

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
May 16, 2005
MAG Offices
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

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 12:00 p.m.

Chairman Hawker stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage. Chairman Hawker stated that informational materials for agenda items #5, Building Lease Working Group Update, and #8, Legislative Update were at each place.

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. He 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 the 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, #3B, #3C and #3D were on the consent agenda. He noted that no public comment cards were received.

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

3A. Approval of the April 18, 2005 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the April 18, 2005 Executive Committee meeting minutes.

3B. Department of Housing and Urban Development Stuart B. McKinney Continuum of Care Consolidated Application Process for Maricopa County

On December 18, 1999, the Regional Council approved MAG becoming the responsible entity for a year-round planning process for federal funds for homeless programs. This includes the submittal of the Department of Housing and Urban Development Stuart B. McKinney Continuum of Care Consolidated Application for Maricopa County. The Continuum of Care grant supports permanent and transitional housing services. It is anticipated that the region could receive up to \$20 million in 2005. Last year, the region received \$19.3 million. A ranking and review process, administered by Valley of the Sun United Way, is complete and the rankings will be provided at the meeting. This item was on the May 11, 2005 Management Committee agenda for information and possible comment. An update was provided to the Executive Committee on discussion and input from the Management Committee.

3C. Domestic Violence Public Opinion Survey

The Executive Committee, by consent, approved an amendment to the FY 2005 MAG Unified Planning Work Program and Annual Budget for a public opinion phone survey on domestic violence to be conducted by MAG and the Morrison Institute at Arizona State University for a total cost of \$6,500, with half (\$3,250) being paid by MAG. The MAG Regional Domestic Violence Council, formed in 1999, supports the collection of current statistically reliable and valid public opinion data on the issue of domestic violence in Maricopa County. This information will assist the Council as they work to prioritize their goals and objectives for the next five years. The Morrison Institute at Arizona State University has offered to partner with MAG to place a public opinion survey in the field beginning in early May 2005 through MetroTRACK. This random phone survey would seek to measure public awareness of domestic violence services currently available in the region, as well as to assess the public's perception of the most pressing domestic violence-related needs. While the survey was estimated to cost no more than \$4,000 with the Morrison Institute paying for half that amount, the final total cost has come to \$6,500. According to the proposed agreement, MAG would pay \$3,250. The additional cost came as a result of the questions being more complex.

3D. Amendment to the FY 2004-2007 MAG Transportation Improvement Program for Maricopa County and Apache Junction Highway Projects

The Executive Committee, by consent, approved of an Amendment to the FY 2004-2007 MAG Transportation Improvement Program to add five new privately and locally funded Maricopa County projects and one privately funded widening project in Apache Junction, contingent upon

a finding of conformity. On November 25, 2003, the FY 2004-2007 MAG Transportation Improvement Program (TIP) was approved by the MAG Regional Council. Since that time, Maricopa County has notified MAG of five new roads that are being constructed in the northwest and southwest Valley and Apache Junction of a nearly 10-mile planned widening of Ironwood Road. All of these projects require an Amendment to the TIP to be able to proceed. All of the projects are regarded as regionally significant projects for air quality conformity analysis purposes and a new Finding of Conformity for this item is considered as a separate agenda item. The results of the conformity analysis conclude that the amended TIP and Regional Transportation Plan as a whole meet all applicable federal conformity requirements and are in conformance with applicable air quality plans. The Transportation Review Committee recommended approval of a TIP amendment for these projects, pending completion of the air quality conformity analysis. This item was on the May 11, 2005 Management Committee agenda for recommendation to approve. An update was provided to the Executive Committee on discussion from the Management Committee. Ratification of the Executive Committee action will be considered at the Transportation Policy Committee and Regional Council meetings.

4. New Finding of Conformity for the Amended FY 2004-2007 MAG Transportation Improvement Program and Regional Transportation Plan

Cathy Arthur addressed the Committee on the 2005 MAG Conformity Analysis for the Amended FY 2004-2007 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP). She explained that the Clean Air Act requires transportation plans, programs and projects to conform to the purpose of the air quality plans. She noted that the conformity analysis concludes that the amended TIP and RTP as a whole meet all applicable federal conformity requirements and are in conformance with applicable air quality plans. She stated that the 2005 Conformity Analysis for the new eight-hour ozone standard must be completed by June 15, 2005 in order to avoid a conformity lapse. Ms. Arthur reviewed the conformity schedule and explained that in order to meet the June 15 deadline, the Executive Committee would need to approve and the Regional Council would consider ratification of this action on May 25. Chairman Hawker thanked Ms. Arthur for her report. No questions from the Committee were noted.

Mayor Shafer moved to approve the new Finding of Conformity for the amended FY 2004-2007 MAG Transportation Improvement Program and Regional Transportation Plan. Mayor Manross seconded, and the motion carried unanimously

5. Building Lease Working Group Update

Denise McClafferty addressed the Committee on the progress of the Building Lease Working Group. She noted that six options were provided at the last meeting and a consensus was reached that building a building in the central corridor that fits all regional agencies was reached. It was also noted that it would be financially beneficial to move forward quickly. Ms. McClafferty stated that staff is focusing on land needs, the timing in partnering with other regional agencies, and continuing discussions with ASU regarding partnering in the downtown campus. She noted that the Building Lease Working Group recommended that staff further explore the 1st Avenue and Fillmore site, the 4th and 5th Avenue site and not to eliminate acquiring the 4th floor in the current

building. Ms. McClafferty stated that the focus continues to be on convenience for the elected officials, building great meeting room space and providing adequate parking.

Ms. McClafferty stated that there was question at the last Executive Committee meeting as to whether the 1st Avenue and Fillmore site was already planned for workforce housing. In discussions with the City of Phoenix Downtown Development Office, as well as ASU, it was determined that this site is currently not planned for workforce housing. Ms. McClafferty thanked the City of Phoenix for their guidance and availability in answering question and providing direction.

Ms. McClafferty reported that in April 2005, the YMCA sold the land to the west of their building on 2nd Avenue to a developer and this land is planned for student housing. She noted that there may be an opportunity to partner with this developer in a parking garage. Staff is working on gathering more information before the next Building Lease Working Group meeting. Ms. McClafferty reported that the 4th and 5th Avenue site is listed with West USA for \$3,484,708. This is approximately \$44 a square foot. There are 12 lots for sale and three owners. These lots cannot be divided. She noted that this is a two acre parcel of land with a height restriction up to 300 feet.

At the May 3, 2005 Building Lease Working Group meeting, the group requested that staff focus on land needs, land cost comparisons, operation and maintenance costs of a new building, the timing of regional agencies moving in a new building and continued communication with ASU regarding partnering in the downtown campus. Ms. McClafferty stated that MAG would like to thank the City of Scottsdale for providing staff to assist in developing a footprint and conceptual design for a building. ASU, as well as MAG staff with Scottsdale's assistance, will work to develop an artist rendition of a building. She noted that two products will be presented to the Building Lease Working Group at their next meeting. Preliminary calculations determined land needs to be approximately 75,000 square feet for the building and parking garage.

She stated that ASU also suggested the Jewel Box site at Central and Fillmore. This site is expected to be purchased by the City of Phoenix for the ASU Downtown campus plans. ASU has since learned that there are 13 underground storage tanks. ASU believes that the environmental clean up may exceed the value of the land and are revisiting whether ASU would want to use this land in the DT Campus planning.

Ms. McClafferty reported that staff is working with Cushman & Wakefield on comparisons of downtown land vs. midtown. Cushman & Wakefield is also working on the operation and maintenance cost of a new building, including cash flow analysis, to equally compare leasing to building over the next 20 years. She noted that preliminary numbers for the total square feet needed for all four agencies projected out to 2026 is approximately 155,000 square feet, including meeting space. Parking would be an additional 122,000 square feet.

Staff contacted the Phoenix Industrial Development Authority (IDA) and they indicated that MAG could work through the City of Phoenix or Maricopa County IDA for financing. Staff is working to develop a comparison of a commercial loan vs an IDA loan.

Ms. McClafferty stated that staff is scheduled to meet with the new Executive Director of RPTA to bring him up to speed on the process of the Building Lease Working Group and to determine the timing of moving into a building. RPTA's lease expires in December 2005. She reported that Valley Metro Rail has not signed a lease agreement yet, but last report was that they are negotiating a 10-year lease with the option to terminate in years five, six, seven or eight. She noted that there is always the options to sublease. Valley Metro Rail (VMR) needs to be out of their building by December 2005. Ms. McClafferty reported the VMR has pursued other short-term options, including the Security Building and the Federal Building. Both spaces were not an option because of unavailable space or inadequate space. It was reported at the last Executive Committees meeting that AMWUA is also interested in partnering on a building. She noted that they have approximately six years remaining on their current lease and will have to negotiate a buy out.

Ms. McClafferty reported that the next Building Lease Working Group meeting was scheduled for May 27, 2005 at 8:15 a.m. Chairman Hawker thanked Ms. McClafferty for the report.

Mayor Manross stated that it sounds like we are working through the process and looking at all the numbers. She indicated that we should keep moving forward. The Committee agreed.

6. Draft FY 2006 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough reported on the FY 2006 MAG Unified Planning Work Program and Annual Budget. Ms. Kimbrough reviewed the most recent changes. She said that the Shared Use Facility Design Assistance project in the amount of \$200,000 was taken out of the recommended projects for FY 2006. Ms. Kimbrough advised that the scope for the Emergency Transportation Operations Plan project has been modified and staff will conduct an inventory of region-wide emergency plans that are in place or are projected prior to beginning work on this project. She added that the project was budgeted at \$150,000 and has been moved to contingency. Recommendations on this project will be presented to the Management Committee and the Regional Council before the project proceeds. Ms. Kimbrough stated that the Regional Transportation Plan Project Development project for light rail in the amount of \$507,000 has been included as a pass through. She said that this project will not impact to the budget because it was traded with another project that is being carried forward. She advised that the FY 2006 budget shows a decrease of approximately seven percent from the FY 2005 budget. Chairman Hawker thanked Ms. Kimbrough for her presentation. Mayor Wendy Feldman-Kerr also thanked Ms. Kimbrough and staff for all their work and noted that this was a good budget.

Mayor Shafer moved to recommend approval of the resolution adopting the Draft FY 2006 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mayor Cavanaugh seconded, and the motion carried unanimously

7. Maricopa County Library District Tax Rate

Tom Remes reported that at the April 27, 2005 Regional Council meeting, action was taken on the regional partnership recommendations from the MAG County Library Stakeholders Group. He noted that Maricopa County Library District has sent a memorandum to the municipalities

requesting a meeting to discuss the changes to the reciprocal borrowing agreement rate and the purchase of electronic databases. Mr. Remes stated that MAG received word that the County may desire to reduce the current Library District tax levy of .0521 to .0421. He noted that the FY 2004-2005 budget reflects \$15,644,900 generated from the tax levy at .0521. If the levy was kept at .0521, the FY 2005-2006 budget would bring in \$17,295,750. However, if the tax levy is reduced to .0421 for FY 2005-2006, it would bring in \$13,976,029.

He noted that the MAG Management Committee members suggested that to allow for further consideration of the MAG County Library Stakeholders Group recommendations, a letter be sent from the Chair of the MAG Regional Council to the Board of Supervisors requesting that the tax levy rate not change while discussions on regional partnerships are taking place.

Mayor Manross agreed that a letter should be sent to delay a decision. She asked why the County wanted to lower the tax. Mayor Shafer also asked why the tax should be lowered when the need is greater. Mayor Hawker stated that the consensus of the Committee is to recommend sending a letter to the County Board of Supervisors.

8. Legislative Update

Tom Remes provided an update on legislation to date. He stated that the Legislature adjourned on May 13, 2005. He noted that they may come back for special session. Mr. Remes stated that HB 2123, the HELP loan bill, was signed by the Governor and is now in Chapter Law. He stated that SB 1119 was transmitted to the Governor on Thursday and HB2122, which involves changes to the RTP language, did not get set for a second vote. Mr. Remes reported that HB 2499, the municipal tax incentives prohibition, which is similar to SB 1201, includes a conditional enactment clause that states that the legislation will become effective August 1, 2006 unless MAG develops a plan to address the issue of offering tax incentives to businesses. This bill did not receive its final read. Mr. Remes added that it appears that HURF funds will again be diverted to DPS this year. Chairman Hawker thanked Mr. Remes for his report.

Mayor Shafer stated that she has already heard that there will be more attempts to make changes to the RTP. Chairman Hawker asked if the legislature is looking at Tucson and others regarding incentives. Mayor Cavanaugh also questioned if Senator Chevront's bill (SB1201) excluded everything outside of Maricopa County.

Chairman Hawker asked Mr. Remes to review SB 1119. Mr. Remes explained that this bill establishes the Parity Compensation Fund for salaries and benefits for DPS personnel. He noted that it redirects 1.51 percent of the portion of the VLT revenues that would otherwise be deposited in the State Highway Fund. This appropriates approximately \$5.5 million of the HURF allocation and approximately \$2.5 million of the VLT allocation from the Fund to the DPS Director.

Mr. Smith stated that local governments need to be united in the next session because the region cannot afford to lose HURF funds for other purposes. He stated that lane miles have increased only 10 percent, however, more than \$800 million has been diverted to DPS over the past five years. Mr. Smith noted that MAG staff has been taking the growth presentation to several agencies in the Valley, such as the Chamber. He noted that the question is how do we deal with the rapid

growth. Chairman Hawker expressed his concern that bills like this can erode at the \$15.8 billion, which puts the plan in jeopardy of not being completed. Mr. Smith stated that he is not sure that the Legislature, or the Governor, knows the cumulative impact of the HURF diversions. Chairman Hawker asked if a letter should be sent noting the possible effects of the legislation. Mr. Smith replied that it may be too late for this year. He noted that we should continue to work with agencies over the summer to get back to the previous amount of approximately \$25 million per year. Chairman Hawker asked if it is a percentage that continues or is it a one year deal. Eric Anderson replied that he believes it is a percentage that continues, but staff will research. Mr. Smith suggested sending a letter this year. The Committee concurred.

Mayor Cavanaugh asked for a brief update on the air quality issue. Lindy Bauer stated that Maricopa County will attend the Air Quality Technical Advisory Committee meeting next Monday, May 23, 2005. Mr. Smith noted that an update will be provided at the Management Committee and Regional Council meetings.

9. Adjournment

Mayor Feldman-Kerr moved to adjourn the Executive Committee meeting. Mayor Cavanaugh seconded, and the motion carried unanimously.

There being no further business, the meeting was adjourned at 12:35 p.m.

Chair

Secretary