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# MEMORANDUM

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Date: December 23, 2013

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "C.H. Huckelberry", is written over the typed name and title.

Re: **Transportation Needs and Funding**

There has been a great deal of discussion in recent months about the very real imbalance that exists between our extensive transportation needs and the limited amount of funding we can use to target those growing needs. While it is true these needs far outstrip our available resources and a solution to this shortfall must be identified, it is also true that Pima County continues to fund road improvements to the degree the budget allows.

Although our Department of Transportation (DOT) has shrunk from 447 full-time employees a decade ago to 306 currently, they continue to grade roads, cut vegetation, clear medians, design roads and engineer safe intersections. They literally have worked overtime to address the bane of drivers everywhere: potholes. This calendar year, through November, DOT has filled roughly 61,800 potholes throughout the community, using approximately 3,090 tons of asphalt; a number that is generally on par with previous years.

Recognizing that delaying street maintenance only produces further degraded roads that cost more to fix, the Board of Supervisors allocated General Fund revenues for pavement preservation in last year's budget decisions. This was the first time General Funds were allocated to the DOT for roadway maintenance activities. This funding is not for routine maintenance, such as pothole filling; it funds pavement preservation treatments on the roadways, ranging from a relatively inexpensive fog seal to actually digging up the asphalt and rebuilding the road.

DOT is currently allocating \$5 million in General Funds to those pavement preservation projects. These monies will fund treatment of over 27 miles of roads out of the nearly 1,800 miles of paved roads in Pima County.

Road building also continues, with the DOT leveraging Regional Transportation Authority (RTA) funds, federal funds, Pima County Highway User Revenue Fund bond funds and impact fees to carry out an aggressive Capital Improvement Program.

The DOT has the following eight significant roadway widening projects currently under construction:

1. Homer Davis Elementary Bike/Pedestrian Enhancement, \$2.2 million
2. La Cañada Drive: River Road to Ina Road, \$31.3 million
3. Cortaro Farms Road/Magee Road: Mona Lisa Road to Thornydale Road, \$23.5 million
4. Orange Grove Road: La Cañada Drive to Oracle Road, \$17.5 million
5. Mount Lemmon Culvert Pipe Lining, \$1.5 million
6. Orange Grove Road: Camino de la Tierra to La Cholla Boulevard, \$7.4 million
7. La Cholla Boulevard: Magee Road to Overton Road, \$28.4 million
8. Valencia Road: Alvernon Way to Wilmot Road, \$37.2 million

Combined, those projects are worth \$149 million, and they address roadway capacity issues and drainage problems in Pima County. These projects are also helping our economy. Based on the RTA's estimate of 5.2 jobs per \$1 million of capital expenditures, the currently active projects represent 786 jobs for the Pima County region.

In addition to the ongoing projects above, another \$38.9 million in projects are scheduled for construction in Fiscal Year (FY) 2013/14 and FY 2014/15, including:

1. Camino Verde: Brightwater to Valencia Road; estimated project cost \$1.3 million
2. Hughes Access Road Relocation; estimated project cost \$12.7 million
3. Old Tucson Nogales Highway, estimated project cost \$1.7 million
4. Colossal Cave Road, Success Drive; estimated project cost \$2.2 million
5. Valencia Road: Mark Road to Wade Road; estimated project cost \$20.9 million

The \$5 million in pavement preservation will be distributed throughout the community. The \$187.9 million in roadway widening investment is broken down by supervisorial district below, and the Northwest side is seeing the majority of the improvement:

- District 1 = \$108.1 million
- District 2 = 51.6 million
- District 3 = 3.6 million
- District 4 = 3.7 million
- Districts 3 and 5 combined = \$20.9 million

While it is clear that significant resources continue to be invested in our transportation system, it is important to note that the sources of revenues we have relied on to date are rapidly being depleted. Federal funds are increasingly scarce, the issuance of future transportation revenue bonds is highly problematic, and the majority of our projects authorized under the RTA in 2006 are well underway or completed.

It is not an overstatement to say we are nearing a time when we will have miniscule resources available to accommodate growth needs unless we can develop a solution to help

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us meet demand. As I have discussed in previous memoranda, the facts fully support an increase in user fees statewide related to transportation, which is an issue the State Legislature and voters must decide.

At a local level, it is important to face reality and take steps to mitigate the problem, absent legislative action. No extra funding is available for pavement preservation. DOT expenses are fixed and committed. Although we have authorization to sell more transportation revenue bonds, future bond sales are impractical because transportation taxes are declining and have also been reduced by legislative sweeps.

Consequently, I will be asking the Board next fiscal year to consider \$5 million for additional pavement preservation needs, which will translate into an approximate \$0.07 increase in the property tax primary rate. Based on 2013 property values, a \$0.07 addition to the primary tax would represent an \$8.09 increase in tax for a homeowner with the median valued home of \$115,590 or a \$10.28 increase in tax for a homeowner with the average valued home of \$146,914.

CHH/mjk

c: John Bernal, Deputy County Administrator for Public Works  
Priscilla Cornelio, Transportation Director