

REGIONAL TRANSPORTATION AUTHORITY FINAL REPORT

January 20, 2016

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1) Introduction

Pinal County covers approximately 5,400 square miles, and includes four Indian Nations and 10 incorporated communities. Centrally located between Maricopa County and Pima County, Pinal County is the third most populated county in the state with over 400,000 residents. The demand to maintain and improve aging transportation infrastructure increases as more people move into the region and as transporting of goods increases across the County. Regional corridor improvements are critical to provide connectivity throughout the County, including multimodal elements such as transit, bicycles and pedestrians.

There is a significant shortfall between the current funding available and the regional infrastructure improvement needs within Pinal County. To address that gap, the Pinal County Board of Supervisors voted and approved the formation of the Pinal Regional Transportation Authority (RTA), which was established pursuant to A.R.S. § 48-5302A on August 5, 2015. The Pinal RTA was formed to provide a balanced regional transportation system, manage the Regional Transportation Fund, provide a twenty year regional transportation plan, and authorize funding for all modes of transportation projects. Membership of the RTA consists of Pinal County, the Cities of Apache Junction, Casa Grande, Coolidge, Eloy, Maricopa, the Towns of Florence, Kearny, Mammoth, Queen Creek, Superior, and the Central Arizona Governments (CAG).

The Pinal RTA intends to go to the public for a vote on a new one-half cent transportation sales tax increase at a special election in 2016. If successful, the sales tax will serve as an essential funding source to provide infrastructure to accommodate the anticipated growth within the region and provide regional routes to efficiently move people and goods. Implementation of the Pinal RTA plan will also generate local jobs and stimulate commercial and residential development.

CAG entered into an intergovernmental agreement (IGA) with Pinal County to facilitate a new contract with an engineering consulting firm to provide assistance and support of the Pinal RTA. CAG contracted with Dibble Engineering in September 2015. The scope of work for this contract included providing a public outreach strategy, assistance with the ballot narrative, research of previously completed studies in the region, determining revenue projections over the twenty

year transportation plan, and identifying future infrastructure projects with corresponding construction cost estimates that will be included in the Regional Transportation Plan.

This report includes the following information:

- A fact sheet
- Public outreach plan
- Revenue projections
- List of projects
- Cost estimates
- Project map
- Proposed schedule for the projects
- Transition plan
- Summary of previous studies within the region

2) Fact Sheet

What is the problem?

1) Growth in Pinal County

- Population has grown from 180,000 in 2000 to 400,000 in 2015. Population has more than doubled in 15 years.

2) Transportation challenges

- Travel from Phoenix to Tucson has increased.
- There is a need for a high capacity route to get from the north to the south portions of the County.
- I-10 is the main route from Phoenix to Tucson. There is not a good alternative. Thirty miles of I-10 is still 2 lanes in each direction. This needs to be widened to 3 lanes in each direction.
- There are inadequate connections to I-10 from local routes and businesses.
- The east-west routes are primarily two lane roads or dirt roads. There is not a good way to travel east-west through Pinal County.
- SR347 from Maricopa to Phoenix is heavily congested on a daily basis.
- The San Tan Valley has limited options for transportation.

3) Transportation Safety and Mobility

- In the last 10 years there have been 323 fatal crashes within Pinal County. There have been 878 serious injury accidents and a total of 19,159 accidents. The annual number of fatal and serious accidents continues to rise.
- The travel demand model that was completed in March 2015 indicated that if nothing is done, 47% of all vehicle hours traveled will be in a congested condition by 2040. By implementing regional improvements, this number is predicted to be 20%.

4) Economic Development

- Maricopa, Casa Grande, Florence and San Tan Valley as well as others were undergoing significant growth until the downturn in the economy around 2008. The economy is slowly returning, but job creation and economic development are still a key issue.
- Developers considering sites look at transportation infrastructure as a key component.

5) Lack of State and Federal Funding

- Federal funding is flat with very little opportunity for increased spending. Because of declining proceeds from federal fuel taxes, the Highway Trust Fund has been falling short since 2005, and has depended on transfers from the General Fund of the Treasury to stay afloat.
- Arizona's excise taxes on gas and diesel fuels have not been increased since 1991.

- In order to balance the State budget, the legislature has swept transportation funds. Since 2001, approximately \$1.948 billion has been diverted from the State Highway User Revenue Fund (HURF) to pay for other governmental programs.
 - State transportation funds are used primarily for preservation, modernization and maintenance of State highways. There is very little funding available for new facilities.
- 6) Significant number of studies have been completed, but limited funding to further the design or construction of projects**
- In the past 10 years there has been over 16 different transportation studies completed within Pinal County. There are over 2,000 pages worth of studies. There has been a significant amount of effort put forth towards studying the County from a transportation perspective.
 - There have been regional studies completed to look at the North-South Corridor, the East-West Corridor, the I-11 and Intermountain West Corridor and the Hidden Valley Area. In addition CAG has completed a Regional Transportation Plan.
 - Pinal County has completed a Planning Assistance for Rural Areas (PARA) study for Southern Pinal County, a Small Area Transportation Study for the entire County and a Regionally Significant Routes for Safety and Mobility Study for the entire County.
 - A number of cities and towns have also completed studies (i.e., Coolidge, Eloy, Florence, Casa Grande, Maricopa and Apache Junction)

What is the solution?

1) **The solution is regional**

- Given the lack of federal and state funding, it is imperative that the County develop a regional solution to address the transportation issues within Pinal County.
- State statute allows a county to develop a regional transportation authority for the purpose of addressing transportation issues. (ARS 48-5303) The purpose is to provide the governance for the county, cities, towns, and Indian communities to work collaboratively in developing a seamless countywide transportation system.
- The Pinal County Board of Supervisors approved the creation of a Regional Transportation Authority on August 5, 2015.
- The Regional Transportation Authority includes participation by Pinal County, Apache Junction, Casa Grande, Coolidge, Eloy, Florence, Kearny, Mammoth, Maricopa, Queen Creek, and Superior.

2) **Approve a Regional Transportation Plan**

- Voters will be asked to approve a Regional Transportation Plan.
- The routes that were selected for the transportation plan are those that have been previously identified as the highest priority.

3) **Regional Excise tax**

- Voters will be asked to approve a County wide excise tax. The excise tax is projected to bring in \$500M to \$700M over 20 years.
- The cost of this tax for the typical family in Pinal County would be \$88 per year.

4) Which other counties already have regional funding for transportation

- Maricopa County – Voters approved Proposition 300 and 400. These two initiatives combined are projected to generate \$12.3B over 40 years
- Pima County – Voters approved a ½ cent sales tax. This is projected to generate \$1.7B for transportation over 20 years
- Coconino County approved a county wide tax for transportation.
- Gila County approved a county wide tax for transportation.

What are the next steps?

1) Approve a Regional Transportation Plan

- In accordance with Arizona Revised Statute **ARS 48-5303** the voters of a county are required to approve the Regional Transportation Plan.

2) Approve a Regional Excise Tax

- In order to fund the projects in the plan, the voters of Pinal County will be asked to approve a regional excise tax in accordance with **ARS 42-6106**.

Frequently asked questions

- 1) How will this impact sales tax rates?** This would increase the sales tax by ½ of one cent within Pinal County.
- 2) What are the current sales tax rates?** Current sales tax rates for cities and towns in Pinal County are anywhere from 8.7% to 10.7%. The rate in unincorporated areas is 6.7%.
- 3) How is this different from the current County Excise Tax?** The current County Excise Tax is for local use by the cities, towns, and County. The funding is distributed based on population. The new Excise Tax would be intended for County wide projects that address regional transportation needs.
- 4) How long will this tax be in place?** The tax will be in place for 20 years.
- 5) How much will this impact the average household?** It is estimated that the median household will pay an additional \$88 per year in sales tax. This equates to roughly \$7.33 per month.
- 6) What about transit?** Transit is included in the plan and involves dial a ride, park and rides and local transit.
- 7) What about goods movement?** Freight and commercial traffic will be addressed through the improvement of the roadway system within Pinal County. Improved routes in both the north-south and east-west directions, will significantly improve the ability to move goods in and out of the County.
- 8) How were projects selected?** The projects that were selected for the Regional Transportation Plan are those projects which have the greatest potential for improving movement of people and goods throughout the county.

- 9) Who will provide oversight for the funding?**– The Regional Transportation Authority (RTA) is under the control of an Executive Board made up of local elected officials representing each of the municipalities in the RTA. In addition, the RTA will be forming a Citizen Transportation Oversight Committee made up of representatives from throughout the County. There is a requirement for the RTA to produce an annual report that provides information on the amount of funding collected and the utilization of those funds. The annual report will document the RTA’s efforts to complete the projects within the plan. Direct involvement by elected officials and citizens of the County is a key aspect of the plan.
- 10) Who will maintain the projects after they are constructed?** - The lead agency will be responsible to maintain a project after it has been constructed.

Key issues

- 1) No new taxes** – There is a strong sentiment among elected officials for no new taxes.
- 2) Another layer of bureaucracy** – A regional transportation authority will simply add additional bureaucracy to the system. There will be more meetings for elected officials and more money spent on layers of government.
- 3) Collecting sales tax in my city/town and then spending it in another** - There are cities and towns that feel they collect taxes in their municipality so that the funds can be spent in other municipalities. They would rather create a local excise tax and keep the money within their jurisdiction.
- 4) Oversight** – Who is going to insure that the funds are used for the proper purpose and in accordance with the voter’s intentions?
- 5) Timing of the vote** – Many people have voiced a concern over a May 2016 vote. It is felt that this would be too soon and would not allow adequate time to prepare.

3) Public Outreach Plan

This Public Outreach Plan (Plan) is designed to assist the Central Arizona Governments (CAG) and Pinal County in informing its municipalities and residents of the Regional Transportation Plan and accompanying projects. It should be used as a framework, revised when needed as the projects and outreach evolve, to educate, inform, and engage the residents of Pinal County in transportation-related projects, issues, and communications.

Public Outreach Goals

The goals of this plan are to:

- Identify the key elements in reaching out to inform and engage communities related to the Central Arizona Governments (CAG) regional transportation plan and authority.
 - Identify the approach and timeline as it relates to the Regional Transportation Plan (RTP).
 - Identify communications and strategies to be used to inform and engage Pinal County residents, and work to resolve or minimize potential issues and concerns early on.
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Provided below is a guideline to engaging and informing key leaders and citizens related to the CAG effort, along with the communication mechanisms that will be valuable throughout the process. Once again, this document should be used as a guideline and this information adapted to the changing needs of the planning and information-sharing process.

In addition, the importance of documenting the process cannot be overstated. This assists in identifying what works for each community and what doesn't, and what techniques have been added or removed so that the communication process stays fresh and relevant.

Reaching Out to Engage & Inform

Advance Council Presentations: Prior to completion of the plan, City/Town Councils, as well as Tribal leadership, should be introduced to the effort and the process. This opens the door to the discussions, helps gauge support, and offers an opportunity to work through their respective member representative for comments related to the plan. In addition, it tasks them with beginning the communication process with their constituents.

Prepare for the Outreach Effort: Once the plan and information sheet are developed, it's vital that the communication mechanisms be in place and functioning properly before launching the effort. In addition, dates and venues for public meetings and any predefined speaking engagements should be secured. Finally, web information and links should be loaded and launched; speaker's information and talking points should be developed and assembled into usable packets; and a press release should be developed.

Council and Key Leadership Presentations: A second presentation should be provided to City/Town Councils, as well as Tribal leadership, to provide specific components of the plan, the communication process for the effort, and their responsibility in providing information and being an advocate for the effort.

It's important to let them know they are the ambassadors of the transportation plan in their individual communities and, to that end, speaker's information and collateral material have been developed to assist them in spreading the word.

Coordinate with Pinal Partnership: Pinal Partnership is an active, well-respected organization in the area and will be instrumental in providing information to their membership, their leadership, and the general population through those channels. It will be important to maintain ongoing communications to minimize the duplication of efforts and ensure there are no significant gaps in providing information.

Public Meetings: In addition, there needs to be a broader effort on behalf of the Regional Transportation Authority (RTA) to inform and engage the residents and businesses in general. To that end, open house public meetings should be held at each of the member cities/towns to invite the public to learn about the effort and provide an opportunity to speak with an RTA representative.

Public Outreach Communication Timeline

Prior to Dec 2015:

- ✓ ***Brief Councils***
- ✓ ***Coordinate with Pinal Partnership***
- ✓ ***Prepare collateral***
- ✓ ***Speaker's info***

Dec 2015 – Jan 2016:

- ✓ ***Launch web info***
- ✓ ***Inform Councils & Key Managers***
- ✓ ***Key hyperlinks***
- ✓ ***Prepare for public meetings***
- ✓ ***Press Releases/Media***

Early 2016:

- ✓ ***Public Meetings***
- ✓ ***Present to Key Civic Groups / Chambers***

Ongoing:

- ✓ ***Advocate / support***
- ✓ ***Keep info current***

This will help to gauge general community support and identify any additional communications or information that will be useful. Be sure to capture attendee contact information and provide comment forms.

Press Releases: To ensure the broader public that may not be connected into the internet or social media receive the messaging, the traditional news outlets should be engaged. This effort will include developing press releases for print media such as the Arizona Republic and the local publications of CAG member's municipalities. In addition, opportunities for spots on radio, television or any local municipal live or even YouTube channels should be explored to distribute key information.

Key Civic Groups/Chambers of Commerce: Identify key civic groups or business organizations that are very active and vocal to consider speaking or providing information.

Communication Tools & Resources

Fact Sheet/Informational Flyer: A fact sheet or informational flyer is being developed concurrently with the regional transportation plan which will provide the background and transportation plan components. This can be used as a supplement for scheduled presentations or just as a handout to key individuals, groups or as requested.



Web Presence: There will need to be a presence either as a stand-alone site, or reside on CAG's website, for web visitors to access information related to the effort. In addition, this information should be provided to municipal governments and Pinal Partnership for their sites, and there should be cross-links in place for web visitors to be able to view the information. Keeping this information fresh and current is key to attracting and keeping web visitors interested.

Talking Points: A list of frequently asked questions or talking points need to be developed to provide to those field phone calls or inquiries related to the effort to ensure the messaging is consistent across the board. Consider a project hotline that can provide basic information.

Speaker's Info: Information should be developed so that key managers or leaders can have a pre-approved, “canned” presentation or information to be able to provide to their constituents or key civic or neighborhood groups in their community. There should also be a process to capture information on which groups have received information.

Social Media/E-Information: Many municipalities and neighborhoods have a robust social media component and well-developed e-distribution lists. A short but informative e-release should be developed to provide to those entities with the request to blast it to their distribution list, post or tweet. Remember to limit the characters for some of these media formats.

4) Revenue Projections

Purpose of Study

The purpose of this study is to prepare a forecast for a proposed 20-year half-cent sales tax that would be levied in Pinal County for the improvement and construction of major transportation thoroughfares. The tax would be levied by a county wide Regional Transportation Authority (RTA) formed under Arizona statutes for the purpose of identifying and constructing major transportation projects. The RTA would develop a 20-year Regional Transportation Plan prior to an election scheduled to be held in November 2016 to approve the new half-cent sales tax. The Regional Transportation Plan would be focused on regional, large-scale transportation improvements including a north-south corridor and additional east-west and north-south roadway improvements throughout the County.

Methodology

Forecasts of tax revenues are typically based on several key determinants that are indicative of expenditures in the local economy. Those determinants include:

- Population Growth
- Inflation
- Per Capita Personal Income (PCPI)

The increase in population growth is one of the factors that will have a significant impact on Pinal County and its ability to raise revenue for roadway improvements. The area experienced explosive growth in the middle of the last decade but is now experiencing more moderate levels of housing construction and, as a result, lower levels of population growth.

Inflation is an important factor in driving retail sales and tax revenue. Inflation has been modest for more than two decades and is expected to remain at low levels for the foreseeable future.

Personal income is a proxy for retail sales growth. As incomes increase, retail sales increase as well. Per capita personal income across Arizona has been stagnant over the last few years, but is expected to increase in the future.

While the above factors typically yield accurate forecasts, adjustments must be made to modeling efforts to account for individual circumstances and trends affecting a community or county. Pinal County is a newly developing area that is transitioning from a rural farming region to an urbanized area. As a result, it has a modest amount of retail development and its per capita personal income (PCPI) is substantially lower than Maricopa County's. As a result of these socioeconomic conditions in the County, adjustments

were made in the modeling effort to account for the growth in the County's retail development over time and increases in Pinal County's per capita personal income as the County transitions from an agricultural economy to a diverse, urbanized region.

Revenue Forecast

Three forecast scenarios (Low, Medium and High) were developed as part of this study based on population forecasts prepared by the Arizona Department of Administration in December 2015. The range of forecasted revenues over 20 years varies from \$568 million to \$709 million, with the Medium Scenario yielding \$640 million. Typically the Medium or most-likely scenario is used to estimate future revenue outcomes. **While there is still uncertainty related to the national and state economies along with global economic and political concerns, Elliott D. Pollack & Company recommends that Pinal County use the Medium Forecast for the expected outcome of the RTA sales tax initiative.**

The RTA should consider updating the forecast for sales tax revenue every year or two. The Greater Phoenix area has experienced a lackluster recovery from the Great Recession and modest population and employment growth relative to historic norms following a recession. However, the economy is improving and is expected to continue to improve in the future. With additional updated information on population growth, inflation and personal income over the next few years, future sales tax revenue forecasts will be able to reflect the Greater Phoenix economy's full recovery from the Great Recession.

In conclusion, Elliott D. Pollack & Company recommends utilizing the Medium Scenario for transportation planning purposes as outlined below in the table, producing an estimated \$640 million over 20 years.

Recommended RTA Sales Tax Revenue Forecast Low Forecast Scenario FY 2017 - FY 2036					
Fiscal Year	Revenue	% Change	Fiscal Year	Revenue	% Change
FY16	\$15,304,073		FY27	\$30,776,582	6.7%
FY17	\$16,334,810	6.7%	FY28	\$32,820,630	6.6%
FY18	\$17,477,073	7.0%	FY29	\$34,990,099	6.6%
FY19	\$18,699,999	7.0%	FY30	\$37,329,372	6.7%
FY20	\$19,954,591	6.7%	FY31	\$39,812,068	6.7%
FY21	\$21,194,670	6.2%	FY32	\$42,476,075	6.7%
FY22	\$22,506,128	6.2%	FY33	\$45,326,534	6.7%
FY23	\$23,906,618	6.2%	FY34	\$48,364,182	6.7%
FY24	\$25,430,797	6.4%	FY35	\$51,625,845	6.7%
FY25	\$27,086,136	6.5%	FY36	\$55,098,840	6.7%
FY26	\$28,842,586	6.5%	FY17-FY36	\$640,053,635	
Sources: AZ Dept. of Administration, U.S. BEA, Univ. of Arizona, Elliott D. Pollack & Co.					

The amount of funds that may be available for actual construction of highways and roads is shown on the Table based on a 15% contingency for design and administration. Road construction may also be subject to five-year phasing of tax receipts. Overall, approximately 85% of tax receipts are considered programmable funds or \$544 million.

Pinal County RTA Programmable Revenue Projection By 5-year Phases With Contingency					
Fiscal Year	Revenue Projection	Contingency (15%)	Programmable	Phase	Funding Per Phase for Projects
FY17	\$16,334,810	\$2,450,221	\$13,884,588	1	\$79,611,971
FY18	\$17,477,073	\$2,621,561	\$14,855,512		
FY19	\$18,699,999	\$2,805,000	\$15,894,999		
FY20	\$19,954,591	\$2,993,189	\$16,961,402		
FY21	\$21,194,670	\$3,179,200	\$18,015,469		
FY22	\$22,506,128	\$3,375,919	\$19,130,209	2	\$108,606,426
FY23	\$23,906,618	\$3,585,993	\$20,320,626		
FY24	\$25,430,797	\$3,814,620	\$21,616,178		
FY25	\$27,086,136	\$4,062,920	\$23,023,216		
FY26	\$28,842,586	\$4,326,388	\$24,516,198		
FY27	\$30,776,582	\$4,616,487	\$26,160,095	3	\$149,369,438
FY28	\$32,820,630	\$4,923,094	\$27,897,535		
FY29	\$34,990,099	\$5,248,515	\$29,741,584		
FY30	\$37,329,372	\$5,599,406	\$31,729,966		
FY31	\$39,812,068	\$5,971,810	\$33,840,258		
FY32	\$42,476,075	\$6,371,411	\$36,104,664	4	\$206,457,755
FY33	\$45,326,534	\$6,798,980	\$38,527,554		
FY34	\$48,364,182	\$7,254,627	\$41,109,555		
FY35	\$51,625,845	\$7,743,877	\$43,881,968		
FY36	\$55,098,840	\$8,264,826	\$46,834,014		
FY17-FY36	\$640,053,635	\$96,008,045	\$544,045,590		\$544,045,590
Sources: AZ Dept. of Administration, U.S. BEA, Univ. of Arizona, Elliott D. Pollack & Co.					

The annual cost of the proposed RTA half-cent sales tax to the typical Pinal County household is nominal. According to the U.S. Census, the median household income in Pinal County is \$49,867. The U.S. Consumer Expenditure Survey estimates the typical household earning the median income will spend on average about \$17,590 each year on taxable goods and services, excluding grocery items since the County does not tax food to be used at home. At the 0.5% tax rate, the RTA tax would cost the typical household \$88 each year or \$7.33 per month, about equal to a fast food meal.

4.1 INTRODUCTION

The purpose of this study is to prepare a forecast for a proposed half-cent sales tax that would be levied in Pinal County for the improvement and construction of major transportation thoroughfares. The Pinal County Board of Supervisors has directed the County staff to initiate the formation of a county wide Regional Transportation Authority (RTA) under Arizona statutes for the purpose of identifying major transportation projects. The tax would be authorized for a 20-year term. If the RTA is formed, the Central Arizona Governments (CAG) Regional Council would serve as the RTA Board of Directors. The first task of the RTA would be to produce a 20-year Regional Transportation Plan along with a request to the electorate to approve a new half-cent sales tax scheduled in May 2016. The forecast of future revenues from the half-cent sales tax is a major component of the Regional Transportation Plan.

The Regional Transportation Plan would be focused on regional, large-scale roadway improvements that would add capacity, accommodate future growth and serve as regional connectors, all with the purpose of reducing congestion and providing for the efficient movement of people and goods. Major transportation projects that will be considered by the RTA include a north-south corridor and additional east-west and north-south improvements throughout the County.

4.2 METHODOLOGY

Pinal County has already levied a half-cent excise tax for road and street improvements (the Road Tax). The tax was passed by the electorate in 1986 and renewed in 2005. The tax provides some historical background on sales tax trends that is useful for the forecasting of a new RTA sales tax. Over the past 12 years, the tax has shown some variability due to economic conditions and the effect of the Great Recession on spending in the local economy. Large increases in tax receipts were experienced in fiscal years 2005 and 2006 primarily due to the housing boom throughout Pinal County (the Road Tax includes a 0.5% charge on contracting activities). Between FY 2007 and FY 2012, tax receipts declined by 34% before rising in subsequent years. While there will be economic cycles in the future, any variability in the tax revenue in the future is expected to be modest compared to the Great Recession. Table 4-1 shows the historic revenue generated from the half-cent Road Tax.

Table 4-1

Historic Half-Cent Road Tax Revenues Pinal County		
Year	Revenue	Percent Change
FY 2004	9,757,830	
FY 2005	12,173,030	24.8%
FY 2006	17,279,308	41.9%
FY 2007	19,177,206	11.0%
FY 2008	17,856,916	-6.9%
FY 2009	14,830,503	-16.9%
FY 2010	12,599,660	-15.0%
FY 2011	12,561,088	-0.3%
FY 2012	12,952,327	3.1%
FY 2013	13,300,223	2.7%
FY 2014	14,096,702	6.0%
FY 2015	14,450,578	2.5%
Source: Arizona Dept. of Revenue		

Revenues from the Pinal County Road Tax are generated from a number of different tax categories. Retail sales approach nearly one-half of the total Road Tax receipts while utilities, contracting and restaurants/bars comprise 41% of total revenue. Tax revenue is primarily driven by the resident population of the County; tourism currently contributes little revenue in the way of hotel/motel sales. The four categories noted above account for 87% of the Road Tax revenue. Table 4-2 presents the FY 2015 Road Tax revenue by tax category.

Table 4-2

FY 2015 Pinal County Road Tax Receipts By Tax Category		
Category	Receipts	Percent of Total
Utilities	\$2,493,857	17.3%
Communications	\$568,341	3.9%
Publishing	\$22,522	0.2%
Printing	\$8,367	0.1%
Restaurant & Bars	\$1,398,639	9.7%
Amusements	\$211,091	1.5%
Rental of Real Property	\$517,053	3.6%
Rental of Personal Property	\$333,091	2.3%
Contracting	\$2,040,024	14.1%
Retail	\$6,614,274	45.8%
Hotel/Motel	\$120,263	0.8%
Other	\$123,056	0.9%
Total	\$14,450,578	100.0%
Source: Arizona Dept. of Revenue		

Forecasts of tax revenues are typically based on several key determinants that are indicative of expenditures in the local economy. Those determinants include:

- Population Growth
- Inflation
- Per Capita Personal Income (PCPI).

The increase in population growth is one of the factors that will have a significant impact on Pinal County and its ability to raise revenue for roadway improvements. The County experienced explosive growth in the middle of the last decade as homebuilders ventured into the SanTan Valley and Maricopa. In 2000, Pinal County represented 5.6% of the Greater Phoenix population. By 2013, its population had expanded to 9.0% of the region's residents. As the housing market stabilizes over the next few years, the County will see continued growth and account for a larger share of Greater Phoenix's population.

Inflation is an important factor in driving retail sales and tax revenue. While inflation has been modest for more than two decades and is expected to remain at low levels for the foreseeable future, consumer prices over next 20 years are still expected to increase by 55%.

Personal income is a proxy for retail sales growth. As incomes increase, retail sales increase as well. Per capita personal income across Arizona has been stagnant over the last few years, but is expected to grow more rapidly in the future.

While the above factors typically yield accurate forecasts, adjustments must be made to modeling efforts to account for individual circumstances and trends affecting a community or county. This requires an analysis of the socioeconomic characteristics of the region under study. For instance, Pinal County is a newly developing area that is transitioning from a rural farming region to an urbanized area with a modest amount of retail development. As a result, there is a significant amount of retail spending leakage to Maricopa County. Taxable retail sales in Maricopa County average \$17,500 per person. Pinal County's taxable retail sales per capita is \$7,420, less than half the Maricopa County average.

Pinal County's per capita personal income (PCPI) is also substantially lower than Maricopa County's. In 2013, the U.S. Bureau of Economic Analysis estimated Maricopa County's PCPI at \$40,685; Pinal County's was estimated at \$25,511, 37% lower than Maricopa County's PCPI.

As Pinal County grows in population, resident incomes will increase and retail development will eventually follow rooftops. Until that time, however, the County may experience modest retail sales growth.

As a result of these socioeconomic conditions in the County, adjustments were made in the modeling effort to account for:

- Pinal County's population growth over time (represented as a greater percentage of Greater Phoenix's population),
- The growth in retail development that may spur retail sales, and
- Increases in PCPI as the County transitions from an agricultural economy to a diverse, urbanized region.

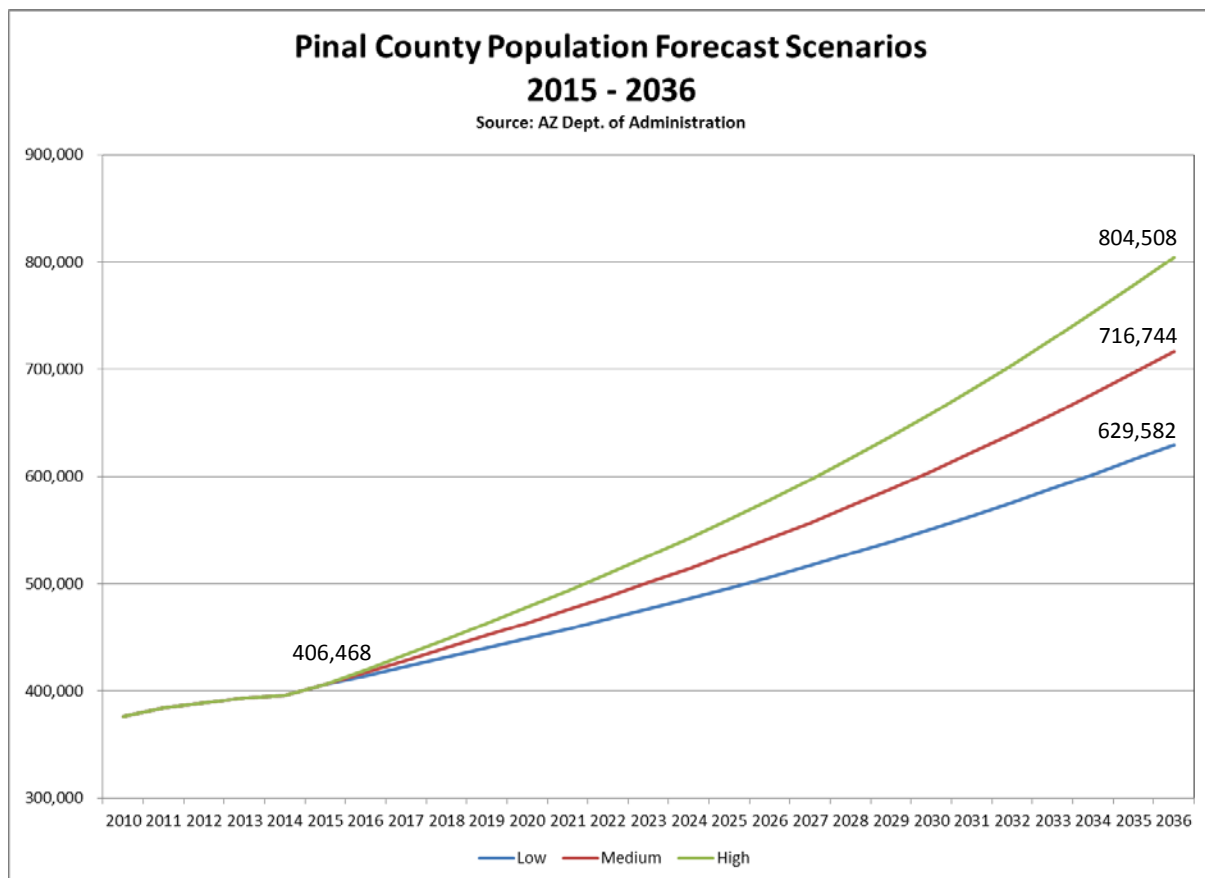
Each of the forecasting variables is discussed in the following sections.

Population Growth

Three forecast scenarios are presented in this report – a Low, Medium and High forecast. The forecasts are based on population projections released by the Arizona Department of Administration's (ADOA) Office of Employment and Population Statistics in December 2015. The 2015 forecasts show reduced population growth for Pinal County compared to forecasts that were released in 2013. For instance, the 2015 Medium forecast now shows that Pinal County will grow to a total of 716,744 persons by 2036 compared to a projected population of 826,556 in the 2013 forecast. Pinal County is also expected to capture a smaller share of the Greater Phoenix population growth over the next 20 years. The 2013 forecast estimated the County would capture 18.7% of the region's population growth; the 2015 forecast expects that share to decline to 15.7%. Overall, the 2015 forecast is more conservative than the forecasts prepared just two years ago.

The new 2015 forecasts show that Pinal County should grow from its current population of 401,721 to somewhere between 629,582 and 804,508 persons by 2036. The base case or most-likely forecast for 2036 is 716,744 or an increase of 76% over the next 20 years. The following Chart 4-1 graphically shows the three forecast scenarios.

Chart 4-1



Given recent growth trends in Greater Phoenix, the 2015 forecasts prepared by ADOA are much more conservative than the 2013 forecasts and take into account the region's sluggish housing market over the past few years. The 2015 Medium forecast reduces population growth for Pinal County over the next 20 years by nearly 110,000 persons compared to the 2013 forecast. The following Table 4-3 shows the 2015 ADOA forecasts.

In conclusion, to remain conservative in the forecast of future RTA sales tax revenue, the Low projection scenario from ADOA likely reflects current conditions in the housing market and the Greater Phoenix economy. Until the housing market stabilizes, the Medium and High forecast scenarios may be optimistic in the short term. Population growth in the region should be monitored over the next few years to determine if conditions improve and a more optimistic outlook for sales tax revenue evolves.

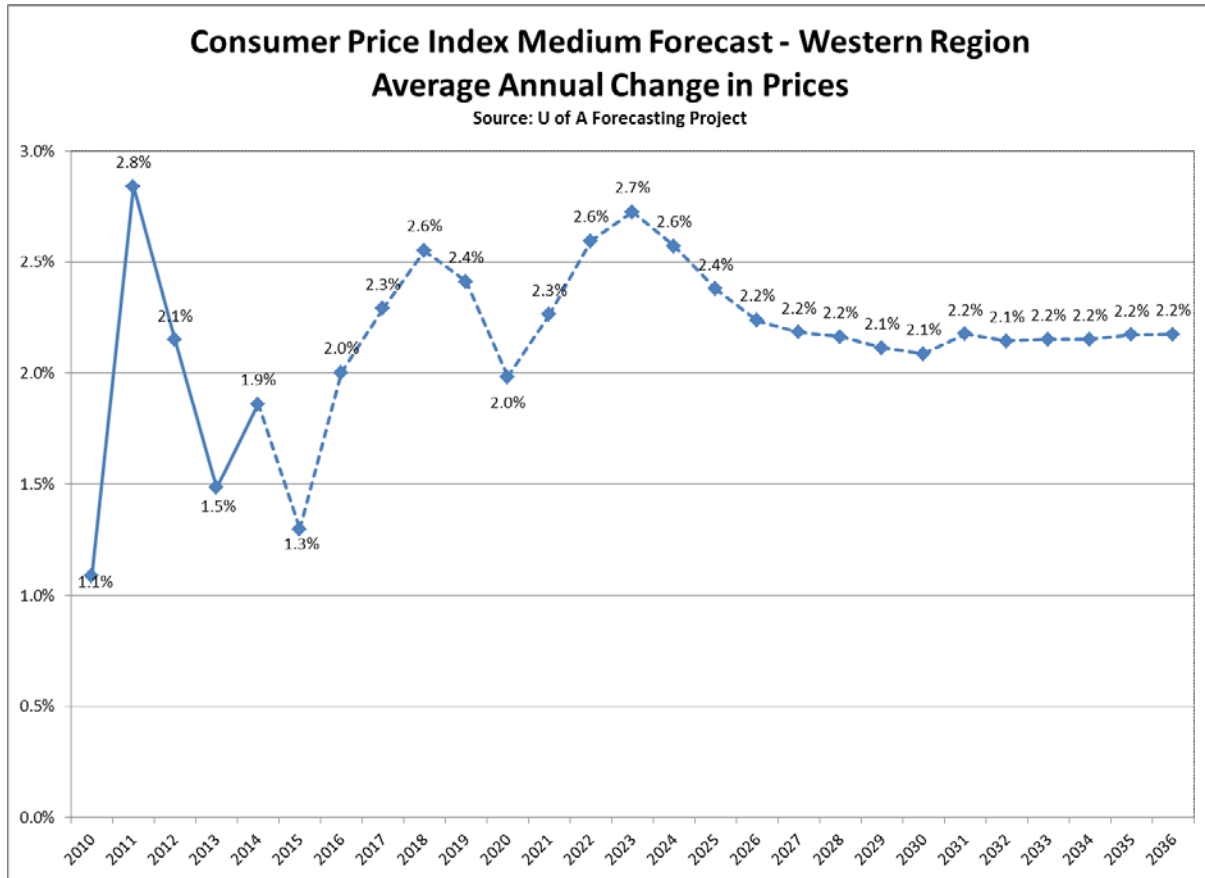
Table 4-3

Population Forecast Scenarios Pinal County				
	Year	Low	Medium	High
Actual	2010	376,370	376,370	376,370
	2011	384,231	384,231	384,231
	2012	389,112	389,112	389,112
	2013	393,813	393,813	393,813
	2014	396,237	396,237	396,237
	2015	406,468	406,468	406,468
Forecast	2016	414,414	417,000	419,584
	2017	422,853	428,286	433,714
	2018	431,511	439,932	448,345
	2019	440,223	451,698	463,163
	2020	448,907	463,463	478,008
	2021	457,783	475,540	493,284
	2022	466,893	487,985	509,066
	2023	476,258	500,827	525,388
	2024	485,910	514,109	542,306
	2025	495,868	527,859	559,859
	2026	506,158	542,115	578,095
	2027	516,797	556,906	597,056
	2028	527,798	572,255	616,777
	2029	539,182	588,197	637,309
	2030	550,973	604,767	658,698
	2031	563,187	621,991	680,981
	2032	575,780	639,825	704,114
	2033	588,736	658,244	728,066
	2034	602,041	677,228	752,811
	2035	615,663	696,739	778,305
	2036	629,582	716,744	804,508
Source: AZ Dept. of Administration 2015				

Inflation

The inflation forecasts used in this analysis have been prepared by the University of Arizona Forecasting Project and are based on the historical U.S. Western Region Consumer Price Index (CPI). The following chart shows the expected trend for the Medium scenario which is expected to remain modest over the next 20 years. The low 2015 forecast of 1.3% is the result of the decline in oil prices. Economic cycles will inevitably occur over the 20-year forecast period. The ability to accurately predict when those cycles may occur is impossible over the long term and higher rates of inflation may occur. Annual rates as high as 4% to 5% should be expected as least once during the 20-year forecast period.

Chart 4-2



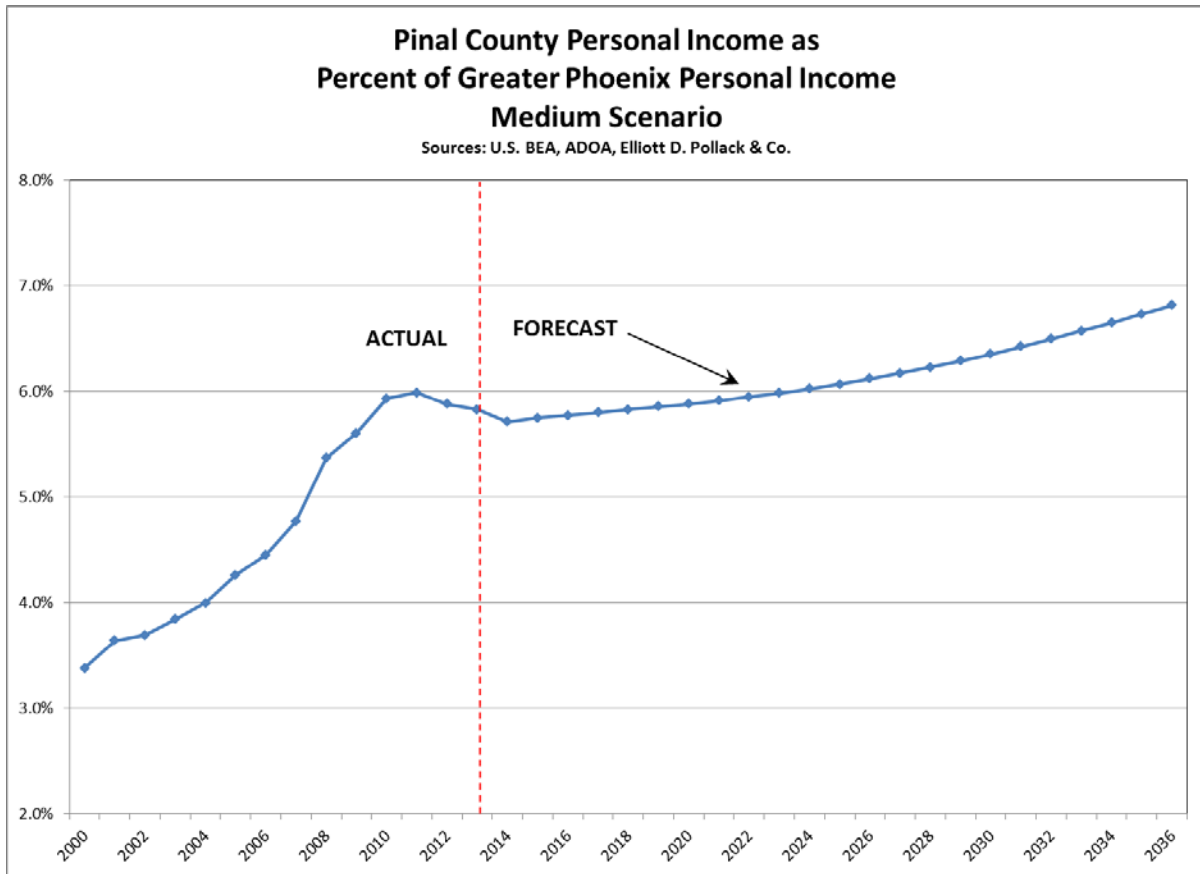
Per Capita Personal Income

Per capita personal income is an important indicator of the spending power of the community. As noted previously in this report, in 2013 Pinal County's PCPI trailed behind the Maricopa County PCPI by 37%. Over time, that difference will close and more retail spending will be captured by Pinal County.

In 2013, Pinal County's total personal income accounted for approximately 5.8% of the Greater Phoenix personal income. This figure is a substantial increase from the County's estimated percentage of Greater Phoenix's personal income in 2000 of 3.4%. With continued population growth in Pinal County, personal income is expected to grow as well and account for a greater share of Greater Phoenix's income.

The following chart shows Pinal County's share of Greater Phoenix's personal income and the forecasted share from 2013 forward. In order to be conservative, per capita personal income for Pinal County is forecasted to grow at approximately the same rate as Maricopa County's per capita personal income. Over the next 20 years, Pinal County's share of total Greater Phoenix personal income is expected to increase from the current 5.8% to 6.8% (for the Medium growth scenario).

Chart 4-3



4.3 REVENUE FORECAST

The recommended RTA sales tax forecasts for the three alternative scenarios are shown on Table 4-4. The forecasts, shown by fiscal year, are a function of:

- The expected population growth of Pinal County
- Inflation as reflected in the Consumer Price Index
- The increase in personal income in the County.

If the sales tax measure is passed by the electorate in May 2016, the initial tax receipts would be received in fiscal year 2017. We have not determined whether there would be a full year of tax receipts or a partial year. Chart 4-4 assumes a full year of receipts for FY 2017 and shows an estimate for FY 2016 as well which is consistent with the current Road Tax receipts for FY 2015. All dollar values are stated in current, inflated dollars.

Table 4-4

Pinal County RTA Road Tax Revenue Forecast						
Fiscal Year	Low Scenario		Medium Scenario		High Scenario	
	Revenue	% Change	Revenue	% Change	Revenue	% Change
FY16	\$15,084,503		\$15,304,073		\$15,554,134	
FY17	\$15,836,774	5.0%	\$16,334,810	6.7%	\$16,907,581	8.7%
FY18	\$16,705,996	5.5%	\$17,477,073	7.0%	\$18,365,590	8.6%
FY19	\$17,664,795	5.7%	\$18,699,999	7.0%	\$19,886,491	8.3%
FY20	\$18,636,522	5.5%	\$19,954,591	6.7%	\$21,375,488	7.5%
FY21	\$19,617,814	5.3%	\$21,194,670	6.2%	\$22,802,039	6.7%
FY22	\$20,684,244	5.4%	\$22,506,128	6.2%	\$24,254,967	6.4%
FY23	\$21,831,442	5.5%	\$23,906,618	6.2%	\$25,811,927	6.4%
FY24	\$23,060,438	5.6%	\$25,430,797	6.4%	\$27,515,734	6.6%
FY25	\$24,393,687	5.8%	\$27,086,136	6.5%	\$29,421,497	6.9%
FY26	\$26,022,794	6.7%	\$28,842,586	6.5%	\$31,497,284	7.1%
FY27	\$27,590,006	6.0%	\$30,776,582	6.7%	\$33,828,586	7.4%
FY28	\$29,233,888	6.0%	\$32,820,630	6.6%	\$36,331,164	7.4%
FY29	\$30,966,165	5.9%	\$34,990,099	6.6%	\$39,000,795	7.3%
FY30	\$32,824,995	6.0%	\$37,329,372	6.7%	\$41,853,518	7.3%
FY31	\$34,783,392	6.0%	\$39,812,068	6.7%	\$44,851,283	7.2%
FY32	\$36,874,126	6.0%	\$42,476,075	6.7%	\$48,001,213	7.0%
FY33	\$39,098,559	6.0%	\$45,326,534	6.7%	\$51,294,728	6.9%
FY34	\$41,454,581	6.0%	\$48,364,182	6.7%	\$54,813,899	6.9%
FY35	\$43,971,528	6.1%	\$51,625,845	6.7%	\$58,619,438	6.9%
FY36	\$46,636,056	6.1%	\$55,098,840	6.7%	\$62,751,860	7.0%
FY17-FY36	\$567,887,802		\$640,053,635		\$709,185,083	
Sources: AZ Dept. of Administration, U.S. BEA, Univ. of Arizona, Elliott D. Pollack & Co.						

Forecasted revenues over 20 years range from \$568 million to \$709 million, with the Medium Scenario yielding \$640 million. Typically the Medium or most-likely scenario is used to estimate future revenue

outcomes. **While there is still uncertainty related to the national and state economies along with global economic and political concerns, Elliott D. Pollack & Company recommends that Pinal County use the Medium Forecast for the expected outcome of the RTA sales tax initiative.**

The RTA should consider updating the forecast for sales tax revenue every year or two. The Greater Phoenix area has experienced a lackluster recovery from the Great Recession and modest population and employment growth relative to historic norms following a recession. However, the economy is improving and is expected to continue to improve in the future. With additional updated information on population growth, inflation and personal income over the next few years, future sales tax revenue forecasts will be able to reflect the Greater Phoenix economy's full recovery from the Great Recession.

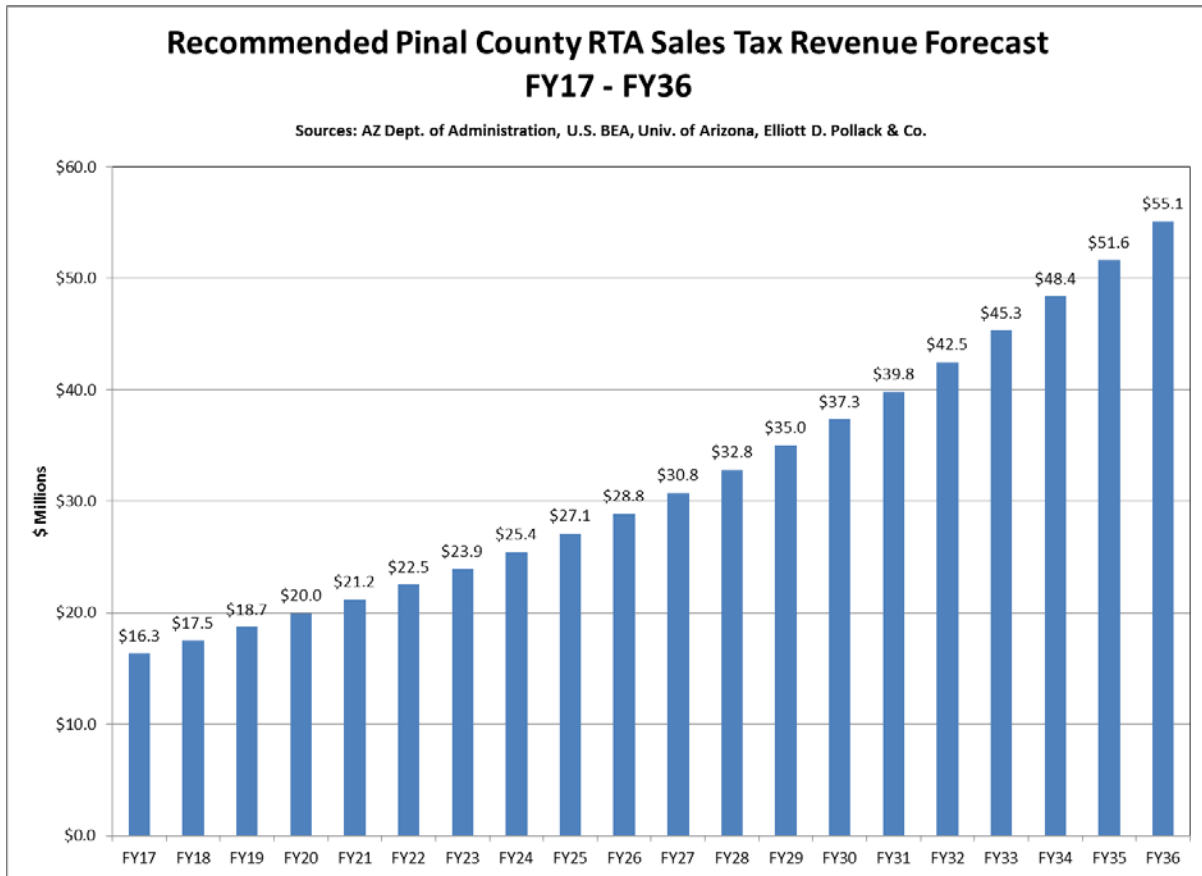
In conclusion, Elliott D. Pollack & Company recommends utilizing the Medium Scenario for transportation planning purposes as outlined below in Table 4-5, producing an estimated \$640 million over 20 years.

Table 4-5

Recommended RTA Sales Tax Revenue Forecast Low Forecast Scenario FY 2017 - FY 2036					
Fiscal Year	Revenue	% Change	Fiscal Year	Revenue	% Change
FY16	\$15,304,073		FY27	\$30,776,582	6.7%
FY17	\$16,334,810	6.7%	FY28	\$32,820,630	6.6%
FY18	\$17,477,073	7.0%	FY29	\$34,990,099	6.6%
FY19	\$18,699,999	7.0%	FY30	\$37,329,372	6.7%
FY20	\$19,954,591	6.7%	FY31	\$39,812,068	6.7%
FY21	\$21,194,670	6.2%	FY32	\$42,476,075	6.7%
FY22	\$22,506,128	6.2%	FY33	\$45,326,534	6.7%
FY23	\$23,906,618	6.2%	FY34	\$48,364,182	6.7%
FY24	\$25,430,797	6.4%	FY35	\$51,625,845	6.7%
FY25	\$27,086,136	6.5%	FY36	\$55,098,840	6.7%
FY26	\$28,842,586	6.5%	FY17-FY36	\$640,053,635	
Sources: AZ Dept. of Administration, U.S. BEA, Univ. of Arizona, Elliott D. Pollack & Co.					

The forecasted Pinal County RTA annual sales tax revenues are displayed on the following chart.

Chart 4-4



The amount of funds that may be available for actual construction of highways and roads is shown on the following table based on a 15% contingency for design and administration. Road construction may also be subject to five-year phasing of tax receipts. Overall, approximately 85% of tax receipts are considered programmable funds or \$544 million.

Table 4-6

Pinal County RTA Programmable Revenue Projection By 5-year Phases With Contingency					
Fiscal Year	Revenue Projection	Contingency (15%)	Programmable	Phase	Funding Per Phase for Projects
FY17	\$16,334,810	\$2,450,221	\$13,884,588	1	\$79,611,971
FY18	\$17,477,073	\$2,621,561	\$14,855,512		
FY19	\$18,699,999	\$2,805,000	\$15,894,999		
FY20	\$19,954,591	\$2,993,189	\$16,961,402		
FY21	\$21,194,670	\$3,179,200	\$18,015,469		
FY22	\$22,506,128	\$3,375,919	\$19,130,209	2	\$108,606,426
FY23	\$23,906,618	\$3,585,993	\$20,320,626		
FY24	\$25,430,797	\$3,814,620	\$21,616,178		
FY25	\$27,086,136	\$4,062,920	\$23,023,216		
FY26	\$28,842,586	\$4,326,388	\$24,516,198		
FY27	\$30,776,582	\$4,616,487	\$26,160,095	3	\$149,369,438
FY28	\$32,820,630	\$4,923,094	\$27,897,535		
FY29	\$34,990,099	\$5,248,515	\$29,741,584		
FY30	\$37,329,372	\$5,599,406	\$31,729,966		
FY31	\$39,812,068	\$5,971,810	\$33,840,258		
FY32	\$42,476,075	\$6,371,411	\$36,104,664	4	\$206,457,755
FY33	\$45,326,534	\$6,798,980	\$38,527,554		
FY34	\$48,364,182	\$7,254,627	\$41,109,555		
FY35	\$51,625,845	\$7,743,877	\$43,881,968		
FY36	\$55,098,840	\$8,264,826	\$46,834,014		
FY17-FY36	\$640,053,635	\$96,008,045	\$544,045,590		\$544,045,590
Sources: AZ Dept. of Administration, U.S. BEA, Univ. of Arizona, Elliott D. Pollack & Co.					

The annual cost of the proposed RTA half-cent sales tax to the typical Pinal County household is nominal. According to the U.S. Census, the median household income in Pinal County is \$49,867. The U.S. Consumer Expenditure Survey estimates the typical household earning the median income will spend on average about \$17,590 each year on taxable goods and services, excluding grocery items since the County does not tax food to be used at home. At the 0.5% tax rate, the RTA tax would cost the typical household \$88 each year or \$7.33 per month, about equal to a fast food meal.

4.4 LIMITING CONDITIONS

This study prepared by Elliott D. Pollack & Company is subject to the following considerations and limiting conditions.

- The reported recommendation(s) represent the considered judgment of Elliott D. Pollack and Company based on the facts, analyses and methodologies described in the report.
- This study is intended to be read and used as a whole and not in parts.
- Our analysis is based on currently available information and estimates and assumptions about long-term future development trends. Such estimates and assumptions are subject to uncertainty and variation. Accordingly, we do not represent them as results that will be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary materially from the forecasted results. The assumptions disclosed in this analysis are those that are believed to be significant to the projections of future results.
- Except as specifically stated to the contrary, this study does not give consideration to the following matters to the extent they exist: (i) matters of a legal nature, including issues of legal title and compliance with federal, state and local laws and ordinances; and (ii) environmental and engineering issues, and the costs associated with their correction. The user of this study will be responsible for making his/her own determination about the impact, if any, of these matters.

5) Projects

The Pinal County Regionally Significant Routes for Safety and Mobility (RSRSM) Study was completed in December of 2008. This study developed an RSRSM plan to ensure mobility and safety through a partnering approach with federal, state, county, local, Native American communities and private entities. As part of the plan, the routes within the county were prioritized. Figure 5-1 shows the prioritized routes within the Pinal county.

Based on the RSRSM Plan and a number of other studies that had been completed within the region (Appendix C), a list of potential projects for the RTP was developed. Meetings were held with representatives from the towns, cities, County and State to review the list and develop a final list of projects.

Preliminary cost estimates were developed for each of the projects. Data from the previous planning studies was combined with current estimates in the CAG Regional Transportation Plan. The list of projects was scaled back to provide an estimate of projects based on projected funding. Figure 5-2 includes the projects that were identified for inclusion in the RTA Plan. Table 5-1 provides information on each of the projects. Table 5-2 provides information on projects which were considered, but not included in the plan. Not every project which was considered could be included in the plan due to anticipated funding constraints.

Based on the revenue projections and the proposed list of projects, a schedule was developed to address the delivery timeframe for the projects. When the schedule was developed, consideration was given to provide a number of early successes and to provide an opportunity for bonding or advancing projects with long term potential for improvement to the region. Table 5-3 includes the proposed schedule for the projects. This schedule does not take into account opportunities for bonding or advancing projects.

Figure 5-1 - Regionally Significant Routes.

Taken from the Regionally Significant Routes Plan for Safety and Mobility, Page 31, December 2008

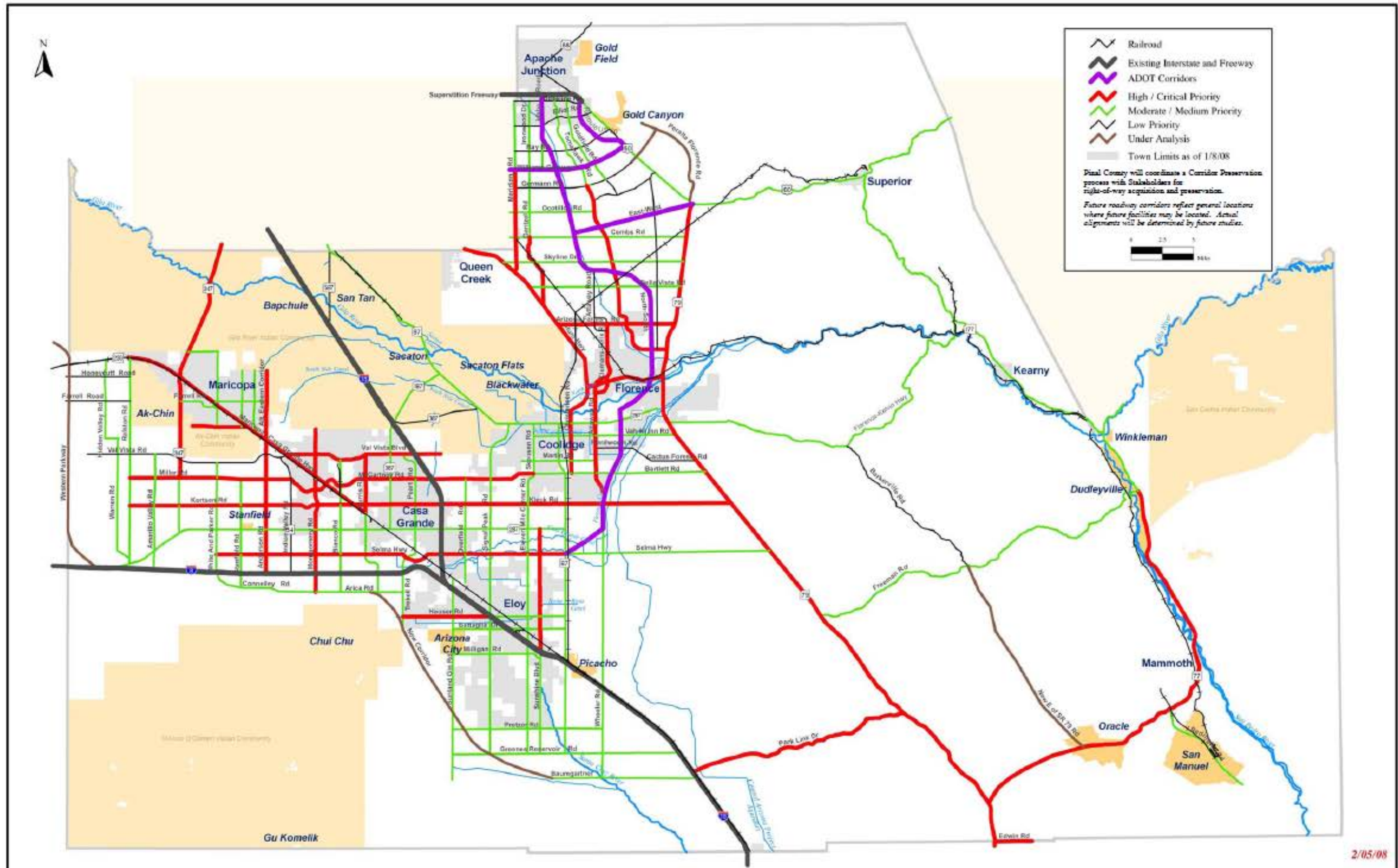


Figure 5-2 – Proposed Routes for the RTP.

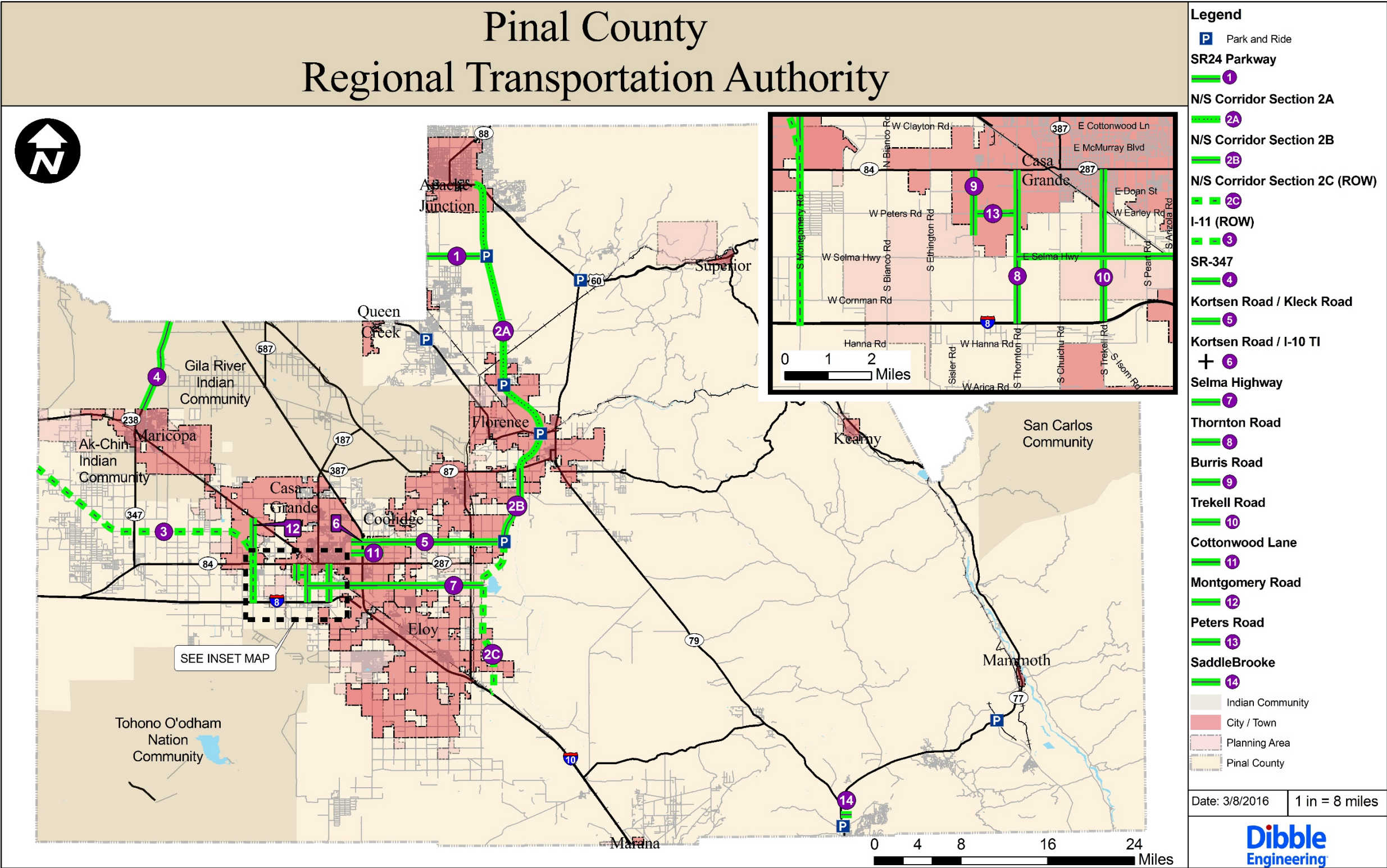


Table 5-1 Proposed Projects

Corridor	From	To	Classification	Current Lanes	Proposed Lanes	Description	Owner	Municipalities	Length (miles)	Cost
SR24 Parkway	Meridian	N-S Corridor	parkway	0	4	New parkway	PC	PC	5	\$48,000,000
N/S Corridor	US60	Kleck	parkway	0	4	New parkway	PC	PC, AJ, FL	36	\$345,600,000
N/S Corridor (ROW)	Kleck	I-10	parkway	0	4	Right of way	PC	PC, CO, EL	15	\$2,200,000
I-11 (ROW)	County Line	I-8	Interstate	0	0	Right of way	PC	PC, CG	28	\$4,200,000
SR-347	City of Maricopa	County Line	principal arterial	4	6	Widen roadway	ADOT	MA, GR	9	\$28,800,000
Kortsen Rd / Kleck Rd	Henness	N/S Corridor	principal arterial	2	4	Widen roadway	CG	PC, CG, CO	14	\$44,800,000
Kleck Rd/I10 TI	I-10 TI	I-10 TI	principal arterial	2	4	Widen roadway	CG	PC, CG	0.5	\$21,000,000
Selma Hwy	Thornton	N/S Corridor	principal arterial	0-2	2	New/widen roadway (1/2 regional funds)	CT	PC, CG, EL	16	\$25,600,000
Thornton	SR-84	I-8	principal arterial	2	4	New/widen roadway	CG	PC, CG	3.5	\$11,200,000
Burris	SR-84	.5 miles S of Peters	principal arterial	2	4	Widen roadway	CG	PC, CG	1.5	\$4,800,000
Trekell	Florence Blvd	I-8	principal arterial	2	4	New/widen roadway	CG	PC, CG	3.5	\$11,200,000
Cottonwood	Henness	Overfield	principal arterial	2	4	Widen road & overpass	CG	PC, CG	2.5	\$23,000,000
Montgomery Rd	Maricopa-Casa Grande Hwy	I-8	minor arterial	0-2	2	New/widen roadway	CG	PC, CG	10	\$32,000,000
SadleBrooke	SR77		minor arterial	2	2	New roadway	PC	PC, CG	1	\$2,500,000
Peters	Burris	Thornton	minor arterial	2	4	Widen Roadway	CG	PC, CG	1	\$3,200,000
Park and Rides, Dial a Ride and Transit	N/A	N/A	N/A	N/A	N/A	8 Park and Rides	Various	Various	N/A	\$12,000,000
Municipality Local Projects	N/A	N/A	N/A	N/A	N/A	\$300k/yr (3 cities)	Various	Various	N/A	\$18,000,000
Administrative Cost	N/A	N/A	N/A	N/A	N/A	\$300k per year	Various	Various	N/A	\$6,000,000
Contingency	N/A	N/A	N/A	N/A	N/A	N/A	Various	Various	N/A	\$0
							Totals:		91	\$644,100,000

PC - Pinal County, AJ-Apache Junction, FL-Florence, CO-Coolidge, EL-Eloy, MA- Maricopa, CG- Casa Grande, GR- Gila River Indian Comm.

Table 5-2 Projects Considered but not Included in the RTA Plan

Corridor	From	To	Classification	Current Lanes	Proposed Lanes	Description	Owner	Municipalities	Length (miles)	Cost
E/W Corridor	SR-347	I-10	parkway	0	4	New parkway	PC, MA, CG	PC, MA,CG	20	\$192,000,000
N/S Corridor	Kleck	I-10	parkway	0	4	New parkway	PC	PC, CO, EL	15	\$144,000,000
11 Mile Corner Parkway	SR-87	I-10	parkway	0	2	New/widen roadway	PC, CO, EL	PC, CO, EL	18	\$57,600,000
Selma Hwy	Montgomery	Thornton	principal arterial	0-2	2	New/widen roadway (1/2 regional funds)	CT	PC, CG, EL	5	\$8,000,000
Trekell	I-8	3 miles S of I-8	principal arterial	2	4	New/widen roadway	CG	PC, CG	3	\$9,600,000
Skyline Drive	Gantzel	N/S Corridor	minor arterial	0-2	2	New/widen roadway	PC	PC	12	\$38,400,000
Florence Kelvin Hwy	End of pavement - 15 miles east of Florence	Approx 2 miles west of SR-177	minor arterial	0	2	Paved dirt road	PC	PC	15	\$5,250,000
							Totals:		88	\$454,850,000

Table 5-3 – Proposed Schedule for Project Delivery

Revenue (\$1000s)																						
Fiscal Year	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	Totals	
Revenue Projections (1000s)	\$16,334	\$17,447	\$18,699	\$19,954	\$21,194	\$22,506	\$23,906	\$25,430	\$27,086	\$28,842	\$30,776	\$32,820	\$34,990	\$37,329	\$39,812	\$42,476	\$45,326	\$48,364	\$51,625	\$55,098	\$640,014	
Project Funds Available	\$16,334	\$17,447	\$18,699	\$19,954	\$21,194	\$22,506	\$23,906	\$25,430	\$27,086	\$28,842	\$30,776	\$32,820	\$34,990	\$37,329	\$39,812	\$42,476	\$45,326	\$48,364	\$51,625	\$55,098	\$640,014	
5 Year Revenue Totals	\$93,628					\$127,770					\$175,727					\$242,889						

Project Costs(1000s)																							
Map #	Corridor	Fiscal Year	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	Total Cost
1	SR 24 Parkway				\$4,500	\$12,000	\$19,500	\$12,000															\$48,000
2	N/S Corridor													\$16,000	\$19,000	\$32,000	\$39,000	\$38,000	\$44,000	\$48,000	\$50,000	\$59,600	\$345,600
3	N/S Corridor(ROW)					\$2,200																	\$2,200
4	I 11(ROW)									\$4,200													\$4,200
5	SR-347		\$9,000	\$11,000	\$8,800																		\$28,800
7	Kortsen/Kleck Rds							\$9,000	\$12,000	\$9,500	\$10,000	\$4,300											\$44,800
8	Kleck Rd / I-10 TI													\$6,000	\$13,000	\$2,000							\$21,000
9	Selma Hwy								\$7,000	\$7,500	\$8,500	\$2,600											\$25,600
10	Thornton								\$4,000	\$3,000	\$4,200												\$11,200
11	Burris				\$4,000	\$800																	\$4,800
12	Trekell		\$6,000	\$5,200																			\$11,200
13	Cottonwood											\$7,000	\$11,000	\$5,000									\$23,000
14	Montgomery Rd.											\$14,000	\$16,000	\$2,000									\$32,000
15	SadleBrooke													\$2,500									\$2,500
16	Peters														\$1,500	\$1,700							\$3,200
17	Park and Ride, Dial a Ride and Transit					\$3,000					\$3,000		\$3,000					\$3,000					\$12,000
	Municipality Local Projects		\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$18,000
	Administrative Cost		\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$6,000
																							\$644,100
	Annual Project Spending		\$16,200	\$17,400	\$18,500	\$19,200	\$20,700	\$22,200	\$24,200	\$25,400	\$26,900	\$29,100	\$31,200	\$32,700	\$34,700	\$36,900	\$40,200	\$42,200	\$45,200	\$49,200	\$51,200	\$60,800	
	End of Year Balance		\$134	\$181	\$380	\$1,134	\$1,628	\$1,934	\$1,640	\$1,670	\$1,856	\$1,598	\$1,174	\$1,294	\$1,584	\$2,013	\$1,625	\$1,901	\$2,027	\$1,191	\$1,616	(\$4,086)	
5 Year Spending Totals			\$92,000					\$127,800					\$175,700					\$248,600					Total \$644,100

6) Transition Plan

The Central Arizona Governments (CAG) requested that a transitional plan be developed to assist them in the event that the new excise tax is passed. This plan describes the general Governance responsibilities and issues associated with the Pinal RTA.

1) Next Steps

- **Request for an election to the Board of Supervisors for submission of the excise tax and regional transportation plan to the electorate** - *Pinal County will take the lead in initiating the election. The Pinal RTA will make a recommendation to the County Board of Supervisors. The Board will set a date and call for an election. The County Elections Department will handle the specifics of the election. The date of the election has not yet been determined.*
- **Appoint a Chairman (ARS 48-5303)** - *After the election, the Board of Directors shall hold their first official meeting of the board. At that meeting they shall appoint a chairman.*
- **Determine officers, terms and procedure of appointment (ARS 48-5303)** - *Officers shall include a chairman, vice chairman, secretary and treasurer. The Board will establish bylaws to define the terms and procedures.*
- **Develop Policies, Objectives and Procedures (POP)** - *Pima County RTA has a POP that is available for use. It is recommended that Pinal RTA utilize this document as a starting point for developing their own POP.*
- **Transportation Improvement Program (TIP)** - *Projects which are included in the RTA Plan must be included in a 5 year TIP before work can begin on that project. RTA staff will work with CAG, MAG and/or SCMPO to have the project included in the respective TIP.*
- **Adopt an annual budget** - *RTA will be set up as a department under CAG. The annual budget cycle for RTA should be the same as that of CAG.*
- **Appoint advisory committees** - *RTA will appoint a Citizen's Transportation Oversight Committee (CTOC) and a Technical Advisory Committee (TAC). The TAC will be comprised of one member from each of the jurisdictions included in the Board of Directors.*
- **Hire legal counsel to represent the authority in any legal proceeding** - *The RTA will develop an RFQ and select legal counsel.*
- **Develop an Inter-Governmental Agreement (IGA) template** – *RTA staff will develop a template for projects. The template will be furnished to the lead agency.*
- **Coordinate with Department of Revenue for collection of excise tax** - *The tax will be initiated on either January 1st or July 1st following a successful vote. The RTA will work with the Department of Revenue to initiate the collection of the taxes.*

- **Identify a lead agency for each project** - Each project will have a lead agency. The lead agency will be a member an RTA member agency. Each project will have only one lead agency. The lead agency will be responsible for the project implementation. If a project falls within just one jurisdiction, then that jurisdiction will be the lead agency. If a project falls within multiple jurisdictions then either the project may be implemented as a single project and the jurisdictions involved will determine which jurisdiction will be the lead agency, or the project may be divided up into smaller projects such that each project resides in a single jurisdiction.
- **Develop an Intergovernmental agreement with each lead agency** - Each project will have an IGA between RTA and the lead agency. This IGA must be signed before any costs are incurred on the project. Cost incurred prior to the signing of the IGA are not eligible for reimbursement. Ongoing maintenance of each project should also be defined within the IGA.

2) General Governance (ARS 48-5303)

- **Board of Directors** - The members of the Board of Directors shall be the same as the members of the CAG Regional Council.
- **Chairman** - The Board of Directors will elect a Chairman from among their members. The Chairman will be elected for a one year term. An individual may be reelected to the Chairman position, but will not serve more than two years continuously.
- **Executive Director** - The CAG Executive Director will also act as the RTA Executive Director. Compensation for the Executive Director will come from CAG.
- **Meetings** - The RTA meetings will be scheduled in coordination with the CAG Regional Council. Each will have separate agendas and separate meeting notifications. The RTA will meet as needed, but at least once per year.

3) Coordination with USDOT and ADOT

- **Other funding opportunities (STP, CMAQ, Planning, Research, HURF)** - The RTA will seek to find other funding opportunities for projects included within the RTA Plan. The RTA funds allocated in the RTA Plan for a project may not address the total cost of the project. The lead agency will secure additional funds as necessary to implement the project or reduce the scope to match available funding. The lead agency will also insure that all funding sources will be identified in the respective TIP. The RTA will not be responsible for cost overruns.

4) Approach

- a. **Environmental Reviews** – *The level of environmental reviews required will depend on the sources of funding which will be used to implement a project. The lead agency will be responsible to ensure that proper environmental reviews are conducted. Cost for completing environmental reviews may be reimbursed with RTA funds for the project. Reimbursement shall be limited to the amount of RTA funds identified in the RTA Plan.*
- b. **Purchasing of right-of-way** - *The IGA for a project will define who will be responsible for acquiring right-of-way and who will be the owner of the right-of-way. Cost for purchasing right-of-way may be reimbursed with RTA funds for the project. Reimbursement shall be limited to the amount of RTA funds identified in the RTA Plan.*
- c. **Project management** - *The lead agency will be responsible for all project management. Cost for project management may be reimbursed with RTA funds for the project. Reimbursement shall be limited to the amount of RTA funds identified in the RTA Plan.*
- d. **Design and construction of projects** - *The lead agency is responsible for the design and construction of a project. The cost for design and construction may be reimbursed with RTA funds for the project. Reimbursement shall be limited to the amount of RTA funds identified in the RTA Plan.*
- e. **Regional air quality modeling** - *Projects within non-attainment areas shall have regional air quality modeling performed. The lead agency will be responsible for working with the appropriate planning agency to properly update the air quality models.*
- f. **How the RTA initiates the development of a Transportation Improvement Program and amends the program to include future transportation planning studies and projects.** *Projects which are included in the RTA Plan must be included in a 5 year TIP before work can begin on that project. RTA staff will work with CAG, MAG and/or SCMPO to have the project included in the respective TIP.*
- g. **Legal counsel considerations** – *The RTA will develop an RFQ and select legal counsel.*
- h. **Communications** – *The RTA will develop an annual brochure for public education. The brochure will be updated as needed to keep the information relevant. The RTA will also maintain a website which will provide public information. In addition, the website will include the status of each project in the RTA Plan.*