



Executive Director's Report

In delivering my Executive Director's Report at the Regional Council meeting, I recounted how Mayor Stanton and I had been invited by the U.S. Secretary of Transportation Anthony Foxx to attend a forum called MPOwerment, an initiative by the Federal Highway Administration (FHWA) featuring Metropolitan Planning Organizations (MPOs). After hearing other MPOs express concerns to the Secretary regarding their relationship with their state departments of transportation, both Mayor Stanton and I were reminded how lucky we are at MAG to have a great relationship with the Arizona Department of Transportation (ADOT) and the FHWA.

How is it that our relationship with our state and federal partners is clearly different? Primarily, it is because of the leadership of local elected officials, who, since 1985, have advocated for the voter approved regional sales tax to support transportation. The proof of our success comes in 181 miles of completed centerline freeway miles and a state-of-the-art multimodal transportation system. Our transportation system has been noted as the best driving experience in the world by the WAZE app. What distinguishes MAG from most other MPOs is that MAG, working with the business community, brought money to the table.

In building 181 miles of centerline freeway, it is essential that MAG, ADOT and the FHWA work together in wisely spending taxpayer funds. At our August meeting, we had the opportunity to hear from Karla Petty, Arizona Division Administrator for the FHWA. She presented a summary of the important transportation initiatives being promoted by Secretary Foxx (*see summary, below*). It is valuable to all of us to understand and support these initiatives, especially when it comes to transportation safety and in using transportation facilities to provide ladders of opportunity for all residents of our region.

On a final note, we heard an update on the continued diversion of more than \$2.5 million of Proposition 400 sales tax revenue (Regional Area Road Fund) to help fund the Arizona Department of Revenue. This diversion continues to be opposed by MAG as contrary to the will of the voters. Administrative costs for the Arizona Department of Revenue were never approved by the voters in Proposition 400. We will continue to work with the Legislature to make this diversion of funds temporary. **For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

Meeting Report for Wednesday, August 31, 2016**Action Items****Diversion of Proposition 400 Funds**

The Regional Council voted to submit a letter of protest to the Arizona Department of Revenue (ADOR) regarding the diversion of \$2.55 million in Proposition 400 sales tax funds in 2016. The diversion of the funds was first implemented following the 2015 legislative session, when the legislature approved House Bill 2617 to divert \$2.58 million from MAG and another \$500,000 from the Pima Association of Governments to fund the operations of the Arizona Department of Revenue (ADOR). The funds requested are from the voter approved half cent sales tax (Proposition 400) dedicated to transportation improvements. At that time, a working group from MAG met with the Governor's Office staff to discuss limiting the time frame for the diversion to two years, to work with the state through a structural deficit. Since then, the state revenue picture has improved, but the 2016 budget bill once again included the ADOR fee. The letter to the director of ADOR protests the transferring of dedicated regional funds to support ADOR, as it is contrary to the understanding of the voters who supported funding to develop a regional transportation system. The letter does express appreciation to the Governor for making his staff available last year to discuss the issue.

In addition to the above, the Regional Council requested that MAG also send a letter to the Governor addressing broader transportation funding concerns.

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

Ozone Boundary Designations

Staff provided an update on ozone boundary designations. The Arizona Department of Environmental Quality (ADEQ) is preparing to submit an ozone boundary recommendation to the Governor's Office. The primary ADEQ recommendation would expand the current boundary to include two monitors outside of the current nonattainment boundary—the Queen Valley monitor in Pinal County and the Tonto National Monument monitor in Gila County. Both monitors have been reading at 0.071 parts per million, just slightly over the Environmental Protection Agency's (EPA's) new ozone standard of 0.070 parts per million, and the readings have been trending downward. MAG had recommended that the Maricopa ozone boundary stay the same based on those trends. However, at a recent stakeholder meeting, ADEQ reported that the EPA did not look favorably upon submitting the current Maricopa ozone boundary as the preferred option.

Staff reported that the Queen Valley monitor began violating the standard on May 31, 2016. Until recently, the Tonto monitor was meeting the standard. However, it was discovered that the monitor had shut down in the evening of June 22, 2015, due to a pump failure. Since the monitor had six hours of data over the standard before it shut down, it would be counted as an exceedance, causing the monitor to violate the standard. ADEQ indicated that if the monitor had not shut down and had the usual eight hours of data, the monitor would not have violated the standard due to declining ozone concentrations in the evening.

Staff noted that if the boundary is expanded as in the ADEQ primary recommendation, there will be tighter controls on business and industry in the new area and transportation conformity requirements will apply. These requirements could have a negative impact on economic development in Pinal County.

The timeline calls for the Governor's office to submit the final ozone boundary recommendation to EPA by October 1, 2016, with the EPA scheduled to finalize the designation by October 1, 2017. On staff's recommendation, the Regional Council voted to recommend to the Governor that he request that EPA delay the ozone boundary designation for one year, in accordance with the Clean Air Act. The delay would allow the overall downward trend in ozone concentrations to continue, and to allow EPA to consider the most up-to-date, complete and sufficient monitor data for the ozone boundary designation.

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



Information Items

Federal Highway Administration Update

The Regional Council received an update from Karla Petty, Arizona Division Administrator for the Federal Highway Administration (FHWA), on priorities and initiatives of the U.S. Secretary of Transportation. In addition to safety, a top priority for Secretary Anthony Foxx is the relationship between transportation and opportunity.

Ms. Petty stated that the same transportation infrastructure that brought massive expansion nationwide sometimes reinforced dividing lines within communities. At a time when much U.S. infrastructure will be repaired or replaced, she stated that it is a good time to reimagine existing transportation projects with designs that reflect a more inclusive America.

Ms. Petty noted that FHWA is dedicated to funding projects that promote "Ladders of Opportunity," such as Transportation Investment Generating Economic Recovery

(TIGER) Grants. The TIGER grant process prioritizes projects that strengthen access to opportunities through transportation improvements. Last year, two projects in the region were awarded TIGER grants: the Phoenix Grand Canal Bicycle and Pedestrian Improvements project and the State Route 347 Grade Separation Project. Ms. Petty stated that the Ladders of Opportunity Transportation Empowerment Pilot (LadderSTEP) provides technical assistance to local cities on projects related to major infrastructure investments that revitalize, connect, and support access to economic opportunity. Phoenix is one of only seven cities nationwide to be chosen for LadderSTEP, with FHWA and the Federal Transit Administration (FTA) working closely with the City of Phoenix on the light rail South Central Corridor.

Ms. Petty noted that the FTA's Bus and Bus Facilities Ladders of Opportunity Initiative awarded \$100 million to modernize and expand transit bus service that serves disadvantaged and low-income individuals, veterans, seniors, youths, and others to local workforce training, employment, health care, and other vital services.

Ms. Petty stated that many low-income and minority communities suffer from historic underinvestment in infrastructure. One of the Secretary's challenges is "Safer People, Safer Streets," a pedestrian and bicycle safety initiative. She reported that the Mayors' Challenge for Safer People and Safer Streets is a call to action for city officials to advance safety and accessibility goals. Three Arizona cities have accepted the Secretary's Challenge—Phoenix, Tucson and Oro Valley.

Another part of the Challenge is Road Safety Assessments. The U.S. Department of Transportation (USDOT) convened state, regional, and local transportation officials for on-the-ground safety assessments in every state. For Arizona, this assessment was along the Phoenix South Central Light Rail Corridor. This tool continues to be available and Ms. Petty encouraged every city to participate in Road Safety Assessments. She commended MAG on the Road Safety Assessment Program in our region.

Other issues noted during the update:

- **Metro regions are morphing into megaregions.** As regions grow, the number of entities required to coordinate also will grow, as will the need for infrastructure. By 2050, megaregions are projected to contain 75 percent of the U.S. population. To prepare for this growth, FHWA has an effort underway to address issues of governance.
- **The MPOwerment Initiative** (noted above), an effort designed to give MPOs the tools to be successful. FHWA is supporting the coordination within urbanized areas to develop unified planning products. Ms. Petty noted that Mayor Stanton and MAG Executive Director Dennis Smith

were invited by Secretary Foxx in July to participate in the MPOwerment Roundtable and 50th Anniversary Forum.

- **Fixing America's Surface Transportation (FAST) Act**, passed in December 2015. The Act included changes to financing, such as expanding the Transportation Infrastructure Finance and Innovation Act (TIFIA) program by allowing Transit-Oriented Development Projects to be eligible to apply for TIFIA credit assistance.
- **Aging infrastructure.** Many parts of the nation's interstate system were built nearly 60 years ago. With a projected 70 million more people, 65 percent more trucks on the road, and 45 percent more freight in the next 30 years, Ms. Petty said we have no choice but to build new infrastructure with inclusive design.
- **Update on South Mountain Freeway.** The freeway underwent a very extensive environmental impact statement process. The Record of Decision for the South Mountain Freeway Corridor was signed in March 2015. Two lawsuits claimed that ADOT and FHWA violated the National Environmental Policy Act. Ms. Petty stated that in a ruling August 19, 2016, the U.S. District Court Judge dismissed the legal challenges and found the plaintiffs failed to demonstrate that ADOT and the FHWA did not meet requirements of the National Environmental Policy Act and other federal laws. She added that appeals are anticipated to be filed. Construction is expected to begin soon. Ms. Petty stated that the Record of Decision was made possible through the cooperation, coordination and partnership of ADOT, FHWA, MAG and the City of Phoenix. The project will connect people with employment, entertainment and educational centers in parts of the Phoenix metropolitan area that are projected to see considerable growth. She expressed that the judge's ruling affirmed the good work of the entire project team.

Ms. Petty closed by reiterating that safety is her number one priority. She encouraged everyone to buckle up, do not text or drink while driving, be considerate of others, and be aware of your surroundings to stay safe in your travels.

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

Legislative Update

Staff provided an update on legislative of interests. It was noted that in the most recent round of Transportation Investment Generating Economic Recovery (TIGER) grant funding, no TIGER projects were awarded in Arizona. Staff noted that MAG and its partners—including elected officials from Tucson and Nogales and the Fresh Produce Association of the Americas—held a press conference in April 2016 to support the SR-189 TIGER grant project near Nogales, which was not funded.

On a more positive note, the FAST Act provides for FASTLANE grant funding for nationally significant freight and highway projects. ADOT received a \$54 million award for Interstate 10 improvements from Phoenix to Tucson.

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

Next Meeting

Please note that the next meeting of the MAG Regional Council will be held on Wednesday, September 28, 2016, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include a resolution in support of Domestic Violence Awareness Month, and an update on the CenturyLink proposal for 9-1-1 managed services. Additional items are pending.