

The Transportation and Trade Corridor Alliance

In February 2012, Governor Brewer asked that the Arizona Department of Transportation (ADOT) lead the Transportation and Trade Corridor Alliance (TTCA) as part of an initiative to strengthen the state's ability to compete for economic development and jobs.

ADOT – in collaboration with the Arizona-Mexico Commission (AMC) and the Arizona Commerce Authority (ACA) – brought together public and private sector partners to assess opportunities for Arizona to pursue investments in trade corridors.

Arizona is in a global competition for quality jobs, economic growth, and prosperity. A strong export-based economy, supported by excellent surface transportation connections to major markets, positions the state to economically compete effectively and successfully in key national and global markets.

Arizona is uniquely and closely positioned to these important markets for goods and services:

- **Southern California (over 16 million consumers);**
- **Texas (more than 13 million consumers);**
- **Northwestern Mexico (emerging market of over 10 million consumers); and**
- **Three of the six largest cities in the United States (four if Phoenix is included).**

On June 20, 2014 the TTCA unveiled their report. Part of the report included a transportation strategy

called **Arizona's Key Commerce Corridors - Local Jobs, Global Markets**. It outlines \$20 billion in additional need around the state and is broken into three categories: *Arizona Corridors; Arizona Borders; and Arizona Bridges*. The corridor projects are supported by documentation of the potential benefits to the Arizona economy. These benefits include increased mobility and efficiency, economic development potential, and construction jobs.

Current Financial Crisis at ADOT

According to the report, current funding levels will go mostly to system preservation and maintenance. ADOT only has an additional \$25 million for system expansion – new or increased

manufacturing and distribution which will clearly increase jobs and further diversify our economy.

“...this effort will sustain 23,000 full-time jobs per year.”

Source: Key Commerce Corridor Plan

It does not make a recommendation on funding. It says: “The identification and recommendation of a specific tax source and specific tax rate(s) to meet the costs of the Key Commerce Corridor proposal is beyond the scope of this analysis.”

Instead, a wide-range of potential revenue sources were reviewed and evaluated. Sources evaluated to meet the \$20 billion need include significant increase to user fees, vehicle miles traveled (VMT) fee, sales tax on motor fuel, and an increase in the sales tax.

The important policy question of acquiring additional revenue is left up to policymakers, the business community and possibly the voters.



DRAFT 8/26/2014

capacity for roads. On average, one mile of road with four lanes costs the state \$30 million. This “excess revenue” isn't enough for even one mile of expanded capacity.

Funding?

The report defines and prioritizes the surface transportation needs to position Arizona's future as a hub for

AZAGC Recommends:

- ✓ The business community and ADOT aggressively begin the education process on the importance of **Key Commerce Corridors - Local Jobs, Global Markets** to business and civic organizations, the public and policymakers;
- ✓ A complete review of funding options with a goal of identifying the most palatable combination acceptable to the appropriate constituency; and
- ✓ Acquiring approval of this option in 2016.