

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING

April 18, 2012  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

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|---|--|
| Mayor W. J. "Jim" Lane, Scottsdale, Chair                       | * Mark Killian, The Killian Company/Sunny Mesa, Inc.     |
| Mayor Jackie Meck, Buckeye, Vice Chair                          | Phil Matthews, Salt River Pima-Maricopa Indian Community |
| # F. Rockne Arnett, Citizens Transportation Oversight Committee | * Garrett Newland, Macerich                              |
| Ron Barnes, Total Transit                                       | # Mayor Marie Lopez Rogers, Avondale                     |
| # Mayor Bob Barrett, Peoria                                     | Mayor Georgia Lord, Goodyear                             |
| * Dave Berry, Swift Transportation                              | # Mayor Elaine Scruggs, Glendale                         |
| Jed Billings, FNF Construction                                  | Councilmember Jack Sellers, Chandler                     |
| Councilmember Ben Cooper, Gilbert                               | Mayor Scott Smith, Mesa                                  |
| # Councilmember Shana Ellis, Tempe                              | * Mayor Greg Stanton, Phoenix                            |
| # Councilmember Dick Esser, Cave Creek                          | # Karrin Kunasek Taylor, DMB Properties                  |
| * Victor Flores, State Transportation Board                     | Supervisor Max W. Wilson, Maricopa County                |
|   | Mayor Sharon Wolcott, Surprise                           |

- \* Not present
- # Participated by telephone conference call
- + Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair W. J. "Jim" Lane at 4:02 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Roc Arnett, Mayor Bob Barrett, Councilmember Dick Esser, Mayor Marie Lopez Rogers, Mayor Elaine Scruggs, and Karen Kunasek Taylor participated in the meeting by telephone.

Chair Lane noted that at each place was a set of the March 21, 2012, minutes revised to make a correction to the attendance. He announced that on April 11, 2012, the MAG Management Committee unanimously recommended approval of agenda item #4C that is on today's agenda.

Chair Lane requested that members of the public fill out blue cards for Call to the Audience and yellow cards for consent or action items on the agenda, and then turn in the cards to staff, who will bring them to him. He stated that parking garage validation and transit tickets for those who used transit to attend the meeting were available from staff.

3. Call to the Audience

Chair Lane stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transportation Policy Committee requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

No requests for public comment were received.

4. Approval of Consent Agenda

Chair Lane stated that agenda items #4A, #4B, and #4C were on the consent agenda. He stated that public comment is provided for consent items, and noted that no public comment cards had been received. Chair Lane asked members if they would like to remove any of the consent agenda items or have a presentation. No requests were noted.

Mayor Lord moved to recommend approval of agenda items #4A, #4B, and #4C on the consent agenda. Mr. Barnes seconded, and the motion carried unanimously.

4A. Approval of the March 21, 2012, Meeting Minutes

The Transportation Policy Committee, by consent, approved the March 21, 2012, meeting minutes.

4B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) Status Report provides an update on ALCP projects scheduled for work and/or reimbursement in the current fiscal year, program deadlines, revenues, and finances for the period between October 2011 and March 2012.

4C. Project Changes - Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, the FY 2012 Arterial Life Cycle Program and to the Regional Transportation Plan 2010 Update, as appropriate. The Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP) and

Regional Transportation Plan 2010 Update, were approved by the MAG Regional Council on July 28, 2010 and have been modified 13 times with the last amendment approved by the Regional Council on March 28, 2012. Since then, there have been requests from Arizona Department of Transportation (ADOT), cities, and Maricopa County to modify projects in the program. The attachment listings in Table A (modifications to the TIP) and Table B (non-TIP) are for the FY 2012 Arterial Life Cycle Program (ALCP) that includes changes to the Northern Parkway project which Maricopa County is requesting to advance construct Phase II. All changes to Northern Parkway relate to an updated cost and work schedule. The fiscal balance for funds programmed for this project per year are maintained. These adjustments are necessary for the project to move forward. Table C in the attachment are project change requests from ADOT, Mesa, Phoenix, and Scottsdale which contain clerical and minor adjustments to financial information on several projects, one project deletion, one project split, one new design project, and two pavement preservation projects. Table D in the attachment are project change requests from ADOT that meet the MAG Regional Freeway Program definition of Material Cost Changes. All of the projects to be added and modified may be categorized as exempt from conformity determinations and administrative modifications do not require a conformity determination. The MAG Management Committee recommended approval of the requested changes on April 11, 2012.

5. Regional Freeway and Highway Life Cycle Program Update

Bob Hazlett, MAG Senior Engineer, reported on a new effort to balance the Regional Freeway and Highway Program Life Cycle Program, which is facing a deficit of approximately \$390 million. He noted that he would be presenting a lot of information today, including information on the Broadway curve and the Southeast Corridor Major Investment Study. Mr. Hazlett advised that in 2009, the Program was reviewed and the Regional Council approved the Tentative Scenario to balance an estimated \$6.6 billion shortfall due to cost overruns and revenue shortfalls. He displayed a map of the changes and deferrals in the 2009 Tentative Scenario freeway program balancing.

Mr. Hazlett displayed a projected timeline for the Program's cash flow and he noted that there are severe negative balances in 2015 and 2016 where ADOT's bonding capacity has been impacted by lower gas tax and sales tax revenue estimates. Mr. Hazlett stated that MAG and ADOT are identifying opportunities for cost savings, and looking at cash flow, costs, and timelines for major program items. He stated that ADOT has been doing a good job of monitoring costs and there have been favorable bids, but there is still a projected deficit of \$390 million, in addition to the \$6.6 billion that was balanced in 2009.

Mr. Hazlett noted that 12 rebalancing scenarios were produced by Roger Herzog, MAG staff, and four scenarios are being advanced as the best options for balancing the program. He advised that the programs on US-60/Grand Avenue and the HOV lanes on SR-202L/Santan Freeway were kept intact following the principles adopted with the 2009 balancing. He stated that overall, the Regional Freeway and Highway Program is a \$9.6 billion program; \$3.5 billion has been obligated through December 2011 and approximately \$6.1 billion remains through 2026 when the Proposition 400 sales tax sunsets.

Mr. Hazlett showed a table summarizing the four scenarios: Scenario 8, Scenario 10a, Scenario 10b, and Scenario 12.

Mr. Hazlett discussed the impacts that each scenario would have on specific corridors. First, he addressed Interstate 17/Black Canyon Freeway from the I-10 split to SR-101L/Agua Fria-Pima Freeway. Mr. Hazlett stated that approximately \$1.1 billion is available for this corridor. He advised that the environmental impact statement (EIS) is underway to determine the ultimate footprint, however, no project has been identified yet for this corridor, and there are concerns that improvements being studied in the EIS could exceed \$2.5 billion, well above the funding available in the program. Mr. Hazlett stated that the section south of I-10 is nearing the end of its service life and will need improvements soon. He stated that this corridor could be a candidate for a Public Private Partnership (P3), leveraging Proposition 400 funds to attract an investor. Mr. Hazlett stated that some of the scenarios include reducing the budget for this corridor by \$300 million, which still leaves \$800 million for improvements.

Mr. Hazlett then addressed Loop 303 with two scenarios. The first scenario, 10a, keeps the current programming for full freeway construction of SR-303L from US-60/Grand Avenue to I-17, adding lanes and finishing the system interchange at I-17. He indicated that approximately \$414 million is in the program for these improvements. Mr. Hazlett stated that a second scenario, 10b, was developed due to the possibility of economic development of warehousing and distribution industries in the Goodyear area, where the segment from I-10 to MC-85 would be built. He noted that this segment had been deferred to the fifth phase of the RTP outside the Proposition 400 funding in 2009. Mr. Hazlett noted that with the economic situation, it might make sense to defer the project in 10a, which goes through an undeveloped area of Arizona State Land Department land, in favor of the project in 10b. He noted that the costs for either project are virtually the same.

Mayor Smith asked for clarification that this means that additional lanes on existing roads would be traded for a new freeway that does not yet exist. Mr. Hazlett replied that was correct. Mr. Anderson stated that there was an advantage to doing the swap now. He noted that the traffic interchange south of I-10 is currently under construction and by adding a little money they can build a structure over I-10 simultaneously and avoid working on and disrupting I-10 twice.

Supervisor Wilson asked for clarification of the 303 freeway section leading from I-17 that would not be built. He remarked that they have been working on getting this freeway completed for years. Mr. Hazlett replied that the facility is a four lane divided roadway, two lanes in each direction, from I-17 to Grand Avenue with posted speeds of 65 m.p.h., and it essentially functions as a freeway. Mr. Hazlett stated that traffic interchanges have been built at Lake Pleasant Parkway and Happy Valley Road, in addition to others in the Peoria area.

Supervisor Wilson asked if there was construction on the roadway currently. Mr. Hazlett replied that the construction underway is between US-60 and I-10, which is not affected by this scenario. Supervisor Wilson expressed he was glad this project was not being shut down.

Mr. Hazlett then spoke of I-10/Maricopa Freeway and said that approximately \$600 million is identified for improvements to this corridor and a lot of money is dedicated to local/express lanes, widening the freeway to 25 lanes at the Broadway curve. Mr. Hazlett stated that within this program amount approximately \$74 million is available for widening from the Pecos stack to Riggs Road and the Chandler Heights interchange. Mr. Hazlett stated that the I-10 Corridor Study environmental impact statement (EIS) has been underway for 12 years to determine the ultimate buildout of I-10 between the mini-stack and the Pecos stack.

Mr. Hazlett explained what is funded in the RTP: from a local-express lane facility from 32<sup>nd</sup> Street to Baseline Road, and an added lane between US-60 and Loop 202. He stated that the EIS has been looking at the entire segment of I-10 between the mini-stack and the Pecos stack. Mr. Hazlett stated that the City of Tempe asked if I-10 needs as many as 25 lanes, as identified in the EIS and whether there could be more multimodal options.

Mr. Hazlett stated that in response, the Southeast Corridor Major Investment Study (MIS) was launched by MAG, the City of Tempe, the City of Phoenix, ADOT, and Federal Highway Administration in June 2010. Mr. Hazlett stated that the narrower footprint, which involves turning HOV lanes to toll lanes, seems to work well. Mr. Hazlett stated that there are a lot of ideas for transit on this corridor and he suggested giving a report on the transit side only at a future meeting.

Mr. Hazlett said that the concern is with converging traffic into fewer lanes at the current configuration at the Salt River Bridge in the morning peak, and they have asked ADOT to look at the phasing. As he presented the results, Mr. Hazlett mentioned a key concern for inbound morning traffic on I-10 on the Salt River Bridge. As it is presently programmed, the widening is east of the river to as many as 25 lanes. At the bridge the widening ends where the 25 lanes would converge in 14 lanes. MAG has asked ADOT to address this matter as the concern over inbound congestion during the morning peak hour could be considerable.

Mr. Hazlett noted that part of the better performance in the MIS project over the EIS was the addition of additional Direct HOV (DHOV) ramps along the corridor. He said that with DHOVs, capacity is improved by getting the right traffic to the right lanes, and they help eliminate unnecessary weaving. Mr. Hazlett stated that modeling showed that adding DHOV ramps improves general purpose lane, carpool and bus travel times.

Mr. Hazlett then reported on the preliminary 2031 traffic performance findings for I-10 at the Salt River Bridge based upon the I-10 Corridor Study EIS, and the Southeast Corridor MIS with and without tolls in the HOV lanes.

Mr. Anderson noted that Mr. Hazlett was showing the outbound figures and directed the committee's attention to the current EIS, \$1.5-\$2 billion would be spent to attain an average speed in this section of 25 m.p.h. He stated that with the proposal in the Southeast Corridor MIS using DHOV and managed lanes, significantly higher speeds with the same volume in the same section would be achieved. Mr. Anderson stated that with the Southeast Corridor MIS using DHOV ramps but no tolls would achieve the same results, but it would be a no-toll facility. He said that the

improvements are about getting the right traffic in the right lanes and not having drivers entering the freeway and weaving over to get into the HOV lanes. The improved performance is a result of the configuration.

Mr. Hazlett noted that modeling in other parts of the country has shown DHOV ramps resulted in more efficient use of both HOV and general purpose lanes.

Mayor Smith stated that even though there would be a toll, the vehicle count would increase. He asked if that would be due to allowing another cross-section of drivers to use the managed lanes. Mr. Hazlett replied yes.

Mr. Hazlett stated that ADOT has been receptive to the concept and will be doing a fatal flaw analysis. He noted there are concerns in the area regarding how DHOV ramps onto SR-143 could impact a cemetery and the flyover bridge at US-60.

Mr. Anderson stated that if the managed lanes concept proves to be feasible, the managed lanes could be extended to the old section of I-17 at the Durango curve, possibly utilizing a P3.

Mr. Hazlett noted that this pricing scenario potentially could lead to a P3 and allow all of the improvements to be made. He mentioned how the RTP only funds the segment east of 32<sup>nd</sup> Street, and that a potential P3 situation could fund improvements through the corridor, including the Durango curve segment of I-17, between downtown Phoenix and Loop 202 at the Pecos Stack. He stated that ADOT has been working on the EIS for 12 years and the concern is to not delay ADOT getting a record of decision as soon as possible. This provides the P3 opportunity for the corridor.

Mr. Smith stated that instead of taking traffic to the mini-stack where there are already constraints at the tunnel, it could be taken to the Durango curve, which needs improvement, anyway. He noted that a P3 would provide even more opportunities.

Mr. Hazlett noted that due to cash flow, the Loop 202/South Mountain and the I-10/Maricopa Freeway projects cannot be constructed simultaneously and must be done sequentially. Mr. Hazlett noted that they looked at swapping the start times between the two projects and starting the Loop 202/South Mountain project first. This effort was examined to determine the feasibility for better cash flow performance.

Supervisor Wilson asked the commitment to voters with Proposition 400 on the projects proposed to be changed, especially I-10. Mr. Smith replied that a number of changes were made as a result of the loss of \$6.6 billion in tax revenue in order to balance the program.

Supervisor Wilson stated that he would like to review the commitments before decisions are made. Mr. Anderson noted that approximately \$600 million was provided for I-10 in Proposition 400 and that amount is still in the budget, however, the estimated budget for the ultimate project is \$1.5-\$2 billion. He noted that the improvements are not fully funded with Proposition 400 funds, only about half.

Supervisor Wilson asked the commitment for I-17. Mr. Smith replied that approximately \$1 billion was provided for I-17 in Proposition 400. He stated that there is approximately \$500 million for the Broadway curve section of I-10, but the EIS is way north of that amount and we are now looking at what can be done with the money we have and can it be stretched to do more.

Supervisor Wilson stated that he would like to see a list of commitments so they can be broken down by geographic area.

Mr. Hazlett then addressed the scenarios for Loop 101/Pima Freeway. He said that scenario 8 is no action, which is to not add the general purpose lanes between I-10 and the Red Mountain stack, adding a lane each way from the Superstition Freeway to the Santan Freeway, and adding a general purpose lane on SR-202L/Red Mountain Freeway from Loop 101 to Gilbert Road. Mr. Hazlett stated that those three projects could be deferred and money saved on I-17. He stated that a cost/benefit analysis found that not adding general purpose lanes to those three corridors would be a disbenefit to the region.

Mr. Hazlett then addressed Loop 202/South Mountain Freeway, and noted his previous comment that the Loop 202/South Mountain and the I-10/Maricopa Freeway projects cannot be constructed simultaneously and must be done sequentially. Mr. Hazlett stated that a cost/benefit analysis shows how significantly this freeway would open things up economically in the Valley. He noted that ADOT is expected to release the EIS this summer and a record of decision is expected in 2013.

Mr. Hazlett then addressed SR-24/Gateway Freeway he said that no changes are recommended and the project is ready to go to construction. He noted that cost savings due to favorable bid situations of approximately \$67 million will be added back into the program.

Mr. Hazlett explained a summary of major items in each scenario and noted the items that could be deferred. Mr. Hazlett stated that some additional testing is needed.

Mr. Hazlett stated that a report is being drafted and will be available the beginning of May. He stated that the TPC will receive a presentation and be requested to make a recommendation in May. Mr. Hazlett stated that ADOT is constructing the Loop 303/I-10 interchange and if forward with the project on Loop 303 in Goodyear, change orders could be done, probably reduce costs and I-10 would only be impacted once.

Chair Lane thanked Mr. Hazlett for his report and asked members if they had questions.

Supervisor Wilson stated that he would like to study the Loop 303 project more. He stated that they have waited a long time and would like to finish the project.

The DHOV map was displayed and Mr. Smith stated that Supervisor Wilson had asked excellent questions if anything was being changed from the Proposition 400 map. He said that Proposition 400 included approximately \$500-\$700 million for the project from the Broadway curve to the bridge and also the Durango curve project, but it was programmed in later years. Mr. Smith stated

that the part to the mini-stack now in the EIS is not in the program. He stated that what we are talking about is more in alignment with the map that went to the voters and is now a matter of timing.

Chair Lane inquired if any teleconference participants had questions. None were noted.

6. Update on the MAG Managed Lanes Network Development Strategy - Phase I Project

Mr. Hazlett provided an update on the MAG Managed Lanes Network Development Strategy - Phase I Project. He noted that this item was on the agenda for information, discussion, and input. Mr. Hazlett stated that a report on managed lanes was last provided to the TPC in November 2011, and further research since then has revealed new information to bring to the TPC's attention.

Mr. Hazlett stated that managed lanes are known by many names, High Occupancy Vehicle lanes, High Occupancy Toll lanes, express lanes, value priced lanes, etc. He noted that there are currently 15 projects in the United States that use lane management pricing, including SR-91 in California and I-85 in Atlanta.

Mr. Hazlett stated that the Managed Lanes Network Development Strategy project is divided into two phases. The first phase in the project development process will determine network feasibility and implementation strategy and establish the "rules of the game." Mr. Hazlett stated that planning papers, to support the evaluation of managed lanes, were drafted in the areas of Project Goals and Objectives, Legal and Regulatory Issues, HOV Hours of Operation, HOV Separation Treatment, HOV Occupancy, Access Treatments, Pricing and Tolling Methods, Procurement and Financing, and Active Traffic Management and Managed Freeways. He noted that information to develop the planning papers was drawn from research and experience around the country.

Mr. Hazlett stated that Project Goals and Objectives planning paper includes improved mobility, revenue alternatives, public and political support, and improved environmental quality.

Mr. Hazlett addressed the Legal and Regulatory Issues planning paper. He said that Governor Brewer signed legislation enabling Public-Private-Partnerships (P3) in the state. Mr. Hazlett stated that P3s provide considerable opportunity, but private participation needs to be balanced against identified transportation goals. Mr. Hazlett advised that legislative action would be required to allow a public entity in the state to toll.

Mr. Anderson noted that tolling strategy can be set to maximize revenue or maximize throughput. He stated that from a public sector viewpoint, the objective would be to maximize mobility in a corridor, whereas the goal of a strictly private operation probably would be to maximize revenue.

Mr. Hazlett stated that other legal and regulatory issues include user fees versus taxes (some feel tolls are taxes); tolls on federally-funded facilities; whether to have toll discount programs; interstate commerce issues; rate setting; toll enforcement; and data privacy concerns.

Mr. Hazlett addressed the Hours of Operation planning paper. He said that the consultant did a technical analysis and found that expanding hours of operation could ensure time savings and reliability throughout more of the day, and ensuring regional consistency could promote familiarity and support for managed lanes. He also noted how current hours of operations to the corridors may not be that effective as congestion currently builds in the HOV lanes before the lanes convert from a general purpose operation. Mr. Hazlett indicated that this makes it difficult for HOV traffic to operate at a higher speed when the HOV period begins. Mr. Hazlett noted that any change in hours of operation will require extensive public outreach and analysis to explore potential impacts to traffic.

Mr. Hazlett addressed the Lane Separation planning paper. He said that the consultant suggested continuing the current HOV lane separation techniques in conjunction with managed lanes and begin modifying existing HOV markings to reflect the federal Manual of Uniform Traffic Control Devices design standards.

Mr. Hazlett addressed the Occupancy Requirements planning paper. He said that Arizona law requires two or more persons per vehicle for high occupancy lanes, and the consultant recommends maintaining this requirement during the initial deployment of HOT lanes and ensuring regional consistency in occupancy requirements. Mr. Hazlett referenced an attempt in Atlanta to change the minimum occupancy to three or more on I-85 and the Governor had to step in.

Mr. Hazlett stated that the Access Treatments planning paper discusses HOV access. He said that vehicles have continuous access into the region's HOV lane system, but the California system offers access into HOV lanes at certain points only. He stated that on the positive side, drivers know when other drivers will be exiting and entering, but on the negative side, a driver might not be able to exit at a desired point. Mr. Hazlett stated there is some very telling information on this topic from the I-95 project in Miami, Florida

Mr. Hazlett addressed the Pricing Methods planning paper. If the region went to a managed lanes system, would pricing be fixed or variable based on levels of congestion. Mr. Hazlett stated that most toll lanes in the country use variable pricing and he added that with dynamic pricing, once you have entered the HOV lane, the price does not change for a driver, although it could change for those coming on afterward. Mr. Hazlett stated that the planning paper recommends that variable pricing be considered if the region implements managed lanes.

Mr. Hazlett stated that the Procurement and Financing planning paper includes the spectrum of P3 options and risk exposure. He said that the most common concession model includes a design build, financing, operations, and maintenance by the private sector. Mr. Hazlett showed examples of funding projects in other areas, and he pointed out that other forms of financing besides public money were used. He stated that the consultant has not yet made a recommendation for a model.

Mr. Hazlett stated that Active Traffic Management goes hand in hand with managed lanes. He said that traffic management is intended to enhance roadway safety, reduce congestion, provide reliable

trips, provide enhanced information to motorists, and provide additional capacity during periods of congestion or incidents.

Mr. Hazlett displayed a contour graphic of a freeway in Melbourne, Australia, before managed freeways and after adding ramp meters and utilizing variable speed limits.

Mr. Smith asked the impact to the arterial streets feeding into the freeway. Mr. Hazlett stated that Melbourne installed variable message signs to direct traffic to underutilized arterials.

Councilman Sellers asked how this affects a freeway. Mr. Hazlett replied that it actually improves the capacity of a freeway because it lowers the speed limits before vehicles encounter shockwaves – those slowdowns of traffic almost to a crawl as a result of red brake lights ahead. Mr. Hazlett stated that a survey of drivers using this type of system said that they would prefer to consistently drive 40 m.p.h. than to speed up to 65 m.p.h., then stop, then speed up again to 65 m.p.h. He noted that this provides for more uniform flow of traffic and more capacity.

Mr. Anderson noted that another benefit is that traffic can be slowed ahead of encountering an incident, and this reduces secondary accidents.

Mr. Hazlett stated that this is what they are doing on sections of I-5 and I-90 in the state of Washington. He displayed a photo of the signage used for incidents that is spaced every third- to half-mile and informs drivers of the incident, which lanes are affected, and the speed reduction. Mr. Hazlett stated that this reduces the shockwave and if drivers are aware of an incident up ahead, they can use an alternative route. He noted that Minneapolis is looking at using variable speed limits.

Chair Lane asked if there were statistics that showed the results experienced with managed lanes. Mr. Hazlett replied that they had statistics from Melbourne but not yet from the Washington DOT, although the Washington DOT has indicated managed lanes helps with traffic in mountain passes. Mr. Hazlett stated that the factor to help with reducing secondary crashes could be beneficial on I-17. Chair Lane asked if Washington had not assembled statistics, but had a sense of its success. Mr. Hazlett replied that to his knowledge, that was correct, but he would research this and get back to the TPC.

Mr. Hazlett displayed a cross-section of a managed lanes segment of a freeway. He stated that another element is hard shoulder running. Mostly, the shoulders are kept open for safety reasons and vehicle breakdowns, but they are not always occupied. Mr. Hazlett stated that some parts of the country are now opening them up for use in managed lanes during peak hours and getting more use out of the pavement.

Mr. Anderson stated that the Melbourne project started out as a \$4 billion project, but it ultimately cost \$1.5 billion, and this included the technology and highway improvements. Mr. Anderson reported that the facility resulted in a lower cost with better capacity because they did not need to do as much widening.

Chair Lane commented on the policy issue with P3s and the utilization of hard assets increasing costs or volume. He asked if the actual construction costs (the hard asset) are paid by taxpayers or do they provide a revenue stream to pay for the hard asset. Mr. Anderson replied that it could be done a number of ways. He said that there are publicly owned toll roads with debt financing repaid with toll revenue and privately owned and operated toll roads. Mr. Anderson stated this is part of the concession agreement that has to do with the allocation of risk. He added that there are some 1,000+ business rules to come to a fair concession agreement. Mr. Anderson stated that most discussion has been about using private sector money to put a system in place, but it also could be done through a public sector concept.

Chair Lane stated that if a project was strictly private, they would fund the payback of debt service and capital assets, but if the project was a mix of funds, there would be negotiations.

Mr. Hazlett stated that managed lanes would not take away from the current number of general purpose lanes.

Mayor Smith asked if it was accurate to say that it seemed like the purpose of managed lanes was to expand capacity which is paid for with a new revenue stream which is managed lanes. Mr. Anderson replied yes. Mayor Smith stated that the first priority is traffic flow and the second priority is revenue enhancement, and he asked if the real reason for looking at this is to be able to build these facilities and provide a revenue source above what we currently have. Mr. Anderson replied yes.

Mayor Smith stated that the odds are against expanding capacity without finding revenue sources.

Mr. Hazlett stated that the consultant is charged with finding on which corridors managed lanes make sense. He said that the consultants screened the entire 2030 regional freeway system. Mr. Hazlett stated that they first screened for capacity and found that the I-10/I-17 spine rose to the top, followed by SR-51, Loop 101 north, I-10, Loop 101/Pima Freeway, and the Superstition Freeway.

Mr. Hazlett stated that the consultants then screened for constructability (the ability to build a facility). He said they wanted to make sure there is room for toll enforcement, and the ability to enter and exit lanes in a safe manner. Mr. Hazlett stated that the ones that appear would provide the best revenue yield also appear to be the most difficult to construct, for example, SR-51.

Mr. Hazlett stated that the consultants asked staff to model a single managed lanes system and a multiple lane managed system and see if there were any benefits to the scenarios.

Mr. Hazlett stated that next steps include conducting toll and revenue forecasting for managed lanes network scenarios, coordinating policy market research with MAG staff, conducting a stakeholder workshop to review screening results, and recommending managed lanes options. Mr. Hazlett commented on looking at managed lanes as environmental impact statement studies proceed on I-17 and I-10.

Chair Lane thanked Mr. Hazlett for his presentation and asked if members had questions.

Supervisor Wilson stated that the attempt was made to take traffic off I-17 by building other freeways. He asked if there were data to show these effects or are there plans to use traffic management to steer drivers to places where the traffic might be less congested. Mr. Hazlett replied that deploying active traffic management, even without a tolled managed lanes configuration, could benefit the system. He noted that right now there are signs informing drivers coming into Phoenix from the northwest how many minutes by Grand Avenue, Loop 101 and I-10. Mr. Hazlett stated that there are many elements that can be implemented at a low cost that greatly improve traffic.

Councilman Cooper stated that he liked that the report used the term, “customer,” which he felt was the correct terminology in policy discussions. He said that he appreciated that those in a vehicle will have the opportunity to choose whether they participate. Councilman Cooper stated that it is important to be clear, explain things upfront and get their buyin. He said that how the use of revenue is explained will be critical, especially if that is the only way to increase capacity. Councilman Cooper stated that there will be additional questions, such whether revenue will cover operations, additional transit options, or corridor improvements. He remarked that the more communication, the better. Councilman Cooper stated that he was skeptical about dynamic tolls at first, but the more he read, the more he thought it was the best system to use. He stated that the reasons for selecting an option will need to be well communicated so there is no confusion why it was chosen. Councilman Cooper stated that knowing the cost is important to drivers when they get into the car, especially when more than one segment is involved. Councilman Cooper thought that if variable pricing is used, advanced tools to get the information to the customer should be considered. Councilman Cooper expressed his interest in seeing the phasing recommendations because when these types of programs are started, there is skepticism the first year, then after using it people buy in and like it. He suggested that having a pilot program might help in getting the buyin for the rest of the project sooner.

Mr. Hazlett stated that what Councilman Cooper stated on how to market this concurred with the information staff had received. Mr. Hazlett stated that SR-91 was done effectively, but I-85 in Atlanta assumed too much in its pilot program and it blew up.

Chair Lane asked those participating by teleconference if they had questions.

Mayor Rogers asked if transit and the changes from 2007-2010 had been taken into account. Mr. Hazlett replied that he would find that out from the consultant and report back.

Mayor Rogers requested that a map of the 2012 changes be developed, similar to the map developed for the 2009 rebalancing.

## 7. Legislative Update

Nathan Pryor, MAG Intergovernmental Policy Coordinator, provided an update on legislative issues of interest. Mr. Pryor noted that his report would focus on the federal side. He reported that

federal surface transportation reauthorization, which expired on March 31, 2012, was extended to June 30, but the House passed an extension to September 30. Mr. Pryor stated that the House has shown a willingness to have a conference committee with the Senate on the Senate's legislation, MAP-21. Mr. Pryor stated that the legislation faces some political obstacles, such as the Keystone XL pipeline, but there are some positive provisions, such as environmental streamlining.

Mr. Pryor stated that the Senate Transportation-Housing Urban Development Subcommittee met the day before and is working on appropriations. He said that it appears the Senate has proposed a budget that includes an amount for transportation equal to last year's amount. Mr. Pryor stated that some items, such as high speed rail, have increased.

Chair Lane thanked Mr. Pryor for his report. No questions from the Committee were noted.

8. Request for Future Agenda Items

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting were requested.

Chair Lane stated that commuter rail had been contemplated in the past and he wondered if this was a topic the TPC should look into again. Mr. Smith replied that there was a meeting recently with BNSF and a number of concepts have changed that could potentially lower prices. He stated that staff is looking at a new study to update this information. Mr. Smith noted that a new type of locomotive is being used in Denton, Texas, that is more fuel efficient. He stated that some of the new information coming forward includes an additional track might not be required for Grand Avenue and the existing track might be able to be used. Mr. Smith stated that the rail from Tucson to the region will be forthcoming from ADOT and this will determine the entry point in the Valley. Chair Lane asked if there had been any discussion of alternatives to existing hard rail configurations, right-of-way, or technologies. Mr. Smith replied that the locomotive in Denton was innovative. He noted that discussion of commuter rail could be scheduled for a future TPC meeting. Chair Lane stated that it would be useful for the TPC to hear about innovations implemented in other areas as well as those that might be considered here.

9. Comments from the Committee

An opportunity was provided for Transportation Policy Committee members to present a brief summary of current events. The Transportation Policy Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Chair Lane noted that an email was sent on April 17th announcing that the multimodal transit tour of Salt Lake City originally scheduled for June 14-15, 2012, has been postponed to September 27-28, 2012. He stated that information on the rescheduled trip will be sent out at a later date.

Adjournment

Mr. Barnes moved and Vice Chair Meck seconded to adjourn the meeting at 5:25 p.m.

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Chair

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Secretary