

Surprise pins its economic hopes on bond package

by Lily Leung - Jul. 17, 2009 12:00 AM

The Arizona Republic

Surprise officials hope a \$185 million bond package is one answer to the northwest Valley city's housing and commercial slowdown.

Surprise is the only city in Maricopa County to take a general-obligation bond to voters on Nov. 3. The move, in the midst of an economic downturn, has spurred opposition from some residents.

City officials said voter approval would mean money for much-needed improvements, particularly in areas that affect not only Surprise residents but people who travel through the city.

The bulk of the package - 85 percent - focuses on transportation, a constant headache and longtime planning struggle for Surprise.

Unlike many Valley cities, Surprise is not easily accessible by freeway. Motorists complain often about bottlenecks along the city's stretch of Bell Road, the busiest arterial road in the state. The most expensive bond project is a \$64 million interchange at Grand Avenue and Bell Road. Expected to be completed by 2015, the interchange is meant to help traffic flow at what traffic experts deem to be the most congested intersection in Surprise.

City Manager Randy Oliver said the project would help not only residents in Surprise, but also drivers who commute to Phoenix.

Since Grand Avenue is a state road, the Arizona Department of Transportation would fund \$30 million, while Surprise would cover the rest.

A chunk of transportation projects also would include the widening of half-built streets, where the city has built its side but developers' side is absent.

City officials say finishing them is important to Surprise's economic development, since a handful of the portals lead to the Surprise Recreation Campus and the city's future downtown.

The campus includes the Surprise Stadium, the spring-training facility for the Texas Rangers and the Kansas City Royals, as well as the Surprise Tennis & Racquet Complex, which recently hosted the Fed Cup, a premier international women's tennis match.

Motorists who drive four-lane streets in the area suddenly find themselves traveling on two-lane roads as the roads narrow on each side from two lanes to one.

"It gets bottlenecked," said Surprise Councilman Joe Johnson, secretary of the Regional Public Transportation Authority board.

Other projects of regional significance in the bond include:

- A \$5.5 million low-water crossing of the Agua Fria River, from the Beardsley Canal to Deer Valley Drive. City officials say it would be an east-west corridor that could divert as many as 30,000 vehicles a day from Bell Road.
- A \$2.5 million facility for startup tech companies.
- A \$4.5 million entertainment venue at the tennis center. The project would include permanent seating for about 2,500 people, a sound system and restrooms.

The proposed bond package comes after five months of intense debate among a council-appointed citizens bond committee, the public and city officials.

Most of the people who spoke at public-input meetings opposed a bond or believe it's not the right time. Many said they live on fixed incomes or are struggling to pay their mortgages.

Surprise officials said that the city needs new revenue to finance projects because residential and commercial permits are expected to dive as much as 80 percent over the next four years. A general-obligation bond, they said, could be the answer.

The town of Fountain Hills considered holding a general-obligation bond election to pay for roadwork but ultimately decided against it.

"We thought, 'We can handle rough roads for another year,' " said Fountain Hills Mayor Jay Schlum.

Pursuing a bond in a sluggish economy could have its perks, said Tom Belshe, the deputy director of the Arizona League of Cities and Towns.

Belshe, who specializes in budget and bond issues, said low construction costs and favorable interest rates are "good reasons to put a bond issue (up for vote)," he said. "But you have to take into account what might happen to your (home) valuations. It's always a guessing game."

<http://www.azcentral.com/arizonarepublic/local/articles/2009/07/17/20090717bond0717.html>