ROAD REPAIR & STREET SAFETY

Proposition #406 on your November Ballot

Road Repair and Street Safety: Proposition #406 on your November Ballot

Safe and well-maintained streets are a core City service. Declining gas tax revenue has limited the City’s ability to keep up with maintenance needs. Road construction and repair costs have risen and the number of streets in the City has increased more than 30% over the last 15 years. The City is coming to voters now because delaying street repairs will result in much more costly repairs in the future if this infrastructure continues to deteriorate.

Why is this important to me?

Safe streets connect people to work, schools, doctors’ offices, grocery stores; places that are vital to everyone’s well-being and important to our City and regional economy. Well-maintained City streets are essential for getting children to school safely and getting people to work on time.

According to a national study by AAA, roads in poor condition can cost drivers hundreds of additional dollars per year due to wear and tear on their vehicles. Providing smooth streets is essential to reducing the costs of road-induced damage to residents’ vehicles and making streets safer.

How will the money from the new tax be used?

Flagstaff has over 660 miles of roads — many of them in declining condition and with potholes. The dedicated proposed road repair and street safety sales tax will be used exclusively for road repair and street safety improvements including the following:

- Repair Existing Streets
- Preserve Improved Streets
- Enhance Pedestrian and Bicycle Safety
- Repair Underground Water and Sewer Infrastructure

6 Things to Know about Prop. 406

1. Roads in good condition are critical to Flagstaff’s economy.
2. The current state and Federal funding system for roads is broken.
3. The City has cut costs and redirected funding but it isn’t enough.
4. The longer we wait the worse our roads will get and the more costly it will be to repair them.
5. The City has asked the public for input.
6. The proposed dedicated 1/3 cent (33 cents per $100) sales tax increase will allow us to improve our roads and maintain them in good condition.
What happened to all the Federal and State funding money for street improvements?

State and Federal transportation funding comes primarily from gas and diesel taxes that have been deteriorating for two decades because of inflation and more fuel-efficient cars and trucks. In addition, the State of Arizona has authorized sweeps of highway funds to pay for other services that directly reduced the City’s annual revenues. At the same time, road construction and repair costs have risen as has the number of miles of City streets and roads. For example, adjusted for inflation, one dollar in fuel taxes in 1991 (the last time there was an increase to the State gas tax) is equivalent to only 30 cents in 2014. The long-term decrease in these major funding sources is straining government street and road budgets at all levels, including the City of Flagstaff.

Has the City considered raising the fuel tax to pay for these road improvements?

The City is not authorized by law to raise fuel taxes. Only the state and Federal government are allowed to increase fuel taxes in Arizona.

Aren’t there other sources within the City budget that could be cut to fund these costs?

For the past two years, the City Council has reduced funding to other City services in order to reallocate an ongoing $1 million each year from the City’s General Fund to help replace the decreasing fuel taxes that pay for road repairs and necessary street safety improvements. In addition, over the last two years the City Council budgeted a total of over $1 million in one-time funding to repair roads, thus reducing funding available for other City services.

What has the City done to be more efficient and effective with the existing money for road repairs and street maintenance?

The City has improved street repair (pavement preservation) and maintenance operations and has been able to cut costs since 2009 by eliminating staff positions, reducing the frequency of equipment purchases, re-evaluating service levels, and using contract labor when cost-effective.

**Prop. 406 Open Houses**

Sep. 25 – Elks Lodge  
Oct. 1 – Killip School  
Oct. 9 – Sinagua Middle School  
Oct. 13 – Sechrist School  
Oct. 23 – Thomas School  
Oct. 29 – Mountain School

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**ROAD REPAIR AND STREET SAFETY**  
**THE COST OF WAITING**

<table>
<thead>
<tr>
<th>Pavement Condition Rating</th>
<th>Pavement Grade</th>
<th>% of Road Miles in 2013</th>
<th>% of Road Miles 10 years with Existing Funding</th>
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<td>47%</td>
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<tr>
<td>60 – 69</td>
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<td>9%</td>
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<tr>
<td>90 – 100</td>
<td>A</td>
<td>23%</td>
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What other options has the City considered?
The City Manager convened a Citizen Review Committee that reviewed the current condition of City streets and funding situation. The Committee examined a variety of financing options, including increasing property taxes and development fees. The Committee recommended, among other things, that the City Council put before the voters a ballot question regarding a special Road Repair and Street Safety Sales Tax.

Who will generally be paying the new tax?
Everyone who makes purchases in the City, including visitors, will pay the special tax on all taxable items. Food for home consumption is not taxable.

How much money will the tax generate for the City?
The proposed dedicated Road Repair and Street Safety Sales Tax will generate an estimated $5.3 million each year or $106 million over the 20-year period. The amount actually generated will depend on economic conditions during the 20-year period while the sales tax is in place.

Will all paved streets in Flagstaff be improved?
Yes, it is currently planned that over the 20-year period the tax is in place, every paved street maintained by the City will be improved as needed with funding from the Road Repair and Street Safety Sales Tax.

How are voters assured that the money will only be used for purposes set forth in the ballot question?
The ballot language, a citizen commission with oversight responsibilities, and the required separate accounting for revenues from the sales tax all guarantee that monies will only be used for road repair and street safety and related costs.

Which streets will be repaired first?
The priority will be repairing the streets most in need of improvement. Concurrently, the City will prioritize streets where a delay will cause the street’s condition to materially deteriorate and significantly increase the cost to repair later. Streets in good to excellent condition will be maintained and preserved to slow deterioration thus reducing the cost of future repairs.

Also, keeping Flagstaff streets safe is always a factor determining the priority of repairs.

When will work begin?
Work will begin almost immediately after the sales tax effective date of January 1, 2015. The City estimates that a majority of the significant road construction projects will be completed in the first seven years. The pace of repairs will depend, in part, on weather conditions.

Important Dates
- Early voting begins — Oct. 9
- Last day to request an early ballot — Oct. 24
- Last day to vote early in person — Oct. 31
- General Election — Nov. 4

For more information visit www.flagstaff.az.gov/roadsafety or contact Kevin Burke, Flagstaff City Manager, 213-2078

Tax Information
- **Rate:** One-third of one cent or 33 cents on a $100 purchase
- **Examples:** A new washer that costs $500 would have an additional $1.65 in sales tax
  A new car that cost $25,000 would have an additional $82.50 in sales tax
- **Term:** 20 years
- **Estimated Revenue:** $5.3 million a year/$106 million over 20 years
- **Bonding:** Some Borrowing to “fast-track” repairs