

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

October 24, 2012
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Marie Lopez Rogers, Avondale, Chair | * Mayor Thomas Schoaf, Litchfield Park |
| Mayor Scott Smith, Mesa, Vice Chair | Supervisor Max W. Wilson, Maricopa Co. |
| Councilwoman Robin Barker, Apache Junction | Mayor Scott LeMarr, Paradise Valley |
| Mayor Jackie Meck, Buckeye | * Mayor Bob Barrett, Peoria |
| # Mayor David Schwan, Carefree | Mayor Greg Stanton, Phoenix |
| Councilman Dick Esser, Cave Creek | Mayor Gail Barney, Queen Creek |
| Mayor Jay Tibshraeny, Chandler | * President Diane Enos, Salt River |
| Mayor Lana Mook, El Mirage | Pima-Maricopa Indian Community |
| * President Clinton Pattea, Fort McDowell | Mayor W. J. "Jim" Lane, Scottsdale |
| Yavapai Nation | Mayor Sharon Wolcott, Surprise |
| * Mayor Linda Kavanagh, Fountain Hills | Mayor Mark Mitchell, Tempe |
| * Mayor Ron Henry, Gila Bend | * Mayor Adolfo Gamez, Tolleson |
| * Governor Gregory Mendoza, Gila River Indian | Councilman Rui Pereira, Wickenburg |
| Community | Mayor Michael LeVault, Youngtown |
| Councilmember Ben Cooper for Mayor John | * Victor Flores, State Transportation Board |
| Lewis, Gilbert | Joseph La Rue, State Transportation Board |
| # Mayor Elaine Scruggs, Glendale | # Roc Arnett, Citizens Transportation Oversight |
| # Mayor Georgia Lord, Goodyear | Committee |
| * Mayor Yolanda Solarez, Guadalupe | |

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair Marie Lopez Rogers at 11:35 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mayor Elaine Scruggs, Mayor Georgia Lord, Mayor David Schwan, and Mr. Roc Arnett joined the meeting via teleconference. Councilman Ben Cooper attended the meeting as proxy for Mayor John Lewis, Gilbert.

Chair Rogers noted that on October 17, 2012, the Transportation Policy Committee recommended approval of agenda item #6 that is on the Regional Council agenda. For agenda item # 10, copies of the letters regarding Sequestration sent to the President and the Arizona Congressional delegation were at each place.

Chair Rogers 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. Transit tickets for those who used transit to attend the meeting and parking validation were available from staff.

3. Call to the Audience

Chair Rogers noted that the Call to the Audience provides an opportunity 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 Rogers noted that no public comment cards had been received.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. He stated that MAG and Thunderbird School of Global Management held a meeting on October 16, 2012, at the MAG office regarding increasing the connections of small and medium business between Arizona and Mexico.

Mr. Smith stated that the Nogales Supplier Expo will be held on November 15, 2012, in Nogales Sonora. He noted that cross cultural training will be provided in an effort to start the relationship building between Arizona and Sonora.

Mr. Smith stated that preliminary recommendations from the MAG Freight Study were presented at the October 2, 2012, Economic Development Committee meeting. He noted that the Freight Study will also be presented at the October 30, 2012, Joint Planning Advisory Council meeting in Casa Grande. Mr. Smith stated that the Freight Study could be a way to reach political alignment on a common goal in the Sun Corridor, such as increasing the manufacturing base. He encouraged members to register for the event.

Mr. Smith stated that Chair Rogers and himself recently attended a conference of the Western High Speed Rail Alliance in Denver. He displayed pictures of the development occurring in Denver, and he

noted that Denver has financing tools not available here. Mr. Smith stated that this is an opportunity to not sit on the sidelines, but to create some political alignment with the Freight Study. Mr. Smith stated that the Joint Planning Advisory Council stakeholders will take back to their communities the findings of the study, see what is feasible, and then discuss implementation at a retreat that is being planned for early 2013.

Mr. Smith then played the new video on Key Assets for the Greater Phoenix Rising website, which a collaboration between MAG and the Greater Phoenix Economic Council. He said that the video demonstrates why this is such a great place to locate.

Chair Rogers thanked Mr. Smith for his report. She encouraged Regional Council members to sign up for the Joint Planning Advisory Council meeting if they had not already done so. Chair Rogers asked members if they had any questions.

Mr. Arnett asked if the video was available on the Greater Phoenix Rising website. Chair Rogers replied that it was.

Chair Rogers reopened the Call to the Audience and recognized public comment from Marvin Rochelle, who stated that he came to the Valley in 1944 and after he got out of the Navy in 1970, he worked on transportation issues. Mr. Rochelle stated that he fought hard for light rail and other initiatives. He expressed that Arizona needs to fight for Interstate 11, which will bring in a lot of business from other states and Mexico and will help us be competitive. Chair Rogers thanked Mr. Rochelle for his comments.

5. Approval of Consent Agenda

Chair Rogers noted that agenda items #5A, #5B, #5C, and #5D were on the Consent Agenda.

Chair Rogers asked members if they had questions or requests to hear a consent agenda item individually. None were noted.

Councilman Pereira moved to approve the Consent Agenda. Mayor Mook seconded, and the motion passed unanimously.

5A. Approval of the September 26, 2012, Meeting Minutes

The MAG Regional Council, by consent, approved the September 26, 2012, meeting minutes.

5B. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report was provided on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual Budget, MAG

requested that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

5C. MAG FY 2014 PSAP Annual Element/Funding Request and FY 2014-2018 Equipment Program

The MAG Regional Council, by consent, approved the MAG FY 2014 Public Safety Answering Point (PSAP) Annual Element/Funding Request and FY 2014-2018 Equipment Program. Each year, the PSAP Managers submit inventory and upgrade requests that are used to develop a five-year equipment program that forecasts future 9-1-1 equipment needs of the region and will enable MAG to provide estimates of future funding needs to the Arizona Department of Administration (ADOA). The funding request for FY 2014 is required to be submitted to the ADOA by December 15, 2012. The FY 2014 PSAP Annual Element/Funding Request and FY 2014-2018 Equipment Program have been recommended for approval by the MAG 9-1-1 PSAP Managers on July 12, 2012, and by the MAG 9-1-1 Oversight Team on September 12, 2012, and by the MAG Management Committee on October 3, 2012.

5D. Appointments of the MAG Economic Development Committee Business Member Positions

The MAG Regional Council, by consent, approved appointments of the nine Economic Development Committee (EDC) business member positions, not including the two transportation industry positions. On October 27, 2010, the MAG Regional Council approved the composition of the MAG Economic Development Committee (EDC). The composition includes eleven business member positions that have two-year terms with possible reappointment by recommendation of the Executive Committee and approval of the MAG Regional Council. The business member positions are up for reappointment. On August 1, 2012, a memorandum was sent to the EDC business members soliciting letters of interest to be reappointed to the EDC. Nine letters to be reappointed were received. The two transportation representatives chose not to submit letters for reappointment. On September 17, 2012, the MAG Regional Council Executive Committee recommended approval of the appointments of nine EDC business member positions, not including the two transportation industry positions. Appointments of the transportation industry positions will be considered at a later date.

6. Arterial Life Cycle Program Project Removal and Gilbert Road Light Rail Extension

Eric Anderson, MAG Transportation Director, stated that the City of Mesa is requesting to remove federal Surface Transportation Program (STP) funds from sixteen (16) Arterial Life Cycle Program (ALCP) projects and use the funding to design, purchase right-of-way, and construct a 1.9 mile light rail transit (LRT) extension on Main Street, from Mesa Drive to Gilbert Road. Since the funding stream that is associated with the 16 street projects does not align with the timing needed for the light rail construction, Mesa would provide interim funding using Transportation Project Advancement Notes (T-PAN), which would be paid back with federal STP funds. Mr. Anderson noted that the light rail segment is scheduled to open in 2017. Mr. Anderson stated that reimbursements to Mesa would be subject to any changes in the ALCP schedule.

Mr. Anderson stated that the average daily ridership on the light rail system is 50,000, a number that exceeds the 20-year forecast. He stated that the Sycamore Station, which is the end of the light rail line

in the East Valley, accounts for nearly ten percent of the light rail ridership and has seen a 16.3 percent increase in ridership between 2009 and 2011.

Mr. Anderson stated that Gilbert Road provides a better end of line station than Mesa Drive because it provides better north/south access, is nearby downtown Mesa and has connections to Loop 202, SR-87, and the Santan Freeway. He noted that the average daily ridership for the Central Mesa extension, currently under construction, is projected at 4,500 and the Gilbert Road Extension is projected to add another 4,000 riders daily.

Mr. Anderson explained that regional sales tax funds from Proposition 400 cannot be moved between programs but federal funds can be moved. For example, Surface Transportation Program (STP) funds can be used for a wide variety of projects, including transit projects. Mr. Anderson stated that Mesa has identified federally funded, Mesa ALCP street projects that are low priority or are unlikely to be completed. He reported that Mesa will issue financing since project funding requirements and payments to Mesa will be subject to ALCP schedule adjustments.

Mr. Anderson advised that the addition of a light rail extension of over one mile triggers the RTP Major Amendment Process under the statutory provisions of Proposition 400. He added that the removal of street projects does not trigger the RTP Major Amendment Process, which applies only to transit and freeways.

Mr. Anderson stated that the ALCP projects proposed for deletion include Meridian Road, Higley Road Parkway, projects that are now the responsibility of a developer, or projects no longer needed in the timeframe of the ALCP.

Mr. Anderson stated that the Meridian Road project borders the jurisdictions of Maricopa and Pinal Counties, and he added that there is little development on the Pinal County side of the street. He reported that the project is not needed in the planned time horizon due to a change in the rate and pattern of development, and additionally, there are major drainage issues east of Meridian Road.

Mr. Anderson stated that the Higley Road Parkway project was originally envisioned as a north/south parkway. He said that the project proposed grade separated intersections, which would severely restrict access to businesses on Higley Road. In addition, constructability issues and neighborhood impacts make this project not feasible.

Mr. Anderson stated that road projects on Guadalupe Road and Baseline Road would be the responsibility of developers. He noted that maps in the agenda packet show the configurations and reasons the projects were proposed to be deleted from the ALCP. Mr. Anderson pointed out the unimproved areas and said that they anticipate that improvements to the roadway will be made by the developer when the adjacent land is developed. He noted that the economic downturn could not have been anticipated ten years ago.

Mr. Anderson stated that Country Club and Brown is a project that is no longer needed. He said that intersection was to be improved to provide three through lanes, however, Country Club is a six-lane

roadway and Brown Road is a four-lane roadway near Country Club. Mr. Anderson stated that MAG ran an analysis on this intersection with the current configuration and the results showed that improvements to the intersection are not needed due to low projected traffic volume.

Mr. Anderson stated that another project no longer needed is Thomas Road north of Loop 202, which borders in part the Salt River Pima-Maricopa Indian Community. He stated that improvements are not needed as there is no development nearby and low traffic volume is anticipated.

Mr. Anderson stated that the Gilbert Road Light Rail Extension project cost estimate totals \$133 million (\$112 million in construction and \$21 million in interest). He advised that Mesa's cost responsibility will be \$7.2 million, which represents the 5.7 percent local match required for federally-funded projects, and will be covered by savings from other projects.

Mr. Anderson reviewed the schedules for the Central Mesa Extension and the Gilbert Road Extension. If recommended for approval by the TPC, action is anticipated by the Regional Council on October 24, 2012. Mr. Anderson stated that an approval will trigger consultation on the proposed Major Amendment, which will require that formal votes be taken by the Maricopa County Board of Supervisors, the Regional Public Transportation Authority (RPTA), and the State Transportation Board. He stated that the cities, towns, Indian communities, and CTOC can submit comments but do not need to vote.

Mr. Anderson stated that this item began at the TPC level because funds were being switched from the arterial program to the transit program. Presentations of the proposal will be given to the MAG Transportation Review Committee on October 25, 2012, and the Management Committee on November 7, 2012.

Mr. Anderson stated that following the Major Amendment consultation, the item would be brought back to the MAG Management Committee, Transportation Policy Committee, and Regional Council for action in January 2013 to amend the Regional Transportation Plan and Transportation Improvement Program to incorporate the changes, pending air quality conformity. After the finding of conformity, action to amend the Regional Transportation Plan and Transportation Improvement Program is anticipated in February 2013.

Mr. Anderson displayed the requested action and summarized it by saying it would remove the 16 projects from the ALCP, reallocate those funds to the light rail project to Gilbert Road, and initiate the major amendment process to add the 1.9 mile light rail segment. He noted that the Transportation Policy Committee had recommended approval of the action last week.

Chair Rogers thanked Mr. Anderson for his report and asked members if they had questions.

Mayor Lane stated that he expressed his concern at the Transportation Policy Committee for what was referenced in an earlier presentation as a major policy shift, but it was confirmed that this action was not a change in policy, would not be precedent setting and would not affect the ability of any other community to get STP funds. Mr. Anderson confirmed that was correct.

Mayor Lane asked if these arterials, although not needed right now by Mesa, might be competing for STP funds in the future. Mr. Anderson replied that was a possibility and would depend on the amount of funds available.

Mayor Lane asked for clarification of the amount of the project. He noted that Mr. Anderson indicated the cost of the project with interest was \$133 million, but a \$153 million transfer was requested. Mr. Anderson explained that some contingency amounts are built into the \$153 million. He added that only the amount that was needed would be transferred.

Councilman Esser expressed his agreement with Mayor Lane's comments.

With no further discussion, Chair Rogers called for a motion.

Mayor Tibshraeny moved approval to (1) remove federal Surface Transportation Program (STP) funds totaling \$153,366,043 (2011\$) from sixteen (16) Arterial Life Cycle Program (ALCP) projects and use the funding to reimburse costs associated with design, purchase of right-of-way, and construction of a 1.9 mile light rail transit (LRT) extension on Main Street, from Mesa Drive to Gilbert Road; (2) program federal STP funds to reimburse costs associated with the LRT Gilbert Road project which are contingent on federal funding revenue streams and subject to the ALCP financial program; and (3) consult with the State Transportation Board, the Maricopa County Board of Supervisors, the Regional Public Transportation Authority, the Indian Communities, the cities and towns in Maricopa County, and the Citizens Transportation Oversight Committee, as required by A.R.S. 28-6353, on the proposal to add a 1.9 LRT extension on Main Street, from Mesa Drive to Gilbert Road to the MAG Regional Transportation Plan 2010 Update and 2011-2015 MAG Transportation Improvement Program as appropriate, contingent on the finding of air quality conformity. Mayor Meck seconded.

Chair Rogers asked if there was discussion of the motion. There was none. The vote on the motion passed unanimously.

7. 2012 Annual Report on the Status of the Implementation of Proposition 400

Roger Herzog, MAG staff, stated that A.R.S. 28-6354 requires that MAG issue an annual report on projects included in Proposition 400. The 2012 Annual Report is the eighth report in this series and covers the status of the life cycle programs for freeways/highways, arterial streets, and transit. He noted that the full report is posted on the MAG website. Mr. Herzog stated that a public hearing on the annual report is scheduled for November 15, 2012.

Mr. Herzog stated that the forecasts of regional revenues of the half-cent sales tax through FY 2026 show a 23.7 percent decrease in FY 2011 and a 3.4 percent decrease in FY 2012. He noted that the FY 2012 actual half cent sales tax collections increased 4.8 percent. Mr. Herzog advised that this is the second year in a row it increased after three years of decline, however, half-cent receipts for FY 2012 remain 17.3 percent lower than those in FY 2007.

Mr. Herzog stated that the recurrence of an imbalance between projected costs and expected revenues in Life Cycle Program resulted from the lower revenue forecasts in FY 2011 and FY 2012. He stated that this resulted in the development of scenarios to rebalance the programs and that the Regional Council approved a balanced scenarios in 2012 for all the Life Cycle Programs.

Mr. Herzog stated that significant progress was made on projects during FY 2012. Among those were new high occupancy vehicle lanes completed on Loop 101 and Loop 202/Santan. Those projects advertised for bids or under construction include SR-85 and Loop 303 freeway segments. For the arterial program during FY 2012, \$103 million was reimbursed to lead agencies. Since the start of the program, \$327 million has been disbursed, and 30 arterial projects have been completed. Mr. Herzog added that \$61 million in reimbursements is anticipated during FY 2013. Since the start of the transit program, 17 new bus routes were implemented, three new light rail extensions were scheduled for completion in FY 2016, and ongoing operations were funded.

Mr. Herzog stated that a performance audit of the Regional Transportation Plan by the Auditor General is required every five years by A.R.S. 28-6313, and the first audit was released on December 21, 2011. He said that the audit found there was “no substantial evidence to warrant drastic modifications to the transportation system (plan) or specific projects.” Mr. Herzog stated that the audit also provided 27 planning process recommendations that MAG, RPTA/METRO and ADOT are jointly pursuing.

Mr. Herzog stated that ongoing issues include the economy and its impact on transportation revenue collections, the impacts of new federal transportation legislation on funding, the need to make adjustments to project scopes, costs and programs, and continued implementation of the recommendations of the performance audit.

Chair Rogers thanked Mr. Herzog for his report. No questions for Mr. Herzog were noted.

8. MAG Managed Lanes Network Development Strategy - Phase I - Project Update

Bob Hazlett, MAG staff, provided an update on the MAG Managed Lanes Network Development Strategy - Phase I Project. He noted that this item was on the agenda for information and discussion. Mr. Hazlett stated that this update would provide information on toll revenue modeling.

Mr. Hazlett stated that there are dedicated lanes for one or more user groups in a managed lanes concept. He noted that this region utilizes managed lanes through its high occupancy vehicle (HOV) system, which is the fourth largest in the nation. Mr. Hazlett stated that the primary benefit of managed lanes is travel time savings and reliability. He noted that one of the things this study has been looking at is price managed lanes, where a single occupant vehicle is allowed to use the HOV lane at a price.

Mr. Hazlett pointed out on a map that there are currently 15 projects in the United States that use price managed lanes, and they are becoming more prominent in the construction of new or retrofit projects. Mr. Hazlett stated that four mega-projects valued between \$1.8 billion and \$2.6 billion are currently being constructed in the nation: the Capital Beltway (I-495) near Washington, DC; IH-635 LBJ Freeway in Dallas, Texas; the North Tarrant Expressway in Dallas, Texas; and the I-595 in Fort Lauderdale,

Florida. Mr. Hazlett noted that a public private partnership to construct improvements could be a possible option on Interstate 10 or Interstate 17 in the MAG region.

Mr. Hazlett stated that the managed lanes study began one year ago, led by Parsons Brinckerhoff. He said that in screening the network for capacity based on volume, the most promising corridors for managed lanes were those that were indicated in green on the map he displayed. Mr. Hazlett stated that there are constructability issues in some corridors, mostly in developed areas.

Mr. Hazlett stated that the goal is to look at the network from a systemwide viewpoint. He stated that two scenarios were developed: Scenario One (single lane HOT system) and Scenario Two (dual lane HOT system).

Mr. Hazlett stated that to conduct toll and revenue modeling, the consultants used toll models from other cities because this region does not have any toll facilities. He said that the consultants ran a calculation of construction and operations cost estimates.

Mr. Hazlett stated that the 25-mile price managed lane system in Salt Lake City has been in use for five years and they are looking to expand it. He stated that the Utah Transit Authority is required to provide a report on performance measures to the Utah State Legislature, and the report found that safety in managed lanes is better than general purpose lanes as a result of more consistent speeds.

Mr. Hazlett stated that the performance criteria include level of service, peak period travel time savings, travel speed, and single lane and dual lane revenue and costs. He noted that the analysis showed that a managed lanes system would pay for itself. Mr. Hazlett pointed out on a map the top performing segments utilizing single and dual managed lanes, and noted that the study showed that a 60 m.p.h. speed on managed lanes and a 20-30 m.p.h. speed in the general purpose lanes. He stated that the Spine would perform very well with dual lanes.

Mr. Hazlett stated that the study showed that a managed lanes network would provide reliability, be possible to construct, require legislative action, be revenue recovery sufficient, be a feasible solution, and need a policy recommendation. He stated that at the beginning of next year, this item would be back before the Council for action on moving forward.

Chair Rogers thanked Mr. Hazlett for his report and asked if there were any questions.

Supervisor Wilson asked how much review had been given to peak hours and if there was some latitude in employee work hours because it seems everyone is on the freeways at the same time. Mr. Hazlett replied that hours of operation has been addressed extensively. He noted that this region has a part-time HOV system and one of the recommendations from this report might be extend the hours of operation a bit to get better HOV operations, but not 24 hours per day/seven days per week. Mr. Hazlett stated that when the hour comes for a lane to become an HOV lane, it is already congested. He noted that another issue being studied is the system's unrestricted access in and out of HOV lanes and we might want to look at restricting access in a couple of places, like they do in Utah and Minneapolis. Mr. Hazlett stated that the ability to weave in and out of the lanes also causes congestion in HOV lanes. Mr. Hazlett stated

that if the region goes to an express lane system, restricted access to the lanes will be needed. He stated that recommendations on how to improve the HOV system will be brought back to the Regional Council.

Mayor Lane asked if an increased speed limit was going to be considered as part of separated managed lanes. Mr. Hazlett stated that the Manual on Uniform Traffic Devices says it is best not to post different speed limits in different lanes unless it is a lower speed limit due to an incident up ahead. He noted that many people would prefer to pay for faster travel on a road, because it is many times less expensive to do that than to pay other charges, for example, after-hours charges at daycare. In some parts of the country user fees are returned to the system to pay for improvements. Mayor Lane stated that value is built by time savings.

Chair Rogers asked about feedback from the public. Mr. Hazlett replied that the public's response will be a part of the next phase of the study.

Supervisor Wilson asked if looking at employers staggering work hours to spread out the traffic could also be addressed in the study. Mr. Hazlett replied that demand management is something consistently considered and is part of the region's congestion management plan.

Mayor Smith stated that the public needs to hear the full story. He stated that managed or express lanes comes across as allocating existing resources. Mayor Smith stated that the purpose is to expand traffic capacity, not restrict use, which comes across in the narrative way too often. He stated that one of the purposes of managed lanes is to attract sources of capital not available to the system currently, and this capital in turn expands capacity. Mayor Smith stated that the only way to expand capacity is through new capital but he never hears discussion of that. Mr. Hazlett noted the projects that allowed new capacity, I-495, I-635, I-15 in Salt Lake City, and IH-20. The pricing enabled making infrastructure investments that had been delayed.

Chair Rogers stated that showing possible consequences is important to demonstrate as well.

Mayor Smith stated that there is an aversion to pricing because the perception is it has already been paid for. He stated that the region's freeway system is largely in place because of Propositions 300 and 400. Mayor Smith stated that the message needs to be very clear to express that this body and its partners have delivered successfully the system promised. He stated that the expansion would allow choice and allows people to participate if they wish, and that is simply where we are because we do not have the financial resources to increase capacity. Mr. Hazlett replied that when modeling was done, what was promised to the voters remained, for example, capacity improvements for I-17 remain in the Regional Transportation Plan. If a pricing component was added, would it provide additional reliability to users and revenue to complete improvements?

Mr. Smith stated that revenue is down and projects are being pushed to later dates. He noted that this region has experienced a severe downturn and creative funding is needed to find new revenue.

Mayor Smith stated that he felt it goes beyond the shortfall of funding. He stated that the money to fix the Broadway Curve is simply not available, however, there are different ways of thinking than ten years ago. Mayor Smith expressed that he hoped managed lanes might enable us to do something that would not be possible otherwise. He stated that the people we have to convince this is worthwhile have different assumptions and he felt it important to detail why we are pursuing this.

Mayor LeVault asked whose permission is needed to move forward and how is it then administered. Mr. Hazlett replied that if approved by MAG, public private partnerships have been authorized in the state and tolls could be collected. He added that laws that govern HOV lanes, such as hours of operation would need to be looked at, but for the most part, from a private public partnership standpoint, the legislative ability is already enabled.

Mayor Mook asked the public's reaction to toll roads in Utah and Denver. Mr. Hazlett replied that he was familiar with Denver, having moved from there seven years ago. He stated that the E-470 was supposed to be an interstate but became a public private partnership toll road. Mr. Hazlett stated that it has proven to be a very popular road – it goes to the airport and provides very reliable travel times because the other freeways are congested. Mr. Hazlett stated that Denver also has a managed lanes system downtown to the northern suburbs that is quite popular. He remarked that Denver is one step ahead because it already had tolling in place, so they were able to tell people that using the managed lanes was optional. Mr. Hazlett also noted that the Director of the Utah Department of Transportation informed them that managed lanes are very popular and found that safety is an important feature because the speeds remain more constant. He stated that managed lanes are so popular there that they are increasing their 30-plus mile system to an almost-70 mile system.

Mayor Smith stated that the Salt Lake City HOV lanes are two-plus occupants, similar to the MAG system. He stated that single occupant vehicles can use the HOV lanes there for a price, which is adjusted according to demand. Mayor Smith stated that they created HOV and managed lanes on the freeway in Provo, farther south, which had no HOV lanes. He said that the transition seemed very seamless because people did not feel something was being taken away; they have the option to participate if they want and it does not change their lives if they do not participate. Mayor Smith stated that one thing he thought contributed to success was the addition of the 15-20 miles of HOV lanes on I-15 that were not there before. He said that the public might have a right to complain if there is only a transition, but new construction coupled with transition contributes to acceptance by the public. Mayor Smith also remarked that UDOT did a great job with their signage announcing to the public what they were building.

Chair Rogers stated that it appeared to her that the residents viewed these decision-makers as forward thinking, and considered their children and grandchildren instead of the here and now.

Councilman Cooper stated that a lot of good ideas have been presented today about how to communicate and message this properly. He asked Mr. Hazlett about best practices. Mr. Hazlett replied that the consultant team, which includes a public relations subconsultant, has been beneficial to the project. He reported that she has experience on these types of projects, for example, the conversion of a bridge to a toll bridge in Washington. Mr. Hazlett stated that she said that from the moment the decision is made

to implement this, work needs to begin with the public to help them understand. He stated that messaging ideas will be presented to the Regional Council in January.

9. State Demographer's Office Update

Anubhav Bagley, MAG staff, stated that according to Executive Order 2011-04, there will be one set of state and county population projections, and they will be developed by the State Demographer's Office at the Arizona Department of Administration (ADOA) every three to four years. He said that the Council of Technical Solutions, which consists of representatives from regional councils, universities, and state agencies, meets every month to discuss technical issues as related to population data, methods and processes for the State of Arizona.

Mr. Bagley stated that MAG is required to use the county projections for state and federal planning purposes in Maricopa County, such as transportation and air quality models. Mr. Bagley stated that the 2007 set of projections, done before the economic downturn, is now out of date and the 2012 projections are currently under development by the State Demographer.

Mr. Bagley reviewed how the county population has grown twenty-fold from about 190,000 in 1940 to 3.8 million as of 2010. He noted that the existing projections continue that trend: 6.3 million by year 2040 and almost seven million by 2050. Mr. Bagley stated that Maricopa County represents approximately 60 percent of the state's population

Mr. Bagley pointed out the draft projections were quite different than what they had seen previously. He stated that staff has been working with the State Demographer's Office to convince them that growth will return. Mr. Bagley stated that this region has experienced a downturn, but that has happened before and historically has turned around.

Mr. Bagley then showed how the 2007 population projections for year 2010 was over-estimated by approximately 10 percent, or about 300,000 to 350,000 people. He noted that the draft projections were consistent with the projections done by Marshall Vest at the University of Arizona. Mr. Bagley stated that the new draft 2012 projections for 2030 population by the State Demographer's Office is 5.4 million and the 2040 projection is 6.3 million. He noted that historically, there was population growth in the first part of the last decade and population loss in the second part of the decade, beginning about 2007. Mr. Bagley stated that the new projections show population growth starting again, about 2014, where it continues to about 2030 and then the birth rates start coming down and aging rates increase. He added that Maricopa County will still retain about 60 percent of the state's population.

Mr. Bagley then described the timeline for population projections. Once MAG gets the draft final control totals, work will begin on the sub-county projections. He stated that the MAG Population Technical Advisory Committee will review the data, models, methods and assumptions, and will hold workshops and meetings. He noted that the final control totals will be brought back to the Management Committee and Regional Council.

Chair Rogers thanked Mr. Bagley for his report and asked if there were questions.

Mr. Smith stated that the State sets the state control total, then sets the county control totals and MAG, as the Regional Council, allocates to cities after working through the Population Technical Advisory Committee. Mr. Smith stated that the projections drive all of the planning, and that is why they took a keen interest in the state control totals because they thought the numbers were too low. He stated that they checked with Marshall Vest and others in the state who work on population numbers and were able to increase the number, even though it was lower than previous projections.

10. Legislative Update

Nathan Pryor, MAG staff provided an update on legislative issues of interest. He noted that at each place were copies of two letters: one sent to the President and the other sent to members of the Arizona Congressional delegation on the topic of federal sequestration. Mr. Pryor stated that on September 26, 2012, the MAG Regional Council provided guidance to MAG staff for drafting a letter encouraging Congress to take action to prevent the pending mandatory budget reductions created by the Budget Control Act of 2011.

Mr. Pryor stated that at the September meeting, the Regional Council directed that the letter be sent to the Arizona Congressional delegation saying that action should be taken immediately and that the letter should be non-partisan. Mr. Pryor stated that staff drafted the letter and distributed it to members of the MAG Regional Council for feedback on October 11. Staff received a number of comments including: highlighting MAG's role as a transportation planning agency, potential impacts to transportation, consider having the mayors sign, include the three MAG Native American Indian communities, and drafting an additional letter to the President.

Mr. Pryor stated that on October 15, 2012, the MAG Executive Committee discussed the draft letter and the input received. He stated that additional comments from Mayor Schoaf emphasized that the letter should include a statement that the Administration and Congress develop solutions to the long term budget deficit. In the interest of timing, the Executive Committee took action to finalize the letter and have their signatures included. The letter was sent on October 16, and he added that no response has yet been received.

Mr. Pryor stated that congressional staff is starting preliminary discussion on potential limited spending reductions and tax increases. These would be more targeted and limited reductions versus across the board and larger spending cuts. Mr. Pryor stated that members of Congress have not been active in these discussions. Much of what comes next in the Lame Duck Session depends on the outcome of the presidential election and congressional races. Staff will continue to monitor and provide updates as needed.

Chair Rogers thanked Mr. Pryor for his report. She asked members if they had questions.

Mayor Tibshraeny thanked the Executive Committee for the letters. He noted that he thought it was important to send the letters and had communicated that to the Executive Committee. Mayor Tibshraeny

stated that some of his constituents felt very strongly that everyone should be working together to solve these problems.

Chair Rogers recognized public comment from Dianne Barker, who stated that Arizona needs to be proactive. She said that she attended a very well-attended meeting at the Burton Barr Library regarding the Interstate 11 study. Ms. Barker suggested to ADOT that they have name badges for citizens, not just elected officials and staff, and that these events be publicized more. Ms. Barker stated that Interstate 11 is the future for Arizona and it needs to be multimodal. Chair Rogers thanked Ms. Barker for her comments.

11. Metropolitan Business Planning Initiative Update

Amy St. Peter, MAG staff, provided an update on the metropolitan business planning initiative, which is an effort to produce a business plan for the region that is driven by a market analysis. Ms. St. Peter stated that possible initiatives in clean technology and remotely operated technology were presented in April, and this presentation is to provide an update on the staffing and analysis planned in support of this project.

Ms. St. Peter reported that in July, Brookings provided direction on ways to optimize the staffing for the metro business plan. Their feedback focused on the following areas: MAG and Greater Phoenix Economic Council (GPEC) should be co-owners of the project. Unify the analysis for the lead initiative and do not pursue different initiatives in parallel tracks. Establish a steering committee with high level leaders who will be responsible for approving and implementing the business plan.

Ms. St. Peter stated that MAG and GPEC developed an update which was presented and discussed at Executive Committee last month. The agreement outlines the roles and responsibilities. Ms. St. Peter advised that MAG will take the lead on spatial efficiency and GPEC will drive the analysis in the other leverage points of regional concentrations (industry clusters), innovation, human capital, and governance.

Ms. St. Peter stated that MAG and GPEC will jointly develop and staff the steering committee comprising high level leaders such as mayors and CEOs. She reported that this committee will be formed in the next month. MAG and GPEC will invite leaders who have the influence and connections to implement the business plan. GPEC will staff the working committee comprising members of their Innovation Council. MAG will provide support as needed.

Ms. St. Peter stated that the Management Committee, Economic Development Committee, and Regional Council will continue to receive updates and provide input. The GPEC Innovation Council will also serve in the same capacity, with some of the members more directly involved through their participation on the working committee. Ms. St. Peter stated that the Brookings Institution continues to guide the work through their consultants. Weekly conference calls help to coordinate the work.

Ms. St. Peter stated that GPEC and MAG have been working to update and refine the market analysis in spatial efficiency, regional concentrations, innovation, human capital, and governance. She noted that

GPEC and MAG are wrapping up the strategic overview and the Brookings consultants are reviewing the work and guiding enhancements.

Ms. St. Peter stated that workshops with the Brookings consultants are being planned for November. The purpose of these workshops is to engage industry and public sector leaders on strategy development based on the market analysis. Ms. St. Peter stated that on the basis of these strategies, potential initiatives will be developed by the working committee and approved by the steering committee.

Ms. St. Peter stated that detailed operational and financial plans will be developed for the lead initiative. This will be approved by the steering committee and submitted to Brookings by January 2013. Ms. St. Peter added that an implementation plan of the new enterprise will be developed shortly thereafter. Local launch events will be held in each of the regions participating in this round with a possible national launch in Washington, D. C., by April 2013.

Chair Rogers thanked Ms. St. Peter for her report. She asked members if they had questions.

Mayor Tibshraeny asked Ms. St. Peter to expand on the new enterprise. Ms. St. Peter stated that the business plan is focused on implementing a lead initiative that will transform the region, specifically in the economy. She said that the analysis continues and they are looking at an initiative in the area of science or technology, and they are in the process of defining what the enterprise will be.

Mayor Tibshraeny asked when the process was expected to be completed. Ms. St. Peter replied that if the project stays on schedule, the business plan should be completed in January 2013. She added that the implementation and launch will follow afterward.

Mayor Tibshraeny stated that it will be interesting to see the new enterprise and if it can be incorporated into existing enterprises. He thanked Ms. St. Peter for all of her work. Ms. St. Peter stated that there have been some successes in innovation in science and technology, but there are challenges, especially in research and development, leveraging intellectual property, and attracting early stage funding. She stated that GPEC is particularly interesting in looking at financing: from a public ballot initiative to private funding sources, and what the funding will support.

12. 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.

13. 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.

No comments from the Council were noted.

Adjournment

There being no further business, the meeting adjourned at 1:05 p.m.

Secretary

Chair