



# MAYOR & COUNCIL COMMUNICATION

June 19, 2018

Subject: Elections: Referring a General Obligation Bond Question for  
Parks and Recreation Improvements to the 2018 Pima County  
Consolidated Election Ballot

Page: 1 of 2

**Issue** – As directed at the June 5, 2018 Mayor and Council Study Session, staff is returning with an Ordinance: (1) calling a bond special election for November 6, 2018, to be held as part of the Pima County consolidated election on that date; (2) specifying the ballot language for the bond proposal to be voted on; and (3) pursuant to A.R.S. § 35-454(A)(2), setting a deadline of August 8, 2018 to submit arguments for and against the bond proposal to the City Clerk.

**City Manager’s Office Recommendation** – The Mayor and Council are respectfully requested to adopt the attached ordinance calling for the placement of a question on the November 2018 ballot seeking voter authorization to issue \$225 million in General Obligation bonds for Parks and Connectivity capital improvements. In addition, it is recommended that the Mayor and Council direct staff to return with an updated Truth in Bonding Ordinance, defining the role and structure for a Bond Oversight Committee that will oversee expenditure of Bond funds, along with draft information for the publicity pamphlet.

**Background** – During the Study Session of June 5, 2018 the City Manager presented Mayor and Council with information regarding the possibility of using General Obligation (GO) Bonds as a means to finance capital projects.

The total property tax rate including both primary and secondary rates for Fiscal Year 2018/19 is recommended to be \$1.4819 per \$100 of assessed value (AV). The City Charter caps the maximum combined rate at \$1.75. In addition, Mayor and Council approved a policy to cap the rate at \$1.50. Hence, given the tax rate caps set by the Charter and by policy, we have \$0.02 or \$0.27 respectively available for potential bonding capacity above our current rate depending on the primary amount for involuntary torts. State Law limiting the amount of bond debt would also have an impact in these amounts as these limits would translate into a maximum bond indebtedness of \$477 million for utility, open space, parks, playgrounds, recreational facilities, public safety, or transportation, and \$201 million for all other purposes.

Beginning in FY 2020 the City’s debt service payments will begin to decrease. This will provide a unique opportunity where a new voter authorization of \$225 million would not increase the secondary property tax rate and would also remain below the City Charter and Mayor and Council established limits.

JUN19-18-218(2)

Elections: Referring a General Obligation Bond Question for Parks and Recreation to the 2018 Pima County Consolidated Election Ballot (City Wide)

At the June 5 Study Session, the Mayor and Council directed staff to prepare ballot language for a Parks and Connectivity GO Bond question to be submitted to the voters on the November 6, 2018 ballot.

**Present Considerations** – At today’s Study Session Mayor and Council had the opportunity to discuss the allocation plan for the GO Bond funding. The Proposed 2018 Parks and Connectivity GO Bond Program Project List is an exhibit to the attached Ordinance and will also be published in the City’s Choice is Yours publicity pamphlet mailed to voters.

**Plan Tucson Consideration** – This item relates to the Element of Governance & Participation. Specifically, this item is supported by the following policy:

- G2 – Offer opportunities for productive public engagement in City policy, program, and project initiatives from the beginning of and throughout the planning and decision-making process.

This item also relates to Plan Tucson Chapter Four, Plan Implementation & Administration. Specifically, this item addresses the need to have the right foundational elements in place to support/foster the City’s ability to implement Plan Tucson.

**Financial Consideration** – The City Clerk estimates that the cost to place items on the November 6, 2018 consolidated election along with publishing and mailing election related materials will be approximately \$600,000.

**Legal Considerations** – The attached ordinance has been prepared by the City Attorney’s Office, with assistance from bond counsel, to incorporate the Mayor and Council direction as discussed above.

Respectfully submitted,



Michael J. Ortega, P.E.  
City Manager

MJO:RWR:DR  
City Clerk

Attachment: Ordinance

JUN19-18-218(2)