

February 2, 2011

TO: Members of the MAG Transit Committee

FROM: Debbie Cotton, City of Phoenix, Chair

SUBJECT: MEETING NOTICE AND TRANSMITTAL OF TENTATIVE AGENDA

Thursday, February 10, 2011 – 10:00 a.m.  
MAG Office, Suite 200, Cholla Room  
302 North 1st Avenue, Phoenix

A meeting of the MAG Transit Committee will be held at the time and place noted above. Please park in the garage under the building. Bring your ticket to the meeting as parking will be validated. Bicycles can be locked in the rack at the entrance to the parking garage. Committee members or their proxies may attend in person, via videoconference or by telephone conference call. Those attending video conference must notify the MAG site three business days prior to the meeting. Those attending by telephone conference call please contact MAG offices for conference call instructions.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Marc Pearsall or Jason Stephens at the MAG Office. Requests should be made as early as possible to allow time to arrange the accommodation.

Please be advised that under procedures adopted by the MAG Regional Council on June 26, 1996, all MAG committees need to have a quorum in order to conduct business. A quorum is a simple majority of the membership or twelve people for the MAG Transit Committee. If the Transit Committee does not meet the quorum requirement, members who have arrived at the meeting will be instructed a legal meeting cannot occur and subsequently be dismissed. Your attendance at the meeting is strongly encouraged. If you are unable to attend the meeting, please make arrangements for a proxy from your jurisdiction to represent you. Please contact Kevin Wallace at (602) 254-6300 if you have any questions or need additional information.

TENTATIVE AGENDA

1. Call to Order

2. Approval of Draft January 13, 2011 Minutes

3. Call to the Audience

An opportunity will be provided to members of the public to address the Transit Committee 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 will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transit Committee requests an exception to this limit.

4. Transit Program Manager's Report

The MAG Transit Program Manager will review recent transit planning activities and upcoming agenda items for other MAG committees.

5. Update on Transit Programming and Preventive Maintenance

The Transit Operators Working Group and the Transit Committee have been working on programming Preventive Maintenance in the TIP since September 2010. The participants have made significant progress regarding the distribution methodologies and amount of funding per year. In review of the MAG Regional Transportation Plan (RTP) policy directives, areas regarding preventive maintenance and types of transit service are unclear. Before moving forward with more technical analysis, MAG staff will be working with the Transportation Policy Committee in February for some clarification about preventive maintenance and types of transit service to be funded. The technical input is important to the discussion as well. Attachment One documents the work and discussions completed to date,

COMMITTEE ACTION REQUESTED

2. Approve Draft minutes of the January 13, 2011 meeting.

3. For information and discussion.

4. For information and discussion.

5. For information and discussion.

including details of the January 10, 2011 Transit Operators Working Group meeting and next steps.

6. Update on Passenger Rail Planning Activities

Staff will provide updates on current passenger rail planning activities of the Western High Speed Rail Alliance and the Arizona Department of Transportation (ADOT).

7. Sustainable Transportation and Land Use Integration Study

In January, staff provided an overview of this study to the Transit Committee. The purpose of this briefing is to review various perspectives on sustainable transportation that could be relevant to the MAG region.

8. Quarterly Status Report on Federal Grant Activity

The City of Phoenix is the Designated Recipient (DR) for federal transit funds for the Phoenix Mesa Urbanized Area (UZA). Among other responsibilities, the City of Phoenix manages federal transit grants for the region. In support of MAG's role of coordinating regional transit planning and programming activities, the City of Phoenix will provide quarterly updates to the Transit Committee on the status of existing federal grants. Please refer to Attachment Two for additional information.

9. Request for Future Agenda Items

Topics or issues of interest that the Transit Committee would like to have considered for discussion at a future meeting will be requested.

10. Next Meeting Date

The next regular Transit Committee meeting is scheduled for Thursday, March 10, 2011, at 10:00 a.m. in the MAG Office, Cholla Room.

Adjournment

6. For information and discussion.

7. For information and discussion.

8. For information and discussion.

9. For information and discussion.

10. For information.

MEETING MINUTES  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSIT COMMITTEE

January 13, 2011

Maricopa Association of Governments Office  
302 North First Avenue, Suite 200, Cholla Room  
Phoenix, Arizona

MEMBERS ATTENDING

Phoenix: Debbie Cotton, Chair	*Paradise Valley: William Mead
ADOT: Teri Kennedy for Mike Normand	Peoria: David Moody for Maher Hazine
Avondale: Rogene Hill	Queen Creek: Tom Condit
#Buckeye: Sean Banda for Andrea Marquez	Scottsdale: Theresa Huish
Chandler: RJ Zeder	#Surprise: Michael Celaya
El Mirage: Leah Hubbard	Tempe: Robert Yabes for Jyme Sue McLaren
Gilbert: Ken Maruyama	*Tolleson: Chris Hagen
Glendale: Cathy Colbath	Valley Metro Rail: Wulf Grote
Goodyear: Christine McMurdy for Cato Esquivel	Youngtown: Grant Anderson
*Maricopa County: Mitch Wagner	Regional Public Transportation Authority: Carol Ketcherside
Mesa: Jeff Martin for Mike James	

\*Members neither present nor represented by proxy. + - Attended by Videoconference  
# - Attended by Audioconference

OTHERS PRESENT

Kevin Wallace, MAG	Kristen Sexton, Avondale
Marc Pearsall, MAG	Rean Peters, Glendale
Monique de los Rios-Urban, MAG	Maher Hazine, Peoria
Alice Chen, MAG	Jorie Bresnahan, Phoenix
DeDe Gaisthea, MAG	Ken Kessler, Phoenix
Jorge Luna, MAG	Kini Knudson, Phoenix
Nathan Pryor, MAG	Karl Matzinger, Phoenix
Eileen Yazzie, MAG	Tom Remes, Phoenix
	Dave Moody, Peoria
	Bob Antila, Valley Metro-RPTA

## 1. Call to Order

The meeting was called to order at 10:00a.m. by Chair Debbie Cotton. Chair Cotton welcomed everyone in attendance and announced that a quorum was present. She welcomed Grant Anderson to the Committee, and noted that Mr. Anderson would be representing the Town of Youngtown. She then noted that two members were participating via teleconference, Mr. Michael Celaya and Mr. Sean Banda. Chair Cotton asked if there were any public comment cards, and there being none, proceeded to the next item on the agenda.

## 2. Approval of Draft December 9, 2010 Minutes

Chair Cotton asked if there were any comments or corrections to the Draft December 9, 2010 meeting minutes. Hearing no comments or corrections to the meeting minutes, Chair Cotton called for a motion to approve both draft meeting minutes. Mr. Jeff Martin moved to approve the motion. Mr. David Moody seconded, and the motion passed unanimously.

## 3. Call to the Audience

Chair Cotton stated that she had not received any request to speak cards from the audience and moved onto the next item on the agenda.

## 4. Transit Program Manager's Report

Mr. Kevin Wallace stated that there were two items to report on this month.

He noted that the draft Arizona State Rail Plan was submitted to the State Transportation Board(STB) on January 10<sup>th</sup> for their review. The STB was to comment on the document and then ADOT would prepare a final version for submittal in spring 2011 to the Federal Railroad Administration(FRA). The State Rail Plan allowed for the State of Arizona to participate in FRA competitive funding grant requests for freight and passenger rail projects and programs.

Mr. Wallace reported that the RPTA would be hosting a grand opening celebration for the new Arizona Avenue/Country Club LINK bus service on Wednesday January 19<sup>th</sup> at 2pm. He said that the public kickoff event was to commence at the northeast corner of Arizona Avenue and Chandler Blvd. and added a congratulations to all the RPTA, City of Chandler and regional members who were involved in making the project a reality.

Chair Cotton thanked Mr. Wallace for his report and asked if there were any further questions or comments. Hearing none, Chair Cotton proceeded to the next item on the agenda.

## 5. 5307 Urbanized Area Formula Funds Distribution Scenarios for Preventive Maintenance

Chair Cotton introduced Jorge Luna of MAG to brief the committee on the 5307 Urbanized Area Formula Funds Distribution Scenarios for Preventive Maintenance.

Mr. Luna presented an update on 5307 Urbanized Area Formula Funds distribution methodology for Preventive Maintenance(PM). He noted that this item was on hold until the members of the informal Transit Operators Working Group could meet one more time in order to get additional information on policy issues from the MAG Transportation Policy Committee (TPC) on guidance in relation to federal funds and their relation to the TLCP.

He noted that once they received direction and input from the TPC, they would reconvene and be able to bring back some information to the Transit Committee. The next meeting of the TPC was on February 16<sup>th</sup>, so an update would be presented thereafter to the Transit Committee. He added that the December Transit Committee recommendation on 5307 funds for FY2011 was made by a non-precedent setting motion, and would be heard by the Transit Review Committee (TRC) on January 27<sup>th</sup>.

Chair Cotton thanked Mr. Luna for his presentation and asked if there any questions or comments.

Ms. Carol Ketcherside asked Mr. Luna to summarize what the policy issues were that would go to the TPC. Mr. Luna replied that the TPC would be discussing how regional funds are distributed and to stipulate what the intent of the RTP was for regional fund usage. Mr. Wallace clarified that the informal Transit Operators Working Group had made progress on this issue after three or four meetings, but that policy direction from TPC on a variety of issues related to 5307 and 5309 distribution was needed. Ms. Rogene Hill expressed concern about whether the TPC would have sufficient information available to provide the appropriate policy direction. Mr. Wallace assured the members that the TPC would be provided with a comprehensive background of the issues, their effect on transit, and the concerns of the informal Transit Operators Working Group. Mr. Moody asked whether the Transit Committee would have an opportunity to review and comment on the information provided to the TPC in advance. Mr. Wallace indicated that typically policy issues went directly to the TPC, but that MAG staff would consider the request. Discussion followed.

Mr. Luna offered further insight into the issue by noting that the issues before the TPC would be policies regarding the distribution of federal formula funds as outlined in the RTP, namely PM funds and concerns over how to distribute PM revenue miles. The TPC would be asked to weigh in on those issues so that the informal Transit Operators Working Group could proceed. Discussion followed.

Chair Cotton thanked Mr. Luna for his presentation and Mr. Wallace for his comments and asked if there were any further questions or comments. Hearing no further comments, Chair Cotton proceeded to the next item on the agenda.

6. Sustainable Transportation and Land Use Integration Study

Chair Cotton introduced Mr. Kevin Wallace to brief the committee on the new Sustainable Transportation and Land Use Integration Study. Mr. Wallace provided an overview and proceeded with a visual presentation. He noted that this study was a direct result of the 2010 Regional Transit Framework Study. Specifically, he indicated that some of the member jurisdictions had asked how land use changes might impact future recommendations related to high capacity transit for the region.

Mr. Wallace mentioned that the study was quite different from previous studies because it would include sustainability and the interrelationships between transportation and land use. He then proceeded with an overview of the scope of work for the project, including an early work elements to define 'sustainable transportation' for the region. Mr. Wallace explained that the study would include best practice recommendations for enhancing the land use-transportation connection, defining development patterns and densities necessary to support high capacity transit, and evaluating the economic viability of the land use alternatives.

Mr. Wallace noted that there would be a stakeholders group to help guide the study and an expert review panel to provide feedback on various study elements. Mr. Wallace then explained that the study would include a base case scenario and three alternative development scenarios. Mr. Wallace noted that existing MAG socioeconomic and travel forecasting tools would be utilized in coordination with a new socioeconomic tool developed specifically for this study, I-Place<sup>3</sup>s. Mr. Wallace then discussed how I-Place<sup>3</sup>s would be utilized in the scenario modeling process.

Mr. Wallace explained that the study would focus on developing tools to assist MAG member agencies interested in creating Transit Oriented Development (TOD) around high capacity transit corridors. He noted that the study recommendations would identify the full spectrum of policies, programs, and tools necessary for land use densities and patterns, local transit, walkability, etc. In particular, the I-Place<sup>3</sup>s model could be utilized by member agencies in the future, and could be implemented as an Internet based application, although that element had not been included in the consultant scope of work at this point. He also mentioned a project evaluation tool would be developed to assist in selecting and prioritizing future high capacity transit corridors.

Regarding schedule, Mr. Wallace noted that the notice to proceed was issued in November 2010 and the study process was pegged at an 18-month duration. He mentioned work to date had focused on data collection and development of a refined scope of work. He noted that there would be five stakeholder meetings throughout the study, the first had been scheduled for February 10<sup>th</sup> at 2pm in the MAG Saguaro Room. He also added that two forums would be held to bring the transit, development, banking, and other industries together to broaden the discussion on the issues surrounding sustainable transportation. He noted that the first forum would occur in the May time frame, with a followup forum featuring recommendations at a later date.

Chair Cotton thanked Mr. Wallace for his presentation and asked if there any questions or comments.

Mr. Wulf Grote commented that METRO would be working on studies along Arizona Avenue in Chandler and Central Avenue in Phoenix that would be coordinated with this study.

Mr. Jeff Martin commented that he believed the study was a fantastic opportunity for the region. He noted the work being done in Chandler on the Arizona Avenue Corridor, as well as this study, would allow communities to make long-term commitments to high capacity corridors and their overall development. He also noted that there may be opportunities to use sample corridors, such as South Central in Phoenix and Arizona Avenue in Chandler as test cases studies for the I-Place<sup>3</sup>s model.

Ms. Hill inquired as to the membership profile for the stakeholders group. Mr. Wallace noted that there would be a letter going out in the coming week to the MAG Management Committee requesting participation. Ms. Hill noted that Avondale was not a member of METRO, and as such didn't have a similar study underway. She asked if Avondale or other cities decided to conduct a similar study if MAG would also interface with these studies. Mr. Wallace indicated that MAG would coordinate with other similar studies.

Mr. Robert Yabes asked if there would be a technical committee for the study. Mr. Wallace replied that the stakeholders group would act as the advisory body for the duration of the study.

Chair Cotton stated that she hoped that MAG would be reaching out to planning and economic development department staff members. She endorsed the need to have all departments and agencies on the same page as MAG moves forward on this vital study. Ms. Hill commented that she wanted to ensure that the consultant would be gathering the most up to date, accurate data from the communities related to their general plans. Mr. Wallace replied that MAG would ensure that the consultants were using up to date information from the communities, although several jurisdictions would be updating their plans during the study process. Discussion followed on updated general plans.

Chair Cotton inquired as to when this new study would be heard and reviewed by the regional policy makers. Mr. Wallace replied that a study update would be provided to the various MAG committees later in the spring.

Chair Cotton thanked Mr. Wallace for his presentation and asked if there were any further questions. Hearing none, Chair Cotton proceeded to the next item on the agenda.

#### 7. Peer Region Structured Parking Policy - Return On Investment (ROI) Summary Update

Chair Cotton introduced Mr. Marc Pearsall of MAG to brief the committee on the Peer Region Structured Parking Policies.

Mr. Pearsall noted that this was a followup report to a November presentation requested by the Transit Committee. He noted that MAG staff was directed by the Transit Committee in the

summer of 2010 to identify the criteria used in other regions for providing structured parking at bus park-and-rides, and at the November Transit Committee meeting, members requested additional information concerning Peer Regions Return on Investment (ROI) criteria for structured parking, if any, for presentation to the Committee.

Mr. Pearsall noted that follow-up discussions with a variety of these peer regions (Denver, Minneapolis, Portland and Seattle) reflected a limited focus on ROI when quantifying the construction of new structured parking facilities. He added that the consistent theme between the agencies that responded was that ROI was traditionally gauged and linked overall to the general health of the total transit system, not specific structures. He explained that ROI was focused exclusively on immediate or long-lasting, indirect investment that public transit may provide; namely higher wages and private sector generated tax revenue. He specified that a common industry survey reported that a \$10 million in public transit capital investment translated into 350 higher wage jobs and \$30-40 million in business-sales tax generation.

Mr Pearsall cited examples within the sample review and explained that the Denver-RTD region measured ROI by permitting the agency to deem projects cost effective to build structured parking facilities when land costs exceeded \$15.03 per square foot. The Minneapolis Metro Transit region viewed ROI cost effectiveness with an eye towards a public-private partnership's capital contributions of over 50% to structured, mixed-use transit facility. In Portland, Tri-Met had engaged in a unique initiative that allowed for design-build of their Yellow Line LRT extension and station-parking facilities to the airport under a large public/private partnership. The private sector (Bechtel) was permitted to contribute 25% of the total project funding in return for exclusive development rights to the Port Authority Cascades site near Portland's International airport. Lastly, he noted that Seattle's Sound Transit 2 initiative allowed public/private partnerships that permitted the agency to use private funds for current transit parking facilities, thus allowing currently limited or constrained public transit funds to be deferred for future use.

Mr. Pearsall summarized that as there was no one criteria for return on investment from the peer review sample, MAG staff was requesting direction from the Transit Committee on this topic as well as whether to proceed with perhaps drafting a policy on the issue of regional structured parking.

Chair Cotton thanked Mr. Pearsall for his presentation and asked if there were any further questions or comments.

Mr. Moody asked the committee how the region should move forward with this information. He noted that there may be opportunities to establish criteria on structured parking in the future, but advocated not delving into the issue until some of the other regional studies were completed and given that some member cities' structured facilities were not yet completed.

Ms. Hill agreed with Mr. Moody that the region had a long way to go in understanding transit and sustainability issues and that prematurely constraining individual efforts on structured parking was not in the best interest of the region at this time.

Mr. Grant Anderson added that he did believe it was best not to act prematurely on this issue, but that the region should be aware of potential federal funding directed at parking facilities and surface transit park and ride parking lots. He noted that there may be future funding opportunities in the next wave of federal funding, but he said there was value in the analysis presented before the committee as it moves forward.

Mr. Martin noted that this discussion came about originally in 2010 due to the request for funds for a specific structured parking facility. He noted that it was still a valid issue and since there were limited transit resources, there was risk in overspending on structured parking facilities when there had been recent severe cuts in bus service. He felt that it was important to continue to take a look at this issue and to make a decision on a regional level. Ms. Hill advocated the value of public private partnerships when discussing structured parking facilities. Discussion followed.

Mr. Grote endorsed looking at structure parking on a case by case basis, instead of a rigid uniform standard. He also advocated using federal guidelines in the review of the facilities. Mr. Martin concurred and discussion followed. Mr. Wallace noted that the MAG research did show that structured transit parking facilities for bus-only systems was uncommon in the transit industry and this was important to keep in mind as the committee proceeds with potentially establishing a policy.

Chair Cotton asked if there were any further questions or comments. Hearing no further comments, Chair Cotton proceeded to the next item on the agenda.

#### 8. Request for Future Agenda Items

Chair Cotton asked the members of the Committee if there were any issues that they would like added as future agenda items.

Mr. Jeff Martin commented that he had attended the State Transportation Board meeting regarding the State Rail Plan. He noted that some of the discussion at the meeting focused on the fact that in five or six years ADOT wouldn't have enough funding to build new projects, and would only have funding maintain existing facilities. He added that ADOT was discussing issues that may have huge financial impacts on the MAG region, depending on how the funding scenarios are used to shore up the state budget. He noted that if some of the State Rail Plan was implemented, namely the multi-billion dollar Phoenix-Tucson intercity rail project, there would be funding requirements for the region while we already have many of the projects committed for years. He mentioned that some of those new projects could actually compete with MAG Region projects, especially if there is a sweep of funding by the legislature.

He recommended that a conversation between MAG and ADOT on the issues should take place to address the concerns of potential huge financial impacts on the MAG Region, at a time of drastic transit cutbacks. He recalled that the Time Coalition in 2008 included virtually no MAG Region input in their attempt at a statewide ballot initiative, and cautioned that regional transportation planning would have been in the hands of the State had it been successful.

Chair Cotton requested that MAG staff bring the structured parking policy discussion back to the Transit Committee in the future in order to further evaluate the direction and position the region should take on the issue. She noted that there were elements that the Committee was interested in, such as following federal guidelines as well as reviewing each park and ride on a case by case basis, which could be embedded into a regional policy. She asked that MAG compile a summary report that could be presented to the Transit Committee for a future action item in order to get the region on the record for this issue so that it does not remain unresolved.

Hearing no further comments, Chair Cotton proceeded to the next item on the agenda.

9. Next Meeting Date

Chair Cotton thanked those present for attending the MAG Transit Committee meeting. She announced that the next meeting of the MAG Transit Committee would be held on Thursday February 10, 2011 at 10:00 a.m. in the MAG Cholla room. There being no further business, Chair Cotton adjourned the meeting at 11:04 a.m.

# **ATTACHMENT ONE**

## **Agenda Item 5**

February 2, 2011

TO: MAG Transit Committee

FROM: Jorge Luna, Transit Planner

SUBJECT: FOLLOW-UP ON JANUARY 2011 TRANSIT COMMITTEE MEETING DISCUSSION

The purpose of this memo is to follow-up on the January 13, 2011 Transit Committee (TC) meeting discussion regarding the January 10, 2011 Transit Operators Working Group (TOWG) meeting.

#### **BACKGROUND**

Due to Transit Life Cycle Program (TLCP) project deletions and deferments, American Recovery and Reinvestment Act (ARRA) funding, and budget reductions of both local and regional funding sources, about \$30 million of 5307 federal formula funds were programmed for regionwide preventive maintenance (PM) as a placeholder in the FY2011-2015 MAG TIP. Of the \$30 million available, \$11.7 million is for FY2011, \$11.5 million is for FY2013, and \$6.3 million is for FY2015.

To address the distribution of the additional \$11.7 million of FY2011 5307 funds, on December 8, 2010 Regional Council approved to evenly distribute the funds between FY2011 and FY2012. In December, 2010 the TC recommended a non precedent setting distribution of the 5307 funds for PM, only for FY2011. The distribution methodology included maintaining the current PM allocations as shown in the TIP for FY2011 and distributing the additional PM funds to all eligible transit operators in the region based on a 2-tiered methodology. The methodology first splits the funds between bus/paratransit and rail based on operating expenses and then distributes the funds to bus and paratransit operators based on revenue miles. The distribution percentages were based on 2009 National Transit Database (NTD) reported data. In addition, the TC also recommended that the region's transit operators meet again in order to evaluate alternatives and recommend a transparent, data-driven, and regionally equitable method for allocating future year federal funds for PM.

On January 10, 2011 the TOWG met to discuss scenarios on how to distribute 5307 federal funds for PM in the region for FY2012 and onward. Transit operators in attendance at the meeting were: City of Glendale, METRO Light Rail, City of Peoria, City of Phoenix, Regional Public Transportation Authority (RPTA), City of Scottsdale, City of Surprise, and City of Tempe. The items discussed at the meeting were:

- Timeline to phase out old PM distribution percentages, and phasing in of a new PM distribution methodology
- New PM Distribution Methodology
- Inclusion of non-vehicle factor in the new PM distribution methodology

The following is a summary of the topics discussed at the January 2011 TWOG meeting.

**TIMELINE TO PHASE OUT OLD PM DISTRIBUTION PERCENTAGES**

The first item discussed at the meeting was the timeline to phase out of the old PM distribution percentages, and the phasing in of a new PM distribution methodology. Historically, PM funds were given to transit operating agencies based on a distribution schedule that predates the current Regional Transportation Plan (RTP). The PM distribution schedule was set in or around 2001 based on approximately \$5.6 million per year to be distributed, at a certain percentage level, to transit operating agencies identified in 2001. It is important to note that it is unclear how the old PM distribution percentages were developed. Since 2001 to present, the distribution percentages have remained the same. The only adjustment was an annual two percent increase of total funds to account for inflation.

Since 2001, the amount of 5307 federal funds allocated to the region (Phoenix-Mesa urbanized area) has grown from approximately \$24 million in 2001 to approximately \$50.6 million in 2010. Since 2001 some transit agencies have stopped operating service; new transit agencies have begun operating service; other agencies have increased service by adding miles of service, increasing hours of operation, and expanding their coverage area. The existing distribution percentages have not been adjusted to include the new agencies or fund those agencies that have increased transit service.

As noted earlier in the memo, there are now \$30 million of 5307 funds available to be used for PM in the FY2011-2015 MAG TIP. The proposed methodology for FY2011 includes maintaining the old PM allocations as shown in the TIP for FY2011 and then distributing the additional PM funds to all eligible transit operators in the region with an initial split between bus/paratransit and rail based on operating expenses, and then to bus and paratransit operators based on revenue miles.

The majority of the operators supported phasing out the current allocation percentages in twenty-five percent increments beginning in FY2012 as noted in the following schedule:

- 2012: Old PM distribution percentages used for 75% of old PM funds, and new PM methodology used for new and remaining PM funds.
- 2013: Old PM distribution percentages used for 50% of old PM funds, and new PM methodology used for new and remaining PM funds.
- 2014: Old PM distribution percentages used for 25% of old PM funds, and new PM methodology used for new and remaining PM funds
- 2015: New PM methodology used for 100% of PM funds

Certain meeting attendees wanted the current allocations to be phased out after FY2015. Please see the table below for a summary of the operators and their phasing out preference.

Agency	Phase out beginning in FY2012	Phase out after FY2015
Glendale		X
METRO	X	
Peoria	X	
Phoenix		X
RPTA	X	
Scottsdale	X	
Surprise	NA	NA
Tempe	X	

The City of Surprise did not comment since this was the first time attending the meeting and would like additional background in order to make an informed decision.

## NEW PM DISTRIBUTION METHODOLOGY

The non precedent setting distribution for FY2011 approved by the TC in December used vehicle revenue miles to distribute the funds for bus/paratransit operating agencies. At the January 2011 TWOOG meeting, the group supported the continued use of the 2-tiered distribution methodology. A discussion ensued regarding the inclusion of passenger miles, as an efficiency metric, in the methodology. Per NTD, vehicle revenue miles are miles that vehicles are scheduled to or actually travel while in revenue service; passenger miles are the total number of miles traveled by passengers on transit vehicles. Passenger miles are the cumulative sum of the distances ridden by each passenger; e.g., ten passengers riding in a transit vehicle for two miles equals 20 passenger miles.

In addition, a meeting attendee asked if ADA and Non-ADA paratransit should be split out from the distribution methodology for the bus/paratransit operating agencies. The attendee noted that maybe it should be split out and a methodology be developed that, for example, uses population and population density similar to that used by the FTA when distributing 5307 federal funds. The preference from the majority of the group was that the distribution methodology should be kept simple, be flexible to meet the needs of this region, and not be a copy of the FTA formula since it was very complicated. The group noted, from previous discussions, that splitting out ADA and Non-ADA paratransit passenger data was very difficult since frequently ADA and Non-ADA paratransit passengers travel in the same vehicle and ADA and Non-ADA paratransit policies vary by jurisdiction in the region.

Regarding the distribution methodology, there was no definitive consensus by the group on the use of revenue miles or a combination of revenue miles and passenger miles. Please see the table below for a summary of the operators and their preference of using revenue miles, passenger miles, or both in the new distribution methodology.

Agency	Revenue Miles Only	Passenger Miles and Revenue Miles
Glendale	X	
METRO		X
Peoria	X	X
Phoenix		X
RPTA	X	X
Scottsdale	X	X
Surprise	NA	NA
Tempe	X	X

The City of Surprise did not comment since this was the first time attending the meeting and would like additional background in order to make an informed decision.

There was general support from the group to include passenger miles in the methodology. Using the phase out schedule described in the section above, the new methodology distributes PM funds in the region between modes (bus/paratransit and rail) using percentages developed from National Transit Database (NTD) data. For the modes (bus/paratransit and rail) the percentages are based on operating expense; for bus and paratransit operating agencies based on a combination of passenger and vehicle revenue miles (passenger miles weighted by 10% and vehicle revenue miles weighted by 90%). The group did come to a consensus on updating the distribution methodology on a yearly basis using the latest NTD data.

## INCLUSION OF NON-VEHICLE FACTOR IN THE NEW PM DISTRIBUTION METHODOLOGY

The group also discussed if the new PM distribution methodology should account for non-vehicle PM expenditures (e.g. facilities). It was noted that the overall need for PM (vehicle and non-vehicle) in the region

far exceeds not only the current PM TIP allocated amounts but also the total 5307 funds allocated to the region. Due to this, the group agreed that at this time non-vehicle expenditures should not be taken into consideration in the new PM distribution methodology.

#### NEXT STEPS

- The onetime 5307 distribution recommendation made by TC in December, 2010 will move forward. This item will be heard by TRC February 24, 2011.
- The PM distribution methodology for future years has been placed on hold in order to get overall policy direction from TPC regarding federal funds and the federal fund programming guidelines. Policy questions to be presented before TPC are:
  - Once the TLCP is programmed, what is the policy for programming remaining Regional Funds that are federal funds?
  - How should PM be integrated into the RTP policy directives, should there be a set amount or percentage of 5307 directed to it?
  - What types of transit service should Regional Funds, including federal funds, support?
- Once TPC guidance has been defined, brief the TC on how to move forward; meet with the TOWG, if needed.

# **ATTACHMENT TWO**

## **Agenda Item 8**

**CITY OF PHOENIX PUBLIC TRANSIT DEPARTMENT  
FTA GRANT STATUS REPORT  
AS OF DECEMBER 31, 2010**

<b>PROGRAM/ GRANT NUMBER</b>	<b>FEDERAL FUNDING YEAR</b>	<b>GRANT AWARD DATE</b>	<b>FEDERAL FUNDS AWARDED</b>	<b>FEDERAL FUNDS EXPENDED</b>	<b>FEDERAL FUNDS REMAINING</b>	<b>STATUS</b>
<b>Section 5307 Urbanized Area Formula Program</b>						
AZ-90-X068	2003	7/16/2004	53,778,070	53,684,120	93,950	Fare Collection System project not yet closed out due to issues with reporting. Withholding final payment to vendor until all reports are working satisfactorily. Scottsdale park and ride project planning complete, award is pending. Anticipating six months for environmental, then design will proceed. Estimated grant close-out - 12/31/2011.
AZ-90-X070	2004	3/31/2005	55,536,053	54,924,217	611,836	Fare Collection System project not yet closed out due to issues with reporting. Withholding final payment to vendor until all reports are working satisfactorily. Remaining funds from various completed projects being reallocated to other FTA funded projects. Estimated grant close-out - 6/30/2011.
AZ-90-X074	2005	6/2/2006	43,319,916	39,041,267	4,278,649	Chandler: acquisition of right-of-way at Arizona Ave/Knox Road completed, construction plans for bus pullouts under review. Anticipate going to bid in December with award in February 2011. Phoenix: in the process of receiving final invoices for transit center upgrades. RPTA: finance fully staffed, waiting for FTA guidance on rebate from bus manufacturer prior to reallocation of project savings. Scottsdale: RFQ issued for design of Mustang park-and-ride, and award pending final review of submissions. Estimated grant closeout - 12/30/2012.
AZ-90-X080	2006	4/20/2007	45,336,056	40,987,415	4,348,641	Glendale: meeting with various vendors for the last phase of software upgrade. Phoenix: reallocation of funds completed and drawn down. RPTA: Finance fully staffed, awaiting guidance from FTA regarding rebate from bus manufacturer prior to reallocation of project savings. Tempe: Phoenix is awaiting signed change order for grant pass through agreement from Tempe in order to process final reimbursement request. Estimated grant close-out - 12/31/2011.
AZ-90-X088	2007	8/18/2008	42,409,809	37,680,443	4,729,366	Delay for Peoria's two remaining vehicles pending evaluation of need. Scottsdale Mustang Transit Center/Park and Ride project has been delayed due to project changes. Evaluating how to proceed with project in light of the impact of FTA requirements on proposed changes. Staff is researching the reallocation of unexpended funds awarded to Maricopa County STS. RPTA: Finance fully staffed and will be requesting project savings reallocation in the next quarter. Estimated grant close out - 6/30/2012.
AZ-90-X096	2008	3/3/2010	39,606,732	28,059,687	11,547,045	RPTA buses and Phoenix Dial-a-Ride vans have been delivered and in revenue service. All other vehicles are having specifications written to start bid process. Preventive Maintenance costs are being gathered for reimbursement. All other projects are having scope of work finalized. Estimated grant close-out - 6/30/2015.
<b>5307 Program Total</b>			<b>279,986,636</b>	<b>254,377,150</b>	<b>25,609,486</b>	

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<b><u>CMAQ/STP Transfers from FHWA</u></b>						
AZ-90-X084	2006	6/21/2006	18,561,754	17,815,837	745,917	Scottsdale - Skysong transit center design work in process. Issues over easement rights for utilities coordination delayed the project, but are now resolved. Mesa -park-and-ride design funds to be reallocated. Phoenix: reallocation of remaining funds from completed projects under review by management. Estimated grant closeout - 12/31/2011.
AZ-95-X004	2007/2008	11/25/2008	16,538,743	14,519,945	2,018,798	Vehicles have been delivered and paid for except for expansion vanpool vans, which are currently on order. Design for Happy Valley/I-17 park-and-ride complete, construction completed in November 2010. Main/Sycamore intermodal transit center is complete and minor repairs to be completed. Estimated grant close-out - 12/31/2011.
AZ-95-X006	2008/2009	5/21/2010	25,248,414	5,617,364	19,631,050	Bus purchase has been delayed due to service cuts. Vanpool vans expected to be delivered in February 2011. Goodyear park-and-ride land has been purchased, and gathering documentation for reimbursement request. Estimated grant closeout - 6/30/2015.
<b>CMAQ/STP Transfers Total</b>			<b>60,348,911</b>	<b>37,953,146</b>	<b>22,395,765</b>	
<b><u>Section 5309 Bus and Bus Facilities Program</u></b>						
AZ-03-0046	2004	8/2/2005	12,135,920	11,165,046	970,874	Recently received Congressional approval to move earmarked funds to another project. Planning process for new project - East Baseline park-and-ride - to begin in the near future. Remaining funds will be deobligated and included in future grant as a result of this Congressional reallocation. Estimated grant close-out - 3/31/2011.
AZ-03-0050	2005	7/20/2006	12,730,295	12,390,172	340,123	Recently received Congressional approval to move earmarked funds to another project. Planning process for new project - East Baseline park-and-ride - to begin in the near future. Remaining funds will be deobligated and included in future grant as a result of this Congressional reallocation. Estimated grant close-out - 3/31/2011.
AZ-04-0004	2006	8/31/2007	7,312,615	5,628,540	1,684,075	Evaluating reallocation of unexpended funds from completed projects to another FTA project. Scottsdale's Skysong project is complete for design and easement rights, with construction anticipated to be completed later in 2011. Estimated grant close-out - 12/31/2011.
AZ-04-0005	2007	7/21/2008	3,210,240	2,307,360	902,880	Evaluating reallocation of unexpended funds to another FTA project. Scottsdale's Skysong project has easement issues resolved, construction will be completed later in 2011. Estimated grant close-out - 12/31/2011.
AZ-04-0008	2008	5/3/2010	7,856,040	5,311,800	2,544,240	RPTA buses have been paid for and are in revenue service. Scottsdale: easement issues resolved, construction to be completed in November 2011. Estimated grant close-out - 12/31/2011.

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AZ-04-0014	2008	9/16/2010	245,000	0	245,000	Documentation is being gathered to submit reimbursement request for the purchase of one bus. Estimated grant close-out - 6/30/2011.
<b>5309 Bus Program Total</b>			<b>43,490,110</b>	<b>36,802,918</b>	<b>6,687,192</b>	
<b><u>Section 5309 Fixed Guideway Modernization Program</u></b>						
AZ-05-0201	2007	7/10/2008	2,727,749	1,859,375	868,374	Vehicle purchase complete, RPTA finance fully staffed and will be requesting meeting with Phoenix for reallocation of remaining funds. Estimated grant close-out - 12/31/2011.
AZ-05-0202	2008	4/12/2010	3,560,398	3,258,561	301,837	RPTA buses have been paid for and are in revenue service. RPTA Finance is fully staffed and will be requesting meeting with Phoenix for reallocation of project savings. Scottsdale's project has had preliminary design submitted and is currently 30% complete. Estimated grant close-out - 9/30/2011.
<b>5309 FGM Program Total</b>			<b>6,288,147</b>	<b>5,117,936</b>	<b>1,170,211</b>	
<b><u>Section 5309 New Starts Program</u></b>						
AZ-03-0031	2005	8/19/2010	551,200,000	551,200,000	0	Amount awarded for this grant is the total amount appropriated, allocated, and awarded through the grant process to date (through amendment 12 - FY 2010 funding). Final draw down completed in August 2010. Final project close out work in process. Estimated grant closeout - 12/31/2012.
<b>5309 New Starts Program Total</b>			<b>551,200,000</b>	<b>551,200,000</b>	<b>0</b>	
<b><u>Section 5316 Job Access and Reverse Commute (JARC) Program</u></b>						
AZ-37-X006	2006	4/26/2007	1,437,345	1,437,345	0	All projects complete and all funds drawn down. Grant close-out amendment submitted 8/9/2010, pending FTA approval as of 9/30/2010.
AZ-37-X008	2007	8/15/2008	1,515,115	488,699	1,026,416	Remaining funds resulting from the discontinuation of Maricopa County's Special Transportation Services have been included in the regional competitive selection process on a provisional basis. After termination of the grant pass through agreement with Maricopa County, the funds will be allocated to projects selected through the regional process. Estimated grant close-out - 12/31/2011.
AZ-37-X011	2008/2009	8/11/2010	1,336,332	0	1,336,332	Buses have been purchased, reimbursement requests submitted in January 2011. Vanpool vans will be purchased from multi-year contract. Operating assistance projects are at various stages. Estimated grant close-out - 12/31/2012.
AZ-37-X017	2008/09/10	9/21/2010	4,073,588	0	4,073,588	Phoenix: Scope for VMS upgrade is being finalized to release for bids. Glendale: Obtaining documentation in order to submit reimbursement requests. RPTA: no activity this quarter, still utilizing previous grant. Estimated grant close-out - 12/31/2013.
<b>5316 Program Total</b>			<b>8,362,380</b>	<b>1,926,044</b>	<b>6,436,336</b>	

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<b><u>Section 5317 New Freedom Program</u></b>						
AZ-57-X001	2006	6/13/2008	1,052,690	389,259	663,431	RPTA - programs continuing, but loss of RPTA finance staff has delayed the reimbursement requests. Volunteer program still operating well. Software update has performance issues, but are being resolved. Travel training program - additional training conducted and a travel trainer will be hired in the next quarter. Funds awarded to Maricopa County to be reallocated as a result of discontinuation of Maricopa County STS. Funds awarded to Four Sisters to be reallocated due to matching funding issues. These funds will be reallocated to projects selected in the regional competitive selection process. Estimated grant close-out - 12/31/2011.
AZ-57-X008	2008	8/19/2009	451,217	29,086	422,131	East Valley Paratransit service above and beyond required ADA Complementary Paratransit Service has been implemented and is operating with Section 5317 funds. East Valley Travel Training Program has begun preliminary travel training work for inclusion into the Regional Mobility Center where ADA in-person eligibility assessment will take place. Operating assistance cost is coming in lower than anticipated. Estimated grant close-out - 12/30/2011.
AZ-57-X009	2008/2009	7/28/2010	1,078,889	17,893	1,060,996	Phoenix's senior taxi coupon - a lot of interest with more people inquiring about the program. RPTA: Taxi Subsidy/Volunteer program - covers multi years and will support services in Mesa during this quarter; On-line Transportation Directory - planning meeting held with MAG and RPTA this quarter to discuss project starting in early 2011; East Valley Travel Training - in operation throughout fiscal year, planning continues and implemented in new Regional Mobility Center in early 2011. Estimated grant close-out - 12/31/2013.
<b>5317 Program Total</b>			<b>2,582,796</b>	<b>436,238</b>	<b>2,146,558</b>	
<b><u>Section 5339 Alternatives Analysis Program</u></b>						
AZ-39-0001	2007	5/15/2008	993,600	622,246	371,354	MAG - travel forecasting complete. Special events and model development in progress. Awaiting final invoices to submit for reimbursement. RPTA - On-board survey final report is complete. Finance fully staffed and will be submitting reimbursement requests. Estimated grant close-out - 12/31/2011.
AZ-39-0002	2008	9/9/2008	1,568,000	1,568,000	0	Alternatives Analysis for high capacity/light rail extensions to Mesa, South Tempe and West Phoenix. Reimbursement requests for all have been submitted and funds have been drawn down. Estimated grant close-out - 3/31/11.
<b>5339 Program Total</b>			<b>2,561,600</b>	<b>2,190,246</b>	<b>371,354</b>	

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<b>ARRA</b>						
AZ-96-X002 (5307 Urban Area)	2009	8/21/2009	66,074,735	16,647,197	49,427,538	Mesa's park-and-rides are having final construction plans worked on. RPTA: Chandler received permission from City Council to acquire right-of-way through condemnation, Mesa has "order of Immediate Possession" hearings in January and February. Phoenix: Happy Valley park-and-ride complete; Central Station - first phase has begun and should last approximately 90 days, Pecos park-and-ride completed and opened in August. Scottsdale: design contract awarded and underway. Tempe: design is complete, construction to begin in late January. Operating assistance for Phoenix and Metro expended, ADA assistance for Phoenix expended. Estimated grant close-out - 6/30/2013.
AZ-66-X001 (FHWA Transfers)	2009	8/20/2009	1,047,382	632,351	415,031	Contractor completing finishing work. Park and ride opened to the public in December. Estimated grant close-out - 3/31/2011.
AZ-56-0001 (5309 Fixed Guideway)	2009	8/20/2009	640,070	32,435	607,635	Design has begun with completion scheduled for January. Construction will start once design has been approved. Estimated grant close-out - 12/31/2011.
<b>ARRA Program Total</b>			<b>67,762,187</b>	<b>17,311,983</b>	<b>50,450,204</b>	
<b>TOTAL</b>			<b>1,022,582,767</b>	<b>907,315,660</b>	<b>115,267,107</b>	