

# Coconino County Road Maintenance Sales Tax Proposition 403: Your Roads. Your Decision.



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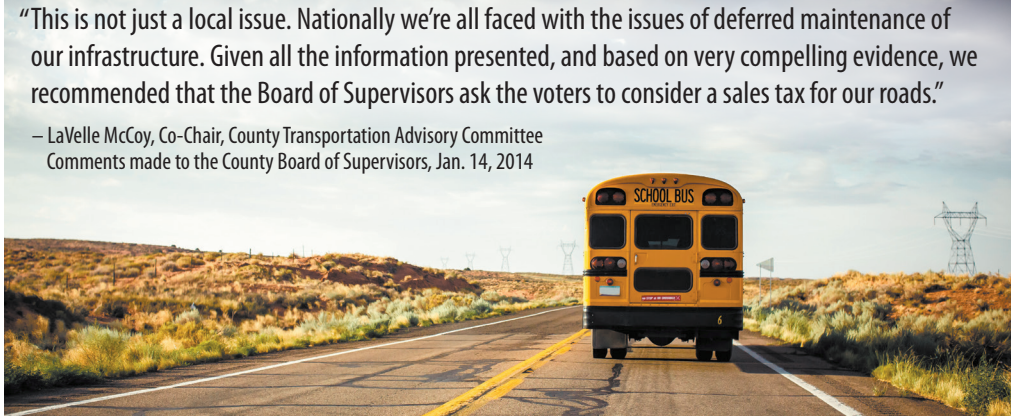
## Coconino County Supervisors Refer Road Maintenance Sales Tax to November Ballot

After two years of in-depth research, along with input from a Citizens Transportation Advisory Committee (CTAC), the Coconino County Board of Supervisors unanimously referred the question of a sales tax for road maintenance services to the ballot this November. If approved, sales tax revenue will only be used to repair, improve and service County-maintained roads.

The Board concluded that, even after reducing permanent costs by \$2 million per year, Coconino County doesn't have the funds needed to maintain its roads as it does now. If funding is unchanged, then routine road maintenance services will be reduced by 40 percent, including snow plowing, grading dirt roads, filling potholes and clearing ditches. The County would also significantly reduce its annual investment in paved road maintenance and safety projects and in replacing equipment.

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**"Nestle Purina associates live throughout the County and rely on County roads for safe and timely commutes. The goods that go into our pet foods also arrive on County roads, and we turn around and ship products to customers. On poor roads, products shift in the trailers, causing more work on our end and for our customers."**—Amy Kerr, Plant Manager • Nestle Purina



"This is not just a local issue. Nationally we're all faced with the issues of deferred maintenance of our infrastructure. Given all the information presented, and based on very compelling evidence, we recommended that the Board of Supervisors ask the voters to consider a sales tax for our roads."

— LaVelle McCoy, Co-Chair, County Transportation Advisory Committee  
Comments made to the County Board of Supervisors, Jan. 14, 2014



## Coconino County Road Maintenance Sales Tax Facts

**Rate** – The proposed road maintenance sales tax is 3/10 of 1 percent, equal to thirty cents on a \$100 purchase.

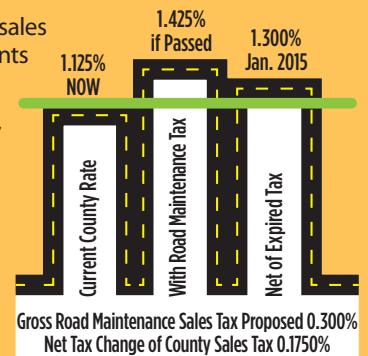
**Existing County Tax Expires** – If approved, at the same time the new tax begins another County tax expires. So the net tax increase will be 17.5 cents on a \$100 purchase, or \$53 on a \$30,000 purchase.

**Length** – The sales tax would be in effect for 20 years, from January 1, 2015 to December 31, 2034.

**Revenue Generation** – The County estimates the revenues from the road maintenance sales tax to be approximately \$6 to \$7 million per year. The actual level of revenue will vary with the economy.

**Restrictions** – The specific language of the election ballot restricts the use of the monies from the road maintenance sales tax to road maintenance related costs. The statutory authority used by the County to place a road maintenance sales tax on the ballot also restricts the funds to only road related services. The funds will be locally controlled and cannot be swept by the State.

**Combined Flagstaff Streets Tax and County Roads Tax** – The City of Flagstaff is proposing a new 1/3 of 1 percent sales tax to repair City streets, which is about 33 cents on a \$100 purchase. If voters approve both the County and City proposed sales taxes, then the total tax rate in the City of Flagstaff will still be less than 9 percent (8.951 percent), in line with most other cities' tax rates.



## Did You Know?

About 20,000 County residents commute into Flagstaff for work each weekday.

Flagstaff Unified School District buses travel over 8,000 miles daily, many of those miles on Coconino County roads.

## Tourism Impact to Coconino County Economy = \$1.1 Billion Annually



**Grand Canyon National Park**  
4.3 million visitors per year



**Glen Canyon National Recreational Area** • 1.7 million visitors per year



**Flagstaff** • 4 million visitors per year



**Flagstaff Area National Monuments**  
500,000 visitors per year



**Meteor Crater**  
250,000 visitors per year



**Coconino and Kaibab National Forests**  
456,000 visitors per year



**Hunter Days** • 23,000 visitors per year

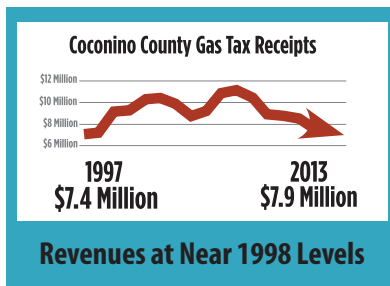


**Fisher Days** • 696,000 visitors per year

# Some Frequently Asked Questions

## Why doesn't Coconino County have the funds to maintain its roads?

- Gas tax revenues from the state represent 80 percent of the County's road maintenance budget. Property taxes do not fund road maintenance.
- State and Federal officials have not raised the gas tax level since the early 1990s, while costs for maintenance have increased.
- The gas tax is flat, not indexed to inflation and doesn't reflect the cost of gas.
- Overall, the gallons of gas sold is declining due to increased fuel efficiency.
- As a result, the County gas tax revenues are at near 1998 levels.



## Are there other things that have affected County road funding?

- State officials have "swept" or used County gas tax revenues to fund other State programs.
- \$1.5 million per year in rural road maintenance funds have not been re-authorized by the U.S. Congress.
- Road maintenance costs have increased and so have the number of miles of County roads. For example, adjusted for inflation and fuel efficiency, a dollar in gas taxes in 1991 (the last time there was an increase to the state gas tax) is only worth 30 cents in 2014.

## What has the County done to cut costs?

The County has reduced the road maintenance budget by eliminating \$2 million in permanent, annual costs.

These ongoing cost savings include:

- Eliminating positions,
- Extending equipment life cycles by not replacing as often,
- Balancing equipment use,
- Reducing fleet size, and
- Implementing a more efficient snow removal plan.



Routine road maintenance services will be reduced up to 40% to stay within current revenue levels.

## If the sales tax is not approved by voters, what additional cuts will be made to the County's road maintenance services?

- Routine road maintenance services, such as snow plowing, grading dirt roads, filling potholes and chip sealing paved roads will be reduced by up to 40 percent to stay within current revenue levels.
- Snowplows would operate from 7 a.m. to 4 p.m. and service primarily major roads during storms.
- Equipment would not be replaced until it fails, if funds are available.
- No investment would be made in road repair and safety projects unless funded by grants.

## If the road maintenance sales tax is approved by voters, how will the County spend the money?

- To maintain all County-maintained roads, including those owned by the County, the U.S. Forest Service and the Bureau of Indian Affairs.
- To fund road-related expenses, including snow plowing, grading dirt roads, chip sealing road surfaces and other road maintenance projects.
- To maintain adequate reserves for emergencies, such as natural disasters and road failures.
- To fund road maintenance and safety projects, which will be done by private contractors. (See next column for information.)
- To buy road maintenance equipment when it's exceeded its life expectancy.

## What road maintenance and safety projects are planned if the sales tax passes?

The County recently commissioned Kimley-Horn and Associates to assess the 320 miles of paved roads maintained by the County. The study found that 35 percent of the County's paved roads are in poor or severe condition. It would cost \$70 million to repair them now, and in five years the costs will escalate to \$109 million.

The County prepared a 10-year Road Improvement Plan for maintaining and improving the safety of its roads if the new road maintenance sales tax is approved by voters. On average, approximately \$4 million per year will be dedicated to road projects during the first 10 years, or approximately \$42 million in total. All projects will be constructed by private contractors.

**NAU's Rural Policy Institute estimates the economic impact of the County's road maintenance sales tax revenues is \$182 million over 20 years and creates, on average, 133 jobs per year.**



For more specific information on the County's Road Improvement Plan and to view Project Maps, please go to [www.coconino.az.gov/CountyRoads](http://www.coconino.az.gov/CountyRoads).