

MINUTES OF THE  
MAG MANAGEMENT COMMITTEE MEETING  
June 13, 2012  
Renaissance Phoenix Downtown Hotel  
Phoenix, Arizona

MEMBERS ATTENDING

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| Charlie Meyer, Tempe, Chair                        | * Brian Dalke, Goodyear                                      |
| David Cavazos, Phoenix, Vice Chair                 | * Bill Hernandez, Guadalupe                                  |
| * George Hoffman, Apache Junction                  | Darryl Crossman, Litchfield Park                             |
| David Fitzhugh for Charlie McClendon,<br>Avondale  | Christopher Brady, Mesa                                      |
| * Stephen Cleveland, Buckeye                       | * Jim Bacon, Paradise Valley                                 |
| * Gary Neiss, Carefree                             | Susan Daluddung for Carl Swenson, Peoria                     |
| * Usama Abujbarah, Cave Creek                      | John Kross, Queen Creek                                      |
| Rich Dlugas, Chandler                              | * Bryan Meyers, Salt River Pima-Maricopa<br>Indian Community |
| Andi Welsh for Dr. Spencer Isom, El Mirage         | David Richert, Scottsdale                                    |
| * Phil Dorchester, Fort McDowell<br>Yavapai Nation | Chris Hillman, Surprise                                      |
| Ken Buchanan, Fountain Hills                       | * Reyes Medrano, Tolleson                                    |
| Rick Buss, Gila Bend                               | Joshua Wright, Wickenburg                                    |
| * David White, Gila River Indian Community         | * Lloyce Robinson, Youngtown                                 |
| Patrick Banger, Gilbert                            | Floyd Roehrich for John Halikowski, ADOT                     |
| Brent Stoddard for Horatio Skeete, Glendale        | Tom Manos, Maricopa County                                   |
|  | Steve Banta, Valley Metro/RPTA                               |
- \* Those members neither present nor represented by proxy.

1. Call to Order

The meeting was called to order by Chair Charlie Meyer at 12:20 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Meyer noted that a copy of a letter to the House and Senate Conference Committee regarding surface transportation reauthorization was at each place for agenda item #7.

Chair Meyer announced that public comment cards were available to members of the public who wish to comment. Chair Meyer noted that parking validation for those who parked in the MAG parking garage was available from staff and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Chair Meyer stated that Call to the Audience provides an opportunity to the public to address the Management 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. Chair Meyer noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Committee requests an exception to this limit.

No requests for public comment were received.

4. Executive Director's Report

Dennis Smith reported on items of interest in the MAG region. Mr. Smith first thanked everyone who had attended the Sun Corridor presentation by Michael Gallis.

Mr. Smith encouraged members to attend the biennial Desert Peaks awards on June 27, 2012, at the Downtown Phoenix Sheraton Hotel, to honor those who exemplify regional cooperation.

Mr. Smith stated that MAG had received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. He noted that this is the 14<sup>th</sup> year MAG has received the award, and he extended his congratulations to the MAG Fiscal Services Division.

Mr. Smith announced that Maricopa County had won an award from the National Association of Counties for its Rapid Response Program.

Chair Meyer thanked Mr. Smith for his report. No questions for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair Meyer stated that agenda items #5A, #5B, #5C, and #5D were on the Consent Agenda. No requests for public comment were received.

Mr. Crossman moved to recommend approval of #5A, #5B, #5C, and #5D. Ms. Daladdung seconded. Chair Meyer asked if there was any discussion of the motion. Being none, the vote on the motion passed unanimously.

5A. Approval of May 9, 2012, Meeting Minutes

The MAG Management Committee, by consent, approved the May 9, 2012, meeting minutes.

5B. Project Changes - Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program

The MAG Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, Arterial Life Cycle Program, and as appropriate, to the Regional Transportation Plan 2010 Update. The Fiscal Year 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2010 Update were approved by the MAG Regional Council on July 28, 2010, and have been modified fifteen times with the last modification approved on May 23, 2012. With the close of the State Fiscal Year approaching, the Arizona Department of Transportation (ADOT) and member agencies have requested project changes that include: cost changes and additions for new Highway Safety Improvement Program (HSIP), Safe Routes to School, and Transportation Enhancements awards. Three project change requests have been added since the Transportation Review Committee recommended approval. Fiscal balance is maintained for the project change requests in Table A. Project changes to the Fiscal Year 2012 Arterial Life Cycle Program (ALCP) include revised project costs that reflect HSIP funds awarded by ADOT. Two agencies requested to defer federal funds from the current Federal Fiscal Year (FFY) to a later year in the program. To maximize, the amount of federal funds obligated in the current FFY reimbursements programmed for Northern Parkway was advanced to FFY 2012. Fiscal balance is maintained for the requests listed in Tables B and C. Table A lists all Non Arterial Life Cycle Program project change requests. Tables B and C list Arterial Life Cycle Program project change requests. All of the projects to be amended may be categorized as exempt from conformity determinations and an administrative modification does not require a conformity determination.

5C. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including Arizona Department of Transportation, Chandler, Maricopa County, and Peoria projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. Comments were requested by June 22, 2012.

5D. Municipal Aging Services Project Toolkit

The MAG Management Committee, by consent, recommended approval of the MAG Municipal Aging Services Project Toolkit. In February 2011, the Virginia G. Piper Charitable Trust awarded a grant to support the development of the MAG Municipal Aging Services Project. The purpose of the project is to determine the most effective role for local governments in meeting the needs of people aged 65 years and more when working collaboratively with nonprofit agencies, faith-based communities, and community groups. After a year of extensive community engagement with more than 1,300 people, a toolkit was developed with specific action steps in areas prioritized through the community engagement. The MAG Human Services Coordinating Committee and MAG Human Services Technical Committee recommended approval of the toolkit in May 2012.

8. Metropolitan Business Planning Initiative Update

This agenda item was taken out of order.

Amy St. Peter, MAG staff, reported on the effort that began nearly one year ago to determine a lead initiative in the Brookings Institution Metropolitan Business Planning Initiative. The goal of this initiative is to adapt the discipline of private-sector business planning to the task of revitalizing regional development. Ms. St. Peter stated that such planning provides a framework through which regional business, civic, and government leaders can rigorously analyze the market position of their region; identify strategies by which to capitalize on their unique assets; specify catalytic products, policies, and interventions; and establish detailed operational and financial plans. She said that MAG's plan will include transformative work underway such as Interstate 11 and the border resolution.

Ms. St. Peter stated that this presentation will focus on the analysis of potential strategies in clean technology. She noted that the lead initiative has not yet been decided and input is welcome. Ms. St. Peter stated that clean technologies can include solar, wind, algae, and hydro. She thanked Rick Buss for his significant support through this process.

Ms. St. Peter reported that the Brookings Institution has indicated that the clean economy is expected to reach \$2.2 trillion by 2020, growing on average 10.5 percent annually.

Ms. St. Peter stated that the Arizona Corporation Commission has set an aggressive requirement for solar through the Renewable Energy Standards. In 2006, the Commission required 15 percent of energy from regulated electric utilities be obtained from renewable sources by 2025, but the goal is on pace to be met by 2017.

Ms. St. Peter noted that Abenoga and Arizona Public Service are building one of the largest solar plants in the world in Gila Bend, and ASU Polytechnic hosts the nation's only photovoltaic design qualification and type approval testing lab. In addition, the region is in a strategic location with proximity to California, the world's fourth largest solar market. Solar power in this region costs half as much as it does in California. Ms. St. Peter stated that since 2009, the region has built a strong solar energy cluster with competitive policies such as the Renewable Energy Standards. The competitive regional standards have helped fuel more than 6,500 jobs and \$1.2 billion in capital investment committed to the region by 11 companies. These companies can now supply national and international demand.

Ms. St. Peter stated that the U.S. Army has more than \$7 billion budgeted for clean technology initiatives over the next five years. The Department of Defense has established clean technologies as an essential element of national security and has issued an Operational Energy Strategy paper outlining the objectives for reduction by each force. While defense spending in general is contracting, a focus on clean energy is seen as a national security priority.

Ms. St. Peter then provided a summary of the 13 industry interviews of five academic experts, six industry leaders, and two government representatives that were conducted. These interviews included eight solar, four algae, and one clean technology industries. Ms. St. Peter expressed

appreciation to the Towns of Gila Bend and Gilbert for their assistance with information and connections. She noted that the next opportunities for solar are storage and transmission and she added that there is federal priority to standardize contract terms.

Ms. St. Peter stated that this region is the best place in world for deployment of solar technology, but there are challenges. Major utility companies complying with renewable energy standards by 2017, are ahead of schedule, leaving little motivation to continue investing in solar. More funding is needed for major capital projects - the government and the private sector are offering short term loans with high interest rates. Manufacturing is not competitive here because costs are high. Most communities are zoned for master planned communities, which is not consistent with the needs of solar plants.

Ms. St. Peter then reported on algae opportunities. She said in order to use algae for fuel in the long-term, stepping stone markets like cosmetics, medicine, and food need to be established to drive down production costs. Ms. St. Peter stated that this region could become an international hub for algae development but there are challenges, including the need for longer term funding. She explained that it is difficult to find financing because the business model relatively unknown. In addition, the model is not cost efficient right now.

Ms. St. Peter summarized that this region benefits from a plentiful supply of sun, land, and water; opportunities can be helped or hindered by regulatory environment; actions by the State Legislature can create challenges; local government support is appreciated and needed; fragmented, competitive markets are not productive; access to longer-term funding at lower interest rates is needed; more mid-tier management with experience is needed; Arizona's proximity to California, Mexico, and quality research is critical; complementary technologies can boost production, for example, farms reusing algae cleaning water; foreign direct investment is important.

Ms. St. Peter stated that the creation of a clean technology development center currently is being vetted. She said that these firms on the whole need stretches of affordable land, sun, and water, which are available in this region. Ms. St. Peter stated that in the short-term, services need to be prioritized, and in the long-term, the goal is for the center to provide all these services to all the subsectors within clean energy.

Ms. St. Peter then described the proposed structure of a clean technology development center. The center would be funded from private proceeds. The center encourages private and academic membership with the goal of ensuring the services provide "real" value to the member companies. The Leadership Advisory Board would be composed of five members from industry, academia, government, start-ups and banking. The center would not be intended to replace products or services available commercially, but rather provide services that are not readily available today. The objective is to develop a base of new companies that will reinvest in the region as successful entrepreneurs. This will lead to fostering new innovations in specific fields, growing the regional reputation and presence in clean tech.

Ms. St. Peter stated that next steps include convening industry leadership groups to gather feedback on the center concept, pursue other initiatives, confirm the selection of the lead initiative

for implementation, and present the plan in Washington, D. C., this winter. She thanked everyone for their support during this process.

Chair Meyer thanked Ms. St. Peter for her report and asked if there were any questions.

Mr. Smith stated that part of the Metropolitan Business Plan process was the Michael Gallis presentation and his assessment of the region's global opportunities. This assessment includes an analysis to determine the lead initiative. He requested that Management Committee members provide their thoughts on a lead initiative, for example, whether this is MAG's job or someone else's job.

Chair Meyer asked for members' observations on the role a manager plays in the global perspective while taking care of business in their own city.

Mr. Brady stated that the challenge is to align all interests when each jurisdiction has the ability to do its own economic development initiatives.

Chair Meyer asked if this is a topic members would like to discuss at the East Valley Managers meetings.

Mr. Brady stated that having a purpose brings people together and establishing a common purpose gives motivation. He said that we need to establish that vision.

Mr. Smith expressed the concern that sales tax revenue is not growing as it appeared it was going to. He stated that he thought doing nothing was not a good strategy and he thought a policy structure or dialogue was needed. Mr. Smith noted that the border resolution was a good example of collaboration. He noted that the lead initiative could be other than a clean technology center.

Ms. Daladdung stated that she thought managers should be involved, either staff or resources, to develop priorities. She spoke of other regional agencies, such as Portland and San Diego, which have roles in economic development.

Mr. Smith asked Mr. Banta to relate his experiences in Portland. Mr. Banta stated that land use and transportation were at the table and he noted that Trimet was funded by a sales tax. He explained that some jurisdictions did not receive infrastructure improvements for years, but did receive improvements for other facilities. Mr. Banta stated that the Michael Gallis presentation discussed creating a vision and jobs but not an implementation plan. He said that if we can focus on that, a goal could be accomplished.

Mr. Hillman stated that the challenges in this region are the same as those experienced in the Wasatch area that has numerous jurisdictions. He said that Envision Utah was a coalition of many entities to discuss Utah's future development. Mr. Hillman spoke of the need to have a singular entity to bring together all of the stakeholders and coalesce. He said if the state would go for a sales tax for transportation have that coalition develop a single vision and implement it. Mr. Hillman stated that it will take the leaders of all agencies to create a roadmap.

Chair Meyer stated that planning and implementation are not usually exclusive.

6. Update on the MAG Managed Lanes Network Development Strategy - Phase I Project

Bob Hazlett, MAG staff, reported on the MAG Managed Lanes Network Development Strategy Phase I project. He noted that this project was an outgrowth of the public private partnership (P3) statute signed into law. Mr. Hazlett stated that this item was on the agenda for information and discussion and so far had been presented to the Transportation Review Committee and Transportation Policy Committee.

Mr. Hazlett stated that managed lanes are known by many names, High Occupancy Vehicle lanes, High Occupancy Toll lanes, express lanes, value priced lanes, etc. He noted that there are currently 15 projects in the United States that use lane management pricing, including the oldest system in the United States, SR-91 in California, and the newest one, I-85 in Atlanta.

Mr. Hazlett noted that candidates for a managed lanes strategy could include I-10 west or I-17 north, and he added that the study recommendations are anticipated for October 2012.

Mr. Hazlett stated that the Managed Lanes Network Development Strategy project is divided into four phases. The first phase in the project development process will determine network feasibility and implementation strategy and establish the "rules of the game." Mr. Hazlett stated that planning papers, to support the evaluation of managed lanes, were drafted in the areas of Project Goals and Objectives, Legal and Regulatory Issues, HOV Hours of Operation, HOV Separation Treatment, HOV Occupancy, Access Treatments, Pricing and Tolling Methods, Procurement and Financing, and Active Traffic Management and Managed Freeways. He reviewed techniques studied.

Mr. Hazlett stated that managed lanes could generate revenue, system reliability, or both, and the pricing concept could guarantee travel times. Mr. Hazlett addressed the Legal and Regulatory Issues planning paper. He said that one issue is the hours of operation, which in this region are peak travel times. Mr. Hazlett stated that the hours could be expanded to ensure travel time reliability throughout more of the day. He noted that ensuring regional consistency to promote familiarity and support for managed lanes is recommended.

Mr. Hazlett stated that lane separation is another issue. He said that in this region, some HOV lanes are designated by buffer lanes and some by solid lines, and some drivers are confused if they are allowed to cross lanes. Mr. Hazlett commented on utilizing markings in accord with the Manual on Uniform Traffic Control Devices.

Mr. Hazlett stated that occupancy requirements are controversial. He stated that in this region, the existing occupancy requirement is two occupants-plus, but in other places it is three occupants-plus to ensure travel time reliability. Mr. Hazlett noted that once again, regional consistency in occupancy requirements is urged and it is possible to utilize different uniform occupancy requirement for all regional HOV facilities compared to regional HOT facilities.

Mr. Hazlett then addressed access treatments. He said that dedicated access points cut down on HOV traffic weaving across lanes to exit the freeway. Mr. Hazlett noted that once again, regional consistency with access for the region's HOV lane system is urged.

Mr. Hazlett addressed pricing methods. He noted that if the region went to a managed lanes system, pricing could be fixed or it could be variable based on levels of congestion. Mr. Hazlett stated that most toll lanes in the country use variable pricing and he added that with dynamic pricing, once a vehicle enters the HOV lane, the price does not change, although it could change for those coming on afterward. Mr. Hazlett stated that the planning paper recommends that variable pricing be considered if the region implements managed lanes.

Mr. Hazlett stated that the Procurement and Financing planning paper includes the spectrum of P3 options and risk exposure.

Mr. Hazlett stated that Active Traffic Management is intended to enhance roadway safety, reduce congestion, and provide reliable trips, enhanced information to motorists, and additional capacity during periods of congestion or incidents. He stated that another element is hard shoulder running. Mostly, the shoulders are kept open for safety reasons and vehicle breakdowns, but they are not always occupied. Mr. Hazlett stated that some parts of the country are now opening them up for use by buses or HOV lanes during peak hours and getting more use out of the pavement.

Mr. Hazlett displayed a contour graphic of a freeway in Melbourne, Australia, before managed freeways and after adding ramp meters and utilizing variable speed limits. He noted that Melbourne was able to eliminate turbulence, or shockwaves, by adding ramp meters and pricing. Mr. Hazlett explained that shockwaves are slowdowns of traffic almost to a crawl as a result of red brake lights ahead. Mr. Hazlett stated that Melbourne saw an increase in capacity of 10-15 percent, which is similar to the increase seen here in the Phoenix area when government workers are on a holiday and the private sector works.

Mr. Hazlett stated that variable speed limits, lane control, and traveler information are being utilized on sections of I-5 in the state of Washington. He displayed a photo of the signage used for warning drivers of incidents ahead, which lanes are affected, and the speed reduction.

Mr. Hazlett displayed a tool box of a managed lanes segment of a freeway, where more information is given to drivers, drivers get in the right lane, and pricing is implemented for better reliability. He noted that additional information is available on the MAG website. Mr. Hazlett noted that scenarios will be analyzed in more detail.

Mr. Hazlett stated that the tier one screening showed some corridors have the capacity for managed lanes, but cannot accommodate the construction, due to such elements as narrow right-of-way.

Mr. Hazlett stated that next steps include conducting toll and revenue forecasting for managed lanes network scenarios, coordinating policy market research, holding a stakeholder workshop to review the screening results, and determining an option to recommend for managed lanes.

Chair Meyer thanked Mr. Hazlett for his report and asked if there were questions.

Vice Chair Cavazos noted that many people purchased alternative fuel vehicles at a cost higher than a traditionally fueled vehicle. He asked if those owners would be accommodated in some manner if managed lanes were implemented. Mr. Hazlett replied that the consultant has been looking at alternative fuel vehicles, but there is no recommendation yet. He noted that in other parts of the country, alternative fuel vehicles were essentially pushed out of managed lanes to accommodate paying customers.

7. Legislative Update

Nathan Pryor, MAG staff, provided an update on federal legislation. He stated that the surface transportation reauthorization expires on June 30, 2012, and the House and Senate Conference Committee is working on an extension. Mr. Pryor noted that on May 23, 2012, the MAG Regional Council authorized the MAG Executive Director to sign a letter to Senator Barbara Boxer, Chair of the Committee on Environment and Public Works, requesting provisions for major metros in the reauthorization. Mr. Pryor noted that the Southern California Association of Governments coordinated the letter, which was signed by metropolitan planning organizations in large urban areas, such as Atlanta, Boston, Chicago, Houston, Miami, Philadelphia, and San Francisco.

Mr. Pryor stated that the letter requests including the protection of the current allocations, creation of a national freight office, and streamlining the approval process. He stated that an op-ed to the letter also has been developed and is planned to be distributed to the *Wall Street Journal* and *Washington Post*.

Mr. Pryor stated that appropriations for transportation in FFY 2013 remain flat, which is good news because there was talk of a potential 30 percent cut.

Chair Meyer thanked Mr. Pryor for his report. No questions were noted.

9. Election of Officers

Each June, the positions of Chair and Vice Chair are elected by the Management Committee. According to the MAG Committee Operating Policies and Procedures, approved by the MAG Regional Council, the Chair works with members to nominate a manager for the Vice Chair position and the current Vice Chair is nominated for the position of Chair. The positions serve one-year terms.

Chair Meyer noted that in accord with the MAG Committee Operating Policies and Procedures, Vice Chair David Cavazos would be Chair. He noted that it would be the West Valley's turn in rotation to serve in the Vice Chair position. Chair Meyer called for a nomination.

Mr. Hillman moved to elect Dr. Spencer Isom from El Mirage as Vice Chair. Ms. Daladdung seconded.

Chair Meyer noted that the motion needed to include the election of the Chair also.

Mr. Fitzhugh amended the motion to elect David Cavazos as Chair and Dr. Spencer Isom as Vice Chair. Mr. Hillman seconded.

Chair Meyer asked if there was any discussion of the motion.

Ms. Welsh extended Dr. Isom's regrets at being unable to attend the meeting. She noted that he was attending a meeting regarding health insurance that was mandatory, but thanks the Committee and would accept the nomination.

With no further discussion, the vote on the motion passed unanimously.

Vice Chair Cavazos presented Chair Meyer with a plaque in appreciation for his service as Chair of the MAG Management Committee. Chair Meyer thanked the Committee.

10. Request for Future Agenda Items

An opportunity was provided for Management Committee members to present a brief summary of current events. The Management 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.

No requests for future agenda items were noted.

11. Comments from the Committee

An opportunity will be provided for Management Committee members to present a brief summary of current events. The Management 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.

Mr. Crossman thanked Chair Meyer for his leadership as Chair of the MAG Management Committee over the past year.

Adjournment

There being no further business, Mr. Crossman moved, Vice Chair Cavazos seconded, and the meeting was adjourned at 1:25 p.m.

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Chair

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Secretary