

## **Report and Recommendations on Amending Pima County's 2004 Bond Ordinance Pima County Bond Advisory Committee, September 20, 2013**

### **I. Background**

Pima County Code Chapter 3.06, the "Truth in Bonding" code, requires that bond implementation plan ordinances be amended to reflect substantial modifications to bond-funded projects. The code defines what constitutes a "substantial modification," and when an amendment must be adopted in relation to actions of the Board that implement affected projects. The code also requires that amendments to bond ordinances be considered and adopted by the Board at public hearings, after advance public notice, and only after review by the County Bond Advisory Committee. Certain projects also require action by the governing body of cities and towns, and other County committees.

This round of bond ordinance amendments only affects two projects from the May 18, 2004 General Obligation Bond Program:

#### 2004 GO

4.2 Canoa Ranch Buildings Rehabilitation

4.46 Wilmot Branch Library Replacement or Relocation

### **II. Ordinance Amendment Requirements Per the Truth In Bonding Code**

Section 3.06.070 of Pima County's Truth in Bonding Code establishes procedures for making changes to a bond implementation plan ordinance. Recognizing that over time the availability of more detailed design and cost information, and changes in circumstances, often require changes in a bond implementation plan presented to the voters at the time of a bond election, Section 3.06.070 authorizes the Board to amend bond implementation plans to accommodate "substantial modifications" to projects. Substantial modifications are defined as:

1. An increase or decrease in total actual project costs by 25 percent or more
2. An increase or decrease in actual bond costs by 25 percent or more
3. An increase or decrease in actual other revenues by 25 percent or more
4. A delay in a project construction or implementation schedule of 12 months or more
5. A delay in the scheduled sale of bonds of 24 months or more
6. Any project that is not constructed
7. Any project that is added to those to be constructed
8. Any increase or decrease in the project scope that alters the disclosed project benefits
9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election

The required timing of an amendment varies based on whether the amendment impacts only funding, or other aspects of a project. Pursuant to the Code, the Board of Supervisors can authorize a substantial modification to the funding for a project on a de facto basis by awarding or amending a contract for the project that reflects that change in funding, while at the same time acknowledging that the action will require a future conforming amendment to the bond ordinance. In this situation, the amendment takes place after the Board takes action by awarding a contract. The reason for this is that amendments should not be based on cost estimates, and prior to the awarding of contracts or approval of purchase agreements, cost estimates may vary. For all other types of substantial modifications, an amendment of the bond ordinance is necessary before the modification is implemented.

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The County Bond Advisory Committee is tasked with reviewing and making recommendations to the Board of Supervisors regarding all proposed bond ordinance amendments. Although not required by the Truth in Bonding Code, the Library District Advisory Board will consider and make a recommendation regarding the proposed changes to Project 4.46 Wilmot Branch Library Replacement or Relocation. They are scheduled to meet on September 9, 2013.

**III. Recommended Amendments Relative to the 2004 General Obligation Bond Program**

The 2004 ordinance is attached to this report, with language that is being deleted shown in the “strike-out format” (~~example~~), while new language that is being added to the ordinance is double-underlined (example). All changes are highlighted as well. In this format, the ordinance only contains those projects that are being amended, and does not reproduce the entirety of the ordinance.

A brief description of the recommended ordinance amendments’ impact on each project is presented below.

**4.2 Canoa Ranch Buildings Rehabilitation**

This project was completed earlier this year. This ordinance amendment would correct the amount listed for other funding to reflect \$150,000 from an ASARCO settlement that was spent for the portion of the project that involved building rehabilitation and restroom construction.

**4.46 Wilmot Branch Library Replacement or Relocation**

The reconstruction of the Wilmot Library was completed in January 2011 for \$4.8 million, \$2.2 million less than the \$7 million of bond funds originally allocated to the project. A bond ordinance amendment was approved in 2010 that resulted in the expenditure of \$112,650 on the acquisition of State Trust land adjacent to Manzanita District Park and Drexel Heights Community Center. Another bond ordinance amendment was approved in 2011 that resulted in the expenditure of \$1,764,459 to expand the Eckstrom-Columbus Library, which has since been completed. These amendments were considered and recommended by the Library District Advisory Board, the Bond Advisory Committee and the Board. An additional \$23,636 was spent in 2012 on developing a children’s interactive center at the Wilmot Library, which did not necessitate a bond ordinance amendment. This leaves \$302,255 in bond authorization available. The Library is requesting one final bond ordinance amendment that would expand the scope of the project to allow for the following improvements with remaining bond funds plus approximately \$38,000 in other funding from the Library District Fund Balance:

- Himmel Library – interior improvements, roof and air conditioning replacement
- Nanini Library – air conditioning replacement
- Woods Memorial Library – chiller replacement

**ORDINANCE NUMBER 2013-\_\_\_\_**

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY ARIZONA  
RELATING TO GENERAL OBLIGATION AND SEWER REVENUE BOND PROJECTS  
AMENDING ORDINANCE NUMBER 2004-18 BOND IMPLEMENTATION PLAN, MAY  
18, 2004 SPECIAL ELECTION (AS PREVIOUSLY AMENDED ) FOR THE PURPOSE  
OF AMENDING THE SCOPE OF CERTAIN PROJECTS AND AUTHORIZING THE  
USE OF ADDITIONAL OTHER FUNDS TO FINANCE CERTAIN PROJECTS**

**WHEREAS**, the Board of Supervisors adopted Chapter 3.06 of the Pima County Code titled "Bonding Disclosure, Accountability and Implementation;" and

**WHEREAS**, in compliance with Chapter 3.06, the Board of Supervisors adopted Ordinance Number 2004-18, the "Bond Implementation Plan, May 18, 2004 Special Election;" and

**WHEREAS**, the Board of Supervisors, has previously amended the Bond Implementation Plan a number of times in compliance with provisions of Chapter 3.06; and

**WHEREAS**, the Board of Supervisors desires to further amend Ordinance Number 2004-18 (as previously amended) in compliance with provisions of Chapter 3.06;

**NOW THEREFORE, IT IS HEREBY ORDAINED by the Board of Supervisors of Pima County, Arizona:**

Ordinance Number 2004-18 (as previously amended) is hereby amended as follows:

D. Question No. 4 - Parks and Recreational Facilities

a. Cultural/Historic Resources Bond Program

**4.2 Canoa Ranch Buildings Rehabilitation**

**Location:** South of Green Valley and east of Interstate-19, in unincorporated Pima County.

**Scope:** Adaptive use planning and rehabilitation of the main residences within the historic Canoa Ranch, owned by Pima County.

**Benefits:** Canoa Ranch is a place exceptionally rich in the heritage of Pima County. Due to the presence of a seep or spring, there is evidence of 2,000 years of occupation from the early Archaic and Hohokam periods to the historic Piman, Spanish Colonial, Mexican, and American Territorial periods. The name La Canoa dates to 1775, and refers to a log trough. Today we know it by its land grant designation - San Ignacio de la Canoa. The ranch today includes 12 buildings (20,000 square feet) in two compounds of homes, workshops, stables, corrals, outbuildings, and walls, constructed of adobe that merge Sonoran and Southwestern ranch styles. In 1997, voters approved Bond CH-29 for Canoa Ranch. These funds have been used to stabilize and brace buildings, repair roofs, limit weathering, conduct archival research, prepare flood analyses and concepts for flood walls, and nominate Canoa to the National Register of Historic Places. Work is now underway to design flood walls, prepare building condition assessment reports, and prepare construction documents for two buildings for a caretaker and office. Flood wall construction must be completed as soon as possible. The residential adobe

buildings have suffered significantly from years of neglect and are badly deteriorated. Rehabilitation and adaptive use of the Canoa Ranch complex can restore this ranch to a unique showplace to celebrate our diverse heritage, traditions, and rural landscape to be enjoyed by all Pima County residents and visitors for many more generations.

**Costs:** \$2,700,000, with Planning/Design being \$517,000, Construction being \$2,157,000, and Other being \$26,000. \$2,850,000

**Bond Funding:** \$2,700,000

**Other Funding:** ~~None identified at this time~~ \$150,000 Asarco Settlement

**Project Duration:** Planning at 9 to 12 months, Design at 15 to 20 months, and Construction at 15 to 30 months.

**Implementation Period:** 1, 2, 3, 4, 5

**Project Management:** Pima County Cultural Resources and Historic Preservation Office/Pima County Facilities Management/Pima County Natural Resources, Parks and Recreation

**Future Operating and Maintenance Costs:** \$190,419 for the first year, and \$128,719 per year thereafter.

#### **4.46 Wilmot Branch Library Replacement or Relocation**

**Location:** The area bordered by Craycroft, Speedway, Kolb and Broadway; within the City of Tucson.

**Scope:** Design and construct renovations of the existing 19,000 square foot library. The renovations will maximize efficient use of existing space. Design and construct, as determined necessary, an addition to the existing library of up to 6,000 square feet. The building will house an expanded collection, state-of-the-art technology, information computer commons, large meeting room(s) and small study rooms, and a self-directed service check out. Library operations will be conducted from a temporary facility during renovation and construction. Some funds will be used for the acquisition of State Trust land adjacent to the Winston Reynolds-Manzanita District Park, and expansion of the Eckstrom- Columbus Library, and minor improvements to the Himmel Library, Woods Memorial Library and Nanini Library.

**Benefits:** The current library was constructed in 1965 and is considered by many to be a seminal work by the renowned modernist architect Nicolas Sakellar. A design charette was conducted to determine the most cost-effective and efficient means of retaining the existing building and providing library services in the neighborhood. The charette proved that the existing space could be redesigned and modified to enhance efficiency and minimize the need for new construction. The remodeling and addition will enhance the Pima County Public Library's mission of supporting education, literacy, and lifelong learning throughout Pima County. This library serves customers from all of Pima County. The acquisition of land adjacent to the Winston Reynolds-Manzanita District Park will provide access to the Manzanita Greenway, space to expand the Drexel Heights Community center and associated community

center amenities including potential library services, space for sport fields, free play areas, trails, ramadas, and additional parking.

**Cost:** ~~\$7,102,650~~ 7,140,650. This amount will include design and construction of remodel and any addition, the expansion and enhancement of the existing collection and rent payments for a temporary facility.

**Bond Funding:** \$7,000,000

**Other Funding:** ~~\$102,650~~ 140,650 (In-lieu recreation fees applied to the acquisition of land next to Manzanita Park, and \$38,000 Library District Fund balance)

**Project Duration:** Construction will begin in 2007 and be completed by FY2013/14.

**Implementation Period:** 2, 3, 4, 5

**Project Management:** The project will be managed by Pima County Facilities Management.

**Future Operating and Maintenance Costs:** Pima County Library District, a library district established pursuant to the laws of the State of Arizona, operates libraries throughout unincorporated Pima County and in most incorporated cities and towns in the County. Based on an intergovernmental agreement with the City of Tucson, the building will be conveyed by the City to the library district.