

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

September 28, 2005
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair
Mayor Woody Thomas, Litchfield Park,
Vice Chair
Councilmember Dave Waldron for Mayor
Douglas Coleman, Apache Junction
Vice Mayor Betty Lynch for
Mayor Ron Drake, Avondale
* Mayor Dusty Hull, Buckeye
Mayor Edward Morgan, Carefree
Vice Mayor Dick Esser, Cave Creek
Mayor Boyd Dunn, Chandler
Mayor Fred Waterman, El Mirage
President Raphael Bear, Fort McDowell
Yavapai Nation
Councilmember John Kavanagh for
Mayor Wally Nichols, Fountain Hills
+ Mayor Daniel Birchfield, Gila Bend
* Governor Richard Narcia, Gila River Indian
Community
Mayor Steven Berman, Gilbert
Mayor Elaine Scruggs, Glendale

Mayor James M. Cavanaugh, Goodyear
Mayor Bernadette Jimenez, Guadalupe
Supervisor Max Wilson for Supervisor Don
Stapley, Maricopa County
Mayor Ron Clarke, Paradise Valley
* Mayor John Keegan, Peoria
Vice Mayor Michael Johnson for
Mayor Phil Gordon, Phoenix
Mayor Wendy Feldman-Kerr, Queen Creek
* President Joni Ramos, Salt River
Pima-Maricopa Indian Community
Mayor Mary Manross, Scottsdale
* Mayor Joan Shafer, Surprise
* Mayor Hugh Hallman, Tempe
* Mayor Adolfo Gamez, Tolleson
* Mayor Ron Badowski, Wickenburg
Mayor Bryan Hackbarth, Youngtown
Rusty Gant, ADOT
* Joe Lane, ADOT
Jack Lunsford for F. Rockne Arnett, Citizens
Transportation Oversight Committee

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

1. Call to Order

The meeting of the Regional Council was called to order by Regional Council Chair Keno Hawker at 5:08 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Hawker introduced the following proxies: Councilmember Dave Waldron for Mayor Doug Coleman, Vice Mayor Betty Lynch for Mayor Ron Drake, Councilmember John Kavanagh for Mayor Wally Nichols, Supervisor Max W. Wilson for Supervisor Don Stapley, Vice Mayor Michael Johnson for Mayor Phil Gordon, and Jack Lunsford for Roc Arnett. Chair Hawker noted that Mayor Daniel Birchfield was participating via videoconference and Councilmember Waldron was attending the meeting via audioconference.

Chair Hawker stated that the RPTA has provided transit tickets for those who used transit to come to the meeting and garage parking validation was available from staff. Chair Hawker noted a memorandum for agenda item #5D, material from the Maricopa County Air Quality Department for agenda item #6, and an informational packet from the Workforce Housing Task Force for agenda item #8, were at each place.

3. 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 public comment cards. The opportunity for public comment is provided to members of the public to address the Regional Council 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 Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Hawker recognized public comment from Queen Creek Councilmember Gary Holloway, who spoke on Williams Gateway Freeway alternatives #7 and #3. Councilmember Holloway stated that he thought that alternative #7 was the best choice for existing taxpayers because it will help solve traffic problems in Queen Creek, whereas, alternative #3 will come in at Loop 202, presently a corn field. Councilmember Holloway stated that alternative #7 would reinforce Queen Creek's general plan and preserve employment. Chair Hawker thanked Councilmember Holloway for his comments.

Chair Hawker recognized public comment from Dianne Barker who said that she came to the meeting on the bus and her bicycle. Ms. Barker commented on a disaster plan for the County. Ms. Barker noted that the Governor has indicated that it will be updated and Ms. Barker was glad to see that we will be able to take care of our citizens. She also indicated that she participated in a triage exercise. Ms. Barker commented on expanding 9-1-1 to other call numbers. She encouraged MAG to consider using its equipment for trip reduction when possible. Chair Hawker thanked Ms. Barker for her comments.

Chair Hawker recognized public comment from William Crowley, who wondered whether the *Arizona Economy* report was a part of what MAG is doing and hoped that it was provided to staff. He noted that Compass Bank and MAG are sponsors. Mr. Crowley stated that he would like the Regional Council to be involved in CTOC's transportation update. Mr. Crowley commented on the recent 32 heat-related deaths. He said that \$15 million is allocated for passenger facilities, and part of this is for covering more than 350 parking spaces. Mr. Crowley stated that cars can be shaded more than humans. He also commented that more money is being spent on light rail facilities than bus and bicycle facilities. Mr. Crowley stated that he had a problem with having an officer present at Regional Council meetings to

watch the citizens. He said that he needed the money being expended on security for the Regional Council should be spent on something worthwhile. Chair Hawker thanked Mr. Crowley for his comments.

4. Executive Director's Report

Dennis Smith reported that Federal Highway Administration and Federal Transit Administration have determined that the Phoenix, urbanized area has met the requirements of the EPA Transportation Conformity Rule.

Mr. Smith stated that the Arizona Planning Association has selected MAG to receive a 2005 State Planning Award, for the preparation of the MAG 2005 Regional Report, A Resource for Policy Makers in the Maricopa Region.

Mr. Smith stated that MAG, the City of Phoenix, and the City of Peoria co-sponsored a national Safe Routes to School course on September 21, 2005 on how to develop safe routes to school for elementary schools. He said that 26 participants from seven MAG member agencies and two school districts attended the course. Mr. Smith noted that the Governor's Office of Highway Safety, Department of Health Services, FHWA and Coalition of Bicyclists also received training. He added that the recently passed SAFETEA-LU bill includes a new national program for Safe Routes to School. MAG has been asked to lead a state team that will recommend school-based safety initiatives to the Governor's Traffic Safety Advisory Council.

Mr. Smith stated that October is Domestic Violence Awareness Month. He said that the MAG Regional Domestic Violence Council held a press conference today to kick off the month's activities and to highlight the work of the Council over the past year. Mr. Smith stated that Chandler Vice Mayor Phillip Westbrooks, Chair of the Council, and Radmilla Cody, former Miss Navajo Nation and domestic violence survivor, were speakers at the event. Mr. Smith stated that the Employers Against Domestic Violence subcommittee of the MAG Regional Domestic Violence Council will partner with American Express to provide a free three-hour training for employers on how to prevent and respond to domestic violence in the workplace. The training will be on Thursday, October 6, 2005 from 8:30am – 11:30am at the Encanto Park Clubhouse in Phoenix, located at 2605 N. 15th Avenue.

Mr. Smith stated that the League of Arizona Cities and Towns Annual Conference was held last week. The MAG 2050 Growth Information was discussed at the conference by Mayor Hawker and elected officials from other COGs. One of the maps shows that approximately one third of Arizona is available to be developed. Mr. Smith acknowledged the efforts of MAG staff, Rita Walton, Anubhav Bagley, Mark Roberts, Tom Remes, Kelly Taft and Gordon Tyus.

Mr. Smith introduced new MAG staff who have been hired to fill staff vacancies. Bob Hazlett is the Senior Engineer in the Transportation Division. Jennifer Urrea is the Human Resources Program Manager. Veronica Martinez is the Senior Accountant in the Fiscal Services Division. Amanda Tovey is the Decision Support Analyst in the Information Services Division.

Chair Hawker thanked Mr. Smith for his report. He expressed his thanks for MAG staff's work at the conference and added that he appreciated that the tribal nations were there. He stated that it is important to ensure that we are working together for the benefit of the State of Arizona.

5. Approval of Consent Agenda

Chair Hawker stated that public comment is provided for 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 Council can request that an item be removed from the consent agenda and considered individually. He stated that agenda items #5A, #5B, #5C, #5D, #5E, and #5F were on the consent agenda. Chair Hawker stated that staff was available if the Council had any questions on consent agenda items. No questions nor requests to hear an item individually were noted.

Chair Hawker recognized public comment from Councilmember Holloway, who commented that the bid for the Red Mountain was the largest bid in ADOT history. He stated that ADOT cost estimates are inflated because of the process used. Councilmember Holloway gave some examples of recent bid estimates and awards. In September 2004, a project estimated at \$47,920,000 was awarded to FNF Construction for \$50,458,079. In April 2005, a project estimated at \$58,240,000 was awarded at \$71,324,831, 22 percent over the estimate. In September 2005, a project estimated at \$59,771,000 was awarded to FNF Construction at \$73,704,000, 23 percent over the estimate. Councilmember Holloway stated that bids need to be consolidated, otherwise, the taxpayers' money is not being spent in the most cost effective way. He noted that only two companies can handle these large projects and can afford the bonding. Councilmember Holloway stated that ADOT should have to provide answers on these contracts that are substantially above the estimates. Chair Hawker thanked Councilmember Holloway for his comments.

Chair Hawker recognized public comment from Mr. Crowley, who noted that agenda item #5B says no public input was received; however, if the construction is being delayed because of citizen concerns, is that not public input? Mr. Crowley stated that he agreed with most of the items on the consent agenda. For agenda item #5D, he stated that the public is not having the access it should. For agenda item #5E, Mr. Crowley stated that having the medical databases would be helpful to have when the University of Arizona begins operations. He stated that integrating other N-1-1 numbers with 9-1-1 would be helpful to those with non-imminent incidents. Mr. Crowley stated that he wanted to say that MAG did it right by supporting the *Arizona Economy* publication. Chair Hawker thanked Mr. Crowley for his comments.

Vice Chair Thomas moved to approve consent agenda items #5A, #5B, #5C, #5D, #5E, and #5F. Mayor Cavanaugh seconded, and the motion carried unanimously.

5A. Approval of the July 27, 2005 Meeting Minutes

The Regional Council, by consent, approved the July 27, 2005 meeting minutes.

5B. Requested Schedule Change for the Red Mountain Freeway, Power to University

The Regional Council, by consent, approved the revised schedule for the completion of the Red Mountain Freeway from Power Road to University Drive to July 2008. ADOT and the City of Mesa

have determined that the section of the Red Mountain Freeway from Power Road to University Drive will take about 30 months to construct compared to the original schedule of 24 months. This longer construction schedule results in completion of this section in mid-2008 rather than December 2007, therefore, it constitutes a material change requiring MAG concurrence. The longer construction schedule is due to the need to stop construction activities at 10:00 p.m. so that the neighborhoods are not impacted during the late night hours. This revised construction schedule will result in about eight hours of quiet time for the neighborhoods. Mesa strongly supports the schedule change. The Transportation Review Committee and the Management Committee recommended approval of the revised schedule.

5C. Amendment to the FY 2005 Unified Planning Work Program and Annual Budget to Accept Funds from the City of Avondale for the Avondale-Littleton School Sidewalk Connection Project

The Regional Council, by consent, approved amending the FY 2005 MAG Unified Planning Work Program and Annual Budget to accept \$3,590 from the City of Avondale for the additional scope of work for the Avondale-Littleton School Sidewalk Connection Project. The City of Avondale has requested that an additional scope of work be added to the Avondale-Littleton School Sidewalk Connection project currently included in the MAG Pedestrian Design Assistance Program. These funds will provide added design work to cover the costs of designing for additional earthwork and civil conditions that were discovered during a recent survey. The City of Avondale will provide an additional \$3,590 to MAG for the project in support of these efforts. An Amendment to the FY 2005 Unified Planning Work Program and Annual Budget is needed to accept these funds.

5D. Closeout of FY MAG 2005 Federal Funds

The Regional Council, by consent, approved completing the obligation of projects for FY 2005 using the following: (1) Move the repayment to ADOT (\$5,092,000) of a paving project to FY 2006; (2) Amend the FY 2006 MAG Unified Planning Work Program and Annual Budget to make available \$436,000 of MAG Park & Ride Study funds for closeout projects in FY 2005; and (3) Provide for the use of approximately \$3.5 million of redistributed obligation authority for closeout. In July 2005, the Regional Council approved the closeout of the FY 2005 MAG Federal Funds. Since that time, MAG member agencies have been processing projects to have them obligated by the mid-September Arizona Department of Transportation deadline. This year, in processing the obligation of projects, MAG was informed by ADOT that new provisions in the recently enacted federal transportation legislation (SAFETEA-LU), would reduce the previously assumed amount of obligation authority available to the MAG region for FY 2005. Also, in processing the final obligation of projects, a repayment of a paving project to ADOT was inadvertently omitted and needed to be considered.

5E. Update on the MAG County Library District Stakeholders Group

The MAG Management Committee formed the MAG County Library District Stakeholders Group in March 2005 to examine current library needs and explore other potential partnering activities. On April 27, 2005, the Regional Council approved the MAG County Library District Stakeholders Group recommendations that the Maricopa County Library District pursue purchasing a core set of electronic databases that would be available to all libraries and that the reciprocal borrowing agreement be restructured by developing a formula that reflects actual costs, and to have a one time rate increase to an amount not to exceed \$28 while the formula is being developed.

On August 15, 2005, the Maricopa County Board of Supervisors, acting as the Maricopa County Library District Board, voted to approve keeping the FY 2005-06 Library District Secondary Tax Rate at \$0.0521. This is an extremely positive move that provides increased flexibility to work on implementing the Stakeholder recommendations. A meeting of the MAG County Library District Stakeholders Group was held on August 23, 2005, and Library District staff reported on the progress to date on the partnership programs.

The Maricopa County Library District staff stated that they will proceed with a plan to purchase a core set of electronic databases that will be available to all libraries in the County. The District will use the database list developed by the Stakeholders. There are some internal purchasing changes that will occur at Maricopa County to ensure that best prices are obtained from the vendors. The database recommendations will be forwarded to the Board of Supervisors for their approval.

The Board of Supervisors has agreed to increase the reciprocal borrowing rate to \$29. This rate will be phased in over a two-year period. This change will require the current intergovernmental agreements to be amended. During the phase-in of the new rate, the Stakeholders will work to develop a formula or index for the reciprocal borrowing rate.

Stakeholders were informed that Library District staff had been approached by the University of Arizona Medical Center with a request for the District to purchase medical databases. Any medical database purchases will have an impact on the ability to fund the Stakeholders' requested electronic databases. District staff requested assistance from the Stakeholders in reviewing the applicability of use of the medical databases by all libraries in the County.

5F. 9-1-1 Budget Request to the Arizona Department of Administration for Equipment and Operating Funds

The Regional Council, by consent, approved the MAG FY 2007 PSAP Annual Element/Funding Request and FY 2007-2011 Equipment Program, and the request for 9-1-1 operating funds for submittal to the Arizona Department of Administration. Each year, the Public Safety Answering Point (PSAP) Managers submit inventory and upgrade requests that are used to develop a five year equipment program that forecasts future 9-1-1 equipment needs of the region and will enable MAG to provide estimates of future funding needs to the Arizona Department of Administration (ADOA). The ADOA Order of Adoption stipulates allowable funding under the Emergency Telecommunications Services Revolving Fund. The MAG 9-1-1 PSAP Managers, the 9-1-1 Oversight Team, and the Management Committee recommended approval of the 9-1-1 budget request.

6. Update on Critical Issues with the Maricopa County Air Programs

Lindy Bauer provided an update on the Maricopa County Air Quality Department programs. She said that she would first provide an overview and then a detailed update on two critical air quality issues. Ms. Bauer noted the numerous accomplishments of the Air Quality Department since its creation November 17, 2004, a summary of the accomplishments was at each place.

Ms. Bauer addressed critical issue #1, the EPA Notice of Deficiency for the Maricopa County Title V Air Permit Program for Industry. She advised that by the August 18, 2005 deadline, the County submitted a formal response to EPA on its corrective action to fix deficiencies. She stated that EPA

reported that significant progress has been made and the threat of sanctions, including loss of federal highway funds, is no longer looming. It appears that this issue may now be set aside.

Ms. Bauer then addressed critical issue #2, the enforcement of the Maricopa County Dust Control Rules for PM-10 particulate pollution. Ms. Bauer stated that in June 2004, EPA requested that Maricopa County hire 25-30 dust inspectors to enforce the Fugitive Dust Control Rules. She advised that failure to enforce dust rules could jeopardize attainment and lead to a requirement for a five percent reduction in emissions per year. Ms. Bauer added that it would be very difficult for our region to accomplish as we already have some of the most stringent measures in the country.

Ms. Bauer noted that this is a critical time period for PM-10 and we need clean data for 2004, 2005, and 2006. She said that the five percent plan would be due December 31, 2007 if the standards are not met. Ms. Bauer stated that during 2004, the Higley monitor exceeded the 24-hour standard and the Durango and West 43rd Avenue monitors exceeded the annual standard. In 2005, the West 43rd Avenue and the Buckeye monitors exceeded the 24-hour standard; however, these are under investigation because they may have resulted from natural events. Ms. Bauer explained that we still have a chance because EPA averages the numbers, but we need to get the numbers down at the monitors.

Ms. Bauer proceeded on to the dust control efforts being made by the Air Quality Department. She said that the County has converted temporary positions to permanent, advertised for vacant positions, compiled a list of qualified candidates, cross-trained other positions to conduct dust control inspections, conducted training courses for the regulated community, and entered into enforcement settlements. Ms. Bauer then showed a graph of 40 total dust control positions. She said that 24 positions were vacant at the time of the Management Committee meeting on September 7, 2005; however, the County has hired more staff, and there are now only 10 vacancies, which are dust inspector positions. Ms. Bauer noted that it is anticipated that the Board of Supervisors will be approving funding shortly for the 10 positions on September 30, 2005. She stated that MAG staff also forwarded the job advertisements to member agencies and they assisted with the posting of the announcements. Ms. Bauer stated that a salary survey will be undertaken by the Department and should be completed by November 2005.

Ms. Bauer stated that the MAG Regional Council recently requested that the EPA address the MAG committees on these issues. She stated that in July 2004, Colleen McKaughan, EPA Region IX, gave a report to the MAG Management Committee, Executive Committee, and Regional Council on the PM-10 issues facing the region, including the need for strengthened enforcement of the Maricopa County Dust Control Rules. At that time, EPA advised that 25 to 30 additional County inspectors were essential to handle the growth in dust control permits. Ms. Bauer stated that EPA reported witnessing noncompliance throughout the region. She said that the EPA warned us at that time not to be surprised if a five percent reduction plan would be required for continued violations.

Ms. Bauer introduced Colleen McKaughan, who expressed that EPA is pleased with the direction being taken by Maricopa County. She commented that what the County accomplished with Title V was nothing short of miraculous. Ms. McKaughan acknowledged Bob Kard and Joy Rich for their efforts. She noted that they answered every single deficiency, not just those required, in the formal response. Ms. McKaughan stated that the EPA and the County are developing a schedule of quarterly meetings. She indicated that the County has one more deadline to meet. Ms. McKaughan stated that EPA is very

comfortable with the leadership and is not worried about sanctions. She said that the Air Quality Department has made more progress in the past year than in the previous eight years. Ms. McKaughan expressed her confidence that the issues will be handled because of the good leadership and management in place now. Chair Hawker thanked Ms. McKaughan for her report. He expressed his congratulations to Supervisor Wilson and Supervisor Stapley on the County's efforts.

Supervisor Wilson introduced Joy Rich and acknowledged her assistance. He said that Supervisor Stapley could not be at the meeting due to medical issues, but he would pass along Chair Hawker's words.

7. Consultant Selection for Architectural and Engineering Services Related to the Regional Governmental Service Center and Amendment to the FY 2006 MAG Unified Planning Work Program and Annual Budget

Denise McClafferty stated that on July 27, 2005, the Regional Council authorized MAG to proceed with advertising a Request for Qualifications (RFQ) for architectural and engineering services for a Regional Government Service Center. Ms. McClafferty stated that the RFQ was advertised on August 1, 2005 and 16 Statements of Qualifications were received in response. A seven-member evaluation team met on August 31st to review the RFQs, and recommended to the Building Lease Working Group four consultant firms for the shortlist. Ms. McClafferty stated that the firms of Jones Studio, Dick & Fritsche Design Group, SmithGroup, and Langdon Wilson were interviewed September 8 and the review team unanimously recommended to MAG the selection of Langdon Wilson.

Ms. McClafferty indicated that the Building Lease Working Group met on September 9 and concurred with the recommendation, adding that there be further discussion on the real estate component. This was followed by Executive Committee action on September 12 to select Langdon Wilson. She noted that Langdon Wilson explored a partnership with two real estate firms. This partnership never materialized. Ms. McClafferty stated that Langdon Wilson was chosen because they had experience with large and governmental buildings, multi-ownership of buildings, and has a record of completing projects on time and within budget. She gave Phoenix City Hall, Prescott Town Hall and Library, and the Sandra Day O'Connor Federal Courthouse as examples of Langdon Wilson's projects. Ms. McClafferty noted that as indicated in the RFQ, MAG will have the option to continue with the consultant with Phase II, Design and Construction. Chair Hawker thanked Ms. McClafferty for her report. No questions from the Committee were noted.

Chair Hawker recognized public comment from Mr. Crowley, who said he was happy that MAG felt it needed a house. Mr. Crowley commented that not everyone is at the table as they should be. Sixty-five percent of the County is west of Loop 303. Mr. Crowley commented that there are five Indian tribes in the County, but only three sit at the table. He stated that he needed a complex that does the job, and needs to be on the light rail or bus line. Chair Hawker thanked Mr. Crowley for his comments.

Mayor Feldman-Kerr moved to approve authorizing the Executive Director to enter into a contract with Langdon Wilson for Phase I, architectural and engineering services related to the Regional Governmental Service Center in an amount not to exceed \$100,000, and to amend the FY 2006 MAG Unified Planning Work Program and Annual Budget to include this project using contingency funds. Mayor Thomas seconded, and the motion carried unanimously.

8. Update on the Regional Workforce Housing Task Force

Gregg Holmes, Chair of the Regional Workforce Housing Task Force, reported on activities of the Task Force since he last gave a report in Fall 2004. Before proceeding with his report, he introduced Dr. Lattie Coor, member of the Task Force, and Mr. Tom Browning, Greater Phoenix Leadership, member of the Task Force and an investor in the process, and Mr. Benito Almanza, Bank of America Arizona, an investor in the process. He noted that Jose Cardenas and Bill Post were unable to attend the meeting tonight, but the scope of the gentlemen in attendance demonstrated the importance of this issue to the business community. Mr. Holmes stated that the Task Force has prepared an action plan to increase the supply of housing in the MAG Region for the workforce currently making \$20,000 - \$42,000 per year. Mr. Holmes stated that the vision of the Task Force is that within 15 years, sufficient and affordable workforce housing will be available throughout the Valley to providing workers the opportunity to live and work in the same community. He said that many of the people in this income category are those we depend on--teachers, firefighters, nurses, etc.

Mr. Holmes stated that Arizona has one of the lowest levels of homeownership in the country, with a rank of 40 in the nation. He said that according to the Arizona Census, over the past 30 years, the number of the population able to purchase the median-priced home has declined by almost 30 percent. He explained an analysis of cost-burdened renters, those who pay more than 30 percent of their income on housing. Mr. Holmes noted that home prices and some rents have exceeded our target population's ability to afford them.

Mr. Holmes stated that the target price of affordable homes for the target population is \$125,000 to \$150,000. With the average price of a single family home currently at \$203,000, home ownership is becoming unattainable for many area residents.

Mr. Holmes stated that local General Plan policies and local development and zoning practices inhibit workforce housing production and economic development efforts, and current funding is inadequate. He stated that sustainability and efficient use of new and existing funding sources combined with land use policies linked to workforce housing production are necessary to solve this problem.

Mr. Holmes stated that each high-wage job in turn generates two to six low/moderate income jobs. Mr. Holmes stated that he was involved in the effort to bring USAA to the Valley. He indicated that the reason that USAA located here was the competitive cost of living. Mr. Holmes noted that Arizona's cost of living is likely to exceed the national average due to home prices. He stated that increasing the average density by 25 percent would result in creating 428,215 additional units at build-out. If 15 percent of these were workforce housing units, 44 percent of the problem could be solved. Mr. Holmes stated that the Urban Land Institute conducted a study that showed that there is no measurable difference in the rate of appreciation between properties located near a high density development and those that are not. He added that people of all income groups choose higher density developments and there is no link between crime and density. Mr. Holmes presented examples of very attractive, new mixed income housing, and rehabilitation, infill, single family and rental projects.

Mr. Holmes stated that a solution could be developed by having higher densities for workforce housing developments, reforming the zoning code, streamlining the processing of development applications, reforming the housing element (part of Growing Smarter Plus), having workforce housing along transit

lines, and reforming the State Trust Land process. Mr. Holmes stated that land is the most expensive portion of a home's cost. Capacity could be improved by establishing land banking or a regional land trust that links to the production of workforce housing and establishing a process to improve the capacity and capability of planning staffs Valleywide. He said that other elements to the solution could be providing tax incentives, increasing the leverage of private sector dollars, implementing an internet sales tax, tax increment financing that would probably be at the State level, and changing the public opinion by leaders' attitudes.

Mr. Holmes reviewed the timeline. He said that with the involvement of stakeholders, the recommendations would be developed August to October 2005; the implementation process developed November to December 2005; and implementation of the initial policy and revenue components January 2006 to December 2007.

Mr. Holmes stated that stakeholders can help by establishing workforce housing as a top priority, directing staff to work out policy details, and supporting the efforts and recommendations of the Task Force. He mentioned that he and other members of the Task Force are available for presentations. Mr. Holmes stated that inaction could cause us to lose the opportunity to stimulate significant consumer spending, projected at more than \$350 million annually; weaken our ability to grow high wage jobs; decrease workers' ability to afford adequate and quality healthcare, thus forcing an increase in government subsidies; lose the opportunity to stabilize families and strengthen neighborhoods; lessen our ability to properly educate our students and develop a high quality workforce due to increased mobility; and disrupt the quality of life, stability and productivity for the target population, who will experience excessive commutes chasing affordability. Mr. Holmes stated that we need to work collaboratively and he asked for the support and involvement of member agencies. Chair Hawker thanked Mr. Holmes for his presentation and asked the Council if there were questions.

Mr. Lunsford stated that workforce housing was the topic at the Westmarc annual retreat, although they did not have the benefit of Mr. Holmes's information. He indicated that there was enough support for this issue to make it before the Board. Mr. Lunsford expressed his appreciation for the Task Force's work on this.

Vice Mayor Johnson stated that it is not only that our heroes cannot live in our neighborhoods, but also our families and their ability to live the American Dream by owning a house. Unless there is a solution on a regional level, we will see our families move not only to the outskirts, but to areas where they can live where they work. We need to make workforce housing a high priority and implement it or we will be losers in the end.

Mayor Manross commented on developing a sustainable solution. She said she thought using new and existing revenue sources are good ideas. She said that tax incentives, tax increment financing, and increasing fines for violations also sound like good ideas, but they would take a legislative solution. Mayor Manross asked what have been the attitudes of the Task Force, investors, and stakeholders being at the forefront of that debate at the Legislature? Mr. Holmes replied that assembling the coalition has begun, and will include both investors and organizations who have a stake in the issue or are actively lobbying. Mr. Holmes commented that it would not matter if recommendations were made if they were not implemented. He said that dialogue has begun and the fundamental purpose is that the Task Force

and investors represent very strong groups of people in both the public and private sector. Mr. Holmes stated APS and Southwest Gas have agreed to throw their resources behind this. He indicated that the implementation timeline is two years because it will take time to educate and operationalize these items. Mr. Holmes stated that some will occur legislatively. He added that having strength and resources in place will provide momentum.

Mayor Manross asked what a resolution of support passed by the Regional Council would enable. Mr. Holmes replied that it would create a political will and creates an opportunity to engage staffs on policy. He stated that Mr. Almanza has instituted a down payment program for his employees. Mr. Holmes commented that the presence of the business community is a powerful voice and shows that there is an expectation that something needs to be done. He added that more and more organizations are feeling the same.

Mayor Dunn stated his support for a resolution coming back to MAG. He stated that he had served on the Task Force. He said that the timing could not be better and commented that workforce housing was not on our radar screens as it should be. Mayor Dunn stated that the examples of workforce housing show high quality homes. Sometimes we have a misnomer that quality cannot be affordable. He stated that it is a question of addressing urban sprawl. Mayor Dunn stated that people work in Chandler and live in Maricopa and Pinal County because that is where they can find housing they can afford. He noted that workforce housing helps address transportation concerns if workers can live close to where they work. Mayor Dunn stated that with skyrocketing housing costs, we need to encourage cities, towns, and the state to work together to find a comprehensive solution. He added that we need to keep this on our radar screen.

Supervisor Wilson commented that he has been in the homebuilding business for years. He said that many things have changed since he started, for instance, there used to be a rebate for sewer and water that could be passed along to homebuyers; impact fees were lower; density was R16 or R18; APS and SRP bid for providing service; and processing times were about 120 days. Supervisor Wilson commented that today, you cannot get in front of a zoning board in that amount of time. He said that costs got added in a little bit at a time. Supervisor Wilson suggested to Mr. Holmes that more study on densities might be needed, and they needed to be cautious in regard to wood frame homes.

Councilmember John Kavanagh suggested that the proposed solution would be brought back and separated as individual items. He commented that some might not support all of the items. Mr. Holmes stated his agreement with this. He commented that it is not MAG's role to legislatively set off policies on behalf of communities. Mr. Holmes stated that the value of the resolution is to move the process forward and engage staffs in developing specifics so each community can look at it and adopt appropriately. He stated that they want this to be an inclusive process, and that is why he was here at this stage to engage member agencies in the discussion.

Chair Hawker commented that Mr. Holmes had somewhat identified the dilemma where different municipalities have different zoning. He indicated that he had always thought it might be beneficial to have inclusionary zoning in place. Chair Hawker stated that promoting an efficient permitting process was a good idea. He added that a generic statement would be better because some municipalities might support some of the recommendations and oppose others if it is too detailed.

Mayor Manross stated that we want to be straightforward and generic at this point. The value of the next step is increasing the dialogue of the whole issue and gives credibility to debate at the regional level. Regardless of how each municipality addresses the issue, there is merit to support a resolution to bring back to the cities and towns for discussion.

Chair Hawker directed staff to work on developing a draft resolution to be considered at a later meeting. He thanked Mr. Holmes for coming to the meeting.

9. Status Report on 2005 Census Survey

Heidi Pahl updated members on the 2005 Census Survey. She said that the surveys were mailed out August 30 with a survey date of September 1, 2005. Ms. Pahl stated that it is important for those receiving the surveys to turn them in because the results will be used to distribute billions of dollars in state-shared revenues to cities and towns in Maricopa County over the next five years. Ms. Pahl stated that the Census Bureau is tracking mail return rates weekly by census tract.

Ms. Pahl reviewed the timeline. She stated that a second mailing was sent September 22 to residents who did not respond to first mailing, followed by telephone interviews and/or personal visits with non-respondents, which should be complete by the beginning of December. Ms. Pahl stated that the group quarters enumeration is taking place September 15 through September 30. She noted that results from the Census Survey are anticipated in Spring 2006.

Ms. Pahl stated that the \$7.5 million cost estimate assumed a response rate to the Census Survey of at least 50 percent. If the response rate to the mail questionnaire is higher, costs may decrease; if it is lower, costs may increase. She noted that 40 percent of the surveys have been returned, but some have incomplete information and will require a followup. Ms. Pahl then noted higher costs that will be incurred for those surveys that require a telephone interview or a personal visit.

Ms. Pahl updated members on efforts to advertise the Survey, including print, television, and radio media, inserts in utility bills, public service announcements featuring local celebrities, promotions at Diamondbacks games and Harkins and AMC movie theaters, street banners, magnetic signs on municipal vehicles, and outreach through churches, schools, chambers of commerce, and homeowners associations. Ms. Pahl noted that cities can help by ensuring that staff are working to promote the census so that the goal of a 60 percent return to the mail questionnaire is met. Chair Hawker thanked Ms. Pahl for her presentation and asked the Council if they had questions.

Mayor Waterman commented that his city has 4,500 residences with post office boxes. He asked how these homes would be handled. Ms. Pahl replied that these homes would most likely receive a personal visit from a census enumerator.

10. Comments from the Council

An opportunity was provided for Regional Council members to present a brief summary of current events. The Regional Council 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.

Chair Hawker noted that Mayor Wally Nichols was recovering nicely from a small stroke. He wished him well in his recovery. Chair Hawker stated that Mayor Ron Clarke would be providing a presentation on the efforts by the Town of Paradise Valley to assist the community of Bay St. Louis, Mississippi after Hurricane Katrina.

Mayor Clarke stated that the Town Council wanted to assist a community of a similar size to Paradise Valley where they could accomplish some good. Through the Town's Police Department, a number of communities were identified that met the criteria. Mayor Clarke stated that Bay St. Louis was the most devastated and needed the Town's help. He said that emergency action from the Council was approved and he drove to Bay St. Louis in one of the three police cars that the Town donated. He said that they also brought donated computer equipment. He explained that Bay St. Louis is a city of six square miles, where the casino employs 800 of the 8,100 population and accounts for 60 percent of the town's budget. Mayor Clarke expressed that the devastation he witnessed reminded him of Hiroshima in 1945.

Mayor Clarke stated that the Mayor of Bay St. Louis, Eddie Favre, is doing his best to get the town on the road to recovery. He added that the town lost its records and archives. Mayor Clarke then played a presentation on their trip that had been put together by the Paradise Valley police officers. Mayor Clarke commented that the Town's police officers are their best ambassadors. Mayor Clarke noted that five schools in the city are totally gone. He stated that Operation Jump Start is the program to get students back in school by November 1.

Mayor Clarke stated that the city is in dire need of pickup trucks, front loaders and other equipment that could assist in cleaning up the debris. He noted that General Robin Rand, from Luke Air Force Base, offered to fly equipment to the area. Mayor Clarke stated that Paradise Valley will send two building inspectors, and more are needed. He added that electricians are also needed. Mayor Clarke said that the officers of the Paradise Valley Police Department are donating uniforms and equipment out of their own equipment allowance. He stated that any library book program would be welcome. Mayor Clarke handed out a list of needed items.

Mayor Berman asked how they were able to communicate with the city. Mayor Clarke stated that the Chief of Police reached them through persistence and by calling early in the morning. He added that word of mouth also helped.

Supervisor Wilson noted that he was attending the meeting as proxy for Supervisor Stapley, who was ill. He also noted that Mrs. Stapley had undergone serious surgery and was recovering.

There being no further business, the Regional Council meeting adjourned at 6:55 p.m.

Chair

Secretary