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October 12, 2010

TO: Members of the Transportation Policy Committee

FROM: Mayor Scott Smith, Mesa, Chair

SUBJECT: NOTIFICATION OF MEETING AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 4:00 p.m.

Wednesday, October 20, 2010

MAG Office, Suite 200 - Saguaro Room

302 N. First Avenue, Phoenix

A meeting of the Transportation Policy Committee is scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person, by videoconference, or by telephone conference call. As determined at the first meeting of the Committee, proxies are not allowed. Members who are not able to attend the meeting are encouraged to submit their comments in writing, so that their view is always a part of the process.

For those attending in person, please park in the garage under the building. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admission to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Valerie Day at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

Refreshments and a light snack will be provided. If you have any questions, please contact Eric Anderson, MAG Transportation Director, or Dennis Smith, MAG Executive Director, at (602) 254-6300.

c: MAG Regional Council  
MAG Management Committee

A Voluntary Association of Local Governments in Maricopa County

City of Apache Junction ▲ City of Avondale ▲ Town of Buckeye ▲ Town of Carefree ▲ Town of Cave Creek ▲ City of Chandler ▲ City of El Mirage ▲ Fort McDowell Yavapai Nation ▲ Town of Fountain Hills ▲ Town of Gila Bend  
Gila River Indian Community ▲ Town of Gilbert ▲ City of Glendale ▲ City of Goodyear ▲ Town of Guadalupe ▲ City of Litchfield Park ▲ Maricopa County ▲ City of Mesa ▲ Town of Paradise Valley ▲ City of Peoria ▲ City of Phoenix  
Town of Queen Creek ▲ Salt River Pima-Maricopa Indian Community ▲ City of Scottsdale ▲ City of Surprise ▲ City of Tempe ▲ City of Tolleson ▲ Town of Wickenburg ▲ Town of Youngtown ▲ Arizona Department of Transportation

**TRANSPORTATION POLICY COMMITTEE  
TENTATIVE AGENDA  
October 20, 2010**

	<u>COMMITTEE ACTION REQUESTED</u>
1. <u>Call to Order</u>	
2. <u>Pledge of Allegiance</u>	
3. <u>Call to the Audience</u>  An opportunity will be provided to members of the public to address the Transportation Policy Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transportation Policy Committee requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.	3. Information.
4. <u>Approval of Consent Agenda</u>  Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. Consent items are marked with an asterisk (*).	4. Recommend approval of the Consent Agenda.

**ITEMS PROPOSED FOR CONSENT\***

*4A. <u>Approval of the September 15, 2010, Meeting Minutes</u>	4A. Review and approval of the September 15, 2010, meeting minutes.
*4B. <u>Project Changes – Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program</u>  The fiscal year (FY) 2011-2015 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2010 Update were	4B. Recommend approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update.

approved by the MAG Regional Council on July 28, 2010. Since that time, there have been requests from member agencies to modify projects in the programs. The Arizona Department of Transportation (ADOT) is requesting to split the SRL303 utility relocation project into individual ones, to revise the scope for a South Mountain project, and add a new pavement preservation project. There are requests to add four new federal Safe Routes to Schools program funded projects. Wickenburg is requesting to move its STP-TEA funded project from 2010 to 2011, and two new transit projects need to be added to the TIP. There are four Congestion Mitigation and Air Quality (CMAQ) funded projects that requested changes. There have been recommendations on the above requested changes by the Transportation Review Committee, Air Quality Technical Advisory Committee, and the Intelligent Transportation Systems Committee. In addition, requests for deferrals were received for three CMAQ funded projects, two in Cave Creek and one Litchfield Park project. These will be heard for the first time at the Management Committee on October 13, 2010. An update will be provided on action taken by the Committee. Please refer to the enclosed material.

\*4C. Change in State Route Numbers

The State Transportation Board is renumbering the following freeways: Interstate 10 Reliever Freeway - previously SR-801 - is now State Route (SR)-30, and Williams Gateway Freeway - previously SR-802 - is now SR-24. Board action for SR-24 occurred in September 2010; action for SR-30 is anticipated in January 2011. All ADOT maps are illustrating the new route numbers.

4C. Information.

**ITEMS PROPOSED TO BE HEARD**

5. 2010 Annual Report on the Status of the Implementation of Proposition 400

Proposition 400 was approved by the voters of Maricopa County in November 2004, and authorized the extension of a half-cent sales tax for

5. Information and discussion.

use on transportation projects in the MAG Regional Transportation Plan. A.R.S. 28-6354 requires that MAG issue an annual report on projects included in Proposition 400, addressing factors such as project status, funding, and priorities. The 2010 Annual Report is the sixth report in this series and covers the status of the life cycle programs for freeways/highways, arterial streets, and transit. A Summary of Findings and Issues is included in the attached material and the full report is available on the MAG website. This item was presented to the MAG Transportation Review Committee on September 23, 2010, for information and discussion. Please refer to the enclosed material.

6. Use of Public Private Partnerships in the MAG Region

The September 2010 meeting included a presentation and discussion of the types of P3 projects that may be applicable for the MAG region. A major part of the discussion centered on the concept of managed lanes, which include allowing toll-paying, single occupant vehicles to use the HOV lanes. The concept of managed lanes that use dynamic pricing to maintain minimum speeds or travel times was discussed. Action on the proposed recommendation to initiate a Managed Lane Feasibility study and a public opinion survey was deferred pending a discussion of the policy basis for using P3s in the MAG region could be held and a preliminary draft scope of work for the study. Please refer to the enclosed material.

7. Local Transportation Assistance Fund

At the July 21, 2010 meeting of the Transportation Policy Committee, a discussion was held concerning the loss of the Local Transportation Assistance Fund (LTAF) which was discontinued by the Arizona Legislature this year. A proposed action to support efforts to identify a replacement source for the loss of the LTAF funds was tabled. Concern was expressed by a number of members about approaching the legislature about a

6. Information, discussion and possible action to recommend that MAG conduct a Managed Lane Feasibility Study and public opinion survey on attitudes toward P3s, tollroads, and managed lanes.

7. Information, discussion and possible action to support the League resolution that urges the legislature to fund public transportation programs in Arizona.

replacement source of state transit funding during the next session given the continued state budget deficit. Another question was related to the policy position of the transit operators, in particular, the Regional Public Transportation Authority (RPTA). At the September 16, 2010 meeting of the Board of Directors of RPTA, the Board voted to support the League of Arizona Cities and Towns resolution that urges the legislature to identify a permanent, designated funding source to support a public transportation program in Arizona. Please see the attached letter from RPTA and the League resolution. Please refer to the enclosed material.

8. Request for Future Agenda Items

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting will be requested.

9. Comments from the Committee

An opportunity will be provided for Transportation Policy Committee members to present a brief summary of current events. The Transportation Policy Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

8. Information and discussion.

9. Information.

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING

September 15, 2010  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

- |   |  |
|---|--|
| Mayor Scott Smith, Mesa, Chair                          | Phil Matthews, Salt River Pima-Maricopa<br>Indian Community      |
| Councilwoman Peggy Neely, Phoenix,<br>Vice Chair        | * Mayor Jackie Meck, Buckeye                                     |
| # Mayor Bob Barrett, Peoria                             | * Vice Mayor Les Presmyk, Gilbert                                |
| * Stephen Beard, HDR Engineering, Inc.                  | Mayor Marie Lopez Rogers, Avondale                               |
| Dave Berry, Swift Transportation                        | David Scholl   |
| * Jed Billings, FNF Construction                        | * Mayor Elaine Scruggs, Glendale                                 |
| Mayor James Cavanaugh, Goodyear                         | Karrin Kunasek Taylor, DMB Properties                            |
| Councilmember Jack Sellers, Chandler                    | Mayor Lyn Truitt, Surprise                                       |
| Councilmember Shana Ellis, Tempe                        | Supervisor Max W. Wilson, Maricopa County                        |
| Councilmember Dick Esser, Cave Creek                    | * Victor Flores, State Transportation Board                      |
| * Mark Killian, The Killian Company/Sunny<br>Mesa, Inc. | F. Rockne Arnett, Citizens Transportation<br>Oversight Committee |
| # Mayor Jim Lane, Scottsdale                            |  |
- \* 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 Chair Scott Smith at 4:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Chair Smith noted that Vice Chair Peggy Neely, Mayor Bob Barrett and Mayor Jim Lane were participating in the meeting by telephone.

Chair Smith presented a Certificate of Appreciation to Mayor Marie Lopez Rogers for her service as Chair of the Transportation Policy Committee from 2009 to 2010. Chair Smith stated that he

had come to know Mayor Rogers well and he commended her for being an incredible advocate for the region. Mayor Rogers was applauded.

3. Call to the Audience

Chair Smith 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.

Chair Smith noted that no public comment cards had been turned in.

4. Approval of Consent Agenda

Chair Smith stated that agenda items #4A and #4B were on the consent agenda.

Chair Smith recognized public comment from Serena Unrein, the public interest advocate for the Arizona Public Interest Research Group (PIRG) Education fund. She said that in June the Arizona PIRG Education fund and the Southwest Energy Efficiency Project filed joint comments expressing concern whether the Local Transportation Assistance Fund (LTAF) sweeps had been incorporated into the Regional Transportation Plan. Ms. Unrein expressed appreciation to MAG for reevaluating the RTP to include how the loss of LTAF might affect transit. She stated that PIRG is disappointed the Legislature swept the only funds the state provides to transit, and she spoke about the adverse impacts to transit. She said that PIRG provides transportation options to consumers. Ms. Unrein stated that with the problems with lack of infrastructure and funding, the congestion on highways, increased air pollution and asthma in children, and the brown cloud, it is important to provide transit options. She stated that the loss of LTAF sets back transit in Arizona when it should be expanded. Ms. Unrein stated that PIRG urges MAG to find reliable sources for transit funding. Chair Smith thanked Ms. Unrein for her comments.

Chair Smith asked members if they would like to remove any of the consent agenda items or have a presentation. No requests were noted. Councilmember Esser moved to recommend approval of consent agenda items #4A and #4B. Mayor Cavanaugh seconded, and the motion carried unanimously.

4A. Approval of the July 21, 2010, Meeting Minutes

The Transportation Policy Committee, by consent, approved the July 21, 2010, meeting minutes.

4B. Amendment of the MAG Regional Transportation Plan 2010 Update

The Transportation Policy Committee, by consent, recommended approval of an amendment to the MAG Regional Transportation Plan 2010 Update to incorporate public transit service level

adjustments resulting from reductions in revenues, including repeal of the Local Transportation Assistance Fund, that were reflected in public transit service schedules published in July 2010, contingent upon a finding of conformity of the FY 2011-2015 MAG Transportation Improvement Program and the MAG Regional Transportation Plan 2010 Update with applicable air quality plans. On July 28, 2010, the MAG Regional Council approved the Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP) and the MAG Regional Transportation Plan (RTP) 2010 Update. In late July, due to reductions in revenues, including repeal of the Local Transportation Assistance Fund (LTAF), transit service level adjustments were finalized by transit service providers and reflected in transit schedules published in July 2010. These changes impacted the transit service levels in the RTP 2010 Update and the corresponding transportation network modeling assumptions. An air quality conformity regional emissions analysis reflecting the new modeling assumptions has been conducted and indicates that the TIP and RTP will not contribute to violations of federal air quality standards. The MAG Transportation Review Committee recommended approval on August 31, 2010. On September 8, 2010, the Management Committee recommended approval.

5. Use of Public Private Partnerships in the MAG Region

Eric Anderson, MAG Transportation Director, first presented a four-minute video produced by Texas that demonstrated P3s in Dallas and an overview of managed lanes. He said that the MAG region is at the beginning stage of considering the leveraging of public dollars. Mr. Anderson expressed that he thought ten to one leverage was quite good – to spend one dollar and receive back ten dollars was a tremendous return. He said that he found the innovations in design concepts used by Dallas very interesting.

Mr. Anderson recapped the last TPC meeting, at which former U. S. Department of Transportation Secretary Mary Peters and John McGee, from the ADOT P3 program, provided updates. He noted that at tonight's meeting, Ken Smith, consultant to ADOT, was present to answer questions. Mr. Anderson stated that he would give a briefing on types of P3 projects with a focus on the managed lanes concept. He said there a number of project delivery models and P3s are about allocating risk between public dollars and private dollars. He said that the private sector has a better ability to evaluate price risk.

Mr. Anderson stated that the MAG region uses design build on a number of projects. He explained that a design build team negotiates a price for the whole package, and he said that the design works almost simultaneously with construction. Mr. Anderson noted that this allows innovative strategies that can result in better projects overall. He added that it also provides an incentive to deliver the project on time and on budget. Mr. Anderson stated that with a full toll road operation might be a full concession agreement, where the public sector does the environmental work and then turns the project over to the private sector. He noted that the construction cost and financial risk are assumed by the private sector. Mr. Anderson mentioned that sometimes these P3 deals have not worked out, for example, the South Bay Expressway in San Diego, which just filed for Chapter 11 bankruptcy. He said that the projections that underpinned the financing were overly optimistic. Mr. Anderson stated that risk is a key element in P3 deals.

Mr. Anderson then addressed program areas that might be considered. He stated that P3s are not new in Arizona and have been used extensively at the universities, for example, for student housing. Mr. Anderson explained that a university would provide the students and sometimes land, and the private sector would provide the funding for building, operating, and maintaining. Mr. Anderson stated that another area for a possible P3 is converting the lighting in the Deck Park tunnel to digital lighting. He said that ADOT might not have the capital funds and a private company could be brought in to do the conversion, with the cost being repaid from the savings on electricity. Mr. Anderson stated that ADOT is also looking at solar applications. He indicated that the freeway management system might be a candidate for a P3, which could result in better technology and less expense to the public. Mr. Anderson noted that there are a number of national companies in the business of travel information systems, and he added that MAG is a subscriber to some of the data generated by private companies. He stated that transit and rail improvements could benefit from a P3, with the revenue generated by freight as repayment. Mr. Anderson stated that toll roads are the most visible examples of P3s. He remarked that there are no toll roads in Arizona, and there is a lot of opposition to them due to people's past experiences in other areas, however, they are now all electronic and there is no stopping at toll booths.

Mr. Anderson then moved on to the concept of managed lanes, which is a freeway within a freeway, with dedicated lanes separated from general use lanes. He noted that dedicated lanes can be constructed to the side of the general lanes, as well as above or below, and are separated by some sort of barrier. Mr. Anderson stated that this provides a tremendous opportunity to the region to not only use private dollars to construct the new managed lanes, but also to rebuild the free lanes. He explained how HOT lanes could allow utilization of unused capacity of HOV/Transit lanes, generate revenue, and reduce congestion on the free lanes. Mr. Anderson advised that because access would be controlled on managed lanes, this would need to be examined. He stated that pricing could be a set price or vary by time of day, for example, a higher rate during the peak travel hours.

Mr. Anderson stated that using dynamic pricing on managed lanes can be set by the levels of congestion to maintain speeds. He noted that San Diego uses dynamic pricing and Dallas is planning to use it. Mr. Anderson stated that the choice is the driver's – whether to pay or not. He showed a rendering of the managed lane system on the North Tarrant Express in Dallas and he said that San Francisco has a planned express lane network they are just starting to implement. Mr. Anderson pointed out a map of the San Diego managed lanes and said that the I-15 managed lanes project is currently up and running. He explained that I-15 is a constrained corridor and not a lot of alternatives exist, which makes it a candidate for a toll facility. Mr. Anderson noted that the excess revenue from the managed lanes goes toward transit operations in that corridor. He explained that building park and rides and direct access ramps were part of the original construction so buses have direct access to the freeway and he added that they pay no tolls.

Mr. Anderson stated that managed lanes can increase the use of HOV lanes by utilizing more of the existing capacity, can expand travel options in the corridor (drivers can choose to use managed lanes or not), and can generate revenue to help pay for corridor improvements. Mr. Anderson stated that San Diego conducted a public outreach program to determine public support for

managed lanes. He said that the majority of those surveyed indicated support, and he added that even those who do not use the managed lanes still support the concept because they reduce the demand on the general purpose lanes. Mr. Anderson stated that the San Diego region has a 40-year half cent sales tax that was passed about the same time as Proposition 400, and the survey conducted as a precursor to the vote showed the same level of support.

Mr. Anderson then explained some policy level concepts: Would HOV users be allowed to use the managed lanes? If so, would the HOV vehicle be required to carry two or three persons? Would trucks or buses be allowed? What speed is desired to be maintained? He mentioned that the video noted the commitment by Dallas to maintain a minimum speed of 50 m.p.h.

Mr. Anderson stated that the recommended action is that MAG conduct a Managed Lane Feasibility Study. He said that they will not know if managed lanes are feasible until there is a factual foundation to identify the costs, revenues, enforcement, and access control. In addition, the requested action is to conduct a public opinion survey. Mr. Anderson noted that historical survey work showed that people in areas that do not have managed lanes oppose them, but once they understood what the concept could do for them, there was acceptance. He reported that MAG did a HOT lane study in 2001, but since then technology has become more robust and dynamic pricing has come into play. Mr. Anderson stated that the study is important so next year the TPC will have factual information on which to base a recommendation.

Chair Smith stated that the presentation went from conceptual to a proposed plan of action. He asked why staff chose managed lanes rather than toll roads. Mr. Anderson replied that since the region does not currently have toll facilities, he thought the managed lanes concept would be a good introduction to tolling. He commented that the region has a good HOV system and there are plans for another general purpose on Loop 202, which has been delayed due to insufficient funding. Mr. Anderson stated that this approach might provide the funding to complete projects that do not have sufficient funding. He gave I-10 at the Broadway Curve as an example, and said that the cost for the entire project is approximately \$1.5 billion and we have about half of those funds needed. Mr. Anderson stated that this concept might provide enough financing to do the entire project and improve traffic flow. He advised that the MAG freeway system is approaching congestion, and when Loops 101 and 202 are complete, massive improvements in capacity will not be possible and a better job of managing traffic will still be needed. Mr. Anderson stated that toll roads might be in the future, but many times they are standalone projects. He stated that HOT lanes and managed lanes impact the current system and more facts are needed to make a decision if they are a viable option. Mr. Anderson stated that toll roads can be up or down, but some aspects of managed lanes might be desired and some aspects might not.

Councilmember Esser asked the timeline for the study. Mr. Anderson replied that staff thinks the study could be done in 12 to 18 months. He added that the study could have more than one phase and they think phase one would give an overall view of the feasibility, costs, how it would work from a conceptual level. If the decision is made to move forward at that point, additional work might be required to move on to phase two. Mr. Anderson reported that the study conducted by

San Francisco started in 2005 and they are now in phase four. He commented that they do not want to commit to implementing something that might be regretted later.

Mr. Berry stated that he was very interested in this subject and thought the presentation was very thorough. He suggested that a set of guiding principles to constrain the scope of the study should be drafted before conducting a study. Mr. Berry gave as an example the specific projects presented to the voters that would be funded if Proposition 400 passed. He remarked that the world has changed since Proposition 400 and the funds anticipated will not be generated. Mr. Berry expressed that he thought before embarking on a study, the decision should be made whether we are dedicated to a free system or we should go back to the voters and say we are going to have to charge for certain types of uses on the system. He stated that there in his experience, there is sometimes the option to be able to pay to get to somewhere more quickly, but in other areas there is not really an option. Mr. Berry stated that another question is what to do with the revenue collections – are they applied to that facility or to the system – for example, San Diego put extra revenue into transit instead of road improvements. Mr. Berry stated that these are some examples of guiding principles that the TPC should consider before embarking on a study and those guiding principles would help focus the study.

Mr. Anderson stated that Mr. Berry had raised good points, and the overarching question seemed to be if we are committed to a free system or are we going to use tolls to finance parts of the system. He said that if the question is the amount of revenue that could be generated by managed lanes, he did not have an answer and having that discussion in a vacuum is difficult to have. Mr. Anderson stated that his recommendation is to move forward with a technical study which does not mean there would be a commitment to managed lanes or toll roads. He stated that he thought there was not enough information to make an informed decision. Mr. Anderson stated that it is incumbent upon staff to ensure that the facts are understood and that was the essence of the recommendation.

Mr. Berry expressed his support for a study, it was just a question of which to do first. He stated that questions such as what should be off the table, for example, tolling charges on certain segments of the freeway system that were committed to being free of charge. Mr. Berry stated that the study could recommend a toll on a road and the TPC could decide against that recommendation because it breaks the agreement with the voters. He remarked that policy issue discussion, which would not be final, might help focus the study.

Chair Smith asked Mr. Anderson if the survey would cover the issues Mr. Berry raised. Mr. Anderson replied yes, partially, it could give direction on the public's position on issues. Mr. Anderson stated that he was a big supporter of policy and discussion of policy issues could take place in October.

Mayor Rogers expressed her agreement with Mr. Berry. She indicated that when she first saw this, she thought it was to fill Proposition 400 and she now wondered if this was another plan. Mayor Rogers stated that discussion of filling Proposition 400 is needed. She asked for clarification of

what segments the network analysis would address. Mayor Rogers also mentioned that clarification of community input is needed.

Mr. Anderson stated that there are a lot of issues, no question about that, but he felt the process needed to begin. He said that his concern is with the economy – are we realistically looking at going back to the voters to fill the gap, wait until the economy recovers, or look at other options to help fill the gap? Mr. Anderson remarked that if the economy were robust, we might be having a different discussion, but it is the consensus of the experts who say the economy will not come back to a normal pattern, but not necessarily the high growth that we have seen, until 2014 or 2015. He stated that it is appropriate for the TPC to have that discussion, since it is the body who developed the Plan.

Councilmember Esser expressed his agreement with the speakers, but noted that he has been in this business for 50 years and everything has changed. He stated that he did not want to stop or delay the planning process. Councilmember Esser stated that the process can be halted when you want, but this is planning and it needs to start.

Mayor Cavanaugh expressed his appreciation for the below-grade road option depicted in the Dallas video. He said that P3s could present tremendous values because I-10 and US-60 both need increased capacity. Mayor Cavanaugh stated that the problem to overcome is the cost and acquisition right of way and to those who say building a tunnel or below ground facility is expensive, the public/private partnership becomes interesting in terms of freeways and transit. Mayor Cavanaugh stated that moving light rail and commuter rail past 79th Avenue has not really been discussed. He expressed that attention should be focused on the option Dallas implemented to build freeway lanes below ground. Mayor Cavanaugh stated that this option could perhaps be applied to rail as well, to justify the cost. He added that the land is already owned. Mayor Cavanaugh stated that he thought more giant steps are needed now on the feasibility of that option and it deserves attention and discussion.

Mr. Arnett asked if the cost and source of funding for the study had been identified. Mr. Anderson replied that in 2005, San Francisco spent about \$375,000 for phase one, and spent close to \$1 million by the end of the study. He indicated that his estimate of the proposed study was in the \$300,000 to \$500,000 range, depending on the final scoping and phasing. Mr. Anderson stated that phase one will provide key information and data for a policy discussion on whether to move forward or not. He stated that Proposition 400 study money would fund this study.

Mr. Smith stated that he did not see the managed lane study as a substitute for policy discussion which could be incorporated into the study and sharpen the debate because the impacts of policies will be apparent. Her commented that if the study is not done, this is an amorphous concept.

Chair Smith stated that the question is what is the Proposition 400 system. This primary objective is to increase capacity and go beyond the Proposition 400 system, which will not be sufficient in the long term. Chair Smith stated that when Dallas reached capacity, it made the decision to build managed lanes to expand capacity. He said that the argument could be made that these options are

expanding what was already approved and funding gaps might also be addressed by leveraging private dollars, which is not included in the Proposition 400 program. Chair Smith stated that it goes back to the basic question if this is a free system or not. He commented that he thought the 801 was completely off the scope; it was plug the gap discussion but not expanding the system.

Mr. Anderson stated that the carrying capacity of the entire system can be increased through managed lanes. He said that operating strategies is the next wave, and he noted that Seattle just put in a sophisticated active lane management concept where speeds vary by lane depending on congestion. Mr. Anderson stated that the proposed study would provide the foundational information needed to move forward. He reported that some managed lanes projects do not make money or even cover operating costs. Mr. Anderson stated that this study could say managed lanes could help manage the system but the ability to leverage might not be there due to travel demand.

Chair Smith commented that the ability to leverage would be there, it just might be a lower ratio. Mr. Anderson commented that the policy discussion on the study results might say a concept is a good idea or it does not work here.

Chair Smith asked Mr. Anderson if staff needed direction tonight or come back to the next meeting with more information. He said that generally he sensed there was a feeling this was great but still some questions.

Mr. Anderson replied that if the TPC recommended moving forward that a couple of months would still be needed to develop the scope of work and address administrative tasks, such as amending the MAG Work Program. He stated that a proposed scope of work and policy discussion could take place at the October meeting.

Supervisor Wilson asked if there was an idea of how long a facility would need to be shut down to build managed lanes.

Mr. Anderson replied that he could not answer that, however, if managed lanes on I-10 under a P3, for example, are determined to be feasible, then one negotiable item is traffic control – how many lanes are required to be kept open during construction. He noted that he thought ADOT does this now. Mr. Anderson advised that any construction project will cause impact to traffic.

Supervisor Wilson commented that as this progresses, he thought more issues could arise that will require discussion.

Chair Smith asked if formal action was needed by the TPC or staff could proceed on the scope for the next meeting. He said that he had a sense the idea was accepted by the committee, but it was too broad, unless someone wanted to make a motion. Mr. Anderson replied that staff could work on the scope and bring it back to the next meeting.

6. Proposal to Advance the Construction for a Portion of the Williams Gateway Freeway

Mr. Anderson stated that the acceleration the design, right of way and construction of an interim segment of the Williams Gateway Freeway from the Santan Freeway to Ellsworth Road was originally approved by the Regional Council in January 2009. He indicated that in May 2009, the construction element was dropped and the Regional Council approved advancement of the design and right of way only. Mr. Anderson then explained the access that would be provided by the project. He said that Ellsworth has poor access from the Santan Freeway and with the construction of the Williams Gateway Freeway, this project was designed to provide that access. Mr. Anderson stated that the City of Mesa now would like to advance the construction of the project. He reported that the final design of the project is ready to begin and the request is to advance the construction of the interim facility from FY 2016 to FY 2012. Mr. Anderson stated that Mesa proposes using the remaining \$2 million of advance right of way funds for interest expense.

Mr. Anderson noted that previous Regional Council action approved the design and interest expense. Mr. Anderson stated that the interest expense would be funded in part using the \$10 million setaside by the State Legislature that Mesa secured in 2008. He noted that plan is to divide the remaining net interest expense fifty-fifty between Mesa and the MAG program, which is in accord with the approved MAG acceleration policy.

Mr. Anderson then reviewed the financial aspects of the advancement by saying that the project is currently programmed for \$158 million, but due to anticipated lower costs, the estimate is now about \$118 million to \$120 million. He noted that Mesa is proposing to issue Highway Project Advancement Notes (HPANs) in the amount of \$130 million to ensure sufficient funds are available for construction. Mr. Anderson stated that a 4.25 percent interest rate was used for calculations, but with current market conditions, it could be half that rate. He stated that a total of \$12 million is currently available to defer some of the \$23 million in interest expense and the remaining interest expense of \$11.2 million of interest expense that would be shared equally between the City and the program, according to the MAG acceleration policy. Mr. Anderson stated that the interest expense is likely to be significantly lower.

Chair Smith thanked Mr. Anderson for his report and asked members if they had questions.

Mayor Rogers commented that the request brought back memories, but she had no hard feelings. She expressed that she was glad they could understand the policy and were able to capitalize on it. Mayor Rogers also expressed appreciation for the effort.

Chair Smith stated that one reason for accelerating this project is the tremendous growth of the Phoenix-Mesa Gateway airport, which is running ahead of projections. He noted that the airport is on pace for surpassing one million passengers this year. Chair Smith stated that 24 cities are now served by the airport, and he noted that Allegiant Airlines tracks the origins of the passengers and was surprised at the large number of outbound passengers from Arizona. He explained that initial estimates said that passengers would be clustered from the East Valley or Pinal County, and while they represent a large share, passengers have come from all over the Valley and even Tucson.

Chair Smith stated that it has become not only a successful reliever airport, but also a successful airport in its own right because it provides nonstop service to destinations not served by Sky Harbor airport. He stated that this has caused the airport to advance its timeline for building the ultimate terminal. Chair Smith stated that the access to the airport from the East Valley and Loop 202 is very limited. He stated that providing access to the airport is the primary driver of this request, in addition to the \$30 million to \$40 million savings in construction costs if the project takes advantage of the economic climate now rather than waiting.

Councilmember Sellers moved to recommend approval of the Mesa request to advance the construction of an interim connection of the Williams Gateway Freeway between the Santan Freeway and Ellsworth Road by approximately four years, to be incorporated into the MAG FY 2011 to FY 2015 Transportation Improvement Program for FY 2012 and the Regional Transportation Plan 2010 Update for an air quality conformity analysis, and authorize the MAG Executive Director to enter into an agreement with ADOT and Mesa. Mr. Arnett seconded, and the motion passed unanimously.

7. State of Transit in the Region

Eileen Yazzie, MAG Transportation Program Manager, gave a presentation on the prioritization guidelines for transit programming. Ms. Yazzie reported that on July 28, 2010, the MAG Regional Council approved the Draft FY 2011-2015 MAG TIP and that the programming of preventative maintenance for transit be reviewed for potential amendments/administrative modifications no later than December 2010. She stated that the region has programmed almost \$30 million of federal funds in the FY 2011-2015 TIP for regional preventative maintenance, and noted that this was done as a placeholder with the understanding that prioritization guidelines for federal funds would be established in the future through the MAG committee process.

Ms. Yazzie explained that regional prioritization guidelines were developed by the Regional Public Transportation Authority (RPTA) in the early 2000s and for the American Recovery and Reinvestment Act (ARRA) unspent funds, however, they are out of date and not applicable with the current federal fund program.

Ms. Yazzie stated that the purpose of this presentation was to receive policy direction to develop regional prioritization guidelines for programming federal funds. Ms. Yazzie displayed a chart that listed programming responsibilities for federal funds, and she commented that MAG and RPTA collaborate on programming federal funds for transit.

Ms. Yazzie said that Senate Bill 1063, enacted in April 2010, defines the responsibilities of RPTA and MAG for implementing the public transportation element of the Regional Transportation Plan, and she noted that MAG must approve substantial changes to the budget that materially affect the corridor performance or change corridor service. Ms. Yazzie stated that a Memorandum of Understanding, signed in April 2010, replaces the 2007 Resolution and sets forth the basic structure for cooperative planning and decision making regarding transit planning and programming between MAG, RPTA, METRO, the City of Phoenix, and all participating local government agencies.

Ms. Yazzie stated that MAG is responsible for programming \$78 million annually of federal funds for transit. She noted that out of this amount, only about \$1 million can be used for the operations of buses and light rail. Ms. Yazzie added that Congestion Mitigation and Air Quality funds can be used toward expansion of service.

Ms. Yazzie stated that RPTA has its programming guidelines and MAG still needs to develop its own guidelines. She pointed out that this results in programming gaps and she noted the unprogrammed amounts: in FY 2011, about \$11.8 million, in 2013 about \$11.6 million, and in 2015 about \$6.4 million. Ms. Yazzie added that in 2012, they were able to fully program the funds. She stated that the unprogrammed amount totaled about \$30 million, which was programmed as a placeholder for preventative maintenance.

Ms. Yazzie reviewed the old guidelines included in the agenda packet and noted that the decision was made to freeze the amount dedicated to preventative maintenance. Ms. Yazzie commented that every dollar in preventative maintenance reduces the available capital funds. She stated that the freeze on preventative maintenance allowed the construction of park and rides and transit centers in the region. Ms. Yazzie stated that about \$60 million in ARRA funds funded some park and rides.

Ms. Yazzie then addressed Americans with Disabilities Act (ADA) Transit. She said that federal 5307 funds allow 10 percent of an allocation to be used for ADA Transit support including funding operations and preventative maintenance. Ms. Yazzie stated that this is currently not addressed in the prioritization guidelines.

Ms. Yazzie stated that she would be returning to the TPC with additional information on the guidelines at a future meeting. She advised that modifications to the guidelines could affect projects, but could end up benefitting transit customers with a more focused approach for preventative maintenance and ADA. Ms. Yazzie noted that they will continue to work on the programming guidelines with the transit operators and will be back to the Transportation Policy Committee and Regional Council in October.

Chair Smith thanked Ms. Yazzie for her report and asked members if they had questions.

Mayor Rogers asked if the programming guidelines would go through the MAG Transit Committee. Ms. Yazzie replied yes, the Transit Committee is the technical advisory committee tasked with hearing the guidelines first, which will then proceed through the Transportation Review Committee, Management Committee, Transportation Policy Committee, and Regional Council.

Mayor Rogers said that there has been conversation that the Transit Committee might not be a part of the process and she expressed that she thought it was critical its involvement remains. She stated that this is the reason the committee was created.

Mr. Berry stated that three firewalls were established for Proposition 400 – freeways, transit, and streets – and there was agreement that all of the funds, whether federal, state, etc., that came into

the system would be spent on what was laid out in Proposition 400. He asked if that guidance was not specific enough and that was the reason for the update.

Mr. Anderson stated that the Proposition 400 transit program was not that detailed, and, in addition, it does not address today's issues. He stated that the transit program was based on local revenue to provide operating funds, but the cities had to cut back on costs, which impacted the transit program.

Mr. Berry asked for clarification that preventative maintenance meant keeping a vehicle in repair before it breaks because that is less expensive. Ms. Yazzie replied that was correct, and she offered to bring back more detailed information on what preventative maintenance included. Ms. Yazzie stated that the buses are on a maintenance schedule. She stated that in 2009, only \$6.4 million out of \$50 million of 5307 funds were allocated to the preventative maintenance category. Ms. Yazzie reported that a survey of transit operators showed a total of \$44 million is spent annually for preventative maintenance in this region. She added that increased spending on preventative maintenance translates to a lower cost per mile. Mr. Berry expressed that he thought preventative maintenance usually has a very high payback.

#### 8. Update on Exceptional Events and MAG Five Percent Plan for PM-10

Lindy Bauer, MAG Environmental Director, provided a report on recent events regarding the MAG Five Percent Plan for PM-10 (Plan). She first gave a recap of what has taken place to date. Ms. Bauer stated that MAG submitted the Plan on time to the Environmental Protection Agency (EPA) on December 31, 2007. She stated that the Plan was required to show PM-10 emissions reductions of five percent per year until the standard is attained, which was planned for 2010. Ms. Bauer stated that three years of clean data at the air quality monitors are required for EPA to say that the MAG region has attained the standard.

Ms. Bauer noted that the Arizona Department of Environmental Quality (ADEQ) analyzes exceedances that are exceptional events and prepares the documentation. She said that ADEQ assured MAG 2008 and 2009 had clean data and the exceedances were due to high wind exceptional events. She advised that Congress allows for high wind exceptional events because the wind cannot be controlled.

Ms. Bauer stated that the EPA was late in taking action on the plan and missed the June 2009 deadline. Due to the EPA's failure to take action, the Arizona Center for Law in the Public Interest (ACLPI) filed a notice of intent to file a lawsuit against EPA on August 2, 2009. Ms. Bauer noted that after the ACLPI filed the notice of intent, EPA began to review the plan that MAG had submitted in 2007 and questioned the four high wind exceedance events at the West 43rd Avenue monitor. Ms. Bauer stated that when the EPA began to question the events, MAG and ADEQ submitted scientific evidence that the events were due to high winds. She noted that MAG's consultant found that the events were due to high winds, and she noted that conditions at the monitor include a fine, silty soil that is picked up by the wind.

Ms. Bauer reported that in December 2009, the ALCPI filed a lawsuit to force EPA to take action on the Plan because the EPA still had not taken action on the Plan. She stated that on May 25, 2010, the EPA came to a meeting in Phoenix and announced nonconcurrency with four high wind exceptional events at the West 43rd Avenue monitor. She advised that only three exceedances are allowed per monitor, and the fourth exceedance means a violation against the region. Ms. Bauer advised that at the meeting, the EPA Region IX Administrator admitted the EPA Exceptional Events Rule is flawed. She reported that Westar, a coalition of 15 western states, has been expressing its concerns with the Rule since September 2009 because its implementation is unclear.

Ms. Bauer stated that MAG asked about the timing and was told by EPA they could not discuss the issue because they were in confidential negotiations with ACLPI. Ms. Bauer stated that on June 23, 2010, the EPA entered into a proposed consent decree with the ACLPI to propose action on the Plan on September 3, 2010, and finalize action on January 28, 2011. She noted that on August 27, MAG, ADEQ, Maricopa County, and the Salt River Pima-Maricopa Indian Community submitted comments on the proposed consent decree timetable and requested a six month delay on the final action to allow time for EPA to consider the scientific data that had been submitted. She noted that in addition, the Arizona Congressional Delegation also communicated with EPA by letter and teleconference. Ms. Bauer stated that EPA responded with a letter to ADEQ indicating that the proposed action would occur on September 3, 2010, regardless. Ms. Bauer commented that the process conducted by EPA has been unfair.

Ms. Bauer stated that on September 3, 2010, EPA proposed to partially disapprove and approve the plan, which has the same consequences as a disapproval. She noted that approvability issues were identified in EPA's notice, and she advised that the approvability issues did not cause the high wind exceptional events at the West 43rd Avenue monitor. She stated that so far in 2010, the MAG region has had no exceedances at any of the monitors.

Ms. Bauer continued her report by saying that ADEQ and MAG believe that the region had its first year of clean data in 2008. She commented that EPA disagrees, but has not considered all of the scientific information submitted. Ms. Bauer stated that at risk are \$1.7 billion in FHWA funds in the MAG Transportation Improvement Program (TIP) and the \$7.4 billion TIP itself. She advised that a conformity freeze on the TIP could occur by February 28, 2011. Ms. Bauer then mentioned that \$1.7 billion equates to 61,000 jobs and \$7.4 billion equates to 215,000 jobs. Ms. Bauer remarked that unless the flawed Exceptional Events Rule is fixed, this issue will remain unresolved. She said that MAG cannot control high winds, and paving the Salt River is not an option.

Ms. Bauer then reviewed the EPA proposed partial approval and disapproval of the Plan. She indicated that EPA proposed disapproval of the 2005 baseline emissions inventory, which is the cornerstone of the Plan. Ms. Bauer stated that EPA indicated that the modeling attainment demonstration done by MAG cannot be approved if there is no attainment at the monitor. She commented that this is a very important piece and ties to EPA nonconcurrency with the four high wind exceptional events. Ms. Bauer also noted that the EPA also has issues with the five percent reduction in emissions calculation. Ms. Bauer stated that Maricopa County prepares the baseline

emissions inventory which includes the sources and the percent contribution coming from those sources. She explained that the County prepared the emissions inventory using EPA guidance, but the EPA says it has new guidance and disagrees with the County's calculations. Ms. Bauer displayed a chart of the PM-10 emissions inventory and pointed out that the Plan, with 53 measures, includes all sources. She said that the EPA also proposed disapproval of the annual emissions reductions to ensure attainment and the extra contingency measures, and the 2010 motor vehicle emissions budget, which was used to demonstrate conformity of the TIP and RTP. Ms. Bauer remarked that if conformity cannot be shown, the projects cannot be built.

Ms. Bauer stated that EPA proposed approval of 20 measures in the Plan, which were mandated by Senate Bill 1552. She added that EPA also proposed approval of the Agricultural Best Management Practices Guidance Booklet and Pocket Guide. Ms. Bauer stated that the EPA proposed limited approval and disapproval of agricultural regulations, which is the same as a disapproval.

Ms. Bauer then addressed the consequences of Plan disapproval. She advised that a conformity freeze would occur 30 days after final disapproval is published in the Federal Register, then only projects in first four years of the conforming TIP and RTP can proceed. She said that this means no new TIPs, RTPs or projects until a Five Percent Plan revision is submitted that fulfills the Clean Air Act requirements, EPA finds the conformity budget adequate or EPA approves the submission, and conformity to the plan revision is determined. She gave as an example, the MAG region could not take advantage of new economic stimulus funds if they are provided because no new projects that require a conformity determination could be added to the TIP or RTP.

Ms. Bauer stated that the Clean Air Act sanctions would be imposed if the problem is not corrected within 18 months from disapproval action, which would result in tighter controls on major industries, and if not corrected within 24 months after disapproval action could be the loss of federal highway funds. Ms. Bauer advised that the imposition of highway sanctions may trigger a conformity lapse and major projects in the \$7.4 billion TIP could not proceed.

Ms. Bauer said that a new emissions inventory was completed by the County on June 30, 2010. She said that EPA will be consulted if the inventory agrees with their guidance and whether MAG should begin using it. She stated that MAG will need to complete a Best Available Control Measure Analysis and look at measures from other serious PM-10 areas that have been approved and compare MAG's Plan to those measures. Ms. Bauer stated that MAG may need to add more measures to reduce emissions by five percent per year until attainment, as measured at the monitors, and will need three years of clean data at all of the PM-10 monitors.

Ms. Bauer displayed a timeline of the actions on PM-10 in the MAG region. She noted that MAG was on time submitting the Plan to EPA, but by the time EPA takes final action on the Plan, more than three years will have elapsed, which is very late.

Chair Smith thanked Ms. Bauer for her report and asked members if they had questions.

Supervisor Wilson thanked Ms. Bauer for the presentation. He added that the topic had been covered in great detail and people would be able to understand this complex issue.

Ms. Yazzie continued the presentation and gave an overview of the impact of a disapproval of the Plan on the TIP and RTP, which were recently approved for conformity by the Federal Highway Administration and the Federal Transit Administration.

Ms. Yazzie stated that upon disapproval, a conformity freeze would follow in 30 days. Clean Air Act sanctions would be imposed if the problem is not corrected within 18 months from disapproval action would result in tighter controls on major industries, and if not corrected within 24 months after disapproval action could be the loss of federal highway funds. Ms. Yazzie reviewed the EPA's timeline of actions.

Ms. Yazzie explained the conformity analysis, which uses the information from the transportation model. The first part includes regionally significant projects and federally funded projects that are part of the one-mile grid, transit included. She explained that the projects go into the transportation model, the transportation model is run then it is fed into the environmental model and the conformity analysis is determined.

Ms. Yazzie then addressed what could proceed in a conformity freeze: projects in the first four years of the TIP (approximately 600 to 700 projects); exempt projects; and new exempt projects, such as safety, repavement, mass transit, operations, bicycle and pedestrian, planning, and design work. She advised that some administrative modifications to the TIP, such as funding amounts, advancements, deferments, or descriptions, could still proceed.

Ms. Yazzie then covered what would not be allowed in a conformity freeze: no new TIP reports (the TIP was just approved in July 2010 and a new one is not anticipated until 2013); no new projects can be added to the TIP that affect conformity; no new construction projects; and no amendments to projects that trigger conformity determination, such as scope changes or location changes.

Ms. Yazzie stated that the transportation programming goal is to ensure that the FY 2011- 2015 MAG TIP and 2010 RTP report the current status of regionally significant projects and to make necessary project changes prior to January 28, 2011. Ms. Yazzie stated that staff have been working with the member agencies on project changes. She advised that MAG needs to know of any project changes by November 4 to meet the timeframe.

Chair Smith thanked Ms. Yazzie for her report. No questions from the Committee were noted.

#### 9. Request for Future Agenda Items

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting will be requested.

No requests from the Committee were noted.

10. Comments from the Committee

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting will be requested.

No comments from the Committee were noted.

Adjournment

It was moved by Mayor Rogers and seconded by Mayor Cavanaugh to adjourn the meeting at 5:40 p.m.

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Chair

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Secretary

# **MARICOPA ASSOCIATION OF GOVERNMENTS**

## **INFORMATION SUMMARY... for your review**

**DATE:**

October 12, 2010

**SUBJECT:**

Project Changes – Amendments and Administrative Modifications to the FY 2011-2015 MAG Transportation Improvement Program

**SUMMARY:**

The fiscal year (FY) 2011-2015 Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update were approved by the MAG Regional Council on July 28, 2010. Since that time, there have been requests from member agencies to modify projects in the program.

The proposed amendments and administrative modifications to the FY 2011-2015 TIP are listed in the attached table. The Arizona Department of Transportation (ADOT) is requesting a modification to the SRL303 project to split the utility relocation projects out to individual ones, a revised scope for the South Mountain Environmental Impact Statement (EIS) project, and a new pavement preservation project. There are four new Safe Routes to Schools program funded projects; this process is managed by ADOT with input provided by MAG. Wickenburg is requesting to move their STP-TEA funded project from 2010 to 2011, and two new transit projects need to be added to the TIP since they received federal money through a competitive grant application.

There are seven Congestion Mitigation Air Quality (CMAQ) funded projects that requested changes. Surprise requested a location change for a 2012 pave dirt road project due to right of way issues, Maricopa County requested a location, scope, and local cost change for a 2011 ITS project, and Surprise is requesting location, scope, and local funding amount changes to two Intelligent Transportation Systems (ITS) projects in 2012 and 2013. Each of the projects were heard and voted on at their technical advisory committee as noted below.

Additionally, MAG Staff found an administrative error related to two Cave Creek projects, and a time sensitive request was received from Litchfield Park. MAG Staff received a formal request to defer two CMAQ funded projects on May 11, 2010. These requests should have been included in Closeout, but were not. In order for the project to proceed, as requested, a need to defer the projects to 2011 and 2012 is needed. Litchfield Park is requesting a deferral of a CMAQ project as well. They just missed the obligation deadlines for federal FY2010, and in order for the project to obligate in December, it needs to be listed in current MAG TIP for 2011. These will be heard for the first time at the Management Committee.

**PUBLIC INPUT:**

None.

**PROS & CONS:**

PROS: Approval of this TIP amendment and administrative modification will allow the projects to proceed in a timely manner.

CONS: None.

**TECHNICAL & POLICY IMPLICATIONS:**

TECHNICAL: Projects that wish to utilize transportation federal funds need to be shown in the TIP in the year that they expect to commence and may need to undergo an air quality conformity analysis or consultation.

POLICY: This amendment and administrative modification request is in accord with MAG guidelines.

**ACTION NEEDED:**

Recommend approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update.

**PRIOR COMMITTEE ACTIONS:**

Management Committee: This item is on the October 13, 2010 Management Committee agenda. An update will be provided at the meeting.

Transportation Review Committee: On September 23, 2010, the Transportation Review Committee recommended approval of the amendments and administrative modifications to the FY 2011-2015 MAG TIP, and as appropriate, to the RTP 2010 Update.

MEMBERS ATTENDING

- Peoria: David Moody
- ADOT: Steve Hull for Floyd Roehrich
- Avondale: David Fitzhugh
- # Buckeye: Scott Lowe
- Chandler: RJ Zeder for Patrice Kraus
- El Mirage: Jorge Gastelum for Lance Calvert
- Fountain Hills: Randy Harrel
- Gila Bend: Eric Fitzer
- Gila River: Sreedevi Samudrala for Doug Torres
- \* Gilbert: Tami Ryall
- Glendale: Terry Johnson
- \* Goodyear: Cato Esquivel
- # Guadalupe: Gino Turrubiarres
- Litchfield Park: Paul Ward for Woody Scoutten
- Maricopa County: Mike Sabatini for John Hauskins
- Mesa: Jeff Martin for Scott Butler
- \* Paradise Valley: Bill Mead
- Phoenix: Rick Naimark
- # Queen Creek: Wendy Kaserman for Tom Condit
- RPTA: Bryan Jungwirth
- Scottsdale: Dave Meinhart
- Surprise: Bob Beckley
- Tempe: Robert Yabes for Chris Salomone
- Valley Metro Rail: John Farry
- Wickenburg: Rick Austin
- Youngtown: Mark Hannah for Lloyce Robinson

EX-OFFICIO MEMBERS ATTENDING

- Street Committee: Dan Cook
- \* ITS Committee: Nicolaas Swart
- \* Bicycle/Pedestrian Committee: Peggy Rubach
- \* Transportation Safety Committee: Julian Dresang

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

MAG Intelligent Transportation Systems Committee: On September 1, 2010, the MAG Intelligent Transportation Systems Committee unanimously recommended approval of the requested scope change of the MMA11-723, SUR12-818, and SUR13-901 projects.

**MEMBERS ATTENDING**

- Reza Karimvand, ADOT
- # Soyoung Ahn, ASU
- Margaret Boone-Pixley for Bennie Robinson, Avondale
- Paul Ward for Thomas Chlebanowski, Buckeye
- Mike Mah, Chandler
- \* Lt. Jenna Mitchell, DPS
- Jorge Gastelum, El Mirage
- \* Jennifer Brown, FHWA
- Kurt Sharp, Gilbert
- Avery Rhodes for Debbie Albert, Glendale

- Luke Albert, Goodyear
- Faisal Saleem for Nicolaas Swart, Maricopa County
- Derrick Bailey, Mesa
- Ron Amaya, Peoria
- Marshall Riegel, Phoenix
- Bob Ciotti, Phoenix Public Transit
- # Bill Birdwell, Queen Creek
- # Bruce Dressel, Scottsdale
- Nicholas Mascia, Surprise
- Cathy Hollow, Tempe
- # Arkady Bernshteyn, Valley Metro Rail

- \* Not present
- # Attended via teleconference

MAG Air Quality Technical Advisory Committee : On July 28, 2010, the Air Quality Technical Advisory Committee recommended approval of the City of Surprise request to change the project location for SUR12-801, to Dove Valley Road: 187<sup>th</sup> Avenue to 203<sup>rd</sup> Avenue and forward the recommendation to the MAG Transportation Review Committee.

**MEMBERS ATTENDING**

- Doug Kukino, Glendale, Chairman
- Gaye Knight, Phoenix, Vice Chair
- Paul Lopez for Sue McDermott, Avondale
- # Elizabeth Biggins-Ramer, Buckeye
- # Jim Weiss, Chandler
- # Jamie McCullough, El Mirage
- Kurt Sharp for Tami Ryall, Gilbert
- \* Cato Esquivel, Goodyear
- Greg Edwards for Scott Bouchie, Mesa
- William Mattingly, City of Peoria
- Larry Person, Scottsdale
- Antonio DeLaCruz, Surprise
- Oddvar Tveit, Tempe
- \* Mark Hannah, Youngtown
- Ramona Simpson, Queen Creek
- \* American Lung Association of Arizona
- # Wendy Crites for Grant Smedley, Salt River Project
- Brian O'Donnell, Southwest Gas Corporation
- \* Mark Hajduk, Arizona Public Service Company
- # Gina Grey, Western States Petroleum Association
- \* Valley Metro/RPTA
- Dave Berry, Arizona Motor Transport Assn.

- Jeannette Fish, Maricopa County Farm Bureau
- \* Russell Bowers, Arizona Rock Products Association
- \* Greater Phoenix Chamber of Commerce
- # Amanda McGennis, Associated General Contractors
- \* Spencer Kamps, Homebuilders Association of Central Arizona
- # Mannie Carpenter, Valley Forward
- Erin Taylor, University of Arizona Cooperative Extension
- Beverly Chenausky, Arizona Department of Transportation
- Diane Arnst, Arizona Department of Environmental Quality
- \* Environmental Protection Agency
- Bob Downing for Jo Crumbaker, Maricopa County Air Quality Department
- Duane Yantorno, Arizona Department of Weights and Measures
- \* Ed Stillings, Federal Highway Administration
- \* Judi Nelson, Arizona State University
- Christopher Horan, Salt River Pima-Maricopa Indian Community

- \*Members neither present nor represented by proxy.
- #Participated via telephone conference call.
- +Participated via video conference call.

**CONTACT PERSON:**

Eileen O. Yazzie, Transportation Programming Manager, (602) 254-6300.

## Request for Project Change - 2011-2015 MAG Transportation Improvement Program

Oct-10

## Highway Projects

TIP #	Agency	Project Location	Project Description	FY	Length	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
DOT11-829	ADOT	SR303L: I-10/303 Interchange, Phase 1	Construct traffic interchange (Phase 1, I-10 realignment)	2011		RARF			\$ 232,200,000	\$ 232,200,000	Amend: Decrease construction budget by \$18,800,000. Proposed construction cost is now \$232,200,000. It was previously \$253,000,000 (\$251M for construction and \$2M for utility relocation). Decreased amount will be used to fund utility relocation projects (Thomas - Camelback, Camelback - Glendale and Glendale - Peoria).
DOT11-120	ADOT	SR303L: Thomas Rd - Camelback Rd	Utility relocation	2011		RARF			\$ 1,500,000	\$ 1,500,000	Amend: Add a new "Utility relocation" project in fiscal year 2011 for \$1,500,000.
DOT11-121	ADOT	SR303L: Camelback Rd - Glendale Ave	Utility relocation	2011		RARF			\$ 8,000,000	\$ 8,000,000	Amend: Add a new "Utility relocation" project in fiscal year 2011 for \$8,000,000.
DOT11-122	ADOT	SR303L: Glendale Ave - Peoria Ave	Utility relocation	2011		RARF			\$ 9,300,000	\$ 9,300,000	Amend: Add a new "Utility relocation" project in fiscal year 2011 for \$9,300,000.
DOT09-908	ADOT	L202 South Mountain: I-10 East - I-10 West	Prepare EIS for eight lanes of new freeway	2011	22.0		\$ -	\$ -	\$ -	\$ -	Admin Mod: Change South Mountain EIS study from 10 lanes to 8 lanes of freeway
DOT11-123	ADOT	US60 (Grand Ave): Dysart Rd - Agua Fria River, EB Frontage Road	Pavement preservation (apply micro seal)	2011	2.6	STP-AZ	\$ 29,925	\$ 495,075		\$ 525,000	Amend: Add a new pavement preservation project in fiscal year 2011 for \$525,000.
CVK07-601D	Cave Creek	Townwide	Pave dirt roads program - Design	2011	0.5	CMAQ	\$ 4,845	\$ 80,155		\$ 85,000	Admin Mod: Defer design phase from FY 2010 to 2011. MAG Staff clerical error: Request was made by the Town in May 2010
CVK07-601C	Cave Creek	Townwide	Pave dirt roads program - Construct	2012	0.5	CMAQ	\$ 10,155	\$ 169,845		\$ 180,000	Admin Mod: Defer construction phase from FY 2010 to 2012. MAG Staff clerical error: Request was made by the Town in May 2010
GLB11-104	Gilbert	Gilbert Schools	Crossings and sidewalk safety improvement	2011		SRTS		\$ 300,000		\$ 300,000	Amend: Add a new "Safe Routes to School" project in fiscal year 2011 for \$300,000. Project funded 100% with SRTS funds.
LPK05-101C	Litchfield Park	Litchfield Rd at Wigwam Blvd	Construct Multi-Use Underpass	2011	0.2	CMAQ	\$ 253,850	\$ 1,686,420	\$ -	\$ 1,940,270	Admin Mod: Defer construction phase from FY 2010 to 2011

TIP #	Agency	Project Location	Project Description	FY	Length	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
MMA11-723	Maricopa County	Bell Rd:115th Ave to 55th Ave	Construct Dynamic Message Signs, CCTV camera fibre optic conduit and cable	2011	7.5	CMAQ	\$ 163,800	\$ 382,200		\$ 546,000	Amend: Change location from Bell Rd: Loop 303 (Estrella Fwy) to 75th Ave to 115th Avenue to 55th Avenue, and change scopes from Dynamic Message Signs to two (2) CCTV cameras, and change local cost from \$456,670 to \$163,800.
MES11-110	Mesa	Porter Park Pathway: Mesa Drive and 8th Street near the vicinity of Kino Junior High	Design paved share use path	2011	1.1	SRTS	\$ -	\$ 150,000	\$ -	\$ 150,000	Amend: Add a new "Safe Routes to School" project in fiscal year 2011 for \$150,000. Project funded 100% with SRTS funds.
MES11-111	Mesa	Porter Park Pathway: Mesa Drive and 8th Street near the vicinity of Kino Junior High	Construct paved share use path	2012	1.1	SRTS	\$ -	\$ 150,000	\$ -	\$ 150,000	Amend: Add a new "Safe Routes to School" project in fiscal year 2011 for \$150,000. Project funded 100% with SRTS funds.
PHX11-112	Phoenix	Mitchell Elementary School	Construct sidewalks	2011		SRTS		\$ 300,000		\$ 300,000	Amend: Add a new "Safe Routes to School" project in fiscal year 2011 for \$300,000. Project funded 100% with SRTS funds.
PHX11-111	Phoenix	Wilson School District	Construct sidewalks	2011		SRTS		\$ 298,724		\$ 298,724	Amend: Add a new "Safe Routes to School" project in fiscal year 2011 for \$298,724. Project funded 100% with SRTS funds.
SUR12-801	Surprise	Dove Valley Rd: 187th Ave to 203rd Ave	Pave Unpaved Road	2012		CMAQ	\$ 68,200	\$ 956,800		\$ 1,025,000	Amend: Change project location from Dove Valley Rd: 163rd Ave to 179th Ave to Dove Valley Rd: 187th Ave to 203rd Ave due to right of way issues
SUR12-818	Surprise	Bell Rd: Loop 303 (Estrella Fwy) to Beardsley Canal (185th Ave)	Construct fiber optic interconnect to connect TI traffic signals, CCTV cameras, dynamic message signs, and connection to ITS fiber backbone	2012	3	CMAQ	\$ 426,950	\$ 996,217		\$ 1,423,167	Amend: Shorten project length from Bell Rd: Loop 303 (Estrella Fwy) to Jackrabbit Trl (195th Ave) to Bell Rd: Loop 303 (Estrella Fwy) to Beardsley Canal (185th Ave), modify scope to include 2 DMSSs and connectivity to the project, and reduce Local costs from \$1,203,783 to \$426,950.
SUR13-901	Surprise	Loop 303: Peoria Ave to Bell Rd	Construct fiber optic interconnect to connect TI traffic signals, CCTV cameras, dynamic message signs, and connection to ITS fiber backbone	2013	4	CMAQ	\$ 322,901	\$ 753,437		\$ 1,076,338	Amend: Change location from Cotton Lane to L303, modify scope for further connectivity, and reduce local funding from \$1,500,000 to \$322,901
WKN10-801	Wickenburg	US93 Bypass at Hassayampa River	Construct Wickenburg Pedestrian and Bicycle Bridge	2011	0.09	STP-TEA	\$59,397	\$483,279	\$ -	\$ 542,676	Admin Mod: Defer STP-TEA project from 2010 to 2011
LPK05-101C	Litchfield Park	Litchfield Rd at Wigwam Blvd	Construct Multi-Use Underpass	2011	0.2	CMAQ	\$ 253,850	\$ 1,686,420	\$ -	\$ 1,940,270	Admin Mod: Defer construction phase from FY 2010 to 2011

TIP #	Agency	Project Location	Project Description	FY	Length	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
Transit Proejcts											
TIP #	Agency	Project Location	Project Description	Fiscal Year	All	Fund Type	Local Cost	Federal Cost	Regional Cost	Total Cost	Requested Change
PHX11-105T	Phoenix	11th St from Washington to Moreland	11th Street Pedestrian Improvement Project Construction ( Funding is from FY2010)	2011	11.33.20	5309-Disc	\$ 525,000	\$ 2,100,000		\$ 2,625,000	Amend: Add project to TIP
PHX11-106T	Phoenix	11th St from Washington to Moreland	11th Street Pedestrian Improvement Project Contract Administration ( Funding is from FY2010)	2011	11.71.04	5309-Disc	\$ 75,000	\$ 300,000		\$ 375,000	Amend: Add project to TIP

# **MARICOPA ASSOCIATION OF GOVERNMENTS**

## **INFORMATION SUMMARY... for your review**

**DATE:**

October 12, 2010

**SUBJECT:**

2010 Annual Report on the Status of the Implementation of Proposition 400

**SUMMARY:**

Arizona Revised Statute 28-6354 requires that MAG issue an annual report on the status of projects funded by the half-cent sales tax authorized by Proposition 400. The 2010 Annual Report is the sixth report in this series. State law also requires that MAG hold a public hearing on the report after it is issued. It is anticipated that a public hearing on the Draft 2009 Annual Report will be conducted in November 2010.

The Draft 2010 Annual Report on the Status of the Implementation of Proposition 400 addresses project construction status, project financing, changes to the MAG Regional Transportation Plan, and criteria used to develop priorities. In addition, background information is provided on the overall transportation planning, programming and financing process. All projects for the major transportation modes, as defined in the MAG Regional Transportation Plan, are being monitored, whether they specifically receive sales tax funding or not. The annual report process draws heavily on data from the Freeway/Highway, Arterial Street, and Transit Life Cycle Programs.

The 2010 Annual Report covers progress through the fiscal year ending June 30, 2010, and reviews the program outlook through June 30, 2026. During fiscal year 2010, the life cycle programming process continued to face declining revenue collections and reduced revenue forecasts. Costs, revenues and project scopes were reviewed and adjustments were made to achieve balanced programs. As part of this process, certain projects in each of the modal elements were shifted beyond FY 2026, which is the end of the life cycle programming period. However, these projects remain in the MAG Regional Transportation Plan, which was updated during FY 2010 and extended through FY 2031 to comply with federal planning regulations.

A Summary of Findings and Issues from the report has been enclosed and the full document is available on the MAG website. This item was presented to the MAG Transportation Review Committee on September 23, 2010 and to the MAG Management Committee on October 13, 2010 for information and discussion.

**PUBLIC INPUT:**

It is anticipated that a public hearing on the Draft 2010 Annual Report will be held in November 2010 at the MAG office.

**PROS & CONS:**

PROS: Preparation of the Annual Report on the Status of the Implementation of Proposition 400 is required by state law.

CONS: None.

**TECHNICAL & POLICY IMPLICATIONS:**

TECHNICAL: The information in the Annual Report represents a "snapshot" of the status of the Proposition 400 program. As new information becomes available, it will be incorporated into subsequent annual updates of the report.

POLICY: The annual report process represents a valuable tool to monitor the MAG Regional Transportation Plan and identify changing conditions that may require plan and program adjustments.

**ACTION NEEDED:**

Information and discussion.

**PRIOR COMMITTEE ACTIONS:**

MAG Management Committee: The Draft 2010 Annual Report was included on the MAG Management Committee agenda for October 13, 2010 for information and discussion.

Transportation Review Committee: The Draft 2010 Annual Report was included on the MAG Transportation Review Committee agenda for September 23, 2010 for information and discussion.

MEMBERS ATTENDING

- Peoria: David Moody
- ADOT: Steve Hull for Floyd Roehrich
- Avondale: David Fitzhugh
- # Buckeye: Scott Lowe
- Chandler: RJ Zeder for Patrice Kraus
- El Mirage: Jorge Gastelum for Lance Calvert
- Fountain Hills: Randy Harrel
- Gila Bend: Eric Fitzer
- Gila River: Sreedevi Samudrala for Doug Torres
- \* Gilbert: Tami Ryall
- Glendale: Terry Johnson
- \* Goodyear: Cato Esquivel
- # Guadalupe: Gino Turrubiarres
- Litchfield Park: Paul Ward for Woody Scoutten
- Maricopa County: Mike Sabatini for John Hauskins
- Mesa: Jeff Martin for Scott Butler
- \* Paradise Valley: Bill Mead
- Phoenix: Rick Naimark
- # Queen Creek: Wendy Kaserman for Tom Condit
- RPTA: Bryan Jungwirth
- Scottsdale: Dave Meinhart
- Surprise: Bob Beckley
- Tempe: Robert Yabes for Chris Salomone
- Valley Metro Rail: John Farry
- Wickenburg: Rick Austin
- Youngtown: Mark Hannah for Lloyce Robinson

EX-OFFICIO MEMBERS ATTENDING

- Street Committee: Dan Cook
- \* ITS Committee: Nicolaas Swart
- \* Bicycle/Pedestrian Committee: Peggy Rubach
- \* Transportation Safety Committee: Julian Dresang

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

**CONTACT PERSON:**

Roger Herzog, MAG, (602) 254-6300

## DRAFT

# 2010 ANNUAL REPORT ON THE STATUS OF THE IMPLEMENTATION OF PROPOSITION 400

## SUMMARY OF FINDINGS AND ISSUES

The *Draft 2009 Annual Report on the Status of the Implementation of Proposition 400* has been prepared by the Maricopa Association of Governments (MAG) in response to Arizona Revised Statute (ARS) 28-6354. ARS 28-6354 requires that MAG annually issue a report on the status of projects funded through Proposition 400, addressing project construction status, project financing, changes to the MAG Regional Transportation Plan, and criteria used to develop priorities. In addition, background information is provided on the overall transportation planning, programming and financing process. The key findings and issues from the 2010 Annual Report are summarized below.

### **MAG REGIONAL TRANSPORTATION PLAN**

The MAG Regional Transportation Plan (RTP) provides the blueprint for the implementation of Proposition 400. By Arizona State law, the revenues from the half-cent sales tax for transportation must be used on projects and programs identified in the RTP adopted by MAG. The RTP identifies specific projects and revenue allocations by transportation mode, including freeways and other routes on the State Highway System, major arterial streets, and public transportation systems.

- The “Regional Transportation Plan - 2010 Update” was approved.

On July 28, 2010, the MAG Regional Council approved the “MAG Regional Transportation Plan - 2010 Update,” as the result of a multi-year effort to update the Plan. The modal life cycle programs were reviewed and adjusted to reestablish a balance between program costs and reasonably available revenues expected over the period covered by the RTP. In order to achieve balanced programs, a number of projects in each of the modal elements were shifted beyond Fiscal Year (FY) 2026, which is the end of the life cycle program period. However, these projects remain in the RTP, which was updated and extended through FY 2031 to comply with federal planning regulations.

The 2010 Update included a number of illustrative corridors/projects. These are projects that could potentially be included in the plan, if additional resources beyond the reasonably available financial resources identified in the plan were available. There is no requirement to select any project from

an illustrative list of projects at some future date, when funding might become available. In addition, no priorities are stated or implied by inclusion of a project as an illustrative corridor.

- The Interstates 8 and 10 - Hidden Valley Transportation Framework Study was accepted.

On September 30, 2009, the MAG Regional Council accepted the findings of the Interstate 10/Hassayampa Valley Transportation Framework Study. It was recognized that study recommendations were not specifically funded, and the action was to accept the study's findings as an illustrative element of the RTP.

- The Central Mesa Light Rail Transit Locally Preferred Alignment was approved.

On September 30, 2009, the MAG Regional Council approved a locally preferred alternative for the light rail alignment in the Central Mesa Corridor. The preferred alignment includes a light rail transit (LRT) extension on Main Street east to Mesa Drive, and future funding consideration of an LRT corridor extension to Gilbert Road as well as improved service frequency on the Main Street LINK Bus Rapid Transit.

- The MAG Regional Transit Framework Study was accepted.

On March 31, 2010, the MAG Regional Council accepted the Illustrative Transit Corridors map in the Regional Transit Framework Study for inclusion as unfunded regional transit illustrative corridors in the RTP. In addition, the future planning actions identified in the study were accepted for consideration through the MAG Unified Planning Work Program process.

- Commuter Rail Planning Studies were accepted.

On May 26, 2010, the MAG Regional Council accepted the Grand Avenue Commuter Rail Corridor Development Plan, the Yuma West Commuter Rail Corridor Development Plan, and the Commuter Rail System Study. Additionally, the Regional Council agreed to allow revisions of the corridor ranking included in the Commuter Rail System Study upon completion of updated regional socioeconomic forecasts or relevant rail passenger studies.

## **HALF-CENT SALES TAX AND OTHER TRANSPORTATION REVENUES**

The half-cent sales tax for transportation approved through Proposition 400 is the major funding source for the MAG Regional Transportation Plan (RTP), providing over half the revenues for the Plan. In addition to the half-cent sales tax, there are a number of other RTP funding sources, which are primarily from state and federal agencies.

- Fiscal Year 2010 receipts from the Proposition 400 half-cent sales tax were 8.9 percent lower than receipts in FY 2009.

The total receipts from the Proposition 400 half-cent sales tax have amounted to \$1.5 billion through FY 2010. The annual receipts from the tax have steadily declined since FY 2007. The year-over-year declines for the three years from the end of FY 2007 to the end of FY 2010 have been, respectively, 3.1, 13.7 and 8.9 percent. The decline between FY 2007 and FY 2008 was the first year-over-year revenue decline in the history of the half-cent sales tax since its inception in 1985.

- Forecasts of Proposition 400 half-cent revenues for the period FY 2011 through FY 2026 are 6.2 percent lower, compared to the 2009 Annual Report estimate.

Future half-cent revenues for the period FY 2011 through FY 2026 are forecasted to total \$9.5 billion. This amount is \$634 million, or 6.2 percent, lower than the forecast for the same period presented in the 2009 Annual Report. The total revenues for the FY 2011-2026 period reflect ADOT's revised sales tax forecast in September 2009. This forecast estimated that revenues in FY 2011 would total \$322 million, an eight percent increase compared to the actual collections of \$298 million in FY 2010. Although annual increases in collections of this magnitude were not uncommon in the past, the updated forecasts to be prepared in the fall of 2010 may not maintain this level of increase in revenues.

- Forecasts of total ADOT funds dedicated to the MAG area for FY 2011 through FY 2026 are 8.8 percent lower than the 2009 Annual Report estimate.

The forecast for ADOT funds totals \$5.3 billion for FY 2011 through FY 2026, which is 8.8 percent lower than the 2009 Annual Report forecast. This funding source represents nearly one-half of the total funding for the Freeway/Highway Life Cycle Program.

- Forecasts of total MAG federal transportation funds for FY 2011 through FY 2026 are \$212 million lower than the 2009 Annual Report estimate.

The forecasted revenues for the period FY 2011 through FY 2026 total \$4.0 billion. This forecast is \$212 million, or 5.1 percent, lower than that in the 2009 Annual Report for the same period, with the decrease resulting from adjustments to the projections for federal transit funding.

- The nature and timing of future federal transportation funding programs is uncertain.

Federal funding for transportation has generally been reauthorized every six years. The latest reauthorization, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA/LU), was signed into law in August 2005 and was scheduled to expire in September 2009. However, recognizing the critical role of transportation, Congress has maintained funding by means of continuing resolutions and extensions of SAFETEA/LU. Concepts for future federal transportation legislation have been developed by a number of groups, but the timing of future congressional action on reauthorization is uncertain.

## **FREEWAY/HIGHWAY LIFE CYCLE PROGRAM**

The Freeway/Highway Life Cycle Program (FLCP) extends through FY 2026 and is maintained by the Arizona Department of Transportation (ADOT) to implement freeway/highway projects listed in the MAG Regional Transportation Plan (RTP). The program utilizes funding from the Proposition 400 half-cent sales tax extension, as well as funding from state and federal revenue sources.

- A number of major freeway/highway construction projects were completed, underway, or advertised for bids during FY 2010.

### Completed

- I-10 (Sarival Ave. to Loop 101): Additional general purpose and new HOV lanes.
- I-17 (Anthem Way to Carefree Hwy.): Additional general purpose lanes.
- I-17 (SR 74 to Loop 101): Additional general purpose and new HOV lanes.
- I-17 (Dove Valley Rd.): New traffic interchange.
- US 60 (Loop 101 to I-10): Additional general purpose lanes.
- SR 85 (MP 130 to 137): Widen to four lanes.
- SR 93 (Wickenburg Bypass): New roadway.
- Loop 101 (Princess Dr. to Tatum Blvd.): New HOV lanes.
- Loop 101 (I-17 to SR 51): Freeway Management System.
- Loop 101 (Red Mt. Fwy. to Santan Fwy.): New HOV lanes.
- Loop 101 (Thunderbird Rd.): Interchange improvements.
- Loop 202 (SR 51 to Loop 101): Additional general purpose lanes.
- Loop 202/Red Mt. (Loop 101 to Gilbert Rd.): New HOV lanes.

### Advertised for Bids or Under Construction

- I-10 (Sarival Ave. to Dysart Rd.): Additional general purpose lanes.

- I-10 (Verrado Way to Sarival Ave.): Additional general purpose lanes.
  - I-10 (Indian School to I-10): S/B auxiliary lanes.
  - I-10 (Avondale Blvd.): Interchange improvements.
  - US 60 (Loop 303 to 99<sup>th</sup> Ave.): Widen to six lanes.
  - US 60 (99<sup>th</sup> Ave. to 83<sup>rd</sup> Ave.): Widen to six lanes.
  - SR 74 (MP 13-15 and MP 20-22.): Add passing lanes.
  - SR 85 (I-10 to Southern Ave.): Widen to four lanes.
  - SR 85 (B-8/Maricopa Rd.): Reconstruct intersection.
  - SR 87 (New Four Peaks Rd. to Dos S Ranch Rd.): Climbing lane.
  - Loop 101/99<sup>th</sup> Ave. (I-10 to Van Buren Rd.): Street improvements.
  - Loop 101 (I-10 to Tatum Blvd.): New HOV lanes.
  - Loop 101 (Beardsley/Union Hills): New traffic interchange.
  - Loop 101 (Olive Rd.): Interchange improvements.
  - Loop 101 (Chaparral Rd.): Interchange improvements.
  - Loop 101 (Northern to Grand): S/B auxiliary lanes.
  - Loop 101 (51<sup>st</sup> Ave. to 35<sup>th</sup> Ave.): E/B auxiliary lanes.
  - Loop 202/Santan (Gilbert Rd. to I-10): New HOV lanes.
  - Loop 303 (Cactus Rd., Waddell Rd., and Bell Rd.) T.I. structures.
  - Loop 303 (Happy Valley Rd. to I-17): Interim four-lane divided roadway.
- Project cost reductions were experienced, resulting in a net “savings” of approximately \$37 million.

Due to the recession and resulting increased competition in the contracting industry, as well as the reevaluation of project designs, there were few material cost increases in FY 2010. In fact, many projects experienced significantly reduced costs, resulting in a net “savings” of approximately \$37 million.

- Two HOV lane projects were advanced.

On February 24, 2010, the MAG Regional Council advanced HOV lane projects on Loop 202 (Santan Freeway) and on Loop 101 (Agua Fria and Pima Freeways) to FY 2010. The action combined and advanced HOV segments originally identified for construction between FY 2013 to FY 2015 into two design-build projects.

- Costs and revenues in the Freeway/Highway Life Cycle Program were rebalanced.

The Freeway/Highway Life Cycle Program was reviewed and adjusted to reestablish a balance between program costs and revenues, with costs and revenues for the period FY 2011-2026 totaling approximately \$8.3 and \$8.4 billion, respectively. As part of this effort, project scopes were reevaluated

and cost estimates reviewed, resulting in project cost reductions amounting to \$2.4 billion. Also, projects totaling approximately \$4.4 billion were shifted beyond FY 2026, which is the end of the life cycle program period.

- A number of projects were shifted beyond the horizon year (FY 2026) of the Freeway/Highway Life Cycle Program.

In its rebalanced configuration, the FLCP completes a number of major projects within the original FY 2026 horizon, including the South Mountain Freeway, Loop 303 between I-17 and I-10, the HOV lane system, and other improvements to the inner freeway network. However, construction of SR-801 and SR-802 (now renamed SR-24), as well as the addition of general purpose lanes on outer freeways, is shifted beyond FY 2026 into the period between FY 2027 and FY 2031.

Also, three projects that were originally identified as part of the FLCP have been moved beyond the current planning period of the RTP (FY 2011 - 2031). These projects were categorized as illustrative projects in the RTP and are: I-10/Local/Express Lanes (SR-51 to 32nd St.); HOV Ramps (I-10/Agua Fria Fwy./T.I.); and HOV Ramps (I-17/Pima Fwy./T.I.).

- An emphasis needs to be placed on developing accurate right-of-way budgets.

For many projects, particularly new freeway corridors, right-of-way costs represent a significant portion of the total cost of the facility. Recent changes in the real estate market have resulted in major reductions in property values. Detailed right-of-way cost estimates that accurately reflect up-to-date market values, and avoiding overstated right-of-way budgets, need to be prepared and continuously maintained.

- A proactive approach is needed in updating and maintaining construction cost estimates.

Construction costs are highly sensitive to rapidly changing market conditions. A proactive approach is needed to ensure that cost estimates on all projects are up to date, so that resources are effectively allocated in the life cycle program on a continuing basis. Updated costs need to be maintained for projects at all stages of the implementation process, ranging from projects to be advertised for bids in the near future to those may not be under construction for a decade or more in the future.

- MAG and ADOT will continue to closely monitor the cost and revenue picture for the Freeway Life Cycle Program and make program adjustments as may be appropriate.

On the cost side, construction bids have been more favorable lately. However, receipts from the half-cent sales tax have steadily declined since FY 2007. Future half-cent revenues for the period FY 2011 through FY 2026 were forecasted to be 6.2 percent lower than the forecast for the same period presented in the 2009 Annual Report. Updated forecasts to be prepared in the fall of 2010 may result in further reductions in projected future revenues.

## **ARTERIAL STREET LIFE CYCLE PROGRAM**

The Arterial Street Life Cycle Program (ALCP) extends through FY 2026 and is maintained by the Maricopa Association of Governments (MAG) to implement arterial street projects in the MAG Regional Transportation Plan (RTP). The Program receives significant funding from the Proposition 400 half-cent sales tax and federal highway programs, as well as a local match component. Although MAG is charged with the responsibility of administering the overall program, the actual construction of projects is accomplished by local government agencies. MAG distributes the regional share of the funding on a reimbursement basis.

- The Arterial Street Life Cycle Program was updated during FY 2010.

On July 28, 2010, the MAG Regional Council approved the FY 2011 update of the Arterial Life Cycle Program, to reflect updated information regarding project scheduling and development status.

- During FY 2010, \$62 million in reimbursements were distributed to local governments from the Arterial Street Life Cycle Program, and work is continuing for reimbursements in FY 2011.

Seven jurisdictions received reimbursements for project work during FY 2010 totaling more than \$62 million. This brings the total reimbursements to \$178 million since the initiation of the Program. A total of five project agreements were executed in FY 2010. This brings the total of project agreements executed to date to 39. It is anticipated that an additional 19 agreements will be executed during FY 2011. During FY 2011, it is also anticipated that a total of seven jurisdictions will receive reimbursements amounting to approximately \$98 million. Through FY 2010, 20 ALCP projects have been completed.

- Work will be proceeding on a broad range of projects in the Arterial Street Life Cycle Program.

During the period FY 2011 through FY 2015, work will be proceeding on 87 different arterial street projects. Various stages of work will be conducted on these projects, including 61 with design activity, 52 with right-of-way acquisition, and 69 with construction work, at some time during the five-year period.

- Project implementing agencies have deferred \$38 million in federal and regional funding from FY 2010 to later years.

Lead agencies deferred \$38 million in federal and regional funding from FY 2010 to later years. Increased project costs, reduced local revenues, and other implementation issues have resulted in the deferral of arterial projects by implementing agencies, due to the inability to provide matching funds, or other scheduling and resource issues.

- Approximately \$22 million in reimbursements were shifted beyond FY 2026 to achieve a balance between costs and revenues in the Arterial Street Life Cycle Program.

The total estimated future regional revenue reimbursements for ALCP projects are in balance with projected revenues. To achieve this balance, approximately \$22 million in programmed reimbursements were deferred to FY 2027, an unfunded year of the program. While these reimbursements fall beyond the ALCP, the affected projects remain funded in the MAG Regional Transportation Plan, which extends through FY 2028.

## **TRANSIT LIFE CYCLE PROGRAM**

The Transit Life Cycle Program (TLCP) is maintained by the Regional Public Transportation Authority (RPTA) and implements transit projects identified in the MAG Regional Transportation Plan. The RPTA maintains responsibility for administering half-cent sales tax revenues deposited in the Public Transportation Fund for use on transit projects, including light rail transit (LRT) projects. Although RPTA maintains responsibility for the distribution of half-cent funds for light rail projects, the nonprofit corporation of Valley Metro Rail, Inc. was created to oversee the design, construction and operation of the light rail starter segment, as well as future corridor extensions planned for the system.

- One new supergrid bus route was implemented in FY 2010 and several additional routes will start service during the next five years.

The Gilbert Road supergrid route was implemented as Route 136 during FY 2010. Additional routes starting service during FY 2011 through FY 2015 include:

- Arizona Avenue Arterial BRT (T5); Service start: FY 2011.
  - Arizona Avenue/Country Club Drive (T44); Service start: FY 2012.
  - 59<sup>th</sup> Avenue (T40); Service start: FY 2014.
  - Baseline Road (T45); Service start: FY 2015.
  - Elliot Road (T53); Service start: FY 2013.
  - McDowell/McKellips Roads (T61); Service start: FY 2014.
  - Power Road (T63); Service start: FY 2011.
- During FY 2009 and FY 2010, a number of projects were shifted beyond the horizon year (FY 2026) of the Transit Life Cycle Program, as a result of reduced revenue forecasts.

There are 16 bus rapid transit (BRT)/Express routes identified for funding in the TLCP during the planning period from FY 2006 through 2026. Since the start of the program, a total of eleven routes have been implemented. Fifteen BRT/Express routes have been shifted beyond FY 2026 but remain in the Regional Transportation Plan.

There are a total of 24 Regional Grid routes identified for funding in the TLCP during the planning period from FY 2006 through 2026. Since the start of the program, seven routes have been implemented. Nine Regional Grid routes have been shifted beyond FY 2026 but remain in the Regional Transportation Plan.

In addition, some significant delays to construction for light rail transit (LRT)/High Capacity extensions have been programmed. The Northeast Phoenix corridor has been shifted entirely beyond the TLCP horizon year of FY 2026 for implementation. Some of the delays are due in part to the decrease in local funding for transit.

- A balanced Transit Life Cycle Program was achieved in FY 2009 and further refined in FY 2010

The estimated future costs for FY 2011 to 2026 are in balance with the projected future funds available. A balanced program was achieved in FY 2009 by delaying the implementation of numerous projects, and during FY 2010 the TLCP was refined further. Staff from the RPTA and its members worked throughout FY 2010 to re-prioritize projects. Project scopes, especially service levels for supergrid service, were also adjusted to allow for

more routes to be funded. A significant shift from capital to operations expenditures resulted. Fewer buses in total and fewer bus facilities are now programmed within the TLCP.

- Adjustments to the Transit Life Cycle Program should be based on performance.

Reduced revenue collections and lower funding forecasts required adjustments to the TLCP. This included changes to bus route configurations and service levels, delays in bus service start dates, deletion of bus routes, and delays in constructing high capacity transit projects. To ensure that limited regional funding is applied to provide service as effectively as possible, adjustments should take into account route and system performance levels.

- Federal discretionary funding for transit continues to be an important issue.

A large part of the funding for the LRT system is awarded by the US Department of Transportation through the discretionary “New Starts Program.” The timing and amounts of light rail transit new start monies coming to the MAG region will be subject to a highly competitive process at the federal level. Discretionary funding for the bus capital program is also highly competitive. The prospects for awards from federal programs will require careful monitoring. Future federal transportation funding legislation will also impact when and how Federal Transit Administration funding flows to the region.

## **PERFORMANCE MONITORING PROGRAM**

The MAG Transportation System Performance Monitoring and Assessment Program has been established to provide a framework for reporting performance at the system and project levels, and serve as a repository of historical, simulated and observed data for the transportation system in the MAG region.

- During FY 2010, the Performance Measurement Report and data website portal were completed.

During FY 2010, the first MAG Performance Measures Report was published and an interactive transportation data portal on the MAG website was made operational, allowing the public to access up-to-date on the performance of various element of the transportation system in the region.

October 12, 2010

TO: Transportation Policy Committee  
FROM: Eric Anderson, Transportation Director  
SUBJECT: POLICY DISCUSSION RELATED TO PUBLIC PRIVATE PARTNERSHIPS

At the September 2010 Transportation Policy Committee, a presentation on the different types of public private partnerships (P3) was given. The presentation also included a discussion of managed lanes, which are special freeway lanes that are managed through a pricing mechanism to maintain certain performance levels. If implemented in the MAG region, managed lanes would involve converting the high occupancy vehicle lanes (HOV) to allow them to be used by single occupant vehicles, which would pay a toll for the use of the lane. The toll rate would vary depending on the congestion levels in the lane. Higher levels of congestion would cause the toll rate to increase, thus reducing the lane usage and maintaining acceptable travel speeds. Many regions have implemented or are in the process of planning or constructing managed lanes, including San Diego, Dallas, Houston, San Francisco, Washington D.C., and Minneapolis among others.

Before proceeding with a feasibility study for managed lanes in the MAG region, the TPC asked that a discussion of the policy foundation for the possible use of P3s in the region be held. An over-arching policy question is whether or not tolls should be considered at all for the MAG region. If tolls are to be considered, then the question becomes whether or not to leverage Proposition 400 revenues to obtain private-sector financing for completing projects in exchange for a tolling concession by a private investor.

#### **Taxes versus Tolls**

Due to the decline in the transportation sales tax and the Highway User Fund (HURF) revenues, MAG in October 2009 delayed over \$6.6 billion of regional freeway and highway projects in the region. The regional transit program has also delayed many important Proposition 400 projects, including new bus rapid transit routes and light rail extensions. It is important to note that there is a growing demand in the region for increasing and adding transit services, including commuter rail, over and above those efforts currently identified in the Regional Transportation Plan. The regional arterial program, which is a cost-reimbursement life-cycle plan with a fixed budget, has also seen several projects delayed to lower than anticipated local and regional revenues. Clearly, there are gaps in the current funding stream for the infrastructure projects identified in the Regional Transportation Plan and those efforts funded by Proposition 400.

Given these declines in revenues, it could be concluded that the use of tolls in the region could either augment other funding sources or leverage private sector investment. It is important to note that these should not be viewed as a complete substitute to the present system of public-sector tax/revenue financing. Experiences from other metropolitan areas have shown how toll oriented projects can provide a way to fully fund and build projects sooner than just relying upon existing revenue sources. However, as demonstrated in the past, the region could identify and secure additional tax revenues to accomplish the same objective of getting projects completed. Added tax revenue could also be used to fund a variety of other transportation needs in the region.

Although additional tax/revenue financing is an option for the region, tolling may have some potential for funding portions of the regional transportation infrastructure. For example, it might be possible to consider tolls in a managed lane environment along existing corridors to fund their expansion in the region. Nationally, managed lanes have been proven to provide commuters with a choice of using lanes within a corridor that would provide a reliable travel time to their destination. The corridor would still have existing free travel lanes, which are subject to congestion during peak periods, as a choice for the commuter. A dynamic pricing strategy is employed where the toll for managed lane travel increases as congestion increases in the free lanes to keep the travel times reliable and the volume in the managed lanes free from delay (sometimes called "congestion insurance"). Regions with managed lanes have found these as an important tool for managing congestion and improving the overall performance of the system by placing a premium on capacity instead of trying to build their way out of congestion.

#### **Use of Tolling for Proposition 400 Projects**

One concern is that the expectation of the citizens of the MAG region is that the projects included in Proposition 400 would be delivered through the sales tax, HURF revenues, and federal transportation funds. Using tolls could be seen by the public as walking away from the Proposition 400 commitments. With the protracted economic downturn and the significant impact on revenues at the state, regional, and local levels, it is highly unlikely that all of the projects in Proposition 400 can be delivered in a reasonable time period without additional funding sources. As directed by the TPC in October 2009, MAG staff will prepare an update to Regional Freeway and Highway Program in April 2011 to identify if this protracted economic downturn will further delay projects that currently remain in the program beyond the 2026 horizon for the Proposition 400 sales tax.

This leads to the question of which Proposition 400 projects could be considered for a tolling opportunity through a P3. One example could be the construction of the SR-30 corridor (the I-10 Reliever and formerly SR-801), which was delayed to the 2026 to 2031 period in the MAG Regional Transportation Plan. Another to consider is the Interstate 10 corridor from SR-51/SR-202L Red Mountain to SR-202L/Santan-South Mountain where Proposition 400 only included about one-half of the funding needed to complete the ultimate improvements in the corridor. Another example is the extension of Loop 303 south into the Hidden Valley area that was not included in Proposition 400. In each of these three cases, P3s using tolls may provide funding to construct these projects with lower level or little public tax funds.

#### **Use of P3 Net Revenues**

The expectation is that the use of P3s using tolls, either through managed lanes or full toll road applications, will generate new revenue over and above what is needed for the project. P3 projects use the toll revenues to operate and maintain the facilities, retire the debt service, and provide a return on the private equity. In some cases, P3 concessions can provide upfront cash payments or future payments if revenues meet certain thresholds in the future. Often net revenues that flow to the public sector partners are used

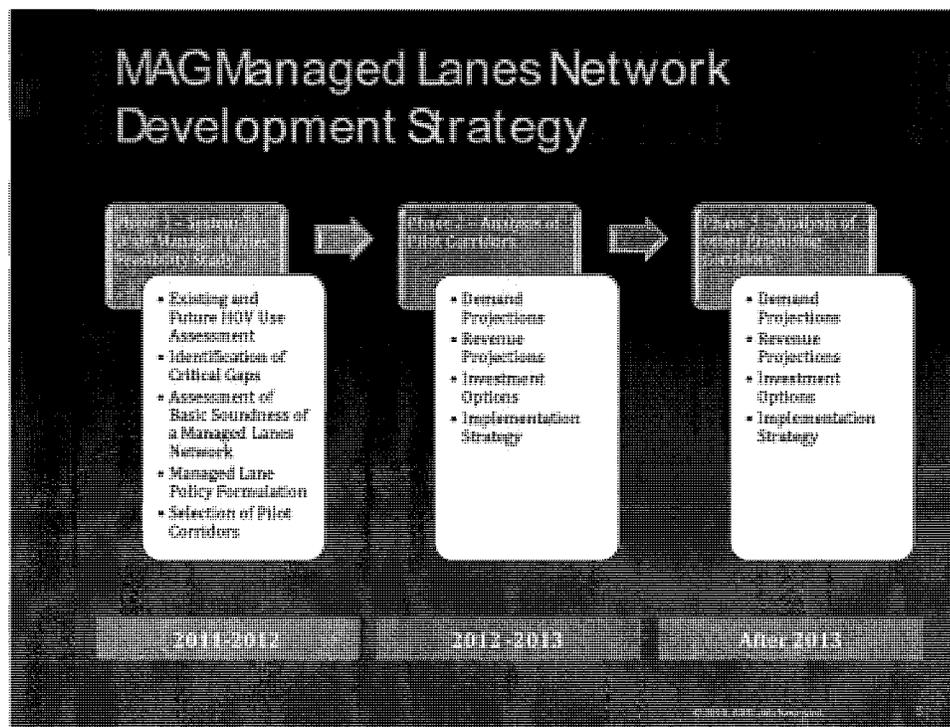
to support complimentary uses in the same corridor, such as enhanced transit services. In other cases, new revenues are used to fund projects in other parts of the region. According to the MAG study in 2002 for tolling the HOV lanes in five corridors estimated that the projects would generate about \$168 million in net revenue through 2020.

The three issues described above are of primary importance with the question of whether or not the MAG region wants to explore the use of P3s, and tolls specifically, in the context of the overall transportation system. The second policy area will provide guidance on the pool of potential projects that this region might consider, specifically whether projects that were included in Proposition 400 are to be considered. The third policy area may need more information in order to fully develop a policy position on the question of how net revenues should be used.

There are a number of policy issues that arise in the context of using tolls as part of the regional transportation system. These questions include, among others:

- Public versus private operator
- Toll setting policy
- Performance standards
- Enforcement

Since the previous feasibility study for the MAG region was conducted almost ten-years ago, a multi-phase study of managed lanes may be appropriate. Managed lanes may provide the best indicator of whether the region is ready for the concept of tolling, or user-fees, which is considered an emerging funding and demand management strategy throughout the United States. A diagram of the multi-phase study is provided below.



A feasibility study would provide the technical and financial attributes of a managed lane program, identify and provide detailed analysis of the many related policy issues, and include an outline of the appropriate next steps to following if the MAG region wants to move forward with implementation.



**Resolution #3**

***Urges the Legislative to identify a permanent, designated funding source to support the development and operation of a comprehensive multi-modal public transportation program in this state. This would be new funding with no impact on state shared revenues.***

*Submitted by: Chandler, Yuma*

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**A. Purpose and Effect of Resolution**

Since the Legislation eliminated the Local Transportation Assistance Fund (LTAF) during the last legislative session, Arizona is now one of only five states that do not have a dedicated state-funding source for public transportation services. Without these funds cities all over the state are struggling to find ways to continue to provide critical transportation services and infrastructure.

Public transportation services can no longer be viewed as a luxury. Highly desirable companies are using the availability of these services as a criterion in their decision-making when determining where to locate or expand. Without a more reliable funding source that adequately funds public transportation, Arizona will continue to fall behind our competitors.

Public transportation is critical to the mobility of those without their own means of transportation, either because of financial circumstances or disabilities. However, there is also a new user of these services emerging. These choice riders are often highly educated, well paid individuals who proactively make the decision to use public transportation rather than their own vehicle. Even the Metro light rail system, although it serves only a fraction of the Valley, has demonstrated the pent up demand for public transportation services in Phoenix metropolitan area by exceeding all expectations of ridership.

**B. Relevance to Municipal Policy**

Cities have largely been responsible for funding public transportation services, either through regional taxes or locally imposed taxes. The only state funding came from LTAF, which was eliminated in the last legislative session.

Cities can no longer shoulder this responsibility alone. Without the State's assistance we will never be able to provide transportation options to our citizens that will allow us to

reach our full potential and realize an improved quality of life that will make us competitive or that will truly serve our communities.

### **C. Fiscal Impact to Cities and Towns**

The availability of state funding will not relieve individual regions or municipalities of all the fiscal responsibility for public transportation services. However, it will be practically impossible to operate a public transportation system that adequately serves the residents of this state solely with local funding. Therefore, state funding is necessary to supplement our local monies.

### **D. Fiscal Impact to the State**

Other states use a variety of funding mechanisms to pay for public transportation services. These should be explored to determine the best method of funding these services in Arizona.

The availability of state and local funding will also increase our opportunity to access federal funds.

### **E. Contact Information**

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