

Pima County Bond Advisory Committee  
Meeting

Friday March 13, 2015  
8:00 A.M.

Double Tree – Reid Park  
445 South Alvernon Way  
Tucson, Arizona

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair  
Carolyn Campbell, Vice Chair  
Joe Boogaart  
Ed Buster (left at 9:10 a.m.)  
Donald Chatfield  
Gary Davidson  
Paul Diaz (left at 10:15 a.m.)  
Brian Flagg  
Rene Gastelum  
Kelly Gomez  
Kelly Gottschalk  
Terri Hutts  
Michael Lund  
David Lyons (arrived at 8:20 a.m.)  
Ted Prezelski (arrived at 8:20 a.m.)  
Patty Richardson  
Chris Sheafe  
Dan Sullivan (arrived at 8:30 a.m.)  
John Sundt  
James Ward  
Tom Warne  
Greg Wexler

Committee Members Absent

Tom Dunn  
Wade McLean  
Matt Smith

MOTIONS

**MOTION:** Terri Hutts moved, seconded by Don Chatfield, to approve the February 6, 2015 meeting summary. Motion approved 19-0.

**MOTION:** Brian Flagg moved, seconded by Vice-Chair Campbell, to accept all of the recommended funding changes listed in the handout, with the exception of the \$9.5 million for the Downtown Community Theaters and Cultural Landscape project, which would result in a \$650 million bond package.

Mr. Flagg withdrew his motion, with Vice-Chair Campbell agreeing.

**MOTION:** Tom Warne moved, seconded by Rene Gastelum, to accept the recommended funding changes to the \$640.7 million bond package listed in the handout, with the caveat that the additional \$9.5 million for the Downtown Community Theaters and Cultural Landscape project be changed to \$5 million, and add \$2.4 million to the Pedestrian Safety project. It was noted that Mr. Huckelberry is in support of restoring \$1 million for Colossal Cave, but that it was not in the motion. Mr. Warne and Mr. Gastelum agreed to amend the motion to include it.

**RESTATEMENT OF MOTION BY CHAIRMAN:** Starting with the spreadsheet showing the \$640,686,363 in recommendations, we are adjusting those based on the one page handout, but adding \$5 million for the Downtown Community Theaters and Cultural Landscape project instead of \$9.5 million, deleting the \$3 million drainage project in lieu of adding the \$5 million South Tucson redevelopment project, adding \$1 million to Colossal Cave, subtracting \$2 million from Rillito, and adding \$2.4 million to the Pedestrian Safety project, totaling \$653.2 million. The makers of the motion, Tom Wane and Rene Gastelum agreed. Motion approved 16-5.

**MOTION:** Terri Hutts moved, seconded by James Ward, to accept the bond program updates for the 1997, 2004, 2006 and 2014 bond programs. Motion approved 21-0.

**MOTION:** Tom Warne moved, seconded by Gary Davidson, to approve the amendments to the 1997 Transportation bond ordinance. Motion approved 19-0, with 1 abstention.

**MOTION:** Tom Warne moved, seconded by Rene Gastelum, to approve the amendments to the 2004 General Obligation bond ordinance. Motion approved 20-0.

**MOTION:** Chris Sheafe moved, seconded by Don Chatfield, to adjourn the meeting. Motion approved 20-0.

### MEETING SUMMARY

1. Welcome

The meeting began at 8:11 a.m. with a quorum.

2. Approval of the February 6, 2015 meeting summary

**MOTION:** Terri Hutts moved, seconded by Don Chatfield, to approve the February 6, 2015 meeting summary. Motion approved 19-0.

3. Planning for a Possible 2015 bond election

Mr. Huckelberry summarized the responses the County had received to potential reductions in funding to certain projects, based on the \$640.7 million recommendations (February 20, 2015 memorandum to the Committee); requests from the City of Tucson in response to funding reductions, and a new project from the City of South Tucson. The Committee received a handout showing Mr. Huckelberry's recommended changes to funding for four projects based on these responses, which if approved would decrease

the \$640.7 million by \$2 million; the City of Tucson requested funding increases, which if approved would increase the \$640.7 million by \$15.7 million, and the \$5 million new City of South Tucson project. It was clarified that these changes did not include an additional \$2.4 million for the Pedestrian Safety project. Tom Warne, also a member of the City's bond committee, explained the reasons for the City bond committee's recommendations. Chairman Hecker stated that he hoped by the end of the meeting the Committee will have made a recommendation to the board to call an election this year, and the projects and amounts that should be included. Ed Buster read a prepared statement as he had to leave the meeting early. Joe Boogaart provided four handouts to the Committee. Mr. Huckelberry confirmed that the \$640.7 million could be increased while maintaining the voluntary tax rate cap at 81.5 cent per \$100 of assessed value.

**MOTION: Brian Flagg moved, seconded by Vice-Chair Campbell, to accept all of the recommended funding changes listed in the handout, with the exception of the \$9.5 million for the Downtown Community Theaters and Cultural Landscape project, which would result in a \$650 million bond package.**

Committee discussion:

- Prefer to discuss project funding amounts individually.
- Focus Downtown Community Theaters and Cultural Landscape improvements on the structures first.
- Concern about the landscaping portion of the scope and potential for use by the homeless.
- Cost estimate for the Downtown Community Theaters and Cultural Landscape has gone up to \$36 million, but if the Committee focused funding on the structures first, and recognized improvements Rio Neuvo is making in the area, perhaps the bond funding could be increased by \$5 million instead of \$9.5 million, for \$655 million total.
- This project was the second highest ranked by the City's bond committee, is supported by the Mayor and Council in full, and is uniquely Tucson.
- Support for the \$655 million if Committee adds an additional \$2.4 million for the Pedestrian Safety project as they've requested, even though the priority projects will have to be revisited based on the County's submittal of project and criteria.
- City of Tucson needs to take responsibility for maintenance of the sidewalks, instead of adjacent homeowners and businesses.

**Mr. Flagg withdrew his motion, with Vice-Chair Campbell agreeing.**

**MOTION: Tom Warne moved, seconded by Rene Gastelum, to accept the recommended funding changes to the \$640.7 million bond package listed in the handout, with the caveat that the additional \$9.5 million for the Downtown Community Theaters and Cultural Landscape project be changed to \$5 million, and add \$2.4 million to the Pedestrian Safety project. It was noted that Mr. Huckelberry is in support of restoring \$1 million for Colossal Cave, but that it was not in the motion. Mr. Warne and Mr. Gastelum agreed to amend the motion to include it.**

Committee discussion:

- Clarification on the additional \$2.4 million for the Pedestrian Safety project.
- Sidewalk maintenance issue and project priority could be addressed in the bond implementation plan ordinance.
- Role of Rio Nuevo.
- In 2004 some projects that included other funding sources were built with only the bond funds at a reduced scope after other funding did not materialize.
- Bond implementation plan ordinance could include the full scope and cost of the Downtown Community Theaters and Cultural Landscape project, with the non-bond funding listed as other funding.
- The project includes more than just fountains; it is the entire landscape that would add value to not only the theaters, but also the hotel and La Placita.
- Rio Nuevo results and potential for the future.
- Remove the south side parking improvements from the Rillito project, fine with Velodrome funding if they can use existing parking next to the Kino Stadium, and fine with adding Jacobs Park Community Center so long as it actually gets built. Mr. Huckelberry confirmed that Rillito could be reduced by another \$2 million to remove the south side parking improvements, that yes the Velodrome could use existing parking at the Kino Complex, and the bond ordinance and County Code require a process for how changes in bond projects are to be addressed and the Committee will have a chance to review that process.
- Cannot support the bond package because of the size of the package and lack of projects for an area of the community (map showing Catalina Foothills in unincorporated Pima County to an area south within the City of Tucson).

Chairman Hecker summarized the changes to the \$640.7 million as those listed on the handout, replacing the \$9.5 million addition for Downtown Community Theaters and Cultural Landscape project with a \$5 million addition, adding \$2.4 million to the Pedestrian Safety project, reducing Rillito by \$2 million, adding \$1 million to Colossal Cave, and deleting the \$3 million South Tucson flood control project in favor of South Tucson's new request, for a total of \$653.2 million. City Manager for South Tucson, Benny Young, then asked the Committee to maintain the \$3 million for South Tucson's flood control project. He also summarized the new project that would facilitate the redevelopment of a blighted area north of I-10, on both sides of 4<sup>th</sup> Avenue. Mr. Huckelberry suggested that the \$3 million flood control project could be added to the scope of this new project, but funded by another source of funding, possibly the Flood Control District tax levy. Mr. Young agreed with the suggestion, and clarified that the other \$1.5 million section of the El Paso Greenway within South Tucson should be kept as a separate project.

Committee discussion continued:

- Could the BMX and skate park projects be combined into one project sheet and could the funding be reduced further? Response was that the skate park project had already been reduced by \$350,000 to eliminate parking and restroom amenities that could be shared with the BMX park, but they could be placed on one project sheet.
- Could Canoa be further reduced from \$10 million to \$5 million? Mr. Huckelberry responded that he would not reduce it by more than another \$2.5 million.
- Could the roof replacement cost for the Temple of Music and Art be removed because the improvements cannot wait for a bond election? It was suggested

that the scope could be expanded to include other necessary items in case the roof is fixed before the bond funding is available.

- Canoa is a good project that still has a long way to go and therefore its funding should not be reduced; Green Valley residents vote in high numbers and are looking at what's in this bond package.
- Sahuarita is still heavy on bond funding and Oro Valley does not have what they need to be whole.
- Question about the anticipated change in taxation that would be needed to fund debt on this bond package. Mr. Huckelberry summarized his memorandum of a few weeks ago citing that it could be funded while maintaining the 81.5 cent tax rate, and citing a recent credit rating of AA.
- It was clarified that, based on the statutorily required growth rates, the tax rate would have to increase from where it is today, but using the County's growth assumptions it would increase by a lesser amount.
- Growth in economy and tax values should support the debt and operational costs.
- Oro Valley has accepted the recommendations as stated.

**RESTATEMENT OF MOTION BY CHAIRMAN: Starting with the spreadsheet showing the \$640,686,363 in recommendations, we are adjusting those based on the one page handout, but adding \$5 million for the Downtown Community Theaters and Cultural Landscape project instead of \$9.5 million, deleting the \$3 million drainage project in lieu of adding the \$5 million South Tucson redevelopment project, adding \$1 million to Colossal Cave, subtracting \$2 million from Rillito, and adding \$2.4 million to the Pedestrian Safety project, totaling \$653.2 million. The makers of the motion, Tom Wane and Rene Gastelum agreed. Motion approved 16-5.**

Chairman Hecker stated that the Committee has now recommended to the Board of Supervisors that they call an election for this November, to include the projects as detailed by the motion, and that it is now up to the Board.

Supervisor Richard Elias thanked the Committee, as did Chairman Hecker.

#### 4. Semi-annual Bond Program Update for 1997, 2004, 2006 and 2014 Bond Programs

Per the County's Truth in Bonding Code, materials were provided to the Committee providing the status of the 1997, 2004, 2006 and 2014 bond programs. This included written reports from the City of Tucson and Town of Sahuarita. These materials are also available on the County's website. Nicole Fyffe noted that this was the first time reporting on the 2014 bond program and that proposals have been received and are being reviewed for design of the facility. Ms. Fyffe also summarized the status of each of the programs.

Terri Hutts asked if the number of lanes approved by the City of Tucson for Broadway was consistent with the bond ordinance. Mr. Huckelberry replied yes.

**MOTION: Terri Hutts moved, seconded by James Ward, to accept the bond program updates for the 1997, 2004, 2006 and 2014 bond programs. Motion approved 21-0.**

5. Amendments to the 1997 Transportation and 2004 General Obligation Bond Ordinances

Per the County's Truth in Bonding Code, the Committee received a written staff report describing when bond ordinance amendments are necessary, the public review process associated with amending the ordinances, and details concerning the 12 projects that would be impacted by this round of bond ordinance amendments. Nicole Fyffe summarized these and noted one change to the Santa Cruz River – Ajo Way to 29<sup>th</sup> Street amendment.

Gary Davidson asked when closure would begin for the Tangerine Landfill. John Bernal replied that it would begin sometime soon but that a definite date had not yet been determined. Mr. Davidson also asked if the Town of Sahuarita would have any future involvement in the spending of the open space funding being reallocated to the County. The answer was no.

**MOTION: Tom Warne moved, seconded by Gary Davidson, to approve the amendments to the 1997 Transportation bond ordinance. Motion approved 19-0, with 1 abstention.**

**MOTION: Tom Warne moved, seconded by Rene Gastelum, to approve the amendments to the 2004 General Obligation bond ordinance. Motion approved 20-0.**

6. Next meeting

No future meetings are scheduled, but the Committee may need to meet in 4-6 weeks if the Board decides to refer anything back to the Committee.

7. Call to the Audience

The following individuals spoke:

Michael Becherer

Alise Neave

Helen Erickson

Rob Miller

Don Branz

Bob Cleveland

Barb Levy

Karla Van Drunen Littooy

Richard DeBernardis

Mike Weiss

James Terlep

Bonnie Kampa

Jaye Wells

Doug Reed

Teresa Wyatt

Tom Sheridan

Nancy March

8. Meeting Adjourned

**MOTION: Chris Sheafe moved, seconded by Don Chatfield, to adjourn the meeting. Motion approved 20-0.**

Meeting adjourned at 10:30 a.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.**