September 9, 2014

TO: Members of the Transportation Policy Committee

FROM: Councilmember Jack Sellers, Chandler, Chair

SUBJECT: NOTIFICATION OF MEETING AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 12:00 noon
Wednesday, September 17, 2014
MAG Office, Suite 200 - Saguaro Room
302 N. First Avenue, Phoenix

A meeting of the Transportation Policy Committee is scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person, by videoconference, or by telephone conference call. As determined at the first meeting of the Committee, proxies are not allowed. Members who are not able to attend the meeting are encouraged to submit their comments in writing, so that their view is always a part of the process.

For those attending in person, please park in the garage under the building. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admission to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Valerie Day at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

Refreshments and a light luncheon will be provided. If you have any questions, please contact Dennis Smith, MAG Executive Director, or Eric Anderson, MAG Transportation Director, at (602) 254-6300.

c: MAG Regional Council
MAG Management Committee

TRANSPORTATION POLICY COMMITTEE
TENTATIVE AGENDA
September 17, 2014

	COMMITTEE ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. Call to the Audience An opportunity will be provided to members of the public to address the Transportation Policy Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. 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. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.	3. Information.

MINUTES

4. Approval of the August 13, 2014, Meeting Minutes	4. Review and approval of the August 13, 2014, meeting minutes.

ITEMS PROPOSED TO BE HEARD

5. FY 2015 Regional Freeway and Highway Program Update In October 2009 and May 2012, the Regional Freeway and Highway Program was reviewed and the MAG Regional Council approved scenarios to balance an estimated combined $6.9 billion shortfall due to cost over-runs and revenue shortfalls. In light of the rebalancing efforts, MAG and the Arizona Department of Transportation (ADOT) have made significant progress in delivering the $9 billion program for meeting the region's transportation demand. An update will be provided on the program's implementation including financial and construction updates. Please refer to the enclosed material.	5. Information and discussion.

6. Outcome of the Central Phoenix Transportation Framework Study

The Central Phoenix Transportation Framework Study was recently completed to identify long-range transportation needs for the center of the MAG region in an area bounded by SR-101L on the north, east, and west, and the Gila River Indian Community on the south. Since beginning this study in 2010, the study team has reached out to numerous representatives from the general public, MAG member agencies, and Valley Metro/RPTA. Through stakeholder meetings, geographic dialogues, two planning charettes, and fourteen Planning Partner events, the project has identified varying transportation opportunities to meet future travel demand and thereby inform development of the NextGen Regional Transportation Plan. During the tenure of this project, study findings have been used to launch other major planning efforts for Metropolitan Phoenix, including the Southeast Corridor Major Investment Study, MAG's COMPASS (Corridor Optimization, Access Management Plan, and Systems Study) initiatives for US-60/Grand Avenue and 99th Avenue, the MAG Managed Lanes Network Development Strategy, and the Interstate 10/Interstate 17 Corridor Master Plan. The Transportation Policy Committee will receive a briefing on the final work products in advance of accepting the project's findings later this year. Please refer to the enclosed material.

6. Information and discussion.

7. Legislative Update

An update will be provided on legislative issues of interest.

7. Information, discussion, and possible action.

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 will be requested.

8. Information.

9. Comments from the Committee

An opportunity will be 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.

Adjournment

9. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

August 13, 2014
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Councilmember Jack Sellers, Chandler, Chair
Mayor Jerry Weiers, Glendale, Vice Chair
Mr. F. Rockne Arnett, Citizens Transportation Oversight Committee
Mr. Dave Berry, Swift Transportation
* Mr. Jed Billings, FNF Construction
* Mayor Bob Barrett, Peoria
* Councilmember Ben Cooper, Gilbert
# Mayor Alex Finter, Mesa
Mr. Charles Huellmantel, Huellmantel and Affiliates
Supervisor Clint Hickman, Maricopa County
* Mr. Mark Killian, The Killian Company/Sunny Mesa, Inc.
Mayor W. J. "Jim" Lane, Scottsdale
Mr. Joseph La Rue, State Transportation Board
* Lt. Governor Stephen Roe Lewis, Gila River Indian Community
* Mayor Georgia Lord, Goodyear
Mayor Mark Mitchell, Tempe
Mayor Lana Mook, El Mirage
* Mr. Garrett Newland, Macerich
* Mayor Tom Rankin, Florence
Mayor Greg Stanton, Phoenix
Ms. Karrin Kunasek Taylor, DMB Properties
Mayor Kenneth Weise, Avondale
* 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 Jack Sellers, at 12:02 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Sellers noted that Mayor Alex Finter and Mayor Kenneth Weise were participating by teleconference.

Chair Sellers welcomed Mr. Charles Huellmantel, Mayor Lana Mook and Mayor Kenneth Weise to their first meeting as TPC members. Mr. Huellmantel was appointed by Speaker Tobin to the

Transit Interest seat previously held by Mr. Ron Barnes. Mayor Mook and Mayor Weise were appointed to the TPC at the June Regional Council meeting.

Chair Sellers announced that on August 6, 2014, the MAG Management Committee recommended approval of agenda items #4B, #5 and #6 that were on the August 13 TPC agenda.

Chair Sellers 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. He stated that hearing assisted devices, parking garage validation, and transit tickets for those who purchased transit tickets to attend the meeting were available from staff.

3. Call to the Audience

Chair Sellers 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.

Chair Sellers noted that no public comment cards had been received.

4. Approval of Consent Agenda

Chair Sellers stated that agenda items #4A and #4B were on the consent agenda.

Chair Sellers stated that public comment is provided for consent items. He noted that no public comment cards had been received.

Chair Sellers asked members if they would like to remove any of the consent agenda items or have a presentation. No requests were noted.

Mayor Mark Mitchell moved to recommend approval of agenda items #4A and #4B on the consent agenda. Mayor Jim Lane seconded, and the motion carried with Mr. Huellmantel abstaining on agenda item #4A.

4A. Approval of the June 18, 2014, Meeting Minutes

The Transportation Policy Committee, by consent, approved the June 18, 2014, meeting minutes.

4B. Project Changes – Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program, the FY 2015 Arterial Life Cycle Program and the 2035 Regional Transportation Plan

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program, to the FY 2015 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan. The Fiscal Year (FY) 2014-2018 MAG Transportation Improvement Program (TIP) and 2035 Regional Transportation Plan (RTP) were approved by the MAG Regional Council on June 25, 2014, and have been modified four times. The FY 2015 Arterial Life Cycle Program (ALCP) was approved on June 25, 2014. Since then there is a need to make project changes. Highway and transit project changes are included in Table A. Arterial Life Cycle Project changes are included in Tables B and C. This item was recommended for approval on the July 31, 2014, by the MAG Transportation Review Committee, and on August 6, 2014, by the MAG Management Committee.

5. Locally Preferred Alternative and Proposed Major Amendment to Add the Light Rail Transit Extension on Central Avenue: Washington/Jefferson to Baseline Road to the 2035 Regional Transportation Plan

Ms. Eileen Yazzie, MAG staff, reported on the requested approval by Metro Light Rail and the City of Phoenix of the Locally Preferred Alternative (LPA) for South Central Avenue in Phoenix. She noted that Mr. Wulf Grote from Valley Metro was present at the meeting to also answer questions. Ms. Yazzie stated that the requested motion for this item had two parts: a recommendation for the LPA and a recommendation to proceed on the major amendment process.

Ms. Yazzie explained that a major amendment is needed because the corridor was identified as a bus corridor in the Regional Transportation Plan, and the LPA recommends a light rail corridor. She displayed a map of future high capacity transit routes in the Valley and noted that the implementation schedule commits to a system of 67 miles, plus this project's five miles, by the end of 2034.

Ms. Yazzie stated that an Alternatives Analysis was initiated in 2012 to develop a recommendation for high capacity transit improvements in the study area. She said that the Alternatives Analysis identifies the mode and the alignment, station location, and street configuration.

Ms. Yazzie addressed the study area, which was six miles in length and extended one mile in either direction east and west on Central Avenue. She noted that the study originally included 11 alternatives that were narrowed down to three alternatives for evaluation. Ms. Yazzie then displayed a map of the LPA of light rail for the South Central Avenue corridor.

Ms. Yazzie discussed past agency actions. She said that the Phoenix City Council approved the LPA in December 2013. In April 2014, the City of Phoenix formed a community-based committee to prepare a plan for an extension of the Transit 2000 sales tax, to include capital, operations, and

maintenance funding for the City of Phoenix, including the South Central Avenue corridor. In June 2014, Metro Light Rail approved the LPA. Ms. Yazzie advised that the MAG Transit Committee, the MAG Transportation Review Committee, and the MAG Management Committee recommended approval of the Locally Preferred Alternative and proposed major amendment.

Ms. Yazzie noted that the project's capital cost is estimated at $680 million, to be funded by the Phoenix Transit 2000 tax and possible federal discretionary funds. No regional Public Transportation Funds (Proposition 400 funds) would be used for the capital expenses. Ms. Yazzie stated that annual operating costs are estimated at $16 million, to be funded by the Phoenix Transit 2000 tax and the farebox. Ms. Yazzie noted that the schedule anticipates an opening in 2034, with an 8-10 year window of project development, which would begin around 2024.

Ms. Yazzie reviewed the process for major amendments to the RTP. She said that the proposed amendment to the RTP qualifies as a major amendment in accordance with A.R.S. 28-6301, which states that a major amendment means 'the addition or deletion of . . . a fixed guideway transit system that either exceeds one mile in length or exceeds an estimated cost of forty million dollars as provided in the RTP.'

Ms. Yazzie explained that the next steps were approval of the LPA and to initiate the major amendment process. Ms. Yazzie stated that MAG is required to consult with the State Transportation Board, the Maricopa County Board of Supervisors, the Regional Public Transportation Authority, the Indian Communities, the cities and towns in Maricopa County, and the Citizens Transportation Oversight Committee. She noted that the State Transportation Board, the Maricopa County Board of Supervisors, the Regional Public Transportation Authority are required to take action on the major amendment. Following these approvals, action would return to the MAG process for a recommendation to perform an air quality conformity analysis, and finally approval of the RTP amendment and air quality conformity analysis.

Ms. Yazzie stated that the requested motion is a two-part motion: To recommend approval of (1) the Locally Preferred Alternative (LPA) for the South Central Avenue project, including light rail transit on Central Avenue from Washington/Jefferson to Baseline Road; and (2) consult with the State Transportation Board, the Maricopa County Board of Supervisors, the Regional Public Transportation Authority, the Indian Communities, the cities and towns in Maricopa County, and the Citizens Transportation Oversight Committee for the major amendment process, as required by A.R.S. 28-6353, on the proposal to add the five-mile light rail transit (LRT) extension on Central Avenue from downtown Phoenix (near the existing LRT turns at Washington and Jefferson streets) to Baseline Road to the 2035 Regional Transportation Plan, contingent on the finding of air quality conformity.

Chair Sellers thanked Ms. Yazzie for her report. He asked members if they had questions.

Mayor Greg Stanton commented that in his opinion as Mayor of the City of Phoenix, this light rail line should have been approved in the Transit 2000 tax, but at that time, there was a disincentive for putting in light rail where high transit ridership already existed because the federal government

gave credit for the number of cars taken off the road, not the number of riders. Mayor Stanton noted that the funding disincentive has changed, and the City is trying to move the project forward as quickly as possible. He noted that this will generate significant numbers of riders and generate a lot of economic activity in the South Phoenix area.

Mr. Dennis Smith explained the super majority vote. He said that if one of the agencies, RPTA, the State Board of Transportation, or County Board of Supervisors, was not in agreement with the major amendment, it would take a super majority vote of the TPC to approve the major amendment.

Ms. Yazzie stated that within 30 days of receiving the proposed amendment, the Board of Directors of the RPTA, State Board of Transportation and the County Board of Supervisors, by a majority vote, shall submit a written recommendation to the TPC that the proposed amendment be approved, modified or disapproved. Within 30 days of receiving the proposed amendment, the Indian Communities, CTOC, cities and towns may also submit written recommendations to the TPC that the proposed amendment be approved, modified or disapproved.

Mayor Jim Lane asked if there were consequential effects on other communities from the major amendment or was this setting a precedent.

Chair Sellers remarked that he understood that the funding for this project did not include any Proposition 400 funds, and would be funded by City of Phoenix or federal funds.

Mayor Lane clarified that he was referencing the overall plan for transit. He asked if something else had to give in the program, not necessarily financially.

Ms. Yazzie replied that none of the current extensions are being modified. She addressed the effect on the transit and roadway networks. Ms. Yazzie stated that this project will operate totally within one city and with no plans for extensions through any other cities or towns. She noted that many of the network implications occur in the City of Phoenix alone. Ms. Yazzie stated that the Phoenix Street Department and the neighborhood community have been involved in discussions on this project. She explained that revisions to the bus network are anticipated when the light rail project comes on line. Ms. Yazzie noted that the Route 0 bus is one of the top ten in terms of ridership in the Valley, and the bus network would be adjusted to accommodate a light rail route.

Mayor Lane stated that this is an item of concern even though the project would be funded with City of Phoenix funding. He asked if there could be a draw down of funds by the City of Phoenix, which in turn would draw down on MAG's capacity, even though Phoenix is trying to generate transportation funding at the federal level.

Ms. Yazzie reported on what she had heard at other meetings. She referenced the concerns of the City of Glendale that its light rail project, which is scheduled to open in 2026, not be delayed. Ms. Yazzie reported that in response, the City of Phoenix said that it was not their intention to delay

any project and the intention was to build the plan. She said that federal funds are tight, but there are many opportunities to pursue discretionary funds, such as grants.

Mayor Lane stated that he was hearing there was no attachment to federal funds that could impact our future needs. He mentioned the shift in policy mentioned by Mayor Stanton from replacing cars on the road to now replacing successful mass transit options, like bus lines. Mayor Lane commented on whether this is a direction we want to go in light of limited resources in somewhat of a discretionary way.

With no further discussion, Chair Sellers called for a motion. Mayor Greg Stanton moved to recommend approval of (1) the Locally Preferred Alternative (LPA) for the South Central Avenue project, including light rail transit on Central Avenue from Washington/Jefferson to Baseline Road; and (2) consult with the State Transportation Board, the Maricopa County Board of Supervisors, the Regional Public Transportation Authority, the Indian Communities, the cities and towns in Maricopa County, and the Citizens Transportation Oversight Committee for the major amendment process, as required by A.R.S. 28-6353, on the proposal to add the five-mile light rail transit (LRT) extension on Central Avenue from downtown Phoenix (near the existing LRT turns at Washington and Jefferson streets) to Baseline Road to the 2035 Regional Transportation Plan, contingent on the finding of air quality conformity. Mr. Charles Huellmantel seconded, and the motion passed, with Mayor Jim Lane voting no.

6. Revisions to the National Highway System and Principal Arterial Network in the MAG Region

Ms. Teri Kennedy, MAG staff, presented the revisions to the Federal Functional Classification and National Highway System Designation of Principal Arterial Roadways in the MAG region.

Ms. Kennedy explained that under MAP-21, all principal arterials nationwide, as of October 1, 2012, were added into the National Highway System (NHS). She stated that numerous regulations are associated with the NHS designation, including design and design exceptions, materials certification, quality assurance program, warranties, and sign and junkyard control. Ms. Kennedy stated that no additional funding is allocated to address the increased requirements on Principal Arterials that generally are locally owned, even though there could be added costs. She noted that the exact meaning of how to implement new measures is unclear until ADOT develops implementation policies.

Ms. Kennedy displayed a map of the existing principal arterial network as of October 1, 2012, noting that all the principal arterials must comply with NHS rules and regulations. She said that in February 2013, MAG submitted a proposal to remove the principal arterials from the NHS. In May 2013, the Federal Highway Administration (FHWA) issued new guidance for functional classification. Ms. Kennedy stated that in October 2013, FHWA notified MAG that the request to remove principal arterials from NHS would not be approved, and that principal arterials cannot be removed from the NHS solely to avoid NHS requirements.

Ms. Kennedy stated that NHS designation can be removed by reclassifying principal arterials to minor arterials. The NHS designations are addressed on a case-by-case basis, must meet federal guidelines, NHS goals and objectives, should be a rational classification system, and can be periodically updated in the future.

Ms. Kennedy detailed two problems with the principal arterial network being included in the NHS. The first problem is that the functional classification of the MAG arterial network was last updated in 1992, but there have been many changes to the freeway and arterial network since then. Ms. Kennedy stated that the MAG region has 22 percent more principal arterials than the national average. Additionally, population and employment patterns have matured, and new FHWA guidance on functional classification was released in 2013. Ms. Kennedy noted as an example that much of the traffic on 16th Street and 24th Street now uses SR-51.

Ms. Kennedy stated that the second problem is that NHS experienced automatic expansion without MPO or COG concurrence, even though the federal regulations say this should happen. She remarked that the automatic expansion means that the principal arterials that were automatically incorporated do not meet NHS requirements or goals. Ms. Kennedy stated that the compliance of new projects on the NHS is required, while national performance standards for the NHS have not yet been released. She noted that they are due to be released in the next few months. Ms. Kennedy stated that the quantity of principal arterials included in the NHS is inordinately burdensome to the state and local agencies, with little to no increase in funding available.

Ms. Kennedy explained the MAG approach to addressing the NHS issues. MAG reviewed the current Principal Arterial network, historic Roads of Regional Significance, and updates to the freeway network. MAG surveyed other agencies in the west and made comparisons to the nationwide network. MAG then coordinated with member agencies, held numerous Street Committee reviews, and completed a modeling exercise. As a result, MAG is recommending reclassification of many principal arterials to minor arterials as appropriate, and changes specific to the NHS facilities where appropriate.

Ms. Kennedy explained that the Street Committee recommended approval of Option 2E, and after the committee meeting, Option 2F was developed in response to a member agency request to adjust Tatum Road to a minor arterial and Adams Street from I-17 to 19th Avenue to a major collector, because proposed interchange upgrades to the area never materialized.

Ms. Kennedy addressed the impacts to funding as a result of the reduction of arterials included in the NHS. She stated that under current legislation, there is no impact on the amount or type of funding received to the state. Ms. Kennedy stated that roads removed from the NHS would lose eligibility for National Highway Performance Program funds. Ms. Kennedy explained that National Highway Performance Program funds, which ADOT has fully programmed for the next 12 years, are primarily distributed to freeways and highways.

Ms. Kennedy noted that the pros of this action include correcting the functional classification of principal arterials, reducing the local NHS by approximately 656 miles, and allowing projects that

are removed from NHS to proceed. The cons to this action are lowering the priority of the roadways removed, and possibly affect future funding to the state and the region. Ms. Kennedy noted that the requested action is to recommend approval of Option 2F that updates the functional classification for the Principal and Minor Arterial network and of the modifications in the National Highway System for the MAG region and to the 2035 Regional Transportation Plan as appropriate.

Chair Sellers thanked Ms. Kennedy for her presentation and asked members if they had questions.

Mr. Dennis Smith noted that at the MAG Management Committee meeting, the Phoenix City Manager commented that funding for federal mandates should be commensurate with the increased responsibilities and federal requirements.

Chair Sellers asked if this had been reviewed by ADOT. Ms. Kennedy replied yes. She further explained that ADOT and the Federal Highway Administration (FHWA) participated in eight MAG Street Committee meetings where the NHS was reviewed. Ms. Kennedy added that ADOT and FHWA wanted this done sooner, but the Street Committee wanted additional information and to remove as many arterials as possible due to the increased requirements.

Ms. Karrin Kunasek Taylor asked the practical implications at the local level. Ms. Kennedy replied that there is a possibility of an impact at the local level if it is tied to the federal functional classification. She added that most agencies have their own local classification for roadways.

Ms. Taylor asked for clarification that cities would not be required to make conforming changes within their own street classification. Ms. Kennedy replied that was correct.

Mr. Anderson referenced the current system map dated October 2012 that was included in the agenda packet. He noted that because MAP-21 says all roadways classified as principal arterials shall be a part of the NHS. Mr. Anderson stated that changes to these roadways would be more costly because they would need to meet higher design standards. He noted that if action is not taken to reduce the principal arterials, cities could be faced with more costs and no additional funding is provided with the mandate.

Mr. Dave Berry asked if MC-85, which is on the map of arterials to be declassified, already on the NHS. Ms. Kennedy replied yes, several roadways being declassified were on the NHS.

Mr. Berry, as a member of the trucking industry, expressed concern for declassifications. He explained that the trucking industry has put a lot of time and effort into roads that are a part of the National Highway System. Mr. Berry noted that there is a law that says that trucks must have reasonable access to and from the NHS. He said that many distribution centers, company headquarters, etc., representing millions of dollars of investment, have been built at locations nearby roadways on the NHS. Mr. Berry asked if anyone had looked at the impacts on reasonable access and the safeguards during discussion of declassification.

Ms. Kennedy replied that they looked at the intermodal connectors, specifically on MC-85. She stated that through coordination with Maricopa County, Phoenix, Tolleson, Avondale, and Goodyear, a compromise was reached because the average daily traffic on east MC-85 has decreased and where you break it is not set in stone, but you have to look at balancing the system. Ms. Kennedy stated that this was a choice of the City of Phoenix, but it could be revised.

Mr. Berry asked if trucking companies or distribution centers had been consulted. Ms. Kennedy replied that any outreach would have been done by the representatives of the various communities that own the arterials, but she did not know the details.

Mr. Berry stated that he was not aware that Swift Trucking, at 75th Avenue and Buckeye Road, had been contacted. He advised that in the past year, more than two million square feet of warehousing have been built under a certain set of assumptions, which are now changing. Mr. Berry stated that the I-10 Reliever is in the Plan, but if you look at traffic patterns, Buckeye Road and Van Buren Street are becoming the I-10 Reliever. Mr. Berry stated that he would be curious to know which design standards might be changed for these roads. He stated that 75th Avenue is located in at least three different jurisdictions, is in terrible shape and has been for many years, even though new warehouses and distribution centers are being built. Mr. Berry noted that Amazon, for example, has added four million square feet and adequate infrastructure is needed to support it. He expressed concern that adequate maintenance and standards would exist for facilities that have been built along arterials, especially to support economic development. Mr. Berry stated that he was concerned with the unintended consequences and that suddenly, they are not allowed access. He noted that California was an example of warehouses being stranded, and then companies move out. Mr. Berry stated that this was not the intent, but it would be beneficial to get those reassurances before voting.

Mr. Anderson stated that the warehousing, distribution, and trucking industries are very important components to economic development. He noted that Mr. Berry was at TPC to provide that industry-specific expertise. Mr. Anderson proposed re-examining the change to MC-85. He noted that 75th Avenue was not a principal arterial under the 2012 designation. Mr. Anderson suggested a re-examination of the road and surrounding area in more detail and to have conversations with trucking and distribution companies to ensure the appropriate connections are being made. He added that the Federal Highway Administration has indicated it will be enforcing the requirements of the October 1, 2012, map (which is the map in place), as of July 1, 2014. Mr. Anderson suggested the TPC could take action to recommend adoption of the map today, then MAG could conduct the necessary outreach (which would take approximately 90 days), and do a specific analysis of the West Valley related to Mr. Berry's concerns. He noted that there is the possibility that strategic improvements might be needed on 75th Avenue.

Mr. Berry expressed his appreciation for Mr. Anderson's suggestions and clarified that he was not requesting anything specific. He said that warehouse and manufacturing growth not only is occurring in the Southwest Valley, but also throughout the region. Mr. Berry stated that his concerns are preserving and designing the infrastructure to adequately support the economy and not strand any business in terms of access, which he has seen happen in other places.

Chair Sellers remarked that his assumption for approving a new map was that infrastructure improvements would not be approached differently than what is being done currently; they just would not be under federal mandate to meet certain standards. Mr. Anderson replied that was correct.

Mayor Lana Mook expressed concern regarding future maintenance costs to individual cities that might be attached as a result of the 2012 NHS map. Mr. Anderson replied that cities today are responsible for maintenance and improvement costs because they own the roads, but will be responsible for even more costs if action is not taken on a revised map. He explained that the goal is to reduce those costs by taking off some of the routes from the NHS, which requires a higher level of specifications. Mr. Anderson stated that the revised map resulted from eight committee meetings that included all member jurisdictions. He added that this is not a simple issue and it has serious implications.

Mayor Greg Stanton stated that it was his understanding that these requirements have been in effect for awhile, but they impact this region more than other communities due to the greater number of arterials in this region that would qualify for the NHS map. He indicated that the City of Phoenix would prefer to not have that many roads on the NHS map. Mayor Stanton commented that the federal government intends to enforce the standards required by the NHS map and there is no choice. He referenced Mr. Berry's comments about focusing on areas where improvements might be needed to meet higher standards.

Mr. Huellmantel asked the process for putting a street back on the NHS that had been taken off the NHS by MAG action.

Mr. Anderson replied that deleting or adding a route and would require approval by the Federal Highway Administration. Mr. Anderson stated that justification would be required and could include, for example, a key roadway that connects a distribution center to the NHS. He noted that an NHS designation needs to be balanced against the added requirements. Mr. Anderson stated that key trucking routes need to be adequately reflected. He added that MAG has mapped all of the distribution and trucking centers and that can be overlaid on the NHS map to ensure all of the connections are there. Mr. Anderson suggested conducting additional outreach, specifically, for those types of industries.

Mr. Berry asked the length of time that would be needed to add back a roadway that was removed from the NHS. Mr. Anderson replied that he anticipated the process would take three to four months to complete. Mr. Berry noted that he was comfortable with that.

Mr. Roc Arnett asked for clarification of federal standards that might be required for the Carefree Highway past Interstate 17 to Scottsdale Road. Ms. Kennedy replied that the NHS standards would apply to improvements that would be made to the road.

Mr. Arnett asked for clarification that NHS requirements would apply to an extension of Eliott or Riggs Road to the county line. Mr. Anderson replied these roads might or might not meet the

criteria of "roadways that are strategic and connect to the NHS." Ms. Kennedy stated that the definition of NHS is to interconnect major centers in rural areas. For urban areas, criteria is three miles apart, the longest and most frequently traveled trip lengths. Ms. Kennedy gave as an example, a two-block section of Adams Street, from I-17 to 19th Avenue, is requested to be downgraded from a Principal Arterial to Major Collector and requested for removal from the NHS. She explained that an interchange at Interstate 17 originally was proposed but never developed. Ms. Kennedy stated that the Principal Arterials should be composed of the existing network. She noted that the Loop 202 South Mountain Freeway is indicated on the map by a dotted line because it does not yet exist. Ms. Kennedy added that one Minor Arterial was upgraded to Prinicipal Arterial because it is in alignment with Loop 202.

Mr. Berry asked for clarification of the difference between building a road to highway standards or to local standards, for example, on Carefree Highway. Ms. Kennedy replied that clear zones is one standard, for example, the amount of right-of-way that is taken, and turning radii. Mr. Anderson noted that most of Carefree Highway is a four-lane road and the most problematic section is probably the two-lane section from Cave Creek Road to Scottsdale Road. He advised that improvements are not required by the NHS and the road could remain as it is, but any improvements that are done would need to meet the NHS standards. Mr. Anderson noted that meeting NHS standards was discussed extensively at MAG committees due to implications in the future.

Mr. Berry explained how in some cases, roadway conditions were fine until reaching city limits where trucks were not allowed and they would have to make lengthy detours. He indicated that this was one reason the law was changed.

Mayor Jim Lane asked for clarification of modifications. Ms. Kennedy replied that if federal funds are used on a road project on the NHS, it would need to go through the federal approval process, even if it is a bus pullout, and must meet performance standards, which have yet to be released.

Chair Sellers, noting no further comments, called for a motion.

Mr. Roc Arnett moved to recommend approval of the included map Option 2F that updates the functional classification for the Principal and Minor Arterial network and of the modifications in the National Highway System for the MAG region and, as appropriate, to the 2035 Regional Transportation Plan. Mayor Mark Mitchell seconded, and the motion passed, with Mr. Dave Berry and Mayor Jim Lane voting no.

7. Update on Public-Private-Partnership Initiatives in Arizona

Mr. Bob Hazlett, MAG staff, provided an update on Public-Private-Partnerships (P3) in the region. Mr. Hazlett introduced Gail Lewis, Arizona Department of Transportation (ADOT) staff member for the Arizona P3 office. He stated that House Bill 2396, passed by the Arizona Legislature and signed by Governor Brewer on July 13, 2009, enables the state, through ADOT, to consider the use of P3s as a tool for financing transportation infrastructure in Arizona.

Mr. Hazlett stated that numerous opportunities exist for enhancing, upgrading, or building new transportation facilities. He said that the focus of his presentation today would be solicited and unsolicited project proposals.

Mr. Hazlett reviewed the solicited proposal process, which is utilized to ensure the best possible value for tax dollars. Examples of approved solicited P3 proposals include the Flagstaff District office building and the daily maintenance and operation of rest areas, including the new "Safe Phone Zone" sponsorship by Geico Insurance Company. Mr. Hazlett stated that solicited proposals are under consideration for a statewide asset sponsorship program, solar projects, SR-189/Mariposa Road in Nogales, the Pinal North-South Corridor, and Interstate 11.

Mr. Hazlett then discussed the unsolicited proposal process. He noted that an unsolicited P3 proposal was received in February 2013 for the design/build/financing of the SR-202 Loop/South Mountain Freeway from the South Mountain Development Group (Kiewit, Sundt, and Parsons Transportation) to move forward the construction of the freeway corridor and provide development services. Mr. Hazlett stated that the Group proposes bringing its own equity to the table with availability repayment over time, not through tolling.

Mr. Hazlett reported that unsolicited P3 proposals trigger an evaluation process. He said that ADOT, FHWA, and MAG conducted a detailed evaluation. The first step is Pass/Fail. Mr. Hazlett stated that if the proposal passes, an initial evaluation of seven tasks is conducted. If the proposal passes, then a detailed evaluation of 17 tasks is conducted. He stated that one of the elements of the evaluation is the examination of risk allocations to determine the risks and the costs. Mr. Hazlett stated that the findings determined there is merit to accelerate the project and to using P3 tools to deliver the project. He stated that the timeline to construct the freeway could be shortened by using a design/build construction process. Mr. Hazlett noted that discussion of the proposal included adding a maintenance component as part of the project.

Mr. Hazlett reviewed the project development steps. The first step is planning, which takes place at MAG. Mr. Hazlett stated that the next step is the environmental process, which is currently underway. He stated that combining into one task the steps of design, right-of-way and utilities, construction, and operations and maintenance was discussed.

Mr. Hazlett stated that ADOT issued a Request for Interest for the South Mountain Freeway project. From the Request for Interest came three outcomes: Design-Build-Maintain (accelerated design build with maintenance contract), Design-Build-Finance-Maintain (accelerated design build with maintenance contract, but with developer responsibility for financing a portion of the project), and Enhanced Design-Build (accelerated design build without a maintenance contract). He noted that a value for money study was also conducted as part of the Request for Interest process to determine the best value.

Mr. Hazlett stated that in July 2014, ADOT decided to move forward with the Design-Build-Maintain option for the South Mountain Freeway. He said that there is a lot of

interest in this project, and approximately 85 people from such places as Spain, Mexico, Canada, and Great Britain attended a forum.

Mr. Hazlett stated that one of the recommendations is to do the South Mountain project as one project rather than the ten different projects included in the current plan. He said that approximately 8,000 comments were received during the 90-day review process on the draft environmental impact statement that was issued in April 2014. He stated that the final environmental impact statement will be released for a 60-day review process in September 2014. Mr. Hazlett stated that the Record of Decision is anticipated for December 2014. He noted that next steps include issuing a Request for Qualifications followed by a Request for Proposals after environmental impact statement concurrence by FHWA. Mr. Hazlett stated that with a P3, construction could start in 2016 with major completion by late 2018 or early 2019, approximately three to four years ahead of the program.

Mr. Hazlett stated that work on the Managed Lanes Study and P3s continues at MAG. He said that the second phase of the study is currently underway.

Chair Sellers thanked Mr. Hazlett for his report. He commented that he felt the P3 process is an important element in the future infrastructure of Arizona and he hoped that the people who could do a P3 were not being discouraged.

Mr. Joseph La Rue thanked Mr. Hazlett for his report. He said that this is a topic of interest at the state level. Mr. La Rue expressed appreciation for the P3s at the Flagstaff District office building and the daily maintenance and operation of rest areas, but success to the Board is having a road built. He indicated that a lot of study has been going on, but some of the Board members feel it is time to move something forward. Mr. La Rue stated that the Board will take up P3s again to move forward not only the South Mountain project, but also other projects in the state. He added that ADOT is very constrained and this is a high priority for the State Transportation Board.

Mayor Lane stated that P3s are an important aspect to meet objectives during the current conditions of restricted funds. He noted the adage that time is money, so there is a built-in efficiency already. Mayor Lane asked for clarification of the acceleration. Mr. Hazlett replied that all ten sections of the South Mountain could be completed by 2022 or 2023. By using the P3 approach, the project could be done by late 2018 or early 2019. Mayor Lane remarked that potentially cutting the construction time in half is a substantial reduction.

Mayor Lane asked if any public financing or tax mechanisms were available to private financing in the Design-Build-Finance-Model. Mr. Anderson replied that they looked at the Design-Build-Finance-Model extensively and because the analysis showed only a three to four year gap in financing instead of 20-year financing, ADOT and its financial advisers felt they could access public equity markets that are tax exempt. Mr. Anderson stated that the Finance component was dropped for this reason. He added that ADOT can borrow money at a better rate than the private sector. Mr. Anderson stated that the original proposal included an equity component, which usually has higher rates of return due to the risk factor that eventually drives up the total cost of the

project. Mr. Anderson stated that ADOT became very creative in gap funding as a result and since the cost would be lower to ADOT, it has taken on that responsibility instead of the private sector. Mr. Anderson added that the Design-Build-Maintain is the selected option. He explained that the Maintenance piece helps to ensure higher quality construction because the contractor will be responsible for maintenance over an extended period of time.

Mayor Lane remarked that the analysis found that the mechanisms ADOT adopted keep costs down and improves its own base model. Mr. Hazlett stated that the analysis not only looked at the financing mechanisms but also looked at the entire project delivery.

Mr. Berry said that he felt that P3s seem to work well and that everyone involved needed to be congratulated. He expressed his hope that the Loop 202 project will be completed. Mr. Berry stated that one of the interesting things done in Maricopa County was the passage of Proposition 400 where the voters agreed to tax themselves in order to have a superior transportation system. He noted that the rest of the state does not have this source of funds.

Mr. Berry asked the source for repayment for South Mountain as a P3. Mr. Hazlett replied that would be a mix of Proposition 400, federal, and state funds. Mr. Anderson noted that the Proposition 400 funds are actually a small component because the tax expires in 2025, and so ADOT cannot contractually commit beyond the expiration of the tax. Mr. Anderson noted that the maintenance component will be funded by state funds and federal funds, and he added that many maintenance elements are eligible for federal funding.

Mr. Berry expressed the support of the trucking industry for an increase in diesel and gasoline taxes because infrastructure needs to be maintained. He said that an increase is needed for Arizona to support the kind of transportation system to grow and prosper. Mr. Berry said that the South Mountain Freeway will produce revenue from such things as user fees and the taxes from the increased value of surrounding property. He remarked it would be interesting to know the percentage of the South Mountain Freeway construction costs that would be paid by the revenue it generates. Mr. Hazlett stated that he would provide Mr. Berry with the relevant section of the environmental impact statement regarding economic impacts and benefits.

8. Legislative Update

Mr. Nathan Pryor, MAG staff, provided an update on legislative issues of interest. Mr. Pryor stated that Congress acted to avert the August 1st Highway Trust Fund shortfall and allocated $10.8 billion through May 2015. He noted that a shortfall in the trust fund would have triggered a slowing and potential reduction in reimbursements for transportation projects.

Mr. Pryor stated that the funds identified for the next nine months come from a few different sources, including $6.4 billion from pension "smoothing," $3.5 billion from customs user fees, and $1 billion from the leaking underground storage tanks fund. Mr. Pryor stated that a continuing resolution for reauthorization of MAP-21 is anticipated.

Chair Sellers thanked Mr. Pryor for his report and asked if there were questions from the committee. No questions were noted.

9. 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.

No requests were noted.

10. 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.

No comments from the committee were noted.

Adjournment

There being no further business, the meeting adjourned at 12:30 p.m.

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Chair

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Secretary

Agenda Item #5

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:
September 9, 2014

SUBJECT:
FY 2015 Regional Freeway and Highway Program Update

SUMMARY:
Arizona Revised Statues (ARS) 28-6352 (A) requires a budget process that ensures the estimated cost of the freeways and other controlled access highways in the Regional Transportation Plan (RTP) does not exceed the total amount of revenues estimated to be available. The MAG Regional Freeway and Highway Program is subject to this requirement. In an oversight capacity, MAG staff collects and reviews project and financial data related to the program from the Arizona Department of Transportation (ADOT). The program is reviewed from both a year-by-year, and in a composite perspective to ensure the funds are available for eventual construction. The year-by-year process, referred to as "cash flow" is completed through a modeling effort for the program between Fiscal Years (FY) 2006 and 2026. These horizon years coincide with the life of the half-cent Maricopa County Transportation Excise Tax, which was passed by the voters of Maricopa County in November 2004.

In October 2009 and May 2012, the Regional Freeway and Highway Program was reviewed and the MAG Regional Council approved scenarios to balance an estimated combined $6.9 billion shortfall due to cost overruns and revenue shortfalls. In light of those balancing efforts, MAG and the Arizona Department of Transportation (ADOT) have made significant progress in delivering the $9 billion program for meeting the region's transportation demand. As of the date of this transmittal summary, approximately 45 percent of the program, as rebalanced in 2012, has been delivered with the recent openings of the first mile of the SR-24 freeway between Loop 202/Santan Freeway and Ellsworth Avenue in Mesa, and the 15-mile, six-lane Loop 303 freeway between Interstate 10 and US-60/Grand Avenue in Glendale, Goodyear, Maricopa County, and Surprise.

Regional Council action in May 2012 approved a $9.079 billion Regional Freeway and Highway Program that matched the projected cash flow. With the delivery of these significant projects, and the continuing planning efforts by MAG and ADOT on the remaining projects in the program, the current cost opinion for the program is $8.868 billion, which is below the approved program amount. At the time of this transmittal, a new cash flow model, based upon new revenue estimates, was being processed to determine whether the program is within balance based upon the revenue and federal fund projections. The results from this model, as well as an update on the remaining program projects, will be presented.

PUBLIC INPUT:
No public input has been received at this time.

PROS & CONS:
PROS: In 2009 and 2012, cost opinions significantly increased, and coupled with declining, the Regional Freeway and Highway Program has seen a deficit develop over the life of the program to a funding shortfall of approximately $6.9 billion. Development of scenarios, based upon four principles

consistent with the original planning goals and objectives used to initially establish the Regional Transportation Plan in 2003, provided a basis and direction for governing the remaining funds available for regional freeway and highway construction. The resultant cost-saving measures, as well as partial and full project deferrals, have ensured construction funding for two significant corridors from the program: Loop 202/South Mountain Freeway and Loop 303.

CONS: The 2009 and 2012 rebalancing efforts identified more than $4.4 billion in full or partial project deferrals. The most significant of these deferrals is the delay of SR-30, also known as the Interstate 10 Reliever Freeway, from SR-85 to SR-202L/South Mountain. As a result, there may be congestion in the Southwest Valley along principal roadways and most significantly along the Interstate 10/Papago Freeway until SR-30 is constructed.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: Monitoring the delivery of the Regional Freeway and Highway Program has improved upon the technical capabilities for both MAG an ADOT. Specifically, the challenges of delivering the program with tighter budgets have encouraged the use of alternative project delivery techniques, such as design-build and public-private-partnerships, to maintain scheduling. These techniques have also seen cost-savings and efficient designs benefitting the overall health of the Regional Freeway and Highway Program.

POLICY: While the rebalancing efforts provided a means to effectively govern the remaining funds identified for the Regional Freeway and Highway Program, it did introduce a new management process for governing deferred projects from the program. In addition, additional review of project scopes is recommended during the project development process to reduce future scope and cost increases. It is important to note that the Phase V (projects beyond FY 2026) identifies those deferrals from their previous phase to ensure priority as future funds become available.

ACTION NEEDED:

Information and discussion.

PRIOR COMMITTEE ACTIONS:

There have been no prior committee actions on this matter.

CONTACT PERSON:

Bob Hazlett, Senior Engineering Project Manager, 602 254-6300.

Agenda Item #6

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY… for your review

DATE:
September 8, 2014

SUBJECT:
Outcome of the Central Phoenix Transportation Framework Study

SUMMARY:
The recently completed Central Phoenix Transportation Framework Study was an effort to identify long-range transportation needs for the center of the MAG region in an area bounded by SR-101L on the north, east, west and the Gila River Indian Community on the south. Since beginning this study in late 2010, the study team has reached out to numerous representatives from the general public, MAG member agencies, the Arizona Department of Transportation, Valley Metro and through stakeholder meetings, geographic dialogues, two planning charettes, and twelve Planning Partner events, identified transportation options to inform development of the NextGen Regional Transportation Plan. The Transportation Policy Committee will be provided an update on the work products from this study addressing the regional freeway system, including the study's suggestions for the Interstate 10/Interstate 17 Corridor Master Plan.

The study team has identified fifteen different work products as the outcome to the Central Phoenix Transportation Framework Study. These work products are primarily technical in nature and discuss various transportation construction and operational improvement items that could be incorporated into the NextGen Regional Transportation Plan program. A summary brochure of the project's work products is attached to this summary transmittal. Information on the Central Phoenix Transportation Study's final work products is also available at www.bqaz.org.

A summary of the work products will be provided. In addition, information from the Downtown Phoenix Transportation Study, an initiative of the Central Phoenix Transportation Framework Study jointly funded by MAG and the City of Phoenix, will also be presented to illustrate and implement this framework's planning principles.

PUBLIC INPUT:
Public input to inform the Central Phoenix Transportation Framework Study was received in the Summer and Fall of 2011 during the project's data discovery phase. More than 500 individuals representing the general public and commercial interests participated in five focus groups and six geographic dialogues as part of the outreach effort. The common themes of study, policy, and mobility recommendations were identified as benchmarks in both planning charettes and the subsequent work products that have been developed.

The public also provided input on the Downtown Phoenix Transportation Study in three different opportunities through the study development process. This study was an outreach to more than 150 Downtown Phoenix business and residents.

PROS & CONS:

PROS: The study developed an environmentally sustainable multimodal transportation framework that includes operational and safety improvements, and a framework for regional connectors and roadways within the study area. The project's recommendations will provide guidance to MAG and member agencies for establishing a transportation framework and an implementation strategy to meet the long-term travel demand.

CONS: Most recommendations identified in the Central Phoenix Transportation Framework Study work products are unfunded beyond the scope of the current Regional Transportation Plan. As with all MAG Framework Studies, this effort was intended to identify the need, develop recommendation, and assess feasibility and constructability to inform the MAG Regional Council in future decisions about the Valley's transportation system.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: Recommendations proposed in these work products are designed to inform future generations of the Regional Transportation Plan and have been identified with implementation and constructability as primary criteria. It is anticipated that this early detailed look at technical concepts will provide the planning process with the best technical data to improve upon the quality of projects that may be identified for eventual construction and operation in the Central Phoenix Transportation Framework Study area.

POLICY: This Transportation Framework Study represents the fourth of sixth such efforts to identify transportation needs at future years beyond the present planning horizon for the Regional Transportation Plan. These efforts have led to decisions about long-range planning for transit, freight, freeway, and arterial corridors throughout the Valley. The Central Phoenix Transportation Framework Study is the first look at the core of the metropolitan area and the needs for meeting future travel demand. As with previous framework study recommendations, key and strategic improvements will be advanced into future generations of the Regional Transportation Plan, as recommended by the MAG Regional Council.

ACTION NEEDED:

Information and discussion.

PRIOR COMMITTEE ACTIONS:

No previous committee actions have been taken on the products that are being developed for the Central Phoenix Transportation Framework Study.

CONTACT PERSON:

Bob Hazlett, Senior Engineer, 602 254-6300