



Executive Director's Report

It was with pleasure that MAG was able to provide new information at our Regional Council meeting regarding the number of pending and foreclosed homes in Maricopa County. From a peak of just over 63,000, we are now down to just over 14,000. This number is still higher than the average of 8,000, but a definitive step in the right direction. While this is great news, it is important that we continue our efforts through our Economic Development Committee to diversify our economy. We hope our economic development efforts will prevent us from undergoing the serious consequences that we have experienced in the last several housing downturns.

Another major discussion during our meeting was the funding challenges we face in developing the next generation of the Regional Transportation Plan. The members of the Regional Council expressed the need to bring together the stakeholders to discuss our transportation funding challenges. We will be working on this request and believe that polling the citizens would be a good first step to gauge voter acceptance of new revenue sources and the types of transportation projects that citizens would support.

Internally, we have been referring to the update of the Regional Transportation Plan, which covers the years beyond 2025, as the "NexGen" plan. Ironically, during one of the same days that we were discussing this plan, MAG participated in the national "Take Your Child to Work Day." We had 29 children participate, and one of the activities of their day was to work together to help plan a community. It dawned on me the appropriateness and dual meaning of the term "NexGen." The plan that we are developing today will serve the next generation of Valley residents. The same children who were enthusiastically creating new communities in our office are the leaders of tomorrow. They are the ones who will be living with the decisions we make today.

As residents of this great region, we are enjoying the benefits of decisions made in the past by elected officials and supported by business leaders. Propositions 300 and 400 laid the cornerstone for regional transportation services, resulting in more than 138 miles of freeway, a vibrant light rail line and expanded bus service. Our new regional transportation plan will lead us to a new place. It is now our turn to make this region a better place for future generations.

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

Meeting Report for Wednesday, May 1, 2013



Action Items

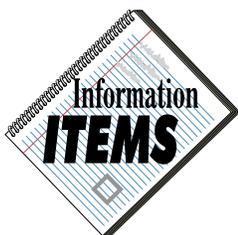
Managed Lane Study Moves Forward

In November 2010, the MAG Regional Council authorized consultant services to develop the MAG Managed Lanes Network Development Strategy – Phase I project. The study team has completed the first phase of the project and has made the recommendation to pursue implementing a broad array of enhanced mobility options.

The multi-phase effort was in response to consideration for public-private partnership opportunities in the Phoenix Metropolitan Area. Among the options researched were the use of managed lanes and a concept known as active traffic management to enhance roadway safety and get the most out of the pavement. Staff recommended that an active traffic management pilot project be implemented along the I-10/Papago Freeway corridor between State Route 85 and I-17 to demonstrate the lowest cost and least intrusive managed lanes solution. Staff reported that the demonstration project will not involve the concept known as congestion pricing (allowing single occupant vehicles to pay for HOV lane access), which was also studied.

The Regional Council voted to continue to Phase II of the MAG Managed Lanes Network Development Strategy Project.

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



Information Items

Transportation Funding Overview

Staff provided information surrounding transportation funding. The recession and decline in sales tax revenues have resulted in a \$6 billion gap between projected sales tax revenues in the 2003 Regional Transportation Plan and its sunset in 2025, and another \$7.5 billion gap in gasoline tax projections for a similar time period.

One challenge involves the Arizona Highway User Revenue Fund (HURF), which is the primary source of funding for the construction, improvement, and maintenance of roads and streets. HURF is restricted under the Arizona Constitution for road and street purposes. More than half of HURF revenue comes from fuel taxes, just over 26 percent comes from vehicle license tax collections, and the balance is from registration and motor carrier fees.

During the recent state budget crisis, the State Legislature diverted more than \$126 million from HURF to support the Arizona Department of Public Safety, despite a statutory cap on such diversions of \$20 million. In addition, last year about \$109 million of HURF funds were diverted to help balance the state general fund budget. The total amount diverted from core HURF purposes, \$234 million, accounted for more than 19 percent of total HURF collections for fiscal year 2012. Despite the increase of \$180 million in HURF revenues since 2000, the funding allocated to cities, towns, counties and the Arizona Department of Transportation is actually lower today than in 2000, due to the substantially higher diversions. Yet traffic volumes and population continue to grow at a significant pace.

At the same time, gas tax revenues have declined nearly nine percent since a peak of \$1.38 billion in 2007. Use fuel (diesel) tax revenues have plunged by 14 percent. Even more dramatic declines have occurred for motor carrier registration fees (down 17 percent) and vehicle tax revenues, which have fallen 18 percent.

Staff noted that fuel taxes in Arizona are levied on a per-gallon basis instead of an indexed basis. The Arizona gasoline tax is 18 cents per gallon, which has not changed since 1991. If the gasoline tax had been changed over time to keep pace with inflation, the 2012 tax rate would be at about 30 cents per gallon.

Also complicating revenue projections are newly adopted fuel economy standards—from the current 33 miles per gallon to 56 miles per gallon by 2025. This means that gas tax revenue per mile of travel will decline, reducing transportation funding even more. The new standards are also expected to result in the use of more electric or alternative fuel vehicles, which are not subject to fuel taxes.

Staff stated that three strategies for fixing the HURF could be explored. An immediate remedy would be to stop the diversion of HURF funds over what is statutorily allowed. A measure that could be pursued in the short term is to increase the gasoline and diesel fuel taxes. In the longer term, staff stated that a replacement for the traditional fuel tax will likely have to be implemented to pay for our transportation needs.

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

Passenger Rail Study From Tucson to Phoenix

The Arizona Department of Transportation (ADOT) has concluded a public outreach effort on a Passenger Rail Study that examined options for alternative transportation modes between Tucson and metro Phoenix. ADOT staff provided the Regional Council with an update on the study.

ADOT reported that the passenger rail vision was an outgrowth of the Statewide Transportation Framework Study, Building a Quality Arizona (BQAZ) Study and the State Rail Plan. The study includes an alternatives analysis, an environmental impact statement, and a service development plan.

Preliminary alternatives included a study of an I-10 bus alternative, six rail alternatives, featuring a Union Pacific Railroad (UPRR) corridor alternative, plus two non-UPRR alternatives, and three combination alternatives. Public outreach was conducted across the state. When asked what their preferred travel choice was between the two metro areas, 77.4 percent of respondents chose “train,” 21.2 percent “personal vehicle, 0.8 percent “air,” 0.6 percent “bus,” and 0.3 percent “bike.” The corridor location receiving the most preference was a route along Interstate 10, primarily due to its speed, followed by a route through the East Valley/Pinal corridor, primarily due to it serving more populated corridors.

Next steps for the study include coordination and support from local agencies; the development of final alternatives for the environmental impact statement (EIS), which is anticipated for the spring of 2013; a draft EIS expected in the fall of 2013 followed by a 45-day public comment period and public hearings, and a final EIS expected in the winter of 2013.

For more information, please contact Marc Pearsall, MAG Transit Planner, (602) 254-6300.

Next Meeting

Please note that the next meeting of the MAG Regional Council will be held on Wednesday, May 22, 2013, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include adoption of the FY 2014 MAG Unified Planning Work Program and Annual Budget, update on the MAG socioeconomic projections, and information regarding the MAG agency performance review questionnaire. Additional agenda items are pending.

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