

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

April 14, 2008

MAG Offices, Cholla Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor James M. Cavanaugh, Goodyear, Chair	Mayor Keno Hawker, Mesa
Mayor Mary Manross, Scottsdale, Vice Chair	Mayor Thomas L. Schoaf, Litchfield Park
Vice Mayor Peggy Neely, Phoenix, Treasurer	* Mayor Marie Lopez Rogers, Avondale
Mayor Steven M. Berman, Gilbert	

* Not present

Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair James M. Cavanaugh at 12:04 p.m. Vice Mayor Neely arrived at 12:07 p.m. 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 the MAG 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. He noted that one blue public comment card had been received.

Chair Cavanaugh recognized public comment from Richard Tomayo, who wanted to address the potential for civil rights violations on behalf of the Maricopa County Sheriff's Office. He acknowledged the presence of the public relations representative from the local Immigration and Customs Enforcement (ICE) office who is monitoring the local immigration enforcement situation. Mr. Tomayo stated that he was present not to file any complaints but to make the committee aware of a civil rights complaint filed with the Federal Bureau of Investigations (FBI) against the Phoenix Police Department and is trying to prevent any potential civil rights violations with Maricopa County. He stated that ICE was present to be kept informed of the immigration situation and provide guidance between criminal and civil law violations. Mr. Tomoyo noted that members of his congregation are primarily Hispanic

and that they will be monitored to make sure their demonstrations remain peaceful. He has asked to be kept informed of any incidents involving members of his congregation so he can keep the FBI and ICE updated on possible civil rights violations since ICE does have a formal memorandum of agreement with the Sheriff's Office. Chair Cavanaugh thanked Mr. Tomayo for his comments.

3. Consent Agenda

Chair Cavanaugh noted that prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. There were no public comment cards received.

Mayor Hawker moved to approve items on the consent agenda. Mayor Manross seconded the motion.

3A. Approval of the March 17, 2008 Regional Council Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the March 17, 2008, Regional Council Executive Committee meeting minutes.

3B. Amendment to the FY 2008 MAG Unified Planning Work Program and Annual Budget to Accept Funding from AARP for the 2008 MAG Conference on Housing and Transportation Human Services Coordination

The Regional Council Executive Committee, by consent, approved for information the FY 2009 MAG Unified Planning Work Program and Annual Budget to Accept Funding from AARP for the 2008 MAG Conference on Housing and Transportation Human Services Coordination. On March 27, 2008, MAG was notified that AARP would support the 2008 MAG Regional Conference on Housing and Transportation Human Services Coordination Conference with a \$500 donation to cover general conference support. It is necessary to amend the FY 2008 Unified Planning Work Program and Annual Budget to accept these funds.

3C. Consultant Selection for the MAG External Travel Study

The Regional Council Executive Committee, by consent, recommended approval to select Alliance Transportation Group to conduct the MAG External Travel Study for an amount not to exceed \$300,000. If negotiations with Alliance Transportation Group are not successful, that MAG negotiate with its second choice, Wilbur Smith Associates, to conduct the Study. In May 2007, the MAG Regional Council approved the FY 2008 Unified Planning Work Program and Annual Budget, which included \$300,000 to conduct a MAG region external travel study. The project will update data gathered in a similar study performed in 1999. A concurrent and complementary study will be performed by the Pima Association of Governments and the results shared by the two agencies. On January 11, 2008, MAG issued a Request for Proposals to conduct the study. In response, two proposals were received. A multi-agency review team met on March 11, 2008, and recommended to

MAG the selection of Alliance Transportation Group to conduct the survey. In addition, the team recommended that if negotiations with Alliance are not successful, that MAG pursue negotiations with its second choice, Wilbur Smith Associates. On April 9, 2008, the MAG Management Committee, by consent, approved this item for action.

3D. Discussion and Update on the Draft FY 2009 MAG Unified Planning Work Program and Annual Budget

The Regional Council Executive Committee, by consent, accepted for information the update on the Draft FY 2009 MAG Unified Planning Work Program and Annual Budget. Each year, the MAG Unified Planning Work Program and Annual Budget is developed incrementally in conjunction with member agency and public input. The Work Program is reviewed each year in April by the federal agencies and approved by the Regional Council in May. This presentation and review of the draft FY 2009 MAG Unified Planning Work Program and Annual Budget represent the budget document development to-date. There are two changes to the new project requests for FY 2009: An additional project has been added in the Transportation Division, Travel Demand Model-Pinal County Review, for \$80,000; the Environmental Air Quality Associate for \$80,000 has been removed from the new project list. The elements of the budget document are about 80 percent complete. On April 9, 2008, the MAG Management Committee, by consent, approved this item for information.

4. Regional Office Center Negotiations

Chair Cavanaugh introduced MAG Executive Director, Dennis Smith. Mr. Smith stated that at the March 26, 2008 Regional Council meeting, direction was given to staff to organize a premeeting of representatives of the four regional agencies to discuss the building in advance of a joint board meeting to be immediately held before the April Regional Council meeting. He noted that the meeting on April 7 was very positive and that the summary for item #4 includes the result of the discussion. Mr. Smith stated that there was a lot of discussion regarding the cost of the building, including the size of the conference center. He said the committee attempted to look at all the issues and came to a consensus on how to proceed. Mr. Smith reviewed that staff was directed to rescope the existing Regional Office Center (ROC) project including using one-half of the existing parcel, which avoids a majority of the relocation of the utilities and develop a budget and analyze agency leases and project staff growth over a 15-year period. He noted that 15 years was chosen due to the length of time remaining on the half-cent sales tax, which is a critical factor to the Regional Public Transportation Authority (RPTA) and Valley Metro Rail (METRO), as it pertains to their funding. Mr. Smith continued that staff was also given direction to identify buildings for sale and/or lease in Greater Phoenix Metro area and discuss with David Kaye about not requiring any additional option payments on his property until a Guaranteed Maximum Price (GMP) is provided in approximately 90 days and analysis of the project has been completed. Mr. Smith stated that he had a discussion with Mr. Kaye and that he informed Mr. Kaye that the agencies would still be considering half of his site and would be going for a GMP if approved by the Regional Council this month. He also mentioned to Mr. Kaye that the agencies would be looking at other buildings so upon development of a GMP, the agencies could evaluate building the ROC on his site against other buildings that they could

potentially buy and/or lease. Mr. Smith stated that he had received a question with respect to communication with the neighborhood. He apprised the Committee that staff has been keeping the neighborhood leadership informed via email communications but had not had the opportunity to have a lengthy discussion with them regarding the rescope project. Mr. Smith noted that the former project involved the development of housing on the excepted parcel which would occur along 2nd Avenue that has residential zoning. He stated that under this rescope design, more acreage would be available to the landowner to develop a residential product and that potentially Mr. Kaye could work with the developer to the north who is currently developing a residential mixed use product. Mr. Smith stated that if the item proceeded through Executive Committee staff would re-engage with the neighborhood and discuss this potential project. He noted that utilizing half the Kaye site necessitated a redesign of the exterior facade due to the need to reorientate the tower and address the east-west exposure. Mr. Smith stated that staff has met with the McCarthy-DMJM team and discussed the rescope which the team has agreed that preconstruction services can be done for the \$500,000 contract that is being requested in item #5. He added that staff and the McCarthy/DMJM team would also be evaluating the inclusion of the rooftop terrace and television studio separately pertaining to overall cost items in the program for the ROC. Mr. Smith noted that having reviewed the City of Phoenix Urban Form guidelines, parking could be adjusted from 573 parking spaces to 435 parking spaces and that the conference center was adjusted from the original 46,242 square feet to 27,000 square feet which would fit the conference center in the footprint of the tower and include a four-plex instead of six-plex room that could handle the larger events which would now go off site. He stated that with the change in scope, the alley abandonment process no longer is an issue and would be approximately \$1 million in cost savings. Mr. Smith added that pending approval, staff would work with legal counsel to develop and execute the preconstruction services agreement and engage in negotiations with David Kaye to renegotiate the acquisition and price per square foot. He noted that it was positive news that the four agencies were able to come together and provide a direction on how to move the project forward. Mr. Smith announced that the four agency board chairs agreed to participate in a new Working Group which would assist with inter-agency communication and that those representatives will now be involved in the project which is a great step forward. He stated that he would be happy to answer any questions.

Mayor Hawker said that the discussion on April 7 was very positive for the agencies to try and figure out if they were going to co-locate and discuss what the real issues were. He noted that one issue, primarily with METRO, was in regard to the communication provided to the Chairs through staff and that it appeared the Chairs desired to hear directly from one another what their real concerns were. Mayor Hawker felt that it was good direction to proceed with getting a GMP and have a price for the ROC building on the 1st Avenue/McKinley site to compare with, have staff yield the cost of what can be afforded using a 15-year repayment schedule, and identify what opportunities there are to purchase or lease in the existing market conditions. He noted that another issue discussed was the confirmation that Phoenix had plans for the currently occupied building and that it would not be an option to buy or encourage a long-term lease option. Mayor Hawker stated that it was apparent the agencies could not procrastinate and not do something. He said that proceeding with the options discussed with cooperative support gives everyone the

opportunity to evaluate all three options jointly and decide the best direction to pursue. Mayor Hawker noted that AMWUA would not be considering re-entering the project at this time, but that after the financial information is determined and evaluated, the agency could consider its participation in the future. He stated that the last issue discussed involved METRO's stipulation concerning the three agencies sharing in the impact of vacating their current lease and that MAG had determined that the lease situation needed to be owned by METRO and it was up to their board whether to participate without that stipulation. Mayor Hawker continued that at this point staff would need to go back to the METRO board to remove any stipulation and take action to proceed with getting a GMP for the building. He said he liked moving forward with the opportunity to jointly evaluate building a building, versus what is available on the market to buy and lease, and establishing the agencies' budgets over the next 15 years to be able to make a sound decision. Mayor Hawker said that no agency was bound to go further than coming up with their share of the \$500,000 to get the GMP. He stated that any of the agencies could still vote to not participate in the project prior to executing their lease and that this was an opportunity to bring all the options forward simultaneously for the agency boards to consider in the future.

Mayor Manross asked how long this process would take.

Mr. Smith stated that staff estimated that the GMP would take approximately from 90 up to 120 days. He noted that after the Regional Council meeting on April 23, staff would proceed with a preconstruction services agreement with McCarthy. Mr. Smith stated that the agencies would know what their options were this summer and could evaluate whether the building or some other option would be best to pursue. He added that at the April 7 premeeting, the Board chairs also discussed the possibility of representatives on the respective agency boards returning to their respective cities to consider fiscal impact of the project at their city council meetings to better provide a clearer representation of cities' positions about the project.

Mayor Cavanaugh noted that he did not remember an absolute on that point of discussion.

Mayor Hawker stated that it was at the suggestion of Mayor Scruggs to do so because it would be helpful to know the cities' positions if there are different representatives from the cities on the respective boards and be able to distinguish a personal position versus a city position. He said that he did not believe it was mandated, but that for some it could clear up any confusion on the boards with different positions being represented by different members from the same city.

Vice Mayor Neely asked to confirm that the Glendale City Council had taken a vote to support the project and that it was different from Mayor Scruggs vote.

Mayor Hawker confirmed that the Glendale City Council had voted to support the project as well as Mesa.

Mayor Berman added that for example Phoenix has been represented by four different members on the respective agency boards and have had differing opinions on the building.

Vice Mayor Neely noted that the Phoenix City Council had voted unanimously on the Government Property Lease Excise Tax for the project in December. She stated that she was also aware that Glendale's Mayor has voiced opposition while the City Council has voted for the project.

Mayor Berman clarified that he believed Mayor Scruggs was trying to bring attention to the fact that there may not be complete agreement by the same Council members while they are representing their city on their respective boards and that it would help clarify the city position as opposed to the individual's position for or against the project.

Mayor Hawker stated that he did not think there was an approval or mandate on the issue and it was suggested to be used if there were differing opinions occurring. He noted that for members on the Regional Council it would be important for them to know what their council's position was.

Mayor Berman said that the purpose was to ensure whether for example Mesa was voting yes or no so there was not more than one position by a city on the project.

Mr. Smith noted that there was pretty broad support to move the project forward based on the direction provided on April 7.

Mayor Cavanaugh asked what staff would like for the Committee to approve.

Mr. Smith reviewed that staff was requesting the following: 1) Rescope the existing Regional Office Center project including using one-half of the existing parcel, reduce the size of the conference center, reduce the parking garage and evaluate whether to include the rooftop terrace and media center in the program, renegotiate the price per square foot at the current project site, and enter into a preconstruction services contract with McCarthy Building Companies for \$500,000 to get to a Guaranteed Maximum Price (GMP) for the building; 2) Analyze the current agency leases and project staff growth and the amount that would be spent in the next 15 years and apply that amount as a tentative budget to consider at different development sites; 3) Direct staff to identify buildings for sale and/or lease in the Greater Phoenix Metro area; 4) Request David Kaye, the owner of the property at 1st Avenue/McKinley, to not require any additional option payments on his property until a GMP is provided (90 days) and analysis for the project has been completed. He noted that the request for the funding was in the next item.

Mayor Cavanaugh noted that item #4 was posted for a possible executive session. He asked if anyone on the Committee needed to go into executive session.

Vice Mayor Neeley asked for clarification that the \$500,000 was to be shared by all three parties currently involved in the Memorandum of Cooperation even though METRO has a stipulation on their approval. She asked where the process stood on that issue.

Mayor Hawker noted that the METRO Board would be meeting on Wednesday to consider the item.

Fredda Bisman, MAG General Counsel stated that the approval of the item would return to METRO without the stipulation and still needs to be approved by the MAG Regional Council.

Mayor Cavanaugh called for a motion.

Mayor Hawker asked for clarification about the need to return to member agencies city councils to consider the ROC project.

Mr. Smith noted that item was not included in the action.

Mayor Hawker moved for approval to 1) Rescope the existing Regional Office Center project including using one-half of the existing parcel, reduce the size of the conference center, reduce the parking garage and evaluate whether to include the rooftop terrace and media center in the program, renegotiate the price per square foot at the current project site; 2) Analyze the current agency leases and project staff growth and the amount that would be spent in the next 15 years and apply that amount as a tentative budget to consider at different development sites; 3) Direct staff to identify buildings for sale and/or lease in the Greater Phoenix Metro area; and 4) Request David Kaye, the owner of the property at 1st Avenue/McKinley, to not require any additional option payments on his property until a GMP is provided up to 120 days and analysis for the project has been completed.

Mayor Cavanaugh asked for a second.

Mayor Manross seconded the motion.

Mayor Cavanaugh asked if there was any discussion.

Vice Mayor Neely asked for clarification if this motion was including the \$500,000 or \$330,000 per agency.

Mr. Smith noted that it was an additional \$220,000 per agency and that would be considered in the next item.

Vice Mayor Neely asked what the status was of the contract with David Kaye. She asked what would happen if the agencies did not meet the requirement.

Ms. Bisman asked to which requirement she was referring.

Vice Mayor Neely stated the \$38,000 due each month.

Ms. Bisman clarified that if Mr. Kaye did not agree to forego the monthly land option payment then he would be free to put his property on the market.

Mr. Smith noted that staff would then modify the letter of intent with Mr. Kaye to reflect the changes.

Mayor Cavanaugh stated that it could mean possibly not considering the site.

Mr. Smith said yes.

Vice Mayor Neely asked to go into executive session to have further discussion.

Mayor Cavanaugh asked for a motion to go into executive session.

Vice Mayor Neely moved to adjourn the Executive Committee and go into executive session. Mayor Manross seconded the motion. The motion passed unanimously.

Chair Cavanaugh recessed the Executive Committee meeting at 12:40 p.m. for the purpose of going into executive session.

Chair Cavanaugh reconvened the Executive Committee at 1:15 p.m.

Mayor Hawker made a motion to rescind his prior motion. Mayor Manross seconded the motion.

Mayor Hawker moved to proceed forward with the following direction to staff: 1) Analyze the current agency leases and project staff growth and the amount that would be spent in the next 15 years and apply that amount as a tentative budget to consider at different development sites; 2) Direct staff to identify buildings for sale and/or lease in the Greater Phoenix Metro area; and 3) Request David Kaye to negotiate a first right of refusal on the property at 1st Avenue/McKinley and terminate the payments of approximately \$38,000 per month.

Mayor Cavanaugh stated that Mayor Hawker was excluding what had been listed as item 1 in the previous motion.

Mayor Hawker confirmed that he was correct.

Mayor Manross seconded the motion.

Chair Cavanaugh called for a vote. The motion passed unanimously.

5. Request to Reconsider and Rescind the Executive Committee's Vote Terminating the Memorandum of Cooperation (MOC); Approve the Amended and Restated MOC; and Approve Entering into a Preconstruction Services Agreement with McCarthy Building Companies

Mayor Cavanaugh asked Ms. Bisman to provide the legal context regarding item #5.

Ms. Bisman explained that it was the Committee's direction to delay rescoping the project and entering into a preconstruction services agreement until the financial figures are provided and therefore the item requested for action in item #5 may not be relevant today but could be heard in the future..

Mayor Cavanaugh asked if there were any comments regarding the legal interpretation provided by Ms. Bisman. He concluded that no action would be taken on item #5 at that time.

6. Transportation Planning Update

Eric Anderson, MAG Transportation Director, provided an update on recent transportation planning activities, which includes the Statewide Intrastate Mobility Reconnaissance Study, the overall approach for a statewide transportation plan, and the ballot initiative proposed for fall 2008.

Mr. Anderson stated that he wanted to provide insight into what some may have been reading in the paper about the Governor and the Arizona Department of Transportation (ADOT) preparing a possible package of projects to go to voters in November 2008 which is part of an initiative campaign led by the TIME business coalition. He cautioned that some of the information may be dated information and had been derived from the briefings he had received from ADOT and the Governor's office. Mr. Anderson noted that there were ongoing briefings about the initiative around the state as well as continued work to refine the package. He stated that the details of what is being proposed is being held under executive privilege. Mr. Anderson said that as a result, it has been difficult to understand what exactly is in the package and that he would be providing a brief synopsis of the \$42.5 billion package which includes \$25.6 billion for highways, \$ 4.26 billion for streets and \$1 billion for light rail transit with \$600 million available to the MAG region with the remaining balance going to Pima County. He noted that the train category on the chart represented both inner city rail between Phoenix and Tucson with the possibility of extending up to Prescott or Flagstaff plus more frequent commuter rail service in the metro Phoenix area. He added that the enhancement funds paralleled the federal enhancement program and then identified \$1.85 billion under Public Private Partnership which would be an inducement fund to provide some public sector incentives for public private partnership around the state for transportation projects. Mr. Anderson cautioned that the numbers could change but that this was the latest information staff had.

Mr. Anderson discussed four dimensions of equity which were identified in a publication in California and he felt were important to look at that when considering a plan. He stated that citizens and businesses in Arizona rely on a well run transportation system. Mr. Anderson stated that funding asks to identify the source and who would be paying for the effort. Second, participation asks if there is broad ownership of the plan. He noted that it was very important when asking the voters to vote for a plan to understand if there really is a strong level of public ownership. Mr. Anderson recalled the effort on Proposition 400 and thirdly noted the role of long term impacts which resulted from a plan with an established set of goals and objectives inclusive of in depth technical analysis that looked at the congestion and mitigation impact as well as the impact on overall mobility and connectivity. Lastly, he discussed the return on investment and donor/donne issue which identifies who gets what out of the plan. Mr. Anderson noted that the proposal may involve a one cent statewide sales tax for 30 years. He stated that under the present economic condition two-thirds of the sales tax is generated from business in Maricopa County. Mr. Anderson focused on the

importance of the statewide system and that one could make a fairly good case that a portion of those dollars would be needed somewhere else to ensure a good statewide plan. He stated that it was important to evaluate how much of a donor is Maricopa County to be and that it really is a policy question that needs more discussion. Mr. Anderson shared information regarding Maricopa County's share of population, employment, sales tax and gasoline sales. He noted that Maricopa County generates 60 percent of the statewide total population, 69.5 percent non farm related employment, 67 percent of the sales tax and 59 percent of gasoline sales. He presented key federal planning requirements that MAG needed to follow including addressing the non attainment issue with air quality. Mr. Anderson noted that MAG can not approve projects without going through a conformity analysis. He stated that with respect to the compilation of critical needs provided by staff to ADOT for its critical needs list, which may include \$4 to 5 billion for the freeway program, there were additional funding needs identified for the I-17 capacity improvement project as well as the I-10 collector-distributor road system which had initially been funded at \$550 million and is now close to \$1.5 billion. He noted that total freeway needs in the region approximated \$6 billion.

Mr. Anderson continued that on the local level in the MAG region he estimated the backlog for local street needs, including basic rehabilitation, maintenance and expanded projects, at \$9 billion. He added that the package had allocated \$4.2 billion currently on a statewide level and that the street needs is \$9 billion in the MAG region alone. Mr. Anderson stated that the backlog in local needs is attributable to several reasons including no change in the gas tax since 1991 and 50 percent increase in construction costs related to street construction and maintenance over the last few years.

Mr. Smith noted that the reason staff was focusing on street needs is because 60percent of the travel in the Maricopa County area is on arterial streets.

Mr. Anderson stated that arterial streets play a key role in overall mobility not just for the automobile but for bus and non motorized methods of transportation. He added that there is a growing demand for transit due to high fuel prices which have forced people to look for alternative modes of transportation. He stated that other factors such as an aging population, climate change, global events are impacting the need for alternatives. Mr. Anderson stated that with the opening of the light rail system in this county on December 27, 2008, he thinks with a successful 20 mile rail system, there may be interest in extending the system beyond what is in the plan. MAG also has a current transit framework study underway which will identify other transit needs in the region.

Mr. Smith stated that the current proposed package remained under executive privilege and was in the process of being reevaluated. He asked Mr. Anderson out of the \$25.62 billion highway program what was MAG's portion.

Mr. Anderson's response was that it could be approximately 30 to 35 percent of that depending on how the funds were divided. With respect to the freeway package he noted that MAG's portion was \$4.5 billion out of the \$25 billion, but that it has been difficult to gage due to the lack of information.

Mr. Smith noted the importance of equity and that it was important to understand the equity in this package and how it would be applied.

Mr. Anderson stated that another issue that may result with a successful initiative in November, the Transportation Policy Committee and Regional Council will have to address the relative priority of projects to others in the region. He noted that under federal law and state law, because MAG is a metropolitan planning organization in a transportation management area and non attainment area, the Regional Council has the responsibility of setting the freeway priorities and there could be challenges ahead on how projects are identified in a statewide plan might get incorporated into the regional transportation plan for the MAG region.

Mayor Manross asked if people were still serious about putting this on a November ballot.

Mayor Cavanaugh stated yes.

Mayor Manross asked about the role of conformity analysis.

Mr. Smith responded that if the initiative passed, the Regional Council would decide whether to put the projects in the Transportation Improvement Program and the Regional Transportation Plan. He added that the projects would have to go through the conformity analysis before they could be built, but in this case the conformity analysis would be done after the fact.

Mayor Manross noted that there was no assurance then that the projects that were put in the package would ultimately get built.

Mr. Anderson stated that is the question on the table. He added that in order to run a conformity analysis, it is important to know what project is and the timing of the project to make sure it is put in the right place in the plan and be able to test the air quality implications.

Mayor Berman asked if ADOT would decide where the money went.

Mr. Smith stated that major improvements would necessitate amending the Regional Transportation Plan. He acknowledged there are questions about how to handle this when you have a citizen initiative. Mr. Smith stated regardless, before anything was built, it would have to go through the federal test.

Mayor Hawker asked if there will be enough detail about the proposed package to see if the mobility maps are improved.

Mr. Anderson stated that he would think that there might be when the documents become publicly available but that MAG would need to know timing and what is being proposed in order to do that.

Mayor Hawker noted that through ADOT, with the exception of the non conformity areas

there is a special regulation they have to adhere to.

Mr. Anderson stated that was possible but that staff has not been a part of the discussion of how the package would be managed or how cost changes would be dealt with. He noted that none of those issues had been discussed at this point.

Mayor Hawker asked about the process pertaining to street projects and how MAG would implement that.

Mr. Anderson stated that he heard the \$4.2 billion would be allocated according to a formula down to a regional level. He stated he did not know what formula or how it would work. He also noted that it would be up to the regions how that money would be applied. Mr. Anderson stated that staff has not spent time identifying what the process would be or on how that would be spent. He stated that he did not know whether there were any restrictions on the use of the money and that there are questions that are not known at this time.

Mayor Hawker noted that the selling point of Proposition 400 what that elected officials could say which highway, road, transit projects would be in their community. He stated that it will be hard as mayors to sell to their community when they do not know what they are getting until a later date.

Mr. Anderson stated that at this time that is true unless something includes local distribution.

Mr. Smith added that for Proposition 400, the plan modeling was done in advance.

Mr. Anderson noted that these were all good questions that do not have any answers right now.

Mayor Cavanaugh asked Mr. Anderson to clarify about the \$6 billion of additional funds and if that took the amount from \$16 to 22 billion in the 20 year plan.

Mr. Anderson stated that just on the freeway plan it would be from \$9 or 10 billion to \$16 billion depending on what dollars were being used. He noted that there was a 50 to 60 percent increase in costs than a few years ago.

Mayor Cavanaugh asked with respect to the compliance by the MPO to the federal regulations, is the penalty for failing to comply denied federal funding or a lost charter.

Mr. Smith stated that in 1994 after the loss on Proposition 400, Governor Symington had a plan that came to the Regional Council and the Regional Council agreed to modify the Transportation Improvement Program and MAG went through the federal process after there was consensus on what was decided.

Mayor Cavanaugh asked if there was further discussion.

Vice Mayor Neely stated that someone had said that it was important for everyone to get behind the package but Phoenix did not at this time see a benefit from the tax extension over

the 30 years and that tying Phoenix to 30 years makes it really hard to consider looking at supporting the initiative. She noted that Phoenix staff has been working with the Governor's office but that there has to be some assurance that those dollars will come back more than what they are hearing.

7. Adjournment

There being no further business, the Executive Committee adjourned at 1:42 p.m.

Chair

Secretary