

2008 Annual Report

On the Status of the Implementation of Proposition 400

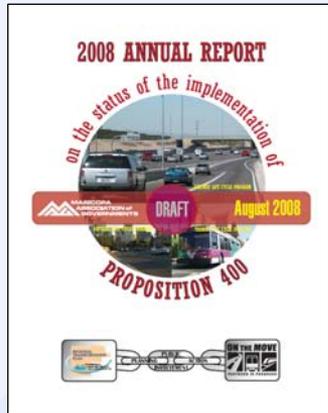
Public Hearing
11/13/08





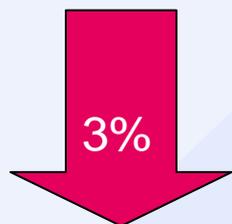
Report Requirements

- A.S.R.S. 28-6354 requires that MAG annually issue a report on the status of projects funded through Proposition 400.
- Public Hearing on November 13, 2008.





Regional Revenues



- Fiscal Year 2008 half-cent sales tax receipts were 3.0 % lower than the receipts from FY 2007.
- This is the first decline in year-over-year receipts in the history of the tax since its inception in 1985.
- For July and August '08, receipts were down 11.2 % and 9.1%, respectively.



Regional Revenues

- Revenue projections are being updated, which will likely result in lower long-range forecasts.
- The structure of future Federal transportation funding programs also represents a major uncertainty.





Transit Program



- Estimated future costs for the Transit Life Cycle Program are currently in balance with projected revenues.

	<u>FY 09-26</u>
- Future Revenues:	\$6,315 M
- Future Costs:	\$6,312 M



Transit Program

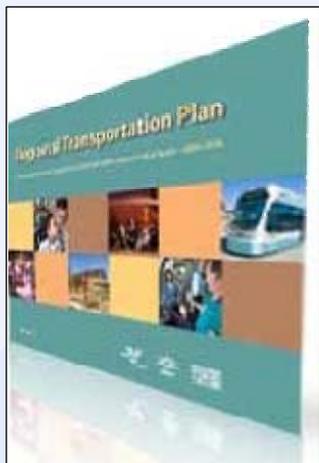


- Costs are continuing to rise faster than anticipated and revenues are not expected to keep pace, at least in the short term.
- If revenues continue to decline, new bus service implementation may be impacted in the future. Bus services that have been implemented previously will be reviewed to ensure that productivity goals are met.



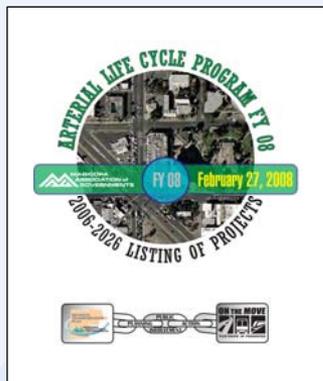
Transit Program

- During FY 2009, RPTA will be examining closely the assumptions used in estimating both revenues and expenditures for the Transit Life Cycle Program.





Arterial Streets Program



- Total estimated future regional reimbursements for projects in the Arterial Street Life Cycle Program are in balance with projected revenues.

	<u>FY 09-26</u>
- Future Revenues:	\$1,864 M
- Future Disbursements:	\$1,703 M



Arterial Streets Program

- The inability to provide matching funds, and other scheduling and resource issues, have resulted in the deferral of a number of arterial projects by implementing agencies.
- Lead agencies have deferred the use of \$46 million in federal and regional funding from FY 2008 to later years.



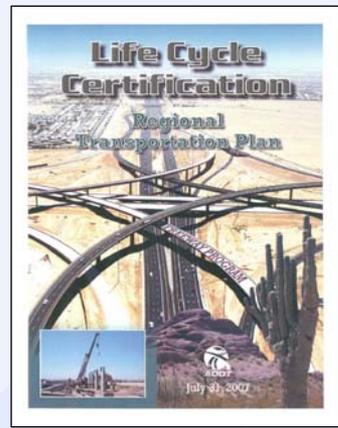
Arterial Streets Program

- It is anticipated that project scope changes and rescheduling may continue to occur in the future, as local jurisdictions continue to face a variety of fiscal issues.





Freeway Program



- Unadjusted future costs of the Freeway/Highway Life Cycle Program are currently in balance with projected revenues.

	<u>FY 09-26</u>
- Future Revenues:	\$10,273 M
- Unadjusted Costs:	\$10,008 M

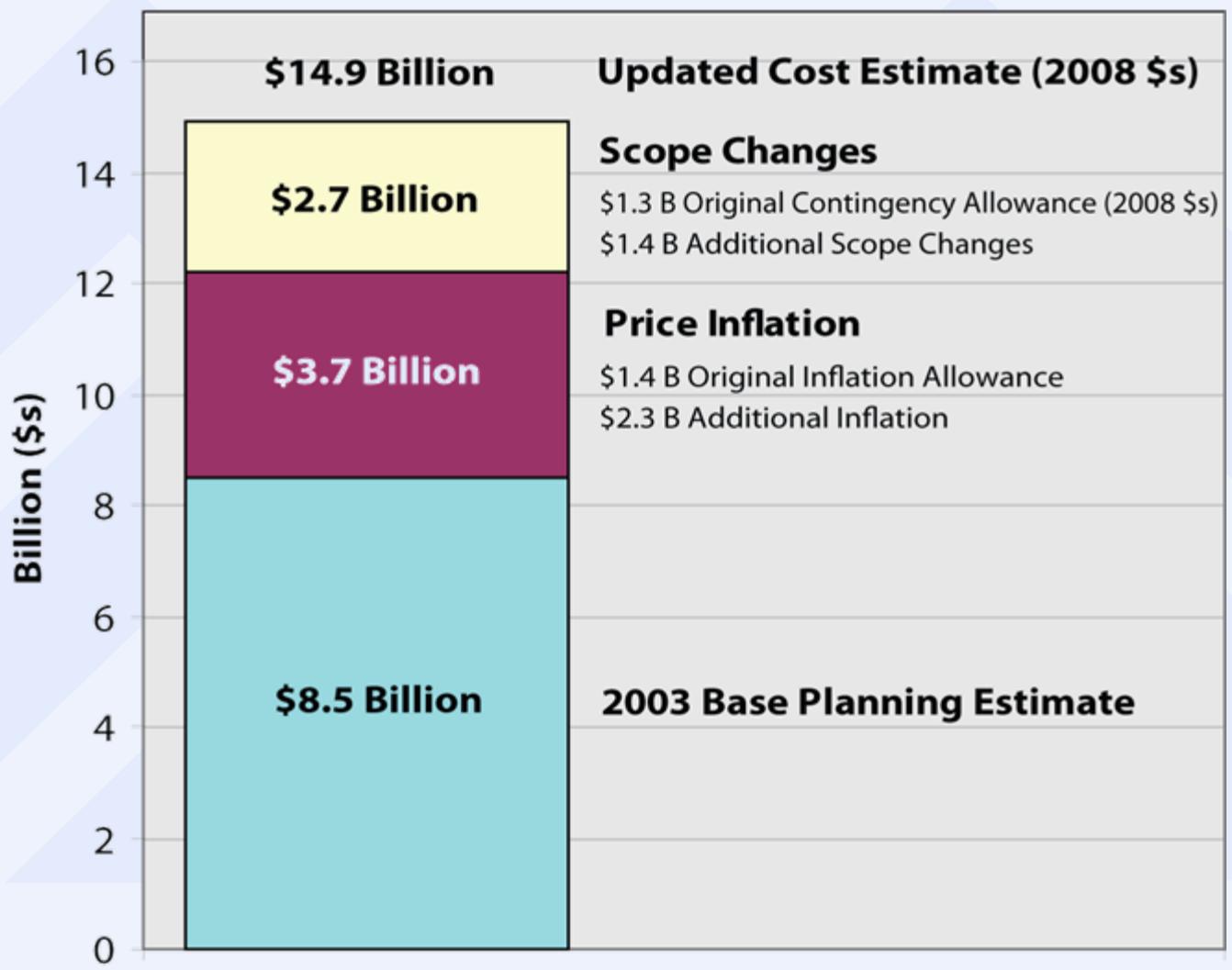


Freeway Program

- The impacts of construction cost increases and project scope changes on the Freeway/Highway Life Cycle Program are being evaluated.
- The new preliminary estimated program cost totals \$14.9 billion (2008 \$'s).



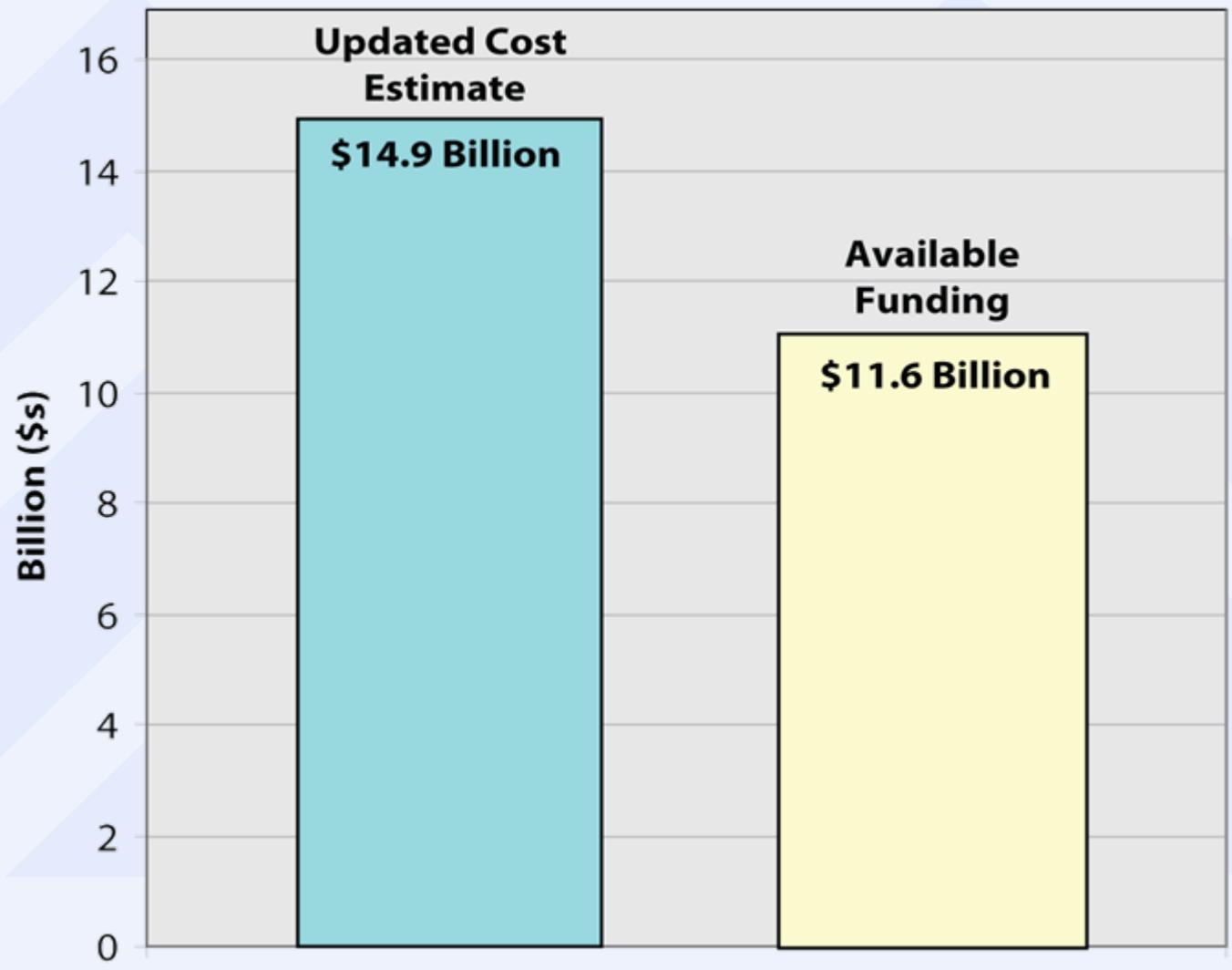
Freeway/Highway Program Updated Cost Estimate





Freeway/Highway Program

Updated Costs and Available Funding (2008 \$s)





Freeway Program

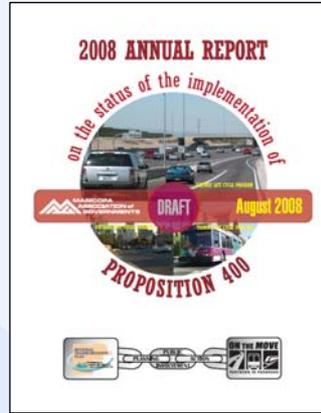
- The new program estimate exceeds estimated funding by approximately \$3.3 billion.
- This difference could be subject to future increases, depending on the outlook for inflation, facility design contingencies, further cost estimate refinements, and updated revenue forecasts.





Freeway Program

- Given the potential deficit of approximately \$3.3 billion, a major effort to achieve a balance between future program costs and available revenues will be required.
- Potential approaches to achieving program balance could include: enhanced financing methods, project phasing, extension of the programming period, and adjustment of project schedules.



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