Phoenix 2050 Transit Tax Proposal

• Tax Impacts
• General Plan
• Revenue Sources
Overview

34 year City of Phoenix transit plan
- Triples Light Rail (LR) miles
- Expands bus and bus RAPID transit (BRT)
- Doubles budget for road repairs
- 117 miles designated high capacity transit (HCT); open-ended

The taxpayer’s watchdog for over 70 years
The taxpayer’s watchdog for over 70 years

## Arizona Tax Research Association

### TPT Rate Proposal

<table>
<thead>
<tr>
<th>Current Rate</th>
<th>Proposed Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4 cents</td>
<td>0.3 cents</td>
</tr>
<tr>
<td>*effective 2000, expires 2020</td>
<td>Rev thru 2050</td>
</tr>
<tr>
<td>Rev thru 2050</td>
<td>$6.8B</td>
</tr>
<tr>
<td>$9.9B</td>
<td></td>
</tr>
</tbody>
</table>

**New Proposed Rate: 0.70**

**$16.7B total TPT rev**

- new rate begins 1/1/16
- Phoenix retail TPT rate: 8.60

*.3 cent tax stops at $10,000 single purchase

*The taxpayer’s watchdog for over 70 years*
# Comparing the Plans

<table>
<thead>
<tr>
<th>Transit 2020</th>
<th>Source</th>
<th>Transit 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.9B</td>
<td>Total projected</td>
<td>$31.5B</td>
</tr>
<tr>
<td>$3.8B</td>
<td>Actual revenue</td>
<td>-</td>
</tr>
<tr>
<td>$2.9B</td>
<td>TPT</td>
<td>$16.7B</td>
</tr>
<tr>
<td>$1.1B</td>
<td>Federal</td>
<td>$4.0</td>
</tr>
<tr>
<td>$420m</td>
<td>General Fund</td>
<td>$0</td>
</tr>
</tbody>
</table>

*The taxpayer’s watchdog for over 70 years*
2020 vs 2050

20-Year Program Revenues – Plan vs. Current Estimate
(in millions)

Original Plan

Current Estimate

$4,877.6

$3,825.1

Shortfall ($1,052.5)

The taxpayer’s watchdog for over 70 years
### Expenditure Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>M&amp;O</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Services</td>
<td>$12,306</td>
<td>$1,625</td>
<td>$14,000</td>
</tr>
<tr>
<td>Expanded bus</td>
<td>$4,100</td>
<td>$489</td>
<td>$4,589</td>
</tr>
<tr>
<td>Approved LR</td>
<td>$866</td>
<td>$2,217</td>
<td>$3,083</td>
</tr>
<tr>
<td>HCT</td>
<td>$625</td>
<td>$3,019</td>
<td>$3,644</td>
</tr>
<tr>
<td>Future BRT</td>
<td>$576</td>
<td>$94</td>
<td>$670</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$30</td>
<td>$238</td>
<td>$268</td>
</tr>
<tr>
<td>Street Improvements</td>
<td>$0</td>
<td>$2,308</td>
<td>$2,308</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$2,484</td>
<td>$0</td>
<td>$2,484</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$21,477</strong></td>
<td><strong>$9,990</strong></td>
<td><strong>$31,467</strong></td>
</tr>
</tbody>
</table>

- $6.6B for total projected new LR costs; $161m/mile
- $640m for downtown circulator/streetcar

*The taxpayer’s watchdog for over 70 years*
Key Provisions

• 41mi LR money, 18mi approved by City Council
  – Capitol extension (3 mi) 2023
  – I-10 west to 79th Ave (8 mi) 2023
  – NW extension; connect 19th Ave to Metrocenter (1.9mi) 2034
  – S. Central; connect downtown to Baseline (5mi) 2034

• 117mi of HCT: 24mi of LR, BRT, streetcar
  – Camelback, 19th Ave to 43rd Ave to GCU (3 mi)
  – NE extension to PV mall (~10 mi)
  – Downtown circulator (streetcar?)
  – Connect Metrocenter Mall to ASU West (6mi)

• BRT: Baseline, Bell, Thomas, 19th Ave, 24th St (75 mi)
• Double budget for road repair
• No highway money
High Capacity Transit:

- 117 new miles
  - 18 miles of Council approved light rail,
  - 24 miles of high capacity transit that could be rail, bus rapid transit, or streetcar,
  - 75 miles of bus rapid transit
Other Provisions

- Council conditionally approved annual $16m for Police
- 1150 mi new bike lanes
- 135 mi new sidewalks
- 2000 streetlights
- Scope of the NE extension curtailed
- Utility relocation costs included
- Citizens committee to oversee expenditures
- Increased security, tech & ADA upgrades
Finer Points

• $1.8B of the $4B in Fed funds are for bus/dial-a-ride, remainder for LR
• $1.7B in bond monies leverages TPT
• $1.1B in “other”: lottery, interest, advertising
• “Regional” money: Prop 400/500, proposal allows increased access to these funds
Questions?

Arizona Tax Research Association
Michael DiMaria.............................................Chairman
Kevin J. McCarthy........................................President
Jennifer Stielow...........................................Vice President
Sean McCarthy.................................Senior Research Analyst

1814 W. Washington Street
Phoenix, Arizona  85007
(602) 253-9121
www.arizonatax.org
atra@arizonatax.org

The taxpayer’s watchdog for over 70 years