



PimaCommunityCollege

About Pima Community College's Revenue Bonds

Background

The Governing Board of an Arizona community college may adopt a resolution to issue revenue bonds to finance the acquisition of property and the improvement of classrooms, residence halls, stadia, and other revenue-producing facilities.

Revenue bonds are funded by tuition, fees, and other non-tax-based revenues. Since revenue bonds **do not affect or impact property taxes, voter approval is not required.** However, the community college is required to present the project(s) to legislative members of the Joint Committee on Capital Review (JCCR).

PCC engaged students, staff, faculty, community members, and local employers to identify the priority projects of the Educational and Facilities Master Plans. To fund the initial phases, the PCC Governing Board adopted a resolution to issue revenue bonds on September 5, 2018. On September 20, 2018 the JCCR voted unanimously to give PCC's revenue bond project a favorable review.

Summary

PCC currently has no outstanding bond debt.

Not-to-exceed revenue bond amount: \$65 million

Projected debt service amount: \$4.5 million, paid from **non-taxpayer sources** (tuition and fees, contracts, and auxiliary services revenue)

Estimated fixed interest rate: 3.6 %

Bond term: 20 years (average life 11.12 years)

Estimated date of issuance: early January 2019

Purpose: Phase I bonds will be used to finance Centers of Excellence for workforce training at PCC's Downtown, East, and West Campuses.

All three Centers of Excellence will focus on fields with high job demand, and high paying jobs. Centers of Excellence will ensure students are trained on current industry standard equipment and facilities.

Plans for curriculum and equipment for Centers were developed out of feedback from local employers who attended **industry-specific summits.**

See next page for breakdown by location.

Breakdown by location:

Downtown Campus - Applied Technology Center of Excellence - \$43.275 million

The areas marked by an asterisk () will be new or greatly expanded at the Center of Excellence.*

• Transportation Technology:

- Automotive Technology
- Heavy Diesel Technology*
- Autonomous Vehicle Technology*
- Aviation Technology (at the ATC site)

• Infrastructure:

- Building Construction Technology
- HVAC (Commercial and residential)
- Utility Technology (Electrical, Natural Gas, Solar, etc.)
- Mining Technology

• Manufacturing/Advanced Manufacturing:

- Metalworking & Fabrication (e.g., Welding)
- Design and Prototyping
- Robotics/Automation*
- Machine Technology
- Mechatronics/Industrial Technology
- Optics/Photonics/Electronics*

- Purchase of additional real estate for expansion.
- Automotive Technology – new construction, adding space for new initiatives, including heavy diesel and autonomous vehicle technology.
- Welding and Machine Technology – new construction to house updated equipment and space for training specific to industry partners.
- New construction for classrooms, labs, faculty offices, and conference rooms.

East Campus – Public Safety and Emergency Services Institute (PSESI) - \$5.15 million

- Relocates the Fire Science Academy to the East Campus from a community center.
- Aligns Fire Science program with Emergency Medical Technology programs already located on East Campus and establishes Public Safety Center of Excellence.

West Campus – Center of Excellence for Nursing & Allied Health - \$5.5 million

- Establishes Center of Excellence which will include existing Dental Studies Center.
- Expands enrollment capacity for health-related professions to meet high employer demand.
- Renovates and modernizes more than 30 laboratory spaces.
- Establishes integrated classroom and laboratory model.

Multiple locations –

➤ **Renovate and update Food Services and Book Stores - \$500,000**

➤ **Material and labor escalation and contingency - \$10.575 million**

- Real Estate Purchase Opportunities TBD - (e.g. other half of Fortuna).....\$1,500,000
- Historic Assessment - Design & Documentation for Development (Tucson Inn, Copper Cactus, Frontier)*..... \$ 500,000
- Construction costs (Tucson Inn, Copper Cactus, Frontier) – conservative...\$2,675,000
- Material and Labor escalation, Tariffs (5%).....\$2,955,000
- General Contingency (Unplanned changes in scope, equipment, etc.).....\$2,945,000

Note that if any contingency funds are left over, PCC hopes to apply the funds to expanding the Aviation Technology Center, which will also require other funding sources.