

Funds for new Arizona roads declining

Report: By 2015, much of Arizona will be limited to upkeep

by [Glen Creno](#) - Apr. 28, 2008 12:00 AM
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In less than a decade, most of [Arizona](#) will run out of money to build new roads.

State estimates project that by 2015, transportation funding will decline to the point that much of the state will only be able to maintain and preserve existing roadways. Maricopa and Pima counties will feel the pinch too, but unlike the rest of the state, they collect a half-cent transportation tax.

The assessment is at the heart of a new planning document identifying nearly \$42.6 billion worth of critical transportation needs. In the 21-page report, the Arizona Department of Transportation says the state is at a transportation-funding crossroads.

Victor Mendez, head of the Arizona Department of Transportation, calls the situation a crisis.

"No expansion. No new projects. . . . That's what we're facing," he said.

The proposed solution is a new 1 cent statewide sales tax over 30 years and more participation by the private sector in transportation projects. The money would pay for roadways, rail projects, street improvements, buses and other transportation projects across the state.

The plan is being pushed by a group of business and economic-development leaders called the TIME coalition

(Transportation & Infrastructure Moving AZ's Economy). It's also backed by Gov. [Janet Napolitano](#) .

The projects are supposed to serve the state's transportation needs to 2030. The list of projects isn't final, and Mendez said it may change as the planning process continues. Advocates hope to get the plan on this year's ballot.

Supporters say the projects are needed to preserve the state's quality of life and to maintain, and increase, the ability to attract and retain businesses. The package would not only change the way transportation is funded in Arizona but also change the face of commuting in the state's biggest cities, help guide city planning and provide more ways to get around in the state's rural areas.

Some, though, say the extra penny tax would hurt cities' abilities to create new revenue. Others suggested the tax be cut in half or the list of projects reduced to bare essentials, or they want more research before going to voters.

Long-term planning

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This is the first time the state has undertaken such a comprehensive plan. Previously, planning was done based on estimated costs and didn't look as far out. This time, all areas of the state are developing plans based on development and population expectations further into the future.

TIME says it will file ballot language with the Secretary of State's Office soon in order to begin gathering some of the 153,365 valid signatures it will need to submit by July 3.

The coalition says the state can't afford to wait several years before making a significant effort to improve transportation, especially since projects take so long to build once they are approved.

Arizona has been fighting a battle of diminishing returns on transportation funding.

The main source of money comes from federal and state gas taxes and auto-related fees. Maricopa and Pima counties also have the separate tax to fund transportation projects.

The federal and state gas taxes have not been changed since the early 1990s. They also are not adjusted for inflation. Plus, the cost of transportation projects has shot higher as the materials needed to build them have become more expensive. Better gas mileage on cars is also chipping away at revenue.

Demand for new projects is up across Arizona. The state's population grew almost 40 percent between 1990 and 2000. Streets and highways are overloaded. The Phoenix area ranked No. 15 nationally in congestion, according to a study of 2005 traffic figures.

"We need to find a sustainable revenue source for the future," Mendez said. "Right now what we have has held up pretty well for probably two or three decades. But the world has changed, and we need to transition, maybe reform that system. Otherwise, we're going to continue to fall further and further behind."

Arizona's 19 cent gas tax is the 10th-lowest in the country, said Ram Pendyala, a professor of transportation systems in Arizona State University's civil and environmental-engineering department.

"All states are struggling with trying to keep up with rising costs, but the problem gets amplified in the fastest-growing state in the country with one of the lowest gas-tax rates," he said. With more people moving to the state, bringing more cars, plus an aging population that will bring more demand for ways to get around without driving, something needs to be done, Mendez said.

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