Pima County BOND PROGRAM Update

PIMA COUNTY

Semi-Annual Report for Fiscal Year 2015/2016

Period Ending December 31, 2015

Introduction

Pima County provides status updates twice a year for recently completed and ongoing bond projects from elections in 1997, 2004, 2006 and 2014. Detailed information about these bond projects is available at www.pima.gov/bonds, including an interactive map highlighting over 700 bond projects completed since 1997. The 1997, 2004, and 2006 General Obligation (GO) Bond Programs are substantially complete, and the 1997 and 2004 Sewer Revenue (SR) Bond Programs have been completed. This update reports the progress of the 1997 Highway User Revenue Fund (HURF) Bond Program, the 2004 GO Bond Program and the 2014 GO Bond Program, at the end of December 2015.

Public Service Building, completed 2013

Financial Summary

Bond Authorization and Sales

The seven bond authorizations listed below have had 25 bond sales totaling $1.42 billion, leaving seven percent of the bond authorizations remaining to be sold. Revenue collected from secondary property taxes is used to pay off GO debt on issued bonds. HURF bonds are issued and repaid with taxes received from the State of Arizona's distribution of HURF funds from multiple sources, including the vehicle license tax, fuel tax, motor carrier fees and use taxes. SR bonds are issued and repaid with sewer user and connection fees. For detailed financial information, please refer to the Comprehensive Annual Financial Report (CAFR) at: http://webcms.pima.gov/government/finance_and_risk_management.

Bond Sales

Bonds	*Total Authorization (Millions)*	*Total Bond Sales (Millions)*	*Remaining Authorization (Millions)*	*Percent Remaining*
1997 General Obligation	$ 257.0	$ 255.4	$ 1.6	1%
1997 Sewer Revenue	$ 105.0	$ 105.0	$ 0.0	0%
1997 HURF Revenue	$ 350.0	$ 276.6	$ 73.4	21%
2004 General Obligation	$ 582.2	$ 576.6	$ 5.6	1%
2004 Sewer Revenue	$ 150.0	$ 150.0	$ 0.0	0%
2006 General Obligation	$ 54.0	$ 53.6	$ 0.4	1%
2014 General Obligation	$ 22.0	$ 4.0	$ 18.0	82%
Total	**$1,520.2**	**$1,421.2**	**$ 99.0**	**7%**

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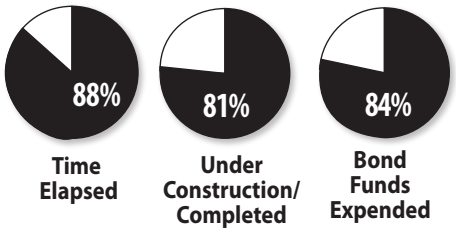
1997 HURF Revenue Bond Authorization



Excludes RTA Projects

1997 HURF Revenue Bonds Authorization

Total HURF Revenue Bonds	$ 350 million
Less RTA Projects Allocation	$ 70 million
Balance for Bond Program	$ 280 million

Summary

The Program includes 58 projects with a bond authorization of $350 million. With the approval of the Regional Transportation Authority (RTA) plan, nine of these projects, with approximately $70 million in bond authorization, is now included in the RTA status reports. $32 million of the bonds for the RTA projects has been spent. Completion of these projects is contingent upon RTA funding and priorities. The remaining $280 million in authorization consists of 47 site-specific projects and two multi-project programs. The two multi-project programs, Safety Improvements and Neighborhood Transportation Improvements, have spent approximately 69 percent of the authorized bond funds and projects will continue to be completed as funding allows. At the end of December 2015, 38 of the 47 site-specific projects or 81 percent are completed or under construction, and 84 percent or $235 million of the $280 million bond authorization has been spent.

The Program was originally planned for completion by FY 2013/14. However, due to a lack of HURF revenue caused by the economic downturn, more fuel efficient vehicles, and sweeps by the State Legislature, the Program will take longer to complete.

Regional Transportation Authority Projects (Supplemented by Bond Funds)

RTA Projects completed

Bond Number	***Name***
DOT-10	La Cañada Drive, Ina Road to Lambert Lane
DOT-20	La Cholla Boulevard: Ruthrauff Road to River Road
DOT-28	Speedway Boulevard, Camino Seco to Houghton Road, retired
DOT-31	Tanque Verde Road, Catalina Highway to Houghton Road
DOT-37	I-19 Northbound Frontage Road: Canoa to Continental
DOT-40	Grant Road, Oracle Road to Park Avenue, retired

RTA Projects in progress

Bond Number	***Name***
DOT-06	Magee Road, La Cañada Drive to Oracle Road
DOT-29	Houghton Road, Golf Links to I-10
DOT-56	Broadway Boulevard, Euclid Avenue to Campbell

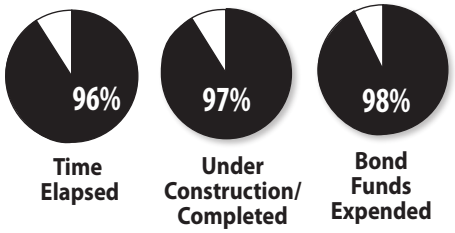
Questions	***Site-Specific Projects****	***Completed/ Construction***	***Design***	***Future***	***Retired***
HURF Revenue Bonds	47	38	1	3	5

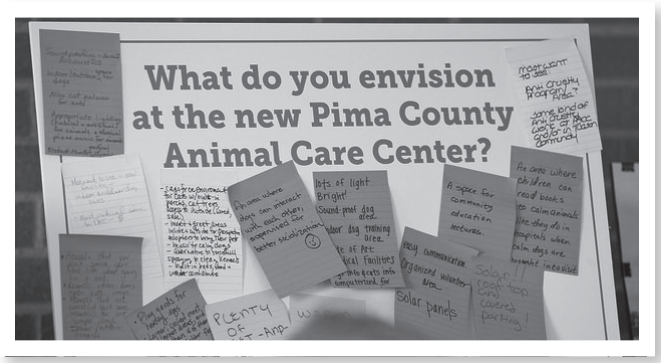
** Excludes program sub-projects and RTA projects*

Motor Pull-Outs and Concrete Work, Palo Verde, Ina & River Roads, Completed 2015

Magee Road - La Canada to Oracle, completed 2015

General Obligation Bonds



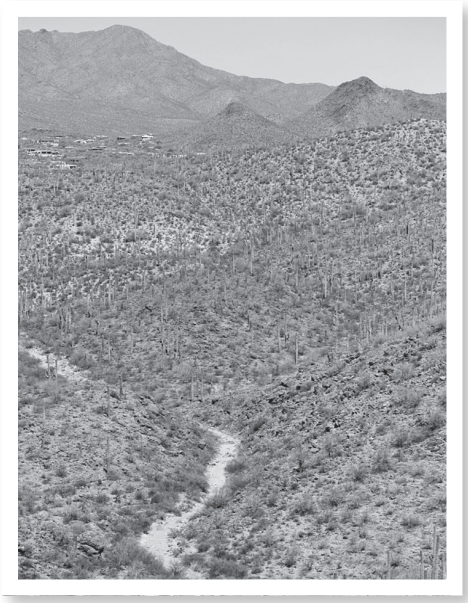


New Pima Animal Care Center, under development

2004 Summary

The 2004 GO Bond Program was authorized by the voters for $582.25 million. The program includes 70 site-specific projects. In addition to the 70 site-specific projects, seven programs will complete projects or acquisitions as identified. At the end of December 2015, 68 projects or 97 percent are either completed or under construction along with the acquisition of 71 open space properties. These projects and acquisitions, as well as projects in the design phase, have expended $569 million, or 98 percent, of the total $582.25 million in authorized bond funding.

In addition to the construction project questions, Question 1 authorization was for open space, habitat protection, and prevention of Davis-Monthan Air Force Base encroachment. As of December 31, 2015, there are 71 completed acquisitions.



Painted Hills, acquired 2014

*Site-Specific Questions**	*Site-Specific Projects***	*Completed/ Construction*	*Design*	*Future****
2004 General Obligation Bonds				
2. Public Health, Community Facilities	12	12	0	0
3. Public Safety and Justice Facilities	6	6	0	0
4. Parks, Recreational Facilities	46	45	1	0
5. River Parks and Flood Control	6	5	1	0
Total	**70**	**68**	**2**	**0**

**Does not include Question 1, Open Space, Habitat Protection, Davis Monthan AFB Encroachment Prevention land acquisitions.*

***Excludes program sub-projects.*

****Future means no formal activity ongoing.*

2004 Open Space Bond Program Status (Question 1)

Categories	*Beginning Authorization (Millions)*	*Number of Acquisitions*	*Remaining Authorization (Millions)*	*Percentage Remaining*
Community Open Space	$ 38.8	16	$ 0.0	0%
Jurisdictional Requests	$ 13.5	12	$ 0.0	0%
Habitat Protection Priorities	$ 112.0	25	$ 0.0	0%
Davis-Monthan AFB Encroachment	$ 10.0	18	$ 0.0	0%
Total	**$ 174.3**	**71**	**$ 0.0**	**0%**

2014 Summary

Proposition 415 was authorized by the voters on November 4, 2014 for GO bond sales of $22 million. The program will fund the construction of new animal care facilities on and around the existing Pima Animal Care Center at 4000 N. Silverbell Road. As of December 31, 2015, $420,700 of the bond authorization has been spent. See highlights section for more information.

Current Highlights

2004 General Obligation Bond Program

Question 1 - Sonoran Desert Open Space and Habitat Protection; Prevention Urban Encroachment of Davis-Monthan Air Force Base

Sonoran Desert Open Space and Habitat Protection - This program is complete. Voters authorized $164.3 million. Pima County purchased 53 properties, conserving 47,000 acres of land in fee and 127,000 acres of State grazing leases and Federal grazing permits. This equates to 20 percent of the lands identified in the 2004 bond ordinance as eligible for conservation. The final $1.5 million was spent in September of 2015 on the Painted Hills property.

Prevention of Urban Encroachment of Davis-Monthan Air Force Base - This program is complete. Pima County has spent all $10 million of the original authorization for 461 acres to prevent urban encroachment near Davis-Monthan Air Force Base. Eighteen parcels have been acquired.

Question 2 - Public Health and Community Facilities

The projects for the Public Health Facilities, Other Public Facilities, Ina Road Tire Facility Relocation, and County-Owned Museums have been completed.

NR2.09 Neighborhood Reinvestment - Fifty-six projects have been approved by the Board of Supervisors. Fifty-five projects are complete. The Five Points gateway and pedestrian safety project is in design and planned for completion in 2016. This will complete the program.

HR2.10 Housing Reinvestment - Nineteen affordable housing infrastructure and development projects have been approved for funding which will support a total of 594 affordable housing units once all 19 projects are complete. To date, the 2004 program has created 361 new affordable housing units.

Recently completed is the Compass Affordable Housing Alvord Court 24-unit, multi-family, rental housing project targeting very low income households. Construction was delayed and the project was completed January 2016. Construction of the Southern Arizona Land Trust (SALT) Corona Road Estates, eight-unit, single family homeownership development targeting low and moderate income homebuyers was completed. Due to the sluggish housing market and inability for the developer to sell these homes as required, the contractor returned the GO Bond funds plus interest back to the County. The Sunnyside Pointe Phase I homeownership project was also stalled due to the sluggish housing market. The developer opted to make significant changes to the existing project, reducing the number of homeownership units, replacing with low income multi-family units, resulting in the return of a portion of GO Bond funds back to the County. Based on the return of funds by two different Contractors, a request for new affordable housing projects has been announced and the funds will be reallocated.

Question 3 - Public Safety and Justice Facilities

SD3.01 Pima County Regional Public Safety Communications Network

This bond project is complete and resulted in a new regional public safety radio network that is being used by 55 police, fire, and public works agencies. A new Pima County Emergency Communications and Operations Center has been built and the Thomas Price Service Center has been renovated to provide a communications center for the Tucson Police and Fire departments. Efforts are underway to bolster radio network security and member capacity.

FM3.02 Downtown Court Complex

This project was completed in 2013. In addition to the Justice Court, the new Public Service Center now houses Pima County Treasurer, Assessor, Recorder and Constables offices.

Compass Affordable Housing Alvord Court Rental Housing Project, completed 2015

Question 4 - Cultural Resources and Historic Preservation

The cultural resources and historic preservation program is substantially complete with 13 projects complete and two under construction. CR4.03 Activities for the Juan Bautista de Anza National Historic Trail have been focused on the trail segments in Sahuarita, Green Valley and Marana. In Sahuarita and Green Valley, trail easements are being acquired with the intent of establishing a continuous trail from the existing Abrego trailhead to just north of Sahuarita Road. In Marana, a new trailhead is planned near the 1775 Anza campsite of Puerto del Azotado, and cultural resources investigations are completed, allowing construction to proceed. The trailhead in Marana will be built in conjunction with a connecting segment of trail that will be constructed by the Town of Marana, and is scheduled to be complete December 2016. CR4.04 Fort Lowell Acquisition & San Pedro Chapel - Construction is substantially complete at the Fort Lowell Adkins parcel involving rehabilitation and restoration of Officer's Quarters No. 3, and construction of steel protective structures over the partial ruins of Officer's Quarters No. 1 and No. 2. A High Activity Crosswalk Beacon (HAWK) crossing is planned by the City of Tucson to join the Adkins parcel to Fort Lowell Park on the east side of Craycroft Road, and a parking lot will be constructed at the west end by June 2016. CR4.02 The Canoa Ranch Buildings Rehabilitation is also substantially complete, and reconstruction of the floors in the Grijalva house will be fully completed by June 2016.

Question 4 - Parks and Recreational Facilities

Pima County Parks - Twelve projects are complete and two remain. PR4.22 The Catalina Community Park project status is listed as Future due to community input concerning the project scope. PR4.31 Northside Regional Park at Rillito was completed in September 2015. With three additional soccer fields being built and three more being lit, this park now has the largest soccer complex in Pima County. PR4.32 Land acquisition for the Southeast Community Park, known as the Esmond Station Regional Park, is complete. The stabilization plan for the original historic station is complete, and the trail development project will be complete by December 2016.

Northside Regional Park at Rillito, completed 2015

Harrison Greenway, completed 2015

City of Tucson Parks - All seven projects are now completed. PR4.33 The Harrison Greenway in The Loop project –The final phase between Irvington and Valencia is finished and open to the public.

Town of Sahuarita Parks - These bond projects are complete.

Question 4 - Libraries

These bond projects are complete and resulted in the new Wheeler Taft Abbett Marana Library, a complete remodel of the Wilmot Branch Library, and major expansions to the Oro Valley and Eckstrom Columbus libraries.

Question 5 - River Parks and Flood Control Improvements

FC5.04 Tohono O'odham Nation Drainage Improvements - In consultation with the Natural Resources Conservation District and the Tohono O'odham Nation, Phase I construction and the design for Phase II were completed for the Tohono O'odham Nation Drainage Improvements project. The IGA is now expired but, the Nation recently expressed interest in reopening the project to spend the remaining bond funds. FC5.06 Santa Cruz River, Ajo to 29th Street project started construction November 2013 and is expected to be complete in early 2016. The project includes 400 acres of ecosystem restoration on both banks of the Santa Cruz River between Ajo Way and 29th Street, 2.5 miles of new paved and decomposed granite pathways, two paved parking areas, a new restroom, an equestrian staging area, 5,000 linear feet of new soil cement erosion protection, and public art that enhances three new Ramadas. This completed the newest section of The Loop, and a grand opening for the public was held on May 2, 2015.

2014 General Obligation Bond Program

Proposition 415 - Facilities for the Care and Safekeeping of Animals

About 200 people attended a presentation of the Design Concept Plan October 20, 2015 at the Pima Animal Care Center (PACC). County project managers, PACC staff and Line and Space architects presented the plan.

Architects have incorporated community and stakeholder feedback to ensure that the new facility meets modern shelter standards and also suits the existing needs of PACC staff and its homeless pets.

Although the design of the new PACC is not finalized yet, the preliminary design generated a significant response from the community. People were excited to see the various meet and greet sections scattered throughout the facility where potential adopters and volunteers will have an opportunity to interact with the animals. They also praised the incorporation of natural light in the animal housing areas along with the proposed outdoor play yards for dogs and "catios" for cats.

The architects received several questions about kennel space and shelter capacity at the meeting. While the number of kennels will not double, the shelter will have significantly more. The design of the new facility also takes into account a decline in the shelter capacity needed in the future due to the County's aggressive spay and neuter efforts along with greater public outreach and education. The facility is designed to prompt more adoptions, as well.

Construction is planned to start in 2016.

New Pima Animal Care Center, under development

Picture Rocks Pool, completed 2007

Wilmot Library Expansion, completed 2011

Roy Place Building Restoration, completed 2010

1997 HURF Bond Program

Preplanning for the design completion of two major roadway projects that were on hold began in the fall of 2015. One is the second phase of the Cortaro Farms Road / Camino de Oeste to Thornydale Road (DOT-18) that will complete the Magee-Cortaro Farms corridor with non-bond funds. The first phase of this project was the UPRR-Camino de Oeste segment. The second major project is Kolb Road / Sabino Canyon Road to Sunrise (DOT-32). In late FY 2015/16 both of these projects projects will be back in design. Because the existing design for Cortaro Farms is well advanced, this project is estimated to start construction mid-2017. The Kolb Road construction start is currently estimated to be late 2018 based on available funding.

There are four active design projects in the DOT-57 Safety Improvement program. They are: Mary Ann Cleveland Way at Kush Canyon HAWK, South Camino de La Tierra (Highway Drive) & Curtis Rd, Ina Rd Sidewalks- Shannon Rd to La Cholla Blvd., and Speedway Blvd: Painted Hills to Camino de Oeste. The Mary Ann Cleveland HAWK project is estimated to start construction this fall. The others are in the early design stages and construction starts are not expected until 2018. Two programmatic projects, Intelligent Transportation Systems and Square Tube Breakaway Posts, continue to spend bond funds annually.

Four DOT-57 Safety Improvement program HAWK projects are currently under construction. They are located at Tanque Verde Road at Emily Gray JHS, Bowes Road at Sabino High School, Palo Verde Road at both Alvord & Milton, and Flowing Wells Road at Wabash Street. Also, under construction is the DOT-57 Harrison Road Bike Lane project. ADOT's planned intersection improvements at Kinney Road and State Route 86 (Ajo Road) bid in the fall of 2015 and construction activities are to begin in spring 2016. These improvements make up the southernmost portion of the DOT-50 Kinney Road, Ajo Way to Bopp Road project.

Construction was completed in the fall of 2015 on two major roadway projects. They are DOT-06 Magee Road, La Canada Drive to Oracle Road and DOT-53 Old Tucson-Nogales Highway-Summit Neighborhood. Also completed were the Harrison Greenway at Davis-Monthan Air Force Base "Loop" segment using DOT-41 Neighborhood Transportation funds, and the DOT-57 Motor Pull-Outs project.

HURF bonds totaling $47.5 million are planned to fund three City of Tucson projects. They are the remaining phases of DOT-29 Houghton Road, Golf Links to I-10 (RTA #32); DOT-56 Broadway Boulevard, Euclid Avenue to Campbell (RTA #17); and DOT-58 22nd Street, I-10 to Tucson Boulevard (RTA #19). DOT-56 Broadway Boulevard, Euclid Avenue to Campbell is currently under development. Construction is estimated to start in 2017/2018 and will take approximately three years to complete. This is the same estimated construction schedule for the DOT-58, 22nd Street project. Completion of the entire Houghton Road project is not anticipated before 2026

Safety Improvements - Anklam Road, completed 2015

Sunrise Drive, Craycroft Road to Kolb Road, completed 2011

1997 and 2006 General Obligation Bond Programs

The 1997 GO and the 2006 GO Bond Programs are substantially complete. As of December 31, 2015, 98 percent of the bonds authorized for these programs have been spent. $7.2 million remains for three active 1997 GO projects. P-05 Tucson Athletic and Play Field Improvements is in construction and planned for completion March 2016. SW-2 Tangerine Closure is planned for completion January 2017. SW-4 El Camino del Cerro Environmental Remediation is continuing. Bond funding is available to continue to treat groundwater at this historic landfill site through June 2017. Final remediation plans are contingent on discussions with ADEQ. Additional information about these projects is available in the supplemental material published as part of this update and posted on the web at http://www.pima.gov/ bonds.

Pima County BOND PROGRAM Update

PIMA COUNTY

Semi-Annual Report for Fiscal Year 2015/2016

Period Ending December 31, 2015

Recently Completed Projects

During the last six months, there have been 10 projects and subprojects completed totaling $62 million. The completed projects are listed by bond authorization and question number order. For additional information on over 700 bond projects completed since 1997, visit the County's bond web site at http://www.pima.gov /bonds.

Completed Projects

Bond Authorization	Q. No	Bond No	Project/Subproject Name	Completion	Cost ($000)
1997 GO	3	P-36	SCR Park Irvington to Valencia	Dec 2015	1,122
2004 GO	2	HR2.10	CAH Alvord Court Rental Housing Projct	Jan 2016	112
2004 GO	4	CR4.03	Anza Trail - Oit Pars Campsite	Jun 2015	8
2004 GO	4	PR4.31	Northside Regional Park at Rillito	Sep 2015	5,356
1997 HURF		DOT-06	Magee Rd La Canada Dr to Oracle Rd	Nov 2015	15,322
1997 HURF		DOT-41	Harrison Greenway at DMAFB	Dec 2015	1,483
1997 HURF		DOT-41	Valencia Rd Alvernon Way to Wilmot RTA24	Nov 2015	36,090
1997 HURF		DOT-53	Old Tucson Nogales Hwy Summit	Nov 2015	1,968
1997 HURF		DOT-57	Motor Pull-Outs and Concrete Work	Jun 2015	76
1997 HURF		DOT-57	Safety Improvements - Anklam Road	Sep 2015	136

PIMA COUNTY

This update is a snapshot of the program as of December 31, 2015 (unaudited). Additional information as part of this update includes Project Information Sheets, Status Maps and the Bond Program Planning Report. These are located at http://www.pima.gov/bonds.