

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

February 18, 2015
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Councilmember Jack Sellers, Chandler,
Chair | # Mayor W. J. "Jim" Lane, Scottsdale |
| Mayor Jerry Weiers, Glendale, Vice Chair | Mr. Joseph La Rue, State Transportation
Board |
| # Mr. F. Rockne Arnett, Citizens Transportation
Oversight Committee | * Lt. Governor Stephen Roe Lewis, Gila River
Indian Community |
| * Mr. Dave Berry, Swift Transportation | Mayor Georgia Lord, Goodyear |
| * Mr. Jed Billings, FNF Construction | # Mayor Mark Mitchell, Tempe |
| # Mayor Cathy Carlat, Peoria | Mayor Lana Mook, El Mirage |
| Councilmember Jenn Daniels, Gilbert | Mr. Garrett Newland, Macerich |
| Mayor John Giles, Mesa | Mayor Tom Rankin, Florence |
| Mr. Charles Huellmantel, Huellmantel and
Affiliates | * Mayor Greg Stanton, Phoenix |
| * Supervisor Clint Hickman, Maricopa County | * Ms. Karrin Kunasek Taylor, DMB Properties |
| * Mr. Mark Killian, The Killian
Company/Sunny Mesa, Inc. | # 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 12:04 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Sellers noted that Mr. Roc Arnett, Mayor Cathy Carlat, Mayor Jim Lane, Mayor Mark Mitchell, and Mayor Kenneth Weise were participating by teleconference.

Chair Sellers welcomed back to the TPC Mayor Cathy Carlat, who previously served on the committee and was appointed January 28, 2015, by the MAG Regional Council.

Chair Sellers introduced Councilmember Jenn Daniels from the Town of Gilbert. He noted that Councilmember Daniels' appointment is on the February 25, 2015, Regional Council agenda.

Chair Sellers extended congratulations to former Lt. Governor Stephen Roe Lewis, who was recently elected Governor of the Gila River Indian Community.

Chair Sellers noted that a legislative summary for agenda item #9 was at each place.

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. He stated that public comment is provided for consent items, and 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 Lana Mook moved to recommend approval of agenda items #4A and #4B. Vice Chair Jerry Weiers seconded, and the motion passed unanimously.

4A. Approval of the November 12, 2014, Meeting Minutes

The Transportation Policy Committee, by consent, approved the November 12, 2014, meeting minutes.

4B. Information Update–Revisions to the National Highway System and Principal Arterial Network in the MAG Region

The National Highway System consists of roadways important to the nation's economy, defense, and mobility, such as Interstates, the Eisenhower Interstate System of highways, other principal arterials, the Strategic Highway Network, major strategic highway network connectors, and intermodal connectors. Congress automatically added 60,000 miles of roadways that were classified as principal arterials to the National Highway System (NHS) with the enactment of Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2012. In Maricopa County, this added approximately 817 centerline miles of member agency owned roadways to the NHS. During FY 2013 and FY 2014, the Arizona Department of Transportation (ADOT) and MAG reviewed and evaluated the functional classification of the principal arterial roadway system, and those facilities included in the National Highway System. On August 13, 2014, the Transportation Policy Committee recommended updates the functional classification for the Principal and Minor Arterial network and of the modifications in the National Highway System for the MAG region. On August 27, 2014, the MAG Regional Council approved changing approximately 642 miles of roadway classifications in the MAG region. The Arizona Department of Transportation submitted the MAG requested changes to the Federal Highway Administration. On December 22, 2014, the Federal Highway Administration approved the requested modifications to the functional classification for the Principal and Minor Arterial network and of the modifications in the National Highway System in the MAG region. This item is included to inform member agencies that the requested changes to the functional classification and modifications to the NHS have been approved by Federal Highway Administration and the effective date of changes is December 22, 2014.

5. Project Changes - Amendment and Administrative Modification to the FY 2014 MAG Transportation Improvement Program, FY 2015 Arterial Life Cycle Program, and as Appropriate to the 2035 Regional Transportation Plan, and to the FY 2015 MAG Unified Planning Work Program

Ms. Teri Kennedy, MAG staff, reported on requests for amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program, the FY 2015 Arterial Life Cycle Program, and the 2035 Regional Transportation Plan.

Ms. Kennedy stated that the majority of changes shown on Table A are Arizona Department of Transportation (ADOT) general project changes, material cost changes, and an amendment to the FY 2015 Work Program. Ms. Kennedy stated that the Arizona Department of Transportation has requested that MAG lead the safety planning studies, and the Avondale Strategic Transportation Safety Plan will be managed by MAG under the MAG Work Program. The addition of the Avondale Strategic Transportation Safety Plan will amend the FY2015 MAG Work Program.

Ms. Kennedy stated that there are material cost changes for the design, construction, and landscaping of the interchange on the Loop 303 at the Interstate 10 segments Phase I and Phase II and are included in Table A. The increases on the Loop 303 relate to scope changes that added the mainline and Interstate 10 westbound and eastbound frontage road bridges. Ms. Kennedy reported

a 22 percent increase in Phase I landscaping, a 63 percent increase in Phase II design, and a 34 percent increase in Phase II construction due to adding in the ramps from Interstate 10.

Ms. Kennedy explained the material cost changes related to the US-60 at the Grand Avenue and Bell Road traffic interchange, where the current budget was based on preliminary design plans for the Median Urban Diamond design. She said that no detailed design or cost estimate was done in establishing the original program budget. During development of the Design Concept Report and Environmental Assessment, and subsequent value analyses and risk assessments, more detailed plans and cost estimates were prepared, identifying the need for this additional funding. Ms. Kennedy stated that the changes include a 63 percent increase in design cost and she added that a 49 percent increase is anticipated in construction costs.

Ms. Kennedy stated that Table B includes the changes related to the twice-per-year update for bicycle, pedestrian, ITS, paving of unpaved roads, roadway improvements, and safety projects that use sub-allocated funding. Ms. Kennedy explained that Table C contains ALCP changes within the TIP window and Table D contains ALCP changes outside of the TIP window. She stated that Table E relates to the closeout of FY 2015 federal funds. Ms. Kennedy reported that there were requests totaling \$15.6 million for approximately \$6 million in federal funds.

Ms. Kennedy stated that the requested action was to recommended approval of amendments and administrative modifications included in Tables A, B, C, D, and E to the FY 2014-2018 MAG Transportation Improvement Program, FY 2015 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan and FY 2015 MAG Unified Planning Work Program.

Chair Sellers thanked Ms. Kennedy for her report. No questions from the committee were noted.

Mayor Cathy Carlat moved, Mayor Kenneth Weise seconded, and the motion passed unanimously.

6. Interstate 10/Interstate 17 Corridor Master Plan Update

Mr. Bob Hazlett, MAG staff, provided an update on the Interstate 10/Interstate 17 Corridor Master Plan and a demonstration of the MetroQuest tool for public outreach. Mr. Hazlett stated that this 35-mile section of the region's freeway system is referred to as "The Spine." He noted that \$1.47 billion is programmed in the Regional Transportation Plan for improvements to this corridor.

Mr. Hazlett stated that this corridor extends from the North Stack (Interstate 17/Loop 101) to the Pecos Stack (Interstate 10/Loop 202). He said that the corridor involves the MAG member agencies of ADOT, Chandler, Guadalupe, Phoenix, and Tempe. Mr. Hazlett noted that about 40 percent of the daily freeway trips in Metro Phoenix use some portion of the corridor.

Mr. Hazlett noted that a project fact sheet was at each place. He stated that public meetings will be launched on February 23, 2015, and the project fact sheet includes the locations of the public meetings. Mr. Hazlett described some of the materials, maps, and exhibits, including 28 banners, to be used at the public meetings. He stated that people will first walk through the exhibits to learn

about The Spine, and then post their thoughts about the corridor. Mr. Hazlett indicated that they anticipate the study will be complete by 2016.

Mr. Hazlett stated that MetroQuest, a public outreach tool, was developed. He described it as a bilingual online engagement/survey tool used to obtain input regarding the public's values, concerns, and feedback on potential scenarios and improvements. He stated that MetroQuest is more interactive than just taking a survey. Mr. Hazlett stated that MetroQuest will be embedded into the study website: spine.azmag.gov. He noted that an online survey would be available throughout the duration of the public comment period and is mobile compatible. Mr. Hazlett then displayed screen shots of the survey and noted the website is similar to an internet gaming idea. He added that the website is in both English and Spanish. Mr. Hazlett stated that they are trying to reach as many members of the public as possible. In addition to the fact sheets, he will be speaking about the project on Channel 8's show, Horizon. Mr. Hazlett stated that survey respondents will be able to say what is important to them, be able to rate, compare, and make comments about strategies, or suggest additional priorities.

Mr. Hazlett stated that next steps include completing the studies and pre-design efforts for the Near-Term Improvement Strategy for Interstate 10 and Interstate 17, produce a Needs Assessment Report for existing and future (2040) conditions in the corridor, develop criteria for identifying and evaluating alternatives, establish project alternatives, and report back to the Transportation Policy Committee in November 2015. He added that project completion is anticipated by December 2016.

Mr. Hazlett stated that the public information meetings will take place on February 25 at the Academia Del Pueblo Elementary School Gym at 201 E. Durango Street, Phoenix; February 26 at the Deer Valley Community Center at 2001 W. Wahalla Lane, Phoenix; and on March 4 at the Sheraton Four Points Inn (formerly Grace Inn) at 10831 S. 51st Street, Phoenix. He noted that all meetings will take place from 6:00 p.m. to 8:00 p.m. Mr. Hazlett stated that planning, environmental, engineering and safety work done to date will be available at the meetings and he added that iPads or tablets will be available for the public to use.

Chair Sellers thanked Mr. Hazlett for his report. He remarked that the educational part of this applies to more than just The Spine and will help people to understand what needs to be done to prepare for the next 20 years.

Mr. Garrett Newland asked the timeframe when the major improvements will begin. Mr. Hazlett replied that the goal is 2018 or 2019 when the Near Term Improvements Strategy will be worked out. He stated that the I-10/17 Corridor Master Plan is a planning tool to guide improvements through 2040. Mr. Hazlett stated that as the Plan is being drafted, they will look at priorities, population, and employment trends to phase the projects in over time. He said that some studies done in the past came up with large and pricey improvements, but since then, they have discovered smaller projects could be done along the way that would offer meaningful improvements.

Chair Sellers remarked that critical problems with cash flow requires finding alternative ways to improve cash flow.

7. Regional Freeway and Highway Program Update

Mr. Bob Hazlett, MAG staff, stated that the Transportation Policy Committee last received an update on the Regional Freeway and Highway Program in August 2014. He stated that the Program had its beginning in 2003, when the Regional Transportation Plan was adopted and Proposition 400 was approved by the voters in 2004. Mr. Hazlett noted that the cost opinion for the Program in 2006 was \$8.1 billion, however, with the Great Recession in 2007-2008, coupled with significant increases in materials costs, resulted in the Program cost increasing to \$15.9 billion. He noted that the first Program rebalance to \$9.4 billion was done in 2009, with a second rebalance to \$9.1 billion in 2012. Mr. Hazlett stated that another small amount was taken out at the time the 2035 Regional Transportation Plan was approved in 2014 and it comes in at approximately \$8.1 billion.

Mr. Hazlett stated that through 2014, approximately \$3.6 billion, or 40 percent of the \$8.1 billion, has been spent. He noted that this does not include the final accounting for Loop 303 in the West Valley. Mr. Hazlett stated that the next five years (2014-2019) is the busiest time period for the TIP, likely due to cost expenditures for the South Mountain Freeway and near term improvements to Interstates 10 and 17. Mr. Hazlett stated that they anticipate spending the full \$8.9 billion by 2026 when the tax sunsets.

Mr. Hazlett stated that the Freeway/Highway Program is approximately 50 percent complete nine years into the program. He reported that 375 of the program-identified 720 general purpose miles are open, along with 215 of the 360 high occupancy vehicle (HOV) lane miles. Mr. Hazlett noted that the MAG region now has the fourth largest HOV system in the nation.

Mr. Hazlett stated that MAG has been collaborating with ADOT on the status of the Program. He noted that MAG's perspective is that the project savings need to be reflected in the cash flow. Mr. Hazlett stated that the two most important documents to do this is the Receipts and Expenditures Ledger and the Revenue and Cash Flow Projections. He stated that a number of issues have been noted: inconsistent data in both models, project closeouts are still underway (Loop 303 in particular), proper allocation of Loop 202/South Mountain Freeway costs, and consistency with the cost of future projects with Regional Council specified program amounts.

Mr. Hazlett stated that MAG has been in continuing communications with ADOT at different levels: Urban Project Management, the Phoenix Construction District, the Phoenix Maintenance District, Financial Management Services, the State Engineer's Office, Environmental Programs, Roadway Design, Bridge, Right-of-Way, and Communications. Mr. Hazlett stated that they discovered that conducting a Cost Risk Analysis for each project to identify and potentially retire project contingencies at the earliest opportunity could result in bringing back some projects or launching some projects sooner than later.

Mr. Hazlett stated that Ms. Chaun Hill, MAG staff, led four workshops, with the first one on the Interstate 10 Near Term Improvements Strategy. At the workshops, risks and implications to the program were identified and quantified. Mr. Hazlett stated that the risks were identified as items

affecting the project's overall costs as well as schedule. Both are used to identify what could be retired and money freed up for other construction projects in the Regional Freeway and Highway Program.

Mr. Hazlett stated that the project risk cost analysis showed that the right-of-way for the Alameda Bicycle-Pedestrian overcrossing is one of the improvements with the greatest risk for affecting costs of the Interstate 10 Near Term Improvements Strategy. He noted that the risk analysis showed that the current program amount of \$199.6 million could be reduced to \$189.5 million. Mr. Hazlett also noted that ADOT had addressed the right-of-way risk for the Alameda overcrossing, thereby reducing the risk by another \$4.5 million.

Mr. Hazlett then presented results from the four projects for Interstate 10: Loop 101 between I-17 and SR-51, Loop 101 between SR-51 and Pima-Princess Roads, and Loop 303 south of Interstate 10 to Elwood Street. He said that presently, these four projects are \$664.9 million in the program and could be done for approximately \$577.4 million, \$87 million less following the Cost Risk Analysis. Mr. Hazlett then noted that there is the potential to retire a total of \$106.7 million in risk for these four projects alone when meeting the most critical risks, allowing completion of more projects from the Proposition 400 program.

Mr. Hazlett stated that the next steps include completing a cost risk analysis on all remaining Regional Freeway and Highway Program projects (five have been scheduled), cleaning up the expenditures ledger and updating the cash flow model with refined project costs, retiring risks, incorporating Loop 202/South Mountain Freeway costs at the earliest opportunity, and adjusting/balancing the program as needed in early 2016. Mr. Hazlett noted that building the South Mountain Freeway as a design/build/maintain project is an advantage as a firm price for all 22 miles of construction will be identified very early in delivering this effort. He said that right-of-way and construction costs should be known by November and incorporated into the cash flow.

Mr. Eric Anderson expressed his appreciation to Mr. Hazlett, Ms. Hill, HDR Consulting, and ADOT management for their efforts. He said that the risk analyses provide information that helps to allay fears about the budget. At the times that budgets are set for projects, contingencies are build upon contingencies to ensure the projects are completed and the risk assessment process helps to unwind that and focus efforts to reduce costs. Mr. Anderson stated that it is all about delivering the best value for the taxpayers.

Chair Sellers thanked everyone for the impressive work and asked members if they had questions.

Mayor Mook asked if any of the costs decreased as a result of canceled projects. Mr. Hazlett replied that the projects considered canceled were delayed outside of the Proposition 400 time horizon, but they have been realized as part of this process.

8. Performance Measurement and Target Setting Update

Monique de Los Rios-Urban, MAG staff, reported that the TPC last received an update on performance measurements at the conclusion of the state mandated audit in 2012. She noted that today, she would be presenting information on the progressive implementation of the Proposition 400 state audit recommendations and a discussion of MAP-21 requirements.

Ms. de Los Rios-Urban stated that in 2009, MAG initiated the development of a comprehensive Performance Measurement and Monitoring Program. She explained that this program developed a Framework of multimodal measures that prepared MAG for the 2010 Performance Audit.

Ms. de Los Rios-Urban stated that in 2012, MAG developed two web-based tools for analysis monitoring and communication of measures: a Dashboard and a Regional Transportation Plan project viewer.

Ms. de Los Rios-Urban stated that since 2012, when MAP-21, the surface transportation legislation, was enacted, MAG has been monitoring and preparing for final rulemaking for all federal aid programs. Ms. de Los Rios-Urban stated that staff is also preparing for the second state mandated performance audit scheduled for this year.

Ms. de Los Rios-Urban stated that since its inception, the Performance Measurement Program has been supporting planning and programming activities at MAG, such as data and analysis for studies, elements of the Regional Transportation Plan and the Proposition 400 Annual Report. She said that the Performance Measurement Program also provides a technical basis for evaluative tools for project prioritization for various programs such as the Congestion Management Program, (CMP), Transportation Alternatives (TA), Pinal County STP, and Arterial Life Cycle Program (ALCP Changes). Ms. de Los Rios-Urban stated that the web location information is on the business cards at each place.

Ms. de Los Rios-Urban stated that MAP-21 created a performance-based and multimodal program to strengthen the U.S. transportation system. In order to guide decision-making at the state and MPO level, MAP-21 identified seven national goal areas of safety, infrastructure condition, freight movement and economic vitality, congestion reduction, reduced project delivery delays, system reliability, and environment sustainability. Ms. de Los Rios-Urban stated that MAP-21 requires states and MPOS to develop measures and targets related to these goals. She stated that Notices of Proposed Rulemaking have been issued for four programs. Comment periods are closed, and there are three more Notices of Proposed Rulemaking currently in development by the Federal Highway Administration.

Ms. de Los Rios-Urban stated that the main purpose is to infuse transparency and accountability into decision making in transportation plans. She said that MAP-21 requires close coordination between states and MPOs and establishes multiple reporting cycles.

Ms. de Los Rios-Urban stated that MAP-21 requires states and MPOS to develop coordinated targets that will link measures to regional goals and objectives, allow for the evaluation of investment effectiveness, and communicate progress toward goals to various audiences. Ms. de Los Rios-Urban stated that MAG's approach will start with coordination efforts with partner agencies, periodic policy consultation and member agency collaboration.

Ms. de Los Rios-Urban stated that next steps include continuing to monitor the Rulemaking Process and providing comments in conjunction with ADOT and the FHWA local office, participating in the 2015 Audit process, and forming a Measures and Targets Working Group to define the scope and time horizon within the anticipated funding availability.

Ms. de Los Rios-Urban noted that the next iteration of the Regional Transportation Plan will be greatly influenced by MAP-21's Metropolitan Planning Rule, anticipated to take effect before the end of 2015. She stated that the next MAG Regional Transportation Plan will be a transitional update, maintaining the existing Life Cycle Program structure, but incorporating various performance measurement and monitoring elements required by MAP-21's Planning Rule.

Chair Sellers thanked Ms. De los Rios-Urban for her report. He remarked that having data readily available is beneficial.

9. Legislative Update

Mr. Nathan Pryor, MAG staff, provided an update on legislative issues of interest. He noted that a legislative summary was at each place. Mr. Pryor stated that the focus of his presentation would be federal surface transportation authorization (MAP-21), which is scheduled to expire at the end of May 2015.

Mr. Pryor stated that the decline cost of gas at the pump has been seen as an opportunity to consider raising the gas tax. He noted that gas tax is currently at 18.4 cents per gallon and has not been raised since 1991. Mr. Pryor stated that this level of revenue is unsustainable and general fund transfers in recent years amount up to \$10 billion.

Mr. Pryor stated that at the end of 2014 and through early January 2015 there had been talk in Congress by both parties about some willingness to explore raising the federal gas tax. By late January the interest in raising the federal gas tax had waned with Congressional leadership, however, a long term, sustainable approach to funding surface transportation remains.

Mr. Pryor indicated that last month, the U. S. Department of Transportation Secretary Foxx announced the administration's Grow America proposal. He stated that the proposal was brought forward last year but this iteration includes a timeframe increase from four years to six years and an increase in spending from \$50 billion to \$80 billion annually. Mr. Pryor noted that this is part of the repatriation of offshore funds to the U. S., a one-time 14 percent transition tax on up to \$2 trillion of untaxed foreign earnings that U. S. companies have accumulated overseas. Mr. Pryor noted that this would be in addition to projected fuel tax receipts.

Mr. Pryor stated that other of proposals are being offered in Congress, for example, Representative Earl Blumenauer from Oregon proposed a 15 cents per gallon increase, phased in over three years; and a bipartisan Senate proposal to increase the taxes by 12 cents per gallon over two years. Mr. Pryor stated that both plans would index the taxes to the Consumer Price Index annually thereafter.

Mr. Pryor stated that he attended a national conference in Washington, D. C., last week and there was a lot of discussion about these proposals. He said that there could be a reauthorization proposal by May 2015, however, if there is no reauthorization by August 2015, then we are moving into presidential campaign cycle and Congress may prefer to wait until beyond next presidential election in two years.

Chair Sellers thanked Mr. Pryor for his report. He expressed his concern that the fuel tax gets lumped in with taxes when it really is a user fee. Chair Sellers stated that the increased efficiency of automobiles has had an impact on the collection. He stated that a ten-cent per gallon tax would provide \$350 million per year. Chair Sellers commented that these types of issues need to be discussed more seriously if Arizona is going to be competitive.

Mr. Anderson stated that Senate Bill 1271 includes a provision to transfer to MAG staffing of the Citizens Transportation Oversight Committee (CTOC). He added that Senator Worsley, in consultation with CTOC has agreed to strike the provision, which means that CTOC staffing would remain with ADOT. Mr. Anderson stated that the transfer of the staffing of CTOC from ADOT to MAG was a recommendation that came from the performance audit. He said that MAG had a lot of discussion with the auditor and CTOC and MAG staffing CTOC does not make sense. Mr. Anderson remarked that MAG will staff CTOC if the Legislature decides, but the question is why change the current process that works.

10. 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.

11. 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.

No comments were noted.

Adjournment

There being no further business, the meeting adjourned at 1:00 p.m.

Chair

Secretary