



MEMORANDUM

Date: July 21, 2016

To: The Honorable Chair 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 Funding in Arizona and Pima County**

As you know, the County has for several years had a legislative agenda to increase transportation funding in Arizona to assist Pima County and the entire State in remaining economically competitive. Some fail to grasp the connection between transportation system efficiency and economic prosperity.

The Arizona Legislature and State leadership need to recognize the importance of initiatives for transportation finance that would increase investments in these systems. Some plans that have been advanced locally are essentially no plan or a plan to take action 10 years from now, which is simply too late.

There is a growing national consensus that critical transportation financing decisions must be made in the near term.

I will be suggesting at least the following three transportation funding initiatives for Board of Supervisors consideration for the next Legislative Agenda.:

1. Redistribute County Highway User Revenue Funds (HURF) more equitably in the State as has been discussed in my previous communications. Such would significantly increase Pima County's share of County HURF.
2. I will recommend the Board endorse immediate enactment of an additional half-cent sales tax for road repair and pavement rehabilitation through voter approval for a limited period of time, lasting no more than 10 years, to run concurrent with the current Regional Transportation Authority half-cent Transportation Excise Tax. This half-cent sales tax will be spent entirely on road repair and rehabilitation without bonding, and with all work being performed by private sector contractors. Such will raise nearly \$800 million. This is sufficient to bring every street and highway in the County and City up to a Good standard.
3. I will continue to advocate for an increase in statewide gas taxes or a sales tax on the sale of gasoline to provide additional revenues for transportation statewide to make those necessary capacity and mobility improvements to both accelerate and

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sustain economic expansion in Arizona and make Arizona competitive with our surrounding states in the West.

To demonstrate clear validation of the need to increase transportation revenues, below is a recent table included in the July 2016 *American Public Works Association Reporter*. The table reports on a number of common family unit expenditures. Near the bottom of the table are both the Federal gas tax and State gas tax. The percent change in these factors between 1993 and 2010 clearly shows the obvious and compelling need to increase traditional transportation revenues.

| Item | Unit/Description | 1993 | 2010 | %Change |
|-----------------|-----------------------------------|----------|----------|---------|
| College Tuition | Average Tuition and Required Fees | \$ 3,517 | \$ 9,136 | 160 |
| Gas | Per Gallon | 1.12 | 2.73 | 144 |
| Movie Ticket | Average Ticket Price | 4.14 | 7.89 | 91 |
| House | Median Price | 126,500 | 221,800 | 75 |
| Bread | Per Pound | 1.08 | 1.76 | 62 |
| Income | Median Household | 31,272 | 49,167 | 57 |
| Stamp | One First-Class Stamp | 0.29 | 0.44 | 52 |
| Beef | Per Pound of Ground Beef | 1.57 | 2.28 | 46 |
| Car | Average New Car | 19,200 | 26,850 | 40 |
| State Gas Tax | Per Gallon | 0.18 | 0.18 | 0 |
| Federal Gas Tax | Per Gallon | 0.184 | 0.184 | 0 |

Something is seriously distorted in our value system if we are willing to pay 91 percent more for a movie ticket, but no more for our mobility, safety and comfort in transportation to get to the theater.

CHH/anc

- c: John Bernal, Deputy County Administrator for Public Works
- Priscilla Cornelio, Director, Transportation Department
- Michael Racy, Racy Associates, Inc.