

**Arizona Department  
of Transportation**

# **STRATEGIC PLAN**

**FISCAL YEARS  
2013-2017**

**ADOT**



# Arizona Department of Transportation

## Office of the Director

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Janice K. Brewer  
*Governor*

John S. Halikowski  
*Director*

December 30, 2011

John A. Bogert  
*Deputy Director  
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Floyd Roehrich, Jr.  
*Deputy Director  
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Mr. John Arnold, Director  
Governor's Office of Strategic Planning and Budgeting  
1700 West Washington, Suite 500  
Phoenix, AZ 85007

Dear Mr. Arnold:

Subject: Transmittal Statement

This Five-Year Strategic Plan for Fiscal Years 2013 – 2017 is filed in accordance with the Laws of 2002, Chapter 210, and is available on the Arizona Department of Transportation (ADOT) Internet site at:

[http://www.azdot.gov/Inside\\_adot/PDF/StrategicPlan.pdf](http://www.azdot.gov/Inside_adot/PDF/StrategicPlan.pdf)

Agency Head: John S. Halikowski  
Title: Director

Signature: \_\_\_\_\_ Date: December 30, 2011

## EXECUTIVE SUMMARY

Transportation is critical to Arizona's economic success. To have a strong economy, our state must have quality highways, public transit, railroads, airports and ports of entry to get people to work and to move products and provide services. By building transportation infrastructure, we can actually strengthen the economy, create jobs and support business development. However, a significant gap exists between projected revenues and transportation investments necessary to support a vibrant economy. Our priorities for the future will focus our limited resources on preserving and modernizing what we already have to protect the taxpayer investment in the existing transportation system.

### GOALS

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- Maximize current resources to fulfill the public's needs
- Identify new funding opportunities to meet the state's transportation infrastructure needs now and in the future

Strategies to accomplish these goals will concentrate on the preservation and modernization of our existing transportation system to maximize its performance, while aligning the Department organizational structure and improving its processes to reduce costs, increase efficiency and sustain customer service levels. We will enhance relationships with Arizona businesses as well as with local, regional and federal planning partners and policy makers to inform them about the connection between a strong economy and a strong transportation system. Our objective is to foster discussion about future transportation funding and governance that can support business development and job creation for a vibrant state economy and quality lifestyle for its citizens.

### MISSION

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To provide a safe, efficient, cost-effective transportation system.

### VISION

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The standard of excellence for transportation systems and services.

### VALUES

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Employees are the cornerstone of our success.

**Accountability** – We take responsibility for our actions.

**Integrity** – We hold ourselves to the highest ethical and professional standards.

**Respect** – We treat everyone with respect and dignity.

## STRATEGIC ISSUES

In November 2011, the State Transportation Board adopted the update to the state's long-range transportation plan, called "What Moves You Arizona," which identified investment choices based upon projected transportation revenues during the next 25 years. Our priorities for the future will focus our limited resources on preserving and modernizing what we already have to protect taxpayers' investment and to maximize performance of the existing transportation system. Continuing resource limitations may affect our ability to deliver a safe, efficient and effective transportation system that facilitates business development and job creation, while contributing to a vibrant state economy as one of the nation's emerging population centers.

## GOALS

1. Maximize available resources to provide essential services to ADOT's customers.
2. Identify and explain the need for new, sustainable funding opportunities dedicated to multimodal transportation projects.

## STRATEGIES

1. Prioritize and focus on the products and services most critical to serving the public, collecting revenue and maintaining the transportation infrastructure.
2. Align the organizational structure to optimize effectiveness and reduce costs.
3. Increase efficiency of service delivery processes and systems.
4. Refine ADOT's performance measures.
5. Research, evaluate and explain alternative funding sources to help finance and maintain a multimodal transportation system.

## AGENCY DESCRIPTION

The Arizona Department of Transportation is the state agency responsible for collecting transportation revenues and for planning, constructing and maintaining Arizona's highway infrastructure for the safe and efficient movement of people and products throughout the state. The transportation system supports the state's economy and the quality of life enjoyed by its citizens.

ADOT works with customers, stakeholders and partners to identify significant transportation issues in Arizona and to improve existing systems and practices. The Arizona Long-Range Transportation Plan builds on numerous studies and plans to identify future needs, develop solutions and deliver projects that address the transportation challenges Arizona will face over the next 25 years. ADOT has developed a public-private partnership program to allow the private sector to participate in the delivery of transportation projects and take on some or all of a project's risks and responsibilities to design, build, finance, operate and maintain transportation infrastructure.

ADOT represents the state for the planning, developing, maintaining and operating facilities for the efficient movement of people and goods by air in Arizona. ADOT develops long-range state aviation plans and distributes funding for airport development and air navigation facilities. Aviation funding assists public airports with airport master plans, land acquisition and infrastructure preservation and improvement projects. ADOT also owns and operates the Grand Canyon National Park Airport, the only state-owned airport and the third busiest airport in Arizona.

The Motor Vehicle Division provides motor vehicle title and registration services, issues driver credentials, inspects vehicles, registers aircraft, collects transportation revenues and distributes such revenues to the state, counties, cities and towns. The Enforcement and Compliance Division ensures that commercial vehicles comply with size, weight and safety laws as well as collects revenue and conducts criminal and administrative investigations.

The health of these revenues directly impacts ADOT's ability to successfully deliver a range of transportation projects that will help create jobs and deliver economic and quality-of-life benefits for Arizona residents and businesses.

## TRANSPORTATION CHALLENGES

A safe, efficient transportation system that provides Arizona businesses with transportation options to move people and deliver products and services is critical to the state economy and affects the daily life of every Arizonan. In today's economy, a sound transportation system is needed for Arizona businesses to successfully compete in a global marketplace as well as for the state to retain and attract businesses and jobs.

This vital infrastructure, however, is showing signs of aging, requiring more extensive rehabilitation. Revenues allocated to transportation are shrinking in relationship to demand for transportation infrastructure. The gasoline and use fuel tax is based on the number of gallons sold and used, which means as vehicles become more fuel efficient revenues decline in relationship to highway usage. As a result, a greater proportion of available revenues will be invested in the preservation and modernization of the existing transportation system. Present revenue projections are inadequate to fund needed improvements to the transportation system at the rate needed to keep pace with business development and growth. ADOT is the lead state agency to inform policy makers and business interests about the gap between what it takes to design, build and maintain a system that efficiently moves people throughout the state and the resources available to do so.

### Funding the State's Transportation System

Arizona's transportation system is primarily funded by the Arizona Highway User Revenue Fund through fuel taxes and vehicle registration fees, grants from the Federal Highway Administration through the Federal Aid Highway Program and regional transportation funding initiatives through sales taxes in Maricopa and Pima counties. Regional funding is dedicated to transportation projects in the regions from which the tax is collected.

The state's long-range transportation planning process identifies the investment options to preserve and enhance the state transportation infrastructure to meet anticipated transportation needs. Although transportation revenues over the next 25 years are estimated to be \$26 billion, anticipated needs during that time period are estimated to be \$89 billion. Accordingly, the challenge is to develop innovative ways, such as public-private partnership, to keep the state's transportation infrastructure in optimal condition. Revenue sources will need to be identified to accommodate further growth in Arizona's transportation system.

## Supporting the Growth of the State's Economy

ADOT strives to create a reliable and accessible transportation system that efficiently moves people and goods throughout the state.

Arizona has been identified as having one of ten "megapolitan" regions of the United States in which two out of every three Americans are expected to live in the next 40 years. Among the nation's "megapolitan" regions is the Arizona Sun Corridor, which stretches from Santa Cruz County to central Yavapai County. Numerous organizations have recognized the emergence of the Arizona Sun Corridor and the challenges it presents.

A shared vision of a quality of life in 2050 based upon a strong economy was the foundation of the transportation planning vision called Building a Quality Arizona, adopted by the State Transportation Board in January 2010. Arizona projects a population of nearly 15 million people by 2050 and identified that at least half the transportation system that Arizona will need in 2050 has yet to be built. As this population growth occurs, adding vehicles to an existing road network will certainly reduce travel speed, thereby exacerbating the state's existing traffic congestion for Arizona businesses, residents and visitors.

The opportunity to shape our economic and population growth is possible through wise transportation investment decisions made through a governance and financial structure that supports business development and jobs in Arizona.

Freight movement in Arizona is expected to double by 2030 with increases of 70 percent in tons moved by truck and 100 percent in tons moved by rail. Currently, 85 percent of freight moved in Arizona travels by truck, with 75 percent of that freight using Arizona's transportation infrastructure as it passes through our state en route to destinations in other states. Pass through freight produces little economic value in Arizona and represents lost opportunity for business development and job creation in the industrial, manufacturing and transportation logistics industries.

A strong transportation infrastructure ranks number one on a list of priorities for locating industrial development. Interviews with shippers conducted for the Arizona Multimodal Freight Analysis Study identified traffic congestion, lack of adequate highway infrastructure and the lack of a cost-effective rail shipping option as being weak links in Arizona's transportation system. Transportation and logistics industries result in some of the highest ancillary job development with one truck transportation job creating 2.2 others, one rail transportation job creating 3.14 others and one air transportation job creating 3.61 others.

ADOT has been engaged in several efforts to study transportation investment options and maximize economic growth potential through the existing transportation system. These efforts include long-range transportation planning, international trade initiatives

and border crossing improvements, multi-state trade corridor planning, CANAMEX corridor planning, railroad corridor planning and studying possibilities for local and regional freight logistics centers with planning partners in Arizona.

### Preserving Infrastructure Investment

The costs of preserving Arizona’s existing transportation infrastructure are significant. Segments of bridge and highway infrastructure in Arizona are approaching the end of their lifecycle, requiring replacement or significant rehabilitation, which will require the shift from funding highway expansion to preservation and modernization. Adopting a “fix it first” approach to infrastructure is the most cost-effective strategy to preserve taxpayers’ investment in the existing transportation system and it will optimize the use of limited transportation funding resources.

ADOT preservation and highway maintenance activities include bridge and pavement replacement and rehabilitation, roadway and shoulder pavement preservation, roadway signage and striping, guardrail and fence repairs, emergency response and snow removal. ADOT provides funding for public airports to preserve runways, taxiways and other airport infrastructure. Foregoing airport infrastructure improvements such as repaving taxiways and runways and removing obstructions also threatens business and economic development opportunities that rely upon the safety and integrity of Arizona’s airport network.

### Improving Safety

The causes of crashes are primarily attributed to human behavior along with roadway, vehicle and environmental conditions. Besides ensuring roads and vehicles are in safe condition, driver behaviors (i.e., speeding, reckless driving, and alcohol or drug impairment) also must be addressed. Maintaining highway safety is our first priority. These activities include emergency response, snow and ice removal from roadways, emergency pavement repair, replacement of degraded highway signing and striping, vegetation control and compliance with environmental regulations. ADOT enforcement officers ensure that commercial vehicles comply with size, weight and safety requirements at the state’s ports of entry and through mobile enforcement operations.

All areas of ADOT are engaged in the effort to keep Arizona’s roads safe. Every day, employees ensure the transportation system provides a safe and reliable way for people to travel our state. Arizona has experienced a decline in traffic fatalities, in part, due to legislation and actions taken by diverse transportation, law enforcement and safety organizations to implement enforcement, emergency response, engineering and educational initiatives. The Arizona Strategic Highway Safety Plan identified six safety emphasis areas and has fostered coordination to develop clearly defined safety goals, performance measures and essential implementation steps to make progress in reducing the number of fatalities. ADOT has developed a highway safety improvement

program to conduct safety assessments, implemented traffic engineering strategies and improved the data collection of crash records.

### Sustaining Quality Customer Service and Enhancing Revenue Collection

Providing customer service at levels deemed acceptable to the public becomes more challenging as ADOT is forced to operate with less funding. Nonetheless, ADOT will continue to develop strategies to improve the efficiency of internal operations and service delivery processes as well as to ensure its responsiveness to Arizona residents throughout the state. Transportation service priorities include: increasing the ability for customers to effectively receive Motor Vehicle Division services, enhancing customer service and revenue collection systems, maintaining the condition of highways, minimizing work zone delays and managing traffic flow.

Operational improvements at the state's ports of entry and mobile enforcement details will ensure commercial vehicles and their drivers that travel Arizona roadways are safely equipped to do so. Revenue audits, registration compliance and enforcement efforts also will support the recovery of costs associated with the use of Arizona's transportation infrastructure. Improved internal operations and performance capabilities will enhance transportation revenue collection to provide funding dedicated to preserve and improve transportation infrastructure in Arizona.

## FUNDING AND FTE SUMMARY – FY 2012

	<b>FUND</b>	<b>FTE</b>
General Fund	\$ 50,200	2.0
Highway Fund	239,494,200	2,789.0
Other Appropriated Funds	120,447,200	1,757.0
Non-Appropriated Funds	2,870,000,000	67.0
Federal Funds	624,000,000	0.0
<b>Program Total</b>	<b>\$ 3,853,991,600</b>	<b>4,615.0</b>

### RESOURCE ASSUMPTIONS \*

Description	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
FTEs	4,615.0	4,615.0	4,615.0	4,615.0	4,615.0
Highway Fund	241,500,000	243,500,000	245,500,000	247,500,000	249,500,000
Other Appropriated Fund	115,000,000	115,000,000	115,000,000	115,000,000	115,000,000
Non-Appropriated Fund	2,870,000,000	2,870,000,000	2,870,000,000	2,870,000,000	2,870,000,000
Federal Fund / Grants	624,000,000	624,000,000	624,000,000	624,000,000	624,000,000
General Fund	51,000	51,000	51,000	51,000	51,000
<b>TOTAL FUNDS</b>	<b>3,850,551,000</b>	<b>3,852,551,000</b>	<b>3,854,551,000</b>	<b>3,856,551,000</b>	<b>3,858,551,000</b>

\*Estimates