

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
May 11, 2016
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Darryl H. Crossman, Litchfield Park, Chair | * Rosemary Arellano, Guadalupe |
| Ed Zuercher, Phoenix, Vice Chair | # Gregory Rose, City of Maricopa |
| Bryant Powell, Apache Junction | Scott Butler for Christopher Brady, Mesa |
| David Fitzhugh, Avondale | Kevin Burke, Paradise Valley |
| George Diaz for Stephen Cleveland,
Buckeye | Susan Daluddung for Carl Swenson, Peoria |
| Gary Neiss, Carefree | # Himanshu Patel for Greg Stanley, Pinal
County |
| Peter Jankowski, Cave Creek | John Kross, Queen Creek |
| Ryan Peters for Marsha Reed, Chandler | * Bryan Meyers, Salt River Pima-Maricopa
Indian Community |
| Dr. Spencer Isom, El Mirage | * Brian Biesemeyer, Scottsdale |
| # Jess Knudson for Brent Billingsley, Florence | Rick Buss for Bob Wingenroth, Surprise |
| Alfonso Rodriguez for Phil Dorchester, Fort
McDowell Yavapai Nation | Andrew Ching, Tempe |
| Grady Miller, Fountain Hills | * Reyes Medrano, Jr., Tolleson |
| * Michael Celaya, Gila Bend | Joshua Wright, Wickenburg |
| * Pamela Thompson, Gila River Indian
Community | Jeanne Blackman, Youngtown |
| Patrick Banger, Gilbert | Floyd Roehrich for John Halikowski,
ADOT |
| Kevin Phelps, Glendale | Joy Rich for Maricopa County |
| Brian Dalke, Goodyear | Scott Smith, Valley Metro/RPTA |

* Those members neither present nor represented by proxy.

Participated by telephone conference call. + Participated by videoconference call.

1. Call to Order

The meeting of the MAG Management Committee was called to order by Chair Darryl H. Crossman, Litchfield Park, at 12:03 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mr. Gregory Rose, Mr. Jess Knudson, and Mr. Himanshu Patel joined the meeting via teleconference.

Chair Crossman noted that the addendum to the agenda, item #5H, which was transmitted previously, was at each place.

3. Call to the Audience

Chair Crossman recognized public comment from Ms. Dianne Barker, who noted that a high pollution advisory for ozone had been issued for today. She stated that the advisory notice posted at the MAG office urges people to use alternatives to automobiles, such as riding bicycles or taking transit. Ms. Barker stated that she attended the oral argument in federal court that morning regarding the South Mountain Freeway. She said that the plaintiffs allege alternatives under NEPA were not met, and the defendants say they offered alternatives, which the plaintiffs say are insufficient. Ms. Barker noted that the National Transportation Act says that additional clearances must be met when you go through a park. She said that South Mountain Park is the largest municipal park in the world. Ms. Barker stated that there are a lot of people making transit policy who do not use the system. She reported how she went to Los Angeles for less than \$100 via air, six buses, and two trains. Ms. Barker described the routes she took. She said that she was able to go so inexpensively because she knows how to use the transportation system. Ms. Barker's time expired and she continued speaking. Chair Crossman thanked Ms. Barker.

Chair Crossman recognized public comment from Mr. John Rusinek, who read from the Maricopa County ordinance regarding parking and driving surfaces. Mr. Rusinek noted that the ground to be driven on needs a stabilizer applied before gravel is laid. He said this also appears in the state ordinance. Mr. Rusinek stated that nobody cares or will talk to him about his problem. Mr. Rusinek stated that Maricopa County staff had given him pictures to ask his approval, but he has not spoken to anyone at the Maricopa County Environmental Department since November. Mr. Rusinek stated that the ordinances to control dust are in place for the protection of children and the elderly. He stated that something needs to be done and the law needs to be followed. Mr. Rusinek remarked that the owner of the property owns 17 houses in the Valley and he wondered if he was paying off someone to not support the ordinance. He stated that he was upset that no one will do anything to follow the ordinance. He has lived in the house he built for 43 years. Chair Crossman thanked Mr. Rusinek.

4. Executive Director's Report

Mr. Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. He displayed a photograph of attendees at the Intermountain West meeting, hosted recently at the MAG office. Mr. Smith noted that the purpose of the meeting was for transportation management areas and metropolitan planning organizations to get together and share best practices.

Mr. Smith stated that the lawsuit on PM-10 is scheduled to be heard June 17, 2016. He noted that the court has not decided if MAG is an Intervenor or Friend of the Court.

Mr. Smith stated that oral arguments on the South Mountain Freeway lawsuit began today. He said that members would be updated if the court rules.

Mr. Smith reported that Arizona State University has been awarded a grant from the National Science Foundation for an Engineering Research Center. He stated that two years ago, Arizona State University was unsuccessful in applying for a grant of more than \$100 million because there was no local support. He noted that MAG developed a University Research Memorandum of Understanding, which was approved by the MAG Regional Council in September 2013. Mr. Smith stated that in making the award, the National Science Foundation noted that the site visit by Gilbert Mayor John Lewis and Youngtown Mayor Michael LeVault was critical in making their decision because it showed local support. Mr. Smith added that MAG will entertain any proposals at MAG Economic Development Committee meetings from the colleges in the Memorandum of Understanding.

Mr. Smith played the new MAG video, featuring Mayor Georgia Lord, which was produced for the *Don't Trash Arizona* anti-littering campaign. During the video, Mayor Lord spoke with customers at a Whataburger drive-through about the littering problem and she distributed litter bags. Mr. Smith noted that MAG will extend an invitation next year to MAG elected officials who want to participate in the campaign. Chair Crossman thanked Mr. Smith for the report.

5. Approval of Consent Agenda

Chair Crossman stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H were on the Consent Agenda.

Chair Crossman recognized public comment from Ms. Dianne Barker, who expressed her agreement with agenda item 5A, Approval of the April 13, 2016, Meeting Minutes. Ms. Barker reiterated her comments that she needs to take two buses to get to her doctor. She encouraged getting more people around with the resources we have by increasing efficiency. Ms. Barker stated that people give her excuses as to why they do not take transit, but you can plan one day when you can leave your car at home and take transit. She said that everyone can contribute to the betterment of the country. Ms. Barker stated that she loves the “Don't Trash Arizona” and “Keep Phoenix Beautiful” campaigns. She indicated she was raised with keeping the trail clean and by a mother who said she needed to pick up her own socks. Chair Crossman questioned the relevance of her comments to agenda item 5D, Consultant Selection for MAG FY 2016 Interstate 10/Papago Freeway Tunnel Traffic Operations Study. Ms. Barker replied that she would be getting around to making her point. She stated that MAG did not provide a proper response to Mr. Rusinek or herself in the FY 2016 MAG Mid-Phase Public Input Opportunity (agenda item 5H), when the report said it was under the jurisdiction of the City of Phoenix. Ms. Barker stated that this region has particulate and ozone problems and 13 of 20 monitors are high. She stated that citizens and the public interest have brought forth lawsuits to force governments to comply and protect health. Ms. Barker stated that enforcement is under Maricopa County through the Clean Air Act. She stated that everyone is supposed to work together. Chair Crossman thanked Ms. Barker and he noted that no comments had been provided on agenda item 5D.

Chair Crossman recognized public comment from Mr. Rusinek, who commented on agenda item 5H. He said that the gravel company recommends that the gravel should be laid at 1.5 inches and it is now at three inches. Mr. Rusinek also noted that a binder was not used and he was told by a City of Phoenix employee that a particular binder was no longer used. He stated that the gravel

in the driveway next door is starting to move. Mr. Rusinek stated that the gravel should be one-quarter to three-quarters inch gravel. Chair Crossman thanked Mr. Rusinek.

Chair Crossman asked members if they had questions or requests to hear a presentation on any of the Consent Agenda items.

No questions were noted. Chair Crossman called for a motion to recommend approval of Consent Agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H.

Vice Chair Ed Zuercher moved, Mr. Grady Miller seconded, and the motion passed unanimously.

5A. Approval of the April 13, 2016, Meeting Minutes

The MAG Management Committee, by consent, approved the April 13, 2016, meeting minutes.

5B. Project Changes - Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program, and as Appropriate, to the 2035 Regional Transportation Plan

The MAG Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program and as appropriate, to the 2035 Regional Transportation Plan. The Fiscal Year (FY) 2014-2018 Transportation Improvement Program (TIP) and 2035 Regional Transportation Plan were approved by the MAG Regional Council on January 29, 2014, with the last modification approved on April 27, 2016. Since then, additional project changes and additions to the TIP have been requested by member agencies. The requested project changes were recommended for approval on April 28, 2016, by the MAG Transportation Review Committee.

5C. Federal Highway Administration and Federal Transit Administration Funding Projections for the MAG Region

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation Act (FAST Act) reauthorizing surface transportation programs through Fiscal Year (FY) 2020. Based on the FAST Act, regional projections of federal funds have been updated for use in preparing the Draft Fiscal Year (FY) 2017-2021 MAG Transportation Improvement Program. MAG, in coordination with the Arizona Department of Transportation's Financial Management Services, updated Federal Highway Administration (FHWA) projections. MAG, in coordination with Valley Metro/Regional Public Transportation Authority and the City of Phoenix as Designated Recipient/Direct Recipient of Federal Transit Administration (FTA) programs, updated the FTA projections. This agenda item was to provide information on the development of the projections based on the FAST Act, federal and state guidance information, and historical projections. This item was on the agenda for information and discussion.

5D. Consultant Selection for MAG FY 2016 Interstate 10/Papago Freeway Tunnel Traffic Operations Study

The MAG Management Committee, by consent, recommended approval of selecting Burgess & Niple, Inc. to conduct the Interstate 10/Papago Freeway Tunnel Traffic Operations Study for an amount not to exceed \$75,000. The MAG Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes \$75,000 to conduct the MAG FY 2016 Interstate 10/Papago Freeway Tunnel Traffic Operations Study. A Request for Proposals was issued to interested consultants on February 16, 2016, with a submittal deadline of March 30, 2016. MAG received two proposals from teams led by Michael Baker International, Inc. and Burgess and Niple, Inc. After scoring the proposals, a multi-agency evaluation team met on April 20, 2016, and recommended to MAG the selection of Burgess & Niple, Inc. to conduct the Interstate 10/Papago Freeway Tunnel Traffic Operations Study. The selection of Burgess & Niple, Inc., was recommended for approval on April 28, 2016, by the MAG Transportation Review Committee.

5E. Consultant Selection for a Study to Develop a Systems Management and Operations Plan for the MAG Planning Area

The MAG Management Committee, by consent, recommended approval of the selection of the firm Kimley-Horn and Associates for conducting a study to develop a Systems Management and Operations Plan for the MAG region for an amount not to exceed \$300,000. The MAG Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes \$300,000 for a study to develop a Systems Management and Operations Plan for the MAG planning area. The scope of work for this 16-month study was developed with input from the MAG Intelligent Transportation Systems (ITS) Committee and later refined by a nine-member study panel. It is anticipated that work on this project would begin in August 2016. A Request for Proposals was issued on March 11, 2016, and three proposals were received on April 8, 2016. The study panel reviewed the proposals and on April 25, 2016, recommended to MAG the selection of the firm Kimley-Horn and Associates for conducting the study. On May 4, 2016, the MAG ITS Committee recommended approval of the selection of Kimley-Horn and Associates.

5F. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan. The amendment and administrative modification involve several projects, including Arterial Life Cycle Program 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. This item was on the agenda for consultation.

5G. Request for Professional Services for MAG Website Redesign

The MAG Management Committee, by consent, recommended approval of the acquisition of professional services from Integrated Web Strategy, LLC, to provide research and strategic planning for the redesign of the MAG website, for an amount not to exceed \$10,000. The Maricopa Association of Governments created its current website eight years ago. Since that time, the content management system used by the site has become outdated. The technology needs to be updated in order to support mobile applications and optimize usability. Updating the MAG website is identified as an objective in the FY 2016 MAG Unified Planning Work Program and Annual Budget. Funding is available in the FY 2016 line item budget for professional services in the Information Technology Division for consulting services. At the April 18, 2016, MAG Regional Council Executive Committee meeting, staff noted that the website redesign is planned to be launched as part of MAG's 50th Golden Anniversary Celebration on April 12, 2017. In order to initiate the MAG website update, MAG is proposing to use Integrated Web Strategy (IWS), LLC, which is a website contractor approved under state procurement. IWS would conduct research, perform a thorough content audit, conduct stakeholder interviews and focus groups, and develop a strategic plan to guide the design and development of the new website. The services would be provided at a cost not to exceed \$10,000.

5H. FY 2016 MAG Mid-Phase Public Input Opportunity

MAG has conducted a public involvement process on transportation plans and programs for the Mid-Phase public input opportunity. Included in this process were small group presentations, a public hearing, e-mail, telephone and website correspondence. As part of MAG's adopted four phase public involvement process, the Mid-Phase allows for input on draft programs and plans prior to action. A compilation of this input is distributed in the form of a Mid-Phase Input Opportunity Report. This item was on the agenda for information and discussion.

6. Indigenous Peoples Day

Mr. Nathan Pryor, MAG staff, stated that at the March 2016 MAG Management Committee meetings, members of the public spoke during the Call to the Audience agenda item to call attention to an effort to recognize the second Monday in October as Indigenous Peoples Day. Mr. Pryor noted that in recent years, the cities of Minneapolis and St. Paul, Minnesota; Seattle, Washington; Anchorage, Alaska; Portland, Oregon; and Albuquerque, New Mexico, have recognized Indigenous Peoples Day. Currently, the city councils of Los Angeles, California, and Flagstaff, Arizona, are considering similar measures. Mr. Pryor introduced Ms. Laura Medina from the Indigenous Peoples Day.

Ms. Medina stated that she is from the Odawa and Ojibwe tribe from the Bear Clan. She expressed she was honored to be before the Management Committee and that she respected their positions. Ms. Medina spoke of growing up in Fountain Hills, and she said that many people are unaware of disparity faced by indigenous people. She stated that she attended Scottsdale Community College and Arizona State University and is now working on her Master's degree.

Ms. Medina stated that the effort to recognize Indigenous Peoples Day began in 2014. She stated that there is a need to bring more tourism and knowledge of the history of the state. Ms. Medina stated that city managers deal with a lot of negativity and hardships.

Ms. Medina stated that Columbus Day was originally initiated by immigrants who faced mass discrimination and to promote their ethnic pride, and it was made a federal holiday in 1937. She noted that at that time, indigenous people had no status and were considered wards of the government. Ms. Medina stated that Indigenous People have one of the highest per capita rates of service in the armed forces, for example, Ira Hayes and Lori Piestewa from Arizona.

Ms. Medina stated that the economy of the region has improved due to Native American casinos. She recounted how she grew up in the time when Indian gaming started in this region. Ms. Medina acknowledged the cities and towns that have initiated Indigenous Peoples Day. She remarked that there are contrasts that exist between communities and she hoped that bridges could be built and the support of MAG would be possible. Ms. Medina stated that there are 22 tribes in Arizona and the American Indian Studies at Arizona State University is one of the leading programs in that field in the U.S. She expressed her hope that jurisdictions would support October 10, 2016, as Indigenous Peoples Day. Ms. Medina stated that everyone has indigenous roots from somewhere.

Chair Crossman thanked Ms. Medina for her presentation and asked if there were questions.

Vice Chair Zuercher asked how indigenous is defined for this purpose of this effort. Ms. Medina replied that Columbus Day was established to celebrate cultural pride for Italian Americans. She said that they want Indigenous Peoples Day to be celebrated by anyone who identifies with having indigenous roots, not just Native American or American Indian, and have endured trials and tribulations.

Vice Chair Zuercher asked for clarification if their assumption was that Indigenous Peoples Day would be a holiday like Presidents' Day or declared a day of observation without a day off from work.

Ms. Medina replied that the State of Arizona, but not all cities and towns, celebrates Columbus Day and the goal of her group is to replace Columbus Day with Indigenous Peoples Day.

Mr. Bryant Powell asked how much land in Arizona is owned by the 22 tribes. Ms. Medina replied that 28 percent of the land in Arizona is tribal, but it is considered federal land. She mentioned that the land exchange bill (Southeast Arizona Land Exchange and Conservation Act of 2013) threatens land that is federal.

Mr. Patrick Banger welcomed Ms. Medina to MAG. He stated that Ms. Medina had interned in the Intergovernmental Programs Department at the Town of Gilbert. Mr. Banger expressed that he appreciated that Ms. Medina continued to put her skills and education to good use. Ms. Medina commented on the skills she acquired at the Town of Gilbert and thanked Mr. Banger for the opportunity.

Mr. Andrew Ching asked how many of the 22 tribes in Arizona have formally recognized an Indigenous Peoples Day through council action. Ms. Medina replied they are still building that list, but Fort McDowell, Gila River, Navajo Nation, Salt River, and San Carlos, among others, have a Native American day observation. Ms. Medina stated that her organization plans to visit all 22 tribes this summer. Mr. Ching asked for clarification that the request to jurisdictions is to proclaim Indigenous Peoples Day on the second Monday in October, which coincides with the Columbus Day holiday that is observed by many jurisdictions. Ms. Medina replied yes. She went on to say that the goal is to abolish Columbus Day, recognizing that Columbus represents genocide, murder and rape to indigenous people. Ms. Medina stated that many people are hesitant to abolish Columbus Day because they do not want to eliminate their paid holiday. She said that Indigenous Peoples Day could be offered as a holiday instead. Mr. Ching clarified that their goal is a supplanting of an existing holiday for those jurisdictions that might want to proclaim Indigenous Peoples Day.

Mr. Pryor stated that some cities recognize both holidays on the same day and some have replaced the Columbus Day holiday altogether.

Vice Chair Zuercher stated that the City of Phoenix does not observe Columbus Day and he was curious to know the number of jurisdictions that do celebrate it. Ms. Medina replied that South Tucson was successful in changing to Indigenous Peoples Day and they are working with the City of Flagstaff.

Chair Crossman thanked Ms. Medina for her presentation.

7. Arterial Life Cycle Program Fiscal Year 2016 Closeout Process

Mr. John Bullen, MAG staff, stated that the Arterial Life Cycle Program (ALCP) is a financial management tool that is a component of the Regional Transportation Plan (RTP). He stated that ALCP projects are funded through a combination of the Regional Area Road Fund (RARF) and federal funds, which require a local match.

Mr. Bullen noted that the approved ALCP Policies and Procedures establish an annual closeout process to advance reimbursements from future fiscal years to the current fiscal year. He noted that the closeout process enables that all funds allocated to MAG will be expended. Mr. Bullen explained that section 250 of the ALCP Policies and Procedures guides the RARF closeout process and section 260 guides the federal fund closeout process.

Mr. Bullen first addressed the RARF closeout. He stated that there is a \$30 million balance of RARF available for closeout. He noted that estimated revenues to June are \$11 million and that there were \$4.6 million in reimbursement requests. Mr. Bullen noted that the fund balance totals approximately \$36.4 million and he added that only 38 percent of programmed RARF reimbursements will be issued this year.

Mr. Bullen stated that MAG issued a notice for RARF closeout applications in mid-March with an April 4, 2016, due date. He stated that MAG received two project applications: one deemed ineligible and one deemed eligible. Mr. Bullen stated that the eligible project, Lake Pleasant

Parkway, had been scheduled for reimbursement in 2025 and 2026, but that the project has been completed and MAG is recommending a full advancement of reimbursement to close out the project. He noted that this leaves approximately \$25 million in the bank.

Mr. Bullen then discussed federal fund closeout. He stated that MAG is estimating a \$13.5 million federal fund balance for 2016, which could change as projects fail to obligate by June 1, 2016, old projects close out, or COG and MPO loan requests from across the state are received. Mr. Bullen noted that a call for applications was issued and applications were due April 4. Mr. Bullen reported that MAG received three applications: Mesa's Gilbert Road light rail extension project, design for Chandler's Chandler Heights Road project, and design for Chandler's Ocotillo Road project. He stated that MAG staff recommended advancement of the Gilbert Road light rail project for \$13.5 million and that any changes that come in before June 1 will be reflected in the final closeout amount. In addition, any obligation authority that comes in after July 1 will not be used on the Mesa project and would be available for the Chandler projects. Mr. Bullen explained that the Chandler projects will be programmed in state fiscal year 2017 and that MAG will issue the transfer for funding of the Gilbert Road light rail project on July 15.

Mr. Bullen stated that the Transportation Review Committee recommended approval of the proposed Fiscal Year 2016 closeout list and necessary amendments and administrative modifications to the FY 2014 - 2018 MAG Transportation Improvement Program, the FY 2016 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan.

Chair Crossman thanked Mr. Bullen for his report and asked if there were questions.

Mr. Dennis Smith stated that some ALCP cities have been unable to move forward their projects at this time, for different reasons. He noted that this program ends in 2026. Mr. Smith stated that MAG needs to get these ALCP projects going or MAG will be sitting on a lot of money at the end of the program.

Mr. Bullen stated that at times, the ALCP program has reached a balance exceeding \$40 million.

Mr. David Fitzhugh requested clarification that the request was to transfer funds from the ALCP program to the transit program. Mr. Bullen replied yes. He explained that in 2013, the City of Mesa consolidated 16 ALCP projects into the light rail extension project. Mesa is requesting that the project be advanced to the current federal fiscal year 2016. Mr. Bullen added that the project and the funds are part of the ALCP.

Mr. Smith asked if the net effect is that the City of Mesa would not have to bond. Mr. Bullen replied yes, Mesa originally was going to issue bonds to jump-start construction and use federal reimbursements to retire the debt. Advancing the funds defers the need to issue bonds.

Ms. Susan Daluddung moved to recommend approval of the proposed Fiscal Year 2016 closeout list and necessary amendments and administrative modifications to the FY 2014 - 2018 MAG Transportation Improvement Program, the FY 2016 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan. Mr. David Fitzhugh seconded, and the motion passed unanimously.

8. Regional Freeway and Highway Program Update – 2016 Rebalancing

Mr. Bob Hazlett, MAG staff, provided an update on the Regional Freeway and Highway Program and a report on rebalancing efforts. Mr. Hazlett began the presentation by stating that a worldwide poll was conducted by Waze, the world's largest community-based traffic and navigation app, which helps people navigate through congested traffic conditions. He noted that the Waze poll found that Phoenix was ranked the Best Driving Experience in the World. Mr. Hazlett noted that thanks to the planning efforts, this favorable voting is not by chance, it is well planned.

Mr. Hazlett displayed a map of freeway and highway projects completed since 2006. He noted that the projects on the map represent \$4.1 billion in transportation investments. Mr. Hazlett stated that completed projects include 660 total lane-miles -- 420 of the planned 720 general purpose lane-miles and 240 of the 360 planned HOV lane-miles. Mr. Hazlett stated that 66 lane-miles per year on average were delivered by the Regional Freeway and Highway Program during one of the worst economic situations this region has ever seen, and is more than most states can deliver. Mr. Hazlett stated that the average cost per lane-mile is about \$6.3 million, or, a little more than \$50 million per mile for an eight-lane facility. He remarked that the Loop 202/South Mountain Freeway will add approximately 180 lane-miles to the system and bring the program to about 80 percent complete when it opens to traffic in December 2019.

Mr. Hazlett stated that remaining major projects presently funded in the program include Loop 202/South Mountain, Bell/Grand, Thunderbird-Thompson Ranch/Grand, Loop 303, Loop 101/Price and Loop 101/Pima, and recommendations from the I-10/I-17 Corridor Master Plan.

Mr. Hazlett stated that the cash flow balance for the Regional Freeway and Highway Program was first presented in April 2012. It showed that in 2014, the program would be in trouble. Mr. Hazlett stated that the program was rebalanced to account for what was projected to be a \$390 million shortfall at the end of the program in 2026.

Mr. Hazlett stated that after the rebalancing, MAG, the Arizona Department of Transportation (ADOT) and the Federal Highway Administration (FHWA) took an aggressive approach toward maximizing construction at the lowest cost. He noted that they closed out projects that had been completed, implemented design innovations such as design-build, and conducted value engineering sessions and approximately 30 cost risk analysis workshops. Mr. Hazlett noted that in addition, the South Mountain Freeway is being built as a public-private-partnership (P3), which is providing a construction bid lower than anticipated, delivery of the corridor almost four years ahead of schedule, and maintenance for the next 30 years. He stated that revenues have improved and funding certainty realized through the federal Fixing America's Surface Transportation Act (FAST Act).

Mr. Hazlett stated that the new projected year-end cash flow balance for the end of the program to 2026 is approximately \$640 million, and could go higher. He stated that the cash flow improved by about \$1 billion and the MAG Regional and Highway Program has never been in better health. Mr. Hazlett acknowledged the efforts on the cost risk analysis to the following: From ADOT, Mr. Floyd Roehrich and his team, Mr. Rob Samour, Mr. Steve Boschen, Mr. Trent Kelso, and Mr. Kwi Sung Kang; from Federal Highway Administration, Mr. Tom Dietering, Mr.

Aryan Lirange, Mr. Ed Stillings, Ms. Rebecca Yedlin; MAG staff, Chaun Hill, Quinn Castro, Roger Herzog, Teri Kennedy, Audra Koester-Thomas, Sarath Joshua, Nathan Pryor, Kelly Taft, Eric Anderson, and Dennis Smith; the HDR cost risk analysis team; and the ADOT on-call consultants.

Mr. Hazlett then reviewed the four rebalancing criteria for the \$640 million surplus of project priorities, project readiness, travel demand, and funding realities are similar to the walls of a corral to contain the program. He noted that the TPC discussed the criteria.

Mr. Hazlett stated that the first wall of the corral is project priorities. He displayed a map of the projects identified in Proposition 400, but deferred during the 2009 and 2012 rebalancing efforts. At the time, the cost opinions were about \$7 billion; today, staff believe these deferrals are around \$2.8 billion. Mr. Hazlett noted that there are probably new interchanges not included in Proposition 400 that might need consideration today, for example, I-17/Happy Valley Road, I-17/Pinnacle Peak Road, I-10/Miller Road, I-10/Watson Road, and Loop 202/Lindsay Road. Mr. Hazlett also noted that there are emerging technologies, such as managed lanes, and operational enhancements. He noted that providing more information to drivers on the freeway corridors increases efficiency of the roadways.

Vice Chair Ed Zuercher asked for clarification that the interchanges described by Mr. Hazlett were new or newly rebuilt interchanges. Mr. Hazlett stated that the four interchanges on I-17 and I-10 are reconstructions and the Loop 202/Lindsay Road interchange is a new interchange.

Mr. Dennis Smith noted the cost opinions at the time of the 2009 and 2012 rebalancings were about \$7 billion and due to the cost risk assessment process, this cost is approximately \$2.8 billion. Mr. Smith asked if lower construction prices also contributed to the lower cost. Mr. Hazlett replied that lower construction prices contributed a bit, but the lower cost is attributed mainly to the cost risk analysis, the value engineering, and delivery techniques.

Vice Chair Zuercher noted that the description of the traffic interchanges needed to be more precise to demonstrate which are existing interchanges newly rebuilt and which are newly built interchanges.

Mr. Hazlett noted that some of the projects are outside the Proposition 400 program.

Mr. Banger suggested possible language to designate which projects are new to the Proposition 400 plan passed by the voters.

Vice Chair Zuercher thought the interchanges should be indicated by “new” and “rebuilt.” Mr. Hazlett agreed to this re-characterization of these four interchanges to future discussions about the rebalancing effort.

Mr. Smith noted that traffic backups on the mainline are occurring because some of the interchanges are out-of-date and this creates a safety issue.

Mr. Hazlett particularly on Pinnacle Peak and I-17, although it is occurring at I-10 and Watson Road.

Mr. Hazlett stated that the second wall of the corral is travel demand. He said that travel patterns change over time. Mr. Hazlett stated that one example is freight traffic growing faster than anticipated due to increased California port activities, which could necessitate the widening of I-10 from SR-85 to Verrado Way. He noted a need for new traffic interchanges along I-17 at Happy Valley Road and Pinnacle Peak Road. Mr. Hazlett noted that the Pinnacle Peak Road interchange in particular is a concern as traffic is now backing out onto the I-17 mainline during peak times causing safety issues. He added that they want to make sure that what made sense in 2003 still makes sense today.

Mr. Hazlett stated that the third corral wall is project readiness. He said that it still takes time to get new projects off the ground and other projects can influence new project timing. Mr. Hazlett stated that for a period of time, it was anticipated that Loop 202/South Mountain would command the greater part of the cash flow over the seven to eight years it was under construction, resulting in other large projects occurring after 2021. Mr. Hazlett explained that as a result of the ADOT/Connect 202 Partners P3 project, the Loop 202/South Mountain is anticipated to be done in 2019, instead of 2023, allowing other projects to advance. Mr. Hazlett stated that any new projects need to undergo environmental clearances, design concept reports, procurement, cost risk analysis, and right-of-way acquisition. He added that staffing capabilities at ADOT and FHWA is a consideration for bringing back projects to the program. Mr. Hazlett stated that one question is whether projects would be rated higher depending on project readiness.

Mr. Hazlett stated that the fourth corral wall is funding realities. He stated that revenue streams -- the Regional Area Road Fund (RARF, half-cent sales tax) and Highway Users Revenue Fund (HURF gas tax) -- are tied to the economy. Also, FAST Act legislation is through 2020 and is subject to congressional approval of the federal funding stream. Given these potential uncertainties, Mr. Hazlett stated that MAG staff recommended to the Transportation Policy Committee a phased approach at this time and programming \$500 million of the surplus until future economic conditions are known. Mr. Hazlett added that there might be savings on right-of-way for the South Mountain Freeway, which have not come in yet.

Mr. Hazlett noted that at the April meeting, the TPC appeared to be in agreement on the criteria. Mr. Hazlett stated that next steps include identifying potential scenario(s) for June 15, 2016, TPC meeting; revising the scenario as needed and providing scenario recommendation in August; presenting the recommended scenario for approval by the MAG Regional Council in either September or October; and amending the Regional Transportation Plan and conducting an Air Quality Conformity Analyses following Regional Council action.

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

Mr. David Fitzhugh remarked that SR-30 was far along in the Environmental Assessment process when the economic downturn occurred and was close to having an alignment decision submitted to FHWA when a new director came on staff. Then funding was taken away. Mr. Fitzhugh expressed that he understood the limitations of funding and he did not expect this project to get

all of the funding, but he thought it was a viable project to move forward and the Environmental Assessment completed to be able to move forward with right-of-way acquisition. He noted that construction activity is starting up in that area and land prices will become encumbered and increase the cost. He said that it makes sense to get the SR-30 project positioned and come back in 2026, hopefully, with another transportation funding source to move it forward. Mr. Fitzhugh asked how they were reconciling the comments on the 2009 and 2012 rebalancings regarding prioritizing projects on the list when funding became available.

Mr. Hazlett replied that when the Freeway/Highway Program was rebalanced, there was a lot of discussion to bring the projects back in the order in which they were originally identified. He noted that the first wall of the corral is project priorities. Mr. Hazlett stated that comments were received on promises to bring back projects in order. He remarked that traffic patterns change; this is a regional system and they need to address the biggest needs.

Mr. Fitzhugh spoke of the increase in freight traffic on I-10. The backups that used to occur at 51st and 59th Avenues are now at 83rd and 91st Avenues and beyond. Mr. Fitzhugh stated that SR-30 was intended to help relieve the traffic congestion. He commented that he thought SR-30 was still a priority and was well positioned to be finished. The Environmental Assessment needs to be completed and the design completed to a level that right-of-way can be acquired and the project can move forward with the next funding source.

Ms. Susan Daluddung expressed congratulations for a job well done on identifying funding to allow projects to come back into the program. She said that the criteria important to her would be that projects of regional significance in fast growing areas would be a priority, along with bringing back projects on the back burner during the Great Recession. Ms. Daluddung stated that the project of importance to the City of Peoria is the full completion of Loop 303. She said it was done halfway in order to complete it, but it needs to be completed to an urban standard to keep traffic moving smoothly up to Northern Arizona. She once again expressed her appreciation for the hard work.

Vice Chair Zuercher echoed the appreciation expressed to ADOT and MAG for the hard work. He said that the almost \$1 billion should be celebrated as good staff work. He asked for clarification of the map of funding realities.

Mr. Hazlett replied that the map depicted the projects that were deferred during the rebalancings in 2009 and 2012.

Vice Chair Zuercher asked if the Spine Study was not shown because it was not deferred. Mr. Hazlett replied that was correct. Vice Chair Zuercher stated that one of the walls of the corral was project readiness. He remarked that some projects are so ready they are already built, such as the Dove Valley interchange for which the City of Phoenix advanced the funding. Vice Chair Zuercher said that they would advocate for reimbursement as a project readiness criteria, which would then allow other transportation projects to proceed. Vice Chair Zuercher referenced Ms. Daluddung's suggestion that projects of regional significance in fast growing areas would be a priority. He remarked that the Spine is not necessarily in a fast growing area, but is a bottleneck for the tunnel at I-10. Vice Chair Zuercher stated that every other freeway can be improved, but

it will all come to a screeching halt if we do not figure out how to improve the I-10 tunnel. He said that the Happy Valley Road and Pinnacle Peak Road interchanges on I-17 are in fast growing areas and are probably the two most obsolete interchanges in the entire system -- consisting of two-lane bridges in the urban part of the city where traffic backs up onto mainline I-17. Vice Chair Zuercher stated that these are projects he thought should be considered.

Mr. Hazlett stated that the Spine Corridor Master Plan continues to proceed, with an alternatives analysis anticipated this year and the study recommendations in early 2017. He added that a significant amount of money is programmed for improvements and they want to spend those dollars as wisely as possible.

Ms. Daluddung thought that fast growing areas and bringing projects to urban standards are both criteria that could be added.

Vice Chair Zuercher stated that he did not necessarily disagree. He stated that from the Central City perspective, there is a fascination with the fast growing outer core, and the inner core, which has some of the most outdated and obsolete infrastructure, also has to be considered.

Mr. Brian Dalke expressed agreement with moving forward the project priorities of Proposition 400 that were recommitted to in 2009 and 2012. He stated that he understood there are funding realities. Mr. Dalke expressed he agreed with Phoenix's approach to project readiness and with travel demand and safety. He stated that he wanted to echo the comments of Mr. Fitzhugh on SR-30. Mr. Dalke stated that freight is increasing on I-10, which is the main artery in this region from California. Getting goods through is a challenge because I-10 backs up almost to Loop 101 and can really put a chokehold on economic development. Mr. Dalke stated that the relief that would be offered by SR-30 would be an immense improvement to traffic flow in the Valley. For that reason, they feel SR-30 is one of the priority projects of Proposition 400 promised to the voters that should move forward.

Mr. Patrick Banger expressed his appreciation to staff for this effort. He said his Mayor calls it a gift. Mr. Banger stated that they agree with the criteria to evaluate the projects.

Mr. Hazlett stated that this effort would not have been possible without the team effort of ADOT, FHWA and MAG to get projects in the Regional Freeway and Highway Program built as soon as possible.

9. Ozone Boundary Designations

Ms. Lindy Bauer, MAG staff, reported that by October 1, 2016, the Governor is required to submit ozone boundary designation recommendations for the Maricopa ozone nonattainment area to the Environmental Protection Agency (EPA). She displayed a map of the current Maricopa eight-hour ozone nonattainment area. Ms. Bauer stated that noted that 13 of the 20 monitors in the Maricopa eight-hour ozone nonattainment area do not meet the standard.

Ms. Bauer stated that at issue is whether to include in the Maricopa ozone nonattainment area two monitors located just outside the Maricopa eight-hour ozone nonattainment area: the Tonto

National Monument monitor in the Tonto National Forest and the Queen Valley monitor in Pinal County. Ms. Bauer stated that these monitors only slightly exceed the new ozone standard of 0.070 parts per million (ppm) at 0.071 ppm.

Ms. Bauer reported that MAG staff provided information to the Arizona Department of Environmental Quality (ADEQ) showing a downward trend in the concentrations at the two monitors. Due to the downward trend and that the monitors are only slightly over the standard, MAG staff indicated to ADEQ that the Maricopa ozone nonattainment area should not be expanded at this time.

Ms. Bauer stated that on April 14, 2016, ADEQ conducted a stakeholder meeting and proposed an expansion of the Maricopa eight-hour ozone nonattainment area to include the Tonto National Monument monitor in the Tonto National Forest and the Queen Valley monitor in Pinal County. Ms. Bauer added that the Pinal County area would also include the Santan Valley.

Ms. Bauer stated that on April 27, 2016, the MAG Regional Council discussed the ozone nonattainment area boundary designation and took action to send a letter to ADEQ requesting that the Maricopa ozone boundary not be expanded at this time, since the Queen Valley and Tonto National Monument monitors only slightly exceed the standard and there is a downward trend at the monitors. Monitor data from the 2016 ozone season should be evaluated first to determine if the monitors have met the standard or if it is necessary to revise the boundary recommendation.

Ms. Bauer stated that on May 5, 2016, after the letter was sent, a meeting took place with ADEQ, the Maricopa County Air Quality Department, the Pinal County Air Quality Department and MAG. She noted that at the meeting, ADEQ staff indicated ADEQ will not put forth expanding the boundary as the preferred option. Ms. Bauer stated that ADEQ will likely develop a couple of other options in case the monitors do not come into compliance.

Ms. Bauer stated that the ADEQ Director testified in Washington, D.C., on April 14, 2016, regarding the difficulties in addressing and controlling background ozone.

Ms. Bauer stated that the issue of expanding the boundary has also raised the issue of MAG's air quality planning authority. She indicated that MAG staff has been working with ADEQ to reaffirm MAG's role as the regional air quality planning agency. MAG and the Sun Corridor MPO have transportation projects located in the Pinal County PM-2.5 and PM-10 nonattainment areas. To assist the Sun Corridor MPO and MAG member agencies, MAG has been preparing the air quality conformity analysis for those two nonattainment areas in Pinal County. To further assist the Sun Corridor, there has been discussion that MAG might prepare their PM plans for their nonattainment areas in Pinal County in the future. Ms. Bauer stated that Pinal County and Sun Corridor MPO supported this informally. Ms. Bauer stated that ADEQ is circulating a draft letter from the Governor to the EPA to update the planning responsibilities. The letter includes that MAG would provide the air quality planning for the Pinal County nonattainment area in cooperation with the Sun Corridor MPO.

Chair Crossman thanked Ms. Bauer for her report. He asked if there were questions.

Mr. Bryant Powell expressed his appreciation to Ms. Bauer and the MAG organization for their assistance to the agencies in Pinal County.

10. Approval of the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the Member Dues and Assessments

Ms. Becky Kimbrough, MAG staff, reported on the draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments, which was on the agenda for action. She noted that the agenda packet included the final draft and a recommendation for approval was being requested.

Ms. Kimbrough stated that the draft work program was presented incrementally from January through April. In January, the draft dues and assessments were presented. In February, the draft projects were presented. In March, the first draft of the work program was presented using funding estimates based on MAG's indirect rate. Ms. Kimbrough stated that the draft work program was about 60 percent complete at that time.

Ms. Kimbrough stated that from February through April, MAG produces the line item budget. In April they present detailed information on recommended performance increases, any request for a position and any other changes. Ms. Kimbrough reported that in response to a question regarding new positions at the April Regional Council meeting, additional information on these positions was included in the agenda packet.

Ms. Kimbrough displayed a slide of the overall proposed budget with a comparison to the current year's budget for both revenues and expenditures. She noted that this information was included in the summary budget document, "MAG Programs in Brief." Ms. Kimbrough noted that on the revenue side, the largest decrease is in federal funding and this is mainly due to Congestion Mitigation and Air Quality Improvement Program funding received through the Transportation Improvement Program for street sweepers. Ms. Kimbrough stated that the largest increase of revenue is from the Regional Area Road Fund that is budgeted for regional transportation-related project work for FY 2017.

Ms. Kimbrough pointed out budgeted expenditures shown by division in the lower half of the chart. The Transportation division shows the largest dollar decrease in the comparison budget, due to projects that were budgeted for FY 2016 that have ended or are almost ended in the new draft budget. Ms. Kimbrough gave as an example, the I-10/I-17 Corridor Master Plan project, referred to as the "Spine," which has a small amount of carryforward for FY 2017 compared to the large amount of work that was completed in FY 2016. Ms. Kimbrough reported that the largest dollar increase is in the Information Services division and this is due to the addition of a new project, Economic and Geospatial Data and Services Consultant Support On-Call, for FY 2017. Overall, the proposed budget for FY 2017 shows a decrease of 8.1 percent, or \$2.7 million.

Ms. Kimbrough displayed a comparison of personnel and overhead items. As MAG reports on a governmental basis, the emphasis in the budget is on the expenditure side as it is with member agencies. She stated that the largest dollar increase is for salaries and the net increase for the salary budget. Ms. Kimbrough stated that the budgeted salary increase includes a proposed three

percent salary increase based on an annual performance evaluation, with a total amount not to exceed \$250,000, and three new positions. She said that the three full time staff are requested in order to ensure the continuity of the work in the affected divisions. Ms. Kimbrough explained that as part of the request for new positions, a process is being conducted to determine if interns are still required. She noted that three full time intern positions have been removed from the proposed budget. Ms. Kimbrough reported that the proposed salary budget is much lower than the total of the increases proposed; after relinquishing three interns and due to staff turnover, the net budgeted increase is \$57,266.

Ms. Kimbrough presented the largest budgeted decrease, which is in the personnel benefits line, and explained the main reason is due to budgeted health care expenses. She remarked that at the time the FY 2017 budget was being prepared, it was anticipated that health care costs would increase, however, MAG was able to negotiate substantially the same rates as FY 2016. Ms. Kimbrough stated that the benefits line item has been reduced for FY 2017 and there is a net dollar decrease in personnel benefits of \$162,486. For FY 2017, these changes decrease the net budgeted personnel costs by \$105,220. Ms. Kimbrough noted that other than these two items, there are small differences in the comparison of the line item budget with an overall increase of less than one percent. She said that overall, there is a decrease in the proposed FY 2017 budget from the current year budget of 8.1 percent, including carryforward project estimates.

Ms. Kimbrough stated that MAG submits its work program each year to the Government Finance Officer's Association for the Distinguished Budget Presentation Award. She noted that MAG received this award for the 17th consecutive year for the FY 2016 work program; the approved FY 2017 work program will be submitted for the 18th consecutive year.

Chair Crossman thanked Ms. Kimbrough for her report. No questions from the Committee were noted.

Mr. Joshua Wright moved to recommend approval of the resolution adopting the draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Ms. Susan Daluddung seconded, and the motion passed unanimously.

11. Legislative Update

Mr. Nathan Pryor, MAG staff, provided an update on legislative issues of interest. He noted that the Legislature sine die on May 7, 2016. He reported that the state budget includes transferring \$107 million from the Highway User Revenue Fund (HURF) to the Department of Public Safety (DPS). Mr. Pryor added that there was a backfill of \$86.5 million with a General Fund transfer, decreasing the amount transferred from HURF that is close to the statutory limit.

Mr. Pryor offered a breakdown of the \$86.5 million. He indicated that \$30 million was allocated to local governments and \$30 million for I-10 widening and the traffic interchange at Eloy/Casa Grande. Mr. Pryor noted that an application for a federal FASTLANE grant was submitted for the I-10 project, and if successful, the \$30 million would then be spent on state highway construction. He noted that similarly, \$25 million was allocated for SR-189 in Nogales. An application for a federal TIGER grant has been submitted. If approved, the \$25 million would

then be spent on state highway construction. Mr. Pryor stated that the budget includes \$1.5 million for Route H60 in the Navajo Nation.

Mr. Pryor then spoke of the annual fee for operating expenses at the Arizona Department of Revenue. He said that MAG pays approximately \$2.5 million and PAG pays approximately \$500,000 from their sales taxes. Mr. Pryor stated that a group of elected officials and the Governor's office met since last fall, and the fee remains unchanged.

Chair Crossman thanked Mr. Pryor for his report. No questions from the Committee were noted.

12. Request for Future Agenda Items

Topics or issues of interest that the Management Committee would like to have considered for discussion at a future meeting were requested.

No requests from the Committee were noted.

13. Comments from the Committee

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 comments from the Committee were noted. Chair Crossman noted that the next Management Committee meeting is June 8, 2016.

Adjournment

There being no further business, the meeting was adjourned at 1:40 p.m.

Chair

Secretary