

Phoenix 2015 Ballot Measure: Proposition 104

Result: Approved by voters on August 26, 2015

Purpose: A 35-year plan, funded in part by a renewal and increase in the city transportation sales tax from 0.4 percent to 0.7 percent, to generate an anticipated \$31.5 billion to fund local transportation projects.

PHOENIX CITY PROPOSITION 104 (2015)

Yes	No
73,067	60,388
54.75%	45.25 %

History and Condition of Phoenix’s Infrastructure

Prior to the introduction of Proposition 104, Phoenix’s transportation infrastructure received its funding from a variety of sources. Two major legislative actions have outlined how Phoenix dispersed its transportation revenue.

Proposition 400

Proposition 400, which passed on November 2, 2004 at a 58-42 margin, served as the primary funding source for much of Phoenix’s road system. The Proposition implemented a half-cent sales tax on all purchases within Maricopa County. Over the planned 20-year period that Proposition 400 was to take place, between 2006 and 2025, this tax increase was scheduled to raise \$14.3 billion for the city’s transportation. This funding was mostly allocated to three important transportation schemes: 57 percent of revenue would fund highway development, 32 percent would fund public transit, and nine percent of revenue would fund maintenance of Phoenix’s “arterial street elements”, which were the most congestion-prone streets within Phoenix’s city limits. The remaining two percent of funds would be allocated to miscellaneous transportation projects, such as expanding bike lane coverage, running air quality control tests, dirt road paving, and other administrative planning costs¹.

Transit 2000

Transit 2000, approved by voters on March 14, 2000, served as Phoenix's other major funding source for transportation. It also served as a primary source of federal fund matching for the development of its public transit and infrastructure. The importance of Transit 2000 was highlighted by Maricopa County's expected population growth of 50 percent between 2000 and 2020ⁱⁱ. Transit 2000 was funded by a four-tenths-of-a-percent sales tax increase over the 20 year lifespan of the bill between 2000 and 2020. This tax was scheduled to raise over \$4.9 billion during its 20 year lifespan, with the following distribution of funds:

- Local bus services would be allocated \$2.515 billion, 52 percent of the overall funding
- Light Rail Rapid Transit would be allocated \$1.654 billion, 34 percent of the overall funding
- Dial-A-Ride services to the disabled would be allocated \$336 million, 6 percent of the overall funding
- Bus Rapid Transit would receive \$160 million, four percent of the overall funding
- Support Services, such as passenger security measures, operations support, and passenger facility maintenance would be allocated \$115 million, two percent of overall funding
- Limited Stop Transit would receive \$61 million, one percent of the overall funding
- Neighborhood Mini-Bus shuttle services would be allocated \$54 million, one percent of the overall funding
- Miscellaneous transportation improvements, such as left-turn lanes and bike paths, would receive \$44 million, one percent of the overall funding.

Federal funds would match Phoenix's light rail and bussing revenue allocations, providing for \$600 million and \$200 million for each program, respectively. Approximately five percent of Transit 2000's funding was set aside for contingency purposes and addressing unknown costs and issuesⁱⁱⁱ.

Additional Street Funding

To further fund Phoenix's smaller streets under the city's "arterial street elements" plan, a ten year funding cycle made up of primarily municipal and federal funds assures that projects such as lane widening, intersection maintenance, and congestion reduction operations. These projects also receive funding from the tax increase introduced in Proposition 400 and federal matching funds, are projected to receive \$553.1 million and \$492.2 million respectively from these sources from 2016 until 2026^{iv}.

Issues with Phoenix's Infrastructure

Congestion

The 2015 Urban Mobility Scorecard, an assessment of congestion costs run by the Texas A&M Transportation Institute, stated that Phoenix had the nation's 13th worst overall congestion within their metropolitan area. The average Phoenician spent 51 hours annually sitting in traffic, which costs that individual approximately \$1,201 annually. This congestion also impacted the revenue of trucking companies and their subsidiaries, as this report claimed that congestion costed commercial traffic approximately \$17 per hour^v. With many of Phoenix's transportation sources prioritizing public transit funding rather than focusing larger portions of their programs on roads, congestion has and would potentially continue to serve as a key issue with Phoenix's infrastructure, especially given an anticipated population increase through the next few decades.

Traffic Crashes and Casualties

Phoenix saw a total of 39,054 crashes in the year 2015. Of these crashes, 12,325 resulted in at least one individual requiring medical attention, and 178 of them resulted in at least one fatality. All of these crashes, including an additional 26,551 that resulted in only property damage, contributed to Maricopa County's overall economic cost of over \$2.3 billion dollars in 2015 through productivity losses, medical costs, vehicular and property damage, and other administrative expenses^{vi}. This \$2.3 billion one-year loss is about 1.4 times the cost to fund Phoenix's light rail system for 20 years, demonstrating the significant loss in potential income for improving the safety and efficiency of Phoenix's transportation.

Organization of Proposition 104

Components of Proposition 104

Proposition 104's campaign "MovePHX" outlined several goals that demonstrated how the funds collected by the city would be dispersed throughout various transportation programs. Funds organized by the program will affect four major categories: car travel, pedestrians, bikes, and public transit updates. Some of the 35 year projects are listed below:

- New paving for over 680 miles of streets
- 2,000 new street lights in and around Downtown Phoenix
- An allocation of over \$240 million to fund road construction and bridge refurbishment
- 135 miles of new sidewalks
- 1,080 miles of new bike lanes
- Triple the mileage of Phoenix's light rail coverage

- Develop 300 more bus pullout bays
- Increase bus frequency by 70 percent.

To read more about the reforms brought underneath MovePHX, click [here](#).

Funding

Proposition 104 encompassed a transportation plan that would invest \$31.5 billion in Phoenix’s transportation over 35 years. This plan was to be funded by an increase in the portion of the city’s sales tax that directly funds transit. Beginning Jan. 1, 2016, this portion was raised from 0.4 cents (which had been set to expire in 2020) to 0.7 cents, bringing the city’s overall sales tax to 8.6 percent. This increase was estimated to generate \$17.3 billion over the plan’s lifetime, which would be leveraged to utilize bonds. Additional funding for Proposition 104’s plans will come from federal funding, as well as the revenue gathered from Phoenix’s various forms of public transportation^{vii}.

Ballot Text^{viii}

Description

An Ordinance To Fund A Comprehensive Transportation Plan For Phoenix To Maintain And Expand The Light Rail And Bus Systems, Improve City Streets And Roadways, And Provide Phoenix Residents With More Transportation Choices.

Chapter 14 of the Phoenix City Code shall be amended where applicable to set the portion of the transaction privilege and use tax rate for transportation to seven-tenths of one penny per dollar for a period of 35 years beginning on January 1, 2016.

The funds will support a comprehensive, multi-modal transportation plan that provides Phoenix residents with more transportation choices, including light rail and buses, as well as builds and improves public streets and roadways. To advance transparency, public input, and government accountability, all expenditures under this plan shall be reviewed by a Citizens Transportation Committee.

The revenues raises may be spent for activities including the following:

- Expanding light rail and high-capacity transit to serve more Phoenix neighborhoods and employment, education and entertainment centers;
- Adding bus service to unserved major arterial streets and increasing bus service frequency on existing routes;

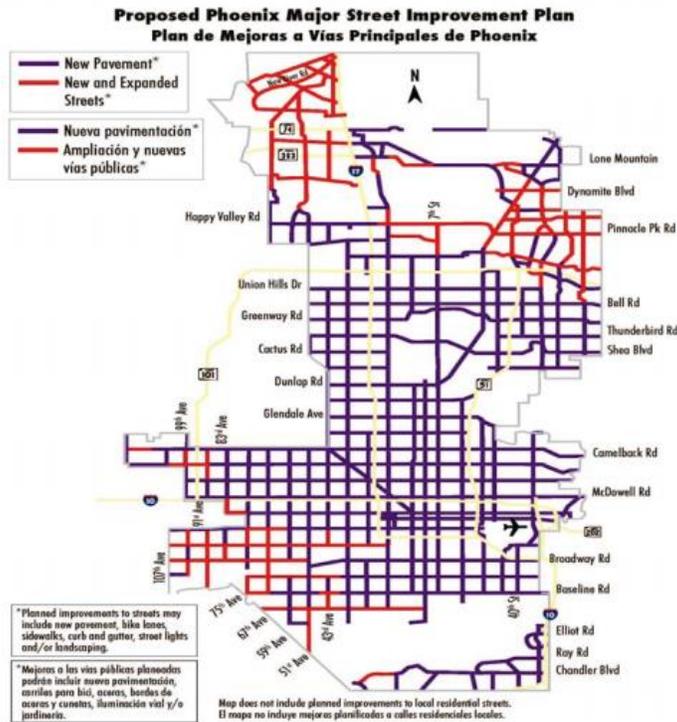
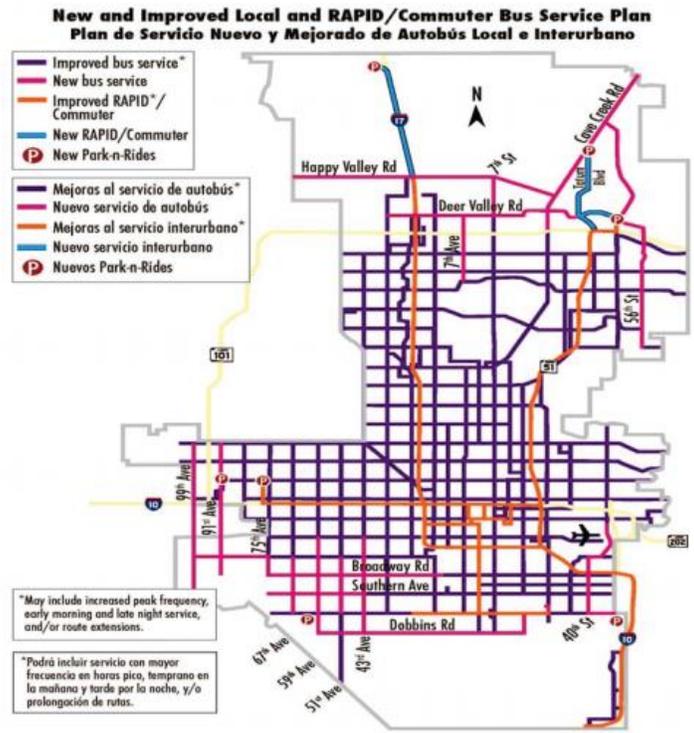
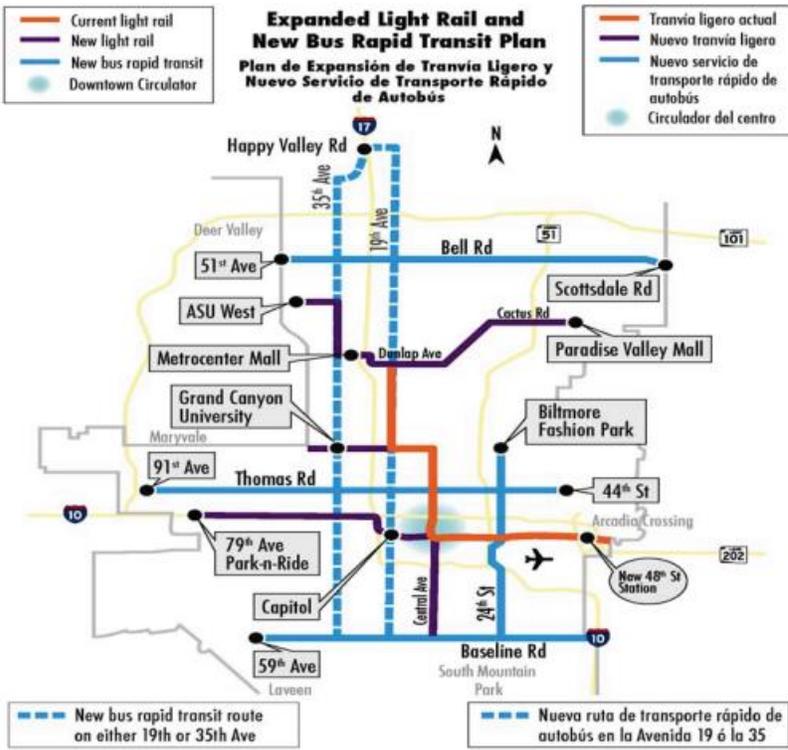
- Extending bus and Dial-a-Ride service hours to coincide with light rail service throughout the transit environment;
- Improving streets and roadways throughout the City by fixing potholes, resurfacing streets, increasing ADA accessibility, and adding new sidewalks, street lights, bike lanes and bus pullouts;
- Building new roads and bridges and upgrading technology for more efficient traffic operations;
- Increasing security measures throughout the City's public transit system, including transit vehicles, bus stops, light rail stations and park-and-rides; and
- Providing additional transportation services, including shade at all bus stops, wireless internet technology on buses and light rail cars, reloadable transit fare cards, and real-time data for trip planning.
- This measure also addresses City payment for utility relocation required by projects in this plan.

A lower tax rate shall be adopted for the sale or use of a single item of tangible personal property on the value in excess of \$10,000.00.

Question

Shall Chapter 14 of the Phoenix City Code be amended as described above to fund a comprehensive transportation plan for Phoenix?

Figures 1 – 3: Maps included with the 2016 Phoenix Measure 2014 ballot.



Supporters

Arguments:

Phoenix's Growing Population

The Maricopa Association of Governments estimated that the city's population would grow by 45 percent over 30 years, with a growth from 1,501,300 residents in 2010 to almost 2.2 million in 2040^{ix}. Population growth can impact a wide variety of transportation issues, such as increases in congestion and an overburdening of existing methods of public transit. By investing in transportation needs, such as wider highways, efficient and high volume public transit, and increasing the mileage of bike lanes and sidewalks, the city itself can take on more commuters and overall travel. Diane Brown, executive director of the Arizona Public Interest Research Group confirmed these ideas, stating that "[Proposition 104's investment] in public transportation options will further reduce driving on a per capita basis"^x, proving how 104 can limit congestion as Phoenix's population grows.

Increased Funding for Public Transportation

One of the marquee issues covered under Proposition 104's reforms was an increase in Phoenix's public transportation funding. Over half of the Proposition's funding was directed at maintaining and improving bus service throughout the city, and just less than a third was invested in maintenance and future construction projects for Phoenix's light rail system^{xi}. Several factors were cited by MovePHX that emphasized the importance of public transportation to improving the city.

- One-third of students use public transportation to get to their respective campuses in and around Downtown Phoenix. Under institutions such as Arizona State University and the University of Phoenix, the city is home to tens of thousands of undergraduate and postgraduate students, emphasizing the need to invest in public transit.
- Over eight billion dollars in economic development was predicted to result from building up Phoenix's light rail system, through a combination of fares generated through the railway itself as well as small business using the system as a way to attract newer customers^{xii}.
- Lower income residents can rely on public transit to get around the city. Public transit can prove to be a cost effective alternative to owning and parking a car, which can place a heavy burden on lower-income individuals.

Improving Transportation Access for the Disabled

Several of 104's measures sought to improve the quality of transportation for disabled individuals. One key improvement that helped Phoenix's disabled population was an improvement of Phoenix's Dial-a-Ride program. This program is essentially a ride sharing transit system that mirrors bus routes for

individuals with ADA certifications, giving these individuals a cheap and reliable method of getting around the city. Under 104, increased Dial-a-Ride services allow for rides to take place until midnight on weekdays, and until 2 AM on weekends. These hour extensions, as well as increased funding guaranteeing more routes during the day, will enable disabled residents to improve the quality and convenience of their transit.

Coalition Support

MovePHX

MovePHX was the primary campaign plan that advocated for Proposition 104's passing. It was a coalition of several public and private actors who cited several of Phoenix's current and future infrastructure requirements as solvable through Proposition 104's passage. The program also put out numerous fact sheets and numerical goals for 104's transportation funding. The initiative received significant support from both public officials and private enterprises (several listed below):

- Greg Staton (D), Mayor of Phoenix
- Daniel Valenzuela, Vice Mayor of Phoenix
- Mary Peters (D), former US Secretary of Transportation
- Thelda Williams, Chairwoman of Phoenix City Council Subcommittee on Transportation and Infrastructure and former Mayor of Phoenix
- Phil Gordon (D), former Mayor of Phoenix
- Skip Rimsza (R), former Mayor of Phoenix
- Ruben Gallego (D), US Representative for Arizona's 7th Congressional District
- Arizona State University
- Mayo Clinic
- Kiewit Engineering
- Maricopa Health Foundation
- United Food and Commercial Workers Local 99
- Arizona Transit Association
- Mobile Mini

For a full list of MovePHX's supporters and sponsors, click [here](#).

Opponents

Arguments:

Overspending on Light Rail

A key concern of Proposition 104's opponents was the large investment in light rail construction and maintenance, which would encompass slightly less than one third of 104's newly allocated revenue. A major concern with this funding allocation was that very few individuals ride the light rail, thereby making the sales tax increase beneficial to a very small group of Phoenixians. Phoenix Councilman Sal DiCiccio (R) stated that the cost per mile of light rail is "...outrageous, and it only benefits less than one percent of the population"^{xiii}.

Revenue Re-Allocation

Further concern over the revenue generated under the new sales tax revolved around whether or not the revenue would be exclusively used for transportation upkeep or if these funds would be diverted over time. Councilman Sal DiCiccio(R) cited that the language used in the Proposition implied that there is no requirement for the revenue generated by the new sales tax to fund solely Phoenix's various transportation projects. He claimed that such language could allow consultants and other special interests to capture funding that was meant to be allocated to transportation funding^{xiv}.

Final Votes on Phoenix Proposition 104

PHOENIX CITY PROPOSITION 104 (2015)	
Yes	No
73,067	60,388
54.75%	45.25 %

How did the bill pass?

Significant Support from City Leadership

Proposition 104 received overwhelming support from Phoenix's most senior politicians, many of whom discussed how investments in public transportation, which made up a majority of the bill's expenditure,

could benefit the city's economy. Mayor Greg Stanton stated in the Arizona Central that "Since light rail first opened, more than \$5 billion of capital investments have been made within a quarter mile of the tracks in just Phoenix alone^{xv}", referring to the potential for further investments to have a similar effect on the local economy. Vice Mayor Daniel Valenzuela (I) claimed that "[transportation investment] has created thousands of jobs, helped small businesses succeed and helped students, seniors, and workers travel the city^{xvii}". This support was heavily capitalized by MovePHX, who included quotes from Stanton in their "Phoenicians on MovePHX" reference page.

Wide Variety of Transportation Updates

One of the bill's most important characteristics was the inclusion of several different transportation functions under the umbrella of Proposition 104. A wide variety of reforms was proposed under this ordinance, such as repaving and widening maintenance, bus route updates, light rail construction, bike lanes, and sidewalk refurbishment. In reference to the variety of programs granted funding under Proposition 104, MovePHX referred to Proposition 104 as an "all-of-the-above transportation plan^{xviii}".

Proposition 104 also had specific earmarks within its funding to repave over 680 roads within Phoenix itself. Such a claim to directly repave these streets in need was not part of either Transit 200 or Proposition 400. While 400 had referenced specific "arterial" streets that required repair, many of these streets were selected due to their high priority at the time. This contributed to some of Phoenix's roads being left out of the immediate resolutions from these "arterial" repairs. With the increase in overall traffic deaths seen in 2015 compared to earlier years^{xviii}, such a direct investment reflects MovePHX's positive opinions on improving many facets of road safety, as well as efficiency and accessibility.

MovePHX was also able to demonstrate the importance of this program variety through their "Phoenicians on MovePHX" reference page. This page contained quotes from many different citizens who would all benefit from Proposition 104's passage in different ways. This page contained quotes from students who described the importance of bus and light rail investments by explaining their reliance on these transit systems to get to class. Additional quotes from advocates for Phoenix's disabled population heralded the importance of Proposition 104's investments in ADA-related transit policy through revenue allocations to Phoenix's Dial-A-Ride system, improvements to bus accessibility, and light rail expansions.

ARTBA Contacts:

Carolyn Kramer
Program Manager, Transportation Investment Advocacy Center
202-289-4434
ckramer@artba.org

Tyler Kane
Research Intern, Transportation Investment Advocacy Center
tkane@artba.org





The **Transportation Investment Advocacy Center**™ (TIAC) is a first-of-its kind, dynamic education program and Internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation investment at the state and local levels through the legislative and ballot initiative processes.

The TIAC website, www.transportationinvestment.org, helps transportation investment advocates to mount successful campaigns. It exists to put in one place—and promote the sharing of—strategies... sample political and communications tools... legislative and ballot initiative language... and information on where to obtain professional campaign advice, research and help. To receive free, regular email updates from the TIAC blog, subscribe [here](#).

TIAC staff produces regular research reports and analyses, hosts an annual workshop in Washington, D.C., and holds ongoing webinars for transportation investment advocates featuring case studies, best practices, and the latest in political and media strategies. State and local chamber of commerce executives, state legislators, state and local transportation officials, “Better Roads & Transportation” group members, industry and labor executives, and leaders of state and local chapters of national organizations who have an interest in transportation development programs are welcomed to participate.

The Center’s program of work is also guided by a Transportation Investment Advocates Council, a national network of business professionals and public officials who share a common interest in building support for transportation infrastructure investments in their state or local community— roads, bridges, public transit, pedestrian walkways and cycling paths, airports, waterways, ports and rail facilities.

TIAC is a project of the American Road and Transportation Builders Association’s “Transportation Makes America Work!”™ (TMAW) and supported through voluntary contributions and sponsorships. To become a sponsor or to make a contribution, contact TIAC Manager [Carolyn Kramer](#). Also contact Ms. Kramer if you have questions or comments about any reports or case studies published through the TIAC, or would like more information on the program and the Council.

-
- ⁱ “2005 Annual Report on the Status of the Implementation of Proposition 400”
https://www.azmag.gov/Documents/RTP_2010-12-02_FINAL-2005-Annual-Report-on-Prop-400.pdf
- ⁱⁱ “Transit 2000: The Phoenix Transit Plan”
https://www.phoenix.gov/publictransitsite/Documents/d_043453.pdf
- ⁱⁱⁱ “Transit 2000: The Phoenix Transit Plan”
https://www.phoenix.gov/publictransitsite/Documents/d_043453.pdf
- ^{iv} “2015 Annual Report on the Status of the Implementation of Proposition 400”
https://www.azmag.gov/Documents/MAG_2015-10-22_DRAFT-2015-Annual-Report-on-the-Status-of-the-Implementation-of-Proposition-400.pdf
- ^v “Paying a price for going nowhere: Traffic hits Arizona commuter’s wallets”
<https://cronkitenews.azpbs.org/2015/08/26/gas-guzzling-that-goes-nowhere-traffic-hits-arizona-commuters-wallets/>
- ^{vi} “Arizona Motor Vehicle Crash Facts 2015”
<http://www.azdot.gov/docs/default-source/motor-vehicle-services/2015-crash-facts.pdf?sfvrsn=0>
- ^{vii} “Transportation 2050: A 35-year Plan to Advance Phoenix’s Transportation Future”
<https://www.phoenix.gov/t2050>
- ^{viii} Example of Proposition 104 Ballot
Ballot measure text: <https://www.phoenix.gov/cityclerksite/Documents/d2sb.pdf>
- ^{ix} “Move PHX: Yes on 104”
<http://movephx.org/>
- ^x “Paying a price for going nowhere: Traffic hits Arizona commuter’s wallets”
<https://cronkitenews.azpbs.org/2015/08/26/gas-guzzling-that-goes-nowhere-traffic-hits-arizona-commuters-wallets/>
- ^{xi} “Phoenix voters pass Prop. 104 transit tax”
<http://www.azcentral.com/story/news/local/phoenix/2015/08/25/phoenix-elections-transit-results-prop104/32283455/>
- ^{xii} “Move PHX: Stats”
<http://movephx.org/get-the-facts/stats/>
- ^{xiii} “Proposition 104 on Phoenix election ballot is hot topic for city leaders”
<http://ktar.com/story/590723/proposition-104-on-phoenix-election-ballot-is-hot-topic-for-city-leaders/>
- ^{xiv} “Proposition 104 on Phoenix election ballot is hot topic for city leaders”
<http://ktar.com/story/590723/proposition-104-on-phoenix-election-ballot-is-hot-topic-for-city-leaders/>
- ^{xv} Phoenix candidates split over Prop. 104 transportation tax”
<http://www.azcentral.com/story/news/local/phoenix/2015/06/18/phoenix-candidates-split-transportation-tax/28954785/>
- ^{xvi} Phoenix candidates split over Prop. 104 transportation tax”
<http://www.azcentral.com/story/news/local/phoenix/2015/06/18/phoenix-candidates-split-transportation-tax/28954785/>
- ^{xvii} “Move PHX: Reasons to Support”
<http://movephx.org/why-yes-on-movephx/reasons-to-support/>
- ^{xviii} “Arizona Motor Vehicle Crash Facts”
<http://www.azdot.gov/docs/default-source/motor-vehicle-services/2015-crash-facts.pdf?sfvrsn=0>, when compared to the 2013 Crash Fact Report: <https://www.azdot.gov/docs/default-source/mvd-services/2013-crash-facts.pdf?sfvrsn=10>