2012 Annual Report

On the Status of the Implementation of Proposition 400

Transportation Policy Committee
October 17, 2012

MARICOPA ASSOCIATION of GOVERNMENTS

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Background

- **A.R.S. 28-6354** requires that MAG annually issue a report on the status of projects funded through Proposition 400:
  - Freeway Life Cycle Program
  - Arterial Life Cycle Program
  - Transit Life Cycle Program

- **Public Hearing** in November.

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Background

- **All Life cycle programs were balanced** at the end of FY 2010.
- **Long-range revenue forecasts** again decreased in FY 2011 and FY 2012.
- **Rebalancing life cycle programs** continued to be a major focus of MAG, ADOT and RPTA during FY 2012.

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Regional Revenues

- **Forecasts through FY 2026:**
  - 23.7% decrease in half-cent tax in FY 2011.
  - 3.4% decrease in half-cent tax in FY 2012.
  - Annual cash flow issues

- **FY 2012 Collections**:
  - 4.8% increase in half-cent tax.
  - 0.5% increase in HURF.
  - Half-cent receipts for FY 2012 remain 17.3% lower than those in FY 2007.

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Freeway Life Cycle Program

- **Recurrence of an imbalance** between projected costs and expected revenues in the FLCP resulted from lower revenue forecasts in FY 2011 and FY 2012.

- **Funding deficit** of approximately $390 million was estimated through FY 2026, as well as negative year-end cash balances reaching $880 million.

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Freeway Life Cycle Program

- **Rebalancing scenario** for the Freeway/Highway Life Cycle Program was approved on May 23, 2012 by the MAG Regional Council.

- **Program adjustments**:
  - Rescheduled projects on the South Mountain Freeway and Interstate 10/Maricopa Freeway.
  - Transferred funding from the SR-303L (US-60 to I-17) to SR-303L (I-10 to MC-85).
  - Reduced I-17 (101L to I-10/Split) budget by $300 million.

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Freeway Life Cycle Program

Significant progress during FY 2012:

- **Completed**
  - Loop 101 (I-10 to Tatum Blvd.): New HOV lanes.
  - SR143 (at Loop 202 Access Road): Interchange improvements.
  - Loop 202/Santan (Gilbert Rd. to I-10): New HOV lanes.
  - MAG Region (Various Locations): Noise Walls.
- **Advertised for Bids or Under Construction**
  - SR 24 (Loop 101 to Ellsworth Rd.): Construct interim freeway.
  - SR 85 (at B-8/Maricopa Rd): Reconstruct intersection.
  - US 60 (Loop 101 to 71st Avenue): Roadway improvements.
  - US 60 (71st Avenue to Van Buren St..): Roadway improvements.
  - Loop 303/I-10: Construct new system interchange.
  - Loop 303 (Thomas Rd. to Camelback Rd.): Construct new freeway.
  - Loop 303 (Camelback Rd. to Glendale Ave.): Construct new freeway.
  - Loop 303 (Glendale Ave. to Peoria Ave.): Construct new freeway.
  - Loop 303 (Peoria Ave. to Mountain View Blvd.): Construct new freeway.
- **$433 Million Programmed for Projects in FY 2013**

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Arterial Streets Life Cycle Program

- **Balanced Arterial Life Cycle Program** was approved by the Regional Council in early FY 2012.

- **Recurrence of an imbalance** in the ALCP resulted from lower revenue forecasts, with a funding deficit of approximately $40 million through FY 2026, as well as negative year-end cash balances.

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Arterial Streets Life Cycle Program

- **Rebalancing scenario** for the Arterial Life Cycle Program was approved on September 26, 2012 by the MAG Regional Council.

- **Program adjustments:**
  - Drop bonding.
  - Eliminate adjustments for inflation.
  - Defer reimbursements by one to three years.
  - No reimbursement cuts or dropped projects.

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Arterial Streets Life Cycle Program

- **$103 million** was reimbursed to lead agencies in FY 2012, for completed projects and projects underway.
- **$327 million** has been disbursed and 30 arterial projects have been completed through FY 2012. In addition, $31 million has been disbursed for ITS projects.
- **$61 million** in reimbursements anticipated during FY 2013.

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Transit Life Cycle Program

- **Imbalanced costs and revenues** were identified in FY 2011, with a deficit of approximately $581 million through 2026.

- **During FY 2012,** RPTA/METRO moved forward with rebalancing the TLCP by adjusting future services and capital projects to meet the projected revenues.

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Transit Life Cycle Program

- **Rebalanced update** of the 2012 Transit Life Cycle Program was approved on May 17, 2012 by the Valley Metro RPTA and METRO Board of Directors.

- **Balance was achieved** by delaying the implementation of projects, reducing the scope of projects, and identifying other cost savings.

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Transit Life Cycle Program

Significant progress since the start of program:

- **Expanded Bus Service**
  - 11 BRT routes implemented .
  - 8 Regional bus grid routes implemented.
  - 8 Additional new bus routes over next five.
  - Ongoing operations funding.
- **LRT Extensions**
  - Northwest Extension (Phase I) completion in FY 2016.
  - Central Mesa LRT Extension completion in FY 2016.
  - Tempe Streetcar completion in FY 2016.
- **Light Rail Starter Segment**
  - 42,000 boardings per day -- 50 percent higher than projected.
  - Half-cent sales tax for elements of the support infrastructure.
  - No half-cent sales tax for operations funding

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Audit of the Regional Transportation Plan

- **Performance audit** of the RTP by the Auditor General is required every five years by ARS 28-6313, and the first audit was released on December 21, 2011.

- **Audit found**:
  - "No substantial evidence to warrant drastic modifications to the transportation system (plan) or specific projects".

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Audit of the Regional Transportation Plan

- "The RTP Partners should continue to implement the current transportation system (plan) and strive to continually reassess system performance to make modifications as needed".

- **Audit provided 27 recommendations** aimed at more efficient and effective implementation of the RTP, as well as stronger accountability for the performance of the plan.

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Ongoing Issues

- Economic recovery and transportation revenue collections.
- Federal transportation funding.
- Project scope/cost updates and program adjustments.
- Continue to implement recommendations of Performance Audit.

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