Revenue Projections

ARIZONA DEPARTMENT OF TRANSPORTATION

Financial Management Services

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LETTER OF CERTIFICATION

The Financial Management Services Office of the Arizona Department of Transportation (ADOT) has developed the following information describing the projected funds available for construction of the Regional Transportation Plan Freeway Program (RTPFP) from Fiscal Year 2006 through Fiscal Year 2046. The period covered in this Certification is as of December 31, 2025.

Regional Area Road Fund (RARF) funds are generated from the Maricopa County Transportation Excise Tax (half-cent sales tax), levied on business activities in Maricopa County including retail sales, contracting, utilities, rental of real and personal property, restaurant and bar receipts, and other activities. The term of this Certification is based on the RTPFP funded in part by a portion of the RARF Maricopa County Transportation Excise Tax under Proposition 400, which expired December 31, 2025, and the extension of the Maricopa County Transportation Excise Tax under Proposition 479, which began January 1, 2026, and expires December 31, 2045. A.R.S. §42-6105.01 extends the tax under Proposition 479 at the same rate of 0.005 cents that was levied under Proposition 400 with a 20-year term, though with different distributions. Based on program development for construction under Proposition 400 and Proposition 479, this Certification includes projected funds available for construction of the RTPFP through Fiscal Year 2046.

The results contained herein primarily represent the September 2025 official revenue forecast for the distribution of the Maricopa County Transportation Excise Tax revenues dedicated to the MAG freeway program plus the MAG share of ADOT's State Highway Fund and other available monies for the period described above and are so certified.

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.

Jacob Gable
Chief Financial Officer

Date

Signed by:
Jacob Gable
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6/29/2026

FINANCIAL ASSUMPTIONS

Following are the assumptions made in estimating revenues available for the RTPFP.

Bond Proceeds and Debt Service: The issuance of bonds secured by RARF, Highway User Revenue Fund (HURF) and Federal Aid revenues are assumed. Interest on any planned bond issues is assumed to be 5.0 percent maximum. Bond maturities are assumed to be between 3 and 26 years. RARF debt service was fully paid by the completion of the Proposition 400 RARF half cent sales tax on December 31, 2025. Maricopa Association of Governments' (MAG) share of HURF debt service extends beyond FY 2026 and is paid with MAG's portion of State Highway Fund 15.2 percent monies.

RARF Transportation Excise Tax: The September 2025 official revenue forecast for FY 2027 through FY 2046 Proposition 479 RARF half cent sales tax was developed from the August 2025 Risk Analysis Process panel session. The FY 2026 revenue forecast for the RARF half cent sales tax from Proposition 400, which expired December 31, 2025, and Proposition 479, effective January 1, 2026, was developed from the August 2025 interim ADOT revenue forecast. Forecasts reflect the economic conditions at that time and may or may not prove accurate over the longer term. Actual revenues will differ from forecast revenues.

State Highway Fund 15.2 Percent Funds: The MAG area receives funding from the State Highway Fund's share of the HURF distribution. HURF consists of fuel taxes, vehicle license taxes, registration fees and other sources. ADOT sets aside 12.6 percent of the State Highway Fund share of the HURF distribution by state law, plus another 2.6 percent by State Transportation Board policy, for controlled access highways and freeways in the MAG and PAG (Pima Association of Governments) areas of which 75 percent is allocated to the MAG area and 25 percent is allocated to the PAG area. This distribution is often referred to as the ADOT 15.2 percent funds.

ADOT 37 Percent Funds: A portion of MAG's allocation of ADOT's State Highway Fund, federal highway funds, and HURF bond proceeds that are applied to major highway projects.

Federal Aid: Federal Aid includes urban Surface Transportation Program Block Grant (STPBG) funding, Congestion Mitigation and Air Quality funds (CMAQ) and other federal highway funds that are either statutorily or discretionarily sub-allocated to the MAG area. The actuals include $12.6 million of MAG sub-allocated STP funds that were dedicated to the RTPFP in FY 2016 in the form of debt service for Grant Anticipation Notes (GAN). As part of the MAG 2003 Regional Transportation Plan, 19.1 percent of MAG's CMAQ funds were dedicated to the MAG RTPFP. This plan has since been amended and 19.1 percent of MAG's CMAQ funds are no longer dedicated to the RTPFP.

Statewide Transportation Acceleration Needs (STAN): A one-time appropriation from the legislature used to accelerate statewide transportation projects. Per statute, 60 percent of STAN funds were distributed to projects in the Maricopa County region.

American Recovery and Reinvestment Act (ARRA): A $787 billion economic stimulus package was signed into law by President Obama on February 17, 2009. The ADOT highway portion was $349.7 million of which $112.3 million was spent on the RTPFP.

Interest Income: Assumes 3.76 percent in FY 2026, and 3.55 percent thereafter with 99 percent invested. Interest income is dependent on prior month's average cash balance.

Third Party Billing: Represents local, developer, private, legislative and other funds for programmed projects.

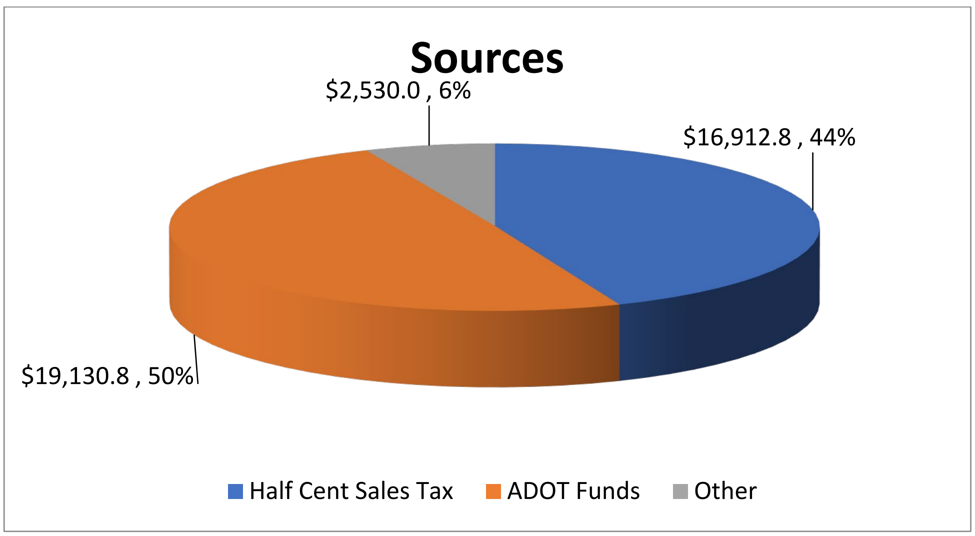
Other Income: Includes building rent, sales of excess property and other miscellaneous income.

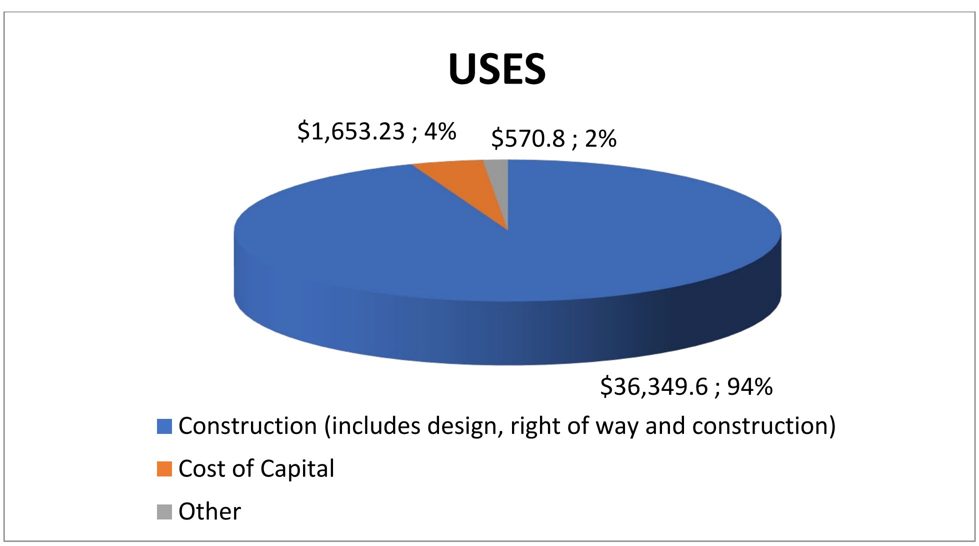
Revenue Sources and Uses

The following pie charts depict the sources and uses of RTPFP 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, ADOT Funds provide 50 percent of revenues, and the remaining 6 percent consists of various other funding sources, primarily MAG's share of Federal Aid.

Of the available funding, 94 percent is used for design, right of way and construction. The remainder, 4 percent is used for cost of capital and 2 percent is used for other costs including the MAG/Regional Public Transit Authority (RPTA) transfers.

Certified Financial Plan
Fiscal Years 2006 – 2046
(Dollars in Millions)
Total Sources/Uses: $38,573.6





Net Revenues

The following table reflects a breakdown of the individual revenues and costs for the RTPFP for the most recent and current Certifications, as well as the changes since the most recent Certification.

FUNDING CHANGES

(millions)

REVENUES	Jul-25	Jan-26	CHANGE
Beginning Cash Balance /1	$153.2	$153.2	$0.0
1/2 Cent Sales Tax /2	$16,910.0	$16,912.8	$2.8
Highway User Revenues /2	$4,245.9	$4,245.2	($0.7)
Federal Aid /3	$590.0	$590.0	$0.0
MAG Major Projects /4	$14,727.9	$14,759.0	$31.1
3rd Party /5	$586.9	$516.3	($70.6)
STAN /6	$126.6	$126.6	$0.0
Interest Income /7	$842.1	$1,023.3	$181.2
Other Income /8	$244.3	$247.2	$2.9
Subtotal: Revenues	$38,426.8	$38,573.6	$146.7

EXPENDITURES	Jul-25	Jan-26	CHANGE
Cost of Capital /9	($1,653.0)	($1,653.2)	($0.2)
MAG/Valley Metro Transfer	($523.2)	($526.2)	($3.0)
Other Costs /10	($42.8)	($44.6)	($1.8)
Subtotal: Costs	($2,219.0)	($2,224.0)	($5.0)

Net Funds Available	**$36,207.8**	**$36,349.6**	**$141.7**

Notes

Figures may not add due to rounding.

/1 Beginning cash balance on July 1, 2006, and actuals through December 31, 2025.

/2 Projected RARF and HURF revenues for FY 2027 to FY 2046 are from the September 2025 RAP Panel Official Forecast. Projected RARF and HURF revenues for FY 2026 are from the interim ADOT revenue forecast.

/3 Includes MAG STP, CMAQ funds and ARRA; reflects revised MAG CMAQ and STP estimates for FY 2026 to FY 2046.

/4 Includes ADOT 37% Funds programmed for freeways and highways in the MAG region, which funds the MAG Major Projects, while the remaining subprogram amounts are included in the statewide program.

/5 Third Party revenue includes local, developer, private, legislative and other funds for programmed projects. Third Party revenue is net of Loan Repayment expenditures.

/6 Includes $10 million from the STAN Restoration account for interest payments on the Mesa Highway Project Acceleration Note (HPAN) (construction phase) and $9.9 million from the STAN MAG 60% account for the Maryland Traffic Interchange (TI) project in FY 2014.

/7Interest income is on a cash basis and assumes 3.76% for FY 2026 and 3.55% thereafter. Interest income is dependent on actual and projected fund balances.

/8 Includes rental receipts, sale of excess property and miscellaneous income.

/9 Cost of Capital includes RARF bonds, HURF bonds, Highway Expansion and Extension Loan Program (HELP) and GAN loans, RARF, HURF and GAN debt service, HELP Loan Repayment and Bond Redemption Account Interest.

/10 Includes personal services, rental cars, travel and fuel and bond issuance costs assumed at 0.5%.