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# MEMORANDUM

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Date: January 21, 2020

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 "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Arizona Department of Transportation Presentation to the House Transportation Committee of the Arizona Legislature**

Recently, the Arizona Department of Transportation (ADOT) made a presentation to the House Transportation Committee of the Arizona Legislature. I have attached a copy of this presentation for your information.

The presentation confirms what we have been saying for a number of years, the State's transportation system and its primary revenue source is stagnant and declining while transportation system and service demands are increasing.

Historically, ADOT has had a robust facility system expansion primarily in the Maricopa County area. To date, as you can see from the information, their emphasis is turning to a maintenance and pavement preservation program. The report also documents the significant decline in the gas tax as part of the Highway User Revenue Fund. The report also documents the impact of loss revenue during the Great Recession, which they estimate at \$16.9 billion.

CHH/anc

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Yves Khawam, PhD, Assistant County Administrator for Public Works  
Ana Olivares, Director, Transportation Department

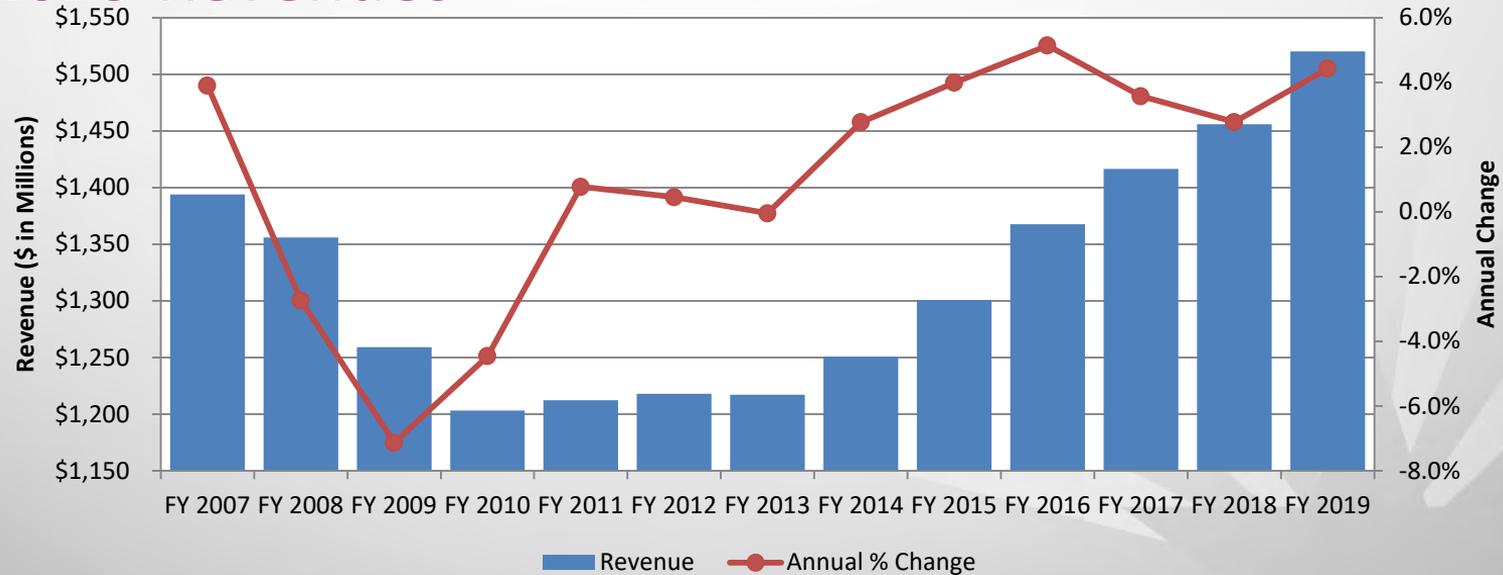
# House Transportation Committee

## January 15, 2020

# Highway User Revenue Fund (HURF) Update

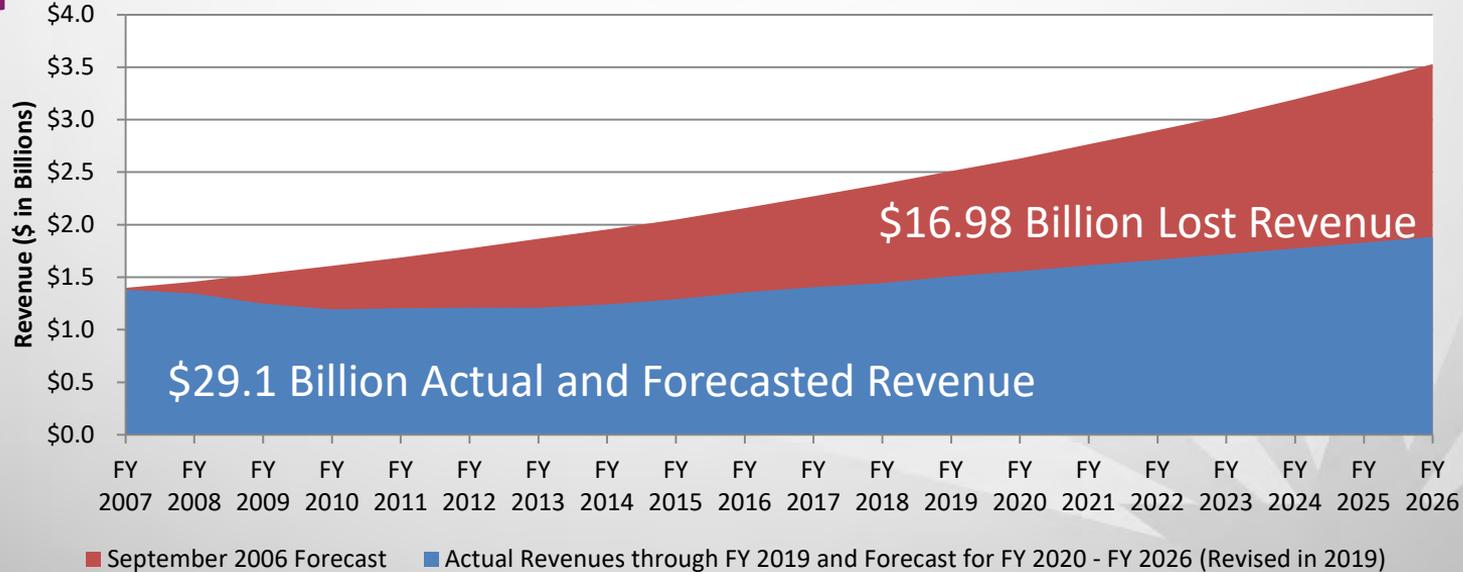
Presented by: Kristine Ward, CFO

# Highway User Revenue Fund (HURF): FY2019 Revenues

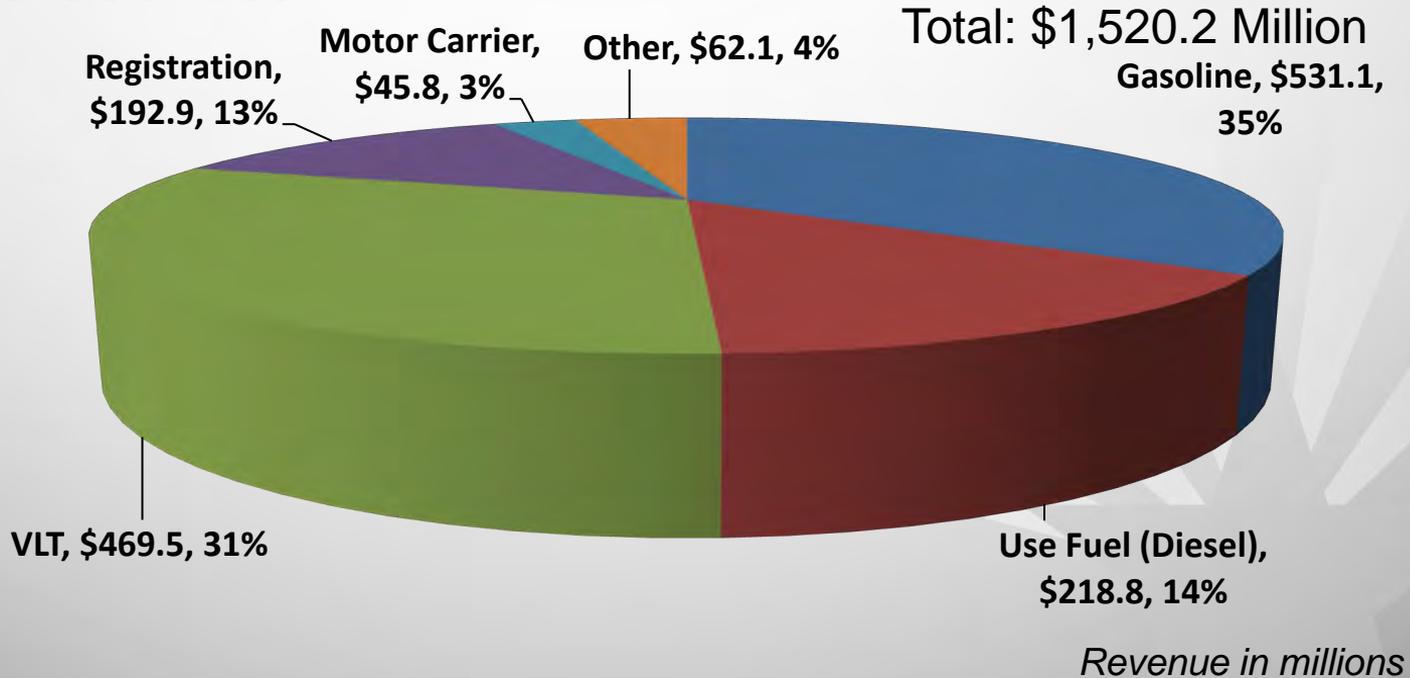


	FY 2018 Actual	FY 2019 Actual	Change	FY 2019 Estimate	Change
<b>Total</b>	\$ 1,455.8	\$ 1,520.2	4.4%	\$ 1,490.2	2.0%

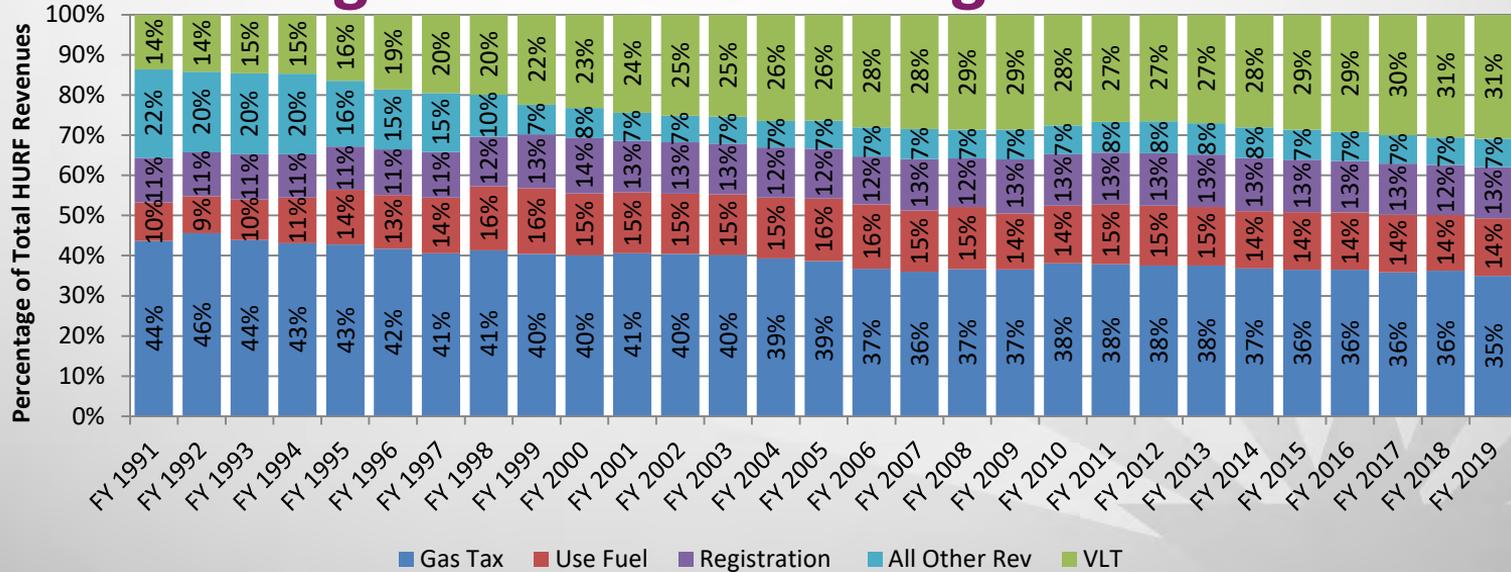
# Highway User Revenue Fund (HURF): Impact of the Great Recession



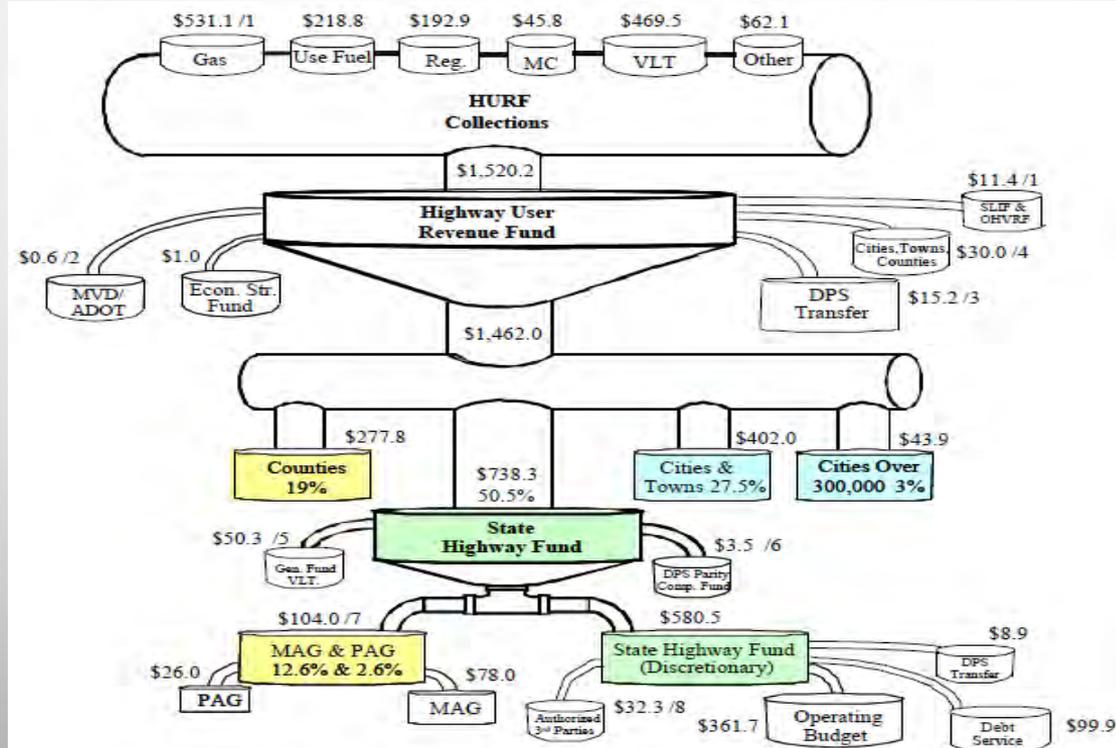
# Highway User Revenue Fund (HURF): FY2019 Sources



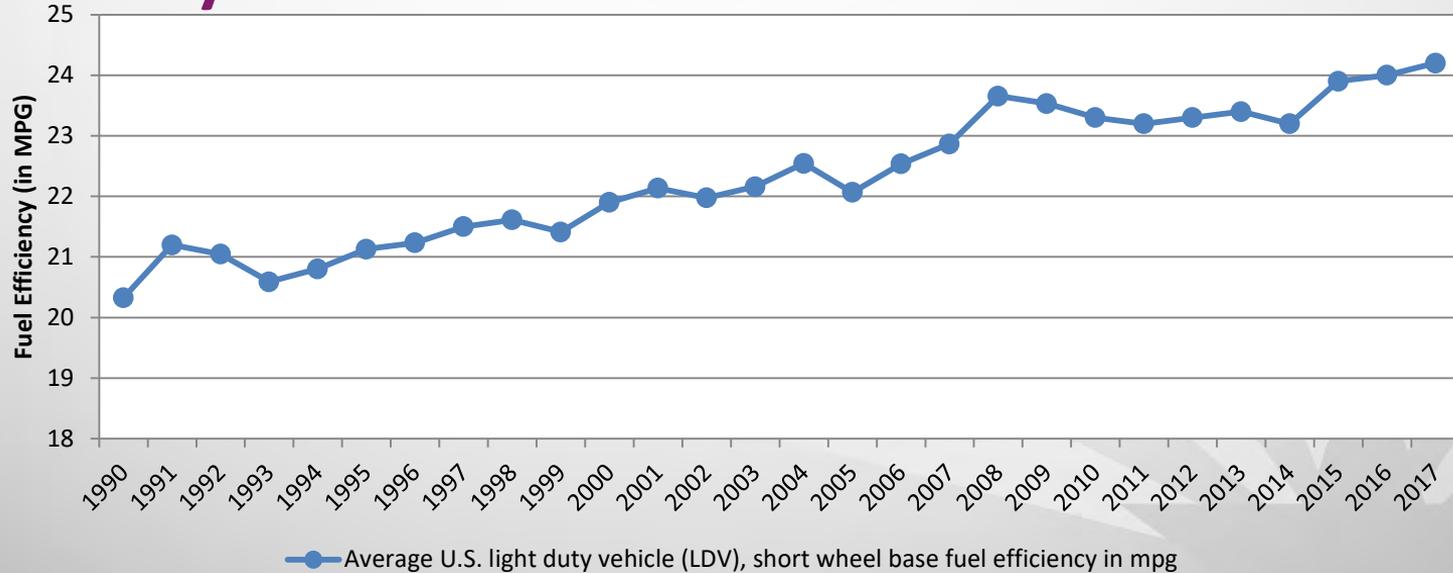
# Highway User Revenue Fund (HURF): Revenue Categories as a Percentage of HURF



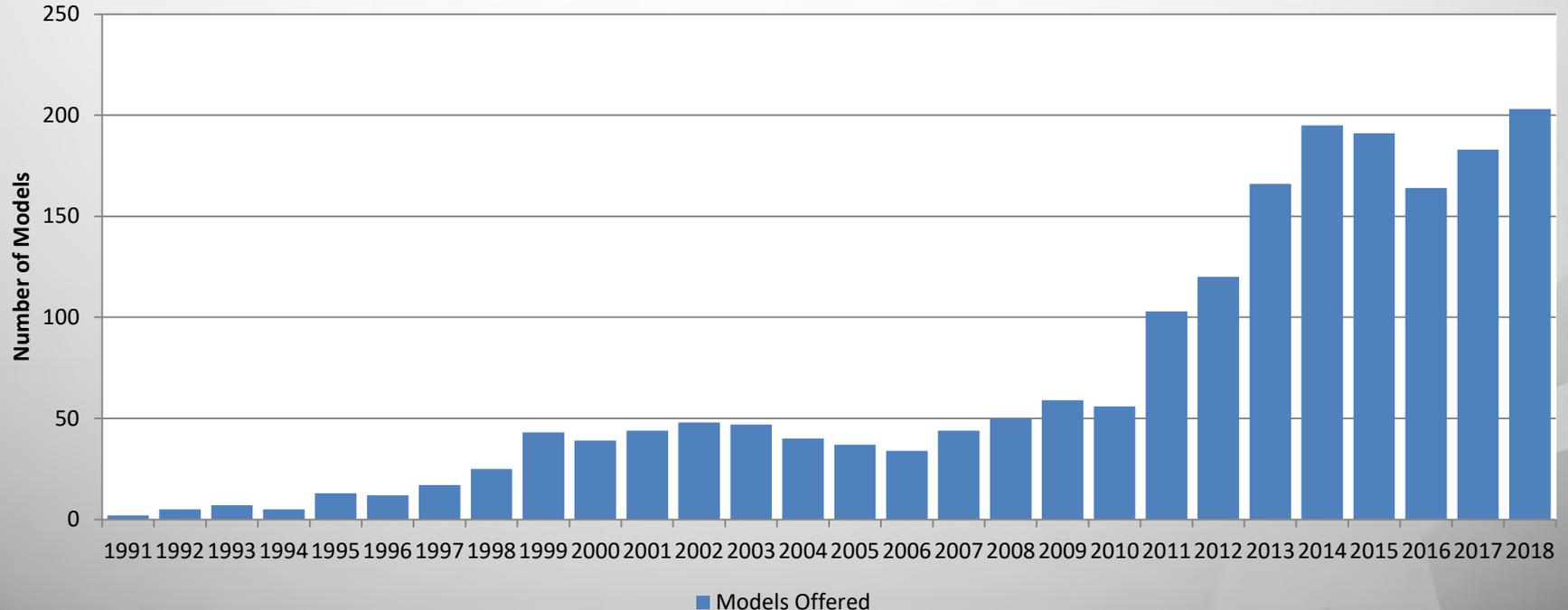
# Highway User Revenue Fund (HURF) FY 2019 Distribution:



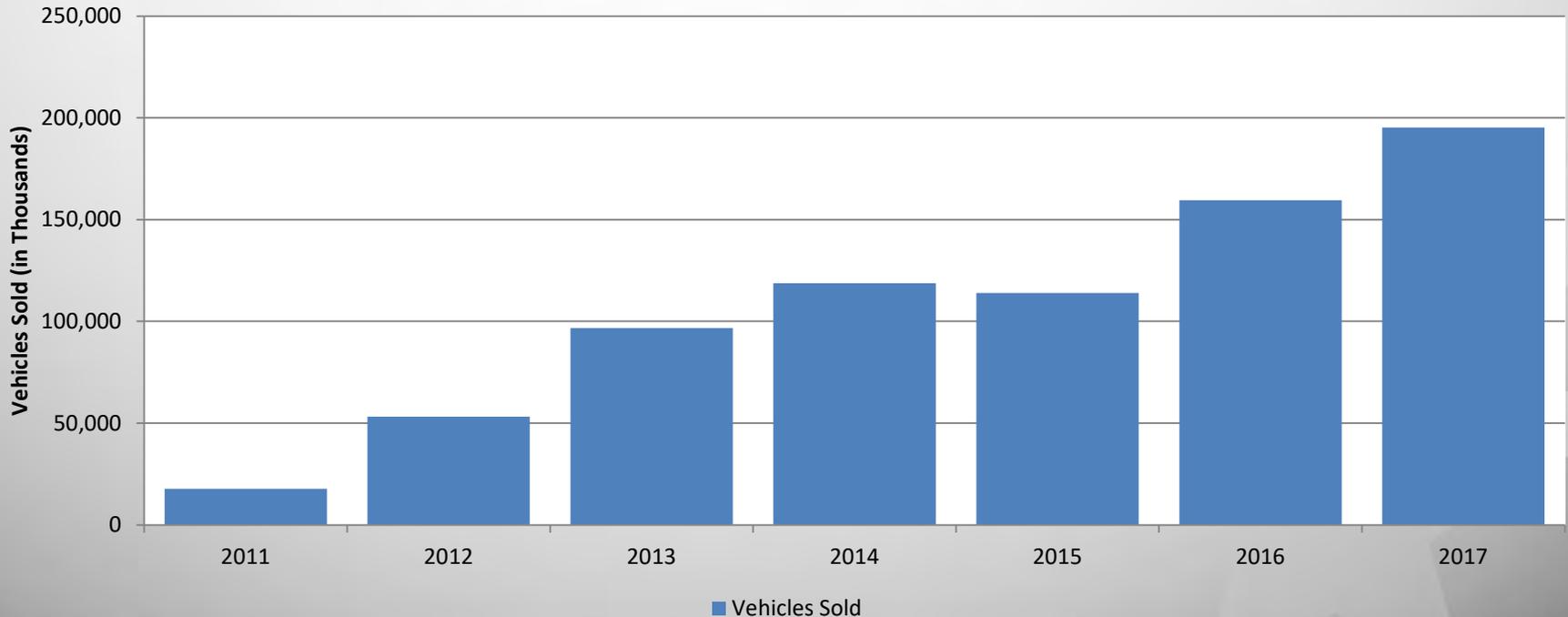
# United States Average Fuel Efficiency: Light Duty Vehicles



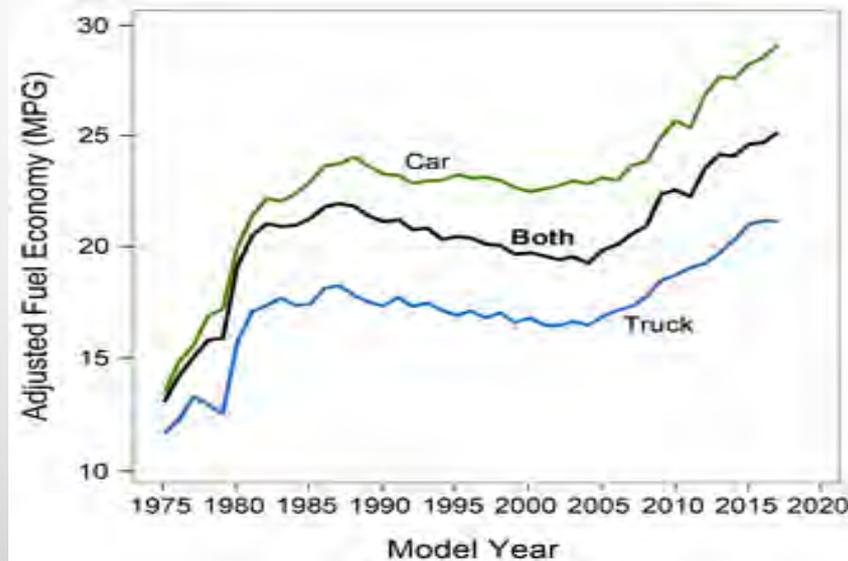
# Alternative Fuel Vehicles (AFV) and Hybrid Electric Vehicles (HEV) Model Offerings



# United States Plug-in Electric Vehicle Sales



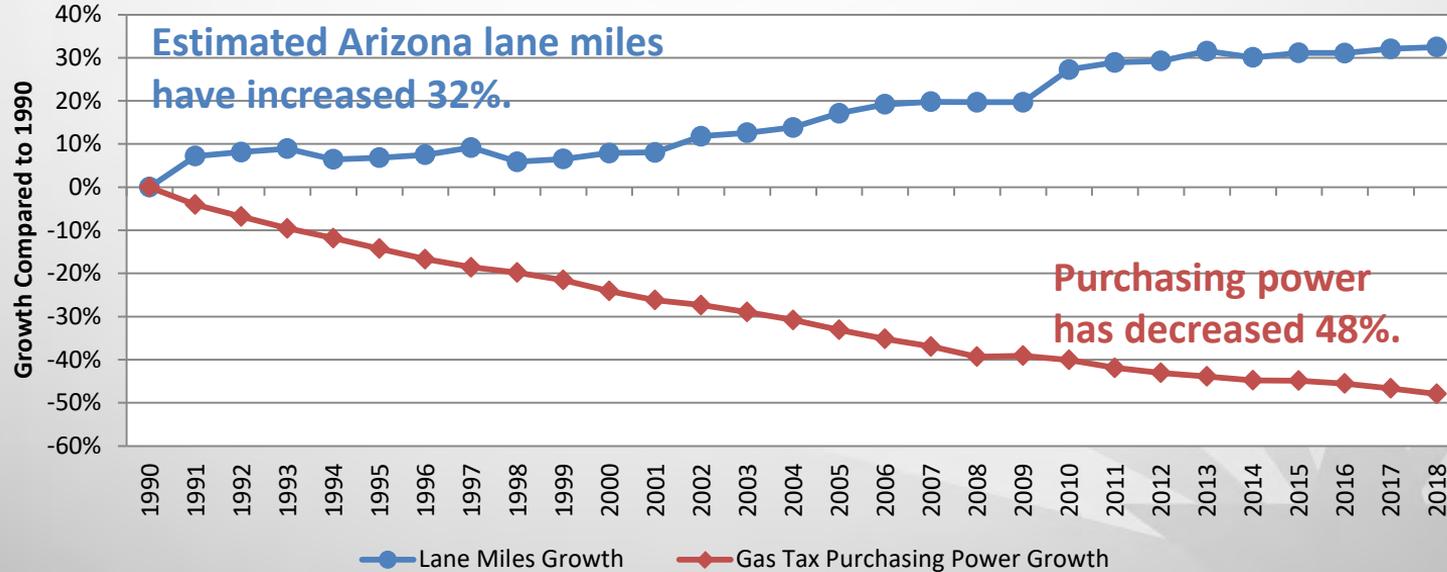
# Fuel Efficiency by Model Year: New Vehicles



Source: U.S. Environmental Protection Agency

<https://www.epa.gov/fuel-economy-trends/highlights-co2-and-fuel-economy-trends#highlightS>

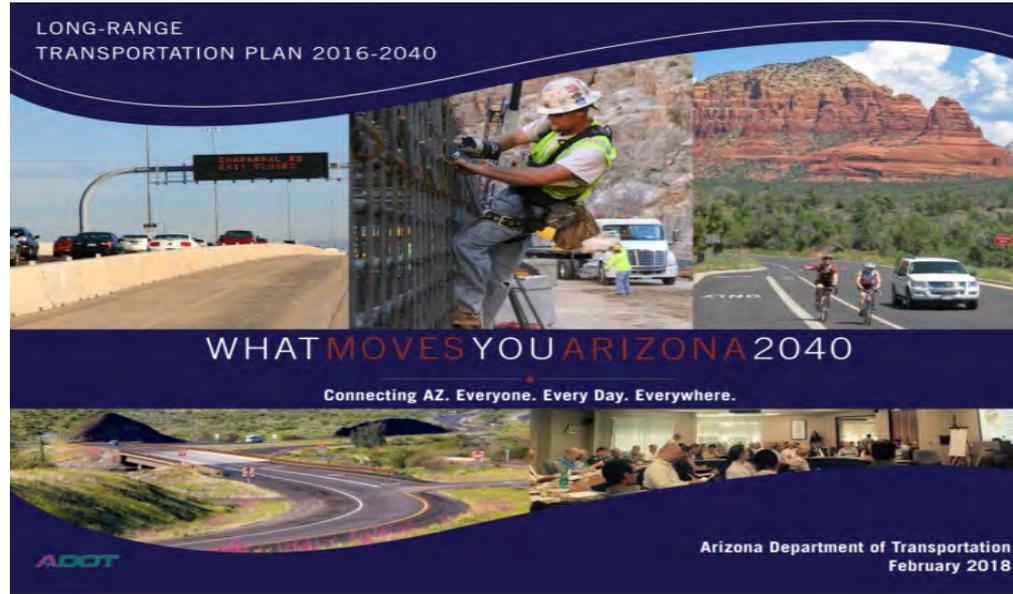
# Lane Miles and Gas Tax Purchasing Power: Growth From 1990



# Transportation System Components

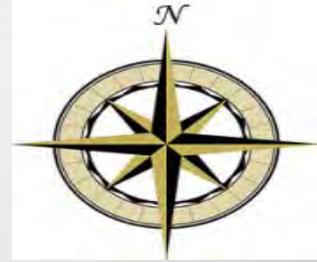
**Presented by: Dallas Hammit, Deputy Director for Transportation/  
State Engineer**

# Long Range Transportation Plan



**Adopted February 2018**

# Review of Purpose & Themes



- Provide policy direction to ADOT, MPOs, COGs and Other Partners on transportation performance, needs & priorities
- Establish a data-driven, performance-based policy framework to guide future project recommendations to the Board
- Focus on defining a Recommended Investment Choice (RIC) to help ADOT best invest finite resources in the state system

# Performance Goals



- ***Safety:*** Reduce fatalities and serious injuries
- ***Infrastructure Conditions:*** NHS in state of good repair
- ***Congestion Reduction:*** On NHS, in particular
- ***System Reliability:*** Surface transportation efficiency
- ***Freight Movement & Economic Vitality:*** Access to markets
- ***Environmental Sustainability:*** Protect/enhance environment

# WMYA 2040

## Citizen Survey Results



- Preference for System Preservation
- Expansion focus stronger in large Metro Areas
- All projects promote Safety

How Stakeholders Think ADOT Should Allocate Funding

PER \$100



# WMYA 2040

## 25-Year Highway Needs

- Preservation = \$9.236 B
- Modernization = \$9.962 B
- Expansion = \$34.054 B
- **Total = \$53.3 B**

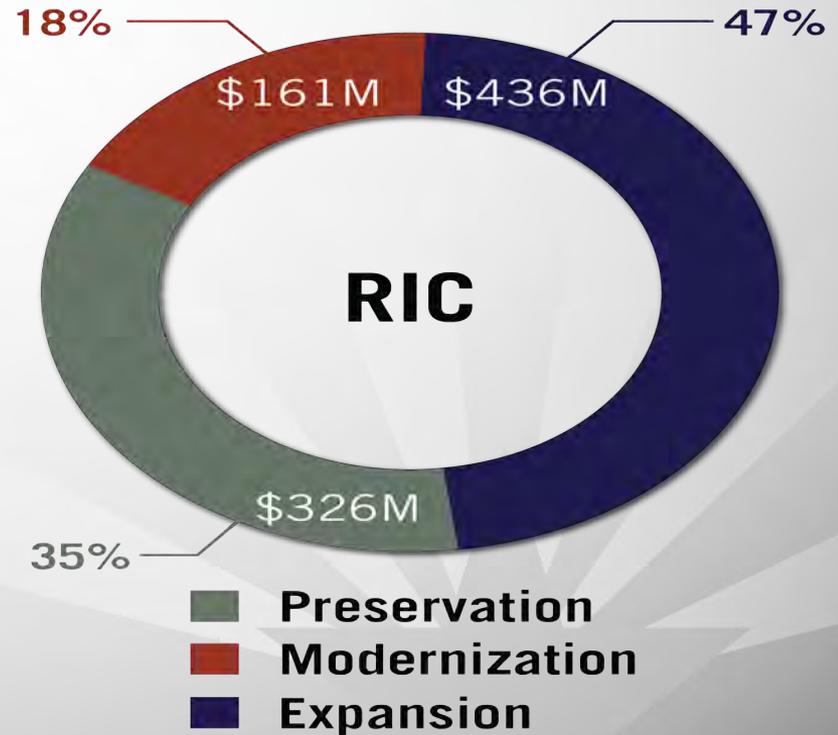
Estimated Funding Gap 30.5 Billion



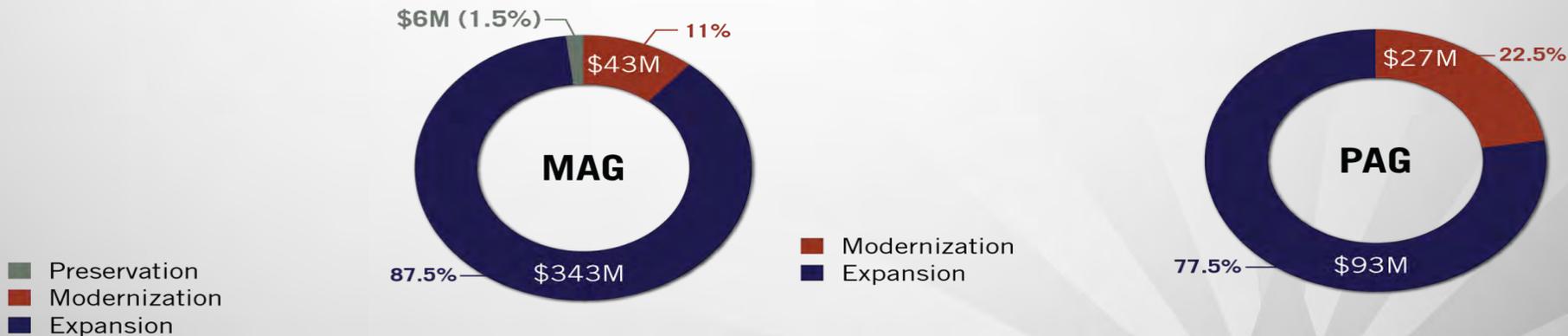
Total Highway  
Capital Needs

# Recommended Investment Choice - Statewide

- System Preservation Needs Statewide
- Expansion focus in large Metro Areas
- Safety remains a priority

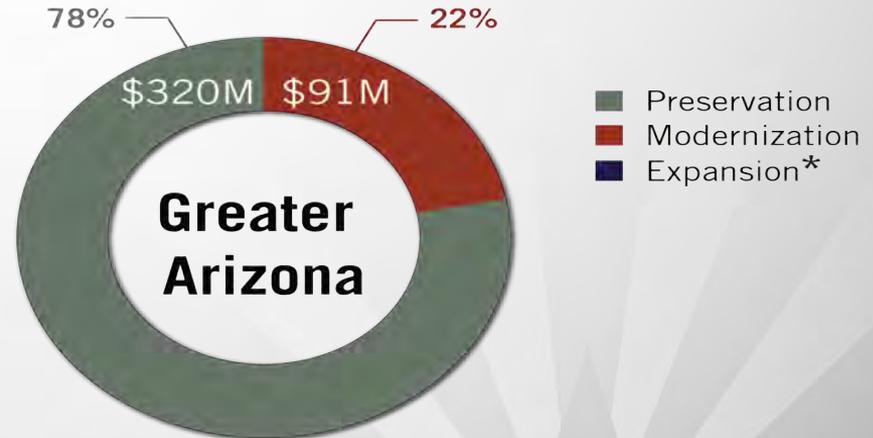


# RIC – MAG and PAG – Expansion Focus



## Recommended Investment Choice – Greater Arizona

- **System Preservation is Priority**
- **Fund the Highway Safety Improvement Program and Avoid System Obsolescence**
- **\* Up to 5% of funding reserved for Expansion *only* to match federal grants or leverage third party contributions (*or* if Revenues incr.)**

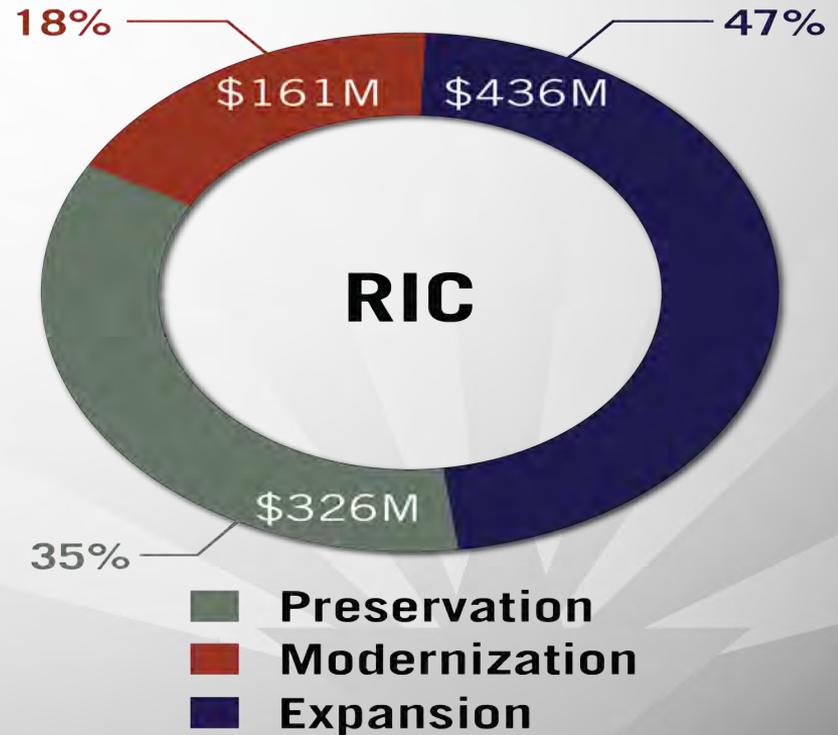


# PLANNING TO PROGRAMING (P2P)

- **Funding** – Due to finite funding, projects must be prioritized to insure the finite funds are utilized on projects which provide the **highest value** and satisfy the **greatest need**.
- **Performance Measures** – Due to requirements mandated by the Federal Highway Administration, all programmed projects must provide an improvement in the performance measures which include; **Safety, Infrastructure Condition, Congestion Reduction...**
- Compliance with **objectives and goals** provided in the Long Range Transportation Plan.

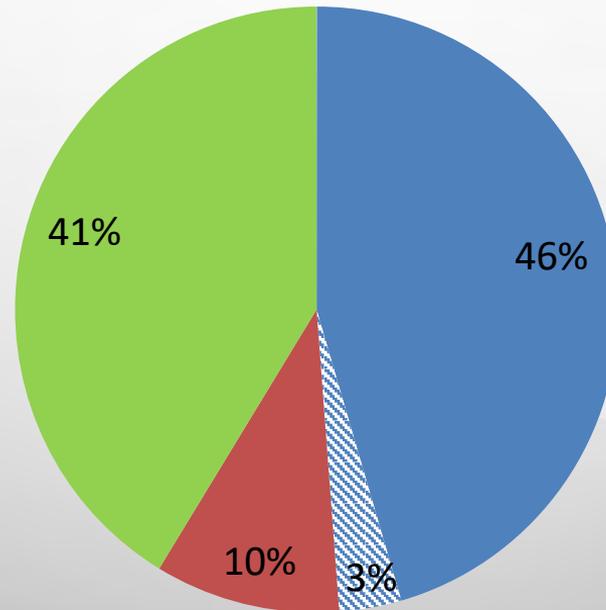
# Recommended Investment Choice - Statewide

- System Preservation Needs Statewide
- Expansion focus in large Metro Areas
- Safety remains a priority



# 2020-2024 Tentative Facilities Construction Program

■ Expansion ■ Non Formula Funds ■ Modernization ■ Preservation

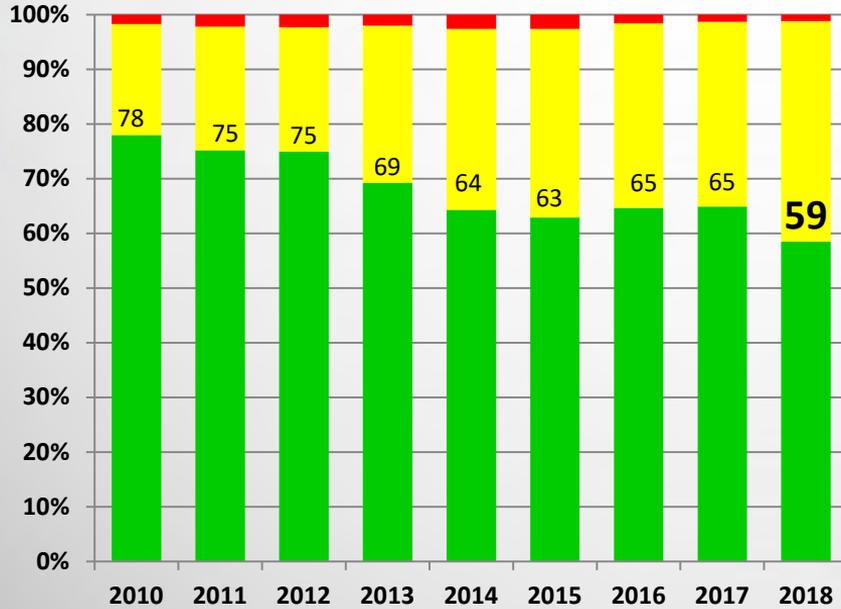


# Pavement Preservation and Rehabilitation

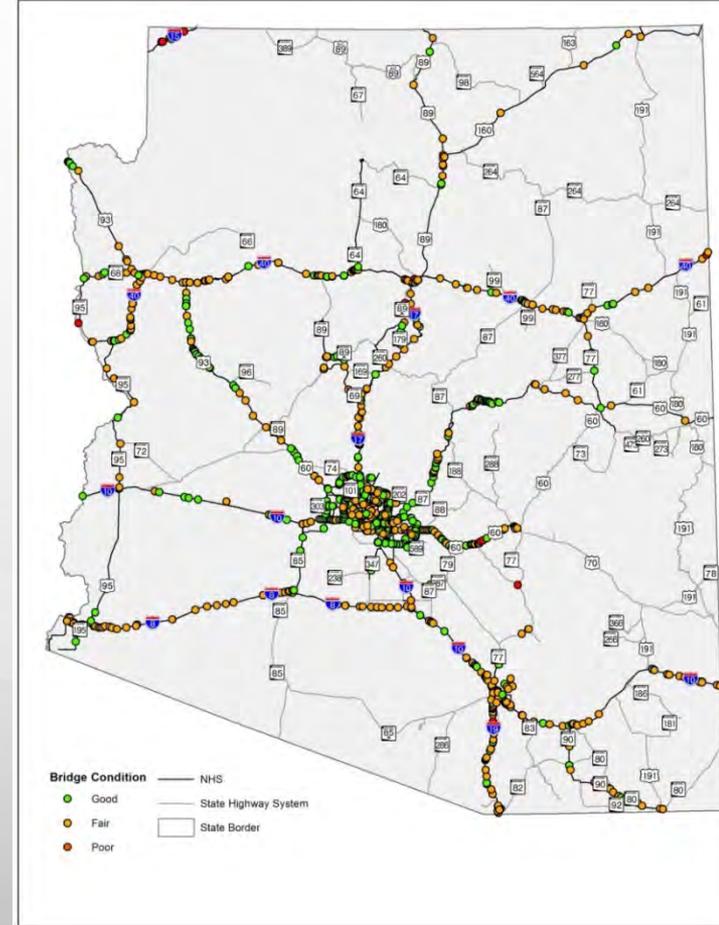
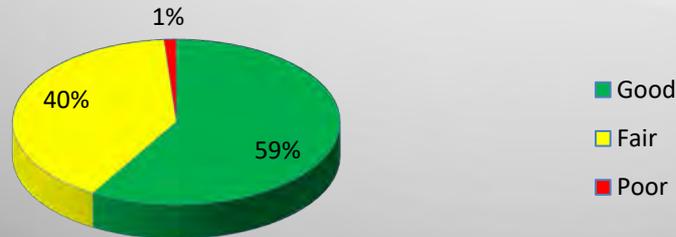
- To maintain the desired pavement condition Regular pavement preservation and rehabilitation is required.
- What is the difference between preservation and rehabilitation?
  - Preservation – Surface treatments that will extend the life of the pavement (examples Fog coat/crack sealing similar to oil change or rotating your tires on your car)  
**Note THANK YOU to the Governor and Legislature for appropriating the additional funds to perform this treatments**
  - Rehabilitation -- More extensive pavement treatment (example replace ARACFC over concrete or a mill and fill on an asphalt roadway).

# Bridge Condition

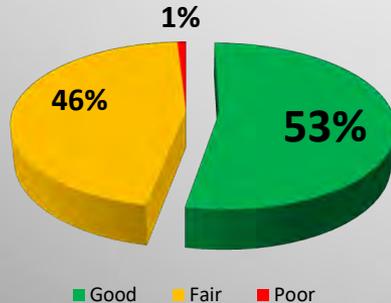
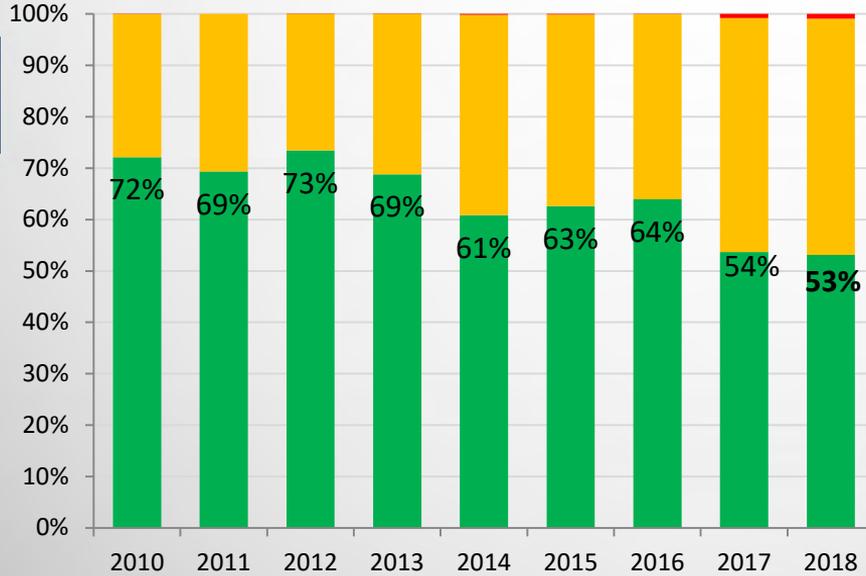
# 59% Good



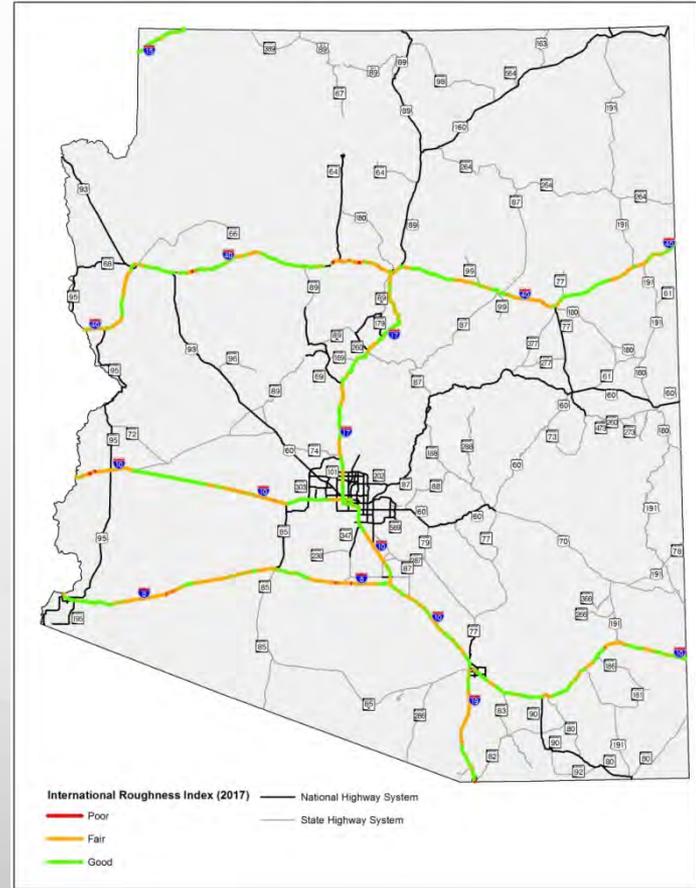
## Overall Bridge Condition 2018



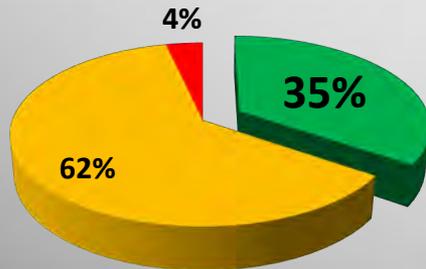
**Pavement Condition: Interstates**



**53% Good**



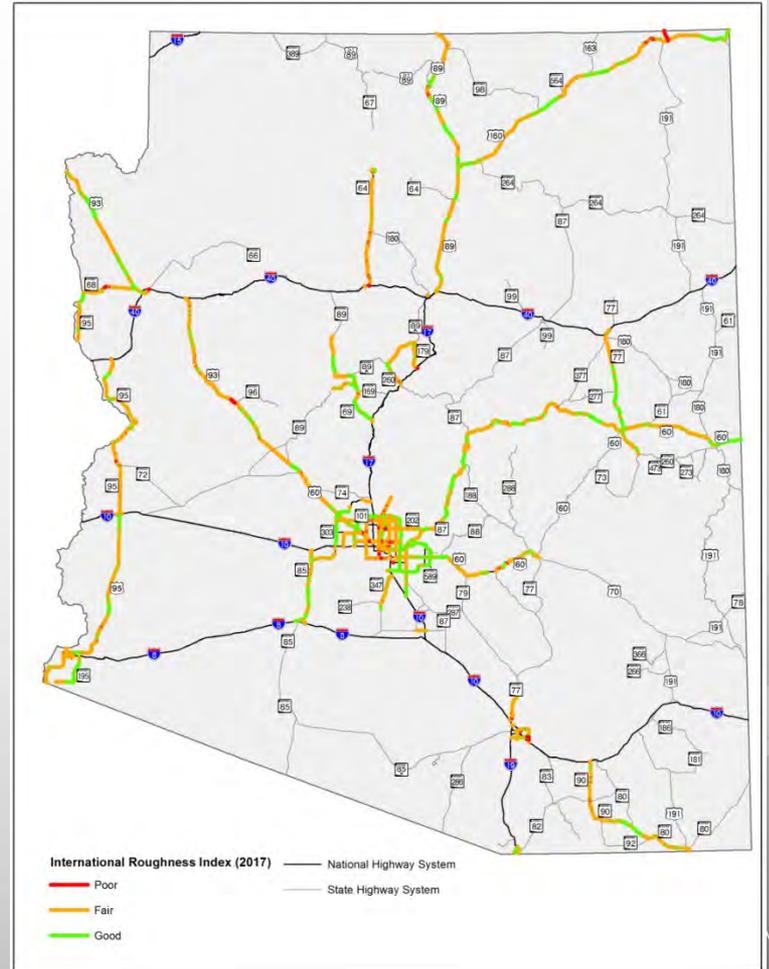
**Pavement Condition: NHS**



■ Good ■ Fair ■ Poor



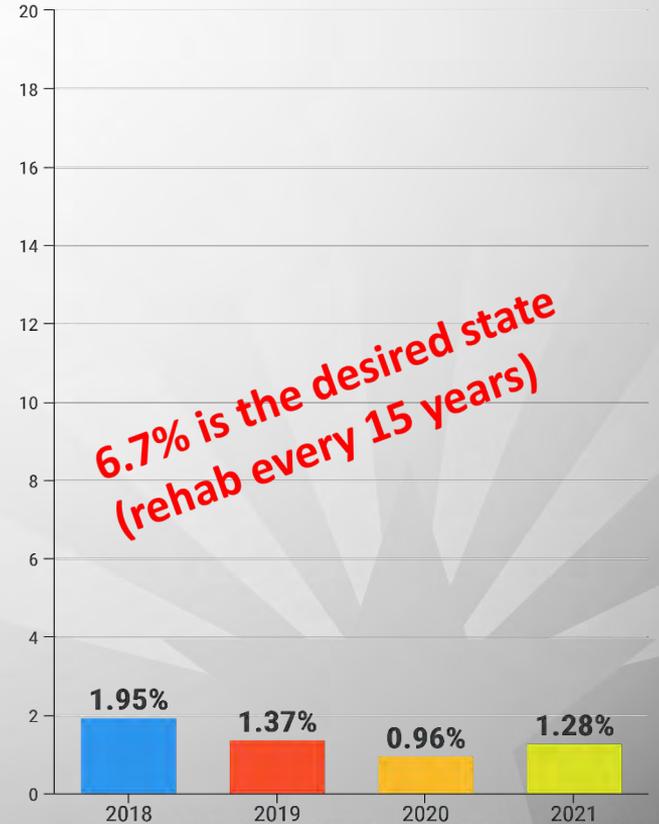
**35% Good**



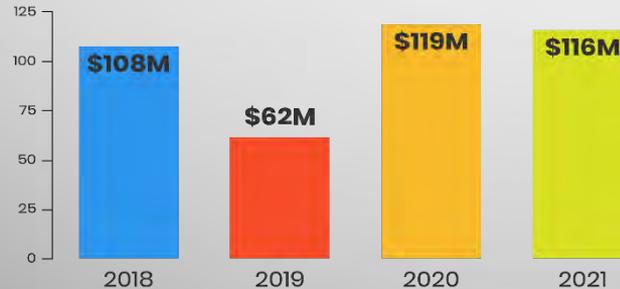
# Pavement Rehabilitation for FY 18 - FY 21

Year	# of Projects	Centerline Miles	Dollars
2018	17	132	\$108M
2019	12	93	\$62M
2020	8	65	\$118M
2021	7	87	\$116M

**% of Centerline Miles (6,780) Rehabbed**



**Pavement Rehab per Year**



## Summary of Construction Contracts

Item	Highway	Low bid	State Estimate	Difference	Percent
3d	Local	\$197,490.00	\$214,779.00	(\$17,289.00)	-8.0%
3e	Local	\$295,000.00	\$286,448.25	\$8,551.75	3.0%
3f	Local	\$1,323,323.00	\$1,319,801.00	\$3,522.00	0.3%
3g	US60	\$4,063,736.50	\$3,922,383.00	\$141,353.50	3.6%
9a*	Local	\$261,000.00	\$236,216.85	\$24,783.15	10.5%
9b*	Local	\$460,969.00	\$636,284.50	(\$175,315.50)	-27.6%
9c*	Local	\$3,394,221.00	\$2,370,841.00	\$1,023,380.00	43.2%
9d**	Local	\$720,000.00	\$319,953.75	\$400,046.25	125.0%
9e*	Local	\$1,111,054.02	\$915,270.90	\$195,783.12	21.4%
9f*	Local	\$1,270,000.00	\$1,119,041.00	\$150,959.00	13.5%
9g*	US60	\$1,534,470.61	\$1,335,095.10	\$199,375.51	14.9%
<b>TOTAL THIS MONTH</b>		<b>\$14,631,264.13</b>	<b>\$12,676,114.35</b>	<b>\$1,955,149.78</b>	<b>15.4%</b>
<b>TOTAL FY TO DATE</b>		<b>\$387,452,066.59</b>	<b>\$397,392,629.88</b>	<b>(\$9,940,563.29)</b>	<b>-2.5%</b>

\* Non-consent (Contract) items

# Item 9 – New Construction Contracts

Item	Highway	Low bid	State Estimate	Difference	Percent
3c	Local	\$2,205,100.00	\$2,211,496.00	(\$6,396.00)	-0.3%
9a*	I-10	\$2,902,747.10	\$1,268,590.00	\$1,634,157.10	128.8%
9b*	US 60	\$4,747,992.29	\$4,974,359.00	(\$226,366.71)	-4.6%
9c	SR 86	\$13,870,714.00	\$10,421,178.48	\$3,449,535.52	33.1%
9d	Local	\$1,049,988.48	\$745,717.45	\$304,271.03	40.8%
9e	Local	\$497,770.00	\$406,078.50	\$91,691.50	22.6%
<b>TOTAL THIS MONTH</b>		<b>\$17,623,572.48</b>	<b>\$13,784,470.43</b>	<b>\$3,839,102.05</b>	<b>27.9%</b>
<b>TOTAL FY TO DATE</b>		<b>\$608,952,173.66</b>	<b>\$524,030,953.98</b>	<b>\$84,921,219.68</b>	<b>16.2%</b>

\* Items 9a and 9b "Reject All Bids" and are not included in the totals.

Calendar Year	2016	2017	2018	2019
ASPHALT BINDER	1.00	1.19	1.46	1.87
ELECTRICAL CONDUIT	1.00	0.92	1.17	1.38
REINFORCING STEEL	1.00	1.04	1.41	1.58
ASPHALTIC CONCRETE	1.00	1.04	1.07	1.23
<b>Total Index</b>	<b>1.00</b>	<b>1.08</b>	<b>1.24</b>	<b>1.47</b>

WHY ?



# Questions?

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