

EXTENSION OF PROPOSITION 400: HB 2685 VETO AND THE NEED FOR ENABLING LEGISLATION

American Society of Highway Engineers Phoenix Sonoran
September 13, 2022

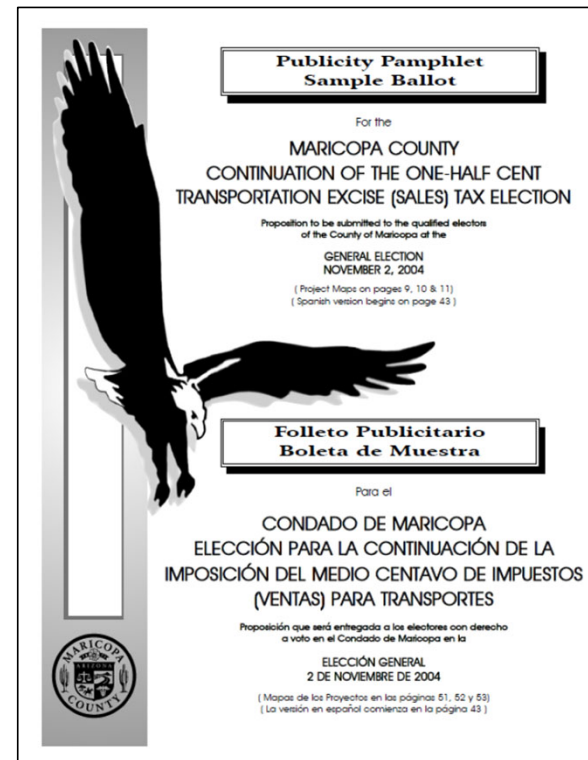
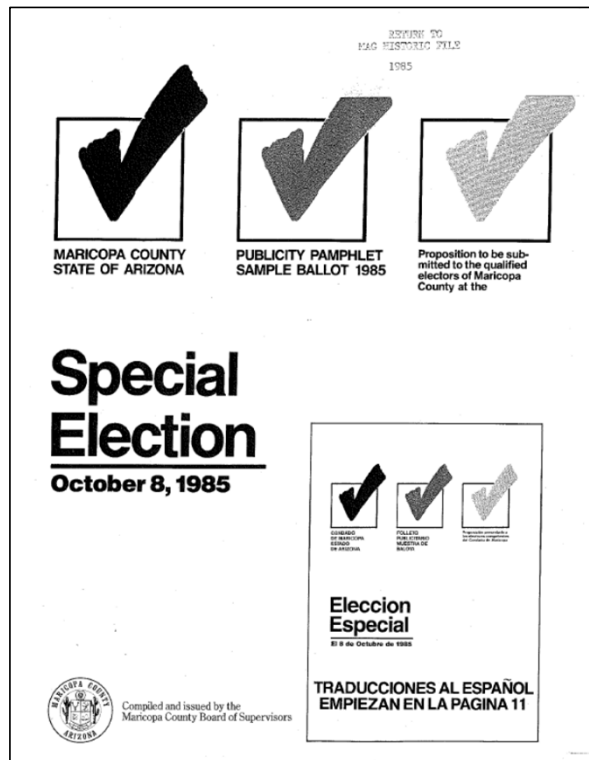


PRESENTATION OVERVIEW

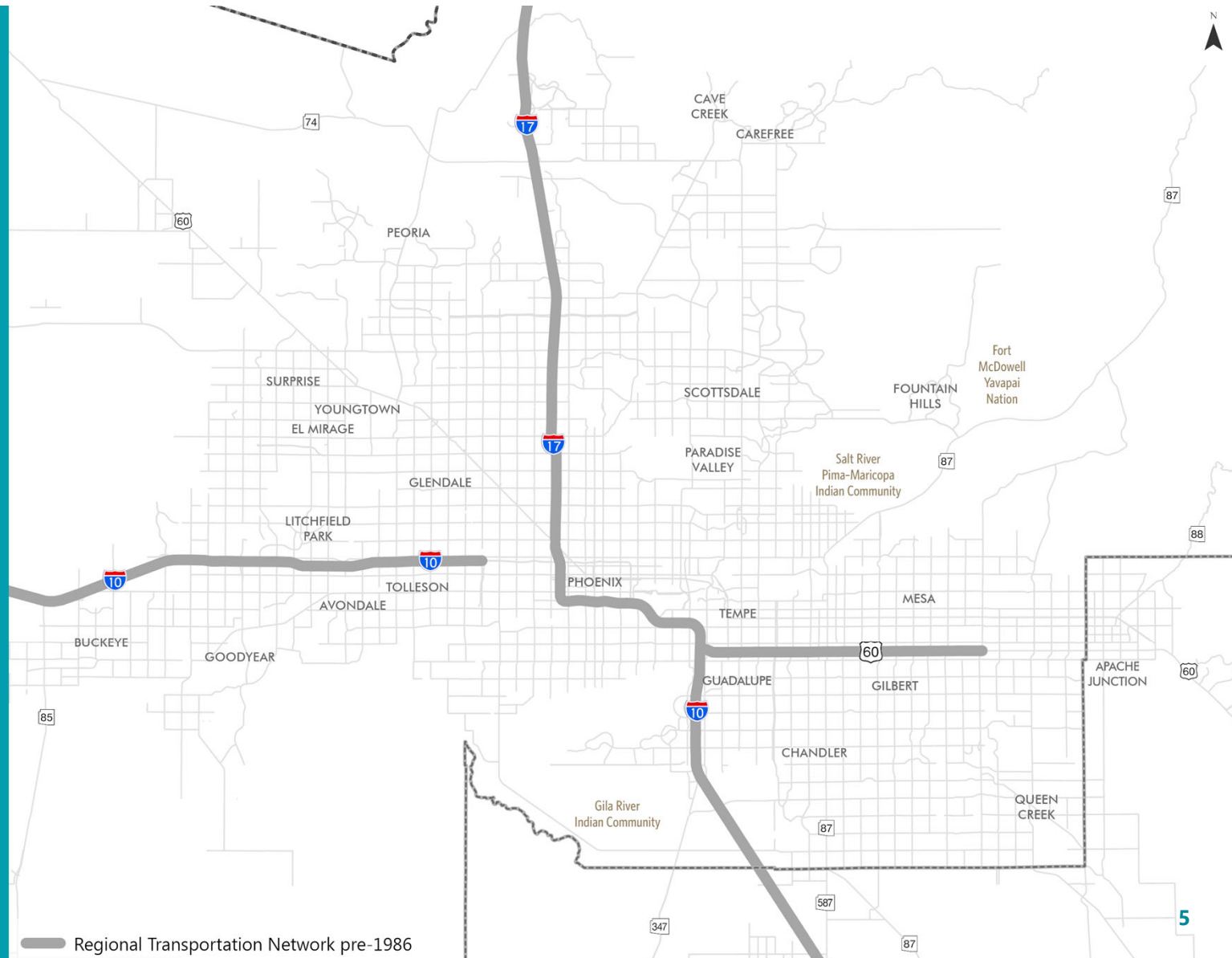
1. Background
2. Investment Plan Overview
3. Program Impacts
 - ▶ Arterial Impacts
 - ▶ Transit Impacts
 - ▶ Freeway Impacts
4. Next Steps and Key Takeaways

BACKGROUND

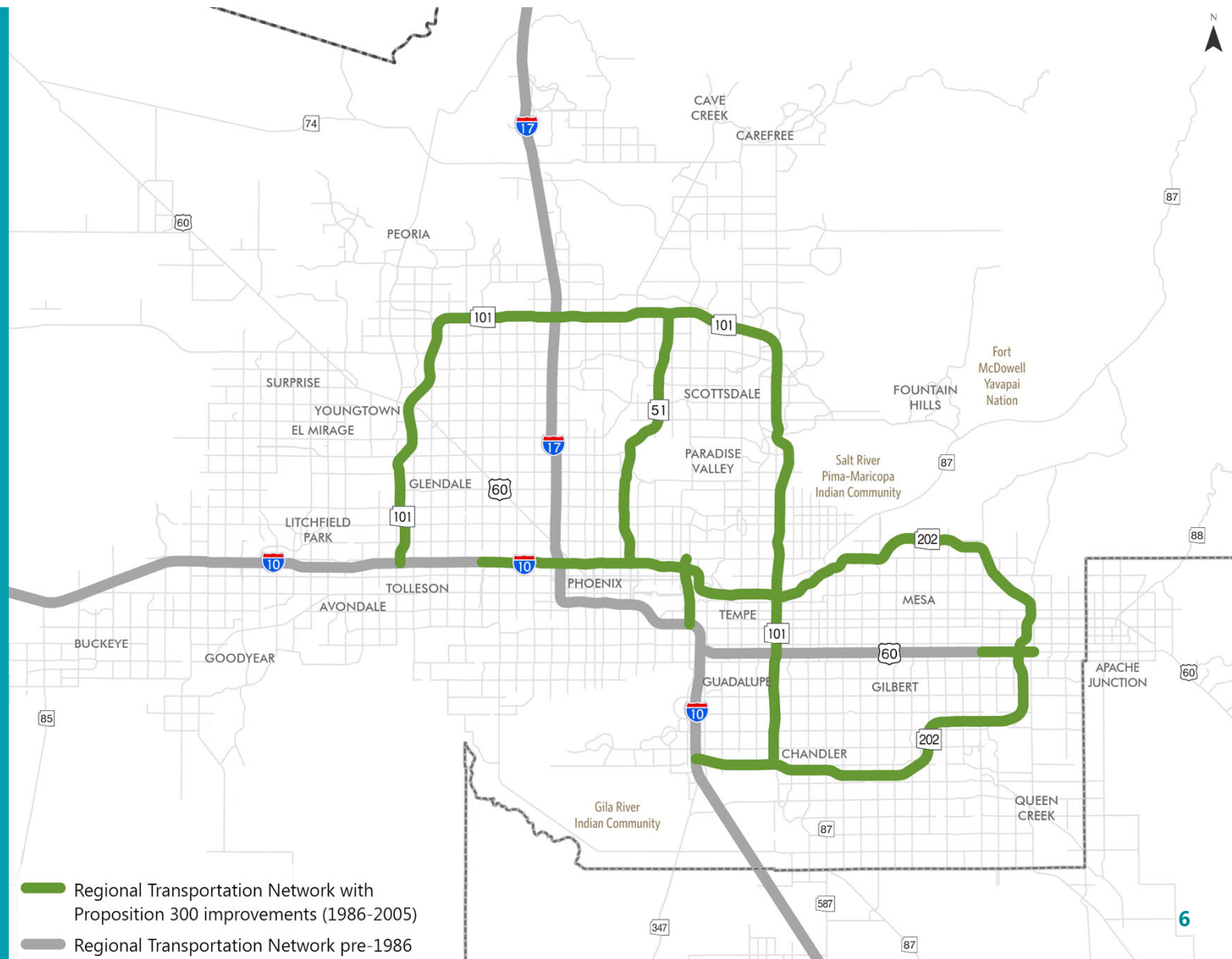
40-YEAR LEGACY OF REGIONAL TRANSPORTATION INVESTMENTS



REGIONAL TRANSPORTATION NETWORK: *PRE-1986*



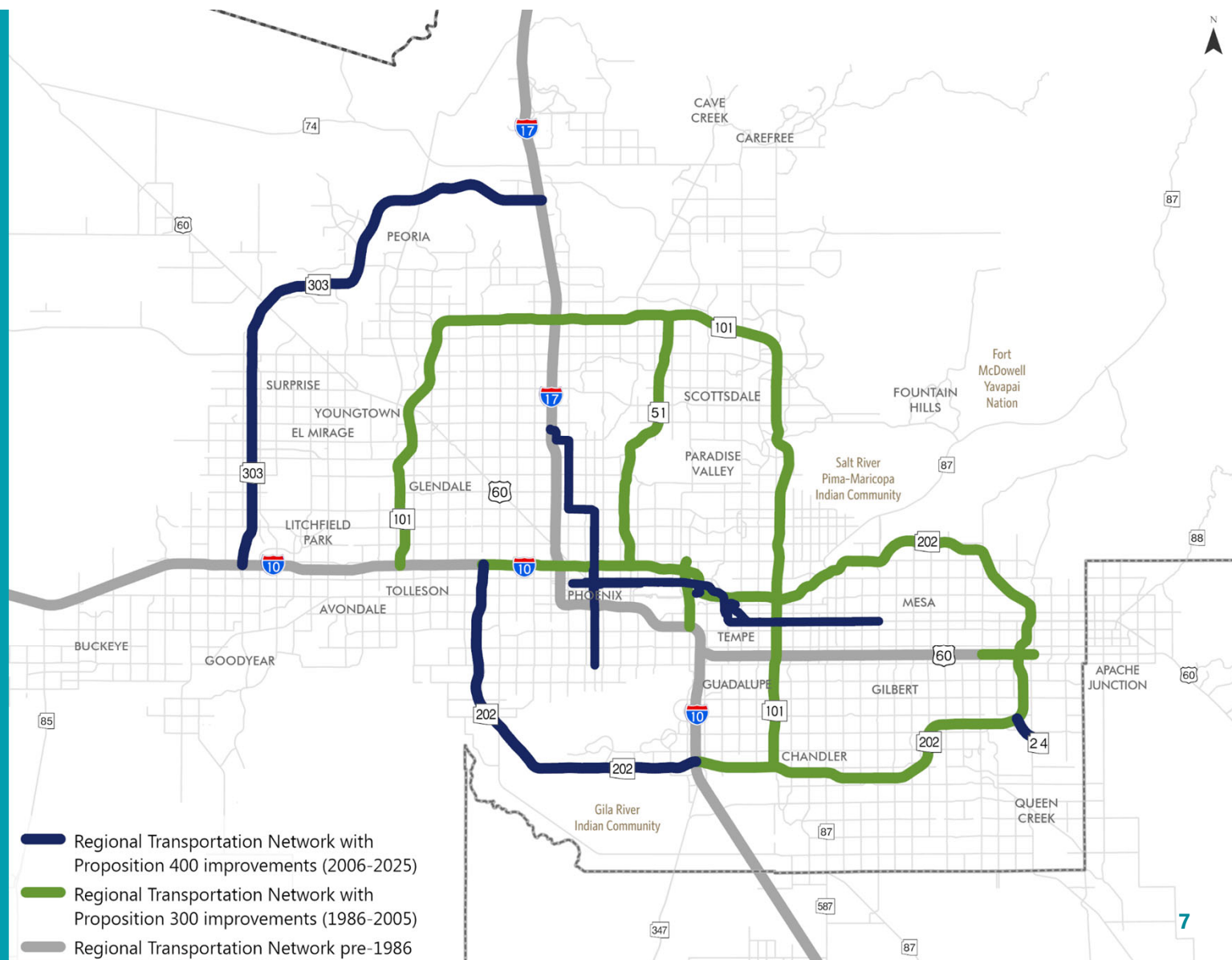
REGIONAL TRANSPORTATION NETWORK: *PROPOSITION 300* (1986 – 2005)



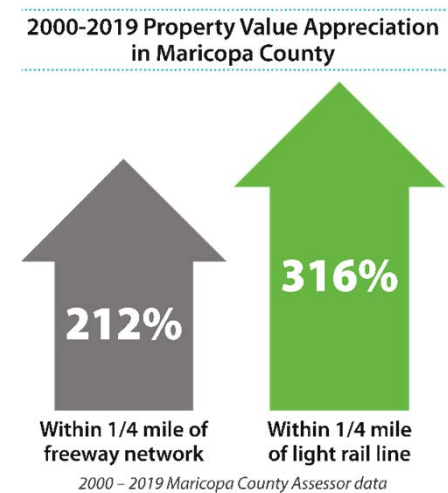
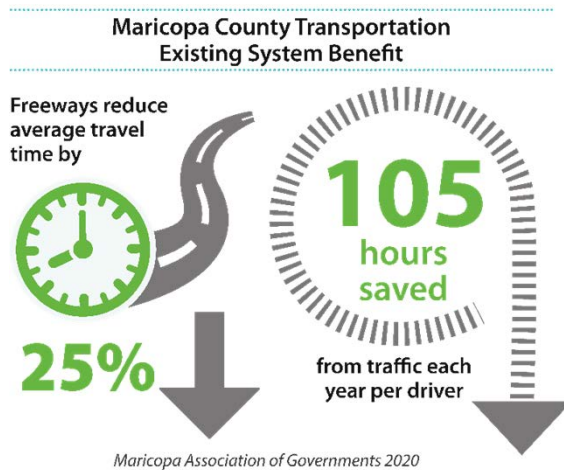
REGIONAL TRANSPORTATION NETWORK: *PROPOSITION 400* (2006 – 2025)

ADDITIONAL INVESTMENTS:

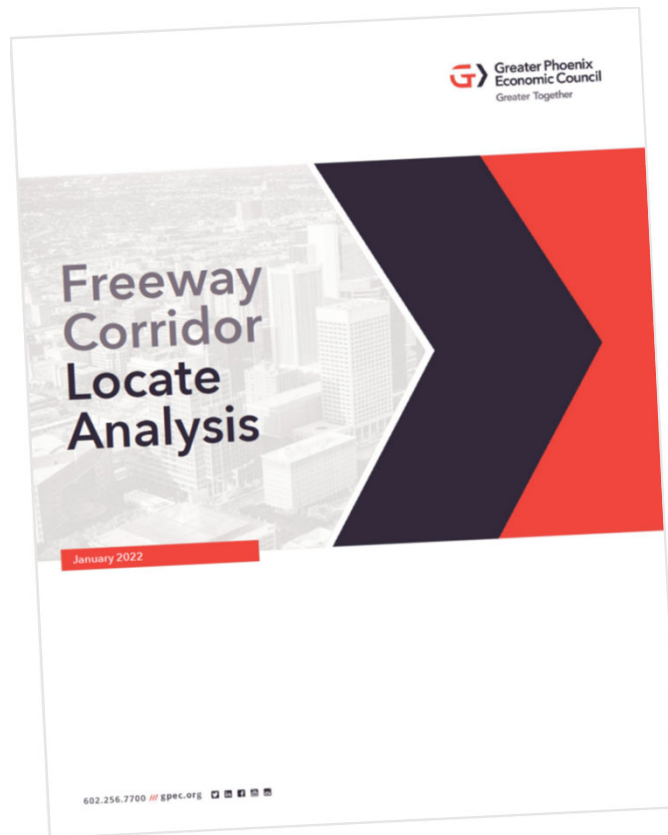
- 252 miles of new/improved roads
- 7.6 million bus transit revenue miles in FY 2022
- Funding for ADA Paratransit
- Widened/improved freeways
- Improvements in active transportation (bicycle/pedestrian), signal technology, and air quality improvements



WHY DOES IT MATTER: ECONOMIC IMPACTS



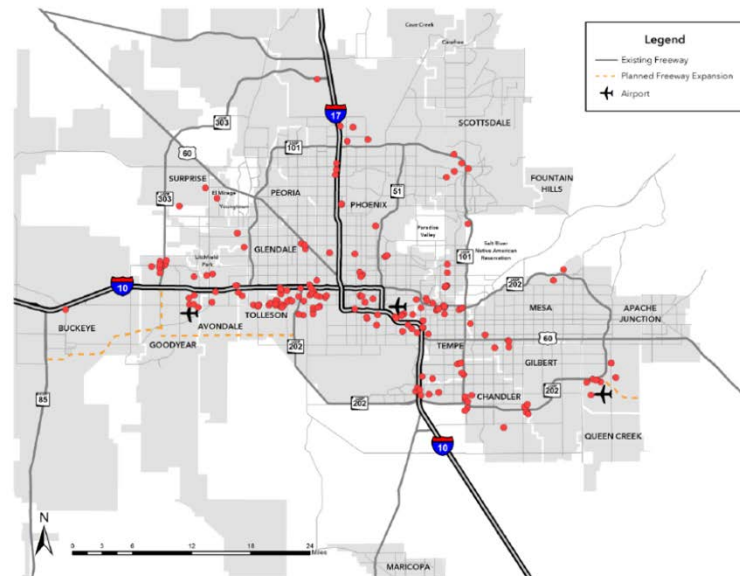
WHY DOES IT MATTER: ECONOMIC OPPORTUNITY



Locate Analysis

GPEC Locates Near Freeway Corridors - FY17-FY21

The map below shows the freeway systems in Greater Phoenix and companies that located within 2-miles of them from FY17-FY21.



WHY DOES IT MATTER: COMMUNITY FEEDBACK

"I agree that investing in regional transportation is a very important priority for the region. Especially in a large city, transportation affects daily life of everyone. Not only is it important for safety while traveling, but also to limit frustration by maintaining the flow of traffic."

-Jayme S.

"I've been to and lived in places that have a poor regional transportation system. It ends up costing more in the long run because of accidents, the need for greater safety patrol, more freeway closures to fix roads, insurance rate increases etc. **I'll put my tax dollars in regional transportation to make our roads more desirable and safer.**"

-Chris G.

"Consistency is key because it **gives me confidence to not drive to work some days and take alternate means of transportation.** If transportation was not consistent I wouldn't even consider any other options except driving my car in each day. I have a 9-5 so being on time is very important and consistency in the schedules gives me comfort that I can use it and I will get where I need to be when I need to be there."

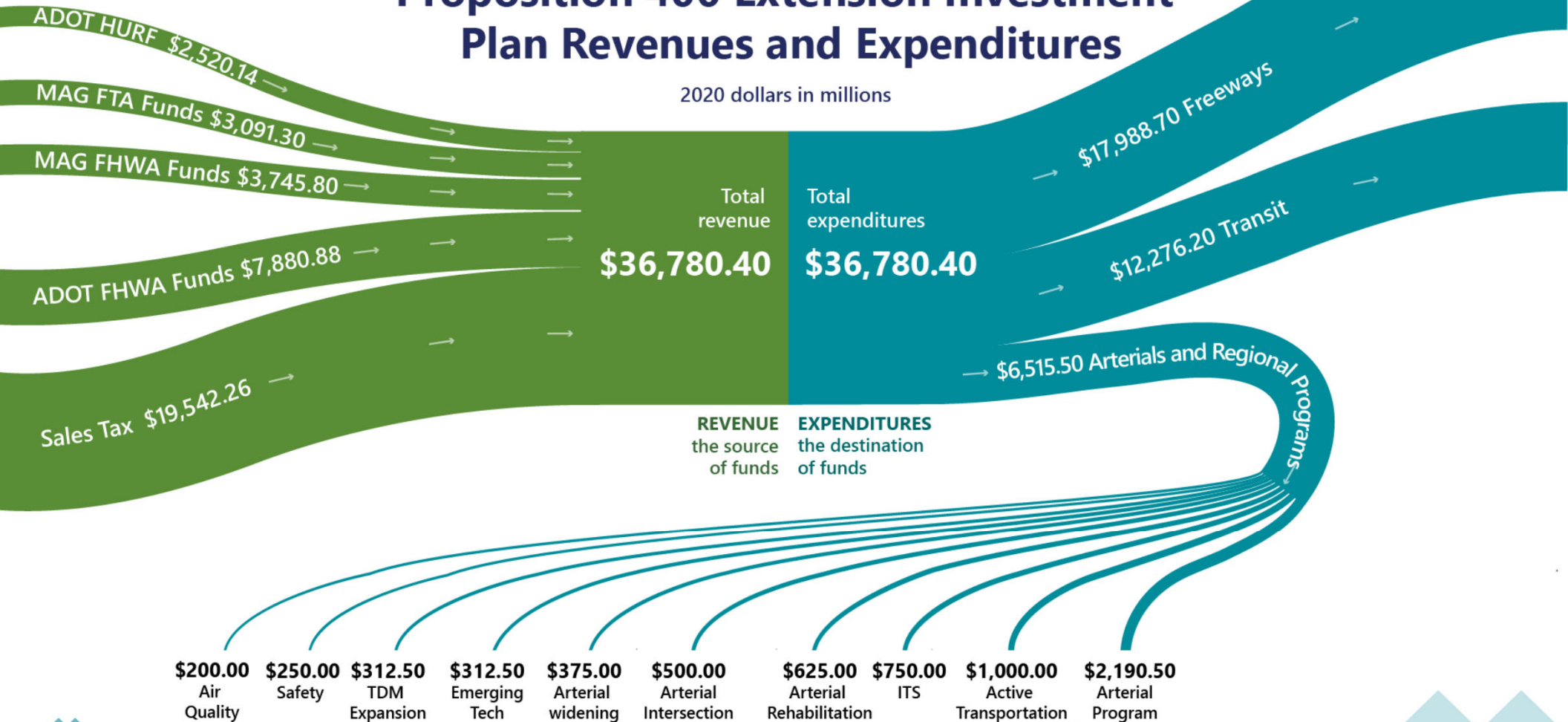
-Denzel B.



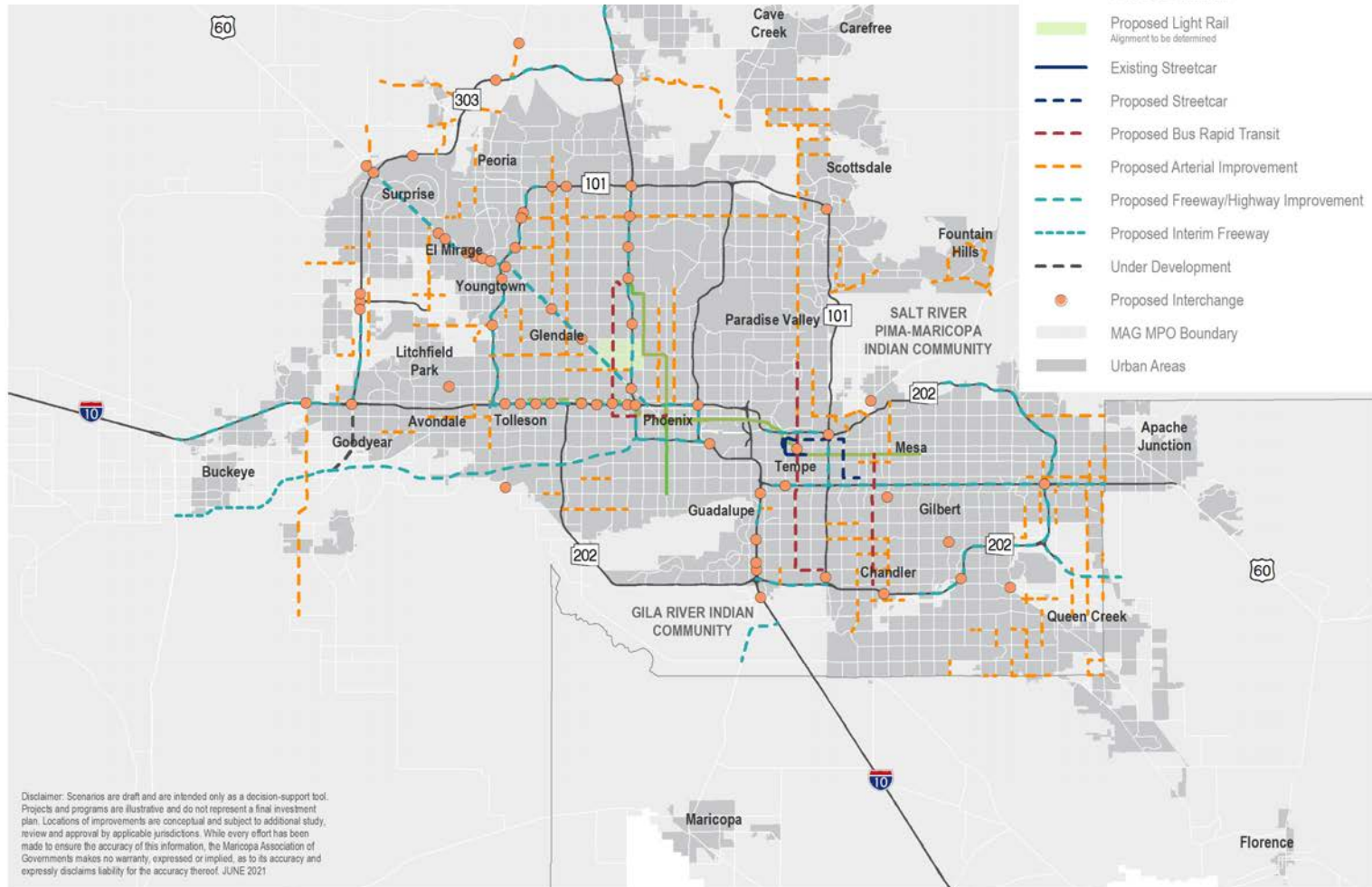
WHERE DO WE GO FROM HERE: INVESTMENT PLAN OVERVIEW

Proposition 400 Extension Investment Plan Revenues and Expenditures

2020 dollars in millions



Investment Plan Projects





Proposed Investment Plan: By the Numbers

 **367** new freeway/
highway lane miles


 **186** new HOV
lane miles


 **1,300** new or improved
arterial lane miles


 **45** new or improved
traffic interchanges

 **12** new DHOV or system
interchange DHOV ramps

 **4** new or improved
system interchanges

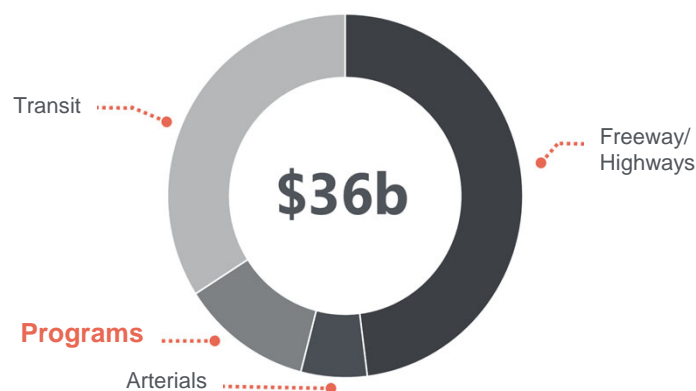
 **11.9** miles of new
light rail

 **36.8** miles of BRT
(bus rapid transit)

 **6.9** miles of new
streetcar

Program Investments

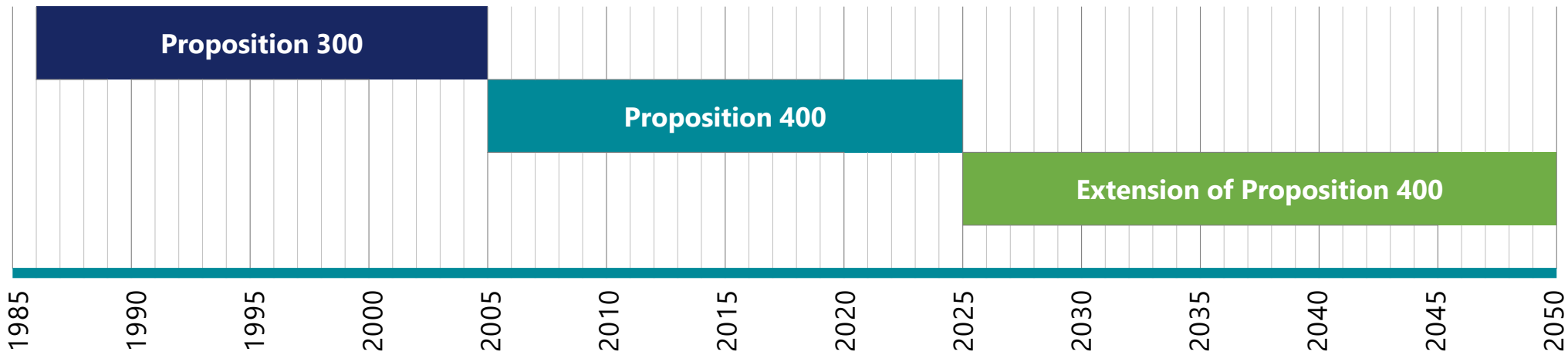
Active Transportation	\$1,000,000,000
Air Quality	\$200,000,000
Arterial Intersection	\$500,000,000
Arterial Rehabilitation	\$625,000,000
Arterial Widening	\$375,000,000
Emerging Tech	\$312,500,000
ITS	\$750,000,000
Safety	\$250,000,000
TDM Expansion	\$312,500,000



Funding Source	25 years
Sales Tax (1/2 Cent)	\$19.5 b
ADOT HURF	\$2.5 b
MAG FHWA Formula Funds	\$3.7 b
MAG FTA Formula Funds	\$3.1 b
ADOT FHWA Formula Funds	\$7.9 b
Total	\$36.7 b

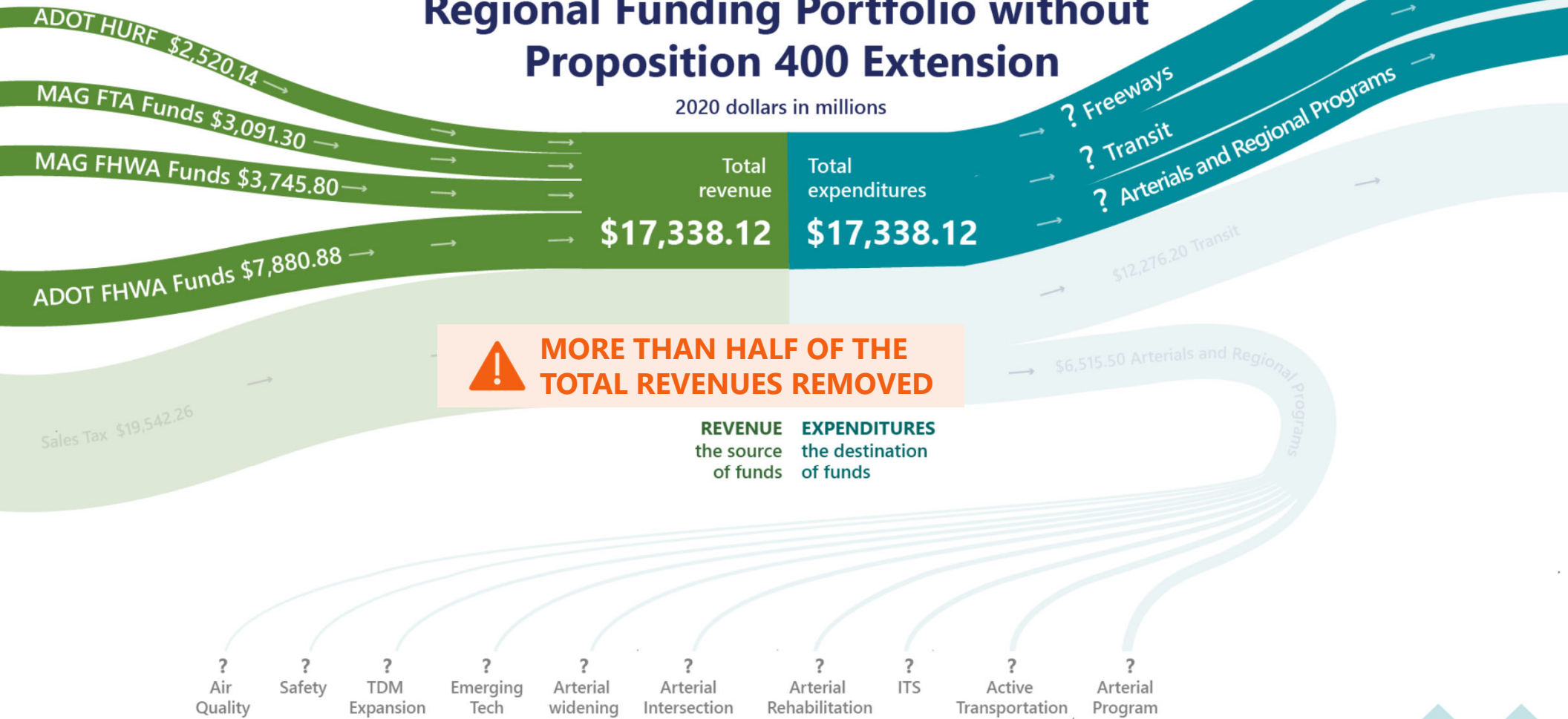
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REGIONAL INVESTMENT PROGRAM HISTORY



Regional Funding Portfolio without Proposition 400 Extension




2020 dollars in millions






PLANNING AND PROGRAM MANAGEMENT

MORE DESIRABLE




Assumed Extension

-  Assumed continuation of the sales tax
-  Priorities identified and ready
-  Projects identified and ready

Uncertainty

-  Sales tax funding only through the end of 2025
-  Priorities need to be reassessed
-  Projects need to be reassessed

No Extension

-  No sales tax funding, revenue insufficient to keep up with growth and maintain after 2025
-  Priorities focused on maintenance and meeting federal performance targets
-  Projects need to be reassessed

LESS DESIRABLE

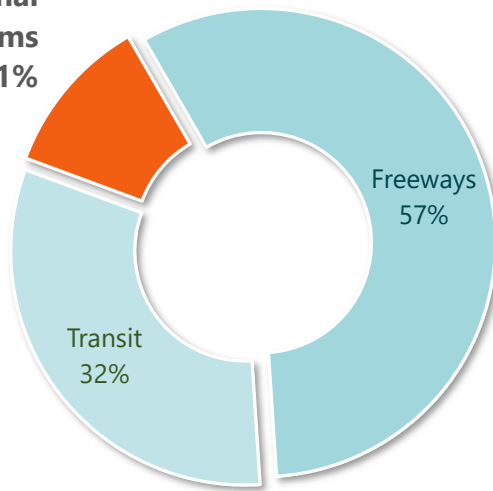


POTENTIAL IMPACTS: ARTERIAL PROGRAM

ARTERIAL INVESTMENTS

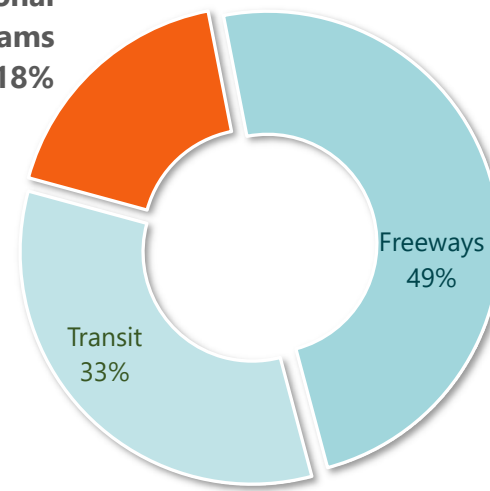
**Proposition 400 Allocations
(all revenues)**

**Arterials/Regional
Programs
11%**

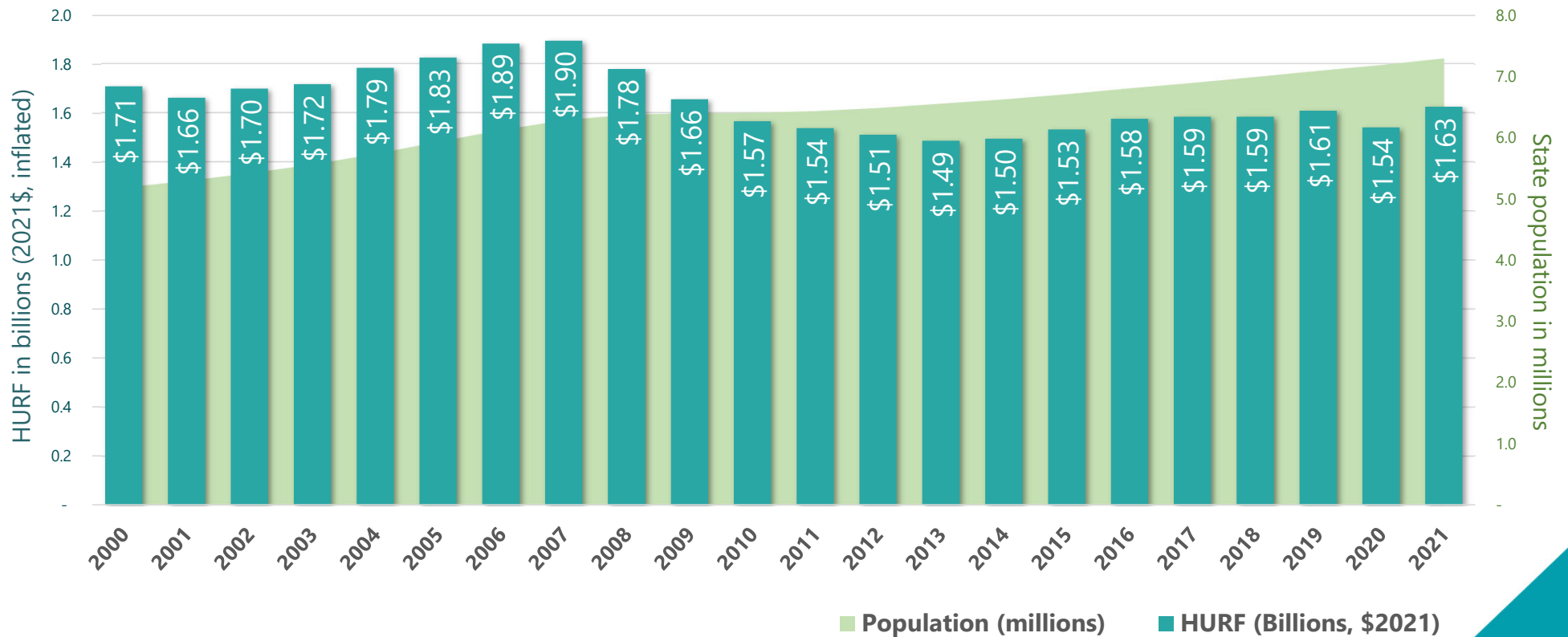


**Proposition 400 Extension Allocations
(all revenues)**

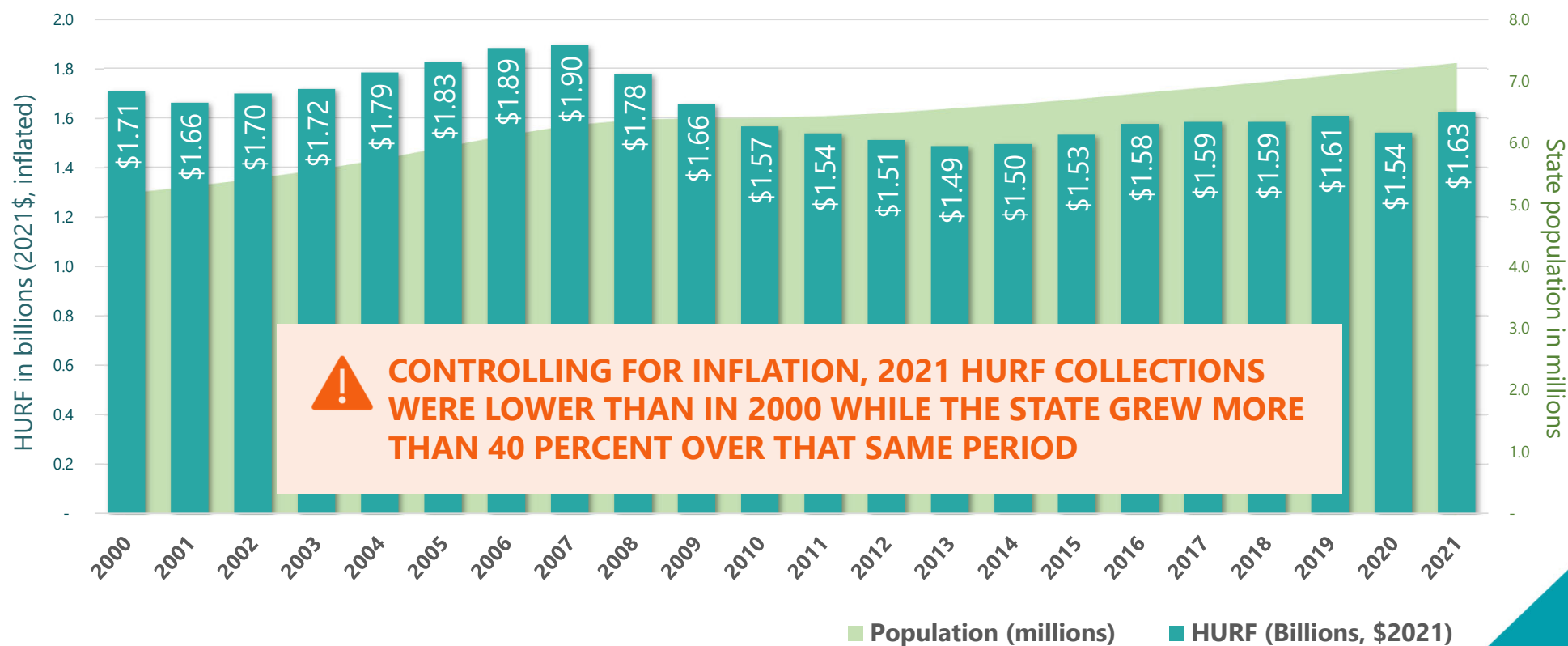
**Arterials/Regional
Programs
18%**



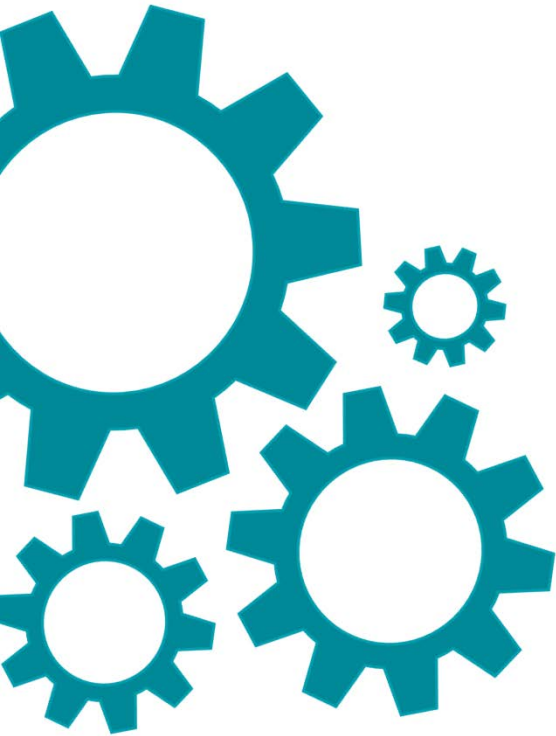
POPULATION GROWTH OUTPACES HIGHWAY USER REVENUE FUND (HURF)



POPULATION GROWTH OUTPACES HIGHWAY USER REVENUE FUND (HURF)



ARTERIAL IMPACTS



- ▶ **The Proposition 400 extension investment plan increases the total allocation to arterials/regional programs**, reflective of:
 - ▶ Diminishing HURF revenues
 - ▶ Changes in regional transportation priorities
 - ▶ Importance of these projects to the quality of life for residents.
- ▶ A failure to extend Proposition 400 will **result in regionwide impacts to arterial roadways**, including:
 - ▶ Fewer new and improved roadways.
 - ▶ Limitations in agency's ability to respond to economic development opportunities.
 - ▶ Decaying condition and operational effectiveness of the region's roadways.

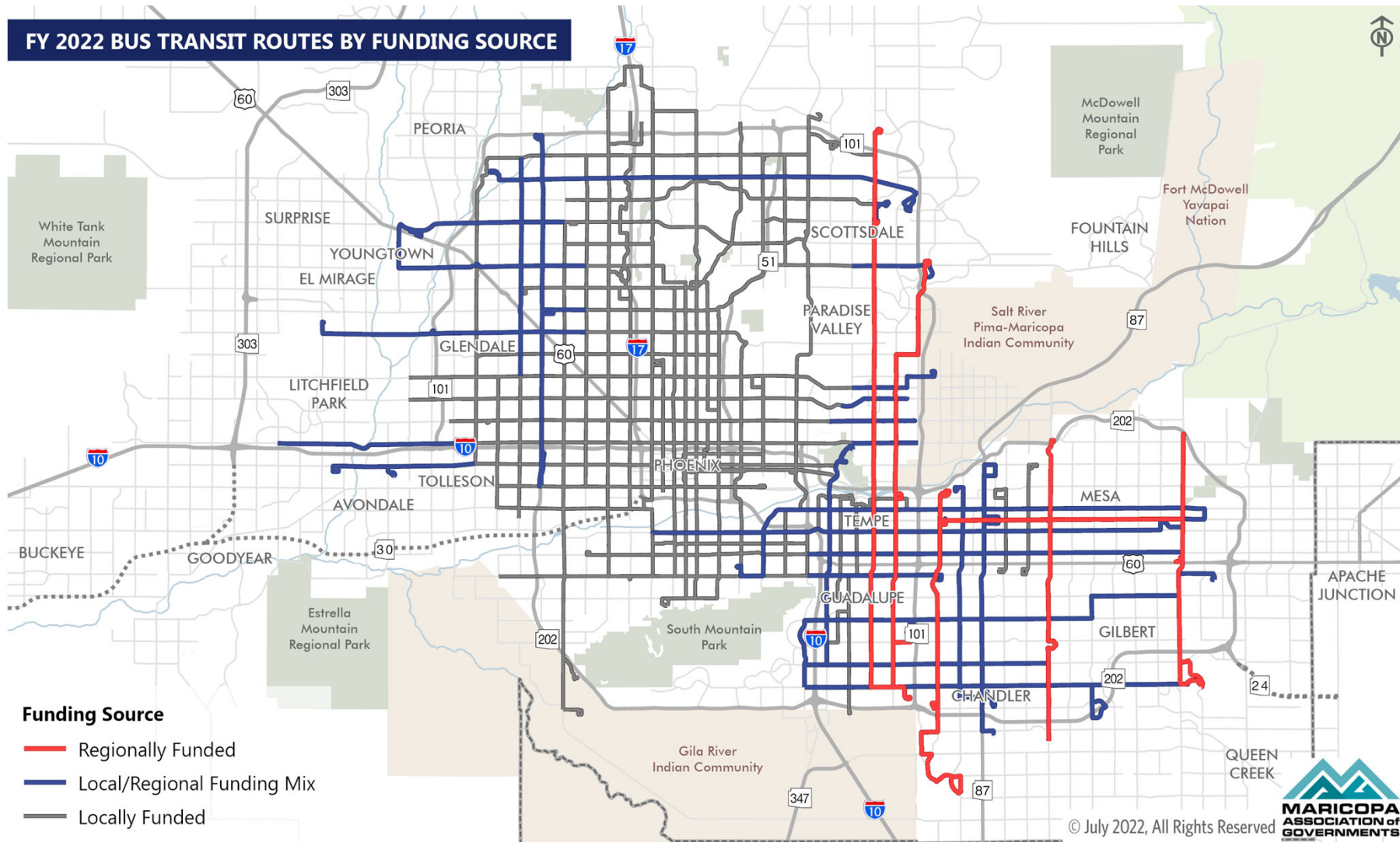


POTENTIAL IMPACTS: TRANSIT PROGRAM

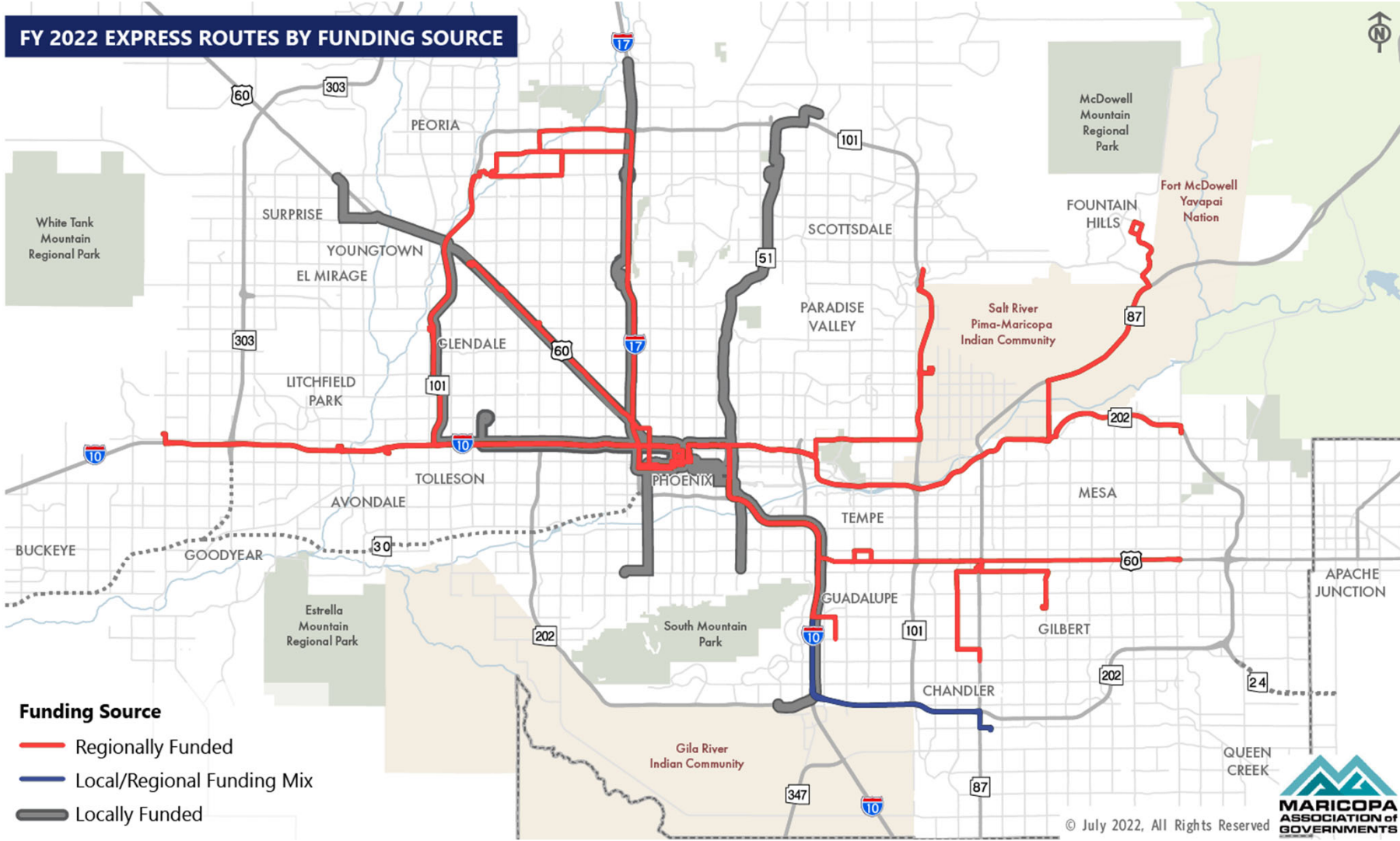
TRANSIT FUNDING OVERVIEW

- ▶ Transit in the region is funded through a combination of local, regional, and federal resources.
- ▶ Significant demand was expressed for improved and expanded bus transit as part of the plan development process.
- ▶ Total planned allocation for bus transit operations in the Proposition 400 extension investment plan was increased to reflect this demand.
- ▶ The veto puts at risk transit service that is currently operating today.

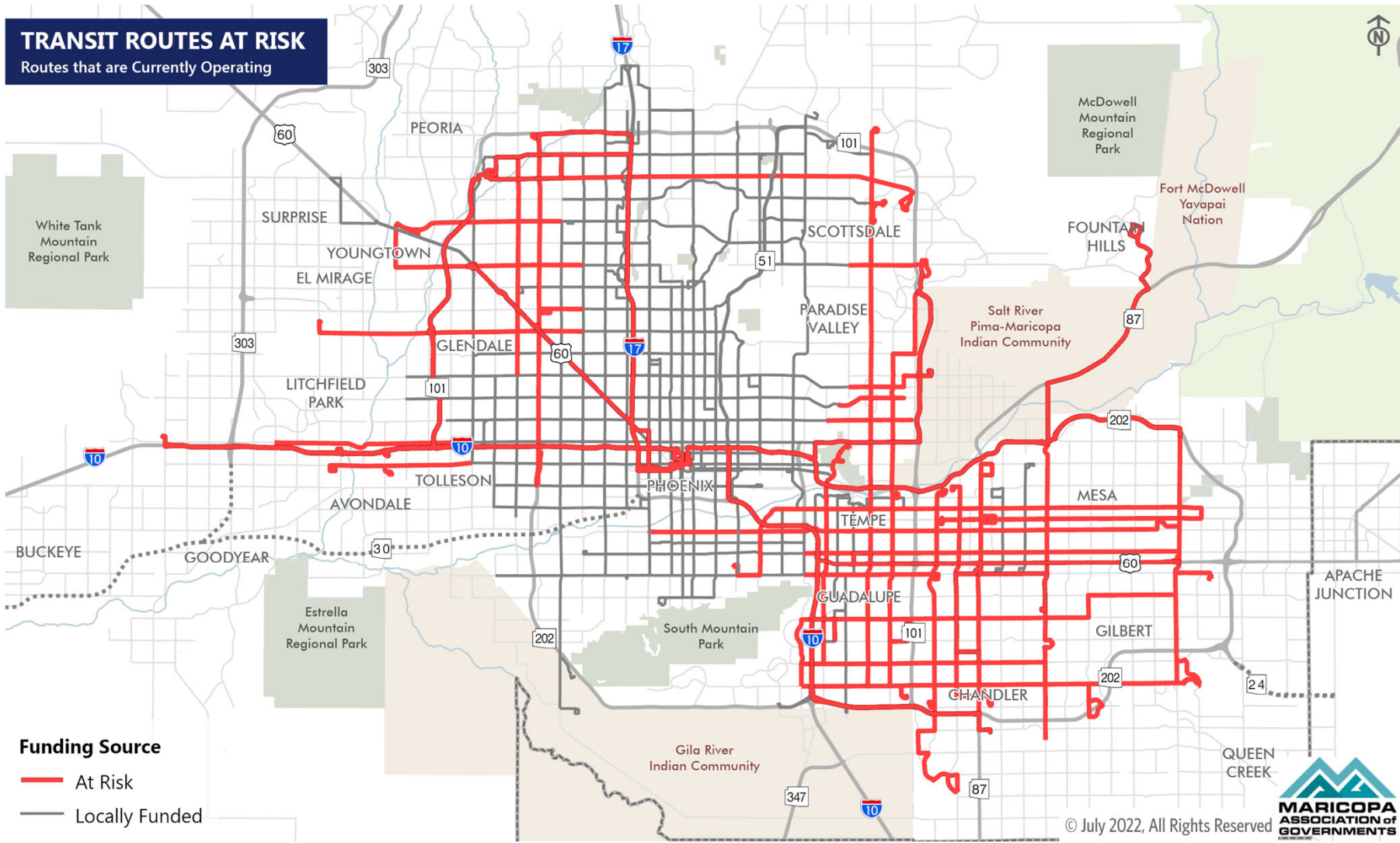
FY 2022 BUS TRANSIT ROUTES BY FUNDING SOURCE



FY 2022 EXPRESS ROUTES BY FUNDING SOURCE



TRANSIT ROUTES AT RISK
Routes that are Currently Operating

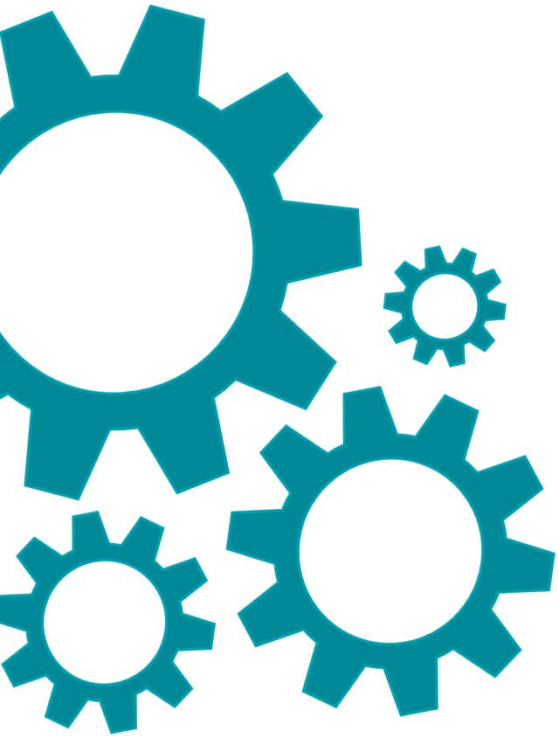


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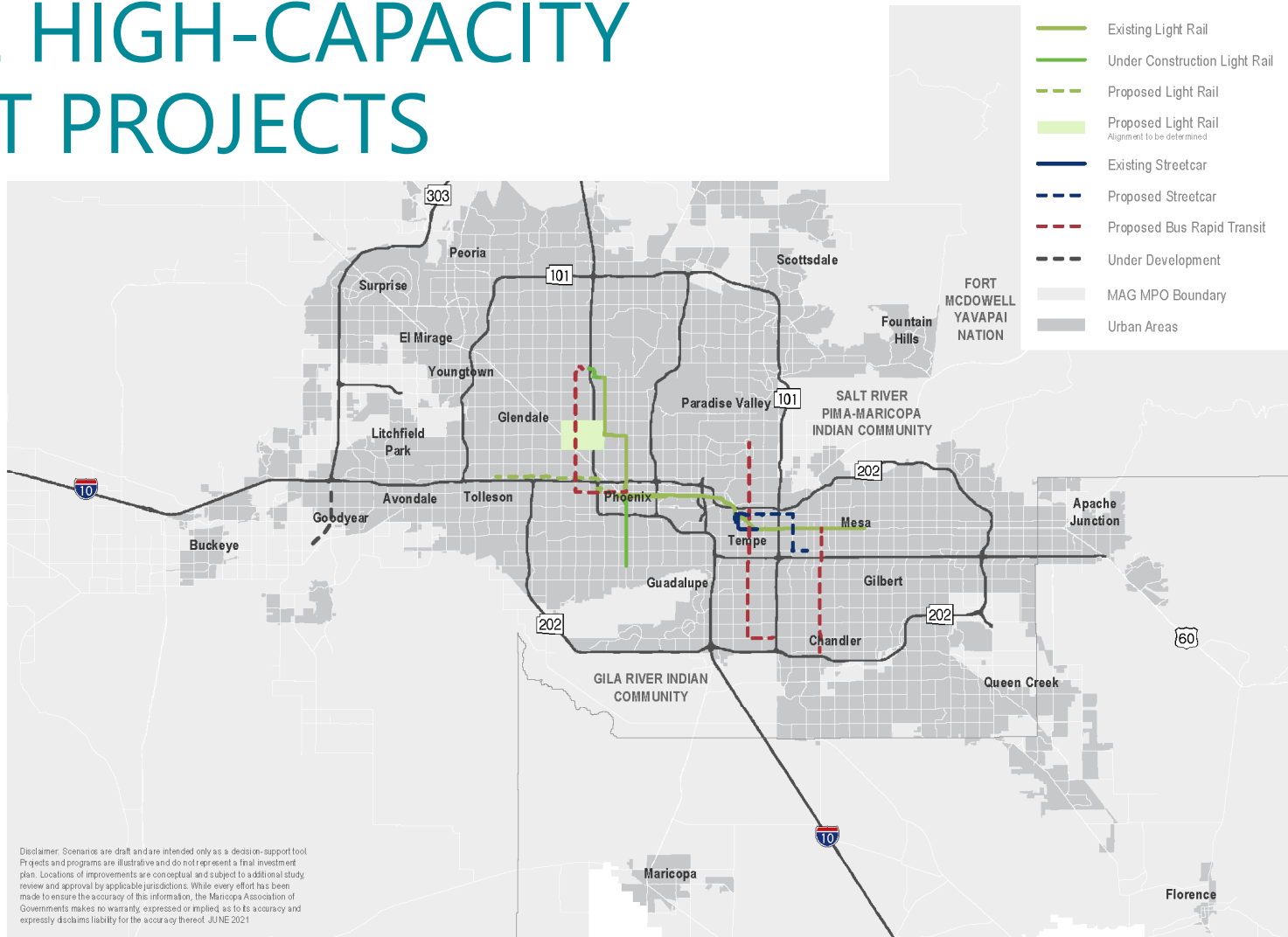
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ADDITIONAL IMPACTS



- ▶ Reductions to transit service quality and coverage, *not* expansion.
- ▶ Discontinuation of funding for federally required ADA Paratransit Service.
- ▶ Limited opportunity for transit service expansions in the future unless funded wholly locally.

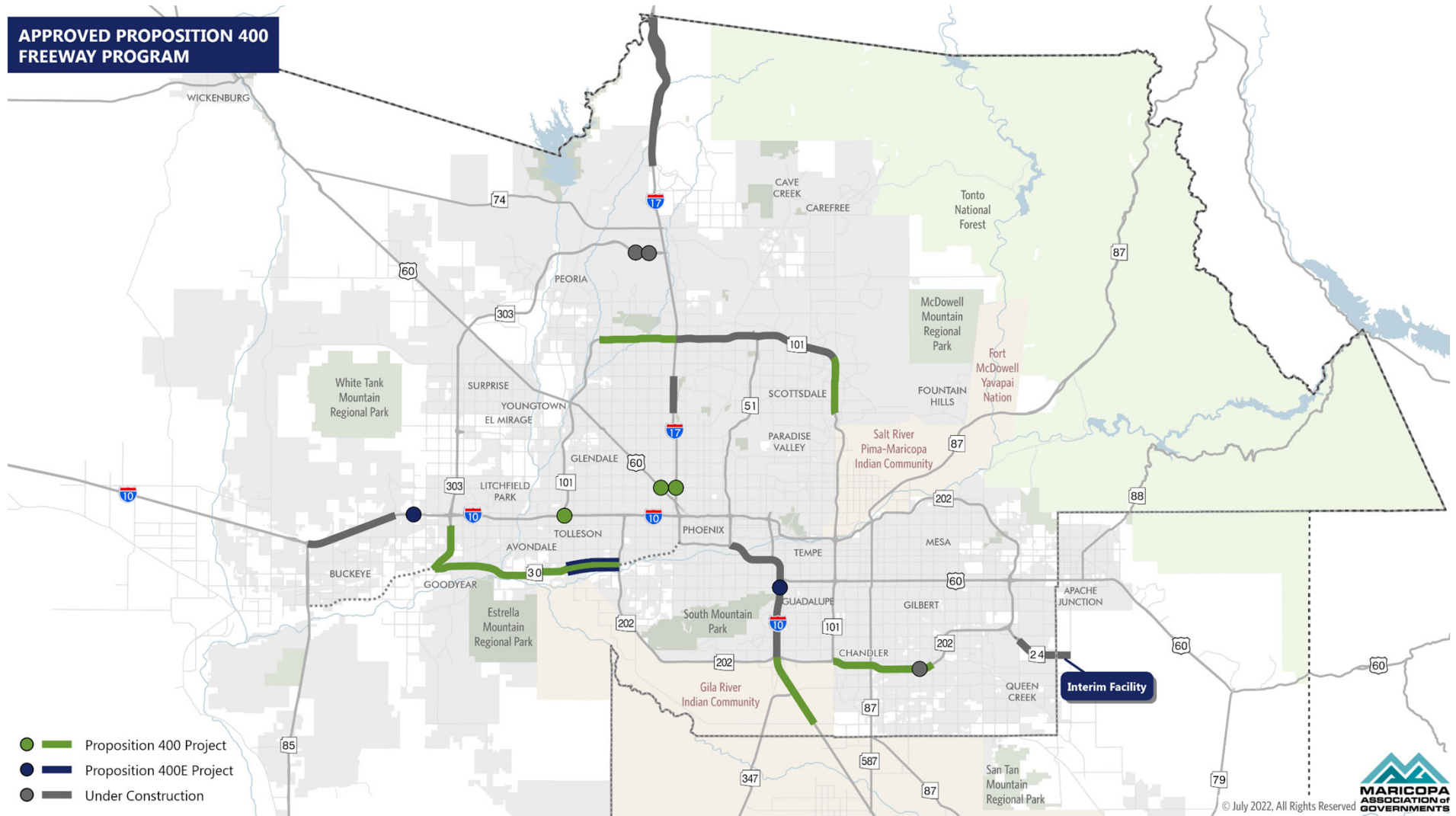
FUTURE HIGH-CAPACITY TRANSIT PROJECTS





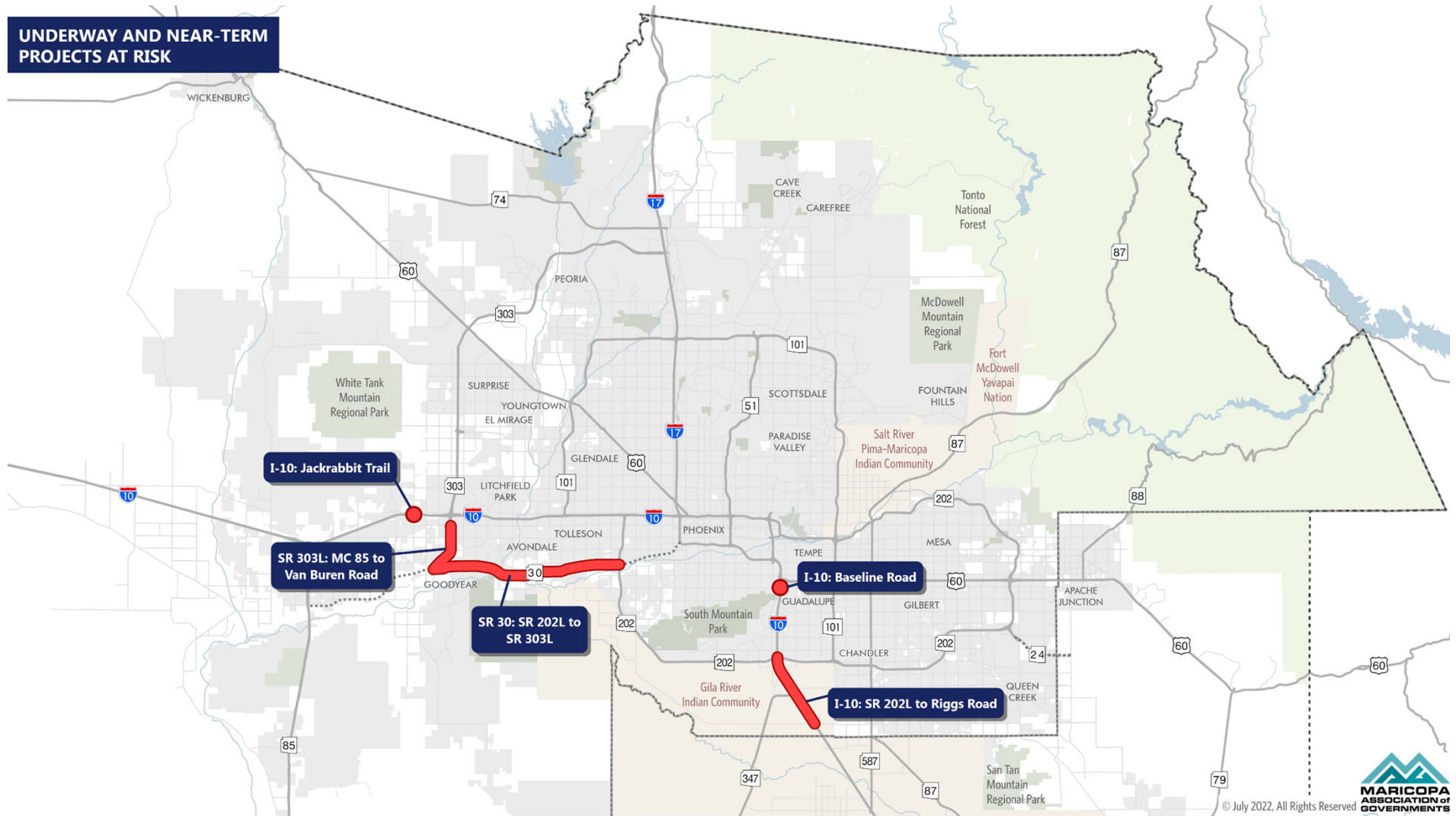
POTENTIAL IMPACTS: FREEWAY PROGRAM

APPROVED PROPOSITION 400 FREEWAY PROGRAM



- Proposition 400 Project
- Proposition 400E Project
- Under Construction

UNDERWAY AND NEAR-TERM PROJECTS AT RISK



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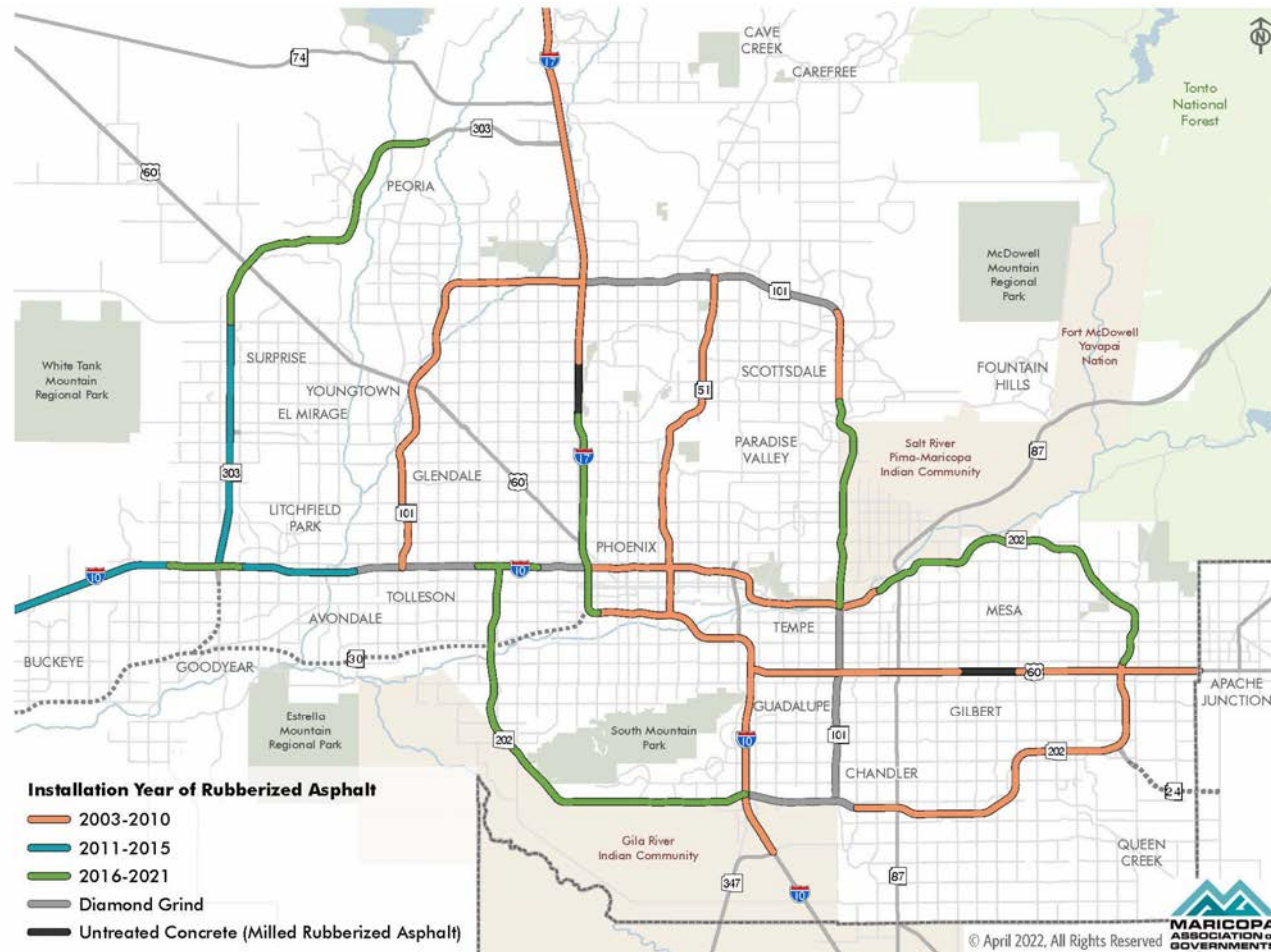
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**PROP 400E
SELECT FREEWAY PROJECTS AT RISK**



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OTHER IMPACTS: FREEWAY PAVEMENT CONDITION



NO SALES TAX: THE FUTURE OF FREEWAY EXPANSION

- ▶ The future of freeways in Maricopa County without an extension of the dedicated half-cent sales tax is bleak.
- ▶ Funding would be focused on existing infrastructure to meet federal performance targets.
- ▶ The region will be unable to build new freeways.
- ▶ There will be limited or no expansion on existing facilities.
- ▶ State and federal resources by themselves are insufficient relative to need.

NEW FREEWAYS WITHOUT THE DEDICATED HALF-CENT SALES TAX: AN EXAMPLE



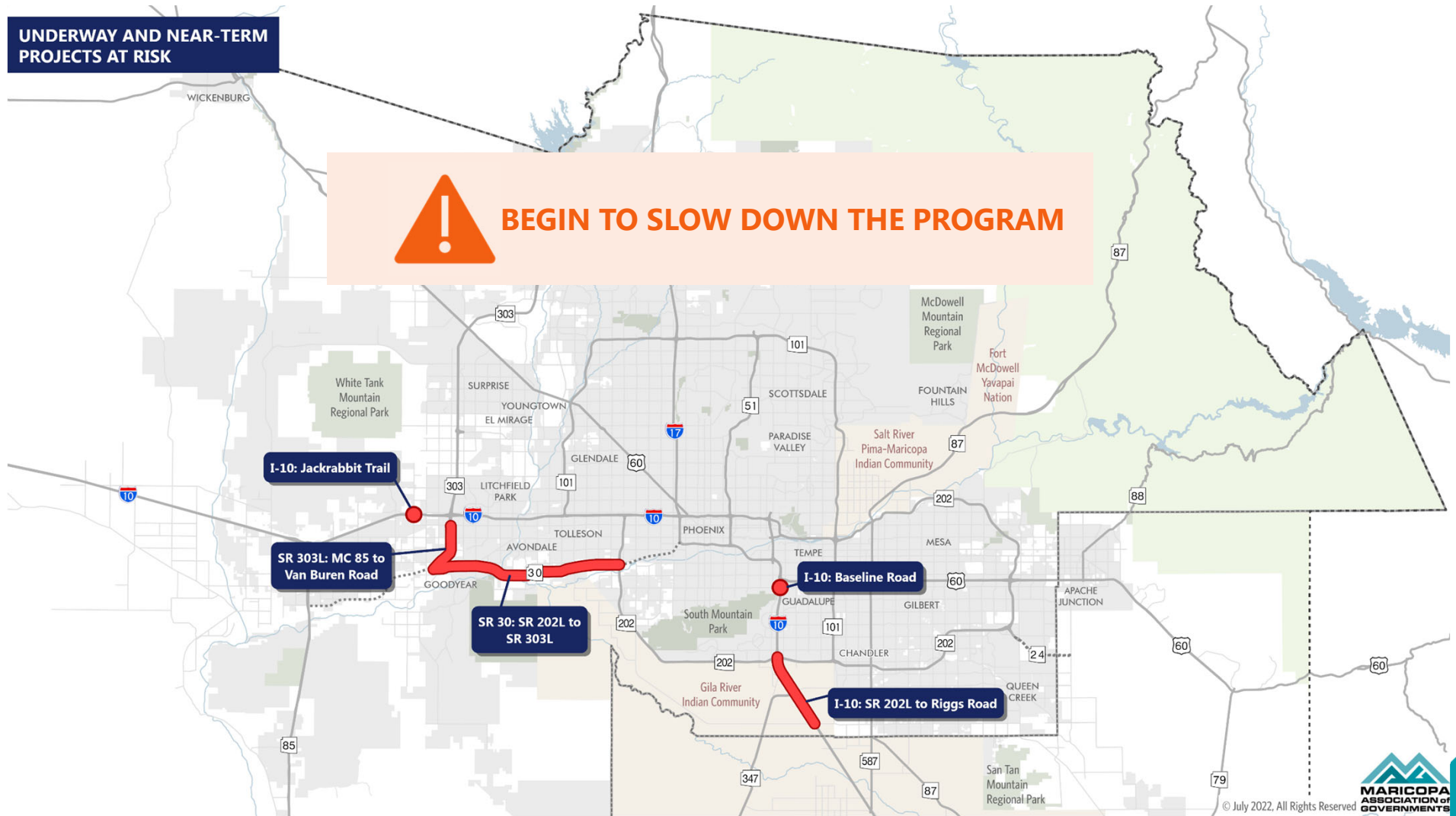
NEW FREEWAYS WITHOUT THE DEDICATED HALF-CENT SALES TAX: AN EXAMPLE

- ▶ SR 30 center section and Loop 303 (Estrella Freeway) southern extension construction costs: \$2.5 billion.
- ▶ Contrast that cost to:
 - ▶ 25-year projection of HURF allocated to the regional freeway program: \$2.52 billion.
 - ▶ MEGA grant funding: \$1 billion *nationally*
 - ▶ Local funding a consideration in grant viability; federal discretionary requests under 40 percent are reasonably competitive.
 - ▶ Funding unlikely to be allocated to the same state for the same project in sequential years.
 - ▶ Project compete not just nationally, but against other regional and statewide priorities.
 - ▶ Long-awaited I-10 widening state appropriation: \$400 million.

**UNDERWAY AND NEAR-TERM
PROJECTS AT RISK**



BEGIN TO SLOW DOWN THE PROGRAM



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KEY TAKEAWAYS

KEY TAKEAWAYS

- ▶ The veto will have impacts to regional projects and programs.
- ▶ Project costs will increase by hundreds of millions as a result of the delay.
- ▶ Inaction will lead to a greater cost burden being placed on the state and local agencies.
- ▶ The loss of the dedicated half-cent sales tax will be detrimental to the region's transportation network:
 - ▶ The region will be unable to keep up with current and future growth, and struggle to modernize existing infrastructure.
 - ▶ There will be significant impacts to economic prosperity and quality of life.
- ▶ **The region has reaffirmed its commitment to the plan and aggressive pursuit of an extension of Proposition 400.**