



## Executive Director's Report

At our April meeting, a lengthy discussion was held regarding MAG's participation in the Brookings Institution's Metropolitan Business Planning Initiative. This project was launched in September as a collaborative partnership to develop a Metropolitan Business Plan to identify strategies and implement lead initiatives to transform the region's economy.

It was clear through the thoughtful discourse at our meeting that several Regional Council members desired a clearer understanding of the project and its purpose. As the meeting progressed, additional background was provided that helped frame the goals of the project. In the end, I believe we were able to provide more clarity to Regional Council members regarding the project.

The discussion reinforced for me that MAG is always moving. This works well for elected officials who have helped initiate projects and who have an understanding about the intended outcome of those projects. The discussion at the Regional Council also brought into sharp focus the need to review with new members how projects were initiated and their purpose. It is important to harness the expertise of all of our policy makers to gain a better understanding of where we are and where we need to go.

The strength of MAG continues to be that all of our members can have their voices heard around a common table. While there will always be varying levels of time, expertise and participation that individuals bring to the process, having everyone on board is the key to our mutual success.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

## Regional Council Meeting Report for Wednesday, April 25, 2012



## Action Items

### Nominating Committee Named

Each April, the Chair appoints a five-member Nominating Committee from the Regional Council. According to the adopted nominating process, the committee develops a slate of seven candidates. These candidates include a Chair, Vice Chair, Treasurer, the Past Chair, and three members at large. If the Past Chair is not a current member of the Council – as will be the case in FY 2013 – the committee

nominates an additional at-large member. The Past Chair of the Regional Council serves as chair of the Nominating Committee. The committee is required to provide a balanced slate of officers, which is forwarded to the Regional Council at least two weeks prior to the annual meeting in June.

The members of the Nominating Committee are: Mayor Tom Schoaf, Litchfield Park, Chair; Mayor Jay Tibshraeny, City of Chandler; Mayor Lana Mook, City of El Mirage; Mayor Jay Schlum, Town of Fountain Hills; and Supervisor Max W. Wilson, Maricopa County.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**



## **Information Items**

### **Regional Freeway and Highway Life Cycle Program Update**

The Regional Council received an update on the Regional Freeway and Highway Program Life Cycle Program. The program is under review due to anticipated revenue shortfalls. This effort to align costs and revenues comes after a previous rebalancing in 2009 to address a \$6.6 billion shortfall. The current shortfall of \$390 million is a result of the faltering economy and lower-than-expected sales tax and gas tax revenues. Staff reported on the anticipated cash flow of the Program, where the most severe negative balances are expected in 2015 and 2016, due to ADOT's reduced bonding capacity that is a result of the lower revenues.

The severity of the negative cash flow means that construction of both the Loop 202/South Mountain Freeway and widening of Interstate 10 between I-17 and the Loop 202/Santan Freeway cannot occur simultaneously, as originally envisioned.

MAG and ADOT are presently identifying opportunities for cost savings on a number of corridors, looking at anticipated cash flow and timelines for delivering major projects. MAG staff evaluated more than 12 scenarios to balance the program and identified four to advance for discussion. Scenarios range from deferring construction of some projects to swapping start times for others to accommodate the available cash flow.

Staff addressed the impacts each scenario has on specific corridors and summarized performance findings related to the four scenarios. Staff is continuing to test scenarios and anticipates a report in May along with recommendations for the Regional Council to consider in balancing the Program.

**For more information, please contact Bob Hazlett, MAG Senior Engineering Project Manager, (602) 254-6300.**

### **Update on Border Support Resolution and Brookings Metropolitan Business Plan**

The Regional Council heard updates on two significant projects being facilitated through the MAG Economic Development Committee. The first has to do with a border resolution that has been supported by all of the councils of governments and all of the state's metropolitan planning organizations throughout Arizona. The resolution calls for proactive support for infrastructure improvements at the Arizona ports of entry to improve traffic flow and improve trade between Arizona and Mexico. Among the agencies signing the resolution are the Central Arizona Association of Governments, Central Yavapai Metropolitan Planning Organization (which drafted a separate resolution in support of MAG's efforts), Maricopa Association of Governments, Northern Arizona Council of Governments, Pima Association of Governments, SouthEastern Arizona Governments Organization, Western Arizona Council of Governments, and the Yuma Metropolitan Planning Organization. The Flagstaff Metropolitan Planning Organization will consider the resolution later this spring.

Issues being examined include increasing U.S. Customs and Border staffing; reducing commercial vehicle wait times; reducing the number of hours it takes to process rail cars through the border; and seeking dedicated funding sources for ports of entry. A recent MAG Freight Transportation Framework Study, which examined the Sun Corridor, found that other border states like Texas are far outpacing Arizona when it comes to developing trade relations with Mexico. While Arizona exports to Mexico totaled about \$5.7 billion in 2011, in Texas the total was \$87 billion.

The second item discussed was an update on the Brookings Metropolitan Business Planning Initiative. Staff reported that one year ago, the Regional Council approved the submission of the region's proposal to the Brookings Institution to participate in the initiative. The goal is to adapt the discipline of private-sector business planning to the task of revitalizing regional development. The planning will provide a framework through which business, civic and government leaders can analyze the market position of their region; identify strategies by which to capitalize on their unique assets; specify "catalytic" products, policies and interventions; and establish detailed operational and financial plans.

Staff reported that two potential lead initiatives have been identified. The first would be a clean energy development center to take advantage of the significant global market growth in energy efficiency, technology and services. The analysis determined the region needs to better define emergent industries and to engage and support a range of local sectors. The second lead initiative identified was to develop a center of excellence for unmanned systems. The region has significant activity in unmanned aerial vehicles. The center would facilitate the transfer of

unmanned systems technology knowledge, products and services from the defense industry into the commercial sector. Staff reported that next steps include convening industry leadership to better understand technology applications and needs.

As noted above, following the presentation, the Regional Council engaged in discussion regarding the intent of the project, funding, and the end outcome. Staff reported that the goal of the project is for the region to be better positioned and more responsive to emerging economic development opportunities in the future. MAG will continue to update the Regional Council throughout the development and implementation of the initiative.

**For more information, contact Amy St. Peter, MAG Human Services and Special Projects Manager, (602) 254-6300.**

### **Next Regional Council Meeting**

The next meeting of the MAG Regional Council is scheduled for Wednesday, May 23, 2012, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include recommended approval of the fiscal year 2013 MAG Unified Planning Work Program and Annual Budget, rebalancing of the Regional Freeway and Highway Program Life Cycle Program, and recommended adoption of the MAG 2012 Five Percent Plan for PM-10. Additional agenda items are pending.