

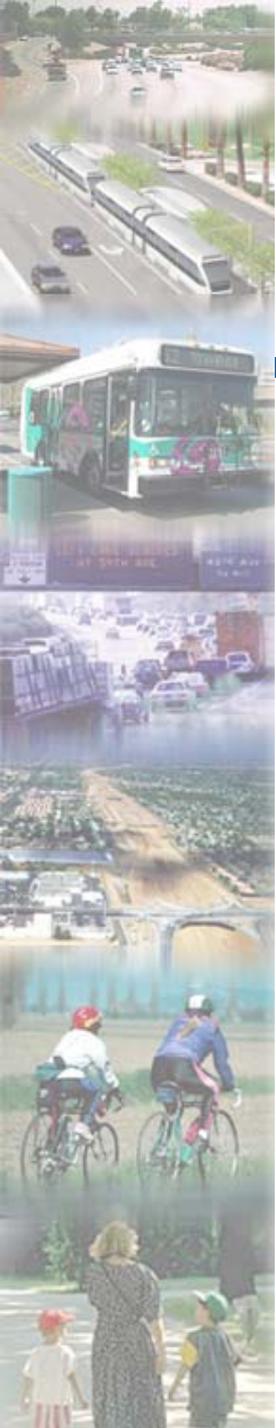
2006 Annual Report

on the Status of the Implementation of Proposition 400

Regional Council

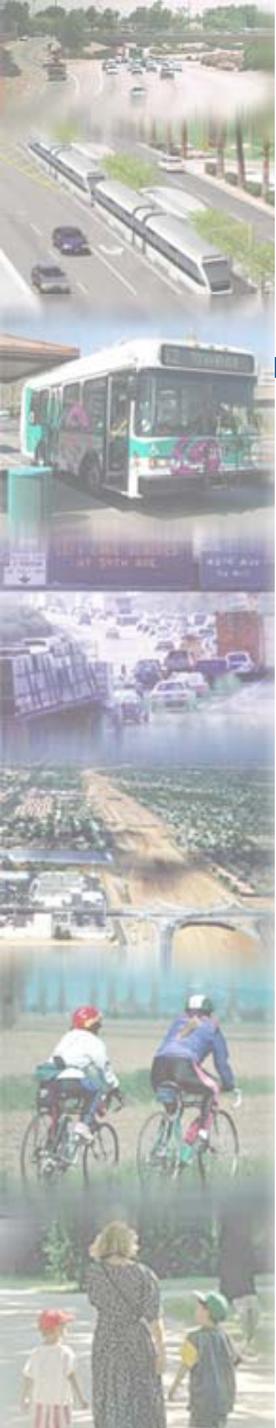
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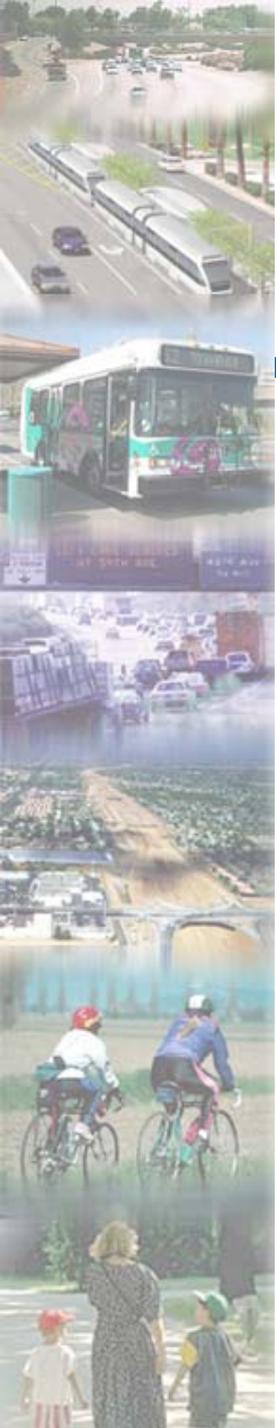
Report Requirements

- ARS 28-6354.
- Status of Projects.
- Changes to the RTP and Plan Priorities.
- Project Financing.
- Public Hearing.



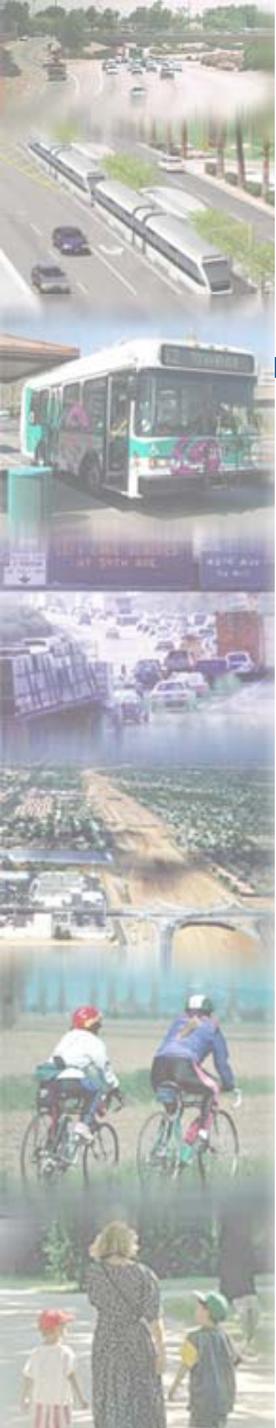
Key Topics

- Regional Transportation Plan.
- Revenues.
- Freeway/Highway Program.
- Arterial Street Program.
- Transit Program.



Regional Transportation Plan

- The Freeway/Highway, Arterial Street and Transit Life Cycle Programs were incorporated directly into the MAG Regional Transportation Plan.
- MAG has initiated several transportation studies to serve as a resource for potential future RTP updates.



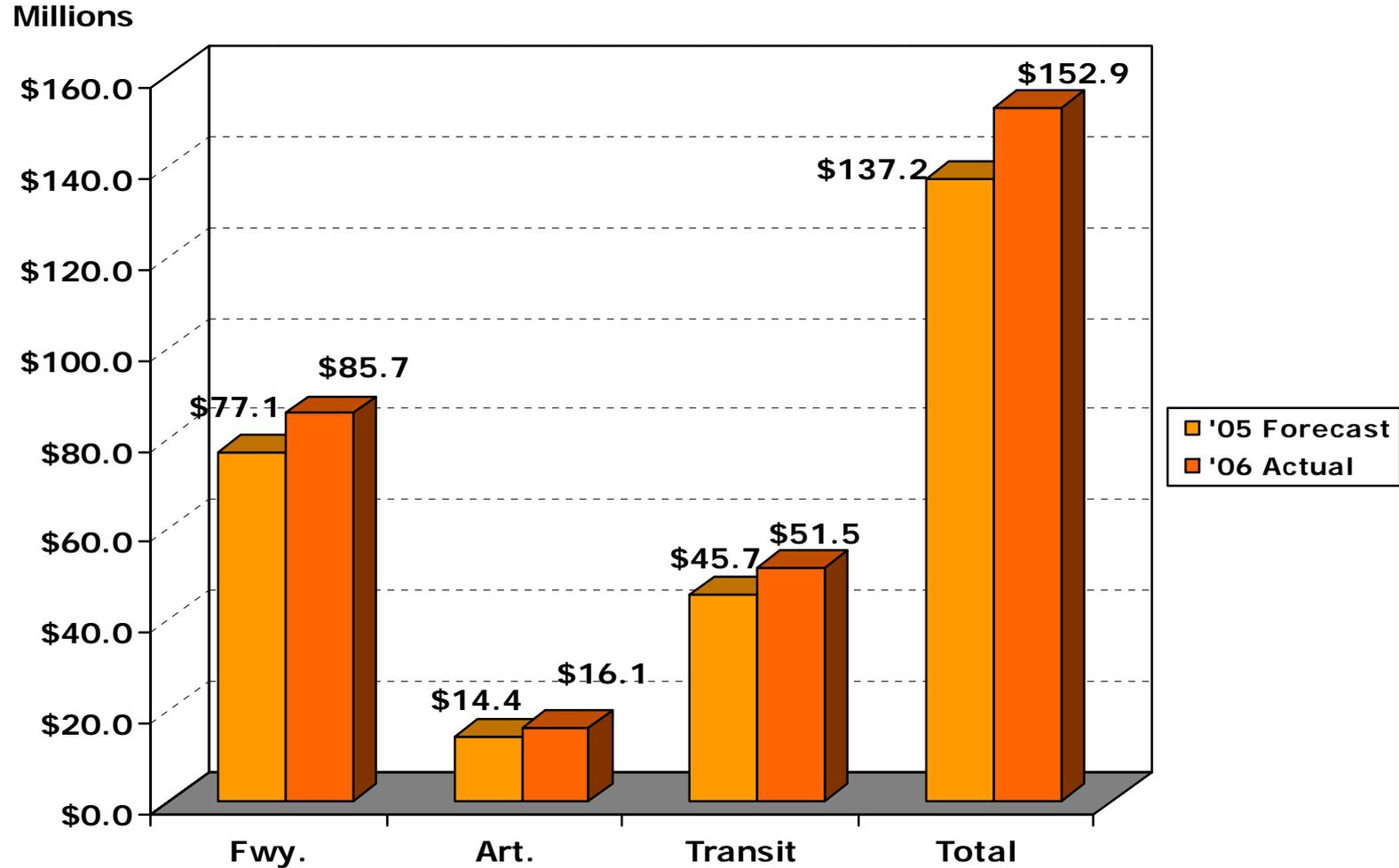
Revenues

- Fiscal Year 2006 receipts from the Prop. 400 half-cent sales tax were 11.4 percent higher than the estimate in the 2005 Annual Report.
- Forecasts of future available regional revenues are largely unchanged from the 2005 Annual Report.

Revenues

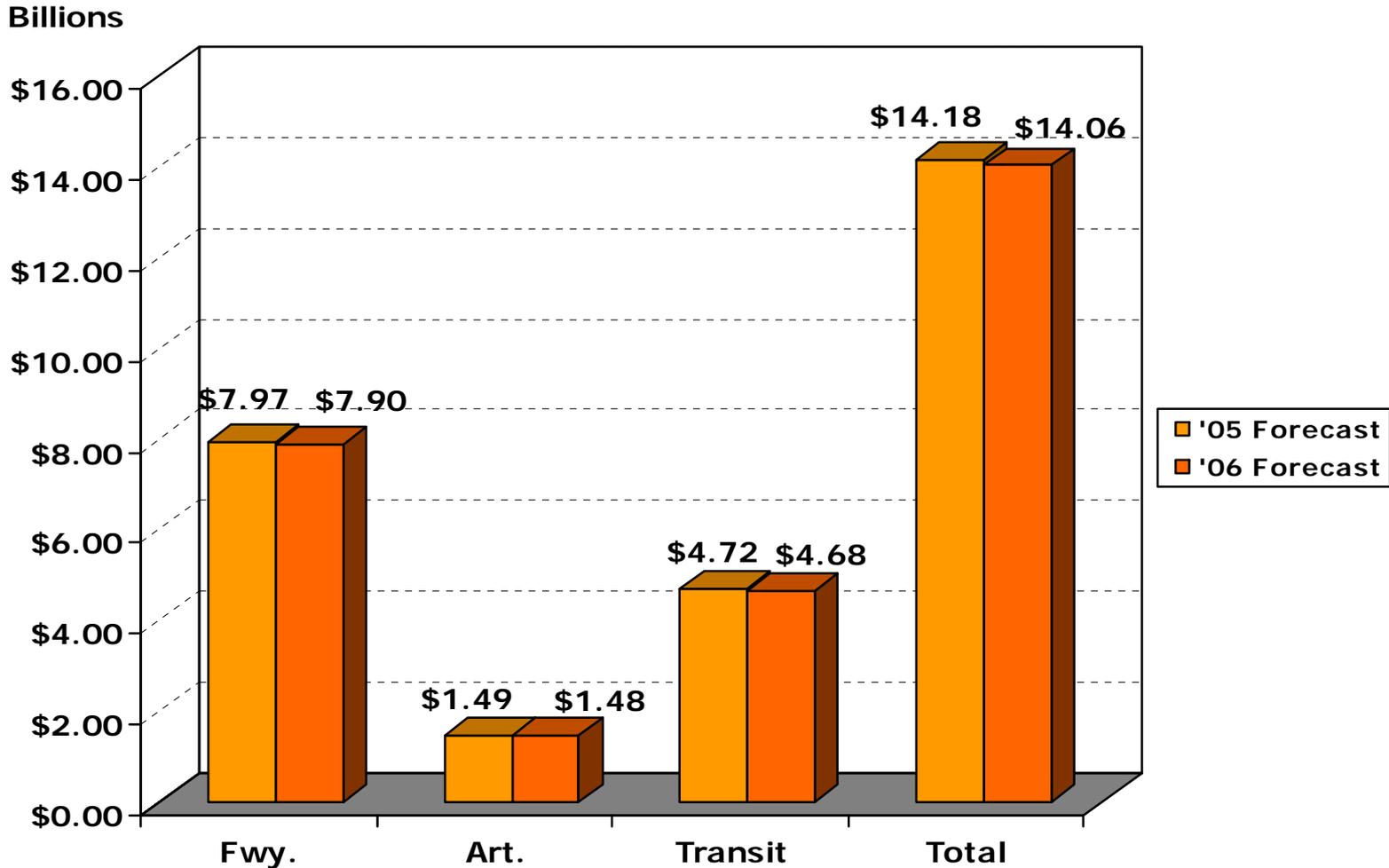
Half-Cent Sales Tax - Receipts (FY 06)*

*Second Half



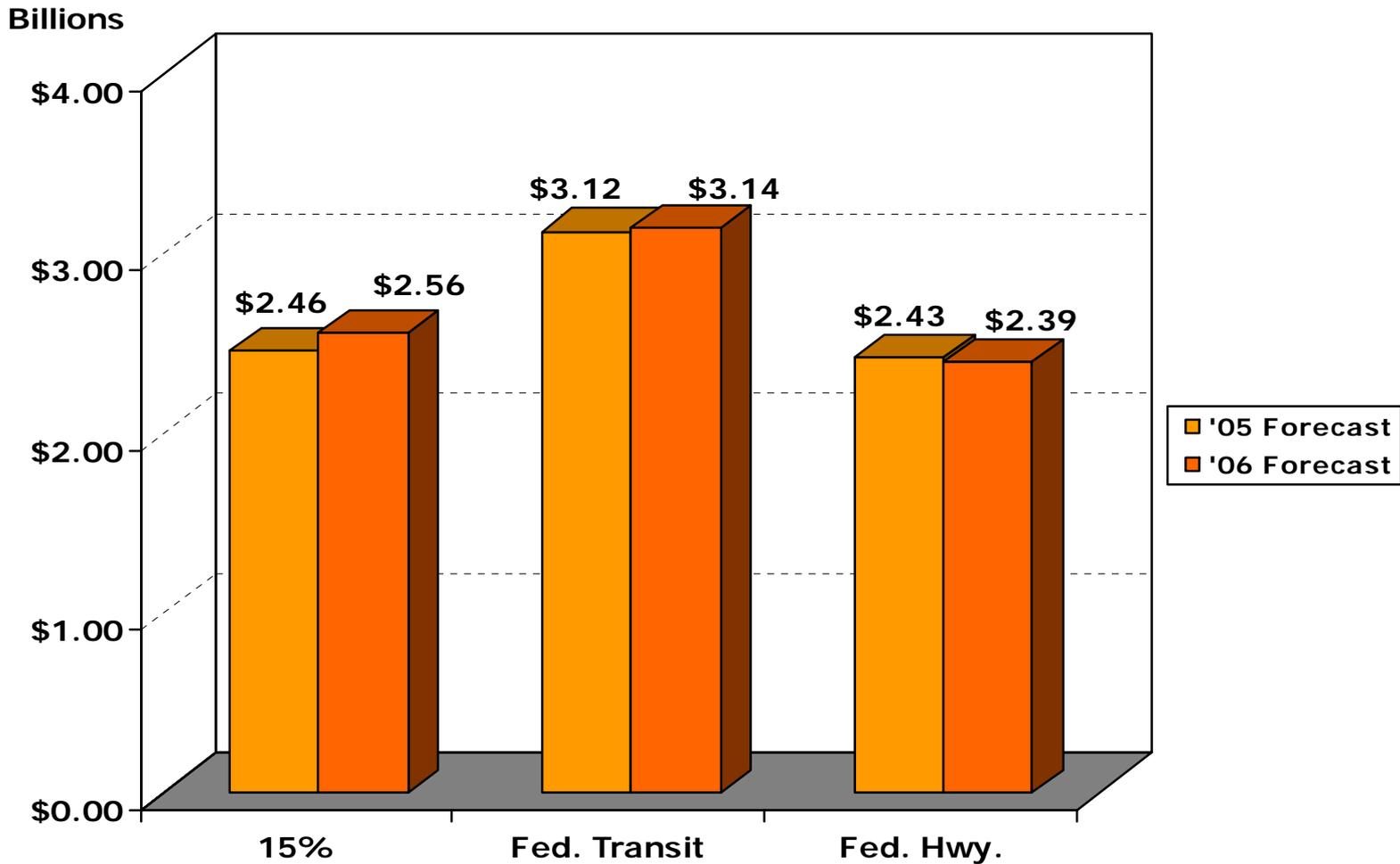
Revenues

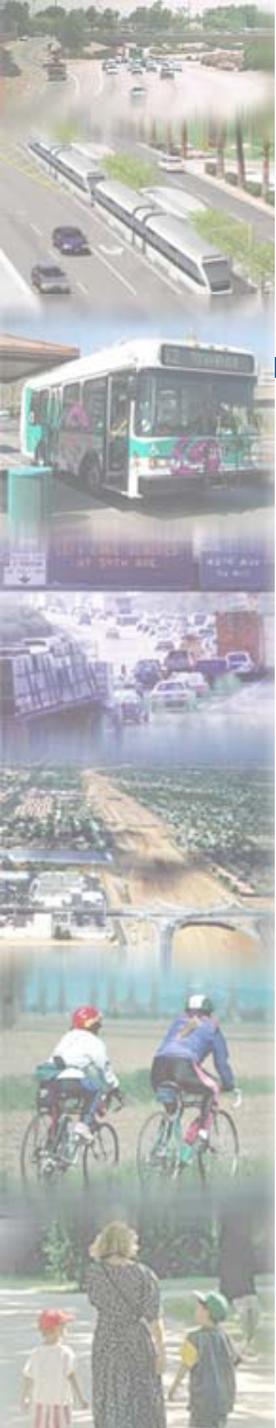
Half-Cent Sales Tax - Forecast (FY 07-26)



Revenues

Other Sources - Forecast (FY 07-26)

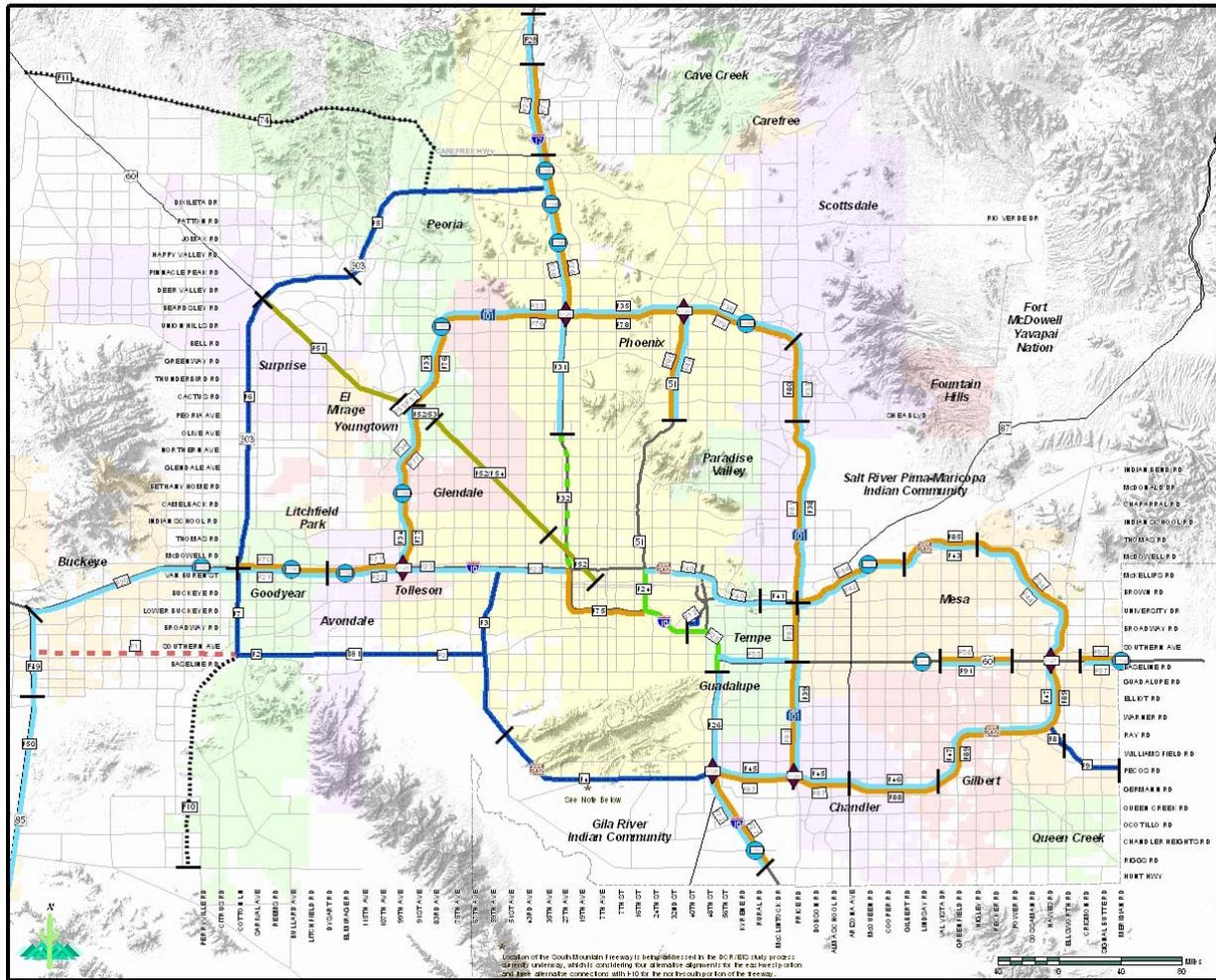
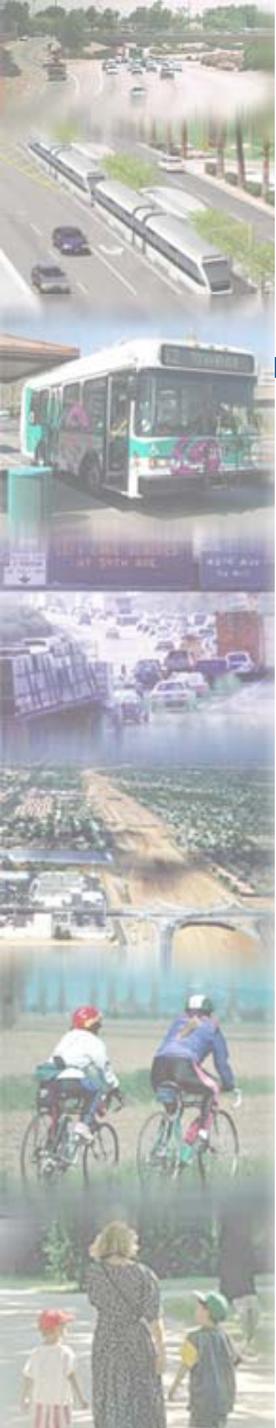


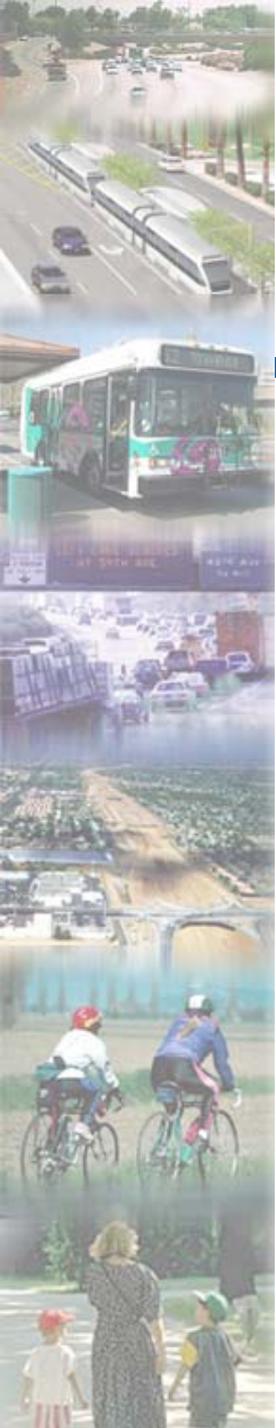


Revenues

- House Bill 2865 created the Statewide Transportation Acceleration Needs (STAN) Account. MAG's share of the available funding will be approximately \$184 million for projects on the State Highway System.

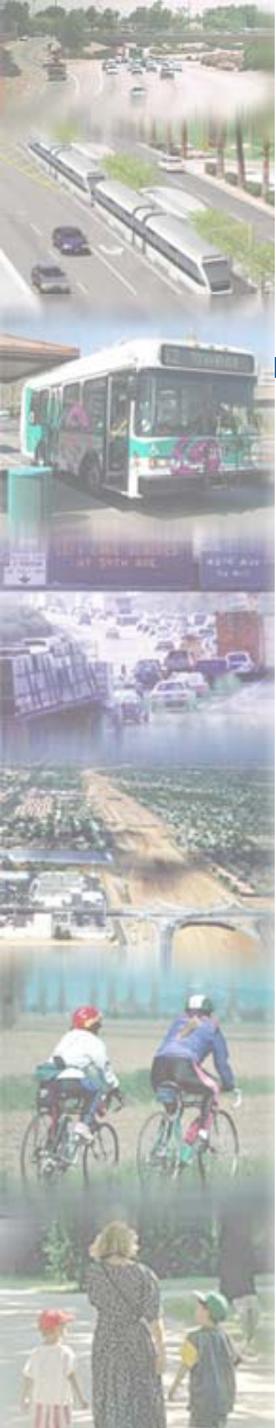
Freeway/Highway Program





Freeway/Highway Program

- Major progress has been made on finishing the Prop. 300 program.
 - Santan Freeway completed.
 - Final Grand Ave. grade separation completed.
 - Red Mt. Freeway done by mid-2008.
- Preliminary engineering and environmental analysis are proceeding on Prop. 400 corridors and widenings.



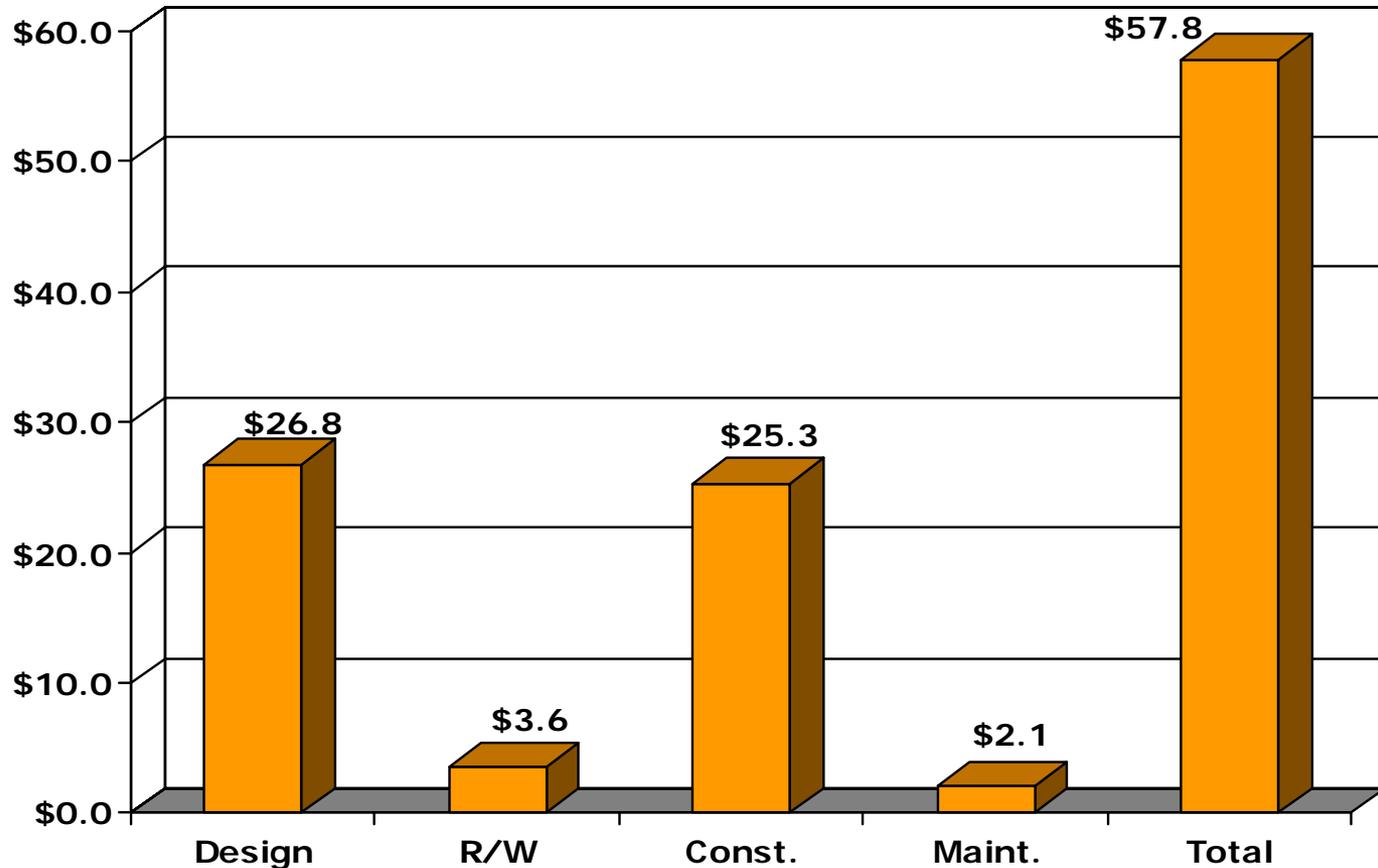
Freeway/Highway Program

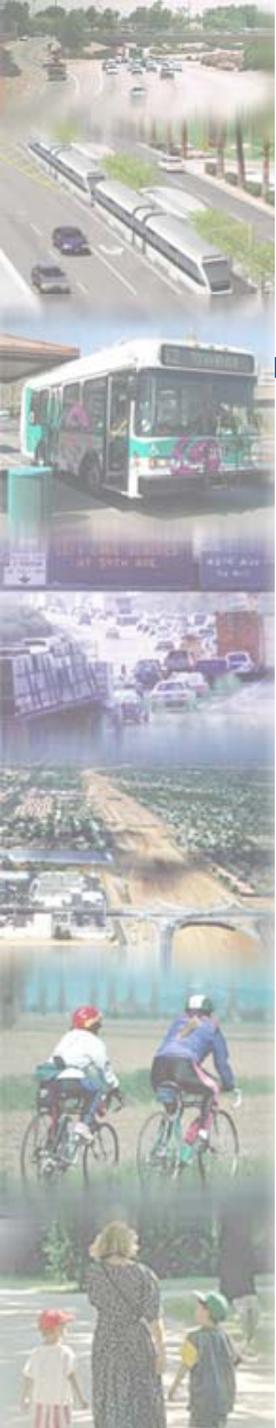
- Projects on I-10 and I-17 were accelerated through HELP and GAN loans.
- During FY 2006, approximately \$58 million was expended on projects in the Prop. 400 freeway/highway program.

Freeway/Highway Program

FY 06 Project Expenditures

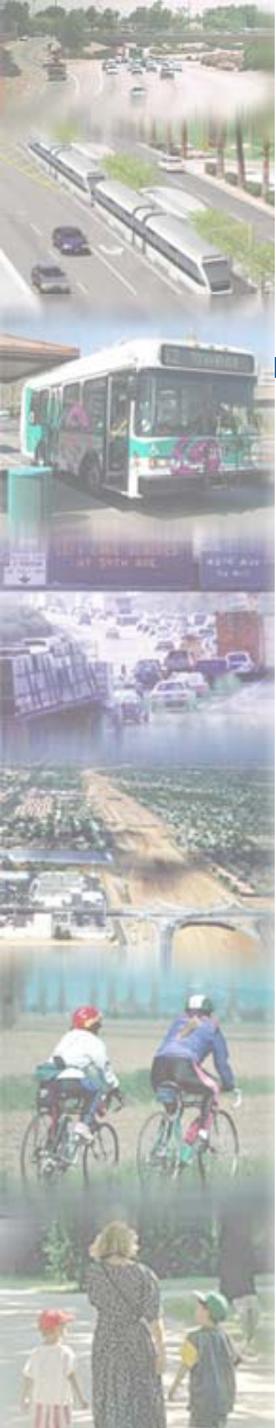
Millions





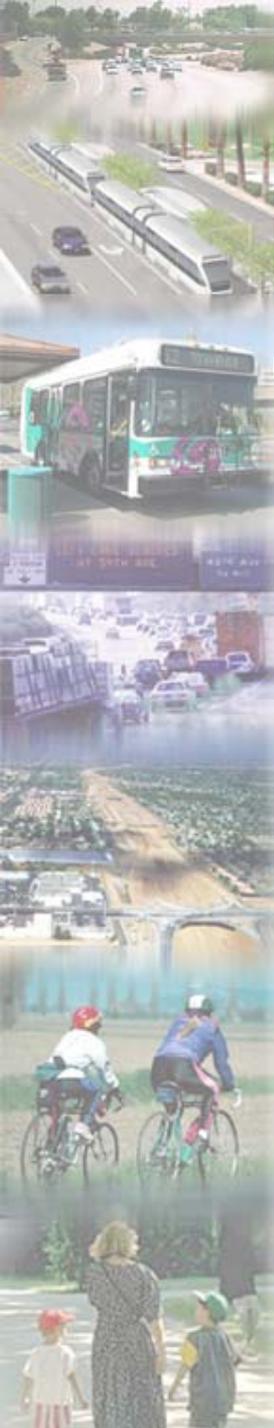
Freeway/Highway Program

- Approximately \$540 million has been programmed for projects scheduled to go to bid for construction in FY 2007.
- Cost increases totaling \$252 million were experienced for projects in the Life Cycle Program.



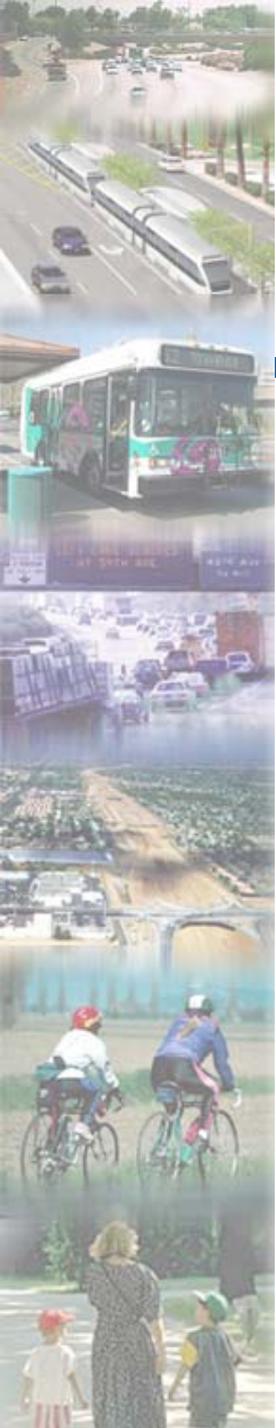
Freeway/Highway Program

- Estimated future costs of the Freeway/Highway Life Cycle Program are in balance with projected revenues.
 - Future Revenues: \$10,199 million
 - Future Costs: \$10,145 million
- During the coming fiscal year, significant additional project cost increases may be encountered in the Freeway/Highway Life Cycle Program, as detailed engineering studies are completed.



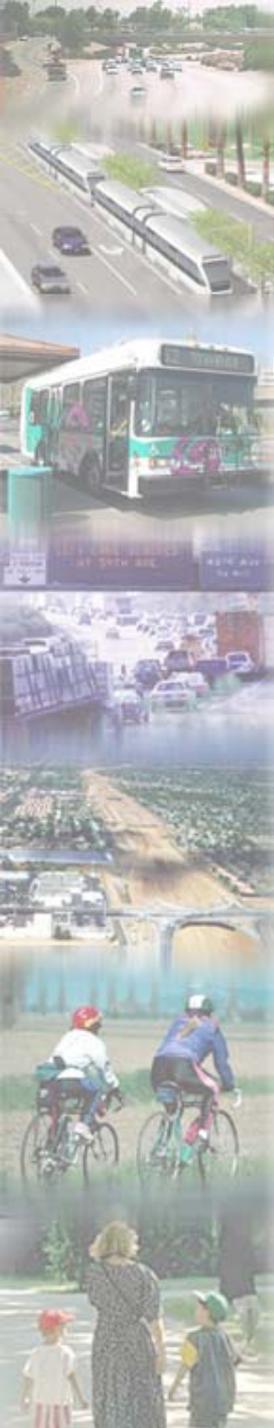
Arterial Streets Program

- The Arterial Street Life Cycle Program was refined and updated during FY 2006.
- During FY 2006, \$7 million in reimbursements were distributed to local governments and it is anticipated that \$56 million will be distributed in FY 2007.
- Work is proceeding on a broad range of arterial street projects over the next five years.



Arterial Streets Program

- Total estimated future regional reimbursements for projects in the Arterial Street Life Cycle Program are in balance with projected revenues.
 - Future Revenues: \$1,730 million
 - Future Disbursements: \$1,630 million

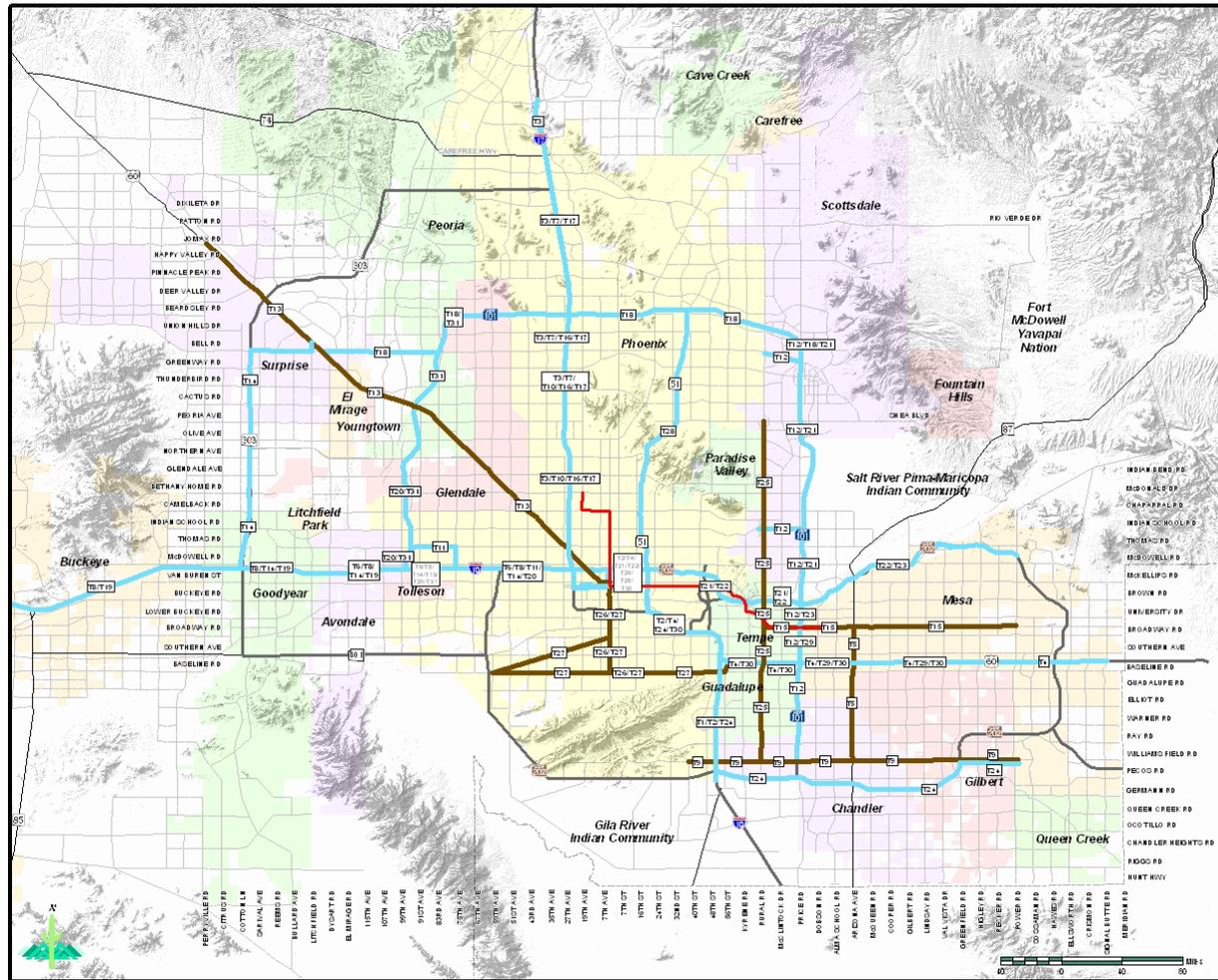
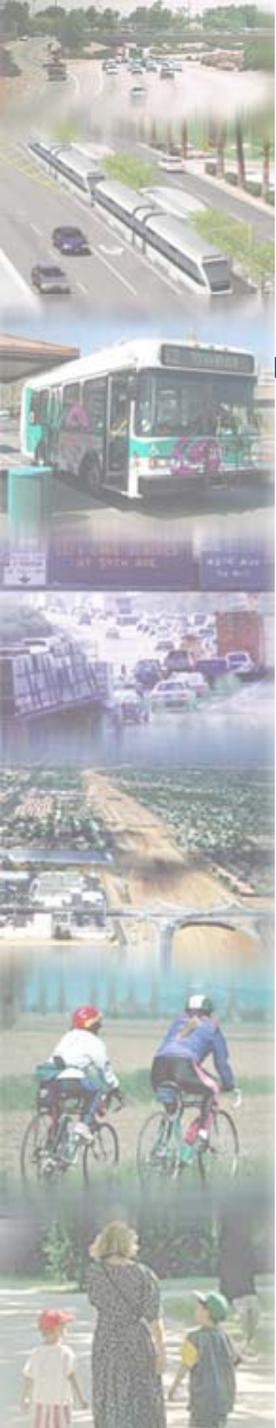


Arterial Streets Program

- Given increasing construction costs, concerns are being raised regarding the ability of jurisdictions to provide full funding for all projects in the program.
- The mandatory Federal approval process may pose schedule risks for projects receiving Federal funds.

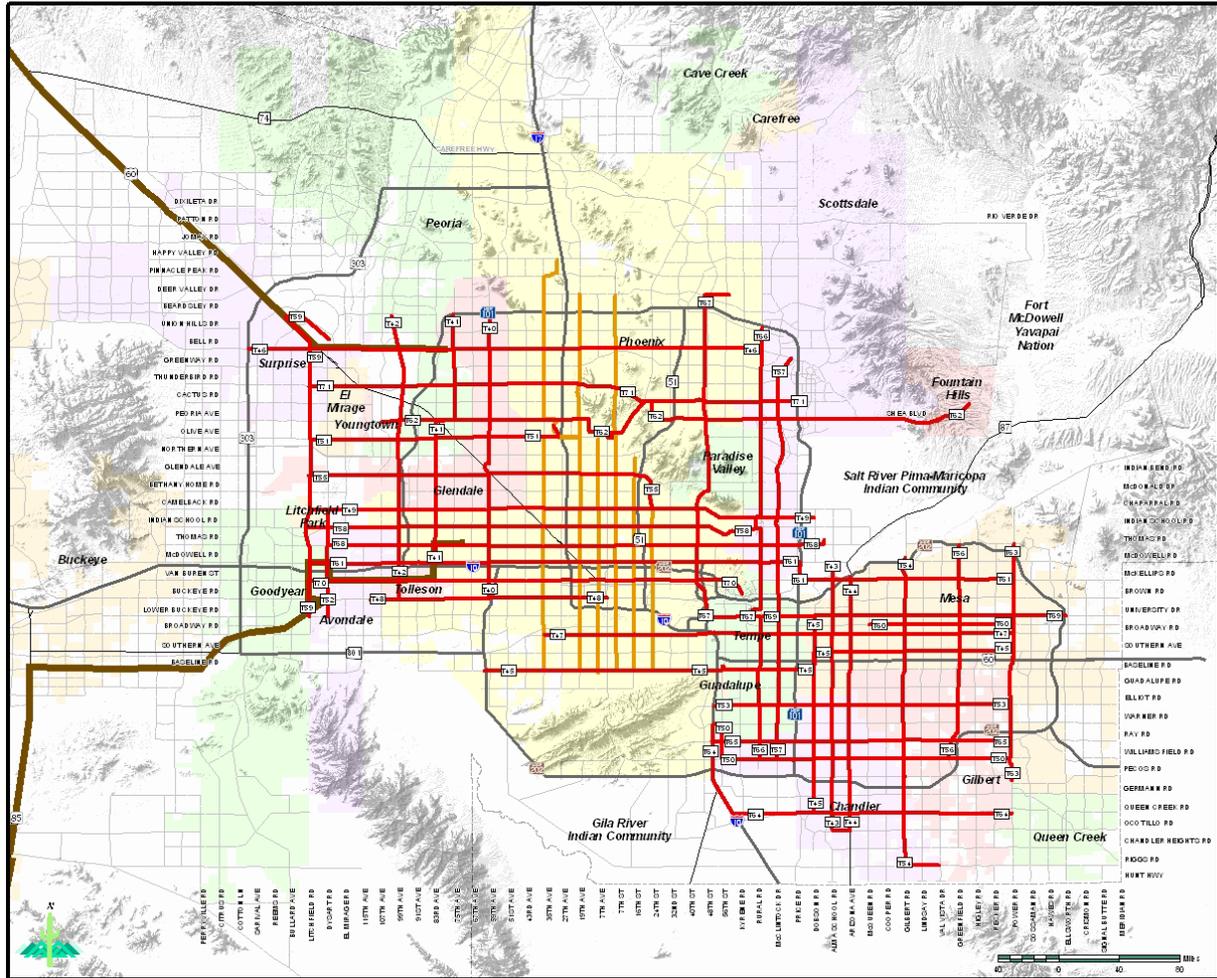
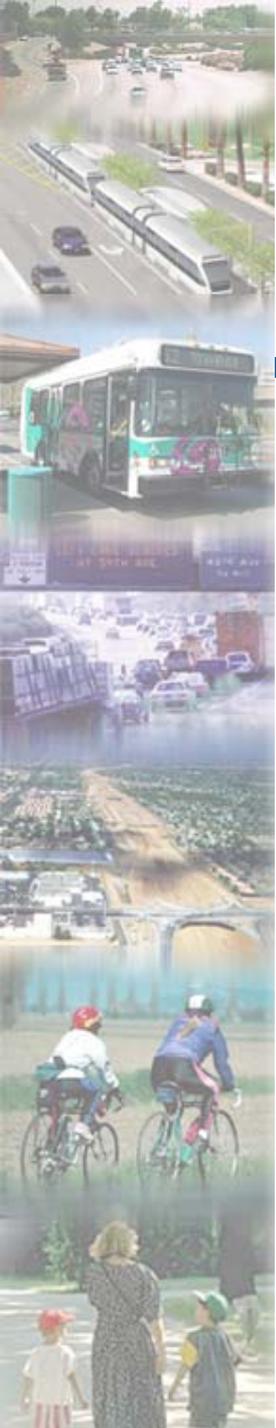
Transit Program

BRT/Express



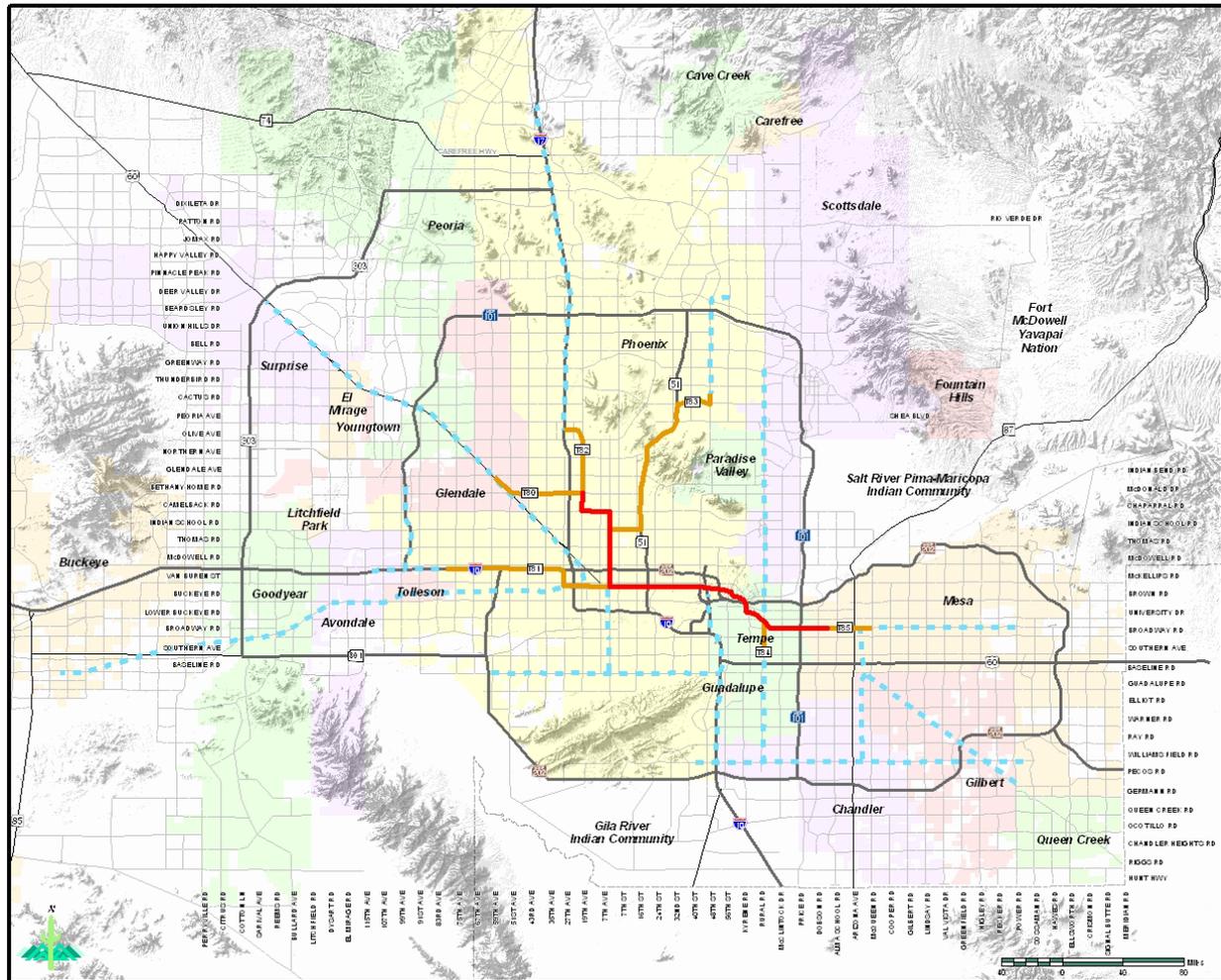
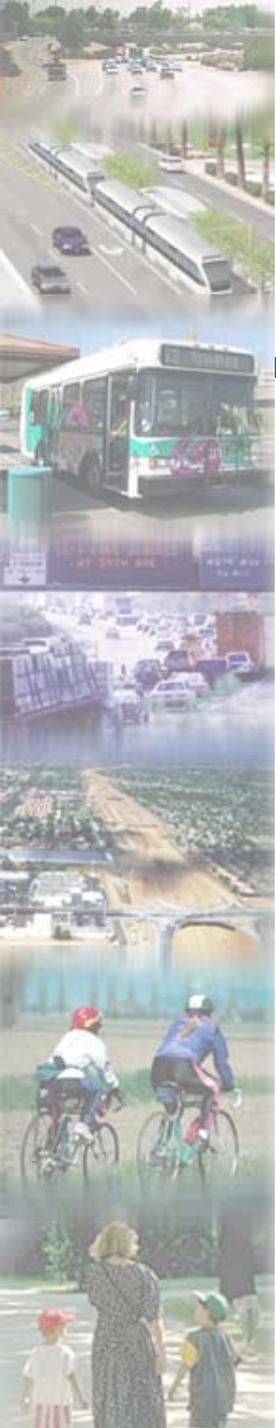
Transit Program

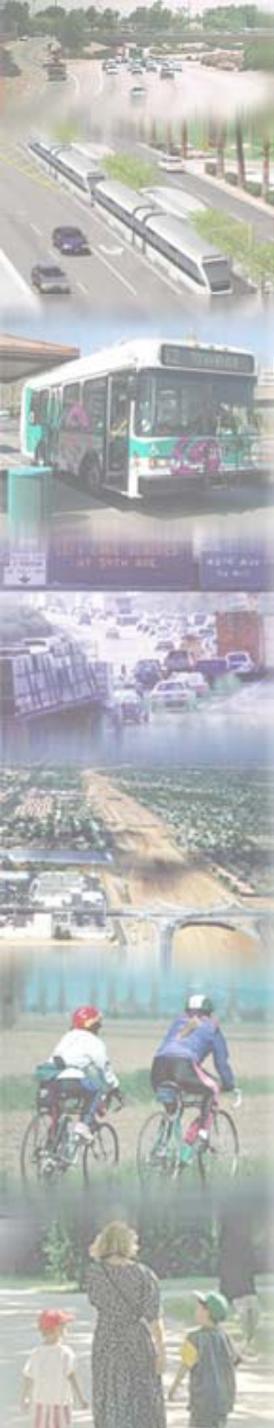
Super Grid Bus



Transit Program

Light Rail Transit





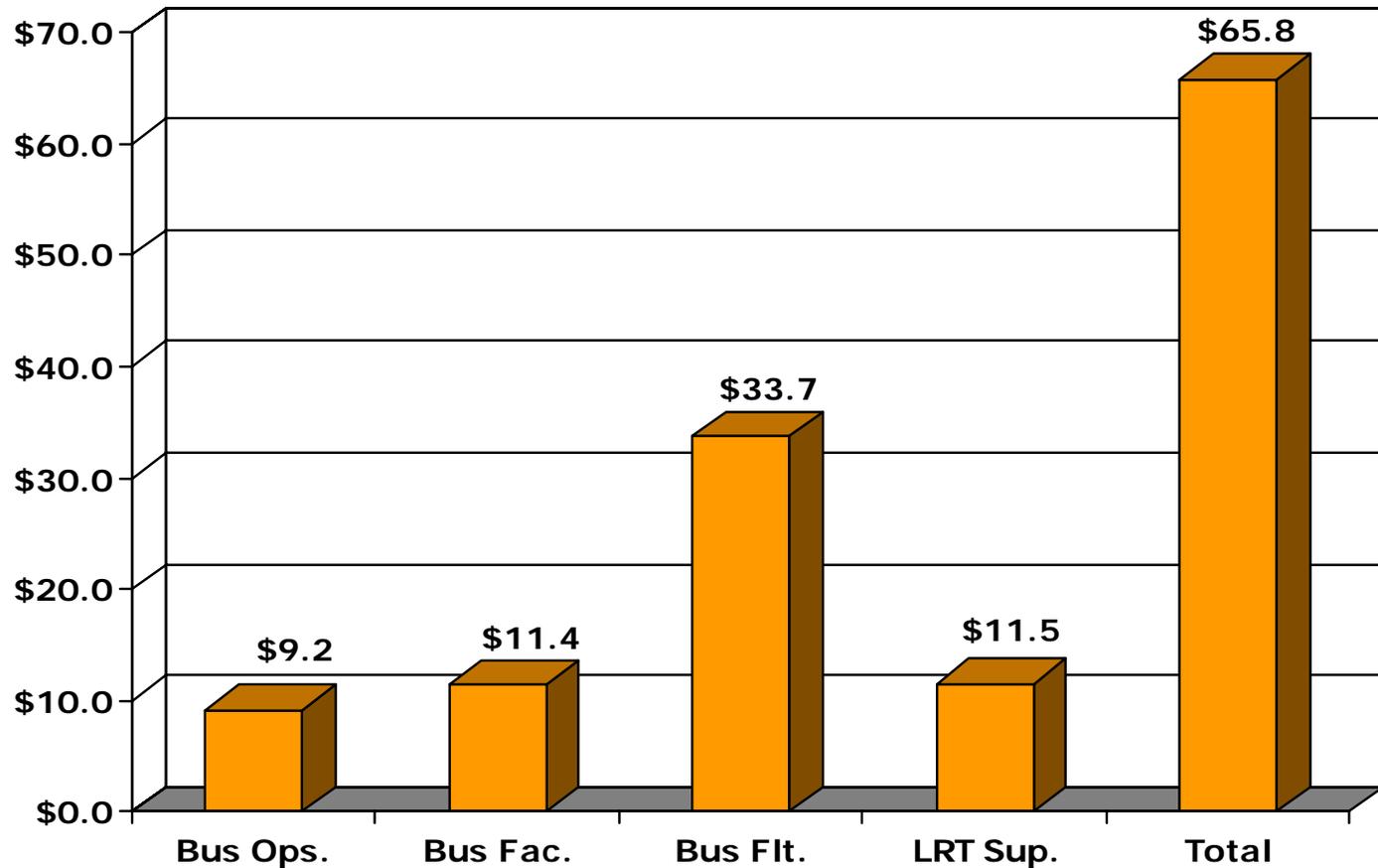
Transit Program

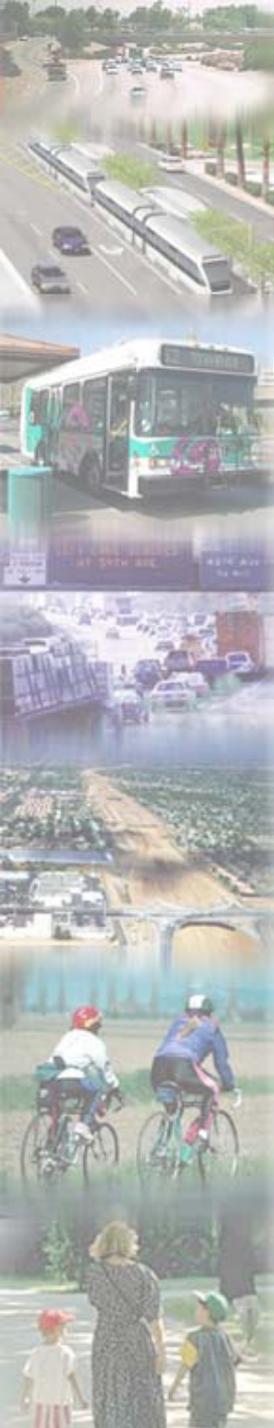
- During FY 2006, funding began for 14 existing Express and 4 existing RAPID bus routes, ADA paratransit service, and customer service and marketing programs. Also, 62 new coaches and 20 used coaches were purchased.
- Approximately \$66 million was expended on the Transit Life Cycle Program, during FY 2006.

Transit Program

FY 06 Project Expenditures

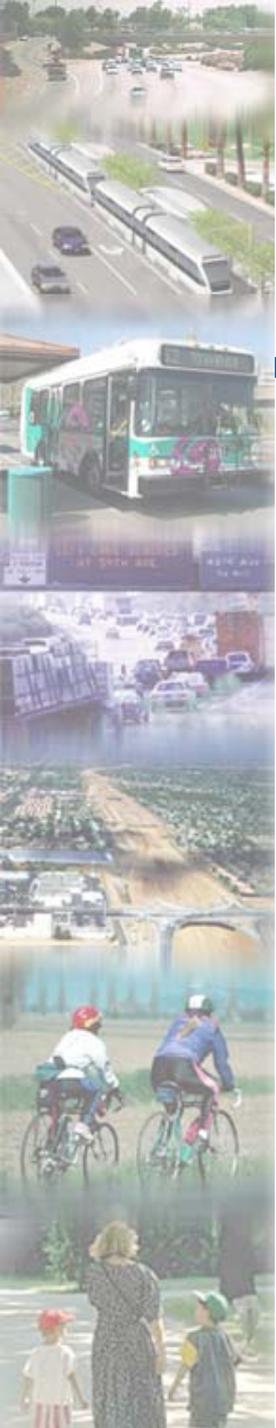
Millions





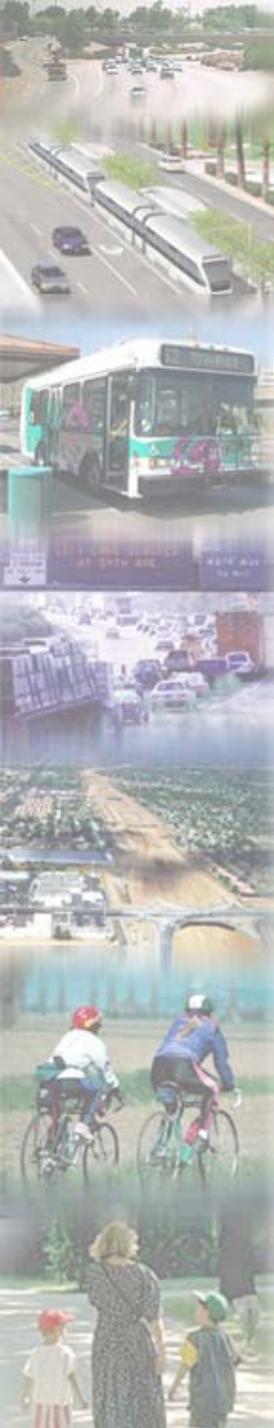
Transit Program

- A broad range of bus planning studies were started to define service concepts in detail and provide improved future cost estimates.
- During the next five fiscal years, 11 new BRT/Express routes and seven new Super Grid routes will be initiated. In July 2006, service began on the first regionally funded Super Grid route route on Scottsdale/Rural Road. Service is also now being provided on rural connector routes.



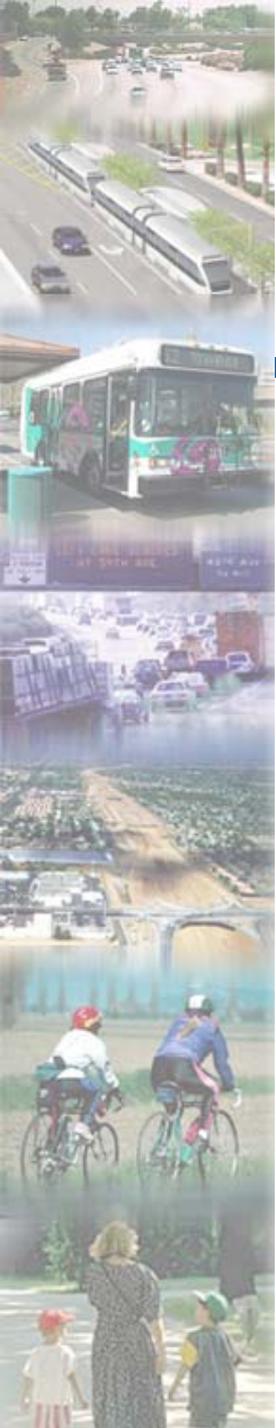
Transit Program

- Construction is continuing on the LRT Minimum Operating Segment (MOS) and service is scheduled to begin in December 2008.
- Studies necessary to implement the 37.7 miles of LRT extensions have been initiated.



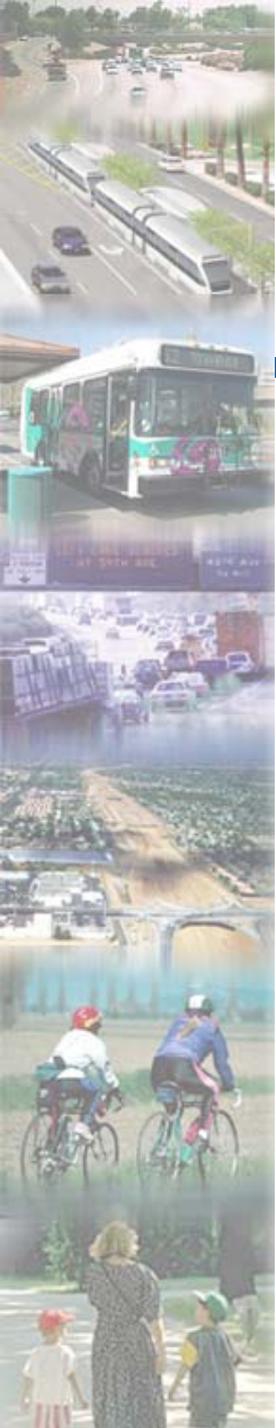
Transit Program

- Estimated future costs for the full Transit Life Cycle Program are in balance with projected revenues.
 - Future Revenues: \$5,940 million
 - Future Costs: \$5,940 million



Transit Program

- Recent trends of escalating wages and fuel prices will increase the pressure on balancing bus service operations costs with available revenues. Similarly, recent increases for right-of-way and construction materials are likely to drive up costs for transit capital facilities.



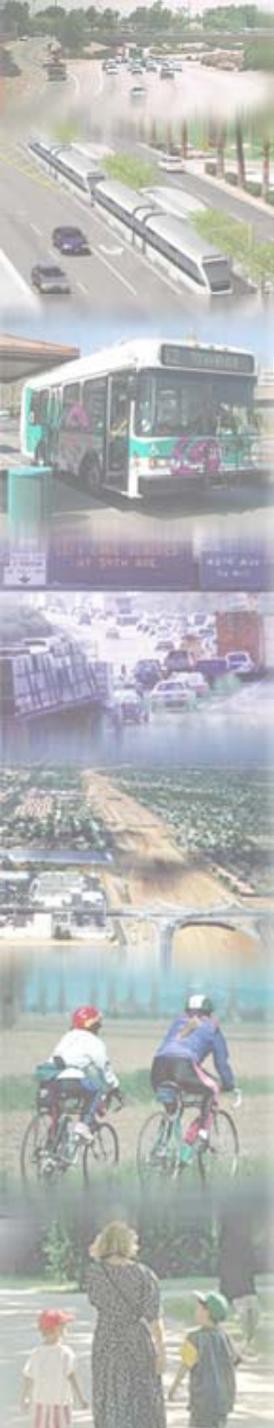
Key Summary Points

- Regional Transportation Plan

The modal Life Cycle Programs were added to the Regional Transportation Plan.

- Revenues

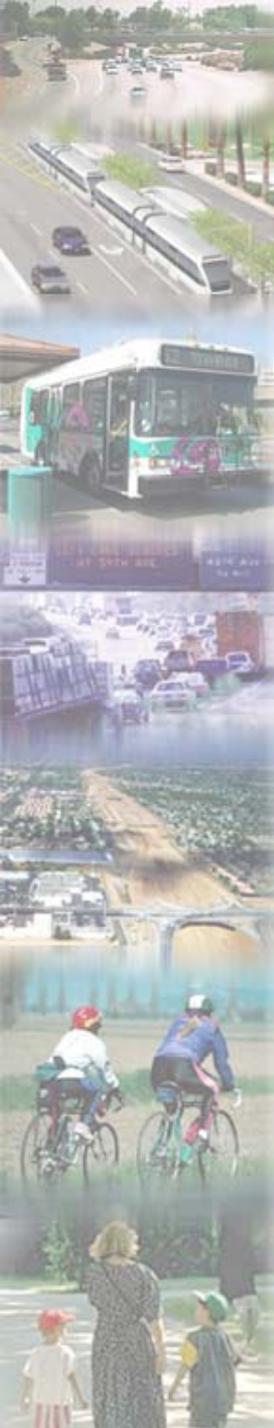
Forecasts of future available regional revenues are largely unchanged from the 2005 Annual Report.



Key Summary Points

- Freeway/Highway Life Cycle Program

During the coming fiscal year, significant additional project cost increases may be encountered in the Freeway/Highway Life Cycle Program, as detailed engineering studies are completed.



Key Summary Points

- Arterial Street Life Cycle Program

Given increasing construction costs, concerns are being raised regarding the ability of jurisdictions to provide full funding for all projects in the program.

- Transit Life Cycle Program

As in the other modes, recent trends in escalating wages, fuel prices, and construction costs will increase the pressure on balancing both service and capital costs with available revenues.