

# City of Scottsdale Election Frequently Asked Questions

*for the Nov. 5, 2019 Special Election*

Scottsdale voters will be asked to decide three ballot questions at a Nov. 5, 2019 Special Election.

Get official ballot language and more election information at [www.ScottsdaleAz.gov/elections](http://www.ScottsdaleAz.gov/elections)

## **1. What are bonds?**

Bonds are debt obligations issued by cities to finance major capital projects. They are similar to your home mortgage, through which you finance a large purchase over time. Individuals, insurance companies, pension plans, and other investors purchase the bonds, providing the city with money to pay for capital projects. For general obligation bonds like these, the city levies property taxes to repay them.

## **2. Why is a bond election being held?**

Arizona law requires voter approval before issuing general obligation bonds to finance new capital projects. The Scottsdale City Council unanimously agreed to seek voter approval to issue up to \$319 million of its bonds for 58 community projects. More information about projects associated with the bond questions can be found at [ScottsdaleAZ.gov](http://ScottsdaleAZ.gov), search "election."

## **3. How are bonds repaid?**

General obligation bonds are repaid through the city's secondary property tax on the limited assessed values of taxable property in Scottsdale.

## **4. What is the tax impact if the bonds are approved?**

The financial impact of the bond election will vary from resident to resident based on property values and the amount of bonds issued.

The estimated average annual tax rate for the proposed bond authorization is \$0.2877 per \$100 of limited assessed valuation used for secondary property tax purposes.

According to the Maricopa County Assessor, the 2020 estimated median single-family home value in Scottsdale is \$375,000. If all the bonds on the ballot are approved, the estimated property tax impact for that homeowner would be \$107.89 per year (\$8.99 per month).

However, the City Council set the bond program at \$319 million after confirming that the bonds can be issued in stages as existing bonds are paid off in order to keep the city's secondary property taxes at or below current levels.

#### 5. What bond questions will I see on the ballot?

The Nov. 5, 2019 Special Election ballot will contain three questions: Question 1 - parks, recreation, and senior services; Question 2 - community spaces and infrastructure; and Question 3 - public safety and technology. The specific projects associated with each bond question can be found on in FAQ 6 below.

#### 6. What projects are planned to be built if the bonds are approved?

The bond project list, as presented during the April 15 City Council meeting, is as follows:

<b>Question 1: Parks, Recreation and Senior Services - 14 Projects - \$112.6 million</b>		
<b>CIP Project No.*</b>	<b>CIP Project Title</b>	<b>Estimated Budget</b>
2	Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park	\$917,207
10	Replace Tennis Court Surface at Indian School Park and Scottsdale Tennis Center	\$3,497,104
13	Expand Granite Reef Senior Center to Meet Demand for Adult Day Care Center	\$2,972,175
21	Expand Via Linda Senior Center to Meet Demand for Senior Services	\$4,538,632
22	Build New Swimming Pools and Replace Building at Cactus Pool	\$31,229,600
24	Install High Efficiency Sports Lighting at 4 Facilities	\$1,224,304
25	Replace Aging Buildings that Comprise Paiute Community Center	\$11,174,242

30	Indian School Park Field 1 Lighting	\$696,072
41	Install Solar Heating System for Eldorado Pool	\$560,332
42	Add a Dog Park to Thompson Peak Park	\$4,637,357
53	Build Multi-Use Sport Fields in the area of Bell Road	\$40,000,000
55	Build a 17-Acre Neighborhood Park at Ashler Hills Drive and 74th Way (Whisper Rock)	\$6,097,659
60	Double the Solar Power Generating Capacity at Appaloosa Library	\$39,688
61	Purchase land, expand Pinnacle Peak Park parking lot, staff office and restrooms, renovate hiking trail and construct an interpretive trail	\$5,000,000

**Question 1 Total: \$112.6 million**

Note: If the actual amount expended for a specific project is less than the estimate, the excess bond authorization may be expended, if needed, on other projects listed within the same question.

*\*CIP Project Numbers are the same as those presented for community feedback in March, after which some projects were removed and the remainder were grouped into questions.*

<b>Question 2: Community Spaces and Infrastructure - 20 Projects - \$112.3 million</b>		
<b>CIP Project No.*</b>	<b>CIP Project Title</b>	<b>Estimated Budget</b>
1	Replace Aging Infrastructure and Improve Public and Event Spaces on Civic Center Plaza	\$27,317,840
15	Build 200 Space Parking Lot off 75th Street to Serve the City Court and Scottsdale Stadium	\$1,530,709
18	Build Roadway and Pedestrian Improvements along 2nd Street from Drinkwater Blvd to Goldwater Blvd	\$1,845,427
19	Build Roadway and Pedestrian Improvements along Marshall Way North of Indian School Road	\$1,800,780
20	Build Roadway and Pedestrian Improvements along Main Street from Scottsdale Road to Brown Avenue	\$994,180
23	Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash	\$23,512,804

32	Renovate and Modernize the Stage 2 Theater at the Scottsdale Center for the Performing Arts	\$1,200,000
43	Improve 5th Avenue from Scottsdale Road to Goldwater Boulevard	\$3,569,857
45	Renovate WestWorld Horse Barns to Increase Rentable Space	\$4,702,972
46	Replace the Public Address System at WestWorld	\$366,132
47	Replace WestWorld Arena Lights to Reduce Operating Costs	\$1,331,273
48	Widen 94th Street at WestWorld to Improve Access	\$1,469,153
50	Renovate Arena at WestWorld to Provide Flexible Event Space	\$960,298
51	Install Permanent Lighting at WestWorld Parking Lots to Reduce Operating Costs	\$1,438,293
52	Expand Restrooms in WestWorld North Hall	\$701,532
57	Install Solar Systems North Corporation Campus	\$4,810,300
58	Install Parasol Solar Shade Structure at City Hall Parking Lot	\$4,669,400
59	Install Solar Systems at Civic Center Campus	\$2,784,500
62	Build a Bridge on Thompson Peak Parkway Bridge over Reata Pass Wash to Improve Safety	\$6,300,000
63	Build Parking Structures in Old Town Scottsdale	\$20,962,800

**Question 2 Total: \$112.3 million**

Note: If the actual amount expended for a specific project is less than the estimate, the excess bond authorization may be expended, if needed, on other projects listed within the same question.

*\*CIP Project Numbers are the same as those presented for community feedback in March, after which some projects were removed and the remainder were grouped into questions.*

**Question 3: Public Safety and Technology - 24 Projects - \$94.1 million**

CIP Project No.*	CIP Project Title	Estimated Budget
4	Replace Outdated Emergency Response Equipment for Fire Department	\$2,057,000
5	Modernize Computer Equipment Rooms to Protect City Servers	\$691,600

6	Replace Emergency Power Source for Public Safety Radio Network	\$305,240
7	Replace Outdated 9-1-1 Computer Aided Dispatch and Records Management to Improve Efficiency	\$591,156
8	Replace Website Management Software	\$188,556
9	Install Fiber Optic Infrastructure to Reduce Operating Costs	\$11,385,555
11	Replace Document Management System to Improve Public Access to Information	\$674,000
12	Update Scottsdale's 15-year-old Digital Terrain Model	\$177,240
14	Replace Obsolete Planning and Permitting Software	\$2,964,000
16	Replace the City's Obsolete Training Software	\$342,000
17	Obtain a Citywide Data Management and Analytics Solution for Data-Based Decision Making	\$62,000
26	Replace Deteriorating Vehicle Training Track at the Police and Fire Training Facility	\$1,919,401
27	Modernize and Expand the Police and Fire Training Facility	\$4,227,262
28	Build a New Fire Station near Hayden Road and the Loop 101 to Improve Response Times	\$10,470,043
29	Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology	\$638,522
33	Renovate the Via Linda Police Station to Increase Efficiency	\$16,600,000
34	Build New Fire Station at 90th Street and Via Linda to Replace Aging Facility	\$5,914,028
35	Install Bullet Proof Glass in Reception Areas of Police Department Facilities	\$977,256
36	Provide Free Public WiFi at the Civic Center Plaza	\$57,200
37	Implement an Inventory and Asset Control System for City Technology	\$572,000
38	Build a new Fire Department Training Facility	\$18,258,520
39	Renovate the Foothills Police Station to Accommodate Current Staffing Levels	\$1,024,000

40	Renovate and Expand the Civic Center Jail and Downtown Police Facility to Meet Demand	\$13,102,518
44	Replacement of Fire Utility Truck to be used on fire ground activity and response to Hazardous Materials and Technical Rescue incidents	\$782,638

**Question 3 Total: \$94.1 million**

Note: If the actual amount expended for a specific project is less than the estimate, the excess bond authorization may be expended, if needed, on other projects listed within the same question.

*\*CIP Project Numbers are the same as those presented for community feedback in March, after which some projects were removed and the remainder were grouped into questions.*

**7. How were these projects selected?**

Beginning in January 2019, the Scottsdale City Council Capital Improvement Program Subcommittee worked with staff to develop a list of 67 potential city construction projects which were considered necessary but lacked full funding. The subcommittee then asked staff to conduct public open house meetings and online outreach to allow the community to review, rank, and comment on the proposed projects. This process resulted in the bond project list, consisting of 58 projects and totaling up to \$319 million, that accompanied the City Council's calling of the election. The complete bond project list for each question is included in FAQ 6.

**8. Will bond funds be used for any other projects?**

No. Arizona law requires that the proceeds of bonds authorized at the November 5, 2019 special bond election be used only for projects described in the ballot questions. Those questions were based on a specific list of projects presented to the Mayor and Council on April 15, 2019. The complete bond project list for each question is included in FAQ 6. If the actual amount expended for a specific project is less than the estimate, the excess bond authorization may be expended, if needed, on other projects listed within the same question.

**9. If there is money left over after all the projects are built, can the city use the money for other CIP projects or other purposes?**

No. Any funding approved in the Nov. 5, 2019 Special Election can only be used to complete projects which are set forth in the official Election Information Pamphlet and on the city's website. The complete bond project list for each question is included in FAQ 6.

**10. What checks and balances are in place to make sure that bond money is only spent on the projects as authorized by the voters?**

There are several layers of checks and balances to ensure proper monitoring and handling of the bond program. These checks and balances begin at a staff level as part of the reporting delivered to the Citizens' Bond Oversight Committee, and ultimately to the City Council. The Citizens' Bond Oversight Committee is composed of Scottsdale residents who review the progress of bond projects and provide additional oversight and review of bond-related items. Additionally, before any project begins, each must be presented to and approved by the City Council, which usually occurs through the annual Capital Improvement Program Budget Process. In addition, the City Council (at public meetings) must vote to issue the debt and approve design and construction contracts associated with each project.

**11. If the bonds are approved, how soon will the projects begin?**

If the bond questions are passed by the voters, staff will work to develop a plan for delivering the projects. Some projects will begin construction right away; most are expected to begin within three to five years.

**12. If the bonds are approved, does that guarantee the projects will be built?**

Approving the bonds authorizes the city to incur debt to build the projects. The requested bond amount is based on the projects' current estimated costs. If those costs change as a project moves forward, then the amount allocated to that project may not be enough to build it. In turn, this could force the city to postpone construction of that particular project or seek additional money from the City Council. Staff will provide financial reporting to the

Citizens' Bond Oversight Committee and the City Council to keep the public informed of anticipated project costs versus project budgets.

**13. What will happen if this bond program does not pass?**

If the city's voters reject the bond program, bonds will not be issued for the projects included in the program, and the projects may remain unfunded and not built.

**14. What is the Capital Improvement Plan?**

The Capital Improvement Plan is a blueprint for the projects the city intends to undertake over the next five years. Scottsdale's current plan includes hundreds of projects such as street and traffic signal construction; drainage improvements; streets; public safety operations; parks and recreation; and water and wastewater treatment facilities and transmission lines. The bonds allow infrastructure projects that lack other funding sources to remain in the plan.

**15. How do bonds affect the Capital Improvement Plan?**

Bonds are one source of funding for city construction projects. Projects that lack funding are not included in the Capital Improvement Plan.

**16. What kinds of bond-financed projects has Scottsdale completed in the past?**

Throughout its history the city has used bonds to finance many infrastructure projects such as streets, parks, drainage systems, fire and police stations and libraries. [See a list of projects built with bond-financing since 2000 by visiting ScottsdaleAZ.gov, search "bond history."](#)

**17. Why are these projects being requested now?**

The effects of weather, age and outdated technology require Scottsdale to regularly repair or replace portions of its infrastructure. The City Council Capital Improvement Program Subcommittee and city staff have assessed Scottsdale's most pressing needs and compiled them into the list of proposed projects. That list was presented for public feedback via open



house meetings and online during the month of March. The bond questions being presented for Scottsdale voter authorization were evaluated by the City Council prior to the Council's decision to call a special election.

**18. What is Scottsdale's current level of debt, and what revenue sources are used to make those debt payments?**

The city issues long-term debt to finance a variety of capital projects which provide public services and amenities for the citizens of Scottsdale, as directed by majority votes of the City Council and the citizens of Scottsdale.

The city's outstanding general obligation bond debt as of June 30, 2019, was \$493.6 million.\*

\$304.7 million (62 percent)\* of the city's general obligation debt are voter-approved bonds used to finance land acquisition and improvements in Scottsdale's McDowell Sonoran Preserve. These debt payments are supported entirely through the 0.2 percent city transaction privilege and use (sales) tax approved by voters in May 1995, and an additional 0.15 percent sales tax approved by voters in May 2004.

\$188.9 million (38 percent)\* of the city's general obligation debt are voter-approved bonds used to finance acquisition and construction of city land, buildings and infrastructure not associated with the Preserve. Most recently, in 2016, voters approved bond financing to replace 140 miles of deteriorated pavement on city streets and to build or renovate four city fire stations. These general obligation bonds are repaid with ad valorem (secondary) property taxes. The bonds are direct, general obligations of the city and the Mayor and City Council is obligated to levy annually upon all the taxable property within the city an ad valorem tax for payment of the principal and interest on the bonds.

The city carries other long-term debt for specific purposes, supported by specific dedicated revenue sources.

For example, water and sewer revenue bonds and municipal property corporation bonds are issued to build and equip water and sewer facilities and related systems. These bonds

are repaid by water and sewer customers via user charges or fees for service or other sources. Property taxes cannot be used to pay the debt service on these bonds.

Complete accounting and descriptions of the City of Scottsdale's long-term debt are contained in the City of Scottsdale Fiscal Year 2019/20 Adopted Budget (Volume One) and the most recently completed Comprehensive Annual Financial Report for Fiscal Year 2018/19.\*

*\*These figures were updated from those originally published to reflect amounts as of June 30, 2019*