

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

May 21, 2008
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair	# Mayor Boyd Dunn, Chandler
# Mayor Marie Lopez Rogers, Avondale, Vice Chair	# Mayor Hugh Hallman, Tempe
Councilmember Ron Aames, Peoria	Eneas Kane, DMB Associates
Kent Andrews, Salt River Pima-Maricopa Indian Community	# Mark Killian, The Killian Companies/ Sunny Mesa, Inc.
Councilmember Maria Baier, Phoenix	Felipe Zubia, State Transportation Board
+ Vice Mayor Gail Barney, Queen Creek	# Mayor Mary Manross, Scottsdale
Stephen Beard, SR Beard & Associates	* David Martin, Citizens Transportation Oversight Committee
* Mayor Steven Berman, Gilbert	# David Scholl
Dave Berry, Swift Transportation	* Mayor Elaine Scruggs, Glendale
Jed S. Billings, FNF Construction	# Mayor Lyn Truitt, Surprise
Mayor Bobby Bryant, Buckeye	* Supervisor Max W. Wilson, Maricopa County
Mayor James Cavanaugh, Goodyear	

* Not present

Participated by telephone conference call

+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Keno Hawker at 4:03 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Hawker noted that Vice Mayor Barney was participating by videoconference; Mayor Dunn, Mayor Hallman, Mr. Killian, Mayor Lopez Rogers, Mayor Manross, Mr. Scholl, and Mayor Truitt were participating by teleconference.

Chair Hawker announced that material for agenda items #4C, #6, and #7 were at each place.

Chair Hawker noted that transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Chair Hawker stated that an opportunity is provided to the public to address the Transportation Policy Committee on 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. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard. It was noted that no public comment cards were received.

4. Approval of Consent Agenda

Chair Hawker stated that agenda items #4A through #4C were on the consent agenda. He stated that public comment is provided for consent items. He noted that no public comment cards had been received. Mr. Beard moved to recommend approval of the consent agenda items #4A, #4B, and #4C. Mayor Bryant seconded, and the motion carried unanimously.

4A. Approval of April 16, 2008 Meeting Minutes

The Transportation Policy Committee, by consent, approved the April 16, 2008 meeting minutes.

4B. Arterial Life Cycle Program Status Report

A status report on the Arterial Life Cycle Program (ALCP) is provided for the period between October 2007 and March 2008 and includes an update on ALCP Project work, the remaining FY 2008 ALCP schedule, and ALCP revenues and finances. This item is on the agenda for information.

4C. Interim Closeout of the Federal Fiscal Year 2008 MAG Federally Funded Program

The Transportation Policy Committee, by consent, recommended approval of a list of projects to be carried forward from FFY 2008 to FFY 2009 or later and recommended approval of a list of projects requesting removal of federal funds. The federal fiscal year (FFY) 2008 Interim Closeout established that member agencies submitted requests to defer or delete federal funds from projects for approximately \$40.1 million. As a result, the amount of funds available during the interim closeout is approximately \$14.7 million. The amount available for the FFY 2008 Closeout may change due to the future project deferrals. Any changes will be provided to the Committee in the upcoming months. The deadline for FFY 2008 Closeout project submittal and initial deferral notification was April 18, 2008.

5. Fiscal Year 2008 - Arterial Life Cycle Program Regional Area Road Fund Closeout

Eileen Yazzie, MAG Transportation Programming Manager, stated that the Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout concept is a process new to MAG. She said that 94 ALCP projects are included in the RTP, including 63 arterial street capacity projects and 31 intersection projects. Ms. Yazzie advised that these projects are funded by a mix of ALCP RARF and federal funds and each ALCP project has a set regional reimbursement amount and schedule. She noted that almost 30 percent of the ALCP projects are being accelerated by local jurisdictions using their own

funds. Ms. Yazzie stated that the ALCP Policies and Procedures were revised to include the new Section 260, ALCP RARF Closeout. Ms. Yazzie stated that the Closeout provides the mechanism to provide the ALCP reimbursements back to the jurisdictions sooner rather than the funds remaining in the account.

Ms. Yazzie reviewed Section 260 of the ALCP policies and procedures, which state that there be no adverse impacts due to early reimbursements. She said that projects to be considered must include a completed project overview, project agreement, and project reimbursement request accepted by June 1st. In addition, the project must be completed. Ms. Yazzie pointed out that the eligibility for RARF ALCP Closeout funds will be made according to a priority schedule, which includes projects scheduled for reimbursement in the next fiscal year, followed by all other projects in chronological order. The policies also provide that completed accelerated projects are eligible for early reimbursement.

Ms. Yazzie displayed a list of projects eligible for reimbursement, shown in priority order. She then explained the financial analysis process, which, she noted, was very different from the federal funds closeout process. Ms. Yazzie stated that MAG staff considers six impacts: eligible projects, the FY 2008 programmed and actual expenditures, historical and future trends in RARF revenue streams, the FY 2009 draft ALCP bonding program, scenarios with eligible projects, and programmed expenditures in the FY 2009 draft ALCP. She noted that only the four projects noted in the requested action were recommended from this fiscal analysis, in order to be fiscally responsible. Ms. Yazzie stated that the Transportation Review Committee and Management Committee recommended approval of the requested reimbursements.

Chair Hawker asked about the Happy Valley: I-17 to 35th Avenue project, which was completed in 2005 but not recommended for reimbursement. Ms. Yazzie stated that ALCP projects approved in the original Regional Transportation Plan included specific phases for reimbursements in four five-year increments. She noted that the Happy Valley project was a Phase 4 project for reimbursement in 2021 to 2026. Ms. Yazzie explained that there is a strict rule that this project could not move forward prior to 2021 unless it moved forward through the Closeout. She added that another of the Closeout policies is that projects would move forward in chronological order, and the next scheduled reimbursement is 2012.

Mr. Killian moved to recommend advancing reimbursements from 2012, 2013, and 2014 to 2008 for the FY 2008 Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout for ALCP Projects: Lake Pleasant Parkway, Arizona Avenue at Chandler Boulevard, and Val Vista: Warner to Pecos, totaling \$14.978 million, and amend the FY 2008 ALCP and 2007 RTP Update as necessary. Councilmember Aames seconded, and the motion carried unanimously.

6. Transportation Planning Update

Kelly Taft, MAG Communications Manager, stated that in December 2007, the Transportation Policy Committee and Regional Council amended the FY 2008 Unified Planning Work Program and Annual Budget to include \$55,000 for a statewide survey to measure public attitudes regarding transportation. In February 2008, the TPC recommended the selection of WestGroup Research and the Regional Council approved the selection. She said that WestGroup would conduct three focus groups and a statistically random statewide sample telephone survey.

Ms. Taft stated that three focus groups in Maricopa, Pima, and Yavapai counties were conducted to get input on the development of the polling instrument. She stated that the TPC further refined the polling instrument at a workshop on April 16th. Ms. Taft stated that a summary of the focus group findings was presented at a joint meeting of the TPC and Regional Council on April 23rd. She stated that although the in-depth analysis of the telephone survey is still being conducted, Kathy DeBoer, Vice President of WestGroup Research, was present to provide the initial findings.

Ms. DeBoer stated that the process began with three focus groups conducted in Yavapai, Pima, and Maricopa Counties in March 2008. This was followed by the telephone survey of 1,224 high efficacy voters, defined as participating in two out of three of the last general elections. Ms. DeBoer noted that quotas were set for gender, age, and political party. She said that of the telephone surveys conducted, 720 were in Maricopa County, 240 in Pima County, and 240 in the outlying areas. Ms. DeBoer stated that 48 percent of the respondents were male and 52 percent were female. The average age was about 54 years, and the average income was \$69,000. Ms. DeBoer stated that 46 percent were employed full-time, seven percent part-time, and 34 percent were retired. She noted that 44 percent were Republican, 38 percent Democrat, and 18 percent other party affiliation.

Ms. DeBoer then provided a review of the survey results. She said that participants were asked the most important issue facing Arizona today. The top five in order were illegal immigration, the economy/unemployment, education, gas prices, and budgets/deficits. Ms. DeBoer stated that the next question asked the most important issue facing Arizona in the next five to ten years. The top five issues in order were illegal immigration, the economy/unemployment, water/water rights, growth/sprawl, and education.

Ms. DeBoer said that the next question asked the most important transportation issue in Arizona. The top five issues in order were lack of public transit, gas prices, not enough highways, traffic congestion, and road maintenance. She noted that the number one issues were lack of public transit expressed by Maricopa County participants at 30 percent; gas prices to the outlying area participants at 32 percent; and not enough highways to Pima County participants at 16 percent.

Mr. Beard asked the Maricopa County percentage on highways. Ms. DeBoer replied that 12 percent of Maricopa County participants named this as their top concern.

Ms. DeBoer stated that respondents were then asked a series of satisfaction questions. They were asked to rate their satisfaction with the transportation system in Arizona on a scale of one to five, with one the lowest and five the highest. She noted that 20 percent of the participants rated their satisfaction at very satisfied, with the outlying areas indicating they were the most satisfied at 26 percent. Ms. DeBoer stated that they were asked to rate their satisfaction with the transportation system in their area. She noted that 27 percent indicated they were very satisfied, and added that Maricopa County was 28 percent, Pima County was 19 percent, and the outlying areas was 31 percent.

Ms. DeBoer said that the next question asked about satisfaction with transportation elements in their area. She noted that the elements were freeways/highways, bicycle/pedestrian, streets/roads, and bus/transit. Ms. DeBoer stated that Maricopa County participants were more likely to be satisfied than Pima County participants except in the bus/transit component.

Ms. DeBoer stated that the next question asked how major a problem is traffic congestion in your area. She stated that more than half the Maricopa County and Pima County participants indicated this was a major problem, which is not surprising in urban areas. Respondents were asked to indicate their traffic delay experience when they traveled around the state. She said that all agreed the most congestion was in Maricopa County, whether or not they were a resident.

The next question asked what is the most important transportation improvements that could be made in your area. The top six improvements were improving bus/circulator service, building more roads/freeways, adding freeway lanes, adding/expanding light rail, controlling growth, and improving roads/highways.

Mr. Killian asked if the responses in Maricopa County had been broken down into geographic areas. Ms. DeBoer replied that the information was available but had not yet been compiled. Mr. Killian commented that different sections of the County will have different opinions and would like those attitudes clarified. Ms. DeBoer replied that she could provide a breakdown by area.

Ms. DeBoer stated that the respondents were asked to answer yes or no of their willingness to support additional taxes by transportation solution. She noted that the top two responses were more freeway lanes and increasing transit routes and frequency. Ms. DeBoer stated that of Maricopa County participants, 68 percent indicated more freeway lanes and 63 percent indicated increasing transit. She stated that 71 percent of the Pima County respondents were willing to support high speed rail between Tucson and Phoenix. Ms. DeBoer stated that the least support overall was for new toll roads.

Mr. Berry asked if the question was implied that respondents would be willing to support solutions or someone else support the solutions. Ms. DeBoer replied that a general question was asked if the respondent would be willing to support additional taxes.

Ms. DeBoer stated that respondents were then asked to rate from one to five (strongly agree) their agreement with transportation solutions. She noted that the total number of participants was broken down into two groups due to the number of solutions. Ms. DeBoer stated that the participants were asked about the following eight solutions: (1) Any statewide transportation should include a map of improvements and when they would be built. (2) More public transit is needed to provide a way for commuters to get to their jobs during rush hour. (3) Emphasize public transit, such as bus, light rail and commuter trains than freeways over 30 years. (4) Significant investment is needed to repair, maintain and improve city streets. (5) Since Maricopa County residents travel throughout the state, a percentage of the tax should be spent on improvements outside Maricopa County. (6) Light rail or commuter trains that run from the suburbs to the centers of metropolitan areas are more important than expanding local and express bus routes. (7) Prefer high speed train service between metro areas over transportation improvements in my area. (8) Would support a tax increase for transportation in my area even if it meant that the total sales tax in my community would be greater than 10 percent.

Ms. DeBoer stated that the solutions rating highest in order were: any plan should include a map; more public transit is needed for commuters; emphasize public transit more than freeways; significant improvements are needed for streets and roads; a percentage of the money in Maricopa County should cover improvements outside Maricopa County; light rail or commuter rail should be more important than buses; prefer light rail or commuter rail over local improvements; and, support a tax even if it meant the tax rate would exceed 10 percent in their local community.

Mr. Kane noted that locational cross-tabs would be helpful because attitudes could shift depending on where a person resided in the Valley. Ms. DeBoer stated that a breakdown of regions in Maricopa County could be provided for all questions.

Mr. Beard commented that this could be cross-tabbed but we are looking at countywide or statewide voters. What will be important is getting support from the higher aggregation and not to get too excited about the fine level of detail.

Mr. Kane stated that you want to look at the deviation from the mean. In a statewide election you are looking at truths held most self evident by the larger number of people. Mr. Kane expressed the importance of being careful of where the preferences deviate dramatically. Ms. DeBoer commented that for the top four items, Maricopa County participants were more likely to agree than other areas.

Councilmember Aames asked how close was the sample to actual populations. Ms. DeBoer replied that they were very close. She explained that they were weighted by controlling the sample size and are representative of the state.

Chair Hawker commented that these results appear to call for cross-tabbing. Ms. DeBoer stated that she would break down the figures in the final report.

Mr. Berry asked if any of the responses were reason for concern that the proposition would fail. Ms. DeBoer replied that the low levels would indicate they need to be addressed and are areas of concern. She added that it would be difficult to predict the impact because there were many variables.

Councilmember Aames noted that the last transportation solution says, "greater than 10 percent," which could skew the results.

Councilmember Baier asked if the final report would include the questions as they were posed to the participants. Ms. DeBoer replied that the final report would include the questions as they were asked.

Ms. DeBoer stated that participants were asked their perspective if technical studies should be conducted prior to a statewide proposition. She advised that the two options of doing the studies first and moving forward now were each favored by 46 percent of the respondents. Ms. DeBoer added that voters who frequently travel outside the county where they reside were more likely to say move forward now.

Ms. DeBoer stated that they were asked their perspective on the economy and taxes. Forty-seven percent felt that increased funding for transportation would help the economy. Forty-eight percent felt that now is not the time for new taxes. Ms. DeBoer commented that later, when asked if they would support a one percent sales tax for transportation, 61 percent said increased transportation funding could help the economy.

Ms. DeBoer stated that the participants were asked to give a rating of one through five (strongly agree) on their agreement with funding solutions. Sixty-four percent felt that permanent transportation funding is needed to continue to meet transportation needs; 59 percent felt that current funding is not adequate to keep pace with the state's growth over 30 years; 36 percent felt that a smaller package of transportation projects was preferable; and 31 percent were likely to support a transportation tax if taxes for other programs, such as education and healthcare, were included.

Ms. DeBoer stated that voters were asked to distribute \$100 on transportation options. The commuter trains and high speed transit options were divided into two groups, and all other questions were asked of the entire group. The options included freeways/highways, street/road improvements, commuter trains from the suburbs to metro areas, high speed transit from Phoenix to Tucson or Flagstaff, light rail, or bus service. Ms. DeBoer said that the most notable difference was the Pima County respondents. In Version One, they distributed \$32 to street/road improvements; in Version Two, they distributed \$24 to street/road improvements and \$20 to high speed transit between Phoenix and Tucson.

Mr. Beard commented that the switch is interesting between what they said was important and on what they would spend \$100.

Ms. DeBoer stated that the participants were told that Maricopa County generates 67 percent of the sales tax and make up more than 60 percent of the state's population. Based on this information, what is the percentage of a statewide tax do you believe should be spent in Maricopa County? Ms. DeBoer noted that the average of the percentages given was 53 percent, with 56 percent indicated by Maricopa County respondents, 50 percent by Pima County respondents, and 48 percent by the outlying area respondents.

Ms. DeBoer stated that the participants were asked to rate on a scale of one through five (strongly support) their support for transportation funding options to improve transportation in the state. The options provided to the participants included increasing developer fees, dedicate a portion of future growth tax revenues, broaden the sales tax base, increase vehicle license fees, adjust the gas tax to rise with inflation, take money from other public programs, increase the statewide property tax, build toll roads where there is no funding to build new roads, increase the personal income tax. Ms. DeBoer stated that the top two preferences indicated were increasing developer fees and dedicating a portion of future growth tax revenues.

Mayor Cavanaugh asked for clarification of dedicating future revenues. Eric Anderson, MAG Transportation Director, explained that the concept would be to take a portion of revenue from future growth and dedicate it to transportation improvements.

Mr. Killian asked if the question asked participants if they favored an increase in cost to the developer or to housing. He said that if it were housing, he could guarantee that the response would not have been 50 percent. Mr. Killian commented that it is always easy to blame developers, but what about people moving here who buy those houses?

Mayor Cavanaugh noted that the real estate transfer tax did not do well on the list.

Mr. Berry commented that the most popular tax is the one that others pay. Ms. DeBoer stated that some people in the focus group supported user fees; however, the more popular response was let others pay for it and let me enjoy it.

Councilmember Aames asked Ms. DeBoer to read the statement as it was asked. Ms. DeBoer stated that the option was to broaden the sales tax base in areas that do not charge sales tax, such as beauty salons or dry cleaners. She noted that 35 percent strongly supported this option.

Mr. Killian commented that a similar proposal was defeated by a large margin in Florida.

Ms. DeBoer said that the next question asked, “Based on your responses to the two previous questions, for what period of time would you support a tax before a review for continuation?” Ms. DeBoer stated that 70 percent indicated 20 years, 12 percent indicated permanently, six percent indicated 30 years, and 12 percent did not know.

Ms. DeBoer stated that the next question asked, “There is a proposed proposition to the ballot in November to increase the statewide sales tax by one percent. Revenue would dedicate 58 percent to building new freeways and expanding existing freeways, including I-10 and I-17, give 20 percent to local transportation improvements, give 18 percent to expanding bus and rail transit statewide, and give four percent to transportation projects and open space preservation. Would you vote yes in favor of increasing the tax, or no in opposition to increasing the tax?” She said that 24 percent indicated they would definitely support a statewide sales tax for transportation in November 2008 and 30 percent indicated they would probably support, for a total of 54 percent.

Chair Hawker asked the percentage favoring Proposition 400. Mr. Smith replied that Proposition 400 started out with 78 percent indicating support, and at the time of the election, ended up with 57 percent or 58 percent.

Mr. Killian said that he wondered how people would react if the economy slipped more or went into a recession. Ms. DeBoer stated that this would probably be answered by the next question posed to the participants if they would prefer to delay a transportation tax to a ballot in 2010, rather than in 2008. She said that 57 percent of the participants indicated their preference to delay the vote, and 38 percent indicated their preference to not delay the vote. Ms. DeBoer stated that 50 percent of those who indicated they would support a statewide sales tax for transportation were among the 38 percent who said no delay. She stated that 70 percent of those who indicated they would vote no on a statewide sales tax for transportation said to wait until 2010.

Mr. Kane commented on the effect of having an additional tax on the same ballot. Chair Hawker asked if there were other proposals on the ballot. Mr. Anderson replied that he did not know if any other proposals for taxes had qualified. He added that there were a lot of initiative petitions on many issues, including five or six petitions to roll back property values.

Ms. DeBoer stated that the last question asked participants to rate on a scale of one through five (very likely) the likelihood they would vote for a candidate supporting the sales tax for transportation. Thirty-seven percent gave a rating of four or five. Ms. DeBoer stated that 59 percent of those who indicated they would support a statewide sales tax for transportation would support a candidate who supported the tax.

Mr. Anderson asked for clarification of the ratings one through three. Ms. DeBoer replied that some use three as neutral. She said if a respondent indicated they did not know, the interviewer would ask for a rating. Ms. DeBoer added that they usually then respond with a three.

Councilmember Baier asked for clarification of the duration of the field work. Ms. DeBoer replied that the telephone surveys were about 17 to 25 minutes each and took place from April 22 through May 9, 2008. She indicated that the interviewers were afforded extremely high cooperation. People were interested and engaged in participating. Ms. DeBoer stated that a full report would be issued in a couple of weeks.

Mr. Killian commented on the question about other taxes on the ballot. He stated that in 1983, the Legislature enacted a temporary sales tax, which it made permanent in 1984. Soon after, the freeway program was put on the ballot and it passed. Mr. Killian commented that if the public perceives a need for transportation, they will be somewhat inclined to support it.

Chair Hawker asked those participating in the meeting remotely if they had questions. None were noted.

Mr. Anderson continued the agenda item with an overview of the TIME Coalition initiative. He noted that ADOT estimates the tax would generate \$42.6 billion over 30 years. The components include 55 percent or \$23.4 billion toward strategic highway projects, 18 percent or \$7.7 billion toward strategic rail and transit projects and programs, 20 percent or \$8.5 billion toward local mobility projects and programs, four percent or \$1.7 billion to transportation enhancement and walkable/bikeable communities, and three percent or \$1.3 billion to conservation.

Mr. Anderson noted that 49 percent of the highway fund is specified for MAG regional projects, 12 percent to Pima County, and 39 percent to the rest of the state. He stated that of the public transportation fund, eight percent would go to the Regional Public Transportation Authority (RPTA) in the MAG region and five percent to the RTA in Tucson. He noted that \$600 million is intended to fund light rail in the MAG region and \$400 million for the modern streetcar project in Tucson. He said that 87 percent of the fund would go toward intercity rail, commuter rail, and other transit services.

Councilmember Aames asked if the amount for intercity rail projects was specified in the initiative. Mr. Anderson replied that it was not called out, just that it was included. He said that ADOT, in its investment plan, has provided some figures in each of the categories in terms of what they think might be available.

Mr. Anderson stated that of the local mobility funds, 60 percent would be committed to the MAG region, which would be distributed to the county, cities, towns and tribal communities based on population. He noted that the distribution to the remainder of the state would be according to the Highway Users Revenue Fund formula. Mr. Anderson advised that local mobility funds could be used for any transportation project.

Mr. Anderson stated that the enhancement funds would be distributed directly to counties, cities, towns and tribal communities based on population. Mr. Anderson stated that the distribution would be patterned after the federal enhancement funds program. He advised that there are some restrictions on projects, and added that these funds could be used toward such programs as Safe Routes to School and neighborhood mitigation projects.

Mr. Anderson stated that under the conservation category, grants would be administered by ADOT for open space conservation and wildlife habitat restoration and preservation that are affected by transportation projects. He noted that local governments and 501(c)(3) organizations would be able to apply for these funds.

Mr. Anderson noted that approximately 50 percent of the \$42.6 billion is estimated to come to the MAG region, based on the ADOT investment plan, and added that 60 percent of the state's population resides in Maricopa County and two-thirds of the sales tax is generated in Maricopa County.

Mr. Anderson displayed a map of the percent return estimated to be returned by county. He indicated that four counties would be donor counties: Maricopa, Yuma, Cochise, and Greenlee. Mr. Anderson noted a caveat that the map was based on ADOT's investment plan, which used current census figures for the distribution of local and enhancement funds. He noted that actual distribution of these funds will be determined by future population growth, and future sales taxes collections will be determined by the distribution of future economic activity.

Councilmember Aames asked about the 13 percent return for Greenlee County. Mr. Anderson explained there are a lot of highway improvements in the smaller counties that have low tax bases. For instance, Coconino County would receive a large percentage because it contains I-40, a major transportation corridor with significant improvements. Likewise, Santa Cruz is a small county, but is key in terms of I-19 border activity and trade with Mexico. Mr. Anderson stated that Greenlee County generates severance taxes from the mines but has relatively few highway needs.

Mr. Smith asked if this would explain articles that the rural areas do not feel the tax would help them with their local needs. Mr. Anderson commented that it goes back to the discussions on the return of investments in Proposition 400. He stated that roads such as I-40 have statewide significance and it is hard to quantify that.

Mr. Anderson stated that the TIME Coalition is in the process of collecting signatures. He said that more than 153,000 valid signatures are needed by July 3, 2008. Mr. Anderson stated that ADOT will hold public meetings around the state in June to present the program. He advised that action by the State Transportation Board is anticipated in June or July 2008 to accept the investment plan.

Mr. Anderson stated that the highway projects for the MAG region will be submitted to MAG as a recommendation, which follows the established cooperative planning process. Mr. Anderson stated that the timing and project priorities have not yet been determined and that would be discussed by the TPC. He stated that the Proposition 400 cost gaps need to be filled and projects accelerated before new projects can be entertained. Mr. Anderson stated that there might be new projects that make sense. For instance, money is included in ADOT's investment plan for the reconstruction of the Durango Curve, and that could be done in tandem with the construction of the HOV lanes included in the RTP. Mr. Anderson stated that staff will be working with ADOT on the cash flow.

Chair Hawker asked if the priorities would be determined for the projects to be funded by the \$11.4 billion that would be coming to MAG for highway projects. Mr. Anderson replied that MAG has statutory authority to set the priorities for the freeway program, but would also be working with the ADOT Board.

Chair Hawker asked if any work could begin before the election. Mr. Anderson replied that a lot of work needs to be done on the technical side with the cash flow, in addition to policy discussions on the priorities. He said that one option is to do it now and have a fully vetted plan with priorities and timing before the election, or wait until after the election is successful to do these things.

Mr. Smith stated that with Proposition 300, they waited until after the election and the funds were ensured to set the priorities. He noted that with Proposition 400, they had a plan and conformity analysis before the election. Chair Hawker asked if both were effective equally. Mr. Smith replied that there is more certainty with a plan, and the more citizens understand it the more they will support it. He

commented that he was unsure with the short timeframe that people feeling they are not being treated fairly in the priorities would be more likely to oppose the initiative. Mr. Anderson stated that the good news is that the ADOT investment plan contains mostly Proposition 400 projects, such as additional funding for Loop 303 to fill the cost gap, the Durango Curve project, and fully funding the I-10 Collector Distributor system to its ultimate buildout. Mr. Anderson commented that setting priorities might not be as difficult as the Proposition 400 discussion because the template is already in place.

Chair Hawker asked if the TPC would need to be prepared to take a position, or was overseeing what is on the ballot not on its list of responsibilities. Mr. Smith replied that he believed the roles and responsibilities were silent on taking an official position.

Mayor Cavanaugh asked if the local mobility funds would be distributed directly to the counties, cities, towns and tribes, or would they go through MAG for distribution. Mr. Anderson replied that his interpretation of the initiative was that the local mobility funds, as well as enhancement funds, would go directly from the state to the jurisdictions. Mayor Cavanaugh commented that a jurisdiction could also apply these funds to projects in the RTP.

Mayor Cavanaugh commented on the telephone survey, where 18 percent of participants indicated they would support a tax increase for transportation in their area even if it meant that the total sales tax in their community would be greater than 10 percent. He commented that this response is saying that four out of five people would not favor this tax at the level it is being presented. Mayor Cavanaugh called it a significant survey result.

Councilmember Aames commented that this might not be the most predictive question, because respondents indicated support in other questions.

Mayor Cavanaugh commented on the telephone survey result that half would like technical studies conducted prior to a statewide proposition and half did not. He commented that if they were told the cost of the plan would be \$40 billion to \$50 billion, he thought they would indicate they want technical studies done and there would be a different result. Mayor Cavanaugh stated that this survey has some ambiguity and the 18 percent number concerned him.

Mr. Kane expressed that it is confusing that the TPC's role is to establish project priorities for Proposition 400, yet the investment plan provides money to apply to MAG's projects. He said that it seems to go around MAG and creates a parallel course. Mr. Kane remarked that it will be interesting for MAG management as an operational issue.

Chair Hawker stated that perhaps the TPC did not need more updates because it does not weigh in. He commented that he was trying to figure out the niche for the TPC. Mr. Smith stated that the TPC will recommend the TIP and Plan to the Regional Council, and it needs to know the priorities, projects, and sequencing to do that. He remarked that he was unsure there was time to accomplish that prior to the November election, or whether it is wise to do that due to the turmoil it could cause. Mr. Smith suggested that perhaps the best option would be to proceed the same way as in Proposition 300, and then figure out the plan if the ballot passes.

Councilmember Aames commented that the survey did not indicate a strong support at 54 percent. He stated that the usual rule is two-thirds to be comfortable.

Mr. Zubia stated that he was speaking for the State Transportation Board, but wanted to ask as a Board member if a plan was needed to go ahead with the vote. He said that 74 percent indicated that a plan was needed, which put the state in the position of how to accomplish this, and ADOT came up with what they thought was a reasonable plan. Mr. Zubia commented that it is not the Board's intention to step into the MAG process and dictate any projects. Chair Hawker asked for clarification that ADOT's intent is to distribute money, but not show projects and time frames. Mr. Zubia replied that was correct.

Councilmember Aames stated that he thought the voters will assume there is a plan unless they are told by the opposition there is not a plan.

Mr. Killian asked who wrote the ballot proposal. Chair Hawker replied that the TIME Coalition wrote the initiative. Mr. Killian asked if all parties had agreed to the language. Chair Hawker replied that to his knowledge, all funding parties have agreed to the language.

Mr. Killian asked for clarification of the controversy with the Governor and the home builders. Mr. Smith stated that he understood that an early draft of the initiative included a type of impact fee for development. After negotiations, it was taken out. Mr. Killian expressed concern for the perception of the Governor saying development would be taken out of the initiative in exchange for funding. He remarked that this puts a cloud on the initiative and he was concerned with that. Mr. Killian stated that the Governor needs to be out front pushing this proposal. He commented that if there was a deal with developers, legal issues could be raised. Mr. Killian stated that as a TPC member, he would like an answer to that because it puts the ethics of the initiative into question. He added that this is giving the opposition a big hammer to beat on the proposal. Instead of transportation being the issue, the Governor's act becomes the issue. Chair Hawker stated that as Chair, he would ask the Governor's office to clarify that.

7. Legislative Update

Nathan Pryor, MAG Senior Policy Planner, provided an update on legislative issues of interest. He noted that the bill summary chart was updated that day and a copy was at each place. Mr. Pryor stated that two bills were signed since the TPC last met. The first was Senate Bill 1468 to continue ADOT until July 2016. The second bill is House Bill 2133, which would create a new transportation district for counties over 500,000 in population in January 2009. Mr. Pryor noted that Pinal County is projected to reach that milestone in 2014, and it will give them a seat on the State Transportation Board.

Mr. Pryor stated that House Bill 2049 has a number of amendments, including one that will allow single occupant vehicles to use high occupancy vehicle lanes as long as they meet the federal definition of low emission vehicles. He stated that this bill will continue to be monitored.

Mr. Pryor stated that the proposed gas tax holiday from Memorial Day to Labor Day is unlikely to proceed, but he will continue to monitor it. Chair Hawker thanked Mr. Pryor for his report. He asked members if they had questions.

Mayor Cavanaugh stated that he wanted to acknowledge that this was the last TPC meeting for Mayor Bobby Bryant and thanked him for his service. Mayor Cavanaugh stated that this was also the last meeting for TPC Chair Hawker. Mayor Cavanaugh noted that not only was Chair Hawker a charter member of the TPC, he was a member of the group who formed the composition of the TPC. He said

that Chair Hawker had done a lot for the region, and for this service, he wanted to extend his sincere appreciation. Those in attendance applauded Chair Hawker.

There being no further business, the meeting adjourned at 5:35 p.m.

Secretary

Chair