MARICOPA ASSOCIATION of GOVERNMENTS

302 North 1st Avenue, Suite 300 ▲ Phoenix, Arizona 85003
Phone (602) 254-6300 ▲ FAX (602) 254-6490
E-mail: mag@mag.maricopa.gov ▲ Web site: www.mag.maricopa.gov

October 7, 2008

TO: Members of the Transportation Policy Committee

FROM: Mayor Steve Berman, Gilbert, Chair

SUBJECT: NOTIFICATION OF MEETING AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 4:00 p.m.
Wednesday, October 15, 2008
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 was discussed at the first meeting of the Committee, proxies would not be allowed. Members who are not able to attend the meeting are encouraged to submit their comments in writing, so that their view would always be 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 snack will be provided. If you have any questions, please contact Eric Anderson, MAG Transportation Director, or Dennis Smith, MAG Executive Director, at (602) 254-6300.

c: MAG Regional Council
MAG Management Committee

TRANSPORTATION POLICY COMMITTEE
TENTATIVE AGENDA
October 15, 2008

	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.
4. Approval of Consent Agenda Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. Consent items are marked with an asterisk (*).	4. Recommend approval of the Consent Agenda.

ITEMS PROPOSED FOR CONSENT*

*4A. Approval of the July 16, 2008, Meeting Minutes	4A. Review and approval of the July 16, 2008, meeting minutes.
*4B. Project Changes: Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program and the FY 2009 Arterial Life Cycle Program The FY 2008-2012 MAG Transportation Improvement Program (TIP) was approved by	4B. Recommend approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, the FY 2009 Arterial Life Cycle Program, and as appropriate, to the Regional Transportation Plan 2007 Update, as shown in the attached table.

the MAG Regional Council on July 25, 2007 and the FY 2009 Arterial Life Cycle Program (ALCP) was approved by the MAG Regional Council on June 25, 2008. Since that time, there have been requests from member agencies to modify projects in the programs. The proposed project changes to the FY 2008-2012 TIP are listed in the attached Table. The proposed amendment includes three projects funded by the Federal Safe Routes to School Program in Avondale, Gilbert, and Phoenix and a Federal High Priority Project in Scottsdale. The requested project changes include funding and schedule changes to Arizona Department of Transportation projects on Loop 303. The attachment also explains the ALCP project changes requests by Fountain Hills and Scottsdale to modify regional costs for project work phases. The amendment includes projects that may be categorized as exempt from a conformity determination and the administrative modification includes minor project revisions that do not require a conformity determination. The Transportation Review Committee (TRC) recommended approval of project changes in the attached table on September 25, 2008, with the exclusion of three Scottsdale projects (SCT04-009, SCT08-928, and SCT09-924) that MAG was made aware of following the TRC meeting. On October 8, 2008, the Management Committee recommended approval of project changes in the attached table. Please refer to the enclosed material.

ITEMS PROPOSED TO BE HEARD

5. Transportation Planning Update

In 2002, the Regional Council formed the Transportation Policy Committee (TPC) with specific responsibilities to make recommendations to the Regional Council regarding the Regional Transportation Plan (RTP). The role of the TPC was subsequently placed into state law. The RTP was developed by the TPC and recommended to the Regional Council on September 17, 2003. The Regional Council approved the RTP and Certification of the Plan to the Legislature and Governor on November 25, 2003. In November 2004, the voters of Maricopa County

5. Information and discussion.

approved Proposition 400 to implement the Plan. Five years have passed since the recommendation of the TPC to approve the Plan. MAG has several statutory responsibilities regarding the RTP, including making amendments to the RTP, providing fiscal oversight and setting priorities for the Regional Freeway Program. State law also requires that costs and revenues be in balance over the life of the tax. To ensure that the assumptions regarding costs and revenues are up to date, the Arizona Department of Transportation annually conducts expert panel discussions. These have recently been completed and a report will be provided by staff regarding the decline in revenues and increasing costs that are impacting the program. The TPC has the statutory responsibility to make recommendations concerning the Regional Transportation Plan and project priorities to the Regional Council. A discussion of the possible options and strategies will be held to provide policy guidance for the development of scenarios to balance the revenues and costs for the freeway program.

6. <u>2008 Annual Report on the Status of the Implementation of Proposition 400</u>

Arizona Revised Statute 28-6354 requires that MAG issue an annual report on the status of projects funded by the half-cent sales tax authorized by Proposition 400. The 2008 Annual Report is the fourth report in this series. Staff will brief the Committee on the findings of the 2008 report, including the status of the Life Cycle Programs for Freeways/Highways, Arterial Streets, and Transit. A Summary of Findings and Issues has been enclosed and the full report is available on the MAG website. Please refer to the enclosed material.

6. Information and discussion.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

July 16, 2008
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Steven Berman, Gilbert, Chair
Mayor Marie Lopez Rogers, Avondale, Vice Chair
Councilmember Ron Aames, Peoria
Kent Andrews, Salt River Pima-Maricopa Indian Community
Councilmember Maria Baier, Phoenix
+ Vice Mayor Gail Barney, Queen Creek
* Stephen Beard, SR Beard & Associates
Dave Berry, Swift Transportation
* Jed S. Billings, FNF Construction
Mayor Jackie Meck, Buckeye
Mayor James Cavanaugh, Goodyear
Mayor Boyd Dunn, Chandler
Mayor Hugh Hallman, Tempe
* Eneas Kane, DMB Associates
* Mark Killian, The Killian Companies/ Sunny Mesa, Inc.
Felipe Zubia, State Transportation Board
Mayor Mary Manross, Scottsdale
David Martin, Citizens Transportation Oversight Committee
David Scholl
* Mayor Elaine Scruggs, Glendale
Mayor Scott Smith, Mesa
Mayor Lyn Truitt, Surprise
Supervisor Max W. Wilson, Maricopa County

* 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 Steven Berman at 4:10 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Berman noted that Vice Mayor Barney was participating by videoconference; Mayor Dunn, Mayor Hallman, Mayor Manross, and Mayor Truitt were participating by teleconference.

Chair Berman welcomed two new members to the TPC: Mayor Jackie Meck from Buckeye, and Mayor Scott Smith from Mesa.

Chair Berman announced that a memorandum reporting the unanimous recommendations by the Management Committee on agenda items #4B, #4C, #5, and #6 was at each place.

Chair Berman noted that transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Chair Berman 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. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Chair Berman recognized public comment from Woody Thomas, who commented that initiatives, such as the TIME initiative that do not go through a public body, such as MAG, are aggravating. He stated that the most troubling aspect of the TIME initiative is the maintenance of highways. Mr. Thomas stated that the Legislature has been taking money from the Arizona Department of Transportation (ADOT) to pay for the Department of Public Safety (DPS). And while he is a supporter of DPS, its funding should come from the Legislature, not from initiatives. Mr. Thomas stated that developers in the region were reporting profits of 30 percent to 40 percent and we are now seeing the results. He commented that another sales tax will add another burden to existing residents to pay for new residents, rather than placing the responsibility on the developers, where it belongs. Mr. Thomas stated that when the Constitution was written, there were two forms of taxes: per capita and excise. He stated that excise taxes were fees to pay for the costs of development, yet this is what we are failing to address. Mr. Thomas commented that this applies not only to roads, but also schools, for which bonding is now needed. He stated that having 53 percent for highways in order to get a small amount for commuter rail is an abuse of the process. Chair Berman thanked Mr. Thomas for his comments.

Chair Berman recognized public comment from Dennis Stout, a resident of Phoenix, who explained his idea for getting thousands of cars off the streets during rush hour and reducing pollution, all at no cost. Mr. Stout stated that there are employers in the Valley with multiple locations. He suggested that when employers have openings, they could offer the assignments to those employees who live closest. He noted that it would be an offer only; the employee would not be required to accept it. Mr. Stout added that this would save not only fuel and time, but a trained staff would live nearby their workplace. He stated that when he owned a business, the government would send staff to promote the usage of bicycles, buses, rideshare, and carpools. His suggestion could be added to the presentation. Mr. Stout stated that he would like a response from staff on this. Chair Berman thanked Mr. Stout for his comments.

4. Approval of Consent Agenda

Chair Berman stated that agenda items #4A through #4C were on the consent agenda. He stated that public comment is provided for consent items. He noted that no public comment cards had been received. Mayor Cavanaugh moved to recommend approval of the consent agenda items #4A, #4B, and #4C. Vice Chair Lopez Rogers seconded, and the motion carried unanimously.

4A. Approval of April 23, 2008, Joint TPC/Regional Council Meeting Minutes and the May 21, 2008, Meeting Minutes

The Transportation Policy Committee, by consent, approved the April 23, 2008, joint TPC/Regional Council meeting minutes and the May 21, 2008, TPC meeting minutes.

4B. Project Changes – Amendment and Administrative Modification to the FY 2008-2012 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of an amendment and administrative modification to the FY 2008-2012 MAG Transportation Improvement Program, as appropriate, to the Regional Transportation Plan 2007 Update, and Material Cost, Scope, and Schedule Changes to the ADOT Program as shown in the attached tables. The FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2007 Update were approved by Regional Council on July 25, 2007, and have been amended and modified in October 2007, and January, February, and April 2008. Rather than producing a new TIP for FY 2009, the FY 2008-2012 TIP is being amended and modified. The proposed amendment and administrative modification to the FY 2008-2012 TIP is divided into the Highway Section - Table A, and Transit Section - Table B. In addition, Table A includes a column annotating the ADOT projects that are Material Cost, Scope, or Schedule Changes to the ADOT Program. The Transportation Review Committee and the Management Committee recommended approval.

4C. Federal Fiscal Year 2008 MAG Final Closeout and Amendment/Modification to the FY 2008-2012 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of the FFY 2008 MAG Final Closeout, and recommended amending/modifying the FY 2008-2012 MAG TIP to allow the projects to proceed. Since the Regional Council approved the FFY 2008 MAG Interim Closeout, there have been two additional projects requesting to be deferred, LPK08-801: Litchfield Park paving unpaved alleys, and GDL04-201: Guadalupe Intelligent Transportation System project, which are found in Table A. With this new deferral, the funding amount available for Closeout increases from $14.7 million to $15.2 million. The identification of these additional funds for Closeout indicates that the first project in the rank ordered Contingency List, VMR08-809T: Valley Metro Rail reimbursement for construction activities for the Central Phoenix/East Valley (METRO) light rail transit project in the amount of $326,150, can be funded. For administrative purposes, the funds from VMR08-809T will be programmed into the VMR08-808T, which is the Valley Metro Rail $5,291,850 reimbursement project for construction activities for the Central Phoenix/East Valley (METRO). This is annotated in Table B. In addition, Maricopa County has requested that an Intelligent Transportation Systems (ITS) project located in western Maricopa County be added to the FY 2008-2012 MAG TIP. This is reflected in Table C. The Transportation Review Committee and the Management Committee recommended approval.

5. Proposition 400 Noise Mitigation Funding

Eric Anderson, MAG Transportation Director, stated that in 2003, the Transportation Policy Committee and Regional Council set aside $75 million of Proposition 400 funds for additional noise mitigation in residential areas adjacent to freeways. He noted that approximately $55 million of the $75 million was

set aside for rubberized asphalt, and the remaining $20 million was targeted for other noise mitigation. Mr. Anderson stated that in 2007, the Transportation Policy Committee instructed that MAG issue a solicitation of projects that might utilize the remaining $20 million of noise mitigation funds. He noted that because ADOT is required to provide noise mitigation in areas that receive roadway improvements, the focus of the Proposition 400 funds was for areas with no planned improvements or improvements a number of years in the future.

Mr. Anderson stated that the Proposition 400 noise mitigation funds would provide additional noise mitigation for areas that exhibit high noise levels and where feasible options exist that could reduce noise levels. Mr. Anderson noted that the Proposition 400 noise mitigation funds would also provide added funding for projects that exceed the ADOT cost effectiveness threshold, which was established at $43,000 per affected property in 2005.

Mr. Anderson stated that in response to the solicitation for projects that could utilize the Proposition 400 noise mitigation funds, twelve projects were submitted to MAG, and noted that the City of Glendale project for reimbursement of noise walls had been withdrawn. Mr. Anderson stated that the ADOT consultant conducted noise measurements that were provided to the TPC, who then directed that ADOT conduct further analyses. He noted that the Federal Highway Administration (FHWA) noise model was used and takes into account the pavement types, traffic volumes, etc.

Mr. Anderson stated that the model results were lowered by four dBA to account for rubberized asphalt. He explained that because rubberized asphalt is not approved the FHWA for noise mitigation, it is not reflected in the noise model. Mr. Anderson stated that the consultant reduced the computer model by four dBA. Since rubberized asphalt is not a federally approved noise mitigation measure, the noise levels for projects using federal funds would be four dBA higher than reported. Mr. Anderson stated that there is one site at 63 dBA, and if the four dBAs were added in, the project would be within the 64 dBA range. He added that under federal guidelines, all of the locations meet the ADOT noise threshold of 64 dBA or higher.

Mr. Anderson noted the eleven locations that were analyzed: in Phoenix at I-17 and Camelback, on I-10 from 7th Avenue to 15th Avenue, at Loop 101 and 51st Avenue, at Loop 101 and 7th Street, and at SR-51 and Greenway Road; in Scottsdale at Loop 101 and 90th Street and at Loop 101 and Cactus; in Peoria, on Loop 101 from Peoria to Grand Avenue, on Loop 101 from Olive to Peoria, and on Loop 101 from Northern to Olive; and in unincorporated Maricopa County on Loop 303 from Deer Valley Road to north of Robertson Drive. Mr. Anderson displayed photographs of the areas that would receive noise mitigation. He advised that some have no barriers at all or barriers of insufficient height to be effective against noise.

Mr. Anderson stated that the cost to construct all 11 noise barriers is estimated to be $15.6 million, which is within the available funding. He stated that there might be other areas that could use noise mitigation over time and they would be monitored on a case-by-case basis. Chair Berman thanked Mr. Anderson for his report.

Councilmember Aames asked the timeline for the noise mitigation projects. Mr. Anderson replied that if approval is given by the TPC and Regional Council, MAG staff will work with ADOT on the design

and the construction schedule. He noted that work is needed on the cash flow. He stated that the start of construction is anticipated in 12 months.

Supervisor Wilson asked if there was a recommendation to move this item forward. Mr. Anderson replied that the Management Committee had recommended approval of this item.

Mayor Cavanaugh asked if the noise mitigation funds could be used in areas limited to regional malls or power centers. Mr. Anderson replied that the decibel thresholds are higher for commercial areas and lower for sensitive areas, such as residential, churches and schools. He added that because these are Proposition 400 funds, the Transportation Policy Committee and Regional Council would decide the use of the funds.

Chair Berman recognized public comment from Art Panzarella, a resident of the Astoria subdivision. Mr. Panzarella said that he was at the meeting to thank the Committee and express that the community is very happy mitigation for their neighborhood is moving along. He noted that the wall currently in place is merely a subdivision wall, and is only good for keeping the neighborhood children out of the street. Mr. Panzarella stated that he has been an appraiser for 40 years and he knew the effect this will have on home values. He said that he hoped the Committee would support moving this ahead. Chair Berman thanked Mr. Panzarella for his comments.

Chair Berman recognized public comment from Cherie Gould, who expressed her appreciation to the Committee on behalf of the Greenstone and Astoria neighborhoods. Ms. Gould stated that one year ago, she took her four-year-old daughter and knocked on all 150 doors in the neighborhood to garner support for noise mitigation. Ms. Gould stated that the neighbors love to live nearby Loop 101, but their quality of life deteriorates with the noise. Ms. Gould expressed her appreciation again. Chair Berman thanked Ms. Gould for her comments.

Chair Berman recognized public comment from Stephen Gould, who commented that it has been a long road for residents and it is getting close to the end of the process. Mr. Gould expressed his hope that this item would be moved forward in the process. He stated that he lives in a great community and this will be a great opportunity to enhance residents' lifestyles. Mr. Gould expressed his thanks to the Committee for their support. Chair Berman thanked Mr. Gould for his comments.

Chair Berman recognized public comment from Steve Dreiseszun, a 33-year resident of the F. Q. Story Historic District, which is bisected by I-10 and the Inner Loop. Mr. Dreiseszun stated that for the last 18 years, his neighborhood has been fighting for some sort of relief from the noise caused by I-10 and spoke about their hard work to get funding for noise mitigation included in Proposition 400. He expressed his appreciation for the Committee's time and expressed his hope that this item would proceed through the approval process smoothly. Chair Berman thanked Mr. Dreiseszun for his comments.

With no further discussion or questions from the Committee, Supervisor Wilson moved to recommend approval that noise barriers be constructed at the 11 sites identified using the Proposition 400 noise mitigation funding. Mayor Manross seconded, and the motion carried unanimously.

6. Use of I-10 for High Capacity Transit

Wulf Grote, Director of Project Development at METRO, presented a report to the TPC on the light rail project and a request for early action on the I-10 project they are currently working on. He began with an update on the 20-mile light rail starter system and noted that construction on the project is 90 percent complete, with all of the track in place. Mr. Grote stated that all 50 of the vehicles have arrived in Phoenix, with final assembly needed on about seven or eight vehicles.

Mr. Grote stated that light rail schedule will mirror the bus schedule. He noted that although the schedule is still being finalized, the cars will run every ten minutes from 6:00 a.m. to 7:00 p.m., and every 15 to 20 minutes other weekday hours. Mr. Grote noted that because it is running on city streets, light rail will travel at the posted speed limits. Mr. Grote stated that light rail fares will be the same as bus fares.

Mr. Grote stated that the public safety campaign is a very important component of the light rail project, and information will be disseminated through television, local newspapers, print, email, and newsletters. Mr. Grote then outlined the project timeline for the summer, fall, and winter of 2008, culminating in the grand opening weekend December 27 to 28, 2008, and the first day of passenger service on December 29, 2008.

Mr. Grote then presented a report on the I-10 west program. He displayed a map of the 57-mile high capacity transit system that is included in the Regional Transportation Plan (RTP). Beside the 20-mile light rail system he already addressed, of the remaining 37 miles, ten miles are funded by federal and local funds, and 27 miles are funded by the half-cent sales tax for transportation. Mr. Grote stated that the I-10 west extension extends from downtown Phoenix to 83rd Avenue. He noted that the extension of the I-10 west corridor is programmed for completion in 2019. Mr. Grote commented that even though 2019 seems far in the future, meeting the federal requirements and the ADOT schedule take a long time to implement a project of this nature.

Mr. Grote stated that travel demand in this corridor is expected to increase from 250,000 to 500,000 people per day. He noted that new freeway lanes are programmed with a 2012 completion, but travel times are still expected to increase by 35 percent and drivers can expect frequent incidents and added delay. He stated that high capacity transit in dedicated lanes will allow faster and more predictable travel times than automobiles.

Mr. Grote stated that the Environmental Impact Statement ,done for the federal government in the 1970s, included preservation of a 50-foot median for future mass transit, with the technology to be defined in the future. He noted that a 2006 METRO study confirmed that the optimal location for high capacity transit was in the median.

Mr. Grote stated that last summer, METRO began the first step of the federal process, the Alternatives Analysis, and has completed the First Tier. He remarked that they hope to have the locally preferred alternative, which is the routing and technology, and the station locations defined in the next year or so. Mr. Grote stated that in the Second Tier, they are recommending taking forward only one option west of I-17. He said that other options for high capacity transit, besides an I-10 alignment, were available along arterials, but the freeway alignment was the option that was supported, because it is consistent

with the original I-10 Environmental Statement, it is consistent with the Regional Transportation Plan approved by voters in 2004, it best addresses the need for improved mobility, it provides the best speed, capacity and reliability, and it minimizes right-of-way acquisition, street construction, and utility relocation.

Mr. Grote displayed a map that showed options for connecting high capacity transit from I-17 and I-10 to Central Avenue. Possible modes for high capacity transit in the I-10 median include light rail or bus rapid transit. He noted that bus rapid transit would operate on a guideway separate from HOV lanes and have stations, similar to how light rail operates.

Mr. Grote stated that even though the Alternatives Analysis will not be completed until spring 2009, ADOT has requested an early recommendation, which is needed to maximize coordination with ADOT's I-10 widening and minimize costs and impacts to drivers. He advised that the Phoenix City Council and the METRO Board have passed the I-10 freeway right-of-way west of I-17 for high capacity transit improvements. Chair Berman thanked Mr. Grote for his report and asked members if they had questions.

Mr. Berry asked if light rail and bus rapid transit required the same amount of right-of-way. Mr. Grote replied that they were essentially the same. Although more right-of-way might be required for bus rapid transit, both modes would fit within the 50-foot median.

Mr. Berry asked how many more lanes of freeway could be added with the area remaining. Mr. Grote replied that ADOT was adding two lanes to the freeway as part of the 2012 project. Mr. Anderson noted that this would max out the right-of-way. He said that there is actually concern for adding the two lanes because this would be getting to the six lane general purpose and HOV lane configuration. He advised that once you get to four to five general purpose lanes, capacity starts to decrease due to weaving and it becomes a dangerous situation. ADOT will be doing the simulations to confirm that the two lanes will work, but assuming they do, that section of I-10 will be maxed out.

Mr. Berry wanted to know if the lanes being added to I-10 were two total – one in each direction – or two lanes in each direction. Staff thought it was two lanes in each direction, and agreed to get confirmation of that. Mr. Berry said that he thought that was important in considering the remaining right-of-way to get the most efficient movement of people and goods through the corridor. Mr. Anderson commented that there is a practical maximum of lanes that could be put on I-10 no matter how much right-of-way is available, because of the significant weaving problems.

Mr. Berry stated that the accidents he observes along I-10 frequently seem to be in the carpool lanes. He commented that if that is actually the case, he assumed that right-of-way in the center would be adequately protected from crossover accidents by barriers. Mr. Grote replied that although the project has not yet been designed, some sort of barrier is definitely a consideration in the design.

Supervisor Wilson asked how the $2.50 daily fare had been determined. Mr. Grote explained that the fare was decided for buses by a policy established about 12 years ago. He added that the fare is subsidized and covers only one-third of the operating cost and had not changed for a number of years. Mr. Grote said that the idea is to keep the light rail fares consistent with the bus fares.

Mr. Berry asked how a city could absorb that kind of loss. Mr. Grote commented that the fares were kept low to encourage people to use transportation alternatives and to decrease congestion on streets. He acknowledged that there is a lot of concern with rising costs to operate transit service. Mr. Grote stated that at some point the current policy for bus and light rail might need to be readdressed to determine the appropriate fares. Mr. Berry commented that $4.15 per gallon is good encouragement to use transit.

Councilmember Aames commented that the increased congestion on I-10 from Loop 101 to I-17 is due to the increased growth to the west in Avondale, Goodyear and Buckeye. He stated that the Union Pacific (UP) rail is close to I-10 and to reduce congestion what is needed is a way to move the residents of the western suburbs more quickly. Councilmember Aames stated that this could be accomplished better with commuter rail than light rail, which moves slower and has a lot of stops. Councilmember Aames asked the estimated travel time for light rail from 79th Avenue to downtown Phoenix. Mr. Grote replied that it is estimated at less than one-half hour. He noted that light rail would travel along a freeway at speeds higher than along local streets. In addition, there would be fewer stations. Mr. Grote added that this is still under study.

Mr. Anderson commented that the next step is to provide good commuter service, whether it be commuter rail, light rail, or buses. He remarked that commuter rail is a better option for longer trips, such as from Goodyear or Buckeye to downtown Phoenix. Mr. Anderson stated that one planning issue to be studied is the interface points between commuter rail and light rail when commuter rail runs on the UP line. He added that all options will be considered. Councilmember Aames asked if that was included in this study. Mr. Anderson replied that this is the light rail study, but as commuter rail operations are geared up, depending on future funding for implementation, they will look at providing commuter rail service in the Southwest Valley. Mr. Anderson stated that this cannot be done all at once, but the immediate need is connecting the large population base from 79th Avenue and 83rd Avenue to the Capitol Mall complex. Mr. Anderson commented that each of the transit technologies serves a different market. He noted that the distance covered from the area of 79th/83rd Avenues would probably not be long enough for commuter rail, but bringing in Avondale, Goodyear and Buckeye would provide a longer distance for good commuter rail service.

Councilmember Aames asked if park and ride lots were planned. Mr. Grote replied that lots were planned, and what they were trying to determine that balance between speed and access – more stations mean less speed, and fewer stations mean higher speeds, but less access. He said they will work closely with the West Valley communities to meet needs, and added that parking and bus access and interface will be critical. Mr. Grote stated that modal interfaces will be reviewed as a part of this project. Councilmember Aames commented that there is less incentive to use transit if travel takes too long.

Mr. Martin asked if there was some constraint to stop the evaluation at 83rd Avenue. Mr. Grote replied that there was, because the 57-mile system, which is part of the adopted Regional Transportation Plan, is funded through Proposition 400. To go farther would require another funding source. Mr. Grote stated that they are constrained by what is in the plan at this time. He commented that they are doing some sensitivity analysis to see if they went farther north or west how the model would respond.

Mr. Martin asked for clarification that the 83rd Avenue limit was not constrained by a right-of-way issue beyond 83rd Avenue. Mr. Grote replied that in terms of the freeway, the 50-foot median disappears at

91st Avenue. Then, once you get past the interchange with Loop 101, there is no longer any right-of-way. Mr. Grote stated that the Environmental Impact Study in the 1970s only went to 91st Avenue and there was no commitment beyond that. Mr. Anderson stated that they had asked METRO to look at a possible extension beyond 79th Avenue or 83rd Avenue for an exit strategy to get out of the freeway median.

Mr. Martin said he thought the assumption on Proposition 400 was that there was no federal match. He asked if they still needed to go through the federal process for connecting to the 20-mile light rail segment. Mr. Grote replied that all 57 miles of high capacity transit have some level of federal funding. He stated that some have more federal funds, and some have less, but on average approximately 45 percent of funds to be used for these projects are federal funds.

Vice Chair Lopez Rogers remarked that she found it frustrating a study is being conducted for projects way out in the future because some of the projects in the current Proposition 400 plan might not be funded, and there are additional problems with ADOT funding. She asked about the memorandum provided in the agenda that said that west of 27th Avenue only the I-10 alignment was included to achieve the mobility goal for this project. She asked how the conclusion was reached. Mr. Grote replied that there were several reasons. For instance, arterial streets cannot provide the same speed or capacity, and there are greater utility relocation and street widening costs and right-of-way requirements. In terms of meeting mobility needs, this corridor's demand will increase from 250,000 people per day to 500,000 people per day, and currently, meeting the needs of the 250,000 is difficult. Mr. Grote stated that as many people as possible need to be moved as quickly as possible. He remarked that they think the only way to accomplish this is being in the exclusive freeway right-of-way where travel will not be delayed by streets.

Vice Chair Lopez Rogers asked about the stations along the corridor. She said she had concerns about how passengers will board and park. Mr. Grote replied that designing stations is relative to their planning activities, and will be addressed in the next phase of the study. He noted that there are several examples in the country of places that built light rail or bus rapid transit in the median of a freeway and they work well. Mr. Grote then addressed Vice Chair Lopez Rogers' concerns with funding issues. He noted that METRO goes through a life cycle program update annually with MAG and RPTA. He noted that the latest update last summer showed that the program is balanced. Mr. Grote stated that at this point, the regional sales tax and local funds combined with federal funding will fund the system.

Mr. Scholl said that being unable to extend west past 79th Avenue or 83rd Avenue, it may make sense to consider following the I-10 Reliever as an alternative to maintain those higher speeds as the project goes forward.

Mayor Cavanaugh stated that the TPC is being asked to make a decision based on the fact that the right-of-way goes to 83rd Avenue. This does not dead-end at 83rd Avenue, but goes to Avondale, Goodyear, and Buckeye, and he was concerned about the acquisition of right-of-way when it is unknown how the people west of 83rd Avenue will be served. Mayor Cavanaugh stated that millions of dollars could be wasted. He stated that an expedient connection between 83rd Avenue and those people west needs to be found. Mayor Cavanaugh revealed that he did not know before that there was no right-of-way west of Loop 101 to acquire. He stated that determining how to serve an area from downtown Phoenix to Buckeye is needed. It might not be on I-10, because it has a significant problem. Mayor Cavanaugh

stated that he was not opposed to buying right-of-way, but opposed buying it if no decision has been made on what will happen west of the acquisition. Mayor Cavanaugh stated that it makes sense to come up with funds to move people to downtown Phoenix from Goodyear, Avondale, and Buckeye before spending money on right-of-way. Mr. Grote clarified that they are not buying right-of-way; the right-of-way already exists to 83rd Avenue. He said they were just trying to preserve every option so they can continue to plan with ADOT, whether light rail or bus rapid transit is built in the corridor, and address issues and minimize future construction impacts. Mayor Cavanaugh expressed his appreciation for the clarification that right-of-way was not being purchased, and asked if right-of-way along I-10 should be preserved when it is not known what will happen west of 83rd Avenue. He commented that the right-of-way might be needed for something else. Mayor Cavanaugh asked if it is wise to move ahead to preserve right-of-way when it is unknown what will happen west of that and that is what is important is moving people from Buckeye to downtown Phoenix.

Mr. Anderson stated that there were two parts to this item. First, service for the outlying areas was debated extensively in the discussion of the RTP. Second, ADOT needs to know if the median is to be used for transit, because ADOT is moving forward on design work on the South Mountain and its connections and on the additional lanes. Mr. Anderson noted that Victor Mendez, Director of ADOT, asked that this be brought forward for early action. He remarked that delaying action will have a ripple effect on further improvements on I-10. Mr. Anderson stated that the Alternatives Analysis will include an exit strategy past 83rd Avenue because of right-of-way limitations. Mr. Anderson stated that this one line of light rail would probably not extend to Buckeye as one line is too long a segment for light rail, and added that commuter rail would be an option for a long route out of Buckeye. Mr. Anderson advised that this I-10 high capacity transit corridor is in the RTP and was a recommendation of the High Capacity Transit Study in 2002-2003 He stated that they expect to see tremendous increases in volume, which I-10 cannot support.

Mayor Cavanaugh stated that he was not talking about delaying I-10 transit, but he was talking about good planning. When he keeps hearing "probably" and "have to develop an exit strategy," that means it has not been done. Before a decision is made, there needs to be a knowledge of what is intended to be done west of 83rd Avenue.

Councilmember Aames asked if commuter rail could serve all the way downtown Phoenix to beyond 83rd Avenue, or are efforts being duplicated and the option for moving vehicles on I-10 itself being taken away. He commented that someday it might be said that light rail is not needed here because commuter rail is going to move traffic all the way to downtown. Councilmember Aames asked if there were any projections of usage from 83rd Avenue to downtown on I-10. He commented that people may be more inclined to use arterial streets instead of I-10 the closer to downtown they get. Councilmember Aames commented that he was not opposed to the idea of light rail, which might be a part of the larger Phoenix plan to serve its citizens as a linkage.

Mr. Anderson stated that this was studied in 2002 and 2003 as part of the High Capacity Transit Study. The market served by this light rail line is a high demand market and all the tools in the toolbox are needed – light rail, commuter rail, park and rides, and improvements to I-10 – to handle the traffic volumes in this corridor.

Mr. Grote stated that they have seen in other cities different purposes for light rail and commuter rail. Light rail tends to be shorter trips with stations at one- to two-mile intervals; commuter rail would have stations spaced at five- to ten-mile intervals. Mr. Grote commented that many corridors are developed in the country with both light rail for shorter trips and commuter rail for longer trips. They are not mutually exclusive and can both work together in the I-10 corridor. He noted that a number of studies are ongoing, for example, the Transit Framework Study is addressing what happens beyond the 57-mile program. Mr. Grote stated that a need has been defined for this corridor and that is the reason for the direction they are going at this time.

Councilmember Aames asked if more data would be provided as the study progressed. Mr. Anderson replied that was correct.

Councilmember Baier stated that Director Mendez asked MAG to put this on the agenda and expedite discussion of the issue. She asked if that meant they are in the process of making decisions that could foreclose MAG's opportunity for use of the corridor if this is not advanced in an expedited manner. Mr. Anderson replied that in his discussions with Director Mendez, if the right-of-way is not to be used for transit of any kind, then ADOT will utilize the available space. He said that a decision will simplify the design on the South Mountain system traffic interchange and lane widening could be accomplished more easily. Mr. Anderson stated that this right-of-way preservation was made in 1978 as part of the Environmental Impact Statement, and it reserved 50 feet of the corridor to 91st Avenue for public transit use. Mr. Anderson stated that Director Mendez made it clear that ADOT would like an early decision because they have their design concept report underway for I-10. Mr. Anderson stated that MAG staff has been meeting monthly with ADOT staff and METRO staff on this issue. He added that it is getting to the point where ADOT needs to make a decision on how to move forward with highway improvements and ensure things are moving in tandem.

Councilmember Baier said that the acquisition of right-of-way is usually a challenge. She said that she thought that one of the most efficient ways to get extensions of light rail to other communities is to use a long strip of existing right-of-way that has been identified for that purpose.

Vice Mayor Barney stated that he needed to leave for his Town Council meeting, but wanted to express that he thought it was a good idea to use right-of-way down the median.

Mayor Meck expressed his agreement with Mayor Cavanaugh's comments. He stated he was concerned about 83rd Avenue and 91st Avenue. Mayor Meck stated that he understood funding and plans, but everything stops at Avondale and Goodyear. From there westward, there is nothing on the maps. Mayor Meck stated that he understood constraints, but he would like to see Buckeye included. He said he realized there would be the I-10 Reliever, but Buckeye will grow fast and will be the second largest city in Arizona in 30-50 years. Mayor Meck stated that he wanted to ensure Buckeye is considered and included in planning, even if it says proposed, because they are a long way off on I-10 funding now.

Mr. Martin stated that he had been the Treasurer of the Proposition 400 campaign. He stated that it was clear in the campaign that this corridor was designated as some sort of mass transit corridor. Mr. Martin spoke to some of the points raised by some of the West Valley mayors during the TPC meeting. He stated that the I-10 Reliever was a big issue during Proposition 400 discussions and it was to serve the West Valley. It was a compromise that was constrained by the half-cent sales tax. Mr. Martin stated

that he felt strongly to move this forward with the constraint at 83rd Avenue, which is what was promised the voters and what was put on the maps, obviously with the understanding that there be an exit strategy. Mr. Martin stated that the fact is, we are constrained by what we put on the ballot for this corridor and constrained by the half-cent sales tax. Mr. Martin called the question.

Chair Berman recognized public comment from Woody Thomas, who said as a member of the TPC who put together the Proposition 400, this corridor was designated for transit. He recommended that those who were not original members of the TPC to go back and read the High Capacity Transit Study, in which they will find the region does not have a bus rapid transit system, which operates in its own right-of-way. Mr. Thomas noted that bus rapid transit and Rapid bus systems are confused. He stated that the 50 feet of right-of-way was obligated by the Federal Highway Administration to force Phoenix to consider transit. Mr. Thomas stated that he fought hard to get $5 million of the $16 billion in Proposition 400 to study commuter rail. He noted that even with spending $16 billion, there will be more failing highways than ever. Mr. Thomas stated that this goes back to what Mr. Anderson said about how many different systems will be needed on this corridor. Mr. Thomas stated that Blue Crowley spoke tirelessly about the underground access to Central Avenue at Hance Park for bus rapid transit. He stated that he himself has been taking the bus for several years on I-10 to downtown Phoenix. The bus runs in the HOV lane and is frequently slowed by traffic. Mr. Thomas stated that this is not bus rapid transit that runs in its own right-of-way. He said that when Phoenix says it needs more money for transit, look at what light rail is, what commuter rail is, and what bus rapid transit is. The two are being merged together and it will not work. Mr. Thomas stated that light rail, with stops every half mile to two miles, is better for access to communities. Commuter rail with stations every five to seven miles is what is needed in the West Valley. Mr. Thomas expressed his support for moving this forward, but only as a bus rapid transit system; that is what it was designed for. Any other system is putting lipstick on a pig. Chair Berman thanked Mr. Thomas for his comments.

Mr. Smith stated that the area would have been served by the Paradise Freeway, which was eliminated from Proposition 300 projects. He commented that this corridor had the greatest demand, and a solution is still needed. He commented that even with SR 801 there is great demand and transit is needed in the I-10 corridor; it cannot be done with a highway system alone. Mr. Smith stated that the technology could be bus rapid transit, but the technology has not yet been chosen.

Mr. Anderson stated that given the difficulty of moving passengers on and off the median with a light rail system, a rubber tired solution might be appropriate; that is what is being done in the technical analysis currently being conducted by METRO. Mr. Anderson noted that there is a $1 million Transit Framework Study underway, which is looking at what kind of transit services will be added and where they will be located in the entire region. Mr. Anderson remarked that transportation planning is a very long range activity; the Red Mountain segment took 23 years to build and 28 to 30 years from inception. He indicated that commuter rail or additional transit improvements may be 25 years out, and that is what the Transit Framework Study will examine. Mr. Anderson remarked that there is a tremendous population base around 79th Avenue that is not being well-served and we have to take care of that. Mr. Anderson stated that as Mr. Martin said, this was on the map during Proposition 400, it was discussed extensively, a lot of tradeoffs were made and this is what we have. He stated that there are a number of projects underway, but everything cannot be implemented at once and they need to be taken bite by bite.

Vice Chair Lopez Rogers asked the timeline of the Transit Framework Study. Mr. Anderson stated that preliminary results are expected this fall and wrap up is anticipated in early 2009. Vice Chair Lopez Rogers referenced a project goal in the memorandum to include transit system connectivity. She stated that she would be comfortable with the motion if it included the framework study, because then the areas discussed today would be included.

Mayor Smith stated that the program includes a 50-foot dedicated right-of-way for a non-freeway use. He noted that only so many lanes can be added and I-10 is at functional capacity. Mayor Smith stated that ADOT has asked MAG to make a decision whether to retain this 50 feet as a dedicated transit right-of-way. If MAG says it is not going to put transit on it, ADOT could put in freeway lanes and MAG will lose the option it had for high capacity transit from then on. If MAG decides to maintain that right-of-way from I-17 to 83rd Avenue, ADOT will plan around it. He commented that in the worse case scenario, MAG will not have improved it, ADOT has planned around it, and 40 years from now MAG will still have a piece of dirt and the option to do what it wants. But if not, it will be paved over with freeway lanes and then MAG will have no option. Mayor Smith stated that he thought options should be preserved, regardless of what technology is used, rather than come back in 15 years and say, "I wish we would have had that piece of dirt left."

Mr. Zubia stated that he supported moving this forward, but with a couple of caveats. He said that he thought Mayor Smith's comments were right on point, but only told a portion of the story. Mr. Zubia stated that he thought valid discussion needed to take place about the points brought up by Vice Chair Lopez Rogers, Mayor Cavanaugh, and Mayor Meck, as how to take that past the point. He stated that once the decision has been made to go to 79th Avenue, and the big dog, Phoenix, is satisfied, then all our political clout goes away and there is no one else that is interested in issues in the West Valley, since he represents the West Valley on the State Transportation Board, except ourselves. Mr. Zubia stated that he liked Vice Chair Lopez Rogers' suggestion to add a provision to the motion to acknowledge that shortfall and recognize a need to move forward in an expedited fashion. Mr. Zubia stated that as a member of the State Transportation Board, he gave assurances to his West Valley counterparts that he would make sure the Board is looking out for that, and to the extent they are able, perhaps work that in with a resolution to preserve additional right-of-way or the use within ADOT right-of-way farther west.

Mr. Zubia asked who owned the 50-foot right-of-way. Mr. Grote replied that the owners were ADOT and FHWA. Mr. Zubia stated that METRO currently owns its own right-of-way and asked if METRO wanted the right-of-way transferred to METRO. Mr. Grote replied that it would not be a land transfer, but perhaps an intergovernmental agreement or lease agreement. Mr. Zubia stated that he knew discussion was not about design right now, but the stops on I-10 between I-17 and 79th Avenue need to be limited to three maximum, and he preferred two stops. Mr. Zubia asked if the vertical alignment was locked in to at-grade, above-grade, or below-grade through this motion. Mr. Grote replied that the vertical alignment was not locked in and it could be any of those options Mr. Zubia mentioned.

Councilmember Aames stated that the TPC may want to limit stations, but he wanted to keep the ability to add in stations later and did want to limit that too much.

Mr. Scholl stated that to him, every answer provided did not seem to conflict with what is trying to be achieved. He remarked that this is only about preserving options. Mr. Scholl commented that he did not see how taking this action would limit the ability for any concerns being brought forward to the right

body to be addressed. Mr. Scholl expressed his support for moving this item forward. Mr. Scholl seconded the motion.

Mayor Cavanaugh expressed that he still opposed this item. He commented that there is a supposition that if MAG does not approve this, ADOT will be laying six lanes of freeway on I-10, and he did not think this is the case. Mayor Cavanaugh stated that Phoenix needs this and he supported it. He commented that MAG is moving ahead as planners, but this dead-ends at 83rd Avenue and it is unknown how it will connect the 1.5 million people who live west of there. He stated that how this will work and an exit strategy are unknown and he thought that was significant.

Mr. Smith read some wording for the motion for the Committee's consideration: Recommend adoption of the I-10 Freeway right-of-way, west of I-17, as the Locally Preferred Alternative for high capacity transit improvements, and to explore further options to the west in the MAG Transit Framework Study including intermodal connections.

Mr. Martin, as maker of the motion, agreed. Mr. Scholl, as second, agreed.

Chair Berman asked Vice Chair Lopez Rogers if the motion addressed her concerns. Vice Chair Lopez Rogers noted her agreement.

With no further discussion, the vote on the motion passed, with Mayor Cavanaugh voting no.

7. Legislative Update

Nathan Pryor, MAG Senior Policy Planner, provided an update on legislative issues of interest. He stated that the state legislative session concluded one of its lengthiest sessions ever on June 27th with one of the final actions being the passage of the FY 2009 budget, which the Governor signed on the same day. Mr. Pryor noted that the final budget is $9.9 billion with a reduction of nearly $2 billion from the original FY 2008 budget. He advised that the budget consists of agency spending reductions, bonding and fund sweeps. Mr. Pryor noted that the fund sweeps included about $106 million from the Highway User Revenue Fund (HURF) and the State Highway Fund for the Department of Public Safety. He added that MAG staff is working on a budget analysis and what this means for the region and member agencies.

Mr. Pryor then addressed federal legislation. He stated that the Bush administration has proposed cutting FY 2009 spending by the Department of Transportation to $67.1 billion, which is down $1.1 billion from 2008 levels. That request has been viewed unfavorably by Congress. Mr. Pryor stated that the House Appropriations Subcommittee has unanimously approved its own transportation spending bill that would provide the Department of Transportation with $69.8 billion, a $2.7 billion increase from the president's request. The House proposal increases funding for public transit by $1 billion from FY 2008 to a total of $10.3 billion, which includes more than $1.8 billion for new commuter transit lines and more than $8.3 billion for bus services. The bill also sets aside $40.2 billion for highway projects, as guaranteed by SAFETEA-LU.

Mr. Pryor stated that last week, the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development approved the Transportation-HUD spending bill with proposed spending higher

than that requested of the administration. This includes overall Department of Transportation spending levels $2.1 billion above FY 2008 enacted and $3.3 billion above the President's request. The proposal went to the full Senate appropriations committee. There the committee restored a proposal offered earlier this year to replenish approximately $8 billion transferred out of the Highway Trust Fund in 1998 back to the fund. However, there was not a willingness by the committee to address the future of the Highway Trust Fund.

Mr. Pryor stated that while there has been substantial proposals and discussion on FY 2009, it is anticipated that this will slow in the very near future. Congress has an August recess and when they return it is expected that even more attention will be garnered by the presidential election.

There being no further business, the meeting adjourned at 5:53 p.m.

_____
Chair

_____
Secretary

Agenda Item #4B

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

DATE:
October 7, 2008

SUBJECT:
Project Changes: Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program and the FY 2009 Arterial Life Cycle Program

SUMMARY:
The FY 2008-2012 Transportation Improvement Program (TIP) was approved by the MAG Regional Council on July 25, 2007 and the FY 2009 Arterial Life Cycle Program (ALCP)was approved by the MAG Regional Council on June 25, 2008.

Since that time, there have been requests from member agencies to modify projects in the programs. The proposed Highway administrative modifications and amendments to the FY 2008-2012 TIP are listed in the attached table. The project changes include adding the landscaping freeway projects, removing individual ADOT Freeway Management System projects since they are combined with other construction projects, adding Safe Routes to School construction projects, and various other project changes. The attached table also includes project changes to ALCP projects that are in the TIP as well. Fountain Hills and Scottsdale have requested to modify the regional costs for project work phases due to actual costs. These changes do not cause a negative fiscal impact to the ALCP.

All of the projects to be amended and administratively modified may be categorized as exempt from conformity determinations and an administrative modification does not require a conformity determination, but a consultation process will be initiated for these projects as a separate agenda item.

PUBLIC INPUT:
None.

PROS & CONS:
PROS: Approval of this TIP amendment will allow the projects to proceed in a timely manner.

CONS: None.

TECHNICAL & POLICY IMPLICATIONS:
TECHNICAL: Projects that wish to utilize transportation federal funds need to be shown in the TIP in the year that they expect to commence and may need to undergo an air quality conformity analysis or consultation.

POLICY: This amendment request is in accord with all MAG guidelines.

ACTION NEEDED:
Recommend approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, the FY 2009 Arterial Life Cycle Program, and as appropriate, to the Regional Transportation Plan 2007 Update, as shown in the attached table.

PRIOR COMMITTEE ACTIONS:
Management Committee: On October 8, 2008, the Management Committee recommended approval of the project changes.

MEMBERS ATTENDING

Charlie McClendon, Avondale, Chair
Mark Pentz, Chandler, Vice Chair
Matt Busby for George Hoffman, Apache Junction
David Johnson for Jeanine Guy, Buckeye
Jon Pearson, Carefree
* Usama Abujbarah, Cave Creek
Spencer Isom for B.J. Cornwall, El Mirage
Alfonso Rodriguez for Phil Dorchester, Fort McDowell Yavapai Nation
* Rick Davis, Fountain Hills
* Gila Bend
* Joseph Manuel, Gila River Indian Community
George Pettit, Gilbert
Jenna Goad for Ed Beasley, Glendale
Romina Korkes for John Fischbach, Goodyear
* RoseMary Arellano, Guadalupe
Darryl Crossman, Litchfield Park
Christopher Brady, Mesa
Jim Bacon, Paradise Valley
Carl Swenson, Peoria
Frank Fairbanks, Phoenix
* John Kross, Queen Creek
* Bryan Meyers, Salt River Pima-Maricopa Indian Community
Brad Lundahl for John Little, Scottsdale
Randy Oliver, Surprise
Jeff Kulaga for Charlie Meyer, Tempe
Chris Hagen for Reyes Medrano, Tolleson
+ Gary Edwards, Wickenburg
* Lloyce Robinson, Youngtown
* Victor Mendez, ADOT
Kenny Harris for David Smith, Maricopa Co.
Bryan Jungwirth for David Boggs, Valley Metro/RPTA

* Those members neither present nor represented by proxy.
# Participated by telephone conference call. +Participated by videoconference call.

Transportation Review Committee: On September 25, 2008, The Transportation Review Committee (TRC) recommended approval of project changes in the attached table on September 25, 2008, with the exclusion of three Scottsdale projects (SCT04-009, SCT08-928, and SCT09-924).

MEMBERS ATTENDING

Phoenix: Tom Callow
ADOT: Kwi-Sung Kang for Floyd Roehrich
Avondale: David Fitzhugh
Buckeye: Scott Lowe
Chandler: Patrice Kraus
El Mirage: Pat Dennis for Lance Calvert
* Fountain Hills: Randy Harrel
* Gila Bend: Vacant
* Gila River: David White
Gilbert: Stephanie Prybyl Tami Ryall
Glendale: for Terry Johnson
Goodyear: Cato Esquivel
Guadalupe: Jim Ricker
Litchfield Park: Mike Cartsonis
Maricopa County: John Hauskins
Mesa: Scott Butler
Paradise Valley: Robert M. Cicarelli
Peoria: David Moody
* Queen Creek: Mark Young
RPTA: Bob Antila for Bryan Jungwirth
Scottsdale: Dave Meinhart for Mary O'Connor
Surprise: Randy Overmyer
Tempe: Carlos de Leon
Valley Metro Rail: John Farry
* Wickenburg: Gary Edwards
Youngtown: Lloyce Robinson

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Jim Hash
*Street Committee: Darryl Crossman
*ITS Committee: Mike Mah
Pedestrian Working Group: Brandon Forrey
*Transportation Safety Committee: Kerry Wilcoxon

* Members neither present nor represented by proxy. + - Attended by Videoconference
# - Attended by Audioconference

CONTACT PERSON:
Eileen O. Yazzie, (602) 254-6300.

Request for Project Change - MAG Transportation Policy Committee October, 2008

2008-2012 MAG Transportation Improvement Program & FY 2009 Arterial Life Cycle Program

TIP #	Agency	Project Location	Project Description	Fiscal Year	Length	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
DOT08-835	ADOT	101L (Pima): Princess Dr to SR202L	Design and Construct Freeway Management System (FMS)	2008	14	State	$2,441,000	-	-	$2,441,000	Amend: Delete project - Construction of FMS is included in HOV project (DOT06-618).
DOT08-832	ADOT	101L (Pima): Princess Dr to SR202L	Design and Construct Freeway Management System (FMS)	2008	14	State	$2,441,000	-	-	$2,441,000	Amend: Delete project - Construction of FMS is included in HOV project (DOT06-618).
DOT07-708	ADOT	101 (Pima Fwy): SR-51 to Princess Dr	Design and construct FMS	2009	6	State	$ 4,048,000	-	-	$ 4,048,000	Admin Mod: Increase project costs by $2,948,000 and length of project by 2.7 miles.
DOT08-810	ADOT	303 (Estrella Fwy): Happy Valley Rd to Lake Pleasant Rd	Construct new interim freeway (FY 2009)	2009	7	RARF	-	-	$ 162,000,000	$ 162,000,000	Admin Mod: Project length has been modified, costs have decreased by $13,500,000, and year of work has changed from 08 to 09.
DOT09-823	ADOT	303 (Estrella Fwy): Lake Pleasant Rd to I-17	Construct new interim freeway (FY 2009)	2009	7	RARF	-	-	$ 147,500,000	$ 147,500,000	Admin Mod: Project length has been modified, and costs have increased by $13,500,000.
DOT09-916	ADOT	303 (Estrella Fwy): Happy Valley Rd to Lake Pleasant Rd	Landscape establishment project	2009	7	RARF	-	-	$ 750,000	$ 750,000	Amend: New Project
DOT09-915	ADOT	303 (Estrella Fwy): Lake Pleasant Rd to I-17	Landscape establishment project	2009	7	RARF	-	-	$ 750,000	$ 750,000	Amend: New Project
AVN09-904	Avondale	Avondale School Crosswalk Enhancement Projects	Install various traffic calming and other infrastructure devices: raised crosswalks, sidewalks and ramps, landscape medians, and pedestrian channelization	2009	NA	Federal Safe Routes to School	-	$ 219,746	-	$ 219,746	Amend: New Project
FTH09-908	Fountain Hills	Shea Blvd: Technology Drive to Cereus Wash	Acquisition of right-of-way for roadway improvement	2009	1	RARF	$ 143,000	-	$ 181,000	$ 324,000	ALCP Admin Mod: Decrease local and regional cost to match the FY09 ALCP.
FTH09-907	Fountain Hills	Shea Blvd: Technology Drive to Cereus Wash	Design of roadway improvement	2009	1	RARF	$ 389,000	-	$ 907,000	$ 1,296,000	ALCP Admin Mod: Increase local and regional cost to match the FY09 ALCP.
FTH10-901	Fountain Hills	Shea Blvd: Technology Drive to Cereus Wash	Construct roadway improvement	2010	1	RARF	$ 1,978,000	-	$ 4,614,000	$ 6,592,000	Project needs to be added to the TIP; it was coded for the July Amendment/Modification, but left off the project change sheet.
GLB09-901	Gilbert	Sidewalk/Crossing Improvement Project	Install sidewalks, bicycle lanes, and traffic calming devices at twelve schools.	2009	NA	Federal Safe Routes to School	-	$ 249,220	-	$ 249,220	Amend: New Project
PHX09-912	Phoenix	Sidewalks for Mitchell School's Safe Route	Sidewalks will be installed on the streets closest to the school as part of a multi-year student pedestrian and bicyclist safety program.	2009	NA	Federal Safe Routes to School	-	$ 231,034	-	$ 231,034	Amend: New Project

2008-2012 MAG Transportation Improvement Program & FY 2009 Arterial Life Cycle Program											
TIP #	Agency	Project Location	Project Description	Fiscal Year	Length	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
SCT09-901	Scottsdale	Scottsdale Road and Indian Bend Road	Create access enhancement to the McCormick-Stillman Railroad Park by improving the parking area and pedestrian underpass	2009	NA	Federal High Priority Project	$ 704,000	$ 1,000,000	-	$ 1,704,000	Amend: New Project
SCT04-009	Scottsdale	Pima Rd: SR101L to Thompson Peak Parkway	Design roadway widening	2009	2.5	RARF	$ 455,000		$ 1,061,000	$ 1,516,000	ALCPAdmin Mod: Decrease regional cost from $1,296,000 to $1,061,000
SCT08-928-	Scottsdale	Pima Rd: SR101L to Thompson Peak Parkway	Construct roadway widening	2009	2.5	RARF	$ 5,391,000		$ 12,578,000	$ 17,969,000	ALCP Admin Mod: Increase regional cost from $12,363,000 to $12,578,000
SCT09-924	Scottsdale	Pima Rd: Thompson Peak Pkwy to Pinnacle Peak Rd	Design roadway widening	2009	1	RARF	$ 298,000		$ 695,000	$ 993,000	ALCP Admin Mod: Increase regional costs from $676,000 to $695,000

Agenda Item #6

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

DATE:
October 7, 2008

SUBJECT:
2008 Annual Report on the Status of the Implementation of Proposition 400

SUMMARY:
Arizona Revised Statute 28-6354 requires that MAG issue an annual report on the status of projects funded by the half-cent sales tax authorized by Proposition 400. The 2008 Annual Report is the fourth report in this series. State law also requires that MAG hold a public hearing on the report after it is issued. It is anticipated that a public hearing on the Draft 2008 Annual Report will be conducted in November 2008. At the October Management Committee meeting, MAG staff will report on the key findings and issues identified in the Draft 2008 Annual Report. A Summary of Findings and Issues has been enclosed and the full report is available on the MAG website.

The Draft 2008 Annual Report on the Status of the Implementation of Proposition 400 addresses project construction status, project financing, changes to the MAG Regional Transportation Plan, and criteria used to develop priorities. In addition, background information is provided on the overall transportation planning, programming and financing process. All projects for the major transportation modes, as defined in the MAG Regional Transportation Plan, are being monitored, whether they specifically receive sales tax funding or not. The annual report process draws heavily on data from the Freeway/Highway, Arterial Street, and Transit Life Cycle Programs.

The 2008 Annual Report utilizes revenue forecasts that were developed in the fall of 2007. Since that time, the national and state-level economies have continued to deteriorate, affecting the future revenue outlook for transportation programs in the MAG region. Fiscal Year 2008 half-cent sales tax receipts were 3.0 percent lower than the receipts from FY 2007. This is the first decline in year-over-year receipts in the history of the tax since its inception in 1985. For the months of July and August 2008, receipts were down 11.2 and 9.1 percent, respectively. Updated long-range, revenue forecasts are currently under development and may be impacted significantly by these recent trends.

PUBLIC INPUT:
It is anticipated that a public hearing on the Draft 2008 Annual Report will be held in November 2008 at the MAG office.

PROS & CONS:
PROS: Preparation of the Annual Report on the Status of the Implementation of Proposition 400 is required by State law.

CONS: None.

TECHNICAL & POLICY IMPLICATIONS:
TECHNICAL: The information in the Annual Report represents a "snapshot" of the status of the Proposition 400 program. As new information becomes available, it will be incorporated into subsequent annual updates of the Report.

POLICY: The Annual Report process represents a valuable tool to monitor the Regional Transportation Plan and identify changing conditions that may require plan and program adjustments.

ACTION NEEDED:
Information and discussion.

PRIOR COMMITTEE ACTIONS:
Management Committee: This item is on the October 8, 2008, Management Committee agenda for information and discussion.

Transportation Review Committee: The Draft 2008 Annual Report was included on the MAG Transportation Review Committee agenda for September 25, 2008, for information and discussion.

MEMBERS ATTENDING

Phoenix: Tom Callow
ADOT: Kwi-Sung Kang for Floyd Roehrich
Avondale: David Fitzhugh
Buckeye: Scott Lowe
Chandler: Patrice Kraus
El Mirage: Pat Dennis for Lance Calvert
*Fountain Hills: Randy Harrel
*Gila Bend: Vacant
*Gila River: David White
Gilbert: Stephanie Prybyl Tami Ryall
Glendale: for Terry Johnson
Goodyear: Cato Esquivel
Guadalupe: Jim Ricker
Litchfield Park: Mike Cartsonis
Maricopa County: John Hauskins
Mesa: Scott Butler
Paradise Valley: Robert M. Cicarelli
Peoria: David Moody
*Queen Creek: Mark Young
RPTA: Bob Antila for Bryan Jungwirth
Scottsdale: Dave Meinhart for Mary O'Connor
Surprise: Randy Overmyer
Tempe: Carlos de Leon
Valley Metro Rail: John Farry
*Wickenburg: Gary Edwards
Youngtown: Lloyce Robinson

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Jim Hash
*Street Committee: Darryl Crossman
*ITS Committee: Mike Mah
Pedestrian Working Group: Brandon Forrey
*Transportation Safety Committee: Kerry Wilcoxon

* Members neither present nor represented by proxy. + - Attended by Videoconference
# - Attended by Audioconference

CONTACT PERSON:
Roger Herzog, MAG, (602) 254-6300

DRAFT

2008 ANNUAL REPORT
ON THE STATUS OF THE IMPLEMENTATION OF PROPOSITION 400

SUMMARY OF FINDINGS AND ISSUES

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The *Draft 2008 Annual Report on the Status of the Implementation of Proposition 400* has been prepared by the Maricopa Association of Governments (MAG) in response to Arizona Revised Statue (ARS) 28-6354. ARS 28-6354 requires that MAG annually issue a report on the status of projects funded through Proposition 400, addressing project construction status, project financing, changes to the MAG Regional Transportation Plan, and criteria used to develop priorities. In addition, background information is provided on the overall transportation planning, programming and financing process. The key findings and issues from the 2008 Annual Report are summarized below.

MAG REGIONAL TRANSPORTATION PLAN

The MAG Regional Transportation Plan (RTP) provides the blueprint for the implementation of Proposition 400. By Arizona State law, the revenues from the half-cent sales tax for transportation must be used on projects and programs identified in the RTP adopted by MAG. The RTP identifies specific projects and revenue allocations by transportation mode, including freeways and other routes on the State Highway System, major arterial streets, and public transportation systems.

- <u>The Update of the Regional Transportation Plan Update was postponed to FY 2009.</u>

  During FY 2008, a decision was made to postpone the update of the RTP until FY 2009. This was due to uncertainties regarding Federal policies for programming CMAQ funds and the completion date of a cost review of the

Freeway/Highway Life Cycle Program. It is anticipated that the 2009 RTP Update will be developed consistent with the usual planning and programming cycle during FY 2009.

- A revised Freeway/Highway Acceleration Policy was adopted.

  On February 27, 2008, the MAG Regional Council adopted a revised MAG Highway Acceleration Policy. This revision will replace the policy adopted in March 2000, and includes improvements and clarifications that bring the policy in line with Proposition 400, resulting in a more effective process.

- The study findings from the Interstate 10 / Hassayampa Valley Transportation Framework Study were accepted.

  On February 27, 2008 the MAG Regional Council accepted the findings of the Interstate 10 / Hassayampa Valley Transportation Framework Study. While the study the recommendations are not funded, the action to accept the study's findings allow the planning process to move forward in an illustrative manner. This will provide guidance to MAG and the affected agencies in the Hassayampa Valley for future activities, including updates to the Regional Transportation Plan.

- The study findings from the MAG Commuter Rail Strategic Plan were accepted.

  On April 23, 2008, the MAG Regional Council accepted the findings of the MAG Commuter Rail Strategic Plan. The action by the Regional Council included accepting the findings of the Commuter Rail Strategic Plan as the guiding implementation framework for commuter rail. At this time, the RTP does not include funding to build and operate commuter rail in the MAG region.

HALF-CENT SALES TAX AND OTHER TRANSPORTATION REVENUES

The half-cent sales tax for transportation approved through Proposition 400 is the major funding source for the MAG Regional Transportation Plan (RTP), providing over half the revenues for the Plan. In addition to the half-cent sales tax, there are a number of other RTP funding sources, which are primarily from State and Federal agencies.

- Fiscal Year 2008 receipts from the Proposition 400 half-cent sales tax were 3.0 percent lower than receipts in FY 2007.

  During FY 2008, receipts from the Proposition 400 half-cent sales tax for transportation totaled $379 million. This amount is 3.0 percent lower than the receipts from the half-cent tax in FY 2007, which totaled $391 million. This

represents the first decline in year-over-year revenues in the history of the half-cent sales tax for transportation since its inception in 1985.

- Forecasts of Proposition 400 half-cent revenues are 2.7 percent lower for the period FY 2009 through FY 2026, compared to the 2007 Annual Report.

  Future half-cent revenues for the period FY 2009 through FY 2026 are forecasted to total $13.7 billion. This amount is 2.7 percent lower than the forecast for the same period presented in the 2007 Annual Report. ADOT will update the half-cent forecasts in the latter part of calendar 2008, taking into account recent slowing in revenue collections as appropriate.

- Forecasts of total ADOT Funds dedicated to the MAG area for FY 2009 through FY 2026 are unchanged from the 2007 Annual Report estimate.

  The forecast for ADOT funds totals $7.4 billion for FY 2009 through FY 2026, which is unchanged from the 2007 Annual Report forecast. This funding source represents nearly one-half of the total funding for the Freeway/Highway Life Cycle Program.

- Forecasts of total MAG Federal Transportation Funds for FY 2009 through FY 2026 are unchanged from the 2007 Annual Report estimate.

  MAG Federal Transportation Funds for FY 2008 through FY 2026 are forecasted to total $5.3 billion. This estimate is unchanged from the amount projected in the 2007 Annual Report. These funding sources have been allocated to arterial street, transit and highway projects in the Regional Transportation Plan.

FREEWAY/HIGHWAY LIFE CYCLE PROGRAM

The Freeway/Highway Life Cycle Program extends through FY 2026 and is maintained by the Arizona Department of Transportation (ADOT) to implement freeway/highway projects listed in the MAG Regional Transportation Plan (RTP). The program utilizes funding from the Proposition 400 half-cent sales tax extension, as well as funding from State and Federal revenue sources.

- The final segment in the Proposition 300 - Regional Freeway Program was completed.

  The Red Mountain Freeway (Loop 202) was completed between University Dr. and Power Rd. This segment was under construction during FY 2008 and opened to traffic on July 21, 2008. This project represents the final segment in the Proposition 300 - Regional Freeway Program.

- A number of major freeway/highway construction projects were completed, underway, or advertised for bids during FY 2008.

Completed

- Higley Rd./US 60: T.I. improvements.
- 43rd Ave.-51st Ave./I-10: T.I. improvements.
- Dixileta Dr./I-17: New T.I.
- Bullard Ave./I-10: New T.I.
- Bethany Home Rd./Loop 101: New T.I.

Under Construction

- Carefree Hwy./I-17: T.I. improvements.
- Jomax Rd./I-17: New T.I.
- 64th St./101L: New T.I.
- I-10 (101L to Sarival Ave): New HOV and general purpose lanes.
- I-10 (SR 143 to US 60): WB auxiliary lane.
- I-17 (101L to Jomax Rd.): New HOV and general purpose lanes.
- I-17 (Jomax Rd. to SR 74): New HOV and general purpose lanes.
- SR 51 (Shea Blvd. to Loop 101): New HOV lanes, including HOV ramp connections at Loop 101.
- Loop 101 (Princess Dr. to Red Mountain Fwy.): New HOV lanes.
- SR 85 (MC 85 to Southern Ave. and MP 139.01 to 141.71): Widen to four lanes.
- SR 87 (Forest Bndry. to New Four Peaks Rd.): Road improvements.
- SR 93 (Wickenburg Bypass): New roadway.

Advertised for Bids

- US 60 (I-10 to Loop 101): New general purpose lanes.
- Loop 101 (Tatum Blvd. to Princess Dr.): New HOV lanes.
- Loop 101/Thunderbird Rd.: T.I. improvements.
- Loop 101 (202L/Red Mt. Fwy. To 202L/Santan Fwy.): New HOV lanes.
- Loop 202 (Mill Ave. and Washington St.): Bridge widening.
- Loop 202 (SR 51 to 101L): Design-build freeway widening.
- Loop 303 (Cactus Rd., Waddell Rd., and Bell Rd.) T.I. structures.

- Material cost increases were experienced for a number of FY 2008 projects and projects in the FY 2009-2026 Life Cycle Program.

During FY 2008, the MAG Regional Council approved cost increases identified by ADOT and MAG totaling $22 million for freeway/highway projects that were programmed for FY 2008. It was determined that the cost

increases could be accommodated within available cash flow. Also, cost increases for certain projects in FY 2009-2026 Life Cycle Program totaled $214 million.

- Based on unadjusted costs, the estimated future costs for the Freeway/Highway Life Cycle Program are in balance with projected revenues.

  Funding available for use on freeway and highway projects through FY 2026 has been estimated to total $10.3 billion (2008 $'s). The estimated future costs identified in the Life Cycle Program for the period covering FY 2009 through FY 2026 total $10.0 billion. Therefore, the estimated future costs are in balance with the projected future funds available, with available funds exceeding costs by $264 million.

  However, it is important to note that these project costs are currently being updated and revised. These cost revisions indicate that the Freeway/Highway Life Cycle Program will require major adjustments in order to achieve a balance between estimated costs and projected revenues during the life cycle period.

- ADOT and MAG are cooperatively evaluating the impacts of construction cost increases and project scope changes on the cost, scheduling and delivery of the Freeway/Highway Life Cycle Program.

  A Cost Estimate Assessment is underway to analyze the current status of the RTP Freeway Program including the following items:

  - Evaluation of the growth in construction and right-of-way costs between 2003 and 2008, and future trends for these project costs.

  - Evaluation of project costs to determine how these costs have increased since the inception of the RTP Freeway Program.

  - Determination of the portion of additional costs attributable to recent escalation of costs for construction labor, materials and right-of-way acquisition.

  - Evaluation of freeway projects to determine if cost increases occurred due to unforeseen conditions (scope changes) resulting from updated design concept reports and expanded environmental studies.

  - Updating RTP Freeway Program costs for each project based upon refined project requirements and updated construction and right-of-way costs.

The results of this evaluation will provide the cost and schedule data to evaluate potential adjustments to the RTP Freeway program.

- <u>The Freeway/Highway Life Cycle Program will potentially require major revisions in order to achieve a balance between estimated costs and projected revenues during the life cycle period.</u>

  Two factors -- price inflation and detailing of project scopes -- have resulted in a significantly higher total cost for the Freeway/Highway Life Cycle Program. ADOT and MAG are reviewing the Life Cycle Program in light of higher construction costs and additions to original project scopes. The new preliminary estimated program cost totals $14.9 billion (2008 $'s). This compares to a 2003 planning estimate of $9.4 billion ($8.5 billion without contingency allowance). Funding available for construction over the full life cycle program period is currently estimated to total $11.6 billion. Therefore, the new program estimate exceeds available funding by approximately $3.3 billion. This difference could be subject to future increases, depending on the outlook for inflation, facility design contingencies, further cost estimate refinements, and updated revenue forecasts.

  It is estimated that the new total program cost of $14.9 billion consists of approximately the following components:

  - $8.5 billion: 2003 planning cost estimate (without contingency allowance).
  - $3.7 billion: Inflation 2003-2008.
  - $2.7 billion: Scope detailing (includes original contingency allowance plus additional scope enhancements).

  Given the potential deficit of approximately $3.3 billion for the Freeway/Highway Life Cycle Program, a major effort to achieve a balance between future program costs and available revenues will be required. This effort would include effective financing and cash flow management, phasing of project scopes, and plan and program adjustments as may be appropriate. Assumptions regarding future inflation and design contingencies also warrant thorough review, in view of the potential for continuing construction cost increases.

  Potential approaches to achieving program balance could include: enhanced financing methods, project phasing, extension of the programming period, and adjustment of project schedules.

ARTERIAL STREET LIFE CYCLE PROGRAM

The Arterial Street Life Cycle Program (ALCP) extends through FY 2026 and is maintained by the Maricopa Association of Governments (MAG) to implement arterial street projects in the MAG Regional Transportation Plan (RTP). The Program receives major funding from both the Proposition 400 half-cent sales tax and Federal highway programs. Although MAG is charged with the responsibility of administering the overall program, the actual construction of projects is accomplished by local government agencies that provide funding to match regional level revenues. MAG provides the regional share of the funding on a reimbursement basis.

- The Arterial Street Life Cycle Program Policies and Procedures and Project Listing were updated during FY 2008.

  On December 19, 2007, MAG adopted changes to the Arterial Life Cycle Program Policies and Procedures to facilitate efficient administration of the Program. In addition, on June 25, 2008 the FY 2009 ALCP project listing was adopted to reflect updated information regarding project development status.

- During FY 2008, $28 million in reimbursements were distributed to local governments from the Arterial Street Life Cycle Program, and work is continuing for reimbursements in FY 2009.

  Five jurisdictions received reimbursements for project work during FY 2008 totaling over $28 million. This brings the total reimbursements to $50 million since the initiation of the Program. A total of eight project agreements were executed in FY 2008. This brings the total of project agreements executed to date to 26. It is anticipated that an additional 17 agreements will be executed during FY 2009. During FY 2009, it is anticipated that a total of six jurisdictions will receive reimbursements amounting to approximately $119 million.

- Work will be proceeding on a broad range of projects in the Arterial Street Life Cycle Program.

  During the period FY 2009 through FY 2013, work will be proceeding on 104 different arterial street segments. Various stages of work will be conducted on these projects, including 79 with design activity, 80 with right-of-way acquisition, and 81 with construction work at some time during the five-year period.

- The total estimated future regional revenue disbursements for Arterial Street Life Cycle Program projects are in balance with projected revenues.

For the remainder of the Arterial Street Life Cycle Program, which covers the period FY 2009 through FY 2026, projected revenues are in balance with estimated future projects disbursements, with revenues exceeding costs by approximately ten percent through FY 2026. Since the ALCP is based on the principle of project budget caps, with a fixed amount of regional funding allocated to individual projects (on an inflation adjusted basis), it is anticipated that the balance between estimated future disbursements and projected revenues can be maintained in the future.

- Project implementing agencies have deferred $46 million in Federal and regional funding from FY 2008 to later years.

  Cost pressures and other implementation issues have resulted in the deferral of arterial projects by implementing agencies, due to the inability to provide matching funds, or other scheduling and resource issues. Lead agencies have deferred $46 million in federal and regional funding from FY 2008 to later years. It is anticipated that project scope changes and rescheduling may continue to occur in the future, as local jurisdictions continue to face a variety of fiscal issues.

- MAG staff has developed Draft MAG Federal Fund Programming Principles that will help guide the FY 2009 programming process.

  During FY 2008, MAG staff has continued to work closely with ADOT and member agencies to document and improve the review process for projects receiving Federal funds. MAG has developed Draft MAG Federal Fund Programming Principles that will help guide the FY 2009 programming process. The purpose of the Principles is to establish a transparent set of programming principles that clarify the application and programming process and ensure consistency with Federal Regulations.

TRANSIT LIFE CYCLE PROGRAM

The Transit Life Cycle Program is maintained by the Regional Public Transportation Authority (RPTA) and implements transit projects identified in the MAG Regional Transportation Plan. The RPTA maintains responsibility for administering half-cent sales tax revenues deposited in the Public Transportation Fund for use on transit projects, including light rail transit (LRT) projects. Although RPTA maintains responsibility for the distribution of half-cent funds for light rail projects, the nonprofit corporation of Valley Metro Rail, Inc. was created to oversee the design, construction and operation of the light rail starter segment, as well as future corridor extensions planned for the system.

- Bus service improvements continue on schedule.

New express and local/supergrid services continue to be implemented on schedule, despite the recent decline in excise tax revenues. Every effort has been made to ensure that the implementation schedule for services is not impacted by the downturn in the economy, especially given that transit demand has increased significantly due to the increase in gas prices. However, if revenues continue to decline, service implementation may be impacted in the future. Additionally, services that have been implemented will be reviewed to ensure that productivity goals are met. Unproductive services will be analyzed in detail to determine whether they should be modified, reduced or eliminated.

- Work is continuing on schedule on the construction of the Light Rail Minimum Operating Segment (MOS).

  This facility will extend from Spectrum Mall to west Mesa. Construction and system testing and start-up are scheduled to be completed in 2008. Service is scheduled to begin for the entire system on December 27, 2008. Half-cent sales tax money from Proposition 400 will not be utilized to pay for major route construction or operation of the MOS, but is allocated toward certain elements of the support infrastructure (regional park-and-rides, bridges, vehicles, and for the cost to relocate utilities).

- RPTA continued planning studies in FY 2008.

  The RPTA has a number of bus planning studies underway that will help define project and service concepts in greater detail and provide improved future cost estimates. The timely completion of these planning efforts will be essential for the continued implementation of regionally funded transit service.

  The Main Street Bus Rapid Transit (BRT) design study was substantially completed. The construction is being bid out and is not expected to be completed by the beginning of service operations in December 2008. The service will begin to coincide with the opening of the MOS light rail operations. Temporary stops/stations will be used in the interim. RPTA has submitted a "Very Small Starts" application to the Federal Transit Administration (FTA) for federal funding of this project.

  RPTA continues work on the Arizona Avenue Design Concept Report and the Comprehensive Arterial BRT Study. Arizona Avenue will be the second BRT line implemented under the RTP. Service on this line is scheduled to begin in FY 2011. RPTA will be submitting a Very Small Starts application to the FTA for federal funding for this project in 2009. The Comprehensive Arterial BRT Study will define the operational parameters of the arterial BRT network. It will also define how the system will integrate with Supergrid, fixed route bus, and LRT service to maximize the operational efficiencies of these transit networks.

- Valley Metro Rail Planning continued with necessary planning studies to implement future LRT service.

  The LRT Configuration Study will evaluate the operational characteristics and needs of the full 57.7 mile LRT system identified in the Regional Transportation Plan. Phase I of the study was completed in 2007. Phase II of the study began in February 2008. Phase II includes modeling for the candidate corridors to estimate ridership and assess the cost effectiveness.

  The Glendale Extension Study has compiled a notebook with three alignment options for the Glendale LRT extension identified in the RTP. The alignment options being evaluated include service from I-10 to the stadium complex north of Bethany Home Road, service to downtown Glendale, or service to the ASU west campus on Thunderbird Avenue. The affected cities are reviewing the technical information.

  The Alternatives Analysis (AA) for the Central Mesa Extension, the I-10 West Extension and the Tempe South Extension are in progress.

- Estimated future costs for the Transit Life Cycle Program are in balance with projected revenues.

  For the remainder of the Transit Life Cycle Program, which covers the period FY 2009 through FY 2026, projected revenues are in balance with future projects costs but with very little left at the end of the program. Several capital projects were eliminated, including the vanpool maintenance facility, the rural bus maintenance facility and the Phoenix dial-a-ride maintenance facility. Additionally, many of the contingencies in the program were eliminated or reduced in order to ensure that revenues exceeded expenditures. Costs continue to rise faster than anticipated and revenues are not expected to keep pace, at least in the short term.

- Transit service and capital cost increases will represent an ongoing challenge for the Transit Life Cycle programming process.

  Given recent trends of escalating wages and fuel prices, pressure will increase to balance operations costs with available revenues. Similarly, recent increases for right-of-way and construction materials will continue to drive up costs for transit capital facilities, as they have in the freeway and arterial programs. Costs for the Transit Life Cycle Program will need to be evaluated on a continuing basis as the program is implemented, and program adjustments made as warranted in order to maintain the cost/revenue balance.

RPTA will be examining closely the assumptions used in estimating both revenues and expenditures for the Transit Life Cycle Program during FY 2009. The issues include inflation assumptions, federal revenue estimates, bus fare revenue estimates, service costs and contingencies. If transportation excise tax revenue estimates decline, it is likely that service implementation will be affected. Financing for capital projects is assumed in the program, however the cost of borrowing will be considered carefully against the cost of delaying capital facilities construction to ensure that funds are expended appropriately.

- The outlook for Federal discretionary funding for transit will require continuous monitoring.

  A large part of the funding for the LRT system extensions and for bus purchases is assumed to be from awards by the US Department of Transportation through the discretionary program. This funding is over-and-above the Federal funding contained in the 20-mile starter system Full Funding Grant Agreement. The timing and amounts of light rail transit New Start monies coming to the MAG region will be subject to a highly competitive process at the federal level. The prospects for awards from this program will require careful monitoring. Discretionary funding for the bus capital program is also highly competitive and the assumptions in the Transit Life Cycle Program will be reviewed carefully to ensure they are not overly aggressive. The pending reauthorization of SAFETEA-LU will also impact when and how FTA funding flows to the region.

PERFORMANCE MONITORING PROGRAM

The MAG Transportation System Performance Monitoring and Assessment Program has been established to provide a framework for reporting performance at the system and project levels, and serve as a repository of historical, simulated and observed data for the transportation system in the MAG Region.

- During FY 2008, MAG initiated the Performance Measurement Framework consultant study for the regional roadway network.

  In June 2008, MAG initiated the Performance Measurement Framework consultant study to further refine and focus the performance monitoring approach for the regional roadway network. Based on the findings of this study and input from the Transit Performance Report, it is anticipated that MAG will annually produce a Transportation System Monitoring and Performance Report.