MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
May 12, 2010
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mark Pentz, Chandler, Chair
Carl Swenson, Peoria, Vice Chair
George Hoffman, Apache Junction
Charlie McClendon, Avondale
David Johnson for Stephen Cleveland, Buckeye
Gary Neiss, Carefree
Wayne Anderson for Usama Abujbarah, Cave Creek
Pat Dennis for B.J. Cornwall, El Mirage
Alfonso Rodriguez for Phil Dorchester, Fort McDowell Yavapai Nation
Julie Ghetti for Rick Davis, Fountain Hills
Rick Buss, Gila Bend
* David White, Gila River Indian Community
Tami Ryall for Collin DeWitt, Gilbert
Brent Stoddard for Ed Beasley, Glendale
Mark Gaillard for John Fischbach, Goodyear
Bill Hernandez, Guadalupe
Darryl Crossman, Litchfield Park
Scott Butler for Christopher Brady, Mesa
Jim Bacon, Paradise Valley
Karen Peters for David Cavazos, Phoenix
John Kross, Queen Creek
* Bryan Meyers, Salt River Pima-Maricopa Indian Community
Dave Richert, Scottsdale
Michael Celaya for Mark Coronado, Surprise
Jeff Kulaga for Charlie Meyer, Tempe
* Reyes Medrano, Tolleson
# Gary Edwards, Wickenburg
# Mark Hannah for Lloyce Robinson, Youngtown
Steve Hull for John Halikowski, ADOT
Kenny Harris for David Smith, Maricopa County
David Boggs, Valley Metro/RPTA

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

1. Call to Order

The meeting was called to order by Chair Mark Pentz at 12:02 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Pentz noted that George Hoffman, Gary Edwards, Mark Hannah, and Julie Ghetti were participating in the meeting via teleconference.

Chair Pentz congratulated David Richert on being named City Manager for Scottsdale.

Chair Pentz noted the following items at each place: the revised agenda; for agenda item #5E, a revised project listing to include an enhancement funded project for the City of Phoenix (PHX10-870); for agenda item #5H, a revised conformity consultation to reflect the change made to the project listing in agenda item #5E; and for agenda item #11, a bill tracking chart.

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

3. Call to the Audience

Chair Pentz stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Pentz noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. No public comment cards were received.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. He briefed the Management Committee on the Sun Corridor Joint Planning Advisory Council (JPAC) meeting that was held on April 20, 2010, at Wild Horse Pass. Mr. Smith stated that attendees heard a report on the AECOM Global Cities Program, which is providing $300,000 of effort from the AECOM Foundation toward a study on the Sun Corridor to identify economic engines. He said that the study is expected to be done the end of June.

Mr. Smith then reported on the Western High Speed Rail Alliance. He stated that the Federal Railroad Administration is seeking applications for $115 million in planning and construction grants for high-speed rail, and includes $50 million in planning grants. Mr. Smith stated that applications and proposals are due to Federal Railroad Administration by May 19, 2010, with selection announcements made during summer 2010. Mr. Smith advised that the Nevada Department of Transportation agreed to submit the grant in the multi state category on behalf of the Western High Speed Rail Alliance.

Mr. Smith stated that Mexico is proposing a new deep water port at Punta Colonet, which will be the first major port constructed on the West Coast of North America in the past several decades. Mr. Smith stated that last week, the Chair of the MAG Regional Council and MAG staff met with consultant for Mexico's Secretariat of Communications and Transport, who is working with the United States on identifying the border crossing of the rail line in Arizona. He said that this may represent an opportunity for Arizona to create a platform to take advantage of global Asian trade flows. Mr. Smith reported that Mexico's National infrastructure Program from 2007-2012 identifies the Punta Colonet port and the rail connection to the United States as Mexico's number one infrastructure priority. He advised that the estimated range of total investment is $5 billion. Mr. Smith explained that they are considering San Luis for the crossing into Arizona, which may

provide opportunities for an inland port and reactivation of the Wellton branch of the Union Pacific line. Mr. Smith stated that if the Wellton branch becomes active, it could provide freight opportunities and potential renewal of Amtrak service in Phoenix. He stated that the line was deactivated in 1990s and that is when Phoenix lost Amtrak service. Mr. Smith reported that the decision on the crossing is expected in September and the final report in December.

Chair Pentz thanked Mr. Smith for his report. No questions for Mr. Smith were noted.

Chair Pentz reopened the Call to the Audience agenda item to recognize a late request for public comment from Maria Hernandez, a resident of South Phoenix. Ms. Hernandez said that she was at the meeting to call attention to the rate increase for Dial-a-Ride scheduled for July. She stated that the rates should not increase because a lot of low-income people and senior citizens rely on Dial-a-Ride. Ms. Hernandez expressed that increasing rates would result in less ridership because people will not be able to afford the fares. She reported on the Dial-a-Rider service by saying that the dispatchers do not do their jobs and confuse the drivers, and when a driver goes into a doctor's office for example, they do not ask if anyone there is waiting for Dial-a-Ride. Ms. Hernandez expressed her hope that this can be resolved. She said that she knew the economy was bad, but why hurt the senior citizens and those with disabilities. Chair Pentz thanked Ms. Hernandez for her comments.

5. Approval of Consent Agenda

Chair Pentz stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H were on the Consent Agenda. He reviewed the public comment guidelines for the Consent Agenda. Chair Pentz noted that no public comment cards had been received.

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

Mr. McClendon moved to recommend approval of the Consent Agenda. Mr. Buss seconded, and the motion passed unanimously.

5A. Approval of April 14, 2010, Meeting Minutes

The Management Committee, by consent, approved the April 14, 2010, meeting minutes.

5B. American Recovery and Reinvestment Act (ARRA) Status Report

A Status Report on the American Recovery and Reinvestment Act (ARRA) funds dedicated to transportation projects in the MAG region details the status of project development. The report covers highway, local, transit, and enhancement projects programmed with ARRA funds and the status of project development milestones per project.

5C. Arterial Life Cycle Program Fiscal Year 2010 Regional Area Road Fund Closeout

The Management Committee, by consent, recommended approval of advancing $23.995 million in Arterial Life Cycle Program (ALCP) project reimbursements to 2010 for the Fiscal Year (FY) 2010 ALCP RARF Closeout, and amend the FY 2010 Arterial Life Cycle Program, the 2008-2012 Transportation Improvement Program, and 2007 Regional Transportation Plan Update, as necessary. The Regional Area Road Fund (RARF) Closeout Process was established in Section 260 of the ALCP Policies and Procedures approved by the MAG Regional Council. A financial analysis of ALCP revenues and expenditures as well as the ALCP bonding program was conducted. After reviewing the output of the analysis, MAG staff recommended that five eligible projects be reimbursed in the FY 2010 ALCP RARF Closeout Process. The MAG Transportation Review Committee recommended approval.

5D. Fiscal Year 2010 MAG Highway Safety Improvement Program Projects

The Management Committee, by consent, recommended approval of the listing of selected projects for FY 2010 highway safety improvement program funds. A total of $1 million in FY 2010 Highway Safety Improvement Program funds has been suballocated by the Arizona Department of Transportation (ADOT) to MAG for road safety improvements in the region. On March 1, 2010, ADOT informed MAG that the list of recommended safety projects was due by June 1, 2010, to enable timely obligation. Due to the short time available to obligate the funds, the MAG Transportation Safety Committee adopted a process that would result in three categories of road safety improvement projects that could be obligated in the available time frame. On March 24, 2010, MAG staff announced a call for projects with a submittal deadline of April 9, 2010. Seventeen applications were received by MAG. The Transportation Safety Committee reviewed the applications and recommended a list of projects for funding. On April 29, 2010, the Transportation Review Committee concurred with the recommendation of the Transportation Safety Committee. The FY 2008-2012 MAG Transportation Improvement Program amendment to include these projects was addressed in agenda item #5E.

5E. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

The Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan - 2007 Update. The FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) - 2007 Update were approved by the MAG Regional Council on July 25, 2007. Since that time, there have been requests from member agencies to modify projects in the programs. The proposed project changes include amendments and administrative modifications to the FY 2008-2012 TIP for highway projects that include adding an ADOT pavement project on I-17, combining two Glendale pedestrian projects into a single project, and adding a series of safety projects in various MAG cities and towns contingent on approval of agenda item #5D. The project adjustments and new projects being added to the TIP are fiscally constrained and funding is available. The projects to be added or amended have been categorized as exempt from conformity determinations and the administrative modification includes minor revisions that do not require a conformity

determination. On April 29, 2010, the MAG Transportation Review Committee recommended approval of the amendments and administrative modifications.

5F. Consultant Selection for the Southeast Corridor Major Investment Study

The Management Committee, by consent, recommended that HDR, Inc. be selected to conduct the Southeast Corridor Major Investment Study for an amount not to exceed $300,000. The fiscal year (FY) 2010 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2009, was amended in March 2010 to include $300,000 to conduct the Southeast Corridor Major Investment Study. The Arizona Department of Transportation (ADOT) is in the process of completing an Environmental Impact Statement (EIS) for the widening of Interstate 10, the Maricopa Freeway, between the SR-51/SR-202L/Red Mountain "Mini-Stack" and SR-202L/Santan-South Mountain "Pecos Stack" traffic interchanges. During the course of the EIS, questions have been raised by MAG member agencies about the investment being made in this corridor and the need for alternative transportation options, in addition to widening Interstate 10 and improving the system traffic interchanges, to accommodate the growing travel demand between the East Valley and Central Phoenix. MAG proposes conducting the Southeast Corridor Major Investment Study for these purposes. A request for proposals was advertised on March 22, 2010 and four proposals were received. A multi-agency proposal evaluation team reviewed the proposal documents and, on April 28, 2010, the proposal evaluation team recommended to MAG the selection of HDR, Inc. to conduct the project in an amount not to exceed $300,000.

5G. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report is being provided to members of the MAG Management Committee on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual Budget, MAG is requesting that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

5H. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2008-2012 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including a new ADOT pavement project on Interstate-17, two Glendale pedestrian projects combined into a single project, and a series of safety projects in various MAG cities and towns. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. This item was on the agenda for consultation.

6. American Recovery and Reinvestment Act Update and Guidance

Eric Anderson, MAG Transportation Director, stated that the Management Committee agenda had been revised to allow for possible action on this item. He stated that concerns had been expressed by smaller member agencies regarding the $200,000 threshold that was included in the guidelines for programming unobligated American Recovery and Reinvestment Act (ARRA) Local funds. Mr. Anderson explained that according to the guidelines that were approved by the Regional Council in January 2010, savings from an ARRA project of less than $200,000 would be returned to the region for regional projects. He gave for an example, smaller communities that received only $500,000 to $700,000 in ARRA funds, but have $150,000 in savings feel they should be able to allocate the savings to an eligible project.

Mr. Anderson reviewed the schedule for ARRA funds. March 2, 2010, was the deadline for all MAG region projects to be obligated, which means that FHWA was able to sign a project authorization that allows a project to go to bid; July 15, 2010, is the MAG policy deadline for obligating projects; August 15, 2010, is the ADOT deadline for obligating projects, which must have all required the ADOT and FHWA clearances in order to obligate. Mr. Anderson indicated that this deadline also applies to project savings. Mr. Anderson noted that ADOT has a number of tasks to finish before it can reconcile its books and forward the projects to FHWA. He continued that September 15, 2010, is the FHWA deadline for obligating projects. Mr. Anderson stated that FHWA needs to complete work on ARRA projects a couple of weeks before the end of the federal fiscal year to allow sufficient time to complete their tasks. He advised that the ADOT and FHWA deadlines are hard deadlines.

Mr. Anderson then provided an update on the existing 59 local government ARRA projects. He said that 46 projects totaling $86 million either have been awarded or bids have been received, approximately $5 million of the original $104 million has been obligated for preliminary engineering. Mr. Anderson advised that a total of approximately $10 million is advertised, yet to be advertised, or is out for bid. He stated that the bids for the last of the projects are to be opened by the end of May 2010.

Mr. Anderson then explained the bid and deobligation process by saying that if bids are higher than the estimate, jurisdictions will need to identify the funding required to complete the project, or reduce the scope of the project. He noted that the reason for higher estimates could be due to more current unit prices and the higher cost of oil. Mr. Anderson stated that some jurisdictions were holding on to projects in the hope that additional funds would be forthcoming, however, there are no additional funds and a jurisdiction will need to look to their own coffers for additional funds to cover increased costs of projects.

Mr. Anderson stated that if bids are below estimate, a jurisdiction may request a change order to add to a project to utilize the funds, however, the requested change must be consistent with the approved environmental clearance, must not require any new right of way or utility clearances, and must be consistent with the current scope of the project, i.e., no new work elements. Mr. Anderson advised that the project savings also may be applied to an existing ARRA project, provided that it meets the MAG policy adopted by the Regional Council in January 2010. He advised that this means that the jurisdiction has $200,000 or more in savings, and that a project

must meet the eligibility requirements, must be able obligate in time, and very importantly, is through or in the final stages of federal clearances through ADOT. Mr. Anderson commented that if a project has not been started, even a very simple project called a category exclusion still requires an environmental clearance through ADOT, which typically takes four months from the time the TRACS number is received. Mr. Anderson stated that ADOT has been trying to reduce this timeframe, but it still takes months.

Mr. Anderson stated that issues include tight deadlines, and the regional bid savings, anticipated to be $10 to $20 million, have not been forthcoming. He explained that the savings forecast was based on the engineer's estimates at the time, but the engineer's estimates have been tuned up based on more current unit prices. Mr. Anderson stated that MAG does not control this process, ADOT is the entity that MAG needs to work with to obligate these projects on time, in addition to FHWA. He said that the ADOT Local Governments Section has indicated it may be able to obligate only three to five new projects, which must be simple projects that do not require any new right of way or utility clearances. Mr. Anderson advised that it is not cost effective to process small ARRA projects. He advised that a new project would have to go through the certification process with approval from the Governor's office as eligible, and jurisdictions would need to work on a JPA agreement and clearances with ADOT.

Mr. Anderson then reviewed the existing policy on the allocation of bid savings approved by the MAG Regional Council on January 27, 2010: The local agency with the ARRA project savings will have local discretion to move the project savings to another existing ARRA project in that jurisdiction; and/or swap the ARRA funds with ADOT-STP funds and move the project savings to an eligible project that is above $200,000 and can obligate before September 30, 2010, including new projects. Any jurisdiction that cannot meet the $200,000 threshold and obligation deadline of September 30, 2010 will return the project savings to the regional pool for reallocation.

Mr. Anderson presented options that the Committee might consider: Maintain the existing policy; modify the existing policy to reduce or eliminate the $200,000 threshold and allow jurisdictions to try to obligate their funds by the ADOT deadline; call for a special Management Committee meeting for further discussion; or other options. He commented that $150,000 or $160,000 is a large portion of a smaller community's allocation. Mr. Anderson stated that time is of the essence and there is not time to complete the entire MAG committee process. He added that if a community wants to do a new project, it is simply out of time. Mr. Anderson remarked that a lot has been accomplished with this program and it has been a great benefit to the region, but the region needs to ensure that all of the ARRA funding has been utilized, including all of the bid savings.

Chair Pentz thanked Mr. Anderson for his report and asked what he thought would be a reasonable threshold below the $200,000. Mr. Anderson replied that the Transportation Review Committee discussed this extensively. He said that the original threshold was $500,000, but that amount was seen as too high. Mr. Anderson stated that there is a balance on what can be done with the funds because you have to go through the federal process, there are upfront costs, and an administrative fee by ADOT which means that a project will easily cost $25,000 off the top. Mr. Anderson indicated there was a lot of conversation regarding smaller communities by the

Transportation Review Committee and he thought they selected the $200,000 amount because they felt it was a workable number. Mr. Anderson expressed that if the threshold was reduced, a community has project savings and thinks it can obligate a project, he would say to go for it, but from his perspective and from working with ADOT, he felt the probability of success was very low. He noted that the implication of not being successful is not only does a community's project not obligate, the funds may be lost to the region. Mr. Anderson reported that MAG staff is fielding calls every day, dealing with a range of issues: bids over and under the engineer's estimate, site problems, etc., and they have tried to be fair to the member agencies and give them a best judgment of the time to obligate a project, however, they are running out of time and patience.

Mr. McClendon asked for clarification that the project savings need to be obligated by September 30. Mr. Anderson replied that September 30 was the absolute deadline, but ADOT would like the projects by August 15.

Mr. McClendon indicated that he sympathized with the concerns expressed, but he thought it was a little late to do this. He said that the process was conducted in January and MAG staff has been working since then to use the returned money so the region does not lose it.

Mr. Crossman stated that this deserved additional discussion due to additional factors. He indicated that he thought a special Management Committee meeting was needed to provide everyone the opportunity to come with their data. Mr. Crossman said that the $200,000 threshold represents about one-third of the City of Litchfield Park's allocation of $613,000. He reported that the City's ARRA project came in below estimate and they have less than $200,000, but it has a project ready to go immediately. Mr. Crossman stated that the City would like the opportunity to present this and he thought other communities might be in the same situation. He indicated that he would make a motion to hold a special Management Committee when the time was appropriate.

Mr. Hernandez stated that he liked the option that if a jurisdiction has less than $200,000 and has a project ready to go that they be given the opportunity to move it forward. He indicated that he thought the Town of Guadalupe might be in that position. Mr. Hernandez stated that he felt if a jurisdiction can meet all of the requirements it ought to be allowed to move its project forward. He added that he felt a special Management Committee meeting was not needed.

Mr. Hernandez moved to recommend eliminating the $200,000 threshold and if a jurisdiction has projects that can meet all of the requirements that it be allowed to move the projects forward. Ms. Dennis seconded.

Chair Pentz recognized public comment from Grant Anderson, the consulting engineer for the Town of Youngtown. Grant expressed his appreciation for Eric Anderson's comments on how funds can be allocated and utilized and the Town is in total agreement, however, the Town has a unique situation. Grant Anderson reported that the Town had a cost estimate prepared by the ADOT Management Consultant and the Town believed that it had used all of its ARRA funds, but ended up with $225,000 in project savings. He said that the Town has another project that ties in with the existing project and has completed its clearances. Mr. Anderson reported that this

project's estimate is $50,000, which would take the Town's project savings below the $200,000 threshold. He said that they have been told that this type of addition is not possible because it does not meet the original intent of the project, however, the Town feels that it meets the original intent and should be able to move forward. Mr. Anderson remarked that the Town feels that a special meeting to discuss issues is appropriate. He added that if the threshold is eliminated, and jurisdictions are allowed, the Town would pursue the project with the Management Consultant who believes the project can be completed in a timely manner by August 15.

Chair Pentz expressed that he was not sure a special meeting was needed and that this issue could probably be resolved today. He indicated that he sympathized with the smaller communities because $200,000 out of a $600,000 allocation was a substantial amount of money, but he was not sure he agreed with having no threshold at all. Chair Pentz commented on having some amount – perhaps $50,000 – just to have funds to go through the process.

Mr. McClendon asked for clarification if the funds not spent go into a fund which MAG is working to allocate. Mr. Anderson replied that was correct; the backup strategy is to put any leftover money into freeway projects. He indicated that ADOT has a number of projects already scheduled and the existing funds can be replaced with the ARRA funds.

Mr. McClendon asked if projects were evaluated and found to meet the criteria and were ready to go if they could be allocated some of those funds. Mr. Anderson replied that one of his concerns was that there would not be enough money to allocate to all of the projects – perhaps only 75 percent of what is needed to make a project whole. He stated that another concern was creating an additional lag in getting projects out the door.

Mr. McClendon stated that what concerned him was letting the project savings go back to projects that appear to be ready and then if they cannot meet the deadline the money is gone. He stated that this is the risk, whereas the approved approach ensures that the money will be spent in this region.

Mr. Hernandez asked if there would still be time to push the funds to the backup plan if a jurisdiction was unable to meet the deadline. Mr. Anderson replied that they would have to discuss this with ADOT, but in theory they would have enough time to push any leftover funds to ADOT projects.

Mr. Hernandez asked for clarification if the Management Committee took action today there would still be time to give jurisdictions the opportunity to move their projects forward and then if not successful and cannot meet the requirements, the money will go to ADOT projects. He commented that if the timing is so critical, he would recommend that the Committee take action today. Mr. Hernandez stated that a number of smaller communities have spoken today that $200,000 is a lot of money, and he could guarantee that they could do some beneficial projects with that money. He asked that the Committee vote the motion up or down and encouraged that no special meeting be held.

Mr. Bacon expressed his support for holding the course, not because he thought this was such a wonderful process. He stated that he represented a small community whose project savings

vanished under a discrepancy, and he could make a compelling case, but the rules were clear. Mr. Bacon stated that the time pressures are such that we need to hold the course. He added that the Town is still considering if it even wants to continue to participate in this program. Mr. Bacon expressed that he preferred holding the course. He commented that everyone knew the rules; they may not have liked them when they were approved, but they need to observe them.

Mr. Smith asked if projects needed to be in the TIP to use the funds. Mr. Anderson replied that last month, with permission of the FHWA, action was taken to enter unfunded projects into the TIP. He added that typically, a project is required to have funding sources identified to be in the TIP. Mr. Anderson stated that there are a number of placeholder projects in the TIP right now; if they go forward, they remain in the TIP, and if they do not go forward, they will be deleted. He offered clarification on timing that MAG staff will assist where possible, but MAG does not control the rules or the process because this is an ADOT process. Mr. Anderson stated that MAG staff are doing their best to provide guidance and assistance, but it is up to ADOT to execute whatever action MAG takes. Mr. Anderson stated that the Local Governments Section might be able to process only three to five new projects.

Mr. Smith stated that if this motion passes, a list of projects would need to be assembled for the Regional Council.

Mr. Anderson stated that staff would need to know what projects member agencies want to submit for new projects. He commented that time is running out and then reviewed the original process that first began in March with the call for projects, followed by the TIP amendment that was processed in April for projects with no funding source. Mr. Anderson explained that projects not submitted in that call for projects could be amended into the TIP at the May Regional Council meeting.

Mr. Crossman stated that the smaller communities who received ARRA funding of $500,000 or $600,000 were asking for an opportunity to use all of their allocation if the amount fell below $200,000.

Mr. Rodriguez expressed the concern of Fort McDowell on this vote because they have entered into a partnership with the County to use their ARRA funds and he would like the opportunity to consult with the County first before voting.

Ms. Dennis reiterated Mr. Crossman's comments. She said that she seconded the motion to eliminate the threshold because she wanted to ensure that all of a jurisdiction's allocation would be available to use on their projects that have met the requirements and been approved. Ms. Dennis added that their concern is not for bringing in new projects, but taking out the $200,000 threshold so any who wanted to use the money could be able.

Chair Pentz stated that the motion was to allow those with project savings of less than $200,000 the ability to reprogram the funds with other projects.

Mr. Hernandez stated that he was not sure if Litchfield Park or El Mirage were talking about reprogramming the funds for other projects, but he was talking about using the money to finish

projects that have already met the requirements and been approved and to finish projects and utilize the funds they were allocated. Mr. Hernandez expressed his appreciation to MAG staff and ADOT who have been very helpful to his community. He added that the motion was simply to allow jurisdictions the ability to utilize the funds that were allocated to them.

With no further discussion, the vote on the motion passed, with Vice Chair Swenson, Mr. Hoffman, Mr. Johnson, Mr. Neiss, Mr. Anderson, Ms. Dennis, Mr. Rodriguez, Ms. Ghetti, Mr. Buss, Mr. Stoddard, Mr. Hernandez, Mr. Crossman, Mr. Richert, Mr. Celaya, Mr. Edwards, Mr. Hannah, and Mr. Harris voting yes; Chair Pentz, Mr. McClendon, Ms. Ryall, Mr. Gaillard, Mr. Butler, Mr. Bacon, Ms. Peters, Mr. Kross, and Mr. Kulaga voting no; and Mr. Boggs and Mr. Hull abstaining.

7. Update and Review of Project Deferral Requests for Federal Fiscal Year 2010 MAG Closeout

Eileen Yazzie, MAG Transportation Programming Manager, provided a report on the project deferral requests for the federal fiscal year 2010 MAG Closeout. She explained that the purpose of the federal Closeout was to allocate unobligated funds to other projects that could obligate the funds in the time required. Ms. Yazzie advised that the most important criterion for a project to be funded through Closeout was that the project had completed or was near completion of the federal project development process administered by the ADOT Local Government Section and would be able obligate by the end of the current federal fiscal year (September 30, 2010).

Ms. Yazzie said that the Programming Principles address project deferrals in the closeout process. She explained that the Principles permit a one time deferral for projects, and requests to defer a project for a second time or more required the sponsoring agency to submit a justification letter explaining why the project should remain in the MAG Federal Fund Program. Ms. Yazzie explained that the justification letter would be taken through the MAG Committee Process, and if the justification was approved, then the project would remain in the program.

Ms. Yazzie stated that MAG has received deferral requests totaling $14.5 million; of those were 13 requests to defer a project for the second time or more. She provided a breakdown of the number of projects by mode and allocated federal funds: seven paving projects ($4.7 million), two bicycle projects ($315,000), one ITS project ($665,000), two pedestrian projects ($315,000), and one street project ($910,000). Ms. Yazzie stated that MAG staff is working with ADOT to determine if there could be additional deferrals.

Ms. Yazzie stated that five projects had been submitted for a deferral for the first time: three paving projects ($2.25 million), one ITS project ($665,000), and one pedestrian project ($510,000).

Ms. Yazzie announced that MAG staff had received requests to delete four projects from the MAG Federal Fund Program: three bicycle projects ($1.7 million) and one pedestrian project ($441,000).

Ms. Yazzie informed the Committee that MAG staff had not determined the estimated funds available for the FFY 2010 Federal Fund Closeout, and are currently working on an analysis of

the rescission amount to determine the 2010 carryforward. She stated that the interim closeout is anticipated to move through the MAG committees in June, beginning with the Transportation Review Committee.

Chair Pentz thanked Ms. Yazzie for her report. No questions from the Committee were noted.

Vice Chair Swenson moved to recommend approval of a list of projects to be deferred from FFY 2010 to FFY 2011 or later, approval of a list of projects requesting to remove federal funds from the project, and make the necessary amendments and modifications to the 2008-2012 MAG Transportation Improvement Program, and as necessary to the Regional Transportation Plan 2007 Update. Mr. Crossman seconded, and the motion passed unanimously.

8. Acceptance of Commuter Rail Planning Studies

Marc Pearsall, MAG Transit Planner, presented three MAG commuter rail studies, the Commuter Rail System Study, the Grand Avenue Commuter Rail Corridor Development Plan, and the Yuma West Commuter Rail Corridor Development Plan, for a recommendation of acceptance. Mr. Pearsall reported that since December 2008, these studies had been vetted by MAG member agencies and the general public at more than 60 meetings and stakeholder presentations. He added that the item also was the agenda to revise the corridor ranking that was included in the Commuter Rail System Study upon the completion of update regional socioeconomic forecasts or relevant passenger rail studies.

Mr. Pearsall stated that the study purpose was to evaluate the feasibility, costs, constraints and operating scenarios of implementing commuter rail. He further elaborated on the Grand Avenue and Yuma West corridors and their operations phases: Phase A opening day service, Phase B mid-level service and Phase C mature system service. He added that the recommended overall most productive system map is a four-line, X-shaped system carrying nearly 18,000 daily boardings.

Mr. Pearsall explained that the study findings recommend a prioritization for the implementation of startup service in the two most productive corridors. He said that the first recommended corridor to receive service was Segment #1, the East Valley-Union Pacific Phoenix Subdivision at 6,450 daily boardings, and the second corridor recommended to receive service was Segment #2, the BNSF Railway interlined with East Valley-Union Pacific Phoenix Subdivision for a combined total of nearly 10,000 daily boardings. Mr. Pearsall stated that beyond the two initial corridors, there was no one outstanding performer in other three corridors: Tempe, Chandler, Yuma-West. The study's corridor prioritization does recommend a full system build-out, but there was no definitive priority on how should the remainder of the corridors be phased for service. Mr. Pearsall added that considerations for future phasing and system build-out would include development patterns, changes in travel demand, community support, potential integration with intercity rail and owner railroad support.

Mr. Pearsall noted that potential future corridor extensions, including using existing railroad lines, historic railroad corridors and new rights of way parallel to proposed MAG region freeways were possible beyond the 2035 timeframe. He noted that corridors such as the Hassayampa

Valley-Buckeye, Hidden Waters-Gila Bend, Hidden Valley-Mobile, Tempe-Maricopa extension, Chandler-Sacaton-Coolidge extension, Queen Creek Florence extension, and Superstition Vistas-Apache Junction were all listed as potential candidates for future commuter rail service.

Mr. Pearsall discussed the study's eight recommended implementation steps. 1.) Continued coordination with ADOT and railroads, 2.) Determine liability and indemnification statutes, 3.) Regional Sustainable Transportation and Land Use Integration Study (FY 2011), 4.) Identify local funding, 5.) Develop and implement governance plan, 6.) Railroad agreements, 7.) Design and construction and, 8.) Operation. He noted that these implementation steps give MAG, ADOT and the region a road map toward commuter rail service, should the MAG region decide that commuter rail is a viable investment.

Mr. Pearsall stated that this item was on the agenda for action to recommend 1.) acceptance of the findings of the Grand Avenue Commuter Rail Corridor Development Plan, Yuma West Commuter Rail Corridor Development Plan, and Commuter Rail System Study, and 2.) revising the corridor ranking included in the Commuter Rail System Study upon the completion of update regional socioeconomic forecasts or relevant passenger rail studies.

Mr. Pearsall noted that information on the history of Amtrak and intercity passenger rail, and its absence from Phoenix, was requested at a previous Regional Council meeting. He showed the Committee a collection of informational slides displaying the history of train travel to Phoenix, including the first train in 1887, the first transcontinental train to Phoenix in 1927, twelve daily passenger trains servicing the Valley by 1960 and the final Amtrak train in June 1996. Mr. Pearsall also elaborated on maps showing the Amtrak 1971 system, the present Amtrak system, plus recent illustrations showing Amtrak's 1996 Phoenix bypass through Maricopa. He added that a slide titled the 'Most populous metro areas/cities in U.S. lacking Amtrak service (top 25 cities)' confirmed that since 1996, Phoenix remains the nation's largest city and metro area without Amtrak or intercity passenger rail service. Mr. Pearsall concluded his presentation with a slide depicting MAG's possible future with commuter rail, specifically a photo-simulation displaying a commuter train sitting in downtown Phoenix.

Mr. Pearsall then introduced Mr. Lonnie Blaydes from the Commuter Rail Project team. Mr. Pearsall explained that Mr. Blaydes had more than 35 years of experience in the passenger rail industry and has successfully brokered negotiations for new commuter rail system in areas such as Denver, Dallas, Seattle and Albuquerque. He added that Mr. Blaydes expertise had greatly assisted the MAG Commuter Rail Studies process.

Mr. Blaydes thanked the Committee and explained in detail, the System Study and the recommended implementation steps for commuter rail. He expressed that in his experience throughout many of the MAG region's peer cities and regions, that the most successful commuter rail systems all required a champion individual, organization or event to galvanize local, regional and state support for implementation. Mr. Blaydes described that in New Mexico, it was Governor Richardson who promoted the Rail Runner, in Minnesota it was the State Legislature and in Los Angeles it was an event – the 1994 earthquake – that helped emphasize the value of commuter rail to the community. He added that the MAG region would benefit by a champion willing to move forward with commuter rail now that a bulk of the study work had recommended that there was

a need and market for such a service. Mr. Blaydes also discussed critical and common ingredients that resulted in implementation of commuter rail across the United States, specifically in New Mexico's Rail Runner Express, Seattle's Sounder, Minnesota's Northstar and Los Angeles' Metrolink.

Chair Pentz thanked Mr. Blaydes and Mr. Pearsall for their presentations and asked if there were any questions or comments from the Committee.

Ms. Dennis inquired as to what types of scenarios would possibly change or affect the prioritization schedule recommended by the MAG study. Mr. Blaydes responded that a willing and participating host railroad could possibly alter the prioritization schedule, as traditionally it was easier to implement passenger rail service within a corridor where the owner-railroad wished to forge a partnership. Mr. Blaydes also mentioned other 'game changers', including congressional earmarks, new local funding sources, reintroduction of Amtrak service through the Valley or new federal funds dedicated to passenger rail. He also spoke about looking for the 'low-hanging fruit' and to select a corridor that can be done easily, however, if it is the region's first corridor, it is important to ensure it will be a successful line because you want to have that success on the record.

Mr. Celaya stated that he agreed with Mr. Blaydes on having a champion to promote the need for commuter rail service in the Valley. He recommended Surprise Councilwoman and MAG Regional Council member Sharon Wolcott as a potential leader on this issue, in part to her previous role as a Minnesota State Legislator in helping to create and initiate North Star commuter rail service in Minneapolis.

With no further discussion, Chair Pentz called for a motion. Mr. Kross moved to recommend: 1) acceptance of the findings of the Grand Avenue Commuter Rail Corridor Development Plan, Yuma West Commuter Rail Corridor Development Plan, and Commuter Rail System Study; and 2) revising the corridor ranking included in the Commuter Rail System Study upon the completion of updated regional socioeconomic forecasts or relevant passenger rail studies. Ms. Dennis seconded, and the motion passed unanimously.

9. Sustainable Communities Planning Grant Program

Amy St. Peter, MAG Human Services Manager, reported on the Sustainable Communities Planning Grant Program. She said that the purpose of this presentation is to inform the Committee about activities undertaken to determine the viability of a regional application through MAG.

Ms. St. Peter stated that the U.S. Department of Housing and Urban Development (HUD) is partnering with the U.S. Department of Transportation (DOT) and the Environmental Protection Agency (EPA) on the Sustainable Communities Planning Grant Program to support the development of regional plans for sustainable development. Ms. St. Peter stated that MAG may be eligible to apply for funding, which may position MAG well in the future if such plans become a requirement with the reauthorization of federal transportation funding.

Ms. St. Peter stated that approximately $100 million is available nationally with up to $5 million potentially available for large metropolitan areas. She noted that a 20 percent match is required. Ms. St. Peter commented that it is anticipated that this grant process will be very competitive and oversubscribed, and she added that many in this region have expressed interest in applying or partnering for the grant.

Ms. St. Peter stated that the advance notice published by HUD in March did not define an eligible applicant or region. She indicated that the Notice of Funding Availability (NOFA) is due any day and staff hopes it will clarify who can apply for this funding. Ms. St. Peter remarked that such clarification will help determine if MAG is the most appropriate applicant for the region.

Ms. St. Peter stated that at the request of the MAG Executive Committee in April, staff have convened meetings with community partners such as the Urban Land Institute and with the officers of the MAG technical committees to collect information about current activities that are relevant to this grant. She added that a report on the meetings will be presented to the MAG Executive Committee on May 17.

Ms. St. Peter stated that feedback received so far indicates support for developing green housing and jobs along high capacity transit lines such as commuter rail, light rail, and the proposed intercity rail from Phoenix to Tucson. She reported that in the meeting with the technical committee officers it was expressed that it was important to focus on the entire region, to consider infill development, to specifically identify the impact desired by the plan, and to leverage existing efforts proposed in the MAG FY 2011 Unified Planning Work Program.

Ms. St. Peter stated that feedback received by HUD indicates they are prioritizing plans and projects that can be put into action. She indicated that HUD is providing additional funds to assist with implementation of the projects proposed by the regional plans for sustainable development.

Ms. St. Peter stated that HUD has also advised that applications focusing on partnerships with the capacity to deliver tangible results will be deemed most competitive. She said that partners on this grant could extend beyond the MAG region. Ms. St. Peter reported that other councils of governments are considering applications for this program and she added that it has been suggested that a consolidated application with a coordinating function could offer flexibility for the councils of governments to address the issues critical to them and increase the competitiveness for all regions.

Ms. St. Peter stated that discussions are underway with the Pima Association of Governments (PAG), and the Central Arizona Association of Governments (CAAG). She noted that PAG has indicated a preference to submit an application independently and CAAG has expressed an interest in submitting a consolidated application with MAG.

Ms. St. Peter stated that in addition to continuing dialogue with PAG and CAAG, MAG is collecting planning inventories from the MAG technical committees regarding their activities that could support a regional application. She said that a stakeholders group meeting is scheduled for May 14 at 9:30 a.m. with community partners to collect the same information, which will be

presented to the MAG Executive Committee seeking their guidance on the degree of MAG's involvement in a potential regional application.

Chair Pentz thanked Ms. St. Peter for her report. No questions from the Committee were noted.

10. Approval of the Draft FY 2011 MAG Unified Planning Work Program and Annual Budget and the Member Dues and Assessments

Becky Kimbrough, MAG Fiscal Services Manager, reported on the Draft MAG FY 2011 Unified Planning Work Program and Annual Budget. She said that the MAG dues and assessments were presented in January 2010 with a proposed overall decrease of 50 percent due to economic conditions.

Ms. Kimbrough noted that the proposed new projects for FY 2011 were first presented at the February committee meetings. She stated that these new project proposals come from the various MAG technical committees, policy committees and other discussions with members and stakeholders regarding joint efforts within the region. Ms. Kimbrough said that improvements to the MAG office space were included to address MAG's office space needs in place of the regional office center project that was deferred.

Ms. Kimbrough stated that the draft Work Program and Annual Budget was reviewed at the Intermodal Planning Group (IPG) meeting on April 29, 2010. She noted that representatives from the Federal Highway Administration, Federal Transit Administration, Arizona Department of Administration, the Environmental Protection Agency, Valley Metro and Valley Metro Rail, and Phoenix Transit participated in the meeting. She reported that the review did not result in any new recommendations for the FY 2011 Work Program and Annual Budget document.

Ms. Kimbrough reported that each year, MAG submits it Work Program to the Government Finance Officers Association for the Distinguished Budget award. She noted that this will be the 11th year in a row that MAG will submit the document.

Chair Pentz thanked Ms. Kimbrough for her report. No questions from the committee were noted.

Mr. Hernandez moved to recommend approval of the resolution adopting the Draft FY 2011 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mr. Crossman seconded, and the motion passed unanimously.

11. Legislative Update

No oral report was provided. Members were provided a bill tracking chart.

12. Request for Future Agenda Items

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

No requests were noted.

13. Comments from the Committee

An opportunity will be provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Committee were noted.

14. Adjournment

Mr. Kross moved, Mr. Crossman seconded, and the motion passed to adjourn the meeting at 1:10 p.m.

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Chair

_____
Secretary