Allocated, Potential and Ineligible Funding Sources for Road Repair & Preservation
Allocated Sources
- Highway User Revenue Fund (HURF)
- Transportation Vehicle License Tax (VLT)

Potential Sources
- Regional Funds through PAG
- Property Tax
- Sales Tax

Ineligible Sources
- ROW Permit Fees
- Development Impact Fees
Allocated Sources

HURF & Transportation VLT

- $63.9M in FY 18/19 adopted budget
  - Funds department operations ($38.7M)
  - Services 97 HURF Bond debt ($18.8M)
  - Contributes to regional transit ($6.4M)
Potential Sources

PAG - Pima Association of Governments
(discretion under PAG Regional Council/RTA Board authority)

• RTA – Regional Transportation Authority
  ✓ RTA reauthorization

• Federal:
  ✓ Surface Transportation Block Grant

• State:
  ✓ 12.6% Regional HURF
• General fund revenues
  ✓ Paid by unincorporated and municipal property owners
  ✓ Equity issue of distribution
Potential Sources
(Continued)

• County—requires unanimous Board of Supervisor vote
Ineligible Sources

ROW Permit Fees

• Program cost cannot exceed fee collected per State law

Development Impact Fees

• Restricted to regional capacity enhancements
• 10 benefit areas (each with adopted plan)
• Ordinance update in process (targeting fall 2019)
Financing Instruments

Bonds

• 1997 HURF Bonds Secured against Transportation revenues
  ✓ $350M voter approved mobility/safety projects
  ❏ $16M reallocated to arterial/collector repair

• Failed 2018 road repair general obligation bonds

Certificates of Participation (COPS)

• Short-term debt instrument
• May be secured against future Impact Fees
Sources Used for Road Repair & Preservation

- **HURF/VLT**
  - From Operations Budget
  - Financed through Bonds
    - $16M Arterial/Collector Program (FY 19 & FY 20)

- **Property Tax**
  - Local street property tax program (FY 18)
## Pavement Maintenance Contract Funding

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funding amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$3.6M HURF/VLT</td>
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<tr>
<td>FY 2016</td>
<td>$0</td>
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<tr>
<td>FY 2017</td>
<td>$3.8M HURF/VLT</td>
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<tr>
<td>FY 2018</td>
<td>$14.9M Local Prop Tax &amp; HURF/VLT*</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$10M (97 Bond)</td>
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</tbody>
</table>

*8.9M and $6M Respectively*
Planned Sources for Road Repair & Preservation

Limited to projected increase in HURF/VLT, decrease in 97 Bond debt service, and department operational savings

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funding amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020</td>
<td>$21M*</td>
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<tr>
<td>FY 2021</td>
<td>$16M</td>
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<tr>
<td>FY 2022</td>
<td>$16M</td>
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<tr>
<td>FY 2023</td>
<td>$21M</td>
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<tr>
<td>FY 2024</td>
<td>$23M</td>
</tr>
</tbody>
</table>

*$15M HURF/VLT + $6M 97 Bond
Proposed Sources for Road Repair & Preservation

Property Tax
• Regional priority roadways (draft proposal)
  ✓ Regional arterial/collector roadways
  ✓ Recreational gateway roadways
Regional Priority Roadways (draft proposal)