

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
July 19, 2004
MAG Offices
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Keno Hawker, Mesa, Chair | Mayor Phil Gordon, Phoenix |
| * Mayor Woody Thomas, Litchfield Park, Vice Chair | Mayor Joan Shafer, Surprise |
| Mayor Mary Manross, Scottsdale, Treasurer | Mayor James M. Cavanaugh, Goodyear |
| Mayor Wendy Feldman-Kerr, Queen Creek | |

* Not present

Participated by videoconference or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chairman Keno Hawker at 12:01 p.m.

2. Call to the Audience

Chairman Hawker noted that according to MAG's public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. She stated that there is a three minute time limit. Public comment is provided at the beginning of the meeting for 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.

Chairman Hawker stated that there were no public comment cards received.

3. Approval of Consent Agenda

Chairman Hawker stated that public comment will be received before taking action on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chairman Hawker stated that agenda items #3A and #3B were on the consent agenda.

Mayor Joan Shafer moved to approve consent agenda items #3A and #3B. Mayor James Cavanaugh seconded, and the motion carried unanimously.

*3A. Approval of the May 17, 2004 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the May 17, 2004 meeting minutes.

*3B. Building Codes Compilation and Web Addition Project

The Executive Committee, by consent, approved reducing the originally budgeted amount of \$70,000 in the FY 2005 Unified Planning Work Program for the Building Codes Compilation and Web Addition project and using an intern for approximately \$12,000 to accomplish the project with funding provided by existing MAG dues. In May 2004, the Management Committee deferred action on the Building Codes Web Addition project for staff to explore alternatives to completing the project in the most cost effective manner. Following discussions with Arizona State University (ASU) School of Construction, it was determined that an intern, assisted by staff and the Building Codes Committee, could complete the tasks associated with this project. The intern would cost approximately \$12,000, with this amount being funded using existing MAG dues. This option was presented to the Building Codes Committee at their June meeting, and members of the Building Codes Committee expressed support for this concept. This item was also on the July 14, 2004 Management Committee agenda..

4. Department of Housing and Urban Development Stuart B. McKinney Continuum of Care Consolidated Application Process for Maricopa County

_____ Debra Determan stated that in 1999, the Regional Council approved MAG becoming the responsible entity for a year round planning process for federal funds for homeless programs. She noted that last year the region received \$15.9 million, and this year \$19.4 million is being requested. Ms. Determan stated that the Management Committee and the Regional Council were provided information during the process. This is a 75-day process and the ranking results should be to HUD by July 20, 2004. She noted that a total of 49 renewal projects submitted applications and were recommended, as well as two new projects. Rankings one and two are the new projects. Ms. Determan stated that she would be glad to answer any questions or take any comments on the Homeless Continuum of Care process and projects. She also noted that John Epler from John Epler and Associates, is also here to answer any questions on the HUD process.

Chairman Hawker asked that if the anticipated amount of money is not received, which projects would get cut. Ms. Determan stated that the new projects would be the first to get cut. Chairman Hawker asked for clarification on the summary transmittal, which explained historically 20 percent of the Continuum of Care have lost funding. Ms. Determan replied that nationally up to 20 percent of the continuous have lost funding based on the application process. John Epler noted that currently 14 to 16 percent of applicants are turned down. He stated that it is a competitive process and that HUD looks for priority projects. Chairman Hawker asked what the 16 percent loss of funding means. Mr. Epler replied that 16 percent have been de-funded and that it is either an all or nothing determination. Mayor Manross asked if it is possible to receive any new funding. Mr. Epler explained that HUD provides a formula amount and provides adjustments based on needs. They also give up to \$1.5 million for one permanent support housing project. He also noted that each year continuum of care who turn in high ranking proposals may be eligible to pick up \$100,000 for one additional project. Mayor Manross asked if there could be an increase in the amount of money received, could there also be a decrease. Mr. Epler replied that the funding for renewal needs will continue to be available. Chairman thanked Ms. Determan and Mr. Epler for their report.

5. Update on Maricopa County Fugitive Dust Control Rules

_____ Lindy Bauer addressed the Committee on PM-10 issues facing the region. She said that the region must have no violations in 2004, 2005 and 2006 to reach attainment. Ms. Bauer stated that the PM-10

air quality monitors must read clean by 2004, however, violations are noted in areas of the Valley. She noted that in the first half of 2004, the 43rd Avenue monitor had a reading of 108 micrograms per cubic meter and the annual average needs to be 50. Both the public and private sectors have been working hard to reduce these numbers. Ms. Bauer advised that if attainment is not reached by the attainment date of 2006, the region must implement a plan to reduce emissions by five percent each year until attainment is reached. She stated that this is a difficult requirement to meet for a high growth area. Dennis Smith stated that the fact that EPA traveled to the meeting to update the Committee indicates the severity of the situation. He mentioned that the consequences could be significant if the PM-10 issue is not addressed. Ms. Bauer introduced Colleen McKaughan, EPA Region IX.

Colleen McKaughan stated that EPA is working with the State and the County on the Salt River State Implementation Plan (SIP), one of the violating areas. She requested that member agencies support their efforts on the Salt River Plan, which she thinks will be effective. Ms. McKaughan referred to the letter she wrote. She said that she had written this letter because cities had requested more assistance from the County. She indicated that the County had an effective enforcement and compliance plan; however, it became insufficient because of extensive growth. Ms. McKaughan indicated that additional personnel and control measures would be beneficial, and she requested the cities' support. Mayor Manross asked if this was due to a lack of education for violators. Ms. McKaughan stated that there is only a five percent rate for repeat violations, which indicates that if someone is caught in violation and pays the fine, they will not violate again. Mayor Shafer indicated that the problem her area has is the gravel pits. She noted that she has not been able to do anything about it in the last seven years. Ms. McKaughan stated that the County or State can do something about it. Mayor Manross asked how many other states are PM-10 nonattainment areas. Ms. McKaughan stated that PM-10 is a problem in the West in areas such as California, Las Vegas and Phoenix. She noted that the East has a problem with PM 2.5. Mayor Manross asked if the challenges of living in a desert is understood. Ms. McKaughan replied that the challenges are understood, as well as increasing growth and development. Mayor Shafer asked about agriculture. Ms. McKaughan replied that there are rules and measures in place for that industry and they have been at the table and working on this issue.

Mr. Smith introduced David Martin from the Arizona Chapter of Associated General Contractors. Mr. Martin stated that they are committed to solving this problem and recognizes that the Salt River is a hot spot. He noted that he went out to try to identify potential contributors and presented a slide show of the findings.

Chairman Hawker asked if the answer was that additional inspectors be hired by Maricopa County. Ms. Bauer stated that there is a memorandum at each place with suggestions to decrease the dust and the monitor numbers. Chairman Hawker asked the Committee if they had any objections with this memorandum. Mayor Manross stated that we need to send out a strong message and the County needs to find the dollars to do what it takes. She suggested increasing the amount of the fines to fund the effort. Mayor Shafer stated that she agrees and that Surprise had a workshop on dirt roads. Everyone has to do their part. Chairman Hawker stated that hearing no objections, he will write a letter on behalf of the Committee to Maricopa County. Mr. Smith noted that time is of the essence, and he recommended sending the letter today and placing this as an item on the Regional Council agenda. The Committee agreed.

6. Regional Annual Report Update

Jack Tomasik stated that in December 2002, the Regional Council approved moving forward with the Regional Report. He noted that the purpose of the report is to compare the Phoenix metropolitan area to nine other metropolitan regions. Mr. Tomasik stated that an October publication is anticipated. He explained that the report will cover seven sectors: growth, economic quality, social well-being, urban form, transportation, other regional infrastructure and air quality. Mr. Tomasik noted that we would like to bring in the business community to simply share information. He stated that this report will be modeled somewhat after SANDAG's report. MAG staff met with the steering committee of the Business Coalition. He stated that they advised us to include additional datasets on venture capital and related measures, and on capital expenditures by local governments between 1997 and 2000. They also advised us to "scrub down" the data to ensure that the facts would be agreed upon, though differences in policies based on agreed-upon facts could differ. Mr. Tomasik explained that MAG staff agreed to check with other parties, and the steering committee asked us to return to their September meeting. He noted that the meeting with the Business Coalition was intended to explore how to use the findings of the annual report. Mr. Tomasik stated that the general idea is to have a small business summit with decision makers.

Mayor Manross asked who will decide who attends this summit. Mr. Smith stated that it should be the communities' process. Chairman Hawker asked who the Business Coalition was and who appointed them. Mr. Tomasik replied that the Business Coalition was formed after September 11 and was initiated through GPEC, Greater Phoenix Chamber of Commerce, WESTMARC, East Valley Partnership and APS. Chairman Hawker summarized what he heard the process to be. He stated that a report will be developed, a business coalition meeting will be held to receive input, which will be brought back to MAG, and then a Town Hall will be held. Mr. Smith noted that the report will be brought to the member agencies first before the business coalition meeting.

Mayor Feldman-Kerr stated that the original Town Hall was structured to bring information to the citizens on a problem and the key business community worked on a solution based on the feedback of the citizens. She suggested taking the findings to the business coalition first, then to the citizens and back to Regional Council. Mayor Feldman-Kerr stated that we cannot look at all issues, so we see what rises to the top. Chairman Hawker suggested a year to year comparison and track the progress. Mayor Phil Gordon asked who determined what standards were measured. Mr. Tomasik explained that the Management Committee and the Regional Council approved the table of contents, which was recommended by the Planner Stakeholders Group. Mayor Gordon asked if it would be like a report card. He stated that care should be taken not to create a negative document or an economic tool to be used against the region, and that the report should be written from a positive perspective. Mr. Smith stated that this is a great opportunity to modify or change course. He noted that this came out of the governance process, and the report can contain as much or as little as possible. Mayor Gordon stated that our form of government is a stellar model, as pointed out by Philadelphia. It is easy to do business here.

Chairman Hawker agreed that we need to point out where this region accelerates. He asked if the Committee had any objection to moving forward with the business meeting and town hall. He noted that at the next meeting, we can discuss who will participate.

7. Sales Tax Incentives for Retail Development

Tom Remes stated that there has been increased dialogue on sales tax incentives for retail development. He noted that this is the second year in a row Senator Jack Harper introduced a bill that would penalize cities and towns that provide tax incentives to retail businesses by withholding state shared revenues in amounts equal to the amount of the incentives. Mr. Remes stated that there are only five months before the legislature reconvenes and MAG member agencies may wish to work together on a solution. He noted that this item was put on the agenda for the Committee to discuss. Chairman Hawker stated that if we do not do something to work together then the legislature will mandate something. Mayor Manross stated that she was open to exploring some way to do this or even a pilot program. She acknowledge that one solution is not going to fit all member agencies. Mayor Gordon stated that we are all on the same team and if we can agree on a basic philosophy, the cities can work together on a solution. He noted that residents shop all over the Valley. He also suggested that the managers take a closer look at this idea. Mayor Shafer stated that Phoenix and the East Valley built up their cities and town using tax incentives. She noted that tax incentives bring developers and now there is a new side of town trying to grow. Chairman Hawker suggested looking at ideas and see if it makes sense. Mayor Feldman-Kerr stated that Queen Creek is also new and growing. She noted that they gave a tax incentive to pre-fund infrastructure. Mayor Feldman-Kerr stated that if we do not at least look at this idea, the legislature will look at it and make a decision for us.

Mayor Cavanaugh stated that conceptually speaking, we all agree. He also noted that Mayors are accountable to their citizens and communities. He stated that we are also like a business where we compete against each other, but we also need to find a way to work together. The Committee agree to have staff look at best practices and bring back multiple ideas.

8. Regional Impact Fees

_____Michelle Green provided the Committee an update on the Regional Impact Fees project. She noted that the Planners Stakeholders Group recommended that this project be included in the FY 2005 Work Program. She explained that the purpose of the project is to have a centralized source of information on impact fees in the MAG Region that would be used for comparisons when a member agency is considering adopting or changing their own impact fees. Ms. Green stated that there were discussions with member agency staff and intergovernmental representatives and there was consensus that it would be useful to look at not only figures but methodology as well. She noted that this would be a staff effort.

Chairman Hawker stated that Mesa is interested in full cost recovery. He said that it would be interesting to see if there is a better way of doing it. He then asked if there was any objection to this project. Mayor Cavanaugh noted that methodology is an important addition. Mayor Feldman-Kerr suggested that a separate committee to review these issues may be helpful.

Chairman Hawker thanked Ms. Green for her report.

9. State Trust Land Reform

_____The Executive Committee agreed to defer this agenda item.

10. 2004 Desert Peaks Event

_____ Denise McClafferty provided an update on the success of the 2004 Desert Peaks event that was held at the Arizona Club on June 23, 2004. She noted that the cost of this year's Desert Peaks event was cut in half compared to the 2002 event. The net cost was \$30,000. She stated that expenses were reduced and sponsorship revenue was increased from \$6,750 in 2002 to \$11,500 this year. Ms. McClafferty stated that 219 people attended this event. Based on the surveys completed, the attendees preferred the reception over the formal dinner and enjoyed the casual atmosphere and time to mingle. She noted that staff is looking for direction on six items: Should we continue to hold the Desert Peaks event? If so, should we hold it every year or every other year? Should we continue the reception versus a formal dinner? Should we continue to offer attendance at no charge or charge a nominal fee? Should we continue to announce award recipients prior to the event? Should we continue to use the Arizona Club or look for another facility?

Mayor Wendy Feldman-Kerr stated that there was a better turn out without charging. Chairman Hawker stated that we should charge a nominal fee of about \$10 to \$15. He added that people expect to pay something. Mayor Manross questioned the location and the configuration of the room. She noted that you could not see who was on the other side. Mayor Shafer stated that she preferred an every other year event with no charge, at the same location and continue announcing the award recipients prior to the event. Mayor Shafer then excused herself from the meeting. Mayor Wendy Feldman-Kerr also agreed with every other year to allow time for cities to develop projects. Chairman Hawker stated that he was surprised at the responses and how impressed people were to be recognized. Mayor Feldman-Kerr asked about any comments on having a professional emcee instead of a Regional Council member. Ms. McClafferty stated that there were comments received that people liked the Regional Council member emcee as opposed to a professional. The Committee agreed and thought this year was well done. The Committee had no further comments and staff was instructed to move forward with these suggestions.

11. Maricopa Regional Arts and Culture Task Force

_____ Ms. Smith stated that the presenter for this agenda item was not present. This agenda item was not heard.

12. Adjournment

There being no further business, the meeting was adjourned at 1:40 p.m.

Chair

Secretary