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# MEMORANDUM

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Date: August 22, 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 "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Transportation Funding**

Attached is an *Arizona Capitol Times* article, *Still no help for Arizona's declining roads, bridges.*

It is clear the lack of transportation funding is a drag on economic development, and such is becoming clear to a number of statewide interests. Whether it be funding to repair our roads or transportation mobility investments to create economic development, Arizona has failed to provide transportation funding due, primarily, to a lack of political will to address the problem.

CHH/lab

Attachment

# ARIZONA CAPITOL TIMES

Your Inside Source for Arizona Politics, Government and Business

## Still no help for Arizona's declining roads, bridges

By: Hank Stephenson August 17, 2016, 1:43 pm



From left: Tony Bradley, president and CEO of Arizona Trucking Association; Dave Skinner, area operations manager, HDR architectural firm; David Martin, President of the Arizona chapter of the Associated General Contractors of America; Kevin Biesty, deputy director of policy for Arizona Department of Transportation. (Photo by Hank Stephenson, Arizona Capitol Times)

Arizona's transportation system needs more than \$65 billion. And help is not on the way.

More than a decade of financial troubles, during which state lawmakers removed more than \$2.2 billion from the Highway User Revenue Fund, or HURF, is catching up with Arizona's transportation crumbling infrastructure system, transportation experts agreed at the *Arizona Capitol Times* Morning Scoop event at Alexi's Grill on Tuesday.

And the key to turning that trend around is getting support of someone at the top, said David Martin, president of the Arizona chapter of Associated General Contractors.

Martin argued that without leadership on the issue from Gov. Doug Ducey, Arizona's crumbling infrastructure will only get worse.

"The key ingredient, across the board, is statewide leadership. There's no exception for it," Martin said.

"If we don't have statewide leadership, we don't have a statewide transportation plan, it's just that simple. That's why we at transportation business partners are doing a dance with the governor's office on how we navigate through a potential plan for the future," he added.

Martin said that dance with the governor is just beginning, and is still focused on the importance of transportation funding, not on any specific policy proposals or dollar figures. He indicated that the push for more transportation money will likely have to wait until Ducey's second term, when the governor may be more willing to take that political risk of raising taxes or fees to pay for infrastructure.

But Kevin Biesty, deputy director of policy at the Arizona Department of Transportation, said political will doesn't start with politicians at the top, it starts with voters who tell politicians what they want. And for voters to be motivated to make transportation an issue, they have to realize how the state's transportation system affects their daily lives.

Biesty pointed to a Utah campaign to increase funding for transportation infrastructure that pointed out how much time people wasted in traffic, away from their families, which was successful in changing the tone of the debate over transportation infrastructure funding there.

"It's kind of easy to point to elected officials and say 'you need to do something.' But they listen to the voters. Until the voters start talking about transportation like they do about education, like they do about health care and other things that are important to them, (politicians) are not going to knock on doors and say vote for me I'm going to raise your taxes for transportation," Biesty said.

He noted that this year, Ducey signed a budget that, for the first time in a decade, added money to HURF, to the tune of \$55 million. HURF is the main source of transportation project funding for many local communities.

Dave Skinner, area operations manager for HDR, an architectural and engineering firm, said transportation just generally isn't on the minds of average voters. The issue usually ranks 26<sup>th</sup> in national public opinion surveys about the issues voters are most concerned about, whereas jobs and the economy consistently rank at the top.

"People care about jobs. I think that linking transportation infrastructure investment, whether it's maintenance or new facilities, and the creation of secondary jobs related to those transportation dollars, is critical," he said.

Skinner agreed that statewide leadership is lacking, and said the only time politicians think about transportation infrastructure is when something fails. But by the time a road or bridge fails, it's already too late to do the maintenance that could have prevented the failure, and saved the state money, he said.

"It's unfortunate that our political folks recognize that need when a bridge falls or when a road collapses. But really, the time is now to maintain the investments that we've made in the last 20 or 30 years, and to provide funding for the future generation," Skinner said.

The panelists agreed that increasing the state gas tax, which has not been upped since 1991, would be a good first step that could provide some of the funding necessary to maintaining existing roads and building new ones.

But increasing a tax isn't easy, especially in Arizona, where any tax increase requires a two-thirds vote in both chambers of the Legislature. Still the panelists held out hope that Arizona could follow the lead of other conservative states like Utah and Wyoming and increase the tax.

Tony Bradley, president and CEO of Arizona Trucking Association, noted that the tax is somewhat misnamed: it should be called something like a road user tax.

"The fact that it's misnamed is its biggest problem, because we make it sound like a sin tax, like if you put gas in your car, you're being penalized. When really, you're paying for the roads you're driving on," Bradley said.

But the panelists said any revamp of the gas tax would be flawed if it doesn't include a metric to ensure that those who drive electric and natural gas cars are also paying into the road system. Oregon, for example, has started a pilot program to tax drivers based on the number of miles they drive.

Even more confounding is the question of how to prepare transportation infrastructure for driverless cars. Ducey this year issued an executive order starting a self-driving vehicle oversight committee made up of representatives from several state department and academics. The committee, which held its first meeting this week, is tasked with proposing clarifications or changes to state rules to facilitate the expansion of self-driving cars in Arizona.

"You watch: Autonomous vehicles are going to continue to grow and become more mainstream, and as that happens, it's going to change the paradigm of all of our transportation infrastructure," Martin said.

