

Regional Transportation Needs And Long Range Funding Outlook

Farhad Moghimi, PAG/RTA Executive Director
Arizona State Transportation Board Study Session
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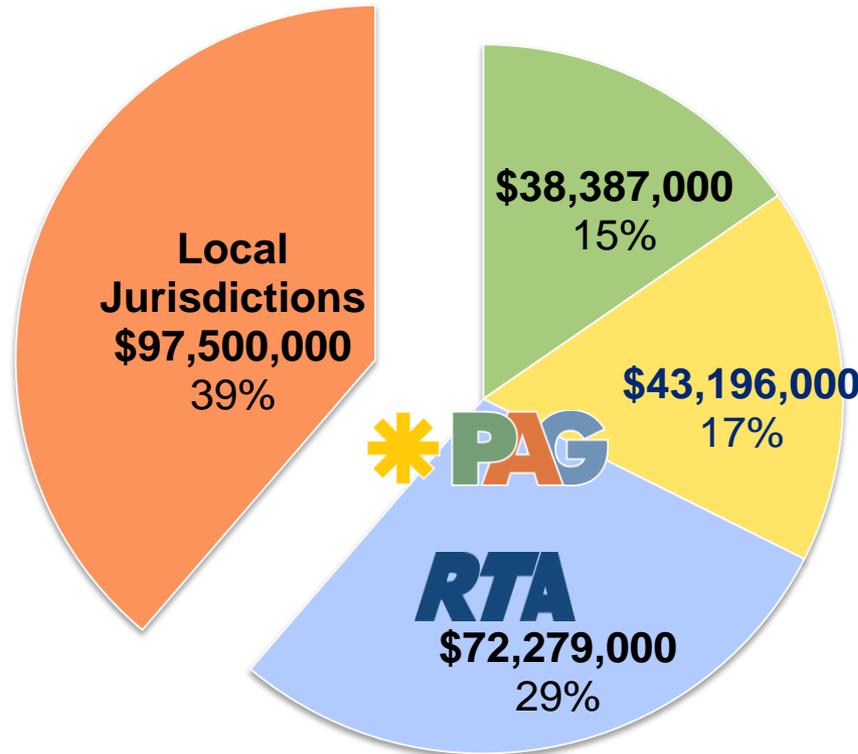
Our revenue sources and future gaps

Other sources not included here are:

Local Bonds

Impact fees

Construction Sales Tax



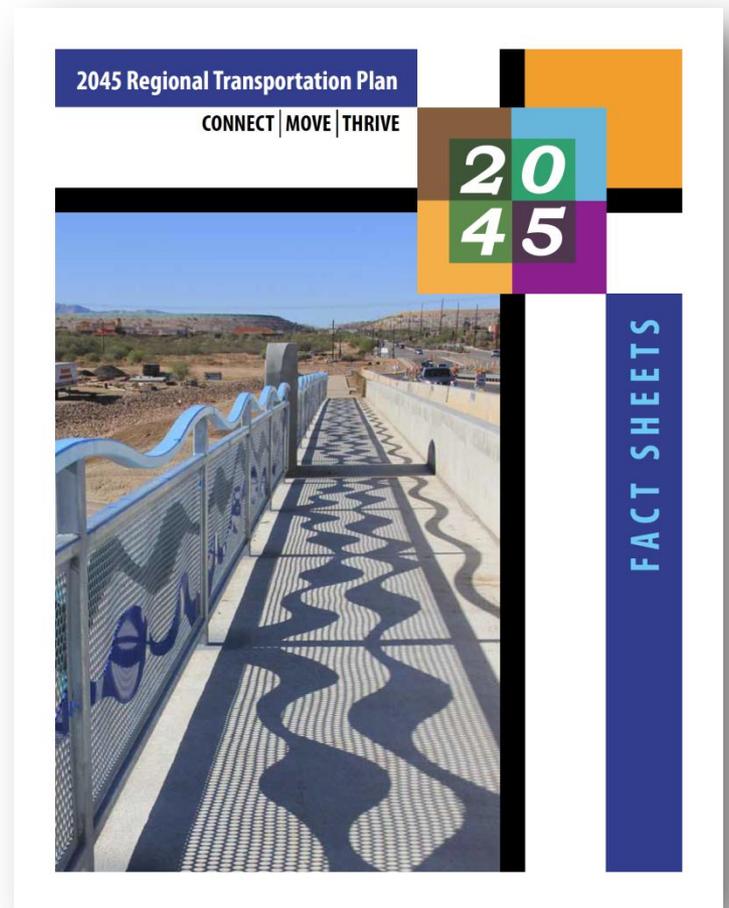
Transportation Revenues in Pima County*

- Federal (STP, HSIP, TAP, FTA 5307)
- State (HURF 12.6% and 2.6%, ASTP)
- Regional (RTA sales tax)
- Local (HURF and VLT directly to jurisdictions)

*May not include all local transportation revenue sources.

2045 PAG Regional Transportation Plan

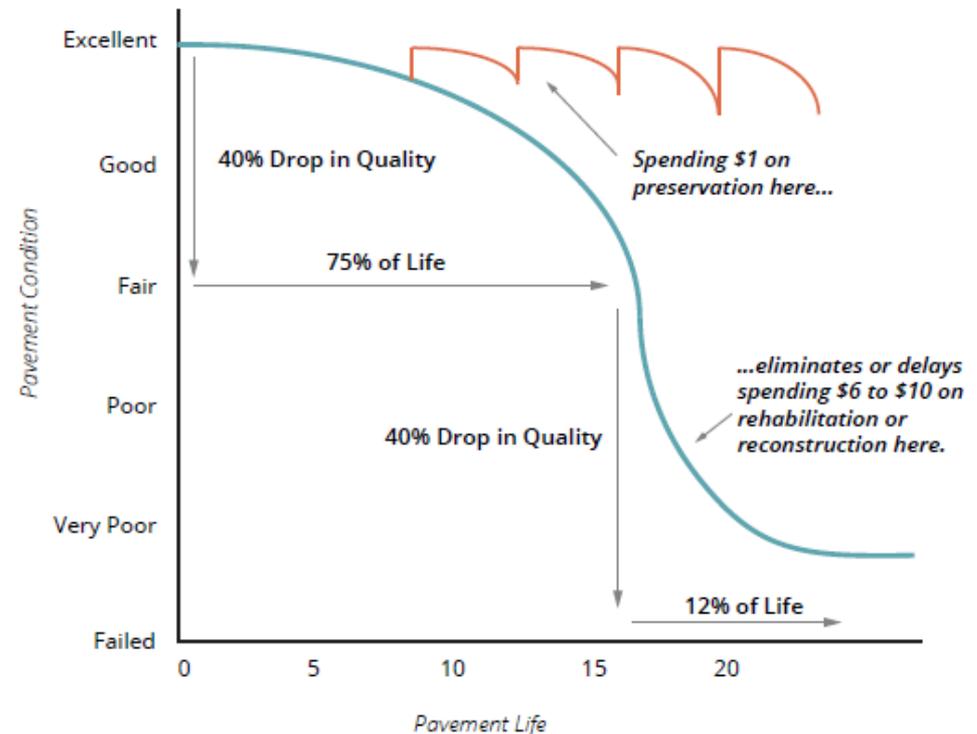
\$12 billion (47%) funding gap to meet projected needs as our region continues to grow. Funding is not identified for critical needs such as full build-out of I-10 and the proposed Sonoran Corridor.



Focus on Maintenance

Due to funding constraints, and knowing that deferred maintenance is exponentially more expensive, RTP priorities are currently focused on system maintenance.

Figure 17: Pavement Option Curve

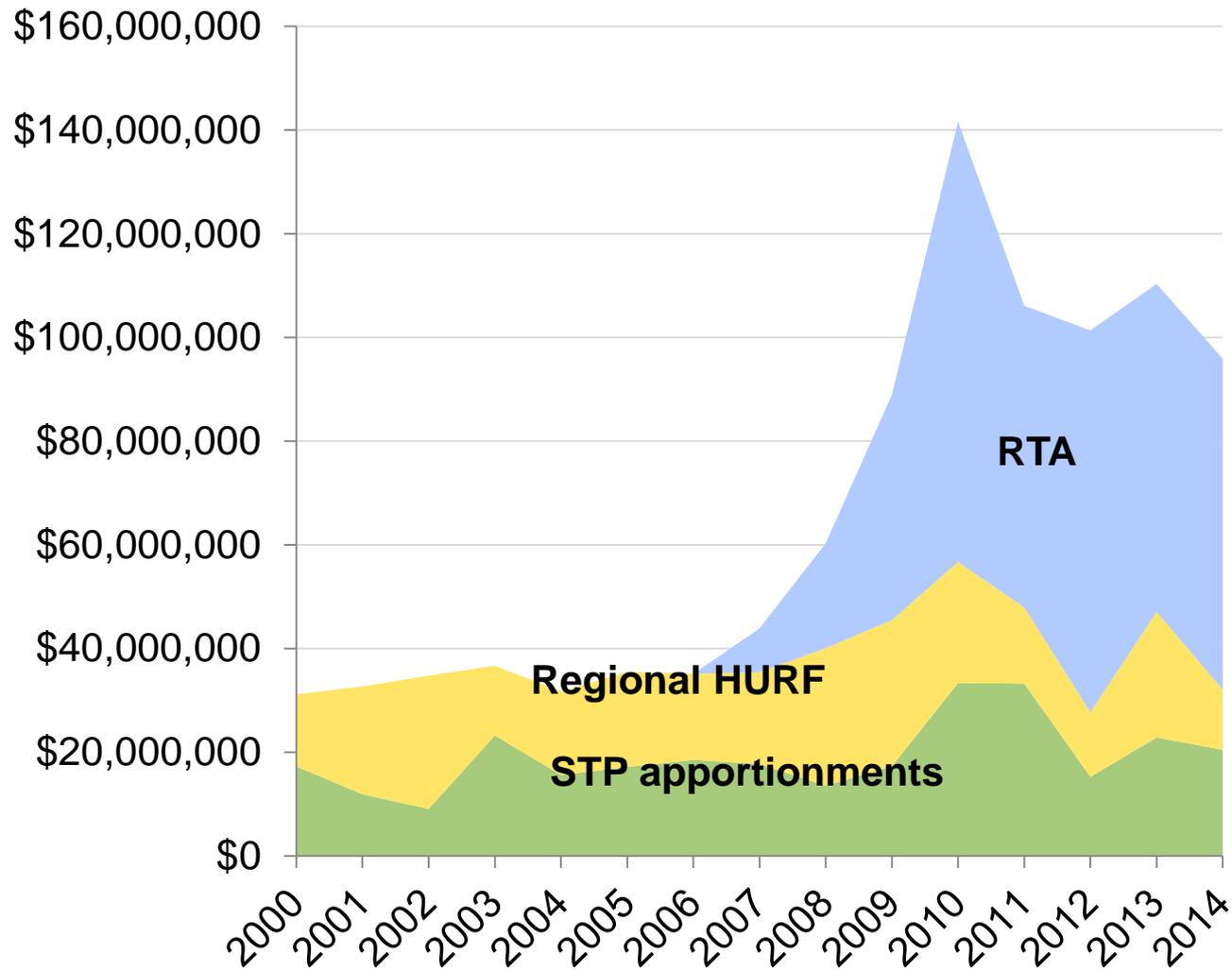


Source: FHWA Pavement Preservation Principles.

Declining State and Federal Transportation Investments

RTA contributed an average of \$88M per year since 2006

HURF regional and local allocations on the other hand were reduced by \$12M total in FY 2015



RTA: \$750M & 700 projects delivered

Actual RTA half-cent excise tax revenues supporting regional transportation infrastructure are below projections.

Sun Link Streetcar



Pantano River Park



Houghton Rd. widening



Twin Peaks Interchange

Gas tax collections and buying power

1992 Ford Taurus

Gas tax
collections
\$17/1,000
miles driven



State gas tax has remained
18¢/gal. since 1991.

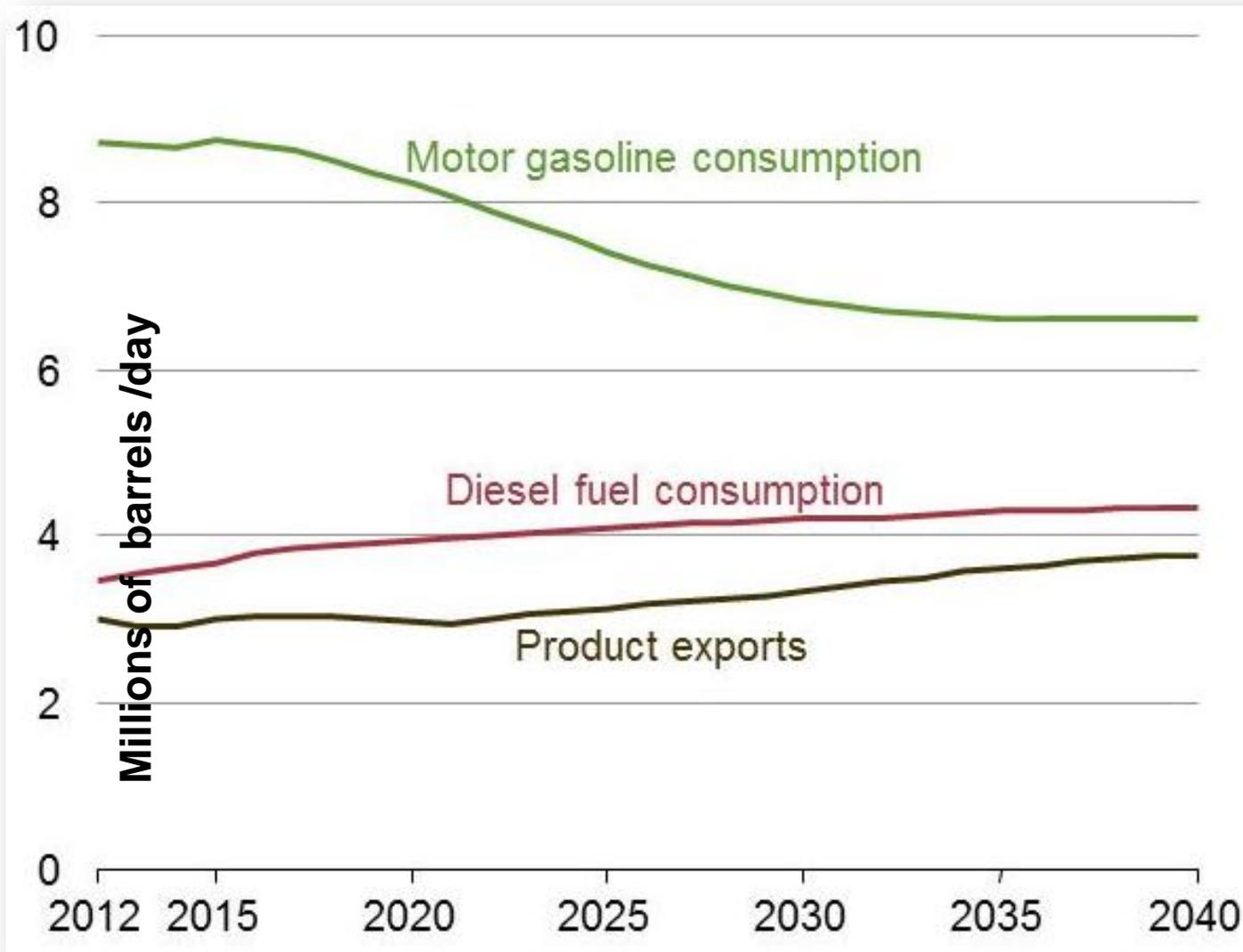
2014 Ford Taurus

Gas tax
collections
\$14/1,000
miles driven



When adjusted for inflation
to 1992 dollars = **\$8.30**

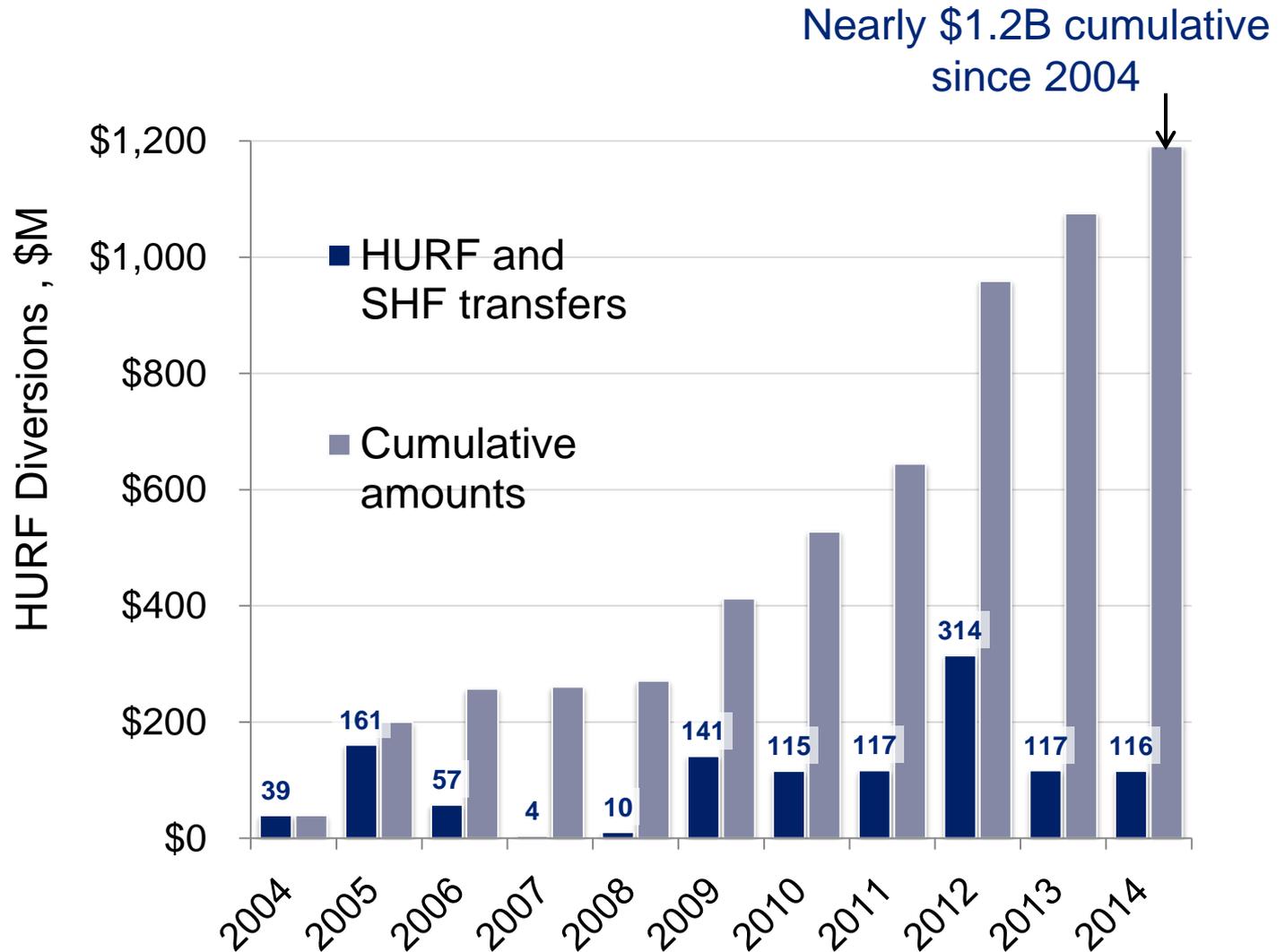
U.S. consumption of gasoline projected to decline



Prioritization of Transportation Investments

We need to find a way to reinvest in our transportation infrastructure.

Economic competitiveness requires transportation investments.



Transportation and Economic Development

AREA DEVELOPMENT
SITE AND FACILITY PLANNING
ONLINE

Infrastructure Investment: The Bridge to Economic Growth

Dale D. Buss, Staff Editor, (Q1 2015)

Certainly a sine qua non in Reno, Nevada's ability to land the Tesla-Panasonic "gigafactory" for electric-vehicle batteries, for instance, was a huge concession by the Nevada legislature for ensuring the quickest and easiest possible access for the plant from nearby Interstate 80. The total of \$1.3 billion in Nevada's incentives included \$100 million just for roads to and from the diamond-shaped plant site. Among other things, the state decided to purchase the right-of-way needed to link Interstate 80 and U.S. Highway 50 through the Tahoe-Reno Industrial Park where Tesla already has broken ground.

TESLA

According to a recent ASU study*: \$1 Billion in infrastructure funding would create 14,000 new jobs, with a lasting impact of additional 6,000 jobs over the next 15 years.

*Creating Jobs in Arizona by Building and Renovating Physical Infrastructure: A Report from the Office of the University Economist." October 2011. Dennis Hoffman, Ph.D, and Tom R. Rex, MBA. Center for Competitiveness and Prosperity Research, Arizona State University.

Key Commerce Corridors Dependent on Infrastructure

PAG resolutions for SR 189, SR 410 (Sonoran Corridor) and I-11 projects support enhancing trade and commerce.

10. The **Key Commerce Corridors** plan proposed **\$20 billion in improvements** over the next 20 years to drive high-quality job creation.

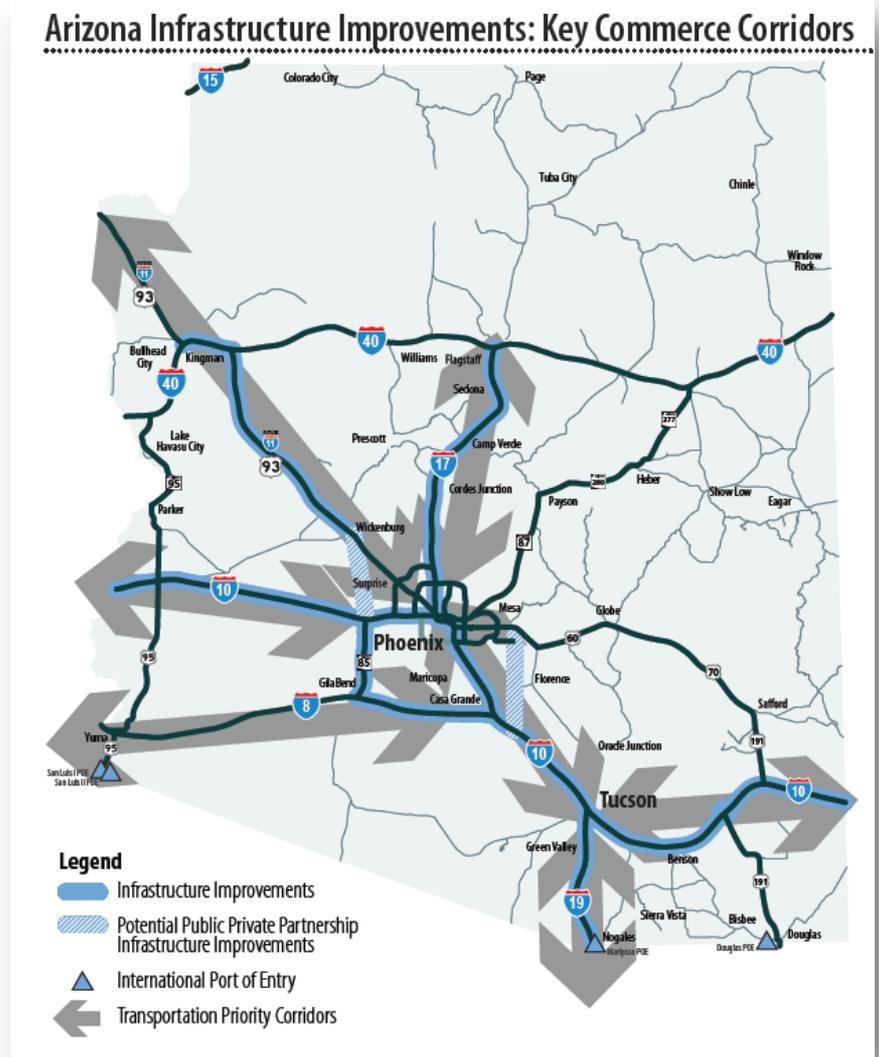
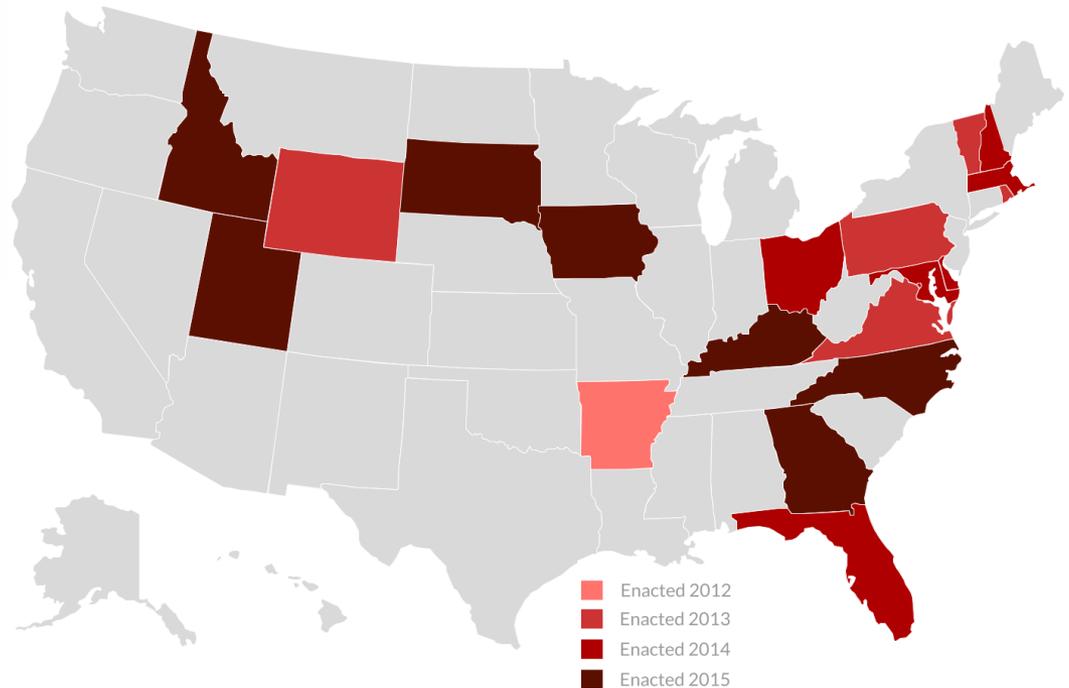


Image source: ADOT

Other States Increasing Transportation Revenues

SINCE 2012
NINETEEN STATES
HAVE APPROVED
PLANS TO
RAISE THEIR OWN
ADDITIONAL
TRANSPORTATION
REVENUES

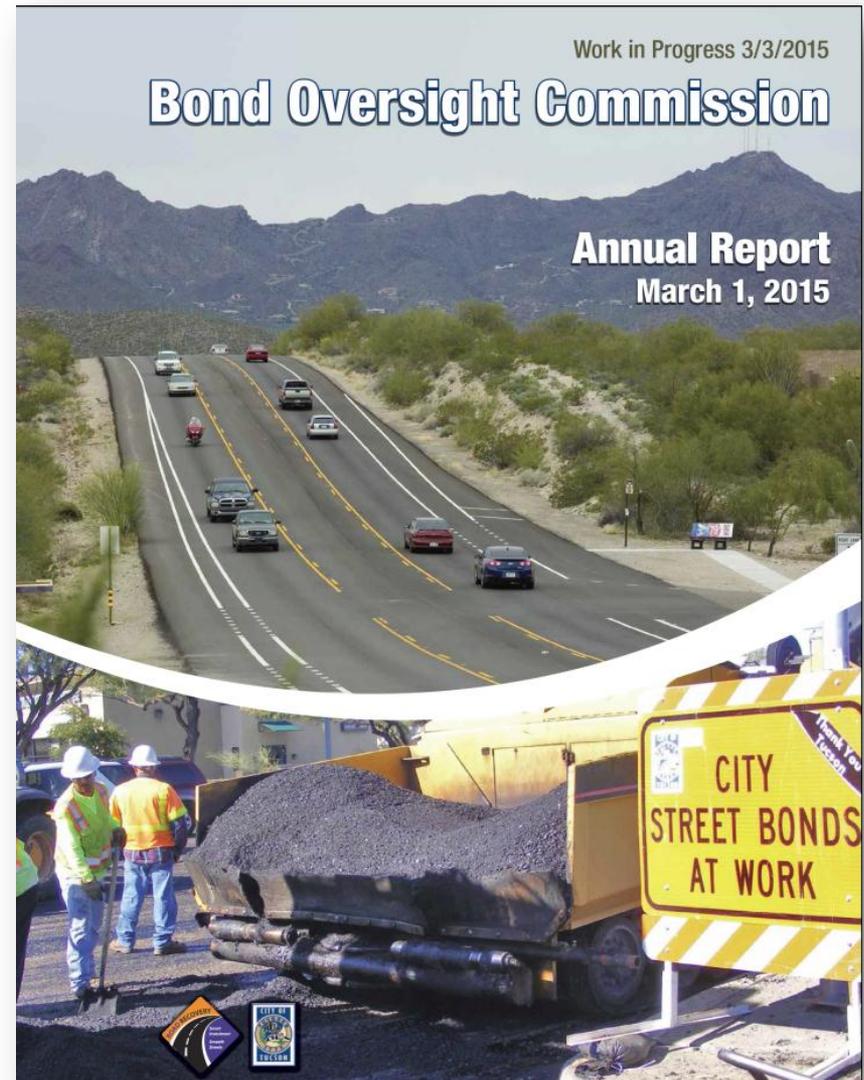
Successful state plans to raise additional transportation revenue, 2012-



Efforts Within the Region to Address Infrastructure Needs

City of Tucson Bonds for City Streets: Prop. 409

- Approved by voters in Nov. 2012
- \$100M for improvements over 5 years
- 85% for arterial and collector streets; 15% for residential streets
- Completed nearly \$43M of improvements in first two years

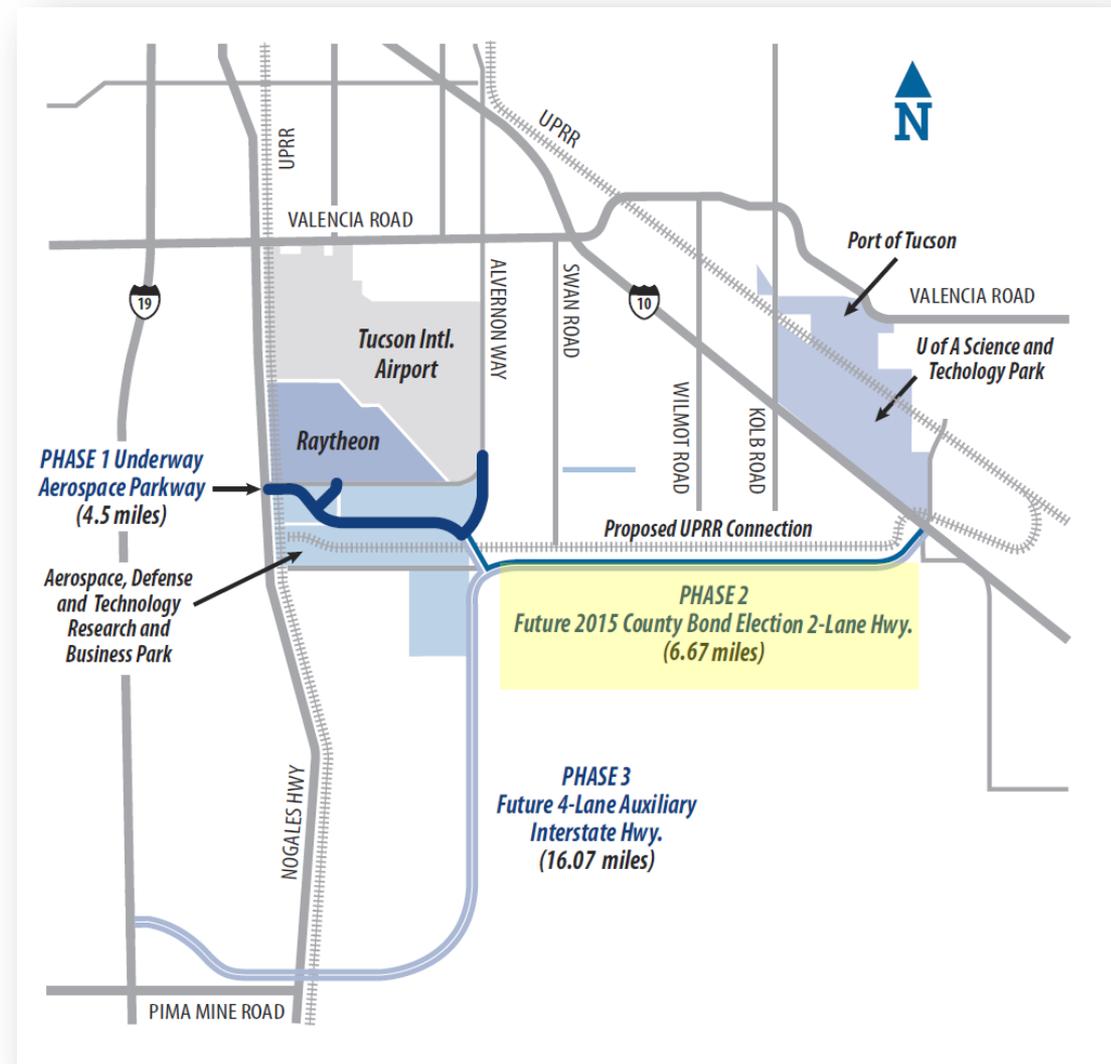


New Efforts in Region to Address Infrastructure Needs

Pima County 2015 Bond election: Proposition 425 Road and Highway Improvements

- Sonoran Corridor: \$30M
- Road Repair and Pavement Preservation: \$160M
- Science Park Drive at UA Tech Park: \$10M

The 2045 RTP assumes the RTA half-cent excise tax will be reauthorized beyond 2026.



Conclusion

- A static, per gallon tax, increased vehicle fuel economy, budgetary sweeps and other factors strain state transportation revenues
- RTA revenues are a significant share of the transportation funds used in our region
- Local and regional solutions alone can not keep up with the future demand
- Transportation investments are critical in improving Arizona's economy
- Need to find other ways to enhance transportation revenues

RTA investments compared to other regional funds

