

PIMA COUNTY BOND PROGRAM UPDATE

Semi-Annual Report for Fiscal Year 2017/2018



Period Ending December 31, 2017





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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

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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, many within municipalities 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, 2017.

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, 2017

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
- 2014 General Obligation (Pima Animal Care Center)

Active Bond Programs

- 1997 HURF (Transportation)

Financial Summary

Since 1997, voters have authorized \$1.52 billion in bonds. As of December 31, 2017, Pima County had sold all but 5 percent of the bonds over 26 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.



County voters in 2014 approved using bonds to upgrade the Pima Animal Care Center, 4000 N. Silverbell Rd. The shelter boasts state-of-the-art medical facilities and housing and ample space for community services and educational outreach.

A national bond rating company raised Pima County's General Obligation Bond rating to AAA, its highest possible rating.

Bond Sales (As of December 31, 2017)

Bonds	Total Authorization (Millions)	Total Bond Sales (Millions)	Remaining Authorization (Millions)	Percent Remaining
1997 General Obligation	\$ 257.0	\$ 257.0	\$ 0.0	0%
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	\$ 582.2	\$ 0.0	0%
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	\$ 22.0	\$ 0.0	0%
Total	\$1,520.2	\$1,446.8	\$73.4	5%



The Marist on Cathedral Square project will feature two complexes for affordable, senior living. The first will be a seven-story, 75-unit complex at Broadway Boulevard and Church Avenue and the second will reside in the rehabbed Marist College building, 8 units in what was Tucson's first parochial school and the tallest adobe structure in Arizona. Pima County's bond funding contributions to this project are complete.

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 55 segments of roadway totaling over 250 lane miles
- Completed more than 90 safety projects
- Reduced congestion by 43% and more than doubled average roadway capacity

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 2017/18, HURF revenues to Pima County are projected to total approximately \$61.7 million, and 30% 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.



Highway User Revenue Funds (HURF) are funding the Cortaro Farms Road improvements.

Projects Completed During First Half of Fiscal Year 2017/18

DOT-57 Safety Improvements – Pima County:
Curtis Rd. Traffic Safety Improvements

Projects Under Construction

DOT-18 Cortaro Farms Rd., Camino de Oeste to Thornydale Rd. – Pima County
DOT-29 Houghton Rd., Widening at Union Pacific Railroad – City of Tucson (RTA)
DOT-57 Safety Improvements – Pima County:
Intelligent Transport System Signal Coordination & Cabinet Upgrade
Square Tube Breakaway Sign Posts

Projects Under Development

Estimated to begin construction between 2018 and 2020

DOT-23 Thornydale Rd., Cortaro Farms Rd. to Sumter Dr. –
Pima County
DOT-29 Houghton Rd., Valencia to Mary Ann Cleveland Way;
Houghton Rd., Union Pacific Railroad to I-10 – City of Tucson
DOT-32 Kolb Rd., Sabino Canyon Rd. to Sunrise Dr. – Pima County
DOT-50 Kinney Rd., Alexandrite Ave. to Bopp Rd. – Pima County
DOT-56 Broadway Blvd., Euclid Ave to Country Club – City of Tucson (RTA)
DOT-57 Safety Improvements - Pima County:
South Camino De La Tierra - Highway Drive to Curtis Rd.
Benson Highway at Columbus Blvd. Intersection Improvements
Benson Highway at Drexel Rd. Intersection Improvements
Speedway Blvd., Painted Hills Rd. to Camino de Oeste
Ina Rd., Shannon Rd. to La Cholla Blvd. Sidewalks
Bopp Rd., Sarasota Blvd. at Kinney Rd. Improvements
Tanque Verde Rd. at Tanque Verde Loop Rd.
Durable Pavement Marking Upgrade Project
King Canyon Trailhead Parking
White Elementary and Pistor Middle Schools - Pedestrian Safety
and ADA Access Improvement
South Houghton Intersection Improvements
DOT-58 22nd Street, I-10 to Tucson Blvd. – City of Tucson (RTA)



On Dec. 26, 2017 Pima Animal Care Center officially opened the doors to Phase One of its new facility. Phase Two construction began at the end of December for completion by summer 2018.

2014 General Obligation Bond Program, Pima Animal Care Center - Substantially Complete

On December 26, 2017, the first phase of the new Pima Animal Care Center opened to the public and was celebrated with a ribbon-cutting ceremony on December 28. The new facility is designed and built to support PACC's life-saving operations, improve disease control, increase adoptions and become a community resource by providing better services to the residents of Pima County. The first phase includes a large public adoption and licensing lobby, expanded cat housing with multiple cat group rooms, an increase in the number of indoor/outdoor dog housing, the Pet Support Center with separated dog and cat waiting areas, processing rooms and triage and holding spaces, a veterinary clinic with dedicated waiting areas, exam rooms, a surgery suite, dog and cat isolation housing for disease control, more efficient staff work areas and a community meeting room. The first phase was completed under budget and ahead of schedule and is the result of numerous stakeholder meetings which included PACC volunteers and partners.

The second phase of the project is scheduled to be completed by July 2018, and will include a complete renovation of the existing facility to provide additional dog housing, a dedicated small dog and puppy room, multiple meet and greet rooms, shelter support services, a volunteer workspace and breakroom, several play yards, expanded parking and staff offices.

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 seven miles of the northern bank of the Santa Cruz River protecting a major portion of Marana
- Expansion of the Sahuarita Landfill, closure of the Tangerine Landfill, and many other facility improvements

Projects Completed During First Half of Fiscal Year 2017/18

NR-16 Neighborhood Reinvestment:

Menlo Park Exercise Stations – City of Tucson

Sunnyside Airport Wash Walking Path – City of Tucson

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

Projects Under Construction

NR-16 Barrios Santa Rosa and Viejo Shade Structures and Basketball – City of Tucson

Projects Under Development

Estimated to be substantially complete by June 30, 2018

PR-52 Manzanita Splash Pad

NR-16 Neighborhood Reinvestment:

Santa Cruz Pedestrian Safety Improvements

Midvale Park – Oak Tree Drive Lighting – City of Tucson

Elvira Neighborhood Solar Lighting System – City of Tucson

Country Glen Neighborhood Assn. Treat Road Improvements

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



Bonds are being used to upgrade the 50-acre Mike Jacob Sports park, including work to renovate the restrooms and ticket facilities, the addition of accessibility features such as ramps and railings and improvements to the existing irrigation system.



Students at Changemaker High School led the effort to build a new footbridge and sidewalks in the Naylor Neighborhood, paid for by Pima County Neighborhood Reinvestment bonds. The improvements allow people to cross a stretch of road that floods whenever it rains.

Projects Completed During First Half of Fiscal Year 2017/18

- HR2.10 Affordable Housing:
 - Sonora Rehab Project*
 - Marist on Cathedral Square*
 - Linda Avenue House Restoration – Pima County
- NR2.09 Naylor – Changemaker Sidewalks and Improvements – Pima County for the City of Tucson

Projects Under Construction

- HR2.10 Affordable Housing:
 - TMM Family Services Senior – Veteran Rental Housing*
 - Ontario Rental Housing Project*
- NR2.09 Greenway Land Acquisition and Access – Pima County for the City of South Tucson
- PR4.22 Mike Jacobs Sportspark Upgrades – Pima County

Projects Under Development

Estimated to be substantially complete by June 30, 2018

- CR4.03 Anza Trail, Llano Grande Campsite – Sahuarita
- NR2.09 Neighborhood Reinvestment:
 - Country Club – Glenn Treat Avenue Improvements – City of Tucson
 - Santa Cruz Pedestrian Safety Improvements – City of Tucson
 - Five Points Intersection Gateway – City of Tucson

*Managed by private housing developers

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

