

CITY COUNCIL REPORT



Meeting Date: March 2, 2015
 General Plan Element: ***Public Services and Facilities***
 General Plan Goal: ***Provide city service facilities to meet the needs of the community***

ACTION

Potential General Obligation Bond Program. Discussion and possible direction to staff on establishing a General Obligation Bond Program for the City of Scottsdale.

BACKGROUND

The purpose of this Work Study Session is to discuss the elements of a potential General Obligation Bond Program and to provide direction to staff concerning the timing, size and makeup of the program.

At its meeting of January 13, 2015, Council directed staff to schedule the Work Study Session and to identify potential bond-eligible projects. At that meeting, Council also expressed support for the work previously conducted by the Bond Task Force in 2012 and 2013 and suggested those projects as a starting point for a future program.

ANALYSIS & ASSESSMENT

Recent Staff Action

To prepare for the Work Study Session, staff examined the current capital needs of the city and established a list of priority projects for consideration for a General Obligation Bond Program. The 2013 Bond Task Force recommendations served as the initial source of potential projects, while the list was expanded to consider divisional requests submitted through the annual CIP update process. A summary of the analysis of the two sources follows:

Review of previous 2013 program – All 45 2013 Bond Program projects were evaluated for their current status, updated priority and updated cost estimates. From the original list, 21 projects were retained with updated descriptions and budgets, while 24 projects were dropped. The reasons for dropping the projects primarily included:

- Projects were funded through other means including: reprioritization of the General Fund CIP, receipt of grants from federal and state agencies or by the additional

contribution of unreserved fund balance to the CIP approved by Council in the FY 2014/2015 budget.

- Projects were combined and scopes were revised.
- Actual condition of the infrastructure has changed.
- Projects were reviewed in depth and were not considered eligible for bond funding or not critical to city operations.

Annual Capital Improvement Plan Updates – Since the 2013 bond program election, two cycles of CIP project updates have occurred leading to the addition of important infrastructure projects. In the FY 2014/2015 update, many of the projects from the 2013 bond program were carried over as divisional requests and new critical project requests were added. Following evaluation of the divisional CIP requests by a staff committee, 12 projects were considered high priority and were subsequently funded through transfer of \$10.5 million of general fund unreserved balance, in addition to the normal 25% of construction sales tax (approximately \$2.5 million). Those projects that were not funded were retained as possible candidates for a future bond program.

In addition to the unfunded CIP projects from the FY 2014/2015 budget, staff has also considered divisional CIP requests for the next fiscal year (2015/2016) as additional candidates for a bond program. These projects have been prioritized by a staff committee. At the time of this report, no decisions on CIP funding have been proposed or approved for the FY 2015/2016 budget.

Following compilation of the list of high priority projects, staff confirmed that the projects had been updated to an accurate budget, had a sufficient description to accurately describe the scope of the work and verified the projects were eligible to utilize General Obligation bond funding. For purposes of the presentation to Council, the projects were grouped into functional classifications that could constitute possible bond questions, if so desired by Council.

Community Involvement

During its deliberations in 2012 and 2013, the Bond Task Force sought public input on the proposed program through multiple methods including rotating locations for public meetings, website detailing the projects, press releases, social media and presentations to community groups. The extensive body of work of the Bond Task Force is captured in a report dated February 12, 2013 and is available for review at the following web address:

[http://www.scottsdaleaz.gov/Assets/Public+Website/Capital+Projects+\(Construction\)/2013+Bond+Task+Force/2013Recommendations.pdf](http://www.scottsdaleaz.gov/Assets/Public+Website/Capital+Projects+(Construction)/2013+Bond+Task+Force/2013Recommendations.pdf).

Should Council choose to call an election for a bond program, City staff will be limited to only disseminating factual information concerning the program and will be prohibited from taking a position either supporting or opposing the election.

Council Direction

To move forward with a Bond Program for the City of Scottsdale, staff is seeking direction on the following questions:

- Should the City consider holding a General Obligation Bond Election (yes/no)?
- When should the election be held (November of 2015, 2016, later)?
- What is the optimum size of the program (total dollar value)?
- What projects should be included in the program?
- How should those projects be grouped for the purposes of election questions?

Significant Issues to be Addressed

In determining the composition of a bond program, Council may consider issues such as the need for reinvestment in the City's infrastructure, the availability of reinvestment capital funds from other sources, the amount of bond debt both currently and resulting from a new issuance, the impact on the City's bond rating, the impact on residents' and businesses' property tax rates and the potential success of the ballot questions.

RESOURCE IMPACTS

Available funding

The estimated cost for the election is \$500,000.

Staffing, Workload Impact

Implementation of the bond program will utilize existing city staff for management of the projects and issuance/monitoring of the new bond issuances.

OPTIONS & STAFF RECOMMENDATION

Proposed Next Steps:

Dependent on the direction provided by Council, staff will continue work on the required steps to implement the program and return at a later date with the appropriate actions required.

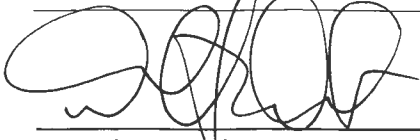
RESPONSIBLE DEPARTMENT(S)

Public Works Division, Capital Project Management

STAFF CONTACTS (S)

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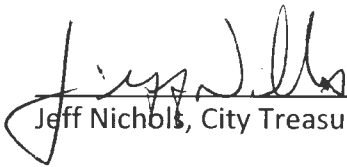


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2-17-15

Date



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2/17/15

Date



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2/17/15

Date

ATTACHMENTS

1. Summary of staff recommended projects
2. Project descriptions
3. Map of geographic distribution of projects

Bond Program - Proposed Project List

#	Question 1: Parks and Recreation	Budget	Source	Type
1	Indian Bend Wash: Park and Lake Rehabilitation	\$ 18,500,000	BTF	Renovation
2	Pool Chemical Safety Improvement	\$ 3,500,000	BTF	Renovation
3	Ballfield Lighting Efficiency Upgrades	\$ 4,600,000	BTF	Renovation
4	Aging Park Building Replacement	\$ 3,400,000	CIP	Renovation
5	Water Conservation Irrigation Upgrades	\$ 1,900,000	CIP	Renovation
6	Grayhawk Park Off-Leash Area	\$ 4,800,000	CIP	Expansion
	Question Total	\$ 36,700,000		
Question 2: Street Pavement Repair				
7	Deteriorated Pavement Replacement	\$ 12,500,000	BTF	Renovation
	Question Total	\$ 12,500,000		
Question 3: Public Safety - Fire				
8	Fire Station 605 Renovation	\$ 800,000	BTF	Renovation
9	Fire Station 613 Design and Construction	\$ 5,100,000	BTF	Renovation
10	Fire Station 616 Design and Construction	\$ 3,700,000	BTF	Renovation
11	Fire Station 603 Relocation	\$ 6,750,000	CIP	Renovation
	Question Total	\$ 16,350,000		
Question 4: Public Safety - Police				
12	Police Civic Center Jail and Station Renovation	\$ 10,100,000	BTF	Renovation
13	Police District 4 Facility Improvements	\$ 510,000	CIP	Renovation
14	Police Vehicle Training Track Resurfacing	\$ 1,700,000	CIP	Renovation
	Question Total	\$ 12,310,000		
Question 5: Downtown Parking				
15	Northeast Downtown Parking Structure	\$ 13,800,000	BTF	Expansion
	Question Total	\$ 13,800,000		
Question 6: Flood Control				
16	Crossroads East Regional Flood Control Improvements	\$ 13,500,000	BTF	Expansion
17	Indian Bend Rd/Lincoln Dr Flood Hazard Reduction	\$ 2,700,000	BTF	Expansion
	Question Total	\$ 16,200,000		
Question 7: Transportation				
18	Street Intersection Improvements: Hayden Rd & Chaparral Rd	\$ 2,510,000	BTF	Expansion
19	Airpark Area Roadway Improvements	\$ 12,900,000	BTF	Expansion
20	Thompson Peak Parkway Bridge	\$ 5,200,000	BTF	Expansion
21	Happy Valley Rd Improvements: Pima Rd to Alma School Rd	\$ 4,830,000	CIP	Expansion
22	Miller Rd Improvements: Pinnacle Peak Rd to Happy Valley Rd	\$ 8,900,000	CIP	Expansion
23	Alma School Rd and Jomax Rd Improvements	\$ 5,900,000	CIP	Expansion
24	98th St Improvements: North of McDowell Mountain Ranch Rd	\$ 1,700,000	CIP	Expansion
25	Street Intersection Improvements: Pinnacle Vista Dr & 56th St	\$ 700,000	CIP	Expansion
26	Highland Ave Improvements: Scottsdale Rd to Goldwater Rd	\$ 2,100,000	CIP	Expansion
	Question Total	\$ 44,740,000		

Bond Program - Proposed Project List

Question 8: Multiuse Paths and Trails

27	Downtown Pedestrian Improvements	\$	4,000,000	BTF	Renovation
28	Path and Trail Connections: North of CAP	\$	2,630,000	BTF	Expansion
29	McDowell Rd Bicycle Lane Improvements	\$	3,100,000	CIP	Expansion
30	Shea Multiuse Path Underpass at 124th St	\$	600,000	CIP	Expansion
31	CAP Canal Multiuse Path: Horizon Park to Stonegate Park	\$	3,100,000	CIP	Expansion
Question Total		\$	13,430,000		

Question 9: Citywide Technology

32	Public Building Energy Efficiency Upgrades	\$	1,500,000	CIP	Renovation
33	Technology: Public Building Wireless Improvements	\$	470,000	CIP	Renovation
34	Technology: Disaster Recovery Infrastructure	\$	4,900,000	CIP	Renovation
Question Total		\$	6,870,000		

Bond Program Grand Total \$ 172,900,000

Bond Program - Project Descriptions

#	Question 1: Parks and Recreation	Budget	Source
1	Indian Bend Wash: Park and Lake Rehabilitation This project will renovate the existing Vista del Camino Park/Indian Bend Wash area from McKellips Rd. to McDowell Rd. The park was completed in 1975 and this project will renovate much of the 37-year-old infrastructure including the turf irrigation system, lakes, multi-use paths, park buildings, ramadas and playgrounds. These improvements will include the installation of updated materials and technologies and will lower annual operating cost, enhance water conservation and quality, resolve bank erosion and allow more effective use of park open space areas.	\$ 18,500,000	BTF
2	Pool Chemical Safety Improvement This project will replace existing chemical treatment systems in four city pools with chlorine generation systems and ultraviolet treatment. The project will reduce/eliminate the need for bulk chemical storage and handling hazardous chemicals at pool sites and provide a safe and consistent disinfectant solution to the public pools. The proposed system is similar in design to those used in existing city water treatment facilities.	\$ 3,500,000	BTF
3	Ballfield Lighting Efficiency Upgrades This project will provide life cycle replacement for existing ballfield lighting systems at Horizon, Pima School, Laguna School and Scottsdale Sports Complex that are outdated and not energy efficient. The new technology will reduce the total number of light fixtures while providing the required amount of lighting for community use. The project will also add new lighting to ballfields that are currently unlighted, helping meet the continued increase in demand from youth and adult community user groups.	\$ 4,600,000	BTF
4	Aging Park Building Replacement This project will replace existing park buildings at Indian School Park, ElDorado Park, Vista del Camino South and McCormick –Stillman Railroad Park that are over 20 years old and past traditional life cycle replacement. The buildings consist of city park restrooms, activity/storage and maintenance buildings which do not meet the current ADA standards and requirements. The new buildings will use updated materials and technologies that will help reduce costs, lower water use and save energy.	\$ 3,400,000	CIP
5	Water Conservation Irrigation Upgrades This project will replace outdated irrigation systems and control technology used in City parks, medians and rights of way maintained by the City. The new system will use updated materials and technologies that will help reduce costs, lower water use and save energy.	\$ 1,900,000	CIP
6	Grayhawk Park Off-Leash Area This project will construct an Off Leash Area (dog park) at Grayhawk Park. The Off Leash Area will include 3.5 acres of developed turf area, three separately fenced and gated areas, parking, restroom and bridge access to the existing park ballfields/amenities.	\$ 4,800,000	CIP
Question Total		\$ 36,700,000	

Bond Program - Project Descriptions

Question 2: Street Pavement Repair

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|---|-----------------------------------|----|------------|-----|
| 7 | Deteriorated Pavement Replacement | \$ | 12,500,000 | BTF |
|---|-----------------------------------|----|------------|-----|

This project will remove and replace expired asphalt road surface that has exceeded its 15-year life cycle in all areas of Scottsdale. This project includes local, collector and major streets.

Question Total \$ 12,500,000

Question 3: Public Safety - Fire

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|---|-----------------------------|----|---------|-----|
| 8 | Fire Station 605 Renovation | \$ | 800,000 | BTF |
|---|-----------------------------|----|---------|-----|

This project will renovate the apparatus bay and interior living space of Fire Station 605. The station was built in 1983 and is need of extensive remodeling to allow for more efficient use of the limited usable space within the structure including the bathrooms, locker rooms, bunk rooms, and kitchen. The renovated apparatus bay area will include an OSHA compliant decontamination room and personal protective equipment storage.

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|---|--|----|-----------|-----|
| 9 | Fire Station 613 Design and Construction | \$ | 5,100,000 | BTF |
|---|--|----|-----------|-----|

This project will design and construct a 10,000 square foot permanent fire station in the Desert Foothills area at Jomax Rd and Hayden Rd to replace a temporary modular facility. The new station will include crew quarters and facilities, office space, OSHA-certified decontamination area, safety gear storage and an apparatus bay.

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|----|--|----|-----------|-----|
| 10 | Fire Station 616 Design and Construction | \$ | 3,700,000 | BTF |
|----|--|----|-----------|-----|

This project will design and construct a 10,000 square foot permanent fire station at 110th St and Cave Creek Rd to replace a temporary facility. The new station will include crew quarters and facilities, office space, OSHA-certified decontamination area, safety gear storage and an apparatus bay.

- | | | | | |
|----|-----------------------------|----|-----------|-----|
| 11 | Fire Station 603 Relocation | \$ | 6,750,000 | CIP |
|----|-----------------------------|----|-----------|-----|

This project will purchase land for, design and construct an 8,000 square foot fire station in the McCormick Ranch area in order to improve response times to that portion of the city. The new station will include crew quarters and facilities, office space, OSHA-certified decontamination area, safety gear storage and two apparatus bays.

Question Total \$ 16,350,000

Question 4: Public Safety - Police

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|----|---|----|------------|-----|
| 12 | Police Civic Center Jail and Station Renovation | \$ | 10,100,000 | BTF |
|----|---|----|------------|-----|

This project will centralize City jail operations by expanding and renovating the current Civic Center Jail to accommodate all City jail operations by adding approximately 5,000 square feet to the existing Civic Center Jail. The project will also construct a 9,000 square foot addition to the Civic Center Police facility to support the needs of the High Enforcement Arrest Team (HEAT), K9 unit, Bike Support Unit and Downtown Patrol Services.

Bond Program - Project Descriptions

13 Police District 4 Facility Improvements \$ **510,000** CIP

This project will remodel the Foothills District Police Station at 20363 N. Pima Rd. The original design of the Foothills District Police Station was based on 60 percent of current staffing levels. Modifications are required to account for the increased occupancy and provide more efficient use of space.

14 Police Vehicle Training Track Resurfacing \$ **1,700,000** CIP

This project will reconstruct the training track at the Thomas A. Hontz Training Facility that is used to facilitate a wide variety of driver and safety training for both Scottsdale's Police and Fire Department. The current track has reached the end of its lifecycle and needs to be replaced in order to safely accommodate public safety vehicles.

Question Total \$ 12,310,000

Question 5: Downtown Parking

15 Northeast Downtown Parking Structure \$ **13,800,000** BTF

This project will design and create a new multi-story public parking facility in Downtown Scottsdale where several large employers have located and expanded (generally south of Camelback Road, west of Miller Road, east of Drinkwater Blvd., and north of Indian School Road). The project is proposed to construct a 400 space, above ground, parking structure.

Question Total \$ 13,800,000

Question 6: Flood Control

16 Crossroads East Regional Flood Control Improvements \$ **13,500,000** BTF

This project will improve and expand a regional drainage system for the area south of Grayhawk Dr, west of Pima Rd, north of the Mayo Blvd (alignment) and Princess Blvd, and east of Scottsdale Rd. The regional drainage system will capture and convey regional flows within this area, reduce the potential for local flooding south of the area, and facilitate development of the Crossroads East parcels owned by the Arizona State Land Department (ASLD). The future developer of the property will pay for approximately one half of the design, right-of-way and construction cost of this project.

17 Indian Bend Rd/Lincoln Dr Flood Hazard Reduction \$ **2,700,000** BTF

This project provides 100-year flood protection for McCormick-Stillman Railroad Park, the Sands North community, commercial development at the northwest corner of Scottsdale Rd and Lincoln Dr, Scottsdale Rd, Lincoln Dr and Indian Bend Rd. The project includes construction of storm drain improvements on Lincoln Dr from Scottsdale Rd to the interceptor channel upstream of the Arizona Canal and will enhance the capacity of the existing channel from the intersection of Scottsdale Rd and Indian Bend Rd to Indian Bend Wash. There are \$4.0 million matching funds available from FCDMC.

Question Total \$ 16,200,000

Bond Program - Project Descriptions

Question 7: Transportation

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|-----------|--|-----------|-------------------|------------|
| 18 | Street Intersection Improvements: Hayden Rd & Chaparral Rd | \$ | 2,510,000 | BTF |
| | This project will construct additional turn lanes in all directions to provide additional capacity at the intersection of Hayden and Chaparral Roads and improve access between Downtown Scottsdale and the Loop 101. This project will lengthen the north bound right-turn lane and add a pedestrian underpass under Chaparral Rd. on the east side of Hayden Rd. | | | |
| 19 | Airpark Area Roadway Improvements | \$ | 12,900,000 | BTF |
| | This project provides improved connector streets along Raintree Dr and Redfield Rd between the Loop 101 and Scottsdale Rd and upgrades Airpark & Airport wayfinding signage. Connector streets will include bike lanes, landscaping and roundabouts. This project is eligible for Proposition 400 matching funds up to \$20.5 million. | | | |
| 20 | Thompson Peak Parkway Bridge | \$ | 5,200,000 | BTF |
| | This project is for the construction of the second Thompson Peak Parkway Bridge over the Reata Wash within DC Ranch. The second bridge would create a safer roadway condition and include a bike lane and sidewalk. | | | |
| 21 | Happy Valley Rd Improvements: Pima Rd to Alma School Rd | \$ | 4,830,000 | CIP |
| | This project will expand Happy Valley Rd from Pima Rd to Alma School Rd to a 5-lane roadway including a potential multi-lane roundabout at the intersection of Happy Valley Rd and Alma School Rd. This project will fill in the gap as Happy Valley Rd is five lanes to the east and to the west of the project boundaries. | | | |
| 22 | Miller Rd Improvements: Pinnacle Peak Rd to Happy Valley Rd | \$ | 8,900,000 | CIP |
| | This project will design and construct improvements to Miller Rd between Pinnacle Peak Rd and Parkview Lane Rd to a 3-lane roadway with a bridge over the Rawhide Wash. | | | |
| 23 | Alma School Rd and Jomax Rd Improvements | \$ | 5,900,000 | CIP |
| | This project will expand Alma School Rd to a 5-lane roadway from Jomax Rd to Pinnacle Vista Rd, including a potential roundabout at the intersection of Alma School Pkwy and Jomax Rd. This project will fill in the gap, as Alma School Pkwy, is five lanes to the north and south of the project boundaries. | | | |
| 24 | 98th St Improvements: North of McDowell Mountain Ranch Rd | \$ | 1,700,000 | CIP |
| | This project will design and construct improvements to 98th St to match the existing 5-lane roadway to the north of the project adjacent to Notre Dame High School. The project includes intersection improvements at McDowell Mountain Rd and Paradise Ln. | | | |
| 25 | Street Intersection Improvements: Pinnacle Vista Dr & 56th St | \$ | 700,000 | CIP |
| | This project will design and construct a single lane roundabout at the intersection of 56th St and Pinnacle Vista Dr including sidewalk and pedestrian improvements connecting to the adjacent school. | | | |
| 26 | Highland Ave Improvements: Scottsdale Rd to Goldwater Rd | \$ | 2,100,000 | CIP |
| | This project will design and construct intersection improvements on Highland Ave at Scottsdale Rd and Goldwater Blvd. and construct sidewalk improvements along Highland Ave between Scottsdale Rd and Goldwater Blvd. | | | |

Question Total \$ 44,740,000

Bond Program - Project Descriptions

Question 8: Multiuse Paths and Trails

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|--|--|---------------------|------------|
| 27 | Downtown Pedestrian Improvements | \$ 4,000,000 | BTF |
| <p>This project will provide funding for missing segments or improvements to sidewalks in order to increase character, wayfinding and mobility in the downtown area. Improvements will be concentrated along Marshall Way from 2nd St to 5th Ave and in the area north of Fashion Square mall along Goldwater Blvd, Highland Dr and Scottsdale Rd.</p> | | | |
| 28 | Path and Trail Connections: North of CAP | \$ 2,630,000 | BTF |
| <p>This project will provide shared use paths and unpaved trail connectivity from West World north to major destinations and existing path and trails already in place. These destinations and paths include: the McDowell Sonoran Preserve, Gateway Access Area, McDowell Mountain Ranch Park and Aquatic Center, Grayhawk Park, Pima Park and the Power Line Path.</p> | | | |
| 29 | McDowell Rd Bicycle Lane Improvements | \$ 3,100,000 | CIP |
| <p>This project will design and construct segments of bicycle lanes on McDowell Rd, from 64th St to Scottsdale Rd and from Hayden Rd to Granite Reef Rd on McDowell Rd in order to provide a continuous bike lane from 64th St to Pima Rd. The new bike lanes will be created by reducing the width of the median and travel lanes.</p> | | | |
| 30 | Shea Multiuse Path Underpass at 124th St | \$ 600,000 | CIP |
| <p>This project will design and construct a multiuse path and trail to provide access under Shea Blvd east of 124th St. The project will improve an existing, inaccessible underpass in order to close a current gap in the City's trail system. The project will help connect residents to three public schools, Palomino Library, the preserve and other existing and planned paths and trails without having to be exposed to the high speed and high volume traffic on Shea Blvd. This project has received \$1.2M in grant funding and the \$600,000 in bond funds are the city's portion of the project.</p> | | | |
| 31 | CAP Canal Multiuse Path: Horizon Park to Stonegate Park | \$ 3,100,000 | CIP |
| <p>This project will design and construct a 10-foot multi-use path along the CAP Canal between Horizon Park and Stonegate Equestrian Park including an underpass of Via Linda. The connection at Horizon Park will connect this new path to the planned and existing paths in McDowell Mountain Ranch, Westworld, and to Scottsdale's main path system through the Indian Bend Wash Greenbelt to Tempe Town Lake.</p> | | | |

Question Total \$ 13,430,000

Bond Program - Project Descriptions

Question 9: Citywide Technology

32 Public Building Energy Efficiency Upgrades \$ 1,500,000 CIP

This project will replace antiquated energy management control systems in five buildings used to monitor measure and control electric building loads, heating, air conditioning, ventilation and lighting systems. The current systems are no longer compatible with current computer standards and are at risk of failure.

33 Technology: Public Building Wireless Improvements \$ 470,000 CIP

The need for mobile wireless access across the City enterprise network is growing rapidly with the increasing adoption of wireless devices for conducting City business. This project will implement a centrally managed wireless network to provide coverage for the most heavily used buildings and enhance public access to the internet in these areas.

34 Technology: Disaster Recovery Infrastructure \$ 4,900,000 CIP

This project will plan for an unexpected loss of the City's primary data center as well as other departmental data centers critical to business operations. This project will provide the hardware and software required to establish service at the new data center and modifications to the existing City primary data center to integrate with the new data center.

Question Total \$ 6,870,000

Bond Program Grand Total \$ 172,900,000

Regional Project Distribution - North

Citywide Benefit



Question 1: Parks and Recreation

- 1 Indian Bend Wash Park and Lake Rehabilitation
- 2 Pool Chemical Safety Improvement
- 3 Ballfield Lighting Efficiency Upgrades
- 4 Aging Park Building Replacement
- 5 Water Conservation Irrigation Upgrades
- 6 Grayhawk Park Off-Leash Area

Question 2: Street Pmt Replacement

- 7 Deteriorated Pavement Replacement

Question 3: Public Safety - Fire

- 8 Fire Station 605 Renovation
- 9 Fire Station 613 Design and Construction
- 10 Fire Station 616 Design and Construction
- 11 Fire Station 603 Relocation

Question 4: Public Safety - Police

- 12 Police Civic Center Jail and Station Renovation
- 13 Police District 4 Facility Improvements
- 14 Police Vehicle Training Track Resurfacing

Question 5: Downtown Parking

- 15 Northeast Downtown Parking Structure

Question 6: Flood Control

- 16 Crossroads East Regional Flood Control
- 17 Indian Bend/Lincoln Flood Hazard Reduction

Question 7: Transportation

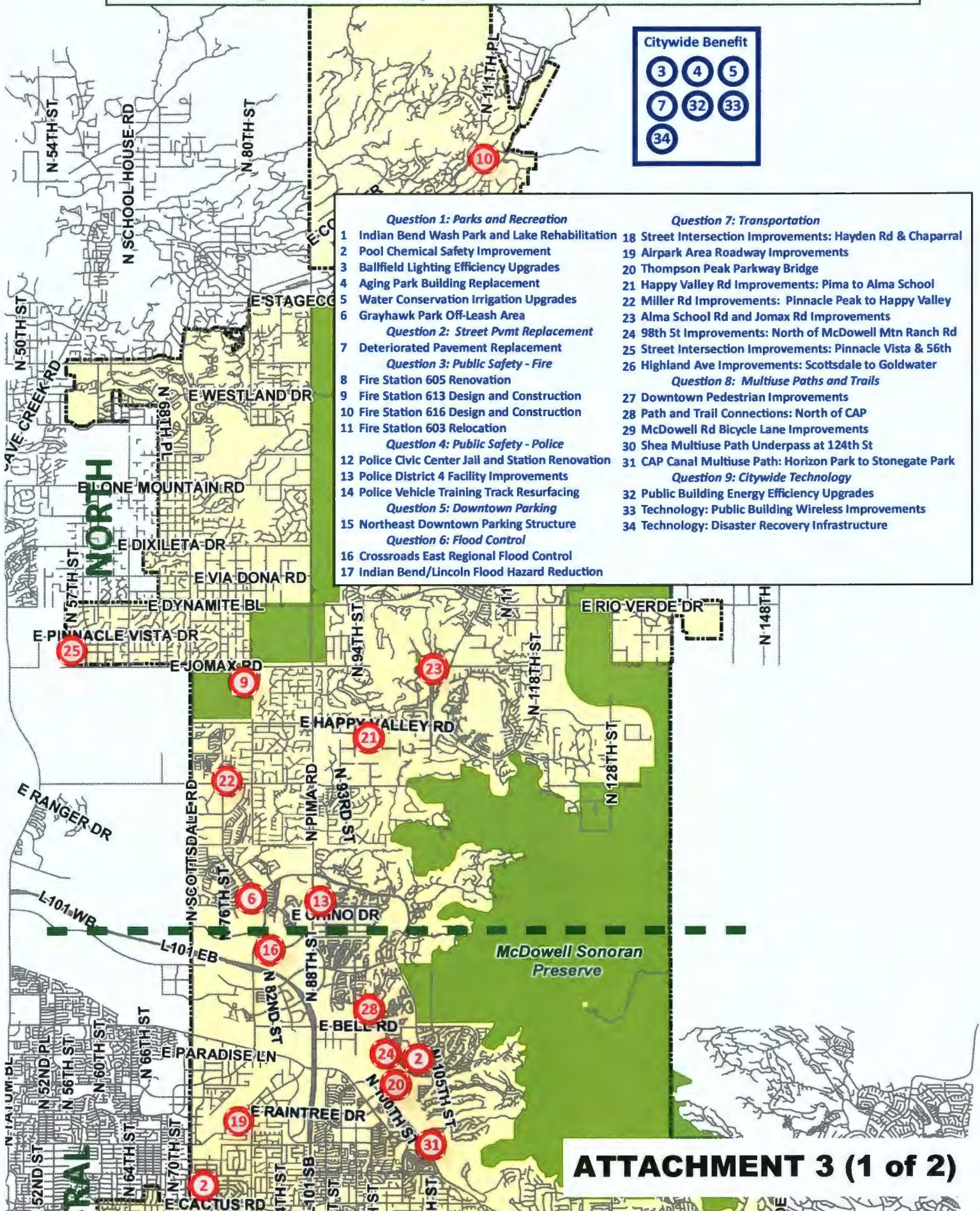
- 18 Street Intersection Improvements: Hayden Rd & Chaparral
- 19 Airpark Area Roadway Improvements
- 20 Thompson Peak Parkway Bridge
- 21 Happy Valley Rd Improvements: Pima to Alma School
- 22 Miller Rd Improvements: Pinnacle Peak to Happy Valley
- 23 Alma School Rd and Jomax Rd Improvements
- 24 98th St Improvements: North of McDowell Mtn Ranch Rd
- 25 Street Intersection Improvements: Pinnacle Vista & 56th
- 26 Highland Ave Improvements: Scottsdale to Goldwater

Question 8: Multiuse Paths and Trails

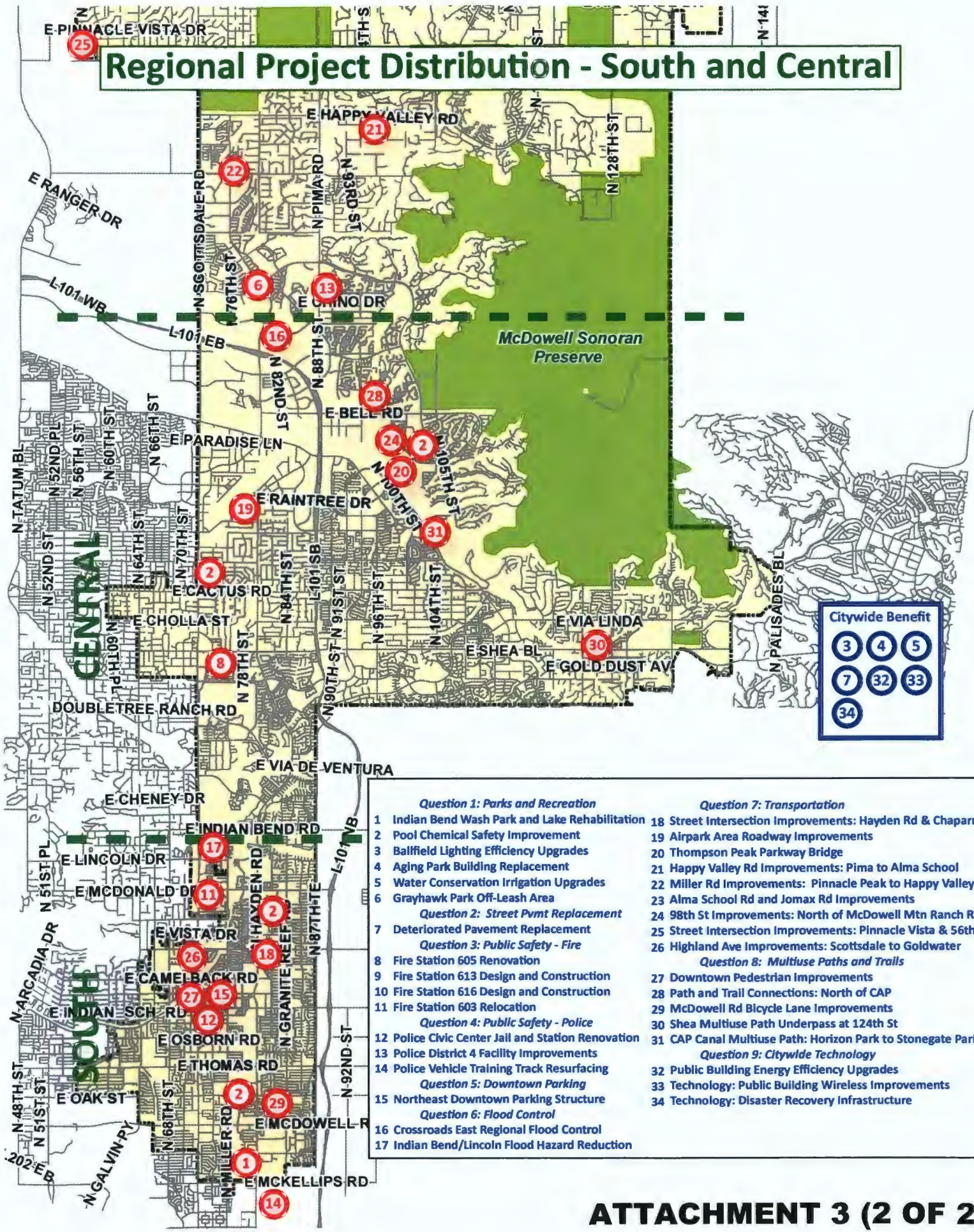
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- 30 Shea Multiuse Path Underpass at 124th St
- 31 CAP Canal Multiuse Path: Horizon Park to Stonegate Park

Question 9: Citywide Technology

- 32 Public Building Energy Efficiency Upgrades
- 33 Technology: Public Building Wireless Improvements
- 34 Technology: Disaster Recovery Infrastructure



Regional Project Distribution - South and Central

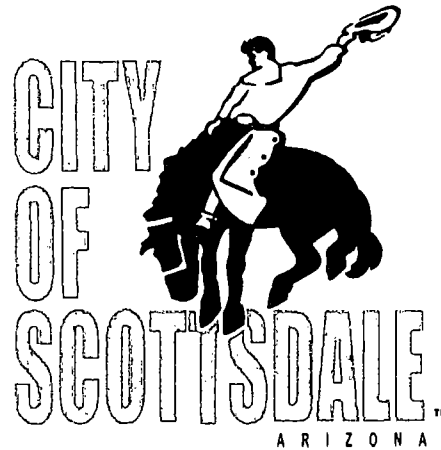


Citywide Benefit

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7	32	33
34		

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|---|--|
| <p>Question 1: Parks and Recreation</p> <ul style="list-style-type: none"> 1 Indian Bend Wash Park and Lake Rehabilitation 2 Pool Chemical Safety Improvement 3 Ballfield Lighting Efficiency Upgrades 4 Aging Park Building Replacement 5 Water Conservation Irrigation Upgrades 6 Grayhawk Park Off-Leash Area <p>Question 2: Street Pymt Replacement</p> <ul style="list-style-type: none"> 7 Deteriorated Pavement Replacement <p>Question 3: Public Safety - Fire</p> <ul style="list-style-type: none"> 8 Fire Station 605 Renovation 9 Fire Station 613 Design and Construction 10 Fire Station 616 Design and Construction 11 Fire Station 603 Relocation <p>Question 4: Public Safety - Police</p> <ul style="list-style-type: none"> 12 Police Civic Center Jail and Station Renovation 13 Police District 4 Facility Improvements 14 Police Vehicle Training Track Resurfacing <p>Question 5: Downtown Parking</p> <ul style="list-style-type: none"> 15 Northeast Downtown Parking Structure <p>Question 6: Flood Control</p> <ul style="list-style-type: none"> 16 Crossroads East Regional Flood Control 17 Indian Bend/Lincoln Flood Hazard Reduction | <p>Question 7: Transportation</p> <ul style="list-style-type: none"> 18 Street Intersection Improvements: Hayden Rd & Chaparral 19 Airport Area Roadway Improvements 20 Thompson Peak Parkway Bridge 21 Happy Valley Rd Improvements: Pima to Alma School 22 Miller Rd Improvements: Pinnacle Peak to Happy Valley 23 Alma School Rd and Jomax Rd Improvements 24 98th St Improvements: North of McDowell Mtn Ranch Rd 25 Street Intersection Improvements: Pinnacle Vista & 56th 26 Highland Ave Improvements: Scottsdale to Goldwater <p>Question 8: Multiuse Paths and Trails</p> <ul style="list-style-type: none"> 27 Downtown Pedestrian Improvements 28 Path and Trail Connections: North of CAP 29 McDowell Rd Bicycle Lane Improvements 30 Shea Multiuse Path Underpass at 124th St 31 CAP Canal Multiuse Path: Horizon Park to Stonegate Park <p>Question 9: Citywide Technology</p> <ul style="list-style-type: none"> 32 Public Building Energy Efficiency Upgrades 33 Technology: Public Building Wireless Improvements 34 Technology: Disaster Recovery Infrastructure |
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General Obligation Bond Program



City Council Work-Study Session

March 2, 2015

Tonight's Presentation

- Overview of City's Capital Assets
- Review of proposed bond program
- Update on City's debt structure
- Considerations for a bond election
- Discussion and direction to staff

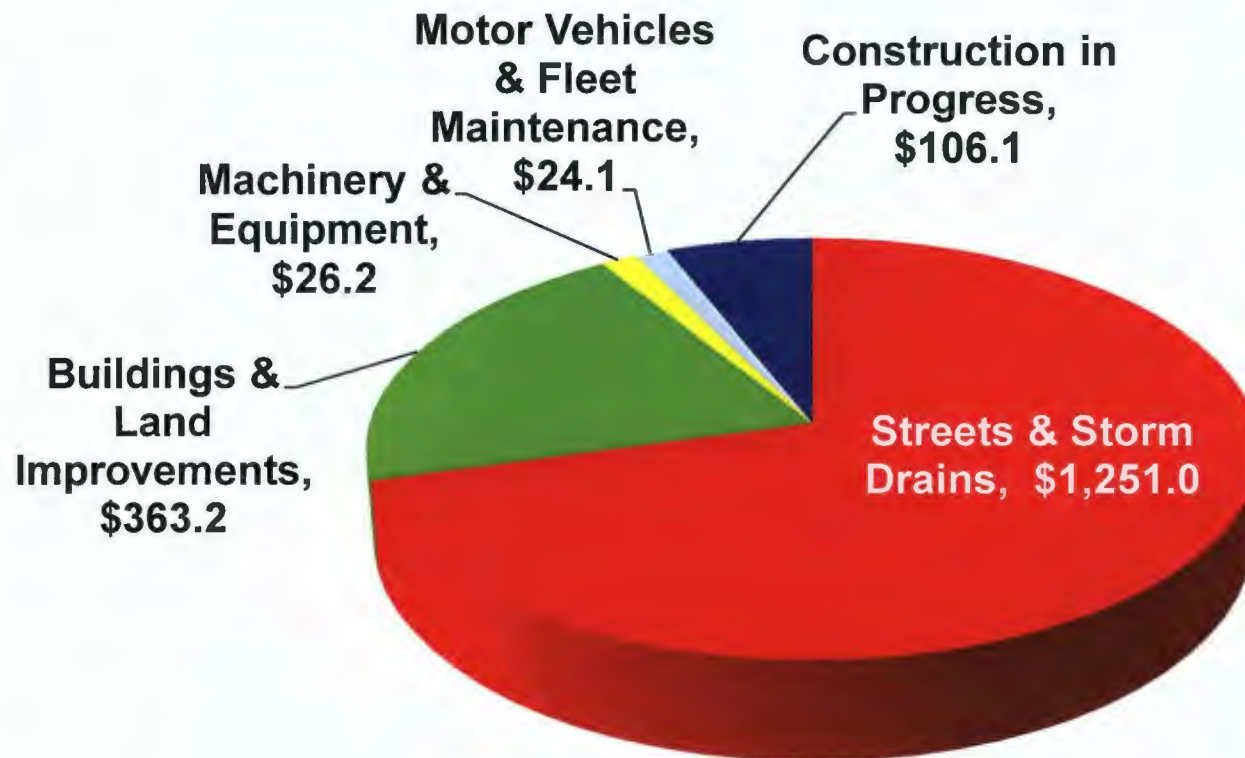


Capital Assets



City Assets by Type*

Total FY 2013/14 Government Assets \$1,770.6 (in millions)

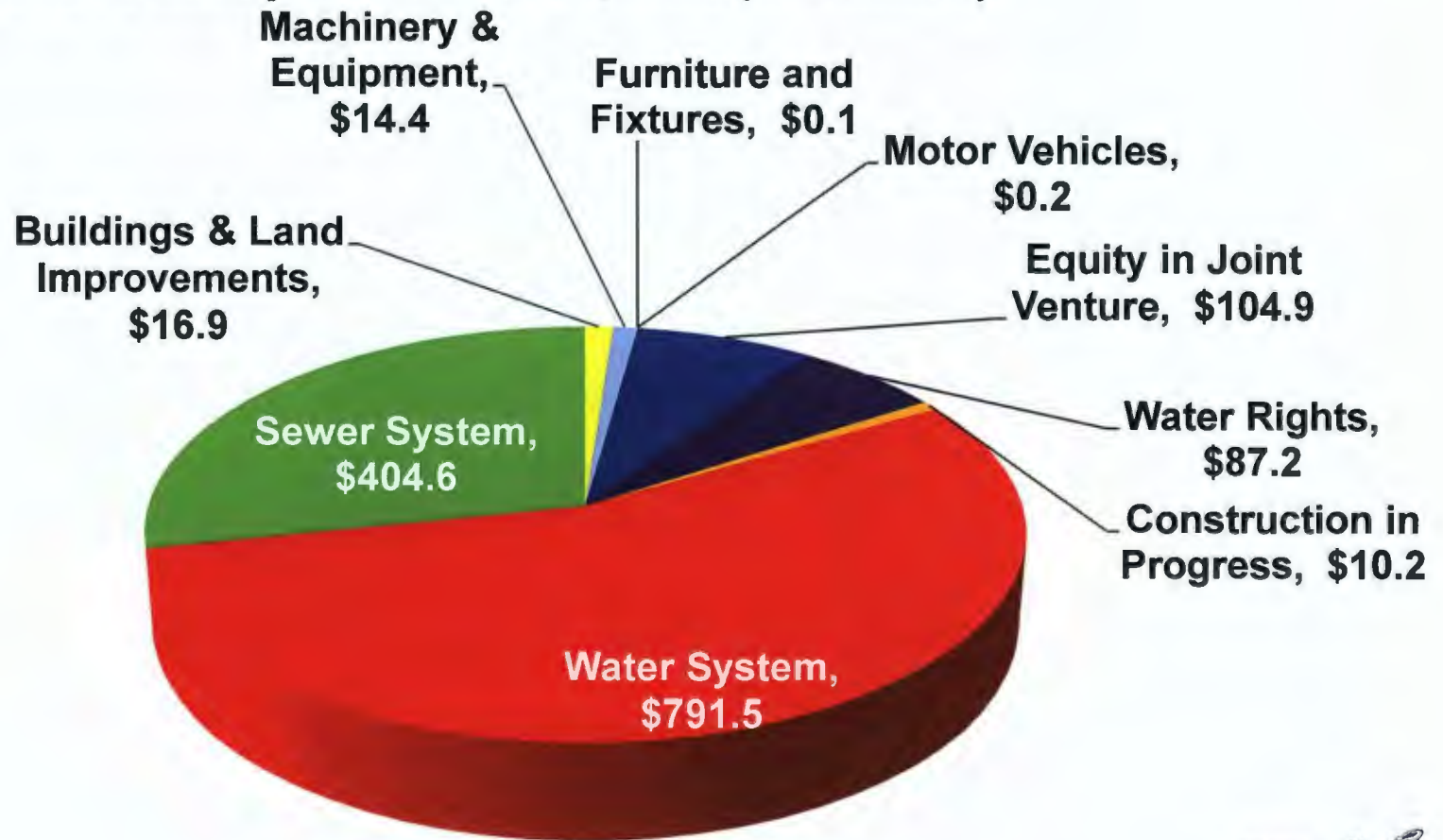


*Net of Depreciation



City Assets by Type*

Total FY 2013/14 Enterprise Assets \$1,430.0 (in millions)

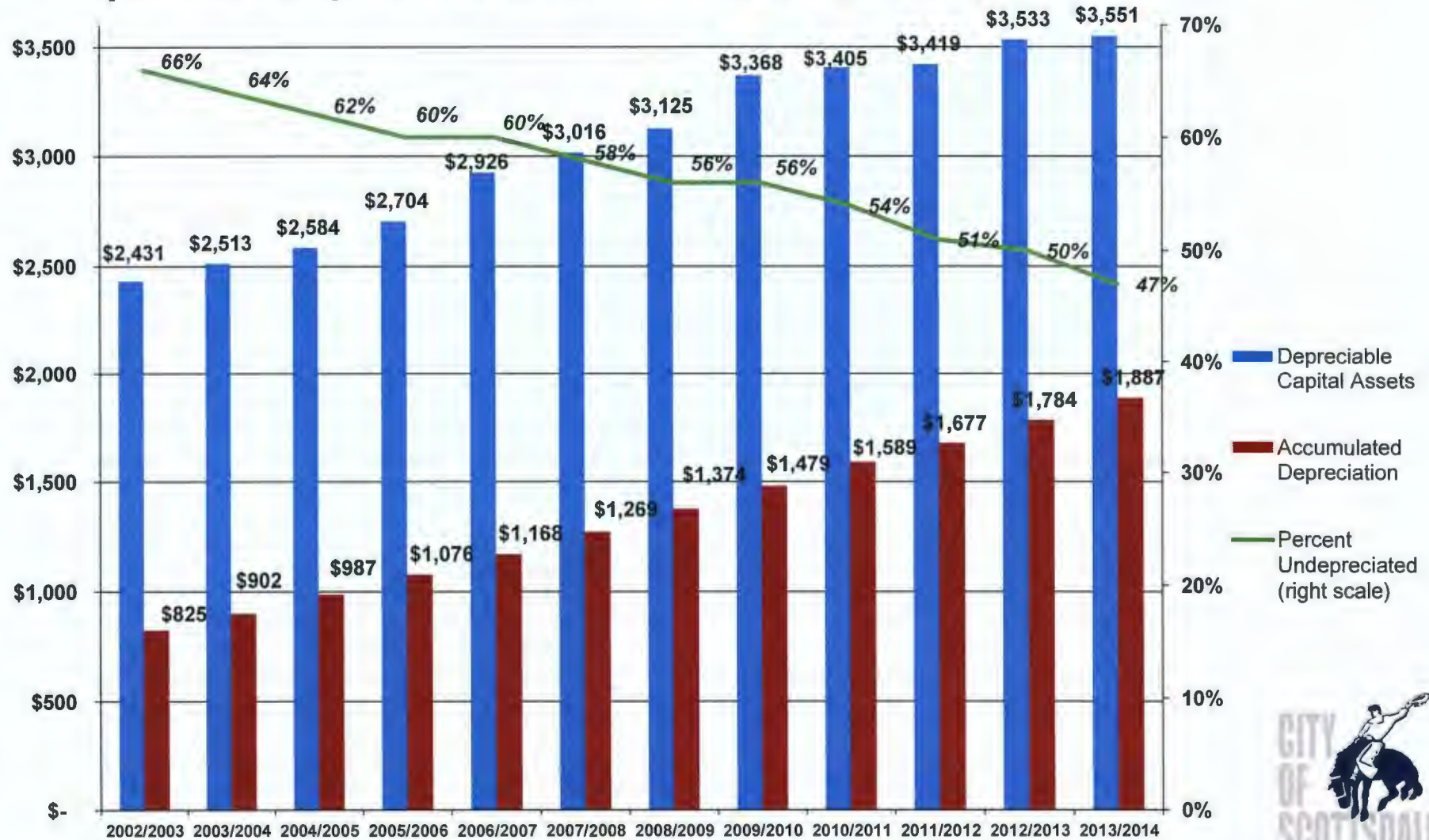


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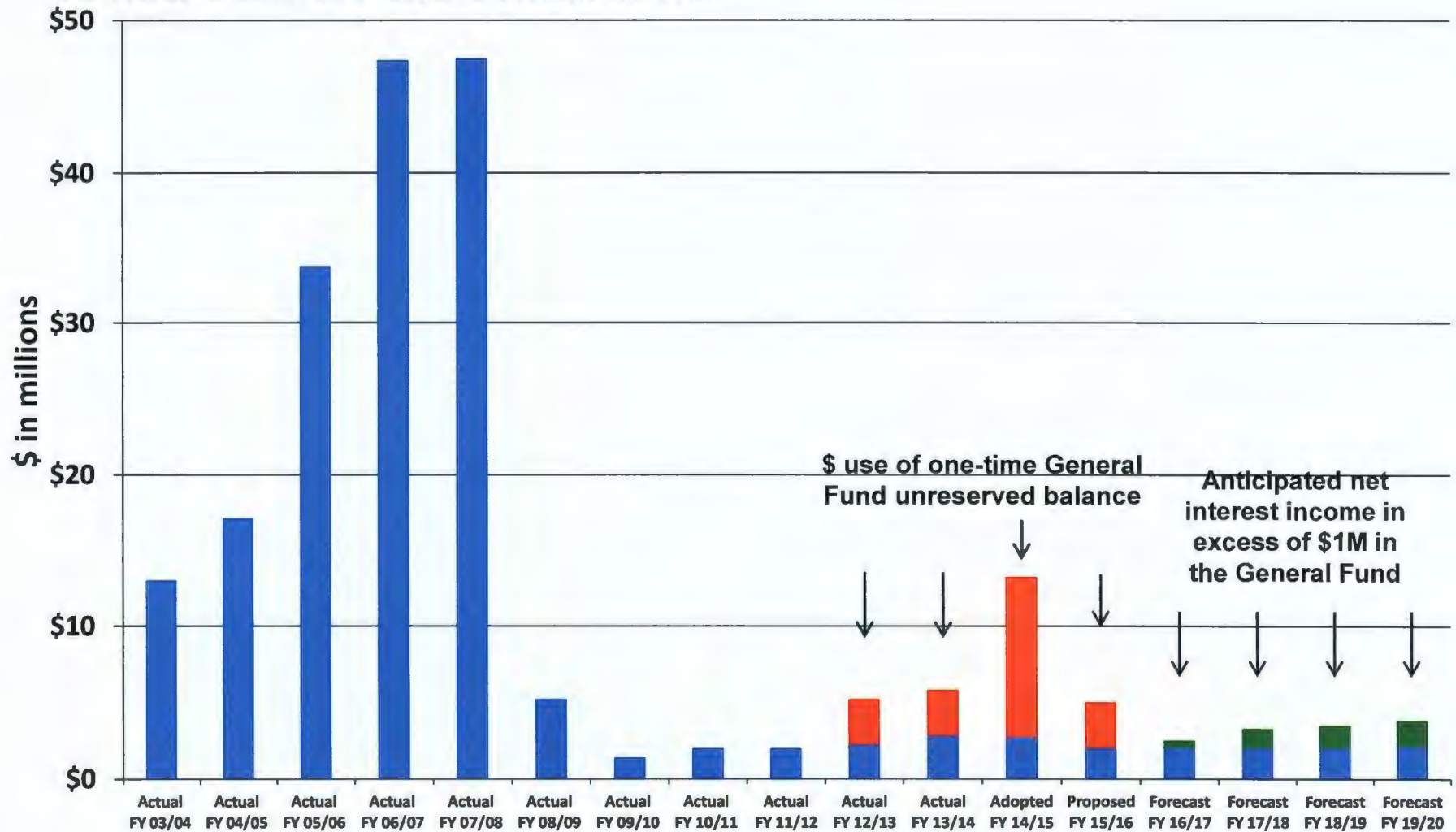
Condition of Capital Assets

Depreciable Capital Assets (in millions and percent)



Contributions to CIP

Annual General Fund Contributions



Note: Forecast contributions to CIP may be greater in years when General Fund operating surpluses develop additional transfers to the CIP fund in accordance with adopted Financial Policy #17.

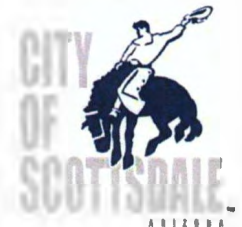
Proposed Bond Program



Program Development

Project Review Process

- Initial project list developed by Bond Task Force in 2013
 - 45 projects reviewed for accurate scope of work, budget and applicability for funding through G.O. bonds
 - 24 projects dropped due to alternate funding through other sources, change in priorities or for other reasons
 - Remaining projects reviewed for accurate budgets, descriptions and readiness for bond financing and updated with current information
- FY 14/15 and FY 15/16 CIP updates
 - Annual Division submittals considered for inclusion in the bond program (General Fund and Transportation Fund projects)
 - Projects reviewed and prioritized by multiple staff committees
 - Highest priority projects considered for the bond program
 - Some Transportation projects considered for bonding include only the city share of the project in the bond amount



Proposed Projects

Listed by Category/Possible Question

#	Description	Budget	Source	Type
Category 1: Parks and Recreation				
1	Indian Bend Wash: Park and Lake Rehabilitation	\$ 18,500,000	BTF	Renovation
2	Pool Chemical Safety Improvement	\$ 3,500,000	BTF	Renovation
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Category 1 Total		\$ 36,700,000		
Category 2: Street Pavement Repair				
7	Deteriorated Pavement Replacement	\$ 12,500,000	BTF	Renovation
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Category 3: Public Safety - Fire				
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Category 3 Total		\$ 16,350,000		

BTF: Bond Task Force
CIP: Annual CIP Update



Proposed Projects

Listed by Category/Possible Question

#	Description	Budget	Source	Type
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Proposed Projects

Listed by Category/Possible Question

#	Description	Budget	Source	Type
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26	Highland Ave Improvements: Scottsdale Rd to Goldwater Rd	\$ 2,100,000	CIP	Expansion
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CIP: Annual CIP Update



Proposed Projects

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#	Description	Budget	Source	Type
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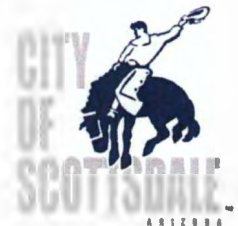
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Proposed Project List

Program Summary

- 34 Projects/\$172,900,000 total budget
- 9 categories of projects/possible breakdown for questions
- 21 from Bond Task Force recommendations (only 16 listed due to combining former BTF projects)
- 17 projects considered “Renovation” of existing facilities
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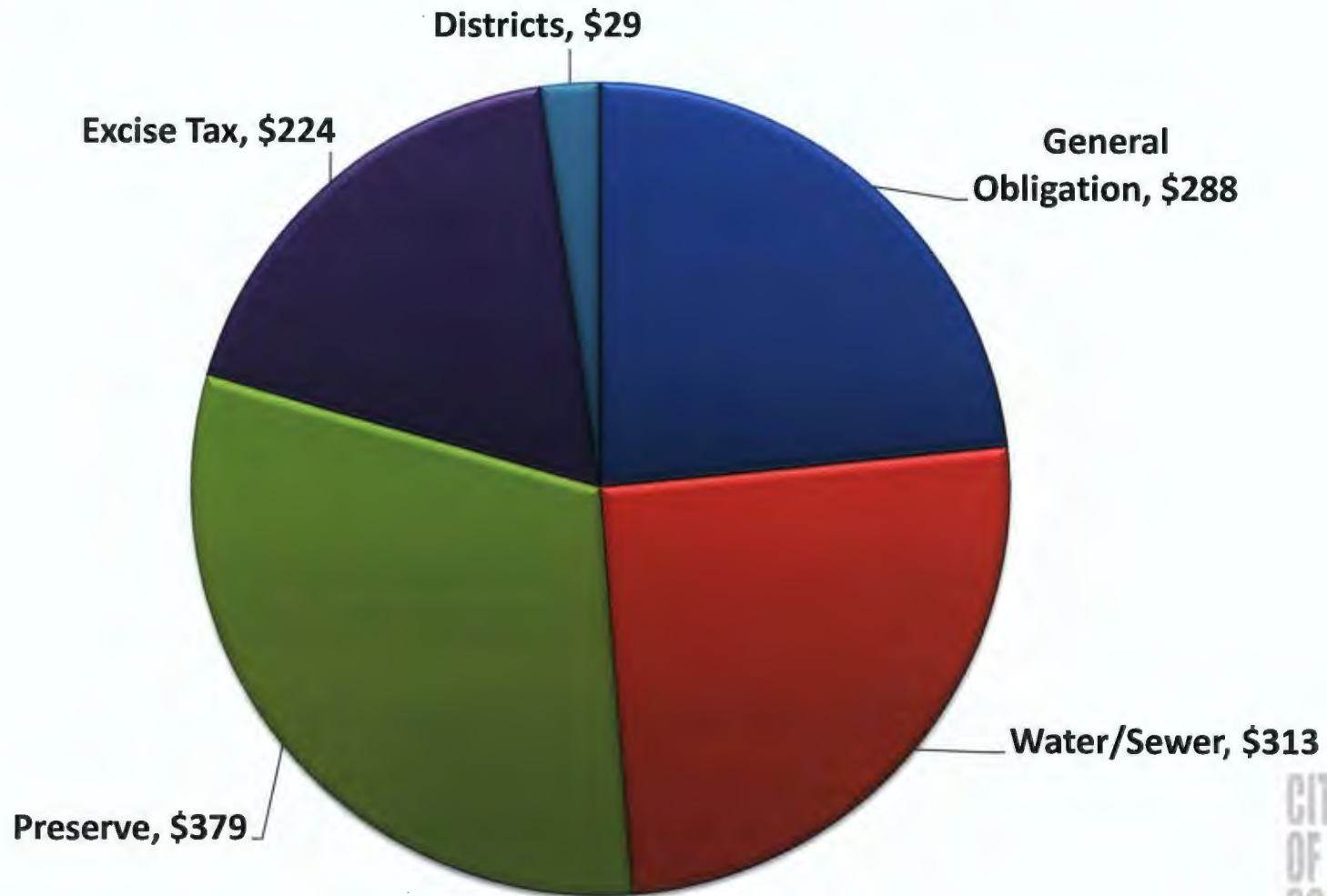


City Debt Structure



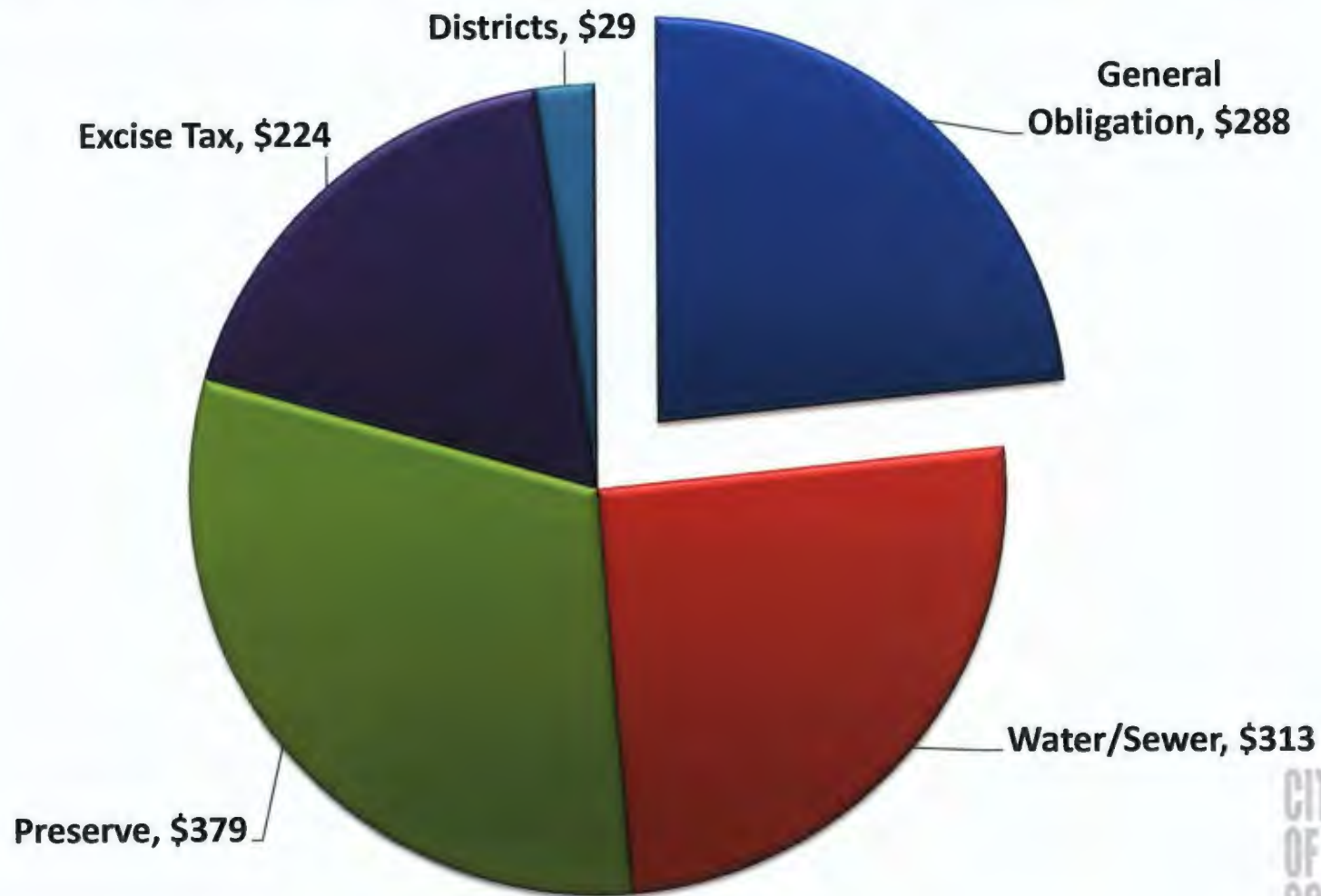
Outstanding City Debt

\$1,233M Debt Outstanding June 30, 2014 (amounts in millions)



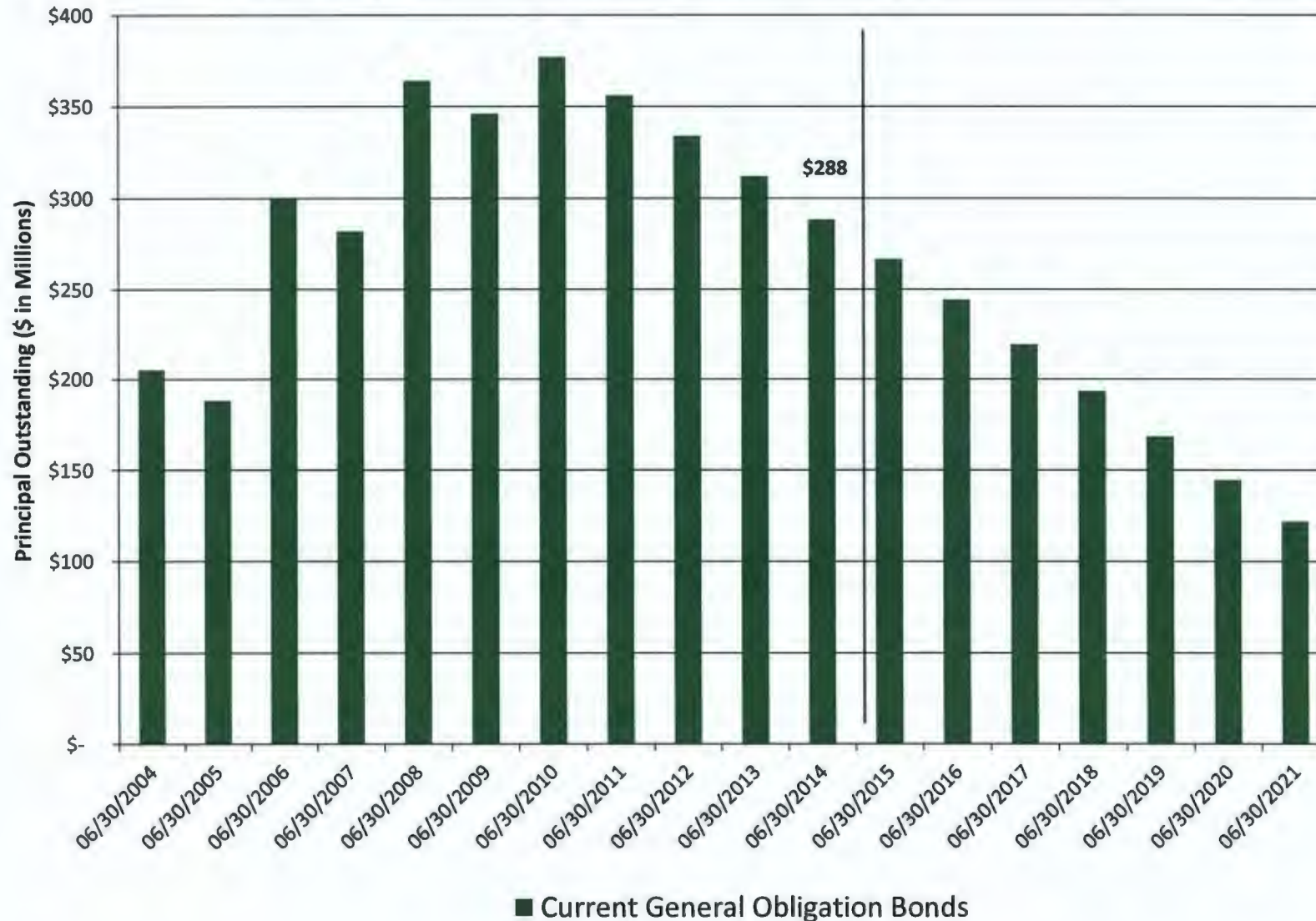
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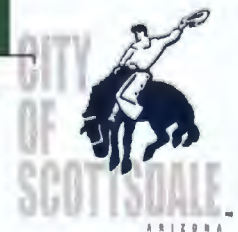
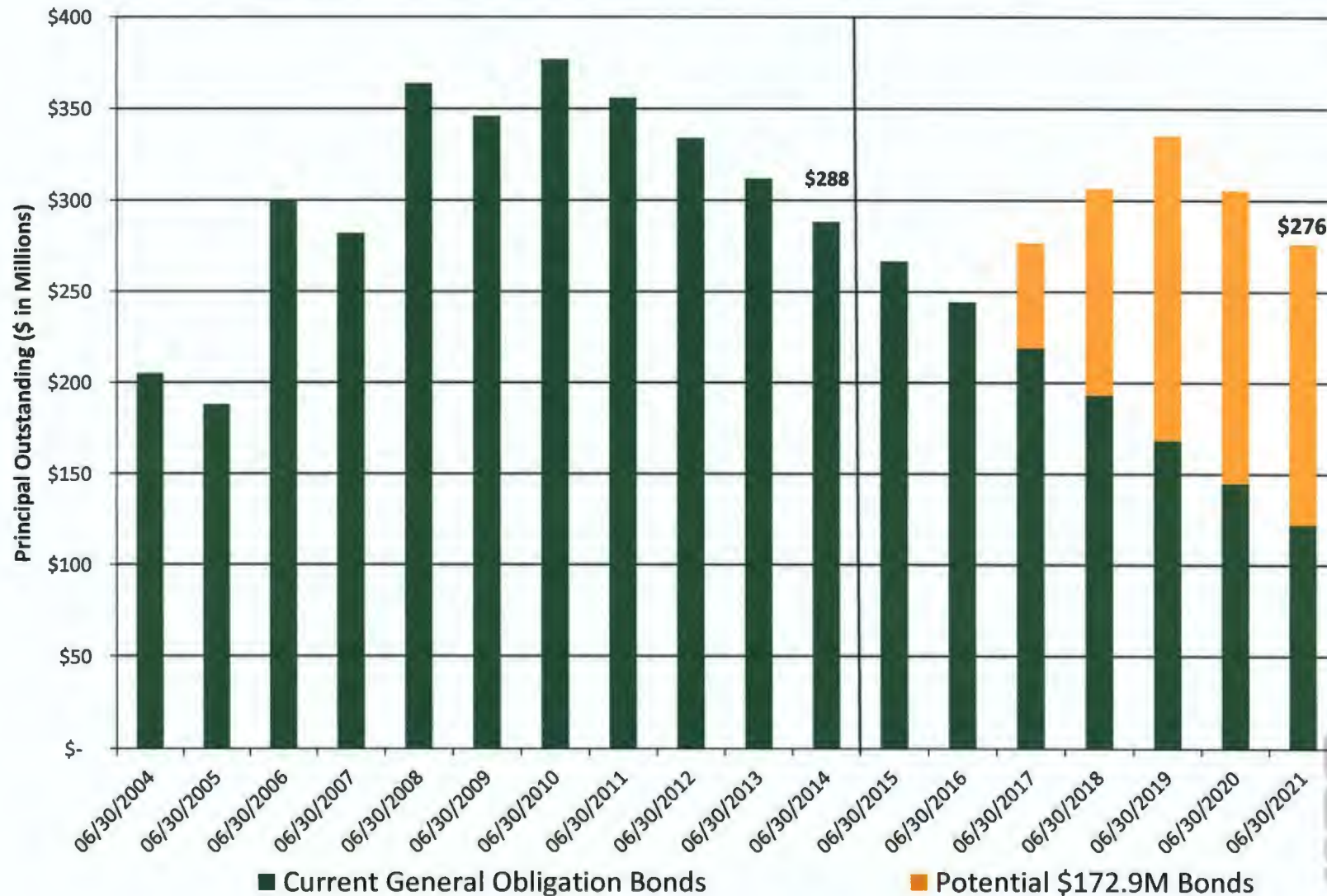
G.O. Bonds Outstanding

Property Tax Supported Bonds (in millions)

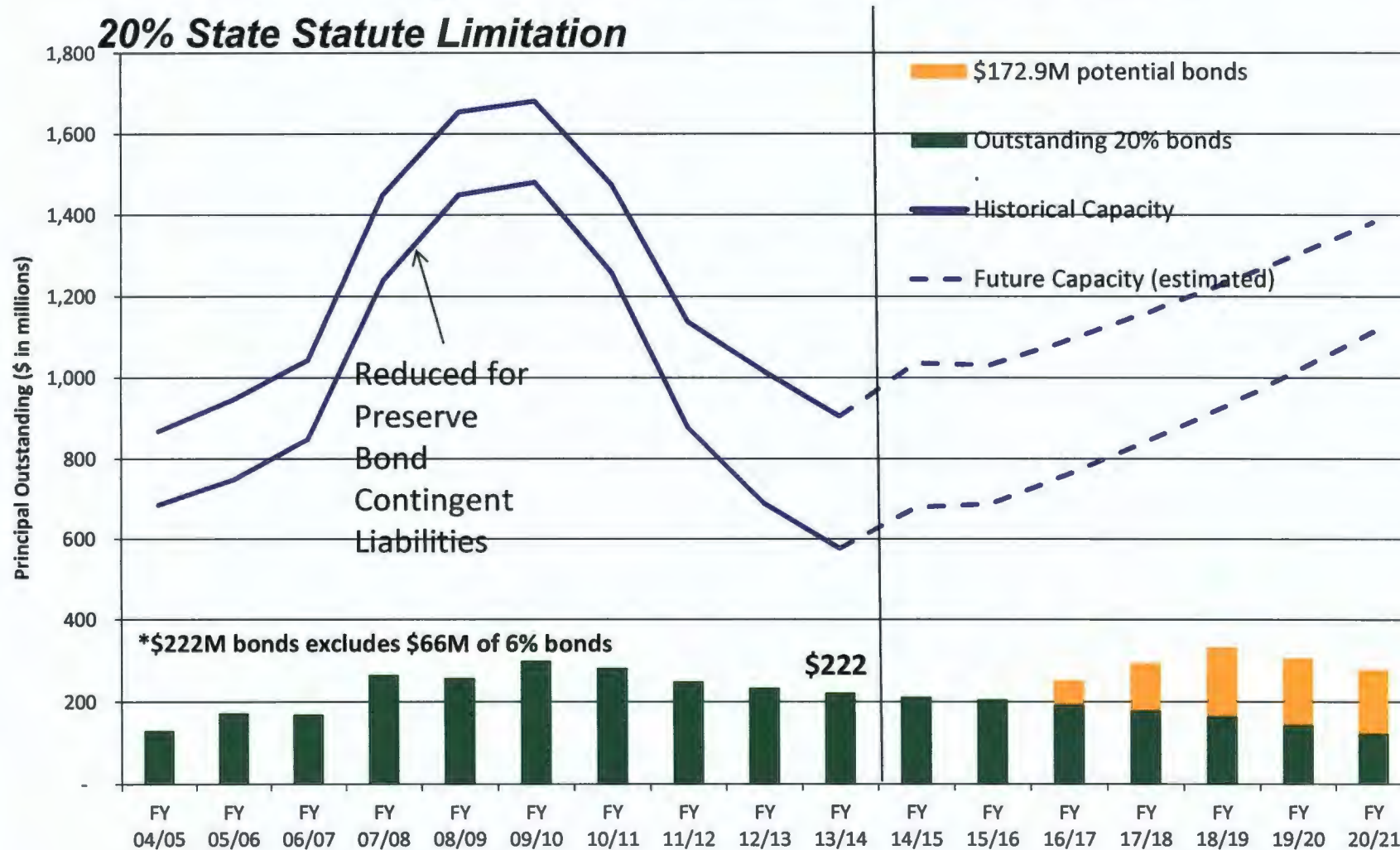


G.O. Bonds Outstanding

Property Tax Supported Bonds (in millions) – with Bond Program



Statutory Debt Limitations



City Bond Ratings

- The City maintains a strong AAA general obligation bond rating.

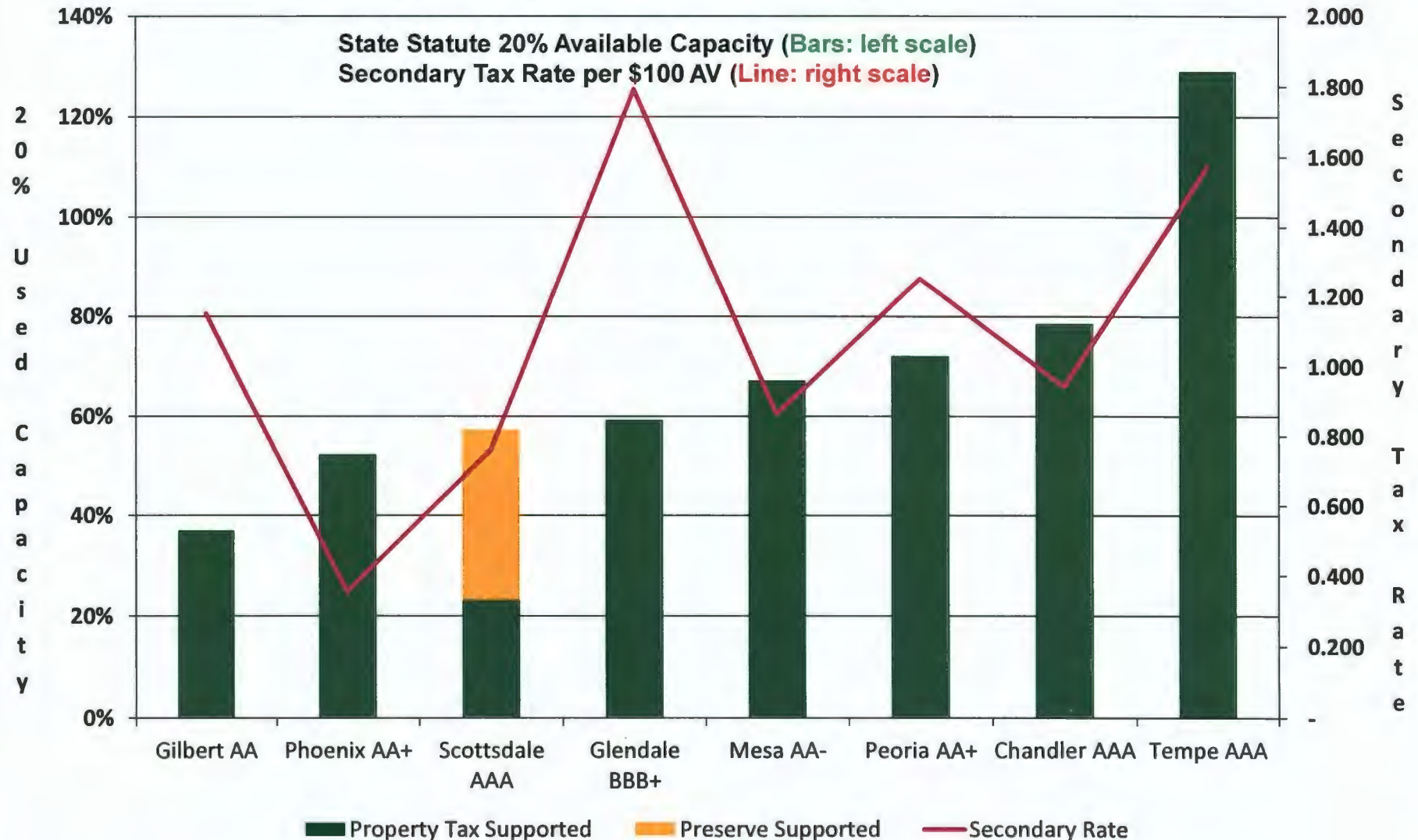
Moody's	Aaa
Standard & Poor's	AAA
Fitch Ratings	AAA

- A new bond authorization is not expected to deteriorate this rating as it is based on the following:
 - Strong management practices
 - Sound fiscal operations
 - Strong general fund reserve levels
 - Favorable debt structure and ratios
 - Deep and diverse economic base



Comparative Tax Burden

FY 2013/14 Property Tax by Valley Community



Impact on Residents

	<u>\$172.9M</u>
Incremental annual debt service (after final phased issuance)	\$12.53M
Portion paid by residential class	<u>x 68.3%</u>
Debt Service paid by residential class	\$8.56M
Estimated residential units	÷ <u>129,300</u>
Cost Per Residential Unit (Average):	
• Annual	\$66.20
• Monthly	\$5.52
• Daily	\$0.18
Burden Per Residential Unit:	
• Average Residential Value	\$337,000
• Annual Debt Service as a % of Residential Value	0.02%
Per \$100,000 of Assessor's Market Value	\$19.64/year or \$1.64/mo

Election Considerations



Election Considerations

- Bond elections must be held in November
Per Arizona Revised Statutes 16-204 B.1 (d)
- If held during 2015 or 2017 cost is estimated at \$500,000
- If held in 2016 or 2018, in conjunction with the City's regular general election, there will be minimal additional cost



Next Steps

If Direction is for a 2015 Election:

April, 2015: Additional Work-Study or Regular meeting(s) if requested

Mid May, 2015: Council to consider action to call election

November 3, 2015: Election Day



2013 Bond Election Review

#	<i>Program</i>	<i>Amount</i>	<i>% Yes</i>	<i>% No</i>
1	Parks, Libraries and Community Facilities	\$50.4 M	42.0%	58.0%
2	Public Safety	\$43.7 M	45.0%	55.0%
3	Neighborhood Flood Control	\$19.0 M	39.1%	60.9%
4	Transportation, Streets and Trails	\$99.0 M	38.6%	61.4%

Total Proposed 2013 Bond Questions \$212.1 M

2013 Election Statistics:

Registered voters – 147,414

Ballots cast – 44,483 (30.9% turnout)

Early ballots – 39,640 (89.1%)

2014 General Election Comparison:

Registered voters – 146,058

Ballots cast – 78,500 (53.8% turnout)

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Program Oversight

Likely Future Council Actions

- Annual CIP approval process for new projects
OR
- Special approval of new projects
- Citizen Oversight – staff will recommend creation of a Bond Review Commission
- Issuance of bonds
- Site Plan/Land Use approvals (if required)
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Discussion and Direction to Staff

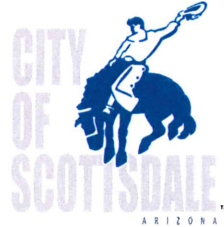


Questions to consider

1. Should the city consider holding a General Obligation Bond Election? (Yes/No)
2. If so, when should the election be held (November of 2015, 2016, later)?
3. What is the optimum size of the program (total dollar value)?
4. What projects should be included in the program?



General Obligation Bond Program



City Council Work-Study Session

March 2, 2015

Tonight's Presentation

- Overview of City's Capital Assets
- Review of proposed bond program
- Update on City's debt structure
- Considerations for a bond election
- Discussion and direction to staff

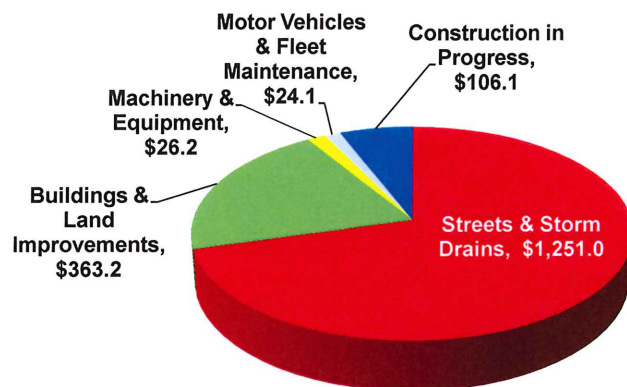


Capital Assets



City Assets by Type*

Total FY 2013/14 Government Assets \$1,770.6 (in millions)

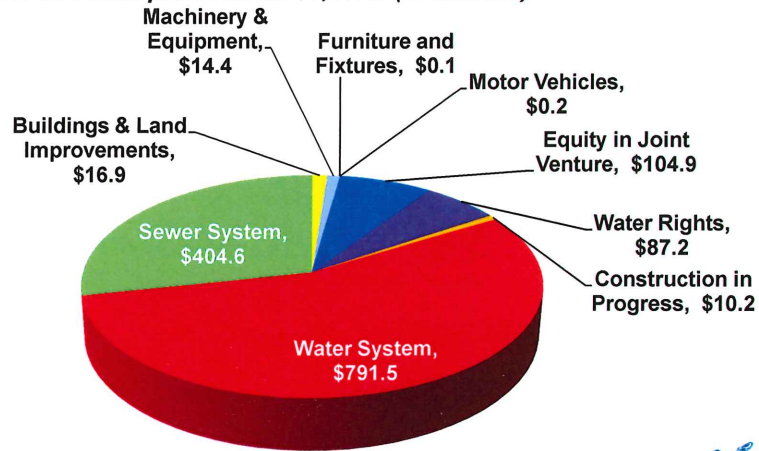


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City Assets by Type*

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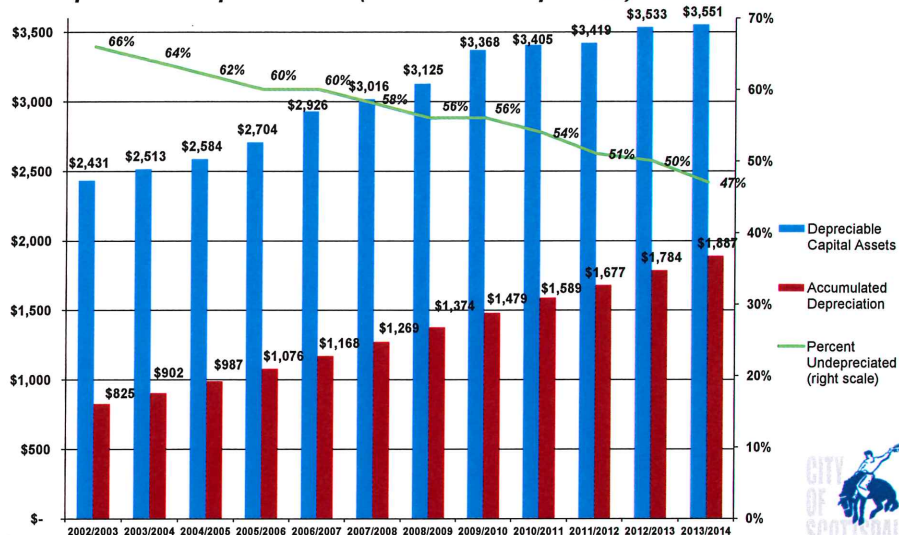


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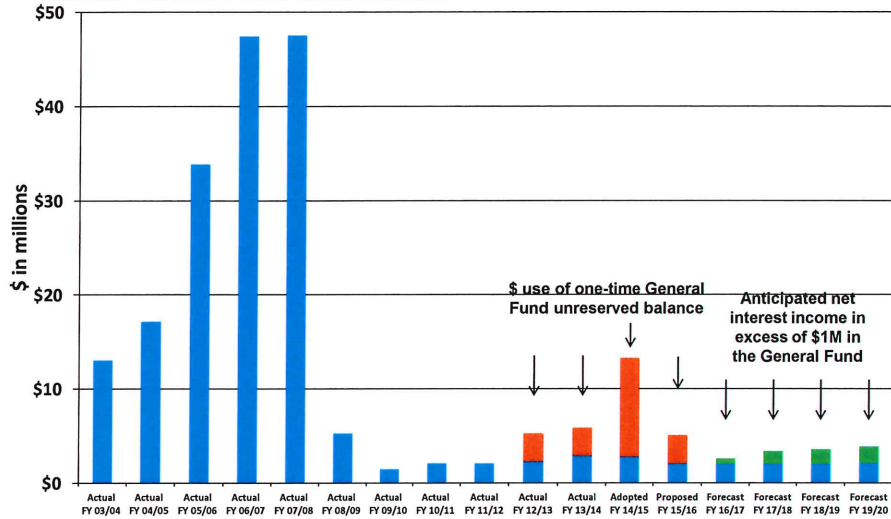
Condition of Capital Assets

Depreciable Capital Assets (in millions and percent)



Contributions to CIP

Annual General Fund Contributions



7

Note: Forecast contributions to CIP may be greater in years when General Fund operating surpluses develop additional transfers to the CIP fund in accordance with adopted Financial Policy #17.

Proposed Bond Program



Program Development

Project Review Process

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9

Proposed Projects

Listed by Category/Possible Question

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CIP: Annual CIP Update



10

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Proposed Projects

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Proposed Projects

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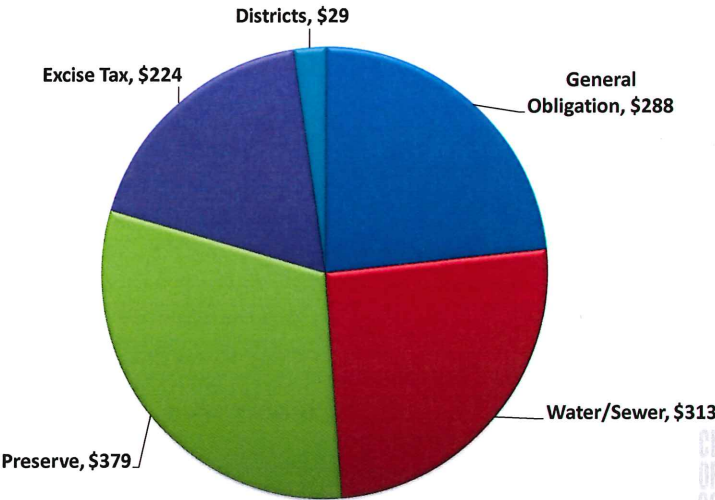


City Debt Structure



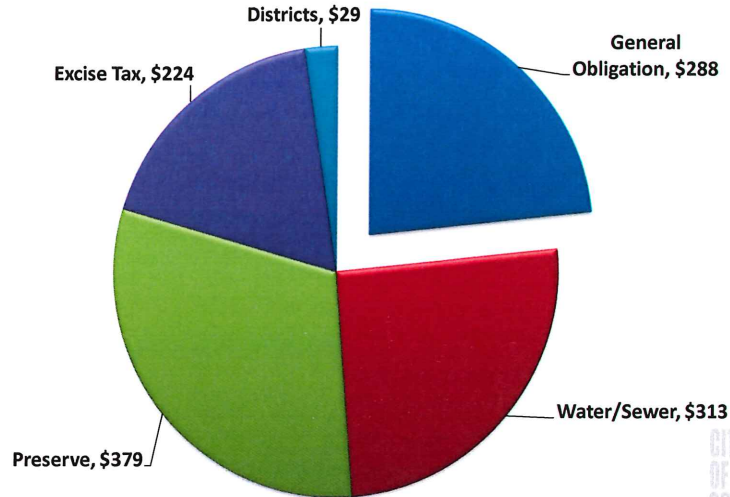
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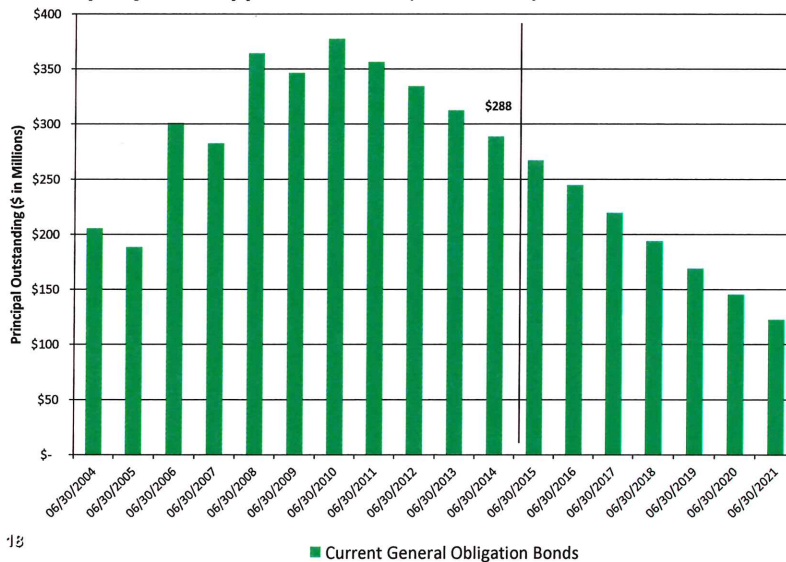


17



G.O. Bonds Outstanding

Property Tax Supported Bonds (in millions)

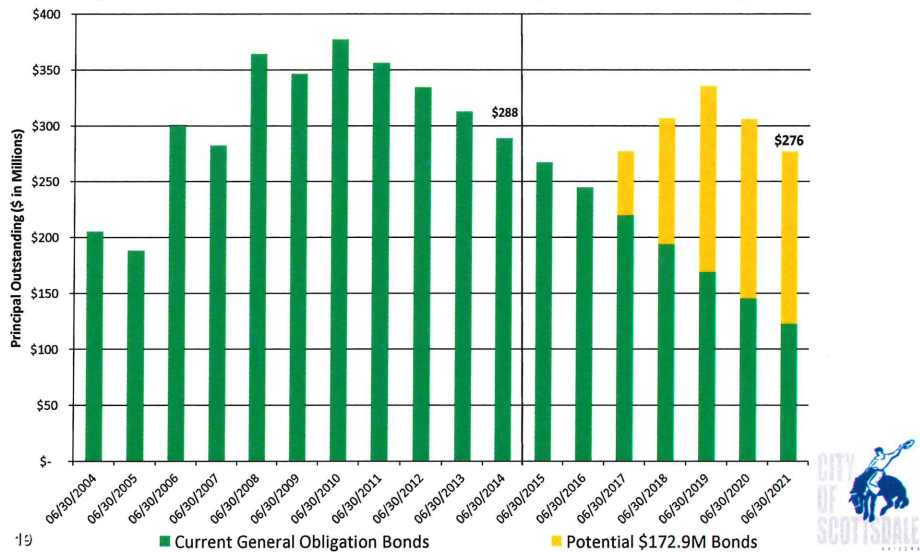


18



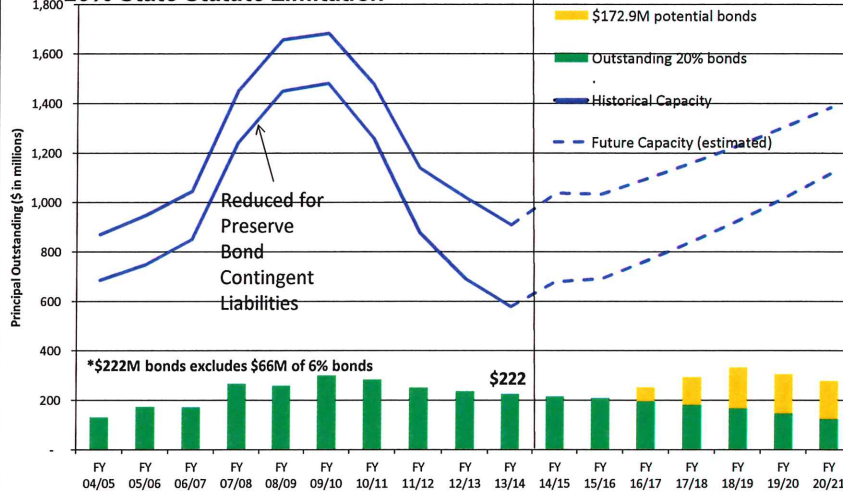
G.O. Bonds Outstanding

Property Tax Supported Bonds (in millions) – with Bond Program



Statutory Debt Limitations

20% State Statute Limitation



City Bond Ratings

- The City maintains a strong AAA general obligation bond rating.

Moody's	Aaa
Standard & Poor's	AAA
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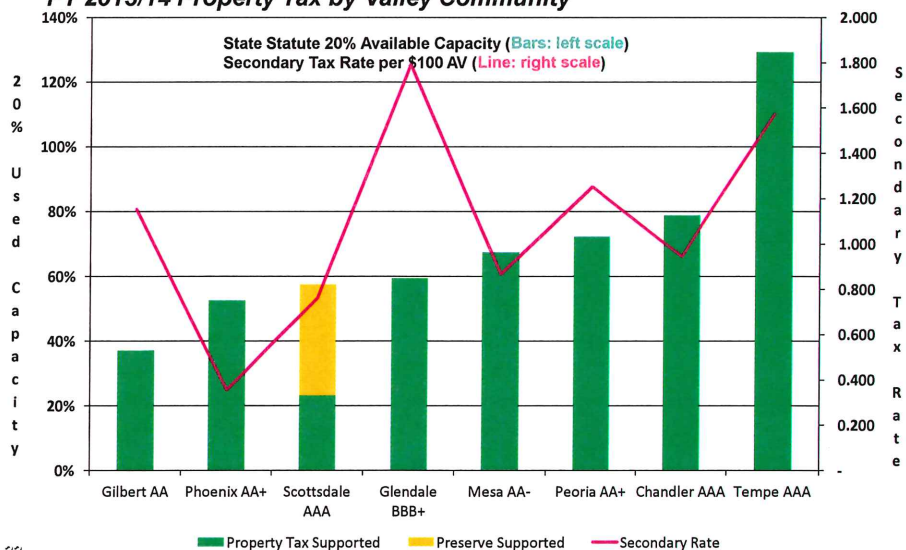
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Comparative Tax Burden

FY 2013/14 Property Tax by Valley Community



22

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Election Considerations

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Program Oversight

Likely Future Council Actions

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- **OR**
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- Citizen Oversight – staff will recommend creation of a Bond Review Commission
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- Construction contract awards

28



Discussion and Direction to Staff



Questions to consider

1. Should the city consider holding a General Obligation Bond Election? (Yes/No)
2. If so, when should the election be held (November of 2015, 2016, later)?
3. What is the optimum size of the program (total dollar value)?
4. What projects should be included in the program?



2015 POTENTIAL BOND PROJECTS

February 26, 2015

To: City Mayor and Council Members, City Manager, Community Services Division
Director, Library Director, and Library Senior Staff.

From: Scottsdale Library Board

The Scottsdale Library Board understands that a potential 2015 Scottsdale *Potential Bond Projects* Program will be discussed in a March 2, 2015 Work Study Session.

- Having reviewed the *Potential Bond Projects* and specifically under the *Community Services Division* it notes seven (7) proposed projects totaling \$24,497,000, and does not include any Library improvements and specifically those that desperately need to address our ongoing IT system maintenance matters and enhancements, all of which address the citizen's high expectations of its Scottsdale Libraries. Many of such IT items have been requested since 2010 and with the required technical and functional justifications. We also want to acknowledge and thank the City for the investments in Library IT items such as the new MOE network, a new sorter, and supporting a wider broadband as a few examples.
- As you may know, the Spring 2014 *Community Interest and Opinion Survey* by ETC/Leisure Vision notes that **86% of respondent households were supportive of maintaining and improving existing libraries**. Our library was selected as the most important community service facility in Scottsdale, and 81% of the respondents stated they have a need for the library (top respondent choice). The exponential growth with e materials is a clear testimony as the daily IT need and future community expectations.
- Given that ongoing and critical Library IT needs are not proposed to be met with the current Bond Projects draft, the Scottsdale Library Board held a Special Meeting on February 25, 2015 to address these concerns.

This Scottsdale Library Board correspondence is being forwarded as an appeal to the City Manager that the critically important Library IT needs at \$476,300.00 be included in the *Potential Bond Projects* draft for the City Mayor and Council Members to consider in their deliberations. Attached is the *Library Technology Bond Projects Justification*, which notes the breakdown of the packages and ranked by priority, package descriptions, unit quantities,

unit costs, subtotal costs, ongoing operating impact per year, and justifications. A prudent Contingency amount at 10% has been added and generates a total request of \$476,300. We also realize that there may be related City management staff and/or soft costs ultimately added to this figure. With these new items they appear to have only a \$16,000 operating impact that is ongoing.

Such IT maintenance and enhancement items will gain operational efficiencies that do not exist now, generate overall cost savings, and provide invaluable infrastructure support. They will continue bolstering our libraries commitment to life-long learning and literacy for all ages in Scottsdale.

The Scottsdale Library Board sincerely hopes that you are in agreement, as the short term future of the Scottsdale Public Libraries depends upon us addressing the IT maintenance and enhancements that are so important and expected in the Scottsdale community. Should the IT items at \$476,300.00 be placed on the 2015 bond program ballot, the citizens will understand the logic of the request and we believe support it with their vote. If you have any questions or have a need for a Scottsdale Library Board member to attend any upcoming bond meetings, we are readily available. Thank you for attention to this matter and for your consideration.