



Dorothy Gilbert and the Phoenix Mountains Preserve

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1975-79

Home Introduction 1960-64 1965-69 1970-74 1975-79 1980-84 1985-89 1990's

1975

Save Our Mountains Foundation, April 26, 1975.
ACC# 98-1906, 3/19, 2 pages

Promotional material and map to support another bond issue (Proposition 14) to complete the acquisition of land for the Phoenix Preserve. Three thousand acres were deleted from the anticipated boundaries; Van Cleve who was to oversee the land acquisition died in 1975. Citizens were asked for additional funds rather than using the federal matching funds.



Letter to Dottie Gilbert from Charles Christiansen, 5/12/75.
ACC# 98-1906, 3/19

Thank you to Dottie Gilbert for her support in the Proposition 14 effort.



1977

Mayor Margaret Hance ordered public hearings to determine support for the preserve program. The following reports addressed mountain land acquisition and alternative funding. She later directed \$5 million devoted to land acquisition.

Parks, Recreation and Library Director Charles M. Christiansen report, July 28, 1977.

ACC# 98-1906, 3/15, 6 pages

Alternatives for Acquisition of Mountain Land in the Phoenix Mountains Preserve and South Mountain Park.



Councilman Alfredo Gutierrez report, Sept. 23, 1977.

ACC# 98-1906, 3/15, 2 pages

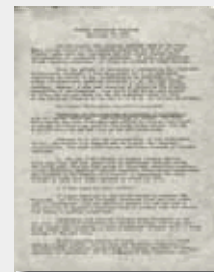
"The purpose of this memo is to recommend a process whereby the City Council will have adequate information to make a proper decision concerning the Phoenix Mountain Preserve and boundaries."



Phoenix Mountains Preserves, 9/27/77.

ACC# 98-1906, 3/15, 2 pages

Phoenix Parks Board recommended "Completion of the Preserves" as outlined in Alternate 1.



Mayor Margaret Hance Report 11/10/77.

ACC# 98-1906, 3/15, 2 pages

Recommended Financing Alternative for Phoenix Mountains Land Acquisition Program.



City Manager Marvin A. Andrews final report to finance completion of the mountain open space acquisition program, 12/9/77.

ACC# 98-1906, 3/15, 6 pages



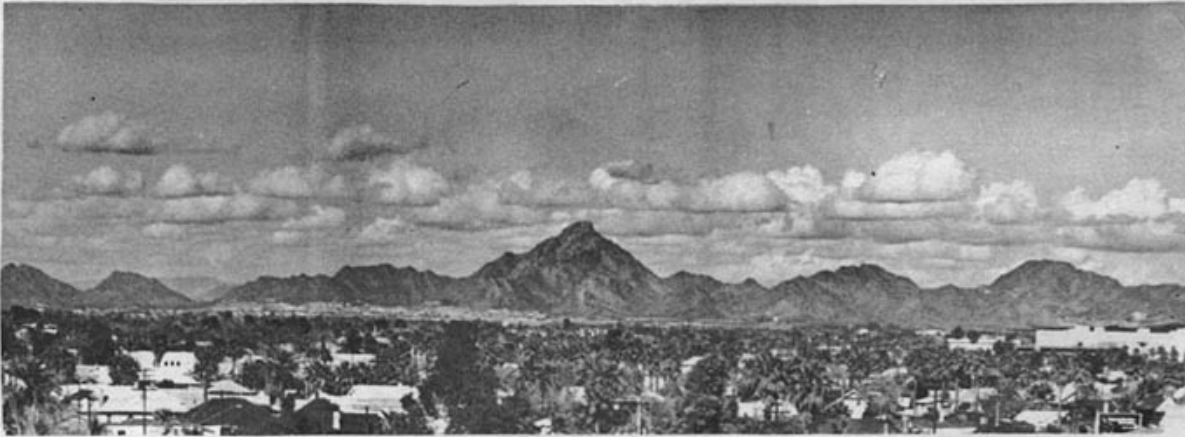
1979

Executive Committee Final Report Mountain Preserve, March 28, 1979.

ACC# 98-1906, 3/8, 2 pages

Additional 10 million dollar bond passed.





SAVE OUR MOUNTAINS FOUNDATION

Phoenix, Arizona

April 26, 1975

MOUNTAIN OPEN SPACE: A REPORT

The Save Our Mountains Foundation, supported by thousands of citizens through small contributions, was started in 1972 to assist in the preservation of the unique desert mountain open spaces in what soon will be the very center of Phoenix and to protect the northern slopes of South Mountain Park, world's largest municipal park.

Since then, with overwhelming voter approval (3-to-1) in 1973, **about 70% of the job has been accomplished.** Now Phoenix voters are being asked again to approve bonds for mountain space in a special city election on Tuesday, April 29, 1975.

Through this vote the remaining 30%, or about 3,000 acres (North and South Mountains), can be saved for future generations.

Proposition 14, supported by several citizens' groups, will permit the City to purchase up to \$9.5 million of the remaining mountains for parks and open space, with another \$750,000 allotted to restoration of scarred areas, boundaries, some scenic drives and engineering for recreational activities.

The bonds approved in 1973 were intended to fund a major part of the project.

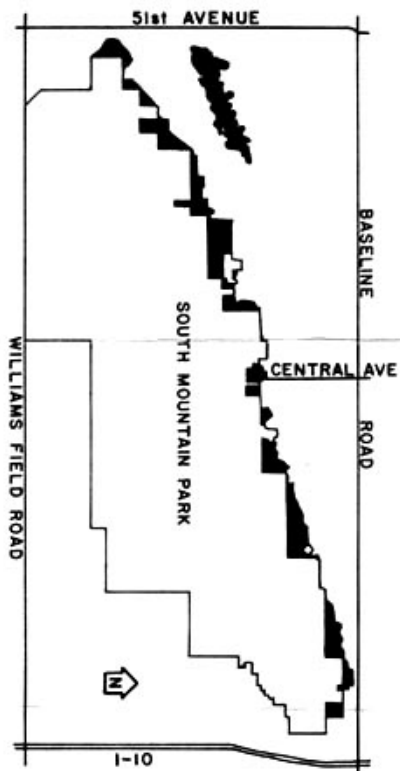
That money has been used to its fullest extent for that purpose. The balance was expected from federal revenue sharing funds and general revenues, but pressures on the economy required the City Council to use most of these funds for other City programs.

That is why another bond issue (Proposition 14) is necessary to complete the job, while the land is still available. **If the mountain land is not purchased now, it will be lost forever to urban development.**

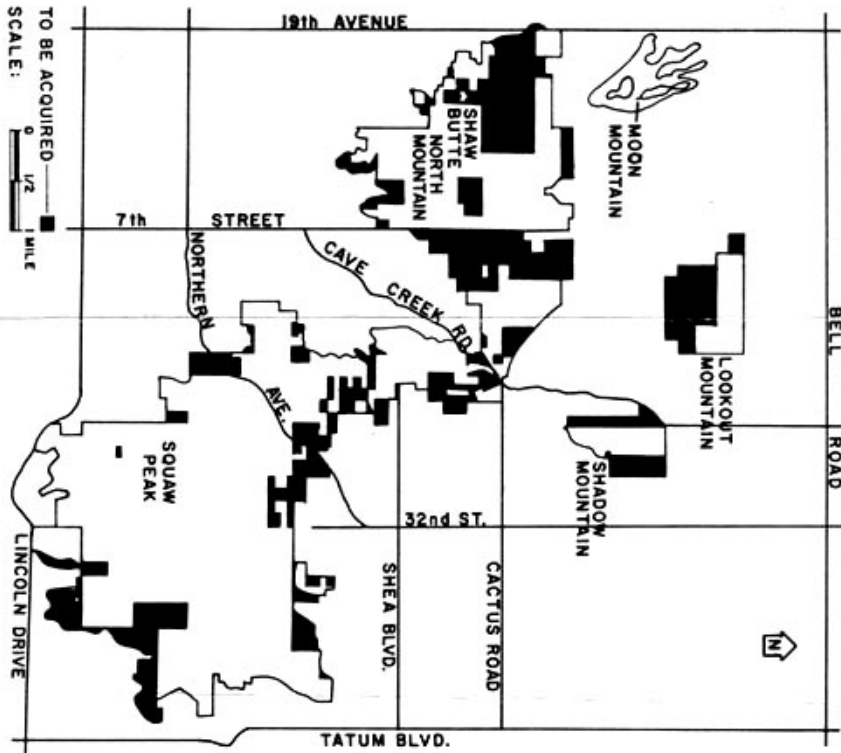


Shaded areas remain to be purchased to complete our Mountain Open Space Park System.

TO BE ACQUIRED
SCALE: 0 2 MILES



TO BE ACQUIRED
SCALE: 0 1/2 1 MILE





CITY
OF
PHOENIX

PARKS AND RECREATION DEPARTMENT

May 12, 1975

Mrs. Dorothy Gilbert
480 E. Ocotillo Road
Phoenix, Arizona 85012

Dear Dorothy:

This is just a note to express our appreciation for the hard work and total support that you gave to the recent bond issue for the open space bonds. I know that you are as disappointed as we are about the outcome. In spite of that, however, there is always another opportunity and perhaps in the near future some other efforts to preserve these mountains might be initiated. In all of my years of bond issues in different cities throughout the United States, I have never experienced a more hard working and dedicated citizens' group as those of you who participated in this recent bond issue. It has been a great experience for us to see citizens take part in such a worthwhile cause such as this.

Thank you again for your effort and we look forward to working with you in the future.

Sincerely,

CHARLES M. CHRISTIANSEN
Parks and Recreation Director

CMC/dsb

'Keep Charging'!

CITY COUNCIL REPORT

ITEM



date: July 28, 1977

to: Glenwood M. Wilson
Community Services Manager

from: Charles M. Christiansen *C.M.C.*
Parks, Recreation and Library Director

subject: Alternatives for Acquisition of Mountain Land in
the Phoenix Mountains Preserve and South Mountain Park

AGENDA

PURPOSE AND RECOMMENDATION

The City Council has requested a new study of mountain land acquisition spelling out various alternatives. We are requesting this information be forwarded to the Parks and Recreation Board and appropriate citizens' groups for their review.

HISTORY

The history of the recent mountains acquisition program in Phoenix is summarized below:

1. In January, 1972, the Phoenix City Council unanimously adopted the master plan for the Phoenix Mountains Preserve, which called for the preservation of approximately 10,000 acres in the Phoenix Mountains and another 2,500 acres in South Mountain Park.
2. Mayor Driggs appointed the Phoenix Mountains Commission composed of 125 citizens. In a year's time, their accomplishments can be summarized as:
 - a. Instrumental in changing the State Constitution to allow for more bonding capacity for park, recreation, and open space.
 - b. Developed a 10-year financing program to complete the acquisition. In summary, this financing program envisioned \$22.5 million of 1973 bonds; \$13.5 million of federal revenue sharing funds; approximately \$6 million of various general funds; and approximately another \$1 million from 1970 bonds and federal grants. This represents the total of \$43 million estimated cost to complete the program. This financing program was approved by the City Council.
 - c. Took a leadership role in the successful 1973 bond issue for parks, recreation, and open space.
3. The City of Phoenix did not allocate federal revenue sharing funds for mountain acquisition as indicated in the previous financing plan. Only \$6 million of the \$13.5 million were actually allocated and spent. Because of this revenue gap and the pressure of developers, etc. to develop the mountain land, it was felt that another bond issue would be required. That bond issue failed in May of 1975.
4. As a result of the failure of the bond issue, Mayor Barrow appointed a citizens' committee to make recommendations as to a new Preserve boundary with appropriate new cost estimates. The committee's report was incorporated into a Parks and Recreation Department report, which listed four options that might be taken for mountain acquisition. After extensive review by citizens' groups, the Park Board, and staff, the City Council adopted a new boundary line for both the Phoenix Mountains and South Mountain Park, which reduced the cost and the amount of acreage.

Subj: Alternatives for Acquisition of Mountain Land in
the Phoenix Mountains Preserve and South Mountain Park

More than 3,000 acres of land were eliminated. At the time of the adoption of this plan, several suggestions were made as to a financing program, but it was estimated that at least \$1 million per year would be necessary.

5. In 1976, the Council approved a staff report for acquiring some critical parcels. No funds were provided to acquire these parcels other than spending bond funds set aside for option payments on other land.
6. In 1976, the Phoenix Parks and Recreation Board submitted an extensive report to the City Council wherein they prioritized all of the mountain land with appropriate cost estimates. This report was submitted after several weeks of extensive study. The report indicated that at least \$1.5 million would be needed per year to keep the program going. The report also requested that serious study be given to the concept of trading mountain land for State-owned land.
7. As a result of continuing crises in mountain acquisition and because no funds had been allocated for mountains for 2½ years, the present City Council requested a study of lands that could be traded or sold. That report was submitted to the Council several months ago and has resulted in some land trades.

DISCUSSION

In the past two years, we have been faced with one crisis after another about buying parcels of land because we have not had a solid financing plan to implement it. Between the 1972 plan and the 1975 plan, 3,000 acres have been eliminated. Because of large increases in value of mountain property, the total costs remain about the same. The longer we wait to buy this land, the higher the price and as a consequence, perhaps more land will have to be eliminated. Whatever alternative is selected or variation thereof, serious effort must be made to develop a sound and realistic financing means. This would allow the staff to appropriately deal with property owners and the public alike. Just recently, the City Council approved \$395,000 of contingency funds as our share for a Bureau of Outdoor Recreation application for mountain acquisition. The fate of that application will not be known for several months. This represents the first financial commitment to the City of Phoenix from general revenue sources in several years.

Listed below are three possible alternates for the Mountains Program. The cost estimate for each alternate includes \$2,270,000 for purchase of State-owned land, which includes Squaw Peak Park. Assuming there is no urgency of acquisition of the land, we have projected costs including and excluding purchase of the property.

Alternate No. 1

This is the 1975 Council adopted plan. This alternate does not project any new trades or land sales, but reflects those made to date. This is the program that we are currently working on.

Subj: Alternatives for Acquisition of Mountain Land in the Phoenix Mountains Preserve and South Mountain Park

	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	7,071	\$38,152,462
South Mountain	<u>1,988</u>	<u>5,786,026</u>
Total	9,059 Acres	\$43,938,488
Available Funds		<u>\$31,629,571</u>
Additional Financing Needed		<u>\$12,308,917</u>
Less State-owned land		<u>\$ 2,270,000</u>
		<u>\$10,038,917</u>

Advantages:

1. Retains integrity of Preserve with scenic preservation, outdoor recreation, and appropriate public access.
2. Maintains boundary lines as known by the public today. Developers and individuals alike have made plans according to these boundaries.
3. Plan reflects considerable community input prior to its adoption in 1975.

Disadvantages:

1. Requires \$12+ million to complete.

Alternate No. 2

This alternate is based on the premise that no new funds will be allocated for mountain acquisitions. This alternate extensively changes the concept of the Preserve and projects numerous lands to be sold or traded.

<u>Alternate No. 1</u>	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	- 7,071	\$38,152,462
	<u>1,720</u>	
South Mountain	- <u>1,988</u> 5,351	<u>5,786,026</u>
	<u>668</u>	
Total	<u>1,320</u> 9,059 Acres	\$43,938,488

Subj: Alternatives for Acquisition of Mountain Land in
the Phoenix Mountains Preserve and South Mountain Park

Alternate No. 2 - Adjustments

<u>Delete</u>	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	545	\$ 3,625,044
South Mountain <i>Carver Foothills</i>	<u>668</u>	<u>2,335,290</u>
Total	1,213 Acres	\$ 5,960,334

Sell City-Owned Land

Phoenix Mountains (5,345 acres)	1,181 + 545 = $\frac{7,071}{-1,726}$ 5,345	\$ 6,348,583
South Mountain (1,320 acres)	-	-
Total	<u>1,181 Acres</u> $\frac{1,988}{668}$ 532	<u>\$ 6,348,583</u>
Total Alternate No. 2	6,665 Acres	\$31,629,571
Financing Available		<u>\$31,629,571</u>
Additional Financing Needed (This figure includes purchase of State-owned land.)		<u><u>- 0 -</u></u>

Advantages:

1. Requires no new funds for completion.

Disadvantages:

1. Deletes areas of major skyline preservation - Shaw Butte, Shadow Mountain, Lookout Mountain - that can be seen by most Phoenixians.
2. Timing of selling land vs. buying other land would be difficult to balance. Some lands would be difficult to sell because of location, shape, and access.
3. Eliminates 33% of proposed major outdoor recreation areas. This would eliminate a large equestrian facility, outdoor amphitheater, and picnic facilities.
4. Breaks continuity of Preserve by major intrusions of residential development.
5. Opens west end of South Mountain Park and other mountainous portions of Preserve to residential development with its scarring.
6. Seriously compromises scenic drive and trails systems.
7. Would produce considerable public opposition and controversy.
8. Would create traffic problems because of inadequate access to main road systems.

Subj: Alternatives for Acquisition of Mountain Land in the Phoenix Mountains Preserve and South Mountain Park

Alternate No. 3

This alternate establishes a new Preserve line, which is a modification of the 1975 plan. This reduces the size of the mountains acquisition program and contemplates some lands to be traded or sold.

<u>Alternate No. 1</u>	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	7,071	\$38,152,462
South Mountain	<u>1,988</u>	<u>5,786,026</u>
Total	9,059 Acres	\$43,938,488

Alternate No. 3 - Adjustments

<u>Delete</u>	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	94	\$ 669,350
South Mountain	<u>668</u>	<u>\$ 2,188,310</u>
Total	762 Acres	\$ 2,857,660

<u>Sell City-Owned Land</u>			
Phoenix Mountains	6,894 acres	128 + 94 = $\frac{7,071}{6,849}$	\$ 1,052,200
South Mountain	1,320	-	-
Total		<u>128</u> Acres	<u>\$ 1,052,200</u>

Total Alternate No. 3	8,167 Acres	\$40,028,628
Financing Available		<u>\$31,629,571</u>
Additional Financing Needed		<u>\$ 8,399,057</u>
Less State-Owned Land		<u>\$ 2,270,000</u>
		<u>\$ 6,129,057</u>

Advantages:

1. This represents a compromise, which retains most Preserve concepts.

Subj: Alternatives for Acquisition of Mountain Land in
the Phoenix Mountains Preserve and South Mountain Park

Disadvantages:

1. Requires \$8+ million to complete acquisition and permits west end of South Mountain Park to be developed.
2. Would create some public opposition to proposed land sales or trades.

RECOMMENDATION

1. We recommend that this study be referred to the Parks and Recreation Board and other citizens' groups for review and recommendation.
2. We recommend that a timetable be established for final action by the City Council on the Preserve boundary lines.
3. We recommend that the City Council establish the Phoenix Mountains boundary line by formal Council action.
4. We recommend that a serious effort be made to develop a practical financing program to complete this project.

CMC/dsb

cc: Mr. Kent
Mr. Cordova
Mr. Parks
Mr. Cordes
Mr. Seppanen
Parks and Recreation Board



TO The Mayor and City Council

DATE Sept. 23, 1977

FROM Councilman Gutierrez

SUBJECT

CITY OF PHOENIX

Purpose

The purpose of this memo is to recommend a process whereby the City Council will have adequate information to make a proper decision concerning the Phoenix Mountain Preserve and boundaries.

Discussion

It is the responsibility of this City Council to make a decision on the Phoenix Mountain Preserve. I have attended four meetings of the Phoenix Parks Board as they have met in the community and, I believe, in all fairness to the City Council, that additional information is needed before making a proper decision.

The City Council will be shortly faced with a possible \$12 million decision on whether or not to recommend a bond issue or other funding for the remaining land to complete the Phoenix Mountain Preserve. Having been on the Council that reduced the original Preserve boundary, I recall that our decision consisted of parts of three alternative plans presented by staff.

Listed below is a process which I believe is a way that we can objectively and rationally make a proper decision as the City Council concerning the Mountain Preserve. This process will require the investment of some staff time and funds as well as some time by the City Council, but such an investment is minor when it is weighed against a possible \$12 million decision.

I propose that the City Council truly understand finite limits of the Preserve boundaries by requesting systematic analysis of what the true functional boundaries of the Preserve are. By functional boundaries, I mean that property that has the necessity to be in the Preserve to serve a function such as recreational, access or peak preservation.

Consequently, I request the City Council consider authorizing the following information be presented to the City Council before this matter is brought up for a Policy Session:

1. A copy of the latest Park Preserve Plan as it relates to the boundaries that now exist of the proposed Alternative I Preserve.
2. That staff delineate on an existing contour map, those areas that are less than a 15% slope, those areas that are 15% to 25% slope, and those areas over 25% slope.

The Mayor and City Council
September 23, 1977
Page 2.

3. A current aerial map showing the development around the boundaries of the preserve with relation to the present boundaries.

It is my contention that the City Council, once receiving this information, should reserve two days to physically tour the Preserve and that the staff should make some reasonably visible estimated physical markings around the Preserve so that Council can get a view of what is to be included and what isn't to be included in the boundaries. By no means should this be a detailed, elaborate, expensive marking process, but something that will give the Council, on a physical tour, an idea of the boundaries.

This information is requested so that the City Council can see if the boundaries are a) consistent with proposed use of the Preserve, b) whether the fixed boundaries are truly functional or whether they contain additional fringe property that is not necessary for the Preserve, c) whether a purchase for public access is maintained, and d) an idea of what the finite limits of the Preserve may be.

My concern is how much approach and gradual slope property is being purchased under the title of Mountain Preserve and is also addressed to the fringe areas and how much of these areas approaching the mountains are proposed to be bought by tax dollars.

The question before the City Council is how much more money for the Phoenix Mountain Preserve. My opinion, and other members of the Council I have talked to, is that continuity of the Preserve is essential, but the Council needs to be guided by a functional analysis of the Preserve and not the emotions that can so easily creep into this issue.

Conclusion

As I indicated in the beginning of this memo I have proposed a method that would allow the City Council the proper tools to make a reasonable decision in the future of the Mountain Preserve. I recommend that the City Council ask the City Manager to proceed as soon as possible with a study as it will probably take a little time. It is the responsibility of this City Council who has requested the study of the Preserve and has asked for Parks Board review, to make a decision on the Preserve. Without a proper, concrete, functional definition of the Preserve boundaries and the City Council analyzing this as it relates to contours as well as fringe areas of the Preserve, I fear that we will not be making the best objective decision for the benefit of the total community. I recommend that the Council authorize the preparation of this material and process prior to the discussion.

mt

cc: Standard Distribution

PHOENIX MOUNTAINS PRESERVES
September 27, 1977

The 643 persons who attended meetings held by the Parks Board on the future of the mountain preserves in North and South Phoenix spoke with near unanimity and with great emotion about the necessity of completing the preserves. If there is opposition to the mountain preserves, it failed to surface in these meetings.

Given the options of Alternates 1 (completing the preserves as presently outlined), 2 (no more money) and 3 (a compromise requiring two-thirds of the funds required by Alternate 1), the public overwhelmingly endorsed Alternate 1. At the Moon Valley meeting, however, a vote was requested on restoring the original boundaries of the Preserves from which 3,000 acres were deleted in 1975, and all but three of the 300 assembled voted in favor of the original Preserve or as much of it as is not already developed.

The Phoenix Parks Board therefore recommends:

Completion of the Preserves as outlined in Alternate 1, with no further deletions, land exchanges or sales. The Parks Board would also look favorably upon efforts by private individuals or groups to acquire any part of the 3,000 acres deleted from the original Preserves and add them to the 1975 boundaries.

Although it is not the responsibility of the Parks Board to tell the Phoenix City Council how to finance the remaining acquisitions, two major alternatives have been proposed in citizen meetings:

1. The use of \$3 million in federal revenue sharing funds each year for four years with an additional \$300,000 during the fifth year. This was the method of financing originally proposed by the officially appointed Phoenix Mountains Preservation Commission, and accepted by the Phoenix City Council to supplement the \$22.5 million in local bond funds approved by voters in 1973.

2. A bond issue of \$12.3 million.

If a bond election is the method chosen to complete the Preserve, the Parks Board strongly recommends that the city undertake a cost/benefit study to determine whether or not the cost of city services to mountain properties would be greater than the return from taxes on mountain properties.

Recognizing that several citizens have threatened to sue the city if Preserve boundaries are changed to their detriment, the Parks Board also recommends a major promotional campaign to facilitate passage of the bond issue.

Another possible source of funds, which cannot be relied upon as a major source, is the Save Our Mountains Foundation, a tax-deductible foundation established to receive donations of money, property and securities. If the existence of the Foundation were

(Preserves - 2)

well publicized, some funds might be raised to assist the overall program. Phoenix has plenty of mountains, trails, washes and viewpoints which could be named after large donors.

It is crucial that Phoenix establish firm Preserve boundaries and that, during the period that new funds are being sought to complete the Preserves, no more parcels be deleted, traded or sold.

The City can either use its contingency funds to acquire pressing parcels, declare a moratorium on further development or refuse to extend streets, water, sewers, police and fire protection to new developments proposed within the Preserve boundaries.

It is time Phoenix acknowledged its obligation to complete the Preserves and give this project priority over all more recent city undertakings until it is accomplished.

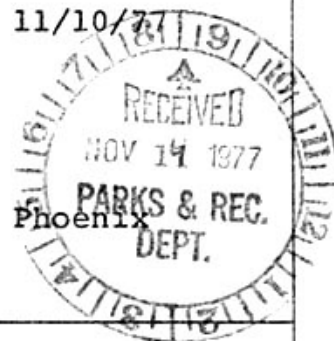
Hillside ordinances



CITY OF PHOENIX

TO City Council

DATE 11/10/77

FROM Mayor Hance *mill*SUBJECT Recommended Financing Alternative for Phoenix
Mountains Land Acquisition Program

You have received a memo outlining two alternatives for refunding \$122 million of outstanding non-enterprise general obligation bonds. I am recommending that the City Council approve the second alternative which would reduce the City's contribution to the sinking fund by an estimated \$2,250,000 annually.

This alternative produces long-term savings of \$18 million and reduces the "base budget" by a total of \$9 million (\$2,250,000 annually) from 1978-79 through 1981-82. Obviously, such a savings cannot be refused.

I am also recommending that the City Council consider financing a major portion of Alternative No. 1 of the Phoenix Mountains Preserve acquisition program. You will recall that the amount of City cash needed under this alternative was \$10,038,917. This alternative retains the integrity of the preserve and its functional utility as an outdoor recreation area with adequate public access.

Under my proposal nearly all of Alternative No. 1 could be financed over a four-year period with the annual budget savings which accrue as a result of the refunding of the general obligation bonds. In essence, the \$2,250,000 base budget savings resulting from the bond refunding could be used to finance the capital land acquisition program. This would fulfill the City's commitment to complete the mountain preserve as originally scheduled. The small amount of necessary funding between the \$9 million and the \$10,038,917 could be provided through additional general funds over the four-year period, or other Federal funds which might become available such as Bureau of Outdoor Recreation monies. Any amount not needed for the preserve should go into major street construction or storm and sanitary sewer development.

My recommendation to consider this alternative is based on my judgment that the use of the savings accruing from bond refunding must go to other capital projects. Such a decision would be consistent with voter approval of the bonds which are intended solely for capital improvement projects. It is also sound fiscal management to invest the \$2,250,000 annual savings in capital improvements since the debt service payments will rise again to their present levels after the 1981-82 year. If the Council were to use this four-year one-time savings for other than capital purposes, it would only be committing a future City Council to absorbing a \$2.2 million operating debt in 1982-83.

There is an additional advantage to using these funds at this time rather than seeking a new bond issue to finance the preserve acquisition. A new bond issue of \$10 million would require interest payments in the neighborhood of \$5 million to \$6 million. Consequently, the purchase of the preserve with this one-time savings not only avoids committing a future Council to finance operating programs but avoids a \$5 million to \$6 million expenditure for debt service on a new bond issue.

In making this recommendation I have given serious consideration to the community attitude regarding completion of the preserve. I believe the Parks Board's public hearings have demonstrated significant majority support for the completion of the mountain open space program. As the Board's report indicates, a heavy majority attending the public hearings and submitting written responses favored the program. In addition, my personal observations during the recent mayoral campaign indicated heavy majority support for the program. Prior to final decision making on use of the funds produced by the refunding proposal, I will be soliciting additional community comment about this method of financing the acquisition program. However, at this point in time I believe the great majority of our community wants to see the preserve completed so that it will be a functional open space area and not a disjointed collection of open land without utility.

I will request Council discussion on this proposal at the November 14 Policy Session. The final decision will not have to be made at that time; however, we must give general direction to the staff on whether or not to pursue the refunding issue.

bks

cc: Mr. Andrews
Mr. Starrett
Mr. Kent
Mr. Christiansen
Mr. Howlett
Mr. Landry

CITY COUNCIL REPORT

ITEM 5



date: December 9, 1977
to: Marvin A. Andrews
City Manager
from: Selden G. Kent
Administrative Services Manager
subject: FINANCING ALTERNATIVES FOR MOUNTAIN OPEN
SPACE ACQUISITION

SPECIAL
POLICY SESSION
December 13, 1977

PURPOSE

The purpose of this memorandum is to outline alternatives to finance completion of the mountain open space acquisition program. The information was requested by the City Council on November 14th following discussion of the attached report from the Parks and Recreation Board. Also attached is a July 28th report from Charles M. Christiansen, Parks, Recreation, and Library Director.

BACKGROUND

A long-range financing plan for mountain open space acquisition was submitted to the City Council early in 1973 by the ad hoc citizens Phoenix Mountains Commission. The plan called for a mountain open space general obligation bond issue of \$22.5 million and \$20.5 million of additional annual "pay-as-you-go" financing from Federal revenue sharing and City general funds to complete the estimated \$43 million acquisition program over a ten-year period.

The City Council accepted that Commission's report although it did not, and legally could not, commit to provide the future annual "pay-as-you-go" financing necessary to carry out the program. However, many citizens considered that the City had such a commitment, or at least a moral obligation, because of the attendant publicity given to the Commission's report and financing plan in connection with the successful 1973 mountain open space bond election.

Implementation of the acquisition program began in 1973 after voter approval of the \$22.5 million bond issue and "pay-as-you-go" appropriations in 1972-73 and 1973-74 of \$6.2 million in Federal revenue sharing funds. In 1974-75, no "pay-as-you-go" acquisition was included in the City budget because of the severe budget problems posed by the combination of economic recession and inflation. Because of the financing "gap" created by this reduction and pressures to acquire land before it was developed, a supplemental bond issue of \$10.3 million was submitted to the voters in May 1975. This bond issue proposition was defeated along with six other propositions for Rio Salado, parks, libraries, community centers, cultural center, and governmental mall office buildings.

At the request of the City Council, in 1975-76 more than 3,000 acres were eliminated from the original preserve boundaries. Since 1975, no annual "pay-as-you-go" financing has been provided although the City Council early in 1977-78 reserved \$395,000 from Contingencies to be used to match Federal Bureau of Outdoor Recreation funds should a grant application be approved. To date, the application has not been approved.

Marvin A. Andrews
December 9, 1977
Page Two
FINANCING ALTERNATIVES FOR MOUNTAIN
OPEN SPACE ACQUISITION

The Parks and Recreation Board this past summer held a series of public meetings to obtain community input on the mountain program. The Board's report was discussed with the Council on November 14th at which time the Council asked for financing alternatives for "Alternative #1" as the program for mountain acquisition and the boundaries for the preserve.

The Board's recommendation on financing, which the Council did not act upon was as follows:

"That the City Council reserve an adequate sum of money to take care of immediate emergency land acquisition to demonstrate the City's commitment to complete the Mountain Preserve and that \$3 million, as was originally scheduled, be provided annually until all preserve lands have been acquired. The Parks and Recreation Board encourages the City Council to budget these funds from Federal revenue sharing funds, but in the event a bond issue is selected as a means of securing funds, the Parks and Recreation Board recommends that it be scheduled for next spring."

ALTERNATIVE #1 COST ESTIMATE

The description and cost estimate of Alternative #1 as outlined in Mr. Christiansen's July 28th report was as follows:

"This is the 1975 Council adopted plan. This alternate does not project any new trades or land sales, but reflects those made to date. This is the program that we are currently working on.

	<u>Acres</u>	<u>Amount</u>
Phoenix Mountains	7,071	\$38,152,462
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		<u>\$10,038,917</u>

Advantages:

1. Retains integrity of Preserve with scenic preservation, outdoor recreation, and appropriate public access.

Marvin A. Andrews

December 9, 1977

Page Three

FINANCING ALTERNATIVES FOR MOUNTAIN
OPEN SPACE ACQUISITION

2. Maintains boundary lines as known by the public today. Developers and individuals alike have made plans according to these boundaries.
3. Plan reflects considerable community input prior to its adoption in 1975.

Disadvantages:

1. Requires \$12+ million to complete."

The above estimate does not include a factor for Contingencies or Real Estate Division staff costs. The Real Estate staff costs have been about 2% of acquisition program expenditures since 1973.

At the same time, the estimates do not reflect any future Federal BOR grants, which have financed about 2.5% of total acquisition costs since 1973.

As noted in the detail of the estimate for Alternative #1, the total estimate of \$12.3 million includes about \$2.3 million as the estimated cost of purchasing State-owned land in the preserve, the majority of which is in Squaw Peak Park which has been leased from the State for many years. Estimated cost for acquiring the remainder of the privately owned land is \$10 million.

FINANCING ALTERNATIVES

Alternatives for acquiring the mountain open space include (1) annual "pay-as-you-go" appropriations from the Annual Budget, (2) long-term financing through a bond issue or lease-purchase agreements, or (3) a combination of annual "pay-as-you-go" financing and a general obligation bond issue.

"Pay-As-You-Go" Financing - This method is the first choice of the Parks Board and follows the original plan recommended by the Phoenix Mountains Commission. The Parks Board recommendation of \$3 million annually would complete the plan in about four years, based on the cost estimates previously outlined.

The problem with this approach in recent years has been coming up with sufficient funds in the Annual Budget for annual "pay-as-you-go" acquisition. Actually, this has been the case with respect to all general purpose funded "pay-as-you-go" capital improvements. For example, in the budget for the current 1977-78 fiscal year, the total amount included for all general purpose fund "pay-as-you-go" capital improvements is \$2.9 million. This does not include any funds allocated from Contingencies since July 1st, such as the \$395,000 reserved to match potential BOR grants.

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The City's ability to devote a greater amount to "pay-as-you-go" capital improvement in the next few years will be enhanced, however, if the proposed non-enterprise general obligation refunding bond issue is successfully implemented. Bids are to be received on December 13th.

In the restructuring of the outstanding debt, the total debt service (principal and interest) savings are now estimated at \$22 million. Of this total, about \$10 million will be realized over four years from 1978-79 through 1981-82 at a rate of about \$2.5 million for each of the four years. This base budget debt service reduction for those years is recommended to be reallocated to some form of "pay-as-you-go" capital improvements since it is only temporary in nature. After the four-year period, annual debt service requirements will return to present levels. The remainder of the total savings will be realized in 1987-88 when the debt would be retired five years earlier than under the present schedule.

Another argument for use of the funds for capital projects is that the savings flow from bonds originally authorized for capital improvements and funds committed to pay for those bonds.

If the \$2.5 million were allocated to mountain open space for the four years, this would provide \$10 million of the \$12 million estimated to be needed for the program. To meet the total \$12 million, an additional \$500,000 would be needed annually in the Annual Budget to meet the total estimate. This annual amount might be reduced if the State-owned land could be acquired through a long-term purchase agreement or through a series of option purchases from the State.

The Council, of course, cannot commit future budgets or Councils to carry out the mountain open space acquisition program through the annual "pay-as-you-go" program. However, if the Council should decide upon "pay-as-you-go" financing, it is suggested that the Council adopt a "Resolution of Intent". While such a resolution is not legally binding upon future Councils, it would make the Council's intention clear and thus help to avoid some of the confusion and controversy that has occurred in the past.

Long-Term Financing - The second alternative recommended by the Parks Board is a bond issue.

Ample general obligation legal bond margin is available for a mountain space bond issue. A \$12 million bond issue repaid with level debt service over a twenty-year period at an interest rate of 5.25% would cost \$983,000 annually. This is equivalent to a property tax rate of 6¢ based on present assessed valuation. Total cost over the twenty years would be \$19,668,000, including interest and repayment of bond principal. The general obligation bonds would require approval of voters.

Two other long-term financing alternatives might be possible. One is a lease-purchase agreement with a non-profit corporation issuing tax exempt

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bonds guaranteed by City excise taxes, and the second is a lease-purchase agreement with a private financial institution using tax exempt financing. These methods do not require voters approval. Neither of these approaches is recommended, however, for several reasons.

The lease-purchase alternative would be more expensive in terms of interest costs. If both could be financed over twenty years, non-profit lease-purchase financing would cost about .25% more than general obligation bonds while private lease-purchase financing would be about 2% higher.

In addition, the legal problems of land acquisition in connection with lease-purchase financing would be extremely complicated and especially so if condemnation was involved. All issuing costs are also higher for this more involved financing method.

With ample general obligation bond margin available for mountain open space acquisition, there is no reason to consider lease-purchase financing. This is especially true when the latter would be more expensive and considerably more complicated than general obligation bonds.

Coordination of "Pay-As-You-Go" Financing and Bonds - Financing of the \$12 million acquisition program, of course, could be accomplished by a combination of "pay-as-you-go" financing and a general obligation bond issue. This approach would provide additional flexibility should actual costs prove to be greater than current estimates. Another advantage would be the bond vote would represent an expression of approval from the community for the acquisition of remaining preserve areas.

Bonds would have to be approved by the voters, but they would not be issued if they were not needed. To the extent that bonds were used, the annual "pay-as-you-go" acquisition could be reduced and those amounts allocated to other "pay-as-you-go" improvements. Or, if the bond proposition were broad enough, bond funds not needed for acquisition could be used to match BOR grants for parks development.

A possible combination might be to use \$10 million in "pay-as-you-go" financing produced by the savings from the bond refunding over the next four years and add to this a general obligation bonding authorization of up to \$5 million. Of course, other combinations could be developed.

The bond vote would provide whatever additional funds might be needed and the expression of community support for the project. If the bond proposition is broad enough, bonds not needed for acquisition could be used for preserve development or to match BOR grants for park development.

However, to the extent that any "pay-as-you-go" financing should be used, it is suggested that a Council "Resolution of Intent" be adopted for the same reasons stated if the total program were to be financed in that manner.

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ACTION REQUIRED

1. City Council selection of a financing method to be followed.
2. If "pay-as-you-go" financing is to be used for all or part of the program, adoption of a "Resolution of Intent" is suggested.
3. If general obligation bonds are to be used for all or part of the program, an election should be planned for late spring or early fall.



SELDEN G. KENT
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Attachments

cc: Mayor and City Council
Standard Distribution
Mr. Christiansen ✓

EXECUTIVE COMMITTEE

FINAL
REPORT



City of Phoenix

1979

Citizens Bond Committee

The program will meet, in large measure, the objectives of a transit system designed to get people where they want to go, when they want to go there. Service will be provided by a basic grid system operated on major east-west and north-south streets at 15-minute service intervals.

Implementation of the proposed Transit program will provide an adequate alternative mode of travel for Phoenicians and also contribute to reduced traffic congestion, fuel consumption and air pollution.

Mountain Preserve - \$10 Million

The proposed \$10 million Mountain Preserve acquisition program includes the purchase of the remaining land necessary to complete the preserve.

The land targeted for acquisition is vital to the continuity and integrity of the preserve plan. Finishing the original acquisition plans will put the "crowning touch" on the preserves and further seal intentions to give Phoenix citizens a most unique recreational opportunity - unspoiled, scenic mountain areas in the heart of the City. Newcomers, both corporate and individual, are universally appreciative of mountain preserves and parks which enhance the Phoenix life-style.

The recommended program is based upon the assumption that it is not necessary to purchase the State-owned land in Squaw Peak Park because the lease expiring in 1980 is renewable.

Parks and Recreation Facilities - \$24.6 Million

A total of \$24.6 million is recommended for parks and recreation. Of the total \$11,514,000 is recommended for general park development. This amount differs from the Parks Committee recommendation in two respects. First, \$1 million earmarked for paving streets adjacent to parks has been deleted. It