

# Memorandum



**Date:** May 1, 2023

**To:** City Council

**From:** John Cox, Citizen Bond Exploratory Committee Chair  
Jared Askelson, Deputy Finance Director

**CC:** Wynette Reed, City Manager  
Andrew Granger, Deputy City Manager  
Justin Fair, Deputy City Manager  
Doug Sandstrom, Finance Director

**Re:** Citizen Bond Exploratory Committee Recommendation

In accordance with the by-laws of the Citizen Bond Exploratory Committee adopted by the City Council on August 29, 2022, this memorandum, along with the presentation to be made on May 8, 2023, serves as the recommendation to City Council of a financing plan for a potential general obligation bond election in November 2023. This plan includes details related to the property tax impact, projects, priorities, and ballot questions. Since formation on December 12, 2022, the Committee has met on ten occasions, receiving information from city staff, reviewing results of a public opinion survey, and contemplating the direction given by City Council through the Committee by-laws and during a work session on October 17, 2022. Based on these sources and the deliberation of the Committee, the recommended financing plan is as follows:

1. Include up to three questions on the November 2023 ballot to include:
  - \$95 million for Transportation purposes,
  - \$80 million for Public Safety purposes,
  - \$17 million for Parks purposes dependent on positive results from a second public opinion survey.
2. The amount for each recommended category is based on the projects included in Appendix A of this memorandum. The projects are prioritized within each category.
3. The recommended ballot questions are included in Appendix B of this memorandum. The questions should reflect the projects included in Appendix A to allow for appropriate educational outreach prior to the election.

## Property Tax Impact

During the October 17, 2022, City Council work session, direction was given to the Committee that a reasonable total amount of any bond questions would not exceed \$300 million and that the current Financial Policy that maintains the overall property tax rate at or below \$1.74 would be preserved. Based on this rate, current assessed property valuations, a state statute derived growth projection, and current general obligation debt, the Committee was presented an estimated maximum ceiling of \$232 million. The Committee used this estimate as their upper threshold for the total recommendation, which maintains no increase to the \$1.74 tax rate in all required publications.

## Projects and Priorities

The Committee was presented projects broken down into the categories of Transportation, Public Safety, Parks and Recreation, and Facilities. Master plans in each of the categories were reviewed to establish the need and priority for projects. The total amount of the projects was \$451 million dollars, which exceeds the upper threshold by \$219 million. To bring the recommended amount in line with the upper threshold, the Committee reviewed the results of a public opinion survey conducted on behalf of the City. The survey showed favorable results for both the Transportation

and Public Safety categories. The results were less favorable for projects in the Facilities and Parks and Recreation categories.

Within the Facilities category, the Committee believed that a need for a Municipal Operation Complex (MOC) was established, however the project specifically did not have success in the survey. Additionally, the scope of the project was not yet developed to allow for appropriate educational outreach. While the Committee is not recommending a Facilities question be included on the November 2023 ballot, due to the demonstrated need for the facility and continuing efforts to enhance the scope of the MOC, \$40 million, was not allocated to other categories to allow for a potential future bond election for this purpose.

The Committee deliberated at length on the Parks and Recreation category. The survey results were not favorable for the overall category and questions regarding individual projects had average results. It was noticed, however, that "bike and pedestrian paths" had favorable results. One of the projects presented was the Bullard Wash Bike/Pedestrian Path. Additionally, the Committee believed that the questions for the overall Parks and Recreation category may have scored poorly because the dollar amount (\$75 million) was deemed too high. It is, therefore, the recommendation of the Committee that a Parks and Recreation question in the amount of \$17 million be tested on a second public opinion survey. The amount represents the estimated cost of the Bullard Wash Bike/Pedestrian Path. Dependent on favorable results from the second public opinion survey, a Parks and Recreation question in the amount of \$17 million should be included on the November 2023 ballot.

The Transportation and Public Safety categories demonstrated need and fared well in the public opinion survey. The recommendation was constrained by the upper threshold set by the property tax rate. The priorities of the recommendation are based on the staff presentations. For Public Safety, the Committee noted the positive effect the Fire Resource Management Facility will have on the overall facilities master plan; and the importance of finding the ideal site and identifying partners for the Public Safety Training Facility. On the topic of Transportation, it was noted that the priorities are based on preliminary results from the master plan, which will be completed in December 2023.

#### Ballot Questions

The Committee was presented with ballot language drafted by bond counsel using the questions from previous City elections and additional language that has been used by other municipalities since that time. The Committee understands that broadly worded questions allow for flexibility, however, some of the wording included infrastructure not specifically discussed by the Committee. Specific exception was taken to the Public Safety language that included fire stations and police substations, as no projects of that type were brought forward to the Committee. The Committee is particularly aware of ballot language that may be inconsistent with their recommendation and future educational outreach. It will be difficult for Committee members to answer questions from the public regarding which fire stations or police substations are included in the bond election when no infrastructure of that type was discussed. The recommended Public Safety ballot question reflects these thoughts. The Committee further recommends that all ballot language is in line with the intended projects to reduce potential inconsistencies in educational outreach.

The Committee appreciates the opportunity to make this recommendation and looks forward to our presentation on May 8, 2023, and to Council discussion on May 15<sup>th</sup>.

# Appendix A

Citizen Bond Exploratory Committee  
Recommended Projects and Priorities  
May 1, 2023

Project Name	Amount
<u>Transportation</u>	
Yuma Road - Cotton Lane to Canyon Trails	15,199,500
Camelback Rd. Citrus to Cotton	22,076,000
Indian School Road- Perryville to Citrus	35,011,000
Indian School Road- Citrus to Minnezona	11,007,800
Cotton Lane - Estrella Parkway to Cotton Lane Bridge	6,800,600
McDowell Road- Litchfield to Dysart	4,905,100
Transportation Total	95,000,000
<u>Public Safety</u>	
Fire Resource Management Facility	10,000,000
Public Safety Training Facility	70,000,000
Public Safety Total	80,000,000
<u>Parks and Recreation</u>	
Bullard Wash Bike/Pedestrian Path	17,000,000
Parks and Recreation Total	17,000,000

# Appendix B

## Question No. 1

**PURPOSE: STREET AND TRANSPORTATION IMPROVEMENTS BONDS**  
**AMOUNT: \$95,000,000**

Shall the Mayor and Council of the City of Goodyear, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$95,000,000 to provide funds:

**Purposes:** To design, acquire, improve, widen, construct, reconstruct and rehabilitate the streets, avenues, alleys and highways of or within the City; to design, acquire, install, construct and reconstruct intersections, traffic signal/control systems, traffic safety improvements, street lighting, underground utility lines, landscape improvements and bicycle program improvements, including shared use paths and trails; to acquire land and interests in land for transportation purposes?

**Payment of Bonds:** Each series of these bonds will be issued at the option of the Mayor and Council as general obligation bonds of the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, payable from the levy of an ad valorem tax against the taxable property located within the City, and the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service of the bonds, unless the Mayor and Council provide for payment from other sources.

A “yes” vote shall authorize the City of Goodyear governing body to issue and sell \$95,000,000 of general obligation bonds of the City to be repaid with secondary property taxes.

A “no” vote shall not authorize the City of Goodyear governing body to issue and sell such bonds of the City.

<input type="checkbox"/>	BOND APPROVAL, YES
<input type="checkbox"/>	BOND APPROVAL, NO

“Tag Line” language:

Shall Goodyear be authorized to issue and sell \$95,000,000 of general obligation bonds for street and transportation improvements?

# Appendix B (Continued)

## Question No. 2

**PURPOSE: PUBLIC SAFETY BONDS**  
**AMOUNT: \$80,000,000**

Shall the Mayor and Council of the City of Goodyear, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$80,000,000 to provide funds:

**Purposes:** To design, acquire, and construct fire resource management facilities and public safety training facilities; to furnish, equip and improve public safety training facilities and fire resource management facilities; and to acquire vehicles, equipment, electronic data, voice and communication equipment and land for fire and public safety purposes; and to improve the grounds thereof?

**Payment of Bonds:** Each series of these bonds will be issued at the option of the Mayor and Council as general obligation bonds of the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, payable from the levy of an ad valorem tax against the taxable property located within the City, and the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service of the bonds, unless the Mayor and Council provide for payment from other sources.

A “yes” vote shall authorize the City of Goodyear governing body to issue and sell \$80,000,000 of general obligation bonds of the City to be repaid with secondary property taxes.

A “no” vote shall not authorize the City of Goodyear governing body to issue and sell such bonds of the City.

<input type="checkbox"/>	BOND APPROVAL, YES
<input type="checkbox"/>	BOND APPROVAL, NO

“Tag Line” language:

Shall Goodyear be authorized to issue and sell \$80,000,000 of general obligation bonds for public safety?

# Appendix B (Continued)

## Question No. 3

### **PURPOSE: PARKS AND RECREATION IMPROVEMENTS BONDS**

**AMOUNT: \$17,000,000**

Shall the Mayor and Council of the City of Goodyear, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$17,000,000 to provide funds:

**Purposes:** To construct, improve and acquire community, neighborhood and regional parks, including bike and pedestrian paths, trails, recreational facilities, buildings and improvements; to acquire land for parks, bike and pedestrian paths, trails, recreational facilities, buildings and open spaces; to make improvements, additions and replacements to existing parks, bike and pedestrian paths, trails, recreational facilities and buildings; to landscape, furnish and equip existing and new parks, bike and pedestrian paths, trails, recreational facilities and buildings?

**Payment of Bonds:** Each series of these bonds will be issued at the option of the Mayor and Council as general obligation bonds of the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, payable from the levy of an ad valorem tax against the taxable property located within the City, and the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service of the bonds, unless the Mayor and Council provide for payment from other sources.

A “yes” vote shall authorize the City of Goodyear governing body to issue and sell \$17,000,000 of general obligation bonds of the City to be repaid with secondary property taxes.

A “no” vote shall not authorize the City of Goodyear governing body to issue and sell such bonds of the City.

<input type="checkbox"/>	BOND APPROVAL, YES
<input type="checkbox"/>	BOND APPROVAL, NO

“Tag Line” language:

Shall Goodyear be authorized to issue and sell \$17,000,000 of general obligation bonds for parks and recreation improvements?