



## Executive Director's Report

As our nation is dealing with a financial crisis, we heard at the September Regional Council meeting that the MAG Regional Transportation Plan is not immune to the slowdown of the national economy. In addition to declining revenues, construction and right-of-way costs for the Regional Freeway Program have increased. Although the national economy is under great stress, I am confident that the Arizona economy will rebound. Our challenge today is to recognize the reality of our economic times, tighten our belt and plan for the future of this region.

MAG is responsible for transportation planning in the region and oversight of the Proposition 400 program that was approved by the voters in 2004. Over the past few years, construction costs have risen about four times faster than the overall rate of inflation, increasing the costs for the freeway program significantly. For the past year, we have also seen declines in the transportation sales tax revenues as the downturn in the housing market and the economy have resulted in lower levels of economic activity.

One of the safeguards that was put into place by the legislature is the requirement to maintain a life cycle budget for the program so that program changes can be made on a periodic basis rather than in response to a "crisis." Although the freeway program is well-funded in the near term, the long range view of costs and revenues means that adjustments may have to be made to ensure that the program is in financial balance over the term of the transportation sales tax. An overview of the financial situation for Proposition 400 is provided in the Annual Report on the Implementation of Proposition 400, which is also mandated by Arizona statute. The report will be presented to the Transportation Policy Committee (TPC) and the MAG Regional Council in October.

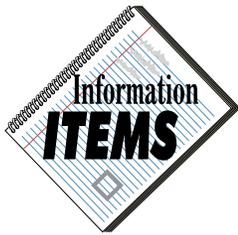
The TPC, which under state law has the responsibility to recommend changes and amendments to the Regional Transportation Plan, will be addressing the financial challenges that we face with the freeway program and will be making recommendations to the Regional Council. The TPC will discuss the issues in October and November, with anticipated recommendations to come early next year.

On the national front, we need to examine how Arizona gets its fair share of federal funds. Interstate 10 is one of the most critical freight routes in the United States, delivering goods from the Port of Long Beach to all Americans. This is a federal responsibility, and we need to ensure that in the reauthorization of the federal transportation act that Arizona does not get saddled with this expense.

As with the previous 20-year sales tax, our economy runs in cycles. Working together with the citizens and business interests of this region, the Arizona Department of Transportation, the Legislature and the Governor, our transportation issues can and will be addressed. As in the past, our combined effort is the key to our success!  
**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

## **Regional Council Meeting Report for Wednesday, September 24, 2008**

### **Information Items**



#### **Regional Council Receives Transportation Planning Update**

The Regional Council was provided a planning update for projects funded by Proposition 400. MAG has a statutory responsibility to issue an annual report on the status of projects funded by the half-cent sales tax, and MAG has just completed drafting the report.

Transportation Director Eric Anderson reported that the Regional Transportation Plan could be impacted as a result of the nationwide economic conditions. He reported that sales tax revenues collected in fiscal year 2007 were \$379 million, representing about \$30 million less than the revenue of \$409 million that had been projected. As a result of a decline in revenues as well as increases in construction costs, the Regional Freeway System could face a \$4 billion projected deficit.

Mr. Anderson pointed out that the decline in projected revenues does not impact projects that are currently under construction, but is an issue that will need to be addressed in regard to future projects in keeping with MAG's fiscal responsibility. He stated that the management structure is in place to ensure that costs and revenues stay in balance, and noted that the Transportation Policy Committee will begin discussion of a variety of options at the October meeting.

**For more information, please contact Eric Anderson, MAG Transportation Director (602) 254-6300.**

#### **Transit Framework Study**

The MAG Regional Council was provided an update on a Regional Transit Framework Study. The Transit Framework Study was initiated in February 2008 in cooperation with the Regional Public Transportation Authority (Valley Metro) and Valley Metro Rail (METRO). The study will identify regional transit needs beyond what is currently funded through the Regional Transportation Plan. The study will also help establish a regional transit vision for 2050, with more detailed project descriptions for year 2030.

Staff noted that transit is suddenly of interest to many people due to rising transportation costs. In the first quarter of 2008, national transit ridership rose 3.3 percent, while the number of auto vehicle miles traveled dropped by 2.3 percent.

The study will include the development of three scenarios, including: 1) Incremental low-cost expansion and potential acceleration of the transit portion of the Regional Transportation Plan; 2) Moderate increase in financial resources, coordination with land use plans to reinforce transit patronage; and 3) Raise public transit to a level that makes it competitive with automobiles in congested corridors. The study will also look at regional service concepts for three geographic levels: community corridors up to eight miles in length, subarea corridors between five and 15 miles in length, and regional corridors that are more than 15 miles in length.

Seven transit focus groups have been conducted to provide input into the plan. It is anticipated that the Regional Transit Framework Study will be completed in January 2009.

**For more information, please contact Kevin Wallace, MAG Transit Planning Project Manager, (602) 254-6300.**

### **Census 2010 Update**

While it may seem like it is a long time away, April 1, 2010, is Census Day, and Regional Council members were updated on the importance of early preparations for ensuring an accurate count. The MAG Population Technical Advisory Committee (POPTAC) is encouraging each MAG member agency to create a Community Complete Count Committee to increase the questionnaire mail-back response rate. The Census Bureau also encouraged each member agency to create a proclamation that sends the message that community leaders support and understand the importance of the 2010 Census.

To help get the word out about regional census efforts, MAG is forming an outreach group made up of communication representatives from member agencies, who will share ideas, information, and best practices. As in years past, the city of Phoenix has agreed to coordinate print and broadcast advertising efforts and anticipates asking member agencies for financial support. Member agencies are encouraged to begin discussions about budgeting for Census 2010 and the resources needed for a Community Complete Count Committee within each jurisdiction.

The MAG POPTAC has been working on the technical geography programs to prepare for Census 2010. To date, these programs have included the Boundary and Annexation Survey and the Local Update of Census Addresses. Currently, POPTAC is concentrating on the Participant Statistical Areas Program (PSAP) in order to review and suggest modifications to the boundaries for block groups and census tracts that will frame all of the 2010 Census tabulations, and will be used for the American Community Survey beyond 2010.

**For more information, please contact Heidi Pahl, MAG Regional Planner, or Kelly Taft, MAG Communications Manager, at (602) 254-6300.**

### **Council Receives Recommendations for Homeless Assistance Projects**

As the entity responsible for a year-round homeless planning process, MAG submits a consolidated application for homeless assistance programs through the Department of Housing and Urban Development (HUD) Stuart B. McKinney funds. More than 50 homeless assistance applications were submitted to MAG for consideration. The Ranking and Review Committee of the Valley of the Sun United Way ranked the projects and submitted the list to the MAG Continuum of Care Regional Committee on Homelessness.

The application includes nearly \$21 million in renewal projects. In addition to the renewal projects, there are two opportunities for new funding this year that could bring more than \$3.3 million in permanent supportive housing for chronically homeless individuals and the rapid “re-housing” of homeless families.

As part of the application process, the Continuum of Care committee prepares a housing inventory, conducts a gaps analysis, carries out an annual street count, develops goals and action steps, and reports on the performance of the agencies that provide homeless services. The final application will be submitted to HUD in October.

**For more information, please contact Amy St. Peter, MAG Human Services Manager, (602) 254-6300.**

### **Next Regional Council Meeting**

The next meeting of the MAG Regional Council is scheduled for Wednesday, October 22, 2008, at 5:00 p.m. in the Saguaro Room, 302 N. 1st Avenue, Phoenix. Agenda items are expected to include, among others: the 2008 Annual Report on the Status of the Implementation of Proposition 400; an update on issues related to outdoor light pollution in Maricopa County; and consultation on a conformity assessment for an amendment and administrative modification to the FY 2008-2012 MAG Transportation Improvement Program. Additional agenda items are pending.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

