

**MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
REGIONAL COUNCIL MEETING**

May 26, 2010  
MAG Office, Saguaro Room  
Phoenix, Arizona

**MEMBERS ATTENDING**

Councilwoman Peggy Neely, Phoenix, Chair	Mayor James M. Cavanaugh, Goodyear
Mayor Thomas Schoaf, Litchfield Park, Vice Chair	Mayor Yolanda Solarez, Guadalupe
# Councilwoman Robin Barker, Apache Junction	Supervisor Mary Rose Wilcox, Maricopa Co.
# Mayor Marie Lopez Rogers, Avondale	Mayor Scott Smith, Mesa
* Mayor Jackie Meck, Buckeye	* Mayor Vernon Parker, Paradise Valley
Mayor David Schwan, Carefree	Mayor Bob Barrett, Peoria
Councilman Dick Esser, Cave Creek	# Mayor Arthur Sanders, Queen Creek
# Mayor Boyd Dunn, Chandler	* President Diane Enos, Salt River Pima-Maricopa Indian Community
Mayor Michele Kern, El Mirage	# Mayor Jim Lane, Scottsdale
* President Clinton Pattea, Fort McDowell Yavapai Nation	Councilwoman Sharon Wolcott, Surprise
# Mayor Jay Schlum, Fountain Hills	# Mayor Hugh Hallman, Tempe
* Mayor Ron Henry, Gila Bend	* Mayor Adolfo Gamez, Tolleson
* Governor William Rhodes, Gila River Indian Community	# Mayor Kelly Blunt, Wickenburg
Councilman Les Presmyk for Mayor John Lewis, Gilbert	Mayor Michael LeVault, Youngtown
# Mayor Elaine Scruggs, Glendale	# Felipe Zubia, State Transportation Board
	* Victor Flores, State Transportation Board
	# Roc Arnett, Citizens Transportation Oversight Committee

\* Those members neither present nor represented by proxy.

# Attended by telephone conference call.

+ Attended by videoconference call.

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair Peggy Neely at 5:00 p.m.

2. Pledge of Allegiance

Vice Chair Schoaf led the Pledge of Allegiance.

Chair Neely noted those participating by telephone: Mr. Roc Arnett, Councilwoman Robin Barker, Mayor Kelly Blunt, Mayor Boyd Dunn, Mayor Hugh Hallman, Mayor Michele Kern, Mayor Jim Lane, Mayor Marie Lopez Rogers, Mayor Art Sanders, Mayor Jay Schlum, Mayor Elaine Scruggs, and Felipe Zubia.

Chair Neely introduced Councilman Les Presmyk as proxy for Mayor John Lewis.

Chair Neely bid farewell to Mayor Art Sanders, who was participating in his last Regional Council meeting. She noted that Mayor Sanders has been a member of the MAG Regional Council since 2006. Chair Neely thanked him for his service to the MAG region and said that he had made a difference in the MAG community. The Regional Council applauded Mayor Sanders.

Mayor Sanders thanked the Regional Council and said that the Town of Queen Creek will be well represented by Mayor-elect Gail Barney.

Chair Neely noted the following items were at each place: For agenda item #9, replacement pages for A-19 through the end of the draft Work Program, and the addendum to the agenda (item #14) and supporting material.

Chair Neely requested that members of the public who would like to comment fill out a blue public comment card for the Call to the Audience agenda item or a yellow public comment card for Consent Agenda items, or items on the agenda for action. Parking garage validation and transit tickets for those who used transit to attend the meeting were available.

3. Call to the Audience

Chair Neely noted that public comment cards were available to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Neely recognized public comment from Dianne Barker, who commented that Chair Neely would be concluding her term as Chair in June 2110. Ms. Barker complimented Chair Neely on a job well done, and she noted accomplishments during her term included the Sun Corridor, the Five Percent Plan for PM-10, the framework studies, and the stimulus projects. Ms. Barker noted that Chair Neely had also done a good job with the citizens and gave her time to them. She wished Chair Neely the best and said that she was well qualified to become mayor. Ms. Barker noted that she had come to the Regional Council meeting via bus and light rail. She commented that MAG might hear from citizens whose transit service got cut and she added that a lot of citizens have good ideas that might be implemented. Ms. Barker commented on the deficiencies of the regional freeway system even though \$5 billion has been invested since 1985. She encouraged multimodalism to help with solving transportation congestion. Ms. Barker spoke about a project that provided computers to remote villages in India. She said that the computers were installed at children's height and the children were able to learn and then pass along this knowledge to the other children in the village. Ms. Barker stated that this was an example that learning could happen in ways other than top down from a book. Chair Neely thanked Ms. Barker for her comments.

5. Approval of Consent Agenda

This agenda item was taken out of order.

Chair Neely noted that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H were on the Consent Agenda. She noted that no public comment cards had been received.

Chair Neely asked members if they had questions or requests to hear an item individually. No requests were noted.

Councilman Presmyk moved to approve the Consent Agenda. Mayor Barrett seconded, and the motion passed unanimously.

5A. Approval of the April 28, 2010, Meeting Minutes

The MAG Regional Council, by consent, approved the April 28, 2010, meeting minutes.

5B. American Recovery and Reinvestment Act (ARRA) Status Report

A Status Report on the American Recovery and Reinvestment Act (ARRA) funds dedicated to transportation projects in the MAG region details the status of project development. The report covers highway, local, transit, and enhancement projects programmed with ARRA funds and the status of project development milestones per project.

5C. Arterial Life Cycle Program Fiscal Year 2010 Regional Area Road Fund Closeout

The MAG Regional Council, by consent, approved advancing \$23.995 million in Arterial Life Cycle Program (ALCP) project reimbursements to 2010 for the fiscal year (FY) 2010 ALCP RARF Closeout, and amending the FY 2010 Arterial Life Cycle Program, the 2008-2012 Transportation Improvement Program, and Regional Transportation Plan 2007 Update, as necessary. The Regional Area Road Fund (RARF) Closeout Process was established in Section 260 of the Arterial Life Cycle Program (ALCP) Policies and Procedures approved by the MAG Regional Council. A financial analysis of ALCP revenues and expenditures as well as the ALCP bonding program was conducted. After reviewing the output of the analysis, MAG staff recommended that five eligible projects be reimbursed in the fiscal year 2010 ALCP RARF Closeout Process. The MAG Transportation Review Committee and the MAG Management Committee recommended approval.

5D. Fiscal Year 2010 MAG Highway Safety Improvement Program Projects

The MAG Regional Council, by consent, approved the listing of selected projects for fiscal year (FY) 2010 highway safety improvement program funds. A total of \$1 million in FY 2010 Highway Safety Improvement Program funds has been suballocated by the Arizona Department of Transportation (ADOT) to MAG for road safety improvements in the region. On March 1, 2010, ADOT informed MAG that the list of recommended safety projects was due by June 1, 2010, to enable timely obligation. Due to the short time available to obligate the funds, the MAG Transportation Safety Committee adopted a process that would result in three categories of road safety improvement projects that could

be obligated in the available time frame. On March 24, 2010, MAG staff announced a call for projects with a submittal deadline of April 9, 2010. Seventeen applications were received by MAG. The Transportation Safety Committee reviewed the applications and recommended a list of projects for funding. The Transportation Review Committee and the MAG Management Committee concurred with the recommendation of the Transportation Safety Committee. The FY 2008-2012 MAG Transportation Improvement Program amendment to include these projects is addressed in agenda item #5E.

5E. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

The MAG Regional Council, by consent, approved amendments and administrative modifications to the fiscal year (FY) 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2007 Update. The FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2007 Update were approved by the MAG Regional Council on July 25, 2007. Since that time, there have been requests from member agencies to modify projects in the programs. The proposed project changes include amendments and administrative modifications to the FY 2008-2012 TIP for highway projects that include adding an ADOT pavement project on I-17, combining two Glendale pedestrian projects into a single project, changes to a Mesa project on Dobson Road, adding transportation enhancement funding projects in Phoenix and Wickenburg, and adding a series of safety projects in various MAG cities and towns contingent on approval of agenda item #5D. The project adjustments and new projects being added to the TIP are fiscally constrained and funding is available. The projects to be added or amended have been categorized as exempt from conformity determinations and the administrative modification includes minor revisions that do not require a conformity determination. The MAG Transportation Review Committee and the MAG Management Committee recommended approval of the amendments and administrative modifications.

5F. Update and Review of Project Deferral Requests for Federal Fiscal Year 2010 MAG Closeout

The MAG Regional Council, by consent, approved a list of projects to be deferred from federal fiscal year (FFY) 2010 to FFY 2011 or later, approval of a list of projects requesting to remove federal funds from the project, and make the necessary amendments and modifications to the 2008-2012 MAG Transportation Improvement Program, and as necessary to the Regional Transportation Plan 2007 Update. By April 29, 2010, member agencies submitted requests to defer or delete federal funds from projects for approximately \$14.5 million. The Federal Fiscal Year (FFY) 2010 Closeout process is following the Draft FY 2009 MAG Programming Principles. The attached memorandum explains the process and the requirements for requesting a project deferral. The Transportation Review Committee and the MAG Management Committee recommended approval of this item.

5G. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report is being provided on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual

Budget, MAG is requesting that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

#### 5H. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2008-2012 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including a new ADOT pavement project on Interstate-17, two Glendale pedestrian projects combined into a single project, and a series of safety projects in various MAG cities and towns. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination.

#### 4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. He stated that the Arizona Department of Transportation submitted an application for a grant to study the Union Pacific Railroad Wellton Branch line from Phoenix to Yuma for potential future Amtrak service. He reported that on May 17, 2010, the MAG Regional Council Executive Committee approved providing \$60,000 to ADOT as matching funds for the grant. Mr. Smith informed the Council that since the Executive Committee meeting, ADOT has informed MAG that they will be increasing the total grant amount by using in kind contributions, which will be in excess of \$300,000. He stated that it is anticipated that a resolution will be brought forward soon to support renewing Amtrak service.

Mr. Smith stated that the Desert Peaks Awards will be held following the MAG Regional Council Annual Meeting on June 30, 2010, at the Sheraton Hotel in downtown Phoenix. He said that RSVPs are requested to be returned to MAG by June 18, 2010.

Mr. Smith stated that in April 2009, the Regional Council received a briefing regarding a concept paper that would provide incentives to regions that pass funding initiatives to address their transportation needs. He said that this concept paper was developed by MAG staff titled, "United States Department of Transportation and Metropolitan Planning Organizations: A New Partnership." Mr. Smith reported that Mark Muro and Rob Puentes from the Brookings Institution are releasing an article entitled, "Helping Those Who Help Themselves," which acknowledges the MAG concept paper. He added that Mr. Puentes will be at MAG next week to discuss reauthorization issues with the MAG Intergovernmental Representatives and will also be presenting at the National Multi-Modal Transportation Steering Committee meeting, sponsored by the City of Maricopa at the Sheraton Wild Horse Pass Resort.

Mr. Smith reported that the Sky Harbor International Airport Skytrain project received no funding for the federal transportation TIGER grants, but the City of Tucson received funding for its streetcar project. Mr. Smith stated that Kansas City received \$50 million from an application request of \$87.7 million that was submitted through that region's Council of Governments on behalf of a partnership of 13 agencies. He reported that the TIGER grants were awarded to projects based on their ability to provide economic benefits, improve safety and the condition of the existing transportation system, increase quality of life,

reduce greenhouse gas emissions, and demonstrate strong collaboration among a broad range of participants. Mr. Smith noted that the Kansas City region represents 1.7 million in population and the MAG region represents four million. He commented that working collectively appears to be more successful than working individually.

6. American Recovery and Reinvestment Act Update and Guidance

Eric Anderson, MAG Transportation Director, briefed the Regional Council on the American Recovery and Reinvestment Act (ARRA) funds for local projects and guidelines. He said that approximately \$105 million in ARRA funds were allocated to the MAG region for 59 local projects. Mr. Anderson then provided the status of these projects. He stated that the bids for the last of the projects are to be opened by the end of May 2010. Mr. Anderson remarked that this region has done a tremendous job to get the projects out the door and get people to work. He added that this could not have been accomplished without the assistance of the Arizona Department of Transportation (ADOT) and the Federal Highway Administration (FHWA).

Mr. Anderson then explained the bid and deobligation process by saying that if bids are higher than the estimate, jurisdictions will need to identify the funding required to complete the project, or reduce the scope of the project. He noted that if bids are below estimate, a jurisdiction may request a change order to add to a project to utilize the funds, however, the requested change must be consistent with the approved environmental clearance, must not require any new right of way or utility clearances, and must be consistent with the current scope of the project, i.e., no new work elements. Mr. Anderson advised that the project savings also may be applied to an existing ARRA project, or to another eligible project, provided that a project meets the eligibility requirements.

Mr. Anderson stated that in order to apply savings to an existing project, it must meet the eligibility requirements, a jurisdiction must have \$200,000 or more in savings, it must be able to obligate in time, and it is through or in the final stages of federal clearances through ADOT. Mr. Anderson displayed these criteria on a slide and noted that the \$200,000 or more in savings requirement had been stricken through due to Management Committee action, but not removed pending Regional Council action. He also added that if a project has not yet started this process, it is too late to begin.

Mr. Anderson reviewed the schedule for ARRA funds: March 2, 2010, was the deadline for all MAG region projects to be obligated; May 30, is the deadline for all MAG project bids to be opened; June 18, 2010, is to allow ADOT and Federal Highway Administration time to conduct formal process to deobligate the bid savings; July 30, 2010, is the ADOT deadline for all required clearances and full bid packages.

Mr. Anderson stated that MAG and ADOT staff met that day (May 26) and discussed the ARRA funded projects. He said that as of May 26, or at least by the end of this week, a project must be in approved TIP/STIP, it must have an ADOT TRACS number, and the environmental document must be in the ADOT review process. He advised that an environmental review typically takes six weeks and includes agency consultation. Mr. Anderson stated that by July 15, 2010, right of way and utility clearances must be signed off by ADOT. Mr. Anderson stated that by July 30, 2010, the executed Joint Project Agreement (JPA) between ADOT and the jurisdiction must be signed, local funds must be on deposit

with ADOT, and plans, specifications and details must be complete. He remarked that this is a significant amount of work to do on a project, and MAG had a commitment with ADOT to do the projects quickly. Mr. Anderson stated that ADOT might accommodate a couple of new, simple projects, but not a large number. He stated that staff will work with member agencies on this.

Mr. Anderson displayed a modified recommendation for the allocation of bid savings, and he noted that the changes from the policy adopted by the Regional Council on January 27, 2010 were indicated in ~~strikeout~~ and double underline. “The local agency with the ARRA project savings will have local discretion to move the project savings to another existing ARRA project in that jurisdiction; and/or swap the ARRA funds with ADOT-STP funds and move the project savings to an eligible project ~~that is above \$200,000 and if all of the required documents and clearances for the project can be completed by July 30, 2010~~ can obligate before September 30, 2010, including new projects. Any jurisdiction that cannot meet the ~~\$200,000 threshold and obligation~~ deadline of ~~September 30~~ July 30, 2010 will return the project savings to the regional pool for reallocation.”

Mr. Anderson noted that he made the changes indicated in double underline due to the requirement that projects be obligated on time. He said that this is a very important piece. Mr. Anderson stated that the deadline was originally September 30, but after discussions with ADOT, it was determined that all jurisdictional work must be completed by July 30 to allow time for ADOT to finish up their books.

Mr. Anderson pointed out that the Management Committee recommended elimination of the \$200,000 threshold included in the adopted guidelines because smaller member agencies that received only \$500,000 to \$700,000 in ARRA funds, but have \$150,000 in savings feel that this is represented a significant portion of their allocation and they should be able to spend the savings on an eligible project. He noted that Nate Banks from the Federal Highway Administration also was in attendance at the meeting to assist with answering questions.

Chair Neely thanked Mr. Anderson for his report and asked members if they had questions.

Mayor Smith asked what a community would need to do between now and July 30 if it had project savings of say, \$170,000. Mr. Anderson replied that the change in policy would allow a jurisdiction to use the \$170,000 savings on a project that is ready to go, is eligible and meets all of the requirements.

Mayor Smith asked the disposition of the bid savings if a project had not met all of the requirements by July 30. Mr. Anderson replied that the plan is to move the leftover ARRA funds to highway projects for the benefit of the region.

Mayor Smith remarked that he hoped all jurisdictions would be able to use their ARRA funds. He stated that the concern from the beginning was to ensure that the funds were expended, not how much each jurisdiction received. Mayor Smith asked if the Regional Council would be provided an accounting of the final distribution of the ARRA Local funds. He said that he would be interested in seeing how much of the funds ended up being applied to the highway program. Mr. Anderson replied that staff anticipates that by the June 30 Regional Council meeting, the tabulation of bid savings could be completed, and they might know which projects will be able to meet the July 30 deadline, and the amount that might go to a regional highway project.

Vice Chair Schoaf stated that the City of Litchfield Park was allocated approximately \$650,000, of which \$145,000 remained. He said that he supported the policy when it passed because they had a \$450,000 project that had completed all of its environmental work, plans, and requirements to which they could apply the \$145,000 and pay the difference. However, when the City went to ADOT to get a TRACS number, ADOT told city staff that according to MAG's policy, the city did not have the minimum \$200,000 and would have to return the \$145,000 to the regional pool of funds. Vice Chair Schoaf stated that the City took this through the Management Committee and asked the policy be revised because it was not fair to smaller communities. He added that under the approved policy, the City would lose 25 percent of the little amount it was given to begin with.

Mayor Schwan stated that the Town of Carefree is in a similar situation. He said that their original project was scaled back and if the change to the guidelines is approved, the Town would be able to do the project they planned all along. Mayor Schwan expressed his support for changing the guidelines.

Mayor Smith stated that it would be awesome for every jurisdiction to use all of its allocation. He commented that meeting the requirements for a process such as this is easier for a large city such as Mesa that has staff that do this every day, but it could be challenging for smaller communities. Mayor Smith stated that the City of Mesa will assist smaller communities with paperwork, etc. He added that he just did not want to leave any money on the table that would be returned to Washington, D.C.

Councilmember Esser stated that the Town of Cave Creek is in a similar situation as a result of a favorable bid. He expressed that he supported what Vice Chair Schoaf suggested and Mr. Anderson explained.

Chair Neely stated that Phoenix shared concerns at the Management Committee meeting. She indicated that she would be supporting the elimination of the \$200,000 threshold. Chair Neely stated that she believed that MAG needs to listen to the smaller communities and help them with their unique needs. She stated that it is also important to note that MAG does not control the destiny of the ARRA funds, and to obligate them will require the cooperation of ADOT and FHWA. Chair Neely stated that ADOT and FHWA have an extreme workload and should be commended for all they have accomplished thus far. She said that the goal, however, is to not return any of these funds to the federal government. Chair Neely stated that if a project is not going to be able to obligate in time, the funds will need to be placed on a freeway project that can utilize them. She commented that this could mean that some member agencies could expend funds getting projects ready without completing the federally prescribed process.

With no further discussion, Chair Neely called for a motion. Mayor Schwan moved approval that the local agency with the ARRA project savings will have local discretion to move the project savings to another existing ARRA project in that jurisdiction; and/or swap the ARRA funds with ADOT-STP funds and move the project savings to an eligible project if all of the required documents and clearances for the project can be completed by July 30, 2010, including new projects. Any jurisdiction that cannot meet the deadline of July 30, 2010, will return the project savings to the regional pool for reallocation. Councilmember Esser seconded.

Supervisor Wilcox expressed her support for showing flexibility to the smaller communities, and asked for clarification that those ARRA Local funds not utilized will then go to the region. She noted that the

County has old US-60 bridge projects that were ready to go. Mr. Anderson replied that he would talk with County staff about the status of the projects. He stated that the plan is to push any unobligated funds to regional freeway projects that are federally eligible and have been cleared. He added that there will be no other option for any project not approved and not ready to go by the end of July. Mr. Anderson mentioned that staff anticipates the report on the expenditure of funds and a backup strategy may be available by the June 30 Regional Council meeting, which will be the last opportunity for the Regional Council to weigh in on how they want to use the money, because there is no time to apply the funds anywhere else.

With no further discussion, Chair Neely called the question, which passed unanimously.

14. Update on Exceptional Events and MAG Five Percent Plan for PM-10

This agenda item was taken out of order.

Lindy Bauer, MAG Environmental Director, reported that on May 25, 2010, the Environmental Protection Agency (EPA) Region IX Administrator conducted a meeting to announce that EPA would not concur with the Arizona Department of Environmental Quality (ADEQ) documentation regarding four exceptional events at the West 43rd Avenue monitor. She noted that EPA had signed a letter stating this on May 21, 2010, without MAG's knowledge.

Ms. Bauer stated that the four exceedances will count as a violation at the West 43rd Avenue monitor and there will be no first year of clean data at the monitors and the region will not be in attainment of the PM-10 standard by 2010. Ms. Bauer explained that attainment of the PM-10 standard requires three years of clean data (in 2008, 2009, and 2010). She added that if the EPA had approved even one exceedance as an exceptional event, the MAG region would have had its first year of clean data.

Ms. Bauer advised that at the meeting, the EPA Region IX Administrator acknowledged that the EPA Exceptional Events Rule has problems and said it is flawed, but EPA was forced to use it. She reported that the Western States Air Resources Council (Westar), which is composed of 15 states, has sent a letter to EPA that identified several issues with the implementation of the rule. She noted that states are confused about what to submit for documentation. Ms. Bauer commented that she thought EPA was concerned over lawsuits since the Exceptional Events Rule has been legally challenged.

Ms. Bauer advised that the EPA intends to disapprove the MAG 2007 Five Percent Plan for PM-10, which includes 53 aggressive measures. She noted that the timing of the disapproval action is unknown at this time. Ms. Bauer added that the EPA is negotiating with the Arizona Center in the Public Interest on the deadline for disapproval action and could not disclose to MAG when they would have to take the disapproval action. She commented that the meeting with the EPA Administrator was disturbing. She said that following the meeting, the EPA sent a 40+ page document that MAG staff is currently reviewing.

Ms. Bauer indicated that EPA had previously expressed concern over four high wind exceptional events in 2008 (March 14, April 16, April 30, and June 4), when the West 43rd Avenue monitor exceeded the PM-10 standard. She reported that additional information was prepared by the MAG consultant, Sierra

Research, which is a nationally renowned firm, to supplement ADEQ's exceptional event documentation. Ms. Bauer stated that MAG's products submitted to support ADEQ's documentation to EPA included surface roughness and friction velocity maps, a table with maximum anthropogenic PM-10 contributions based on land use, a paper explaining why PM-10 concentrations are higher at the West 43rd Avenue than downwind monitors, and graphs showing winds were exceptionally high during those four days.

Ms. Bauer then explained the consequences of plan disapproval action. She said that a conformity freeze would occur 30 to 90 days after the final disapproval is published in the Federal Register, after which, only projects in the first four years of the conforming Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) can proceed. Ms. Bauer advised that means no new TIPs, RTPs or projects until a new Five Percent Plan is submitted that fulfills the Clean Air Act requirements and EPA finds the conformity budget adequate. She remarked that this is new to MAG and she added that MAG has not been threatened with a freeze before.

Ms. Bauer stated that the first Clean Air Act sanction would be imposed if the problem is not corrected within 18 months from the disapproval action, which would be tighter controls on major industries (2:1 offsets in emissions). She said that 24 months from the disapproval action would be the loss of federal highway funds (\$1.7 billion in the Draft FY 2011-2015 MAG Transportation Improvement Program), and a federal implementation plan would be imposed. Ms. Bauer stated that the imposition of highway sanctions may trigger a conformity lapse and major projects in the \$7.3 billion Draft TIP could not proceed. She added that some projects, such as transit and safety projects, would be exempt from the highway sanctions.

Ms. Bauer stated that as a result of the disapproval of the Five Percent Plan for PM-10, a new emissions inventory would be needed. She noted that this was last conducted in 2005, and since then the major downturn in the economy has changed the mix of sources. Ms. Bauer stated that the new 2008 inventory is anticipated to be completed by Maricopa County by June 1, 2010. She said that more measures may be needed to reduce emissions by five percent per year until attainment, as measured at the monitors, and she advised that it is becoming increasingly difficult to find additional measures. Ms. Bauer stated that the modeling in the Plan will need to be revised and three years of clean data at all PM-10 monitors will be needed for attainment. She expressed concern for the seven exceedances in 2009, which ADEQ had recently indicated were exceptional events.

Ms. Bauer then addressed the data collection effort underway in the vicinity of the West 43rd Avenue monitor, which includes air quality and meteorological monitoring and analysis to identify the sources contributing to the elevated PM-10 levels under windy conditions, including nearby sources, unique soil conditions, and transport from outside the area. Ms. Bauer displayed a map of temporary monitors. She said that it is important to complete this data collection, address Plan issues as quickly as possible, prevent violations at the monitors, obtain a conformity finding on the new Draft 2011-2015 TIP and RTP 2010 Update (which is out for public review), seek the assistance from the Governor and Congressional Delegation to suspend the EPA action on the Five Percent Plan for PM-10 until the flawed Exceptional Events Rule is fixed, and explore a possible legal challenge.

Chair Neely thanked Ms. Bauer for her report and asked members if they had questions.

Mayor LeVault asked for clarification of an exceedance day. He asked if the violation has to occur over the entire 24-hour period or it is the result of spikes throughout the day. Ms. Bauer replied that the PM-10 standard is a 24-hour average.

Mayor Smith asked if that average was a weighted average. Ms. Bauer replied it was a regular average. Mayor Smith asked if a reading was zero for 23 hours and eight for one hour, the reading would be the average of those numbers. Ms. Bauer replied that the PM-10 standard is a 24-hour average.

Mayor Barrett asked if any other entities in the nation had this happen due to air quality issues. Ms. Bauer replied that the EPA rarely has to impose the loss of federal highway funds. She stated that the state of Pennsylvania came close over its vehicle emissions testing program. The EPA put its federal highway funds in escrow, but the problem was resolved. Ms. Bauer reported that the state of California has been threatened with sanctions, but the problems were remedied before that happened.

Mr. Smith stated that at the meeting with the EPA Administrator, he referred to MAG's CMAQ funds as funds to be used for air quality projects. Mr. Smith remarked that there is a belief that there is a project at the site of the monitor that is eligible for CMAQ or STP funds and could solve this problem that MAG has neglected to implement. Mr. Smith stated that MAG has \$7 billion riding on this, and if people think MAG has a project that it has not done, they are mistaken. Mr. Smith stated that MAG hired the best environmental consultant it could find to determine the cause of the problem at the West 43rd Avenue monitor. He recalled the presentation at a previous Regional Council meeting that mentioned the fine silt picked up by the high winds and the surface roughness. Mr. Smith stated that MAG has its technical experts and the EPA has theirs, and what is potentially at risk is \$7 billion in the MAG TIP. Mr. Smith stated that the region is an area with 64,000 pending or foreclosed homes. He expressed that it baffled him how EPA could find no justification with the compelling information MAG gave them to acknowledge that one of those readings could be an exceptional event. Mr. Smith stated that when he and Ms. Bauer went to the EPA Administrator's meeting they thought they were going to hear good news regarding the technical analysis; instead, they saw on-screen: "Final decision by the EPA," and by the time they had returned to the MAG office, the EPA had already issued its press release. Mr. Smith indicated that EPA had already made a preliminary agreement with the Arizona Center for Law in the Public Interest. Mr. Smith said that he mentioned to the EPA representative that in his mind, a collaborative effort would have been to give to MAG EPA's technical report and the MAG consultant would have reviewed it to see if there were reasons for improvement. Then a decision would be a decision, but that is not how this worked.

Mayor Hallman stated the importance of ensuring that the public understands the concept of the 24-hour average and how it could be impacted by something like a dust devil carrying sufficient silt from the riverbed passing over the monitor. He commented that the EPA's approach to this is absurd given this monitor's position and the environment surrounding it.

Mayor Hallman asked what led MAG staff to believe that there would be good news at the meeting with EPA. Mr. Smith replied that there were a series of technical meetings attended by EPA and MAG staff at which MAG's consultant, Bob Dulla from Sierra Research, presented research on high winds and surface roughness that the monitor just past the West 43rd Avenue monitor was not exceeding the standard. He said that EPA did not indicate displeasure with MAG's information.

Mayor Hallman asked the last time the EPA staff indicated they understood there were justifications for the West 43rd Avenue monitor readings. Ms. Bauer replied in early in April and in May. Mayor Hallman remarked that this occurred as late as early May, and he wondered if anyone has thought through who may have acted to influence the EPA decision or any activities, because it starts to sound like a purely politically influenced decision. Mayor Hallman stated that MAG needs to make it public if someone wanted to punish Arizona or Maricopa County. He said that he knew how hard MAG staff had been working and he also knew the reality of what goes on with violations. Mayor Hallman stated that he had long been an advocate of what needs to be done with the Loop 101/US 60 crossover and why it should not be super elevated ramps. Mayor Hallman remarked that the absurdity of this decision, after all of the detailed data that have been presented over the past year, is quite disturbing.

Chair Neely stated that she thought there were several elements to this, and she thought it happened before the April meetings. She advised that MAG does not know if the reason is due to visits to Region IX, the lawsuits, or the pressure on the Administration in Washington, D.C., to get tough on environmental issues. Chair Neely said that MAG needs to take an aggressive, tough stand. She remarked that it is important to get legal advice and strong people who know how to work through the EPA system at Region IX. Chair Neely commented that cooperation is great, but this is one-sided and the only one cooperating is MAG. She stated that jobs are at stake here and this could limit the types of businesses in the community and MAG could lose its transportation program. Chair Neely stated that the question is why the EPA should be allowed to make decisions based on a program that EPA has stated publicly is flawed. She said that the EPA does not seem to want to accept the data from the MAG consultant, and she questioned whether it was because it has only had to deal with issues in the East and MAG is in a different climate in the West. Chair Neely urged aggressively pursuing this and said that MAG cannot afford to wait. She encouraged finding all the resources possible. Chair Neely expressed that she thought it was a good idea to get with the Governor and the Congressional delegation and tell our story, but at the same time, work through consultants and attorneys because their expertise is needed to get this done.

Mayor Cavanaugh asked the status of exceedances in 2010. Ms. Bauer replied that there have been no exceedances in 2010. She said that the region had a lot of rain that helped stabilize the soil and increased the vegetation in areas that might not have had vegetation growth, and put water in the rivers. Mayor Cavanaugh commented that a good 2010 is good for MAG's argument.

Mayor Lane expressed that he agreed with Mayor Hallman's comments and he said that it is disturbing to follow a data-based argument and suddenly it makes a turn. He remarked that even though the region has a good 2010 at the monitors, it will still be subjected to the denigration of its programs and plans, and the loss of funds. Mayor Lane said that he agreed with continuing to follow the course, but he is more a proponent of taking an offensive look and taking time to study and stating concerns publicly. He expressed his concern for the exposure for what appears to be a potentially political move.

Supervisor Wilcox expressed her agreement with the previous comments. She asked if there was a formal appeal process and also if MAG would be joining Westar in questioning the exceptional events. Ms. Bauer replied that after EPA publishes its technical document as to why it does not consider these exceptional events, MAG will be able to comment. She said as far as an appeal, the EPA Administrator said this decision was final and indicated that he could not talk about the plan disapproval until the

agreement with the Center is lodged in court. Ms. Bauer stated that staff will research what types of appeals are available.

Mayor Smith asked if this situation came down to one monitoring site in the entire county. Ms. Bauer replied that was correct. Mayor Smith asked if complete non-compliance is as simple as four days of exceedance on the 24-hour average at a monitor. Ms. Bauer replied that was correct, it was a violation. Mayor Smith agreed with Mayor Hallman that this was absurd when a sixth-grader could look at the map, see the monitor downwind from the open desert and a dry riverbed, and realize the cause. He said that he wondered what the technical staff at EPA were doing all day figuring out how this could be a non-compliance, which could result in a \$7 billion hit to this region. Mayor Smith stated that he did not know how this is anything other than political. He commented that it is surprising there have not been more than four violations in an area that is surrounded by open desert and a dry riverbed. Mayor Smith remarked that when he looks at the graphs and data, he sees the absurdity of San Francisco, where there is the bay and water in the air. Mayor Smith stated that he thought MAG needed to take all of the steps available, politically and legally, to counteract something that is off the charts.

Councilmember Esser asked if a joint resolution of the Regional Council would be appropriate. Chair Neely responded that a resolution could be one of many solutions.

Vice Chair Schoaf stated he wanted to join Mayor Hallman and Mayor Smith in expressing the absurdity of the decision. He said that the West Valley has been dealing with the EPA for more than 20 years on what once was a very small Superfund site of less than one square mile but now covers 15 to 20 square miles and is affecting the water supplies in several West Valley cities. Vice Chair Schoaf stated that EPA's attitude when not in the political arena, is to allow an admitted polluter to do nothing to clean up a problem. He added that the way EPA has acted with MAG's situation is disappointing.

Vice Chair Schoaf stated that in light of the serious consequences to the region of plan disapproval by the EPA, he would move that the Regional Council needs to evaluate all of its options to postpone or prevent disapproval of the MAG Five Percent Plan for PM-10 or the triggering of Clean Air Act sanctions, specifically, MAG is directed to present a detailed listing of available actions that the Regional Council can take toward those ends, such as seeking the assistance of the Governor and its Congressional Delegation to stop the EPA action until there is an Exceptional Events Plan that is not flawed; to look into appeals or other legal challenges; to look into whether the joint actions of the Regional Council and taking this argument to the public will be helpful; to look into whether it would be helpful to withdraw portions of the Plan, or to prepare and submit a revised Plan. The listing should also include the applicable timeframes for implementation of all of these actions. To develop that list, MAG staff is authorized by this motion to retain and consult as needed with experts regarding the Clean Air Act and its implementing regulations, experts with experience negotiating with EPA Region IX and/or EPA Headquarters in Washington, D.C., and experts regarding strategies to identify and address sources of PM-10 emissions to the extent MAG does not already have those experts on its staff or consulting with us. Councilmember Esser seconded.

Chair Neely called for discussion of the motion.

Mayor Hallman proposed adding to the motion that staff report to the Executive Committee at its next meeting to further discuss this issue and have a presentation on a positive plan of action.

Vice Chair Schoaf, as maker of the motion, agreed with the additional language. Councilmember Esser, as second, also agreed.

Mayor Cavanaugh said that he would support the motion, but he wanted to express some opposition to the “take no prisoners” approach. He said that he thought moving out aggressively initially could be harmful. Mayor Cavanaugh stated that MAG has its own expert in Ms. Bauer, who makes a good impression on people, and a diverse delegation representing it in Washington, including two of the most influential senators. Mayor Cavanaugh said that he thought it made sense to do this offline and have those people with expertise and influence in Washington make a presentation to the head administrators of the EPA before anything else is done.

Mayor Hallman stated that he did not disagree with Mayor Cavanaugh, and what he suggested could be an option discussed by the Executive Committee and accomplished without great expense, but with the likely timeframe with the administrative action and appeal, there needs to be a quick examination of options at the next Executive Committee meeting: the timeframe, consultants and lawyers and their costs. Mayor Hallman expressed that he agreed that the first step should be the immediate engagement of our delegation and connections in Washington to put pressure on the opposite side of the argument.

Vice Chair Schoaf stated that he agreed with Mayor Cavanaugh’s comments that there is a high probability that this could be solved in a political manner and offline. He stated that parts of the motion do that by seeking the assistance of the Governor and the Congressional delegation, but the alternative steps are complicated and potentially expensive and MAG needs to be ready to implement them if the other action is not successful.

Mayor Cavanaugh agreed with Vice Chair Schoaf.

Mayor Smith stated that Ms. Bauer’s response about the effects in 2010 of water in the river, rain creating a crust, and vegetation, was a simple, non-technical answer, but very powerful and defines the message that needs to be conveyed.

Councilmember Wolcott stated that she supported Mayor Cavanaugh’s caution, and she said that this is a lot to digest on the fly without becoming emotional. Councilmember Wolcott stated that she thought MAG needed to take an aggressive approach, but she was concerned with the political nature this appears to have taken. She expressed that her major concern was the surprise – being told that this was a final decision with no notice, and she found that particularly troubling. Councilmember Wolcott stated that she felt that MAG needed to proceed with caution, but aggressively.

Supervisor Wilcox expressed her agreement and added that this region has one of the best Congressmen, Ed Pastor. She agreed that the first step is to put together an action plan, but also to call Congressman Pastor and request that he set up a meeting with the EPA Administrator to see if anything can be done to calm this down. Supervisor Wilcox stated that she would be glad to facilitate with Congressman Pastor and she also offered the assistance of the County’s lobbyist in Washington. Supervisor Wilcox

expressed that she was upset because the County and the City of Phoenix spent a lot of money paving the dirt roads and shoulders in that area to control the dust problem. She added that she thought the meeting with Congressman Pastor should be a part of the strategy before this hits the Federal Register.

Mayor Smith stated that MAG has a public relations issue because the EPA news release condemns the County for non-compliance. He commented that the details show a much different story than what the EPA laid out. Mayor Smith cautioned against trying to justify what EPA put out there that MAG is not doing its job with the CMAQ funding. He said that the EPA has not reflected the real conditions in the Valley, but the public does not know that. They hear that we are out of compliance and that is all they hear.

Chair Neely called the question, and the motion passed unanimously.

Councilman Presmyk called for a quorum check and a quorum was present.

#### 7. Acceptance of Commuter Rail Planning Studies and Amtrak Update

Marc Pearsall, MAG Transit Planner, presented three MAG commuter rail studies, the Commuter Rail System Study, the Grand Avenue Commuter Rail Corridor Development Plan, and the Yuma West Commuter Rail Corridor Development Plan, for acceptance. Mr. Pearsall reported that since December 2008, these studies had been vetted by MAG member agencies and the general public at more than 60 meetings and stakeholder presentations. He added that the item also was the agenda to revise the corridor ranking that was included in the Commuter Rail System Study upon the completion of update regional socioeconomic forecasts or relevant passenger rail studies.

Mr. Pearsall stated that the study purpose was to evaluate the feasibility, costs, constraints and operating scenarios of implementing commuter rail. He further elaborated on the Grand Avenue and Yuma West corridors and their operations phases: Phase A opening day service, Phase B mid-level service and Phase C mature system service. He added that the recommended overall most productive system map is a four-line, X-shaped system with nearly 18,000 daily boardings.

Mr. Pearsall explained that the study findings recommend a prioritization for the implementation of startup service in the two most productive corridors. He said that the first recommended corridor to receive service was Segment #1, the East Valley-Union Pacific Phoenix Subdivision at 6,450 daily boardings, and the second corridor recommended to receive service was Segment #2, the BNSF Railway interlined with East Valley-Union Pacific Phoenix Subdivision for a combined total of nearly 10,000 daily boardings. Mr. Pearsall stated that beyond the two initial corridors, there was no one outstanding performer in other three corridors: Tempe, Chandler, Yuma-West. He said that the study's corridor prioritization does recommend a full system build-out, but there was no definitive priority on how the remainder of the corridors should be phased for service. Mr. Pearsall added that considerations for future phasing and system build-out would include development patterns, changes in travel demand, community support, potential integration with intercity rail and owner railroad support.

Mr. Pearsall noted that potential future corridor extensions, including using existing railroad lines, historic railroad corridors and new rights of way parallel to proposed MAG region freeways were

possible beyond the 2035 timeframe. He noted that corridors such as the Hassayampa Valley-Buckeye, Hidden Waters-Gila Bend, Hidden Valley-Mobile, Tempe-Maricopa extension, Chandler-Sacaton-Coolidge extension, Queen Creek Florence extension, and Superstition Vistas-Apache Junction were all listed as potential candidates for future commuter rail service.

Mr. Pearsall discussed the study's eight recommended implementation steps. 1) Continued coordination with ADOT and railroads, 2) Determine liability and indemnification statutes, 3) Regional Sustainable Transportation and Land Use Integration Study (FY 2011), 4) Identify local funding, 5) Develop and implement governance plan, 6) Railroad agreements, 7) Design and construction and, 8) Operation. He noted that these implementation steps give a road map toward commuter rail service, should the MAG region decide that commuter rail is a viable investment. Mr. Pearsall pointed out that once the local funding source is identified, it is about three to five years before a train begins operating.

Mr. Pearsall stated that this item was on the agenda for action to 1) Accept the findings of the Grand Avenue Commuter Rail Corridor Development Plan, Yuma West Commuter Rail Corridor Development Plan, and Commuter Rail System Study, and 2) Revise the corridor ranking included in the Commuter Rail System Study upon the completion of update regional socioeconomic forecasts or relevant passenger rail studies.

Mr. Pearsall concluded his presentation with a slide depicting MAG's possible future with commuter rail, specifically a photo-simulation displaying a mockup of the "Sun Runner" commuter train sitting in downtown Phoenix.

Mr. Pearsall then introduced Mr. Lonnie Blaydes from the Commuter Rail Project team. Mr. Pearsall explained that Mr. Blaydes had more than 35 years of experience in the freight and passenger rail industry and has successfully brokered negotiations for new commuter rail system in areas such as Denver, Dallas, Seattle and Albuquerque.

Mr. Blaydes explained the next steps for implementation of commuter rail. He said that each region is different, but he would compare the factors needed for implementation to a three-legged stool: a railroad agreement, funding, and a local champion. Mr. Blaydes stated that usually the champion comes first to assist in obtaining funding, which is needed in order to be taken seriously by the railroads. He stated that when approached by a jurisdiction wanting to use the rail for commuter rail, the railroads always want to know if the request is "real," which means, is there funding and a political will.

Mr. Blaydes stated that a champion could be an individual, organization or event to galvanize local, regional and state support for implementation. Mr. Blaydes described that in New Mexico, it was Governor Richardson who promoted the Rail Runner through adding language to the GRIP legislation to include funding. Mr. Blaydes noted that the funds flowed through the New Mexico Department of Transportation, but Governor Richardson had more confidence in the Mid-Region Council of Governments, who then implemented the service. He said that Governor Richardson always pushed hard for commuter rail and would step in when delays were encountered. Mr. Blaydes stated that Seattle had funding for the Seattle Sounder, but Senator Patty Murray championed getting a railroad agreement. Mr. Blaydes stated that he was not involved Minnesota Northstar, but Councilmember Sharon Wolcott knows a lot about its implementation because she served in the Minnesota Legislature at the time. He

noted that the community kept it alive until funding became available, at which time they moved to implement it quickly. Mr. Blaydes stated that with the California Metrolink in Los Angeles an event, the 1994 earthquake, was the catalyst because the highways were devastated and that helped emphasize the value of commuter rail to the community. Mr. Blaydes stated that the TriRail in Florida was begun as a reliever during the reconstruction of I-95, and 15 years later, it is still operating. Mr. Blaydes advised that funding is critical; without it, no one will take you seriously.

Chair Neely stated that Mr. Blaydes stressed the importance of funding. She asked what amount would demonstrate to the railroads that a region was serious. Mr. Blaydes responded that people usually focus on the capital costs but should look at the ongoing operating costs. He said that if federal funding is being sought, the formula used puts a premium on operating costs. Mr. Blaydes added that there are ways to get capital funding partners, but not as easy to get funding for operational costs.

Councilmember Wolcott stated that she agreed with a lot of what had been presented, but in her experience with Northstar, it takes a state or region to say they want commuter rail and to educate the public so that they know what is at stake. She said that an integrated system with more than one mode is needed to get people excited about it and then a funding source for operations is located. Councilmember Wolcott stated that Mr. Blaydes was correct – the easy part is the capital costs, the difficult part is the operating costs. She said that in Minnesota, the Legislature approved the funding source, but in Arizona, because the voters would have to approve it, the education piece is important from the beginning.

Mayor Hallman stated that he was grateful commuter rail had been moved this far along in this process. He said that Tempe has been pushing for commuter rail for six years. Mayor Hallman stated that the southeast line will never show great traffic until the ridership is completed to the destinations where it makes sense, with the Tempe to Chandler corridor, the ultimate destination of the corridor is to continue to Maricopa on the abandoned rail lines. He said he hoped that those types of lines will be studied in their entirety. Mayor Hallman stated that previous studies for BRT, modern streetcar, or commuter rail for mass transit in Tempe stopped at the Tempe border. He indicated that this will never make sense for BRT until the destinations in Chandler and Scottsdale are included. Mayor Hallman stated that the same is true for commuter rail: it will not make sense without the data from the ridership with the Maricopa connection, in particular as the alternatives analysis for I-10 as a line for use in conjunction with the expanded freeway and as a reliever for truck congestion during construction moves forward. Mayor Hallman urged discontinuing examinations of these lines as small pieces, but examine them in full build-out.

Supervisor Wilcox stated that she thought the studies were very good. She said that she sat in on some of the public input opportunities and the West Valley is very excited about commuter rail. Supervisor Wilcox stated that she realized funding is very hard to come by, but with people now seeing the benefits of light rail, commuter rail becomes closer to reality.

Supervisor Wilcox moved to 1) Accept the findings of the Grand Avenue Commuter Rail Corridor Development Plan, Yuma West Commuter Rail Corridor Development Plan, and Commuter Rail System Study; and 2) Revise the corridor ranking included in the Commuter Rail System Study upon

the completion of updated regional socioeconomic forecasts or relevant passenger rail studies, and a continual look at the figures as Mayor Hallman mentioned. Councilmember Wolcott seconded.

Chair Neely asked if there was discussion on the motion.

Mayor Rogers expressed her agreement with Mayor Hallman and Supervisor Wilcox about the possibilities. She expressed appreciation for the consultant's admission that the ridership modeling was based on outdated land use plans and population statistics from 2000. Mayor Rogers stated that she was opposed to this if it is not on the map, because, as everyone knows, if it is on the map, it becomes reality. Mayor Rogers stated that a lot has changed in Avondale since 2000 and she was not confident that the agreement to update the model will impact the priorities once they are set. She expressed that she could not support a study based on misguided data to form priorities that do not equally benefit all of the Valley. Mayor Rogers stated that the report ignores the desperate state of transportation in the West Valley, where there are limited public transportation options, no light rail, limited grid service, and not even a reliever highway for another 20 years. She stated that the region oversupplies some areas with transportation and supplies none in other areas. Mayor Rogers stated that she will be voting no on this item for those reasons.

Chair Neely stated that what she was hearing is that a more comprehensive study is needed, and she hoped that this motion would be moving that forward. She indicated that she would be horrified if plans from 2000 were being used.

Mr. Pearsall replied that they used April 2007 data, which were approved by the Regional Council. He added this was the last model run. Mr. Pearsall also noted that item #2 in the motion is to use the newer data in 2011 after the 2010 Census results are received.

Supervisor Wilcox stated that was her understanding and intention when she made the motion that new data would be used.

Councilmember Presmyk referenced Mayor Hallman's comment that commuter rail had been studied for six years. He asked the timeline that commuter rail could be implemented. Mr. Pearsall replied that it depends on the work with ADOT and the Legislature to identify the indemnity and liability issues, as requested by the railroad. He noted that the railroad cannot move forward as a partner until a local funding source is identified to move commuter rail beyond the study phase. Mr. Pearsall stated that the railroad has told MAG that it will not enter into an agreement or memorandum of understanding until there is a commitment of funds at the local or regional level to address their concerns. He noted that the average operating cost per corridor is \$10 million to \$20 million per year, and the cost for the 105 mile system would be \$1.5 billion. Mr. Pearsall stated that until the funding source is identified and legal issues are resolved, this study will be a workbook on which to base work. He added that item #2 in the motion allows the study to be updated perpetually as new data become available.

Mayor Hallman clarified that the jurisdiction studying commuter rail for six years was the City of Tempe. He said that the City of Phoenix has also been involved in a process with BNSF four years ago. Mayor Hallman noted that the studies began in earnest with the Commuter Rail Stakeholders Group, who looked at options and interests and how to move forward. He explained that the City of Tempe had

funds designated for commuter rail, but that has not been sustained due to the recession. Mayor Hallman expressed that they hope to be able to recommit the funding after the recession. He stated that from the City's perspective, it only makes sense to study commuter rail if the study extends to Maricopa. Mayor Hallman referenced the legal issues with the railroads. He said that the City of Tempe has been in discussions with the railroads for years on options that could be beneficial to freight rail as a partnership with commuter rail.

Councilmember Wolcott stated that she had met with Chairman Oberstar the day before yesterday and he thinks MAG should not wait, but move forward with an environmental assessment, ultimately to keep the momentum going and develop an opportunity to educate the public about commuter rail and needs, and the possibilities of expanding to a full regional system with full connectivity. She said that would create a dual-track process where the studies are continued and the rankings are revised with updated data. Councilmember Wolcott stated that if MAG waits, it will keep waiting. She remarked that this has to be a multitrack process or it will not be moving forward.

Chair Neely asked about funding for commuter rail in Proposition 400. Mr. Smith replied that Proposition 400 included study funds. Chair Neely stated that she was not discouraging efforts, but everyone has financial shortfalls right now. She indicated that she thought that commuter rail should move forward if there is an ability to do so, but she would say if there was a request at the City of Phoenix today, it would be difficult to come up with funds.

Chair Neely called the question. The motion passed, with Mayor Rogers voting no.

9. Approval of the Draft FY 2011 MAG Unified Planning Work Program and Annual Budget and the Member Dues and Assessments

This agenda item was taken out of order.

Becky Kimbrough, MAG Fiscal Services Manager, reported on the request for approval of the Draft MAG FY 2011 Unified Planning Work Program and Annual Budget. She said that the MAG dues and assessments were presented in January 2010 with a proposed overall decrease of 50 percent due to economic conditions.

Ms. Kimbrough noted that the proposed new projects for FY 2011 were first presented at the February committee meetings. She stated that these new project proposals come from the various MAG technical committees, policy committees and other discussions with members and stakeholders regarding joint efforts within the region.

Ms. Kimbrough noted that the Draft Work Program was provided to members during March for review. Ms. Kimbrough stated that in April, staff positions and salary information and improvements to the MAG office space were presented. Ms. Kimbrough stated that the draft Work Program and Annual Budget was reviewed at the Intermodal Planning Group meeting on April 29, 2010. She noted that representatives from the Federal Highway Administration, Federal Transit Administration, Arizona Department of Administration, the Environmental Protection Agency, Valley Metro and Valley Metro

Rail, and Phoenix Transit participated in the meeting. She reported that the review did not result in any new recommendations for the FY 2011 Work Program and Annual Budget document.

Ms. Kimbrough reported that each year, MAG submits the Work Program to the Government Finance Officers Association for the Distinguished Budget award. She noted that this will be the 11th year in a row that MAG will submit the document.

Chair Neely thanked Ms. Kimbrough for her report. No questions from the Council were noted.

Councilmember Esser moved approval of the resolution adopting the Draft FY 2011 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mayor LeVault seconded, and the motion carried unanimously.

Chair Neely thanked Ms. Kimbrough for the good work on the budget.

#### 8. Sustainable Communities Planning Grant Program

Amy St. Peter, MAG Human Services Manager, reported on the Sustainable Communities Planning Grant Program. She said that the purpose of this presentation is to inform the Committee about activities undertaken to determine the viability of a regional application through MAG.

Ms. St. Peter stated that the U.S. Department of Housing and Urban Development (HUD) is partnering with the U.S. Department of Transportation (DOT) and the Environmental Protection Agency (EPA) on the Sustainable Communities Planning Grant Program to support the development of regional plans for sustainable development. Ms. St. Peter stated that MAG may be eligible to apply for funding, which may position MAG well in the future if such plans become a requirement with the reauthorization of federal transportation funding.

Ms. St. Peter stated that approximately \$100 million is available nationally with up to \$5 million potentially available for large metropolitan areas, such as MAG. She noted that a 20 percent match is required and HUD has indicated it is considering awarding about 40 grants. Ms. St. Peter commented that this grant process is anticipated to be very competitive, and she added that many in this region have expressed interest in applying or partnering for the grant.

Ms. St. Peter stated that the application process could conclude in as soon as 60 days. She indicated that the Notice of Funding Availability (NOFA) is due in mid-June. Ms. St. Peter remarked that the advance notice published by HUD in March did not define an eligible applicant or region and such clarification will help determine if MAG is the most appropriate applicant for the region.

Ms. St. Peter stated that at the request of the MAG Executive Committee, staff convened meetings with community partners, other councils of governments and with the officers of the MAG technical committees to collect information about current activities that are relevant to this grant. Ms. St. Peter stated that some support has been expressed for submitting a consolidated application on behalf of the Sun Corridor. She noted that the Central Arizona Association of Governments (CAAG) Regional Council took action to support submitting a consolidated application with MAG if MAG decides to

move forward with this approach. Ms. St. Peter reported on the concerns expressed that MAG scope for an application as the Sun Corridor would not include all of the MAG region.

Ms. St. Peter stated that feedback received so far indicates support for developing green housing and jobs along high capacity transit lines such as commuter rail, light rail, and the proposed intercity rail from Phoenix to Tucson. She reported that in the meeting with the technical committee officers it was expressed that it was important to focus on the entire region, to consider infill development, to specifically identify the impact desired by the plan, and to leverage existing efforts proposed in the MAG FY 2011 Unified Planning Work Program. Ms. St. Peter noted that since HUD did not define "region," there is the opportunity for cities, towns, even neighborhoods, to submit an application, however, there are concerns that multiple applications from within the region could dilute MAG's chances for an award.

Ms. St. Peter noted concerns have also been expressed for relinquishing local control. Ms. St. Peter stated that when the NOFA is received, staff will review it carefully to ensure no local control will be relinquished in exchange for federal funds. She advised that HUD is looking for applications with a focus on regional plans for sustainable development. Ms. St. Peter stated that guidance on MAG's role in a potential regional application is requested of the Regional Council.

Supervisor Wilcox stated that the County has been looking at this application also. She expressed her interest in applying for the Sun Corridor, and said that partnerships have a better chance of success. Supervisor Wilcox stated that a lot of groundwork has been covered and with the studies already completed, she felt there possibly could be funding for the Sun Corridor.

Councilmember Wolcott said that she thought this grant was about partnerships and she expressed that she was intrigued by the Sun Corridor report reviewed at the Joint Planning Advisory Council meeting. Councilmember Wolcott stated that she felt the Sun Corridor aspect had merit, but she wanted to ensure that the full Sun Corridor was being considered, otherwise, there was no point in moving forward.

Mayor Rogers asked if \$2 million grants could be awarded to small metropolitan areas, separate from the \$5 million for large metropolitan areas. Ms. St. Peter replied that was correct, 25 percent of the total amount was available to smaller areas, which could apply for up to \$2 million each. Mayor Rogers expressed that she supported maximizing any funding opportunities presented through this grant and she hoped the Regional Council would support the efforts of the smaller communities who are working together to apply for the \$2 million planning funds.

Chair Neely stated that MAG is looking at submitting for the larger grant and individual cities could apply for the smaller grant. She asked Mr. Smith for guidance on this, since MAG has only so many staff. Mr. Smith replied that MAG does not want to pursue something not supported by the region. He added that the NOFA has not even been received yet, and it is unknown what HUD might end up doing. Mr. Smith stated that MAG would try to support individual cities' efforts. He added that the technical committees expressed support for working on commuter rail lines and the land use issues surrounding the corridors in an effort to boost ridership. Mr. Smith stated that they also supported the bike paths along the canal system as an alternative to move people. He noted that the Sun Corridor in Pinal County was to look at land use alternatives around the commuter rail lines going to Tucson and CAAG wanted to do an economic impact cluster area. He said he was not sure of PAG's goal. Mr. Smith stated that

MAG staff is requesting guidance from the Regional Council. He said that MAG could include pull back and not do anything until the NOFA is received. Mr. Smith stated that MAG does not want to be in competition with any of the cities.

Chair Neely requested that staff survey the cities if they are intending to apply individually. She said that MAG cannot commit to a three-county application without additional dialogue. Chair Neely indicated there was some interest, but also some opposition because they wanted to apply individually. She said that the results of the survey could be brought back to the Executive Committee with some discussion of direction.

Mayor Rogers stated that she looked at the \$5 million grant and the \$2 million grant as not competitive with each other. She thought that some of the smaller cities could work together that might access some of that funding with the assistance of MAG. Mayor Rogers stated that she realized this was down the road.

10. Legislative Update

No report was required.

11. Request for Future Agenda Items

Topics or issues of interest that the Regional Council would like to have considered for discussion at a future meeting will be requested.

No requests were noted.

12. Comments from the Council

An opportunity will be provided for Regional Council members to present a brief summary of current events. The Regional Council is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Chair Neely noted that at each place was the Nominating Committee report that will move to the June Regional Council meeting for a vote.

13. Adjournment

Councilmember Presmyk moved, Councilmember Esser seconded, and the Regional Council meeting adjourned at 7:00 p.m.

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Chair

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Secretary