

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

December 8, 2010
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Thomas Schoaf, Litchfield Park, Chair	Supervisor Mary Rose Wilcox, Maricopa Co.
Mayor Hugh Hallman, Tempe, Vice Chair	Mayor Scott Smith, Mesa
# Councilwoman Robin Barker, Apache Junction	* Mayor Scott LeMarr, Paradise Valley
Mayor Marie Lopez Rogers, Avondale	* Mayor Bob Barrett, Peoria
Mayor Jackie Meck, Buckeye	Councilman Bill Gates for Councilwoman Peggy Neely, Phoenix
# Mayor David Schwan, Carefree	# Mayor Gail Barney, Queen Creek
Councilman Dick Esser, Cave Creek	* President Diane Enos, Salt River Pima-Maricopa Indian Community
Mayor Boyd Dunn, Chandler	# Mayor Jim Lane, Scottsdale
* Mayor Michele Kern, El Mirage	Councilwoman Sharon Wolcott, Surprise
* President Clinton Pattea, Fort McDowell Yavapai Nation	* Mayor Adolfo Gamez, Tolleson
Mayor Jay Schlum, Fountain Hills	# Mayor Kelly Blunt, Wickenburg
* Mayor Ron Henry, Gila Bend	# Mayor Michael LeVault, Youngtown
* Governor William Rhodes, Gila River Indian Community	* Felipe Zubia, State Transportation Board Victor Flores, State Transportation Board
Mayor John Lewis, Gilbert	# Roc Arnett, Citizens Transportation Oversight Committee
* Mayor Elaine Scruggs, Glendale	
# Vice Mayor Joe Pizzillo, Goodyear	
* Mayor Yolanda Solarez, Guadalupe	

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair Thomas Schoaf at 5:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Schoaf stated that Roc Arnett, Councilmember Robin Barker, Mayor Gail Barney, Mayor Kelly Blunt, Mayor Jim Lane, Mayor Michael LeVault, Vice Mayor Joe Pizzillo, and Mayor David Schwan

were participating in the meeting by teleconference. Chair Schoaf introduced Councilman Bill Gates as proxy for Councilwoman Peggy Neely.

Chair Schoaf requested that members of the public who would like to comment fill out a blue public comment card for the Call to the Audience agenda item or a yellow public comment card for Consent Agenda items, or items on the agenda for action. Parking garage validation and transit tickets for those who used transit to attend the meeting were available from staff.

Chair Schoaf extended congratulations to Mayor Lopez Rogers, who was elected Second Vice President of the National League of Cities.

Chair Schoaf noted that this was Mayor Boyd Dunn's last Regional Council meeting. Chair Schoaf presented Mayor Dunn with a Resolution of Appreciation that was prepared in recognition of his years of service to the MAG region.

Mayor Dunn expressed his appreciation for his time with MAG. He said that this group of elected and business officials is very committed to dealing with issues on a regional basis. Mayor Dunn stated that his fondest memories are of being elected mayor and working on Proposition 400. He remarked that elected officials and other officials on both sides of the Valley came together and said the only way for Proposition 400 to be successful was to work together and celebrate all the projects, not only those in their own neighborhoods. Mayor Dunn stated that MAG is committed to a regional attitude, which he thought had remained to a large extent since the passage of Proposition 400. He urged the Regional Council to go back to those days and remember to celebrate the successes of all communities as a unit. Mayor Dunn acknowledged Mayor Hallman for his support of rubberized asphalt and he mentioned that everyone stood together on what was good for one community was good for the other communities. He expressed that he would miss the Regional Council and he said that he thought the good times would return financially and MAG would be building projects that benefit the region as a whole. Mayor Dunn expressed his appreciation for the kind words in the Resolution.

Chair Schoaf remarked to Mayor Dunn that he and his leadership would be missed. He said that Mayor Dunn's words were inspiring and the Regional Council hoped to continue leading the effort toward regionalism and remember that everyone benefits from successes.

Mayor Lane echoed Chair Schoaf's remarks and said that it had been great to serve on the Regional Council with Mayor Dunn.

Chair Schoaf noted that Bob Hollis, Administrator of the Arizona Division of the Federal Highway Administration, will be retiring at the end of the year. He presented Mr. Hollis with a Resolution of Appreciation that was prepared in recognition of his contributions.

Vice Chair Hallman stated that Mr. Hollis could be considered the godfather of rubberized asphalt in the Valley because he worked with a group of very angry neighbors on how best to address problems with the widening of U. S. 60. Vice Chair Hallman stated that it was because of Mr. Hollis's work on quiet pavement that the FHWA and others agreed rubberized asphalt could be used on U. S. 60. He

stated that Mr. Hollis, staying until 1:30 a.m. after a day of work and a public meeting, demonstrated to him what someone in an administrative role could do to solve problems and create fantastic results. Vice Chair Hallman extended his appreciation to Mr. Hollis on behalf of his community.

Mr. Hollis stated that receiving this special recognition was a distinct honor. He said that he recalled those late nights mentioned by Vice Chair Hallman and added that it was a significant time for the region. Mr. Hollis expressed his appreciation to the Regional Council, MAG staff, and Dennis Smith and his predecessors, for an exemplary job on the regional freeway system. He stated that he has seen amazing changes in the Valley over the past 15 years – much to the credit of this body. Mr. Hollis remarked that he had worked in nine other states and could not think of another urban environment where more than 100 miles of new freeways have been built. He stated that the Regional Council should be proud of the work they have done to make that happen, and that it is an honor and a pleasure for him to have witnessed it. Mr. Hollis expressed that he was honored and appreciative of the recognition.

Chair Schoaf acknowledged the many contributions of former Goodyear Mayor Jim Cavanaugh to MAG. He stated that a Resolution of Appreciation had been prepared and would be given to him.

3. Call to the Audience

Chair Schoaf noted that public comment cards were available to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Chair Schoaf noted that no public comment cards had been received.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. Mr. Smith announced that for the 13th consecutive year MAG received the Government Finance Officers Association Distinguished Budget Presentation Award. He noted that only three of the 500 Councils of Governments in the country have received this award. Mr. Smith acknowledged Becky Kimbrough and her staff in the Fiscal Services Division for their hard work.

Mr. Smith reported that on December 1, 2010, MAG hosted the Protocol Evaluation Project Promising Practices Roundtable to increase collaboration among law enforcement, prosecutors, advocates, survivors and shelter operators regarding domestic violence. He noted that \$250,000 in funding has been provided to the program by the Governor's Office. Mr. Smith stated that Chair Schoaf spoke at the event, which was attended by 110 participants. He noted that the police officer, who spoke of his own experiences with domestic violence, was extremely effective. Mr. Smith acknowledged the efforts of MAG Human Services Manager, Amy St. Peter, and her staff.

Mr. Smith played two clips from MAG-produced videos: "Talking the Walk," a pedestrian video, and "Dust Off Your Air Quality IQ," an air quality video. Mr. Smith noted that pedestrian projects are difficult to move through the federal process and he credited Maureen DeCindis, MAG Planner, for her dedication to this program. He stated that the air quality video presents a very complex issue in an easy to understand format. Mr. Smith recognized the efforts of MAG Communications Division Manager Kelly Taft and her staff, Gordon Tyus and Matt Nielsen, along with MAG Associate Gary Stafford, for their work on the videos. He added that both videos will be provided to municipal cable channels, and the air quality video will also be provided to Westar, the 15 western state coalition.

Chair Schoaf thanked staff who produced the videos. He asked Council members if they had questions for Mr. Smith. No questions from the Council for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair Schoaf noted that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, and #5L were on the Consent Agenda. He noted that no public comment cards had been received. Chair Schoaf asked members if they had questions or requests to hear an item individually. No requests were noted.

Vice Chair Hallman moved to approve the Consent Agenda. Mayor Dunn seconded, and the motion passed unanimously.

5A. Approval of the October 27, 2010, Meeting Minutes

The Regional Council, by consent, approved the October 27, 2010, meeting minutes.

5B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) addresses ALCP project work, the remaining Fiscal Year 2011 ALCP schedule and program deadlines as well as revenues, and finances for the period between April 2010 and September 2010.

5C. Project Changes – Amendments and Administrative Modifications to the FY 2011-2015 MAG Transportation Improvement Program

The Regional Council, by consent, approved amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, as appropriate, to the Regional Transportation Plan 2010 Update, and the FY 2009 and FY 2010 Program of Projects. On June 22, 2010, the MAG Transit Committee recommended approval of the FY 2009 and FY 2010 Program of Projects, and Regional Council took action on these changes on June 30, 2010. It was requested that eight earmark/high priority projects that were identified in the FY 2010 Federal Register be included in the FY 2011-2015 MAG Transportation Improvement Program (TIP). The Arizona Department of Transportation requested including new utility projects and an advancement and repayment for Williams Gateway Freeway, and deleting one project since it is complete. Maricopa County requested that a federal aid project be moved from 2010 to 2011, and the City of Tempe requested modifying a project

description. The MAG Transit Committee, the MAG Transportation Review Committee, the MAG Management Committee, and the Transportation Policy Committee have made recommendations on the project change requests.

5D. Programming 5307 and 5309 - Fixed Rail and Guideway Modernization Funds in FY 2010 and 2011

The Regional Council, by consent, approved: (1) Scenario #3 preventative maintenance distribution methodology for \$1,571,999 of FY 2010 5309-Fixed Rail and Guideway Modernization (FGM) funds and that it is a non-precedent setting distribution and (2) The amount of funds for preventative maintenance programmed in FY 2011 and FY 2012 be distributed equally as shown in Option #2, and modifying/amending the FY 2011-2015 MAG TIP and the FY 2009 and 2010 Program of Projects appropriately. On June 22, 2010, the MAG Transit Committee recommended approval of the FY 2010 Program of Projects, and the Regional Council took action on these changes on June 30, 2010. The Executive Committee took action on September 13, 2010, to remove \$1,517,999 of FY 2010 5309 FGM federal transit funds from two Mesa park and ride construction projects. Additionally, the MAG Regional Council took action on July 28, 2010, to approve the FY 2011-2015 MAG TIP and that the programming of preventative maintenance be reviewed for potential amendments/administrative modifications no later than December 2010. On October 14, 2010, the Transit Committee made the recommendation noted in the action and requested that further analysis regarding distribution scenarios for 5307 federal funds be brought back to the Transit Committee in November. On November 10, 2010, the MAG Management Committee recommended approval.

5E. MAG Design Assistance for Pedestrian and Bicycle Facilities Program

The Regional Council, by consent, approved the El Mirage: Rancho El Mirage Multi-use Path (\$100,000); Mesa: Porter Park Pathway (\$125,000); and Phoenix: Grand Canal Multi-use Path at 22nd Street (\$75,000) through the MAG Design Assistance for Pedestrian and Bicycle Facilities Program. The FY 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$300,000 for the Design Assistance Program. According to federal law, any project which is not constructed after being designed with federal transportation funds could be required to return the funds used for design to the Federal Highway Administration. Six project applications were submitted by member agencies for the program. On October 19, 2010, the MAG Bicycle and Pedestrian Committee recommended three projects for approval. The three Design Assistance projects were also recommended for approval by the Transportation Review Committee on October 28, 2010, and by the MAG Management Committee on November 10, 2010.

5F. Recommended Projects for MAG FY 2011 Traffic Signal Optimization Program

The Regional Council, by consent, approved the list of FY 2011 Traffic Signal Optimization Program projects. A formal request for projects for the FY 2011 Traffic Signal Optimization Program (TSOP) was announced by MAG on September 21, 2010. The available TSOP budget in the MAG Work Program for FY 2011 is \$430,000, including an estimated \$30,000 carried over from FY 2010. Fifteen project applications have been received requesting a total of \$395,500 to improve operations at 476 intersections in 14 jurisdictions. A regional workshop to provide training on signal timing software has

also been included in the list of projects at an estimated cost of \$10,000, based on the need identified by local agencies. The recommended projects will be carried out using ten qualified on-call consultants under contract with MAG. The FY 2011 Traffic Signal Optimization Program projects were recommended for approval by the MAG ITS Committee on October 19, 2010, the Transportation Review Committee on October 28, 2010, and the MAG Management Committee on November 10, 2010.

5G. Input on Business Representatives on the Transportation Policy Committee

The Regional Council, by consent, approved having the Chair of the MAG Regional Council forward the names of Mr. Steve Beard of HDR Engineering, Inc., who currently serves on the Transportation Policy Committee (TPC) as the transit interest representative, and Mr. Garrett Newland of Westcor for the regionwide business seat, to the President of the Senate and the Speaker of the House of Representatives for consideration. With the passage of Proposition 400 on November 2, 2004, the President of the Senate and the Speaker of the House of Representatives were authorized to appoint six business members to the Transportation Policy Committee (TPC). State law also provides that the Chairman of the Regional Planning Agency may submit names to the President and Speaker for consideration. On December 31, 2010, the terms of two of the TPC business members will expire. On October 8, 2010, a memorandum was sent to Regional Council members requesting names for the business representatives. One of the six business members must represent transit interests. This is defined in state law as “an individual with demonstrated interest and experience with public transportation.” The other business member would represent regionwide business. The law defines regionwide business as “a company that provides goods or services throughout the county.” State law provides that members serve six-year terms of office. At the November 17, 2010, TPC meeting, the names of two individuals were submitted and recommended to be forwarded to the Regional Council: Mr. Steve Beard of HDR Engineering, Inc., who currently serves on the TPC as the transit interest representative, and Mr. Garrett Newland of Westcor for the regionwide business seat.

5H. New Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, As Amended

The Regional Council, by consent, approved the new Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, as amended. On September 22, 2010, the MAG Regional Council approved a Mesa request to advance the construction of an interim connection of the Williams Gateway Freeway between the Santan Freeway and Ellsworth Road from FY 2016 to FY 2012 to be incorporated into the FY 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2010 Update, for an air quality conformity analysis. MAG has conducted a conformity analysis for the proposed amendment and the results of the regional emissions analysis, when considered together with the TIP and RTP as a whole, indicate that the amendment will not contribute to violations of federal air quality standards. On October 8, 2010, a 30-day public review period began on the conformity assessment and amendment. Comments were requested by December 3, 2010.

5I. Conformity Consultation

The Maricopa Association of Governments conducted consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including Arizona Department of Transportation projects on State Route 303, and Section 5309 and State of Good Repair-funded transit 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.

5J. Statement Regarding Human Services Funding Reductions

The Regional Council, by consent, accepted the statement regarding human services funding reductions. In July 2010, the MAG Human Services Coordinating Committee (HSCC) expressed growing concern about the impact of funding reductions made to human services programs. The HSCC worked with the MAG Human Services Technical Committee to develop a statement reflecting this concern. The goal of the statement is to raise awareness about the impact of human services funding reductions on the community, programs, and people relying on these services. HSCC is requesting that the statement be accepted for distribution through MAG's email distribution lists and newsletters, by MAG member agencies, and by community partners. On November 10, 2010, the Management Committee recommended acceptance.

5K. Approval of Draft Provisional July 1, 2010 Maricopa County and Municipality Resident Population Updates

The Regional Council, by consent, approved the Draft Provisional July 1, 2010 Maricopa County and Municipality Resident Population Updates provided that the Maricopa County control total is within one percent of the final control total. MAG staff has prepared draft Provisional July 1, 2010 Maricopa County and Municipality Resident Population Updates. The Updates, which are used to prepare budgets and set expenditure limitations, were prepared using the 2005 Census Survey as the base and housing unit data supplied and verified by MAG member agencies. These Updates are needed by the State Economic Estimates Commission and are provisional since they will be revised based on the Census 2010 results. Because there may be changes to the Maricopa County control total by the Arizona Department of Commerce, the MAG Population Technical Advisory Committee recommended approval of these Provisional Updates provided that the County control total is within one percent of the final control total. On November 10, 2010, the MAG Management Committee recommended approval.

5L. Proposed 2011 Revisions to MAG Standard Specifications and Details for Public Works Construction

The MAG Standard Specifications and Details Committee has completed its review of proposed revisions to the MAG Standard Specifications and Details for Public Works Construction. These revisions have been recommended for approval by the committee and are currently being reviewed by MAG member agency Public Works Directors and/or Engineers. It is anticipated that the annual update packet will be available for purchase in early January 2011.

6. Tempe South Locally Preferred Alternative

Wulf Grote, Director of Project Planning and Development at METRO, provided a presentation on the Tempe South Locally Preferred Alternative (LPA). Mr. Grote stated that METRO has been working on this project for almost three years. He indicated that the purpose of the presentation was to bring forward the recommendations through the policy process in order to apply for federal funding for this project.

Mr. Grote stated that one of the recommendations is the introduction of new transit technology of the modern streetcar to the region. He stated that METRO is interested in developing a total transit network, which could include bus, bus rapid transit (BRT), local circulators, light rail, streetcar, commuter rail, and high speed rail. Mr. Grote stated that each modal element provides a different purpose, as different types of surface streets accommodate different types of traffic, and to have an effective system, different modes working together are required. He expressed that he thought that the modern streetcar will provide mobility to south Tempe with the regional transit system.

Mr. Grote stated that at the beginning, the project was to study a two-mile, high capacity transit corridor, but an expanded study area was pursued because they wanted to see how all of the transit components fit together in a larger context. Mr. Grote stated that the study area extends from downtown Tempe south to Loop 202 in west Chandler. He stated that within the study area are two projects that were identified in the Regional Transportation Plan funded by Proposition 400: the high capacity transit corridor extending from the light rail corridor in downtown Tempe to Southern Avenue, which is still funded, and the bus rapid transit (BRT) corridor on Rural Road on the south end from Chandler Boulevard north to Scottsdale. Mr. Grote stated that as a result of funding shortfalls, this BRT corridor has been delayed beyond the funding horizon of Proposition 400, although it is still included in the Regional Transportation Plan. He stated that due to the extensive amount of time they spent on the BRT project, they felt bringing forward recommendations was worthwhile.

Mr. Grote stated that an alternatives analysis was required in the federal process to define the transit technology and the route. He said that the study looked at the technologies of light rail transit, commuter rail, modern streetcar, and bus rapid transit, and potential alignments on Rural Road, McClintock, Mill Avenue, Kyrene Road, and the Tempe Branch of the Union Pacific Railroad.

Mr. Grote stated that the study concluded the recommended alternative as the Tempe South LPA was to implement a 2.6-mile modern streetcar project that would start in downtown Tempe in the northern end at Rio Salado Parkway, continue down Mill Avenue to the southern end at Southern Avenue.

Mr. Grote addressed the recommendation for downtown Tempe. He said that initially, it was thought to have a route along Mill Avenue, but after several months of analysis, it was concluded that a better solution was to have an alignment northbound on Mill Avenue to Rio Salado Parkway to Ash and southbound to University. Mr. Grote stated that this alignment provides flexibility for special events, helps define downtown Tempe, provides opportunities for development and increasing capacity, and is the lowest cost alternative.

Mr. Grote stated that there are other recommendations that are unfunded, and he then explained that they initially studied an alignment between Mill Avenue and Rural Road on Southern Avenue, but realized there was no budget and it was beyond the two-mile parameter in the Regional Transportation Plan. Mr. Grote stated that they recommend this be included as a part of the project because it provides important connections to bus service and other accommodations, such as the Community Center and the library. He remarked that they can recommend this only as an illustrative project in the Regional Transportation Plan because there is no funding, and that it receive future consideration in the MAG process with no priority. Mr. Grote stated that upon further analysis and input, they recognized there is potential to extend the corridor south on Rural Road and east and west on Rio Salado Parkway and they also suggest that this be considered for future high capacity transit through the normal regional planning process.

Mr. Grote stated that the modern streetcar is different from light rail, even though they both operate with electrical power. He explained that a light rail car is typically more than 90 feet in length with multiple cars that operate in a dedicated lane, whereas the modern streetcar is about 65 feet in length, is a single car, although more cars can be added, and operates in mixed traffic. Mr. Grote noted that the modern streetcar supports economic development solutions, is a lower cost alternative than light rail, and has simple stops, similar to the BRT service on Main Street in Mesa or Arizona Avenue in Chandler.

Mr. Grote stated that until the last couple of years, the federal government did not fund projects such as the modern streetcar, but seven or eight starter lines have received funding recently, one of which is in Tucson.

Mr. Grote noted that ridership for the Tempe modern streetcar could be 2,000 per day, with expectations to increase. He stated that ridership has increased in the City of Portland, Oregon, and Seattle, Washington.

Mr. Grote noted that the capital budget for the project is approximately \$160 million and is funded with Proposition 400 and federal funds (Congestion Mitigation and Air Quality and small starts). Mr. Grote explained that the operating and maintenance costs are estimated at \$3.6 million per year, and the operating costs for the modern streetcar would be paid by the City of Tempe and the farebox.

Mr. Grote stated that the modern streetcar is anticipated to increase transit ridership, connect neighborhoods to downtown Tempe and to neighborhood services, encourage redevelopment and reinvestment in downtown Tempe, promote a livable city community, provide seamless connection to light rail, and serve special events.

Mr. Grote addressed the Rural Road BRT option, which is not funded. He noted that the ridership projections are positive and it deserves further consideration in the MAG planning process. He indicated that METRO suggests service from downtown Tempe down Rural Road to two branches (one at Chandler Fashion Center and one at the Kyrene park and ride lot), ten minute service at peak times, stops approximately each mile, traffic signal prioritization and bus stop improvements, such as curbside bus and right turn lanes, to provide more predictable travel times.

Mr. Grote stated that another option that arose from the study was the feasibility of commuter rail along the Tempe Branch of the Union Pacific Railroad. He advised that commuter rail was beyond the scope of the study, but they recommend that it continue to be considered further as part of the normal regional transportation planning process, and with no priority.

Mr. Grote stated that the Tempe South LPA has received the approval of the Tempe City Council and Chandler City Council, and recommendations from Tempe and Chandler Transportation Commissions, the METRO Board, the MAG Transit Committee, MAG Transportation Review Committee, MAG Management Committee, and the Transportation Policy Committee. He noted that this is the final step in the approval process, and if the MAG Regional Council approves the LPA, application will be made for federal funds to allow the design work to proceed.

Chair Schoaf thanked Mr. Grote for his report and asked members if they had questions. None were noted.

Vice Chair Hallman moved approval of: (1) A Locally Preferred Alternative for the Tempe South project, including a modern streetcar on a Mill Avenue alignment with a one-way loop in downtown Tempe to be incorporated into the MAG FY 2011 to FY 2015 Transportation Improvement Program and the Regional Transportation Plan 2010 Update for an air quality conformity analysis; (2) Inclusion of a potential future phase of modern streetcar east along Southern Avenue to Rural Road as an Illustrative Transit Corridor in the MAG Regional Transportation Plan; (3) Without modifying priorities in the Regional Transportation Plan, consider increased service levels and capital improvements for Rural Road BRT, per the description provided herein, through the regional transportation system planning process; (4) Future consideration for high capacity transit needs north of downtown Tempe along Rio Salado Parkway and south of Southern Avenue along Rural Road to the vicinity of Chandler Boulevard through the regional transportation system planning process; and (5) Without modifying priorities in the Regional Transportation Plan, consider future commuter rail service along the Tempe Branch of the Union Pacific Railroad, through the regional transportation system planning process, and pending results from the Arizona Department of Transportation's Phoenix-Tucson Intercity Rail Alternatives Analysis. Councilwoman Wolcott seconded, and the motion passed unanimously.

7. Revised Sales Tax and Highway User Revenue Fund Projections

Eric Anderson, MAG Transportation Director, updated members on the newly revised projections of the Proposition 400 sales tax and the Arizona Highway User Revenue Fund (HURF). He announced the good news: In November, for the first time in 38 months, there was a positive change in the monthly sales tax revenue – an increase of 3.4 percent. He added that there had never been a decline in the annual sales tax collections until the downturn in the economy that began in 2007.

Mr. Anderson stated that the projected amount of sales tax revenue was estimated at a little more than \$14 billion in 2003 when the Regional Transportation Plan was developed, and the revised forecast done cooperatively by MAG and ADOT dropped the amount to approximately \$8.7 billion, a reduction of \$5.8 billion. He noted that the change from last year's projections to this year's projections is approximately \$2.2 billion less. Mr. Anderson showed a chart comparing the sales tax projections done

in 2003 for the Regional Transportation Plan and the current sales tax projections for each fiscal year to 2025.

Mr. Anderson stated that the projection for 2010 revenue done in 2003 was approximately \$450 million and the current collection amount in FY 2010 is \$299.4 million – one-third less revenue than projected. He stated that the projection for 2025 total revenue done in 2003 was approximately \$1.2 billion and the current forecast is approximately \$666 million, a 43 percent reduction.

Mr. Anderson then explained two charts of the composition of sales tax revenue. The first chart was done in 2005 for 2010 revenue and the second chart showed the actual sales tax collections. He pointed that the 2005 figure for FY 2010 retail sales was approximately \$224 million and approximately \$143 million was collected.

Mr. Anderson stated that a major component of the sales tax is the motor vehicle taxable sales. He displayed a chart of collections for July of each year, 2004 through 2010, and noted that collections peaked in 2005 and 2006 at approximately \$750 million for each of those years. Mr. Anderson noted that the amount collected in 2010 was approximately \$380 million, about half of the peak rate.

Mr. Anderson showed a comparison of actual and projected sales tax growth rates by cities for FY 2010 and FY 2011 and he noted that the regional projections are right on target with the projections of the cities.

Mr. Anderson stated that another category that impacts the highway program is the Highway User Revenue Fund (HURF). He pointed out on a chart the projections done in 2003 compared to actual collections, and he noted that high fuel prices and the economic downturn have negatively impacted the program. Mr. Anderson stated that HURF is composed of about one-half gas tax revenue, slightly less than 25 percent is vehicle license tax, which is down because of the lack of new cars entering the fleet and auto depreciation. Mr. Anderson stated that one-half of HURF goes to ADOT for the state highway program and MAG receives a portion of that off the top. The remaining 50 percent goes to cities and counties in the state. He stated that the new projections could affect jurisdictions' street budgets.

Mr. Anderson reviewed the change in the sales tax forecast from last year of \$2.2 billion less means a loss over the life of the tax to the highway program of approximately \$1.2 billion, to streets of approximately \$230 million, to rail transit of approximately \$320 million, and to bus transit of approximately \$420 million.

Mr. Anderson reported that the loss of \$1.2 billion in future revenues for the highway program is offset by the lower bonding levels because a program cannot bond as heavily, which reduces debt service costs. He pointed out the change in bonding capacity for the 2014-2015 period is down approximately \$650 million. He said that the implication is that projects will have to be delayed because they will have to be done on a pay-as-you-go basis rather than bonding. Mr. Anderson pointed out the HURF loss of approximately \$76 million was offset by a positive increase in federal highway funds. The net change in resources of \$1.9 billion and lower costs of \$1 billion due to the lower bonding, result in a net change of \$858 million. The previous cash balance of \$270 million takes the new ending cash balance to -\$589

million, which is the amount costs will need to be reduced. Mr. Anderson stated that a review of the highway program 18 months after the last program rebalancing was requested by the Regional Council in October 2009. He indicated that will take place in March or April 2011. Mr. Anderson stated that MAG staff has been in discussions with ADOT and member agency staff and will also look at the performance of the system and which projects might be shifted or deferred.

Chair Schoaf thanked Mr. Anderson for his report and asked members if they had questions. No questions for Mr. Anderson were noted.

8. Western High Speed Rail Alliance Update

Tom Skancke, Executive Director of the Western High Speed Rail Alliance (WHSRA), provided an update on the WHSRA's activities and efforts. Mr. Skancke stated that the WHSRA was founded by MAG, the Denver Regional Council of Governments, the Regional Transportation Commission of Southern Nevada, the Regional Transportation Commission of Washoe County, Nevada, and the Utah Transit Authority. Mr. Skancke stated that the goal of the WHSRA is to be a part of the high speed rail discussion in the current Administration. Mr. Skancke noted that when the U. S. Department of Transportation high speed rail maps were issued in 2009, the Intermountain West was left out, and for that reason, the WHSRA was created.

Mr. Skancke stated that because highway infrastructure around major metro areas is at capacity and options for highway expansion are limited, high speed rail offers another alternative. He reported that high speed rail is a proven technology and has had no fatalities since it was created in 1964. Mr. Skancke stated that high speed rail is the preferred transportation mode in China, India, and other developing countries. He advised that China is planning to invest \$200 billion over the next 24 months on high speed rail, and is further planning to build 100 cities of 100 million people that will be connected by high speed rail.

Mr. Skancke displayed a map of the Western High Speed Rail Alliance and U. S. Department of Transportation (DOT) proposed high speed rail corridors, and he noted the absence of high speed rail in the Intermountain West on the U. S. DOT plan. He stated that connecting the entire nation, not just pieces, is needed to have a national system of high speed rail, much the same way as the interstate system. Mr. Skancke pointed out the Orlando to Tampa line and the Texas lines on the U. S. DOT map provide no national connectivity. He stated that the WHSRA provides connectivity through the west. Mr. Skancke stated that over the next year, WHSRA's goal is to connect Denver to Kansas City, Phoenix to Albuquerque to Texas, Reno to San Francisco, and Reno to Portland.

Mr. Skancke stated that the WHSRA might be the first alliance to connect the entire nation. He stated that at the recent high speed rail conference, the U. S. Secretary of Transportation expressed that the rest of the country should be doing what the WHSRA is doing and that more alliances like the WHSRA are needed to deliver the message about high speed rail. Mr. Skancke stated that the Intermountain West meets the criteria for high speed rail, and because it contains considerable federal lands, right of way acquisitions would be minimal.

Mr. Skancke displayed the population growth for the five western states between 2000 and 2030 and said that the average is 85 percent, with Arizona and Nevada leading the way. He reported that the western region represents 25 percent of the gross domestic product, which only will increase, and the WHSRA feels investments should be made based on the gross domestic product. Mr. Skancke stated that as the western region continues to grow, it will contribute more and more to the gross domestic product and will continue to be a viable partner in the sustainability of this nation.

Mr. Skancke stated that he served on the National Surface Transportation Policy and Revenue Study Commission, which recommended in 2008 that the entire country's population centers within 500 miles of each other should be connected by high speed rail by 2050. He noted that Denver to Salt Lake City, Salt Lake City to Reno, Reno to Las Vegas, Las Vegas to Phoenix, and Phoenix to Los Angeles, meet the criteria because they are all 500 mile corridors. Mr. Skancke stated that a few months after the Commission made its recommendations, the General Accounting Office (GAO) issued similar recommendations. He said that the GAO reported that high speed rail corridors of 750 miles or longer show limited benefit and high speed rail reaches maximum efficiency in corridors of 500 miles or less.

Mr. Skancke stated that developed societies need a growing transportation system. He said that modal options must balance both development and sustainability and air and automobiles can no longer be relied upon for the movement of goods and people. He noted that almost \$1 billion has been spent on climbing and deceleration lanes between Las Vegas and Victorville, and it is still a nine-hour trip from Los Angeles to Las Vegas on the weekends.

Mr. Skancke stated that the success of high speed rail is measured by on-time performance, reduction of highway congestion, and improved air quality. He said that the WHSRA has reached out to the transit agencies and will be partnering with the state departments of transportation. Mr. Skancke stated that the location of stations is critical to the success of high speed rail. He remarked that the question is not what is this going to cost, but rather what is the cost if nothing is done? Mr. Skancke stated that interstates cost a lot and then spoke of the Eisenhower Interstate Highway System that was envisioned in the 1950s. He said that its selling point to the public was presented as primarily for military mobilization. Mr. Skancke stated that the interstate system was a bold vision for the future and was highly criticized as a waste of money. Mr. Skancke stated that the same arguments against high speed rail are the same ones that were used against the interstate system. He said that building the interstate system started in Missouri in the middle of the country. Mr. Skancke noted that the interstate system had a dedicated funding source, took 50 years to build, connected the country in a new fashion, and helped build a new America.

Mr. Skancke stated that legislatively, the WHSRA wants local agencies to have more in authority for funding opportunities and expenditures and to increase public/private partnerships. He said WHSRA submitted \$5 million in funding requests to the House and to the Senate, and if the transportation bill is authorized, will submit a \$30 million highway authorization request to study the region. Mr. Skancke stated that the WHSRA has already received a \$1 million planning grant from the Federal Railroad Administration for corridor studies. He noted that Dennis Smith had clarified from the very beginning that MAG could not participate in the WHSRA unless there was connectivity from Phoenix to Los Angeles. Mr. Skancke reported that WHSRA has been instructed to study connectivity from Las Vegas

to Phoenix and Phoenix to Los Angeles. Mr. Skancke indicated the WHSRA will also be applying for future grants that become available.

Mr. Skancke stated that WHSRA will reach out to Kansas City and the Cascadia region to become members and he thought by March or April 2011 those organizations will join. He indicated that the WHSRA will also approach the state departments of transportation to join because they oversee the rail program. Mr. Skancke stated that WHSRA will also continue to encourage the development of new corridors beyond the existing rail network.

Chair Schoaf thanked Mr. Skancke for distilling so much information into his report. He expressed that he was excited about the possibilities and wished the WHSRA great success. No questions from the Council were noted.

9. Legislative Update

Nathan Pryor, MAG Intergovernmental Policy Coordinator, provided an update on legislative issues of interest. Mr. Pryor stated that recently awarded federal grants have included the HUD Sustainable Communities Challenge Grant, the HUD Sustainable Communities Regional Planning Grant, TIGER I, TIGER II, and the Federal Railroad Administration High-Speed Intercity Passenger Rail Grant.

Mr. Pryor stated that the Kaiser Family State Health Facts reports that Arizona has the third highest foreclosure rate, the 12th highest unemployment change rate (tied), and is 28th in food stamp change rank. Mr. Pryor noted that overall, Arizona is ranked eighth highest nationally for economic distress.

Mr. Pryor noted that nationally, approximately \$4.6 billion was awarded through federal grants and he then reviewed the five states that received the highest amounts: California, \$1,093,679,036; Florida, \$856,598,250; Iowa, \$256,663,000; Michigan, \$235,428,006; Illinois: \$165,713,424. He pointed out that Iowa, which does not have a large population, received much of its grant funding due to the potential high speed rail connection to Chicago.

Mr. Pryor gave a comparison of Arizona, which nationally received \$64.3 million. He noted that Arizona is 14th in population, 14th in funding awards, and 28th in per capita funding. Mr. Pryor commented that this does not tell the entire story, because the MAG region did not receive direct funding through the federal grants, and he noted that this is a limited look and does not include any potential energy or health and human services awards.

Mr. Pryor then provided a breakdown of the \$64.3 million in grants received in the state of Arizona by saying that Tucson received \$63 million for the modern streetcar, a joint effort of Apache and Navajo Counties and three tribes received \$820,000 for the HUD Sustainability grant MAG also applied for; and \$500,000 of \$1 million received by the Western High Speed Rail Alliance to be shared with California and Nevada. Mr. Pryor advised that without the award given to Tucson, Arizona would be in 44th place nationally. He displayed a map of the distribution of the grant awards nationally that showed a low distribution of federal awards in the Intermountain West.

Mr. Pryor stated that MAG participated in a debriefing on the Sustainability grant with HUD in an effort to learn about strengthening future applications. He noted that the Ford Foundation replicated the HUD Sustainability grants which resulted in those agencies being awarded double. Mr. Pryor stated that MAG will continue to monitor competitive grant activities as Congress and the Administration addresses the deficit.

Chair Schoaf thanked Mr. Pryor for his report and asked the Council if there were questions. None were noted.

Mr. Smith noted that out of 102 points, the application submitted by the MAG group scored a little more than 55 points. He commented that the HUD application reviewers did not understand what the MAG application was trying to accomplish. Mr. Smith added that the application lost points for the emphasis on economic development and for housing affordability. He reported that when asked how they scored affordability he was told HUD used a housing affordability index, to which Mr. Smith explained that houses in Arizona are very inexpensive right now due to the pending and foreclosed homes – a fact of which they were unaware. He stated that the distribution method of sending money to the federal government which then conducts a process to determine our needs is not working. Mr. Smith stated that it was disappointing to hear the analysis and he reminded them that the application submitted by the MAG group included 122 partners and more than \$120 million in match.

10. Request for Future Agenda Items

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

Mayor Rogers suggested a report on how the state rail plan coordinates with the Western High Speed Rail Alliance.

11. Comments from the Council

An opportunity was provided for Regional Council members to present a brief summary of current events. The Regional Council 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.

Vice Chair Hallman thanked the Regional Council for their vote of confidence on the Tempe South LPA agenda item. He noted that light rail was launched in Tempe in 1996 with its transit tax. Vice Chair Hallman stated that this is a small line compared with the length of some projects in the country, but will give a good sense of the use of the modern streetcar technology in the Valley and how it can provide total connectivity using a technology not used here before. He expressed that he thought everyone's help would be needed to get the streetcar launched, but he thought this will be a solution for most inner city transportation issues, as well as guide redevelopment in urban areas. Vice Chair Hallman stated that the streetcar will allow all cities to intensify in urban cores and avoid the sprawl that has plagued the region for decades.

Mayor Lewis asked about an air quality status report. Mr. Smith replied that an update could be on a future agenda.

Adjournment

Vice Chair Hallman moved and Councilman Esser seconded to adjourn the meeting at 6:10 p.m.

Secretary

Chair