

October 24, 2012



## Executive Director's Report

Our October meeting saw a variety of agenda items that may not seem connected at first glance, but which are a microcosm of what is taking place in our ever-changing transportation environment.

One item involved an update on the implementation of projects in the Regional Transportation Plan, which was first developed more than a decade ago. Interestingly, during our demographic update, we learned that we have lost a decade of population growth. When the Regional Transportation Plan was developed, it was based on a long history of sales tax growth that had never seen a negative change since at least 1960. As a result of the recession, we saw 37 straight months of negative change in sales taxes. This reduction in revenues resulted in a projected imbalance in the Plan of billions of dollars.

The good news is that our policymakers recognized that needs can change and incorporated an amendment process in the Proposition 400 legislation that funded the Plan. Thanks to the structure of the amendment process, the Regional Council has been able to make appropriate changes to the Plan so that costs and revenues are in balance. The process allows us to be nimble in a changing environment.

Another example of this was in our agenda item on the Gilbert Road light rail extension. Here again, what was envisioned for Mesa in 2003 was far different than the needs of Mesa today, and the amendment process worked in helping Mesa adjust to today's conditions.

Finally, we heard an item on a managed lanes study being conducted by MAG. Here, too, is an example of how a changing world may require a different way of looking at our transportation system and how we find solutions.

The thread weaving these items together is called process. Our transportation planning structure works. It is transparent. It is flexible. It is effective. And it allows us to bring the best transportation system possible to the residents of our region.

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

**Meeting Report for Wednesday, October 24, 2012**

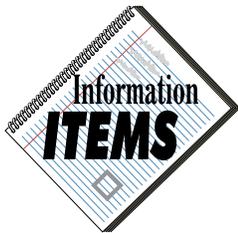


**Action Items**

**Gilbert Road Light Rail Extension**

The Regional Council voted to remove \$153 million in federal Surface Transportation Program (STP) funds from 16 street projects and use the funding to design, purchase right-of-way, and construct a 1.9 mile light rail transit extension in Mesa along Main Street from Mesa Drive to Gilbert Road. Since the funding stream associated with the street projects does not align with the timing needed for the light rail construction, Mesa would provide interim funding using Transportation Project Advancement Notes, which would be paid back with federal STP funds. The 1.9 mile extension requires a major amendment and requires MAG to consult with a variety of state and regional agencies, which will also need to vote on the amendment. Following the consultation process, the item will be brought back to the policy committees for final approval.

For more information, please contact Eric Anderson, MAG Transportation Director, (602) 254-6300.



**Information Items**

**2012 Annual Report on Proposition 400**

State law requires that MAG issue an annual report on projects included in Proposition 400, addressing factors such as project status, funding and priorities. Staff reported that long-range revenue forecasts decreased again in fiscal year (FY) 2011 (23.7 percent decrease in half-cent sales tax revenues) and 2012 (3.4 percent decrease), meaning that rebalancing the programs continued to be a major focus. Program adjustments to rebalance each of the life cycle programs (freeway, arterial, transit) were identified and approved in 2012.

On the positive side, significant progress was made on a number of freeway projects during FY 2012, including new HOV lanes on Loop 101 from I-10 to Tatum Boulevard and on the Loop 202/Santan Freeway from Gilbert Road to I-10. Many other projects are under construction, including interim freeway construction on SR-24 (near Phoenix-Mesa Gateway Airport); new freeway construction on numerous segments of Loop 303; and a new system interchange that will link Loop 303 to I-10. Progress continued on the Arterial Life Cycle Program, with \$103 million in project reimbursements distributed in FY 2012.

Since the start of the Transit Life Cycle Program, 17 new bus routes have been implemented, three new light rail extensions are scheduled for completion in FY 2016, and ongoing operations were funded.

Finally, staff reported that the first performance audit conducted on the program was released in December. The audit found “no substantial evidence to warrant drastic modifications to the transportation system (plan) or specific projects.” The audit provided 27 recommendations aimed at improving efficiency and accountability. MAG and its partner agencies are jointly pursuing the recommendations. A public hearing is planned November 15, 2012, at 5:00 p.m. at the MAG offices, to report these findings to the public and receive feedback.

**For more information, please contact Roger Herzog, MAG Senior Project Manager, (602) 254-6300.**

### **Managed Lanes Project Update**

Staff provided an update on the MAG Managed Lanes Network Development Strategy Phase I Project. Managed lanes are dedicated lanes for one or more user groups, resulting in travel time savings and reliability. For example, high occupancy vehicle (HOV) lanes are a form of managed lanes.

The MAG study is examining a concept in which single occupant vehicle drivers could use the HOV lane for a fee. There are currently 15 projects in the United States that use priced-managed lanes, which are becoming more widely used as a means of managing congestion. The study found differences between the most promising corridors for managing capacity and those that are easier to construct. Corridors that fell into both categories included the I-17 north of Loop 101 to the Loop 303 interchange and Interstate 10 east of the ministack south to the Loop 202 Santan interchange. The consultant recommends that the region look at two network scenarios—one would be a single high occupancy toll (HOT) system and the second a dual lane HOT system.

Staff reported that to develop toll and revenue scenarios, the consultants used some toll assumptions from other regions. Performance criteria include level of service, peak period travel time savings, travel speed, and single lane and dual lane revenue and costs. Analysis showed that a managed lanes system would pay for itself. The study also showed that such a network would provide reliability and be possible to construct. The study showed a performance of 60 mph speeds on managed lanes and a 20-30 mph speed in the general purpose lanes.

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

### **State Demographer’s Office Update**

The Regional Council heard an update on a new set of population projections for the state and counties being developed by the State Demographer’s Office. MAG staff reported that the 2007 set of projections are now out of date and the 2012 projections are currently under development. MAG is required to use the Maricopa County projections as control totals for subregional projections in the MAG region.

Federal requirements mandate that transportation and air quality models also use the official projections.

The projections show that population growth has slowed. The 2007 projections had shown a population of 6.1 million in Maricopa County by 2030. Current projections now show a population of 5.3 million in 2030, with the county not reaching the 6.1 million figure until 2040. In other words, staff noted, the region has lost a decade of population growth.

The control totals will be finalized this month. The MAG Population Technical Advisory Committee will be using the totals to draft subcounty projections and will hold workshops between now and March 2013. Final subcounty projections are anticipated in April 2013.

**For more information, please contact Anubhav Bagley, MAG Information Services Manager, (602) 254-6300.**

### **Metropolitan Business Planning Initiative**

The Regional Council heard a report on ongoing efforts to develop a Metropolitan Business Plan for the region, in partnership with the Brookings Institution and the Greater Phoenix Economic Council (GPEC).

Staff reported that in July, Brookings provided direction on ways to optimize the staffing for the plan. An agreement was reached that MAG will take the lead on spatial efficiency and GPEC will drive the analysis in the other leverage points of regional concentrations (industry clusters), innovation, human capital, and governance. A steering committee will be developed in the next month with leaders who will be responsible for approving and implementing the business plan. GPEC will also engage their Innovation Council to serve in a similar capacity.

GPEC and MAG have been working to update and refine the market analysis in five key areas, including spatial efficiency, regional concentrations, innovation, human capital, and governance. A strategic overview is nearing completion and workshops to engage industry and public sector leaders on strategy development are planned. On the basis of these strategies, potential initiatives will be developed by the working committee and approved by the steering committee.

Detailed operational and financial plans will be developed for the lead initiative. This will be approved by the steering committee and submitted to Brookings by January 2013. An implementation plan will be developed shortly thereafter. Local launch events will be held in each of the regions participating in the project.

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

### Next Meeting

The next meeting of the MAG Regional Council will be held on Wednesday, December 5, 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 draft July 1, 2012 Maricopa County and Municipality Resident Population updates; a report on the 2012 Intelligent Transportation Systems Strategic Plan; and the Early Phase Input Opportunity Report. Additional agenda items are pending.

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