

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
April 17, 2006
MAG Offices
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair
Mayor Woody Thomas, Litchfield Park,
Vice Chair
Mayor Mary Manross, Scottsdale, Treasurer
Mayor Wendy Feldman-Kerr, Queen Creek

* Mayor Phil Gordon, Phoenix
Mayor Joan Shafer, Surprise
Mayor James M. Cavanaugh, Goodyear

* Not present

Participated by videoconference or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Keno Hawker at 12:00 p.m. Chair Hawker stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Hawker noted that according to MAG's public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Hawker stated that there were no public comment cards received.

3. Approval of Consent Agenda

Chair Hawker stated that public comment would be heard before action was taken on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chair Hawker stated that agenda items #3A and #3B were on the consent agenda. Chair Hawker stated that there were no public comment cards received.

Mayor Thomas moved to approve consent agenda items #3A and #3B. Mayor Cavanaugh seconded, and the motion carried unanimously.

3A. Approval of the March 20, 2006 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the March 20, 2006 meeting minutes.

3B. Consultant Selection for the MAG Specifications and Details Inventory Project

The Executive Committee, by consent, approved the selection of AZ-FLASH Companies, LLC for the MAG Specifications and Details Inventory Project for an amount not to exceed \$80,000. The FY 2005 MAG Unified Planning Work Program and Annual Budget includes \$80,000 of Surface Transportation Program funding for the development of the MAG Specifications and Details Inventory Project. The desired results of this inventory effort are to obtain information concerning the character and extent of existing agency supplements to the MAG Standard Specifications and Details for Public Works Construction, as well as gather and categorize the supplemental specifications and details. A request for proposals was advertised and two proposals were received. A multi-agency review team met to evaluate the proposals on March 22, 2006. The evaluation team is recommending that the firm AZ-FLASH Companies, LLC be selected for the MAG Specifications and Details Inventory Project for an amount not to exceed \$80,000.

4. Discussion and Update on the Draft FY 2007 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough reviewed the FY 2007 Draft Unified Planning Work Program and Annual Budget. She stated that each year, the MAG Unified Planning Work Program and Annual Budget is developed incrementally in conjunction with member agency and public input. The Work Program is reviewed each year by the federal agencies and approved by the Regional Council in May. Ms. Kimbrough stated that the elements of the budget document are about 80 percent complete. Ms. Kimbrough provided an update on the Intermodal Planning Group (IPG) meeting. She noted that this meeting was held on April 6, 2006 with the Federal Highway Administration, Federal Transit Administration, Valley Metro, Valley Metro Rail and ADOT. She noted that the draft budget was reviewed at this meeting. Ms. Kimbrough stated that the Federal Transit Administration asked that their federal emphasis areas be included along with Federal Highway Administration. She reviewed the project list and noted that MAG is recommending an additional \$250,000 be included in the Work Program to help cover staff administration costs at Valley Metro Rail. Discussion on the Southwest Valley West Pinal County Transportation project is currently taking place. She noted that MAG's estimated share of this project is budgeted at \$200,000. Ms. Kimbrough stated that the inflation factor being used for dues and assessments is the average CPU for the prior year. After recalculating, there is a decrease in the overall estimated dues and assessments of approximately \$20,106. She reported that overall the FY 2007 budget is 5.8 percent less than current year budget. There are two projects that account for most of this decrease. These projects include the Census Special Project at approximately \$4 million and the CENS project at approximately \$1.2 million.

Mayor Manross asked for more information on the \$250,000 to VMR. Mr. Smith stated that Proposition 400 included the 20-mile starter segment and extensions. VMR approached MAG and indicated that they would need some assistance in staffing the extension work. Mr. Smith noted that when rail goes beyond the 20-mile starter segment, it would not be appropriate to have those four cities funding the 20-mile starter segment to fund the extension work for the entire Valley.

He explained that MAG originally put \$250,000 in the budget to assist with that effort. MAG then received another request asking for an additional \$250,000. Mr. Smith explained that VMR has a \$740,000 staffing component for FY 2007. He recommended assisting VMR with this regional work. Mr. Smith stated that there needs to be more fine tuning of the RTP as it relates to the rail work. MAG has been assisting Valley Metro for many years with their staffing for bus and regional ride share. Mr. Smith explained that for the future, this means approximately \$1.5 million a year and MAG is recommending committing \$500,000 for FY 2007 to assist with staffing. Chair Hawker asked if this flows through the 20 year Regional Transportation Plan. Mr. Smith replied that MAG receives the Federal Transit Planning funds and this is definitely an eligible expense that could be considered each year. He noted that VMR would like a 5 year commitment, but MAG recommends that projects should be evaluated each year. Ms. Kimbrough added that the summary budget document, "MAG Programs in Brief" includes a list of new projects with summary narratives, new staff positions, and the budgeted resources need to implement these items. Chair Hawker thanked Ms. Kimbrough for her report.

5. Update on the Regional Governmental Service Center

Denise McClafferty provided an update on the Regional Governmental Service Center. She noted that at the March 20, 2006 joint meeting of the MAG Executive Committee and the Building Lease Working Group (BLWG), a consensus was reached that the McKinley and 1st Avenue site should be pursued. Also at this meeting, the Executive Director was authorized to request legal, financial and program management services. Ms. McClafferty reported that after reviewing the State Procurement Contract, City of Phoenix procurement and the Mohave Purchasing Agreement, the following recommendations are provided contingent upon resolution of outstanding design issues relating to the McKinley and 1st Avenue site:

Legal Services – Real Estate, Lease Agreements and Oversight

Staff is recommending that the MAG General Counsel, Mariscal, Weeks McIntyre & Friedlander, be used for legal services. Ms. McClafferty stated that this would include reviewing the development agreement, developing the lease-to-own agreements with the partnering agencies, and providing oversight. She noted that their rate for real estate services is \$250 per hour, and for general oversight is \$175 per hour. It was also suggested that the bond firm hired review the lease agreements, as well as the development agreement, to ensure a smooth financing process.

Project Management Services

Ms. McClafferty reported that staff reviewed the Mohave Purchasing Agreement for organizations that provide project management services. She noted that 3D/I Group was listed on the Mohave Purchasing Agreement and interviewed by staff. In addition, 3D/I Group came highly recommended by the City of Phoenix. She stated that they are currently providing project management services for the City of Phoenix hotel project. Ms. McClafferty stated that to assist in having owner representation in the construction of the building, staff is recommending 3D/I Group be used for project management services not to exceed \$100,000 for the first year.

Financial Advisory Services

Ms. McClafferty reported that these services are needed immediately in order to ensure that a complete review of all financial options are considered. Staff is recommending that the firm Peacock, Hislop, Staley and Given be used for financial advisory services. This firm is listed on the

State Procurement Contract. She stated that the state contract cost is \$.85 per \$1,000 of the total cost of the project, with a minimum fee of \$21,250 and the maximum fee is \$63,750. For a \$70 million project, the cost would be approximately \$59,500.

Bond Firm

Ms. McClafferty reported that Phoenix recommended three firms from their list of procured legal services that can provide bond services. These firms include, Squire Sanders & Dempsey, Greenberg Traurig, and Kutak Rock. She noted that staff will schedule interviews with these firms, and it is anticipated that a bonding firm will be recommended at a future meeting.

Ms. McClafferty stated that the Executive Committee and the BLWG suggested that staff work with the City of Phoenix and the neighborhood on any potential issues on the McKinley and 1st Avenue site. She noted that staff met with the Mayor Phil Gordon and Councilmember Peggy Neely who also requested that we work with the neighborhood association in that area regarding this project. Meetings are being scheduled with the neighborhood association and City representatives. She noted that the focus is on the design of the structure on 2nd Avenue.

Mr. Smith stated that there are several options for the 2nd Avenue side of the building. He noted that his suggestion would be not to move forward until staff meets with the neighborhood association and city representatives.

Mr. Smith introduced Monique de los Rios Urban. He noted that Monique is a new staff member at MAG who will be helping out on this project. Ms. de los Rios Urban provided the members with a slide show of housing and retail from Portland as potential options for the 2nd Avenue side. The Committee then discussed the options of housing and retail. Mayor Thomas asked if a feasibility study was done for retail in that area. Mr. Smith noted that we also need to be aware of how much for-profit develop is in this project, as it could effect financing. Mr. Smith introduced Mr. Ken Lufkin who provided preliminary options for 2nd Avenue, including retail, housing and a child development center. Mr. Lufkin noted that any retail on this site would need parking. He also noted that the design for downtown is to provide shade for pedestrians. Mr. Smith then introduced Jay Tubbs from Ryan Company. Mr. Tubbs discussed the options for 2nd Avenue and noted that housing is being done throughout the Phoenix downtown area. He noted that there is a development on 3rd Street and Taylor using this option to wrap the garage. Mr. Smith asked Mr. Tubbs how much more it would cost per level to put the garage underground. Mr. Tubbs responded at least twice as much, but would have to check to verify a more accurate number. Mayor Thomas noted that he was in favor of wrapping the garage and it being separate from the regional office building.

Mr. Smith noted that staff is currently reviewing the proposed tenant improvement (TI) amounts to see if they need to be adjusted. He also added that the current traffic analysis zone has 2700 employees and should increase to 5700 employees by 2030. He noted that this building will provide 17 percent of that increase in employees. Mr. Smith stated that parking for this building would have to be further analyzed. Mayor Wendy Feldman-Kerr stated that larger space should also be available to accommodate today's larger vehicles. Mr. Smith stated that the first step should be to talk with the neighborhood. Mayor Manross agreed that the neighborhood should be the first step and the professional services should be put on hold until the next meeting. Mayor Shafer and Mayor Cavanaugh agreed. Chair Hawker stated that the consensus is to work with the neighborhood and he also suggested to continue the cost model of staying in the current building versus moving.

Mayor Manross moved to approve pursuing discussions with the neighborhood on this project before hiring professional services. Chair Hawker added that discussions should involve how to address the 2nd Avenue side without jeopardizing the integrity of the building for the regional agencies. Mayor Cavanaugh seconded, and the motion carried unanimously.

6. Legislative Update

Matthew Clark provided an update on legislative issue of interest to MAG. He notes that there are two issues of focus: eminent domain and transportation funding. There are a few bills that continue to move forward, but it appears that all will not move forward. Mr. Clark stated that it is our hope that a compromise may be reached sometime this week. He noted that regarding the transportation funding, budget discussions are taking place and transportation funding is being included in discussions with the Governor and the Legislature. It is our hope to have something to report in the near future. Mr. Smith stated that the TIP and Plan are being completed for an air quality conformity analysis and we probably will not have an answer from the legislature until it is too late to code the model. He noted that we will hear one of two things: 1) here is the money and that money could go into the regional area road fund account or another account or 2) earmarking projects and the Regional Council will have to decide to amend the TIP and Plan to accelerate those projects. Mr. Clark expanded on that by ensuring that we continue to explain that costs keep going up and that we are opposed to earmarking. He noted the discussion continues to be how do we spend the money. Mr. Smith stated that we are not hearing much of anything right now.

Mayor Manross stated that it will be difficult to put together a regional cooperative group like the TPC that spent the last three years working on the Plan and then it be changed. Mayor Thomas agreed. Mr. Smith added that it would also be difficult for the Regional Council to turn down funding with cost overruns. He stated that a more positive way to approach this would be to work with the other COGs on a state-wide effort. He noted that this would include discussing the gateway routes into and out of our region. He noted that this is a huge issue beyond our borders and that the state can help with this issues. Mayor Manross asked if there was anything the elected officials could do to help or to educate others. She noted that she is lobbying from a regional perspective. Mr. Smith replied that the most positive place for the funds would be the Regional Area Road Funds, which would help with overruns. He noted that one strategy would be to talk to the Governor and ask to keep the planning process in place and would appreciate assistance in putting the money in the RARF so it can go through the planning process. Mayor Shafer asked about Eminent Domain and HB 2381, construction sales tax. Mr. Clark replied that HB2381 has gone through the Rules Committee and has passed. The League is following this and believes that they have the votes to kill the bill. However, they are still educating some of those that are still on the fence. Mr. Clark stated that if this is not defeated in the Senate, then the Governor will veto. Chair Hawker thanked Mr. Clark for his report.

7. Adjournment

Mayor Shafer moved to adjourn the Executive Committee meeting. Mayor Cavanaugh seconded, and the motion carried unanimously.

There being no further business, the meeting was adjourned at 1:10 p.m.

Chair

Secretary