

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION REVIEW COMMITTEE

May 28, 2009

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

MEMBERS ATTENDING

Peoria: David Moody	Mesa: Scott Butler
*ADOT: Floyd Roehrich	Paradise Valley: Bill Mead for Robert M. Cicarelli
Avondale: David Fitzhugh	Phoenix: Ed Zuercher
Buckeye: Scott Lowe	Queen Creek: Mark Young
Chandler: Patrice Kraus	RPTA: Bryan Jungwirth
El Mirage: Pat Dennis for Lance Calvert	Scottsdale: Dave Meinhart for Mary O'Connor
*Fountain Hills: Randy Harrel	Surprise: Randy Overmyer
*Gila Bend: Rick Buss	Tempe: Carlos de Leon for Chris Salomone
*Gila River: Doug Torres	Valley Metro Rail: John Farry
Gilbert: Michelle Gramley for Tami Ryall	Wickenburg: Gary Edwards
Glendale: Terry Johnson	Youngtown: Grant Anderson for Lloyce Robinson
Goodyear: Cato Esquivel	
Guadalupe: Gino Turrubiarres	
Litchfield Park: Mike Cartsonis	
Maricopa County: John Hauskins	

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Jim Hash, City of Mesa	Pedestrian Working Group: Brandon Forrey, City of Peoria
*Street Committee: Darryl Crossman, City of Litchfield Park	*Transportation Safety Committee: Kerry Wilcoxon, City of Phoenix
*ITS Committee: Mike Mah	
* Members neither present nor represented by proxy.	+ - Attended by Videoconference # - Attended by Audioconference

OTHERS PRESENT

Eric Anderson, MAG	Jenna Goad, City of Glendale
Monique de los Rios-Urban, MAG	Jorie Bresnahan, City of Phoenix
Dean Giles, MAG	Paul Gilmore, Town of Litchfield Park
Bob Hazlett, MAG	Dan Cook, City of Chandler
Roger Herzog, MAG	Paul Ward, Olsson and Assoc.
Nathan Pryor, MAG	Wylie Bearup, City of Phoenix
Steve Tate, MAG	Shane Silby, City of Phoenix
Eileen Yazzie, MAG	Chaun Hill, City of Phoenix
Bob Antilla, Valley Metro/RPTA	Mike Sabatini, Maricopa County
Jim Mathien, METRO	Clem Ligoeki, Maricopa County
Kwi-Sung Kang, ADOT	Tom Remes, City of Phoenix
Andy Granger, City of Peoria	

1. Call to Order

Mr. David Moody from the City of Peoria called the meeting to order at 10:04 a.m.

2. Approval of April 23, 2009 Draft Minutes

Mr. Moody asked if there were any changes or amendments to the meeting minutes, and there were none. Mr. Randall Overmyer from the City of Surprise moved to approve the minutes. Mr. Mark Young from the Town of Queen Creek seconded the motion, and the minutes were subsequently approved by unanimous voice vote of the Committee.

3. Call to the Audience

Mr. Moody stated that he had not received any request to speak cards from the audience and moved onto the next item on the agenda.

4. Transportation Director's Report

Mr. Moody invited Mr. Eric Anderson from MAG to present the Transportation Director's Report. Mr. Anderson reported the Regional Area Road Fund (RARF) revenues had continued to decrease. He stated that the April RARF revenues decreased by approximately 17.8 percent compared to April 2008. He informed the Committee that the year-to-date RARF revenues were down 13 percent.

Mr. Anderson reported that forecast for the fiscal year was approximately \$380 million. He added that RARF revenue collections for the year would not meet the forecasted amount due to the reduced revenue collections. He stated that actual revenue collections would be closer to \$330 to \$335 million. Mr. Anderson explained the implications of the actual revenue collections would be lower revenues for the current fiscal year as well as a negative impact on the fiscal balance projections for the program.

Mr. Anderson announced that the Arizona Department of Transportation (ADOT) would begin the process of revising the revenue forecasts in August 2009. He stated that process would include an expert panel discussion, which was the first step in revising the forecasts. He informed the Committee that the revised projection would probably be released in late October or November 2009.

Next, Mr. Anderson reported on the Highway User Revenue Fund (HURF) revenue and forecast of which cities and counties receive half of the revenues collected. He stated that HURF revenue collections were 9 percent lower than forecasted and 6.6 percent lower than the previous year. Mr. Anderson explained the implication of the reduction was \$125 million less

in HURF revenues for the fiscal year (FY) 2009. He added that while cities and counties received half of the revenues collected, the remaining share was allocated to ADOT for the State Highway Fund. Mr. Anderson also reported a significant decrease in gas tax revenues as well as vehicle licensing tax collections.

Continuing on, Mr. Anderson recalled discussions with John Halikowski, the ADOT Director, in regards to the ADOT FY 2009 and 2010 budget. Mr. Anderson informed the Committee that the State Legislature had swept over \$300 million in ADOT funding to balance the State general fund in FY 2009. He added that the draft FY 2010 State budget being reviewed by the Legislature included the transfer of an additional \$127 million of ADOT funding. He explained the transfer of funds included the sweeping of funds as well as funding reductions.

Mr. Anderson stated that ADOT was experiencing cash flow difficulties as a result of the reduced funding. He added that ADOT was using a portion of the agency's cash reserves in order to meet financial obligations. He stated that the proposed funding sweeps in FY 2010, if they occur, would likely result in a reduction of full time employees at ADOT.

Mr. Anderson reported that ADOT currently was pursuing an ambitious state highway program as well as contending with a significant influx of stimulus funded projects. As a result, ADOT cash flow requirements were notable higher. He explained that for federally funded projects, ADOT was required to provide funding for the projects beforehand and then be reimbursed by the Federal Highways Administration (FHWA) through the federal process. He stated the cash flow requirements would impact the ability to deliver the freeway program as planned.

Mr. Moody asked if there were any questions or comments about this agenda item. There were none, and this concluded the Transportation Director's Report.

5. Project Changes – Amendment and Administrative Modification to the FY 2008-2012 MAG Transportation Improvement Program and FY 2009 Arterial Life Cycle Program

Mr. Moody invited Ms. Eileen Yazzie, the MAG Transportation Programming Manager, to present proposed project changes to the MAG Transportation Improvement Program (TIP) and Fiscal Year (FY) 2009 Arterial Life Cycle Program (ALCP). Ms. Yazzie directed the Committee's attention to a six page handout of project changes provided at their places.

Ms. Yazzie directed the Committee's attention to page 1 of the handout. She noted a request by ADOT to defer specific projects to FY 2010. She explained that the proposed changes to the ADOT projects did not constitute a major change or amendment to the actual project. Ms. Yazzie also noted a request to add three Safe Routes to School projects to the TIP for FY 2010. She reported a request to modify two highway projects funded by the American Recovery and Reinvestment Act of 2009 (ARRA).

Ms. Yazzie stated that the remaining projects listed in the handout were transit projects. She explained that MAG Staff had been coordinating with the Regional Public Transit Authority (RPTA)/Valley Metro on corrections to transit projects in FY 2008 and 2009 listed in the TIP. She stated the corrections were needed for the TIP data to correspond to information provided

on RPTA grant applications.

Then, Ms. Yazzie directed the Committee's attention to four transit projects listed. She stated that two Avondale and two Goodyear projects had requested to modify and amend the projects related to ARRA funding. She also referenced nine projects on page five related to the Phoenix Sky Train. Ms. Yazzie informed the Committee that they Phoenix Sky Train project was approved at the April meeting of the MAG Regional Council to be included in the TIP after air quality conformity had been determined. She stated that a 30-day public comment period and hearings on the Phoenix Sky Train project's air quality conformity were underway. She reported that the project would be heard at through the MAG Committee process in June and July for approval based on the redetermination of conformity.

Ms. Yazzie stated the item was on the agenda for action and asked if there were any questions about her presentation. Mr. Grant Anderson from the Town of Youngtown inquired about the increased funding listing for a City of Goodyear highway project. In particular, he inquired if the increased funding matched the regional sub-allocation of ARRA funds. Ms. Yazzie stated yes, adding that Goodyear was requesting the reallocation of ARRA funding from the transit projects to the highway project. A brief discussion followed.

Mr. John Hauskins from Maricopa County motioned approve the project changes to FY 2008 - 2012 TIP and FY 2009 ALCP. Mr. Young from the Town of Queen Creek seconded the motion, and the projects changes were approved by a unanimous voice vote of the Committee.

6. Interim Closeout of the Federal Fiscal Year (FFY) 2009 MAG Federally Funded Program

Continuing on, Mr. Moody invited Ms. Eileen Yazzie, the MAG Transportation Programming Manager, to present on the Federal Fiscal Year (FFY) 2009 Interim Closeout.. Ms. Yazzie directed the Committee's attention to a series of revised handouts at their places. She apologized for the short notice in regards to the handouts and stated that many of the revisions to the handouts were minor clerical revisions. Ms. Yazzie stated she would discuss each revised handout with the Committee.

First, Ms. Yazzie referred to a new memorandum on the FFY 2009 Federal Funds Interim Closeout. She explained the new memorandum included updated information on additional deferrals, miscalculations, and additional funding. She reported that the available funding for closeout had increased from \$28.4 million to \$28.7 million.

Next, Ms. Yazzie directed the Committee's attention to Table A, which listed proposed project deferrals and deletions. She stated the revised handout included two additional project deferrals and the deletion of a project. She explained the City of Scottsdale had requested to defer two projects, and the City of Goodyear had requested to remove a project. Ms. Yazzie informed the Committee that the funding from project deferrals and deletions had increased from \$13.7 million to \$14 million. She also directed the Committee's attention to the City of Scottsdale's deferral justification memorandum at their seats, which had not been included in the agenda packet mailout.

Continuing on, Ms. Yazzie directed the Committee's attention to the revised Table B at their places. She stated that Table B listed projects proposed to received funding through the closeout process. She explained that a series of clerical corrections had been made to the revised table. Ms. Yazzie stated that the City of Surprise project on Dove Valley Road had been reprioritized as a Priority 1A project instead of a Priority 3 as previously listed. She explained the reprioritization was due to a clerical error made by MAG Staff. Ms. Yazzie announced the omission of a Priority 2 MAG traffic signal optimization project, which had not been listed in the original mailing. She stated the omission was an error on the part of MAG Staff.

Ms. Yazzie informed the Committee that one of the requirements for the closeout process was the late submittals for funding new projects would not be accepted. She stated that rule was enacted last year; however, at the recommendation of the Transportation Review Committee projects submitted late would be included in the project listing and annotated as late submittals. Ms. Yazzie reported that the original project listing mailed out with agenda packet did not include the required annotations. She stated the revised table included annotations in the notes column adding that eight projects in the various priority categories were annotated as late submittals.

Then, Ms. Yazzie directed the Committee's attention to a memorandum approved on Tuesday by the Air Quality Technical Advisory Committee, which was also at their seats. She stated that two Congestion Mitigation and Air Quality (CMAQ) evaluation tables were attached to the memorandum. She explained that Table A provided a project ranking based on cost effectiveness scores, and Table B provided the cost-effectiveness rankings with an additional prioritization of PM-10 and paving projects.

After providing an overview of the revised handouts, Ms. Yazzie summarized Section 600 of the Draft FFY 2009 Federal Fund Programming Principles (Draft Principles), which addressed project deferrals. She explained that for all projects, member agencies would be allowed a one time deferral without justification. She stated that requests to defer a project for a second time or more required the sponsoring agency to submit a deferral justification letter explaining why the project should remain in the MAG Federal Fund Program. Ms. Yazzie provided a brief overview of the deferral justification letters submitted.

Ms. Yazzie announced that two agencies had requested a one time deferral. The first project was an intelligent transportation systems (ITS) project for \$166,000. The second project was a pedestrian project programmed to received \$1.1 million in federal funding. Ms. Yazzie also summarized the requests to remove federal funds from projects. She stated that MAG Staff had received request to remove federal funds from three paving projects for \$385,000 and two ITS projects for \$227,000. She add that four of the five projects would completed with local funds instead of the federal funds programmed.

Mr. Eric Anderson, the MAG Transportation Director, directed the Committee's attention to a memorandum mailed with the agenda packet addressing member agencies' financial commitment. Mr. Anderson expressed concerns about the financial condition of many of the MAG member agencies in light of the economic downturn. He stated that several closeout funding requests involved increasing the amount of funding allocated to projects programmed

in FFY 2009 and expressed concerns about the ability of jurisdictions to obligate projects in the current FFY if the request for additional funds were not granted. He opined that the many of the jurisdictions probably would not be able to obligate projects if the request for additional funds were denied. He explained that the jurisdictional inability to obligate projects would result in a higher carry forward of federal funds for the region.

Mr. Eric Anderson noted the increasing concerns of FHWA on the amount of carry forward and unobligated balances occurring nationally. He encouraged member agencies to review the federally funded projects in their jurisdiction and asked member agencies to notify MAG Staff if projects could not be obligated as programmed. Mr. Anderson stressed that the TIP is required by federal law to be fiscally constrained by both reasonably available revenues as well as committed revenues.

Mr. Eric Anderson explained that MAG was prohibited from including unfunded projects in the Transportation Improvement Program. He stated that the fiscal balance was particularly important because the MAG Region was a non-attainment area. He informed the Committee that some Metropolitan Planning Organizations (MPOs) have had their TIPs rejected because they did not meet the federal requirement of fiscal constraint. He emphasized the need for member agencies to closely review all projects to ensure the fiscal integrity of the MAG TIP.

Chairman Moody inquired if it would be appropriate for MAG Staff to provide the Committee with a listing of projects by agency that had committed to obligate a project in the current FFY and failed to do so. He explained by providing such a list it would enable the Committee to determine which jurisdictions were failing to meet their financial commitments. Mr. Eric Anderson replied that MAG Staff could provide the information to the Committee at their request.

Continuing on, Ms. Yazzie discussed the availability of closeout funds for projects listed in Table B. Ms. Yazzie explained to the Committee that if a decision on the closeout funding allocations was not decided at the current TRC meeting, that a special meeting of the TRC would be required to keep the FFY 2009 Closeout Process on schedule.

Ms. Yazzie then summarized the financials of the FFY 2009 Closeout. She stated that approximately \$28.7 million available through the closeout process. Ms. Yazzie reported that \$154 million in CMAQ and STP funds had been allocated to the region, and of that, \$138.7 million were programmed. She stated that MAG Staff received requests to defer or remove \$14 million in federal funds from project programmed in FFY 2009. She requested that \$22 million in STP funds be carried forward to maintain the fiscal balance of the Arterial Life Cycle Program (ALCP). Ms. Yazzie explained that based on these calculations the funding available for the FFY 2009 Federal Fund Closeout was \$28.7 million in unobligated funds.

Then Ms. Yazzie provided an overview of the principles guiding the FFY 2009 Closeout process. She stated the FFY 2009 closeout was guided by the Draft Principles and outlined the principles established in Section 700, which addressed the prioritization of unobligated federal funds. She reminded the Committee that priorities listed in the Draft Principles have been applied to the process for numerous years and dated back to the 1990s. Under the Draft Principles, projects proposed to receive closeout funds would be selected in priority order as follows:

- Advancing projects (or phases of projects) of the same mode, currently programmed in the approved Transportation Improvement Program (TIP) with MAG federal funds from a future year, in chronological order of the TIP;
- Adding additional federal funds to an existing, unobligated project, up to the originally programmed, federal-aid maximum, or the maximum established by the mode in the RTP, whichever is less.
- New projects

Ms. Yazzie informed the Committee that based on the requests received during the submittal process that subcategories for the three priorities had been developed. She then summarized the priorities codes applied to FFY09 Closeout Process, which included:

- 1 = Advancing a project
- 1A = Advancing a portion of construction project for a new design phase
- 1 – 2 = Advancing a project and requesting additional funds for that project
- 2 = Requesting additional funds for a project
- 2# = Requesting additional funds for previously obligated project
- 3 = Requesting new funds for a project
- 3A = Requesting new CMAQ funds on a TEA funded project
- \* = Requesting to use funds from a deleted project

Ms. Yazzie then provided an overview of the projects submitted for FFY09 Closeout by priority category. She stated that 70 projects requesting \$78.3 million were submitted for consideration, of those, seven were submitted late. Ms. Yazzie reported that one project requesting \$350,000 was categorized a Priority 1. She stated that six projects requesting \$1.3 million were categorized a Priority 1A, and eight projects requesting to advance \$5.6 million and allocate an addition \$6.4 million were categorized a Priority 1-2. She stated that two Priority 1-2 projects were submitted late for consideration.

Ms. Yazzie then called the Committee's attention to a City of Surprise project listed in the Priority 1-2 Category. She explained the City was seeking either \$500,000 or \$1.2 million of the same project. In addition, the City was requesting to apply \$541,208 from a federally funded project removed by the City from the MAG Federal Fund Program. Ms. Patrice Kraus asked for clarification on the Surprise request. Ms. Yazzie explained that the City of Surprise would like to either receive \$1.2 million in funding for the project or apply the \$541,208 from the deleted project and request an additional \$500,000.

Chairman Moody inquired how late submittals were handled during the FFY 2008 Federal Fund Closeout Process. Ms. Yazzie stated that during FFY 2008, three projects were submitted late for funding consideration. She added that those were not removed from funding consideration; however, the projects were moved to the end of the prioritized listing of projects for funding consideration. A brief discussion followed.

Moving on, Ms. Yazzie reported that 20 projects requesting \$26.7 million in funding were classified as Priority 2 projects. She stated that the City of Phoenix had requested to apply \$800,000 from deleted project to one of the City's Priority 2 projects. She added that one Priority 2 project had been submitted late for consideration. Ms. Yazzie informed the Committee that four projects requesting \$10.6 million in funding were classified as Priority

2# projects, and of those three had been submitted late for consideration.

Ms. Yazzie then addressed Priority 3, which included requests for new funds or to fund new projects. She reported that 30 projects requesting \$28 million in funding were classified as Priority 3 projects. She announced that the Town of Buckeye and the City of Surprise had requested to use funds from deleted projects on three Priority 3 projects. She stated that one Priority 3 project had been submitted late for consideration.

Ms. Yazzie informed the Committee of a clerical error regarding the Priority 3 category. She explained the City of Glendale had submitted a \$1 million light rail alternative analysis project for consideration, which had not be included in the project listing. She stated the project would be included in the project listing as the agenda item was moved through the MAG Committee process. As a result, the closeout figures for Priority 3 would be adjusted to show 31 projects submitted requesting \$29 million in funding. A brief discussion followed.

Mr. Brandon Forrey from the City of Peoria inquired what had been historically done when a jurisdiction opted to deleted federal funds from a project. Mr. Eric Anderson stated that historically when federal funds were deleted from a project that the funds were returned to the regional pool for redistribution as opposed to be reallocated to another project in the original jurisdiction. Mr. Anderson emphasized the recommendation of MAG Staff to reallocate deleted funds to existing projects in the same jurisdiction due to the number of underfunded projects in the current MAG Federal Fund Program. He encouraged the Committee to reallocated funds from a deleted project to another unfunded project in the same jurisdiction in order to make projects whole. He also emphasized the importance of not penalizing jurisdictions for removing federal funds from one project in an effort to make other projects more financially viable.

Mr. Scott Butler from the City of Mesa inquired if MAG Staff recommendation applied to deleted and deferred projects or primarily to deleted projects. Mr. Eric Anderson replied that the approach was directed towards to deleted projects as a concerted effort to avoid the removal of federal funding by FHWA due to the inability to obligate funds. Mr. Anderson emphasized that MAG Staff was not making recommendations on deferrals at this time. A brief discussion followed.

Mr. Eric Anderson informed the Committee of federal requirements related to the use of federal funds for design work on projects. He stated that if a jurisdiction used federal funds for design and did not construct the project, then the jurisdiction would be required to repay the federal funds. Mr. Anderson asked Ms. Yazzie to discuss the FHWA guidance on the issue.

Ms. Yazzie informed the Committee that according to FHWA guidance, when federal funds are used for design, the project must be designed and constructed within a the time frame of the regional Transportation Improvement Program, which for MAG region was five years. Mr. Anderson inquired at what point the FHWA would make a determination requiring the repayment of federal funds. Ms. Yazzie replied that FHWA had indicated they would enforce the requirement, when applicable. A brief discussion followed.

Mr. Bryan Jungwirth expressed concern about transit projects being categorized as Priority 3, or new projects, the table of proposed projects to receive federal funds stating the categorization placed transit projects at a disadvantage in comparison to other projects. He encouraged the Committee to take transit projects into consideration given the flexibility of the funds. Mr. Jungwirth also expressed concerns about the allocation of funding by mode referencing a federal movement to promote the programming of mode neutral funds at the MPO level. In addition, Mr. Meinhart inquired if MAG Staff had reviewed and analyzed the closeout funding requests in light of the funding allocations established in the Regional Transportation Plan (RTP). He stated the analysis would be helpful for the Committee during the decision-making process. Ms. Yazzie affirmed that MAG Staff had conducted such an analysis.

Mr. Anderson addressed the concerns of Mr. Jungwirth and Mr. Meinhart. He replied that the objective of the closeout process was to maximize the amount of obligated projects in the region to ensure continued federal funding. He stated that it would be challenging to maximize the obligation of funds while strictly adhering to the RTP's allocation percentages because of the number and type of projects currently able to meet the obligation requirements. Mr. Anderson continued, explaining that MAG was working under the closeout priorities that had been in place since the mid-1990s. He stated that it was within the purview of the Committee to revise the closeout priorities, if desired, adding that a push to do so had not been initiated to date. Discussion followed.

Ms. Yazzie informed the Committee of the option to conduct a separate meeting of the TRC to discuss the project funding requests in greater detail. She stated another option available to the Committee, if desired, was to separate the requests to defer and delete projects in the MAG Federal Fund Program in the agenda item from the competitive federal fund selection process. She cautioned that a decisions on the projects to receive funds in the federal fund closeout must be made prior to the next scheduled meeting of the Committee, if the closeout process was to remain on schedule.

Continuing on, Ms. Yazzie summarized the requests received by MAG Staff for the FFY09 Federal Funds Closeout Process. She reported a request for \$350,000 for advanced projects (Priority 1); \$1.636 million to advance a portion of construction project for a new design phase (Priority 1A); \$12.286 or \$12.986 million to advance projects and receive additional funds (Priority 1-2); \$39.214 or \$39.443 million to increase funds allocated to projects (Priority 2); \$50 million to increase funds for previously obligated projects (Priority 2#); and, \$78 million to fund new projects. Discussion followed about the options to separate the requested action items and/or to conduct a separate meeting of the Committee to discuss the selection of projects to receive funding once the membership had additional time to review the materials presented.

Mr. Grant Anderson motioned to approve the list of projects presented to be deferred from FFY 2009 to FFY 2010 or later and to approve the removal of Federal Funds from projects at the request of the sponsoring agency. Mr. Terry Johnson from the City of Glendale seconded the motion. Mr. Forrey inquired if the Committee should be a cap on any additional project deferrals from this point forward. Mr. Moody replied amending the motion was at the discretion of the maker; however, the Committee could discuss the possibility of capping deferrals to the special meeting of the Committee. Ms. Pat Dennis from the City of El Mirage stated the preference to discuss caps on deferrals at the special session of the Committee.

Chairman Moody reiterated the motion before the Committee stating the motion was to approve the list of projects presented to be deferred from FFY 2009 to FFY 2010 or later and to approve the removal of Federal Funds from projects at the request of the sponsoring agency. He then called for a vote, and the motion was approved by a unanimous voice vote of the Committee.

Chairman Moody then inquired how the Committee would like to proceed with the selection of projects to receive federal funding (Table B). A brief discussion followed. Mr. Moody summarized the Committee's desire to conduct a special session of the TRC to discuss the selection of projects to receive federal funding. The Committee requested MAG Staff notify the Committee of available dates and times to conduct the special session, and MAG Staff agreed.

Mr. Overmyer from the City of Surprise requested that MAG Staff to indicate at what point funding capacity ceased on the listing of projects to be provided for the special session. A brief discussion followed, and the Committee requested that MAG Staff prioritize the projects by category according to the cost-effectiveness scores provided by the Air Quality Technical Committee. Ms. Yazzie stated she would revise the tables accordingly.

Chairman Moody asked if there were any additional questions about the agenda item. There were none, and this concluded the discussion on the FFY09 Federal Fund Closeout.

#### 7. Arterial Life Cycle Program Project Change Policies and Request

Mr. Moody invited Ms. Christina Hopes to present on the Arterial Life Cycle Program (ALCP) Project Change Policies and Requests. Ms. Hopes informed the Committee the ALCP Policies and Procedures approved by the MAG Regional Council on April 22, 2009, included policies and provisions governing proposed substitute projects and changes to project scope for projects in the approved Arterial Life Cycle Program. She explained that according to Section 220 of the ALCP Policies and Procedures, Lead Agencies requesting to substitute a project or make a significant change in project scope must present the proposed changes to the MAG Street Committee before the proposed change would be moved through the MAG Committee process.

Ms. Hopes announced that on May 12, 2009, the MAG Street Committee recommended to approve the inclusion of the Scottsdale Airpark Area Capacity Improvement projects in the ALCP as a substitute for the Scottsdale Airpark Tunnel listed in the approved ALCP. She informed the Committee that the Street Committee recommended approval of the City of Phoenix's scope change to the Sonoran Parkway contingent on an additional presentation to the TRC which addressed (1) why the original project was deemed not feasible as well as the feasibility of the proposed project, (2) the intent of the interim and final project for the Sonoran Parkway; (3) alignment connectivity, particularly in regards to Dove Valley Road and Interstate 17; and, (4) how the project would improve congestion in light of the decreased project scope.

Ms. Hopes introduced Ms. Chaun Hill from the City of Phoenix to present the proposed project changes to the Sonoran Parkway. Ms. Hopes also informed the Committee that should would be on hand to address any questions or concerns pertaining to the Arterial Life Cycle Program. Ms. Hill introduced herself and invited Mr. Wylie Bearup, the City of Phoenix Street Director to discuss the project change. Mr. Bearup explained the proposed change in project limits to

the Sonoran Parkway project. He added that need for the scope change was to improve connectivity on the corridor, which the original project as listed in the ALCP did not provide.

Mr. Bearup stated this concluded his presentation and inquired if this addressed the concerns of the Committee. Mr. Grant Anderson replied no, that the concerns of the Street Committee were not addressed by his presentation. Mr. Anderson requested additional information about the connectivity to Interstate 17. Mr. Bearup replied the project would provide connectivity to Carefree Highway, admitted the project would not provide the ideal level of connectivity, and emphasized the proposed project change would be an interim solution for the roadway. Discussion followed.

Mr. Ed Zuercher from the City of Phoenix motioned to recommend the inclusion of the proposed project changes in the Draft FY 2010 Arterial Life Cycle Program as it proceeds through the MAG Committee process. Mr. Grant Anderson seconded the motion, and the motion was approved by a unanimous voice vote of the Committee.

#### 8. Draft Fiscal Year (FY) 2010 Arterial Life Cycle Program (ALCP)

Mr. Moody invited Ms. Hopes to present the Draft Fiscal Year 2010 Arterial Life Cycle Program. Ms. Hopes explained that due to the reduced projections for the Regional Area Road Fund (RARF), Section 270 of the ALCP Policies and Procedures was enacted in order to maintain the fiscal balance of the ALCP.

Ms. Hopes informed the Committee that MAG Staff coordinated with each Lead Agency in an effort to prioritize projects in the ALCP as well as reduce the amount of unfunded projects by maximizing the use of federal funds allocated to the program. She reported that \$22 million in programmed reimbursements were deferred to FY 2027 in accordance with Section 270, which addresses a deficit in program funds.

In addition, Ms. Hopes reported that the Draft FY10 ALCP has been converted from 2008\$ to 2009\$ in accordance with Section 240 of the ALCP Policies and Procedures. She stated the converting the funds to 2009\$ resulted in a deflation of programmed reimbursements by 0.5 percent, which was a first in the program's history. Ms. Hopes stated the funding stream had been modified for ITS projects in the program in order to maximize the amount of programmed CMAQ funds and reduce the number of unfunded projects.

Ms. Hopes announced the item was on the agenda for information, discussion and possible action to recommend approval of the Draft FY 2010 Arterial Life Cycle Program contingent on a new Finding of Conformity for the Regional Transportation Plan 2010 Update and FY 2010-2014 MAG Transportation Improvement Program. Chairman Moody asked if there were any questions about the agenda item, and there were none.

Mr. Meinhart from the City of Scottsdale motioned to recommend approval of the Draft FY 2010 Arterial Life Cycle Program contingent on a new Finding of Conformity for the Regional Transportation Plan 2010 Update and FY 2010-2014 MAG Transportation Improvement Program. Ms. Dennis seconded, and the motion was approved by a unanimous voice vote of the Committee.

9. Update to Federal Functional Classification System

Chairman Moody invited Ms. Yazzie to present an update to the federal functional classification system. Ms. Yazzie informed the Committee that the funding sub-allocation for the MAG Region from the American Recovery and Reinvestment Act (ARRA) required projects to adhere to the requirements established in the Surface Transportation Program (STP), and as such, ARRA funded projects must be located on a facility classified as an urban collector or rural major collector or higher in the federal functional classification hierarchy.

Ms. Yazzie explained that at the time of approval of the ARRA legislation, the Gila River Indian Community and the Town of Wickenburg did not have roads on the federal functional classification system. She stated that the Gila River Indian Community (GRIC) requested that Pecos Road and Estrella Drive be reclassified as rural major collectors. In addition, the Town of Wickenburg requested that Vulture Mine Road be reclassified as a rural major collector. Ms. Yazzie announced that MAG Staff was coordinating with the City of Phoenix on the proposed reclassification of Northern Parkway as well; however, all the details on that reclassification were not available at this time.

Ms. Yazzie notified the Committee that a region-wide reclassification would be conducted in the near future. She stated the three to four classification requests before the Committee were necessary for ARRA funded projects to move forward. Chairman Moody asked if there were any questions about the agenda item, and there were none.

Mr. John Hauskins from Maricopa County motioned to recommended approval of the update to the federal functional classification system for Vulture Mine Road, Pecos Road, and Estrella Drive. Mr. Gino Turrubiartes seconded, and the motion was approved by a unanimous voice vote of the Committee.

10. Member Agency Update

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

Mr. Scott Lowe from Buckeye inquired about the programming of highway projects with ARRA funds. Ms. Yazzie announced that the previous evening the MAG Regional Council approved a prioritized list of highway projects to receive ARRA funds. She added that the Interstate 17 bid came in at \$13.6 million, which was significantly below the \$26 million estimated project cost. Ms. Yazzie reported that as a result of the cost savings, the MAG Regional Council was able to reallocated the freed funds for additional projects and voted to fund the State Route 85 and 74, accordingly. A brief discussion on ARRA funded projects as well as procedures at ADOT occurred.

11. Next Meeting Date

Continuing on, Mr. Moody reminded the Committee that MAG Staff would notify the Committee memberships of the proposed date and time of the special session of the TRC discussed in agenda item six. There being no further business, Mr. Moody adjourned the meeting at 12:01 p.m.