

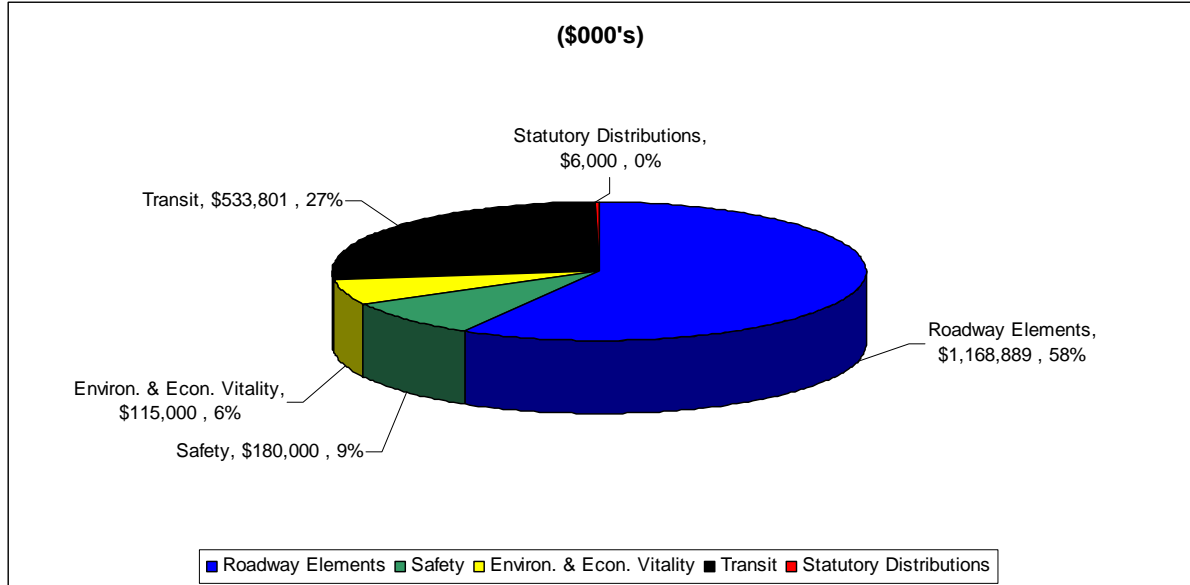
Regional Transportation Authority of Pima County



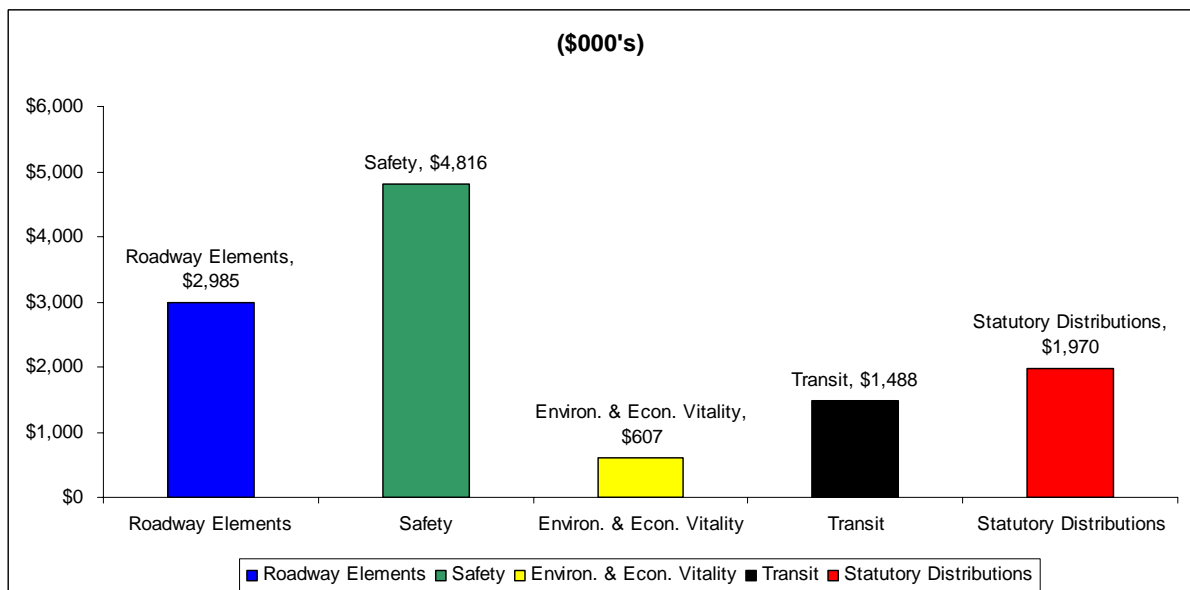
FY 2006-07 Annual Report

EXECUTIVE SUMMARY

On May 16, 2006, Pima County voters approved the imposition of a ½-cent excise tax levy to fund regional transportation improvement projects. More specifically, the voters also approved the Regional Transportation Authority Regional Transportation Plan (RTP), which is a comprehensive document that identifies funding for major components of the region’s transportation system network. Over 20 years, the tax levy is expected to generate \$2.1 billion to be spent as follows:



The tax levy was effective July 1, 2006. For fiscal 2007, which ended June 30, 2007, the tax generated in excess of \$73 million. During the same period, the RTA expended nearly \$12 million, spent as follows:



At fiscal year-end, the RTA had committed funding in excess of \$113 million for 73 projects across all plan elements. Committed funding implies that the RTA and member jurisdictions have entered into an Intergovernmental Agreement (IGA) to begin planning, design, construction or any other tasks associated with project delivery.

The voter-approved plan identified construction of roadway corridor projects over four periods. Each period consists of five years, beginning with fiscal year 2007. As of June 30, 2007, the RTA had committed funding for nearly 50 percent of roadway projects that are expected to commence construction within periods one and two.

The RTA and member jurisdictions were challenged in FY 07 to deliver projects as contemplated in the plan. Long lead times for planning and design activities, coupled with the uncertainty of plan passage at the onset of the fiscal year, contributed to delayed project commencement in fiscal 2007. Despite the challenges that lie ahead, the RTA and its members are committed to working collaboratively to implement all elements of the RTA's Regional Transportation Plan within the parameters set therein.

The RTA's governing board and the Citizen's Accountability for Regional Transportation (CART) committee have reviewed and approved this report.

PLAN OVERVIEW

The Regional Transportation Plan consists of four project and one statutory elements. The majority of project elements contain multiple sub-elements

The **Roadway Element** is expected to receive \$1.2 billion over 20 years and is comprised of 35 distinct roadway projects, all of which play a significant role in expanding the capacity of the region's transportation system. Major corridor projects span multiple jurisdictions and include Grant Road, Speedway and Broadway Boulevards, La Canada Drive and La Cholla Boulevard, Tangerine and Twin Peaks Road and Sahuarita Road. Roadway Element projects will add over 200 lane miles of new capacity to the region's transportation network, reducing congestion and traffic delays.

The **Safety Element** is expected to receive \$180 million over 20 years and consists of the following four categories:

Intersection Safety & Capacity Improvements – various intersections (200) throughout the region have been identified to receive funding to improve heavily congested intersections.

Total funding expected: \$100 million

Elderly & Pedestrian Safety Improvements – installation of High-intensity Activated crossWalk (HAWK) equipment and other accessibility improvements designed to facilitate elderly and pedestrian movement.

Total funding expected: \$20 million

Transit Corridor Bus Pullouts – construction of 200 bus pullouts at various locations that will improve traffic flow on major road corridors.

Total funding expected: \$30 million

At-grade Railroad Safety/Bridge Deficiencies – miscellaneous safety improvements to railroad crossings and bridges.

Total funding expected: \$15 million

Signal Technology Upgrades – upgrading traffic signals with the latest technologies to allow for more effective and efficient operations.

Total funding expected: \$15 million

The **Environmental & Economic Vitality Element** is comprised of three sub-elements and is expected to receive \$115 million in funding.

Greenways, Pathways, Bikeways & Sidewalks – construction of approximately 300 miles of bike lanes, sidewalks and greenways scattered throughout the region.

Total funding expected: \$60 million

Transportation-related Critical Wildlife Linkages – construction of environmentally sensitive improvements to facilitate wildlife crossings at locations impacted by road construction.

Total funding expected: \$45 million

Small Business Assistance – funding designated to provide consulting services to small business owners to mitigate adverse business impacts caused by road construction.

Total funding expected: \$10 million

The Transit Element of the plan, which is expected to receive approximately \$534 million, is designed to improve and expand current transit services and operations. It includes the following categories:

Weekday Evening Bus Service Expansion – expands service hours for weekday evening routes to accommodate workers, students and families dependent on transit for daily commutes.

Total funding expected: \$38 million

Weekend Bus Service Expansion – expands service hours for weekend routes to improve mobility for weekend workers and shoppers.

Total funding expected: \$19 million

Bus Frequency & Area Expansion – additional buses will be provided on high use routes to reduce overcrowding during peak periods and improve overall service reliability. A new bus storage and maintenance facility to accommodate fleet expansion is expected as well.

Total funding expected: \$178 million

Special Needs Transit – existing paratransit services will be expanded to the mobility needs of a growing elderly and disabled population.

Total funding expected: \$109 million

Neighborhood Circulator Service – four new circulator services are expected to be implemented in communities with limited transit services. The services are intended to provide daily connections to local activity centers as well as to the regional Sun Tran system.

Total funding expected: \$25 million

Express Service Expansion – Six new express routes as well as trip increases to existing express routes are anticipated to be implemented throughout the life of the plan.

Total funding expected: \$63 million

Downtown/University High Capacity Streetcar – a new fixed guideway transit system will link densely populated activity centers along a 4-mile corridor in central Tucson, between the University of Arizona and Downtown. The modern streetcar is expected to provide over 1.4 million trips annually.

Total funding expected: \$88 million

Park-and-Ride Transit Centers – six new park-and-ride centers scattered throughout the region are expected to be constructed. The facilities are expected to have amenities for safety, comfort and convenience and will be strategically located to provide connecting routes to central Tucson.

Total funding expected: \$15 million

The **Statutory Element** exist to provide funding to Pima Association of Governments (PAG), the agency responsible for implementing the Regional Transportation Plan. Over the twenty year period, minimum distributions to PAG total \$6 million.

PROJECT STATUS OVERVIEW

As illustrated by the table below, at June 30, 2007, the RTA had committed \$113 million to fund 73 projects of the voter-approved plan.

<u>Plan Element</u>	<u>Approved</u>	<u>Completed</u>	<u>In Process</u>	<u>Amount Committed (000's)</u>	<u>Amount Expended (000's)</u>
<u>Roadway Improvements</u>	11	0	10	\$30,718	\$2,98
<u>Safety</u>					
Intersection	27	11	7	\$33,250	\$4,15
Elderly & Pedestrian	8	6	2	\$2,008	\$56
Transit Corridor Bus Pullouts	0	0	0	\$0	\$
At-grade RR/Bridge Deficiencies	0	0	0	\$0	\$
Signal Technology	11	0 ¹	2	\$2,955	\$10
Total Safety	46	17	11	\$38,213	\$4,81
<u>Environ. & Economic Vitality</u>					
Greenways, Bikeways, Sidewalks	8	0	4	\$6,370	\$60
Wildlife Linkages	1	0	0	\$21	\$
Small Business Assistance	0	0	0	\$0	\$
Total Environ. & Econ. Vitality	9	0	4	\$6,391	\$60
<u>Transit</u>					
Weekday Evening	1	0	1	\$425	\$44
Weekend Service	0	0	0	\$0	\$
Bus Frequency & Expansion	2	0	1	\$22,427	\$95
Special Needs	2	0	2	\$6,377	\$5
Neighborhood Circulator	1	0	1	\$39	\$3
Express Service	0	0	0	\$0	\$
Streetcar	1	0	1	\$8,900	\$
Park-and-Ride	0	0	0	\$0	\$
Total Transit	7	0	6	\$38,168	\$1,48
Grand Total	73	17	31	\$113,490	\$9,89

¹ To assure regional consistency in signal technologies requires collaboration and coordination amongst member jurisdictions; hence considerable time is being expended in the planning & design stages. At the conclusion of these tasks, projects are expected to be completed quickly.

The Roadway Element of the plan was approved for nearly \$31 million. Eleven projects were allotted funding, with 10 projects currently undergoing planning and design activities. The projects and their respective committed funding levels are as follows:

Project Name	Amount Committed (000's)	Amount Expended (000's)
Magee/Cortaro Farms, La Canada to Thornydale	\$3,400	\$5
La Cholla, River to Ruthrauff	\$2,797	\$60
La Canada, Calle Concordia to River	\$4,001	\$741
Broadway, Euclid to Country Club	\$969	\$0
Grant, Oracle to Swan	\$1,467	\$206
22nd. Street, I-10 to Tucson Blvd.	\$500	\$2
Valencia, Ajo to Mark	\$3,000	\$8
Tanque Verde, Catalina Hwy to Houghton	\$1,734	\$30
Houghton, I-10 to Tanque Verde	\$5,032	\$1,600
Sahuarita Road, La Villita to Country Club	\$6,680	\$0
Frontage Rd. (I-19), Continental to Canoa Rd.	\$1,138	\$333
Total	\$30,718	\$2,985

The plan specified eleven projects to be under construction in the first period and twelve in period two. Thus, in its first year of operation, the RTA had committed funding for nearly 50 percent of projects that are expected to commence construction within the next ten years.

Staff and member jurisdictions are working diligently to assure project delivery in accordance with the voter-approved plan.

The Safety Element of the plan received funding approval in excess of \$38 million, with the majority dedicated to intersection improvements. Twenty seven intersections were allotted funding, of which 11 were completed and 8 were under construction. The 19 active intersection projects are listed below.

Completed as of June 30, 2007	Under Design/Construction as of June 30, 2007
Sixth & Euclid	Grant & Craycroft
Country Club & Pima	Golf Links & Wilmot
Nogales & Drexel	Ft. Lowell & Campbell
Stone & Glenn	Starr Pass & Mission
Old Vail & Valencia	Wilmot & Park Place
Rita Rd. & Old Vail	Starr Pass & La Cholla
La Cholla & Overton	Houghton & Sahuarita
Benson Hwy. & Valencia	La Canada & Duval Mine Rd. ¹
Valencia & Wilmot	
Tanque Verde & Soldier Trail	
Ina & Wade	

¹ Completed in July.

Elderly and Pedestrian improvements completed within the Safety Element of the plan include the installation of six High-intensity Activated crossWalks (HAWK.) at the following locations:

- Euclid & Lester
- Broadway & Sarnoff
- Santa Clara & Drexel
- Camino Fennimore & Tanque Verde
- Camino La Zorella & Orange Grove
- Camino de Oeste & Tetakusim

Other Elderly and Pedestrian projects that have commenced activities include the San Xavier Plaza Pedestrian Enhancements and Fruchthendler School Walking Paths.

Nine projects under the Environmental & Economic Vitality Element received funding totaling approximately \$6.4 million, equally split between sidewalk and bike lane projects. The sidewalk projects consist of 21 distinct locations covering over 10 miles scattered throughout the region, while over 25 bike lane miles will be constructed with the approved funding. Sidewalk and bike lane locations include the following:

<u>Street</u>	<u>From</u>	<u>To</u>
Alvernon	Broadway	22nd. St.
Broadway	Wilmot	Kolb
Wetmore	Oracle	Stone
Grant	Dragoon	I-10
Valencia	Alvernon	Craycroft
Mission	San Xavier	Drexel
Continental Rd.	Camino del Sol	La Canada
Valencia	Wilmot	Kolb

The Transit Element of the plan was approved for over \$38 million in RTA funding, the majority of which is dedicated to design and construction of the Sun Tran Bus Storage & Maintenance Facility and the Downtown/University high capacity streetcar. Another \$5 million is expected to expand services for transit customers, including elderly and disabled persons. Through June 30, 2007, expanded transit service hours totaled in excess of 13,000 hours, equally split between the extension of weekday fixed-route service hours and the addition of more buses to relieve overcrowding on certain routes.

Weekday evening bus service was extended for routes 3, 4, 6, 7, 8, 9, 11, and 16 in February, 2007. In May 2007, additional evening service was added to routes 1, 10, 15, 17, 19, 22, and 34.

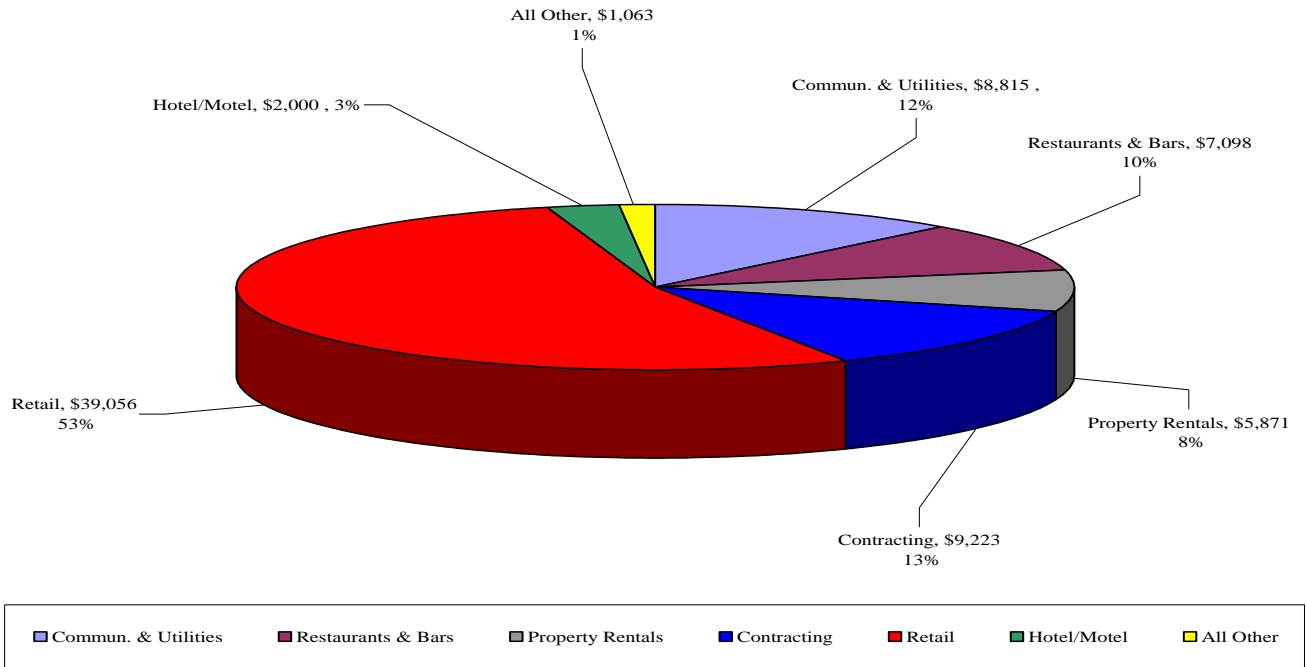
FUTURE PROJECTS

In addition to the ongoing activities described above, the following projects are expected to be implemented in fiscal 2008.

Plan Element	Project Description
Roadway	Twin Peaks Road, Silverbell to I-10 Camino de Manana, Tangerine to Linda Vista Magee, La Canada to Oracle Speedway, Camino Seco to Houghton
Safety - Intersection Improvements	Ina Road & Silverbell Silverbell & Coachline Blvd. Duval Mine & Alpha Avenue Kolb & Valencia Mission & Valencia Lambert Lane & La Cholla Glover & La Cholla Various South Tucson Intersections
Safety - Bus Pullouts	Various Locations
Eviron. & Econ. Vitality	ADA Sidewalk Improvements Pedestrian & Bike Safety Improvements to Agua Caliente Schools
Transit	Expanded Transit Service to Ajo Expanded Service Areas for Special Needs Persons Begin Neighborhood Circulator Service in Marana, Green Valley & Sahuarita Extend Weekday Evening Service on routes 2, 21, 23, 26, 27, 29 Extend Weekend Service, routes 1,3, 4, 6, 7, 8, 9, 10, 11, 15, 16, 17, 19, 22, 34

FINANCIAL OVERVIEW

For fiscal 2007, the ½-cent excise tax levy generated revenues in excess of \$73 million. As illustrated below, retail sales generated over \$39 million, accounting for 53 percent of total tax collections. Contracting and Communications & Utilities combined to generate approximately \$18 million, or nearly 25 percent of tax revenues.



By statute, each fiscal year the RTA is required to adopt an annual budget. For FY 07, the board adopted a revenue budget comprised of only 11 months. However, all revenues discussed herein represent 12 month's collections, as does the 20 year revenue forecast for the entire Plan. Accordingly, the budget variance discussion below is relative to the plan's projected revenues.

Industry	(000's)			
	Actual	RTA Plan	Variance	%
Communications & Utilities	\$8,814	\$8,405	\$409	4.87%
Restaurants & Bars	\$7,098	\$6,870	\$228	3.32%
Rentals - Real & Personal Property	\$5,871	\$6,588	(\$717)	-10.88%
Contracting	\$9,223	\$10,870	(\$1,647)	-15.15%
Retail	\$39,056	\$40,642	(\$1,586)	-3.90%
Hotel/Motel	\$2,000	\$1,710	\$290	16.96%
All Other	\$1,063	\$1,252	(\$189)	-15.10%
Total	\$73,125	\$76,337	(\$3,212)	-4.21%

Sales tax revenues were lower than Plan revenues by \$3.2 million, or 4.21 percent. Retail sales and contracting were lower than expected. Compliance issues in the early months of plan implementation most likely affected retail sales, while compliance and the economic slowdown in the residential homebuilding industry adversely impacted the construction industry.

The RTA expended nearly \$12 million in fiscal 2007, of which \$9.9 million was for specific projects and services. Another \$2 million was expended for mandated services, primarily the reimbursement of election related expenses (\$1.6M). Total project expenditures were \$21 million less than anticipated in the Plan's cash flow forecast, primarily due to the uncertainty of the excise tax initiative prior to the commencement of the fiscal year and the long lead time of planning and design activities. For additional budget to actual information, please refer to page 5 of the independent audit report, attached hereto as appendix A.

Nearly \$3 million was spent to commence planning and design for 10 roadway corridor projects, including Grant Road, from Oracle Road to Swan, La Canada - River to Calle Concordia, Houghton - I-10 to Tanque Verde and I-19 Frontage - Continental Road to Canoa Road

Improvements in excess of \$4 million were made to 18 intersections throughout the region. Another \$600,000 was spent to install safety related equipment to facilitate elderly and pedestrian crossings at various locations.

Approximately \$1.5 million was spent on the transit element of the plan, primarily for expanding weekday services and relieving overcrowding on high demand routes.

As a result of excess revenues (to expenditures), the RTA's fund balance at June 30, 2007, was \$61.7 million. The fund balance is likely to increase in FY08, given the time needed to design and permit the Roadway Improvement Element projects.