



Executive Director's Report

Our January meeting was productive as we took care of the core business at MAG: the Regional Council's approval of the five-year Transportation Improvement Program (TIP), the annual update of the 20-year Regional Transportation Plan and the associated air quality analyses. It was especially rewarding to see this final approval due to the many challenges associated in this round of updates, which included factoring in a brand new planning area and new population projections. I would be remiss if I didn't thank member agency and MAG staff members for their hard work in pulling it all together. But the TIP and Plan approvals were only part of what made the January meeting memorable: We also had the chance to talk about the great work being done in the regional human services arena.

In December, the White House declared Phoenix the first U.S. city to identify and house all chronically homeless veterans, achieving what is known as "functional zero." This is a major step toward national and regional goals of ending chronic homelessness among veterans by 2015. This could not be possible without community collaboration on many levels.

The public-private collaboration involved multiple government agencies and community partners who work on housing solutions for veterans experiencing homelessness. A number of these partners were recognized at our meeting, including the Arizona Coalition to End Homelessness, the Arizona Department of Veterans' Services, veteran's focused housing development companies like Cloudbreak Communities, and the City of Phoenix, under the leadership and support of Mayor Greg Stanton. We know that in the future, additional veterans may become homeless, but we now have an effective process in place to quickly identify, house, and support them in their time of need. The goal is to replicate the success of Phoenix across the entire region.

We also heard an update on the point-in-time homeless street count. Hundreds of volunteers across the region were out on the street in late January counting and interviewing people to provide a snapshot of the number of people who are homeless. The MAG Continuum of Care Regional Committee on Homelessness has been a leader in this effort, as well as in using the data collected to provide a consolidated application to secure millions of dollars in homeless assistance funding through the Department of Housing and Urban Development (HUD). Through

this application process, HUD has provided more than \$269 million in homeless assistance funding to the region since 1999.

We have started the New Year on a great note. I look forward to another year of accomplishments ahead.

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

Meeting Report for Wednesday, January 29, 2014

Action Items



FY 2014 MAG Final Phase Public Input Opportunity

Public input is a key factor in the development of MAG plans and programs. Staff provided an update on the input received during the Final Phase Input Opportunity for the 2014-2018 Draft TIP and 2035 Regional Transportation Plan. Staff reported that MAG has an adopted four-phase public involvement process—early phase, mid phase, final phase, and continuous involvement. The Final Phase Input Opportunity allows for final input into programs and plan updates prior to action. The final phase culminated with a Final Phase Public Hearing that was held on November 25, 2013, at the MAG offices.

Staff provided a summary of questions and comments received during the public hearing of the final phase. Comments, and responses to comments, are included in the Final Phase Input Opportunity Report, which is available on the MAG website at www.azmag.gov/Communications/default.asp under “Other Related Links.”

For more information, please contact Jason Stephens, MAG Public Involvement Planner, (602) 254-6300.

Approval of the Draft FY 2014-2018 MAG Transportation Improvement Program

The Regional Council voted to approve the Draft FY 2014-2018 MAG Transportation Improvement Program (TIP). The TIP includes all projects that are funded with federal funds, as well as all regionally significant projects regardless of their funding source, including local, regional and privately funded projects. The TIP is analyzed to determine that its implementation will not violate air quality standards.

Staff reported that there are 782 projects in the TIP. The transportation project costs in the draft FY 2014-2018 TIP are \$4.43 billion, including \$2.8 billion for highway projects and \$1.6 billion for transit projects. The TIP is developed in coordination with the Federal Highway Administration, Federal Transit Administration, Arizona Department of Transportation, and member agencies. This TIP represents projects in

the expanded regional planning boundary. Among the life cycle programs included are the Arterial Life Cycle Program, Transit Life Cycle Program, and Freeway Life Cycle Program.

Staff reported that there has been a decrease in local, regional and federal funding. The decrease in federal funding represents the first such decline in MAG history. Staff reported that one reason for the decline is that the most recent authorization of transportation legislation (known as MAP-21) used numbers from Census 2000 to distribute funds, rather than using the most recent population numbers from the 2010 Census.

Staff noted that Congestion Mitigation and Air Quality Improvement (CMAQ) funds declined by 15 percent for FY 2014, compared to FY 2012, the year before the new federal law took effect. This was the result of using the older population numbers, as well as a new federal directive setting aside funds to address the PM-2.5 pollution problem. Staff noted that, in the past, all of the CMAQ funding was sent to MAG. However, under the new legislation, the funding for PM-2.5 was taken off the top of the distribution of CMAQ funds sent to Arizona, which reduces MAG's distribution. One of the PM-2.5 areas is in the new MAG planning region. The second PM-2.5 area is in Nogales, Arizona.

For more information, please contact Teri Kennedy, Transportation Improvement Program Manager, (602) 254-6300.

Approval of the Draft 2035 MAG Regional Transportation Plan

The Regional Council also voted to approve the Draft 2035 MAG Regional Transportation Plan. The Plan is a comprehensive, performance-based, multimodal and coordinated plan identifying transportation improvements in the region over the next 20 years. The Plan must be updated at least every four years. The draft Plan extends through fiscal year 2035 and includes regional plans for freeways/highways, arterial streets, and public transit, as well as information on plans for other transportation programs in the region. In addition, the plan addresses topics such as revenue estimates, consultation on environmental mitigation and resource conservation, transportation security and safety, special needs transportation and congestion management.

The Draft 2035 Regional Transportation Plan was approved by the Regional Council for air quality conformity analysis on October 23, 2013. A technical air quality conformity analysis was performed on the Plan and demonstrated that it meets all air quality conformity requirements.

For more information, please contact Roger Herzog, MAG Senior Project Manager, (602) 254-6300.

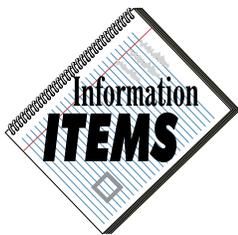
Legislative Update

Staff reported that for over a decade, the Highway User Revenue Fund, which the state constitution restricts to road and street purposes, has been subject to more than \$1.7 billion in sweeps by the state. With the region seeing significant declines in transportation revenues, staff discussed the possibility of taking a formal MAG position opposing legislative sweeps of the Highway User Revenue Fund (HURF).

Recently, a number of cities/towns and other organizations have taken positions opposing HURF sweeps. The budget proposed by the Governor's Office shows HURF sweeps of more than \$125 million. Staff presented a draft letter for consideration by the Regional Council. The letter acknowledges the challenges and difficult fiscal decisions confronting the state, but notes that growing and maintaining the transportation system is critical to Arizona's economic success. "Preventing continued HURF sweeps will assist in developing and maintaining our much-needed transportation infrastructure," states the letter. "This will help our state and region improve opportunities for economic success. We cannot reasonably grow our economy without critical investments to our transportation system."

Following information and discussion, the Regional Council approved sending the letter to the Governor and Arizona State Legislature opposing the Highway User Revenue Fund sweeps.

For more information, please contact Nathan Pryor, MAG Government Relations Manager, (602) 254-6300.



Information Items

Phoenix Recognized for Ending Veteran Homelessness

As noted in the executive director's message above, the Regional Council received an update on efforts to end homelessness among veterans. More than 200 chronically homeless veterans in the greater Phoenix area have been placed in permanent housing since 2011 through Project H3 VETS, a special initiative of the Arizona Coalition to End Homelessness in collaboration with the City of Phoenix and other partners. Members from the coalition, the Arizona Department of Veterans' Services, and Cloudbreak Communities were recognized during the meeting for the successful efforts. Staff noted that final steps are in place to make an announcement later this month at the Maricopa StandDown event that all chronically homeless veterans who have been identified in the city of Phoenix have been housed. Information on the event is available at www.azceh.org.

In addition to the update on homeless veterans, staff also provided an update on the annual point-in-time homeless street count. On Jan. 28, 2014, hundreds of volunteers fanned out across the region as part of a massive effort to count homeless people sleeping on the streets. Coordinated by MAG, the count utilizes volunteer

teams that include city, county and state agencies, faith- and community-based organizations, businesses and private residents. The volunteers canvassed areas identified to likely have homeless individuals who are living unsheltered on the streets.

The annual homeless street count provides a snapshot of the number of people sleeping on the streets at any given night in the region. Last year, the street count identified 1,581 homeless men, women and children on the streets. The point-in-time count includes both a homeless street and shelter count, providing valuable data to help develop strategies to acquire the needed federal funding to end homelessness in the region. MAG is responsible for helping to coordinate a joint application for the region. Last year, the Department of Housing and Urban Development awarded more than \$25 million to the region to fund homeless assistance programs.

For more information, please contact Brande Mead, MAG Human Services Program Manager, (602) 254-6300.

MAG Regional Transportation Survey Results

The Regional Council was provided a detailed update on the topline findings from a recent transportation survey. The survey was conducted by MAG following a series of meetings in which declining transportation revenues were discussed. It was noted at those meetings that the current sales tax projections reflected a 40 percent decrease compared to the 2003 projections. The public opinion survey was conducted to gauge public views and sentiment regarding needs and revenue sources.

The scientific telephone survey was conducted from December 4-31, 2013, focusing on high efficacy voters. Here are a few of the top survey findings:

- The majority of respondents see their family in the same financial place next year as this year.
- 76% of respondents who work drive alone to their place of employment, with 11% carpooling and 4% taking public transit.
- 64% of respondents are satisfied with the freeways/highways; 55% report satisfaction with the main streets and roads; 32% are satisfied with light rail service and 17% with local bus service. Staff noted that there was a high number of “don’t know” responses in the transit area.
- There was a significant difference in satisfaction levels between Maricopa and Pinal county respondents. For example, while 55% of Maricopa County voters were satisfied with the main streets and roads, only 36% of Pinal County voters were satisfied.
- Traffic congestion on freeways and the lack of bus service/public transit were the highest ranked transportation problems in the greater Phoenix area.
- When asked about the one most important thing that could be done to

improve transportation problems in their area, respondents ranked public transportation issues at the top of the list (40%).

- However, when asked about what the number one priority for the transportation system in the greater Phoenix area should be, completion of the regional freeway system and expansion of the existing light rail system topped the list (50% and 45%, respectively).
- 44% of respondents acknowledged there is “probably not enough” funding available to cover needed transportation improvements in the greater Phoenix area over the next 20 years.
- Respondents recognized that the regional transportation system is important to the greater Phoenix area economy, with 78% giving it a “4” or “5” rating (with “5” being “extremely important”).
- When asked whether they would support various funding options, responses were lukewarm, with the following percentages of respondents providing a “4” or “5” rating (with “5” being strongly support): extending the current half-cent sales tax for transportation, 53%; increasing developer fees, 42%; increasing the gas tax, 28%; taxing service-based businesses, 25%; increasing vehicle registration/license fees, 22%; increasing the sales tax, 16%; and increasing the property tax, 11%.
- When asked about their level of support for an increase in taxes if it meant spending \$50 more a year, more residents (46%) supported increasing the sales tax over indexing the gas tax to match inflation (27%).
- Residents were more likely to support a tax increase if the money would be used to repair existing streets and freeways.
- 57% of respondents said they would be somewhat likely or very likely to support a sales tax increase even if the money was not fully utilized in their own community.

Staff reported that the survey data indicate that voters do not appear to support any new taxes or fees, and, while the extension of the existing half-cent sales tax received the most support, it was below the level typically considered necessary to ensure success of a ballot measure. Staff noted that due to many “undecided” or “neutral” responses, there is the potential for increasing support through education of issues. In addition, it was clear that respondents understood that transportation is important to the economy, which could be a foundation for building the case for the need for additional funds.

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

Development of the FY 2015 MAG Unified Planning Work Program and Annual Budget

The Regional Council heard an update on the development of the fiscal year 2015 Unified Planning Work Program and Annual Budget. The draft budget discussions

and presentations begin each January with additional budget information brought to the Regional Council incrementally as it is developed each month. Beginning the process in January allows for thorough discussion and input on the budget as it is developed through May, when the budget is presented for approval.

Included in the January budget discussion were the proposed dues and assessments that are paid by each member agency. The amount of dues assessed is tied to each jurisdiction's population share and is used to cover programs not eligible for other funding.

Staff noted that in FY 2010, MAG recommended that the dues and assessments be reduced to 50 percent of the FY 2009 dues and assessments number due to the fiscal constraints members faced in light of the struggling economy. Cognizant of the continued economic conditions, MAG continued to implement the 50 percent decrease to dues and assessments through FY 2014 without adding any inflation factor (Consumer Price Index for all Urban consumers, or CPI-U). Since FY 2010, MAG has covered these programs using its fund balance. Last year, MAG initially proposed that FY 2014 dues and assessments be increased to 75 percent of the FY 2009 amount. At the May 2013 Regional Council meeting, the Regional Council noted that, while it was important to keep MAG's financial position flexible, some cities still needed assistance with their budgets and recommended that MAG dues and assessments remain at the 50 percent level for FY 2014. However, they noted that the dues and assessments should be returned to 100 percent in FY 2015 to stop the drain on the MAG cash flow.

The FY 2015 draft dues and assessments reflect that increase to 100 percent, with the five-year average CPI-U (using calendar years 2009 through 2013) of 8.59 percent applied. The base year for the increase is the FY 2009 dues and assessments amounts. Staff noted that some members may see a slight shift in dues amounts as a result of shifting population numbers and application of the base dues amount.

For more information, please contact Rebecca Kimbrough, MAG Fiscal Services Manager, (602) 254-6300.

Second Binational Economic Forum - Consolidation of the Arizona-Sonora Megaregion

In March 2013, elected officials and business leaders from the MAG region participated in the first Binational Economic Forum in Nogales, Sonora. The purpose of the event was to provide an opportunity to exchange ideas and discuss international trade and regional economic strategy. At the December Joint Planning Advisory Council meeting, Mayor Ramón Guzmán from Nogales, Sonora, extended an invitation to mayors from Arizona's Sun Corridor and border region to attend a second Binational Economic Forum in the spring. The forum would convene mayors

from Arizona's Sun Corridor and a border region with 72 mayors throughout the state of Sonora to sign a cooperative agreement to establish a formal "megaregion" to address important policy matters impacting the Arizona-Sonora region. It is envisioned that the megaregion initiative will further enable the development of local relationships and advance projects/initiatives of regional significance in areas such as transportation and infrastructure, education, economic development, border security, and trade and tourism. MAG staff provided a list of potential dates and proposed agenda topics for consideration by the Regional Council.

For more information, please contact Denise McClafferty, Regional Program Manager, (602) 254-6300.

Next Meeting

The next meeting of the MAG Regional Council will be Wednesday, February 26, 2014, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include an update on the Environmental Protection Agency's proposed approval of the MAG 2012 Five Percent Plan for PM-10, recommended approval of 11 road safety assessments; and approval of Paving Unpaved Road projects and streetsweepers.

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