ADDED MATERIAL FOR SCHEDULED STUDY SESSION ITEM #4

MAYOR & COUNCIL MEMORANDUM

October 20, 2026

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Pima County 2027 Bond Program – City Manager's Recommended City of Tucson Projects for the Bond Advisory Committee (City Wide)

Issue

Pima County has invited the City to submit projects to the Bond Advisory Committee (BAC) for a potential November 2027 bond election. This memorandum requests Mayor and Council discussion and direction to finalize the City's project list.

City Manager's Office Recommendation

The City Manager recommends that Mayor and Council discuss the 17 recommended projects (Attachment A), provide direction on any changes and direct staff to finalize the City's submittal to the BAC.

Background

Pima County is preparing a potential general obligation bond program for the November 2027 election. The BAC will recommend a project list and overall bond amount to the Pima County Board of Supervisors in March 2027. Assistant City Manager Liz Morales serves as the City of Tucson's appointed representative to the BAC.

The County has established baseline eligibility requirements. Projects must demonstrate a clear public benefit and need, represent long-lived capital investments, be achievable within ten years, be publicly owned, and reflect public or stakeholder input. Jurisdictions must also identify future operating and maintenance costs.

City staff presented Mayor and Council with an initial list of projects and requested input on priorities, the size of the City's request, gaps in the list and public input. Based on those discussions, the City Manager recommends 17 projects for consideration.

Present Consideration(s)

A. How Projects Were Selected

The City Manager's Office (CMO) built the list from long-standing capital needs already known to the City, rather than soliciting new concepts. Department directors reported their unfunded capital needs, and CMO evaluated each project against five criteria:

1. **Known, long-standing need.** The project is an established capital need reported by a department, and in many cases is already identified in the Capital Improvement Program or an adopted plan.
2. **No viable funding source.** The project cannot reasonably be funded through the operating budget, pay-as-you-go capital, impact fees, enterprise revenues, Proposition 407, Proposition 411 or grants alone. Bond funding would close the gap or leverage outside dollars.
3. **Demonstrated need.** The project addresses a documented life-safety, regulatory or code requirement, failing or obsolete infrastructure, a critical service gap, or an adopted commitment.
4. **Voter support.** The project reflects what residents have told the City through public engagement, including Plan Tucson, Move Tucson, the Housing Affordability Strategy for Tucson (HAST),

Tucson Resilient Together, the Somos Uno Strategic Plan, the Prosperity Initiative, Safe City Initiative, and Mayor and Council constituent input.

5. **Supports Mayor and Council priorities and initiatives.** The project advances at least one of the priority areas described in Section B.

Projects were screened against these criteria rather than assigned a numerical score. Attachment A summarizes, for each recommended project, the priority areas it supports, its basis in City planning, the bond request and other funding, future operating and maintenance costs and schedule. The project sheets in Attachment B describe each project's scope, public benefit and the public and stakeholder input behind it.

B. Priority Areas

The recommended projects support Mayor and Council priorities in the following areas:

- **Prosperity Initiative.** Inclusive, safe and opportunity-rich neighborhoods, economic mobility and household affordability.
- **Safe City Initiative.** Public safety, emergency response, traffic safety, homelessness, substance use and behavioral health response.
- **Economic Development.** Infrastructure and amenities that unlock job-generating development, support local business, support the creative economy, and activate City assets.
- **Climate Resiliency.** Preparedness for extreme heat, flooding and other climate risks, consistent with Tucson Resilient Together.
- **Housing Affordability.** Producing and preserving affordable housing, consistent with Housing Affordability Strategy for Tucson Plan (HAST).
- **Essential Public Facilities.** Replacing or modernizing critical facilities, such as the 911 Communications Center and City Court, that are at or near the end of their useful life.

C. City Manager's Recommended Projects

The City Manager recommends the following 17 projects, which were submitted to the BAC as preliminary project sheets on October 14, 2026. Bond requests are preliminary estimates in today's dollars and will be refined through design and adjusted for escalation.

#	Project	Priority areas	Why recommended	Bond request
1	Regional 9-1-1 Emergency Communications Center	Safe City, Essential Public Facilities, Climate Resiliency	Type 4 critical infrastructure. The current center opened in 1982 (remodeled 2008/09) and operates under a code waiver first issued in 2009, extended in 2012 and set to expire in 2032. A replacement facility of this scale has no other viable funding source; deferral risks losing a compliant regional emergency communications facility when the waiver expires.	$45,000,000

#	Project	Priority areas	Why recommended	Bond request
2	New Fire Station 23	Safe City, Essential Public Facilities, Climate Resiliency	Life-safety project that closes a documented emergency response coverage gap. The first infill station in more than 40 years, on City-owned property at 244 E. Grant Road. Identified in the City Strategic Plan, Plan Tucson and the Prosperity Initiative; impact fees alone are not sufficient to fund it. Fire stations can also serve as neighborhood resilience sites during heat and other climate emergencies.	$10,000,000
3	City Court Renovation and Modernization	Essential Public Facilities, Safe City	Long-standing Capital Improvement Program need. Addresses major infrastructure issues at the Tucson City Courthouse, 103 E. Alameda Street, with work phased so the Court can continue to operate. A feasibility study informs the scope.	$28,090,000
4	Traffic Safety Infrastructure Improvements	Safe City, Prosperity Initiative	Targets the City's highest-crash intersections and corridors with physically protected pedestrian and bicycle improvements, protected left-turn signals and HAWK signals. Implements Move Tucson and the Complete Streets policy, and absorbs bus stop safety and railroad crossing requests.	$20,000,000
5	Old Vail Road Widening, Rita to Houghton	Economic Development, Safe City	Widens Old Vail Road to a four-lane divided roadway between Rita Road and Houghton Road, improving capacity, safety and access to employment and development areas. Identified by the Ward office as its first economic development priority. Leverages $10 million in impact fees and developer contributions.	$40,000,000
6	Arterial Road Pavement Rehabilitation	Safe City, Economic Development, Prosperity Initiative	Rehabilitates major arterial roads with a minimum 15-year design life, new striping and ADA-compliant curb ramps. Continues street investment beyond Proposition 411 and leverages $10 million in local Highway User Revenue Funds.	$90,000,000
7	Regional Navigation Center	Safe City, Housing Affordability	A Safe City top priority. Creates a one-stop facility for unsheltered residents with a resource center, transition center, shelter and substance-use treatment (detox capacity could be co-located). Supports HAST and P-CHIP. Bond funds would pay capital costs only; an ongoing operating funding plan must be identified before a final commitment.	$15,000,000
8	Tucson Resilience Hubs (two)	Climate Resiliency, Safe City	Implements Tucson Resilient Together. Two overnight-ready hubs at existing community facilities, each with cooling and warming space, solar, battery storage, microgrid capability and EV charging, so residents have a safe place during extreme heat, power outages and other emergencies.	$22,000,000
9	Center East Mixed-Use Affordable Housing	Housing Affordability, Prosperity Initiative	Shovel-ready opportunity on a City-owned site (current Ward 2 office). $10 million in bond gap financing leverages approximately $40 million in other funding, including 4% Low-Income Housing Tax Credits. Implements HAST, P-CHIP and Plan Tucson and supports economic mobility and affordability.	$10,000,000
10	Neighborhood Transportation Safety Investments	Prosperity Initiative, Safe City, Climate Resiliency	Sidewalks, lighting and safety features modeled on the Las Vistas/Western Hills approach, prioritized for high-poverty, low-opportunity neighborhoods. Implements the Prosperity Initiative neighborhood investment policy. Can incorporate traffic calming, green stormwater infrastructure and water harvesting; neighborhood demand exceeds current funding.	$18,000,000

#	Project	Priority areas	Why recommended	Bond request
11	Affordable Housing Site Development	Housing Affordability, Prosperity Initiative	Accelerates affordable housing production by preparing approximately five sites for award to affordable housing developers, leveraging tax credit and private financing. The City keeps the land under 99-year ground leases to ensure permanent affordability. Implements HAST.	$20,000,000
12	Parks and Recreation Package 1: Athletic Field Lighting, Court and Pool Shade, and Park Expansions	Prosperity Initiative, Safe City, Climate Resiliency	Adds sports lighting at Jacobs Park and CSM Gunny Barreras, shade over basketball courts and pools, and land acquisition to expand park access toward the 10-minute walk goal. Lighting and shade extend safe, usable hours during extreme heat and support youth sports.	$5,750,000
13	Mexican American Chicano Cultural Center	Prosperity Initiative, Economic Development	Implements the Somos Uno Strategic Plan, shaped by approximately 2,000 participants. The center has no other viable capital funding source, leverages $7.5 million in other funding and advances cultural identity, belonging and cultural tourism.	$17,500,000
14	Public Restrooms and Drinking Water Access	Safe City, Climate Resiliency, Economic Development	Restrooms and water stations at five park and transit center sites in Wards 1, 3 and 6 where existing facilities are missing or inadequate. Addresses public health, extreme-heat exposure and dignity, and supports a clean, welcoming urban core.	$1,800,000
15	Tucson Convention Center Enhancements: Leo Rich Theatre, Linda Ronstadt Music Hall, Alva Torres Plaza, and Central Plant	Economic Development, Essential Public Facilities	Reinvests in City-owned downtown venues and the central plant that serves them, supporting events, cultural tourism and downtown activity. Identified in Plan Tucson and the Somos Uno Strategic Plan.	$13,500,000
16	Park Package 2: Destination Park Use	Economic Development, Prosperity Initiative, Safe City	Destination sports and recreation amenities: Mission Manor pickleball, Anza Park volleyball, Estevan Park rugby, Santa Rita Skate Park expansion, and transformation of the Randolph Golf Complex clubhouse, restaurant and event spaces. Includes Ward-requested park projects and supports sports tourism.	$17,999,850
17	Park Package 3: Reinvestment and Activation of Parks and Pools	Climate Resiliency, Prosperity Initiative	Reinvests in existing parks and pools: a Reid Park activity zone and master plan features, the Balboa Heights skatepark and renovation of historic pools that provide heat relief.	$8,483,000
	Total – 17 projects		**Other funding: approx. $93.0 million; total project cost: approx. $476.2 million**	**$383,122,850**

The 17 recommended projects total approximately $383.1 million in bond requests. The City and its partners would contribute approximately $93.0 million in other funding, about 20 percent of the projects' combined $476.2 million cost. Attachment A details each project's funding, operating costs and schedule.

D. Selection methodology and departmental input. Section A describes the methodology. The list is based on department-reported, unfunded capital needs. The project sheets in Attachment B identify each project's documented need and, where known, the consequence of deferral; for example, the 911 Communications Center's code waiver expires in 2032.

Community engagement. The project sheets in Attachment B identify the public, stakeholder, planning, board or commission process supporting each project. Many projects come directly from plans developed with extensive public engagement: the Plan Tucson update gathered more than 14,000 public comments, Move Tucson reflects input from nearly 6,000 residents and Somos Uno engaged approximately 2,000 participants. Mayor and Council's October 20, 2026 discussion gives

residents another opportunity to comment, and the BAC will hold public engagement on its draft project list in February 2027.

Needs and enhancements. Staff has grouped the recommended projects by the type of need they address:

- **Life safety and critical facilities:** Regional 9-1-1 Emergency Communications Center, New Fire Station 23, City Court Renovation and Modernization, Traffic Safety Infrastructure Improvements.
- **Critical service gaps and adopted commitments:** Regional Navigation Center, Center East Mixed-Use Affordable Housing, Affordable Housing Site Development, Neighborhood Transportation Safety Investments, Tucson Resilience Hubs, Public Restrooms and Drinking Water Access.
- **Infrastructure reinvestment and economic development:** Arterial Road Pavement Rehabilitation, Old Vail Road Widening, Tucson Convention Center Enhancements.
- **Community investments:** Parks and Recreation Packages 1 through 3, Mexican American Chicano Cultural Center.

Common evaluation framework and decision matrix. Attachment A gives a side-by-side view of each project's priority areas, basis in City planning, bond request, other funding, future operating and maintenance costs and schedule. As the BAC process proceeds, staff will expand it into a decision matrix that adds project readiness, useful life and the impact of not funding each project.

Outside funding and leverage. All but one recommended project includes a City or partner match, together totaling approximately $93.0 million. Examples include Low-Income Housing Tax Credit equity, permanent debt and gap funding for Center East Mixed-Use Affordable Housing ($40 million); impact fees and developer contributions for Old Vail Road ($10 million); local Highway User Revenue Funds for Arterial Road Pavement Rehabilitation ($10 million); and $7.5 million for the Mexican American Chicano Cultural Center. Staff will continue to identify other potential funding sources for every submitted project and flag any that may be better funded another way. For example, flood control for neighborhood washes may be better advanced through the Pima County Regional Flood Control District.

Lifecycle costs. See Operating Cost and Maintenance Input below.

Housing, water, affordability and climate preparedness. The recommended list directly advances housing (Center East, Affordable Housing Site Development, Regional Navigation Center), climate preparedness (Resilience Hubs, park and pool shade, green stormwater infrastructure and water harvesting in Neighborhood Transportation Safety Investments), and household affordability (affordable housing, free public recreation, public restrooms and drinking water). Staff will evaluate whether eligible capital projects for child-care facilities, affordable housing preservation, neighborhood heat mitigation and PFAS groundwater treatment should be added. Some of these may be more appropriately funded through utility or other dedicated revenues.

Plan Tucson and other Adopted City Policy Consideration(s)
The recommended projects implement policies Mayor and Council have adopted, including Plan Tucson, Move Tucson, the Complete Streets policy, Tucson Resilient Together, the Housing Affordability Strategy for Tucson (HAST), the People, Communities, and Homes Investment Plan (P-CHIP), One Water 2100, the Somos Uno Strategic Plan, the Prosperity Initiative, the Safe City initiative and the City's Capital Improvement Program. Attachment A identifies the plans each project supports.

Prosperity Initiative(s)
The Prosperity Initiative is a set of polices that is proven to reduce generational poverty. Nine of the 17 recommended projects advance it directly. Center East Mixed-Use Affordable Housing and Affordable Housing Site Development expand housing affordability. Neighborhood Transportation Safety Investments implements the Initiative's neighborhood investment policy and prioritizes high-poverty, low-opportunity neighborhoods using the Child Opportunity Index. Traffic safety, pavement, park and cultural investments support inclusive, safe and opportunity-rich neighborhoods, and free public recreation helps household budgets.

Financial Considerations
Pima County would issue the general obligation bonds and repay them through its secondary property tax. Capital costs of approved projects would not be paid from the City's General Fund. However, the City would be responsible for operating and maintaining completed projects and for any required local match.

Preliminary bond requests for the 17 recommended projects total approximately $383.1 million. The City and its partners would contribute approximately $93.0 million in other funding, for a combined project cost of approximately $476.2 million. Bond funding is requested only for capital costs. Estimates are in today's dollars and will be refined through design and adjusted for escalation. The final request will reflect Mayor and Council's direction and may change further based on the BAC's recommendation on the overall program size.

Operating Cost and Maintenance Input
The County requires each jurisdiction to identify the future operating and maintenance costs of its projects. Each project sheet in Attachment B identifies the department that will manage and operate the asset and estimates future operating and maintenance costs, which the City will fund. Key considerations include:

- **Regional Navigation Center:** estimated at $5 million to $7 million annually (working estimate $5.8 million) for staffing, case management, security and facility costs. An operating funding plan and operating partner must be secured before a final commitment.
- **New Fire Station 23:** the City will fund ongoing station staffing, apparatus and maintenance costs.
- **Regional 9-1-1 Emergency Communications Center and City Court:** replace or renovate existing facilities. Dispatch staffing and court operations are already funded in the General Fund, and incremental facility costs are expected to be partly offset by eliminating deferred maintenance and end-of-life system replacement.
- **Parks, restrooms and the convention center:** Park Packages 1 through 3 add approximately $290,000 in annual operating costs combined, plus periodic resurfacing and shade replacement. Public restrooms add approximately $175,000 annually ($35,000 per site), plus an optional attendant program. Tucson Convention Center operations are funded through site revenues and an annual General Fund transfer.
- **Resilience hubs and the cultural center:** facility-specific costs will be determined during planning and, for the cultural center, through the operating agreement with its nonprofit operator.

- **Transportation projects:** maintained through existing roadway maintenance programs funded by Highway User Revenue Funds; Old Vail Road adds approximately $250,000 annually.
- **Affordable housing projects:** El Pueblo Housing Development or selected developers will operate the housing, funded through rents; no ongoing City or County costs are expected.

Legal Considerations
Each approved project will require an intergovernmental agreement between the City and Pima County. Projects must be publicly owned.

Respectfully submitted,

Timothy M. Thomure, P.E., ENV SP
City Manager

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City Manager's Office

Attachment(s): A - Pima County 2027 Bond Program – City of Tucson Priority Projects
B - City of Tucson BAC Project Proposal Submission, October 14, 2026