

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
JOINT MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE  
AND THE BUILDING LEASE WORKING GROUP

March 19, 2007

MAG Offices, Cholla Room  
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor James M. Cavanaugh, Goodyear, Chair  
Mayor Mary Manross, Scottsdale, Vice Chair  
# Mayor Joan Shafer, Surprise, Treasurer  
Mayor Steven M. Berman, Gilbert

Mayor Keno Hawker, Mesa  
Mayor Thomas L. Schoaf, Litchfield Park  
Councilmember Peggy Neely, Phoenix

BUILDING LEASE WORKING GROUP MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair  
Mayor James M. Cavanaugh, Goodyear

\* Councilmember Ron Clarke, Paradise Valley  
Frank Fairbanks, Manager, City of Phoenix

PARTNERING AGENCIES ATTENDING

Bryan Jungwirth for David Boggs,  
Valley Metro/RPTA

John McCormick for Rick Simonetta,  
Valley Metro Rail

\* Not present

# Participated by videoconference or telephone conference call

1. Call to Order

The Executive Committee and Building Lease Working Group meeting was called to order by Chair James M. Cavanaugh at 12:02 p.m. Chair Cavanaugh stated that Mayor Shafer was participating in the meeting by telephone. Chair Cavanaugh stated that public comment cards were available for those members of the public who wish to comment. He noted that transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Cavanaugh 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 and 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. Chair Cavanaugh stated that no public comment cards were received.

### 3. Update on the Regional Office Center

Chair Cavanaugh turned the gavel over to Mayor Hawker, Chair of the Building Lease Working Group (BLWG). Mayor Hawker introduced Denise McClafferty, MAG Management Analyst, who began the update on this item.

Ms. McClafferty noted that detailed financial information was provided at the February 26, 2007 BLWG meeting. She noted that the BLWG requested that a workshop be held in order to provide answers to financial questions. Ms. McClafferty stated that this workshop was held on March 5th. She stated that a presentation was given to the MAG Management Committee on March 14th and the Committee recommended entering into a Memorandum of Understanding and lease agreement for the MAG portion of the Regional Office Center. Ms. McClafferty stated that a presentation was given at the March 16th RPTA Board meeting, at which time the Board took action to approve, but had questions on the tax exempt status of each agency.

Fredda Bisman, MAG General Counsel, stated that questions were asked at the RPTA Board meeting regarding the tax exempt status of the partnering agencies and why MAG had included property taxes in the estimates. She advised that including property taxes was done to be conservative. Ms. Bisman stated that the County Assessor interprets property taxes. She advised that there are two or three attorneys in the area who specialize in these issues and MAG is consulting with them. Ms. Bisman stated that they will work with the County Assessor and will give us a final written opinion on the tax status for property tax purposes. She noted that for bond purposes, Kutak Rock, the bond attorney, will arrive at a determination because they will be issuing the opinion as to whether the bonds are tax exempt or taxable.

Chair Hawker commented that the \$38 per square foot rate could decrease \$3 per square foot if tax exempt. He asked if the bonding would decrease that further. Ms. Bisman replied that the determination of the tax status on bonds is that they are partially exempt and partially taxable because of the nature of the agencies. Chair Hawker asked if that was included in the financial model that gave the \$38 per square foot number. Becky Kimbrough, MAG Fiscal Services Manager, replied that it was included. Chair Hawker stated that he wanted to ensure that any information that might be forthcoming will be good news. Ms. Bisman replied that was correct. She explained that because the scenario was conservative and assumed all entities were subject to property tax, any news received will be good news.

Mr. Jungwirth stated that RPTA and Valley Metro Rail were government entities, and MAG is not. He asked if setting up ownership of the building by a government agency, instead of creating a property corporation and having leases, might be better from a bonding and property tax point of view. Ms. Bisman stated that in working with the Phoenix IDA, they were told by the IDA attorney that bonds have to be issued to a 501(c)(3) corporation. She said there is an existing 501(c)(3) that has been used to finance a number of government projects such as the Regional Office Center. Ms. Bisman stated that another issue in terms of ownership is the Government Property Lease Excise Tax (GPLET), which is an alternative to the property tax and applies if a government is the owner of the building under lease to tenants. She stated that the benefit is a reduction of property tax. Ms. Bisman stated there is sometimes an abatement of property taxes for eight years. She noted that these are all different dimensions to tax questions.

Chair Hawker asked if the requested motion would allow some development of ownership, interest and lower rates. Ms. Bisman stated that the requested motion would keep open those options. She said that staff met with all agency attorneys, reviewed these questions, and believes the IDA financing will work. Ms. Bisman added that the motion provides room to work out the details of the arrangement. Chair Hawker asked for confirmation that the motion would not preclude bonding, property tax, etc. from being shifted around. Ms. Bisman replied that was correct.

Mr. Smith stated that the Arizona Department of Environmental Quality uses the Phoenix IDA to finance its project. Ms. Bisman stated that in a GPLET, Phoenix holds the title and leases to the agencies. Mr. Smith stated that this would be similar to the arrangement used for the Phelps-Dodge building. He commented that on the tax rolls, it would be a government building.

Mr. Fairbanks stated that a meeting has been arranged to discuss the GPLET with MAG and the partners. He said that on a staff level, although the entire City Council had not been briefed, he thought the City Council would consider that and be ready to move forward. Mr. Fairbanks said that a GPLET would require some changes to the agreement between partners because the ownership would change, but the City of Phoenix is willing to cooperate fully on the discussion and will work with MAG to make it happen.

Chair Hawker stated that he was comfortable with changing the agreement if significant benefit could be derived. He added that it seemed that the approach had not been determined. Ms. Bisman stated that they are in the process of finalizing and getting a written determination. She said there is enough flexibility within the motion to add provisions, such as the GPLET.

Chair Hawker asked the status of the pricing. Jay Tubbs, Ryan Companies, replied that nothing had changed within the last 30 days; however, the farther out, the greater the risk that the bids will become stale. Chair Hawker asked if there was a timeframe that needed to be met. He commented that he would not want to find an extra \$5 to \$10 million was needed. Chair Hawker asked if the final documents would guarantee a maximum price and have legal work in place at the time of the final vote. Mr. Smith replied that the legal work was currently in process, but would not be complete by the end of the month. He stated that the price is included in the motion, and staff does not expect the cost to exceed this amount.

Mayor Schoaf asked Mayor Hawker if he was convinced the payback was justified. Chair Hawker stated that he was comfortable with moving forward. He added that he would be a lot happier saving \$3 per square foot. Chair Hawker remarked that his target was paying off the facility in 20 years, which is now up to 22 years. He said he was comfortable overall, but would like to squeeze it down to a 20-year payoff. Mayor Schoaf commented that the GPLET would probably bring the payoff closer to 20 years.

Councilmember Neely stated that the GPLET came out of talks with the other agencies. All areas of the Valley were considered, and the Regional Council decided that the building would best be located in the downtown Phoenix area. She said that the entire Phoenix City Council has not yet been briefed, and there is interest in presenting this to the Council to make this happen.

Mr. Fairbanks said that the City of Phoenix will pay the largest portion of the cost. He noted that MAG has a way to fund its portion. Phoenix will pay more for Valley Metro and will be the

biggest contributor to the project. Mr. Fairbanks noted that the typical incentive is to share what comes into the City. This is not a retail-based opportunity, so there is not much coming in, although it could be explored.

Mayor Schoaf asked about the construction sales tax. Mr. Fairbanks stated that he was not sure, but thought the City of Phoenix charged maybe two or two and one-half percent. Mr. Smith stated that some preliminary discussions regarding fees had taken place with the City of Phoenix. He said that the City is in the process of setting up an internal meeting on this matter.

Mr. McCormick asked for clarification that the Regional Office Center, LLC is the corporation that is anticipated to be formed. Mr. Smith replied that was correct. He noted that in the material at each place was information taken from the Arizona Corporation Commission's website about the corporation out of Tucson. Mr. Smith explained that it is a shell corporation and done a number of these projects. He added that groups can use the corporation instead of spending months setting up a 501(c)(3).

Chair Hawker requested that members of the BLWG make a recommendation to the Executive Committee. Mayor Cavanaugh moved to recommend to the Executive Committee authorizing MAG to enter into a Memorandum of Understanding for the Regional Office Center with the Phoenix Industrial Development Authority and the Regional Office Center LLC; and to execute a lease for 30 years for the MAG space in the Regional Office Center, estimated at 113,430 total square feet, for an estimated cost of approximately \$39,772,272 over thirty years. Mayor Hawker seconded, and the motion carried unanimously.

#### 4. Adjournment of the Building Lease Working Group

There being no further business, the Building Lease Working Group adjourned.

BLWG Chair Hawker turned the gavel back to Regional Council Executive Committee Chair Cavanaugh and the Executive Committee continued with their discussion of this item.

Mayor Berman expressed that his concern was the cost. He said that there are always those who carefully watch spending, and among those are the Legislators, who already feel that the cities have too much money and not enough oversight. Mayor Berman stated that for this reason, he would not support the motion.

Mayor Schoaf expressed his concern that the financial analysis was not yet complete. He explained that there is a ten to twelve percent annual cash flow cost and it is unknown whether we will pay it or not. Mayor Schoaf stated that this has such a huge impact whether this makes sense financially that he would not support the motion at this time.

Chair Cavanaugh stated his support for the motion. He said that the building had been extensively studied and thoroughly researched. Chair Cavanaugh commented that the three organizations deserve to have appropriate office space and this facility will have value over 30 years.

Councilmember Neely asked if there had been an analysis of the break even year if GPLET were in place. Mr. Smith replied that analysis could be done. He noted that it is known that it would

be in the range of \$3 with or without the GPLET, because the status of RPTA being a political subdivision. Mr. Smith added that even without that mechanism the attorneys could determine that they do not have to pay because they are a government. He stated that staff discussed with Kutak Rock qualifying MAG as a government, but they could not. Mr. Smith stated that it was discussed at the meeting with the agency attorneys and no answer was forthcoming. He added that there is one attorney from Steptoe and Johnson who will be meeting with the County Assessor and will provide us with a written opinion prior to the Regional Council meeting. Mr. Smith stated that the analysis of the break even point could be run at that time.

Councilmember Neely stated that she understood the concerns about cost, but the real estate market projections to 20 years show there will not be a downside at all. She acknowledged that it is an investment upfront, but Phoenix has a majority share and expects to be there. She expressed that she wholeheartedly supported the motion.

Mayor Shafer moved to recommend authorizing MAG to enter into a Memorandum of Understanding for the Regional Office Center with the Phoenix Industrial Development Authority and the Regional Office Center LLC; and to execute a lease for 30 years for the MAG space in the Regional Office Center, estimated at 113,430 total square feet, for an estimated cost of approximately \$39,772,272 over thirty years. Councilmember Neely seconded, and the motion carried, with Mayor Berman and Mayor Schoaf voting no. Chair Cavanaugh stated that this item would be forwarded to the Regional Council for their consideration on March 28, 2007.

5. Approval of Executive Committee Consent Agenda

Chair Cavanaugh stated that public comment would be heard before action was taken 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. Chair Cavanaugh stated that agenda items #5A, #5B, #5C, #5D, and #5E were on the consent agenda. Chair Cavanaugh noted that no public comment cards had been turned in.

Chair Cavanaugh asked members if they had questions or comments on any of the consent agenda items. No comments were noted.

Mayor Shafer moved to approve consent agenda items #5A, #5B, #5C, #5D, and #5E. Mayor Manross seconded, and the motion carried unanimously.

5A. Approval of the January 8, 2007 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the January 8, 2007 Executive Committee meeting minutes.

5B. Approval to Amend the MAG FY 2007 Unified Planning Work Program and Annual Budget to Provide Additional Funding for Air Quality Technical Assistance On-Call Services

The Executive Committee, by consent, approved an amendment to the MAG FY 2007 Unified Planning Work Program and Annual Budget to provide for an additional \$300,000 of federal

funding for the Air Quality Technical Assistance On-Call Services. In September 2006, the MAG Regional Council approved the qualified consulting firms for the Air Quality Technical Assistance On-Call Services. The FY 2007 MAG Unified Planning Work Program included \$250,000 for this project. Additional services may be needed to ensure that adequate resources are available for MAG to obtain technical expertise in air quality modeling and plan development required for the MAG Five Percent Plan for PM-10 and Eight-Hour Ozone Plan for the nonattainment areas in Maricopa County. The workload has increased due to the complexity of the modeling and responding to several information requests from the Legislature and other stakeholders while facing tight deadlines for plan development. The additional federal funding requested from the Work Program would increase the current on-call budget from \$250,000 to \$550,000.

5C. Approval to Amend the FY 2007 MAG Unified Planning Work Program and Annual Budget to Provide Additional Funding for MAG Air Quality Technical Consultant Assistance

The Executive Committee, by consent, approved amending the FY 2007 MAG Unified Planning Work Program and Annual Budget to provide for an additional \$30,000 for the associate contract for MAG Air Quality Technical Consultant Assistance. On October 16, 2006, the MAG Regional Council Executive Committee approved an amendment to the FY 2007 MAG Unified Planning Work Program and Annual Budget to include an associate contract with Cathy Arthur for air quality technical assistance services not to exceed \$70,000. Ms. Arthur has extensive experience with the MAG air quality models. Additional technical assistance is now needed for the air quality modeling and plan development for the MAG Eight-Hour Ozone Plan, due to EPA in June 2007, and the MAG Five Percent Plan for PM-10 due to the EPA in December 2007. The modeling and plan development workload has increased due to the complexity of the modeling and technical information requests from the Legislature and other stakeholders. Ms. Arthur will continue to provide technical assistance with the MAG PM-10 Source Attribution and Deposition Study, transportation conformity analyses, and evaluation of congestion mitigation and air quality improvement projects. The additional federal funding requested from the Work Program is \$30,000, which would increase the current associate contract amount from \$70,000 to \$100,000.

5D. Update on the National Surface Transportation Policy & Revenue Study Commission

On February 23, 2007, MAG and ADOT staff provided testimony at the National Surface Transportation Policy and Revenue Commission Field Hearing in Las Vegas. ADOT testified before the Commission on many of the issues that rural Arizona is facing. MAG submitted testimony to the commission that highlighted some transportation and infrastructure issues that urban Arizona faces. The MAG testimony focused on the following points: 1) the USDOT should refocus its mission with respect to federal role in the national transportation system; 2) the USDOT should ensure a fair and equitable share of transportation funds; 3) the USDOT should play a role to increase communication between and among states by reinstating the Intermodal Planning Group (IPG) conferences, especially for the inter Mountain states; and 4) the USDOT should assume leadership in establishing a stable revenue source for transportation. This item was on the agenda for information and discussion.

5E. Request for a Contract Specialist I Position for the MAG Summary of Budgeted Positions

The Executive Committee, by consent, approved adding a Contract Specialist I position to the MAG Summary of Budgeted Positions. On January 8, 2007, the Executive Committee conducted an executive session to discuss personnel matters relating to the MAG Executive Director's Performance Evaluation. As a follow-up to this discussion, it is being requested that additional staff be provided for MAG. An immediate need to add a Contract Specialist I in the Fiscal Services Division is requested due to the increased number of contracts that are processed. This position is not in the current budget, but due to vacancy savings, the cost of adding this position will be covered by the current personnel budget.

6. Discussion of the Draft FY 2008 MAG Unified Planning Work Program and Annual Budget and Expenditures and Projects in the MAG Unified Planning Work Program and Annual Budget

Ms. Kimbrough updated the Regional Council on the development of the MAG Unified Planning Work Program and Annual Budget. She said that the Work Program is reviewed each year by the federal agencies, which will take place on April 12, 2007. Ms. Kimbrough reviewed highlights of the Work Program, which includes a memorandum of understanding for cooperative planning between transit and transportation agencies; the request for one staff position to assist in maintaining MAG's internal computer operations; and eighteen new projects, including the Performance Measurement Framework Study that will assist in preparations for the 2010 audit.

Ms. Kimbrough stated that the estimated budget for MAG shows a decrease from the FY 2007 budget. She noted that this decrease is, in part, due to three projects in this fiscal year that are either ending or nearing completion: the 2005 Census Survey, the Regional Videoconferencing Project, and the Community Emergency Notification System. Ms. Kimbrough stated that the total FY 2008 is \$31,654,118. Chair Cavanaugh thanked Ms. Kimbrough for her report. No questions from the Committee were noted.

7. Regional Planning Dialogue Update

Mr. Smith updated members on the work underway to expand cooperative efforts with planning agencies in the state. He said that this group, the COG/MPO Chairs and Directors, is chaired by Mayor Cavanaugh. Mr. Smith stated that COG/MPO Chairs and Directors will meet on March 23, 2007 to hear a presentation on the Statewide Intrastate Mobility Reconnaissance Study from the recommended consultant. The results of the study, which will determine choke points in the state, are anticipated in November 2007. Mr. Smith noted an article at each place mentions this historical meeting when elected officials will begin to draft a transportation plan for the state.

Mr. Smith noted that in addition to this effort, the Governor's Growth Cabinet requested a summary of recommendations for consideration at the February 23, 2007 Listening Session. He said that Chair Cavanaugh sent a letter on behalf of the Arizona COG/MPO Association to the Governor's Growth Cabinet. Mr. Smith noted that 85 percent of the growth in the state will take place in four counties—Maricopa, Pima, Pinal, and Yavapai. He said that one-third of the land in these four counties is left for development, of which 57 percent is state land. Mr. Smith stated that changes are needed in the State Land Department to give them the resources to do their planning.

He stated that because the Department is not fully equipped, leapfrog development is being induced over state land.

Councilmember Neely asked the probability that funding for ten framework studies at \$400,000 to \$500,000 apiece could come out of the state coffers? Mr. Smith replied that MAG staff, Eric Anderson and Matt Clark, had preliminary discussion with legislative leadership on funding. He noted that the studies could be incrementally funded through ADOT. Mr. Smith said that the Reconnaissance Study will provide the methodology for the framework studies, which would then be incorporated, resulting in a detailed statewide plan. He added that this would be similar to the process used for the subregional studies used for Proposition 400.

Chair Cavanaugh said that he had discussed this subject with Transportation Secretary Mary Peters. He indicated that she was very positive about bringing the statewide COGs/MPOs together. Chair Cavanaugh remarked that this is clearly a candidate for urban partnership funding and very possibly could get state funding. Chair Cavanaugh suggested using examples and layman's language when presenting the framework and reconnaissance studies at the COG/MPO meeting.

Ms. Smith explained that one example of a framework study is the Hassayampa Study. He said that a framework study considers arterials that feed into the highway system and the anticipated growth in order to form a more complete picture. Mr. Smith explained that a reconnaissance study is a quick study to examine the choke points. He noted that until a consultant conducts the study and a statewide modeling tool is developed, there is only intuition. Mr. Smith stated that he was asked why studies need to be done because everyone knows the areas that need to be addressed. He stated that the studies will show how wide the facility needs to be, how much capacity is needed, and the cost.

Mayor Hawker spoke about giving access to developments built along freeways and encouraging sprawl. Mr. Smith stated that it is necessary to look at growth on the ground by county, especially with the recreational patterns of people vacationing north. He said that the MAG region is affecting the economy of northern Arizona because people are making the decision to not travel north because of I-17. Mayor Hawker commented about ADOT widening the highway to Payson and Show Low. Mr. Smith stated that years ago, the elected officials from the Rim Country came to the MAG Regional Council requesting their support to improve the Beeline because they knew it was in everyone's best interests to improve that road. He said that the Regional Council supported the improvement. Mr. Smith stated that there are places that need improvements for mobility throughout the state.

Councilmember Neely spoke about how economic development is being affected in northern Arizona. She said that a major pharmaceutical company from northern Arizona is siting a facility in the Phoenix area because of the transportation issues they are facing. Councilmember Neely stated that there was no way for their employees to get to the airport in a timely manner. She added that the company had 200 vacant positions because people did not want to make the drive. Councilmember Neely stated that all these issues need to be considered for the viability of the entire state.

Mr. Anderson stated that as capacity is added to the freeway system, a key aspect is what to do with that increased capacity. In the past, increased capacity in this region has been sold cheaply through

developer-sponsored interchanges. Mr. Anderson advised that this model does not work. Capacity has to go hand-in-hand with an access control management strategy to define future traffic interchanges and test them to ensure capacity.

Mayor Hawker asked if this looks at the population projections or does it incrementally find a choke point and then the next choke point. Mr. Anderson stated that is why staff thinks the reconnaissance and framework studies are important. He noted that we need to look 50 to 75 years ahead instead of 20 to 25 years. Mr. Anderson said that our ability to build new facilities is a long process. He commented that we know that I-10 to Tucson needs expansion, but what is the ultimate configuration so that incremental improvements fit in with the long range plan for the facility? That is why we are trying to move away from incremental planning and go to the next step.

Mr. Smith stated that due diligence is needed. MAG is working with the regional planning organizations to get the local perspective, the Governor is working with ADOT, and the Legislature is setting up the Blue Ribbon Commission. Mr. Smith stated that with the three groups, he thought there would be action on transportation the next legislative session.

#### 8. South Mountain Freeway Update

Chair Cavanaugh stated that he had added this item to the agenda because he felt the Executive Committee would be the appropriate group for beginning dialogue to see if there was interest in doing something to get this project started. Chair Cavanaugh expressed concern that this freeway has been an issue for 22 years and something needs to be done. He said he believed that one person who can do this is the Governor. He suggested that MAG might send a letter stating the importance of this subject and ask her personal involvement in getting it moving.

Chair Cavanaugh stated that this is more than an Ahwatukee, South Mountain environmental, or Gila River Indian Community issue—it is about I-10. He stated that virtually every freeway has ingress or egress to I-10. Chair Cavanaugh stated that 40 percent of imports come through Los Angeles and Long Beach. The goods are placed on trucks and transported on I-10 through Phoenix. Chair Cavanaugh noted that the California and Arizona stretches of I-10 are the most dangerous and have the highest fatality rates. He stated that I-10 traffic backs up every day, and is not just restricted to rush hours.

Chair Cavanaugh stated that he thought I-10 was losing its viability as a mover of traffic. He stated that traffic needs to be diverted from I-10. This is the purpose of SR-85, theoretically but not practically. Chair Cavanaugh stated that the I-10 Reliever was approved by the Regional Council, but the real reliever is the South Mountain. He said that the South Mountain has already been approved by the voters twice. If the South Mountain is not built, there is really no need for the I-10 Reliever because its purpose is to feed into the South Mountain facility.

Chair Cavanaugh stated that the Environmental Impact Statement has slipped again—from 2007 to 2008. He said that leadership is needed to push this road. Chair Cavanaugh stated that this road has lacked a champion to emphasize its importance and to influence action to get it done because I-10 is at risk.

Mr. Anderson stated that the South Mountain is a critical link in the regional system. Without the South Mountain, the I-10 Reliever will have to be reevaluated. Mr. Anderson stated that when one piece is taken out of the plan, there are unintended consequences. For example, the West Valley is still suffering dramatically from the loss of east/west capacity resulting from the deletion of the Paradise Freeway in 1995. Mr. Anderson advised that this decision has put a tremendous amount of pressure on I-10, more than it was designed to handle. Mr. Anderson stated that the South Mountain EIS is underway. He said that FHWA is reviewing an internal draft, which MAG also reviewed and provided comments to ADOT. Mr. Anderson stated that one area that needs to be conveyed is the impact of the facility on the arterial street system, especially in the Ahwatukee area. He remarked that mostly, the impact will be positive, as the freeway will relieve the arterial street and improve conditions.

Mr. Anderson stated that when the EIS process began in July 2001, the schedule called for a record of decision in April 2004, which may have been unrealistic. He said that the record of decision is now expected in late 2008. Mr. Anderson said that newspaper articles have noted that there potentially will be litigation following the record of decision, which could delay implementation.

Mr. Anderson stated that ADOT has been in a holding pattern on right-of-way acquisition, because they are limited by FHWA. He noted that ADOT has made some strategic purchases, but not nearly what is needed to protect the corridor. Mr. Anderson stated that we are also up against the cost clock. Because costs have increased dramatically over the past few years, every delay is costing a lot of money. Mr. Anderson remarked that anything that can be done to expedite or provide certainty to the process would be in everyone's best interests. He commented that he thought the project does need a champion. With a recommendation, ADOT would need to develop a work program with specific milestones. Mr. Anderson stated that staff suggested providing regular reports to the Regional Council and Transportation Policy Committee on all MAG studies. Mr. Anderson stated that the Gila River Indian Community has a tribal resolution opposing the facility on the community's property and we need to respect that and move forward.

Mayor Shafer stated that Loop 303 would take a lot of traffic off I-10 going north.

Councilmember Neely stated that she had spoken to the Phoenix City Councilmember who represents the area of the north/south connection. She said that she thought the north/south alignment was all right, but the east/west alignment was problematic. Councilmember Neely suggested that if the Governor is asked to champion the project, perhaps she could come up with a couple of alternatives submitted to MAG, and be inclusive of the community and the representatives in that area.

Mayor Manross commented that Councilmember Neely's approach was the best option, to come back to MAG for discussion.

Mayor Hawker stated that the East Valley mayors wrote letters in support of proceeding with the project. He said that the Congressional race set the project back a bit. Mayor Hawker encouraged that this be addressed.

Mr. Smith stated that there has to be a logical termini on this project for FHWA to be satisfied. He added that just the north/south segment cannot be built without the east/west alignment. Mr. Smith

commented that there are thousands of jobs in the East and West Valleys that require back and forth movement across the Valley. If the region does not get this facility, traffic will be forced onto arterial streets and the Broadway Curve.

Mayor Berman commented that many people are very upset with the east/west alignment, and there will probably be backlash.

Councilmember Neely emphasized that Phoenix would like the Governor to look at dual-type routes and come back with recommendations. She acknowledged that there are groups of people that are not happy about the freeway, but she felt there was an area where there could be compromise.

Chair Cavanaugh commented that if the South Mountain is not built, I-10 would need to be widened. He said that no matter where there are improvements, people will be affected. Chair Cavanaugh directed that staff draft a letter to the Governor requesting her personal involvement and a couple of alternatives to satisfying this traffic problem. He added that he would like the letter provided to the Executive Committee for comment prior to it being on the Regional Council agenda, even if it has to slip a month.

Mayor Hawker suggested that the entire Regional Council could sign the letter.

9. MAG 40th Birthday Celebration

Kelly Taft, MAG Communications Manager, noted that on April 12, 2007, MAG will celebrate its 40th birthday. She noted that a survey was sent to Regional Council members seeking input on ideas for marking this occasion. Ms. Taft reported that results of the survey indicated that a majority of members prefer to celebrate the event through an open house event prior to the April 25, 2007 Regional Council meeting. She said that an open house will feature displays of MAG's history. Ms. Taft stated that cities could assist in the event by sharing photos that depict regional collaboration. She said that assistance is also needed on contact information for past Regional Council members and those the Committee felt would be appropriate to invite. Ms. Taft handed out a list of former Regional Council officers. She stated that staff is also trying to compile the photographs of past Regional Council Chairs, preferably in color. Chair Cavanaugh thanked Ms. Taft for her report.

10. Legislative Update

Matthew Clark, MAG Senior Policy Planner, reported on legislative items of interest. He first reported on transportation bills. Mr. Clark stated that SB 1049, which appropriates \$450 million from the State's Rainy Day Fund, failed on the Senate floor. Mr. Clark stated that SB 1172, which increases the maximum maturity date for state highway bonds from 20 years to 30 years, has stalled in the committee process. He noted that both of these items will likely be considered during the budget debate as a way to pay for transportation needs.

Mr. Clark reported that HB 2569 adds a provision to the HELP loan program that would set aside \$20 million to be used for street improvements in cities with a high growth rate, and HB 2570, which deposits \$650,000 for rail right-of-way, are both moving through the process. Mr. Clark

stated that HB 2612, would increase the number of representatives on the State Transportation Board based on population, has moved to the Senate. Mr. Clark stated that HB 2682, which establishes a Blue Ribbon Transportation Committee, has moved from the House to the Senate and is gathering interest.

Mr. Clark reported on an air quality bill, SB 1552, which passed this week, deals with the adoption of local ordinances in regard to air pollution. He noted that it is a placeholder while Senator Allen organizes some meetings.

11. Adjournment

There being no further business, the Executive Committee meeting adjourned at 1:15 p.m.

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Chair

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Secretary