

Staff Report and Recommendations

**Report and Recommendations on Amending Pima County's
1997 and 2004 General Obligation Bond Ordinances
Pima County Bond Advisory Committee, March 11, 2016**

I. Background

Pima County Code Chapter 3.06, the "Truth in Bonding" code, requires that bond implementation plan 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. Certain projects also require action by the governing body of cities, towns, tribes and other County committees.

This round of bond ordinance amendments affects one project from the May 20, 1997 General Obligation Bond Program and two projects from the May 18, 2004 General Obligation Bond Program:

1997 General Obligation Bonds

NR-16 Neighborhood Reinvestment

2004 General Obligation Bonds

2.10 Neighborhood Reinvestment Affordable Housing Program

5.6 Santa Cruz River, Ajo to 29th Street

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 implementation plan ordinance. Recognizing that over time the availability of more detailed design and cost information, and changes in circumstances, may require changes in a bond implementation plan presented to the voters at the time of a bond election, Section 3.06.070 authorizes the Board to amend bond implementation 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

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,

**Staff Report and Recommendations on Amending Bond Ordinances
Pima County Bond Advisory Committee, March 11, 2016**

Page 2

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

The 1997 and 2004 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 ordinance is underlined (example). All changes are highlighted as well. In this format, the ordinance only contains those projects that are being amended, and does not reproduce the entirety of the ordinance.

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

1997 General Obligation Bonds

NR-16 Neighborhood Reinvestment

The 1997 bond authorization for Neighborhood Reinvestment projects includes remaining funds of \$700,000. This ordinance amendment would extend the timeframe available for expending these remaining funds by adding implementation periods to the project. The Neighborhood Reinvestment Oversight Committee is currently reviewing applications for possible use of Neighborhood Reinvestment funds. The proposals, if funded, would utilize these remaining funds. The Neighborhood Reinvestment Oversight Committee meets on March 4 to make funding recommendations.

2004 General Obligation Bonds

2.10 Neighborhood Reinvestment Affordable Housing Program

The 2004 bond authorization for affordable housing includes remaining funds of \$1.8 million. This funding was previously awarded to housing projects that, for various reasons beyond the County’s control, did not spend those funds. On January 20, 2016 the County published a Notice of Funding Availability, which is the first step in soliciting proposals for these remaining funds. Affordable Housing projects are complex as they almost always include a variety of funding and tax credits in excess of the County’s bond funds. This ordinance amendment would extend the timeframe available for expending these remaining funds by adding implementation periods to the project.

5.6 Santa Cruz River, Ajo to 29th Street

**Staff Report and Recommendations on Amending Bond Ordinances
Pima County Bond Advisory Committee, March 11, 2016**

Page 3

This project is substantially complete. It is also known as the Paseo del Las Iglesias project that included significant ecosystem restoration along both banks of the river, a new section of The Loop, parking areas, a restroom and new soil cement bank protection. A grand opening was held last spring. This ordinance amendment would increase other funding from zero to \$528,625 for the purposes of completing the earthwork and landscaping establishment, which are scheduled to be complete by September, 2016. The total project funding will also be revised accordingly.

May 20, 1997
General Obligation & Sewer

Bond Implementation Plan

ORDINANCE NO. 1997-35

(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; and April 4, 2006 by Ordinance Number

2006-19; and October 17, 2006 by Ordinance Number 2006-82; and April 10, 2007 by Ordinance Number 2007-32; and November 6, 2007 by Ordinance Number 2007-94; and April 1, 2008 by Ordinance Number 2008-24; and November 18, 2008 by Ordinance Number 2008-107; and October 6, 2009 by Ordinance Number 2009-90; and April 13, 2010 by Ordinance Number 2010-23, and October 19, 2010 by Ordinance Number 2010-64, and on April 5, 2011 by Ordinance Number 2011-19, and on October 18, 2011 by Ordinance Number 2011-78, and on April 17, 2012 by Ordinance Number 2012-18, on November 13, 2012 by Ordinance Number 2012-65, and on May 7, 2013 by Ordinance Number 2013-22, and on April 8, 2014 by Ordinance Number 2014-14)

ORDINANCE NUMBER 2016-___

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY ARIZONA RELATING TO GENERAL OBLIGATION AND SEWER REVENUE BOND PROJECTS AMENDING ORDINANCE NUMBER 1997-35 BOND IMPLEMENTATION PLAN, MAY 20, 1997 SPECIAL ELECTION (AS PREVIOUSLY AMENDED) FOR THE PURPOSE OF EXTENDING IMPLEMENTATION PERIODS.

The Board of Supervisors of Pima County (the “Board”) finds that:

- A. The Board of Supervisors adopted Chapter 3.06 of the Pima County Code titled “Bonding Disclosure, Accountability and Implementation”; and,
- B. In compliance with Chapter 3.06, the Board of Supervisors adopted Ordinance Number 1997-35, the “Bond Implementation Plan, May 20, 1997 Special Election”; and,
- C. The Board of Supervisors, has previously amended the Bond Implementation Plan a number of times in compliance with provisions of Chapter 3.06; and
- D. The Board of Supervisors desires to amend Ordinance Number 1997-35 (as previously amended) in compliance with provisions of Chapter 3.06;

BE IT ORDAINED by the Board of Supervisors of Pima County, Arizona, that:

Ordinance Number 1997-35 (as previously amended) is hereby amended as follows:

Table 5

Planned Bond Project/Program Implementation Period

<u>Fiscal Year</u>	<u>Implementation Period</u>	<u>Cumulative Bond Sale</u>
1997/98	1	\$ 30,000,000
1998/99	1	60,000,000
1999/2000	2	90,000,000
2000/01	2	120,000,000
2001/02	3	160,000,000
2002/03	3	205,000,000
2003/04	4	256,980,000
2004/05	4	---
2005/06	5	---
2006/07	5	---
2007/08	6	---
2008/09	6	---
2009/10	7	---
2010/11	7	---
2011/12	8	---
2012/13	8	---
2013/14	9	---
2014/15	9	---
<u>2015/16</u>	<u>10</u>	
<u>2016/17</u>	<u>10</u>	-
<u>2017/18</u>	<u>11</u>	-
<u>2018/19</u>	<u>11</u>	-

16) Project

NR-16 -- Neighborhood Reinvestment

Location: Various

Bond Funding: \$10,000,000

Scope: Provision of a source of funding for small scale, targeted capital improvement projects in neighborhoods throughout Pima County characterized by indicators of high stress (poverty and unemployment, substandard housing, high crime, teenage pregnancies) for investments in upgraded housing, demolition of abandoned and unsafe buildings, construction and conversion of structures to serve as neighborhood resource centers, construction of recreational facilities, and construction of public safety improvements such as street lighting, paving, and traffic control devices. (See pages 108,109)

Benefit: Neighborhood organizations seeking to stabilize and improve their communities can leverage small scale, targeted capital improvements proposed under this program into anchors and focal points around which the residents can mobilize to make their neighborhoods safer for their children and themselves.

Other Funding: \$110,448 (\$30,064 CDBG Funds, \$80,384 General Fund)

Implementation Period: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

Future Operating & Maintenance Costs: Unknown

PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, on this ____ day of _____, 2016.

Chair, Board of Supervisors

Attest:

Reviewed by:

Clerk, Board of Supervisors

County Administrator

Approved as to Form:

Civil Deputy County Attorney

May 18, 2004
General Obligation & Sewer

Bond Implementation Plan

ORDINANCE NO. 2004-18

(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; and April 13, 2010 by Ordinance Number 2010-24; and October 19, 2010 by Ordinance Number 2010-63; and December 7, 2010 by Ordinance Number 2010-70; and April 5, 2011 by Ordinance Number 2011-21; and October 18, 2011 by Ordinance Number 2011-79; and April 17, 2012 by Ordinance 2012-20; and November 13, 2012 by Ordinance 2012-66 ; and May 7, 2013 by Ordinance 2013-24; and October 15, 2013 by Ordinance 2013-45; and April 8, 2014 by Ordinance 2014-15; and July 1, 2014 by Ordinance 2014-31; and April 7, 2015 by Ordinance 2015-11)

ORDINANCE NO. 2016-____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY ARIZONA RELATING TO GENERAL OBLIGATION AND SEWER REVENUE BOND PROJECTS AMENDING ORDINANCE NUMBER 2004-18 BOND IMPLEMENTATION PLAN, MAY 18, 2004 SPECIAL ELECTION (AS PREVIOUSLY AMENDED) FOR THE PURPOSE OF AMENDING OTHER FUNDING AND EXTENDING THE IMPLEMENTATION SCHEDULE OF CERTAIN PROJECTS.

The Board of Supervisors of Pima County (the “Board”) finds that:

- A. The Board of Supervisors adopted Chapter 3.06 of the Pima County Code titled “Bonding Disclosure, Accountability and Implementation;” and
- B. In compliance with Chapter 3.06, the Board of Supervisors adopted Ordinance Number 2004-18, the “Bond Implementation Plan, May 18, 2004 Special Election;” and
- C. The Board of Supervisors, has previously amended the Bond Implementation Plan a number of times in compliance with provisions of Chapter 3.06; and
- D. The Board of Supervisors desires to further amend Ordinance Number 2004-18 (as previously amended) in compliance with provisions of Chapter 3.06;

BE IT ORDAINED by the Board of Supervisors of Pima County, Arizona:

Ordinance Number 2004-18 (as previously amended) is hereby amended as follows:

Table 9

Implementation Periods

<u>Implementation Period</u>	<u>Fiscal Years</u>
1	2004/05 2005/06
2	2006/07 2007/08
3	2008/09 2009/10
4	2010/11 2011/12
5	2012/13 2013/14
6	2014/15 2015/16
<u>7</u>	<u>2016/17</u> <u>2017/18</u>

2.10 Neighborhood Reinvestment Affordable Housing Programs

Location: Countywide

Scope: Provide funds to non-profit corporations, units of government, or licensed builders in the private sector for the development of affordable housing.

Benefits: Expand home ownership opportunities and provide access to affordable housing for low-income residents of Pima County. Encourage public-private partnerships for the development of affordable housing.

Bond Funding: \$10,000,000

Other Funding: Affordable housing projects will typically use several funding sources, some of which include the Home Investment Partnership Program (HOME), Community Development Block Grants (CDBG), the State of Arizona Department of Housing, foundations, private lenders, and owner equity. On average, bond funds are leveraged 10:1.

Project Duration: Projects will be selected through an application process. Staff and the Housing Bond Advisory Committee will review applications on an ongoing basis based on the availability of funds. Projects will be evaluated and recommendations will be made to the Board of Supervisors for final approval.

Implementation Period: 1, 2, 3, 4, 5, 6, 7

Project Management: A Pima County Project Manager will oversee the project and work closely with the applicant, developer and contractor.

Future Operating and Maintenance Costs: These projects typically will result in minimal future operating and maintenance costs for the participating local jurisdictions and typically will be costs for infrastructure improvements. Ongoing annual costs of the housing will be the responsibility of the owners.

5.6 Santa Cruz River, Ajo to 29th Street

Location: Santa Cruz River Park: an approximate 1.5-mile reach between Ajo Way and 29th Street.

Scope: This project is considered the first phase of the Paseo de las Iglesias Project for flood control, river park and riparian habitat improvements. The Paseo de las Iglesias project is a joint Pima County and United States Army Corps of Engineers planning and feasibility study for flood control and riparian habitat restoration improvements from Congress south to the Los Reales Road alignment. This project, from 29th Street (Silverlake) to Ajo Way, is the first phase of construction for flood control improvements and linear river park system improvements along the Santa Cruz River to link to existing improvements from Grant Road to 29th Street (Silverlake), and from Ajo Way south to Irvington Road to create a continuous 7-mile long river park system. This project will also join the Santa Cruz River park system to the Tucson Diversion Channel (Julian Wash) linear river trail system. This project will provide flood and erosion control using reinforced soil cement low flow bank protection and one grade control structure along the Santa Cruz River supplementing the river linear park improvements and trails. Ecosystem restoration and riparian habitat enhancement are planned along the Santa Cruz River and the Old West Branch of the Santa Cruz River.

Benefits: This project will benefit the community at large as it protects and provides continuation of the Juan Bautista National Trail, the Pima County linear river park and trail systems, and provides alternative modes of transportation along the Santa Cruz River. This project along with the proposed 2004 Bond Project from Grant Road to El Camino del Cerro will provide a continuous system of river improvements and linear park system and trails for a total of 10 river miles by providing a link to connect two existing segments of the Santa Cruz River Linear Park and provide a connection to the linear park and bike paths along the Tucson Diversion Channel to the Sam Lena Park. The project provides for ecosystem restoration and supports the Sonoran Desert Conservation Plan for riparian habitat protection and preservation. The project also provides erosion and flood control to protect existing residences and businesses along the Santa Cruz River, and to protect former landfill sites to prevent inundation and adverse impacts to groundwater quality.

Cost: ~~\$17,200,000, with Administration being \$25,000, Planning being \$25,000, Design being \$600,000, Land acquisition being \$250,000, Utility Relocation being \$440,000, and Construction being \$15,860,000.~~ \$14,528,625

Bond Funding: \$14,000,000

Other Funding: ~~None identified at this time.~~ \$528,625 (\$419,930 Tax Levy, \$82,489 City of Tucson, \$1,800 Misc Income, \$24,841 1997 FC-14 GO Bonds)

Project Duration: Total project duration is estimated at 72 months, 6 years total to complete flood control improvements, linear park improvements and habitat restoration, with Planning at

24 to 36 months, Design at 24 to 36 months, Land acquisition at 12 to 24 months, and Construction at 48 to 60 months.

Implementation Period: 1, 2, 3, 4, 5, 6

Project Management: Pima County Flood Control District, in close consultation with the City of Tucson.

Future Operating and Maintenance Costs: Pima County Natural Resources, Parks and Recreation for the linear river park. The Flood Control District will provide operating and maintenance for riparian habitat: \$100,000 per year for the initial 5-year vegetation establishment period for erosion control and to meet mitigation and 404 permit requirements, then \$72,250 per mile annually.

PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, on this ____ day of _____, 2016.

Chair, Board of Supervisors

Attest:

Reviewed by:

Clerk, Board of Supervisors

County Administrator

Approved as to Form:

Civil Deputy County Attorney