

**September 9, 2008
Town Council Meeting
Town Manager's Report**

State and Federal Grant Sources

- **Arizona's ESP (Economic Strength Program) Grants**

The Town was notified last week that, due to recent state budget cuts, the Department of Commerce will be offering only one round for ESP grants in FY 2009 (there are usually two rounds per year). This funding is for up to \$500,000 per grant for local communities to extend infrastructure for projects that provide economic benefit to the community and the state.

Clarkdale does not have a current application or project identified for this funding, but has looked at it in the past for infrastructure improvements in the industrial area.

- **Federal Highway Trust Fund**

Last week, it was announced that collections that fund the Federal Highway Trust Fund have experienced another drastic decline and the Fund Balance has dipped to \$1.4 Billion. According to USDOT, such a low balance will likely trigger delays in payments to the States and will also reduce the payment levels by as much as 40%.

As we understand it now, ADOT's response to this payment reduction will be to honor existing contracts and their payments, but not solicit or award any bids scheduled to open after last Friday. They are currently developing a list of projects that will be impacted.

On the federal level, a bill is being introduced (HR 6532) that would restore \$8 Billion to the Highway Trust Fund, which would alleviate the shortfall for the upcoming federal fiscal year (which begins October 1, 2008 and end September 30, 2009), and would similarly reduce the cutbacks at the state level this year.

Long-term, however, it is recognized that reform of the nation's 50-year old approach to transportation funding (which is based heavily on fuel taxes) is in order because of efforts to reduce congestion and encourage Americans to embrace more fuel-efficient vehicles. U.S. Transportation Secretary Mary Peters is advocating that Congress "do away with billions in annual earmarks and consolidate the over 100 special niche programs that require states to slice and dice federal transportation funds to do things like build museums and restore lighthouses."

In Clarkdale, restrictions of the Federal Highway Trust Funds have the potential to impact our distribution of HURF allocations from the state, and two federally funded grant projects.

- We have not yet seen any predictions on potential decreases of our HURF allocation. As Council is aware, Clarkdale's HURF allocation funds a substantial portion of our annual Street Department budget, and is used for our chip sealing projects, street/sidewalk maintenance, transportation signage, etc. Reductions in this funding source would lead to reduced services in these areas.

- Additionally, the Town was awarded a federal grant last year to partially fund the new industrial road to connect to Cement Plant Road. Because that road is being fully funded by Clarkdale Metals, we are in the process of redirecting those funds to be used to construct a roundabout at the Broadway/Main Intersection. Because no contract has yet been signed on that project, it is likely that ADOT will delay funding for that project.

- Finally, the funding availability for the Transportation Enhancement Grant that was recently submitted for the Clarkdale Parkway Pedestrian/Bicycle Pathway Enhancement is in question. Clarkdale's grant was highly rated (#1 from VVTPO and #2 from the NACOG region) and all the grant applications have been turned over to ADOT for review. The review process is scheduled to take place beginning in mid-late October, with rankings to be released in November. Regardless of those rankings, if short and mid-term solutions are not resolved with regard to the Federal Highway Trust Funds, it is unlikely that funding will be available for these grants.

Complaint/Petition Relating to "Triangle of Trees" at 1st South/Clarkdale Parkway/Sunset Blvd.

The Town is in receipt of a complaint relating to the proposed alteration of the existing triangle to accommodate a Park and Ride lot and CAT bus stop. The complaint also opposes the recent stockpiling/dumping of dirt and rocks at two locations bordering the triangle, and ADOT's electronic traffic signage at the triangle near 11th Street and First South.

It is important to note that, although the announcement of the Clarkdale Parkway Pedestrian/Bicycle Pathway Enhancement grant application (which includes the proposal for the Park and Ride lot and CAT bus stop) and the dumping/storage of materials at this location occurred in very close succession, the two occurrences do not point to the finality or timing of the Park and Ride proposal. The following information is presented to clarify any confusion:

- The Town does not have funding to convert the triangle into a Park and Ride area without receipt of grant money. The earliest we will know about the award of the grant for this project is November, 2008, and, as noted above, the funding for these grants is currently in question.

- If the grant is awarded, the grant guidelines require a public input process. The process will include neighborhood meetings, and comments and input will be solicited on all

portions of the grant application, including the Park and Ride facility and any potential design guidelines for that facility.

- In addition to the grant's required public input process, the design of any facilities at the triangle must go before the Town's Design Review Board, allowing for additional public participation.
- The inclusion of the Park and Ride facility in the Enhancement Grant was in recognition of one of our Strategic Planning objectives to establish Park and Ride facilities where possible in Clarkdale, in an effort to encourage the use of public transportation and promote a comprehensive connected trail and alternate transportation system in the Verde Valley.
- The grant application leaves complete flexibility as to the design of the proposed Park and Ride facility. The initial concept allowed for approximately 40 parking spaces, while retaining 25-33% of the vegetation that exists in the triangle. That design, however, was only conceptual, and can be amended if the project comes to fruition.
- Any final design will have to be engineered, so that the drainage that goes through the triangle will continue to function properly.
- Although most of the vegetation in the existing island consists of non-native Paradise Trees, there is a large ash tree, a large AZ Cypress and numerous mesquite trees. Our original focus was to retain as much native vegetation as possible in the project.
- We are aware that neighborhood children do use the triangle as a play area, and that animals sometimes use it as a refuge.
- The Public Works Department currently maintains the triangle (including mosquito treatment to control West Nile Virus), and takes several bags of trash out of the area on a weekly basis. Most of the trash consists of paper products, plastic bottles, soda cans and beer bottles. On occasion, they have removed mattresses and other items either used by someone among the trees, or illegally dumped.
- The rock and dirt that was dumped at the southwest corner of the triangle was put there in an effort to make it difficult for people to continue dumping tree and brush clippings, which has become an increasing problem at that location.
- The rock and dirt pile at the eastern tip of the triangle is being temporarily stored there. The large rocks are being removed and used for other landscaping projects. Any dirt that remains after all rocks are removed will be spread in that immediate area, to make the surface level (there is currently an indentation at that location).
- The electronic sign that provides information about construction on 89A will be removed by ADOT at the completion of the 89A project, which is anticipated in December, 2008.

As part of our official process for responding to complaints, I will contact Ms. Schabacker (who organized the petition process) and provide her with the above information. I will also distribute the information to those who signed the petition.

Anyone with further questions can contact:

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Or

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Federal Highway Fund Bankruptcy Hits Arizona ADOT to delay new federally supported projects

September 8, 2008

PHOENIX – Federal inaction to solve the nation’s transportation funding crisis has left the federal Highway Trust Fund out of money. As a result, the Arizona Department of Transportation is immediately placing a hold on new projects budgeted to use federal funding.

While Congress is considering a proposed \$8 billion one year fix to the immediate crisis, long term solutions are vague. Taking a fiscally conservative approach, Arizona will assume no additional federal financial obligations, but ongoing projects are not immediately affected.

“This has been a crisis in the making for more than a year and the federal government has refused to act,” said Gov. Janet Napolitano. “As a result of federal mismanagement and funding loss, Arizona will be forced to delay vital highway projects at a time when we are facing crippling congestion and a need for economic stimulation.”

ADOT leadership is assessing the full impact – both in the short and long term – to Arizona’s transportation infrastructure because of this sudden loss of stable federal funding. While not all work in the state receives federal aid, many planned construction projects receive some degree of reimbursement from the federal Highway Trust Fund. In the months ahead, as much as \$158 million in highway projects will be delayed because of this funding crisis.

“Our nation’s inability to rethink transportation and implement sustainable funding solutions has created this immediate crisis. It has been no secret that the trust fund was nearing insolvency, but a deficit of leadership is to blame,” said Victor Mendez, director of ADOT and past president of the American Association of State Highway and Transportation Officials. “There are other solutions for funding. It is past time to engage those diverse solutions to secure Arizona’s future.”

Federal Highway Trust Fund collections were down 1.8 percent last year and are down 6.8 percent so far this year. Federal officials expect the trust fund to receive \$4.4 billion in nationwide reimbursement requests this month while collecting only \$2.7 billion. The fund is forecast to reach a zero balance by Oct. 1.

In 2007, Arizona received approximately \$650 million in federal aid for highways, local roads, bridges and public transit. For every dollar that motor vehicle travelers spend in Arizona on federal gas taxes, the state gets back about 92 cents.

Six federally funded highway projects are on hold pending a federal funding fix. Total potential impact over the next two months is more than \$158.5 million. An analysis is under way of additional projects that also could be delayed, including those in the metro-Phoenix area.

1. US 93 widening near Hoover Dam: \$107 million
2. State Route 85 widening north of Gila Bend: \$23.9 million
3. US 60 widening between Globe and Superior: \$9.2 million
4. I-17 McGuireville interchange north of Camp Verde: \$8.9 million
5. US 60 widening near Wickenburg: \$5.6 million
6. I-10/I-19 interchange landscaping near Tucson: \$4 million

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