

Letterhead

Date

Farhad Moghimi, Executive Director  
Pima Association of Governments  
1 E. Broadway Boulevard, Suite 401  
Tucson, Arizona 85701

[fmoghimi@pagregion.com](mailto:fmoghimi@pagregion.com)

**Re: Regional Revenues not programed in the 2022-2026 PAG Transportation Improvement Plan**

Dear Mr. Moghimi:

The Regional Council should be approving the 2022-2026 Transportation Improvement Program (TIP) this May, which includes the final five years of the Regional Transportation Authority (RTA) Plan. I understand that the development of this program has been challenging for a variety of reasons. First, regional revenue projections for 2022-2026 were approved during summer 2020 when there was great uncertainty as to the effects of the COVID pandemic on transportation revenue sources. However, in the months since the revenue projections were approved, it has become clear that they are far too conservative. It is currently estimated that there is as much as \$100 million of Highway User Revenue Fund (HURF) 12.6%, RTA, and Surface Transportation Block Grant Program (STBGP) funding available in the next five-years that has not been programmed in the TIP. Second, there has been a lack of direction and opportunity for discussion as to how the region will cover the funding shortfall for the remaining Roadway Element Projects. To date the RTA Draft 2022-2026 Financial Plan only programs funding to the RTA ballot level, leaving many projects short of the funding needed for construction.

Pima Association of Governments' mission is to address regional issues through cooperative efforts and pooled resources and to provide accurate, relevant data that leads to effective regional planning decisions. In support of this mission, a committee structure has been developed that brings technical experts from each jurisdiction together to discuss these issues and make recommendations that can be considered by higher level committees and ultimately, by the Regional Council and RTA Board. As the Pima County representative to the Regional Council and RTA Board, I expect to review and approve a TIP that is accurate and reflective of current resources and needs. To achieve this, I request that the Transportation Planning Committee (TPC) be authorized to discuss and recommend at their next meeting and at any subsequent meetings necessary, the programing of all revenues reasonably expected to come to the PAG region, including RTA revenues, as I understand was performed in the past.

The TPC is comprised of transportation directors, town engineers, and engineering managers from the jurisdictions who will directly oversee the completion of the RTA projects and should be trusted to make recommendations regarding the most effective use of regional funds. This evaluation and recommendation will provide the PAG Regional Council and RTA Board the needed information to finalize and approve the TIP.

Sincerely,

c: The Honorable Chair and Members, Pima County Board of Supervisors  
Chair and Members, Pima Association of Governments Regional Council  
Chair and Members, Regional Transportation Authority Board  
C.H. Huckelberry, County Administrator  
Carmin DeBonis, Jr., Deputy County Administrator for Public Works  
Yves Khawam, Assistant County Administrator for Public Works  
Ana Olivares, Director, Transportation Department  
Kathryn Skinner, Deputy Director, Transportation Department

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Based on the Transportation Planning Committee meetings held in October 2020, it is clear that at least ten of the 35 named RTA roadway element projects have insufficient funding to be constructed as currently programmed in the RTA Draft 2022-2026 Financial Plan. For these projects to be completed, there must be a policy discussion regarding altering project scope and/or allocating additional regional funding beyond the programmed amounts, without which it is not possible for the Regional Council to adopt a meaningful TIP. Regional Council and the RTA Board are only scheduled to meet once prior to the May approval of the TIP, leaving very limited opportunity for full discussion of the matter. In an effort to jump start the conversation, the County Transportation Department has provided me a summary of underfunded RTA projects. Projects that have an opportunity to be re-scoped to better align with current needs rather than 2006 projected needs are identified along with a recommendation allocating of the estimated \$100 million that is not currently programmed.

RTA Project Number	Project Name	Re-scope (Y/N)	Additional Funding Needed	Recommended \$100M Allocation
5	Silverbell Rd, Camino del Cerro to Ina	Y	\$33M	\$33M
8	Sunset Rd, I-10 to River Road	N	\$25M	\$25M
13	1 <sup>st</sup> Ave, Orange Grove Rd to Ina Rd	Y	\$4M	
14	1 <sup>st</sup> Ave, Grant Rd to River Rd	Y	\$0	
16	Downtown Links	N	\$10M	\$10M

18	Grant Rd, phase 5-6	N	\$49M	\$23M
19	22 <sup>nd</sup> St, I-10 to Kino	Y	\$10M	
30	22 <sup>nd</sup> St, Camino Seco to Houghton Road	N	\$9M	\$9M
31	Harrison Rd, Irvington to Golf Links	N	\$10M	
32	Houghton, Broadway to Tanque Verde	Y	\$20M	
<b>TOTAL</b>			<b>\$170M</b>	<b>\$100M</b>

The estimated \$100M of available funding is not enough to fund the entire deficit that remains in the RTA roadway element. However, if applied as recommended above, it will allow many of the projects to move forward. As you are aware, projects of this magnitude require significant design, environmental clearance, property acquisition and utility relocation before construction can commence and transportation agencies need adequate time to plan for these efforts which is a key function of both the TIP Subcommittee and the Transportation Planning Committee (TPC).

I understand that proceeding as requested constitutes a shift in policy direction by designating funds in excess of the ballot amount to be formally allocated to RTA roadway element projects. However, it appears to be the only way that even a portion of the remaining RTA roadway elements projects can be realistically delivered. As this policy will need the approval of the full RTA Board, I request that it be scheduled for discussion at the March 25, 2021 RTA Board Meeting.

Sincerely,

c: The Honorable Chair and Members, Pima County Board of Supervisors  
Chair and Members, Pima Association of Governments Regional Council  
Chair and Members, Regional Transportation Authority Board  
C.H. Huckelberry, County Administrator  
Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Yves Khawam, Assistant County Administrator for Public Works  
Ana Olivares, Director, Transportation Department  
Kathryn Skinner, Deputy Director, Transportation Department

## **PAG/RTA Letter discussion points**

### **Process Letter**

#### Pros

- Reestablishes value of regional technical experts to provide meaningful insight into the TIP
- Reestablishes collaboration among the regional agencies
- Allows for a full discussion regarding project priorities, appropriate scope adjustments, and project schedules

#### Cons

- Does not provide a recommendation regarding project funding deficits as basis for discussion

### **Recommended Funding Letter**

#### Pros

- Provides a recommendation regarding project funding deficits as basis for discussion
- Provides full funding necessary to construct the Sunset Road project, the County's highest priority remaining RTA roadway project

#### Cons

- Does not provide the other regional agencies an opportunity to discuss project priorities, potential project scope changes and perspectives regarding allocation of unprogrammed funding
- Does not provide PAG leadership as clear a message of the value of vetting all recommendations through TPC

### **Background information**

- Funding recommendations were approved by TIP subcommittee in August 2020. In May 2020 State HURF collections were at their lowest, which informed the HURF 12.6% funding recommendations. Since May 2020, HURF revenues have recovered and are currently tracking 5.2% above the same period in 2020. Therefore, the funding recommendations that seemed prudent in August 2020 are now far too conservative and should be revisited so that the region can plan for the revenues that are now more reasonably expected.
- The TPC has not had an opportunity to review the RTA revenue forecast for the next five-year period nor the forecasted spending. TPC is provided information in a piecemeal fashion which prevents opportunity for discussion. The TPC is both a PAG and RTA committee and it should be within its purview to discuss this matter.
- In 2014, in response to the known shortfall in RTA collections, the following actions were taken by the RTA Board:

#### **RTA Project Funding Through the TIP**

- Motion 1: That the TIP Policy for regional funding shall be to augment RTA projects using the regional funds available from FY 2020-26, and that all fully funded projects using regional funds in the adopted TIP are preserved to the extent possible.
- Motion 2: TIP Revenues shall be reviewed if there is a significant change in revenues, and at a minimum of every 3 years.
- Motion 3: RTA Funding to Roadway Element projects should be maintained at the amounts identified on the RTA Plan presented to the voters, with the distribution of the remaining funding gap to be recommended by the TIP Subcommittee.
- Motion 4: That the TIP Subcommittee consider adoption of the draft 2014 TIP Policy Amendment, as presented.

Motion 1 has been interpreted to mean that from FY 2020-2026 HURF 12.6% and STBGP funding is considered RTA funding and will count towards achieving the RTA funding total from the ballot. These actions have not been revisited since 2014 even though the financial situation and revenue outlook has changed.

- Prior to 2014 many RTA roadway element projects required either HURF 12.6% or STBGP funding in addition to the RTA funding in order to complete the projects. It has been clear for many years that the estimates used for the RTA plan were low, except during the Great Recession when low construction bids were received.
- The estimated \$100M in regional funds that are available is based on a spreadsheet that is kept at PAG/RTA and was shared during the course of an unrelated transit discussion.
- Recommended allocation of the \$100M has not been vetted with any other jurisdictions.
- TPC members have attempted to have agenda items added so that these items can be discussed in a public meeting but PAG/RTA declines all requests. It is clear that PAG/RTA staff determine the items that are included in committee meetings rather than the committee chair or members.