

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

July 15, 2009
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Marie Lopez Rogers, Avondale,
Chair | # Mark Killian, The Killian Company/Sunny
Mesa, Inc. |
| * Mayor Scott Smith, Mesa, Vice Chair | * Mayor Jim Lane, Scottsdale |
| Councilmember Ron Aames, Peoria | Mayor John Lewis, Gilbert |
| Kent Andrews, Salt River Pima-Maricopa
Indian Community | * Mayor Jackie Meck, Buckeye |
| + Councilmember Gail Barney, Queen Creek | Councilwoman Peggy Neely, Phoenix |
| # Stephen Beard, HDR Engineering Inc. | * David Scholl |
| Dave Berry, Swift Transportation | Mayor Elaine Scruggs, Glendale |
| * Jed Billings, FNF Construction | Mayor Lyn Truitt, Surprise |
| Mayor James Cavanaugh, Goodyear | * Supervisor Max W. Wilson, Maricopa County |
| * Mayor Boyd Dunn, Chandler | Felipe Zubia, State Transportation Board |
| * Mayor Hugh Hallman, Tempe | * Vacant, Citizens Transportation Oversight
Committee |
| * Eneas Kane, DMB Associates | |
- * 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 Marie Lopez Rogers at 4:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Chair Rogers announced that Councilmember Gail Barney was participating by videoconference and Mayor Jim Lane, Steve Beard, and Mark Killian were participating by telephone.

Chair Rogers welcomed new TPC members Phoenix Councilwoman Peggy Neely and Gilbert Mayor John Lewis, who were appointed on June 24, 2009, by the Regional Council.

Chair Rogers noted that items at each place included the material previously transmitted for agenda items #4C and #6, and a bill summary chart for agenda item #8.

3. Call to the Audience

Chair Rogers 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.

Chair Rogers noted that no public comment cards had been received.

4. Approval of Consent Agenda

Chair Rogers stated that agenda items #4A, #4B, and #4C were on the consent agenda. She stated that public comment is provided for consent items, and noted that no public comment cards had been received. Chair Rogers asked members if they would like to remove any of the consent agenda items or have a presentation. None were noted. Councilmember Neely moved to recommend approval of consent agenda items #4A, #4B, and #4C. Mayor Truitt seconded, and the motion carried unanimously.

4A. Approval of the June 17, 2009, Meeting Minutes

The Transportation Policy Committee, by consent, approved the June 17, 2009, meeting minutes.

4B. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program and Material Cost Changes to the ADOT Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the Fiscal Year (FY) 2008-2012 Transportation Improvement Program, as appropriate, to the Regional Transportation Plan 2007 Update, FY 2009 and FY 2010 MAG Unified Planning Work Program and Annual Budget, and material cost changes to the ADOT Program as shown in the attached tables. The FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan Update were approved by the MAG Regional Council on July 25, 2007. Since that time, there have been requests from MAG member agencies to modify projects in the program. To move forward with project implementation for FY 2010, ADOT has requested a number of financial, project description, and schedule changes. The Fort McDowell Yavapai Nation, Town of Fountain Hills, and City of Scottsdale have submitted requests for programming American Recovery and Reinvestment Act (ARRA) funds in their communities. Valley Metro has requested administrative modifications related to four repayment projects. Project changes related to the federal fiscal year (FFY) 2009 MAG Final Closeout were also included. In addition, the enclosed table annotates the material cost changes related to cost increases to the ADOT Program. The Transportation Review Committee and the Management

Committee recommended approval. The Fort McDowell request to move their ARRA funds to the Maricopa County ARRA project was heard for the first time at the TPC.

4C. Update on the American Recovery and Reinvestment Act of 2009: Arizona Department of Transportation (ADOT) Portion, MAG Sub-Allocation, Transportation Enhancement Portion, and MAG Region Transit Funds

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed by President Obama on February 17, 2009. The Act directs transportation infrastructure funds to both highway and transit agencies in states and metropolitan planning organizations. On March 25, 2009, the MAG Regional Council approved the necessary Transportation Improvement Program (TIP) project changes for ADOT-led freeway projects and MAG regional transit projects that are programmed with ARRA funds. On April 22, 2009, the MAG Regional Council approved the necessary TIP project changes for the majority of the local projects funded with ARRA funds. The Report provided project development for the MAG sub-allocated transportation ARRA funds, the status of the highway and transit funded ARRA projects, and any new developments. This item was on the agenda for information and discussion.

5. Transportation Public Involvement Report

Dennis Smith, MAG Executive Director, noted that the Transportation Public Involvement report is traditionally produced in conjunction with the updates to the Transportation Improvement Program and the Regional Transportation Plan, however, the report was being given to members to update them on public involvement efforts during the past year.

Jason Stephens, MAG Public Involvement Planner, provided an update of MAG's transportation public involvement efforts for FY 2009. He noted that the information he would present was included in the FY 2009 Transportation Public Involvement Report.

Mr. Stephens noted that as a result of SAFETEA-LU federal guidelines, MAG revised its existing public involvement plan and adopted a new Public Participation Plan in December 2006, which includes a four-phase public input process that is tied to the planning and programming process. Mr. Stephens stated that changes in the planning and programming cycles result in changes to the public involvement phases. He reported that due to a variety of factors, these cycles have changed for FY 2009 and may not follow the phases outlined in the adopted MAG Public Participation Plan, however, MAG continued to conduct a proactive, inclusive public outreach process and will look to update its Public Participation Plan to reflect any changes as new cycles are determined.

Mr. Stephens stated that MAG participated in a number of events during FY 2009. He said that MAG staff hosted booths, gathered input and distributed information to event goers. Mr. Stephens stated that MAG partnered with ADOT, Valley Metro, METRO and the City of Phoenix public transit department where possible. He noted that MAG held a Transportation Public Hearing where a court reporter took down comments verbatim and this transcript is included in the Transportation

Public Involvement Report. Mr. Stephens stated that these comments received formal staff responses, which are also included in the Report.

Mr. Stephens reported that MAG, along with Valley Metro, gave a number of presentations to disability groups around the Valley to help those with disabilities understand the planning process and give them tools to navigate the transportation system. He commented that in several instances, MAG and Valley Metro went back to organizations with an actual bus to assist these groups in learning how to utilize the transit system, including how to board, how to purchase tickets, how to utilize their ADA eligibility card, and what to expect when traveling by bus or rail. Mr. Stephens noted that MAG also helped arrange meetings between transit agencies and disability groups to streamline the ADA application process.

Mr. Stephens displayed a sample of the comments received and noted that a more extensive listing was in the report. He said that many comments were transit related, especially questions relating to the new light rail system. Mr. Stephens advised that all of the comments made during the presentations or at events were responded to at the event/presentation or afterward via e-mail, telephone or written correspondence. Chair Rogers thanked Mr. Stephens for his report. No questions for Mr. Stephens were noted.

6. Transportation Planning Update - Proposition 400 Regional Freeway Program

Mr. Smith stated that in June, the Transportation Policy Committee (TPC) received an update on a tentative scenario to address the funding gap in the Regional Freeway Program. He noted that MAG staff has offered assistance to jurisdictions if needed, and the City of Goodyear requested a meeting regarding the Loop 303/I-10 interchange. Mr. Smith added that MAG also received a request to document the rationale behind the recommendations in order that elected officials would be able to respond to questions. He stated that concerns have been expressed regarding taking action tonight, and staff could make a presentation if the Chair so wished. Chair Rogers asked members if they had any questions.

Councilwoman Neely stated that MAG is facing a difficult decision to re-balance the freeway portion of the life cycle program, and the results of this decision will be incorporated into the update of the MAG Regional Transportation Plan and the Transportation Improvement Program. Councilwoman Neely stated that this decision is especially difficult due the uncertainty in the economy, which affects the revenue and cost estimates underlying the tentative scenario. She stated that MAG staff has prepared a great amount of information to assist in the decision making, and she believed that more time was needed to review and discuss this information with member agency staff before a decision is made.

Councilwoman Neely moved to recommend that information provided by the MAG staff be reviewed by the Transportation Policy Committee today for information and discussion only and that the information be further analyzed by the member agency staff and that a discussion be held regarding this information by the MAG Management Committee and that a decision on this

information be tabled for 90 days and be considered at the October 21, 2009 Transportation Policy Committee meeting. Mayor Scruggs seconded.

Chair Rogers asked members if they had any questions or discussion of the motion.

Mr. Killian asked if there would be negative impacts if the decisions were delayed 90 days. Eric Anderson, MAG Transportation Director, replied that they looked at the implications and found that a 90-day continuance could be accommodated without too much trouble. He explained that if the recommendation was made in October, the changes could be incorporated into the TIP and Plan and sent back to the Management Committee, Transportation Policy Committee, and Regional Council in January 2010. Mr. Killian indicated that he was all right with the motion.

With no further discussion, the vote on the motion passed unanimously.

Bob Hazlett, MAG Senior Engineer, provided a presentation to the TPC on the tentative scenario. He noted that a copy of the document had been provided earlier and a copy was at each place, as well as on tables on each side of the room. Mr. Hazlett stated that the tentative scenario was still in draft form and they are still looking at strategies and options. He said that they hope to use this 90-day period to finalize the document, and he noted that MAG staff would like to meet with any community to review the tentative scenario in detail. Mr. Hazlett welcomed questions as he proceeded with his presentation.

Mr. Hazlett explained the document that includes a 30-page summary and the items and options they considered when making the recommendations, the tables that were presented to the TPC last month that showed the RTP projects by corridor and by phase, more detailed maps, and the presentation from the June TPC meeting. He noted that he would be referring to Table One in his presentation tonight, which includes a summary of the cost opinion and the four principles: management strategies, value engineering, deferrals, and stay the course changes.

Mr. Hazlett began his presentation about the summary report by highlighting Table Two that summarizes five significant projects identified by ADOT and their construction costs. He stated that overall, the project bids are about 26 percent of the cost identified in the program amount. He said that taking the 26 percent they asked what made sense in terms of an overall reduction because most of the construction, commodity, labor and right of way costs in the plan were taken when prices were at the highest point. Mr. Hazlett stated that in working with ADOT, the recommendation was to take a 10 percent reduction in construction costs. He presented Table Three from the summary report that showed how the ten percent construction cost reduction resulted in \$234 million in cost savings. Mr. Hazlett stated that right now, costs are low, but there is no guarantee that will continue for the 15 to 20 years of the RTP, and it made sense to use a 10 percent reduction and not a 26 percent reduction. Mr. Hazlett commented that the recession is temporary and when the economy recovers, costs will increase.

Mr. Anderson noted that the Bureau of Labor Statistics had just released its index for construction materials and nationally, costs have increased five percent since January. He advised that this increase is largely attributed to oil prices.

Councilmember Aames stated that a ten percent reduction is being used and the reduction is actually 26 percent, and he asked how the costs would be adjusted if the reduction stays at 20 percent for a number of years. Mr. Hazlett replied that would probably affect deferral projects and a number of them could be brought back into the program. He stated that the deferred projects would not be taken out of the program because the need is still there, but if the cost reductions stay within the 20 percent range and additional cost savings are found, the deferred projects could be brought back into the program. Mr. Hazlett noted that he had drafted a concept for a deferral policy that the TPC and Regional Council might want to consider at some point.

Mr. Killian asked Mr. Anderson to clarify the cost increase amount. Mr. Anderson replied that the cost inputs for highway and street construction have increased five percent this year (January to June) after decreasing in 2008, largely driven by the rebound in fuel prices.

Mr. Killian asked why the program would have to pick up the costs of the contractors. He said there is not a lot of work out there and we can go to more bidders on those projects and keep the cost down. Mr. Killian spoke about Mr. Zuckerman's column in the July 14 Wall Street Journal expressing concern that the recession will lead to a depression. He commented that with an unemployment rate of 16 percent to 18 percent, he did not foresee sufficient revenue coming in to do these projects. Mr. Killian stated that any work is better than no work and perhaps the contractors need to go back and sharpen their pencils. He expressed that he could not accept a five percent increase in road construction costs in this economy.

Mr. Smith reported on recent discussions regarding the \$760 million cost of the Loop 303/I-10 interchange. He stated that the City of Goodyear requested a meeting and brought in the developers who had done their planning around this interchange. Mr. Smith stated that at the meeting, the developers asked questions of MAG and ADOT and various scenarios to reduce the cost of the interchange were discussed. Mr. Smith stated that the current assumptions underlying the cost of the current design were reexamined. He said that the right of way cost was one issue plaguing the developers, who asked how it could be \$250 million when they have already donated most of it. Mr. Smith stated that ADOT reexamined the right of way cost, which was then adjusted to \$150 million – a savings of \$100 million. He also mentioned that lower commodity and construction prices resulted in a revised cost of about \$518 million, and current market conditions could further reduce the cost to \$400 million.

Mr. Smith stated that this led to concern about the other assumptions used in the information already presented to the TPC and that is why the caveat was included in the action to come back after the numbers were scrubbed down to make the best decision possible. He noted that conditions are too volatile right now to make long term decisions. Mr. Smith stated that firms are shutting their doors and the work needs to get out now because this is the best market we will ever experience.

Mr. Killian asked what happens if the revenue falls further and the contracts have already been signed. Mr. Anderson replied that when a construction contract is signed, ADOT ensures that the money is in the bank to pay for that contract. He added that if revenue continues to fall, projects would be delayed.

Mr. Smith stated that because they are near-term, the Loop 303, the Loop 303/I-10 interchange and the Northern Parkway projects will benefit from the current market conditions.

Mr. Anderson advised that staff is discussing with ADOT ways to expedite delivery of construction projects using either the construction manager at risk or design build concepts to take advantage of the opportune market. He commented that he did not know how long the window of opportunity would be open – the economy could turn around and the construction community could become busy – but if there is a depression, we could see many building companies closing and the bidding pool could become smaller. Mr. Anderson indicated that the contracting community is extremely hungry right now and he has a number of friends who own construction companies who are aggressively bidding jobs and are basically doing jobs on time and materials, which cannot continue for long. Mr. Anderson commented that we need to take advantage of the market and get projects out the door.

Mr. Killian asked the region had received any stimulus funds to help with these projects. Mr. Anderson replied that MAG received approximately \$130 million in stimulus funds for highway projects, however, this was offset by the loss of \$94 million that reverted to the general fund due to the Legislature, leaving a net gain of \$36 million.

Councilmember Aames asked how the value engineering component works in the discussion. He commented that once a decision is made on a particular design, you would not revert to the former design. Mr. Hazlett stated that there are two types of value engineering done on each project – value engineering at the planning level (alternate access, traffic geometries, and alignments) and value engineering by ADOT on each project before it goes to bid to determine if there is a more economical solution. Mr. Hazlett advised that with the Loop 303/I-10 interchange, the large scale value engineering has been completed and we are now ready to move to the ADOT value engineering to save costs.

Councilmember Aames asked if we are assuming this is value engineering and not a lesser design. Mr. Hazlett replied that was correct. He said they want to ensure traffic demand is accommodated but perhaps save some dollars, build more projects and defer fewer projects to Phase Five.

Councilmember Aames commented that this type of value engineering should be a process independent of the recession. Mr. Hazlett replied that this is built into the ADOT system to ensure the best return on the investment. Councilmember Aames commented that if there had not been a recession the Loop 303/I-10 interchange would have been built to the larger design, but with the recession, the discussion is to build a different design. Mr. Hazlett replied that when he presents that interchange later in his report, people will be surprised to see the design has not changed.

Mr. Berry stated that Mr. Killian's comments addressed the same questions he had. He said that he thought it would be wise to effectively communicate to the citizens of Maricopa County that we are good stewards of their money and are driving the hardest and best bargain on projects to do more with less money.

Mayor Scruggs stated that current bids are coming in about 26 percent lower and certain materials are increasing five percent nationally. She asked whether there was an opportunity to apply graduated decreases rather than apply ten percent to the entire program from now until the end. Mayor Scruggs indicated that she realized it would not be best to apply 26 percent, but she felt opportunities might be missed by not applying the information we have to the deficit. She asked if this had been considered, and why not, or if it could be in the 90-day period. Mr. Anderson replied that was an excellent suggestion and noted that the reductions would be larger in the earlier projects and it could make a big difference.

Mayor Scruggs commented that she was not thinking to keep it at 15 percent for ten years out, but even if 26 percent or 20 percent was applied in a three to five year timeframe, it seemed it would have to make a difference. Mr. Hazlett replied that Phase Two (FY 2011-2015), without the tentative scenario applied, is where the majority of construction occurs. He said that was something they could look at. Mr. Anderson added that it would also apply to right of way. Mayor Scruggs expressed her appreciation for the willingness to look at that, and added that she was not expecting a 26 percent increase for five years.

Mr. Hazlett spoke about right of way contingency and said that in the last year there has not been a full appraisal on the right of way needed for the program because the market has been so volatile. As part of the tentative scenario and to be conservative, they chose to focus on the right of way contingency that ADOT applies to all right of way estimates. Mr. Hazlett explained that when ADOT does its right of way appraisals, it adds a contingency. Beginning in 2005, ADOT increased the amount of this contingency from 40 percent to 50 percent. Mr. Hazlett noted that the contingency is to accommodate relocations, lawsuits, and administrative costs relevant to right of way acquisition. He indicated that because the situation with real estate costs is not the same as in 2005, 2006, and 2007, staff requested that ADOT return the contingency to 40 percent, which results in a seven percent reduction in right of way costs. Mr. Hazlett pointed out that other savings are possible from future appraisals and estimates. He noted how the cost for right of way on the Loop 303/I-10 interchange was \$250 million and is now \$150 million. Mr. Hazlett stated that it is important to remember that the tentative scenario covers a 15 to 20 year horizon and to not set expectations too high on right of way and that is why a seven percent reduction in right of way was shown.

Chair Rogers asked how ADOT arrived at the 50 percent contingency. She said that the amount seemed high. Mr. Hazlett replied that he understood the amount was based on ADOT's experience on right of way purchases. He said that ADOT went to the 50 percent due to the real estate boom in order to ensure they would not be caught short. Mr. Hazlett offered to get more information on this from ADOT.

Chair Rogers asked if the same 90-day caveat should be applied to contingency to see if it could be reduced even more. Mr. Anderson responded that a large part of contingency covers the additional cost of condemnation, demolition, and property management. He said that the contingency factor covers uncertainty in the appraisal price and he noted that the condemnation value rolls forward to when the condemnation suit is filed so the date of value changes. Mr. Anderson stated that there may be fewer condemnations and this could lower the need for contingency. He indicated that staff could look at this.

Mr. Hazlett continued the presentation by addressing systemwide costs. He said that the RTP identified costs of \$987 million to be used for administering the freeway/highway program, freeway management system, continuing maintenance, noise mitigation, right of way administration, design costs, and minor projects that might be needed. Mr. Hazlett stated that ADOT has identified these costs for a total of \$1.5 billion and MAG staff requested ADOT to try to get the amount back to what it was in the original RTP.

Mr. Hazlett displayed a map of changes identified through value engineering and deferrals. He addressed Loop 303 by saying that the tentative scenario identified the deferral of some segments south of I-10, right of way preservation money, the deferral of the segment between SR-801 and I-10, and the deferral of the ultimate construction of Northern Parkway/US-60 interchange between I-10 and US-60.

Mr. Hazlett stated that ADOT looked at 14 alternatives for the Loop 303/I-10 interchange design, and some could not accommodate the travel demand. He said that with the new cost opinion of \$518 million, ADOT is looking at construction management at risk that might take advantage of this economic climate and could bring down the cost to about \$400 million – the target amount in the tentative scenario.

Mr. Hazlett stated that US-60 and Grand Avenue is still under study, but the tentative scenario changes could take the cost down to \$50 million from \$200 million. He explained that they would still construct the Loop 303 overcrossing of Grand Avenue and the railroad crossing, but instead of ramps and relocating the railroad, an alternative ramp design would be built. Mr. Hazlett stated that the alternative would provide level of service (LOS) D, which is the targeted LOS for arterial streets during peak periods identified by the City of Surprise. Mr. Hazlett noted that the alternative design would not require additional right of way and the ultimate design would miss Sun City Grand. He advised that when revenue returned, the interchange could be built to the ultimate design.

Mr. Hazlett pointed out on a map the portions of the Northern Parkway that would be constructed and deferred in the connection with Loop 303. He noted that the cost of the deferred ramps account for \$80 million. Mr. Hazlett stated that this traffic interchange is almost identical to the traffic interchange at Loop 202 and Loop 101 in Chandler, and added that all of the right of way would be purchased as part of the interim connection. Mr. Hazlett stated that MAG and Glendale staff are working on ensuring an adequate level of service connection and he thought that perhaps more resolution could be reached during the 90-day period.

Mayor Scruggs commented that the connection is still under study and could change. She expressed her appreciation for the extra time to consider the connection and how best to use the money. Mr. Anderson added that ADOT will be looking at the current cost conditions.

Mr. Hazlett displayed the options being considered for the South Mountain to reduce the cost estimate to \$1.9 billion for the entire corridor. He noted that ADOT staff is working very hard to complete the environmental impact statement as quickly as possible because these are very favorable conditions to get the South Mountain built.

Mr. Hazlett then addressed deferrals, by saying that they were the biggest contributors to balance the tentative scenario. He noted that the HOV lanes, with the exception of one, are untouched in this process, because they are the most economical construction projects and contribute many benefits. Mr. Hazlett stated that SR-801 and a portion of SR-802 were recommended for deferral, along with a partial deferral of construction proposed for SR-85. He noted that the cost opinion for SR-801 is almost \$1.9 billion and he pointed out that value engineering has not been done on this corridor as it has with other corridors. Mr. Hazlett stated that in the Freeway Life Cycle Program, construction on SR-801 was not scheduled until 2023 to 2025, and deferring it to Phase Five would delay construction for only three to five years. Mr. Hazlett stated that the recommendation is to move forward with the environmental assessment so that right of way preservation can proceed and a decision can be made on the southern alignment in Avondale. He added that right of way donations might defray some costs and could allow the construction of SR-801 to be moved back into the schedule, and interim roadways are also a possibility on this corridor.

Chair Rogers stated that SR-801 will not be constructed for a while, but the City of Avondale feels it is important when discussing the corridor that the alignment is their concern and they hope the souther alignment is chosen.

Mr. Hazlett stated that the recommendation includes a deferral for the Ellsworth to Meridian segment of SR-802. He noted that there is work going on for the interim facility to help out the Phoenix-Mesa Gateway Airport. Mr. Hazlett noted that this corridor provides access to Pinal County, but there are no plans to fund SR-802 in Pinal County. He indicated that without their commitment, a lot of traffic would be dumped on Meridian Road. Mr. Hazlett stated that Ellsworth is a main road that feeds into Queen Creek and the improvements would help in that area.

Mr. Hazlett stated that the tentative scenario recommends moving forward with plans on SR-85, which will provide a four-lane divided highway from Gila Bend to I-8. He noted that the current cost is approximately \$30 million more than what was identified in the RTP.

Mr. Hazlett stated that Table Eight of the summary report identified why general purpose and direct HOV (DHOV) lanes were recommended for deferral. He pointed out that the table needed to be corrected because the last two columns had been transposed. Mr. Hazlett stated that with these lanes, they let level of service be their guide. He explained that LOS A is free flowing traffic, while LOS F is very congested, stop and go. Mr. Hazlett stated that if a corridor has a LOS D

during peak hours, it is pretty good to accommodate traffic, which is moving at just about the speed limit. He explained the analysis used in whether a segment would be recommended for deferral or not. He said that if a segment was forecasted to carry more than 200,000 vehicles per day, it was recommended to move forward; if a segment was forecasted to carry less than 200,000 vehicles per day, it could be deferred.

Councilmember Aames stated that he would like Loop 101 looked at in smaller segments. He said that in his experience, there is more congestion toward the north. Mr. Hazlett replied that one of the reasons for the traffic problems is that there are only two receiving lanes on Loop 101 going through the traffic interchange. He said that he thought they need to figure out how much more throughput they can get.

Councilmember Aames asked if more lanes could be built over part of the Agua Fria. Mr. Hazlett replied that there are four lanes to 59th Avenue and three lanes in the other direction. The pinch point is the number of through lanes on Loop 101 under Interstate 17 and he thought they needed to work with ADOT to provide more through capacity on Loop 101. Councilmember Aames commented that this affects both sides.

Mr. Hazlett stated that the tentative scenario identified the deferral of two DHOV ramps because, according to ADOT, the entire interchange would have to be rebuilt to accommodate the ramps and would increase costs significantly.

Councilmember Aames asked if the HOV lanes would be totally deferred on the Agua Fria. Mr. Hazlett replied that just the DHOV connections were recommended for deferral, not the HOV lanes themselves. He noted that the HOV lane at the SuperRedTan interchange (US-60 and Loop 202) is recommended for deferral because it is far out in the program.

Mr. Hazlett stated that the only HOV lanes identified for deferral is from Carefree Highway (SR-74) to Anthem Way on I-17 because stimulus funds are being used to widen this segment and will provide three lanes in each direction. He noted that changing to an urban profile increases costs.

Councilmember Barney departed the meeting. Mr. Smith noted that the meeting could not continue without a quorum. Mr. Zubia returned to the room and the meeting continued.

Mr. Hazlett then reviewed the deferrals of right of way protection on Loop 303 to south of Grand Avenue and along SR-74 to Phase Five. He noted that the right of way deferrals total about \$4.1 billion and are summarized in Table Nine of the report. Mr. Hazlett also noted that a draft deferral policy was included in the packet. The policy would guide how to return deferred projects to the program and includes maintaining the original project priority and applying project cost savings to bring back projects.

Mr. Hazlett reviewed the stay the course changes, which identified repackaging improvements to I-10 from Loop 101 to I-17, spreading out funding between the Arizona Canal to I-10, and providing funding for west access to Sky Harbor Airport to accommodate new security measures

required by Homeland Security. He added that grants from Homeland Security might become pursued to offset the cost. Mr. Hazlett stated that the \$6.6 billion in savings in the tentative scenario that could bring the ADOT cost opinion of \$15.9 billion to \$9.4 billion and balance the program.

Mr. Hazlett noted that the recommendations in the document included revenue monitoring, future federal funding, alternate funding, other federal funding sources (safety funds), project delivery methods, and right of way preservation.

Chair Rogers asked members if they had questions.

Mayor Scruggs asked if the deferral policy was a part of the discussion in 90 days. Mr. Smith replied that was correct.

Mr. Smith noted one correction to the document regarding HOV lanes. He said that the federal conformity rule talks about timely implementation. Mr. Smith stated that MAG Air Quality staff looked at the guidance issued in January, which says if an HOV lane has not been put in an air quality implementation plan, it is not a TCM that comes under this guidance.

Mr. Berry commented that the report was very thorough. He asked what would happen to overall system performance if every proposed change was made. Mr. Hazlett replied that is what they are trying to work toward. He said that they are first trying to see if the tentative scenario makes sense and then look at performance. Mr. Hazlett stated that they have looked at spot changes, but not in the entire system. He offered that this could be done as part of the 90-day evaluation.

Mr. Berry stated that it is important to go back to where we started, such as how the priorities were set, to ensure that we stay true to the principles presented to the voters.

Chair Rogers expressed her appreciation to Mr. Hazlett for the many hours of work and effort that went into the tentative scenario. She expressed her appreciation also to Mr. Smith and said that it was long, tedious work, but it is important to the TPC, to the residents and to the region. Chair Rogers stated that at the end of the day, it will be a good product.

Mr. Smith indicated that the document is a good starting point but will change according to the policy makers.

7. Presentation of the Framework Recommendation for the Interstates-8 and 10-Hidden Valley Transportation Framework Study

Mr. Hazlett stated that the Interstates-8 and 10-Hidden Valley Transportation Framework Study has been underway for about two years and has reached the point for making a recommendation. He noted that the agenda packet includes the executive summary of all of the information relevant to the study.

Mr. Hazlett stated that the Interstates-8 and 10-Hidden Valley Transportation Framework Study is an effort similar to the Interstate 10-Hassayampa Valley Framework Study, and moves farther

south to encompass another growth area. He noted that the Hidden Valley population projections are similar to those in the Hassayampa Valley, but the area of the study is much larger – about 3,200 square miles – which is about the size of the state of Delaware.

Mr. Hazlett stated that the Interstates-8 and 10-Hidden Valley Transportation Framework Study was a jointly funded effort by MAG, the Arizona Department of Transportation, the Maricopa County Department of Transportation, Pinal County Public Works, the Town of Buckeye, and the cities of Goodyear and Maricopa. He reported that a significant amount of information was contributed by the Central Arizona Association of Governments and the City of Casa Grande. He displayed a list of the Study Review Team, which held at least 200 documented meetings, 182 of which he attended himself.

Mr. Hazlett displayed a map of the study area, which extends south to the Gila River and into Pinal County. He said that the study utilized 36 different maps in the environmental scan and considered about 16 alternatives of balanced capacity, maximum capacity if building freeways, and minimum capacity if building arterials.

Mr. Hazlett displayed a map of the framework recommendation of transportation facilities by the project team. He said that in conjunction with the City of Goodyear, a better definition of Loop 303 to I-8 was developed, and in conjunction with Pinal County, a better definition to the Hassayampa Freeway in the area of the cities of Maricopa and Casa Grande was provided. Mr. Hazlett advised that no new transportation corridors across Indian land were recommended. He noted that the Ak-Chin and Gila River Indian Communities actively participated in the Study Review Team. Mr. Hazlett stated that the recommendation is to enhance the facilities they already have and provide ways around the Indian communities to the metro area and accommodate travel demand.

Mr. Hazlett stated that the recommendation also includes a number of parkways and they paid particular attention to wildlife crossings and national monuments. He advised that the Bureau of Land Management, US Fish and Wildlife, the Sonoran Institute, and Arizona Game and Fish actively participated in this effort. Mr. Hazlett advised that the information derived from the environmental scans can be used in environmental studies on any corridor in this area.

Mr. Hazlett stated that they have been reviewing what might be contained in the acceptance resolution with the Transportation Review Committee, and they will seek formal acceptance by the Regional Council of the study's recommendations in September 2009. Mr. Hazlett noted that the Central Phoenix Framework Study is starting soon and will include needed transportation services in the downtown area and the urban core.

Chair Rogers thanked Mr. Hazlett for his report. She noted that page 10, the document says that a new array of funding sources would need to be identified, and asked Mr. Hazlett if they had any particular funding sources in mind. Mr. Hazlett replied that the main thing identified was better opportunities for public-private partnerships, tolling and other revenue enhancements, such as traffic impact fees in municipal planning areas, and making known that the need is there and getting more for transportation from federal sources.

Mayor Rogers expressed her concern for pursuing funding for this when at the same time, cuts and delays to the RTP are being discussed. Mr. Hazlett noted that they will try to address her concerns in the next Executive Summary.

8. Legislative Update

Nathan Pryor, MAG Senior Policy Planner, provided an update on legislative issues of interest. He stated that his presentation would focus on the federal side, particularly in terms of reauthorization. Mr. Pryor stated that he reported that last month that the Highway Trust Fund is running out of money. Mr. Pryor stated that Congressman Oberstar's bill passed House Transportation and Infrastructure Committee last week and the Administration is now seeking 18-month extension of SAFETEA-LU and tying in the Highway Trust Fund. He said that the Senate Environmental Public Works Committee passed a version that day taking SAFETEA-LU to March 2011 and \$61.5 billion in funding. He indicated that the extension is expected to move forward in July or early August.

Mr. Pryor noted that the House passed the Energy Security Act that includes an unfunded mandate to MPOs to work on reducing greenhouse gas emissions. He noted that MAG is working with the National Association of Regional Councils on this. Mr. Pryor stated that healthcare legislation and appropriations are at the forefront and we will probably not see action on environmental issues until later in the Fall.

Mr. Pryor noted that a bill summary chart was at each place. He reported that the Governor signed the public-private partnership bill, and noted that an ADOT omnibus bill might have some impact on HOV lanes on the revenue side. Mr. Pryor said that he would continue to monitor this as budget discussions continue.

Chair Rogers thanked Mr. Pryor for his report. No questions from the Committee were noted. Chair Rogers stated that historically, the August meetings have been cancelled unless business arises that requires a meeting. She said that it has been indicated that there is no need for an August meeting, and unless they hear otherwise, the August meeting will be cancelled and a notice will be sent out.

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

Chair

Secretary