



Arizona State Senate *Issue Brief*

December 27, 2010

Note to Reader:

The Senate Research Staff provides nonpartisan, objective legislative research, policy analysis and related assistance to the members of the Arizona State Senate. The *Research Briefs* series, which includes the *Issue Brief*, *Background Brief* and *Issue Paper*, is intended to introduce a reader to various legislatively related issues and provide useful resources to assist the reader in learning more on a given topic. Because of frequent legislative and executive activity, topics may undergo frequent changes. Additionally, nothing in the *Brief* should be used to draw conclusions on the legality of an issue.

MARICOPA COUNTY REGIONAL TRANSPORTATION PLAN

FEDERAL TRANSPORTATION PLANNING REQUIREMENTS

Arizona has six regional Councils of Governments (COGs). Through Executive Order 70-2, the COG boundaries were established by Governor Jack Williams in 1970 in response to federal planning requirements. In addition to transportation planning, COG functions may include operating the Area Agency on Aging, the Head Start programs and employment programs. These regional planning agencies are governed by local elected officials who work cooperatively with the Arizona Department of Transportation (ADOT) to plan for transportation infrastructure throughout the state. Four COGs have been established outside of Maricopa and Pima counties: the Central Arizona Association of Governments (CAAG), the Northern Arizona Council of Governments (NACOG), the South Eastern Arizona Governments Organization (SEAGO) and the Western Arizona Council of Governments (WACOG).

In 1973, the Federal Transportation Act required that each urbanized area with a population of 50,000 or more establish a Metropolitan Planning Organization (MPO) for transportation planning purposes only. The federal law required that the governor of each state designate the agency to serve as the MPO. In Maricopa County, the Maricopa Association of Governments (MAG) serves as the MPO, while the Pima Association of Governments (PAG) serves as the designated MPO for Pima County. Other MPOs in Arizona are the Yuma Metropolitan Planning Organization (YMPO), the Flagstaff Metropolitan Planning Organization (FMPO) and the Central Yavapai Metropolitan Planning Organization (CYMPO). Each MPO is required by federal law to develop and update a long range transportation plan for the metropolitan area that covers a planning horizon of at least twenty years.

In addition, an area with a population of 200,000 is designated as a Transportation Management Area (TMA). Currently, there are two TMAs in Arizona (i.e. MAG and PAG).

MARICOPA COUNTY

MAG serves as the planning organization for the Maricopa County area and is responsible for planning and programming the regional transportation system. MAG is required to develop a long-range transportation plan for the metropolitan area covering a planning horizon of at least twenty years. This plan is called the Regional Transportation Plan (RTP). MAG is also required to develop a Transportation Improvement Program (TIP), which identifies all transportation projects (i.e. federal, state, local and privately funded) for the region for a four-year period based on the RTP. To be utilized, federal transportation funds must be included in the TIP. Additionally, MAG is required to conduct a federally certified transportation planning process and provide conformity determinations for transportation plans, programs and projects with applicable air quality plans.

The MAG Regional Council has an established Transportation Policy Committee (TPC) consisting of MAG members and private sector representatives to make recommendations to the Regional Council regarding the RTP and TIP, including amendments to both.

In 2003, the Legislature codified the TPC and established the procedure for developing and approving the RTP. The Legislature also required that MAG approve and certify the RTP to the Governor and Legislature before December 1, 2003, and to present the issue of levying a transportation excise tax in Maricopa County to the voters in 2004. The RTP was completed in November 2003, and was recently updated in 2010.

In the November 2004 general election, Maricopa County voters approved Proposition 400, which effectively continued a transportation excise tax that was originally approved by voters in 1985 for 20 years. The 2004 vote extended the tax until December 31, 2025. The projected revenues from the transportation excise tax are distributed as follows: 56.2 percent for freeways and other

routes in the state highway system; 10.5 percent for major arterial streets; and 33.3 percent for capital costs, maintenance and operations of public transportation, and capital costs and utility relocation costs associated with a light rail public transit system. Revenues from the transportation excise tax represent approximately 53 percent of the regional funding for the RTP. Other revenue sources include federal transit funds and ADOT highway funds.

Beginning in 2010 and every fifth year thereafter, the Auditor General is required to contract with a nationally recognized independent auditor to conduct a performance audit of the MAG RTP and projects scheduled for funding during the next five years, and to make recommendations regarding whether further implementation of a project or transportation system is warranted or needs modification. There is a statutory process in place for amending the RTP if the audit finds that modifications are needed (A.R.S. § 28-6313). The RTP will undergo its first audit in 2010, and will be reviewed by the Legislature in 2011 as part of the Committee of Reference process.

STATEWIDE TRANSPORTATION ACCELERATION NEEDS (STAN) ACCOUNT

In FY 2006, the Legislature appropriated \$245 million from the State General Fund and \$62 million from the State Highway Fund (SHF) to the Statewide Transportation Acceleration Needs (STAN) Account. Appropriated STAN monies are divided according to each county based on population thresholds, with 60 percent designated for Maricopa County, 16 percent for Pima County and all other counties sharing the remaining 24 percent. The monies were designated for the purpose of accelerating and constructing or reconstructing freeways, state highways, bridges and interchanges included in the state highway system. MAG was charged with identifying projects and submitting the list to the State Transportation Board for approval.

Laws 2009, First Special Session, Chapter 1 transferred \$104 million originally appropriated to the STAN Account back to the State General Fund. This effectively eliminated STAN funding for three MAG region projects – the I-10 (Verrado to Sarival), I-17 (SR-74 to Anthem) and SR 802. As of June 30, 2010, the STAN Account had an ending balance of \$55.3 million, reflecting \$33.4 million in earned interest and \$201.1 million in project cost disbursements. Of the \$55.3 million ending balance, approximately \$14 million is held in the STAN subaccounts, with the remainder available for project costs, according to JLBC and ADOT. The I-10 and I-17 projects were subsequently funded under the American Recovery and Reinvestment Act (See the Highway Funding and Construction Senate Issue Brief for more information).

CURRENT AND FUTURE PROJECTS

Freeway Systems

The MAG RTP includes approximately 78 new freeway miles and 253 miles of existing freeway improvements. Freeway projects completed or under construction since the program's inception in FY 2006 include: 1) 13 miles of new freeway construction, 2) 119 miles of HOV lanes on existing freeways, 3) 93 miles of general purpose lanes on existing freeways and highways, and 4) 13 interchange projects. The routes affected by these improvements include I-10, I-17, SR 51, US 60, SR 85, US 93, Loop 101, Loop 202, and Loop 303. Projects for further improvements on existing routes are included in the program and total more than \$3.1 billion in FY 2011 through FY 2015.

Presently, engineering and environmental work is continuing on the new South Mountain Freeway, with a "Record-of-Decision" on the recommended alternative for the corridor expected sometime in 2012. Approximately \$3.1 billion has been programmed for FY 2011 through FY 2015 for facility design, right-of-way and construction purposes. In addition to the 13 miles on Loop 303 under construction between Happy Valley Road and the I-17, construction between Grand Avenue and the I-10 is scheduled to start in mid-2011. A total of

\$903 million has been programmed for FY 2011 through 2015 for the design, right-of-way and construction of those projects. Engineering and environmental work is also underway on other new corridors, including SR 30 (I-10 Reliever) and SR 24 (Williams Gateway Freeway). The final design on SR 24 for an interim roadway between Loop 202 and Ellsworth Rd. is underway and construction has been programmed for FY 2016.

Transit

Public transit facilities and service improvements are also included in the RTP, with more than 37 miles of new high capacity transit/light rail transit (HCT/LRT) facilities planned. This is in addition to the 20 miles of LRT currently in operation. Approximately \$527 million is programmed for FY 2011 through FY 2015 for HCT/LRT extensions development, including engineering, design and construction of the Central Mesa and Tempe South corridors, and planning and engineering costs for the Phoenix West, Glendale and Northeast corridors. Additionally, \$102 million has been programmed for light rail system support infrastructure in Maricopa County.

The RTP also covers 31 new bus rapid transit/express routes and 33 new regional grid bus routes. Since FY 2006, 11 bus rapid transit/express routes and seven regional grid bus routes have been implemented. Approximately \$791 million is programmed in FY 2011 through FY 2015 for the implementation of seven additional new bus routes and supporting capital facilities and fleet.

Arterials

Improvements to the arterial street network funded from regional sources constitute another element of the RTP, with a total of 94 arterial capacity and intersection improvements having been originally identified. Since FY 2006, 20 projects have been completed. Approximately \$485 million in regional funding is programmed in FY 2011 through FY 2015 for work on various stages of additional arterial street

projects, covering design, right-of-way, and construction.

FUTURE OUTLOOK

The costs and revenues for the long range programs covering freeways, transit and arterials were balanced in the most recent RTP update approved by the MAG Regional Council in July 2010. Recent revisions to revenue forecasts by ADOT, however, indicate that the half-cent transportation excise tax may collect \$5.4 billion less over the course of its levy than was anticipated in the original 2003 forecast. This represents a 38 percent decrease through FY 2026. In addition, the projection for the Arizona Highway User Revenue Fund, which is also a source of RTP funding, has been reduced by approximately \$1.1 billion from FY 2011 through FY 2020. These decreases in revenue, if realized, may reduce the number of transportation improvements that can be completed over the life of the RTP. In 2011, MAG plans to work with the implementing agencies (i.e. ADOT, Valley Metro, local governments, etc.) to assess the predicted fiscal impacts on the RTP and make long range program adjustments as appropriate.

• **ADDITIONAL RESOURCES** •

- Arizona Department of Transportation (ADOT)
602.712.7355
<http://www.azdot.gov>
- Executive Order 70-2: Relating to the Intergovernmental Cooperation Act of 1968, Public Law 90-577, and the establishment of planning districts within the state of Arizona (Governor Jack Williams)
<http://azmemory.lib.az.us/cgi-bin/showfile.exe?CISOROOT=/execorders&CISOPTR=558&filename=560.pdf>
- Highway Funding and Construction Senate Issue Brief
<http://www.azleg.gov/briefs/Senate/HIGHWAY%20FUNDING%20AND%20CONSTRUCTION.pdf>
- Laws 2009, First Special Session, Chapter 1
http://www.azsos.gov/public_services/LegislativeFilings/PDFs/2009/49th_Legislature_1st_Special_Session/CH_01.pdf
- Maricopa Association of Governments (MAG)
602-254-6300
<http://www.azmag.gov>
- Regional Transportation Plan Statutes: Arizona Revised Statutes, Title 28, Chapter 17, Article 2
<http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=28>
- Joint Legislative Budget Committee (JLBC) – Monthly Highlights – August 2010, Page 10 (STAN)
<http://www.azleg.gov/jlbc/mfh-aug-10.pdf>
- State Transportation Acceleration Needs (STAN) Account Statutes: Arizona Revised Statutes, Title 28, Chapter 20, Article 4
<http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=28>