

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

November 15, 2006
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| * Councilmember Peggy Bilsten, Phoenix, Chair | Mayor James Cavanaugh, Goodyear |
| Mayor Keno Hawker, Mesa, Vice Chair | Councilmember Pat Dennis, Peoria |
| Kent Andrews, Salt River Pima-Maricopa Indian Community | * Mayor Boyd Dunn, Chandler |
| # F. Rockne Arnett, Citizens Transportation Oversight Committee | Councilmember Cliff Elkins, Surprise |
| + Councilmember Gail Barney, Queen Creek | # Mayor Hugh Hallman, Tempe |
| Stephen Beard, SR Beard & Associates | Eneas Kane, DMB Associates |
| * Mayor Steven Berman, Gilbert | Joe Lane, State Transportation Board |
| * Dave Berry, Swift Transportation | Mayor Marie Lopez-Rogers, Avondale |
| Jed S. Billings, FNF Construction | Mayor Mary Manross, Scottsdale |
| * Mayor Bobby Bryant, Buckeye | David Scholl, Westcor |
| | * Mayor Elaine Scruggs, Glendale |
| | * Supervisor Don Stapley, Maricopa County |

* Not present

Participated by telephone conference call

+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Vice Chair Keno Hawker at 4:08 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Vice Chair Hawker announced that Mayor Hugh Hallman and Roc Arnett were participating by telephone and Councilmember Gail Barney was participating by videoconference.

Vice Chair Hawker noted materials at each place: a memorandum reporting the unanimous recommendations on agenda items #4B, #4C, and #6 by the Management Committee, and correspondence from Mayor Bobby Bryant, Supervisor Don Stapley, Mayor Thomas Schoaf, and District 6 Representative-elect Sam Crump for agenda item #5.

Vice Chair Hawker requested that members of the public turn in their public comment cards to staff. Transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Vice Chair Hawker stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Vice Chair Hawker recognized public comment from Woody Thomas, former Mayor of Litchfield Park, who addressed the TPC on points raised in an editorial written for *The Arizona Republic* by Jon Talton entitled "How deep will we dig?" This editorial was submitted for the record. Mr. Thomas stated that the editorial states that when you find yourself in a hole you need to stop digging. He commented that the issue has to do with responsibility and no authority--MAG is charged with providing transportation for the Valley but has no control over growth. MAG has no control over digging the hole, but can fill in the hole. Mr. Thomas encouraged ramping up commuter rail. He said that the article did a good job of showing communities in competition, which benefitted and moved them forward. Vice Chair Hawker thanked Mr. Thomas for his comments.

4. Approval of Consent Agenda

Public comment is provided for consent items. Each speaker is provided with a total of three minutes to comment on the Consent Agenda. No public comment cards were received.

Vice Chair Hawker stated that agenda items #4A, #4B, #4C, and #4D were on the consent agenda. He asked for clarification of the requested action on agenda item #4C. Eric Anderson, MAG Transportation Director, responded that no action on the item was necessary. He added that the item was on the agenda to provide a status report to the TPC on the Arterial Life Cycle Program. Vice Chair Hawker stated that any member of the committee can request that an item be removed from the consent agenda and considered individually. Vice Chair Hawker asked members if they had questions or comments on any of the consent agenda items. None were noted.

Councilmember Elkins moved to recommend approval of consent agenda items #4A, #4B, #4C, and #4D. Mayor Cavanaugh seconded, and the motion passed unanimously.

4A. Approval of September 20, 2006 Meeting Minutes

The Transportation Policy Committee, by consent, approved the September 20, 2006 meeting minutes.

4B. Changes to the Approved June 28, 2006 Arterial Life Cycle Program (ALCP) Policies and Procedures

The Transportation Policy Committee, by consent, recommended approval of the proposed changes to the previously approved June 28, 2006 ALCP Policies and Procedures. Minor technical refinements

(concerning invoices and administrative adjustments) need to be made to the approved June 28, 2006 Arterial Life Cycle Program (ALCP) Policies and Procedures. These have been discussed with the ALCP Working Group. The MAG Transportation Review Committee and the MAG Management Committee recommended approval of the proposed changes to the ALCP Policies and Procedures.

4C. Arterial Life Cycle Program (ALCP) – Status Report

Each quarter, MAG staff provides member agencies with an update on projects in the Arterial Life Cycle Program (ALCP). This is the third Status Report (covering the period from July to September 2006) for the ALCP. The Status Report includes an update on ALCP Project work, and ALCP revenue/financial section, information about ALCP amendments and administrative adjustments, and the remaining FY 2007 ALCP schedule. This item was on the agenda for information and discussion.

4D. Proposed Amendment and Administrative Adjustment to the FY 2007- June 28, 2006 Arterial Life Cycle Program (ALCP)

The Transportation Policy Committee, by consent, recommended approval of an Amendment and an Administrative Adjustment to the FY 2007 – June 28, 2006 ALCP to add a new segment to a Chandler project, change two Maricopa County project and reimbursement schedules, and make an administrative adjustment to a Phoenix project and a Chandler project to reflect actual project costs. The FY 2007 Arterial Life Cycle Program (ALCP) was approved by MAG Regional Council on June 28, 2006. Since that time, one project has been identified that needs to be segmented, two projects have been identified that need to change project and reimbursement schedules, and two projects have been identified that need to lower and adjust the regional reimbursement amounts. An amendment is required to add the segment to the ALCP and change the project and reimbursement schedules, and an administrative adjustment is needed to adjust the project reimbursement amounts due to lower actual costs. The MAG Transportation Review Committee and the MAG Management Committee recommended approval of the changes to the ALCP.

5. Statewide Transportation Acceleration Needs (STAN) Account

Mr. Anderson addressed the TPC on Statewide Transportation Acceleration Needs (STAN) account. He reviewed items included in the agenda packet. He said that the memorandum outlined the process that was followed to identify project-ready projects. Mr. Anderson stated that a workshop was held November 3, 2006, and followup meetings were conducted with some of the member agencies. On behalf of the organization, he expressed appreciation to the Legislature for providing the funds and the Executive branch for supporting the legislation. Mr. Anderson stated that MAG has a good working relationship with ADOT, which was very important in developing project information. Mr. Anderson noted that copies of the correspondence received on this item were at each place.

Mr. Anderson stated that the STAN account provides \$307 million statewide to be used for the acceleration of the construction or reconstruction of freeways, state highways, bridges, and interchanges that are included in regional transportation plans. He stated that the Maricopa County region will receive \$184.2 million, or 60 percent of the fund. Mr. Anderson stated that a memorandum was sent to TPC members last week notifying them that ADOT reported that the STAN account will earn interest

until the monies are expended. He noted that a five percent earnings rate was used, bringing the estimated total to \$193.4 million.

Mr. Anderson reviewed the project information included in the two charts provided in the agenda packet. He said that the list of project-ready projects was developed in collaboration with ADOT and noted that the funds could be obligated within 12 to 24 months.

Vice Chair Hawker asked if the legislation would allow for repayment or assume the responsibility back from the West Valley cities for the costs incurred in the acceleration of the widening of I-10. Mr. Anderson replied that legislative staff and ADOT staff interpreted the legislation that the amount of money committed by Avondale, Goodyear, and Litchfield Park represented interest expense and is not considered a direct project expense. Mr. Anderson stated that the language in the bill limits STAN funds to direct project expenditures. He stated that MAG staff met with the principals of the West Valley acceleration project and reviewed this with them in detail. Mr. Anderson stated that this was the intent of legislative staff who drafted the bill, as well as ADOT who has the responsibility for implementing the provisions in the statute.

Mayor Lopez-Rogers acknowledged the excellent work of MAG staff and ADOT staff in narrowing down the potential project list and for working with Avondale staff to help them understand why the I-10 widening acceleration would not be considered for STAN funding. Mayor Lopez-Rogers stated that since January, the Avondale City Council has been working to retain secure local, state, and federal funding for this project, which will benefit all commuters. She said that the three cities entered into a commitment to raise local funds and two months later, the Legislature passed the STAN legislation. Mayor Lopez-Rogers expressed the appreciation of her community for the Legislature's efforts. She stated that their project is ineligible because their effort to raise local funds is considered supplanting. Mayor Lopez-Rogers stated that this legislation unintentionally created a disincentive for cities to raise local funds for accelerations. She commented that the goal of STAN to accelerate needed highway projects is the same as the cities'; yet their local fund raising disqualifies their project for STAN funds. Mayor Lopez-Rogers stated that there is a disconnect in this policy. She expressed her support for a balanced regional approach and agreed that funds be divided equitably. Mayor Lopez-Rogers commented that they believe their commitment to raise local funds to accelerate I-10 makes them equally worthy, not less, to receive STAN funding.

Councilmember Dennis asked why there was no estimated cost for the I-10 to Grand Avenue corridor right-of-way. Mr. Anderson replied that there was extensive discussion on this at the November workshop where ADOT provided information on the status of right-of-way on that section of Loop 303. Mr. Anderson said that currently, there is litigation regarding an agreement from the late 1980s to provide right-of-way. He commented that assuming there will be a favorable outcome to this case, ADOT feels there will be sufficient funds for right-of-way acquisition. Mr. Anderson commented that as long as the case is pending, ADOT is reluctant to move forward on right-of-way acquisition because it is unknown the properties they might need to acquire.

Councilmember Dennis asked how Proposition 207 would affect right-of-way acquisitions. Mr. Anderson replied that one of the concerns is not so much with condemnations, but regulatory takings language. He advised that it could have serious consequences on the ability to acquire right-of-way and site freeways in the future.

Mr. Scholl asked for clarification of the construction phase for Loop 303, I-10 to Peoria. Mr. Anderson replied that this project is in Phase Two and construction should begin in 2011. Mr. Scholl asked if this project was not listed because of right-of-way issues. Mr. Anderson replied that it was not so much right-of-way, but that the two sections are mainline sections of the 303. He commented that they are project-ready, but are very expensive. Mr. Anderson stated that there are also drainage issues south of Peoria that have to go to the Gila River, which will require more right-of-way and construction activities to actually build the mainline sections.

Vice Chair Hawker recognized public comment from Mr. Thomas, who said that he did not envy the TPC's position on making this decision. He commented on being co-opted by the Legislature. After MAG conducted a process through the Governance Task Force, the TPC and Proposition 400, the Legislature comes in and gives a double-edged sword. He stated that the good behavior of cities who stepped up to relieve congestion by providing local funds is now being bypassed for funding because the problem is being taken care of. Mr. Thomas stated that providing funds to benefit Anthem is a reward for bad behavior, as discussed at many TPC meetings. Mr. Thomas noted that the County has always been on the Board. He commented that former Representative Overton helped bring the Legislature into this arena and that co-opted the West Valley in this process. Mr. Thomas said that he was glad that projects were proceeding, and encouraged MAG to let the Legislature know how much effort was thrown away and angst has been caused by taking this political shift. Vice Chair Hawker thanked Mr. Thomas for his comments.

Vice Chair Hawker recognized public comment from District 6 Representative-elect Sam Crump, who expressed appreciation for the significant deliberations on prioritizing projects for the STAN funding. He said he had served previously as a City Councilman and understood the difficulties encountered in such a process. Representative-elect Crump stated that the I-17 widening from Loop 101 to Carefree Highway begins next year. He expressed concern that when completed, there will be four lanes each way that will then drop to the existing two lanes to Pioneer, Anthem, and New River. Representative-elect Crump stated that significant growth is taking place in the area of I-17 north of Loop 101. He commented on plans by the City of Phoenix to increase activities in this area. Representative-elect Crump expressed concern that I-17 will experience significant congestion at the Carefree Highway going north. He said this is just not an Anthem issue; it is our gateway to the rest of the state, to I-40, and points beyond. Representative-elect Crump stated that it is important to commerce, tourism, safety, and family. He stated that the stretch from Anthem to Carefree Highway is one of the worst for level of service and crash ratings. Representative-elect Crump expressed appreciation for consideration of that and hoped the TPC would make a positive recommendation for I-17 north of the Carefree Highway. Vice Chair Hawker thanked Representative-elect Crump for his comments.

Councilmember Dennis requested that Representative-elect Crump and the Legislature assist in requesting the federal government to step up and fund these interstates. Representative-elect Crump stated that this was a point well taken.

Vice Chair Hawker asked those participating remotely if they had any comments. Mr. Arnett replied that he had none.

Councilmember Barney stated that from Queen Creek's perspective, the recommendation is fair and equitable and helps the whole region. He stated that the right-of-way preservation for Williams Gateway

is especially important for Queen Creek. Councilmember Barney expressed his thanks for the efforts in putting together the recommendations. He added that he supported the proposal entirely. Vice Chair Hawker asked Councilmember Barney if he was referring to the projects in Supervisor Stapley's letter. Councilmember Barney indicated that was correct.

Mayor Hallman asked for clarification that the amount being discussed was \$193.4 million. Vice Chair Hawker replied that was correct.

Mayor Cavanaugh moved to recommend approval of the following projects for STAN funding estimated at approximately \$193.4 million: I-10, add a general purpose lane from Verrado Way to Sarival in the amount of \$46.9 million; I-17, add a general purpose lane from Anthem to the Carefree Highway in the amount of \$33.1 million; Loop 101 (Price), add HOV lane from Baseline to Santan (202) in the amount of \$38.5 million; Loop 101 (Pima), add HOV lane from Tatum to Princess in the amount of \$32.6 million; right-of-way protection for Williams Gateway Freeway, Loop 202, Santan to Meridien to Ellsworth in the amount of \$20.3 million; Loop 303, Bell Road traffic interchange in the amount of \$12 million; and Loop 303, construct Cactus and Waddell bridge structures in the amount of \$10 million; and to incorporate the required changes in the Draft 2007 Update of the Regional Transportation Plan and the Draft FY 2008-2012 Transportation Improvement Program. Mayor Manross seconded.

Vice Chair Hawker asked if there was discussion on the motion.

Councilmember Elkins stated that all of these projects are important. He said that he was gratified that the TPC can have diverse issues and come up with a solution that benefits all. Councilmember Elkins stated that this list of projects is as good as it can get. It will not provide everything for everyone, but provides something for everyone. We are sending the message to the Legislature that the persons who know transportation and take care of transportation can work together. Councilmember Elkins commented that he hoped this was the first of many allocations to come from the Legislature. He stated that he strongly supported the motion.

Mayor Manross expressed her support for the comments. She said that she appreciated the Legislature working with MAG and encouraged them to continue. Mayor Manross stated that there is a need to talk about how to do this in the future, perhaps about changing the criteria. She said that she hoped the funds will again be appropriated because more will be needed for the Valley. Mayor Manross stated that in 24 months, the traffic count on Loop 101 increased 35 percent. She stated that the Salt River Pima-Maricopa Indian Community and the Scottsdale Airpark are developing tremendously along this freeway. Mayor Manross stated that MAG needs to continue to work with the Legislature and hopefully they will be pleased with our efforts to mitigate congestion and to spread around the improvements.

Mr. Beard stated his support for the motion. He said that as a business member and transportation professional, the recommended projects represent a good regional mix and is an excellent group of projects on the technical side.

Vice Chair Hawker stated that he appreciated the interaction to determine Legislative intent and the staff report to show what was project-ready. He said that his first inclination was to go down the project list and not change the order, but connectivity throughout the state and working on I-10 and I-17 made sense. Vice Chair Hawker expressed his appreciation for the consideration of right-of-way for Williams

Gateway Freeway. He handed out maps that showed a parcel they are interested in acquiring. He said he hoped this one development currently zoned could be stopped and some program money saved. Vice Chair Hawker stated that this is another way to justify spending money on right-of-way protection to the Legislature. He commented that it costs four or five times the cost of building an industrial area to tear it down. This means that you spend either \$20 million or \$100 million if development is allowed. Vice Chair Hawker stated that is why he was pushing for advance freeway right-of-way protection.

Vice Chair Hawker asked those participating remotely if they had comments on the motion. None were noted. The vote on the question passed unanimously.

6. Requested Changes to the ADOT Program

Mr. Anderson reported that the Arizona Department of Transportation is requesting FY 2007 changes to the MAG Regional Transportation Plan Freeway Program. He noted that MAG is required under state statute to approve material cost changes and program changes. Mr. Anderson stated that the requested changes are the result of ADOT updating costs and schedules based on the latest study and design information. Mr. Anderson stated that and action is being requested due to ADOT's need to advertise projects in mid-January 2007.

He said that MAG and ADOT thoroughly reviewed the requested changes and determined that they are reasonable and necessary to meet the RTP Freeway Program. Mr. Anderson stated that MAG has also reviewed the ADOT cash flows with the requested changes incorporated into the analysis. Although the requested changes increase costs by more than \$122 million, the program schedule adjustments and revised revenue projections can accommodate these changes without other program changes being needed.

Mr. Anderson stated that changes include a number of projects related to the I-17 widening from Loop 101 to the Carefree Highway. He advised the right-of-way for the I-17 widening cost changes, \$30 million of the \$70 million increase has to do with the traffic interchange for Loop 303. Mr. Anderson said that the money originally in Loop 303 budget is now being moved back to I-17. Mr. Anderson stated that additional right-of-way is needed for drainage components. Mr. Anderson stated that the property values for parcels in the corridor are now appraising at \$13 to \$15 per square foot.

Mr. Anderson noted that MAG staff had discussion with ADOT where they wanted to zero out \$2 million allocated to right-of-way for Williams Gateway in 2007. He commented that in light of tonight's motion, staff recommends that it would be prudent to leave this in. Mr. Anderson also noted that \$5 million was set aside for right-of-way advance acquisition systemwide. He stated that ADOT requested that this be reduced to \$1 million. Mr. Anderson said that staff recommends that this amount be restored to \$5 million. He noted that ADOT has indicated there are no pending acquisitions at this point, but there is a lot of time remaining in the fiscal year. Mr. Anderson said that he thought some strategic parcels might be purchased. He advised that this in addition to funds allocated to individual corridors. Mr. Anderson stated that restoring these two right-of-way items would add \$6 million to the 2007 program. Mr. Anderson explained that MAG staff met with ADOT staff, and based on their preliminary analysis, the cost increased can be accommodated without any project slipping. Mr. Anderson remarked that staff feels it is necessary and that the two right-of-way items be restored to keep the program on

track. Vice Chair Hawker thanked Mr. Anderson for his report and asked members if they had questions.

Mr. Beard asked for more information on how the \$122 million could be accommodated. Mr. Anderson replied that ADOT has just finalized the sales tax projections, which resulted in an increase over the next 20 years of \$707 million. He noted that ADOT's portion to the freeway program would be \$441 million. Mr. Anderson noted that in addition, a discount factor is built in to the Life Cycle program to account for future inflation, which means we will pick up \$182 million in inflation savings. He added that the HURF projection is also up and adds about \$60 million to the program. Mr. Anderson stated that because the cash balance will be lowered, interest earnings will decrease, but the program will stay in balance. Mr. Anderson stated that staff feels this is a prudent forecast. He advised that there may be future cost increases; however, we are seeing some moderation on materials costs. Mr. Anderson commented that right-of-way and construction materials cost increases have been a challenge and having the Life Cycle program in place has been a useful tool in ensuring the program remains in balance.

Councilmember Elkins said that he wanted to make a statement that SR-74 is a critical issue and important to the City of Surprise. He said that MCDOT is looking at improvement districts.

Mayor Cavanaugh moved to recommend approval of the requested program changes. Mr. Beard seconded, and the motion carried unanimously.

Mr. Anderson asked for clarification that the motion included that the two changes staff recommended on right-of-way for Williams Gateway and systemwide be restored. Mayor Cavanaugh, as maker of the motion, agreed. Mr. Beard, as second, agreed.

There being no further business, the meeting adjourned at 4:55 p.m.

Chair

Secretary