

PQI Acceleration Funding

Issue Review Session
September 28, 2023



Tempe
Making waves in the desert



PM 1.22 - Achieve adopted standards for Pavement Quality Index (PQI) equal to a citywide average rating of 70 or higher.



Safe and Secure
Communities



Strong Community
Connections



Quality of Life



Sustainable Growth
and Development

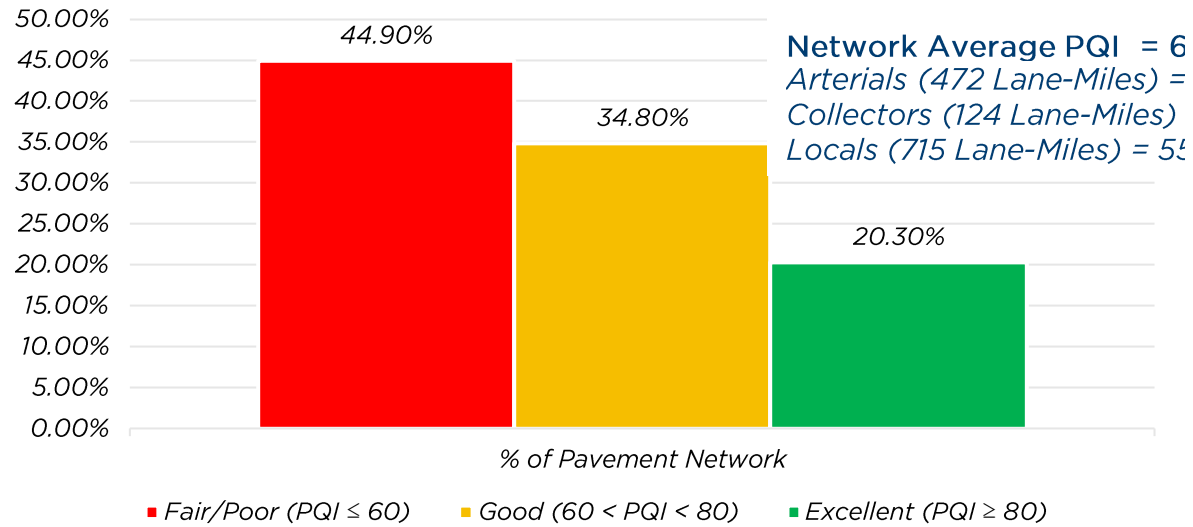


Financial Stability
and Vitality

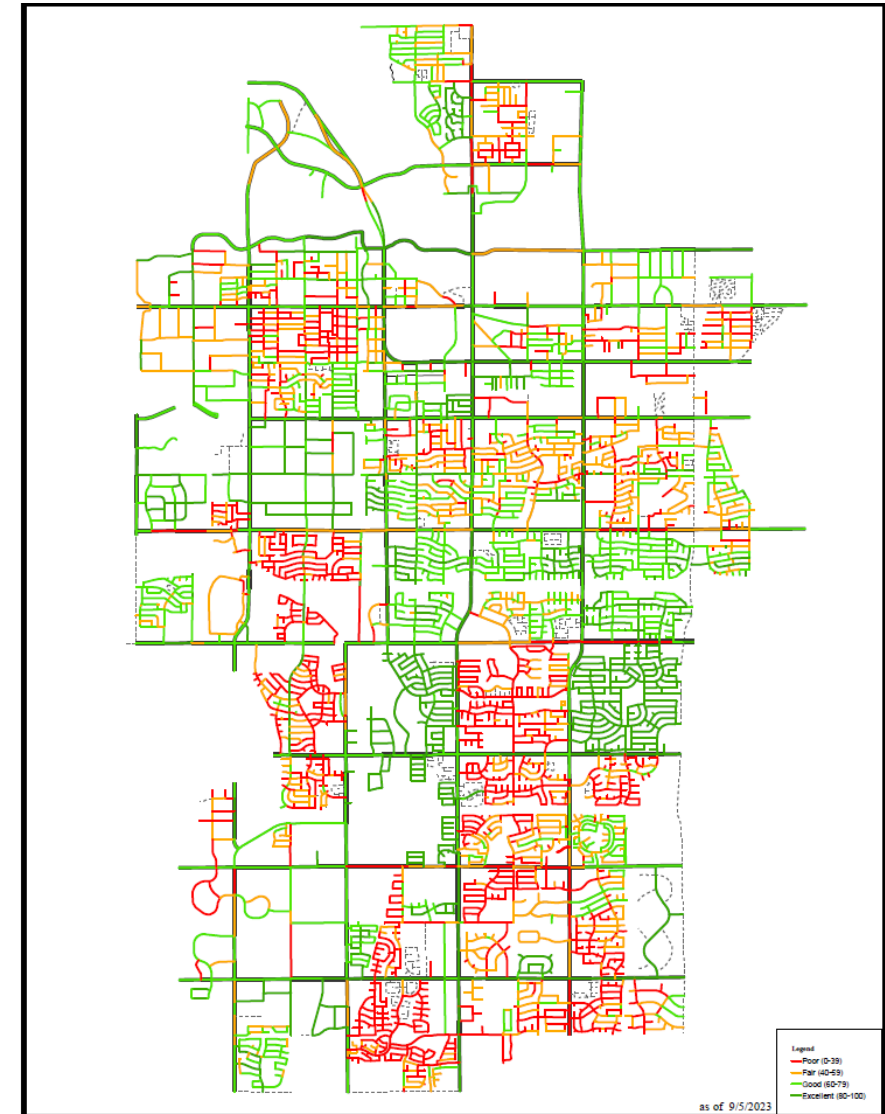
Current Condition of Pavement Network



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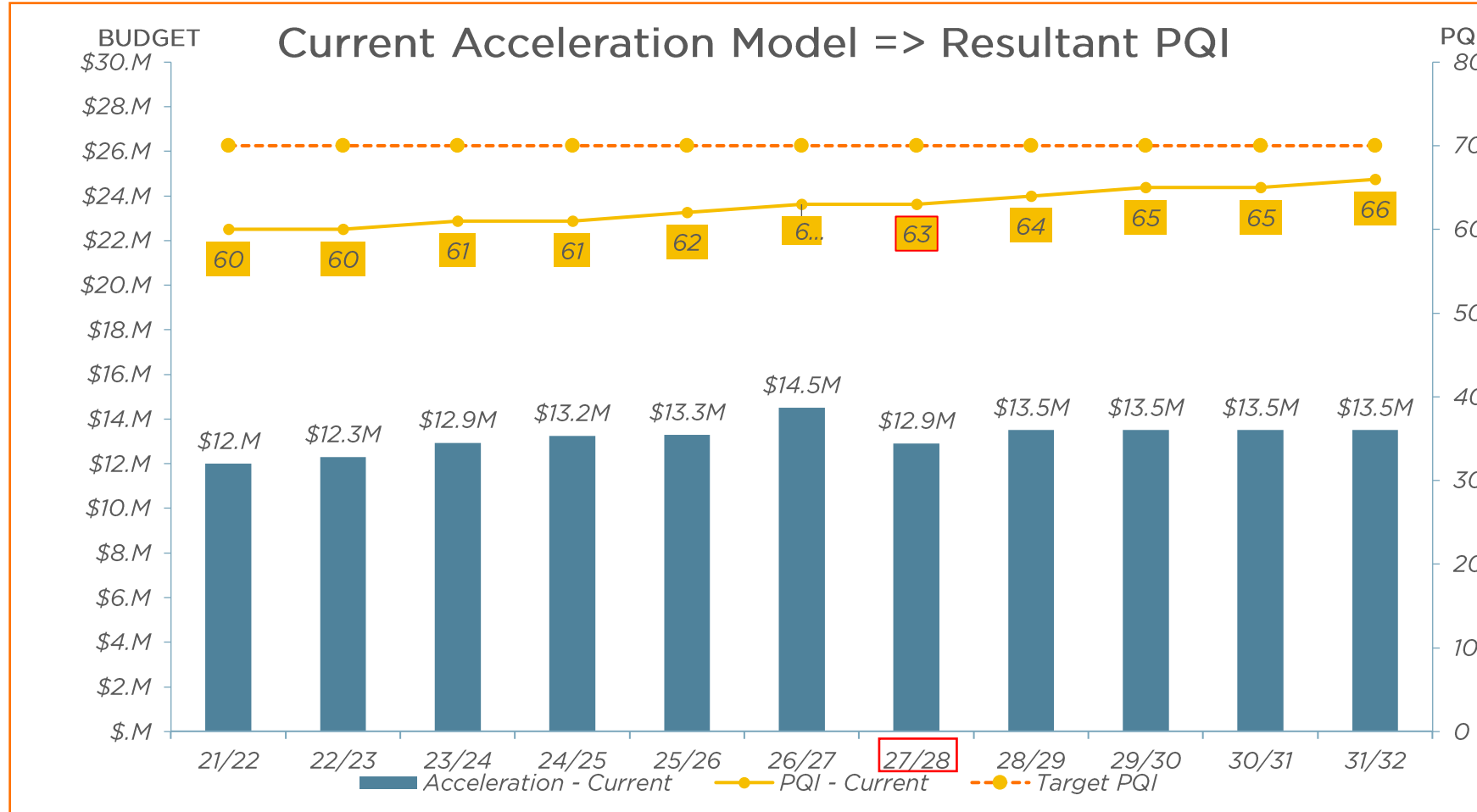
Condition Rating	Number Lane-Miles
Excellent (PQI ≥ 80)	266
Good (60 < PQI < 80)	457
Fair/Poor (PQI ≤ 60)	589
TOTAL	1,312





Current Condition of Pavement Network

Current Acceleration and Resultant PQI



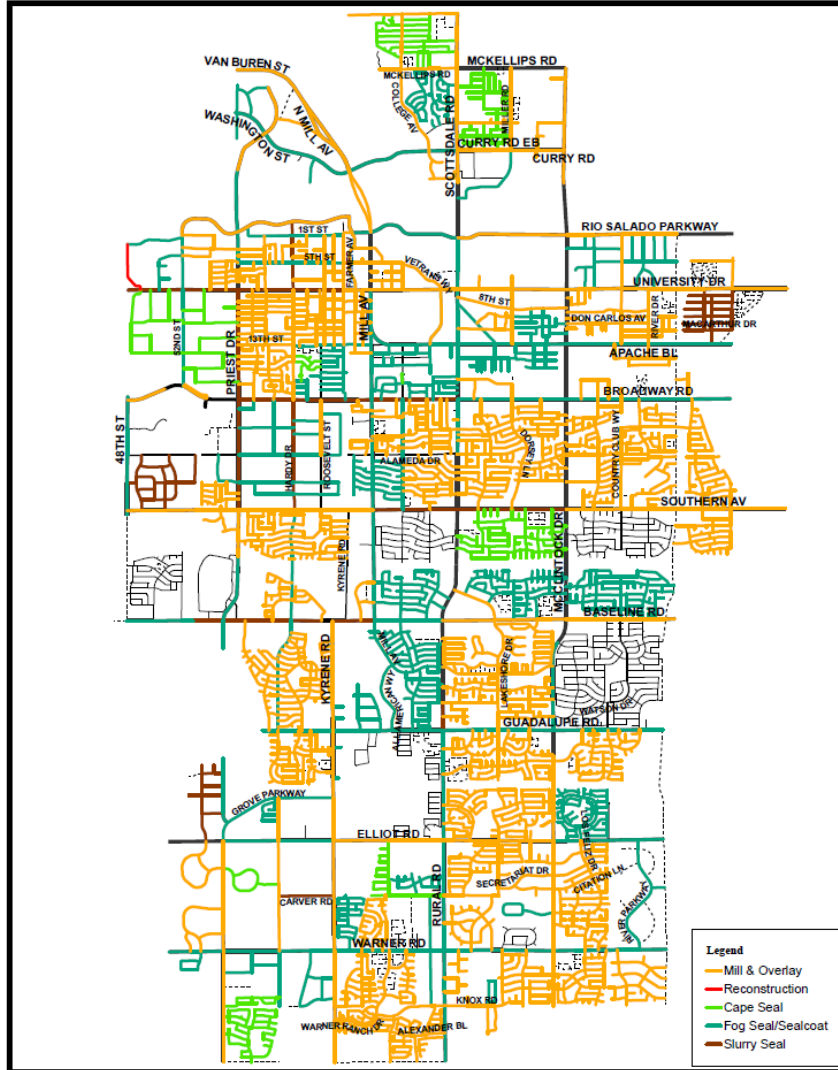
- For end FY22/23, PQI = 60; ahead of prediction by one point
- Current trajectory will miss target year of 2028 and target score of 70 on current funding path
 - Inflation outpaced budget
- On the right path; however, need adequate funding to continue the acceleration.

PQI Acceleration Funding



City of Tempe
FY2025-FY2028 (Four Year Plan)

Not To Scale



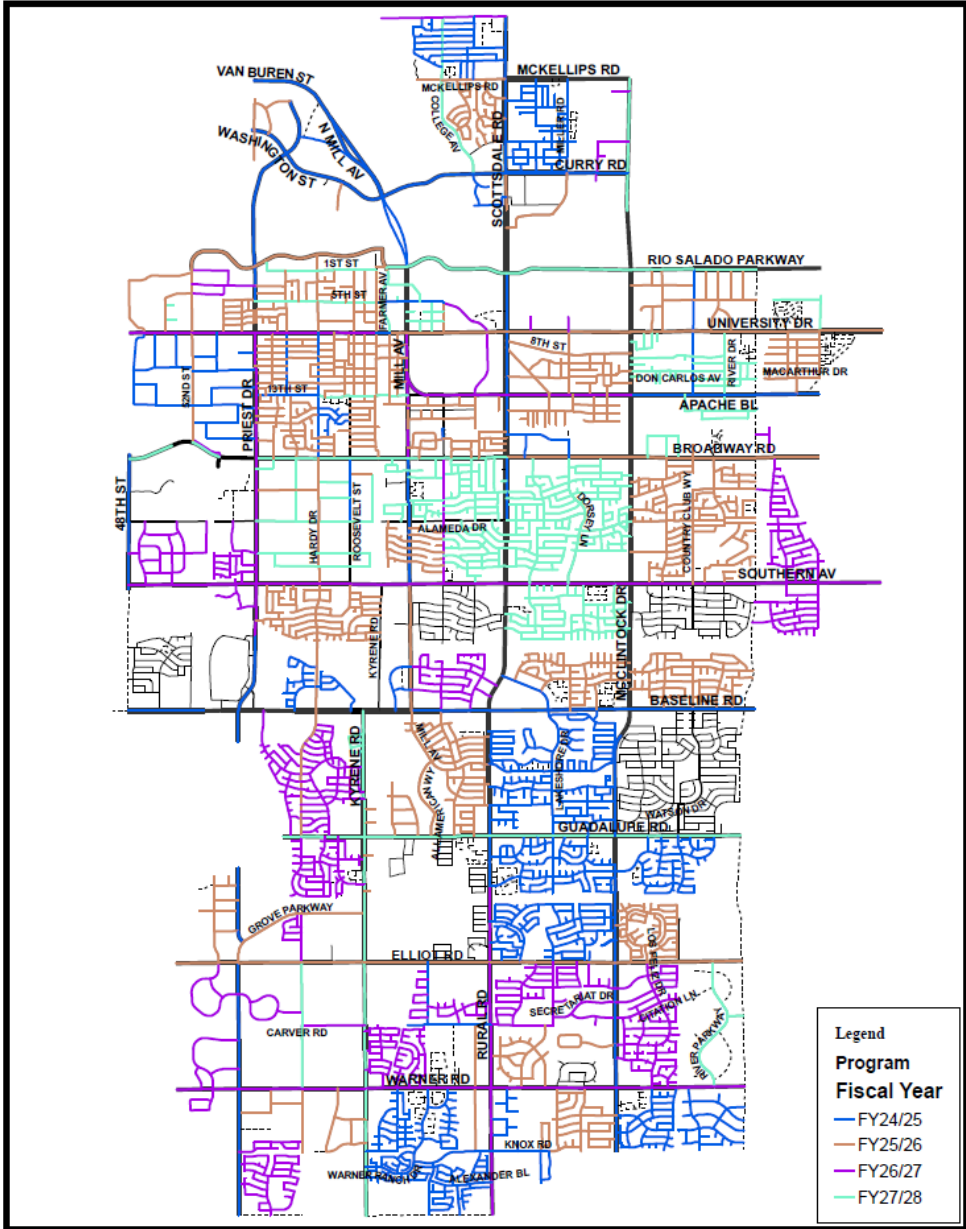
- Plan will remove and replace pavement of all streets that generally are in poor condition via a mill and overlay or reconstruction treatment within the next four fiscal years .
- Plan will also preserve existing surface of streets currently in fair or good condition with a cape seal, slurry seal or fog seal/seal coat treatment within the next four fiscal years.

Pavement Treatment	Number Lane-Miles
<i>Mill & Overlay</i>	<i>639</i>
<i>Fog Seal / Sealcoat</i>	<i>375</i>
<i>Slurry Seal</i>	<i>81</i>
<i>Cape Seal</i>	<i>64</i>
<i>Reconstruction</i>	<i>1</i>
<i>TOTAL</i>	<i>1,160 Treated (90% of network)</i>

- The remaining 10% of the network is anticipated to be in excellent condition at the end of the four-year period.



PQI Acceleration Funding



Program Rehabilitation Cost by Year

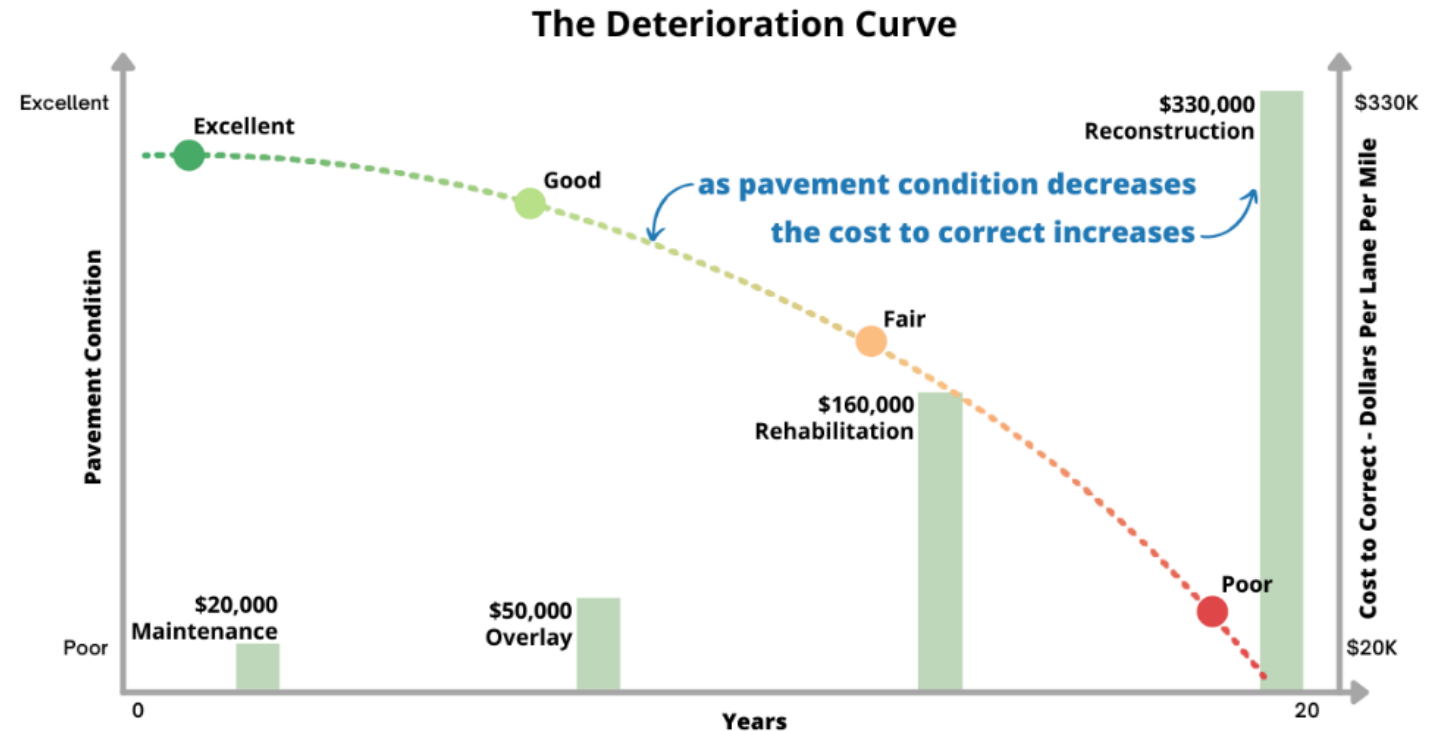
YEAR	COST
FY 2024/2025	\$ 47,300,000
FY 2025/2026	47,200,000
FY 2026/2027	46,800,000
FY 2027/2028	47,200,000
TOTAL	\$188,500,000

- The costs above include the cost of construction, contingency funding, design services and construction management.
- Locations not highlighted on this map have been treated within the past five years are expected to be in excellent condition throughout the four- year period.
- Predicted PQI Score at end of four-year period: 82 out of 100 (Excellent Condition)

PQI Acceleration Funding



- Preventative Maintenance
 - Plan will address immediate preventative maintenance needs through FY28.
 - Anticipated \$8M annual need to maintain average PQI score of 70 or higher beginning FY28/29.
 - This will be mainly achieved through preventative maintenance on existing pavement surfaces due to average network score being 82 (excellent) in FY28/29.





PQI Acceleration Funding

- Issue GO Bonds repaid over 20 years
- Additional \$134,557,500 would be added to the November 2024 ballot question

Program Rehabilitation Cost by Year			
YEAR*	COST	CURRENT CIP AMOUNT	ADDITIONAL FUNDING REQUIRED
FY 2024/2025	\$ 47,300,000	\$ 13,242,500	\$ 34,057,500
FY 2025/2026	47,200,000	13,350,000	33,850,000
FY 2026/2027	46,800,000	14,500,000	32,300,000
FY 2027/2028	47,200,000	12,850,000	34,350,000
TOTAL	\$188,500,000	\$53,942,500	\$134,557,500

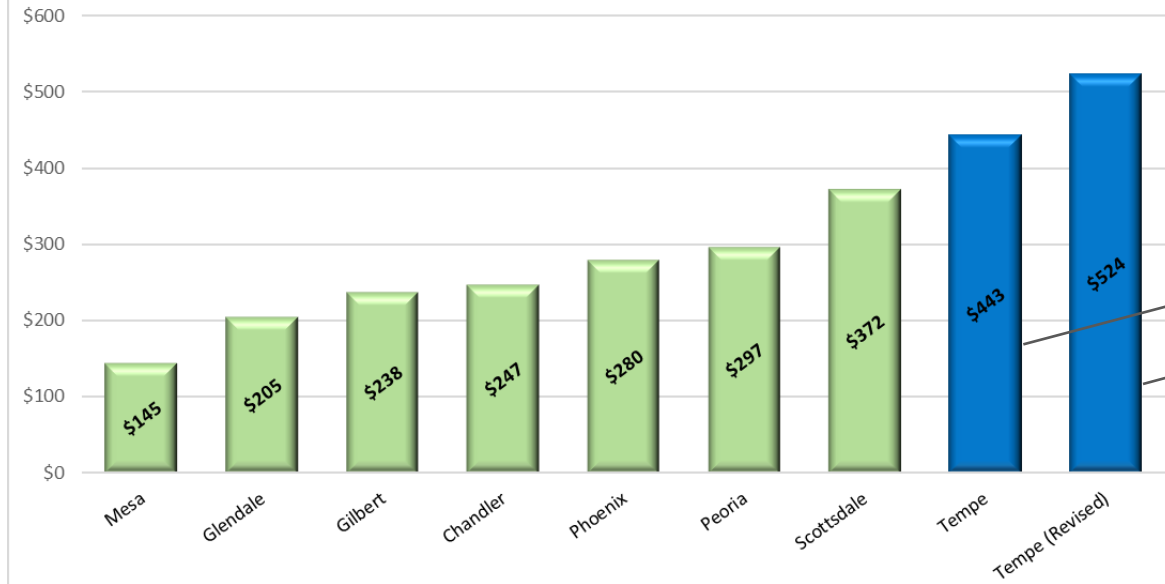
* Timing of amounts spent could be delayed due to election not being held until November 2024, approximately half-way through FY 2024/25.



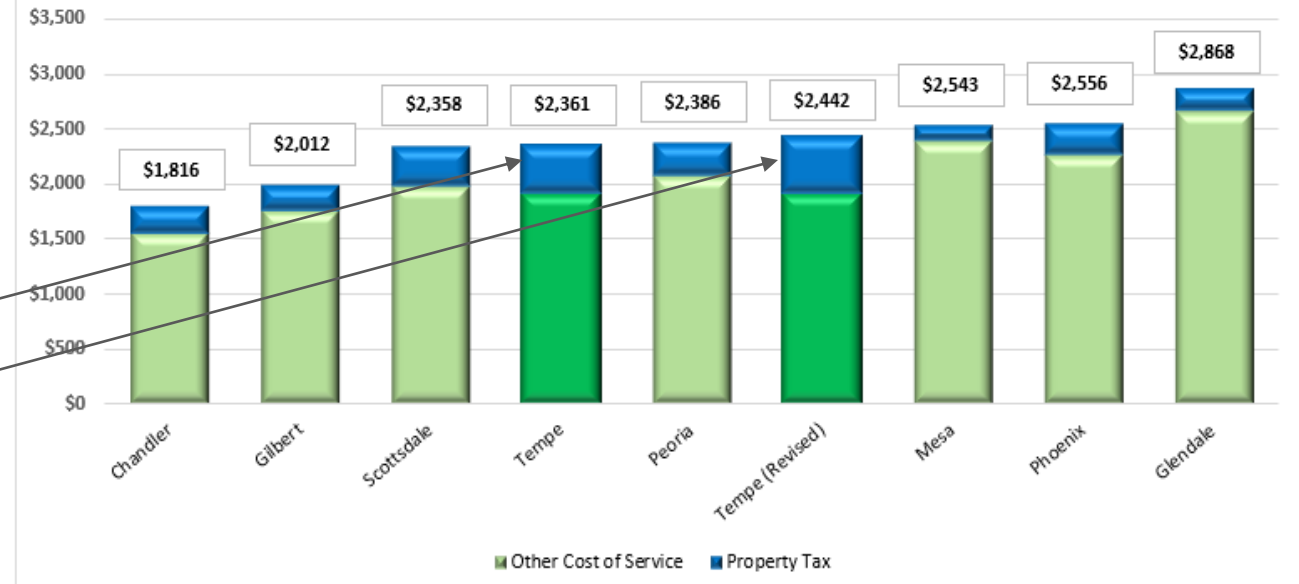
PQI Acceleration Funding

Property Tax Impact – Increase estimated at \$81/year

Estimated Additional Property Tax Due to PQI Acceleration



Estimated Additional Total Cost of Service Due to PQI Acceleration





PQI Acceleration Funding

November 2024 - Ballot Question Options

Include PQI with Regular Ballot Question (Option 1)	Separate PQI Ballot Question (Option 2)
1. <i>Water & Sewer Improvements</i>	1. <i>Water & Sewer Improvements</i>
2. <i>Public Safety</i>	2. <i>Public Safety</i>
3. <i>Park Improvements/Community Services</i>	3. <i>Park Improvements/Community Services</i>
4. <i>Municipal Infrastructure Preservation</i>	4. <i>Municipal Infrastructure Preservation</i>
5. <i>Street Improvements/Storm Drains (with PQI Acceleration)</i>	5. <i>Street Improvements/Storm Drains (without PQI Acceleration)</i>
	6. <i>Street Improvements - PQI Acceleration</i>
<i>Total bond authorization request remains the same under either option</i>	



Questions and Direction





Fog Seal / Sealcoat

- Extends life of pavement by 3-5 years



Slurry Seal



- Extends life of pavement in by 4-7 years





Cape Seal

- Extends pavement life by 8-12 Years





Mill and Overlay

- Pavement Life by 12-15 Years





Reconstruction

● Pavement Life by 20+ Years

