

**Pima County Conservation Bond Advisory Committee**

**County Administration Building  
130 W. Congress, 1<sup>st</sup> Floor  
Monday July 28, 2003  
6:00 p.m.**

**SUMMARY OF MEETING**

Note: The following is a summary of what transpired at the July 28, 2003 meeting. Audio tapes of the meeting are available upon request.

1. Roll Call

The meeting began without a quorum at 6:10 p.m, with a presentation by Jim Barry, County Administrator's Office, on the History of County Bonding and an understanding that no discussions or actions would occur without a quorum. The meeting was again called to order at 6:15 p.m. with a quorum present.

Members Present

Pat King  
Tom Sheridan  
Steve Alexander  
Paula Chronister  
Chris McVie  
Rob Marshal

Members Absent

Gayle Hartmann  
Chuck Pettis

Others Present

Neale Allen  
Jenny Neeley  
Tom Burke, County Attorney's  
Roger Anyon, Pima County Cultural Resources  
Jim Barry, County Administrator's Office  
Tim Pickrell, County Bond Council, Snell and Wilmer  
Moniqua Lane, Associate with County Bond Council, Snell and Wilmer  
Julia Fonseca, Pima County Flood Control District  
Steve Anderson, Pima County Natural Resource, Parks, and Recreation  
Bill Staples, Pima County Real Property  
Kurt Weinrich, Pima County Director of Transportation and Flood Control  
John Bernal, Deputy County Administrator for Public Works  
Nicole Fyffe, County Administrator's Office

2. Approval of Summary of the July 22, 2003 Meeting

Summary was approved.

3. Election of Chair and Co-Chair

The Committee decided to operate without a Chair or Co-Chair. A member of the Committee will

need to present the Committee's recommendations to the County Bond Advisory Committee. The decision of which Committee member will make the presentation was deferred.

4. Proposed Mission Statement

The proposed mission statement was approved.

5. Background on Pima County Bonds

A. History of Pima County Bonding / County Finances and Bond Sales

Jim Barry, County Administrator's Office, presented a summary of the history of Pima County's experience with bonds, dating back to 1974. This included: the dollar amount authorized, issued and expended, along with the remaining amount available to be issued and spent; the debt service schedule; existing debt service payments and projected revenue at two tax rates; and the number of completed bond projects by year of authorization. Mr. Barry also presented a table depicting the time line for the May 18, 2004 Bond Election, along with tasks to be completed at various stages.

There was a discussion about the potential size of the 2004 bond election. Mr. Barry explained that \$400 million could reasonably be expended over a 5 to 7 year time period, at the preferred tax rate.

It was also noted that those who convinced the Board to hold a 2004 bond election were asking for \$250 million for open space. It was suggested that the committee also take into account the revenue to be lost to the County by taking lands off the tax roll.

After voters authorize the County to sell bonds, the County issues bonds approximately once a year. The administrative costs of issuance are approximately \$200,000 per issuance.

B. Legal Issues that Effect the Use of Bonds

Tim Pickrell, County Bond Council, discussed state and federal rules pertaining to authorization, issuance, and spending of bonds. Arizona counties have statutory authority to spend public monies on the acquisition of open space, conservation easements, and purchase of development rights. For open space bonds, it is important to spend the bond monies within 6 months of issuance. If bond monies are spent within 6 months of issuance, the County can keep the investment earnings from the bonds to enhance programs. Mr. Pickrell emphasized the need to be ready to purchase a property before issuing the bonds, in order to meet the 6 month deadline. Spending of the money was further defined as closing on the property.

Tom Burke, County Attorney's, identified the specific Arizona Statutes that authorize the County to acquire open space, parks, conservation easements, and development rights, and to use condemnation. Conservation easements and development rights must be voluntarily acquired from willing sellers. The County does have the authority to acquire property from an unwilling seller through condemnation proceedings and just compensation.

The committee discussed the pros and cons of recommending that open space only be acquired from willing sellers. It was noted by staff and Committee members that this recommendation would have the following impacts: it would reduce the leverage the County would have in negotiations with sellers; Pima County's Floodprone Land Acquisition Program is limited to only willing sellers, and the experience has been that some of the highest priority properties are owned by unwilling sellers

and therefore more marginal properties are acquired; in the case of wildlife corridors, one owner who is unwilling to sell can prevent the protection of the corridor, while adjacent property owners are willing to sell; when it comes down to flood control and the protection of public water supplies, public health and safety may be impacted when a owner refuses to sell. On the other hand, it was noted that during the Sonoran Desert Conservation planning process, the County emphasized the voluntary aspects of the plan, and that enabling condemnation could be an issue of contention with the ranching community.

Mr. Burke explained that acquisition through condemnation would be extremely difficult to do under the 6 month bond spending limits, because of the time and costs required to go through the condemnation process. The County did not use condemnation in the 1997 Open Space Bond program, and rarely uses it all. There are some tax benefits for property owners who choose voluntary condemnation.

The Committee asked staff to propose willing seller/condemnation statements to assist the committee in deciding when it would be appropriate to restrict acquisitions to willing sellers.

#### 6. Real Property and Open Space Acquisitions

Bill Staples, Real Property, told the Committee that valuation of property was solely based on economic factors. The idea of assessing property based on it's conservation value, as opposed to its development value, is a relatively new idea and no foundation for this currently exists. However, conservation banks are being used in the County to sell conservation value for mitigation purposes.

Mr. Staples explained the process Real Property must go through after the Committee identifies target areas and if voters authorize the sale of bonds. This includes research on the property, an appraisal, and negotiations. He recommended that the committee select target areas along with specific criteria to identify priority acquisitions within those target areas, as opposed to exact parcels. Mr. Staples also outlined the time it typically takes Real Property to complete an acquisition from research stage to closing - 6 months to a year. Therefore, it is important to have much of this work completed before bonds are issued, or to make use of options-to-purchase contingent on bond sales.

Administrative costs to be born by bond funds are estimated at \$5,000 to \$10,000 per negotiation. While there may be a concern organizationally as to how Real Property will be able to purchase \$35 to \$50 million worth of land per year for 5-7 years, it was noted that the US Fish and Wildlife Service may require such a time line, and that land purchased later rather than sooner would increase in price.

#### 7. Status of 1997 Open Space Bonds

Steve Anderson, Natural Resources, Parks and Recreation Department, provide a review of the 1997 Open Space Bond Program. Mr. Anderson identified and discussed the 1997 target acquisition areas, along with the properties that were in fact purchased. Certain properties that were purchased exceeded the amount allocated for the area, but were one-time opportunities. Approximately \$7.2 million remain out of \$27.9 million authorized for open space. The Open Space Acquisition Review Committee has provided recommendations on how to spend the remaining funds.

Staff and the Committee discussed the Tumamoc Hill property, and other the state lands applied

for conversion to conservation under the Arizona Preserve Initiative. Mr. Anderson explained that grazing could continue on state land acquired under by the County.

The pros and cons of the 1997 Open Space Bond Program was deferred to the next meeting.

#### 8. Agenda Items for the Next Meeting

The Committee recommended the following items for August 4 agenda:

- a. Pros and Cons of 1997 Open Space Process
2. Pima County's Application for a Section 10 Permit
3. Habitat Priorities in Eastern Pima County

Standing agenda items:

- a. How specifically does the committee intend to identify target areas for acquisition?
2. Does the committee want to provide for the acquisition of conservation easements?
3. Does the committee only want to include willing sellers?

It was requested that Committee members submit a half page bio of themselves at the next meeting. It was also suggested that committee members bring contact information to the next meeting for any neighborhood or community association that would be interested in presenting to the Committee.

The committee asked that the Cultural Resource presentation be made much earlier than mid-September. There was a discussion as to whether cultural resources and historic preservation should be included in this Committee's recommendations. Mr. Barry replied that it is up to the Committee and that Cultural Resources would also be making a presentation to the overall County Bond Advisory Committee.

#### 9. Call to the Public

Neale Allen explained that he was a member of the Open Space Acquisition Review Committee and that he'd be interested in presenting to the committee on the importance of preserving land in the Tortolitas.

#### 10. Adjournment

The Meeting was adjourned at 8:45 p.m.