

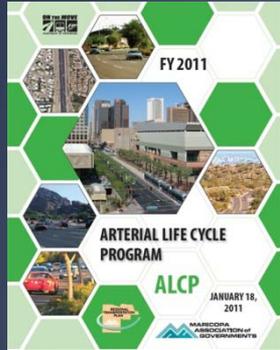
Arterial Life Cycle Program Deficit & Scenarios for Balancing

Eileen Yazzie
Transportation Policy Committee
February 16, 2011

Presentation

1. ALCP History
2. Regional Area Road Fund (RARF) Projections
3. Policies
4. Scenario 1 - 3 for Balancing the ALCP
5. Action

ALCP History



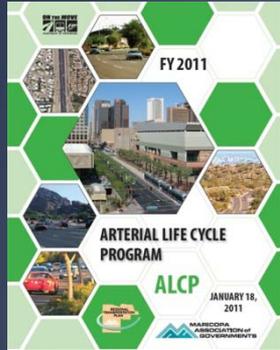
Regional Transportation Plan (2003)

- Identified 94 projects to be funded
- Established fixed project reimbursement budgets
- Established a minimum 30% local match
- Determined programmed reimbursement phasing
- Allocated a portion of federal funds for arterial improvements

Proposition 400 (2004)

- Allocated 10.5% of $\frac{1}{2}$ sales tax revenues to arterial street improvements and planning studies

ALCP Development



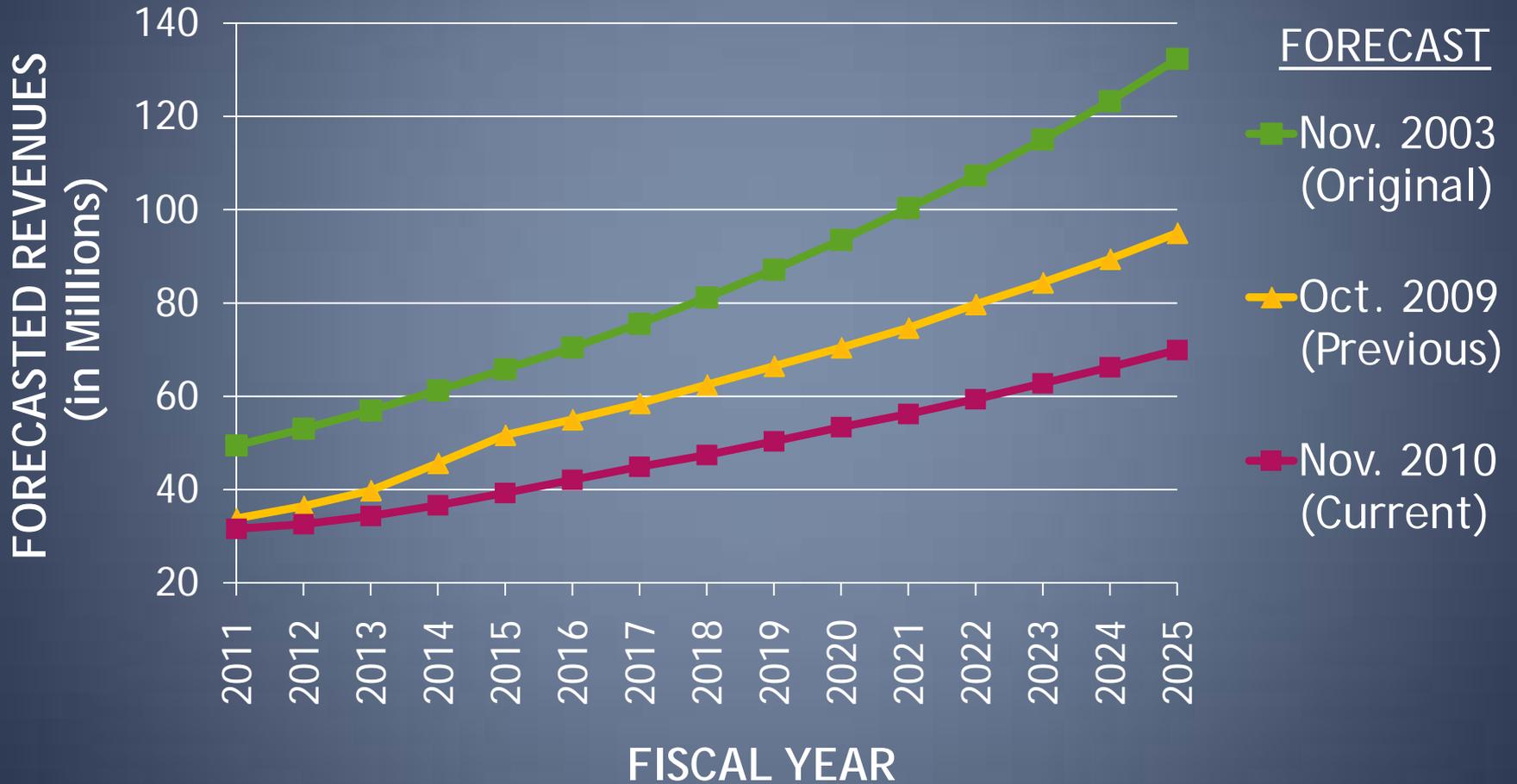
TPC and ALCP Working Group

- Initial Arterial Life Cycle Program
- ALCP Policies and Procedures

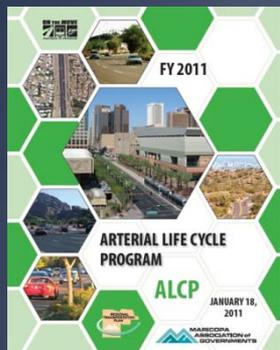
ALCP Policies and Procedures

- Provide oversight and guidance on management of the program
- Initially approved in 2005
- Current edition approved December 9, 2009

ALCP REGIONAL AREA ROAD FUND PROJECTED REVENUES



Current ALCP Financials (in Millions)

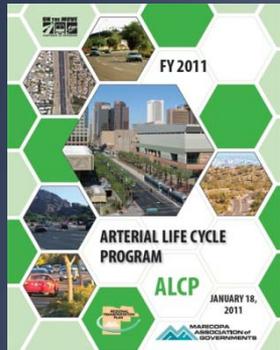


| | |
|--------------------------------|-----------|
| RARF | \$605.1 |
| Federal Funds | \$800.1 |
| <hr/> | |
| Subtotal | \$1,405.2 |
| <i>PROGRAMMED EXPENDITURES</i> | |
| Reimbursements FY11-27 | \$1,618 |
| Difference | -\$214.6 |

Scenario 1: Current Policy

ALCP DEFICIT POLICY

ALCP Projects may be delayed if there is a deficit of Program funds. ALCP Projects will be delayed in priority order of the ALCP.



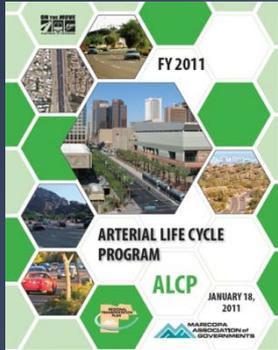
| Project | Phase II | | | | Phase III | | | | | Phase IV | | | | | | Phase V | | | | |
|---------|----------|----|----|----|-----------|----|----|----|----|----------|----|----|----|----|----|---------|----|----|----|----|
| | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 1 | █ | | | | | | | | | | | | | | | | | | | |
| 2 | █ | █ | | | | | | | | | | | | | | | | | | |
| 3 | | █ | █ | █ | | | | | | | | | | | | | | | | |
| 4 | | | █ | █ | █ | | | | | | | | | | | | | | | |
| 5 | | | | █ | █ | █ | | | | | | | | | | | | | | |
| 6 | | | | | █ | █ | █ | | | | | | | | | | | | | |
| 7 | | | | | | █ | █ | █ | █ | | | | | | | | | | | |
| 8 | | | | | | | █ | █ | █ | █ | | | | | | | | | | |
| 9 | | | | | | | | █ | █ | █ | █ | | | | | | | | | |
| 10 | | | | | | | | | █ | █ | █ | █ | | | | | | | | |
| 11 | | | | | | | | | | █ | █ | █ | █ | █ | | | | | | |
| 12 | | | | | | | | | | | █ | █ | █ | █ | █ | █ | | | | |
| 13 | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | | | |
| 14 | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | | |
| 15 | | | | | | | | | | | | | | | | | | | █ | █ |

Scenario 1: Estimated Impact

| Lead Agency | Total to be Deferred |
|-----------------|----------------------|
| Carefree | \$0.00 |
| Chandler | \$13.79 |
| Fountain Hills | \$0.00 |
| Gilbert | \$23.99 |
| Maricopa County | \$34.72 |
| Mesa | \$84.96 |
| Peoria | \$13.90 |
| Phoenix | \$11.25 |
| Scottsdale | \$34.29 |
| Total | \$216.90 |

As programmed in FY11 ALCP approved July 28, 2010

Scenario 2: Project Percentage Based Reduction



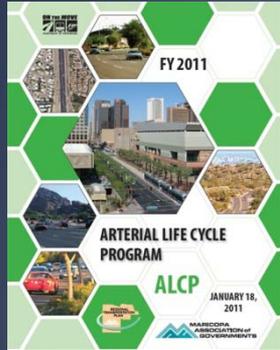
- All reimbursements in Fiscal Year (FY) 2012 through FY27 would be reduced by the percentage necessary
- Each agency would have the opportunity to delete, consolidate, or reprioritize programmed reimbursements
- Preliminary estimates indicated a 14% reduction for all projects, regardless of funding source

Scenario 2: Estimated Impact

| Lead Agency | Estimated Reduction (14%) |
|-----------------|---------------------------|
| Carefree | \$0.08 |
| Chandler | \$15.80 |
| Fountain Hills | \$0.80 |
| Gilbert | \$17.40 |
| Maricopa County | \$51.50 |
| Mesa | \$63.20 |
| Peoria | \$7.20 |
| Phoenix | \$16.20 |
| Scottsdale | \$44.00 |
| Total | \$216.90 |

As programmed in FY11 ALCP approved July 28, 2010

Scenario 3: Lead Agency Allocation Based Reduction



- Each agency's allocation of ALCP determined based on entire program (FY06-26)
- The amount needed would be applied by allocation %
- Previous reimbursements would not be repaid (consistent with Policies)
- Agency could delete, consolidate, and/or reprioritize programmed reimbursements to meet the required reduction.

Scenario 3: Estimated Impact

| Lead Agency | Estimated Reduction |
|-----------------|---------------------|
| Carefree | \$0.70 |
| Chandler | \$17.70 |
| Fountain Hills | \$0.80 |
| Gilbert | \$18.20 |
| Maricopa County | \$51.10 |
| Mesa | \$58.20 |
| Peoria | \$12.40 |
| Phoenix | \$14.70 |
| Scottsdale | \$43.10 |
| Total | \$216.90 |

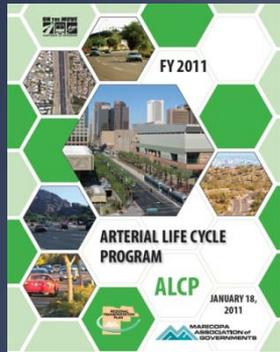
As programmed in FY11 ALCP approved July 28, 2010

Scenario Impact Summary

| Lead Agency | Scenario 1 | Scenario 2 | Scenario 3 |
|-----------------|-----------------|-----------------|-----------------|
| Carefree | \$0.00 | \$0.08 | \$0.70 |
| Chandler | \$13.79 | \$15.80 | \$17.70 |
| Fountain Hills | \$0.00 | \$0.80 | \$0.80 |
| Gilbert | \$23.99 | \$17.40 | \$18.20 |
| Maricopa County | \$34.72 | \$51.50 | \$51.10 |
| Mesa | \$84.96 | \$63.20 | \$58.20 |
| Peoria | \$13.90 | \$7.20 | \$12.40 |
| Phoenix | \$11.25 | \$16.20 | \$14.70 |
| Scottsdale | \$34.29 | \$44.00 | \$43.10 |
| Total | \$216.90 | \$216.90 | \$216.90 |

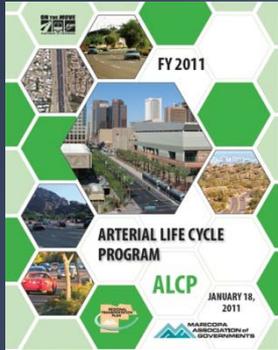
ALCP Working Group: General Consensus was Scenario 3

ALCP Working Group Consensus Items



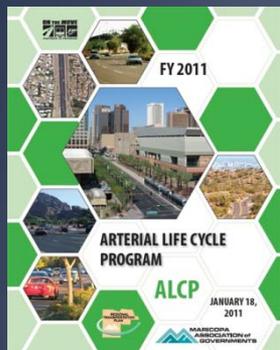
- Rebalance program under Scenario 3
- Apply same method if revenues increase
- Jurisdictions should have the opportunity to delete projects and reallocate regional funding to the remaining projects to ensure that projects are financially viable
- Reconsider current minimum local match policy (30% of project costs)

Next Steps



- Policy guidance from Transportation Policy Committee on reprogramming scenario (method)
- ALCP Working Group meeting to discuss technical aspects of method
- Coordinate with agency staff of project priorities
- Revise ALCP Policies and Procedures
- Develop Draft FY2012 Arterial Life Cycle Program

On the Agenda for Action



For information, discussion, and possible recommendation to follow the Scenario 3 methodology in bridging the \$232 million gap in the ALCP.

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