this report, with language that is being deleted shown in the "strike-out format" (~~example~~), while new language that is being added to the ordinances is underlined (example). Note that the titles of projects were originally underlined, and therefore this does not necessarily mean that the titles are changing. In this format, the ordinances only contain those projects that are being amended, and do not reproduce the entirety of each of the three bond ordinances.

A brief description of the recommended ordinance amendments' impact on each project is presented below.

**A. Recommendations for Ordinance Amendments Relative to the 1997 General Obligation and Sewer Revenue Bond Program**

**P-5 Tucson Athletic and Play Field Improvements**

This ordinance amendment would add implementation periods to enable continued use of the \$327,000 in funding remaining under this project until 2012/13. This project provides a maximum of \$150,000 of individual funding allocations for improvements to existing parks. The projects are community driven. Fourteen projects have been completed and another five are underway.

**P-11 Yaqui Park Improvements**

This ordinance amendment would expand the scope of the project to add the installation of a ramada at the Kino Coalition/Hidalgo Neighborhood Park, 2 miles from Yaqui Park, and extends the implementation period through 2014/15. To date \$650,000 has been spent on land acquisition and design. A previous amendment reduced the scope to eliminate the development of a community center. Additional funding is needed to complete the project as originally intended and has been requested for a future bond election (PR93 Yaqui Park Community Center, \$2.35 million, Tentatively Approved Project by the Bond Advisory Committee).

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**FC-1 Santa Cruz River, Grant to Ft. Lowell**

This project was completed in 2006. This ordinance amendment is to reflect the additional other funding sources that were used to complete the project.

**SW-2 Tangerine Landfill Closure**

This ordinance amendment would extend implementation of the project through 2014/15, deferring closure of the landfill. Useful life of the landfill facility has been extended.

**SS-5 Tanque Verde Interceptor, Craycroft to Tucson Country Club (Phase I)**

The ordinance amendment would correct an administrative mistake during a previous ordinance amendment. On February 29, 2008, the Bond Advisory Committee approved staff's recommendation to reduce the scope of this project to design and right of way acquisition, and in turn reduce the bond funding for this project from \$4,050,000 to \$1,336,522. The Board adopted this change on April 1, 2008. This scope and bond fund reduction was recommended because the project became eligible for federal funding. The \$2,713,478 in bond funds no longer needed for this project was then reallocated to the 2004 project 6.11 Avra Valley BNROD Expansion project. For accounting purposes, bond funds cannot be reallocated between two different bond programs (i.e. from a 1997 project to a 2004 project). Instead staff should have amended the scope of the 1997 project to include the Avra Valley BNROD project. This ordinance amendment corrects this mistake.

**SS-15 Ed Pastor Environmental Restoration Project**

This project was completed in 2001. This ordinance amendment is to reflect how the remaining \$54,052 was spent. These remaining funds were spent on the 2004 Bond Project 6.4 Roger Road to Ina Road Wastewater Treatment Plant Interconnect.

**B. Recommendations for Ordinance Amendments Relative to the 1997 Transportation Bond Program**

**DOT-11 Drexel Road, Tucson Boulevard to Alvernon Way**

This ordinance amendment would extend the implementation periods for this project. Due to a decrease in Highway User Revenue Funds (HURF) from the State, the County has had to prioritize which transportation projects to move forward first. It was determined that this project could be deferred beyond the current 5-year planning period. When the project becomes part of the five-year program again, it will be evaluated for cost and completion schedule at that time.

**DOT-20 La Cholla Boulevard, Ruthrauff to River Road**

The project was included in the Regional Transportation Authority (RTA) package and is being tracked and reported through the RTA. A note was added to the bond ordinance after approval of the RTA plan stating that the project was now part of an RTA project and amendments to scope, implementation periods, and funding may be necessary in the future. The ordinance amendment reflects the additional funding sources, including bond funds, per the RTA. Project is scheduled to be complete by fall of 2011.

### **DOT-31 Tanque Verde Road, Catalina Highway to Houghton Road**

The project was included in the Regional Transportation Authority (RTA) package and is being tracked and reported through the RTA. A note was added to the bond ordinance after approval of the RTA plan stating that the project was now part of an RTA project and amendments to scope, implementation periods, and funding may be necessary in the future. The ordinance amendment reflects the additional funding sources, per the RTA, and reduces bond funds for the project. Project is scheduled to be complete by fall of 2011.

### **DOT-37 Interstate 19 Northbound Frontage Road, Canoa to Continental**

The project was included in the Regional Transportation Authority (RTA) package and is being tracked and reported through the RTA. A note was added to the bond ordinance after approval of the RTA plan stating that the project was now part of an RTA project and amendments to scope, implementation periods, and funding may be necessary in the future. The ordinance amendment reflects the additional funding sources per the RTA. Project is scheduled to be complete by fall of 2010.

## **C. Recommendations for Ordinance Amendments Relative to the 2004 General Obligation Bond Program**

### **1.18 Kelly Ranch**

This ordinance amendment would add the purchase of two additional properties totaling 13 acres to the Kelly Ranch project area. On September 16, 2009, the Town of Oro Valley's Mayor and Council passed Resolution 09-61 requesting a bond ordinance amendment to enable the purchase of these two properties. According to the Town, the owner of the Kelly Ranch property is unwilling to sell for the amount of bond funds available, and is unwilling to sell only a portion of the property. These two additional properties are within an important wildlife corridor that facilitate movement of wildlife between the Catalina and Tortolita Mountains, and are approximately two miles north of Kelly Ranch along Oracle Road. The County has negotiated an acquisition agreement with the owner of the two parcels for \$920,000, which would leave approximately \$1.5 million in this project for future purchases. The acquisition agreement includes a clause making the acquisition contingent on a bond ordinance amendment. The Conservation Acquisition Commission on October 29, 2009 unanimously recommended the bond ordinance amendment to the Bond Advisory Committee.

### **3.1 Pima County Regional Public Safety Communications Network**

This ordinance amendment would reduce the scope of the project, as recommended by the Executive Management Committee, enabling use of the bond funding for the two highest priorities of the project: (1) implementation of a voice communications system and (2) construction of a communications and emergency operations center, as well as refurbishing the City of Tucson's communications facility to provide mutual backup of 911 and dispatch capabilities. The reduction would eliminate the mobile data and automatic vehicle location portions of the project due to a Federal Communications Commission decision that resulted in certain channels no longer being available to Pima County for mobile data, and due to the fact that several of the participating agencies have already deployed automatic vehicle location capabilities on their own. The ordinance amendment would also revise the cost allocations based upon actual design and

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contract awards. In addition, the user and technical advisory committees to the Executive Management Committee have completed their specification tasks and would be disbanded with the understanding that the Executive Management Committee would call upon participating agencies for specific input on an as needed basis. Attached is a letter from the Pima County Sheriff providing more details on the need for this amendment.

**4.8 Marana Mound Community Site**

**4.11 Honey Bee Village Site Acquisition**

This ordinance amendment would reallocate \$310,000 in bond authorization from the Marana Mound Community Site acquisition to the Honey Bee Village Site acquisition, and extends the implementation period for the Honey Bee Village Site acquisition project through fiscal year 2015/16. The County is unable to purchase the Marana Mound Community Site because the site is on State Trust land and has not been reclassified by the State Land Department for conservation. Additional funding is necessary to complete the Honey Bee Village Site project, which includes acquisition and archeological data recovery. The project is scheduled for completion in January 2012.

**4.13 Tumamoc Hill Acquisition**

This ordinance amendment would expand the scope of the project to add activities that would further protect and interpret County-owned cultural resource sites in addition to Tumamoc Hill. The State Trust land on Tumamoc Hill was acquired in 2009 with a combination of bond funds and a grant from State Parks. Approximately \$200,000 in bond funding remains, and is proposed for boundary demarcation, preservation planning, fencing and other protection measures, and interpretation on Tumamoc Hill and other cultural resource sites owned by the County. These additional activities are scheduled to be complete by fiscal year 2011/12.

**4.16 Ajo Curley School Art Institute**

This ordinance amendment would increase other funding by \$615,000 due to the award of a \$500,000 Transportation Enhancement grant to rehabilitate the Ajo Train Depot and the award of a \$115,000 Community Development Block Grant for the purchase of the Ajo Curley Gymnasium. The amendment would also extend the project implementation period through fiscal year 2015/16. Design for the rehabilitation of the train depot is scheduled to begin April 2010 and construction is scheduled to begin March 2011. To date, \$209,421 in bond funds have been spent on purchase of the gymnasium, and purchase of preservation easements on the school and train depot.

**6.3 Santa Cruz Interceptor, Prince to Franklin**

This ordinance amendment would increase other funding for this project from \$14.5 million to \$19.6 million and would extend the implementation period through fiscal year 2011/12. The additional cost and time is to provide for the use of special construction techniques such as micro-tunneling and jack-and-bore horizontal drilling, which were not included in the original project estimates.

**6.4 Roger Road Wastewater Treatment Plant (WWTP) to Ina Road Water Pollution Control Facility (WPCF) Plant Interconnect**

This ordinance amendment would increase the total cost of the Roger Road to Ina Plant Interconnect from \$23 million to \$42.6 million, increase bond funding for the plant interconnect from \$21.2 million to \$22.5 million, and increase other funding from \$1.8 million to \$20 million. The increased bond funding would be reallocated to the interconnect project from Roger Road WWTP Infrastructure and Environmental Improvements project 6.1, totaling \$350,000, and the Mt. Lemmon Sewer System project 6.12, totaling \$986,682, described below. Increased funds are needed because the original estimate was based on a planning document, which did not adequately address cultural resource impacts, escalated land values, and the cost for installing two sets of siphons at the North Rillito and Canada Del Oro washes.

**6.10 New Marana Wastewater Treatment Plant (WWTP) Expansion**

This ordinance amendment would increase other funding from \$18.4 million to \$26.2 million. The need for the additional funding is due to projected growth tributary to the Marana WWTP, which required the interim construction of a 50,000 package plant and a 0.5 MGD Biolac treatment process to add to the 150,000 GPD existing package plant assemblages. In addition, facility upgrades were done on the headworks, pump station, and effluent disinfection.

**6.12 Mt. Lemmon Sewer System**

This ordinance amendment would reduce the scope of the Mt. Lemmon Sewer project and decrease project bond funding from \$1,500,000 to \$513,138 and decrease other funding from \$5,700,000 to \$7,917, to reflect what has been spent. The balance of the bond funding totaling \$986,862 would be reallocated to the Roger Road to Ina Plant Interconnect. Damage to the Mt. Lemmon sewer system from the fire was minimal and isolated rehabilitation was completed. A community-wide conceptual study was completed and concluded that local redevelopment was not occurring as predicted and the short-term projected growth in the basin was not expected to exceed the treatment plant capacity.