

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
November 10, 2010
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Carl Swenson, Peoria, Chair	Bill Hernandez, Guadalupe
Charlie Meyer, Tempe, Vice Chair	Sonny Culbreth for Darryl Crossman, Litchfield Park
# George Hoffman, Apache Junction	Christopher Brady, Mesa
Charlie McClendon, Avondale	Jim Bacon, Paradise Valley
Stephen Cleveland, Buckeye	Ed Zuercher for David Cavazos, Phoenix
* Gary Neiss, Carefree	John Kross, Queen Creek
* Usama Abujbarah, Cave Creek	* Bryan Meyers, Salt River Pima-Maricopa Indian Community
Patrice Kraus for Rich Dlugas, Chandler	David Richert, Scottsdale
Pat Dennis for Rick Flaaen, El Mirage	Michael Celaya for Mark Coronado, Surprise
* Phil Dorchester, Fort McDowell Yavapai Nation	* Reyes Medrano, Tolleson
Rick Davis, Fountain Hills	Gary Edwards, Wickenburg
Rick Buss, Gila Bend	* Lloyce Robinson, Youngtown
* David White, Gila River Indian Community	Rob Samour for John Halikowski, ADOT
Collin DeWitt, Gilbert	* David Smith, Maricopa Co.
Brent Stoddard for Ed Beasley, Glendale	David Boggs, Valley Metro/RPTA
Mark Gaillard for John Fischbach, Goodyear	

* Those members neither present nor represented by proxy.

Participated by telephone conference call. + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chair Carl Swenson at 12:03 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Swenson noted that George Hoffman and Robert Samour were participating in the meeting via teleconference.

Chair Swenson announced that Stephen Cleveland has been named Town Manager for the Town of Buckeye.

Chair Swenson noted that materials for agenda items #5E, #5J, and #9 were at each place.

Chair Swenson announced that public comment cards were available to members of the public who wish to comment. He noted that parking garage validation and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Chair Swenson stated that Call to the Audience provides an opportunity to the public to address the Management 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. Chair Swenson noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations.

Chair Swenson noted that no comment cards had been submitted.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. Mr. Smith stated that the first Western High Speed Alliance Rail Conference recently took place. He noted that Mesa Mayor Scott Smith, Chair of the TPC, gave a presentation on interwoven economic destinies. He stated that the Alliance was recently notified that it had received \$1 million for studying high speed rail in the Intermountain West.

Mr. Smith announced that the MAG Traffic Signal Optimization Program had been awarded the Best ITS Planning project by ITS Arizona. He stated that the program assists MAG member agencies with traffic signal timing, and since the inception of the program at MAG in 2004, 50 projects have been completed for a total cost of \$1.1 million. Mr. Smith stated that the Traffic Signal Optimization Program is an ongoing and very effective program. Mr. Smith acknowledged Sarath Joshua and his staff for their work on this project.

Mr. Smith announced that for the 13th consecutive year MAG received the Government Finance Officers Association Distinguished Budget Presentation Award. He noted that in 2009, only three of the 500 Councils of Governments in the country received this award. Mr. Smith acknowledged Becky Kimbrough and her staff in the Fiscal Services Division for their hard work.

Mr. Smith stated that MAG "I Ride" video won the Gold Award from the Association of Marketing and Communications Professionals. He acknowledged Kelly Taft, Jason Stephens, and Gary Stafford for their work on the video. Mr. Smith then showed a clip from the recently completed "Talking the Walk" pedestrian video. He noted that two items on the Management Committee agenda pertain to the pedestrian mode, and he added that having accommodations for pedestrians is very important to the economy.

Chair Swenson thanked Mr. Smith for his report and congratulated staff on the video and on receiving the Certificate of Achievement for Excellence in Financial Reporting. No questions for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair Swenson stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, #5L, #5M, #5N, and #5O were on the Consent Agenda. He reviewed the public comment guidelines for the Consent Agenda. Chair Swenson noted that no public comment cards had been received.

Chair Swenson asked if any member of the Committee had questions or a request to have a presentation on any Consent Agenda item. None were noted.

Mr. McClendon moved to recommend approval of #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, #5L, #5M, #5N, and #5O. Mr. Cleveland seconded, and the motion passed unanimously.

5A. Approval of October 13, 2010, Meeting Minutes

The Management Committee, by consent, approved the October 13, 2010, meeting minutes.

5B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) addresses ALCP project work, the remaining Fiscal Year 2011 ALCP schedule and program deadlines as well as revenues, and finances for the period between April 2010 and September 2010. This item was on the agenda for information.

5C. On-Call Consulting Services Selection for Regional Traffic Data Collection and Data Management

The Management Committee, by consent, recommended approval of the list of on-call consultants for the Area of Expertise A (Traffic Data Collection): Jacobs Engineering, Lee Engineering, Midwestern Software Solutions, Traffic Research and Analysis and United Civil Group, and for Area of Expertise B (Commercial Traffic Data Purchase and Traffic Data Management Services): American Digital Cartography, Berkeley Transportation Systems, Jacobs Engineering, Midwestern Software Solutions and Works Consulting, for the MAG Regional Traffic Data Collection and Data Management, for a total amount not to exceed \$400,000. The Fiscal Year (FY) 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$400,000 for On-call Consulting Services for Regional Traffic Data Collection and Data Management. The purpose of the project is to facilitate numerous dataset updates to support transportation planning needs. A request for qualifications was advertised on August 20, 2010, for technical assistance in two areas of expertise: (A) Traffic Data Collection and (B) Commercial Traffic Data Purchase and Traffic Data Management Services. Eight proposals were received by the September 22, 2010, deadline. On October 5, 2010, a multi-agency evaluation team recommended to MAG the selection of consultants to perform the technical assistance.

5D. MAG Managed Lanes Network Development Strategy - Phase I

The Management Committee, by consent, recommended amending the FY 2011 Unified Planning Work Program and Annual Budget for up to \$500,000 to provide for the MAG Managed Lanes Network Development Strategy - Phase I project, and recommended amending the FY 2011 Unified Planning Work Program and Annual Budget for up to \$50,000 to provide for a public opinion survey on the potential for tolling in the MAG region. At its October 20, 2010, the Transportation Policy Committee recommended the development of the first phase of the MAG Managed Lanes Network Development Strategy - Phase I and to conduct a public opinion survey on the potential for tolling in the MAG region. In this phase, a System-Wide Managed Lanes Feasibility Study will be developed, assessing existing and future HOV lane use, identifying critical gaps in the HOV system, assessing the basic soundness of a systemwide managed lanes network in the MAG region, formulation recommendations for MAG policy on managed lanes, and selecting pilot managed lane corridors.

5E. Project Changes – Amendments and Administrative Modifications to the FY 2011-2015 MAG Transportation Improvement Program

The Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, as appropriate, to the Regional Transportation Plan 2010 Update, and the FY 2009 and FY 2010 Program of Projects. On June 22, 2010, the MAG Transit Committee recommended approval of the FY 2009 and FY 2010 Program of Projects, and Regional Council took action on these changes on June 30, 2010. It was requested that eight earmark/high priority projects that were identified in the FY 2010 Federal Register be included in the FY 2011-2015 MAG Transportation Improvement Program (TIP). The Arizona Department of Transportation also requested to include new utility projects, an advancement and repayment for Williams Gateway Freeway, and delete one project since it is complete. There were cost revisions to the ADOT led SR-24 - Williams Gateway Freeway Project, and two new TIP listings related to financing the acceleration. Maricopa County requested that a federal aid project be moved from 2010 to 2011, and the City of Tempe request to modifying a project description.

5F. Programming 5307 and 5309 - Fixed Rail and Guideway Modernization Funds in FY 2010 and 2011

The Management Committee, by consent, recommended approval of: (1) Scenario #3 preventative maintenance distribution methodology for \$1,571,999 of FY 2010 5309-FGM funds and that it is a non-precedent setting distribution and (2) The amount of funds for preventative maintenance programmed in FY 2011 and FY 2012 be distributed equally as shown in Option #2, and modify/amend the FY 2011-2015 MAG TIP and the FY 2009 and 2010 Program of Projects appropriately. On June 22, 2010, the MAG Transit Committee recommended approval of the FY 2010 Program of Projects, and the Regional Council took action on these changes on June 30, 2010. Since then, the Executive Committee took action on September 13, 2010, to remove \$1,517,999 of FY 2010 5309 Fixed Rail and Guideway Modernization (FGM) federal transit funds from two Mesa park and ride construction projects. Additionally, the MAG Regional Council took action on July 28, 2010, to approve the FY 2011-2015 MAG TIP and that the programming of preventative maintenance be reviewed for potential amendments/ administrative

modifications no later than December 2010. On October 14, 2010, the Transit Committee made the recommendation noted in the action and requested that further analysis regarding distribution scenarios for 5307 federal funds be brought back to the Transit Committee in November.

5G. MAG Design Assistance for Pedestrian and Bicycle Facilities Program

The Management Committee, by consent, recommended approval of the El Mirage: Rancho El Mirage Multi-use Path (\$100,000); Mesa: Porter Park Pathway (\$125,000); and Phoenix: Grand Canal Multi-use Path at 22nd Street (\$75,000) through the MAG Design Assistance for Pedestrian and Bicycle Facilities Program. The FY 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$300,000 for the Design Assistance Program. According to federal law, any project which is not constructed after being designed with federal transportation funds could be required to return the funds used for design to the Federal Highway Administration. Six project applications were submitted by member agencies for the program. On October 19, 2010, the MAG Bicycle and Pedestrian Committee recommended three projects for approval. On October 28, 2010, the Transportation Review Committee recommended the three Design Assistance projects for approval.

5H. MAG Pedestrian and Bicycle Facilities Design Assistance Program On-Call Consultant List

The Management Committee, by consent, recommended approval of the selection of the following consultants for the MAG Pedestrian and Bicycle Facilities Design Assistance Program On-Call Consultant list: AECOM Technical Services, Inc.; Coffman Studio, LLC; Drake & Associates; e group, Inc.; EPG, Inc.; Gannett Fleming, Inc.; J2 Engineering & Environmental Design, LLC; Kimley-Horn & Associates, Inc.; Logan Halperin Landscape Architecture LLC; Loris & Associates, Inc.; Olsson Associates; Otak, Inc.; PBSJ; Sherman Group, Inc.; Stanley Consultants, Inc.; Stantec Consulting Services, Inc.; The Moore/Swick Partnership; Y.S. Mantri & Associates, LLC. The FY 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$300,000 for the MAG Pedestrian and Bicycle Facilities Design Assistance Program. The MAG Pedestrian and Bicycle Facilities Design Assistance On-Call Consultant List provides member agencies with a pre-approved consultant list to provide assistance for their design projects. A request for consultants to submit Statements of Qualifications was published on July 22, 2010. Eighteen submittals were received on August 31, 2010. A multi-agency evaluation team reviewed the applications and recommended all eighteen qualified consultants be selected for the list.

5I. Recommended Projects for MAG FY 2011 Traffic Signal Optimization Program

The Management Committee, by consent, recommended approval of the list of FY 2011 Traffic Signal Optimization Program projects. A formal request for projects for the FY 2011 Traffic Signal Optimization Program (TSOP) was announced by MAG on September 21, 2010. The available TSOP budget in the MAG Work Program for FY 2011 is \$430,000, including an estimated \$30,000 carried over from FY 2010. Fifteen (15) project applications have been received requesting a total of \$395,500 to improve operations at 476 intersections in 14 jurisdictions. A regional workshop to provide training on signal timing software has also been included in the list of projects at an estimated cost of \$10,000, based on the need identified by local agencies. The recommended projects will be carried out using ten (10) qualified on-call

consultants under contract with MAG. On October 19, 2010, the MAG ITS Committee recommended approval. On October 28, 2010, the Transportation Review Committee recommended approval.

5J. New Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, As Amended

The Management Committee, by consent, recommended approval of the new Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, as amended. On September 22, 2010, the MAG Regional Council approved a Mesa request to advance the construction of an interim connection of the Williams Gateway Freeway between the Santan Freeway and Ellsworth Road from FY 2016 to FY 2012 to be incorporated into the FY 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update, for an air quality conformity analysis. MAG has conducted a conformity analysis for the proposed amendment and the results of the regional emissions analysis, when considered together with the TIP and RTP as a whole, indicate that the amendment will not contribute to violations of federal air quality standards. On October 8, 2010, a 30-day public review period began on the conformity assessment and amendment. Approval of the new conformity finding by the Regional Council is required prior to MAG approval of the amendment to the TIP and Regional Transportation Plan 2010 Update. The Arizona Department of Transportation notified MAG of minor revisions to the funding amounts for these projects. It is important to note that these minor revisions do not impact the regional emissions analysis previously transmitted for consultation on October 8, 2010. The comment period was extended to December 3, 2010.

5K. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including Arizona Department of Transportation projects on State Route 303, and Section 5309 and State of Good Repair-funded transit projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. This item was on the agenda for consultation.

5L. Professional Services Selection for the MAG Protocol Evaluation Project

The Management Committee, by consent, recommended the selection of MGT of America, Inc., to conduct the evaluation professional services for the MAG Protocol Evaluation project for an amount not to exceed \$21,500. The FY 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$194,568 to conduct the MAG Protocol Evaluation project that will assess the protocols used to arrest and prosecute misdemeanor domestic violence cases. The budget for this project includes \$21,500 for services to evaluate current protocols, analyze existing data collection elements, evaluate promising practices, and conduct an overall project evaluation. A Request for Proposals was advertised on August 19, 2010, and six proposals were received. A multi-agency proposal evaluation team

reviewed the proposal documents and held three interviews. On October 7, 2010, the proposal evaluation team recommended to MAG the selection of MGT of America, Inc., to complete the evaluation professional services for an amount not to exceed \$21,500.

5M. Statement Regarding Human Services Funding Reductions

The Management Committee, by consent, recommended acceptance of the statement regarding human services funding reductions. In July 2010, the MAG Human Services Coordinating Committee (HSCC) expressed growing concern about the impact of funding reductions made to human services programs. The HSCC worked with the MAG Human Services Technical Committee to develop a statement reflecting this concern. The goal of the statement is to raise awareness about the impact of human services funding reductions on the community, programs, and people relying on these services. HSCC is requesting that the statement be accepted for distribution through MAG's email distribution lists and newsletters, by MAG member agencies, and by community partners.

5N. Approval of Draft Provisional July 1, 2010, Maricopa County and Municipality Resident Population Updates

The Management Committee, by consent, recommended approval of the Draft Provisional July 1, 2010, Maricopa County and Municipality Resident Population Updates provided that the Maricopa County control total is within one percent of the final control total. MAG staff has prepared draft Provisional July 1, 2010 Maricopa County and Municipality Resident Population Updates. The Updates, which are used to prepare budgets and set expenditure limitations, were prepared using the 2005 Census Survey as the base and housing unit data supplied and verified by MAG member agencies. These Updates are needed by the State Economic Estimates Commission and are provisional since they will be revised based on the Census 2010 results. Because there may be changes to the Maricopa County control total by the Arizona Department of Commerce, the MAG Population Technical Advisory Committee recommended approval of these Provisional Updates provided that the County control total is within one percent of the final control total.

5O. Proposed 2011 Revisions to MAG Standard Specifications and Details for Public Works Construction

The MAG Standard Specifications and Details Committee has completed its review of proposed revisions to the MAG Standard Specifications and Details for Public Works Construction. These revisions have been recommended for approval by the committee and are currently being reviewed by MAG member agency Public Works Directors and/or Engineers. It is anticipated that the annual update packet will be available for purchase in early January 2011.

6. Tempe South Locally Preferred Alternative

Steve Banta, Chief Executive Officer of METRO, introduced this item. He said that METRO is responsible for designing, constructing and operating the future 57-mile high capacity transit system. He said that the item before the Committee today was regarding the 2.6 mile Locally Preferred Alternative (LPA) in Tempe, the modern streetcar project. Mr. Banta stated that the

importance of connectivity that provides choices to residents to move about has been discussed in previous meetings. He stated that the modern streetcar starts with connectivity to the regional light rail system and they are looking at the entire 57-mile system as the different modes are designed. Mr. Banta stated that this is not about competition between modes, but is to provide connectivity and a regional asset. He added that expanding the modern streetcar into Chandler and Scottsdale is a possibility. Mr. Banta stated that even with the current economic climate, they are still building with totality of transit in mind, just in smaller segments.

Wulf Grote, Director of Project Development at METRO, continued the presentation. He noted that Marc Soronson, the project manager of the consultant team, was also present to answer questions. Mr. Grote stated that METRO has been working with the cities of Tempe and Chandler for almost three years to develop the Tempe South corridor. He indicated that the purpose of the presentation was to bring forth the staff recommendations and seek the Management Committee's endorsement of this project.

Mr. Grote stated that when the study began, METRO was charged with studying a two-mile high capacity transit project that would extend from downtown Tempe to connect with the 20-mile east/west light rail corridor. He noted that they realized the two-mile piece was not in the proper context and it was agreed to expand the study area to Loop 202 to the south. Mr. Grote stated that within the study area is the bus rapid transit (BRT) corridor on Scottsdale Road to Rural Road, and just the south end of the corridor was a part of this project. Mr. Grote stated that as a result of funding shortfalls, this BRT corridor has been delayed beyond the funding horizon of Proposition 400, although it is still included in the Regional Transportation Plan. He noted that the project they are planning to move forward to the federal government as the locally preferred alternative (LPA) is just the high capacity transit corridor.

Mr. Grote stated that an alternatives analysis was required in the federal process to define the technology and the alignment. He said that the study looked at the technologies of light rail transit, commuter rail, modern streetcar, and bus rapid transit, and potential alignments on Rural Road, McClintock, Mill Avenue, Kyrene Road, and the Tempe Branch of the Union Pacific Railroad.

Mr. Grote stated that the study concluded the recommended alternative as the Tempe South LPA was to implement a 2.6-mile modern streetcar project that would start in the northern end at Rio Salado Parkway, continue down Mill Avenue to the southern end at Southern Avenue. He noted that even though stations are depicted on the map of the proposed Tempe South LPA, their final locations will be refined at a later date.

Mr. Grote then addressed the recommendation for downtown Tempe. He said that initially, it was thought to have a route along Mill Avenue, but after several months of analysis, it was concluded that a better solution was to have an alignment northbound on Mill Avenue to Rio Salado Parkway to Ash and southbound to University. Mr. Grote stated that this alignment provides flexibility for special events, helps define downtown Tempe, and provides opportunities for development.

Mr. Grote stated that they initially studied an alignment between Mill Avenue and Rural Road on Southern Avenue, but realized there was no budget and it was beyond the two-mile parameter in the Regional Transportation Plan. Mr. Grote stated that they recommend this be included as a part

of the project because it provides important connections to bus service and other accommodations, such as the Community Center. He remarked that they can recommend this only as an illustrative project in the Regional Transportation Plan because there is no funding, and that it receive future consideration in the MAG process. Mr. Grote stated that upon further analysis and input, they recognized there is potential to extend the corridor south on Rural Road and east and west on Rio Salado Parkway and they also suggest that this be considered for future high capacity transit through the normal regional planning process.

Mr. Grote stated that the modern streetcar is different from light rail. He explained that a light rail car is typically more than 90 feet in length with multiple cars that operate in a dedicated lane, whereas the modern streetcar is about 65 feet in length, is a single car and operates in mixed traffic. Mr. Grote noted that the modern streetcar does not have the capacity as light rail, does not move at high speed, has more of a neighborhood feel and is to provide connectivity. He stated that the modern streetcar supports economic development solutions, is a lower cost alternative than light rail, and has simple stops, similar to the LINK service on Main Street and Arizona Avenue.

Mr. Grote noted that ridership on opening day for the modern streetcar is estimated at 1,100 to 1,600 per day, but that the number does not include special events, which they think could increase ridership to the 2,000 range. He added that the initial ridership in the City of Portland, Oregon, was 3,000 per day and it now has increased to 13,000, and the ridership in Seattle, Washington, has tripled in the first two years.

Mr. Grote noted that the capital budget for the project is \$162 million and is funded with Proposition 400 and federal funds (CMAQ and small starts). Mr. Grote explained that the operating and maintenance costs are estimated at \$3.6 million per year, and the operating costs for the modern streetcar would be paid by the City of Tempe and the farebox. He advised that the Tempe City Council has made that commitment.

Mr. Grote stated that the modern streetcar is anticipated to increase transit ridership, connect neighborhoods to downtown Tempe and to neighborhood services, encourage redevelopment and reinvestment in downtown Tempe, promote a livable city community, provide seamless connection to light rail, and serve special events. Mr. Grote stated that until the last couple of years, the federal government did not fund projects such as the modern streetcar, but that is changing.

Mr. Grote addressed the Rural Road BRT option, which is not funded. He noted that the ridership projections are positive and it deserves further consideration in the MAG planning process. He indicated that METRO suggests service from downtown Tempe down Rural Road to two branches (one at Chandler Fashion Center and one at the Kyrene park and ride lot), stops approximately each mile, traffic signal prioritization and bus stop improvements, such as curbside bus and right turn lanes to provide more reliable speeds and travel times for buses. Mr. Grote commented that funding would be needed to implement this option.

Mr. Grote stated that another option that arose from the study was the feasibility of commuter rail along the Tempe Branch of the Union Pacific Railroad. He advised that this was beyond the scope of the study and no conclusion could be reached. Mr. Grote stated that they recommend

that it continue to be considered further as part of the normal regional transportation planning process, with no priority, the same as with the Rural Road BRT option.

Mr. Grote stated that the Tempe South LPA has received the approval of the Tempe City Council, and recommendations from the Chandler Transportation Commission and Council Subcommittee, the METRO Management Committee, the MAG Transit Committee, and the MAG Transportation Review Committee. He noted that upcoming actions are anticipated at the Chandler City Council, the METRO Board, and the MAG Regional Council. Mr. Grote noted that four of the five recommendations are for future planning considerations and the fifth recommendation is for the Locally Preferred Alternative for the Tempe South modern streetcar project.

Chair Swenson asked members if they had questions for staff.

Mr. Zuercher asked for clarification if METRO or the Tempe Transit Department would be the operator of the modern streetcar. Mr. Grote replied that the intent is for METRO to be the operator with Tempe paying the costs.

Ms. Dennis referenced the additional consideration for planning and asked if there was funding within MAG to ensure this would occur if this moves forward. Dennis Smith replied that all planning projects are considered in the MAG Work Program. He noted that if further work could be considered when the work program is put together in the spring.

Mr. Zuercher asked for a definition of the illustrative corridor concept. Mr. Smith stated that federal law has a provision to not discourage long range planning, but the Transportation Improvement Program and the Regional Transportation Plan must be fiscally constrained. In order to encourage continuous planning, a project can be put in the plans as an illustrative project to show the intention to try and fund the project at some point. Mr. Smith stated that illustrative projects are unfunded projects and MAG currently has several in the plans.

Mr. Zuercher stated that Phoenix has the South Central Corridor project that is worthy of being given illustrative status. He added that it is not in the MAG plan but has already received funding from the Federal Transit Administration for a study. Mr. Grote stated that a number of corridors were identified in the MAG Transit Framework Study were added to the plan as illustrative corridors and he thought the South Central Corridor was one of those.

With no further questions, Chair Swenson called for a motion.

Mr. Boggs moved to recommend approval of: (1) A Locally Preferred Alternative for the Tempe South project, including a modern streetcar on a Mill Avenue alignment with a one-way loop in downtown Tempe to be incorporated into the MAG FY 2011 to FY 2015 Transportation Improvement Program and the Regional Transportation Plan 2010 Update for an air quality conformity analysis; (2) Inclusion of a potential future phase of modern streetcar east along Southern Avenue to Rural Road as an Illustrative Transit Corridor in the MAG Regional Transportation Plan; (3) Without modifying priorities in the Regional Transportation Plan, consider increased service levels and capital improvements for Rural Road BRT, per the description provided herein, through the regional transportation system planning process; (4) Future consideration for high capacity transit needs north of downtown Tempe along Rio Salado

Parkway and south of Southern Avenue along Rural Road to the vicinity of Chandler Boulevard through the regional transportation system planning process; and (5) Without modifying priorities in the Regional Transportation Plan, consider future commuter rail service along the Tempe Branch of the Union Pacific Railroad, through the regional transportation system planning process, and pending results from the Arizona Department of Transportation's Phoenix-Tucson Intercity Rail Alternatives Analysis.

Vice Chair Meyer seconded. Before the vote was taken, he commented that the City of Tempe looked at the modern streetcar project as a component of the regional system, not as a component of the local system. As a mode, the modern streetcar has a real application in places that do not lend themselves to light rail services, and it does connect to light rail and the system. Vice Chair Meyer stated that the City of Tempe understands its responsibility to present a fiscally constrained operating budget. He stated that at one time, the City's tax produced a surplus, but the City believes it can put a plan together that would access that money first for operating purposes, but if those funds are insufficient, Tempe is developing plans to use other local funds to support the modern streetcar operation.

Mr. Zuercher stated that light rail funding started at \$2.1 billion in 2004 and is now about half of that amount. He stated that the Tempe and Mesa projects are moving forward, and Phoenix supports them, but everything for light rail is being taken from Phoenix and Glendale, and the northeast corridor and the west corridor have been delayed. Mr. Zuercher expressed concern with the direction of rail funding. He stated that the City of Phoenix is very supportive of this project because it is important to connect all parts of the Valley to light rail and the system, but the focus needs to be directed next to the I-10 West corridor.

With no further discussion, the vote on the motion passed unanimously.

7. Revised Sales Tax and Highway User Revenue Fund Projections

Eric Anderson, MAG Transportation Director, updated members on the newly revised projections of the Proposition 400 sales tax and the Arizona Highway User Revenue Fund (HURF). He reported that the sales tax projections from FY 2011 to FY 2026 are approximately \$2.2 billion lower than the projections for the same period one year ago. Mr. Anderson noted a staff analysis showed this means a decrease to the freeway program of approximately \$1.2 billion, to the transit program of approximately \$735 million, and to the arterial streets program of approximately \$231 million.

Mr. Anderson stated that the last time there was positive growth in Proposition 400 revenues was in August 2007. He noted that the negative growth continues and in September 2010, the revenue was 3.2 percent lower than 2009. Mr. Anderson stated that the projected amount from the sales tax was estimated at approximately \$14 billion in 2003, and this number has been revised to a little more than \$8 billion, a reduction of \$5.8 billion, or 38 percent. Mr. Anderson showed a chart comparing the sales tax projections done in 2003 for the Regional Transportation Plan and the current sales tax projections for each fiscal year to 2025. He noted that the projection for 2010 revenue done in 2003 was approximately \$450 million and the current collection amount in FY 2010 is just under \$300 million. Mr. Anderson advised that this represents one-third less revenue

than projected. He stated that the projection for 2025 total revenue done in 2003 was approximately \$1.1 billion and the current forecast is approximately \$666 million.

Mr. Anderson then explained two charts of the composition of sales tax revenue. The first chart was done in 2005 for 2010 revenue and the second chart showed the actual sales tax collections. He pointed that the 2005 figure for FY 2010 retail sales was approximately \$224 million and approximately \$143 million was collected. Mr. Anderson advised that contracting was about half the projection and the only positive sector was utilities due to the cost increases for utilities.

Mr. Anderson stated that a major component of the sales tax is the motor vehicle taxable sales. He displayed a chart of collections for July of each year, 2004 through 2010, and noted that the amount peaked in 2005 and 2006, at approximately \$750 million per year. Mr. Anderson noted that the amount for 2010 was approximately \$380 million, about half of the peak rate. He noted that lower vehicle sales also affect the vehicle license tax, because the amount collected on the tax decreases as cars depreciate. Mr. Anderson stated that motor vehicle sales is a very important component, not only the sales tax on the sale of a vehicle, but also the amount collected in vehicle license taxes. He commented that the decrease is a reflection of the loss of household wealth due to the decline in housing values and the uncertainty in the market; people do not purchase new vehicles if they fear losing their jobs. Mr. Anderson stated that he had done an analysis and estimated that \$200 billion in household wealth had been lost as a result of the decline in housing values.

Mr. Anderson showed a comparison of sales tax growth rates and said that some cities are projecting some rebound for FY 2011, but many cities show low rates of growth. He said that some experts have indicated recovery this year or next year, and some say there will be a return to normal times in 2014 or 2015, however, he thought normal times might need to be redefined. Mr. Anderson commented that he thought there had been a permanent reduction in that line and we will have to learn to get by with less than originally planned.

Mr. Anderson stated that the HURF reductions and lower sales tax revenues result in future bonding capacity for the highway program being significantly reduced. He pointed out the bonding level is approximately \$650 million lower. Mr. Anderson advised that the bottom line is to find savings of \$700 million to \$750 million by reviewing the program and making cuts. He added that similar reductions will be needed in the transit program to account for the \$735 million deficit, and to the arterial streets program of approximately \$231 million.

Chair Swenson thanked Mr. Anderson for the thorough analysis and presentation.

8. Federal Fund Programming Principles and CMAQ Project Change Requests

Eileen Yazzie, MAG Transportation Program Manager, stated that with the current situation of a potential conformity freeze, staff has received requests for project changes from member agencies. She said she would provide a report on the principles and process for changes and why they are important to follow. Ms. Yazzie stated that many people's focus has been on implementing the ARRA projects and the focus needs to return to the federal aid program.

Ms. Yazzie stated that the Federal Fund Programming Principles were developed in 2008 to guide the application and evaluation process, address the year-end Closeout process and priorities for projects not obligating and others ready to go, and provide direction on project change options.

Ms. Yazzie stated that the application process is about a six-month process and is very competitive. She explained that funds are programmed to specific projects based on the location, scope of project, and the different detailed components of that project, and the projects are then evaluated. Ms. Yazzie displayed a flow chart of the process a project undergoes in the selection process.

Ms. Yazzie then reviewed the Federal Fund Programming Principles. She stated that savings from a project go back to the region to be reprogrammed, because the funding was based on the project, not necessarily the agency. Ms. Yazzie stated that if the project will not be completed as is or is deleted, the funds go back to the region to be reprogrammed. She advised that changes are allowed to advance a project, for a minor project description, and minor scope changes. Ms. Yazzie stated that staff has been receiving major scope changes, for example, a change in the location of a project from one end of a community to the other end, or from one intersection to another.

Ms. Yazzie then addressed next steps. She said that it is necessary to follow the process, otherwise there is no process, continue to work with individual agencies on project change requests, and refinement and clarification are needed on the Programming Principles and project change requests. Ms. Yazzie stated that staff will work with member agencies on what is allowed and not allowed. She said that staff will try their best to assist, even though the outcome may not be what the agency requested. She added that the goal is to preserve the integrity of the programming process.

Chair Swenson thanked Ms. Yazzie for her report and asked members if they had questions.

Mr. Brady asked if this process was related to the working group that was meeting prior to the ARRA program. Ms. Yazzie replied that was correct. She said that the Federal Funds Working Group, formed by the Management Committee, discussed the obligation process and potential improvements to it. Mr. Brady expressed that he supported the Working Group addressing the Federal Fund Programming Principles and project change requests.

Chair Swenson asked the timeline for bringing back further information. Ms. Yazzie replied that could take place in January or February. Chair Swenson noted consensus of the Committee regarding the Working Group.

9. Update on the EPA Proposed Partial Approval and Disapproval of the MAG 2007 Five Percent Plan for PM-10

Lindy Bauer, MAG Environmental Director, stated that in her last update to the Management Committee, she reported on the Environmental Protection Agency (EPA) proposal to partially approve and disapprove the MAG 2007 Five Percent Plan for PM-10 and the dire consequences that could occur in this region. She noted that by October 20, 2010, the end of the comment period, extensive comments had been submitted by MAG, the Arizona Department of

Environmental Quality (ADEQ), Maricopa County, the Gila River Indian Community, Greater Phoenix Chamber of Commerce, Arizona Chamber of Commerce, Associated General Contractors, and Arizona Rock Products Association. Ms. Bauer noted that one of the letters submitted by MAG was signed by the MAG Regional Council. She expressed gratitude to all of the communities for their support.

Ms. Bauer stated that MAG has been working with EPA to address the approvability issues and EPA has been responding to MAG's questions. She indicated that this is very important in order to minimize the time MAG might be in a conformity freeze. Ms. Bauer stated that MAG is also pressing forward to EPA the need to fix the Exceptional Events Rule, or else the same problems will continue to reoccur.

Ms. Bauer stated that on October 15, 2010, the region had its first exceedance of the standard in 2010, which occurred at the Greenwood monitor at 27th Avenue and Interstate 10. She noted that a map of the PM-10 monitors was at each place and she said that the time of year is approaching when there are stagnant conditions and there could be exceedances that are not due to high wind exceptional events. Ms. Bauer requested that member agencies consult the map and if activity is anticipated close to the monitors, to be vigilant about keeping dust under control, and perhaps even add additional measures beyond what is required in the plan. She stated that the Associated General Contractors representative at the Air Quality Technical Advisory Committee suggested that agencies hand out maps and information to those applying for permits. Ms. Bauer added that having three years of clean data at the monitors is very important. She referenced the October 15 exceedance and said there was thunderstorm activity that day and ADEQ is currently evaluating whether this exceedance could be due to a high wind exceptional event.

Chair Swenson thanked Ms. Bauer for her report and thanked her for keeping everyone informed. He asked members if they had questions.

Mr. Smith stated that many communities are resurfacing streets using their ARRA funds. He stated that some have chosen to mill deeper than usual and suggested that those going to a certain depth use a tap coat to keep down the dust.

10. Legislative Update

Nathan Pryor, MAG Intergovernmental Policy Coordinator, provided an update on legislative issues of interest. Mr. Pryor stated that recently awarded federal grants have included the HUD Sustainable Communities Challenge Grant, the HUD Sustainable Communities Regional Planning Grant, TIGER I, TIGER II, and the Federal Railroad Administration High-Speed Intercity Passenger Rail Grant. He noted that the MAG region did not receive any of these awards.

Mr. Pryor stated that the Kaiser Family State Health Facts reports that Arizona has the third highest foreclosure rate, the 12th highest unemployment change rate (tied), and is 28th in food stamp change rank. Mr. Pryor noted that overall, Arizona is the eighth highest nationally for distress.

Mr. Pryor noted that nationally, approximately \$4.6 billion was awarded through federal grants and he then reviewed the five states that received the highest amounts: California,

\$1,093,679,036; Florida, \$856,598,250; Iowa, \$256,663,000; Michigan, \$235,428,006; Illinois: \$165,713,424. He pointed out that Iowa, which does not have a large population, received much of its grant funding due to the potential high speed rail connection to Chicago.

Mr. Pryor gave a comparison of Arizona, which nationally received \$64.3 million. He noted that Arizona is 14th in population, 14th in funding awards, and 28th in per capita funding, and he said that broken down, Arizona received \$9.75 per capita compared to the country per capita rate of \$15.15. Mr. Pryor stated that the MAG region did not receive direct funding through the federal grants he mentioned at the beginning of his presentation, and he noted that this is a limited look and does not include any potential energy or health and human services awards.

Mr. Pryor then provided a breakdown of the \$64.3 million in grants received in the state of Arizona by saying that Tucson received \$63 million for the modern streetcar, a joint effort of Apache and Navajo Counties and three tribes received \$820,000 for the HUD Sustainability grant MAG also applied for; and \$500,000 of \$1 million received by the Western High Speed Rail Alliance to be shared with California and Nevada.

Mr. Pryor stated that grant activities will continue to be monitored as they are released. He stated that a debriefing on the Sustainability grant is scheduled with HUD in an effort to learn about strengthening future applications. Mr. Pryor stated that MAG is considering applying for an upcoming HUD/Ford Foundation grant. He stated a complete analysis of grant awards to all 50 states and the District of Columbia was available and he offered to provide this information if requested.

Chair Swenson thanked Mr. Pryor for his report and asked if there were questions.

Mr. Smith asked Arizona's ranking if Tucson was backed out of the total. Mr. Pryor replied that without the amount awarded to Tucson, Arizona would be ranked 44th.

11. Request for Future Agenda Items

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

No requests for future agenda items were noted.

12. Comments from the Committee

An opportunity is provided for Management Committee members to present a brief summary of current events. The Management 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.

No comments from the Committee were noted.

Adjournment

The meeting was adjourned at 1:10 p.m.

Chair

Secretary