

Transportation in Northern Arizona

A Key Economic Driver

*Alan E. Maguire
The Maguire Company*



The Maguire Company

Arizona's Transportation Network

Transportation is Foundational

- *Federal Highway Trust Fund*
- *Arizona Highway User Revenue Fund*
 - ✓ *Erosion of Fuel Tax Revenues*
 - ✓ *Decades Since Last Increase*
 - ✓ *Over \$1 Billion shifted out at State level*
 - ✓ *Pressure on Local Budgets*

No Help on the Horizon!



Arizona's Transportation Network

Transportation is Foundational

- ***Local Street and Road Funding***
 - ✓ ***Historical Reliance on Shared HURF***
 - ✓ ***Erosion of Buying Power***
 - ✓ ***Aging Roads = Higher Maintenance Costs***
 - ✓ ***Pressure on Local GF Budgets***



Arizona's Transportation Network

Transportation is Foundational

- ***Response Elsewhere:***
 - ✓ ***Over A Dozen State Tax Increases***
 - ✓ ***Some Innovative Approaches***
 - ✓ ***More Local Tax Initiatives***
 - ✓ ***Continued Underfunding***



Arizona's Transportation Network

Transportation is Foundational

- ***Local Response:***
 - ✓ ***More Local Self-Reliance***
 - ✓ ***Growing Transfers for Other Sources***
 - ✓ ***Underfunding – Especially Preservation***
 - ✓ ***Growing Awareness of Challenges***
 - ✓ ***Local Support***



Arizona's Transportation Network

Transportation is Foundational

- *Key to Economic Vitality*
- *Safe to Schools and On-Time to Work*
- *Important Quality of Life Measure*



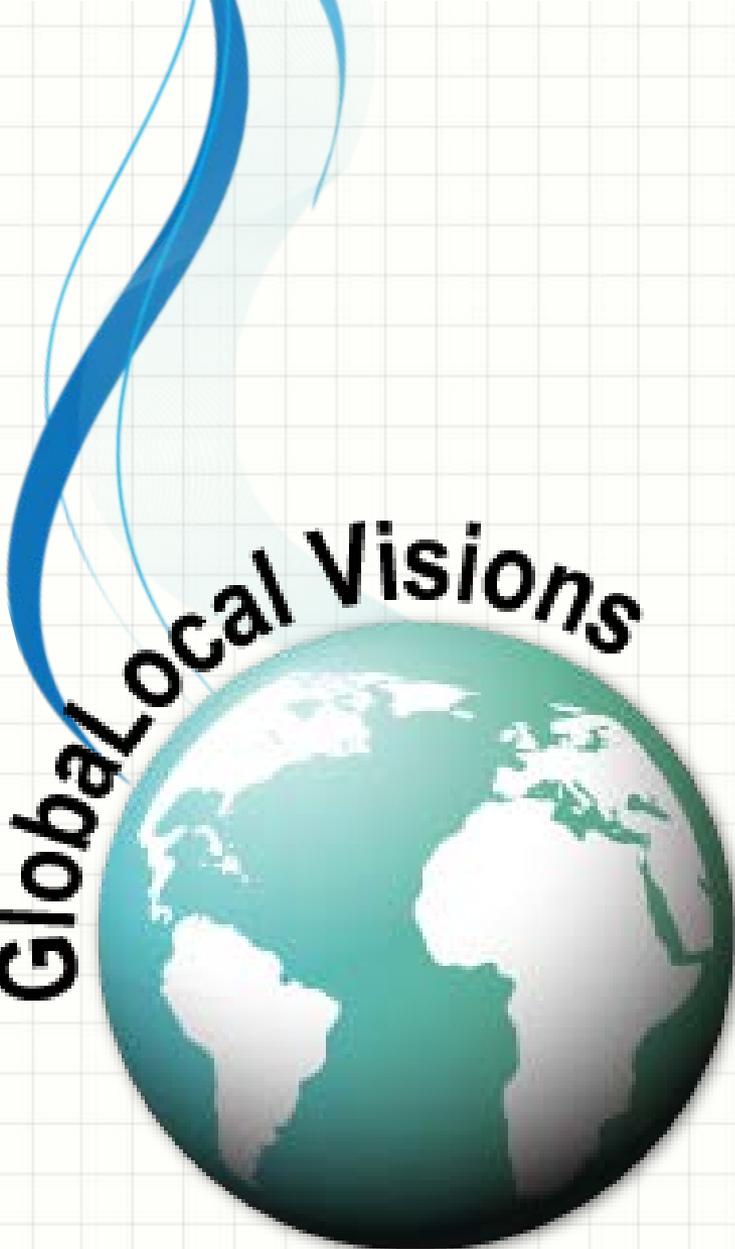
Transportation in Northern Arizona

A Key Economic Driver

*Alan E. Maguire
The Maguire Company*



The Maguire Company



GlobalLocal Visions

Road Maintenance Research

**COCONINO COUNTY
&
CITY OF FLAGSTAFF**

BY

FREDERIC I. SOLOP, Ph.D.

Research Strategy: 2013-2014

1

- County Telephone Survey (October – November 2013)

2

- Focus Groups (April -May 2014)

3

- City/County Telephone Survey (May 2014)



2013

TELEPHONE SURVEY RESULTS

- 
- Three-quarters say County roads are in excellent or good shape. Half say there are too many potholes.
 - There is very little knowledge about how road maintenance and repairs are funded in the County.
 - 55% support increasing the County sales tax to maintain the current level of road service.

- 
- 60% support a quarter cent tax increase, 45% support a half cent tax increase in the County
 - Snow plowing and the safety of children resonate most with likely voters.
 - 55% of Flagstaff voters support repairing current infrastructure. 50% support building new infrastructure.



2014

FOCUS GROUP RESULTS

- 
- Traffic congestion is an engaging issue for Flagstaff voters. Voters in areas adjacent to Flagstaff are equally interested in traffic congestion and road safety concerns. Road maintenance is a less engaging issue.
 - Flagstaff voters are more supportive of increasing taxes to fund road maintenance and repair than other voters. Opposition to taxes increases as one moves further from Flagstaff.

- 
- Roads are recognized as fundamental to the infrastructure of communities and government is responsible for and expected to maintain that infrastructure.
 - Likely voters want government officials to be accountable and transparent.
 - Messaging involving ‘safety,’ ‘children,’ and ‘schools’ resonate throughout the County. There is also support for the idea that ‘roads are critical to the future of our local economy.’

- 
- Likely voters are skeptical that Coconino County and the City of Flagstaff are coordinating transportation plans; though, voters desire it to be so.
 - People are angry knowing that the State Legislature has diverted tax revenues designed to support County and City efforts to maintain roads and streets to other State programs.



“When I lived in Chicago, I could get from my house by Wrigley Field to the Board of Trade downtown Chicago faster than I can get across Flagstaff, and there’s I don’t know how many million people in Chicago.”



“We lived in Cheshire for 14 years and you see the road go to hell every winter. You see it just degrade. You’re trying to memorize the pattern of all the fissures that open up in it, and that’s been years and years and years. Its always the same pattern.”



“I almost take it as a matter of civic pride...its is just so basic that the roads be well maintained. You go into a community where the yards are well maintained, the parks are well maintained, (and) you automatically think, well these people know how to manage their lives. They know certain things are valuable and they’re willing to put their money into it.”



“Locally the roads are really bad and I don’t know who is maintaining them. The tribe points at the BIA and the BIA points at the tribe. Then we all point to the County.”



“Are my taxes already too high. Yeah I feel like they’re high. But, what are they paying for? Maybe they’re not that high if they fit my priorities.”

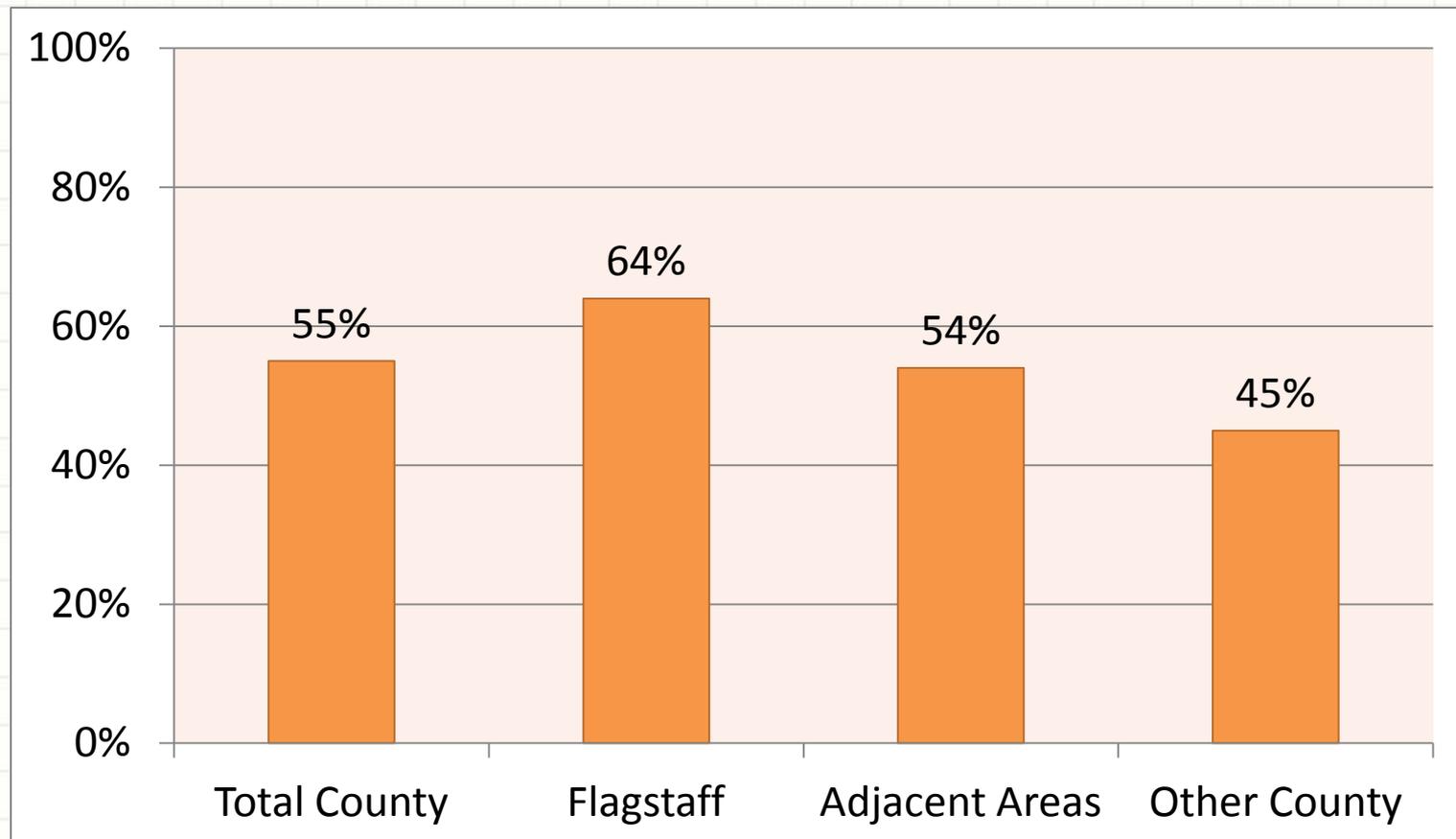


2014

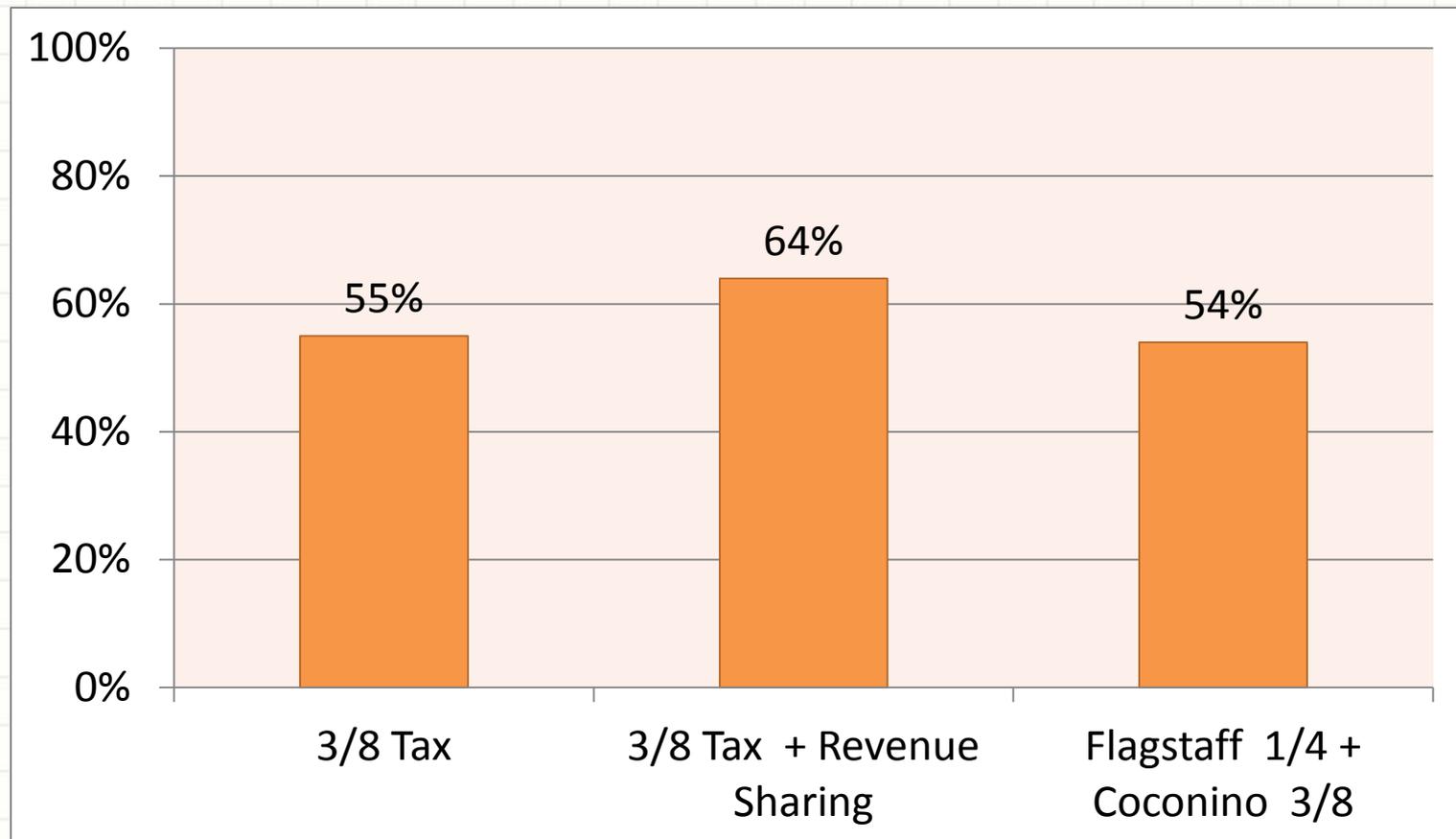
TELEPHONE SURVEY RESULTS

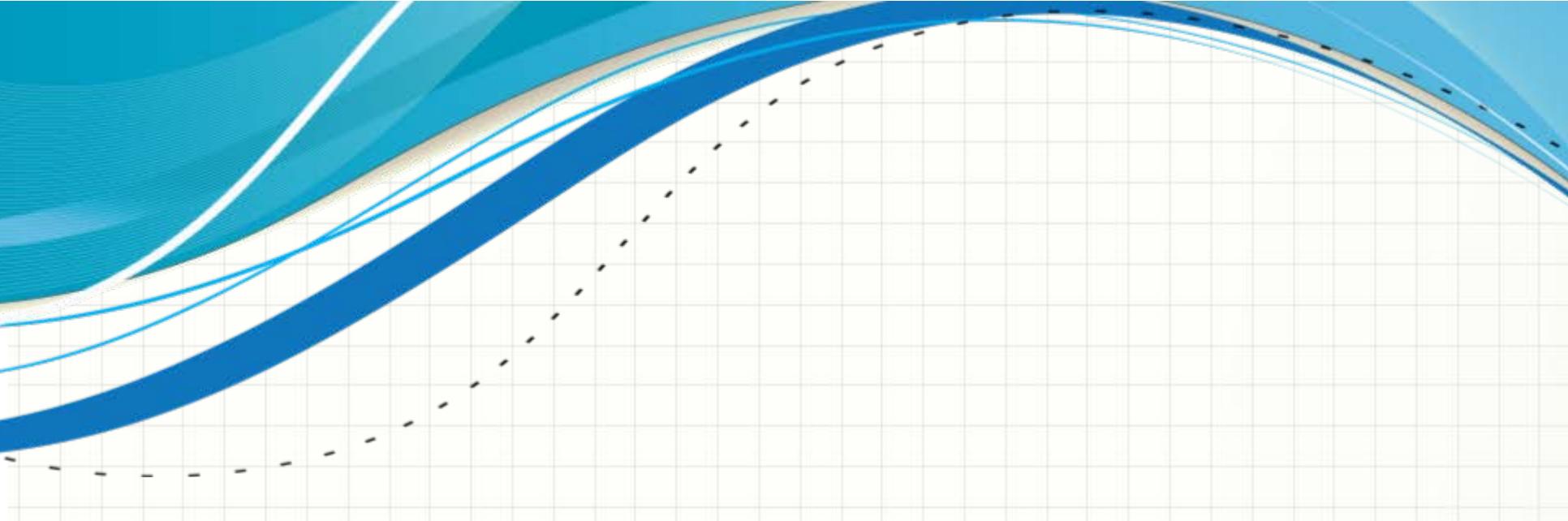
- Traffic congestion is the #1 street-related issue for Flagstaff voters. Road maintenance is the second most important issue.
- Two-thirds of Flagstaff voters support a $\frac{1}{4}$ cent City sales tax increase. 60% support a $\frac{1}{2}$ cent sales tax increase.
- More than half of voters across Coconino County have heard nothing about road maintenance concerns recently.
- Support for a County road maintenance sales tax increase diminishes the further one gets from Flagstaff.

Support for County Sales Tax Increase to Maintain Roads



Support for Specific County Tax Increase Proposals





QUESTIONS?



***Potential
County Road Maintenance
Sales Tax Initiative***

***Board of Supervisors – City Council Joint Meeting
June 2, 2014***

Why Now?

GAS TAX - NOT adjusted to inflation since 1993. In 2014, this alone = \$13.6 million in lost revenues

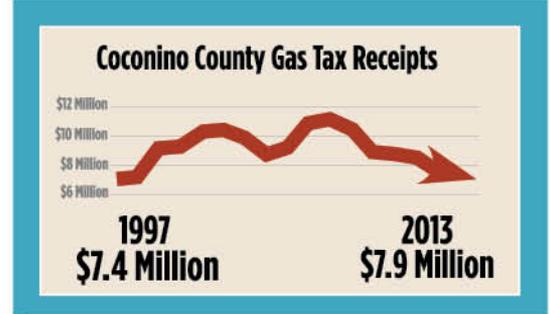
GAS TAX HAS NOT increased



+



=



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

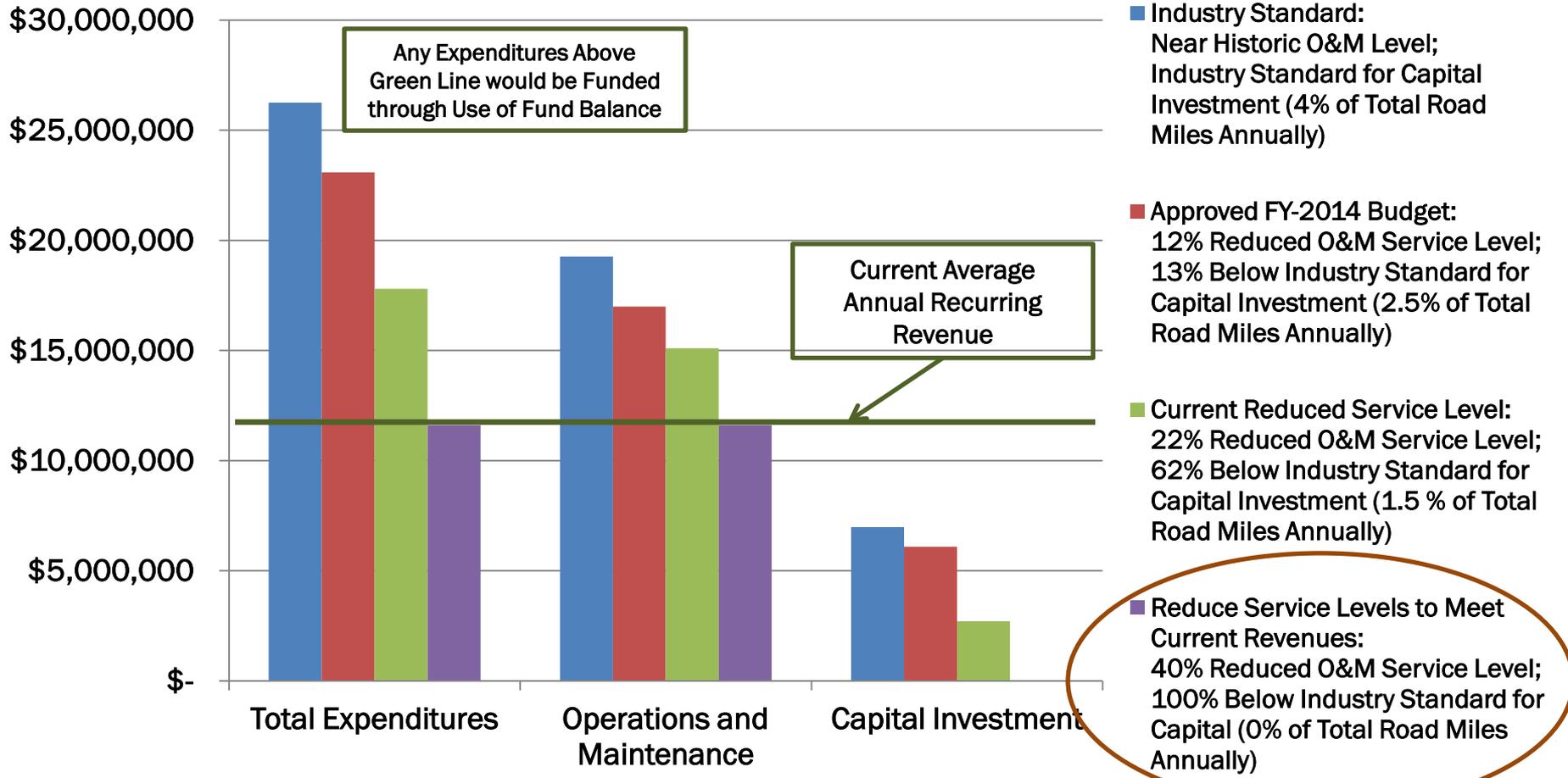
Pay NOW \$70 Million



Pay More Later \$109 Million

No New Revenue Scenario

Summary



No New Revenue Impacts

- 44%+ Expenditure Reductions (35% additional reduction from current reduced costs)
- 40% Vacancy Rate would be required
- Equipment replacement Only upon failure
- Defer all capital investment except grant funded projects



No New Revenue: Road Service Impacts

Activity	No Revenue
Dirt/Gravel Road Maintenance	Reduce Grading Frequency by +/-50%
Paved Road Conditions	Potholes and Alligating
Snow Plowing	Daylight Only - Priority Roads
Staffing	Minus 9 More Positions (40% Vacancy Rate)
Equipment	Only Replace when Fails
Paved Capital	0 Investment
Chip Seal	+/- \$500,000
Road Failure Risk	Very High

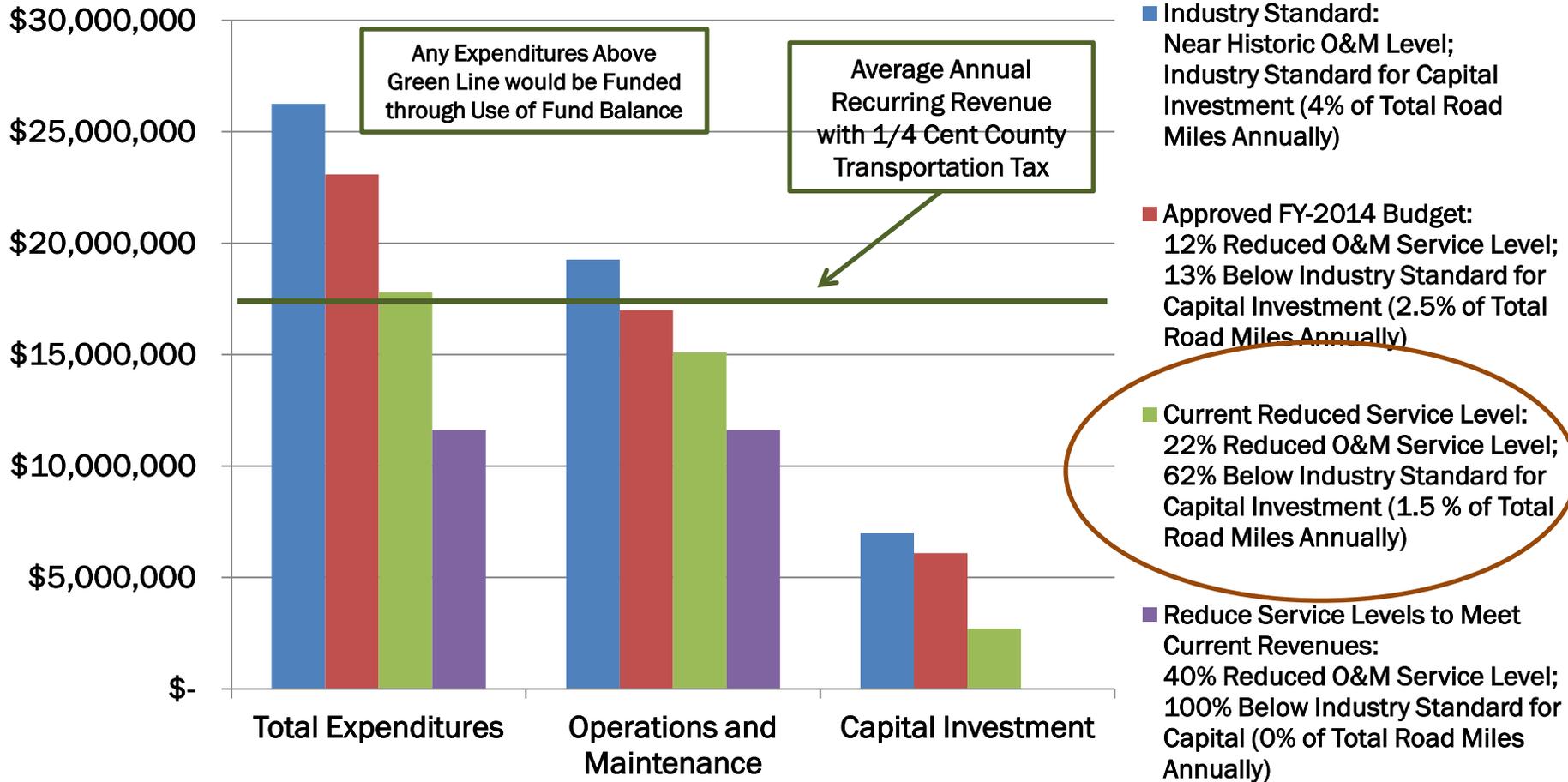
No New Revenue Impacts: Traffic Issues

- Speed limits on paved and dirt/gravel roads will be reduced for safety
- Increased traffic delays
- Increased commute times
- Increased vehicle maintenance costs
- Accident frequency could increase
- Reduced vehicle efficiency = impacts to operation costs & impacts to air quality



***Road Maintenance Sales Tax Options
Being Considered
by the Board***

1/4 Cent - County Transportation Tax



¼ Cent - Road Services Impacts

Activity	No Revenue	¼ Cent
Dirt/Gravel Road Maintenance	Reduce Grading Frequency by +-50%	Reduce Grading Frequency by +-25%
Paved Roads Conditions	Potholes and Alligating	Potholes and Alligating
Snow Plowing	Daylight Only Priority Roads	Current Reduced Plan
Staffing	Minus 9 More Positions (40% Vacancy Rate)	Current Level – 76 positions (32% Vacancy Rate)
Equipment	Only Replace when Fails	+-\$1,000,000
Paved Capital	0 Investment	+-\$2.4 Million
Chip Seal	+-\$500,000	+-\$1.5 Million
Road Failure Risk	Very High	High

Extend 1/8 Cent Existing County Sales Tax

- In addition to 1/4 cent County sales tax for road maintenance, extend the existing 1/8 cent County sales tax for road maintenance. Revenues from 1/8 cent are +- \$3 million/year.
- Current 1/8 cent for County parks & open space expected to expire this fall
- Dedicate revenue from the 1/8 cent to cities and unincorporated areas by population. Funds can only be used for road maintenance.
- City of Flagstaff could receive approximately \$1.5 million per year
- Approximately \$525,000 per year could be dedicated to the County's maintenance of Navajo Nation School Bus Routes. Current funding source for the road maintenance work done by the County on the Navajo Nation is no longer available.
- Unincorporated areas of the County could receive approximately \$637,000 per year in additional road repairs & maintenance services.

***The Board has made NO decisions relative to the level of the sales tax
or the potential for revenue sharing***

Term of Road Maintenance Sales Tax

- 1/4 or 3/8 cent tax buys time
- This tax level is not a long-term solution



Next Steps

- **June 3, 10 & 17 - Board Work Sessions to deliberate potential Road Maintenance Sales Tax Initiative**
- **June 17 or 24 (6:00pm meetings) - Board likely to make a decision regarding placing the road maintenance sales tax initiative on the November ballot**

Questions



Road Repair and Street Safety Initiative

June 2, 2014



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- November 2012: Completed analysis on the condition and improvement costs of critical City infrastructure
- March 2013: First regional coordination meeting
- April 2013: Council discussion on project approach
- July 2013: Reallocation of \$1M for FY15 Budget
- September 2013: Council discussion on funding proposals and direction to form Citizen Committee
- November 2013: Citizen Survey
- January – March 2014: Citizen Committee
- April 2014: Citizen Committee recommendation presented to City Council
- May 2014: Focus Groups and Survey Results



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- June 2: Review results of Focus Group, Follow up Survey, City Timeline, and County Timeline
- June 3: Discuss Council options and questions
 - Shiny and new vs. existing and improved?
 - 1x investment vs. ongoing investment
 - Sales tax vs. sales tax and property?
- June 10: Present options to Council
- June 24: Finalize proposal/question
- July 1: Approve final question



ROAD REPAIR AND STREET SAFETY INITIATIVE

Option #1 \$53.3 - \$62.3M 0.245% - 0.286%	Option #2 \$93.3 - \$102.3M 0.370% - 0.412%	Option #3 \$100.2 - \$120.9M 0.402% - 0.497%	Option #4 \$113.2– 133.9M 0.461% - 0.557%
Existing Streets Capital: Repave, Repair and Rebuild			
Existing Utilities Capital: Water, Wastewater and Stormwater			
Partial Enhancements: Sidewalks, ADA, Bike			
	Pavement Preservation	Pavement Preservation	Pavement Preservation
		New Capital: Bike, Ped, Bus	New Capital: Bike, Ped, Bus
			New Capital: Congestion Projects

CRC (Option #4): Sales Tax: \$113.2 M – 0.461%, Property Tax: \$4.4M - \$0.0333, Transportation Extension - \$67.4M – 0.31%

ROAD REPAIR AND STREET SAFETY INITIATIVE

City and County Coordinated Outreach

- City and County will coordinate outreach efforts on shared messaging, including:
 - Take local action because State and Federal shared transportation revenue is unreliable and has been reduced significantly
 - Make a community investment
 - Repair and invest in critical public infrastructure
- Coordination with FUSD, as appropriate
- City-specific messaging
- County-specific messaging

