

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature – First Regular Session

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Report of Regular Meeting  
Tuesday, January 27, 2015  
House Hearing Room 1 -- 2:00 p.m.

**Convened** 2:37 p.m.

**Recessed**

**Reconvened**

**Adjourned** 4:03 p.m.

**Members Present**

Mr. Ackerley  
Mr. Andrade  
Mr. Borrelli  
Mr. Campbell  
Ms. Fann  
Mrs. Fernandez  
Ms. Steele  
Mr. Stevens, Vice-Chairman  
Mr. Gray, Chairman

**Members Absent**

**Request to Speak**

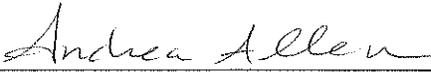
Report – Attachment 1

**Presentations**

<b><u>Name</u></b>	<b><u>Organization</u></b>	<b><u>Attachments (Handouts)</u></b>
Adoption of Committee Rules		2
John McDonald	Arizona Transit Association	3
Katrina Heineking	Arizona Transit Association	
Todd Madeska	County Supervisors Association	
Joanne Keene	Coconino County	4
Michael Racy	Pima Association of Governments	5
David Tenney	Navajo County	6

**Committee Action**

<b><u>Bill</u></b>	<b><u>Action</u></b>	<b><u>Vote</u></b>	<b><u>Attachments (Summaries, Amendments, Roll Call)</u></b>
HB2092	DP	9-0-0-0	7, 8

  
\_\_\_\_\_  
Andrea Allen, Chairman Assistant  
January 28, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

# Information Registered on the Request to Speak System

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*House Transportation and Infrastructure (1/27/2015)*

## **HB2092, military scholarship special plates**

### **Testified in support:**

Ira Shapiro, representing self; Antonio Rosacci, representing self; Barret Bradstreet, representing self

### **Testified as opposed:**

Megan Kintner, Arizona Association Of Counties

### **Oppose:**

Chris Kozakiewicz, representing self

### **All Comments:**

Chris Kozakiewicz, Self: If it is to be named a military scholarship plate then the funds should be available to all military services, not specifically the Marine Corps. What about the members of the Army, Air Force, and those Naval personnel who are not corpsmen who died?; Ira Shapiro, Self: will speak per Rep Borrelli; Antonio Rosacci, Self: Every military has an opportunity to request a plate for each branch of service. This plate is for the Marine Corps and to benefit a foundation which provides scholarships to the children of Marines.; Barret Bradstreet, Self: PER REP BORRELLI

(ATTACHMENT A)

## COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE Standing Committee Rules

- RULE 1.** A majority of the members of the committee shall constitute a quorum. No official action may be taken unless a quorum is present in person at the time of taking such action.
- RULE 2.** The chairman sets the agenda and determines the order of measures.
- RULE 3.** The following motions are customary and in order relating to actions on measures:
1. Do pass
  2. Do pass as amended
  3. Return for consideration of the House
  4. Hold for further study
  5. Do not pass
  6. Be assigned to subcommittee for....
- RULE 4.** The affirmative vote of a majority of those voting is required to take any action.
- RULE 5.** On a roll call vote the names of committee members shall be called alphabetically by surname; except that the vice chairman and the chairman shall be called upon last. Each member present shall be allowed to pass on one call of the roll, and shall vote "yes" or "no" (aye, nay) or respond "present." Members may change their votes before the announcement of the results and members may explain their vote on any measure.
- RULE 6.** Whenever a measure is reported from the committee on a divided vote, any member may request a minority report.
- RULE 7.** Any amendment one page or over in length and any substantive amendment shall be printed and delivered to each committee member's office by 12:00 P.M. the day before the committee at which it will be offered. Verbal amendments, if short and no objections are made by the committee members, may be offered during committee meetings.

In accordance with Rule 9 of the House *Rules*, the following House *Rules* are also incorporated into the Committee *Rules*:

- RULE 9(C).** Each Standing Committee shall adopt and file with the Chief Clerk's Office rules of procedure consistent with the House *Rules* and shall include the following:
1. With the exception of executive session ordered by a majority of the committee constituting a quorum, all committee meetings shall be open to

the other members of the Legislature, the press and public so long as proper decorum is maintained.

2. All committees shall meet at regularly scheduled times and places unless canceled with the permission of the Speaker. In the absence of the chairman, the vice chairman shall preside. In the absence of both the chairman and vice chairman, some other committee member designated by the Speaker shall preside.
3. The committee chairman (presiding officer) other than the chairman of the Committee on Rules shall prepare an agenda and distribute copies to committee members, the Information Desk and the Chief Clerk's Office by 4:00 p.m. each Wednesday for all standing committees meeting on Monday of the following week and by 4:00 p.m. each Thursday for all standing committees meeting on any day except Monday of the following week. Except by unanimous consent of the committee, the committee chairman may add a legislative measure to a distributed agenda by distributing a revised agenda to committee members, the Information Desk and the Chief Clerk's Office no later than 4:00 p.m. on the second previous working day, excluding Saturdays, Sundays and holidays, before the committee meeting.
4. A bill not on the committee agenda shall be scheduled for discussion at the next subsequent committee meeting by a presentation of a petition containing the signatures of two-thirds or more of the committee members.
5. A roll call vote shall be taken in each standing committee when final action on any bill is voted.
6. Written committee minutes shall be filed with the Chief Clerk's Office within a reasonable time but no later than two weeks from time of completion of meetings. An audio recording of the meeting shall be open to public inspection in the Chief Clerk's Office three working days after the meeting. Attendance records of all committee meetings shall be filed with the Chief Clerk's Office within 24 hours from time of completion of meetings.
7. Special meetings may be called by the chairman but require permission of the Speaker and notice to members and the general public at the Information Desk by 4:00 p.m. on the previous day, except that the notice of a special meeting of the Committee on Rules may be given in open session prior to the meeting and does not require the Speaker's permission.

**RULE 9 (E).** No committee other than the Committee on Rules shall meet while the House is meeting in session without special permission of the Speaker.

# AZTA

Arizona Transit Association



Attachment\_3\_

AzTA provides leadership in the funding, advocacy and education for public transportation services throughout Arizona



# Membership

## AzTA Board of Directors

### DESIGNATED MEMBER ORGANIZATION SEATS

**AZ DEPARTMENT of TRANSPORTATION**  
Director of Community Grant Services  
Mike Normand

**CITY of TUCSON**  
Transit Administrator  
Jeremy Papuga

**NORTHERN ARIZONA INTERGOVERNMENTAL  
PUBLIC TRANSPORTATION AUTHORITY**  
(NAIPTA—Flagstaff)  
Acting General Manager  
Erika Mazza

**PIMA ASSN of GOVERNMENTS/RTA**  
Director of Transit Services  
James McGinnis

**CITY of PHOENIX**  
Public Transit Director  
Maria Hyatt

**MARICOPA ASSOCIATION OF GOVERNMENTS**  
Transportation Director  
Eric Anderson

**YUMA COUNTY INTERGOVERNMENTAL  
PUBLIC TRANSPORTATION AUTHORITY**  
(YCIPTA—Yuma)  
Director  
Shelly Kreger

**VALLEY METRO/RPTA**  
CEO  
Steve Banta

### GREATER ARIZONA REPRESENTATIVE SEATS

Ryan Kooi, Transit Director (2016)  
Sierra Vista

Chris Fetzer, Executive Director (2016)  
Northern Arizona COG

Brent Billingsley, City Manager (2017)  
Globe

Charlene FitzGerald, Exec. Dir. (2015)  
Yuma MPO

Bernadette Kniffen, Director (2017)  
San Carlos Nnee Bich'o Nii Services

Sharon Mitchell, Director (2015)  
Sun Corridor MPO

### ELECTED PRIVATE REPRESENTATIVE SEATS

Alan Wulkan, Managing Director (2015)  
The Wulkan Group

Paul Miller (2015)  
Creative Bus Sales

Nick Promponas, Senior Vice President (2017)  
First Transit

Christina Bird, VP Market Development (2016)  
Keolis

Katrina Heineking, General Manager (2016)  
TransDev - Phoenix

Alvin Livingstone, Transportation Program Mgr  
AECOM (2016)

Nate Peterson, General Manager (2017)  
MV Transportation

Steve Hogan, Vice President (2015)  
Parsons Brinckerhoff

Kate Riley, General Manager (2017)  
TransDev - Tucson

Kammy Horne, Planning Manager (2016)  
URS

Margaret Dunn, President (2017)  
Dunn Transportation

**PRESIDENT'S REPORT:**



**RECENT SURVEYS SHOW PUBLIC'S DESIRE FOR INCREASED TRANSIT SERVICES**

By **Jeff Meilbeck**  
AzTA President/NAIPTA

Earlier this year, the AzTA Board entered into a contract with WestGroup Research to add a series of questions relating to transit services to their monthly omnibus study. The telephone survey occurred during the months of July, August and September and surveyed over a three-month period more than 1200 heads-of-household responders throughout the state of Arizona. The primary purpose of the research was to measure residents' perceived priorities for key transportation system components (as a whole), key bus service components, usage behaviors of public transportation and perceived knowledge of transportation funding in the state of Arizona.

I am pleased to report that the results indicated strong support for public transportation statewide. When asked to prioritize transportation components that they would like to see, two of the top three responses were transit improvements or expansions. Overall, residents were most likely to put a highest or second highest priority on improving major streets and intersections (48%), followed by implementing a regional bus system (38%) and expand or add a light rail system (37%).

A second result of the survey indicated that Arizona residents overwhelming believe that the State of Arizona should be funding transit services. When asked, "Do you think that the state should provide some funding for local public transportation services?" residents responded with an overwhelming "yes" response from 72% of all those surveyed. 82% of residents under the age of 30 who responded believe that the state should provide funding towards transit services. Approximately two-thirds (66%) of residents believe that the state does provide funding for public transportation. As you are aware, the State has not appropriated any funds for transit since 2010.

Finally, residents across the state placed a high priority on public transportation options in their individual communities even if they are not personally using it. The belief according to the survey results are that the populations most in need of public transportation options are those with disabilities, residents unable to drive and the elderly. When you look at the overall findings, it is clear that young and old alike are demanding more and more transportation options. As a result, it will be important economically for Arizona to provide these alternatives, including increased bus and light rail systems.

For more detailed findings, check out the special "Survey Says" article in this newsletter.

As always, if there is anything I can do to assist you, or if you would like more information on these survey results, please e-mail me at [jmeilbeck@naipta.az.gov](mailto:jmeilbeck@naipta.az.gov).

**IN THIS ISSUE**

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**UPCOMING EVENTS**

**ULI Trends Day**

January 28, 2015, 8 a.m. - 3:30 p.m.  
The Phoenician Resort | Phoenix, AZ

**AzTA Day at the Capitol**

January 29, 2015, 9 a.m. - 2 p.m.  
Arizona State Capital | Phoenix, AZ

**Friends of Transit Annual Conference**

February 20, 2015, 8 a.m. - 2:30 p.m.  
Phoenix Downtown Hyatt | Phoenix, AZ

**SWTA Annual Conference**

March 1-3, 2015 | Santa Fe, NM

**Arizona Roads/Streets Conference**

April 1-3, 2015 | La Paloma Resort (Tucson)

**AzTA/ADOT Transit Conference**

April 13-14, 2015 | Marriott Phoenix Airport

## NEW MEMBER:

# TWG

## THE WULKAN GROUP

Alan Wulkan, two time past chair of AzTA has founded his own consulting firm, The Wulkan Group (TWG). TWG provides consulting services to the transit industry focusing on major new infrastructure clients. Current clients include ABQ Ride in Albuquerque, NM on their BRT project along the Central Ave Corridor, and in Honolulu for the Honolulu Authority for Rapid Transit on their 20 mile elevated rapid transit system. Services include innovative funding approaches, transit election campaign management and strategy, as well as marketing and public participation approaches.

Alan has served the transit industry for over 41 years in both the public and private sectors. In addition to being involved with AzTA for the past 25 years, he is an active member of the American Public Transportation Association, serving on the Board of Directors, the Business Member Board of Directors, and APTA Foundation Board. He is past Chair of the Metropolitan Phoenix WTS Chapter, the Tempe Chamber of Commerce, and a member of COMTO. Alan has also created the Wulkan Foundation which focuses on improving the marketing and transportation options for seniors who will eventually no longer be able to drive.

TWG has their office in Scottsdale and can be reached at 480-682-5120.

## 2015 LEGISLATIVE OUTLOOK

By John MacDonald

Each year, AzTA solicits input from membership on items that might require legislative action. In 2015, the Association will pursue "yield to bus" legislation, which would authorize a municipality (maybe with the exceptions of Maricopa and Pima counties) to enact an ordinance requiring vehicles to yield to transit buses re-entering traffic from a bus pull out. This legislation is nearly identical to SB 1277 from the 2014 session. The measure is expected to be supported broadly, as it was during the 2014 session, with an increased level of support from rural legislators because of its emphasis on cities outside the major metropolitan areas.

AzTA will closely monitor legislative budget activity in 2015, particularly concerning any proposed changes to HURF funding, and any discussion (however unlikely) of LTAF funding.

Finally, the Association will continue to engage with the prosecutorial community concerning the problem of transit operator assaults. Though this effort is unlikely to result in legislation, the Association has begun working with the Arizona Prosecuting Attorneys Advisory Council (APAAC) -- the Association most closely associated with legislation and education concerning issues of criminal prosecution. This relationship has been helpful in identifying specific areas of focus (i.e., simple assault vs. aggravated assault) and, more importantly, has set the stage for AzTA to discuss directly with prosecutors from around the state -- those directly responsible with the criminal pursuit of suspects -- the issues most pressing for transit operators. Those discussions, both formal and informal, will continue in 2015.

If you have any questions or comments during the 2015 session, please contact AzTA staff.

**POLICY AZ**

*Performance • Integrity*

### AzTA 2014-15 EXECUTIVE COMMITTEE

Jeff Meilbeck, President  
NAIPTA  
Katrina Heineking, Vice President  
Transdev  
Nate Peterson, Treasurer  
MV Transportation

### AzTA 2014-15 BOARD MEMBERS

Eric Anderson, MAG  
Steve Banta, Valley Metro/RPTA  
Brent Billingsley, City of Globe  
Christina Bird, Keolis  
Margaret Dunn, Dunn Transportation  
Chris Fetzner, NACOG  
Charlene FitzGerald, Yuma MPO  
Steve Hogan, Parsons Brinkerhoff  
Kammy Horne, URS  
Maria Hyatt, Phoenix Public Transit Dept.  
Bernadette Kniffin, San Carlos Nhee Bicho Nii  
Ryan Kooli, City of Sierra Vista  
Shelly Kreger, YCIPTA  
James McGinnis, PAG/RTA  
Paul Miller, Creative Bus Sales  
Sharon Mitchell, WACOG  
Mike Normand, ADOT  
Jeremy Papuga, City of Tucson  
Nick Promponas, First Transit  
Kate Riley, Sun Tran/Sun Van  
Alan Wulkan, The Wulkan Group

### PUBLISHING PARTNERS

Nicole Patrick  
Taulana Logo

**ADOT**

Publication is made possible by a grant from the Rural Transit Assistance Program (RTAP)

# AzTA/ADOT TRANSIT CONFERENCE

**AzTA** **ADOT**  
Arizona Transit Association  
Presents

Transforming  
**Transit**  
through  
**Dollars  
& Sense**

Employees  
Federal Dollars  
Strategies  
Plans  
Goals  
Time  
Regulations  
Opinions  
Local Match  
Budgets

## Joint AzTA/ADOT Transit Conference & ADOT Small Operator Rodeo April 12-14, 2015

Phoenix Airport Marriott  
1101 North 44th Street,  
Phoenix, AZ 85008

### Don't Miss Shelley Row, P.E. at the AzTA/ADOT Transit Conference!

Make Faster, Smarter, More Insightful Decisions using Infotuition®

According to Shelley, to be a leader or manager, you must make decisions daily without complete information.

And, with disruptive change, each decision becomes more complex. How do effective leaders lead in this atmosphere when data alone is not enough?

**REGISTRATION NOW OPEN: [www.AzTA.org](http://www.AzTA.org)**

#### AzTA CONTACT INFORMATION

- Jim Dickey, Executive Director: [AzTAdir@cox.net](mailto:AzTAdir@cox.net), (480) 361-5101
- Becky Miller, Exec. Asst.: [AzTAadmin@cox.net](mailto:AzTAadmin@cox.net), (602) 550-3265
- If you want to fax either of us, contact us first for faxing information!
- Check out the website at: [www.AzTA.org](http://www.AzTA.org)
- The Association mailing address is:  
AzTA, P.O. Box 741, Gilbert, Arizona 85299-0741

In accordance with the provisions of the Americans with Disabilities Act and the Civil Rights Act of 1964, AzTA does not discriminate on the basis of disability, race, color, national origin or gender. For more information about these statutes, or to file a complaint, contact AzTA.



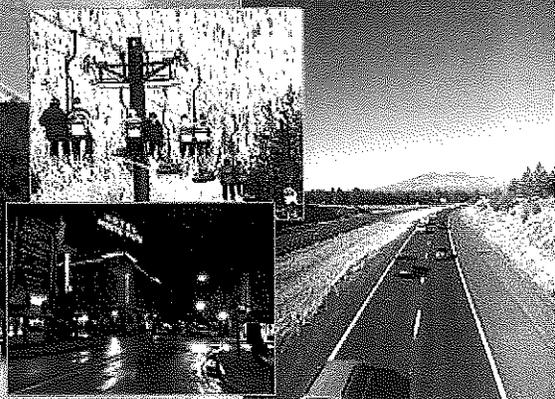
AzTA is a non-profit statewide organization dedicated to  
improving public transportation in all Arizona communities.

# AZ RURAL TRANSPORTATION SUMMIT 2015

# ARIZONA

## ARIZONA RURAL TRANSPORTATION SUMMIT

January 7-9, 2015 Flagstaff, AZ



Photos courtesy of the Flagstaff Convention & Visitors Bureau

## 16th Annual Arizona Rural Transportation Summit

The annual Arizona Rural Transportation Summit will be held in Flagstaff, Arizona from January 7-9, 2015 at the Little America Resort. This signature event brings together mayors, city council members, county supervisors and public and private transportation planning and engineering professionals from across the state. Networking, education and training occur over the three days starting with an opening reception Wednesday night. Breakout sessions on Thursday will cover topics as diverse as designing intersections for all modes, the latest in public participation, and the impact of markets on transportation. At lunch, attendees will hear from national organizations about the latest transportation happenings in Washington, D.C. Thursday's reception will be highlighted by door prize drawing featuring gift baskets from regions across the state.

Go to [www.azrts.org](http://www.azrts.org) to register. Find opportunities to bring a spouse to dinner or sign up for activities at Arizona Snowbowl. They'll be open and will be providing discounts to conference attendees and their guests. The Flagstaff Metropolitan Planning Organization is pleased to be hosting and hopes to see you there.

## NORTHWEST VALLEY CONNECT



By **Kathy Chandler**

"The journey is the treasure." Children's author Lloyd Alexander wrote. It's a simple truth that most of us "mobile" folk take for granted. But for those of us who don't own a vehicle, who cannot drive or who don't have easy access to public transportation, a "journey" that gets them where they want to go is a treasure as precious as gold.

The Northwest Valley Connect (NVC) was officially launched on Sept. 18, 2014 as one-click, one-call Mobility Center dedicated to helping people get where they want to go, easily and efficiently. The Center is equipped with a database that lists all transportation

providers in the area and information that enables the Mobility Center operators to assist callers with their transportation needs.

The launch was a public event attended by dozens of community members and transportation supporters including Benevilla President Michelle Dionisio; Sun Health Executive Vice President of Population Health Jennifer Drago; NVC Executive Director/Mobility Manager Kathryn Chandler; and Valley Metro's Manager of Accessible Transit Services Ron Brooks.

Since opening, NVC has served more than 174 clients and arranged for 125 rides.

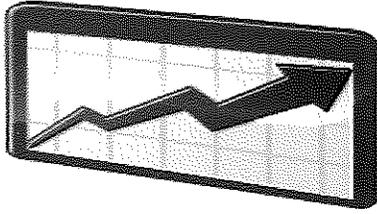
Other highlights from NVC's history since opening include:

In October, NVC received a \$10,000 grant from the Wulkan Foundation, an organization dedicated to helping older adults find transportation options. The grant was awarded by Beverly Wulkan, an experienced civil engineer and transit expert, well-acquainted with the challenges older adults often face when planning local trips to doctors, the pharmacy, the grocery store, social engagements and other appointments.

In December, the Surprise City Council voted to approve Community Outreach Program funding for six community organizations, including NVC, which will receive \$8,000 for transit support.

In January 2015, NVC will offer Volunteer Driver Transportation Training and a Group Trips program.

# "SURVEY SAYS"



By **Jim Dickey**,  
AzTA Executive Director

During the months of July, August, and September, 2014, AzTA

commissioned a survey\* of Arizonans to determine their interest, perception, and preferences concerning public transportation options across our state.

The returns were interesting to say the least, demonstrating a need, a want for improved services, and misconceptions about funding those needs. During each of those months, AzTA surveyed nearly 400 head-of-households state-wide, so more than 1200 surveys were conducted over the three month period. Each month a different set of questions were asked, and in combination of months, presents a picture of public transportation that can be valuable to administrators, elected leaders, and advocates for improved public transportation solutions.

Central to the survey results are these four key areas:

1. Prioritization of Transportation Components
2. Prioritization of Bus Service Components
3. Availability and Usage of Public Transportation
4. Knowledge of State Funding for Public Transportation

There are no real surprises in these summary results. But the survey demonstrates that there are some major gaps in understanding the role that public transportation plays in shaping and serving community needs, and further, how transit is funded:

- First and foremost is the issue of state funding. State residents believe the state should have a funding role, and they believe the state does just that. Unfortunately, that is not the case. In 2010, the Arizona Legislature passed a repeal of public transportation funding which was signed by Governor Brewer. Funds provided for more than a decade from Arizona Lottery Powerball revenues were swept and moved to the state general fund in 2010. Not until the State of Arizona was sued for violating an environmental quality funding requirement, were the funds restored...but just to Maricopa County. The rest of Arizona counties, cities, and towns remain without state funding support to this day.

- There is a growing want among residents to use public transportation if it were more readily available. Public transportation officials know that, and do their best to provide general services and meet specific needs within their financial capabilities. Thanks to local, regional, and federal funding, our public transportation systems continue to grow in annual ridership. There is no question that more people would use transit as an alternative to driving...if it were available.
- Public transportation options rate highly when compared to other transportation options. "Implementing a regional bus system" rates second only to "improving major streets and intersections". Clearly, a more diverse transportation improvements expenditure plan is warranted.

It's not difficult to draw some simple conclusions from this information....which can justify rethinking transportation investments at all levels throughout the state:

1. Residents overall place a high priority on public transportation options in their communities even if they personally are not using it. The belief is that the populations most in need of public transportation options are those with disabilities, residents unable to drive, and the elderly.
2. Those who currently use public transportation, or who would consider using it if it were available in their community are most likely to be using it for special events or "flexible" tasks such as shopping and less likely to indicate they would use it for their commute to work.
3. The majority of Arizona residents believe that the state should provide funding for public transportation and, in fact, many believe that the state already does provide funding.
4. Arizona public transportation programs are efficient and effective, and can provide significant transportation options for Arizonan's of all ages.

## **Transit...Keeping Arizona Up to Speed.**

\* Survey conducted by WestGroup Research, Phoenix, Arizona, including breakdowns in gender, age, income, ethnicity, and 3 geographic regions, with +/- 5% accuracy



Arizona Transit Association

## 2014 Survey Results

### Prioritization of Transportation Components

- Overall, residents were most likely to put a highest or second highest priority on *improving major streets and intersections* (48%), followed by *implementing a regional bus system* (38%) and *expand or add a light rail system* (37%).

### Prioritization of Bus Service Components

- Overall, residents were most likely to indicate that the top two important public transportation needs in their community are bus service for those with disabilities or who are unable to drive (50% first or second mention) and/or bus service for the elderly (46%).

### Availability and Usage of Public Transportation

- Three fourths of the residents surveyed (74%) indicated that they have a public transportation option available in their community.
- The majority of residents who indicated they have access to public transportation in their community indicated they "never" use it (64%) or only use it for special events (20%).
- Two in five residents who indicated they do not have access to public transportation in their community indicated they were "very" (17%) or "somewhat likely" (23%) to use it if it were available.
- Two in five residents who indicated they do not have access to public transportation in their community indicated they were mostly likely to use public transportation to attend social or recreational events (57%) or go shopping (47%).

### Knowledge of State Funding for Public Transportation

- The vast majority of residents believe that the state should provide some funding for local public transportation services (79% August, 72% September "yes").
- Approximately two thirds of residents believe that the state does provide funding for public transportation (66%).

### Conclusions

1. Residents overall indicate place a high priority on public transportation options in their communities even they, personally are not using it. The belief is that the populations most in need of public transportation options are those with disabilities, residents unable to drive, and the elderly.
2. Those who currently use public transportation, or who would consider using it if it were available in their community are most likely to be using it for special events or "flexible" tasks such as shopping and less likely to indicate they would use it for their commute to work.
3. The majority of Arizona residents believe that the state should provide funding for public transportation and, in fact, many believe that the state already does provide funding

# 2014 Arizona Transit Performance Report

Arizona's statewide Annual Transportation Performance Report for the fiscal year ending June 30, 2014 shows nearly 100,000,000 boardings at below-industry-average costs travelling nearly 65,290,000 miles. Both total boardings and miles were slightly lower than the previous year. System fare recovery of operating costs increased over FY2013, remaining at more than 20% for the fifth consecutive year, while total operating costs decreased and the cost per mile rose slightly in FY2014. Nearly 4,200 full time jobs exist in the operation of these public transportation programs throughout the state. Capital expenditures exceeded \$218,000,000 including buses and construction of facilities and infrastructure.



## Statewide Summary, Mode, and Peer Comparisons

This report collects data by mode and compares data within and across modes for FY2014 (green numbers represent positive trends; red numbers represent negative trends):

### Statewide Systems Summary:

A summary across all modes of service for FY2014, the following are the statewide outcomes combining all services representing almost 99.7 million boardings.

Summary: All Services	FY2010	FY2011	FY2012	FY2013	FY2014	% Change
Boardings	93,361,632	92,626,694	97,106,204	102,385,474	99,679,529	-2.3%
Annual Op. Cost	\$343,664,550	\$352,794,393	\$377,569,864	\$394,494,291	396,014,088	+0.4%
Farebox Recovery	\$73,294,066	\$75,278,034	\$78,429,872	\$83,344,283	\$84,004,682	+0.8%
Annual Miles	67,415,763	67,419,763	65,102,468	66,504,324	65,289,996	+2.1%
Capital Costs	NA	\$42,931,080	\$72,391,470	\$190,504,235	\$218,457,685	NA
Cost per Mile	\$5.10	\$5.23	\$5.80	\$5.93	\$6.07	+2.3%
Cost per Boarding	\$3.68	\$3.81	\$3.89	\$3.85	\$3.97	+3.1%
Farebox Recovery	21.3%	21.3%	20.8%	21.1%	21.2%	+0.4%
FTE's	NA	3,553	4,305	4,177	4,193	+0.4%
Fleet Vehicles	NA	2,231	2,443	2,765	2,652	-4.1%

For Arizona, this report breaks down modal categories in Fixed route, Paratransit, and miscellaneous services. Fixed route services include local and commuter bus services and rail services. Paratransit services include dial-a-ride services offered through public contracts. Miscellaneous services are primarily vanpool and taxi voucher programs.

2013-14 Arizona Public Transportation Report

Region:	METRO-Rail	RPTA Region Valley Metro	PAG Region Tucson	SV MPO	YCIPTA Region	NAIPTA Region	ADOT Sec 5311	ADOT Sec 5310	Mode Totals	
<b>FIXED ROUTE</b>	14,331,488	57,009,580	264,505	19,713,449	148,499	465,111	1,828,209	1,674,372	1,492,899	96,928,112
Annual Op Cost	\$31,260,365	\$220,830,735	\$2,799,466	\$58,407,183	\$642,120	\$1,789,502	\$5,451,209	\$12,976,595	\$334,157,175	\$334,157,175
Farebox Ratio	40.0%	22.0%	6.6%	20.9%	11.1%	21.0%	24.4%	11.7%	22.9%	22.9%
Farebox \$	\$12,505,116	\$48,473,800	\$185,494	\$12,211,964	\$71,352	\$374,980	\$1,330,189	\$1,521,080	\$76,673,974	\$76,673,974
Days Operated	365	365	365	365	6	241	363	255	307	47,145,240
Annual Rev Miles	2,481,951	28,693,272	1,215,338	8,219,017	157,038	853,398	742,592	4,782,634	2,990	2,990
FTE Employees	182	2,038	28	631	13	48	50	14	434	434
FTE Reg Empl	113	208	2	90	2	6	14	215	1,774	1,774
Fleet Vehicles	50	887	17	240	10	27	21	215	307	1,774
Capital \$	\$87,434,816	\$105,119,816	\$1,400,000	\$6,252,918	\$590,000	\$381,613	\$4,722,463	\$2,065,717	\$2,500,000	\$210,467,343
<b>PARATRANSIT</b>										
Boardings	916,826	157,015	516,444	10,099	7,323	24,594	1,632,301	\$57,538,101	\$3,637,493	\$3,637,493
Annual Op Cost	\$36,126,407	\$5,130,353	\$14,763,934	\$385,277	\$155,488	\$976,642	\$57,538,101	\$3,637,493	\$3,637,493	\$3,637,493
Farebox Ratio	7.1%	4.7%	5.0%	11.1%	2.5%	3.9%	6.3%	6.3%	6.3%	6.3%
Farebox \$	\$2,570,431	\$239,460	\$742,982	\$42,811	\$3,923	\$37,886	\$3,637,493	\$3,637,493	\$3,637,493	\$3,637,493
Days Operated	365	365	365	50,605	301	363	12,298,412	686	78	686
Annual Rev Miles	7,057,362	1,334,573	3,699,805	218	60,347	95,720	16	14	457	457
FTE Employees	419	28	24	3	2	1	8			
FTE Reg Empl	35	2	127	2	1	14				
Fleet Vehicles	297	19	127	3	3	8				
Capital \$	\$3,296,081	\$0	\$1,877,861	\$0	\$47,166	\$19,675				
<b>MISC. Boardings (Vanpool/other)</b>	1,119,116									1,119,116
Annual Op Cost	\$4,318,811									\$4,318,811
Farebox Ratio	85.5%									85.5%
Farebox \$	\$3,693,164									\$3,693,164
Days Operated	365									365
Annual Rev Miles	5,846,344									5,846,344
FTE Employees	4									4
FTE Reg Empl	1									1
Fleet Vehicles	421									421
Capital \$	\$2,749,559									\$2,749,559
<b>Summary: All Services</b>										
Boardings	99,679,529									
Annual Op Cost	\$396,014,087									
Farebox	\$84,004,632									
Annual Miles	65,289,996									
Capital Costs	\$218,457,685									
Cost per Mile	\$6.07									
<b>Fixed Route Summary</b>										
Cost Per Mile										\$7.09
Cost Boarding										\$3.45
Recovery										22.9%
<b>Paratransit Summary</b>										
Cost Per Mile										\$4.68
Cost Boarding										\$35.25
Recovery										6.3%
<b>Misc. Services Summary</b>										
Cost Per Mile										\$0.74
Cost Boarding										\$3.86
Recovery										85.5%

September 2014



# ROAD REPORT

Your Roads. Your Decision.

## Coconino County Supervisors Refer Road Maintenance Sales Tax to November Ballot

After two years of in-depth research, along with input from a Citizens Transportation Advisory Committee (CTAC), the Coconino County Board of Supervisors unanimously referred the question of a sales tax for road maintenance services to the ballot this November. If approved, sales tax revenue will only be used to repair, improve and service County-maintained roads.

The Board concluded that, even after reducing permanent costs by \$2 million per year, Coconino County doesn't have the funds needed to maintain its roads as it does now. If funding is unchanged, then routine road maintenance services will be reduced by 40 percent, including snow plowing, grading dirt roads, filling potholes and clearing ditches. The County would also significantly reduce its annual investment in paved road maintenance and safety projects and in replacing equipment.

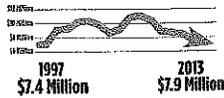
The Board's sales tax recommendation represents a smaller tax increase than recommended by the CTAC. While the revenue from this tax increase won't solve all of the County's road budget problems for 20 years, the Board of Supervisors believes that, given the current economic conditions, the citizens of Coconino County couldn't afford any greater sales tax increase at this time.

"This matter cannot be left to the next generation to solve. Many children travel school bus routes that become impassable during the year, and daily bus rides take several hours over dirt roads. In the Flagstaff Unified School District alone, buses travel 8,000 to 10,000 miles per day - many of those miles on County roads."

• Mandy Metzger, County Supervisor, District 4



Coconino County Gas Tax Receipts



Revenues at Near 1998 Levels

### Why doesn't Coconino County have the funds to maintain its roads?

Gas tax revenues from the state represent 80 percent of the County's road maintenance budget. Property taxes do not fund road maintenance.

State and Federal officials have not raised the gas tax level since the early 1990s, while costs for maintenance has increased.

The gas tax is flat, not indexed to inflation, and doesn't reflect the cost of gas.

Overall, the gallons of gas sold is declining due to increased fuel efficiency.

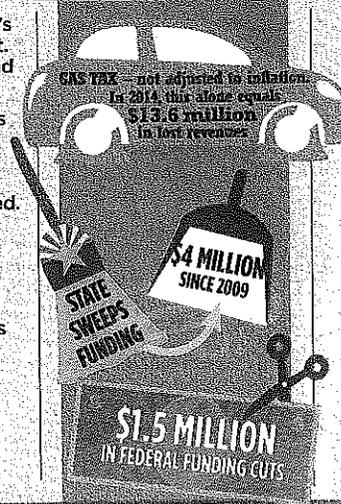
As a result, County gas tax revenues are at near 1998 levels.

### Are there other things that have affected County road funding?

State officials have "swept" or used County gas tax revenues to fund other State programs.

\$1.5 million per year in rural road maintenance funds have not been re-authorized by the U.S. Congress.

Road maintenance costs have increased and so have the number of miles of County roads. For example, adjusted for inflation and fuel efficiency, \$1 in gas taxes in 1991 (the last time there was an increase to the state gas tax) is only worth 30 cents in 2014.



### Without additional revenue, service cuts will include:

- Snow plowing only from 7 a.m. - 4 p.m. and only for major roads during storms
- 40 percent drop in frequency of grading dirt roads
- No \$ for paved road repair
- No \$ for equipment replacement

### Over \$2 Million in Permanent Cost Reductions

#### What has the County done to cut costs?

The County has reduced the road maintenance budget by eliminating \$2 million in permanent, annual costs. These ongoing cost savings include:

- Eliminating positions
- Extending equipment life cycles by not replacing as often
- Balancing equipment use
- Reducing fleet size
- Implementing a more efficient snow removal plan

Coconino County Road Maintenance Sales Tax Proposition 403: Your Roads. Your Decision.

"To me, a road is not **JUST** a road. We depend on quality roads for everything. On a weekday morning, I'm headed to work along with my neighbors, relying on a road to get me there. We travel on the weekend, taking advantage of the County's natural beauty and recreation opportunities. And during the winter months, plowed and passable roads are vital to our safety and getting to work on time."

• Liz Archuleta, County Supervisor, District 2

Coconino County has...

696,000  
Fisher Days  
per year

23,000  
Hunter Days  
per year

## Coconino County Road Maintenance Sales Tax Facts

**Rate** - The proposed road maintenance sales tax is 3/10 of 1 percent, equal to 30 cents on a \$100 purchase.

**Existing County Tax Expires** - If approved, at the same time the new tax begins another County tax expires.

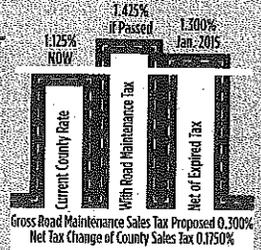
So the net tax increase will be 17.5 cents on a \$100 purchase, or \$53 on a \$300,000 purchase.

**Length** - The sales tax would be in effect for 20 years, from January 1, 2015 to December 31, 2034.

**Revenue Generation** - The County estimates the revenues from the road maintenance sales tax to be approximately \$6 to \$7 million per year. The actual level of revenue will vary with the economy.

**Restrictions** - The specific language of the election ballot restricts the use of the monies from the road maintenance sales tax to road maintenance related costs. The statutory authority used by the County to place a road maintenance sales tax on the ballot also restricts the funds to only road related services. The funds will be locally controlled and cannot be swept by the State.

**Combined Flagstaff Streets Tax and County Roads Tax** - The City of Flagstaff is proposing a new 1/3 of 1 percent sales tax to repair City streets, which is about 33 cents on a \$100 purchase. If voters approve both the County and City proposed sales taxes, then the total tax rate in the City of Flagstaff will still be less than 9 percent (8.951 percent), in line with most other cities' tax rates.



## Some Frequently Asked Questions

**If the sales tax is not approved by voters, what additional cuts will be made to the County's road maintenance services?**

Routine road maintenance services, such as snow plowing, grading dirt roads, filling potholes and chip sealing paved roads will be reduced by up to 40 percent to stay within current revenue levels.

- Snowplows would operate from 7 a.m. to 4 p.m. and service primarily major roads during storms.

- Equipment would not be replaced until it fails, if funds are available.

- No investment would be made in road repair and safety projects unless funded by grants.

**If the road maintenance sales tax is approved by voters, how will the County spend the money?**

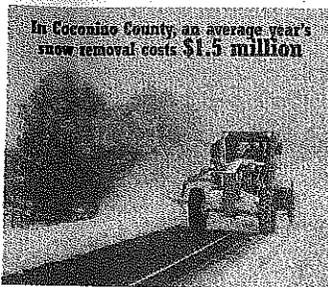
- To maintain all County-maintained roads, including those owned by the County, the U.S. Forest Service and the Bureau of Indian Affairs.

- To fund routine road maintenance services, such as snow plowing, grading dirt roads, and fixing potholes.

- To maintain adequate reserves for emergencies, such as natural disasters and road failures.

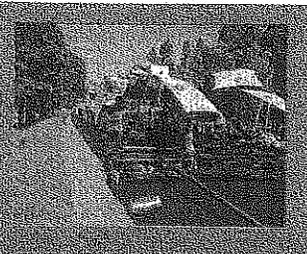
- To fund road maintenance and safety projects, which will be done by private contractors.

- To buy road maintenance equipment.



In Coconino County, an average year's snow removal costs \$1.5 million

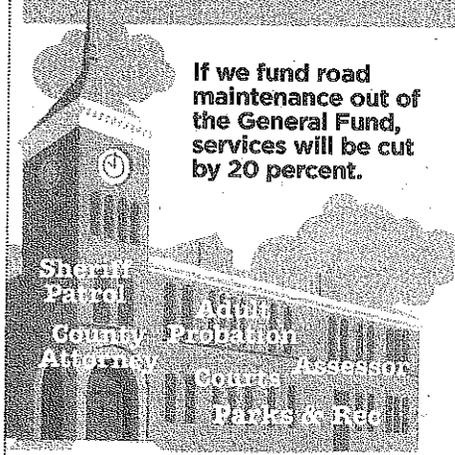
NAU's Rural Policy Institute estimates the economic impact of the County's road maintenance sales tax revenues to \$182 million over 20 years and creates, on average, 133 jobs per year.



**If we fund road maintenance out of the General Fund, services will be cut by 20 percent.**

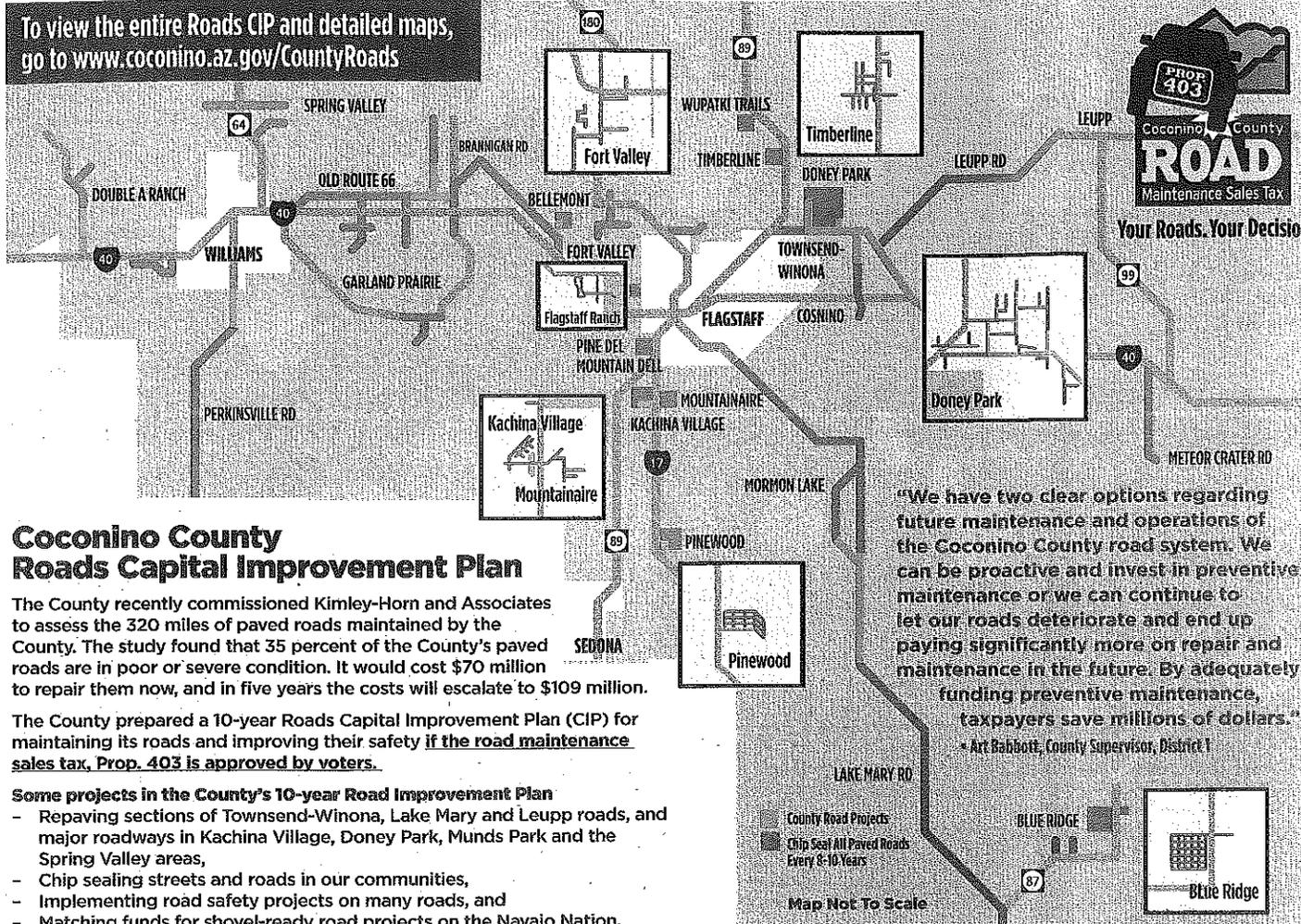
"It costs money to maintain roads. Especially in Coconino County, with the second-largest land area of any county in the U.S. at 18,000 square miles. The method for funding roads, the gasoline tax, has not kept pace with rising costs of raw materials, services or the County's growth rate."

• Matt Ryan  
County Supervisor, District 3



Some General Fund Services

To view the entire Roads CIP and detailed maps, go to [www.coconino.az.gov/CountyRoads](http://www.coconino.az.gov/CountyRoads)



## Coconino County Roads Capital Improvement Plan

The County recently commissioned Kimley-Horn and Associates to assess the 320 miles of paved roads maintained by the County. The study found that 35 percent of the County's paved roads are in poor or severe condition. It would cost \$70 million to repair them now, and in five years the costs will escalate to \$109 million.

The County prepared a 10-year Roads Capital Improvement Plan (CIP) for maintaining its roads and improving their safety if the road maintenance sales tax, Prop. 403 is approved by voters.

### Some projects in the County's 10-year Road Improvement Plan

- Repaving sections of Townsend-Winona, Lake Mary and Leupp roads, and major roadways in Kachina Village, Doney Park, Munds Park and the Spring Valley areas,
- Chip sealing streets and roads in our communities,
- Implementing road safety projects on many roads, and
- Matching funds for shovel-ready road projects on the Navajo Nation.

On average, approximately \$4 million per year will be dedicated to road projects during the first 10 years, or approximately \$42 million in total. All projects will be constructed by private contractors. The Roads CIP primarily focuses on County-maintained paved roads with a high level of use, most of which are our major roads like Lake Mary Road, Townsend-Winona Road and Leupp Road. However, funding from the road maintenance sales tax also supports dirt road maintenance, including placing special material on those roads to create a smoother and longer-lasting surface with less dust.

35% of paved roads are in severe or poor condition. Paved road repair costs:

**Pay NOW**  
**\$70 Million** **VS** **Pay More Later**  
**\$109 Million**

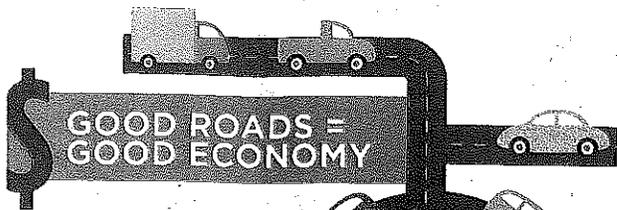
"We have two clear options regarding future maintenance and operations of the Coconino County road system. We can be proactive and invest in preventive maintenance or we can continue to let our roads deteriorate and end up paying significantly more on repair and maintenance in the future. By adequately funding preventive maintenance, taxpayers save millions of dollars."

- Art Babbott, County Supervisor, District 1

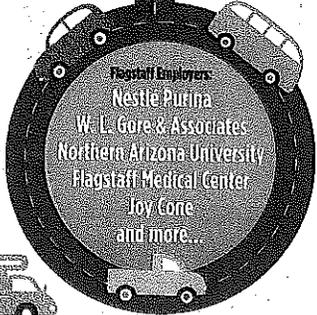
**The Implementation of the County's Roads Capital Improvement Plan is contingent upon voter approval of the Road Maintenance Sales Tax Initiative, Prop. 403, on the November ballot.** The project costs and construction schedules outlined on this page are estimates. The County's actual annual investment in the Roads CIP will be affected by:

- ⇒ Economic downturns, which impact the total revenue generated from the sales tax and the gasoline tax,
- ⇒ Annual maintenance costs, such as snow severity, and cost of oil, gasoline & diesel
- ⇒ Road/bridge failures
- ⇒ Response to disasters

Projects selected are based on a variety of criteria, such as level of traffic, current road conditions, public safety, and cost.



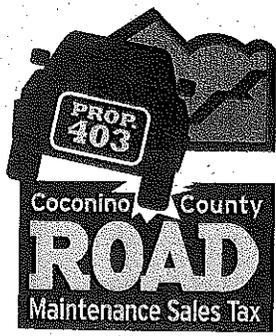
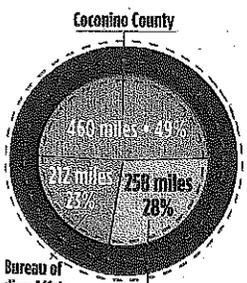
Every day about 20,000 County residents travel to Flagstaff for work. Most use County roads to access state highways that enter Flagstaff.



456,000 visitors annually recreate on National Forests in Coconino County

"Nestle Purina associates live throughout the County and rely on County roads for safe and timely commutes. The goods that go into our pet foods also arrive on County roads, and we turn around and ship products to customers. On poor roads, products shift in the trailers, causing more work on our end and for our customers." -Amy Kerr, Plant Manager • Nestle Purina

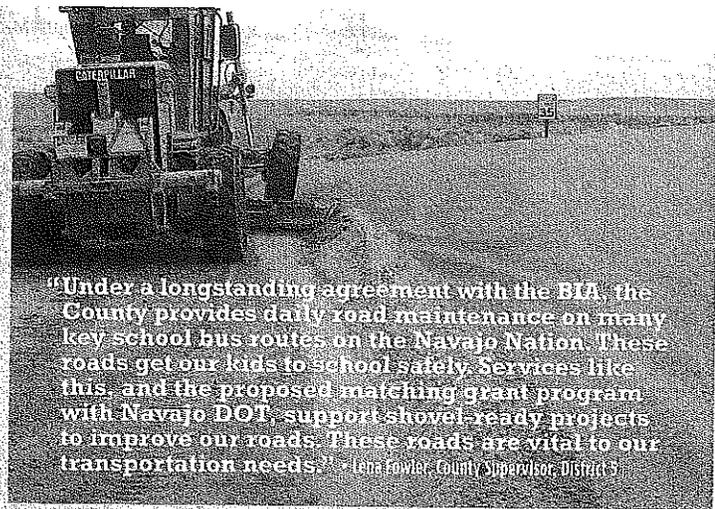
### Who Owns County-maintained Roads?



**Your Roads. Your Decision.**

**COCONINO COUNTY ARIZONA**

WEB: [www.coconino.az.gov/CountyRoads](http://www.coconino.az.gov/CountyRoads)  
 EMAIL: [countyroadsinfo@coconino.az.gov](mailto:countyroadsinfo@coconino.az.gov)  
 TEL: 928.679.8300



"Under a longstanding agreement with the BIA, the County provides daily road maintenance on many key school bus routes on the Navajo Nation. These roads get our kids to school safely. Services like this, and the proposed matching grant program with Navajo DOT, support shovel-ready projects to improve our roads. These roads are vital to our transportation needs." -Lena Fowler, County Supervisor, District 5

### Coconino County Maintenance of Roads on the Navajo Nation

Coconino County has played an important role in providing road maintenance services on the Navajo Nation for many years. Historically, the County received a federal grant to maintain school bus routes. The County elected to dedicate this grant funding, in addition to other County gas tax funds, to maintaining some of the well-traveled school bus routes on the Navajo Nation.

Recently, the federal government did not reauthorize funding for this program. The loss of this funding, along with the reduction in gas tax funding (explained on page 1), means that the County will have to severely reduce or eliminate road maintenance on the Navajo Nation without additional revenues. If voters approve the Road Maintenance Sales Tax initiative, Prop. 403 on the November ballot, then the County will be able to continue road maintenance.

The plan includes:

- ➔ Providing daily road maintenance services to 286 miles of some key school bus routes.
- ➔ Establishing a Capital Projects Matching Fund totaling \$200,000 per year. These funds would match NDOT funds to construct shovel-ready projects mutually identified by the partners, which are intended to improve the road conditions, reduce road maintenance costs and increase safety.

As with other road improvement projects planned in the County, the actual annual funding for the Navajo Nation projects will be tied to a number of factors: primarily the economy, which influences sales tax and gas tax revenue, and maintenance costs, which can be influenced by storm damage, snow levels and inflation.

**School bus routes historically maintained include:**

- N16 • N21 • N6210
- N6260 • N6270
- N70 • N6331 • N6720
- N6730 • N6732

If Prop. 403 is approved, then the funding partners - Coconino County, the BIA, and Navajo Nation Division of Transportation (NDOT) - have identified about \$1 million for a jointly funded plan for road maintenance on the Navajo Nation.

# The Roads to Recovery

Facts About Transportation  
Funding and Spending



# The Problem

Many County roads are in need of repair. Saying, "fix the roads," is easy. Finding the money to fix them is hard. It's important to understand how we got here, where we are now and how we can fund road repair.

America's transportation infrastructure is in trouble, suffering from decades of inadequate funding. Arizona roads are no exception. Locally, about 60 percent of Tucson's and unincorporated Pima County's roads are in poor or failed condition. The cost to fix them is more than \$1 billion, with about \$250 million of that needed in unincorporated Pima County.

How did our roads get this way and why isn't there an easy fix?

## The Facts

### Declining gas tax purchasing power

- ▶ Arizona's gas tax is 18 cents per gallon and hasn't been increased since 1991
- ▶ Since 1991, inflation has increased by 71 percent
- ▶ Construction costs have more than doubled
- ▶ For Arizona's gas tax to have the same purchasing power today as in 1991, it would need to be 33 cents per gallon.

### Better vehicle MPG

- ▶ Between 1990 and 2012, passenger vehicle gas mileage improved 46 percent
- ▶ In 2013, Arizonans drove 71 percent more miles than in 1990 yet they only bought 52 percent more gas; that means more road wear but less revenue per mile driven

### Legislative road funding sweeps

- ▶ The state collects gas taxes and other transportation fees statewide and is supposed to share those funds with cities and counties to fund road improvements.
- ▶ The state Legislature over the past 10 years has swept \$1 billion from those funds and used it elsewhere.

### Sometimes a new road is the best form of road repair

- ▶ Some roads are scheduled for reconstruction under the county's capital improvement program (CIP), including \$62 million in transportation projects budgeted for this fiscal year.
- ▶ Most road reconstructions are paid for by bond funds or Regional Transportation Authority funds, which cannot be used for annual maintenance.
- ▶ Some problem roads are on the Regional Transportation Authority projects list, scheduled for reconstruction over the next 10 years. Paying \$200,000 for an asphalt overlay on a rough road scheduled to be completely replaced in a few years is a waste of money.

### County road bond payment

- ▶ In 1997, Pima County voters approved borrowing \$350 million in road expansions and improvements to relieve severe congestion and to accommodate growth, borrowing against future gas tax revenues from the state.
- ▶ That requires about \$19 million a year of our shared transportation revenue be used to pay back the bonds, and those payments will continue until at least 2024
- ▶ The borrowed funds must be paid back as promised.

### Road maintenance is more than just filling potholes

- ▶ Road maintenance is the general upkeep of the county's transportation systems, including filling potholes. Pavement preservation includes the conservation of roadways, which includes chip sealing and milling.
- ▶ Most asphalt roads in our dry climate have a normal lifespan of 20-30 years, with deterioration beginning after five years. A road will get progressively worse if not given routine conservation work such as chip sealing.
- ▶ In fiscal year 2014, the county spent \$21 million on roads maintenance which included filling thousands of potholes, grading dirt roads, clearing sand from wash crossings after storms, striping streets and fixing traffic signals.
- ▶ The majority of the county's problem roads are in lightly travelled neighborhoods. Because of funding shortfalls, the County has concentrated its major work on heavily used arterials.
- ▶ For the past three years, the county has been adding \$5 million from the general fund to help preserve heavily used arterial roads.
- ▶ Public safety contributes to spending needs: replacing rough road surfaces doesn't carry the same public safety urgency as clearing mounded sand from a wash crossing after a storm or replacing a burned out bulb in a traffic signal.

# The answer to fixing our roads is clear: It will take more money

It will cost more than \$250 million to repair the 1,000 miles of unincorporated county roads that are in poor or failed condition. To fix all of those roads without the problem getting worse will cost \$30 million a year for 10 years (which accounts for inflation and other projected cost increases over that span). In addition, we also have to consider our annual bill of \$28 million for basic maintenance and preservation costs described on the prior pages.

## Proposed funding solutions and how they stack up

### 1. Raise the County's primary property tax and cut the budget

Since the start of the recession in 2007, Pima County has reduced its workforce by more than 1,000 employees and its budget by more than \$300 million a year. Finding an additional \$30 million a year for pavement preservation without more state gas tax revenue would require increasing the County's primary property tax. However, the state limits the percentage tax increase counties can impose each year, so the tax rate can't be raised high enough to generate funds needed to solve this problem. Making up the difference would require cutting or eliminating fundamental services such as law enforcement, parks, health care and human services.

### 2. Impose a transportation-specific property tax

While this sounds easy enough, it won't provide the revenue needed to overcome the pavement preservation funding problem. What's more, 63 percent of county residents live in municipalities and the County would need to share the revenue from a countywide property tax increase with local cities and towns, leaving too little left over to pay for roads in the unincorporated County.

### 3. Impose a countywide half-cent sales tax for county roads

Pima County is the only Arizona county that does not have a countywide sales tax. This could raise more than enough money to overcome our pavement preservation needs in 10 years and have enough left over to reduce the County's property tax rate so that all property owners will benefit.

### 4. A statewide solution to a statewide problem: gas taxes

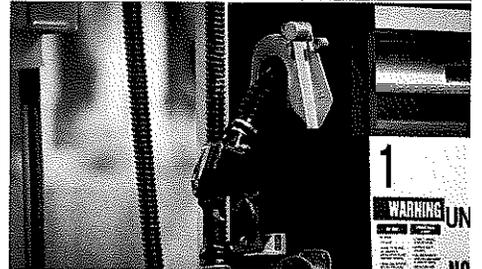
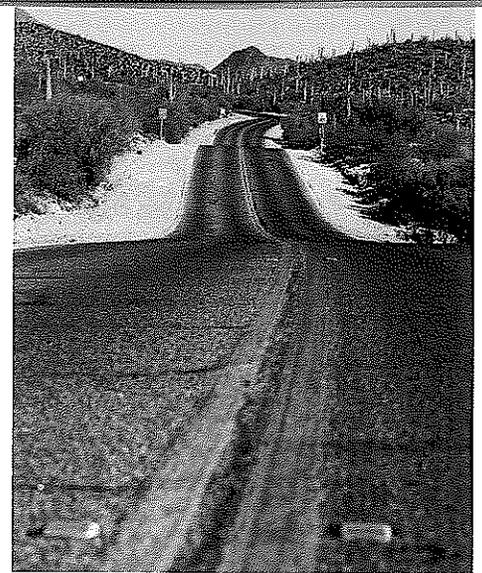
The state already has a tax dedicated to roads maintenance and improvements – the state gas tax. It was created for this very purpose. But it is no longer providing the revenue necessary to properly fund Arizona's transportation infrastructure needs because it hasn't been raised since 1991.

## What did the 1997 road bonds pay for?

Pima County voters in 1997 approved borrowing \$350 million against future HURF payments from the state. All but three of the 57 projects have been completed or are underway. More than 100 lane miles have been completed, relieving strangling congestion that plagued commuters, especially in the Northwest, after two decades of rapid growth. Among the roads that were widened with 1997 bonds are: River Road, Thornydale Road, Skyline Drive, Sabino Canyon, Ajo Way, Craycroft and Alvernon.

In 2013, the state Auditor General after an audit of the county's bond program that included a review of the 1997 road bonds, called the county's bond program "unique" and a potential model for other counties in the state to imitate. It also said the bond program was well-managed, transparent, accountable, adhered to the will of voters and "benefitted citizens throughout the county."

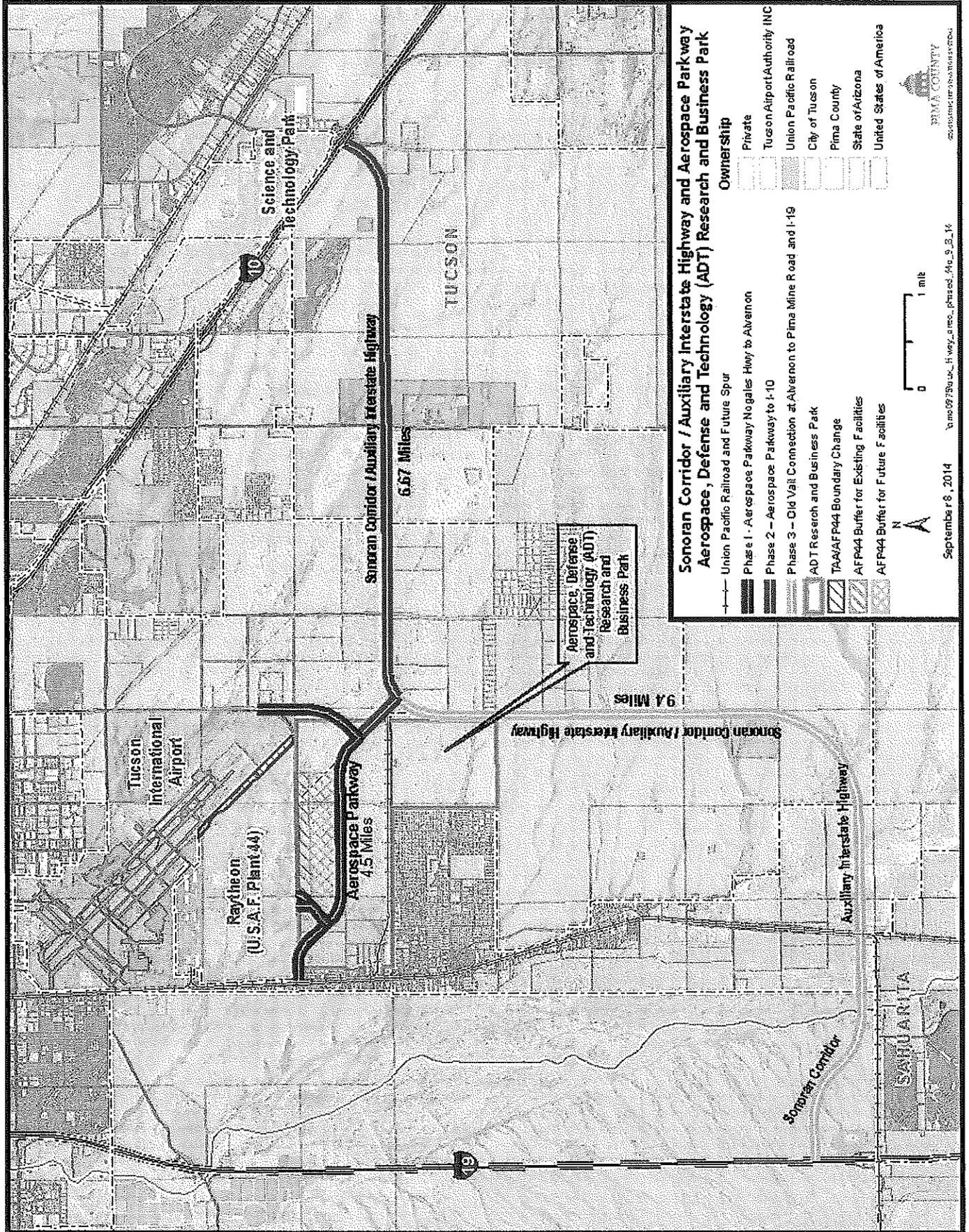
The debt payments for the bonds using HURF allocations will continue until 2024.



# House Transportation Committee

## Pima County Transportation Priorities

FIGURE 4



# Aerospace Parkway

- Enable Raytheon Expansion and 2<sup>nd</sup> TAA Runway
- 4 miles long – ½ mile south of current road
- \$12.7 million fully funded
- Environmental Assessment wrapping up
  - Awaiting Public Comment - Due 12/30/14
  - FAA Land Release by March 2015
- Construction Bids released early January
- Construction completed by 12/31/15

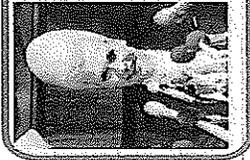


# Sonoran Corridor

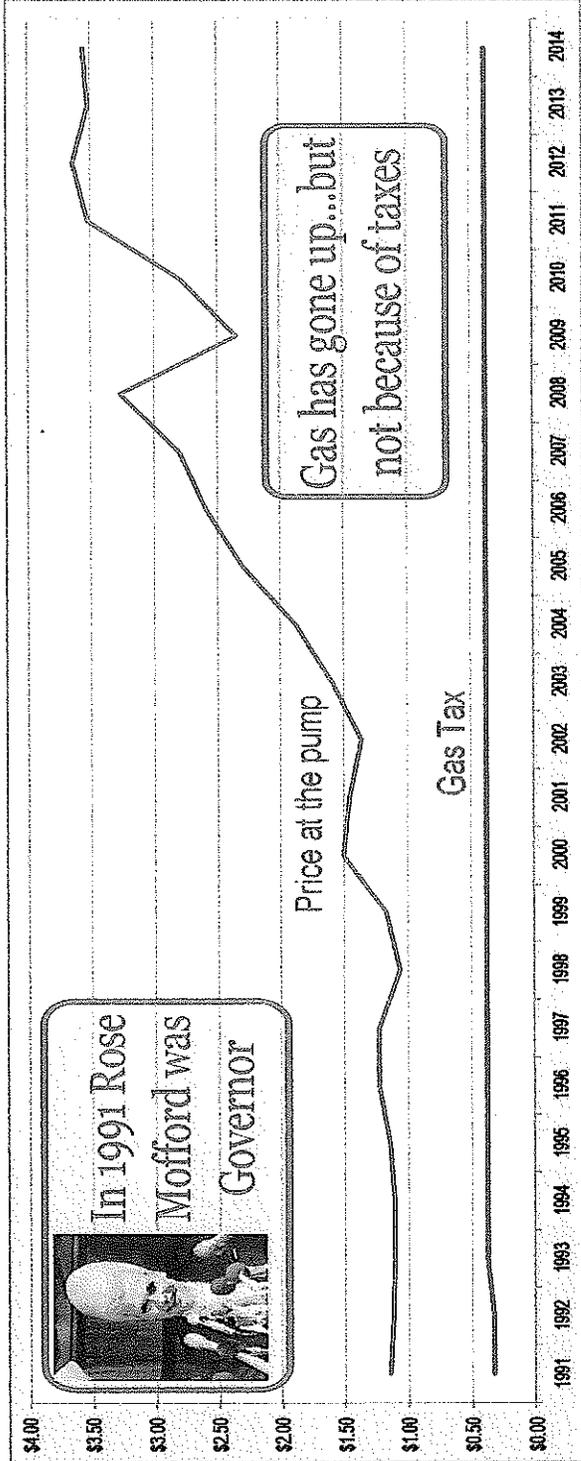
- Aerospace, Defense and Technology Research & Business Park
- Hughes Access Road Relocation – Aerospace Parkway – Underway
- 16-mile Auxiliary Interstate connecting I-10 and I-19
  - Saves 12 miles of congested travel – Approximately 20 minutes
- Core connector for a Master Planned Regional Industrial Corridor
  - UA Tech Park Employment Center
  - Airport Employment Center
  - Logistics Centers for Air – Rail – Highway
  - Improve access to Tucson International Airport
  - Attract Import / Export-based employment

# No new funding

Arizona's gas tax has not changed since 1991...



In 1991 Rose Mofford was Governor



Gas has gone up...but not because of taxes

Silence of the Lambs opens in theaters

UA National Basketball Champions

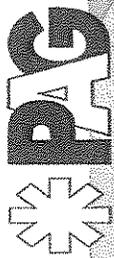
Diamond Backs win World Series

iPod released

YouTube launched

Phoenix hosts Super Bowl

End of rabbit ear TV



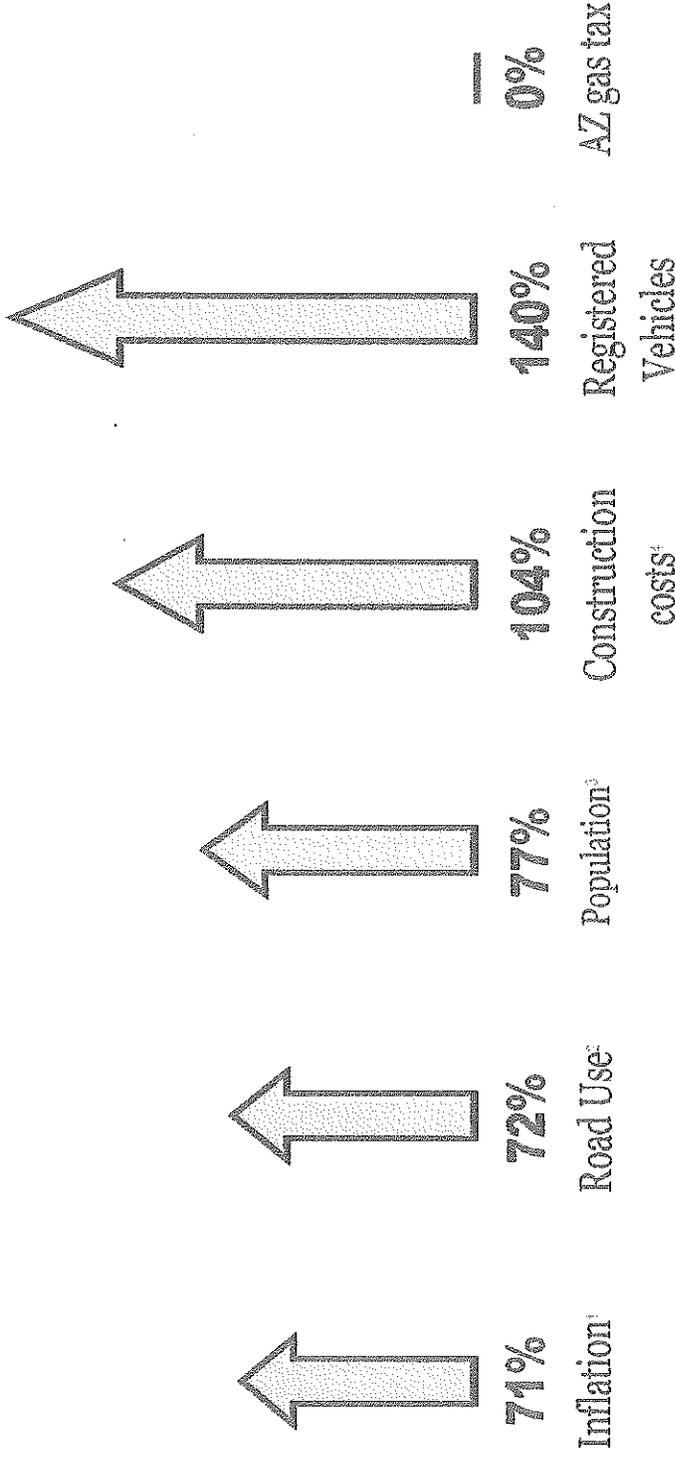
Pima Association of Governments



Regional Transportation Authority

# Keeping up with demands is getting harder all the time

...but, a lot has changed since 1991



AZ gas tax

= Reduced ability of a stagnant gas tax to meet the transportation needs of Arizona

1: bis.gov 2: fhwa.dot.gov 3: census.gov 4: enr.com

Checking our priorities: We spend more on phones than roads

## GAS TAX COMPARISONS

### Other monthly expenses:

- \$1,420 Housing
- \$ 225 Dining
- \$ 216 Entertainment
- \$ 53 Personal Care

**The average Arizonan pays \$21.12/month in state + federal gas taxes.**

### The top five states:

Indiana: \$47.47  
Colorado: \$45.09  
Nevada: \$38.16  
North Carolina: \$37.52  
New York: \$32.74

Arizona ranks 35th

Compared to an average monthly phone expense of \$105



Pima Association of Governments

Regional Transportation Authority

## Do you know?



A driver of a brand-new **Ford Taurus in 2014** pays \$14.00 in state and federal gas tax for every 1,000 miles driven.

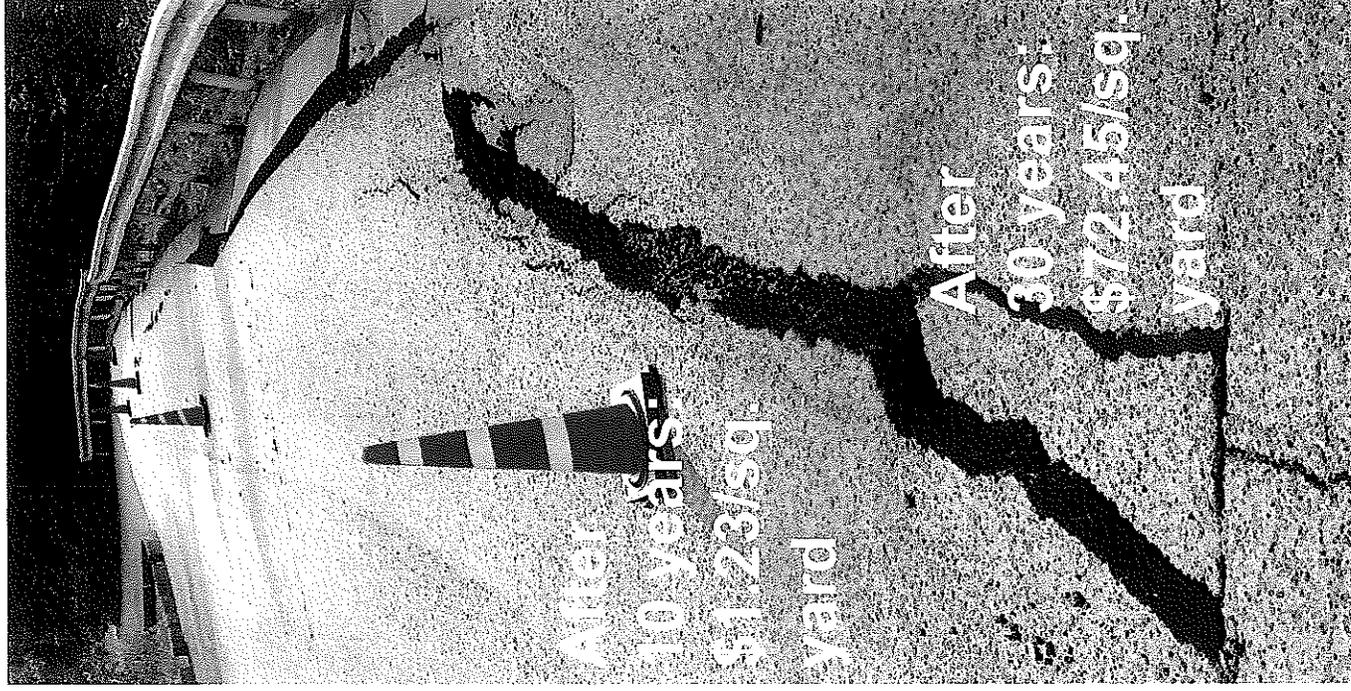


A driver of a brand-new **Ford Taurus in 1992** paid \$29.33 (in inflation adjusted 2014 dollars) in state and federal gas tax for every 1,000 miles driven.

Pay now, or pay  
more later.

Just like your home or car,  
roads need to be maintained.

And just like your home or car,  
**the longer you put off road  
maintenance the more  
expensive it can get.**



Pima Association of Governments

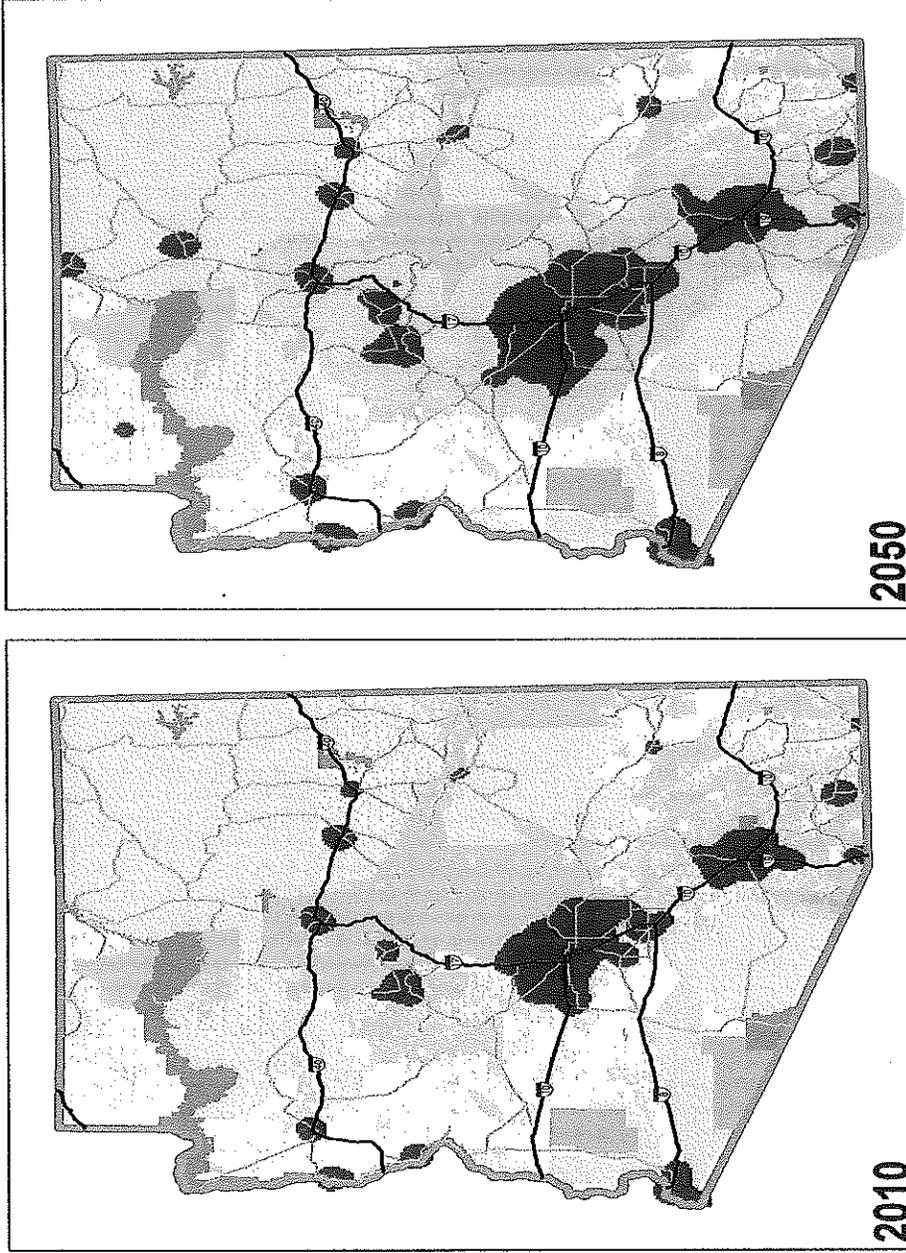
Regional Transportation Authority

Photo credit: Wikimedia Commons

# Arizona Population Projections, 2010 - 2050

**Arizona is projected to grow by 80.89% by 2050 to 11.6 million\***

\*Source: Based on 2010 Census population and ADOA population projections for 2050.



- Arizona Population**
  - Population Centers
  - Arizona Sun Corridor Megapolitan
- Land Ownership**
  - Private
  - State Trust
  - BLM
  - National Forest
  - Indian Reservation
  - Military
  - Local or State Parks
- Wildlife**
  - Other
  - Natl. Parks

November 2014



Source: ADOA 2012 County Level Projections: Medium Series

January 21, 2015

Governor Douglas A. Ducey &  
Members, 52nd Arizona State Legislature  
1700 W. Washington  
Phoenix, AZ 85007

Dear Governor Ducey & State Legislators,

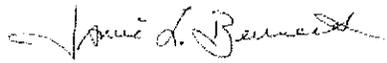
Since 2001, over \$1.8 billion has been diverted from Highway User Revenue Funds (HURF) to pay for other government programs. To the credit of state lawmakers, the transfer levels have been reduced by a combined \$329 million over the last three years creating an estimated 2,335 direct private-sector jobs and another 1,118 indirect jobs.

While progress has been accomplished, \$96 million was still transferred this year. Taxpayers have a right to expect their gas tax and other vehicle-related revenues to be used for transportation improvements, particularly when ADOT has determined that a \$63 billion funding gap exists between needs and revenues just on the state system. Local road networks in cities, towns and counties, which also rely heavily on HURF, are facing comparable trends.

Also, Arizona's unique and strategic location provides tremendous opportunities for economic growth through interstate and international trade. Our competitiveness will be closely tied to the ability to move commerce through the state efficiently. Infrastructure investment leads to economic expansion in addition to impacting safety, the environment, cost of living and quality of life.

In addition to eliminating the HURF transfers, Arizona must also modernize how we pay for our infrastructure. Our antiquated revenue streams, including the gas tax which has not been adjusted in over 20 years, have dramatically lost their purchasing power and are far from sufficient for addressing our basic transportation needs or supporting economic expansion. We urge you to convene a group of state leaders to start the dialogue on how we can meet our future transportation needs and maximize our economic competitiveness.

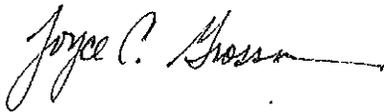
Sincerely,  
(See Attached Signatures)



Janice Burnett, Executive Director  
American Council of Engineering  
Companies of Arizona



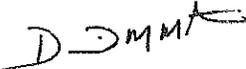
William J. Mattingly, President  
American Public Works Association,  
Arizona Chapter



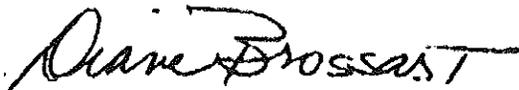
Joyce C. Grossman, Executive Director  
Arizona Association For Economic  
Development



Frank Sanchez, P.E., President  
Arizona Association of County Engineers



David M. Martin, President  
Arizona Chapter Associated General Contractors



Diane Brossart, President & CEO  
Arizona Forward



David Berry, Chairman  
Arizona Highway Users



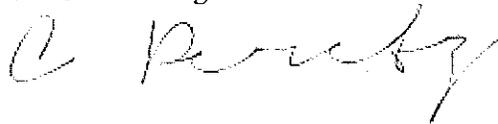
Jim Dickey, Executive Director  
Arizona Transit Association



Ramon A. Gaanderse, Executive Director  
Arizona Transportation Builders Association



Tony Bradley, President & CEO  
Arizona Trucking Association



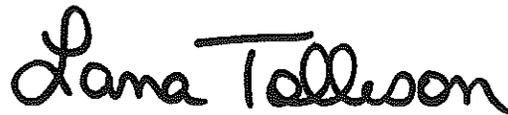
Connie Peretz, Executive Director  
Arizona Utilities Contractors Association



Terrence Wheeler, City of Globe  
Mayor, Chairman  
Central Arizona Governments



Chris Bridges, Executive Director  
Central Yavapai Metropolitan  
Planning Organization



Lana Tolleson, Executive Director  
Cottonwood Chamber of Commerce



Clint Hickman, Maricopa County  
Supervisor, Chairman  
County Supervisors Association

F. Rockne "Roc" Arnett, President & CEO  
East Valley Partnership

Art Babbott, Coconino County  
Supervisor, Vice-Chairman  
Flagstaff Metropolitan Planning Organization

Lance Jungmeyer, President  
Fresh Produce Association of  
the Americas

William R. Diak, City of Page  
Mayor, Chairman  
Greater Arizona Mayors Association

Bruce Bracker, Chairman  
Greater Nogales - Santa Cruz  
County Port Authority

Todd Sanders, President & CEO  
Greater Phoenix Chamber of  
Commerce

Chris Camacho, Interim President  
Greater Phoenix Economic Council

Dennis Ryan, President  
Hawker & Evans Asphalt Company

Mark Nexsen, Lake Havasu City  
Mayor, Chairman  
Lake Havasu Metropolitan Planning Organization

Ken Strobeck, Executive Director  
League of Arizona Cities & Towns

Jack W. Lunsford, President  
The Lunsford Group, LLC

Michael LeVault, Town of Youngtown  
Mayor, Chairman  
Maricopa Association of Governments

Terry Shannon, Jr., President  
Nogales - Santa Cruz County  
Economic Development Foundation

Chris Fetzer, Executive Director  
Northern Arizona Council of Governments

Farhad Moghimi, Executive Director  
Pima Association of Governments

Sandie Smith, President & CEO  
Pinal Partnership

Bob Rivera, Town of Thatcher  
Mayor, Chairman  
Rural Transportation Advocacy Council

Jennifer Wesselhoff, President & CEO  
Sedona Chamber of Commerce

Frederick W. Mueller, City of Sierra Vista  
Mayor, Chairman  
Sierra Vista Metropolitan Planning Organization

Mignonette Hollis, Executive Director  
Sierra Vista Economic Development Foundation

David Gomez, Greenlee County  
Mayor, Chairman  
Southeastern Arizona Governments Organization

Ronald E. Shoopman, President  
Southern Arizona Leadership Council

Bob Jackson, City of Casa Grande  
Mayor, Chairman  
Sun Corridor Metropolitan Planning Organization

Michael V. Varney, President & CEO  
Tucson Metropolitan Chamber of Commerce

Mary A. Chicoine, Chairwoman  
Verde Valley Regional Economic Organization

Tony Reyes, Yuma County  
Supervisor, Chairman  
Western Arizona Council of Governments

David Tenney, Navajo County  
Supervisor, Chairman  
White Mountain Regional Transportation  
Committee

Charlene Fitzgerald, Executive Director  
Yuma Metropolitan Planning Organization

## Five more facts

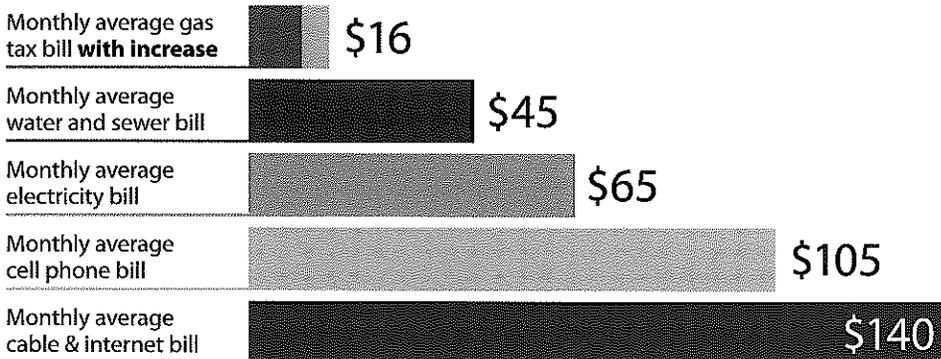
1. There is no magic wand to fix our roads.
2. We shouldn't keep complaining about roads if we are not willing to pay for them.
3. The best solution: Arizona needs to raise its gas tax by 10¢ a gallon and constitutionally protect funding from sweeps.
4. The Arizona Legislature raised the state gas tax nine times between 1960 and 1990.
5. The state gas tax has not been increased in 24 years.

Every Arizona county, nearly every municipality and every council of government (cooperative organizations of regional governments such as the Pima Association of Governments) in the past year have asked the state Legislature for an increase in the gas tax. In addition, nearly every chamber of commerce in the state plus numerous industry and trade organizations have also asked for more transportation funding.

## How much would that extra 10¢ cost us?

An average driver's monthly gas tax bill of \$10.79 would increase by \$5.70 a month to total \$16.09

FOR COMPARISON:

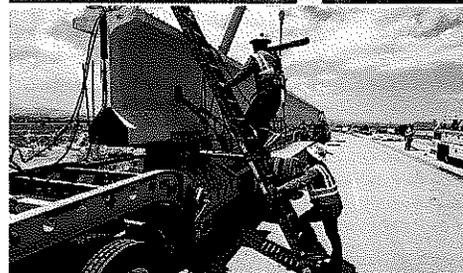


## Your next step

Contact Governor Doug Ducey and your Legislator and ask him or her to do what's right for all of us and for the state's economy and raise the state gas tax 10 cents. We can fix our roads, but we have to do it together.

**Arizona Governor**  
**Executive Tower**  
**1700 West Washington Street**  
**Phoenix, AZ 85007**  
**Phoenix Office: (602) 542-4331**  
**Tucson Office: (520) 628-6580**  
**In-State Toll Free: 800-253-0883**  
(outside Maricopa County only)

**Arizona Legislature**  
**Capitol Complex**  
**1700 West Washington**  
**Phoenix, AZ 85007-2890**  
**Information Desk (602) 926-3559**  
**Toll Free: 1-800-352-8404**



# How Pima County spends transportation money

(F.Y. 2014-15 Transportation Budget)

**1 Debt Service (1997 bonds): \$19.1 million**

In 1997, county voters approved borrowing \$350 million to fund 57 transportation projects over 20 years. The borrowed funds are paid back through annual HURF receipts.

**2 Roadway Maintenance: \$14.4 million**

This fund pays for the general maintenance of the county's transportation systems and the majority is divided into the county's six maintenance districts. General maintenance includes pothole repair, crack sealing and overlays, vegetation maintenance and storm response.

**3 Traffic Engineering: \$6.7 million**

The fund pays for signs, signals, striping, traffic studies and safety systems.

**4 Transit: \$6.1 million**

Nearly all of this fund is used to pay for public transportation services (Sun Tran and Sun Van) in the unincorporated county. The public transportation funding is required under the county's agreement with and participation in the Regional Transportation Authority.

**5 Director's Office: \$4.8 million**

This fund is used to pay for the overall administration of the county Transportation Department. It also pays for a variety of transportation-related projects and programs, including: the Summer Student Program; Environmental planning and compliance; Mapping and records; Graffiti abatement; and community relations.

**6 Overhead and Insurance: \$4.4 million**

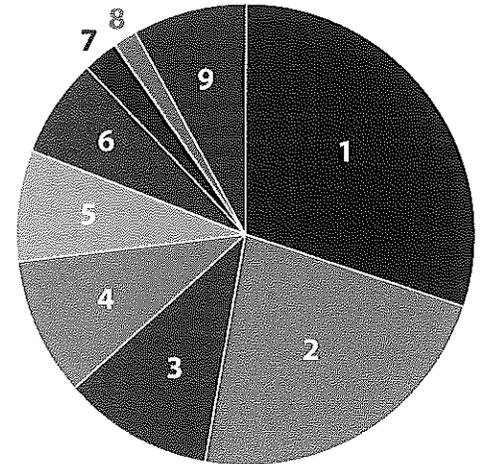
This pays for county administrative and other fixed overhead costs and for the county's self-insurance allocation for general liability.

**7 Field Engineering: \$1.7 million**

This fund pays for inspection and compliance services.

**8 Engineering and Planning: \$1 million**

This fund pays for planning and design services on county roads, bridges, sidewalks, and bike paths.



**9 Pavement Preservation: \$5 million**

This fund comes from property taxes transferred to PCDOT by vote of the Board of Supervisors. Pavement preservation is the resurfacing of degraded major arterial roads (as opposed to pothole filling, which is general maintenance).

**Total: \$63.2 million**

# Where Pima County's transportation money comes from

(F.Y. 2014-15 Transportation Budget)

**1 HURF: \$37.5 million**

Highway User Revenue Fund. This fund is made up primarily of taxes on motor fuels and vehicle license taxes but also includes revenue from an assortment of other small taxes and fees. The state divides the money up and shares it with municipalities and counties. About 19 percent goes to the counties.

**2 VLT: \$11.6 million**

Vehicle License Tax. This is the revenue generated through vehicle registrations. About 44 percent goes into the HURF above and then another 24.6 percent is shared with the counties.

**3 Other: \$1.8 million**

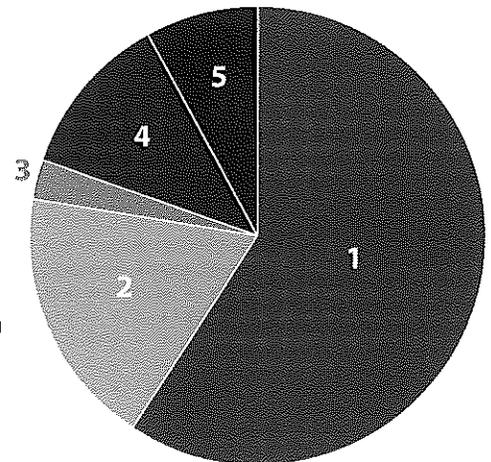
Rental income on county property, investment pool interest income, land abandonment, licenses/permits, court ordered restitutions for county property damages and late interest fee on accounts receivable.

**4 Fund Balance, Transfers: \$7.3 million**

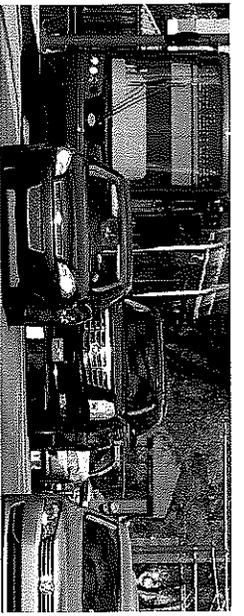
This line item includes carry overs from the previous fiscal year and transfers from the county General Fund.

**5 General Fund Transfer: \$5 million**

The Board of Supervisors voted to transfer property taxes out of the General Fund, which is the general operations fund for the county, to pay for pavement preservation of major arterial roads in the unincorporated county.



**Total: \$63.2 million**



### Prima Association of Governments

PAG, a nonprofit 501(c)(4), is a council of governments and metropolitan planning organization. PAG is governed by a nine-member Regional Council, representing local, state and tribal governments.

### Our Mission

To address regional issues through cooperative efforts and pooled resources, and to provide accurate, relevant data that leads to effective regional planning decisions.

### PAG Programs

PAG's programs focus on cross-jurisdictional planning issues, such as air quality, water quality, transportation and population growth. One of PAG's responsibilities as the MPO is to coordinate development of a long-range regional transportation plan which secures federal funding. PAG's activities and services include traffic data collection, mapping, population projections, carpool matching, solar energy and clean fuel education and promotion.

### Regional Transportation Authority

PAG also manages the Regional Transportation Authority of Pima County through a memorandum of understanding. The RTA, which was established in 2004, is the fiscal manager of the \$2.1 billion, 20-year RTA plan and half-cent, countywide excise tax approved by Pima County voters in May 2006. The RTA Board is governed by a nine-member board, representing local, state and tribal governments.

### PAG/RTA Members

Pima County, City of South Tucson, City of Tucson, Town of Marana, Town of Oro Valley, Town of Sahuarita, Pascua Yaqui Tribe, Tohono O'odham Nation, Arizona State Transportation Board — Governor-appointed Pima County representative. The chief elected official or designee of each local government serves on the PAG Regional Council/ RTA Board.



Prima Association of Governments

1 E. Broadway Blvd, Suite 401  
Tucson, AZ 85701  
(520) 792-1092  
www.PAGregion.com

Source: bis.gov

**The average Arizonan pays \$21.12/month in state + federal gas taxes.**

**Compared to an average monthly phone expense of \$10.52**

**The top five states:**

Indiana:	\$47.47
Colorado:	\$45.09
Nevada:	\$38.16
North Carolina:	\$37.52
New York:	\$32.74

**Arizona ranks 35th**



# Legislative Policy Principles & Positions

2015



Prima Association of Governments



## Protect and Enhance Transportation and Other Revenues Within the Region

### PAG POSITIONS:

- Opposes any reduction in VLT revenues
- Supports legislation, introduced by others, that may provide for an adjustment in the state gas tax by providing for an automatic annual adjustment that reflects changes in the Consumer Price Index.
- Supports legislation that expands federal, state, regional or local revenues available to fund transportation purposes.
- Supports reinstating funding for transportation from LTAF or identifying an alternative funding source for public transportation that is dedicated and sustainable.
- Supports legislation that would promote and enhance the potential for public-private partnerships in Arizona.
- Supports legislation and/or administrative actions that protect and retain state-shared revenues to assure adequate local community services in response to local needs; PAG opposes any reduction in State Shared Income and Sales Tax Revenues for local governments. PAG also supports any continued Air Quality Fund appropriations for regional air quality programs.
- Supports the distribution of federal transportation funding in an equitable manner, as demonstrated by the Casa Grande Accords.

## Protect Governance and Self-Determination

### PAG POSITIONS:

- Opposes any changes in the composition of the ASTB that further dilutes PAG regional representation or that changes the rotation of the chair that currently provides for a PAG chair every six years.
- Opposes legislation that would alter the composition of the Regional Council in a way that would make the council less effective or less able to meet its statutory responsibilities.
- Supports protecting and maintaining the integrity of the Regional Transportation Authority enabling legislation.
- Opposes legislation that would curtail or restrict jurisdictions' power of eminent domain, increase the cost of transportation and other public projects, or limit a jurisdiction's ability to implement those projects.

## Enhance Transportation Safety and the Environment

### PAG POSITIONS:

- Supports legislation recognizing buffelgrass infestation as a health and safety concern, not just as a threat to native species.
- Supports legislation that promotes the development of rail infrastructure projects designed to improve or increase rail system freight handling capacity, as well as safety and security.
- Supports the use of clean alternative-fueled vehicles, and the development of infrastructure to support those vehicles.

## Foster Economic Development

### PAG POSITIONS:

- Supports legislation that would prohibit the use of state tax revenue to lure businesses from one Arizona community to another Arizona community.
- Supports transportation infrastructure legislation, projects and initiatives that enhance trade and economic development, including those that facilitate international trade between the U.S. and Mexico.
- Supports legislation that provides start-up operational funding for the Arizona International Development Authority (AIDA).
- Supports legislation that streamlines the visa process for Mexican nationals traveling to Arizona for tourism and business purposes, while maintaining high security.

## PURPOSE OF LEGISLATIVE POLICY PRINCIPLES

Pima Association of Governments' legislative principles help guide PAG staff as they track bills before the Arizona Legislature and respond to proposed legislation in a timely and consistent manner. The principles also provide a framework for proactive jurisdictional support of legislative solutions that may be articulated within the PAG committee structure.

PAG's complete Legislative Policy Principles, 2015, document is online at [PAGregion.com](http://PAGregion.com).



## Navajo County Transportation Network

Navajo County is a rural county encompassing **10,000 square miles** that deals with a mix of federal, state, county, municipal tribal and private roads.

- County maintains **over 300 miles of paved roads**, and **over 400 miles of gravel/dirt roads**.
- HURF revenues have dropped \$2.5M in the last six years and the combined loss of the communities in Apache and Navajo County have dropped \$20M over that same timeframe.

### **Cost Reduction Measures**

*"How do we make up a \$2.5 million revenue reduction in Navajo County?"*

#### **Cost Cutting Measures (We have let our fleet age)**

##### EXAMPLE - AGING EQUIPMENT

- 67 percent of motor graders used for roadway maintenance is greater than 10 years old
- 24 percent of motor graders are between five and 10 years old
- Less than ten percent of the motor graders are less than 5 years old
- All the county's "small" are over three years old
- Older equipment adversely effects the ability and the costs of maintaining county roadways

#### **Reduced maintenance schedule**

##### EXAMPLE - OVERLAY

- Before the downturn/sweeps = 13.6 miles a year on a 25 year cycle
- After the downturn/sweeps = 5 miles a year on a 68 year cycle

##### EXAMPLE – NEW GRAVEL

- Before the downturn/sweeps = 39 miles on a 10 year cycle
- After the downturn/sweeps = 20 miles and a 20 year cycle



# HOUSE OF REPRESENTATIVES

HB 2092

military scholarship special plates

Sponsors: Representatives Borrelli, Cardenas, Finchem, et al.

---

X Committee on Transportation & Infrastructure

Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2113 establishes the Military Scholarship Special License Plate.

## HISTORY

The Arizona Department of Transportation (ADOT) Motor Vehicle Division (MVD) provides one license plate to every motor vehicle owner for each vehicle registered. Vehicle license plates display both the state name and a number assigned to the vehicle and the owner, as well as MVD issued registration stickers. In addition to standard Arizona vehicle license plates, MVD issues special license plates for a variety of causes and organizations. The fee for obtaining or renewing a special license plate is \$25. From the \$25 fee, \$8 is an administrative fee that goes to ADOT, and \$17 is used as an annual donation to the respective organization. The cost of each new special license plate is \$32,000. The money is used for the production of the new special plate.

According to MVD, there are over 60 types of license plates available in Arizona including specialized license plates, with the most popular being the personalized license plate. There are six military special plates, two types of handicapped plates and plates for the three state universities. There are also license plates indicating the vehicle's status, such as a farm vehicle or historic vehicle.

The Arizona Veterans' Donations Fund (Fund) was established in 1999 within the Arizona Department of Veterans' Services. The Fund has helped sponsor programs to benefit veterans and their families throughout the state. The Fund awarded over \$725,000 in Fiscal Year 2013 to veteran programs and initiatives throughout the state.

## PROVISIONS

1. Establishes the Military Scholarship Special License Plate contingent upon an entity paying \$32,000 to ADOT by December 31, 2015.
  - a. Establishes that the entity providing the \$32,000 will choose the design and color of the plates with final approval coming from ADOT.
  - b. Allows a request for Military Scholarship Special License Plate to be combined with a request for personalized plates.
2. Specifies that a Military Scholarship Special License Plate will cost \$25 for originals and renewals.
  - a. \$8 is an administration fee.
  - b. \$17 is an annual donation.

Fifty-second Legislature  
First Regular Session

Analyst Initials JR  
January 21, 2015

## HB 2092

3. Requires ADOT to deposit all administration fees in the State Highway Fund (SHF) and all donations collected in the Veterans' Donations Fund (Fund).
4. Establishes the Fund and allows the Director of the Department of Veterans' Services (Director) to administer the Fund.
5. Requires the Director to establish a subaccount in the Veterans' Donations Fund specifically for funds collected from the plates.
6. Requires the first \$32,000 in the Fund to be reimbursed to the entity that paid the implementation fee.
7. Requires the Director to annually allocate money from the subaccount to a foundation which is qualified under section 501(c) (3) of the United States Internal Revenue Code for Federal Income Tax Purposes and is the oldest and largest provider of need-based scholarships to children of United States military members.
8. Specifies the foundation must satisfy all of the following requirements:
  - a. Have been in existence for at least 52 years.
  - b. Have provided more than 33,000 scholarships that add up to almost \$90 million.
  - c. Have a mission that includes honoring Marines and educating their children.
  - d. Award scholarships to children of Marines and Navy Corpsmen who were wounded or killed in action, or those who demonstrate financial need.
9. Makes technical and conforming changes.

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE BILL NO. HB 2092

DATE January 27, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Ackerley		✓			
Mr. Andrade		✓			
Mr. Borrelli		✓			
Mr. Campbell		✓			
Ms. Fann		✓			
Mrs. Fernandez		✓			
Ms. Steele		✓			
Mr. Stevens, Vice-Chairman		✓			
Mr. Gray, Chairman		✓			
		9	0	0	0

Andrew Allen  
 COMMITTEE SECRETARY

APPROVED:  
R. Gray  
 RICK GRAY, Chairman  
 DAVID W. STEVENS, Vice-Chairman

ATTACHMENT 8