

Freeway projects could be stalled by \$4.5B shortfall

by *Kerry Fehr-Snyder* - Oct. 16, 2008 01:53 PM
The Arizona Republic

The proposed South Mountain Freeway could be scaled back, converted into a parkway or delayed further as the Valley faces a \$4.5 billion shortfall for transportation projects.

The bleak economic picture and strategies to deal with it emerged Wednesday night at the transportation policy committee meeting of the Maricopa Association of Governments.

Eric Anderson, MAG's transportation director, mentioned the proposed \$2.4 billion South Mountain Freeway several times as a project that might be cut back although not eliminated entirely on the Valley's Regional Transportation Plan.

Anderson said a combination of declining sales tax revenues, rising construction costs and lower bonding capacity have created a funding deficit of at least \$3.8 billion but probably more like \$4.5 billion.

The deficit includes the cost of the entire South Mountain Freeway, said Anderson, who put the pricetag for that at \$2.6 billion. Last month, the Arizona Department of Transportation revised the cost estimate for

the proposed 22-mile freeway to \$2.4 billion from \$1.7 billion. Soaring construction costs are largely to blame for the project's shortfall. But so are ongoing costs to consultants for producing a federally required " **environmental impact** statement," a process that began in 2001 and is still several years from being finished.

Taxpayers have spent \$10 million to \$12 million on consulting fees to determine the freeway's expected impact on air pollution, noise pollution and other **environmental** concerns. Anderson said he expects construction costs to grow by as much as \$100 million.

"Every year of delay is costing hundreds of millions of dollars," Anderson said.

The **federal government** and ADOT's "record of decision" about whether to build the freeway is still two to three years away, he estimated.

Anderson laid out several strategies to deal with the shortfall. They include:

- Revising appraisal methods.
- Streamlining the environmental analysis.

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- Bringing in external experts to review projects.
- Extending and delaying projects.
- Converting freeways into parkways.
- Reducing the scope of freeways.
- Instituting toll roads, especially for high-occupancy lanes.

The budget shortfall is something MAG's transportation-policy committee will take up at future meetings. The committee will be responsible for recommending which projects are scaled back and which are put on hold.

Those recommendations then would be considered by the full MAG executive committee and the full regional council, which is comprised of 32 members of governments in Maricopa County plus representatives of three Native American communities and members of the state transportation board.

Anderson said MAG, which is comprised of Valley mayors and other elected leaders, might consider reducing the width of the proposed South Mountain Freeway from its ultimate 10-lane design.

"Maybe for the South Mountain (Freeway), where we have significant neighborhood impact, we might narrow it down to only be six lanes," he said.

More than 300 to 600 homes would have to be bulldozed to make way for the freeway, which has been in state freeway plans for 20 years but was an unfunded project during the 1990s. Voter approval of Proposition 400, a half-cent sales tax, in 2004 made the project more of a reality.

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