

PIMA COUNTY BOND PROGRAM UPDATE

Semi-Annual Report for Fiscal Year 2016/2017



Period Ending December 31, 2016





PIMA COUNTY

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These bond programs are overseen by an active 25-member citizen's committee appointed by each city and town, the two Native American tribal governments, the Pima County Board of Supervisors and the County Administrator.

Pima County Bond Program Update

Semi-Annual Report for Fiscal Year 2016/2017

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About Pima County's Bond Programs

Since 1997, Pima County and its partner jurisdictions have completed over 700 bond projects with voter-approved bond funding, resulting in significant investments in this community's infrastructure, providing tremendous benefit to the everyday lives of our residents and visitors, and creating thousands of construction-related jobs. The projects are located throughout Pima County, including within cities, towns and tribal areas. They include new and improved libraries; community centers; parks and trails; health and medical facilities; affordable housing; justice and law enforcement facilities; historic preservation; roads; wastewater facilities; flood control improvements; and much more. Funding for the projects was approved by voters at county-wide elections held in 1997, 2004, and 2006. In 2014, voters approved funding for a new Pima Animal Care Center.

A 2013 audit of the County's general obligation bond programs by the State Auditor General's office found the County's bond programs to be a unique collaborative effort between the County and its cities, towns and tribes; verified that bond proceeds were used for the purposes authorized by voters; and stated that projects benefited citizens throughout Pima County.

About this Report

Per Pima County's Truth in Bonding Code (Chapter 3.06), status updates on the progress of completing bond projects are provided twice a year to the Bond Advisory Committee, the Board of Supervisors and the public. Since the majority of projects are now complete, Pima County has less to report. As a result, the format of this report has been updated to summarize, in a more concise manner, the accomplishments of each bond program and the status of the remaining projects. Additional information about completed projects, active projects and financial data is available on the County's bond website at www.pima.gov/bonds. This semi-annual report is for the period ending December 31, 2016.

Pima County's project delivery process for completing these projects has become a model adopted by other governmental agencies in Pima County, Phoenix and Texas.

Status of Bond Programs December 31, 2016

Completed Bond Programs

- 1997 Sewer Revenue
- 2004 Sewer Revenue
- 2006 General Obligation (Behavioral Health Facilities)

Substantially Completed Bond Programs

- 1997 General Obligation
- 2004 General Obligation

Active Bond Programs

- 1997 HURF (Transportation)
- 2014 General Obligation (Pima Animal Care Center)

Financial Summary

Since 1997, voters have authorized \$1.52 billion in bonds. As of December 31, 2016, Pima County had sold all but 7 percent of the bonds over 25 individual sales. The remaining General Obligation bond authorization was sold on February 1, 2017. A portion of the County's share of Highway User Revenue Funds are used to repay the transportation bond debt, sewer fees are used to repay the sewer debt, and secondary property taxes are used to pay off the General Obligation bonds that fund the remainder of projects. Pima County bonds are sold with no more than a 15-year payback term. Pima County's conservative approach to debt management is reflected in its superior credit ratings and low interest rates.



New Pima Animal Care Center under construction.

For tax year 2016, the owner of a home valued by the Pima County Assessor at \$126,336, which is the median valued home in Pima County, will pay \$88 a year or \$7 a month, to repay County General Obligation Bonds. That is equivalent to about 3% to 5% of the total property tax bill.

Bond Sales (As of December 31, 2016)

Bonds	Total Authorization (Millions)	Total Bond Sales (Millions)	Remaining Authorization (Millions)	Percent Remaining
1997 General Obligation	\$ 257.0	\$ 255.8	\$ 1.2	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	\$ 575.8	\$ 6.4	1%
2004 Sewer Revenue	\$ 150.0	\$ 150.0	\$ 0.0	0%
2006 General Obligation	\$ 54.0	\$ 54.0	\$ 0.0	0%
2014 General Obligation	\$ 22.0	\$ 4.0	\$18.0	82%
Total	\$1,520.2	\$1,421.2	\$99.0	7%



Southeast Community park, under construction.



Recently completed trailhead in Marana along the Juan Bautista de Anza Trail.



Groundbreaking ceremony for new Pima Animal Care Center.

1997 HURF Revenue Bond Program - Active

In November 1997, Pima County voters approved \$350 million in Highway User Revenue Fund (HURF) bonds, to be repaid with a portion of the County's share of HURF revenues from the State, to widen and rebuild roadways throughout Pima County and within cities and towns.

This funding has:

- Leveraged more than \$340 million in federal, state and local transportation funding
- Built more than 50 segments of roadway totaling over 230 lane miles
- Completed more than 70 safety projects
- Greatly relieved congestion that resulted from decades of rapid growth across eastern Pima County

The program includes 56 site-specific projects, many of which have been constructed in phases. Two additional projects, Neighborhood Transportation Improvements and Safety Improvements, include many smaller subprojects. Of the 56 site-specific projects, 91% are complete or currently under construction.

While 1997 HURF revenue projects were originally planned for completion by Fiscal Year 2013/14, a lack of HURF revenues caused by the economic downturn, sweeps by the State Legislature and more fuel efficient vehicles, means that projects have taken longer to complete. For Fiscal Year 2016/17, HURF revenues to Pima County are projected to total approximately \$59.7 million, and 31.3% are forecasted to repay debt for these transportation projects. Several projects are also reliant on Regional Transportation Authority (RTA) funding and scheduling. Three projects are managed by the City of Tucson.



HAWK crossings on Palo Verde Road south of Drexel, completed in May 2016.



Houghton Road: Irvington to Valencia, completed June 2016.

Recently Completed Projects

DOT-29 Houghton Rd., Irvington to Valencia – City of Tucson (RTA)

Projects Under Construction

DOT-29 Houghton Rd., Widening at Union Pacific Railroad –
City of Tucson (RTA)

DOT-57 Guard Rail – Palo Verde and Julian Wash – Pima County

DOT-57 Paved Shoulders at Avra Valley Road – Pima County

Projects Under Development

Estimated to begin construction between 2017 and 2020

DOT-29 Houghton Rd., Valencia to Mary Ann Cleveland Way –
City of Tucson

DOT-29 Houghton Rd., Union Pacific Railroad to I-10 – City of Tucson

DOT-41 Neighborhood Transportational Improvements – Pima County

DOT-56 Broadway Blvd., Euclid Ave to Campbell – City of Tucson (RTA)

DOT-57 Safety Improvements – Pima County

DOT-58 22nd Street, I-10 to Tucson Blvd. – City of Tucson (RTA)

Future Projects

DOT-23 Thornydale Rd., Cortaro Farms Rd., to Sumter Dr. – Pima County

DOT-24 Mainsail Blvd., and Twin Lakes Dr., Twenty-Seven Wash Vicinity –
Pima County

DOT-32 Kolb Rd., Sabino Canyon Rd., to Sunrise Drive – Pima County

2014 General Obligation Bond Program, Pima Animal Care Center - Active

In 2014, Pima County voters approved \$22 million for a new and improved Pima Animal Care Center (PACC) to replace the existing facility located at 4000 N. Silverbell Road. On October 4, 2016, Pima County held a groundbreaking ceremony, marking the beginning of construction for Phase 1 of the project, which will primarily construct the new portions of the facility east of the existing building. The new areas will include an expanded veterinary clinic, a recovery area for pets who receive medical treatment, the pet admissions area, a lobby and the administrative offices for PACC staff. Phase 1 is scheduled to be substantially complete by December 2017. At the completion of Phase 1, PACC's pets and staff will move to the new building while the remodel and partial demolition of the existing facility takes place. Full completion is expected in 2018.

Since the bond passed in 2014, the County and its consultants, Line and Space, LLC., and Sundt, have completed the preliminary work, including acquiring additional land from Tucson Electric Power and the City of Tucson, completing an extensive archaeological investigation, gathering all necessary building permits and developing the groundwork needed to begin construction. During design of the facility, Line and Space consulted with Animal Arts Design, a firm specializing in building animal shelters, and incorporated community and stakeholder feedback to ensure the new site would meet modern day standards and suit the existing needs of PACC's staff and pets.

PACC operates the largest pet shelter and adoption facility in Southern Arizona. The live-release rate at PACC has doubled since 2008 as a result of improved adoption programs, more partnerships with rescue organizations, expanded veterinary and medical treatment, and behavioral rehabilitation. Nearly 15,000 animal lives were saved in the past fiscal year, and PACC enforcement officers responded to nearly 28,000 calls for animal welfare and public safety in Pima County over that time.

1997 General Obligation Bond Program – Substantially Complete

In May 1997, Pima County voters approved \$257 million in general obligation bonds for a variety of capital improvement projects throughout Pima County, including within cities and towns.

Completed bond projects include:

- A new adult detention facility, a new juvenile detention facility and court complex, and 11 Superior Court courtrooms
- 2 new libraries, 5 new pools, 8 new community centers, 11 new or expanded regional parks, 16 neighborhood parks, 9 miles of river parks, expansion of Tucson Mountain Park and acquisition of Canoa Ranch
- A levee along 7-miles of the northern bank of the Santa Cruz River protecting a major portion of Marana
- Expansion of the Sahuarita Landfill, and many other facility improvements



Closure of Tangerine Landfill, completed in December 2016.

Recently Completed Projects

SW-2 Tangerine Landfill Closure - Pima County

Projects Under Construction

SW-4 El Camino del Cerro Environmental Remediation - Pima County

Projects Under Development

Estimated to begin construction in calendar year 2017

NR-16 Neighborhood Reinvestment

Sunnyside Airport Wash Walking Path - City of Tucson

Midvale Park - Oak Tree Drive Lighting - City of Tucson

Barrios Santa Rosa & Viejo Shade Structures & Basketball - Tucson

Menlo Park Exercise Stations - City of Tucson

Elvira Neighborhood Solar Lighting System - City of Tucson

St. John's/Sunset Villa Park Restroom - Pima County

2004 General Obligation Bond Program – Substantially Complete

In May 2004, Pima County voters approved \$582.2 million in General Obligation bonds for a variety of capital improvement projects and land acquisitions throughout Pima County, including within cities, towns and tribal areas.

Completed bond projects include:

- A new emergency communications system used by 55 emergency service providers
- A new public service center, public health center and interagency victim advocacy center
- New and improved libraries, community centers, museums, parks and recreational facilities
- Hundreds of new affordable housing units
- Many miles of new flood control improvements
- Hundreds of acres purchased to prevent urban encroachment on Davis-Monthan Air Force Base
- Thousands of acres purchased to serve as mitigation for future development while expanding nature-based recreational opportunities
- Rehabilitation of historic buildings and purchase of priority archaeological sites



Southeast Community Park (Esmond Station) trail, under construction.



Recently completed trailhead in Marana along the Juan Bautista de Anza Trail.

Recently Completed Projects

CR4.03 Puerto del Azotado Trailhead – Town of Marana

Projects Under Construction

PR4.32 Southeast Community Park (Esmond Station) – Pima County

Projects Under Development

Estimated to begin construction in calendar year 2017

NR2.09 Neighborhood Reinvestment

Country Club – Glenn Treat Avenue Improvements – City of Tucson

Santa Cruz Pedestrian Safety Improvements – City of Tucson

Naylor – Changemaker Sidewalks & Improvements – Pima County

Five Points Intersection Gateway - City of Tucson

Greenway Land Acquisition & Access – City of South Tucson

HR2.10 Affordable Housing Programs

The Marist on Cathedral Square*

The Ontario Rental Housing Project*

The Sonora Rehab Project*

TMM Family Services Senior – Veteran Rental Housing*

Linda Avenue House Restoration – Pima County

*Managed by private housing developers

For more information, please visit www.pima.gov/bonds

