

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
POPULATION TECHNICAL ADVISORY COMMITTEE
AS AMENDED 6/26/2012

April 24, 2012
MAG Offices, Chaparral Room
302 N. 1st Ave, Phoenix

MEMBERS IN ATTENDANCE

Charlie McClendon, Avondale
A-Tracy Clark, ADOT
*Bryant Powell, Apache Junction
A-Andrea Marquez, Buckeye
*DJ Stapley, Carefree
*Usama Abujbarah, Cave Creek
A-David de la Torre, Chandler
A-Mark Smith, El Mirage
*Ken Valverde, Fountain Hills
*Rick Buss, Gila Bend
Patrick Banger, Gilbert
Thomas Ritz, Glendale
Katie Wilken, Goodyear
*Gino Turrubiarres, Guadalupe

*Sonny Culbreth, Litchfield Park
A-John Verdugo for Matt Holm, Maricopa County
A-Wahid Alam, Mesa
*Molly Hood, Paradise Valley
A-Ed Boik, Peoria
Chris DePerro, Phoenix
*Dave Williams, Queen Creek
*Bryan Meyers, Salt River Pima-Maricopa Indian
Community
*Adam Yaron, Scottsdale
A-Lloyd Abrams, Surprise
A-Sherri Lesser for Lisa Collins, Tempe
*Anne McCracken, Valley Metro
*Diane Cordova, Youngtown

** Not in attendance*

A - Participated via audioconference

OTHERS IN ATTENDANCE

Max Enterline, Phoenix
Eric Morgan, Avondale
Tom Ruff, Information Market
Abhishek Dayal, Metro Light Rail
A-Linda Edwards, Gilbert
Scott Wilken, MAG

Jonathan Donie, MAG
Jami Garrison, MAG
Anubhav Bagley, MAG
Shannon Acevedo, MAG
Jason Howard, MAG
Steve Gross, MAG

1. Call to Order

The meeting was called to order at 10:09 am by Chair Charlie McClendon.

2. Call to the Audience

There were no comments.

3. Approval of the Meeting Minutes of February 28, 2012

Katie Wilken moved that the February 28, 2012 draft minutes be approved. Chris DePerro seconded the motion and the Committee unanimously approved the minutes of February 28, 2012.

4. Census Update

Jami Garrison gave an update on Census 2010. She said that on March 26, the Census Bureau released the Urban Areas boundaries. She said that Urbanized Areas have populations of 50,000 or more, and Urban Clusters have populations of at least 2,500 and fewer than 50,000, and both have minimum population density requirements. She provided some statistics about Urbanized Areas in the US: 81% of the US population, 90% of the Arizona population, and 96% of the Maricopa County population lives in an urban area. She said that the MAG region has two Urbanized Areas, the Phoenix-Mesa Urbanized Area and the Avondale-Goodyear Urbanized Area, and six Urban Clusters. She said that the Phoenix-Mesa Urbanized Area has the 12th largest population in the US, and the Avondale-Goodyear Urbanized Area was the second fastest growing in the US between 2000 and 2010.

Chris DePerro asked why the two Urbanized Areas in the region are separate. Jami Garrison said that the Census Bureau defines the criteria for what constitutes an Urbanized Area, and that the two areas were separate in 2000. She said that when the Census Bureau released the 2010 criteria for public comment, most of the comments were about splits like this. She said that staff had hoped that the two would be combined. She said that the Census Bureau could have changed the criteria to allow for Urbanized Areas like this to combine, but this could have created problems in other parts of the country, particularly on the east coast. She said that the final determination was that Urbanized Areas that were separate in 2000 would remain separate in 2010. Charlie McClendon added that the City of Avondale supported keeping the two Urbanized Areas separate, because Urbanized Areas with populations under 200,000 (such as Avondale-Goodyear) are allowed to use some federal transit money for overhead, while Urbanized Areas with populations larger than 200,000 can only use the money for capital.

Chris DePerro asked if the Urbanized Area boundary matches up with the metropolitan statistical area (MSA). Jami Garrison said that they are different. Anubhav Bagley said that the local MSA is all of Maricopa County and Pinal County. He said that Casa Grande is now an Urbanized Area with a population larger than 50,000, which makes that area eligible to become a Metropolitan Planning Organization (MPO).

Jami Garrison said that the Census Bureau would be releasing Summary File 2 (SF2) from the 2010 Census, and that this will include over 331 different race categories down to census tract.

5. State Demographer's Office Update

Jami Garrison gave an update on activities of the State Demographer's Office (SDO). She said that Jim Chang is the new State Demographer. She said that the SDO is now part of the Department of Administration, and MAG staff meets with them monthly at the Council for Technical Solutions (CTS). She said that the SDO will provide county control totals for socioeconomic projections by the end of the year, hopefully this summer.

Thomas Ritz said that the Census July 1, 2011 population figure for Maricopa County was roughly 3,880,000, while the MAG July 1, 2011 from the state was 3,843,000. He asked if there has been any discussion about why the Census numbers are coming in higher than the state numbers. Anubhav Bagley said that the two numbers were derived using very different

methodologies. He said that the Census Bureau primarily uses residential building permits, while the state uses residential completions, as well as births and deaths, school enrollment, and other factors. He said that this has been a trend in the past, and that POPTAC sometime in the future should look at ways to enhance the census numbers going forward.

6. 2012 Socioeconomic Projections

Anubhav Bagley gave an update on the 2012 Socioeconomic Projections. He said that staff is working on the model, and is waiting to get the final control total from the SDO. He said that on March 21, staff sent out a review copy of base 2010 population and employment and build-out population and employment. He said that staff met with some member agencies to get feedback, and have received a lot of helpful comments from others. He said that the next step is the production of another set of draft build-out figures to make sure comments have been incorporated correctly. He said that in the May POPTAC meeting, staff will present details about the methodologies and assumptions for the model. Following that, staff will produce sets of draft projection numbers for review.

7. Regional Economic Update

Jonathan Donie gave a regional economic update. He talked about housing construction trends and indicators for when the housing market may change. He said that historically, the nominal home prices went up, until it came down quickly at the beginning of the current economic downturn. He said that the inflation-adjusted home prices fluctuated around a static baseline, until it started climbing in the early 2000s and quickly dropped at the beginning of the currently economic downturn. He said that the recent housing bubble is the largest run-up in real home prices in trackable history. He said that there are four major indicators of home price trends: finance, insurance and real estate employment (FIRE), home prices, construction employment, and housing completions. He said that construction employment tracks closely with housing prices, and that FIRE employment grows hand-in-hand with construction employment. He said that an indicator of an up-coming bubble is when construction employment peaks above FIRE employment. He said that housing peaks spread outward from the middle of the region, and different municipalities experienced a housing bubble at different times. He said that residential constructions are a leading indicator of construction employment. He said that the region experienced a major run up and downturn, but within that trend were four different waves of run up and downturn. He said that, due to its size and geography, Phoenix experienced the first three of these waves. He said that the first wave occurred in the interior of the metro area in the early to mid-90s. He said that this wave included Glendale, Fountain Hills, Tempe, and Scottsdale. He said the second wave started around the end of the 20th century, and occurred in cities slightly farther out from the core, including Avondale, Chandler, El Mirage, Mesa, and Peoria. He said the third wave hit the cities on the perimeter of the valley in the mid 2000s, including Buckeye, Gilbert, Goodyear, Queen Creek, and Surprise. He said that the smaller municipalities had a baseline with a lot of fluctuation throughout the first three waves. He said that this trend is likely to repeat in the future. He said that indicators of the next boom are upward turns in residential completions, construction employment, FIRE employment, and housing prices.

Charlie McClendon said that it seems like construction employment is tied to population growth and in-migration, and that if someone is more likely to be able to sell their house in the mid-west they're more likely to move here. Jonathan Donie said that the Case-Shiller 20 is at its trough, and within the next year or two there could be a run-up again.

Thomas Ritz asked if the construction and FIRE employment might deviate due to the nature of the local economy. He said that if the major headquarters of FIRE employers are located in other

parts of the country, could FIRE employment lag behind construction employment in the Phoenix area. Jonathan Donie said that, due to local costs, Phoenix is typically an area that gains FIRE employment, its rate of growth is tied to construction.

Katie Wilken asked if there is any difference between new and resale prices. Jonathan Donie that smaller municipalities have fewer home sales, so resale prices can be all over the map. He said that the Case-Shiller index, which tracks homes sold twice, tries to avoid those anomalies.

8. Local Real Estate Conditions Update

Tom Ruff of the Information Market gave a presentation on local trends in the real estate market. He said that Information Market tracks the Multiple Listing Service (MLS) inventory levels, all home sales in Maricopa County daily, and all foreclosures daily. He said that it is important not to track population solely on the number of houses built, because when a house is built, it is important that someone lives in it. He said that their data shows that the bottom of the market was hit in September 2011. He said that, since then, home prices have gone up rapidly, and in March 2012 Phoenix saw the greatest appreciation of home values in its history, increasing 8% in one month. He said that April will have a 4% increase, and for the year so far, a 25% increase. He said that currently demand is holding steady, and there isn't any supply. He said that large equity institutional buyers have moved into the foreclosure market. He said that properties are getting bought as quickly as they were in 2005.

Chris DePerro asked if they were seeing mainly a lot of investor purchases, rather than people moving in. Tom Ruff said that it's really both, and that billion dollar investment firms are buying houses and renting them. He said that sales of distressed properties had been as high as 65% of the market, and now they are down to about 45%. Chris DePerro asked if they have tracked unique names buying homes versus corporations buying homes. He said that he was concerned that, while the supply might be low, there might be a lot of corporations owning vacant houses. Tom Ruff said that the corporations are not owning vacant homes, and that these houses are getting rented.

Thomas Ritz asked if they are seeing price appreciating for all sizes of houses, or just those under 100,000 square feet. Tom Ruff said that the numbers are the average for all sizes, but that there is not much inventory of houses under 100,000 square feet, or even under 150,000 square feet. He said that the top of the market is appreciating more slowly than the bottom, and that the supply of smaller houses is depleting faster.

Anubhav Bagley asked, as investors start to sell the houses they're now purchasing, will the market stabilize, or will prices continue to go up. Tom Ruff said that the investors will be selling the homes to the people living in them. He said that the people who were foreclosed on first are now eligible to come back into the market and buy these homes. He said that there is an incredible rising demand made up of the early foreclosed-upon homeowners. He said that the thing that will determine our long term growth is whether or not people are still moving here from other places.

9. Data Collection, Review, and Presentation

a. Data Collection

Jason Howard said that MAG staff currently has general plans and developments out for member agency review, and are incorporating comments from the base and build-out workshops. He said that building and landmark inventory review as well as multiple location

employer review are coming up., most likely sent out in May. Scott Wilken thanked all the members who provided annexation data during the recent review.

Katie Wilken requested that when reviews are sent to both the POPTAC contact and the GIS contact that the emails indicate that it is being sent to more than one person. Jason Howard said that will be done.

b. MAG IS Weblinks

Scott Wilken said that the packet included an information cheat sheet with updated links to various pieces of information that POPTAC members and their coworkers might find useful.

c. Employer Database

Shannon Acevedo gave an update on the 2012 Employer Database. She said that the database tracks employers with 5 or more employees and their location. She said MAG staff is currently working on the draft database and that member agencies will receive their own copy of the database for review soon. She said that the main sources of the database are: the Trip Reduction Program, which looks at all employers with 50 or more employees; public employment; and Dun & Bradstreet, which provides information for most of the private employment. She said that staff also does some data mining on its own, including using the Phoenix Business Journal, working with the Greater Phoenix Economic Council (GPEC), and direct contact with businesses. She said that the current draft of the database includes 47,400 employers and 1,452,000 million employees. She said that over the past 5 years the number of employees grown 5.6% since 2007, but has stagnated in the past three years. She said that members should expect to receive the review copy of the database for their jurisdiction in about a month. She said that after the review, the database will be finalized and incorporated into the online GIS Employer data viewer, sometime around June.

Thomas Ritz commented that a recent Phoenix Business Journal article talked about over 100,000 jobs lost in the Phoenix area between 2008 and 2011, but the employment trend in the database is much flatter. He also asked what kind of turnover Dun & Bradstreet do to account for old employers that should be removed from the list. Shannon Acevedo said that this is part of the internal review that MAG staff does. She says that the process has been refined over the past five years, and that it gets better each year. Anubhav Bagley said that the 2005 Employer Database had 1.7 million jobs listed, so there has been a decrease of over 100,000 since then.

Max Enterline asked if the complete database is available on the map viewer or if some information is masked out. He asked if it contains names and addresses of employers. Anubhav Bagley said that it does not.

10. Regional Updates

Patrick Banger said that Gilbert has seen a lot of single-family building activity increase. He said that in the first quarter of 2012 they have issued 687 single-family building permits.

11. Next Meeting of the MAG POPTAC

Chair Charlie McClendon said that the next meeting of the MAG POPTAC is scheduled for Tuesday, May 22, 2012 at 10:00 am. The meeting adjourned at 11:14 am.