

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

October 20, 2010
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Scott Smith, Mesa, Chair | Phil Matthews, Salt River Pima-Maricopa
Indian Community |
| Councilwoman Peggy Neely, Phoenix,
Vice Chair | Mayor Jackie Meck, Buckeye |
| # Mayor Bob Barrett, Peoria | * Vice Mayor Les Presmyk, Gilbert |
| Stephen Beard, HDR Engineering, Inc. | Mayor Marie Lopez Rogers, Avondale |
| * Dave Berry, Swift Transportation | David Scholl |
| * Jed Billings, FNF Construction | # Mayor Elaine Scruggs, Glendale |
| Mayor James Cavanaugh, Goodyear | * Karrin Kunasek Taylor, DMB Properties |
| Councilmember Jack Sellers, Chandler | # Mayor Lyn Truitt, Surprise |
| Councilmember Shana Ellis, Tempe | * Supervisor Max W. Wilson, Maricopa County |
| Councilmember Dick Esser, Cave Creek | * Victor Flores, State Transportation Board |
| * Mark Killian, The Killian Company/Sunny
Mesa, Inc. | # F. Rockne Arnett, Citizens Transportation
Oversight Committee |
| # Mayor Jim Lane, Scottsdale | |
- * Not present
Participated by telephone conference call
+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Scott Smith at 4:02 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Chair Smith noted that Roc Arnett, Mayor Bob Barrett, Mayor Jim Lane, and Mayor Lyn Truitt were participating in the meeting by telephone.

Chair Smith announced that on October 13, 2010, the Management Committee recommended approval of agenda item #4B that was on the TPC agenda.

Chair Smith requested that members of the public fill out blue cards for Call to the Audience and yellow cards for consent or action items on the agenda, and then turn in the cards to staff, who will bring them to him. He stated that parking garage validation and transit tickets for those who used transit to attend the meeting were available from staff.

3. Call to the Audience

Chair Smith stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Chair Smith noted that no public comment cards had been turned in.

4. Approval of Consent Agenda

Chair Smith stated that agenda items #4A, #4B, and #4C were on the consent agenda.

Chair Smith asked members if they would like to remove any of the consent agenda items or have a presentation. No requests were noted. Vice Chair Neely moved to recommend approval of consent agenda items #4A, #4B, and #4C. Mr. Beard seconded, and the motion carried unanimously.

4A. Approval of the September 15, 2010, Meeting Minutes

The Transportation Policy Committee, by consent, approved the September 15, 2010, meeting minutes.

4B. Project Changes – Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the Fiscal Year (FY) 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update. The FY 2011-2015 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2010 Update were approved by the MAG Regional Council on July 28, 2010. Since that time, there have been requests from member agencies to modify projects in the programs. The Arizona Department of Transportation (ADOT) is requesting to split the SRL303 utility relocation project into individual ones, to revise the scope for a South Mountain project, and add a new pavement preservation project. There are requests to add four new federal Safe Routes to Schools program funded projects. Wickenburg is requesting to move its STP-TEA funded project from 2010 to 2011, and two new transit projects need to be added to the TIP. Changes to four Congestion Mitigation and Air Quality (CMAQ) funded projects were requested. There have been recommendations on the

above requested changes by the Transportation Review Committee, Air Quality Technical Advisory Committee, and the Intelligent Transportation Systems Committee. In addition, requests for deferrals were received for three CMAQ funded projects, two projects in Cave Creek and one in Litchfield Park. These were heard for the first time at the Management Committee on October 13, 2010. The Management Committee recommended approval of all of the requested changes.

4C. Change in State Route Numbers

The State Transportation Board is renumbering the following freeways: Interstate 10 Reliever Freeway - previously State Route (SR)-801 - is now SR-30, and Williams Gateway Freeway - previously SR-802 - is now SR-24. Board action for SR-24 occurred in September 2010; action for SR-30 is anticipated in January 2011. All ADOT maps are illustrating the new route numbers. This item was on the agenda for information.

5. 2010 Annual Report on the Status of the Implementation of Proposition 400

Roger Herzog, MAG Senior Project Manager, stated that Proposition 400 was approved by the voters of Maricopa County in November 2004, and authorized the extension of a half-cent sales tax for use on transportation projects in the MAG Regional Transportation Plan to 2025. He reported that the law requires that MAG issue an annual report on the life cycle programs for freeways/highways, arterial streets, and transit. Mr. Herzog noted that a public hearing is scheduled for November. Mr. Herzog noted that MAG has been conducting a parallel process to update the Regional Transportation Plan and the life cycle programs, and he said that declining revenue resulted in the deferral of some projects beyond the end of the life cycle programs but that the projects remained in the Regional Transportation Plan, which was extended to FY 2031. He stated that the Regional Transportation Plan 2010 Update was approved by the Regional Council on July 28, 2010.

Mr. Herzog stated that revenues in FY 2010 were 8.9 percent lower than FY 2009, and FY 2010 was the third consecutive year for declining revenue collections. He stated that the year-to-year decrease in revenues since 2007 have been significant.

Mr. Herzog reported that the current long range revenue forecast was 6.2 percent lower than the prior forecast and the revenue estimates for the life of the tax had decreased by 26 percent, from a high of \$15 billion in 2007 to the current \$11 billion.

Mr. Herzog first addressed the Freeway Life Cycle Program by saying that a major imbalance between costs and revenues was identified in FY 2009. He noted that a process to rebalance the program was conducted to restore a balance through FY 2026, utilizing such measures as value engineering, program management, project rescoping, updated cost estimates, and project deferrals. Mr. Herzog noted that \$2.4 billion in cost savings were realized and \$4.4 billion in projects were deferred. He stated that the newly balanced Freeway Life Cycle Program future costs are estimated at \$8.3 billion while anticipated revenues are at \$8.4 billion.

Mr. Herzog stated that major projects in the Freeway Life Cycle Program retained within the original FY 2026 horizon included Loop 202/South Mountain Freeway, Loop 303 (I-17 to I-10), the HOV lane system, and improvements to the inner freeway network (e.g., I-10, I-17). Mr. Herzog stated that major projects that had been deferred beyond FY 2026 included State Route (SR)-801 (renumbered to SR-30) and the final construction for SR-802 (renumbered to SR-24), general purpose lanes on the outer freeways, several interchanges with arterials, and direct HOV ramps. He remarked that although a number of changes have been made, there has been significant progress since the start of the program in FY 2006.

Mr. Herzog then reported on the Arterial Life Cycle Program funded by Proposition 400. Mr. Herzog noted that 20 arterial street projects were completed in FY 2010, with \$62 million in reimbursements distributed, a total of \$178 million in reimbursements since the beginning of the program. He commented that a lot of work is anticipated during the next five years as work proceeds on various phases of 87 different projects.

Mr. Herzog stated that in FY 2009, \$22 million in reimbursements for the Arterial Program were shifted beyond FY 2026 to achieve a balanced program. He stated that the adjustments were retained in the FY 2010 program update. Mr. Herzog added that Lead Agencies have deferred the use of \$38 million in federal and regional funding from FY 2010 to later years due to problems with match or other development issues. He reported that estimated future reimbursements of \$1.5 billion were in balance with projected revenues of \$1.6 billion.

Mr. Herzog then addressed the Transit Life Cycle Program. He stated that the Transit Life Cycle Program had encountered similar cost and revenue imbalances as the Freeway Life Cycle Program. He reported that the Transit Life Cycle Program was balanced in FY 2009 by delaying the implementation of some projects. Mr. Herzog stated that in FY 2010 the program was refined further, especially service levels on supergrid regional bus routes, to allow more routes to be retained. He also noted a program shift from bus capital funding to operations expenditures.

Mr. Herzog reported that for FY 2011 to FY 2026, the Transit Life Cycle Program estimated future costs are \$4.6 billion and projected revenues are \$4.8 billion. He stated as part of the rebalancing of the Transit Life Cycle Program, a number of projects were maintained within the original FY 2026 horizon, including 16 bus rapid transit/express bus routes, 24 regional grid bus routes, and 25.7 miles of high capacity transit/light rail transit. Mr. Herzog stated that a number of projects were deferred beyond FY 2026, including 15 bus rapid transit/express bus routes, nine regional grid bus routes, and 12 miles of high capacity transit/light rail transit. He noted the significant progress made in transit since the start of the Proposition 400 program, including the opening of the light rail starter system and the implementation of 11 bus rapid transit/express bus routes and seven regional bus grid routes. Mr. Herzog added that an additional seven new bus routes over the next five years are anticipated.

Mr. Herzog then reported on ongoing issues. He said that the life cycle programs will encounter a number of ongoing issues, and he noted that a new revised revenue forecast being prepared this fall may show another decrease. Mr. Herzog stated that another concern is federal transportation

funding, which remains uncertain. He stated that federal reauthorization expired in 2009 and has been extended through continuing resolutions. Mr. Herzog stated that project scope/cost updates and program adjustments will need to continue in order to utilize limited funds as effectively as possible. He stated that another ongoing activity is the performance audit of the Regional Transportation Plan by the Auditor General, which was just initiated. Mr. Herzog stated that the final report is anticipated in October 2011.

Chair Smith thanked Mr. Herzog for his report. No questions from the Committee were noted.

6. Use of Public Private Partnerships in the MAG Region

Eric Anderson, MAG Transportation Director, introduced this item, which continued the discussion on Public Private Partnerships (P3s). He stated that last month, the committee discussed the concept of managed lanes and tolls to allow single occupant vehicles in HOV lanes as a way to manage congestion. Mr. Anderson stated that at the last presentation was a request for policy discussion on the underlying foundational issues. He said that staff identified three overarching issues, but there may be others that could be discussed. Mr. Anderson introduced Bob Hazlett, MAG Senior Engineer, who continued the presentation.

Mr. Hazlett stated that this was the third presentation to the TPC on P3s. He stated that his presentation would summarize the first two presentations to the TPC (in August 2010 and September 2010) and also provide additional detail on managed lanes. Mr. Hazlett stated that the first issue is whether to consider taxes or tolls. He said that tolls could augment or leverage private sector investment, but may not supplant the need for additional public sector revenue and cannot be applied to everything. Mr. Hazlett stated that this region has history of identifying and securing additional tax revenues.

Mr. Hazlett stated that another issue is whether there should be tolling for existing projects, particularly Proposition 400 projects, and he added that there are expectations by the citizens that there will be delivery through existing sources, such as the sales tax, Highway User Revenue Fund (HURF) and federal funds. Mr. Hazlett stated that it is important to recall the exercise conducted in October 2009 to rebalance the regional freeway program and he advised that further rebalancing may be needed when the program is examined again in April 2011.

Mr. Hazlett stated that there are three policy issues for the TPC to consider: 1) Does the MAG region want to explore the use of P3s, and tolls specifically, in the context of the overall transportation system? 2) If yes, what is the potential pool of projects that this region might consider for P3s? Should projects include those from Proposition 400? 3) How should the region use potential net revenues from P3 projects? Mr. Hazlett stated that a 2002 study of the HOV system showed that significant revenue could be obtained, but this would require additional research. He said that this was done on the HOV lanes on the Capitol Beltway that are under construction by Virginia DOT and Transurban, as well as for the Atlanta Metro area and Georgia DOT, where it was determined that tolls collected in the corridor stayed in the corridor to pay the debt for construction.

Chair Smith asked if that meant the projections had fallen short. Mr. Hazlett replied that they looked at the concessions and policies for toll rates, and it worked out that the revenues remained in the corridor. Chair Smith asked if they had only budgeted to meet needs only and if there was excess, that would be a bonus. Mr. Hazlett replied that was correct. He gave as an example the revenue collected for the infrastructure needed in Atlanta to provide managed lanes was probably enough to pay the bonds. Mr. Hazlett noted that this is a very constrained corridor that would require double-decking for improvements.

Chair Smith noted that he had just driven the HOT lanes on I-15 in Salt Lake City which have flexible rates. He said that he paid a toll of 25 cents. Mr. Hazlett remarked that managed lanes are more about reliability than revenue generation, and drivers are guaranteed they will be able to travel a certain speed. He said that paying a fee to use a managed lane might be less expensive to a driver than paying after-hours fees at day care if a person was delayed in picking up children.

Mr. Hazlett stated that maintenance, operations, transit, or new highway capacity could be potential applications for P3s. He suggested that an application in one of these categories could be researched as a P3 to determine if there is any benefit to the system.

Mr. Hazlett gave as an example of a project that might take advantage of leveraging is adding lanes to Interstate 10 between the SR-101L/Agua Fria to the Pecos stack. He noted that \$750 million for this project is included in the Regional Transportation Plan, but realistically, improvements to the entire corridor could cost \$1.5 billion, a gap of \$742.5 million. Mr. Hazlett stated that the \$750 million could be leveraged in exchange for managed lanes in the corridor to provide reliable travel times for commuters.

Mr. Hazlett said that managed lanes were considered in Houston and Atlanta because they offer trip reliability, commuter choices, and transit enhancements. He reported that a number of managed lanes facilities in the nation are currently in operation or are being considered.

Mr. Hazlett stated that if MAG enters into managed lanes a network development strategy would be needed to integrate everything as a system. He explained that the strategy of a multi-phase system to develop a managed lanes network is recommended by staff and includes a systemwide feasibility study, an analysis of pilot corridors, and an analysis of other potential corridors. Mr. Hazlett stated that this multi-phase approach was used by the San Francisco Bay area and the Atlanta area. Mr. Hazlett stated that congestion is still needed on a system to make managed lanes work.

Mr. Hazlett stated that the TPC was being requested to recommend that MAG conduct a Managed Lane Feasibility Study and public opinion survey on attitudes toward P3s, toll roads, and managed lanes.

Chair Smith thanked Mr. Hazlett and asked if there were questions.

Mr. Scholl asked the anticipated cost of the study. Mr. Anderson replied that he thought that phase one, which would include the Managed Lane Feasibility Study and a public opinion survey and focus groups, would cost approximately \$300,000. Mr. Scholl asked if the freeway program would need to be rebalanced in April, if spending money for this would be prudent. Mr. Anderson replied that Proposition 400 funds are earmarked for studies and doing phase one would not take money away from doing projects.

Chair Smith commented that he assumed in April extra funds were not anticipated to be forthcoming. Mr. Anderson replied that was correct, and he added that when the projections are released next month, significant reductions in revenue from HURF and RARF are anticipated.

Mayor Rogers stated that P3s were discussed at the Western High Speed Rail conference and she asked if rail would be included. Mr. Anderson replied that rail is certainly a consideration. He stated that one possible project for a P3 is the rehabilitation of the Wellton branch railroad line that would provide passenger service to the West Valley. Mr. Anderson added that the freight component would add more assurance of revenue.

Chair Smith asked if the survey would include two components. The first component would be the overall attitude and opinion of P3s in general and the second component would be narrowing down to such things as managed lanes. Mr. Anderson replied that was correct. He said that the survey provides the opportunity to gauge the public's opinion of transportation in general, which would then be narrowed down to opinions on P3s and toll roads.

Vice Chair Neely asked the impact of the downturn in the economy to the usage of managed lanes in other parts of the country. Mr. Anderson replied that he did not have that information on managed lanes specifically but could get it. He did note that all traffic has decreased with the downturn, and this has been reflected in toll collections.

Vice Chair Neely asked if the State of Virginia set a sunset date for their tolls. Mr. Hazlett replied that they have a 75-year concession with Transurban, the private partner. He added that it is interesting that this project spurred a construction boom that was not anticipated. Mr. Hazlett explained that the overcrossings on I-495 were past their service life and needed to be rebuilt at a significant amount of money. He explained that due to the P3 opportunity, all of the overcrossings will be rebuilt, in addition to a sizable upgrade of not only the two managed lanes, but also four general purpose lanes.

Vice Chair Neely asked the amount of equity that would be required of the region to bring in a P3. Mr. Hazlett replied that a study of investment grade demand projections would be needed. He stated that the amount would be different for each corridor and the markets being served.

Mr. Anderson added that ten years ago, the HOT lane concept was seen as a way to generate revenue, but it is now considered as a way to manage traffic on the entire system. He said that pricing is really managing the congestion level rather than generating revenue. Once the pricing on HOT lanes is removed, the ability to manage traffic is removed. Mr. Anderson stated that this

is called very active traffic management and major metro areas are moving toward using it as a last resort because additional improvements are too expensive, there is not enough funding, or the corridors are constrained. He referenced his presentation in July that explained that once the improvements to Loops 101 and 202 are completed, that is all the capacity that is planned for those corridors. As they load up with traffic other ways will be needed to manage traffic on the system.

Vice Chair Neely encouraged being very careful when doing the public opinion survey that the public understands they are being asked about managed traffic, which is different than a toll road. She said that growing up in Colorado, she recalled that the big debate was when the Boulder Turnpike would go away. Vice Chair Neely said that she would like staff to bring to a future meeting how the price points are determined in a managed lane agreement. Vice Chair Neely stated that everyone has heard what Chicago did with its parking contract.

Mr. Anderson stated that the pricing parameters are key to policy discussion. If policy makers decide to use tolls in small bands, it would not affect the traffic much, but on the other hand, we do not want toll operators to burden the user, either, with tolls that are too high. Mr. Anderson stated that this will take a lot of policy discussion.

Chair Smith stated that the user is concerned about one thing. Chair Smith stated that he would like to see the question asking respondents if they were stuck in traffic on a general purpose lane, would they be willing to pay to drive in the HOV lane.

Mr. Beard stated that there could be confusion, and he said that some questions were tied together that might not need to be. He stated that asking people about P3s will be difficult because P3s could be many different concepts. Mr. Beard cautioned about being careful how the questions are crafted or the results will not be substantive, especially, "Are you in favor of P3s?"

Mr. Anderson expressed that as the public is being surveyed, he thought terms such as P3s should not be used. He added that the survey experts are good at crafting questions.

Chair Smith stated that Utah is similar to Arizona, but in transportation it has expanded beyond us. He said that the Envision Utah process avoided asking, "What do you think of light rail?" They asked instead, "What is important to you?" which could be getting home from work on time or getting your children to the soccer game. Chair Smith stated that having different ways to solve value issues then became acceptable and people embraced it. Chair Smith stated that if the survey is presented in a technical way it will not work, but an approach from a values standpoint will be acceptable. He stated that the system cannot be built out the way it was envisioned because the money is not there, but finding out what is important to people and whether they are willing to pay for it will back into the P3 answer. Chair Smith stated that he believed people are in a different mode of thinking than they were one year ago, five years ago, or when they voted on Proposition 400 because so much has happened from a transportation standpoint.

Councilmember Sellers expressed his agreement with Chair Smith's comments. He said that the important thing for him is to recommend moving forward with the study and have flexibility, rather

than answering the three questions today, get feedback from the public before setting policy decisions in a direction they might not be willing to go.

Chair Smith asked staff if there was anything in particular staff needed for direction. Mr. Smith requested clarification of using polling, which is usually in the \$40,000 range, or a more extensive values mapping process that was used by Utah.

Chair Smith stated that when he gave the Envision Utah example he was referring to the manner in which the focus groups would be approached, rather than asking technical questions.

Mr. Smith stated that if the TPC authorized going forward with the study and polling, a modification to the MAG Work Program would be brought to the Management Committee on November 10 and to the Executive Committee on November 15, after which a Request for Proposals or Qualifications would be issued.

Mayor Rogers stated that the material alluded to projects and she asked how these projects had been determined. Mr. Anderson replied that the projects were just examples – a universe of projects is on the table. He stated that the feasibility study would focus on managed lanes, but the opinion surveys would be much more broad and would cover a wide range of projects.

Mayor Scruggs joined the meeting by teleconference.

Mr. Beard moved that MAG move forward with a Managed Lane Feasibility Study and appropriate public outreach to collect information on public opinions, in particular, toward managed lanes and toll roads. Councilmember Esser seconded.

Before a vote was taken, Chair Smith recognized public comment from Serena Unrein, who encouraged members to implement privatization principles to protect the public interest if it is decided to move forward with P3s. Ms. Unrein stated that while road privatization can offer a quick fix for transportation budget challenges, poorly done deals can have hidden costs. She gave as an example, the State of Indiana was forced to pay the private operator of the Indiana toll road \$400,000 to waive tolls associated with evacuations after a flood. Ms. Unrein stated that private contracts can financially encourage bad transportation policy, for example, a toll road provider provides a financial incentive to the State of Texas to increase the speed limit from 70 m.p.h. to 80 m.p.h. She stated that in order to protect the public interest, the Arizona Public Interest Research Group Education Fund recommends that existing roads not be privatized, that the public retain control over decisions on public transportation and management on new roadways that are constructed under private deals, that the public receive full value so that future toll revenues cannot be sold off at a discount, no deals would last longer than 30 years due to uncertainty over future conditions and the risks of bad deals which grow exponentially over time, that the contracts require state of the art maintenance and safety standards rather than regional minimums, and that there is complete transparency and public disclosure. Ms. Unrein finished her presentation by providing a fact sheet to members. Chair Smith thanked Ms. Unrein for her comments.

With no further discussion, the vote on the motion passed unanimously.

7. Local Transportation Assistance Fund

Mr. Anderson stated that he presented this item on the Local Transportation Assistance Fund (LTAF) at the July 21, 2010, meeting of the TPC, and concerns were expressed. He said that this item is being brought back as requested by the TPC. Mr. Anderson stated that the LTAF was repealed by the Arizona Legislature this year as part of the process to balance the State budget. He explained that LTAF provided \$32.2 million annually statewide, mostly for transit service.

Mr. Anderson stated that a resolution for supporting efforts to identify a replacement source for the loss of the LTAF funds was passed by the League at its conference in August. He said that the resolution urges the Legislature to identify a permanent, designated funding source to support the development and operation of a comprehensive multimodal public transportation program in this state. This would be new funding with no impact on state shared revenues. Mr. Anderson stated that the last sentence of the resolution sums up the concerns expressed by TPC members about approaching the Legislature looking for a replacement of state transit funding and the Legislature saying they will just take some of the state shared revenue. He added that the League resolution seems to address that concern.

Chair Smith asked members if they had questions.

Mayor Rogers moved to support the League resolution that urges the legislature to fund public transportation programs in Arizona. Councilmember Esser seconded.

Chair Smith called for discussion of the motion.

Mayor Scruggs stated that the resolution was discussed at the Glendale City Council workshop that took place prior to the League conference. She indicated that the City's position is to support the concept of working together to identify statewide funding and felt a resolution was not needed to do this. Mayor Scruggs shared ideas why Glendale went in a different direction. She said that everyone agrees that transit is vital to the citizens in the state, but they are also concerned with how the Legislature stopped participating in transit by permanently removing the LTAF program. Mayor Scruggs stated that the City of Glendale feels strongly that care needs to be exercised about what the solution will be and when to bring it forward to the Legislature. She remarked that they are very aware of the difficult times at the Legislature right now. Mayor Scruggs stated that one of the greatest strengths of the cities and towns is their ability to brainstorm and come up with solutions to complex problems, and this is normally done through stakeholders meetings. She stated that Glendale believes strongly there is a need to discuss transit funding but a resolution is not needed to talk to each other and do the upfront work themselves. Mayor Scruggs stated that when a solution is determined that the cities and towns can support, then they can pass a resolution with a unified voice urging the Legislature to adopt a specific solution that is beneficial to the transit system and is politically viable. Mayor Scruggs stated that it is not the practice of the cities and towns to go to the Legislature to find the money and figure out a solution to a problem, and

then to say not to take any of the cities' and towns' funding. She said the Legislature will do what they want because they are being asked to solve the problem. Mayor Scruggs expressed that she believed this resolution was premature and not politically viable to adopt a resolution urging the Legislature to get involved in finding a permanent revenue source. She encouraged working among ourselves and coming up with a solution that is feasible and politically viable and bring it to them. Mayor Scruggs expressed that in her years in office she found it odd for the cities and towns to ask the Legislature to solve a problem versus coming up with a solution themselves and then asking the Legislature to implement it.

Councilmember Esser expressed his support for Mayor Scruggs's comments. He said that as a member of the Resolutions Committee, he has seen many times things forwarded to the Legislature not go any farther. Councilmember Esser stated that he agreed with Mayor Scruggs that MAG should collectively agree with what they want the Legislature to do, and he added that MAG is still a reasonably strong lobby group. Councilmember Esser stated that he was the second on the motion but he agreed with Mayor Scruggs's comments.

Mr. Smith offered some alternative language for the motion: Recommend support of additional funds for public transportation programs with the strategy developed by local governments.

Mayor Scruggs questioned why a resolution was needed to allow work among ourselves.

Mr. Smith clarified that he had taken out the resolution part of the motion and said that this was a recommendation that more funds for public transportation are needed, but the strategy would be developed by local governments.

Mayor Scruggs asked if this would be to work among ourselves and would not go to the Legislature.

Mr. Smith replied that was correct and he added that this would be to develop a strategy by local governments before proceeding anywhere else.

Chair Smith commented that the problem is there are no funds and Arizona has completely withdrawn from the transit arena. He said that Arizona is one of a handful of states that do not fund transit. Chair Smith remarked that this has other implications as well, for example, with EPA, since transit is, and will continue to be, a part of the attainment program. He said that the lack of funding is an important element.

Councilmember Sellers expressed that he did not object to adding some language to the motion to work with the Legislature, but he thought the League needed to be supported and this resolution was a major project from the League. Councilmember Sellers stated that cities are hurting from the repeal of LTAF and if this resolution is not moved forward, he thought the effort would be lost. He said MAG needs to send a message that members are together on this and need to solve a problem.

Mayor Cavanaugh stated that he had concerns with the reference to “new” funding in the resolution. He asked what funding sources the Legislature realistically could develop without impacting state shared revenue, and if MAG does not know of any new funding sources, then why is MAG doing this?

Mayor Scruggs stated that the Legislature has a severe budget deficit that is growing, even with the one cent tax, which will go away in three years. As important as transit is, the approach of asking the Legislature to find new money without touching any of the cities’ funds is leaving us exposed. Mayor Scruggs stated that she was not saying a state solution was not needed and to continue without state funding, but at this point sending a resolution saying more money is needed, saying to not take any of the cities’ and towns’ money, and not offering a solution, needs to be considered carefully.

Chair Smith stated that he was in favor of voicing concerns regarding transit funding, but he agreed with Mayor Scruggs. He said that the message is right but the timing is awkward. Chair Smith stated that articles appear in the newspaper about how people literally are dying due to cuts in AHCCS and other programs. Chair Smith stated that there are a lot of needs in the state that make the transit needs we are concerned about secondary. He remarked that even with the cuts to LTAF and even though it is not the system they desire, the cities get by. Chair Smith stated that the cities and towns have done such a good job in adjusting to the new realities is the one thing working against them. Chair Smith expressed his agreement that the resolution could have a negative effect; even though it conveys a great message, this is not the right time. Chair Smith stated that he believed there were things MAG could do and this should be made a top priority because transit is a significant service to all of the communities and has a huge impact on economic growth. He said he thought maybe MAG should sit back and see what can be done internally first. Chair Smith expressed that he would like to support the League but the timing was awkward.

Chair Smith called the question. The vote on the motion failed, with Mayor Rogers, Councilmember Ellis, Councilmember Sellers, and Councilmember Esser voting in favor.

Chair Smith asked if another motion was needed to provide direction to staff.

Mr. Anderson replied that staff will continue to work on options, both regionally and statewide. He said that many options have been considered but none have been feasible. Mr. Anderson assured the TPC and the transit community that staff will continue to look at identifying additional funds.

Mayor Scruggs stated that she thought discussion at the TPC and/or Regional Council would be more appropriate than at RPTA because of the greater membership at MAG. She commented that this is an issue for the entire region, not just RPTA members. Mayor Scruggs stated that discussion at MAG furthers the goal of the transit piece to a greater extent than in the past. She stated that she did not know if a motion was needed or it could just be reflected in the minutes. Mayor Scruggs stated that work on this was needed internally by those affected and come up with a solution.

Chair Smith stated that the lines are blurred in multimodal transportation; we are talking about rail lines with freeway alignments. He expressed he thought it was appropriate to discuss transit as a part of the system.

8. Request for Future Agenda Items

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

Mayor Cavanaugh stated that the day before, Secretary LaHood released the U. S. Department of Transportation TIGER II grants. He advised that 70 projects in 40 states received funding and Arizona was one of ten states that did not receive funding. Mayor Cavanaugh asked if any projects had been submitted in the region. Mr. Smith replied that MAG sent letters of support for projects in the region. He added that staff is working on an analysis of the TIGER II and Sustainability grants, which will be brought to the next series of meetings. Mr. Smith also noted that a website that shows economic distress shows Arizona is tied for #6 in the nation for economic distress.

Mr. Scholl asked the timeline when staff might address the issue of replacement for transit funding.

Chair Smith replied that this might be an item on an agenda before the legislative session begins.

9. Comments from the Committee

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

No comments from the Committee were noted.

Adjournment

It was moved by Mr. Beard and seconded by Vice Chair Neely to adjourn the meeting at 5:15 p.m.

Chair

Secretary