



LIFE CYCLE CERTIFICATION

REGIONAL TRANSPORTATION PLAN



**FREWAY PROGRAM
JULY 2009**




Arizona
Department of Transportation

Certification of Revenue and Construction Costs

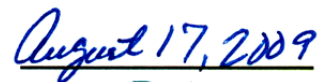
for the

Regional Transportation Plan
Freeway Program
July 2009





John S. Halikowski, Director
Arizona Department of Transportation



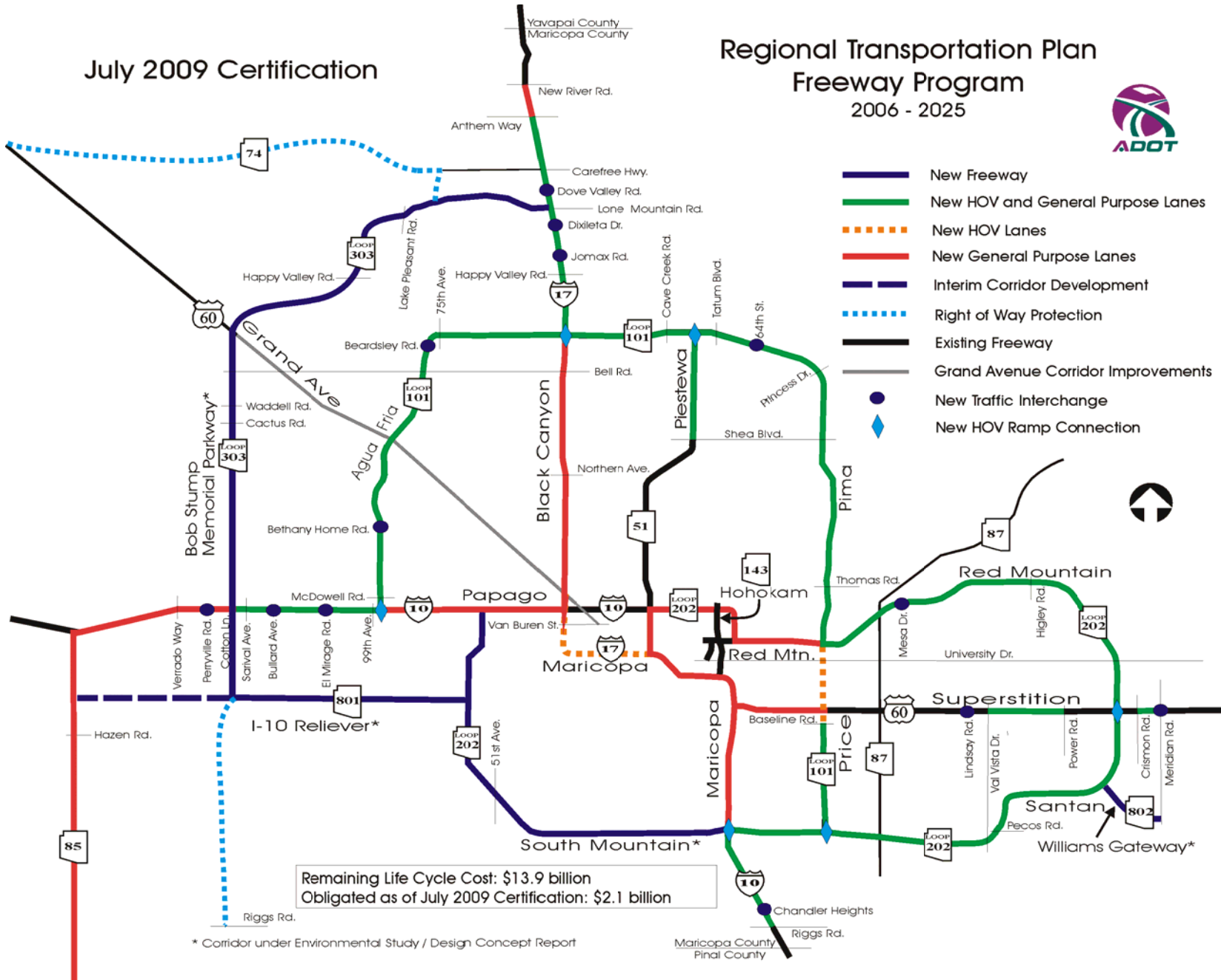
Date

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July 2009 Certification

Regional Transportation Plan Freeway Program 2006 - 2025



- New Freeway
- New HOV and General Purpose Lanes
- - - New HOV Lanes
- New General Purpose Lanes
- - - Interim Corridor Development
- ⋯ Right of Way Protection
- Existing Freeway
- Grand Avenue Corridor Improvements
- New Traffic Interchange
- ◆ New HOV Ramp Connection

Remaining Life Cycle Cost: \$13.9 billion
 Obligated as of July 2009 Certification: \$2.1 billion

* Corridor under Environmental Study / Design Concept Report

Maricopa County
Pinal County

Introduction and History



INTRODUCTION AND HISTORY

This semi-annual Regional Transportation Plan Freeway Program (RTPFP) Life Cycle Certification report is prepared in compliance with the 1991 Performance Audit of the Maricopa Association of Governments (MAG) Regional Freeway Program. The report is designed to review the progress of the RTPFP and identify the projections and changes in program revenues and costs.

The RTPFP is funded by three primary revenue sources: the extension of the Maricopa County transportation excise tax (often referred to as the half cent sales tax or Regional Area Road Funds), the Arizona Department of Transportation's (ADOT) funds dedicated to Maricopa County and federal funds.

Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

The RTPFP Life Cycle Program includes both new facilities and improvements to the existing system. Operation and maintenance of the system are also addressed. Projects include new freeway corridors, additional lanes on existing facilities, new interchanges at arterial cross streets, high occupancy vehicle ramps at system interchanges, noise mitigation and maintenance and operations programs.

The concept of a Life Cycle Program refers to a programming approach that forecasts and allocates funds through the full life of a major funding source. The Life Cycle Program covers the project program through fiscal year 2026, and provides the necessary management tools to ensure both ADOT and MAG maintain realistic planning and construction schedules, predicated upon funding, and provide periodic reports to the public and other governmental agencies.

Arizona House Bill 2292, which was passed in the spring 2003 session of the Arizona Legislature, established the Transportation Policy Committee which was tasked with developing a Regional Transportation Plan for Maricopa County, and established the process for an election to extend the then current half cent County Transportation Excise Tax. The Regional Transportation Plan Freeway Program includes both new freeway corridors to serve growth in the region and improvements to the existing system to reduce current and future congestion. The Regional Transportation Plan also addresses quality of life issues such as noise mitigation, maintenance, litter control and landscaping. The Regional Transportation Plan has three major components: Freeways/Highways, Transit and Arterial Roads.

On November 2, 2004, voters in Maricopa County approved Proposition 400 to extend the existing half cent sales tax for transportation for an additional twenty years from January 2006 to December 2025. The previous tax expired December 31, 2005.

The FY 2007-2011 RTP Freeway Program incorporated two locally accelerated projects:

- I-10, Sarival Avenue – Agua Fria Freeway (SR101L): Advanced from FY 2011-2014 to FY 2008-2009.
- I-17, Dove Valley Road TI: Advanced from FY 2021-2022 to FY 2007-2008.

Arizona House Bill 2865, approved in the spring session of the Arizona Legislature (2006), established the Statewide Transportation Acceleration Needs (STAN) account. The STAN account provided \$307 million to be used for the acceleration of the design, R/W acquisition and construction or reconstruction of freeways, state highways, bridges and interchanges on the statewide highway system.

Per HB 2865.G, 60% (\$184.2 million) would be distributed to projects in Maricopa County. Pima County would receive 16% (\$49.1 million) and the remaining 24% (\$73.7 million) funds were distributed to the thirteen other counties. It is anticipated that 5% growth in interest income will increase the MAG allocation to \$193.4 million.

The legislation required that funds spent in Maricopa County be allocated to projects in the MAG Regional Transportation Plan. Six projects approved by the MAG Regional Council and State Transportation Board included:

- I-10 (Papago Freeway), Verrado Way – Sarival Avenue
- I-17 (Black Canyon Freeway), SR74 – Anthem Way
- Pima Freeway (SR101L), Tatum Boulevard – Princess Drive
- Price Freeway (SR101L), Baseline Road – Santan Freeway (SR202L)
- Bob Stump Memorial Parkway (SR303L), Bell Road, Cactus Road and Waddell Road intersections
- Williams Gateway Freeway, Santan Freeway (SR202L) – Meridian Road for R/W Protection

On September 2007, the State Transportation Board approved deletion of SR153 from the RTP Freeway Program and shifted available funding for improvements to the SR143/SR202L TI. The proposed change is a major amendment and required that the statutory consultation process be followed per A.R.S. 28-6353.

Arizona House Bill 2781, Section 108, approved in the 2007 spring session of the Arizona Legislature, extended the maximum transportation bond term to thirty years from twenty years. This Bill will provide approximately \$500 million for the programming of design, R/W acquisition and construction projects on the statewide highway system.

Arizona House Bill 2781, Section 108, also transferred \$62 million from the State Highway Fund to the Statewide Transportation Acceleration Needs account established by Section 28-7009, Arizona Revised Statutes.

Arizona House Bill 2620, Section 21(B), approved in the 2008 spring session of the Arizona Legislature, transferred \$42 million from the STAN account to the Department of Public Safety for highway patrol costs in fiscal year 2007-2008.

Arizona House Bill 2094, Section 28-7009(F)(2), approved in the 2008 spring session of the Arizona Legislature, allowed the STAN account to be used to pay for interest costs resulting from bonds, loans, notes or other obligations issued or incurred or advances made by or on behalf of a city, town or county.

The FY 2009-2013 RTP Freeway Program incorporated local acceleration of the Beardsley Road connector and Union Hills Drive TI project: Advanced from FY 2011-2012 to FY 2009.

Arizona Senate Bill 1001, Section 28, approved in the 2009 Spring Session, reverted \$104 million from the STAN account to the State General fund to assist FY 2008 – 2009 state budget shortfall. Of that total, \$94 million had been earmarked for the MAG RTP Freeway Program.

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed by President Obama on February 17, 2009. The national highway infrastructure investment component of the legislation is \$27.5 billion. The ADOT highway portion is \$349.7 million which included \$129.4 million for the MAG region freeway program. For the highway portion, ADOT has 120 days to obligate fifty percent of the funding, and a year (by March 2, 2010) to obligate the remaining funds.

Initially, five projects approved by the MAG Regional Council and State Transportation Board included:

- I-10 (Papago Freeway), Verrado Way – Sarival Avenue
- I-17 (Black Canyon Freeway), SR74 – Anthem Way
- US60 (Grand Avenue), SR303L – 99th Avenue
- US60 (Grand Avenue), 99th Avenue – 83rd Avenue
- SR101L (Agua Fria Freeway), Beardsley Road/Union Hills Drive

A key management tool used for the Life Cycle Program is the development of certified revenues and costs. Certification involves the preparation of reliable cost estimates for the entire MAG system, as well as a forecast of revenues available to fund the system. The costs and revenues are reviewed and certified by ADOT every six months.

This certification of information pertaining to the Regional Transportation Plan Freeway Program constitutes the official position of ADOT and is used for all planning and programming purposes. It enhances the information flow to MAG and the public on a periodic basis and allows ADOT to make program adjustments as necessary.

Executive Summary



EXECUTIVE SUMMARY

The Director of the Arizona Department of Transportation has certified the MAG Area Life Cycle Program of the Regional Transportation Plan Freeway Program (RTPFP) effective July 31, 2009. This certification of the MAG Area Life Cycle Program incorporates the Adopted FY 2010 – 2014 Regional Transportation Plan Freeway Program.

Revenue forecasts are based on a cutoff date of May 31, 2009.

Major Milestones since Last Certification

- The Pima Freeway (SR101L) from Princess Drive to SR202L HOV lane was opened to traffic in May 2009.
- The Red Mountain Freeway (SR202L) at Washington Street and Mill Avenue bridge widening project was completed in April 2009.
- The Red Mountain Freeway (SR202L) from SR101L to Gilbert Road HOV construction project was awarded in February 2009.
- SR303L from Lake Pleasant Parkway to I-17 construction project was advertised in February 2009 and awarded in April 2009.
- The Papago Freeway (I-10) from Verrado Way to Sarival Avenue ARRA construction project was advertised in March 2009.
- The Black Canyon Freeway (I-17) from SR74 to Anthem Way ARRA construction project was advertised in April 2009 and awarded in June 2009.
- The Grand Avenue (US60) from 99th Avenue to 83rd Avenue ARRA construction project was advertised in June 2009.
- The Papago Freeway (I-10) from Sarival Avenue to Dysart Road construction project was advertised in June 2009.
- The Pima Freeway (SR101L) from SR51 to Princess Drive Freeway Management System (FMS) construction project was advertised in June 2009.

Program Changes

The following changes to the Adopted FY 2009-2013 Regional Transportation Plan Freeway Program have been included in the new program.

- Established new traffic interchange improvement projects on I-10 at Avondale Boulevard, on Pima Freeway (SR101L) at Chaparral Road and on the Agua Fria Freeway (SR101L) at Olive Avenue
- Established new R/W project on I-10 between 32nd Street and Santan Freeway (SR202L).

- Established new roadway improvement construction project on I-17 from I-10 to Indian School Road and on the Agua Fria Freeway (SR101L) from Northern Avenue to Grand Avenue.
- Adjusted South Mountain Freeway (SR202L) projects.
- Established five design projects for SR303L between I-10 and Grand Avenue (US60).
- Established new traffic interchange improvement projects
- Established “place holder” project for FY 2014 RTP Freeway Program.

Estimated Revenues and Program Costs

Net funds available through year 2025 for the RTP Freeway Program show a decrease of \$707 million from the previous Certification. The total revenue available for the 20 year program is estimated to be \$10.6 billion. Details are presented in the “Revenue Projections” section, page 10.

Obligations for the RTP Freeway Program to date total \$2.1 billion. The remaining cost to complete the RTP Freeway Program is estimated to be \$13.9 billion. Details are presented in the “Construction Costs” section, page 15. The total estimated program cost is \$16.0 billion, which is \$5.4 billion more than the total estimated revenue.

Estimated costs and revenues are not currently in balance. This is due to higher than originally anticipated costs to purchase the needed right of way and construct the RTPFP as presently proposed, plus shrinking revenue due to the economic slowdown of the past twelve months. MAG is the lead agency in reviewing this situation and is working with ADOT and MAG members to evaluate and modify corridors and individual elements of the remaining RTPFP Life Cycle Program so that estimated costs and anticipated revenue will be back in balance. This process is expected to be complete in 6 to 9 months.

Design Concepts and Environmental Studies

- A Design Concept Report (DCR)/Environmental Assessment (EA) is underway for the I-10 corridor between SR101L and I-17. The study includes adding general purpose lanes.
- A DCR/EA is underway for the I-10 corridor between SR202L and I-8. The study includes freeway widening concepts.
- A DCR/Environmental Impact Statement (EIS) is underway for the I-10 corridor between SR51 and SR202L. The study includes freeway widening for local and express lanes.
- A DCR/EA is underway at the I-10 corridor at the Perryville Road TI. The study includes adding a new TI.
- A Feasibility Study/Environmental Overview is underway for the Grand Avenue (US60) between SR303L and SR101L. The study includes various roadway improvements. Recommendations have been forwarded to MAG for concurrence.

- A DCR/EA is underway at the SR85/I-8 TI. The study includes a divided roadway concept and a new interchange configuration.
- A DCR/CE is underway for the Agua Fria Freeway / Pima Freeway (SR101L) between I-10 and SR51. The study includes adding High Occupancy Vehicle (HOV) lanes.
- A DCR/CE is underway for the Pima Freeway (SR101L) between Princess Drive and SR202L. The study includes adding general purpose lanes.
- A DCR/EIS is underway for the South Mountain Freeway Corridor (SR202L) between I-10 East and I-10 West. The study includes the construction of a new freeway.
- A DCR/CE is underway for the SR202L (Red Mountain and Santan) between Gilbert Road and I-10. The study includes adding HOV lanes.
- A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between the I-10 Reliever (SR801) and I-10. The study includes the construction of a new freeway.
- A DCR/CE is underway for the Bob Stump Memorial Parkway (SR303L) between Grand Avenue and Happy Valley Road. The study includes upgrading of a divided highway to freeway.
- A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between Riggs Road and SR801. The study includes the construction of a new freeway.
- A DCR/EA is underway for the I-10 Reliever (SR801) between SR85 and the SR303L. The study includes the construction of a new freeway.
- A DCR/EA is underway for the I-10 Reliever (SR801) between SR303L and the South Mountain Freeway (SR202L). The study includes the construction of a new freeway.
- A DCR/EA is underway for the Williams Gateway Freeway (SR802) between SR202L and Meridian Road. The study includes the construction of a new freeway.

Program Trends

Right of way and construction costs have risen at significantly higher than anticipated rates over the life of the program, resulting in higher than anticipated costs for individual projects in the Regional Transportation Plan Freeway Program (RTPFP).

Additionally, the current economic slowdown has resulted in substantially lower than projected revenue collections for the Regional Area Road Fund (RARF) and Highway User Revenue Fund (HURF) which are used to fund the Regional Transportation Plan (RTP) Freeway Program.

While prices for construction and right of way have fallen in recent months, anticipated costs for the remaining program are still significantly higher than anticipated revenue. The Department and MAG are cooperatively evaluating the cumulative impacts of these economic factors to determine their impact upon the cost, scheduling and delivery of the RTPFP. A Cost Estimate Assessment is underway to analyze the current status of the RTP Freeway Program including the following items:

- Evaluation of the growth in construction and right-of-way costs between 2003 and 2009, and future trends for these project costs.
- Evaluation of project costs to determine how these costs have increased since the inception of the RTP Freeway Program.
- Evaluation of the effects of the current economic down turn and its impacts on revenue, construction costs and right-of-way costs.
- Evaluation of freeway projects to determine if cost increases occurred due to unforeseen conditions (scope changes) resulting from updated design concept reports and expanded environmental studies.
- Updating RTP Freeway Program costs for each project based upon refined project requirements and updated construction and right-of-way costs.

The results of this evaluation will provide ADOT and MAG the financial methodology to work together to evaluate potential adjustments to the RTP Freeway Program to ensure implementation of the program as scheduled. These adjustments could include delaying projects, reducing the scope, or looking at staging or phasing options. These efforts are on-going and should be complete within six to nine months.

ADOT will monitor and review these trends closely and will continue assessing the potential financial impacts to the Regional Transportation Plan Freeway Program.

Revenue Projections





Arizona Department of Transportation
Transportation Services Group
 206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janice K. Brewer
 Governor

John S. Halikowski
 Director

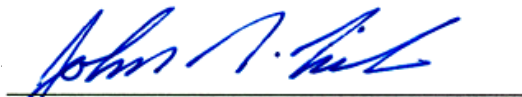
John A. Bogert
 Chief of Operations

LETTER OF CERTIFICATION

The Financial Management Services Office of the Arizona Department of Transportation (ADOT) has developed the following information describing the estimated funds available for construction of the Regional Transportation Plan Freeway Program from Fiscal Year 2006 through Fiscal Year 2026. This information updates certain information previously certified on January 31, 2009.

This information is intended primarily for internal planning purposes and requires reliance upon a variety of data and information sources. The revenue forecasts rely upon assumptions regarding future economic conditions and on forecasts of certain independent economic variables. These assumptions may or may not prove to be accurate. If the assumptions do not prove accurate, differences between forecast and actual results may occur.

The results contained herein represent the September 2008 official forecast of Maricopa County transportation excise tax revenues plus the MAG share of ADOT funds and other available monies for the period described above and are so certified. The official forecast was developed during the August 2008 Risk Analysis session and thus does not reflect the financial and economic uncertainty of recent months. Actual recent revenues are less than anticipated by this forecast, but the long term implications are not yet known and are not reflected in this certification. However, the Department will continue its practice of reviewing and updating the forecasts as needed on a semi-annual basis.



John R. Fink
 Assistant Director For Finance and Accounting

8/13/09

Date

FINANCIAL ASSUMPTIONS

Following are the assumptions made in estimating revenues available for the Regional Transportation Plan Freeway Program.

Bond Proceeds and Debt Service: The issuance of bonds secured by RARF, HURF and federal aid revenues are assumed. Interest on the bond issues is assumed to be 5.0% maximum. Bond maturities are assumed for up to 30 years. Bonds are amortized on a level debt service basis, and assume no refinancing or restructuring.

Transportation Excise Tax: The official forecast was developed during the August 2008 Risk Analysis session and reflects an assessment of economic conditions at that time. Those assumptions could not foresee the financial and economic uncertainty of recent months and thus do not accurately reflect current conditions and may or may not prove accurate over the longer term. Actual revenues will thus differ from forecast revenues. Authority for and collection of the Proposition 300 half cent transportation excise (sales) tax ended on December 31, 2005. The half cent sales tax extension approved through Proposition 400 went into effect on January 1, 2006. Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

ADOT Discretionary Funds, 37%: A 37 percent share of ADOT Discretionary Funds is programmed for the MAG Region.

Highway User Revenue Fund (HURF), 15%: The MAG area receives annual funding in the form of ADOT 15 percent funds, which are allocated from the Highway User Revenue Fund. These funds are spent for improvements on controlled access routes on the State Highway System.

Federal Aid: Federal Aid includes STP, CMAQ and other federal funds. The Federal Aid forecast assumes an annual average of \$34.1 million (until FY 2015) of MAG sub-allocated federal funds will be dedicated to the RTP Freeway Program.

Statewide Transportation Acceleration Needs (STAN): Per statute, 60 percent of the STAN is distributed to projects in the Maricopa County region. Pima County receives 16% and the remaining 24% are distributed to the other thirteen counties.

Interest Income: Assumes a 3.0% investment rate with 95% invested. Interest income is dependent on prior month's average cash balance.

Third Party Billing: Represents local and other funds for programmed projects.

Other Income: Includes building rent, sales of excess property and other miscellaneous income.

Discount Factor: Base year is FY 2010. An annual inflation factor is applied to the costs based on estimated construction and right of way cash flows. See Appendix A.

Additional assumptions regarding the funding from half cent sales tax extension include the following principles:

- Firewalls are established so funding cannot be transferred from one category to another.
- Bond proceeds will only be used for capital costs and not for maintenance or operation expenses.
- Consistent with the “firewall” principle, bonding for each funding category will be done independently.

Revenue Sources and Uses

The following pie chart depicts the sources and uses of Regional Transportation Plan Freeway Program revenues. The sources consist of the transportation excise tax (half cent sales tax), ADOT Funds and various other revenues. The transportation excise tax makes up 44 percent of the total revenues, with ADOT Funds reflecting 49 percent and the remaining 7 percent consisting of various other funding sources, primarily federal aid.

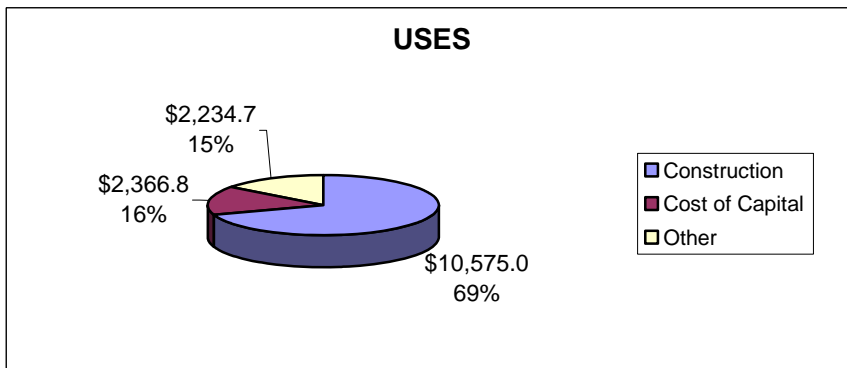
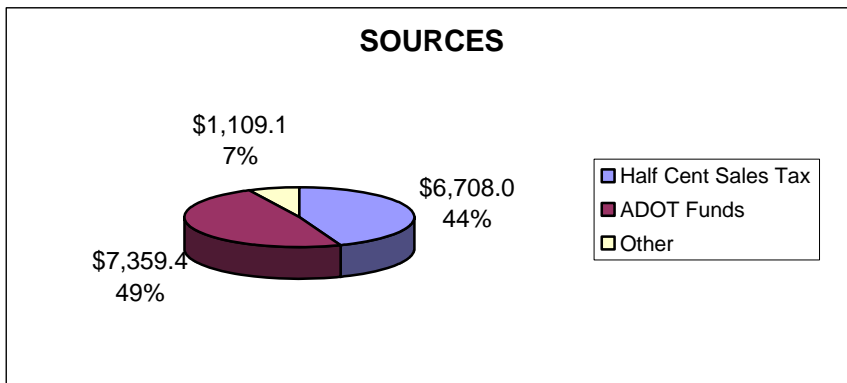
Of the available funding, 69 percent is used for design, right of way and construction. Of the remainder, 16 percent is used for cost of capital and 15 percent is used for a discount factor and Regional Public Transit Authority (RPTA) transfers.

Certified Financial Plan

Fiscal Years 2006 – 2026

(dollars in millions)

Total Sources/Uses : \$15,176.5



Construction includes design, right of way and construction

Net Revenues

The following chart reflects a breakdown of the individual revenues and costs for the Regional Transportation Plan Freeway Program.

(dollars in millions)

REVENUES	January 2009	July 2009	Change
Half Cent Sales Tax	\$7,763.9	\$6,708.0	(\$1,055.9)
Highway User Revenue	\$2,384.4	\$2,374.7	(\$9.7)
Federal Aid /1	\$682.1	\$841.7	\$159.6
MAG 37% Dedicated	\$4,564.9	\$4,564.9	\$0.0
State Discretionary /2	\$294.2	\$313.4	\$19.2
3rd Party	\$50.7	\$54.5	\$3.8
STAN	\$200.0	\$106.4	(\$93.6)
Interest Income /3	\$140.9	\$131.4	(\$9.5)
Other Income	\$81.7	\$81.5	(\$0.2)
Subtotal: Revenues	\$16,162.8	\$15,176.5	(\$986.3)
EXPENDITURES	January 2009	July 2009	Change
Cost of Capital /4	(\$2,390.6)	(\$2,366.8)	\$23.8
Discount Factor /5	(\$2,236.7)	(\$1,979.9)	\$256.8
RPTA Transfer	(\$221.5)	(\$221.3)	\$0.2
Other Costs	(\$32.4)	(\$33.5)	(\$1.1)
Subtotal: Costs	(\$4,881.2)	(\$4,601.5)	\$279.7
Net Funds Available	\$11,281.6	\$10,575.0	(\$706.6)

Notes: Details may not add due to rounding.

/1 Includes STP, CMAQ and ARRA.

/2 Includes Dedicated Highway, Discretionary transfer to Grand Ave, Bethany Home Rd, Private Funds (I-10, 395th Ave), Wickenburg Bypass and Beardsley Rd/Union Hills Dr..

/3 Interest income is on a cash basis and assumes a 3% rate with 95% invested. Interest income is dependent on fund balances.

/4 Includes estimated RARF, HURF, GAN interest expense and debt service fund interest earned.

/5 Discount Factor represents the change in funding strategies from deflating revenue to inflating costs.

Construction Costs





Arizona Department of Transportation
Intermodal Transportation Division
206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janice K. Brewer
Governor

John S.
Halikowski
Director

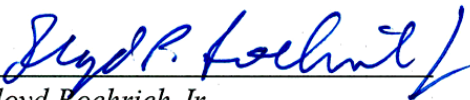
Floyd Roehrich Jr.
State Engineer

LETTER OF CERTIFICATION

The Intermodal Transportation Division of the Arizona Department of Transportation (ADOT) has completed a six month review and update of costs associated with construction of the Regional Transportation Plan (RTP) Freeway Program. Construction and design costs have been updated by our Valley Project Management Group; AECOM, HDR and PB, our three management consultants; and the consultants currently preparing final construction plans. Right of way costs have been updated by the ADOT Right of Way Group reflecting current appraisals and changes in right of way requirements. This information replaces data previously certified on January 31, 2009.

The construction and right of way cost data in this document provides an accurate accounting of costs incurred and includes a realistic estimate of future costs based upon current construction costs and real estate values. Estimated future costs are subject to changes in the economy and are affected by variables in national, state and localized market values and trends.

The results of our review provide an accurate basis upon which to schedule and fund the balance of the freeway construction program for Fiscal Years 2010-2014. However, the Department will continue to monitor all trends.



Floyd Roehrich Jr.
State Engineer

11 Aug. '09
Date

Freeway Construction Costs and Changes

The design and construction cost estimates for the Regional Transportation Plan Freeway Program (RTPFP) projects are thoroughly reviewed and updated by the three management consultants, AECOM, HDR and PB for the RTP Freeway Program. The management consultants continually review and evaluate design and construction cost estimates. They also provide preliminary engineering services by developing scoping, Stage I (15%) and Stage II (30%) project documents for the RTPFP. This effort helps define design and right of way requirements allowing ADOT to establish better cost estimates for design, right of way, utility relocations and construction. They further monitor the design consultants' cost estimates through the remaining design phases including the final estimates. The management consultants also evaluate contractor bids for RTPFP construction projects to constantly monitor construction unit cost trends, such as the cost of concrete, asphalt, structures, drainage and other items used to establish project cost estimates. These recent bids are then used to update projects in the scoping and design phases.

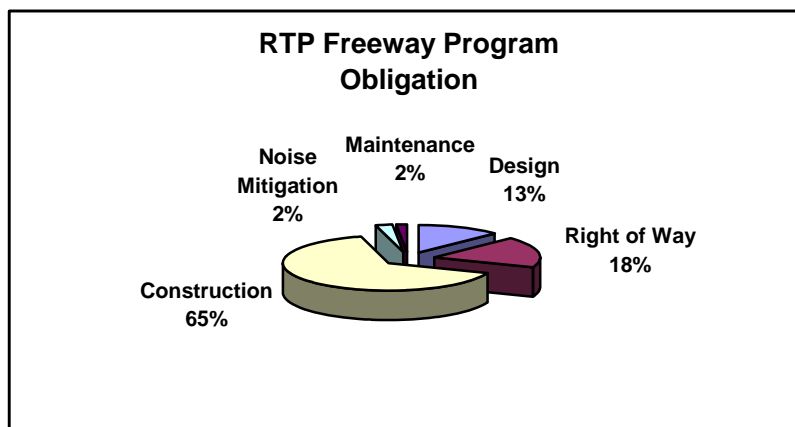
A revenue forecast was developed during the August 2008 Risk Analysis Process. Panel members from various segments of the real estate and economic community were invited to discuss future risks and trends in revenues. The risk analysis process consultant updated construction cost forecast models and utilized the panel input to calculate discount factors. The consultant, ADOT Financial Management services, MAG and Regional Freeway System Office reviewed the discount factors and made adjustments to fit current cost trends. The information collected was used in the Risk Analysis Process to ensure that ADOT has sufficient resources to complete the RTPFP Life Cycle Program by projecting the rate of construction cost growth for the Life Cycle period (See Appendix A for Discount Factors).

Obligations

Obligations by phase and corridor are listed in the table below. These figures are through May 31, 2009. Regional Transportation Plan Freeway Program (RTPFP) obligations since the last certification increased \$68 million, from \$2,053 million to \$2,121million.

**Regional Transportation Plan Freeway Program Obligations
Through May 31, 2009**
(dollars in millions)

Corridor	Design	Right of Way	Construction	Noise Mitigation	Maintenance	Total
I-10, Papago & Maricopa	\$21.2	\$32.7	\$117.2	\$0.0	\$0.0	\$171.1
I-10 Reliever (SR801)	\$0.0	\$15.0	\$0.0	\$0.0	\$0.0	\$15.0
I-17, Black Canyon	\$12.8	\$97.2	\$297.2	\$0.0	\$0.0	\$407.2
SR51, Piestewa	\$3.5	\$0.0	\$47.6	\$0.0	\$0.0	\$51.1
US60, Grand Ave	\$5.7	\$1.0	\$6.1	\$0.0	\$0.0	\$12.8
US60, Superstition	\$2.3	\$0.0	\$118.7	\$0.0	\$0.0	\$121.0
SR74	\$0.0	\$3.0	\$0.0	\$0.0	\$0.0	\$3.0
SR85	\$18.5	\$9.7	\$69.3	\$0.0	\$0.0	\$97.5
SR87, Duthie-Martin	\$2.5	\$0.4	\$21.1	\$0.0	\$0.0	\$24.0
SR88, Apache Trail	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2
US93	\$0.0	\$10.3	\$31.6	\$0.0	\$0.0	\$41.9
101L, Agua Fria	\$1.7	\$0.0	\$22.9	\$0.0	\$0.0	\$24.6
101L, Pima	\$8.6	\$4.0	\$105.9	\$0.0	\$0.0	\$118.5
101L, Price	\$5.0	\$0.0	\$43.3	\$0.0	\$0.0	\$48.3
SR143, Hohokam	\$3.6	\$0.0	\$0.0	\$0.0	\$0.0	\$3.6
SR153, Sky Harbor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Red Mountain	\$4.3	\$0.0	\$250.1	\$0.0	\$0.0	\$254.4
202L, Santan	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, South Mountain	\$8.3	\$35.0	\$0.0	\$0.0	\$0.0	\$43.3
SR303L, Bob Stump Memorial Parkway	\$59.9	\$137.9	\$233.3	\$0.0	\$0.0	\$431.1
Williams Gateway (SR802)	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$4.0
Systemwide	\$114.5	\$32.0	\$13.4	\$52.1	\$36.3	\$248.3
TOTAL	\$272.6	\$382.3	\$1,377.7	\$52.1	\$36.3	\$2,120.9



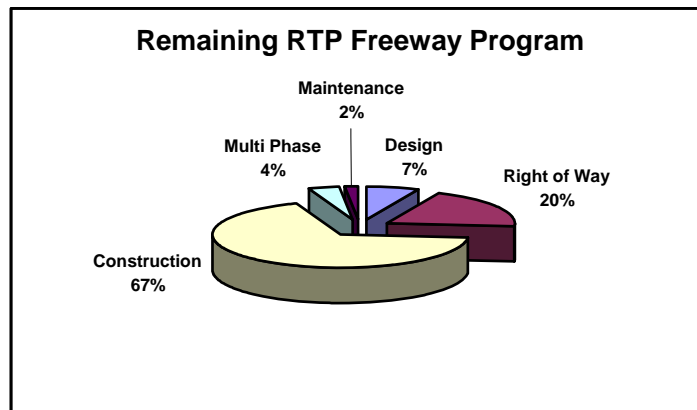
Remaining System Costs

There remain \$13.9 billion of costs associated with the Regional Transportation Plan Freeway Program (RTPFP), a decrease of \$43.3 million from the January 2009 Certification.

Regional Transportation Plan Freeway Program (dollars in millions)

Corridor	Design	Right of Way	Construction	Multi Phase*	Noise Mitigation	Maintenance	Total
I-10, Papago & Maricopa	\$70.2	\$224.0	\$1,128.5	\$5.5	\$0.0	\$0.0	\$1,428.2
I-10 Reliever (SR801)	\$93.5	\$458.0	\$1,297.0	\$0.0	\$0.0	\$0.0	\$1,848.5
I-17, Black Canyon	\$23.2	\$0.0	\$902.7	\$370.0	\$0.0	\$0.0	\$1,295.9
SR51	\$5.6	\$0.0	\$76.3	\$0.0	\$0.0	\$0.0	\$81.9
US60, Grand Ave	\$11.0	\$27.0	\$232.7	\$0.0	\$0.0	\$0.0	\$270.7
US60, Superstition	\$3.8	\$0.0	\$44.0	\$0.0	\$0.0	\$0.0	\$47.8
SR74	\$0.0	\$46.0	\$6.1	\$0.0	\$0.0	\$0.0	\$52.1
SR85	\$7.6	\$12.0	\$138.6	\$0.0	\$0.0	\$0.0	\$158.2
SR87, Duthie-Martin	\$0.0	\$0.0	\$25.2	\$0.0	\$0.0	\$0.0	\$25.2
SR88, Apache Trail	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0	\$0.0	\$1.5
US93	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
101L, Agua Fria	\$38.7	\$0.0	\$574.0	\$0.0	\$0.0	\$0.0	\$612.7
101L, Pima	\$20.5	\$0.0	\$352.6	\$0.0	\$0.0	\$0.0	\$373.1
101L, Price	\$5.0	\$0.0	\$48.0	\$0.3	\$0.0	\$0.0	\$53.3
143, Hohokam	\$0.0	\$0.0	\$33.0	\$0.0	\$0.0	\$0.0	\$33.0
SR153, Sky Harbor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Red Mountain	\$25.1	\$0.0	\$362.8	\$0.0	\$0.0	\$0.0	\$387.9
202L, Santan	\$29.8	\$0.0	\$407.5	\$0.0	\$0.0	\$0.0	\$437.3
202L, South Mountain	\$98.5	\$926.5	\$1,409.0	\$0.0	\$0.0	\$0.0	\$2,434.0
SR303L, Bob Stump Memorial Parkway	\$88.1	\$866.8	\$1,658.0	\$0.0	\$0.0	\$0.0	\$2,612.9
Williams Gateway (SR802)	\$24.2	\$76.8	\$346.0	\$0.0	\$0.0	\$0.0	\$447.0
Systemwide	\$378.6	\$105.0	\$375.0	\$148.0	\$15.6	\$245.4	\$1,267.6
TOTAL	\$923.4	\$2,742.1	\$9,418.5	\$523.8	\$15.6	\$245.4	\$13,868.8

* Multi Phase: Includes more than one phase (For example, “Design and R/W” or “Design and Construction” etc.).



Roadway Design

ADOT currently has 20 major Regional Transportation Plan Freeway Program projects under design.

Major design work continues on the following projects:

Corridor	Project Location	Length (Mile)	Design Status
US60, Grand Ave.	SR303L – 99 th Ave.	10	Final
US60, Grand Ave.	SR101L – McDowell Rd.	13	Stage II
SR74	MP13 – MP15	2	Stage II
SR74	MP20 – MP22	2	Final
SR85	Southern Ave. – I-10	2	Final
SR85	Hazen Rd. – Broadway Rd.	4	Stage I
SR87	New Four Peaks Rd. – Dos S Ranch Rd.	5.5	Stage IV
99 th Ave.	I-10 – Van Buren St.	1	Stage IV
SR101L, Agua Fria	Beardsley Rd./Union Hills Dr.	TIs	Final
SR101L, Agua Fria	Olive Ave. TI	TI	Stage IV
SR101L, Pima	Chaparral Rd. TI	TI	Stage III
SR143, Hohokam	SR143/Sky Harbor Blvd.	TI	Stage II
SR303L	SR303L/I-10 TI, Phase 1	TI	Stage II
SR303L	Thomas Rd. – Camelback Rd.	2	Stage II
SR303L	Camelback Rd. – Glendale Ave.	2	Stage II
SR303L	Glendale Ave. – Peoria Ave.	3	Stage II
SR303L	Peoria Ave. – Waddell Rd.	2	Stage II
SR303L	Waddell Rd. – Mountain View Blvd.	4	Stage II
SR303L	US60/SR303L TI	TI	Stage II
MAG Regionwide	MAG Proposition 400 Noise Mitigation Project	Noise walls	Stage I

Stage I: 15% Plan
 Stage II: 30% Plan
 Stage III: 60% Plan
 Stage IV: 95% Plan
 Final: 100% Plan

Right of Way

During the July 2009 Certification reporting period (December 1, 2008 through May 31, 2009), the Right of Way Group acquired 182 acres for the RTP Freeway Program. As of June 1, 2009, the Right of Way Group has acquired 2,080 acres for the RTP Freeway Program.

RTP Freeway Program Right of Way (acres)

Corridor	Last Certification	Acquired during this Certification Period	Total
I-10, Papago & Maricopa	19.2	6.0	25.2
I-10 Reliever (SR801)	75.6	0.0	75.6
I-17, Black Canyon	82.4	0.0	82.4
SR51, Piestewa	0.0	0.0	0.0
US60, Grand Ave.	0.0	0.9	0.9
US60, Superstition	0.0	0.0	0.0
SR74	0.0	0.0	0.0
SR85	1,030.5	11.6	1,042.1
SR87, Duthie-Martin	1.2	22.3	23.5
SR88, Apache Trail	0.0	0.0	0.0
US93	107.5	0.0	107.5
101L, Agua Fria	0.0	0.0	0.0
101L, Pima	3.1	0.0	3.1
101L, Price	0.0	0.0	0.0
SR153, Sky Harbor	0.0	0.0	0.0
202L, Red Mountain	0.0	0.0	0.0
202L, Santan	0.0	0.0	0.0
202L, South Mountain	21.1	100.7	121.8
SR303L, Bob Stump Memorial Pkwy	557.8	40.3	598.1
Williams Gateway (SR802)	0.0	0.0	0.0
Systemwide	0.0	0.0	0.0
Total	1,898.4	181.8	2,080.2

Historical Overview



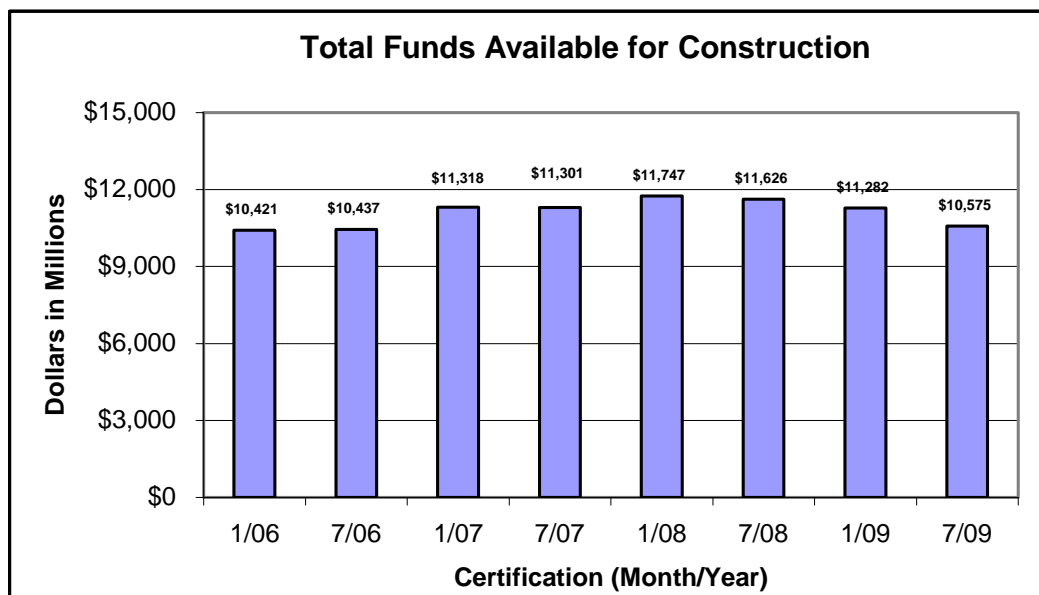
Historical Overview of Funding

The Director of the Department of Transportation has been certifying the revenues available for construction of the Regional Transportation Plan (RTP) Freeway Program since January 2006. Table 1 shows the revenue estimates and associated costs beginning with the January 2006 Certification. Graph 1 shows the level of funding available for construction of the RTP Freeway Program.

Table 1
Historical RTP Freeway Program Funds Available for Construction
(dollars in millions)

Certification Date	Revenues				Costs				Available for Construction
	1/2 Cent Tax	ADOT Funds	Other	Total	Capital	Discount Factor	Other	Total	
1/06	\$8,178.4	\$7,990.1	\$665.3	\$16,833.8	(\$2,279.1)	(\$3,908.3)	(\$225.0)	(\$6,412.4)	\$10,421.4
7/06	\$8,199.7	\$8,112.2	\$676.7	\$16,988.6	(\$2,403.0)	(\$3,906.0)	(\$242.4)	(\$6,551.4)	\$10,437.2
1/07	\$8,652.1	\$8,371.8	\$724.6	\$17,748.5	(\$2,483.2)	(\$3,702.8)	(\$244.4)	(\$6,430.4)	\$11,318.1
7/07	\$8,652.1	\$8,371.8	\$732.3	\$17,756.2	(\$2,576.7)	(\$3,635.3)	(\$243.6)	(\$6,455.6)	\$11,300.6
1/08	\$8,645.5	\$8,416.8	\$820.6	\$17,882.9	(\$2,564.4)	(\$3,326.2)	(\$245.1)	(\$6,135.7)	\$11,747.2
7/08	\$8,420.8	\$8,411.4	\$908.4	\$17,740.6	(\$2,379.2)	(\$3,486.1)	(\$249.5)	(\$6,114.8)	\$11,625.8
1/09	\$7,763.9	\$7,443.5	\$955.4	\$16,162.8	(\$2,390.6)	(\$2,236.7)	(\$253.9)	(\$4,881.2)	\$11,281.6
7/09	\$6,708.0	\$7,359.4	\$1,109.1	\$15,176.5	(\$2,366.8)	(\$1,979.9)	(\$254.8)	(\$4,601.5)	\$10,575.0

Graph 1



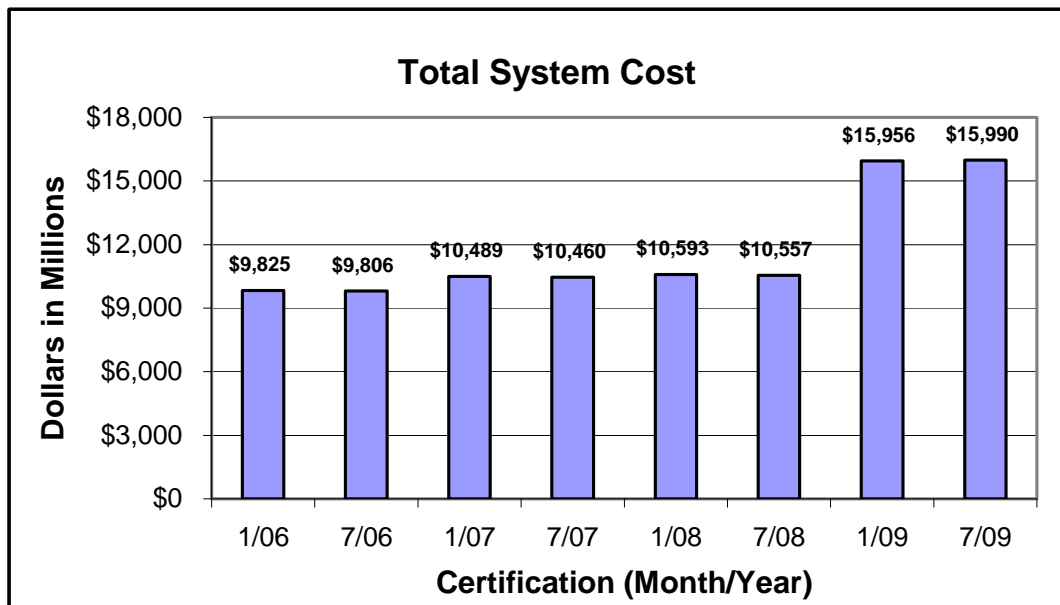
Historical Overview of Costs

The Director of the Department of Transportation has been certifying the cost to complete the Regional Transportation Plan (RTP) Freeway Program since January 2006. Table 2 shows the cost estimates for the system beginning with the January 2006 Certification. Graph 2 represents the estimated total cost of the RTP Freeway Program.

Table 2
Historical RTP Freeway Program Cost Estimates (dollars in millions)

Certification Date	Obligations	Cost to Complete	Total System Cost
1/06	\$178.0	\$9,647.1	\$9,825.1
7/06	\$234.3	\$9,571.3	\$9,805.6
1/07	\$435.2	\$10,053.4	\$10,488.6
7/07	\$779.0	\$9,681.0	\$10,460.0
1/08	\$1,171.3	\$9,421.2	\$10,592.5
7/08	\$1,506.8	\$9,050.0	\$10,556.8
1/09	\$2,053.1	\$13,902.4	\$15,955.5
7/09	\$2,120.9	\$13,868.8	\$15,989.7

Graph 2



Appendix



Appendix A

Discount factors representing the rate of construction cost growth are calculated using software developed by HDR - Hickling, Lewis and Brod Inc. Data from the August 2008 Risk Analysis Process (RAP) for construction was utilized to compute factors for design and construction. These factors represent potential cost growth which includes general inflation.

Cash Flow Discount Factors

(percent)

For Design & Construction

Fiscal Year	Design & Construction
2010	2.0
2011	2.0
2012	3.0
2013	3.0
2014	3.0

For Right of Way

Fiscal Year	Right of Way
2010	2.0
2011	2.0
2012	3.0
2013	3.0
2014	3.0