



ARIZONA'S TOP 10 CAPITAL PROGRAMS

FY2024-2028

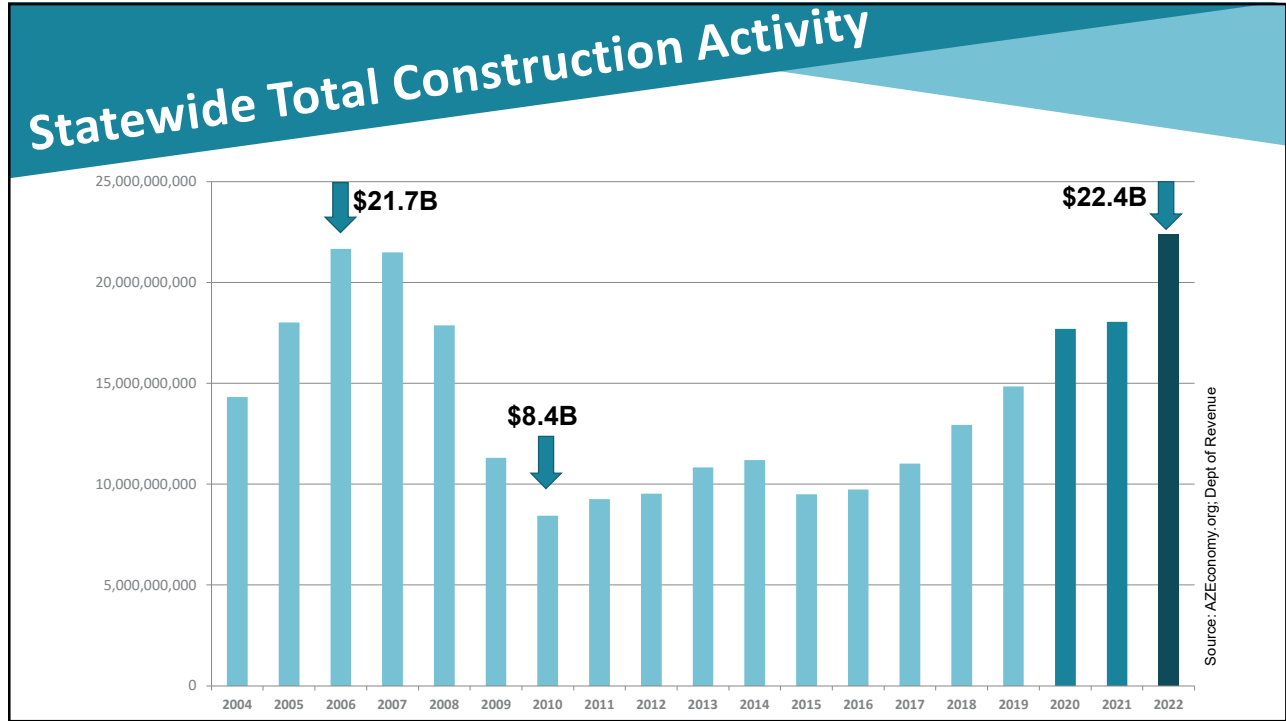
Rebekah Morris
President & Founder
BEX

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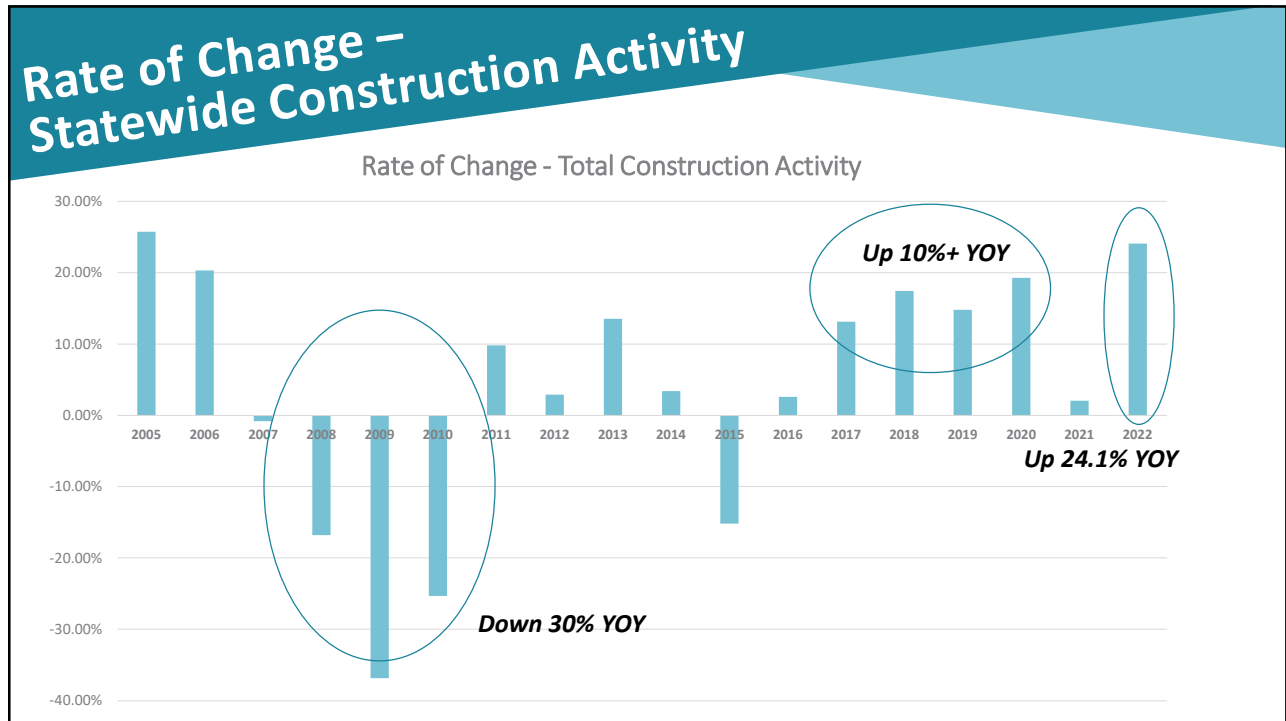
What will we cover today?

1. How large is the construction industry in AZ?
2. What portion of the market is Public Works?
3. Top 10 Capital Programs
4. Procurement Analysis & Current Market Conditions

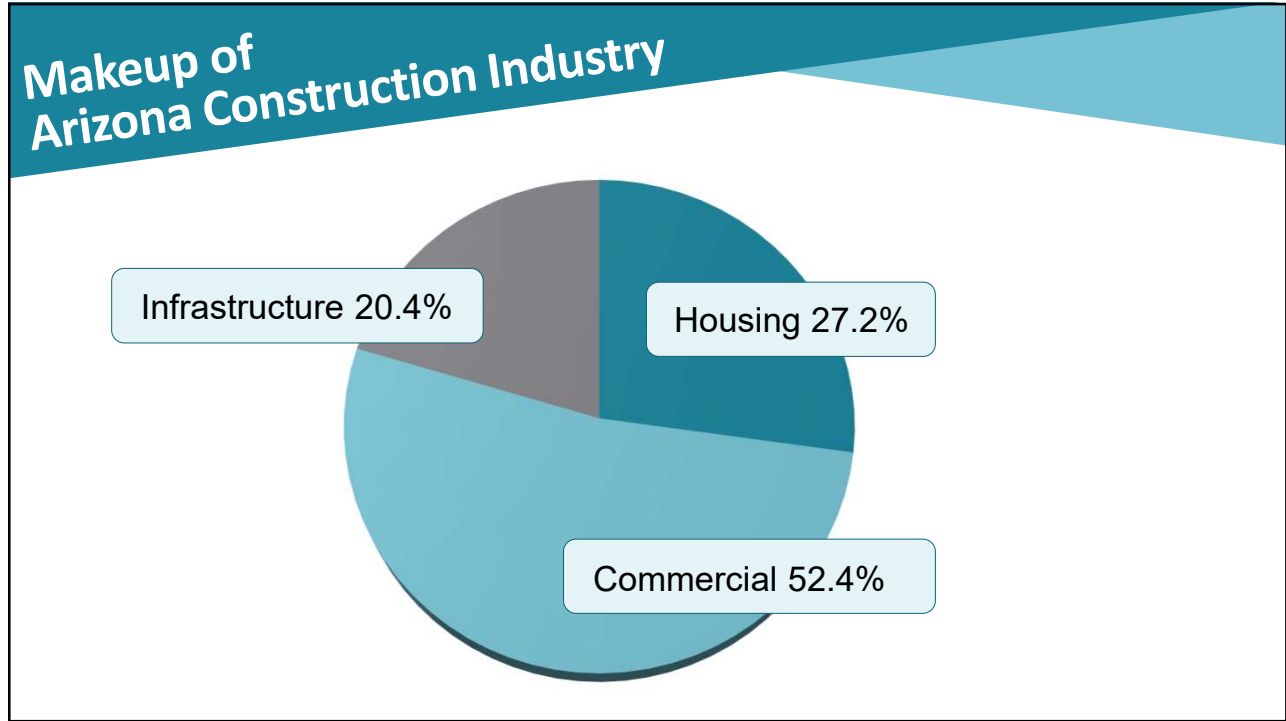
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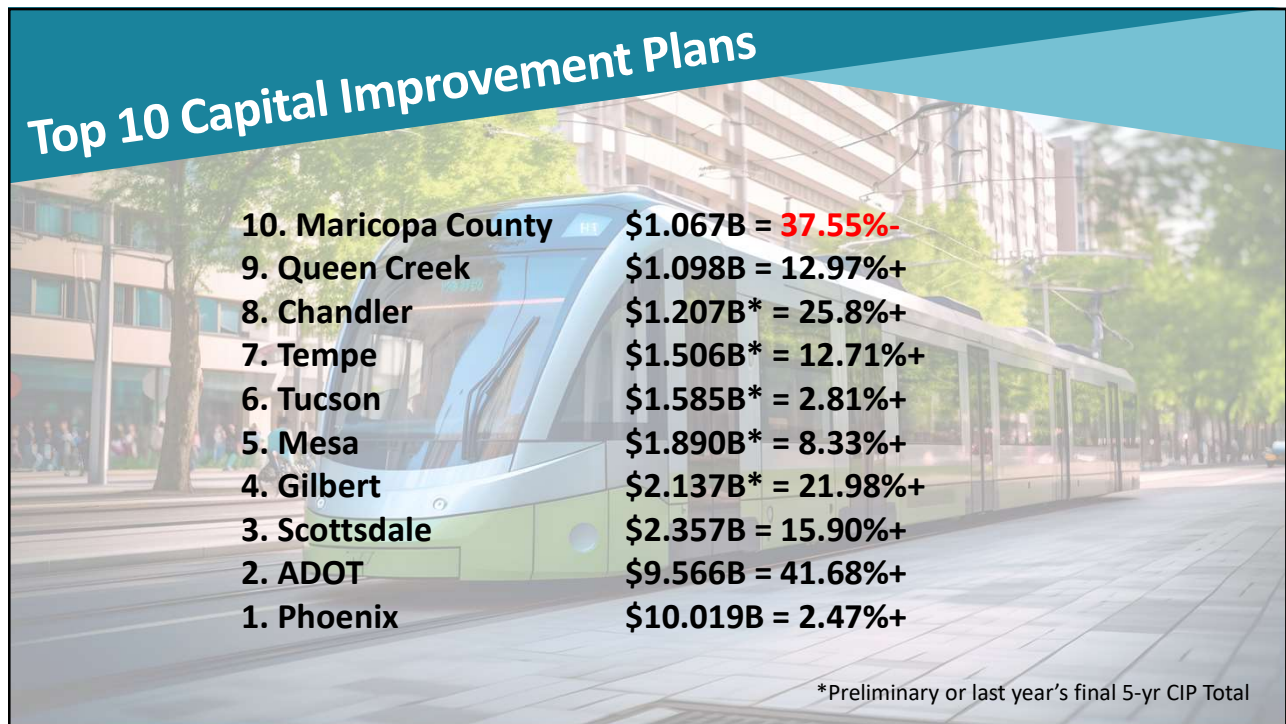


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Funding Sources for Public Infrastructure Varies

STATE AGENCIES:	REGIONAL & LOCAL MUNICIPALITIES:
<ul style="list-style-type: none">▪ Rely on federal funds coming through ADOT or operating funds▪ We're not good at funding capital projects from the state general fund	<ul style="list-style-type: none">▪ Sales and property tax▪ Enterprise Funds (water, wastewater, power)▪ General Obligation or Revenue Bonds▪ Federal Stimulus Funds

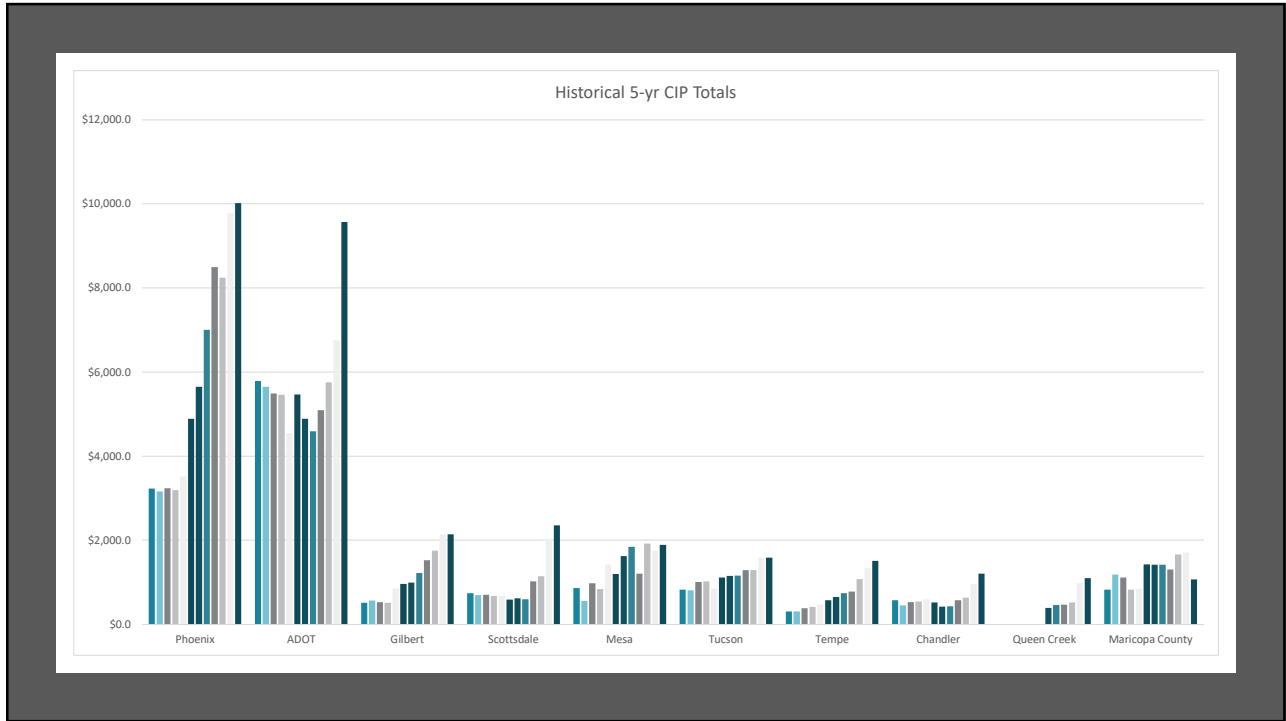
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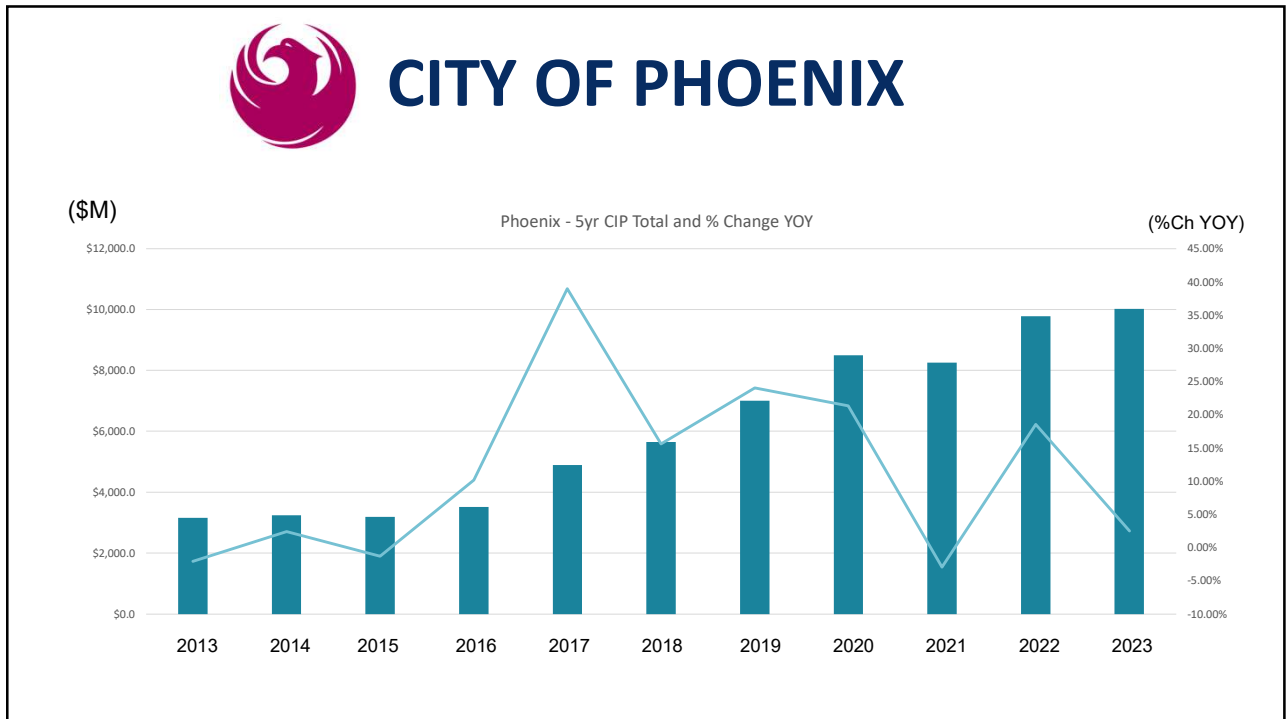
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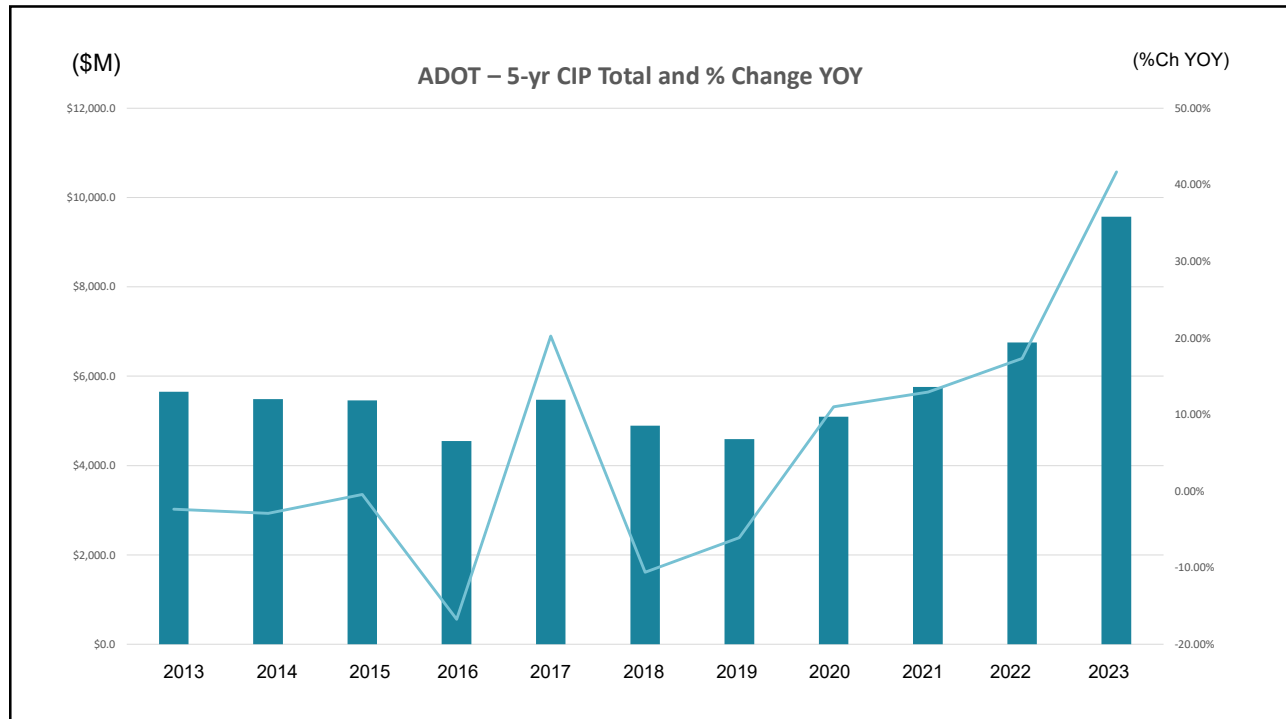


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Some of the Top Capital Projects at City of Phoenix

- Cave Creek WRP – Bring Cave Creek Facility back online at 8mgd - \$365M
- Sky Harbor International Airport – T3N2 – recently selected Design & CMAR - \$357.7M
- Three Bus Rapid Transit Segments - \$120M for construction, \$75M for study/design
- 91st Avenue WWTP – Facility rehabilitation - \$60M
- Val Vista WTP Rehab – \$55M
- *No new major streets projects – most \$\$\$ directed to maintenance

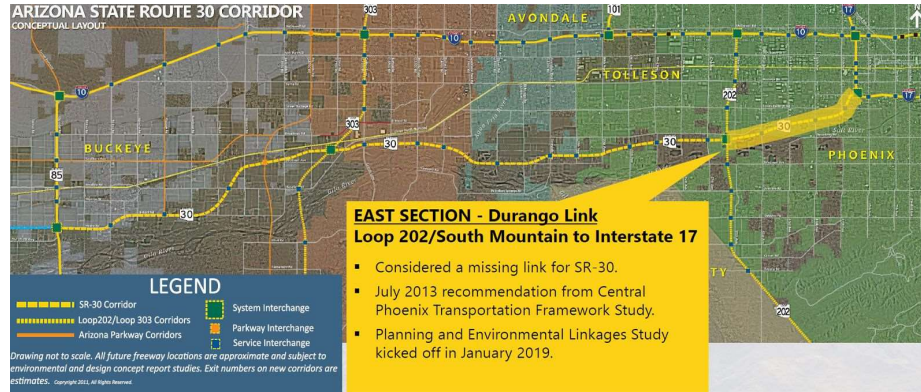
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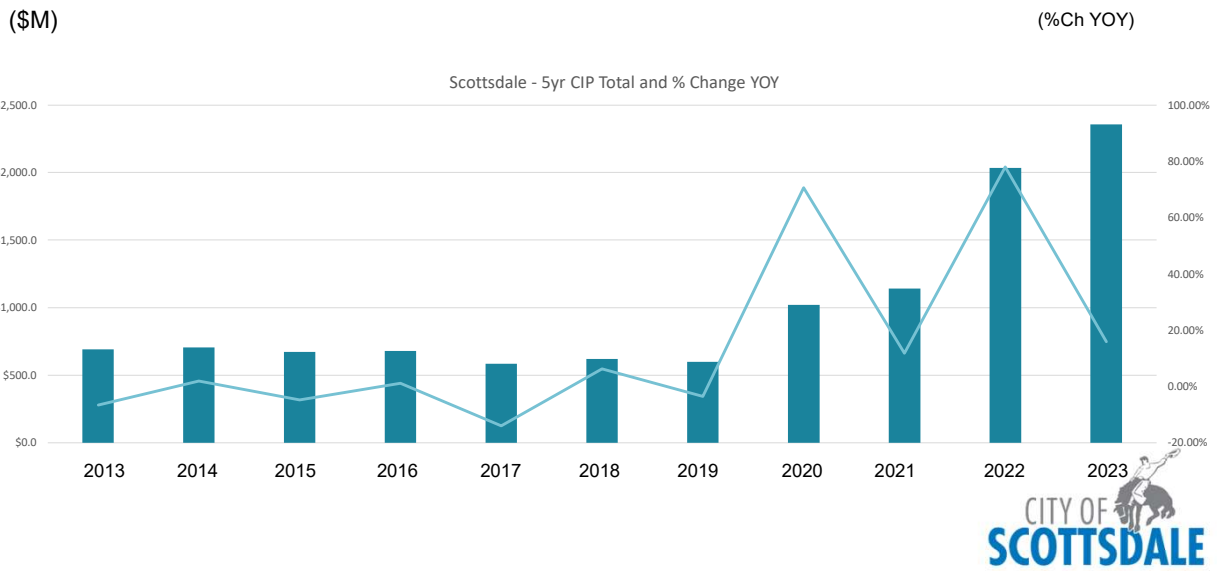
Arizona Department of Transportation

- \$9.566B or 41.68% increase YOY
- Bipartisan Infrastructure Law (BIL) is primary driver of increased funding (approx. \$1B/yr)
- Prop 400E is approved to bring to voters
- APDM sunsets exist

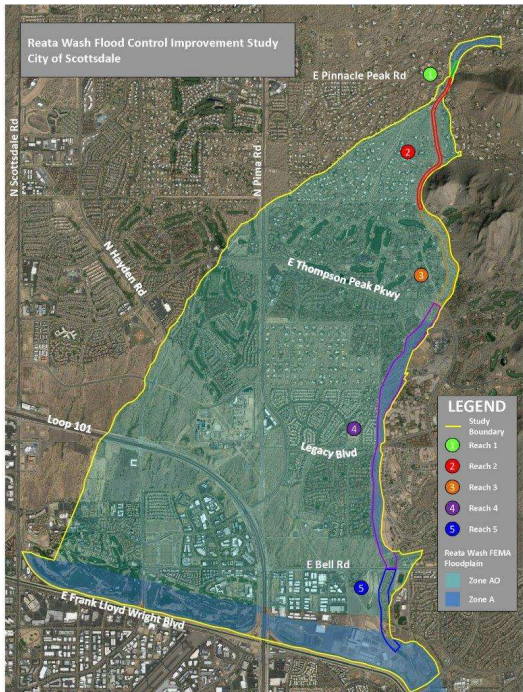


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SCOTTSDALE




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Reata Wash Flood Control Improvement Study
City of Scottsdale

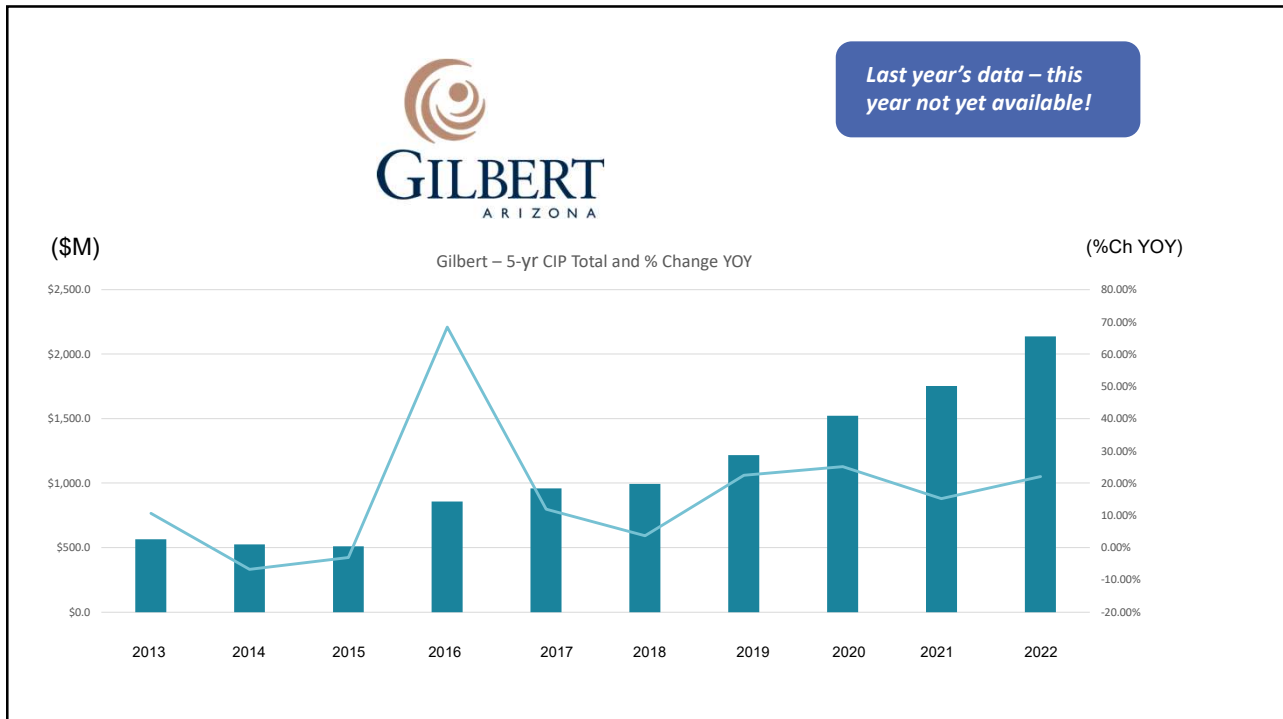
LEGEND

- Study Boundary
- Reach 1
- Reach 2
- Reach 3
- Reach 4
- Reach 5
- Reata Wash FEMA Floodplain
- Zone AO
- Zone A




- \$2.356B 5yr total or 15.9% YOY increase
- 2019 Bond funding is driving the continued increase in capital spend
- Funding sources now mirror most other municipalities

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- 5-yr total is now more than \$2B
- \$515M bond for Transportation & Infrastructure passed voters in 2021 and is pushing new projects forward
- Roughly 90% of capital spend is on parks, streets, water and wastewater




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FY2024 – FY2033 (10 Year Plan) CIP

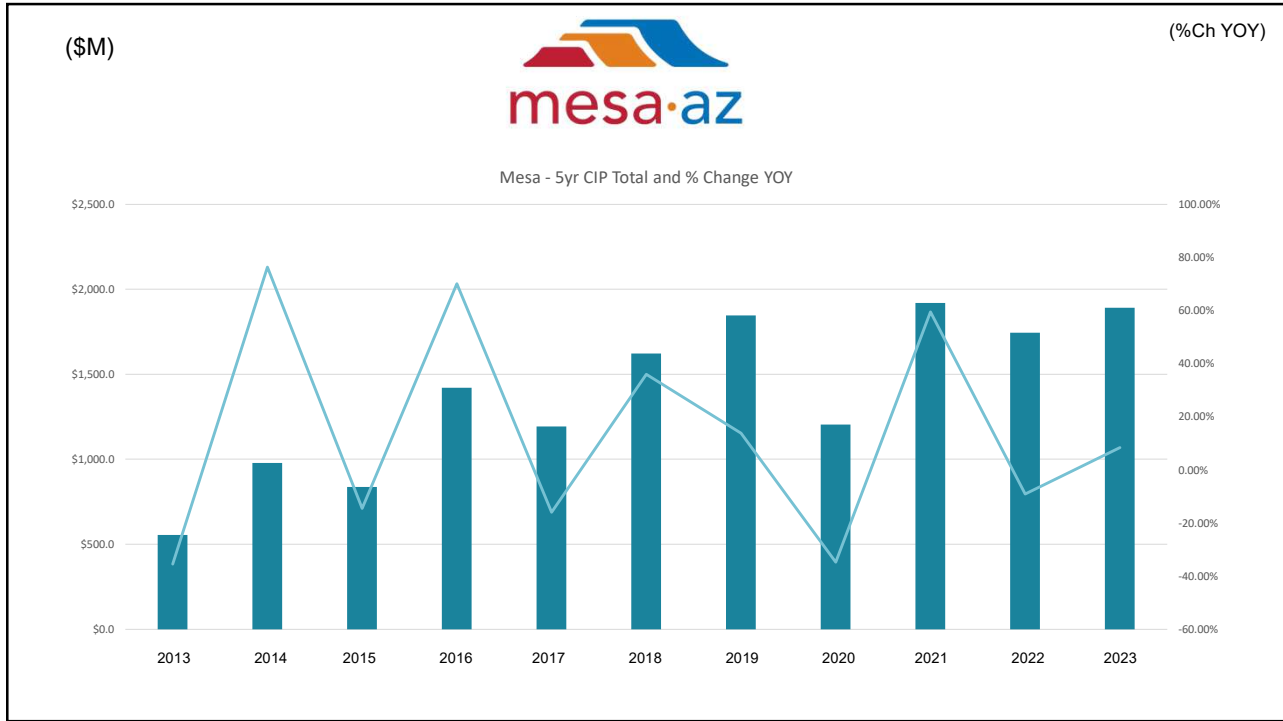
421 projects @ \$4.88B 105 New Projects Added

Streets • \$1.172B • 88 Projects		Municipal Facilities • \$371.6M • 42 Projects	
Traffic Control • \$136.6M • 33 Projects		Redevelopment • \$194.1M • 23 Projects	
Storm Water • \$46.6M • 13 Projects		Water • \$1.466B • 94 Projects	
Parks and Recreation • \$919.2M • 68 Projects		Wastewater • \$578.7M • 60 Projects	



Shaping a new tomorrow, today. Slide Courtesy Town of Gilbert

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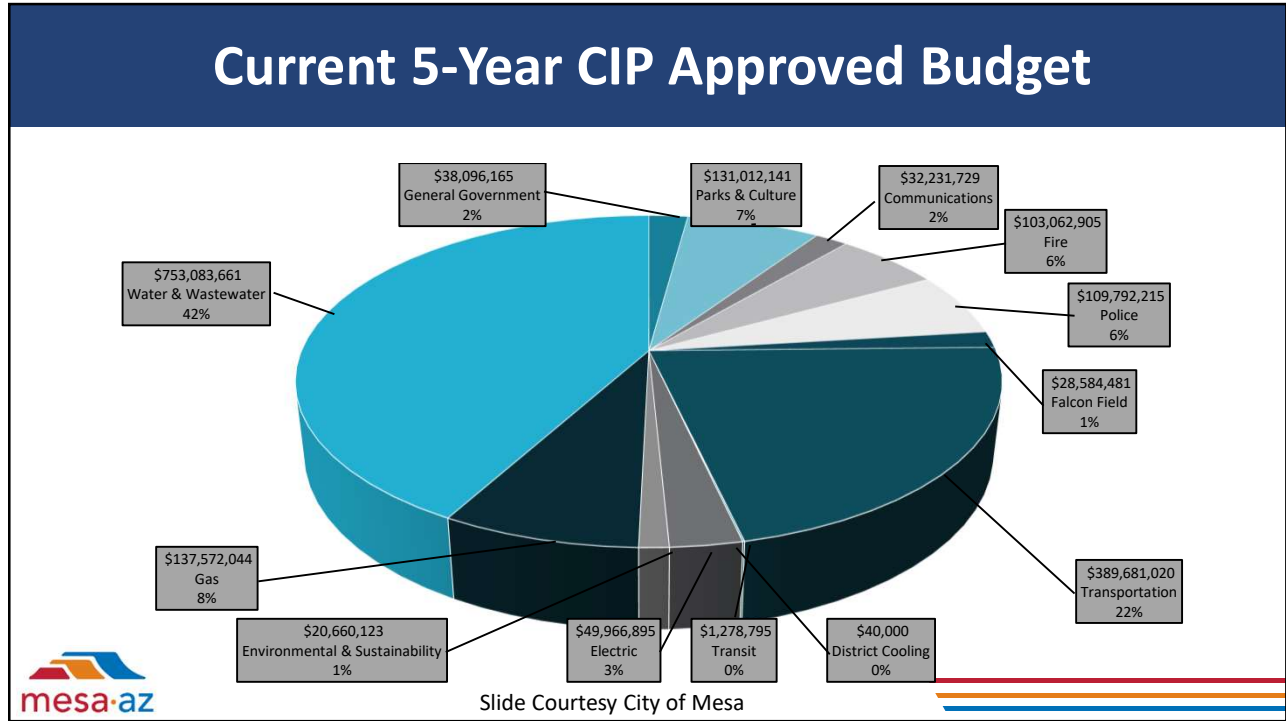


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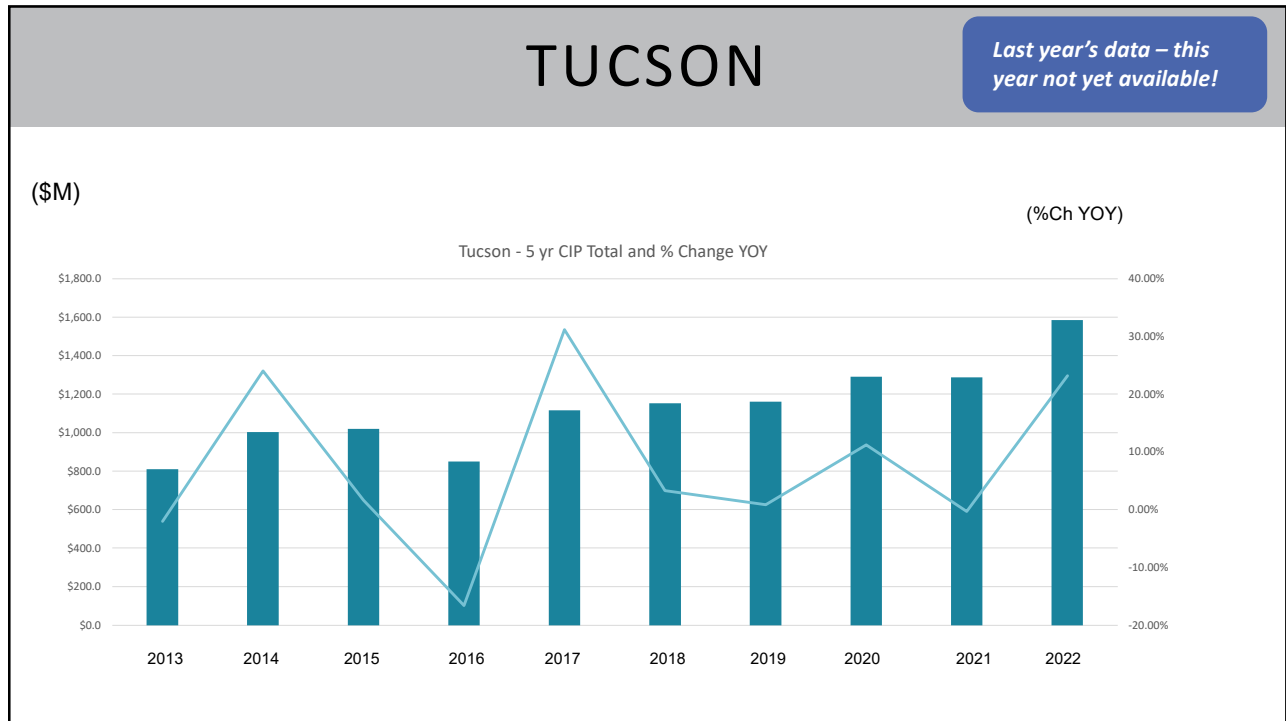
- 5yr total is \$1.891B, an 8.33% increase
- \$157M Public Safety bond question passed in Nov. 2022
- 2024 GO Bond could fund a variety of capital projects:
 - Libraries
 - Transportation
 - Parks, Community Facilities
 - Arts & Culture

Signal Butte WTP Expansion

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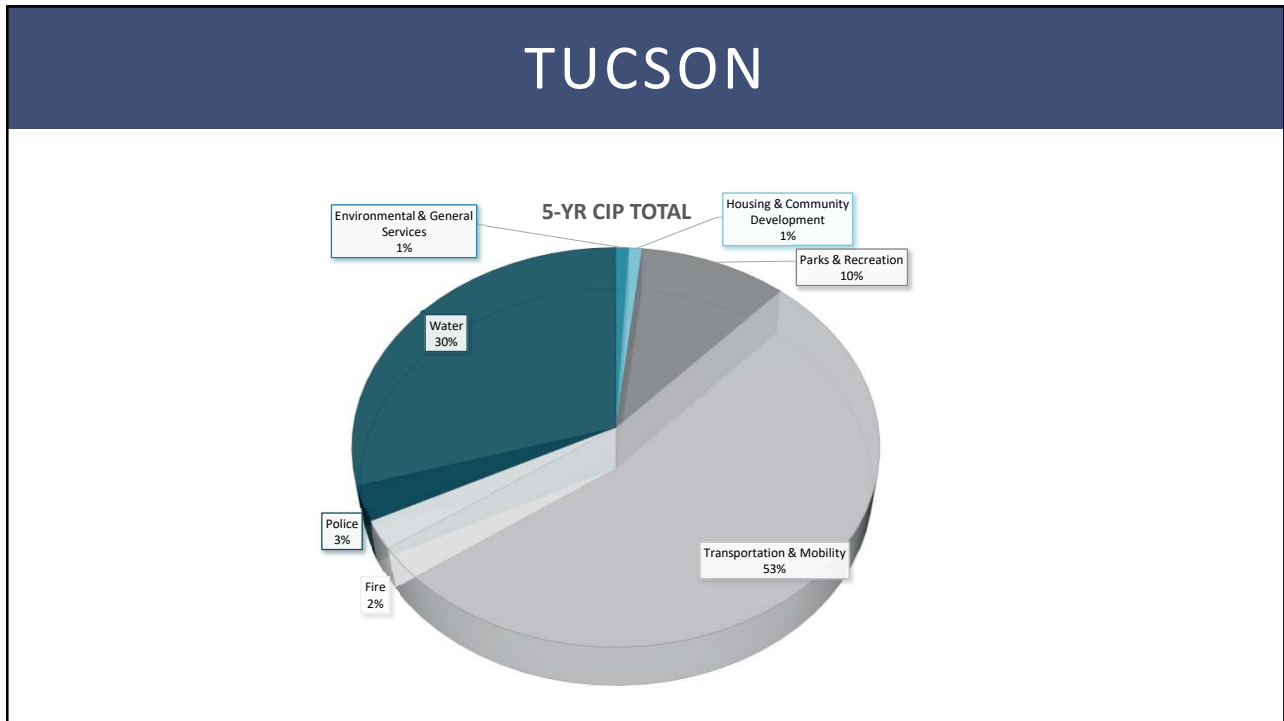


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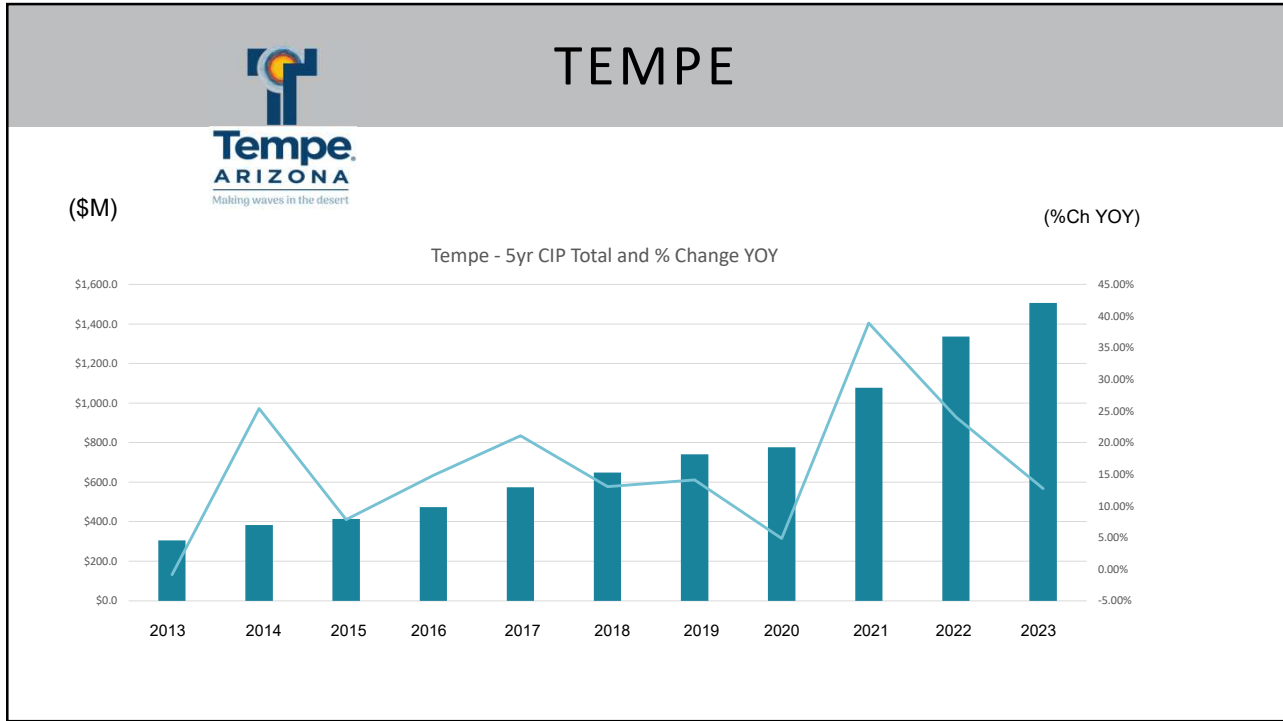
TUCSON

- Last year's \$1.584B is a 23.16% increase from 2021
- Funding from Transportation sales tax measure in 2017 and 2018 bond are likely going to wind down soon

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BASEBALL FIELD, WEST MEADOW, DOG PARK, PLAYGROUND, NORTH MEADOW, RECREATION AQUATICS, POOL, COMMUNITY LAWN, S. MCKEMY ST., S. ROOSEVELT ST.

- 12.71% YOY increase in the 5yr total to \$1.506B
- Still feeling the effects of 2020 GO Bond - \$349M in new funding, high tax revenue, federal funds

Tempe ARIZONA
Making waves in the desert

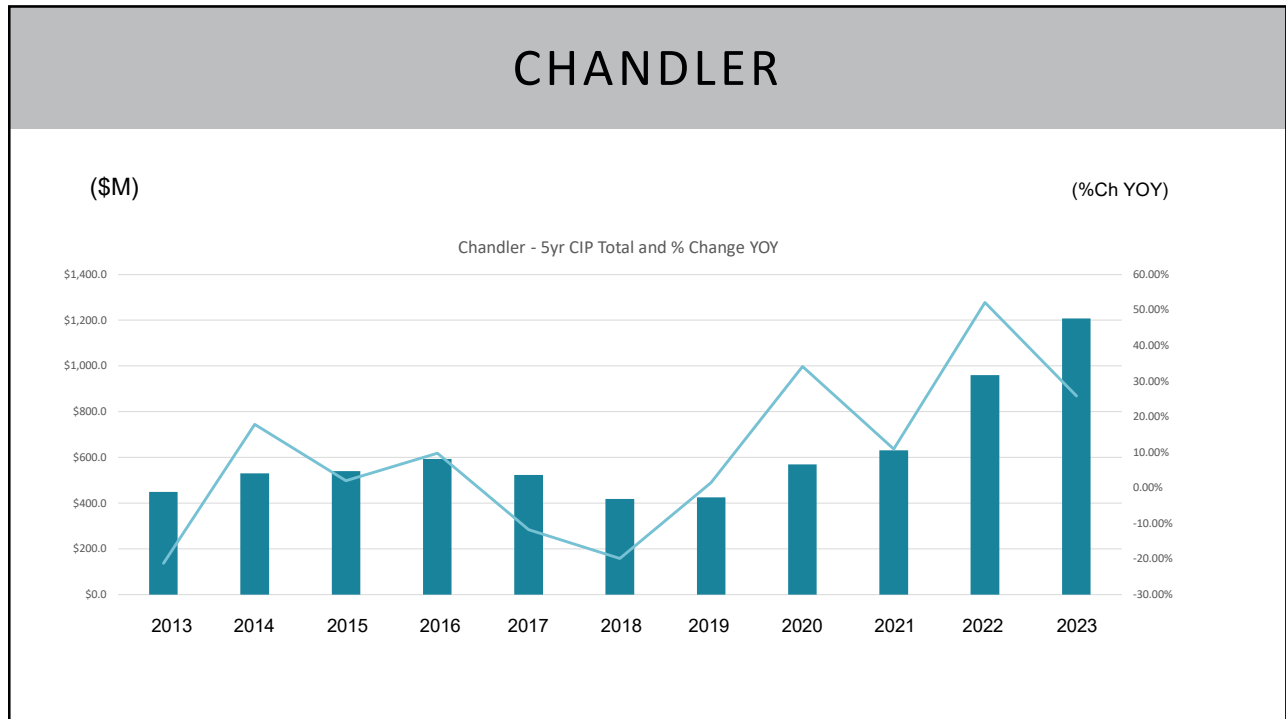
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Recommended Capital Budget Summary			
Fund	FY 2022-23 Adopted	FY 2023-24 Recommended	\$ Change
Water/Wastewater	\$109.9	\$198.5	\$88.6
Golf	\$0.6	\$1.3	\$ 0.7
Solid Waste	\$0.3	\$0.3	\$ 0.0
Arts & Culture	\$9.7	\$8.7	(\$ 1.0)
Municipal Arts	\$2.9	\$3.3	\$ 0.4
Transit	\$34.5	\$40.7	\$ 6.2
Transportation	\$52.2	\$73.5	\$21.3
General Purpose	\$250.9	\$295.0	\$44.1

\$ millions

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CHANDLER

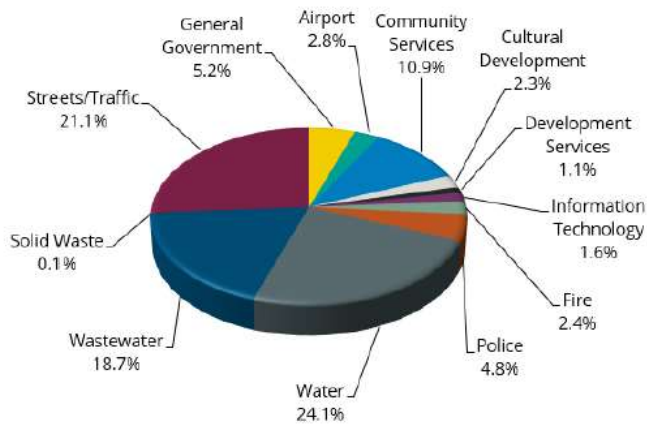
5yr total comes in at \$1.207B, an 25.8% increase YOY

Future bond election needed to fully fund CIP, but monies still available from 2007 and 2021 bond elections

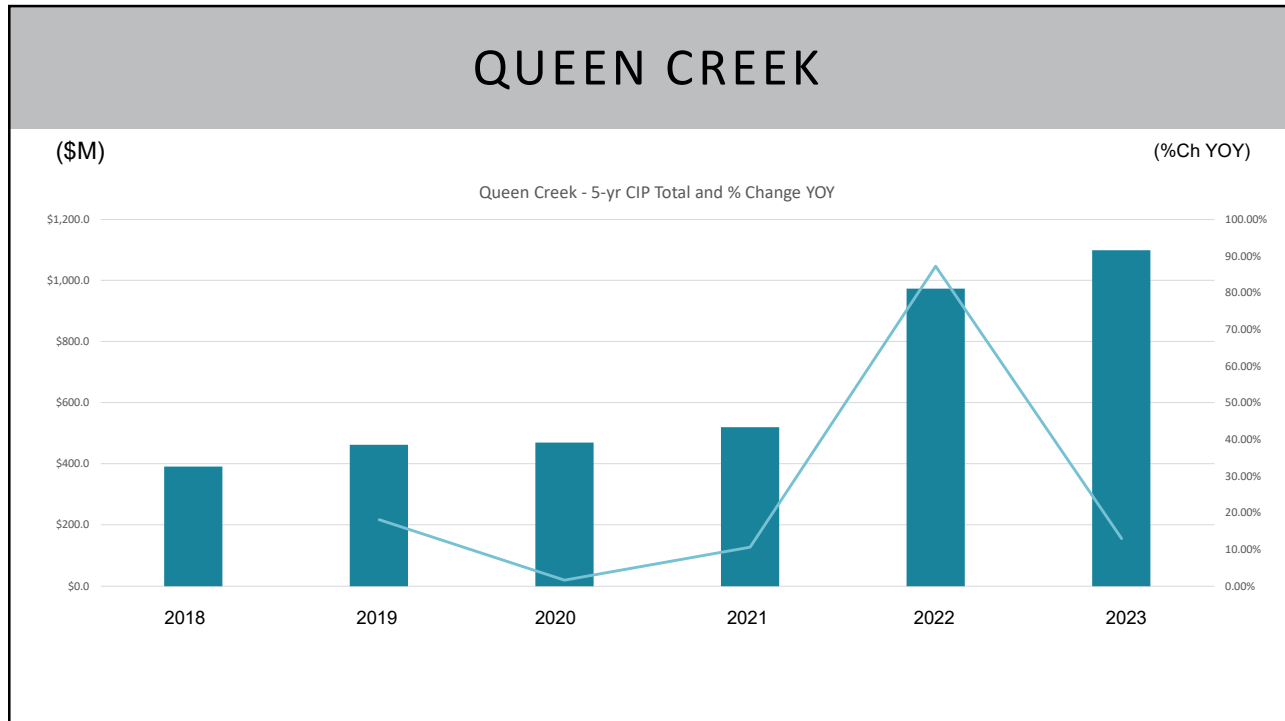
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City of Chandler
2024-2033 Proposed Capital Improvement Program

Where the Money is Spent



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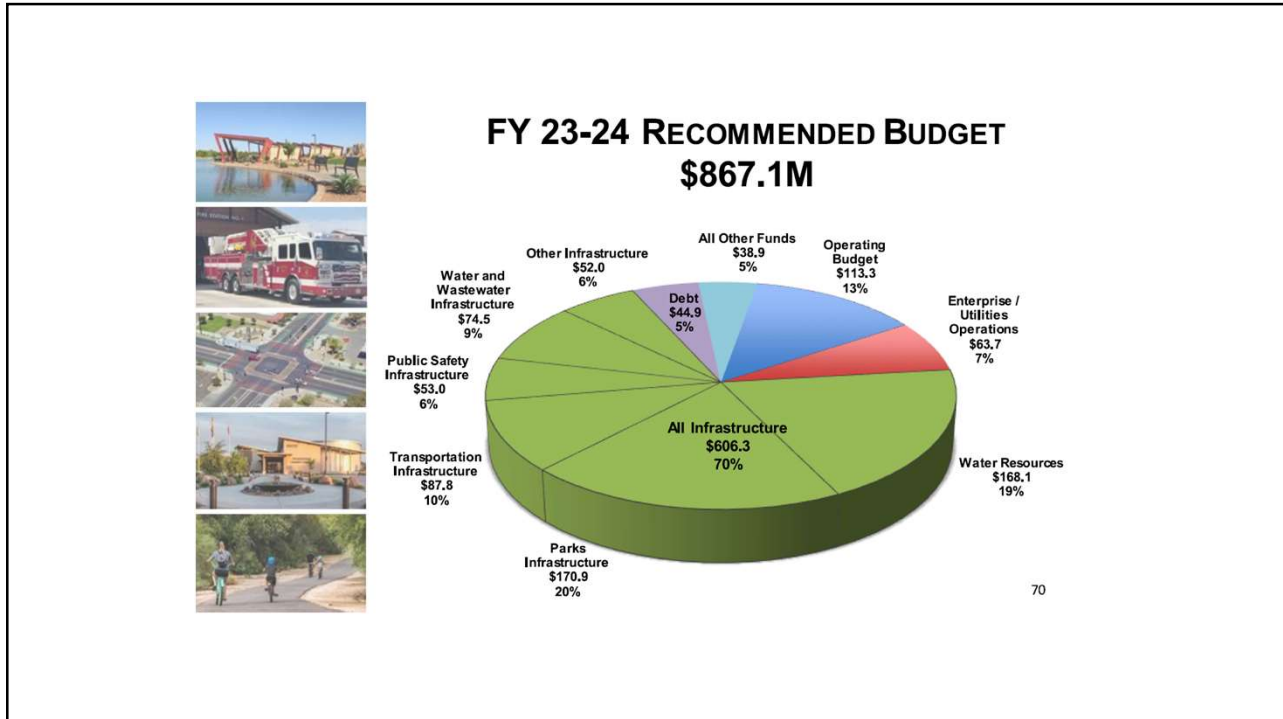


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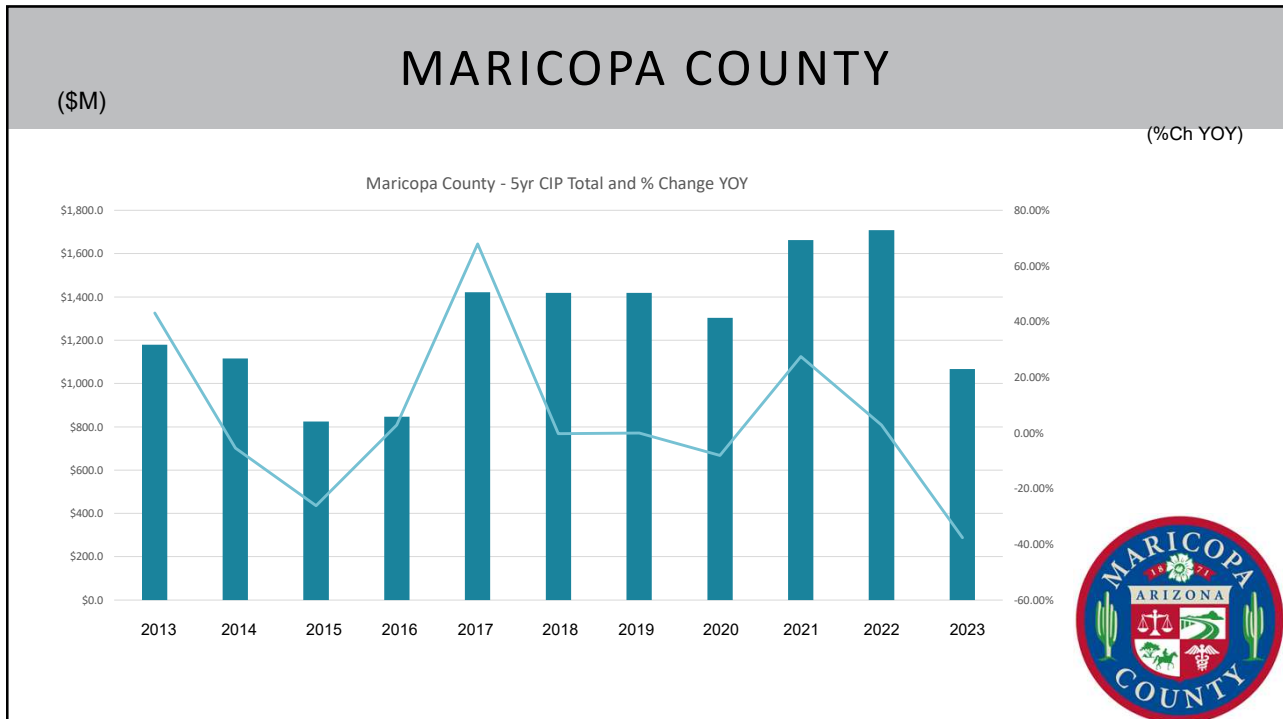
QUEEN CREEK

- Last year's 5yr total came in at \$972.4M, an 87.22% increase YOY
- First year infrastructure spend totals \$606.3M for FY 24
- Last year was the first year in the Top 10
- Parks, Public Safety and Transportation are key areas (water and wastewater are not)

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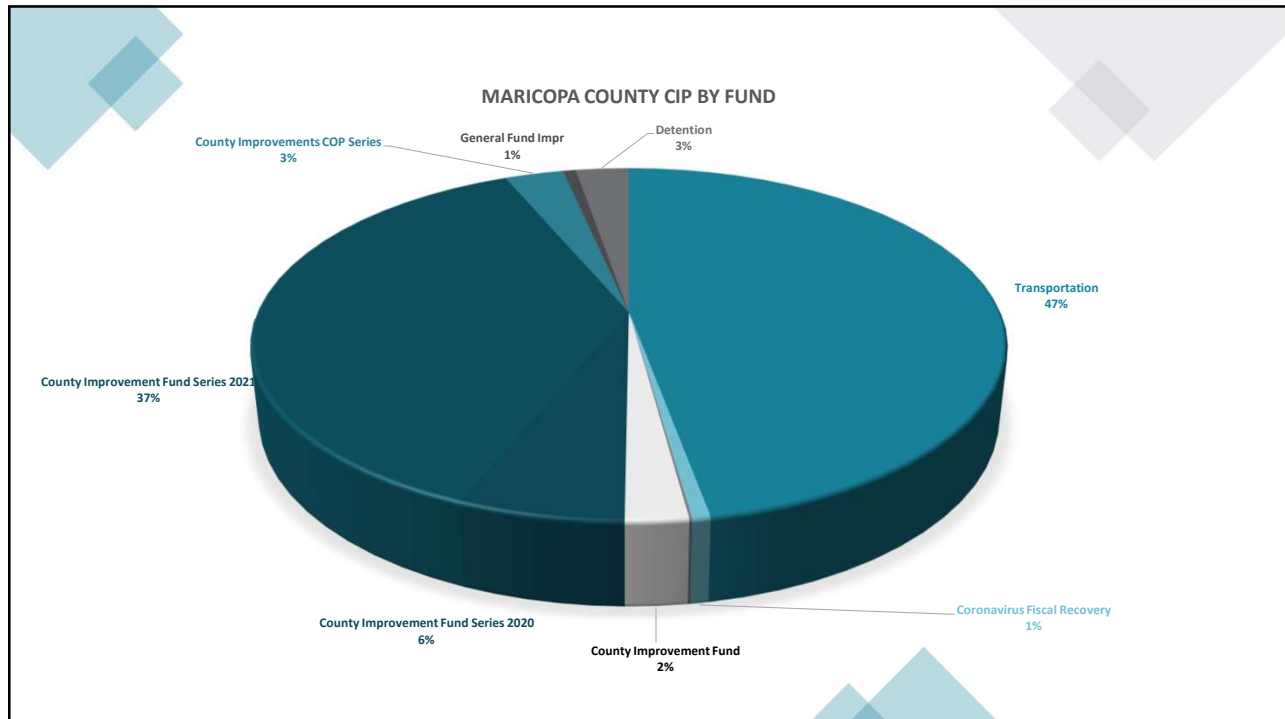
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MARICOPA COUNTY

- \$1.067B or **37.55%** decrease YOY
- County pays cash for capital projects – no bonds/debt
- Large reserve for undefined projects (not included in CIP total)



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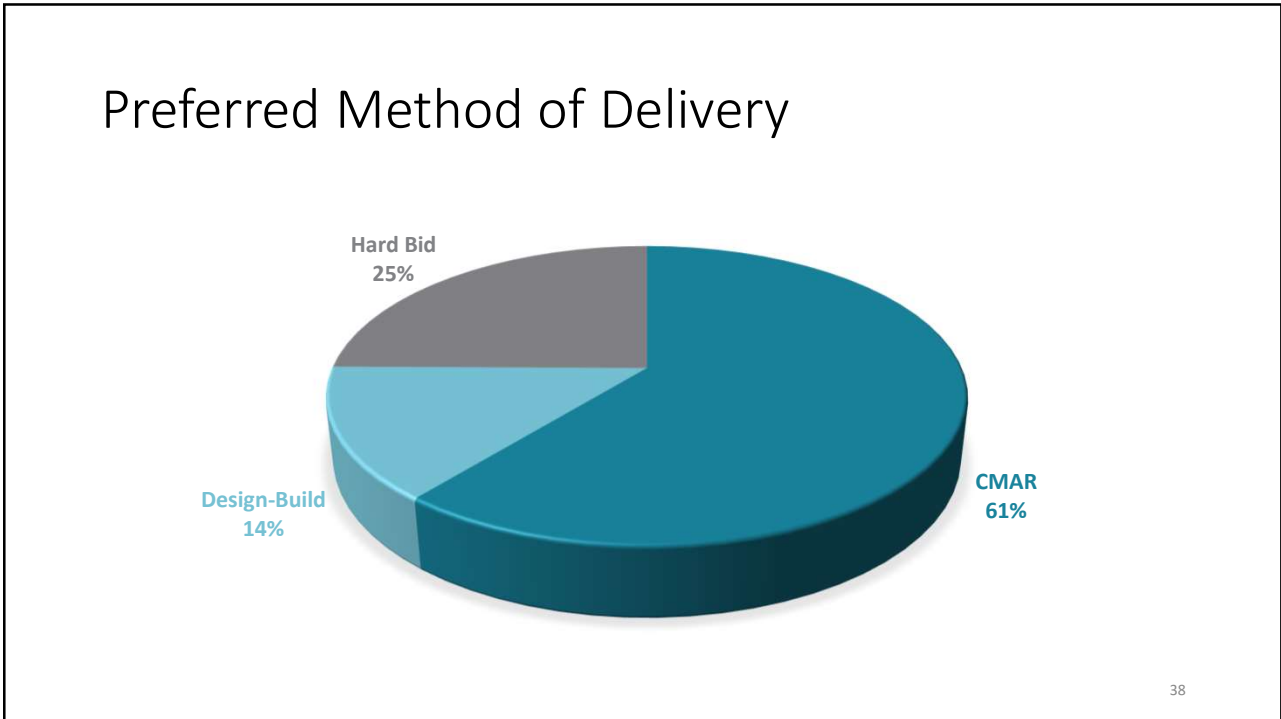
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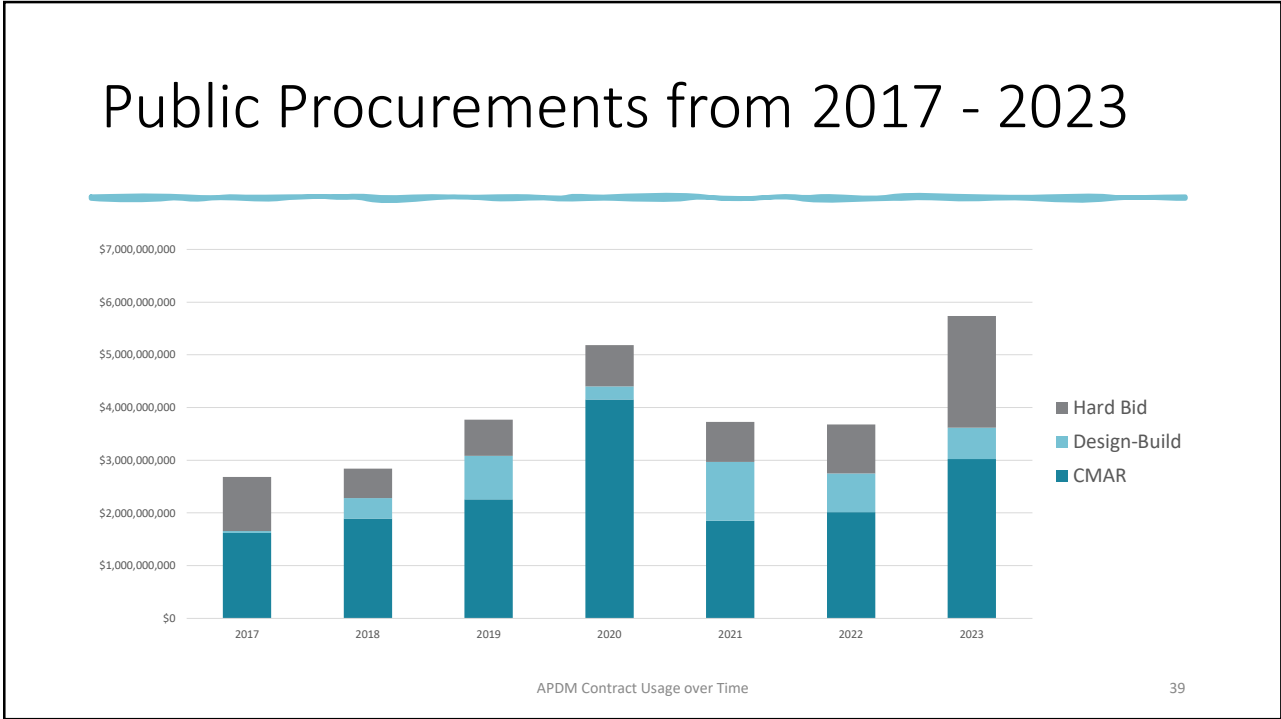
Procurement Analysis & Outlook

<https://azbex.com/legislation-issues/favored-alt-delivery-methods-due-to-expire-under-sunsets/> - recent article on APDM Usage and Sunset Dates

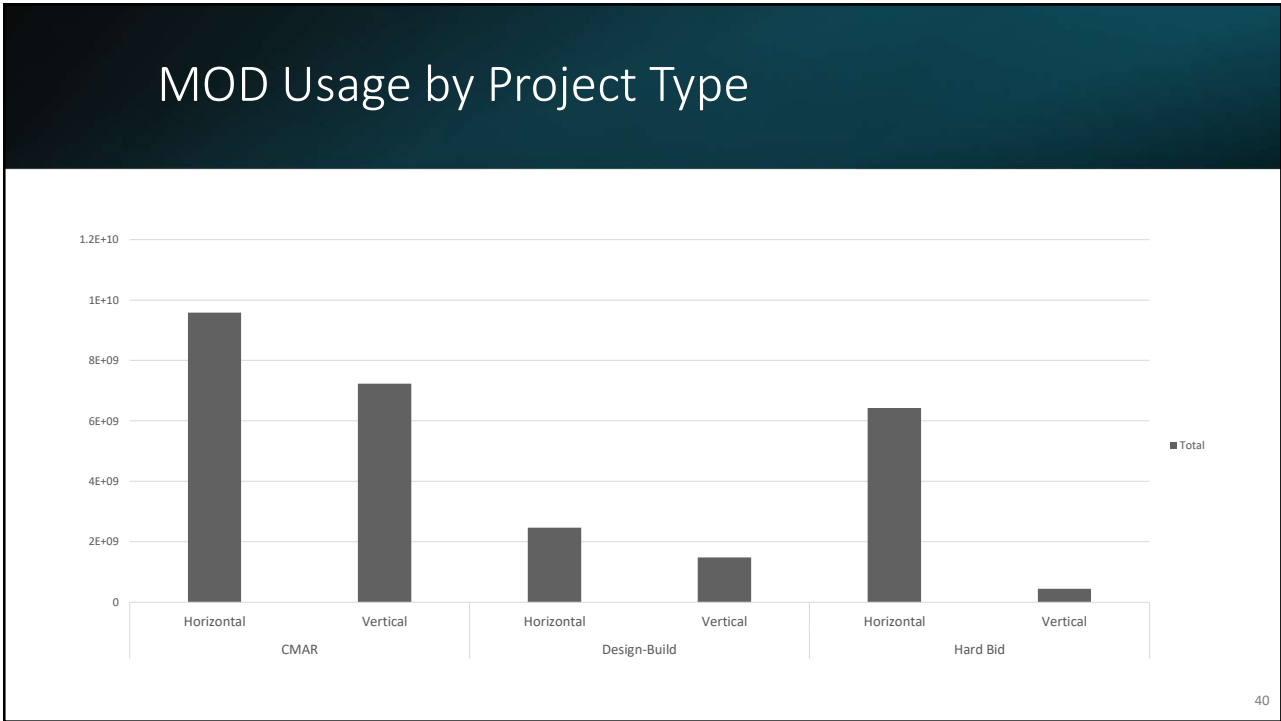
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Outlook on Capital Projects in AZ

- Pricing may have hit its peak; competition on public projects likely to increase as private development demand eases
- Owners have the most influence on project success by being **uber** proactive – release key materials early; engage with suppliers earlier than you think necessary; be flexible on specifications; give more time to price projects

