

**Pima County Bond Advisory Committee
Meeting**

**Friday January 9, 2015
8:00 A.M.**

**River Park Inn
350 S. Freeway
Tucson, Arizona**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Joe Boogaart
Ed Buster (arrived at 8:30)
Gary Davidson
Paul Diaz (left at 11:10)
Tom Dunn (arrived 8:12)
Brian Flagg
Rene Gastelum (arrived 8:12; left 11:40)
Kelly Gomez (left at 11:10)
Kelly Gottschalk
Terri Hutts
Michael Lund
David Lyons (arrived 8:15)
Wade McLean (left at 11:40)
Ted Prezelski
Patty Richardson
Chris Sheafe
John Sundt
Dan Sullivan
James Ward
Tom Warne
Greg Wexler

Committee Members Absent

Donald Chatfield
Matt Smith

MOTIONS

MOTION: Gary Davidson moved, seconded by Rene Gastelum, to approve the December 12, 2014 meeting summary. Motion approved 21-0.

SUBSTITUTE MOTION: Chris Sheafe moved, seconded by John Sundt to continue the Performing Arts Center Rehabilitation project for one more meeting to get more details on whether the City insurance will fund the vandalized items and to identify interested end users. Substitute motion approved 23-0.

MOTION: Tom Dunn moved, seconded by James Ward, to delete items 4C and 4D (Marana Affordable Housing and Marana Neighborhood Reinvestment). Motion approved 23-0.

MOTION: Brian Flagg moved, seconded by Paul Diaz, to approve \$30 million for the Pima County Affordable Housing Program. Motion approved 19-4.

REVISED MOTION: Vice-Chair Campbell moved, seconded by Paul Diaz, to approve \$30 million for the Pima County Neighborhood Reinvestment Program and delete program requirements 5, 6 and 7. Motion approved 19-4.

SUBSTITUTE MOTION: Tom Warne moved, seconded by Tom Dunn, to continue the Pedestrian Safety and Walkability Improvements project to the next meeting with the other road items. Motion approved 21-2.

SUBSTITUTE MOTION: Brian Flagg moved, seconded by Kelly Gottschalk, to approve \$3,178,500 for the South 12th Avenue Cultural and Culinary Corridor. Substitute motion approved 19-2.

MOTION: Tom Dunn moved, seconded by Tom Warne, to continue the \$100 million for Road Repair item. Motion approved 21-0.

MOTION: Tom Dunn moved, seconded by Dan Sullivan, to approve \$4 million for the Pima County North Health Clinic. Motion approved 19-0.

MOTION: Kelly Gottschalk moved, seconded by Ed Buster, to approve \$3 million for the MHC Healthcare Flowing Wells Clinic. Motion approved 19-0.

MOTION: Vice-Chair Campbell moved, seconded by Brian Flagg, to approve \$20 million for the Medical Examiner's Office. Motion approved 19-0.

MOTION: Terri Hutts moved, seconded by Ed Buster, to approve \$2.2 million for the Drexel Heights Sheriff Substation. Motion approved 19-0.

MOTION: Terri Hutts moved, seconded by Dan Sullivan, to approve \$3.1 million for the North Central Sheriff Substation. Motion approved 19-0.

MOTION: John Sundt moved, seconded by Greg Wexler, to approve \$18.8 million for the three Public Safety Training Academy proposals. Original Motion approved 17-2.

MOTION: Tom Warne moved, seconded by Dan Sullivan, to approve \$5 million for the Jail Annex. Motion approved 19-0.

MOTION: Dan Sullivan moved, seconded by Ed Buster, to adjourn the meeting. Motion approved 19-0.

MEETING SUMMARY

1. Welcome

The meeting began at 8:00 a.m. with a quorum. City of Tucson Mayor Jonathan Rothschild spoke in support of the Pedestrian Safety and Walkability bond proposal. Pima County Supervisor Richard Elias spoke in support of Neighborhood Reinvestment, Affordable Housing, South 12th Avenue and the Pedestrian Safety and Walkability bond proposals.

Chairman Hecker summarized the bond planning process, asked for a show of hands of those that would vote for the package today, and stated that the Board of Supervisors needs to hear whether there is support for an election this year. Chairman Hecker provided an overview of how much in bond funding the Committee has moved forward to date, and how much was still left to consider in the next two meetings.

2. Approval of the December 12, 2014 meeting summary

MOTION: Gary Davidson moved, seconded by Rene Gastelum, to approve the December 12, 2014 meeting summary. Motion approved 21-0.

3. Planning for a possible 2015 bond election – Item continued from previous meeting – Performing Arts Center Rehabilitation

County Administrator Chuck Huckelberry stated that he supports this project with two caveats: The City of Tucson or their insurance pay to correct the vandalized items, and that the City begins discussions regarding who would be the end user of the facility.

Speakers in support of the project:

Sheldon Metz
James MacAdam
John Vornholt

MOTION: Kelly Gottschalk moved, seconded by Tom Dunn, to approve \$1.5 million for the Performing Arts Center Rehabilitation.

Committee discussion:

- County's responsibility under the preservation easement is just to monitor compliance with the terms.
- Whether the usage restrictions in the 2004 bond ordinance impact the future use of the facility, and whether the facility needs to be operational for 25 years.
- Question of whether the plumbing was vandalized too – James MacAdam, City Manager's Office, did not think so.
- Is the roof leaking – Mr. MacAdam did not think so.
- \$1.5 million is 0.0027% of overall bond package.
- Support for the project.
- Were efforts made by the City, after the County's 2004 bond funded improvements, to find other funds to complete the project? Mr. MacAdam

responded that the City did not have the financial wherewithal to do so and therefore the City proposed the next phase as a County bond project.

- Want to know the end user before supporting the project.

SUBSTITUTE MOTION: Chris Sheafe moved, seconded by John Sundt to continue the Performing Arts Center Rehabilitation project for one more meeting to get more details on whether the City insurance will fund the vandalized items and to identify interested end users.

Committee discussion continued:

- Arizona Theater Company is interested in using the facility and has been successful at funding raising in Tucson.
- County spent about \$700,000 in 2004 bond funds on the facility.
- Good to continue the project to meet with possible end users.
- Building looks much better than before the County improvements, but is boarded up and has a chain link fence around it.

Substitute motion approved 23-0.

4. Planning for a possible 2015 Bond Election

MOTION: Tom Dunn moved, seconded by James Ward, to delete items 4C and 4D (Marana Affordable Housing and Marana Neighborhood Reinvestment). Motion approved 23-0.

Pima County Affordable Housing Program

City of Tucson Councilwoman Regina Romero spoke in support of the South 12th Avenue project.

Speakers in support of the Affordable Housing Program:

Peggy Hutchinson (also supported Neighborhood Reinvestment & Pedestrian Safety)

Corky Poster (also supported Neighborhood Reinvestment, Pedestrian Safety, S. 12th)

Frank Thompson

Pete Chalupsky

Maggie Tellez

T Van Hook

Committee discussion:

- Questions and answers about how the funding is spent, the Affordable Housing Commission's criteria, the involvement of builders, and that the process has improved greatly over time.
- Mr. Huckelberry's recommendation of \$15 million was due to competing needs for bond funds, not a reflection of the program itself.
- Tucson is the 6th poorest metro area in the country and this project speaks to this issue the most.
- This is about people, not numbers, and should be \$130 million.

MOTION: Brian Flagg moved, seconded by Paul Diaz, to approve \$30 million for the Pima County Affordable Housing Program.

Committee discussion continued:

- Question about the number of units that could be developed with \$30 million – estimated at 1,500 units.
- Average rents are low in this community, which shows the need to raise the standard of living through good jobs.
- Housing starts are below the 1990/91 post Resolution Trust Corporation era.

Motion approved 19-4.

Pima County Neighborhood Reinvestment Program

Speakers in support:

Sarah Harris

Bennett Bernal

Leonardo Basurto

Lisa Jones

Chris Gans

Joan Hall

Amy Stabler speaking for Councilmember Kozachik

Colby Henley

Andrea Rodriguez

Committee discussion:

- Whether the Committee agrees with program criteria/requirements as shown on the project sheet.
- Committee could approve a dollar amount and criteria later as part of bond implementation plan ordinance.

MOTION: Vice-Chair Campbell moved, seconded by Paul Diaz, to approve \$30 million for the Pima County Neighborhood Reinvestment Program.

Committee discussion continued:

- Many competing projects and hundreds of advocates at each meeting.
- Original program intent was to fund small projects, but now it appears that many of the projects are at a cost that perhaps should be considered individually by the Bond Committee.
- Cannot support the project at \$30 million
- Concern about supporting the project now without knowing the program requirements.
- Discussion of approving the project without some of the program requirements, as recommended by the Neighborhood Reinvestment Oversight Committee.
- Support for the project because it improves existing infrastructure.
- Support for requirements that ensure that projects will not be delayed for years.

REVISED MOTION: Vice-Chair Campbell moved, seconded by Paul Diaz, to approve \$30 million for the Pima County Neighborhood Reinvestment Program and delete program requirements 5, 6 and 7. Motion approved 19-4.

Pedestrian Safety and Walkability Improvements

Speakers in support:

Bill Zaffer

Vanessa Cascio

Dr. Reynolds Saunders

Emily Yetman

Vaughan Thompson

Ray Clamons

Chris Gans

Lanor Glover

Kieran Sikdar

Tim Colson

Kate Jensen

Lois Pawlak

Carolyn Cortesi

Tiernay Marsh

Keyla Niebla

BJ Cordova

Diana Rhoades

Nicole Kock

Alex Kouvel

Salvador Gujjada

Gene Einfrank

Joy Mockbee

Mr. Huckelberry explained why he does not support this project: Traditionally these types of improvements were funded by city, town or county transportation departments. But there is now pent up demand due to inadequate transportation funding for the past 2 decades. I agree with the concepts and benefits, but not the funding source, and disagree that these projects should be 100 percent funded by County bonds with no match required.

MOTION: Tom Dunn moved, seconded by John Sundt, to delete the Pedestrian Safety and Walkability Improvements project for the reasons provided by the County Administrator.

Committee discussion:

- Aren't there other funding sources for this? Ms. Yetman responded that there were not because this scale of roadway is not typically covered by the Neighborhood Reinvestment Program or RTA. HURF and Proposition 404 will also not fund these.
- The City of Tucson, City of South Tucson, Town of Oro Valley, Tohono O'odham Nation and Pascua Yaqui Tribe support this and submitted projects.
- Is Mr. Huckelberry recommending \$100 million in general obligation bonds for road repair? Mr. Huckelberry responded no. He placed the item on the Committee's

agenda in response to requests from the Committee regarding how to deal with the larger transportation needs, but believes that a user fee, like the gas tax, is the most appropriate way to fund road repair and also sidewalks.

- This is very different from those proposing the Performing Arts proposal, which didn't have their act together. LSA is very prepared, they've done their homework, they can get out the vote, kids are involved and it's a healthy thing to do.

SUBSTITUTE MOTION: Brian Flagg moved, seconded by Carolyn Campbell, to approve \$25 million for Pedestrian Safety and Walkability Improvements.

Committee discussion continued:

- It was clarified that LSA will receive none of the bond funding and would not be involved in the decision making. The County would manage the program if it goes forward.
- Definition of HAWK, Toucan and Pelican pedestrian crossings was provided.
- RTA plan did include funding for sidewalks but unsure of exact amount.
- Request to separate out cost to fix buckling sidewalks from projects as that should be considered a maintenance issue.
- The proposed Roger Road improvements are within both the City of Tucson and unincorporated County jurisdictions.
- Some of these could be Neighborhood Reinvestment projects.
- \$25 million is more than most cities and towns have requested in total.
- Neighborhood Reinvestment projects are typically within neighborhoods, not on the edge.
- Maintenance of these improvements would be the responsibility of the local jurisdiction.
- This is the wrong venue for these types of projects. These should be funded under a regional transportation entity.
- The definition of "leveraging" used in the proposal is incorrect because the leveraged projects already occurred.
- Support for the project, but if there are outstanding questions, perhaps it should be continued instead of rejected.

SUBSTITUTE MOTION: Tom Warne moved, seconded by Tom Dunn, to continue the Pedestrian Safety and Walkability Improvements project to the next meeting with the other road items.

Committee discussion continued:

- Support for the project at a lower amount and the need to find out what happened to the RTA funding for this purpose.
- A number of similar projects have already been funded by the RTA and completed.
- Neighborhood Reinvestment Program can catch some of these, and if the project is continued to the next meeting we can find out what is available through the RTA.
- 80 percent of the projects are within the City of Tucson.
- Reminder of the City of Tucson Mayor's comments in support of the programs.

- Mr. Huckelberry supports a more comprehensive solution for road repair and these projects, but at issue is that the people are here, they want it and are willing to pay for it, and are willing to campaign. If people showed up for the \$100 million for road repair, then it should also be supported.
- Yes accident rates were considered in selecting these projects.
- Can County staff be directed to submit projects? No, said Mr. Huckelberry.
- The RTA information will be provided before the next meeting.

Motion approved 21-2.

South 12th Avenue Cultural and Culinary Corridor

Speakers in support:

Benjamin Galaz
James MacAdam
Diana Rhoades

Mr. Huckelberry explained that he still had concerns. The cost estimate is very specific, yet the City is unable say which side of the road would receive sidewalks, where crossings would be needed if businesses don't agree with losing parking, etc.

Committee discussion:

- Support but understand we need more details for voters.

MOTION: Ted Prezelski moved, seconded by Rene Gastelum, to continue the project to the next meeting.

Committee discussion continued:

- We should vote today. This is about diversity. The City's letter addressed the concerns raised in the memo.

SUBSTITUTE MOTION: Brian Flagg moved, seconded by Kelly Gottschalk, to approve \$3,178,500 for the South 12th Avenue Cultural and Culinary Corridor.

Committee discussion continued:

- More details can be provided after the project is approved by the Committee, just like what has been done with all the previous projects
- Project is the City's 5th highest priority. City requested 22 percent of the total bonds package, which is considerably less than the City's 44.3 percent share of the total assessed property value.
- Project will increase property tax revenues and sales tax revenues.
- Location was clarified as the 2 miles between Ajo and Drexel.
- Will the Committee get a more detailed budget? Mr. MacAdam responded that the City originally had a more detailed budget, but then realized that a complete corridor planning process was necessary, including meeting with each business owner to determine whether they are okay with the impact to parking spaces, and therefore the City is not able at this time to provide a detailed budget.

- How much right of way will need to be acquired? Mr. MacAdam responded that the City owns all the right of way. The issue is that some businesses have been using the right of way for parking.
- Could this be funded through an improvement district? Mr. MacAdam responded that the businesses in this area would be unable to afford to assess themselves.
- Do businesses that participate in the South Side Business Coalition pay a fee? An unidentified person responded, yes, but that the revenues from the first fee went to grants for Dreamers.
- How many business owners came to the public meetings? Mr. MacAdam estimated 10-12 businesses were represented.
- Where are the sales tax revenues going from these businesses? Kelly Gottschalk responded that they go towards police, fire, parks and other city needs.
- The City is broke and has other priorities, but a project like this would generate jobs and additional sales tax revenue.
- The City has fundamental financial issues. They passed up on annexations in the past that would have generated revenue for the City. They've retained the social problems, but don't have adequate revenue generators.
- This group is well organized and would get out the vote.
- Has the City applied to RTA for this project? No, as there is no money left.
- We can't change the past and should remember that these businesses are also property tax payers of the County and may pay more in property taxes than they do in sales taxes.

Substitute motion approved 19-2.

\$100 million for Road Repair

MOTION: Tom Dunn moved, seconded by Tom Warne, to continue the \$100 million for Road Repair item.

Dave Devine spoke in support of road repair, but at an amount lower than \$100 million.

Motion approved 21-0.

Pima County North Health Clinic

MOTION: Tom Dunn moved, seconded by Dan Sullivan, to approve \$4 million for the Pima County North Health Clinic. Motion approved 19-0.

MHC Healthcare Flowing Wells Clinic

Kelly Gottschalk moved, seconded by Ed Buster, to approve \$3 million for the MHC Healthcare Flowing Wells Clinic. Motion approved 19-0.

Medical Examiner's Office

MOTION: Vice-Chair Campbell moved, seconded by Brian Flagg, to approve \$20 million for the Medical Examiner's Office. Motion approved 19-0.

Drexel Heights Sheriff Substation

MOTION: Terri Hutts moved, seconded by Ed Buster, to approve \$2.2 million for the Drexel Heights Sheriff Substation. Motion approved 19-0.

North Central Sheriff Substation

MOTION: Terri Hutts moved, seconded by Dan Sullivan, to approve \$3.1 million for the North Central Sheriff Substation. Motion approved 19-0.

Public Safety Training Academy: Judgmental Firearms, Multipurpose, and Driver training facilities

Tucson Police Department's (TPD) Assistant Police Chief John Leavitt, explained that the alternative sites referenced in the Sheriff's memorandum did not work for TPD due to the transportation costs and that the three projects were in the 20 year old master plan.

Committee discussion:

- What is the annual cost to drive to these places? Mr. Leavitt responded that the hourly cost was probably \$1,200.
- Would the facilities be available to the Sheriff, and would there be a cost? Mr. Leavitt responded yes, but yes TPD does recover some costs.
- Why doesn't TPD recover all or more of the costs when it's being used by agencies across the state? Mr. Leavitt responded that most of the training occurring at the facility is by agencies located within Pima County.
- Is there a cost to the Sheriff for using the track? Mr. Leavitt responded yes, because of the need to have a TPD officer focused on safety.
- Is there an issue with the County's Truth in Bonding Code that prevents the City from charging a fee higher than the County charges?

Nicole Fyffe explained the prohibition in the County code and the fact that the Sheriff apparently does not charge others for the use of their facilities. Mr. Leavitt responded that he was confident TPD could work something out with the Sheriff to avoid the code issues. Ms. Fyffe stated that the Sheriff's Department also appeared to be concerned about the request for funding for a new driving track when the Sheriff's Department was satisfied with the negotiated price per hour they pay for use of the Musselman Honda facility. Mr. Leavitt responded that the Musselman Honda facility is inadequate for TPD as they need to practice driving over curbs.

Committee discussion continued:

- Where did this project come from? Did it used to be on the City's impact fee project list? Lynne Birkinbine, City Manager's Office, responded that no it was not on the City's impact fee list, and that it was proposed after the call for new bonds projects.
- Why can't we have a single facility to serve the entire region? Mr. Leavitt responded that there used to be a single facility, but the Sheriff's Department chose to construct their own.

- What does Mr. Huckelberry think? Mr. Huckelberry replied that maybe we should have a regional police force, that we need a lot more information on these requests, that the two police agencies need to get in a room and work together, and his concern is that if the County funds this, Marana and others will start asking the County to fund their police stations.
- The Committee just supported funding two Sheriff substations.
- This is a regional project even if the Sheriff's Department doesn't use it.
- These three projects would come out of the City's share of the bond funding.
- An IGA can deal with the code issues.

MOTION: John Sundt moved, seconded by Greg Wexler, to approve \$18.8 million for the three Public Safety Training Academy proposals.

Brad Olson, Assistant Tucson Fire Chief, spoke in support of the project.

SUBSTITUTE MOTION: Brian Flagg moved, seconded by Carolyn Campbell to recommend zero for the three Public Safety Training Academy proposals. Motion failed 14-5.

Original Motion approved 17-2.

Pima County Jail Annex

MOTION: Tom Warne moved, seconded by Dan Sullivan, to approve \$5 million for the Jail Annex. Motion approved 19-0.

5. Next Meeting

January 23rd at the same location.

6. Call to the Audience

Richard DeBernardis spoke in support of the Velodrome.

Don Melhado spoke in support of the Velodrome.

Walter Rogers reminded the Committee of the invitation to tour Rillito Park.

7. Meeting Adjourned

MOTION: Dan Sullivan moved, seconded by Ed Buster, to adjourn the meeting. Motion approved 19-0. Meeting adjourned at 12:24 p.m.

Note that speaker cards for those members of the audience that selected not to speak or submitted speaker cards but did not speak are attached to this meeting summary.