



## Executive Director's Report

The September Regional Council meeting offered a spirited discussion regarding the role of MAG in forming an Economic Development Committee. During this discussion, the Regional Council further clarified the role and purpose of the committee. Additional modifications will be considered at an upcoming Executive Committee meeting.

The composition of a new Economic Development Committee will include a broad spectrum of private sector individuals and MAG member agency elected officials. The committee will assist the region in growing the regional economy. It will also serve a coordinating function with other economic groups, such as the Arizona Commerce Authority and the Joint Planning Advisory Council.

One of the reasons for forming the committee has been the recent discussion of the freight movements through Arizona and the possibility of a new deep water port in Mexico on the Baja peninsula at Punta Colonet. In discussing this proposed project, we realized that we have many resources in the region and they are not currently brought together to focus on potential economic benefits for the region. By forming the committee, the experts in the region could be consulted and we may be able to improve our economy through better planning.

The Regional Council recognized that this is a new area for MAG, and included a two-year sunset provision to allow the committee to demonstrate that this is a viable approach. If it works as intended, it provides an opportunity for business, government and community leaders to work together toward farsighted, action-oriented planning that will help us compete in the global economy and ensure our collective success.

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

## Regional Council Meeting Report for Wednesday, September 22, 2010

### Action Items



#### Proposal to Advance the Construction of Williams Gateway Freeway Segment

The Regional Council approved a request by the city of Mesa to advance the construction of an interim connection of the Williams Gateway Freeway between the Santan Freeway and Ellsworth Road. The construction would be advanced by approximately four years, from fiscal year (FY) 2016 to FY 2012. A request to accelerate the design, right-of-way and construction of the segment was originally approved by MAG in 2009. However, the state legislature subsequently swept the funds that had been designated for the accelerated project. To advance construction,

Mesa proposes issuing Highway Project Advancement Notes, which are secured by the city's taxes, to fund the accelerated construction. Staff reported that since Mesa is issuing the debt, there is no impact on the freeway program's financing capacity. Staff also reported that the current estimated construction cost of about \$119 million is significantly below the program estimate of \$158 million due to the competitive bidding environment, and that advancing the construction to January 2012 could potentially save the program a substantial amount of money.

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

## **MAG Economic Development Committee Composition**

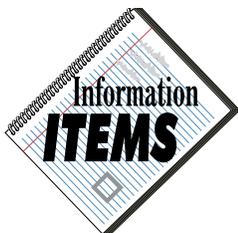
The Regional Council approved the composition of a new MAG committee that will be known as the Economic Development Committee (formerly referenced in the MAG agenda as the JPAC Policy Committee). In September, the MAG Regional Council Executive Committee recommended a committee composition. During the meeting, the Regional Council recommended minor modifications to the composition. The committee will include private sector and member agency officials. MAG is receiving letters of interest from MAG member agency elected officials interested in serving on the committee.

In addition to MAG members, the committee will also include 11 business members representing regionwide business interests. Members will include transportation industry representatives as well as an economist and individuals representing education, WESTMARC, East Valley Partnership, Greater Phoenix Economic Council, Greater Phoenix Leadership, development community, Phoenix Chamber of Commerce, and the Arizona Commerce Authority. Business members will serve two-year terms with possible reappointment by the Regional Council.

A quorum will be a simple majority of the Regional Council members serving on the committee. The committee is scheduled to sunset in two years.

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

## **Information Items**



### **State of Transit in the Region**

The Regional Council received an update on the guidelines for prioritizing transit projects in developing the transportation program. MAG is tasked with determining how federal funds for transit are spent and how projects are prioritized, a process known as "programming." Fiscal year 2010 was a transition year for transit programming, which used to be led by the Regional Public Transportation Authority. Last year, the responsibility shifted to MAG. Fiscal year 2011 will continue to be a transition year for transit programming, and MAG will need to develop regional transit programming guidelines, priorities and evaluation criteria for federal funds, and a process on how to integrate Transportation Life Cycle Program changes into the Regional Transportation Plan through the MAG process.

In July, the Regional Council asked that the programming of preventive maintenance for transit be reviewed. The region has programmed about \$30 million in federal funds for the current five-year Transportation Improvement Program (TIP) for regional preventive maintenance, with the understanding that this amount is a placeholder until the prioritization guidelines are established. Staff reported that preventive maintenance can help save money. Modifications to the guidelines could affect the TIP and possibly the Transit Life Cycle Program. Once input is received on the guidelines, recommendations will be brought back to the committee

**For more information, please contact Eileen Yazzie, MAG Transportation Program Manager, (602) 254-6300.**

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

The Regional Council was provided with an update of a potential federal disapproval of the MAG 2007 Five Percent Plan for PM-10. On September 3, 2010, the Environmental Protection Agency (EPA) signed a notice to be published in the Federal Register proposing to disapprove portions of the Five Percent Plan. The EPA contends the plan does not adequately control emissions of coarse particulate matter. Although it did approve portions of the plan, the partial disapproval has the same consequences as a disapproval, which could ultimately result in sanctions for the region.

Staff reported that MAG, along with the Arizona Department of Environmental Quality (ADEQ) and the Arizona Congressional Delegation, had asked for a six-month delay in the decision to give the EPA time to review additional scientific data the agencies submitted regarding four air quality exceedances that occurred in 2008. MAG and ADEQ maintain these exceedances were caused as a result of high-wind exceptional events, and Arizona and 14 other western states have expressed concerns about whether the exceptional events rule is applied consistently across the country. EPA did not grant the delay. Staff noted that the agency is being sued by the Arizona Center for Law in the Public Interest for failure to take action on the plan and the EPA has said that it is bound by the timeline established as a result of negotiations in that suit. Under the current timeline, EPA will take final action on the plan in January.

In its notice, EPA reported that it had additional issues in approving the plan outside of the exceptional events ruling. EPA is questioning the accuracy and methods of an emissions inventory that was used to develop the plan. The inventory was conducted in 2005 and the plan was submitted to the EPA in 2007, but the EPA had not taken action on the plan. MAG staff noted that the region is seeking guidance from the EPA on reworking the inventory and the plan, but points out that the plan already addresses all sources of emissions in the inventory and that it is working as intended, with no exceedances at any monitor in 2010.

MAG is providing comments to the EPA on the proposed disapproval and is also seeking additional information from the EPA so that it can submit potential revisions to the plan. If the EPA moves forward with final disapproval of the plan,

that would put \$1.7 billion in federal highway funding and tens of thousands of jobs in the region at risk. If the plan is disapproved in January 2011, we would enter a conformity freeze within 30 days from the effective date. Under a freeze, only projects in the first four years of the Transportation Improvement Program could proceed, and no new projects could be added until a new plan is submitted. If a conformity lapse occurred, major projects in the \$7.4 billion Transportation Improvement Program could not proceed.

**For more information, please contact Lindy Bauer, MAG Environmental Director, (602) 254-6300.**

### **Sustainable Communities Regional Planning Grant Program**

The Regional Council received an update on the Sustainable Communities Regional Planning Grant Program. In August 2010, MAG submitted an application for the Grant Program on behalf of the Sun Corridor Consortium. The grant requests nearly \$5 million to support the creation of a regional plan for sustainable development. The purpose of the plan is to integrate housing, economic development, and transportation planning in order to enhance the economy, the environment and social equity. The grant is being offered through the U.S. Department of Housing and Urban Development (HUD) in partnership with the U.S. Department of Transportation and the Environmental Protection Agency.

In total, 120 partners formally supported the grant application by leveraging nearly \$21 million. Six initiatives are proposed in the application, including a Cluster Economic Development Study, a Connected Centers Framework Study, a Native American Communities Transit Study, a Regional Housing Plan, an Arizona Health Survey, and a Canal Path Integration Study. The application process is expected to be very competitive. A deadline for the awards announcement has not yet been finalized by HUD.

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

### **Brookings Intermountain Partnership Report**

MAG is a participant in the Brookings Metropolitan Policy Program Intermountain Partnership. One of the primary purposes of the partnership is to focus on the reauthorization of the federal transportation program, to produce research and memoranda, and to help brief local and national leaders. In an update to the Regional Council, Senior Fellow Robert Puentes noted that Brookings continues to work to draw attention to key transportation policy reform priorities of interest to metropolitan planning organizations (MPOs) in the Intermountain West, with special focus on new transportation finance mechanisms and rail opportunities. Mr. Puentes noted that the partnership will be working on a detailed block-level study on transit access and ridership, and will continue discussion of priorities like direct allocation of transportation dollars to MPOs.

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

### **Next Regional Council Meeting**

The next meeting of the MAG Regional Council is scheduled for Wednesday, October 27, 2010, at 5:00 p.m. in the Saguaro Room, 302 N. 1st Avenue, Phoenix. Agenda items are expected to include the 2010 Annual Report on the Status of the Implementation of Proposition 400, update on the EPA proposed partial approval and disapproval of the MAG 2007 Five Percent Plan for PM-10, and a resolution to promote public awareness regarding Valley Fever in the MAG region.

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