MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION REVIEW COMMITTEE

October 25, 2007
Maricopa Association of Governments Office
302 North First Avenue, Suite 200, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Phoenix: Tom Callow, Chair
*ADOT: Dan Lance
Avondale: David Fitzhugh
#Buckeye: Scott Lowe
Chandler: Patrice Kraus
El Mirage: Lance Calvert for B.J. Cornwall
Fountain Hills: Randy Harrel
*Gila Bend: Lynn Farmer.
*Gila River: David White
*Gilbert: Tami Ryall
Glendale: Terry Johnson
Goodyear: Cato Esquivel
Guadalupe: Jim Ricker
*Litchfield Park: Mike Cartsonis
Maricopa County: Mike Sabatini for John Hauskins
Mesa: Scott Butler for Jim Huling
Paradise Valley: Robert M. Cicarelli
Peoria: David Moody
#Queen Creek: Mark Young
RPTA: Bob Antila for Bryan Jungwirth
Scottsdale: David Meinhart for Mary O'Connor
Surprise: Randy Overmyer
#Tempe: Carlos de Leon
Valley Metro Rail: John Farry

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Randi Alcott, RPTA
*Street Committee: Darryl Crossman, City of Litchfield Park
*Pedestrian Working Group: Eric Iwersen, City of Tempe
*ITS Committee: Alan Sanderson

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

OTHERS PRESENT

Eric Anderson, MAG
Maureen DeCindis, MAG
Bob Hazlett, MAG
Roger Herzog, MAG
Steve Tate, MAG
Eileen O. Yazzie, MAG
Carol Slaker, City of Mesa
Brad Stoddard, City of Mesa
Don Herp, City of Phoenix
Tom Remes, City of Phoenix
Lynn Timmons, City of Phoenix
Michelle Lehman, City of Surprise
John McNamara, DMJM

1. Call to Order

Chairperson Tom Callow from the City of Phoenix called the meeting to order at 10:07 a.m.

2. Approval of October 25, 2007 Draft Minutes

Mr. Callow asked if there were any changes or amendments to the meeting minutes, and there were none. A motion was made and seconded to approve the minutes as presented. Then, the minutes were approved by unanimous voice vote of the Committee.

3. Call to the Audience

Mr. Callow asked if any cards requesting to speak had been submitted. No comment cards had been received, and Mr. Callow moved on to the next item on the agenda.

4. Transportation Director's Report

Mr. Eric Anderson, MAG Transportation Director, presented the Transportation Director's Report. The first item on Mr. Anderson's report was Regional Area Road Fund (RARF) revenues. Mr. Anderson informed the Committee that September RARF revenues had decreased 3 percent from September 2006. He also informed the Committee that year-to-date RARF revenues were flat compared to the first quarter revenues for Fiscal Year (FY) 2007 and commented the decline was troublesome.

Mr. Anderson reported that the Arizona Department of Transportation (ADOT) had released the revised sales tax projections. The revised projections decreased the estimated RARF revenues by more than $400 million over the life of the tax. In particular, the projections for FY08 were significantly lower than previously expected. Mr. Anderson stated that the FY08 and early FY09 projections indicated continuing slow growth.

The second item on the Transportation Director's Report was the Freeway Program under Proposition 400. Mr. Anderson reported that internally MAG was reviewing the underpinnings of the program. He informed the Committee that on October 24, 2007 Mr. Roger Herzog of MAG presented the Annual Report on the Implementation of Proposition 400 at MAG Regional Council meeting. According to Mr. Herzog's report, the Freeway Program is experiencing a $2 to $3 billion dollar shortfall, which is due, in part, to tremendous cost increases.

Mr. Anderson stated that the Federal Highway Administration (FHWA) reported a 58 percent increase in construction costs in California between 2003 and 2006. He added that the increase tracks closely to the experiences in Arizona. Mr. Anderson discussed a report from the American General Contracting Association. He stated that both reports indicated the increases are the result of a structural change in costs for housing commodities, and that the expectation is that these cost increases would not go down. In addition, the American General Contracting Association report predicted a cost run up for construction after the housing market recovered.

Mr. Anderson relayed ADOT's top line number for construction of the 303. According to ADOT, construction costs for the 303 are up to $2.8 billion or $75 million per mile. In contrast, MAG had estimated the costs at $1.4 billion in the Regional Transportation Plan (RTP) before the significant increase in construction related costs.

Mr. Anderson informed the Committee that the second meeting of the Legislative Blue Ribbon Transportation Committee on the Senate side would be held later in the day. At the meeting, MAG would present on commuter rail efforts. He announced that the Blue Ribbon Committee meeting agenda item on framework studies had been pulled and would be included on a later agenda.

Next, Mr. Anderson provided an update on the MAG transit study. The twelve month transit study is budgeted for $980,000 and is currently being advertised. Mr. Anderson informed the Committee that a pre-proposal conference would be held on Monday, and proposals would be due mid-November. He stated that MAG would like to hire a consultant for the study by the first of the year.

Mr. Anderson announced the WTS Reauthorization Summit meeting at the Airport Mariott on October 26, 2007. Mr. Anderson stated he would be moderating session on finance and discussing the cost issues addressed in the various reports. Mr. John Farry from Valley Metro Rail added that he would be attending the Legislative Blue Ribbon Committee meetings to present an update on light rail. Mr. Farry also announced the attendance of Sherry Little, a FTA Deputy Administrator, who would be touring the light rail project.

Mr. Callow thanked Mr. Anderson for his report and asked if there were any questions. There were none, and this concluded the Transportation Directors' Report.

5. Revised Table of Proposed PM-10 Paving of Unpaved Road Projects for FY 2010 CMAQ Funding

Mr. Callow invited Ms. Eileen Yazzie from MAG to present on the PM-10 road projects proposed to receive Congestion Mitigation and Air Quality (CMAQ) funding. Ms. Yazzie referred the Committee to Agenda Attachment One, which included a memorandum from the MAG Air Quality Technical Advisory Committee and a table that ranked proposed PM-10 paving of unpaved road projects for FY2010 CMAQ funding.

Ms. Yazzie informed the Committee that the six projects listed in the table were rank ordered by cost effectiveness. The projects and amounts of CMAQ funding requested as ranked in the table included the City of Phoenix, $1.484 million; the City of El Mirage (1st project), $2.1 million; the City of Chandler, $469,500; Fort McDowell Yavapai Nation, $1.645 million; the City of El Mirage (2nd project), $762,000; and the Town of Youngtown, $700,000. Ms. Yazzie informed the Committee that although the total amount of CMAQ funding requested was $7,165,500 that only $3.5 million of funding was available for these projects.

Mr. Callow asked Ms. Yazzie if the TRC was being asked to approve all the projects listed in the table. Ms. Yazzie replied that one of the recommendations made by the MAG Air Quality Technical Advisory Committee was for the TRC to discuss, recommend, and approve the

projects slated to receive the $3.5 million of available CMAQ funding for FY2010.

Ms. Kraus from the City of Chandler questioned Ms. Yazzie about the cost disparities between the projects and then redirected the question to Mr. Lance Calvert from the City of El Mirage. Before responding to Ms. Kraus, Mr. Calvert clarified that the second El Mirage project in the table should be for unpaved roads not alleys. Mr. Calvert stated that he was unsure of the exact cause for the cost disparities and postulated that it may be due to differences in design standards by jurisdiction. Discussion followed.

After the discussion, Mr. David Moody from the City of Peoria motioned to approve the first two projects listed, and Mr. Mike Sabatini from Maricopa County seconded the motion. Discussion followed. Mr. Callow asked Ms. Yazzie if the CMAQ funding could be distributed to multiple projects instead of approving projects in their entirety for funding. Ms. Yazzie replied yes that the Committee could allocate funding to the various projects listed.

Mr. Butler from the City of Mesa expressed concerns about funding only one or two projects and encouraged the Committee to allocate some funding to all of the projects listed in the table. Ms. Kraus agreed and stated that the City of Chandler would relinquish some funds for use on other projects to improve air quality. Discussion followed about how to remove the current motion before the Committee and replace the motion with a substitute motion to allocate funding as follows: City of Phoenix, $1 million; City of El Mirage, $1 million; City of Chandler, $350,000; and Fort McDowell Yavapai Nation, $700,000.

After calculating the amounts proposed, Ms. Yazzie informed the Committee that the recommendation was short $450,000. Mr. Butler recommended that $400,000 in additional funding should be allocated to the City of Phoenix due the location of the air quality monitors. Mr. Terry Johnson from the City of Glendale seconded the motion. Ms. Yazzie informed the Committee that $50,000 of funding was still available. Mr. Callow recommended that the remaining $50,000 should be allocated to the City of El Mirage.

Mr. Scott Lowe from the Town of Buckeye reminded the Committee that initial motion must be withdrawn before proceeding with the substitute motion. Mr. David Moody from the City of Peoria stated that he would be willing to remove the previous motion after hearing from the City of El Mirage on the issue.

Mr. Calvert from the City of El Mirage replied that prior to this year the City of El Mirage was not in the position to provide matching funds for the PM-10 projects. Mr. Calvert informed the Committee that the projects in question were to pave daily trip streets with high levels of traffic not alleyways. He agreed that funds should be distributed to multiple projects, but he did not feel that funding should be taken away from crucial projects. Mr. Calvert stated that the City of El Mirage would not be repeatedly applying for this type of funding due to the number of unpaved roads within El Mirage as compared to other jurisdictions with "hundreds of miles" of unpaved roads. He added that it would be difficult to determine which roads would be paved if the City of El Mirage did not receive all of the funding requested as it would be a challenge for the City make the decision to pave one road in a subdivision, but not another. As a result of these issues, Mr. Calvert felt that he could not agree to approve the substitute motion as presented or favor the change to withdraw the previous notion. Discussion followed about the Robert's Rules of Order and proceeding with a vote on the initial and/or substitute motion.

Mr. Callow asked Mr. Calvert if it was the City of El Mirage's position that any amount of funding allocated below the $2.1 million requested was not "a workable project" or if the City's position was to obtain as much funding as possible. Mr. Calvert replied that the City of El Mirage needed as much funding as possible because it would be difficult to make up the $1.1 million difference in funding.

Mr. Callow responded that the City of Phoenix would be willing to accept $1.2 million in CMAQ funding if the remaining monies would be allocated to the City of El Mirage. Mr. Butler accepted Mr. Callow's recommendation, and Mr. Terry Johnson seconded the motion. Ms. Yazzie repeated the funding allocations as proposed by the current motion on the table. Under Mr. Butler's revised motion, the CMAQ funding for FY2010 would be distributed as follows: City of Phoenix, $1.2 million; City of El Mirage $1.25 million; the City of Chandler, $350,000; and Fort McDowell Yavapai Nation, $700,000.

Mr. Callow asked if there were any additional questions or comments. Mr. Calvert asked if the City of Chandler and Fort McDowell were in favor of the motion to receive partial funding. Mr. Butler replied that the City of Chandler was in favor; however, Fort McDowell was not present at the meeting or by audio-visual conference to present their position.

Mr. David Fitzhugh from the City of Avondale asked if the logic behind distributing the $1.2 million in funding to the City of Phoenix was because only half of the projects would have an effect on the PM-10 readings. Mr. Callow responded that the logic was not that the other projects would not have an affect on the monitors, but that the other projects were not directly adjacent to the monitors. Mr. Fitzhugh thanked Mr. Callow for the clarification and expressed support for the City of El Mirage.

Mr. Callow called for a vote, and the motion was approved by subsequent voice vote of the Committee. Mr. Callow thanked Ms. Yazzie for her report and this concluded the discussion on the revised table of proposed CMAQ funding for PM-10 paving of unpaved road projects for FY2010.

6. Update to the Arterial Life Cycle Program Policies and Procedures

Mr. Callow invited Ms. Yazzie to discuss the update to the Arterial Life Cycle Program's Policies and Procedures. Ms. Yazzie announced a proposed update to the Arterial Life Cycle Program (ALCP) Policies and Procedures approved on December 13, 2006, and informed the Committee that the previous version did not include Closeout Policies to distribute unused RARF funds at the end of the fiscal year.

Ms. Yazzie reported that MAG Staff had collaborated with the ALCP Working Group through meetings and email to develop the RARF Closeout Policies. Ms. Yazzie summarized key points of the RARF Closeout Policies, which included the liability of member agencies receiving funds, eligibility deadlines and project requirements, and the prioritization of projects eligible to receive funds through the RARF Closeout Process. Other changes to the Policies included the addition of a Certification page to the ALCP and a revision to the inflation factor used in determining project costs and reimbursements.

Ms. Yazzie informed the Committee that the update was before the Committee as an action item and asked if the Committee had any questions or comments. Mr. Fitzhugh asked the members of the Committee with projects in the ALCP if they had any concerns or feedback on the proposed RARF Closeout Process.

Mr. Dave Meinhart from the City of Scottsdale stated that he supported the idea of distributing the funds. He stated that the order of projects in the ALCP did not necessarily relate to the importance of the projects to the individual jurisdictions. He continued to state that some of the projects scheduled in Phase IV were of higher importance than some projects scheduled in earlier phases.

Mr. Moody expressed concerns about the possibility of a program shortfall. He acknowledged that it would be better for all jurisdictions if projects would be built and reimbursed as soon as possible as opposed to sitting on available funds. In response, Ms. Yazzie directed the Committee to Section 270 of the proposed Policies which addresses shortfalls in the ALCP.

Under Section 270, all projects will be moved in order if a shortfall occurs. Ms. Yazzie reminded the Committee that policies on a program shortfall had been in place since the beginning of the Arterial Life Cycle Program. In addition, Ms. Yazzie informed the Committee that the RARF account currently had $42 million dollars available for reimbursement. She also reminded the Committee that the ALCP would undergo a performance audit and a financial audit in the near future, and that by conducting a RARF Closeout on an annual basis it would demonstrate the fiscal management of the program. Discussion followed.

Mr. Meinhart requested clarification from Ms. Yazzie on the impact of the proposed change to the inflation factor used. Ms. Yazzie stated that the West inflation factor was slightly higher than the national factor and closer to the actual experiences of the region. She added that input was received from economists before requesting the proposed change to the inflation factor. Mr. Meinhart asked if the inflation factor would be retroactive. Ms. Yazzie replied that the new inflation factor would only be applied to current and future calculations.

Mr. Moody moved to approve the update the ALCP Policies and Procedures as presented, and Mr. Randy Overmyer from the City of Surprise seconded. The motion was approved by unanimous voice vote of the Committee, and this concluded Ms. Yazzie's report.

7. Arterial Life Cycle Program Status Report

Ms. Christina Hopes from MAG presented the Status Report for the Arterial Life Cycle Program for the period between July and September 2007. Ms. Hopes announced that there were 39 projects programmed for work and $75 million programmed for reimbursement in FY08. She informed the Committee that every agency with a project scheduled in the ALCP was programmed for work and/or reimbursement in FY08.

According to Ms. Hopes, MAG Staff had received two Project Overviews for El Mirage Road and four Project Reimbursement Requests totaling $3.897 million during the first quarter of FY08. Ms. Hopes informed the Committee of an error in the ALCP Status Report from January - June 2007. The previous report stated that the ALCP had reimbursed $21 million to-date. Ms.

Hopes explained that this was an administrative error, and the correct amount of ALCP reimbursements to-date was $28.6 million.

Ms. Hopes referred the Committee to a handout on the RARF Revenues collected from July to September 2007. Ms. Hopes reported that the arterial program received between $3.2 and $3.5 million each month during the first quarter of FY08 She acknowledged that the amount collected was lower than estimated.

Ms. Hopes announced the approval of the update to the Transportation Improvement Program at the October 24, 2007 Regional Council meeting. She reported that the most common changes made to the TIP and ALCP included shifting project schedules to a later year and redistributing allocated funds from one work phase to another.

Mr. Callow asked if there were any questions or comments about the ALCP Status Report. There were none, and this concluded Ms. Hopes' report.

8. The Interstate 10 - Hassayampa Valley Transportation Framework Study

Mr. Bob Hazlett from MAG requested action by the Committee to (1) accept the findings of the Interstate 10 - Hassayampa Valley Transportation Framework Study as the surface and public transportation framework for the Hassayampa Valley, (2) adopt the traffic interchange locations for the Interstate 10/Papago Freeway from SR 303L/Estrella Freeway to 459th Avenue and minimum two-mile spacing on new freeway corridors, (3) adopt the "Arizona Parkway" as a new functional classification of roadway for use in the Hassayampa Valley and the MG Region and (4) accept the finding and implementation strategies as described in the Hassayampa Valley Framework Study for inclusion as illustrative corridors in the Regional Transportation Plan. Mr. Hazlett announced that he had presentation materials available from previous presentations, which would be made available upon request.

Mr. Anderson announced that during the week several discussions had been held about the wording of the recommended actions for the Framework Study. He reported that individuals had expressed concerns about the ambiguous wording of the recommendations as well as concerns about the effect the recommendations would have on existing facilities. Mr. Anderson stressed the need for accurate wording of the recommendations and encouraged the development of a working group to review and revise the Framework Study recommendations .

Mr. Fitzhugh inquired about the implications of adopting the Hassayampa Framework Study recommendation. In particular, he inquired if the recommendations would be applied to the entire MAG region or if it would be limited to the study area. Mr. Anderson responded that the wording of the recommendations and clarification on the implications would be the goal of the working group. Discussion followed.

Mr. Johnson concurred with Mr. Anderson's suggestion to develop a group to review and revise the proposed actions for this agenda item. Mr. Callow announced that the agenda item would be tabled until further review by the working group.

Mr. Callow asked if there were any questions or comments about the Hassayampa Framework Study. There were none, and this concluded Mr. Hazlett's report.

9. Member Agency Update

Mr. Callow asked members of the Committee whether they would like to provide updates; address any issues or areas of concern regarding transportation at the regional level; and asked whether any members in attendance would like to address recent information that was relevant to transportation within their communities.

Mr. Calvert announced that he was relatively new the Committee and the Phoenix metropolitan area. He asked if the Bicycle/Pedestrian Committee's recommendations would be on the next TRC agenda. Mr. Calvert expressed concerns about how federal funds are delineated by the Bicycle/Pedestrian Committee. In particular, he expressed interest in how the Committee determines funding and the criteria used to select which projects are funded. After Mr. Calvert completed his commentary, Mr. Callow asked if there were any additional comments. There were none, and this concluded the Member Agency Update.

10. Next Meeting Date

Mr. Callow informed members in attendance that the next meeting of the Committee would not be held on October 25, 2007 as previously indicated on the agenda due to the Thanksgiving holiday. He announced that the next TRC meeting would be held in December. There being no further business, Mr. Callow adjourned the meeting at 11:07 a.m.