



302 North 1st Avenue, Suite 300 ▲ Phoenix, Arizona 85003
Phone (602) 254-6300 ▲ FAX (602) 254-6490
E-mail: mag@mag.maricopa.gov ▲ Web site: www.mag.maricopa.gov

February 18, 2009

TO: Members of the MAG Transportation Review Committee

FROM: Tom Callow, City of Phoenix Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA

Thursday, February 26, 2009, 10:00 a.m.
MAG Office, Suite 200, Saguaro Room
302 North 1st Avenue, Phoenix

A meeting of the MAG Transportation Review Committee (TRC) will be held at the time and place noted above. **Please park in the garage under the building. Bring your ticket to the meeting as parking will be validated. Bicycles can be locked in the rack at the entrance to the parking garage.**

The next meeting of the MAG Transportation Review Committee will be held at the time and place noted above. Committee members or their proxies may attend **in person, via videoconference or by telephone conference call**. Those attending video conference must notify the MAG site three business days prior to the meeting. Those attending by telephone conference call please contact MAG offices for conference call instructions.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Christina Hopes at the MAG Office. Requests should be made as early as possible to allow time to arrange the accommodation.

Please be advised that under procedures adopted by the MAG Regional Council on June 26, 1996, all MAG committees need to have a quorum in order to conduct business. A quorum is a simple majority of the membership or twelve people for the MAG TRC. If you are unable to attend the meeting, please make arrangements for a proxy from your jurisdiction to represent you. If you have any questions or need additional information, please contact Eric Anderson or Christina Hopes at (602) 254-6300.

A Voluntary Association of Local Governments in Maricopa County

City of Apache Junction ▲ City of Avondale ▲ Town of Buckeye ▲ Town of Carefree ▲ Town of Cave Creek ▲ City of Chandler ▲ City of El Mirage ▲ Fort McDowell Yavapai Nation ▲ Town of Fountain Hills ▲ Town of Gila Bend
Gila River Indian Community ▲ Town of Gilbert ▲ City of Glendale ▲ City of Goodyear ▲ Town of Guadalupe ▲ City of Litchfield Park ▲ Maricopa County ▲ City of Mesa ▲ Town of Paradise Valley ▲ City of Peoria ▲ City of Phoenix
Town of Queen Creek ▲ Salt River Pima-Maricopa Indian Community ▲ City of Scottsdale ▲ City of Surprise ▲ City of Tempe ▲ City of Tolleson ▲ Town of Wickenburg ▲ Town of Youngtown ▲ Arizona Department of Transportation

TENTATIVE AGENDA

	COMMITTEE ACTION REQUESTED
1. <u>Call to Order</u>	
2. <u>Approval of Draft January 29, 2009 Minutes</u>	2. Approve Draft minutes of the January 29, 2009 meeting.
3. <u>Call to the Audience</u> An opportunity will be provided to members of the public to address the Transportation Review Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transportation Review Committee requests an exception to this limit.	3. For information and discussion.
4. <u>Transportation Director's Report</u> Recent transportation planning activities and upcoming agenda items for the MAG Management Committee will be reviewed by the Transportation Director.	4. For information and discussion.

ITEMS TO BE HEARD

5. <u>Project Changes – Amendment and Administrative Modification to the FY 2008-2012 MAG Transportation Improvement Program for funding from the American Recovery and Reinvestment Act of 2009</u> On February 13, 2009, the United States Senate and House of Representatives passed the American Recovery and Reinvestment Act of 2009 (ARRA). Presidential action is expected the week of February 17, 2009. In response to the expedited time frames for transportation projects in the Act, amending and administratively modifying the 2008-2012 Transportation Improvement Program (TIP)	5. For information, discussion, and possible action.
--	--

and, as appropriate, the Regional Transportation Plan (RTP) 2007 Update is necessary to move projects forward. The FY 2008-2012 TIP and RTP 2007 Update was originally approved by the MAG Regional Council on July 25, 2007. MAG Staff and Member Agencies have been collaborating through Working Group meetings to review projects. A summary of ARRA will be provided by MAG Staff. If a proposed list of projects is developed prior to the Transportation Review Committee meeting, it will be transmitted to the Committee. Handouts will be provided at the meeting.

6. Arterial Life Cycle Program Regional Area Road Fund Revenue Projections

The Arterial Life Cycle Program (ALCP) must be fiscally constrained to meet the requirements of House Bill 2456. The Arizona Department of Transportation's (ADOT) Regional Area Road Fund (RARF) Revenue Forecast feeds the financial model used to manage and program the ALCP. In November 2008, ADOT issued the Fiscal Year (FY) 2009 RARF Forecast, which predicted a \$110 million decrease in projected revenues for the ALCP. During February 2009, ADOT will issue a revised RARF Revenue Forecast based on updated economic variables and conditions. MAG Staff will provide an update on the revised RARF Revenue Forecast, the impact on the ALCP, and current policies and procedures in the event of a revenue shortfall. Materials will be provided at the meeting.

7. Update to the Arterial Life Cycle Program Policies and Procedures

The ALCP Policies and Procedures approved on December 19, 2007 require revisions, which include refinements to policies on the Regional Area Road Fund (RARF) Closeout Process, the addition of substitute projects, and the amendment or termination of signed

6. For information and discussion

7. For information, discussion, and recommendation to approve the proposed changes to the previously approved December 19, 2007 ALCP Policies and Procedures.

and effective Project Agreements. Other minor technical refinements are also included. The ALCP Working Group met on November 17, 2008 and January 9, 2009 to discuss the revisions and continued the discussion and refinement process via e-mail. Please refer to Attachment One, which illustrates the recommended revisions to the currently approved ALCP Policies and Procedures.

8. Update on the Interstates 8 and 10-Hidden Valley Transportation Framework Study

MAG is in the process of concluding the Interstates 8 and 10 Hidden Valley Transportation Framework Study in association with the Arizona Department of Transportation, the Maricopa County Department of Transportation, the Pinal County Department of Public Works, the Town of Buckeye, and the Cities of Goodyear and Maricopa, and contributing partners from the Central Arizona Association of Governments and the City of Casa Grande. MAG Staff will provide an update on recent progress, including the transportation framework recommendation put forth by the project team and funding partners for the study area. A copy of the project's latest newsletter, illustrating the framework recommendation, is provided in Attachment Two. Additional materials will be distributed at the time of the presentation.

9. Member Agency Update

This section of the agenda will provide Committee members with an opportunity to share information regarding a variety of transportation-related issues within their respective communities.

10. Next Meeting Date

The next regular TRC meeting will be scheduled Thursday, March 26, 2009 at 10:00 a.m. in the MAG Office, Saguaro Room.

8. For information and discussion.

9. For information and discussion.

10. For information.

DRAFT MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION REVIEW COMMITTEE

January 29, 2009

Maricopa Association of Governments Office
302 North First Avenue, Suite 200, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Phoenix: Tom Callow	Maricopa County: Clem Ligocki for John Hauskins
ADOT: Steve Hull for Floyd Roehrich	
#Avondale: David Fitzhugh	*Mesa: Scott Butler
Buckeye: Scott Lowe	*Paradise Valley: Robert M. Cicarelli
Chandler: Patrice Kraus	Peoria: Chris Kmetty for David Moody
El Mirage: Lance Calvert	*Queen Creek: Mark Young
Fountain Hills: Randy Harrel	RPTA: Bryan Jungwirth
*Gila Bend: Vacant	Scottsdale: Dave Meinhart for Mary O'Connor
Gila River: Sreedevi Samudrala for David White	Surprise: Randy Overmyer
Gilbert: Rebecca Hecksel for Tami Ryall	Tempe: Carlos de Leon
Glendale: Terry Johnson	Valley Metro Rail: John Farry
Goodyear: Cato Esquivel	#Wickenburg: Gary Edwards
Guadalupe: Jim Ricker	Youngtown: Lloyce Robinson
Litchfield Park: Mike Cartsonis	

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Jim Hash, City of Mesa	Pedestrian Working Group: Brandon Forrey, City of Peoria
*Street Committee: Darryl Crossman, City of Litchfield Park	*Transportation Safety Committee: Kerry Wilcoxon, City of Phoenix
*ITS Committee: Mike Mah	
* Members neither present nor represented by proxy.	+ - Attended by Videoconference # - Attended by Audioconference

OTHERS PRESENT

Eric Anderson, MAG	Nathan Banks, FHWA
Maureen DeCindis, MAG	Bob Antilla, Valley Metro/RPTA
Monique de los Rios-Urban, MAG	Paul Hodgins, Valley Metro/RPTA
Dean Giles, MAG	Peggy Rubach, Valley Metro/RPTA
Bob Hazlett, MAG	Alfonso Rodriguez, Fort McDowell Yavapai Nation
Roger Herzog, MAG	Jenna Goad, Glendale
Nathan Pryor, MAG	Dan Cleavenger, City of Mesa
Steve Tate, MAG	Robert Baer, City of Phoenix
Kevin Wallace, MAG	Ray Dovalina, City of Phoenix
Eileen Yazzie, MAG	Jennifer Jack, SRP-MIC
John Dickson, ADOT	Chuck Eaton, AECOM
Don Mauller, ADOT	

1. Call to Order

Mr. Tom Callow from the City of Phoenix called the meeting to order at 10:01 a.m.

2. Approval of December 4, 2008 Draft Minutes

Mr. Callow asked if there were any changes or amendments to the meeting minutes, and there were none. Mr. Bryan Jungwirth from RPTA moved to approve the minutes. Mr. David Meinhart from the City of Scottsdale seconded the motion, and the minutes were subsequently approved by unanimous voice vote of the Committee.

3. Call to the Audience

Mr. Callow stated that he had not received any request to speak cards from the audience, and moved on to the next item on the agenda.

4. Transportation Director's Report

Mr. Callow invited Mr. Eric Anderson from MAG to present the Transportation Director's Report. Mr. Anderson informed the Committee that the Regional Area Road Fund (RARF) revenues continued to deteriorate. He reported that December revenues decreased 14.8 percent from the previous fiscal year (FY), and the year-to-date revenues were down 11 percent. He explained that the decrease equated to a \$40 million reduction in revenues for FY 2009.

Mr. Anderson announced that the Arizona Department of Transportation (ADOT) would be conducting an interim revision to the RARF Revenue Forecast published in November 2008. He explained that the revised revenue forecast would be lower due to current economic conditions and forewarned the Committee that the revised forecast would predict lower RARF revenues over the life of the tax. Mr. Anderson reminded the Committee that the current forecast was based on an expert panel meeting held in August prior to freeze in the credit market and other economic indicators.

Mr. Anderson stated that the end to the economic downturn was uncertain. He cautioned the Committee to be prepared for the next wave of commercial and industrial foreclosures. According to Mr. Anderson, the market was undergoing a revaluation of properties. He added that Member Agencies would likely experience decreased property tax revenues as a result.

Next, Mr. Anderson announced that an agenda item on the economic stimulus package had been added to agenda. He stated that Ms. Eileen Yazzie and Mr. Nathan Pryor from MAG would discuss the package in detail. Mr. Anderson reported that the U.S. House of Representatives (House) had passed the Bill the previous evening. He stated that the Bill was now at the U.S.

Senate (Senate), which was expected to finalize the Bill by mid to late February. He reported that the House Bill lengthened the timeline to obligate projects, which would be a benefit to the region.

Continuing on, Mr. Anderson briefly summarized the outcome of the MAG Regional Council meeting held the previous night. He announced the Regional Council approved the request to accelerate the first mile of the Williams Gateway Freeway from the Santan Freeway to Ellsworth Road. He cautioned that the project was contingent on the \$20.4 million in State Transportation Acceleration Needs Account (STAN) funding that was allocated to that project.

Mr. Anderson cautioned that it was likely that the STAN funding would get “swept” by the State to address the current budget crisis. He reported that two additional STAN projects were at risk of being swept, the Interstate 10 widening and the Interstate 17 project from Carefree Highway to Anthem. He informed the Committee that it was likely that \$104 million in STAN funding set aside in 2006 would be “swept.” As a result, STAN projects would only receive \$94 million of the \$193 million anticipated. (Note: A portion of the STAN funding was “swept” from outside the MAG Region.)

Mr. Anderson also announced that the Regional Council voted to approve \$250,000 in funding to ADOT for the operating expenses related to the message boards on the freeway system. He informed the Committee that MAG would work with ADOT to develop different funding strategies to ensure the signs stayed operational. Mr. Callow asked what operational expenses would be covered by the \$250,000. Mr. Anderson replied electricity.

Mr. Bryan Jungwirth from RPTA stated that either the House or Senate Bill included a non-supplanting provision. He asked what the ramifications would be if the State swept the STAN funding given this provision. Mr. Anderson stated he was unsure of the ramifications and indicated the provision would be discussed in greater detail as part of the economic stimulus agenda item. He added, however, that if the money was swept before the Bill was enacted that the funds probably would not be subjected to the non-supplanting provision.

Mr. Randall Overmyer from the City of Surprise asked Mr. Anderson to provide an update on the Loop 303 STAN funding. Mr. Anderson replied that he believed the funding for that project would be “swept” as well. He informed the Committee that MAG was working with ADOT to determine which project would be affected; however, specific information was unavailable at this time.

Mr. Callow asked if there were any additional questions or comments about this agenda item. There were none, and this concluded the Transportation Director’s Report.

5. FY 2009 Design Assistance Program Funding

Mr. Callow announced that funding for the Design Assistance Program for Fiscal Year (FY) 2009 was on the consent agenda for approval. He noted that no public comment cards had been received and asked members if they had questions about the agenda item. Mr. Callow called for a motion to approve consent agenda item. Mr. Meinhart from the City of Scottsdale motioned

to approve funding for the bicycle and pedestrian projects through the Design Assistance Program as ranked by the Technical Advisory Committee (TAC). Mr. Carlos de Leon from the City of Tempe seconded the motion, and the motion was approved by a unanimous voice vote of the Committee.

6. TRC Guidelines for Recommending Projects for Federal Funding

Ms. Eileen Yazzie MAG Transportation Programming Manager, addressed the Committee about the *Transportation Review Committee (TRC) Guidelines for Recommending Projects for Federal Funding (Guidelines)* and directed the Committee's attention to the agenda attachment. Ms. Yazzie explained that the Guidelines were before the Committee for recommendation for approval. In addition, she announced that the Guidelines would be used for the next agenda item, the programming of PM-10 Pave Unpaved Road Projects, which would be delayed if the Guidelines were not approved at this time.

Ms. Yazzie summarized the progress on the development of the *Guidelines*. In June 2008, the Management Committee and TRC agreed to work under the draft FY09 MAG Federal Fund Programming Principles. Since then, numerous discussions on the draft *Guidelines* had been conducted including Working Group meetings and discussions at TRC in August and October 2008 and January 2009. Ms. Yazzie reported the most recent discussion on the draft *Guidelines* was held on January 6, 2009.

According to Ms. Yazzie the proposed *Guidelines* would follow the TRC's actions over the previous years. The draft *Guidelines* outline the process for recommending projects to receive federal funds, which included:

1. the rank ordered project application list from the Technical Advisory Committees (TAC);
2. the quantitative analysis of calculated emission reductions and cost-effectiveness for projects proposed to receive Congestion Mitigation and Air Quality (CMAQ) funding;
3. the qualitative assessment provided by project review information sheets from the TACs as well as how the project(s) related to the MAG Regional Transportation Plan (RTP) funding allocations, goals, and priority criteria; and,
4. the list of CMAQ funded projects in the current approved MAG Transportation Improvement Program (TIP).

Ms. Yazzie added that the *Guidelines* included four appendices that addressed CMAQ programming. The appendices included the US Department of Transportation Federal Highway Administration's (FHWA) *Final Guidance on the Congestion Mitigation and Air Quality (CMAQ) Program, Section VII. Project Selection Process – General Conditions* (Appendix A); the funding allocation recommendations from the RTP (Appendix B); the RTP goals (Appendix C), and the RTP priority criteria (Appendix D).

Next, Ms. Yazzie addressed concerns expressed at the Working Group meetings. Concerns were voiced about the two-tiered review process, the Air Quality TAC ranking, and the Street Committee review process. She explained that the expressed concerns pertained primarily to the programming of projects. As a result, the comments would be incorporated into the draft of the *MAG Federal Fund Programming Principles (Programming Principles)* in lieu of the

draft *Guidelines*. She announced that work on the final draft of the *Programming Principles* would begin late Spring or early Summer. Mr. Anderson cited the Committee's earlier decision to test the draft *Programming Principles* in the current fiscal year before approving a final draft. Ms. Yazzie explained that despite the concerns raised at the Working Group meeting, the participants were in agreement to recommend the current draft *Guidelines* for approval.

Mr. Callow asked if there were any questions about Ms. Yazzie's presentation, and there were none. Ms. Patrice Kraus from the City of Chandler motioned to approve the *Transportation Review Committee Guidelines for Recommending Projects for Federal Funding*. Mr. Clem Ligocki from Maricopa County seconded, and the agenda item was approved by a unanimous voice vote of the Committee members in attendance.

7. PM-10 Pave Unpaved Road Projects

Continuing on, Mr. Callow invited Ms. Yazzie to present on the programming of PM-10 paving of unpaved road projects for FY 2011 and 2012. Ms. Yazzie explained that the attachment included materials for recommending projects based on the *Guidelines* approved in the previous agenda item. She explained that the four step programming process, which included:

1. a review of complete, on-time applications and
2. project eligibility;
3. a two-tiered review by the Street Committee that assessed project information and the ranking the eligible projects by the Air Quality TAC, and
4. the TRC review of the evaluations and analyses completed by the TACs.

Ms. Yazzie informed that Committee that during the two-tiered review process project sponsors may answer questions posed by the TACs to clarify project information. In doing so, the project sponsor had the opportunity to clarify information on the application at the Committee's request. She stated that after the TRC reviewed the evaluations and analyses that the Committee's role was to recommend projects to be programmed with federal funds based on established guidelines.

After reviewing the process, Ms. Yazzie presented project specific information for FY 2011 and 2012. She explained that four categories are programmed with CMAQ funds: bicycle/pedestrian projects, arterial – intelligent transportation systems projects, paving unpaved roads projects, and other air quality projects. Ms. Yazzie reported that the available funding for paving of unpaved road projects was \$3,658,000 (FY 2011) and \$5,004,000 (FY 2012). She informed the Committee that 39 complete, on-time applications were submitted; however, six applications were removed due to federal eligibility requirements. Of the 33 remaining project applications, 22 requested \$14,043,196 in funding for FY 2011, and 11 requested \$9,425,013 for FY 2012.

Next, Ms. Yazzie directed the Committee's attention to the cost effectiveness rankings provided by the Air Quality TAC. She explained that the cost effectiveness rankings were calculated by the cost per metric ton. According to the rankings, the six most cost effective projects for FY 2011 were:

1. Fort McDowell-Yavapai Nation
 - Requested Funding \$1,122,877/Cost effectiveness \$179
2. Gilbert

- Requested Funding \$162,760/Cost effectiveness \$275
- 3. Buckeye
 - Requested Funding \$64,456/Cost effectiveness \$291
- 4. Fort McDowell-Yavapai Nation
 - Requested Funding \$1,187,709/Cost effectiveness \$291
- 5. El Mirage
 - Requested Funding \$222,000/Cost effectiveness \$604
- 6. Salt River Pima-Maricopa Indian Community
 - Requested Funding \$938,285/Cost effectiveness \$625

Ms. Yazzie informed the Committee that the requested amount for the six highest ranked projects for FY 2011 exceeded available funding for the fiscal year by \$39,725. Similarly, the seven highest ranked projects for FY 2012 exceeded available funding by \$264,873. Ms. Yazzie suggested reducing the amount of funding for one project by the difference or by another means proposed by the Committee. According to the rankings, the seven most cost effective projects for FY 2012 were:

1. Salt River Pima-Maricopa Indian Community
 - Requested Funding \$924,140/Cost Effectiveness \$587
2. Gilbert
 - Requested Funding \$87,038/Cost Effectiveness \$589
3. El Mirage
 - Requested Funding \$281,000/Cost Effectiveness \$602
4. Salt River Pima-Maricopa Indian Community
 - Requested Funding \$957,145/Cost Effectiveness \$655
5. Gilbert
 - Requested Funding \$53,279/Cost Effectiveness \$901
6. Surprise
 - Requested Funding \$956,800/Cost Effectiveness \$1,544
7. Phoenix
 - Requested Funding \$2,009,471/Cost Effectiveness \$1,553

After presenting an overview of the project submission and rankings, Ms. Yazzie briefly summarized the role of the Committee in recommending projects. She explained that the Committee may recommend projects to be selected and programmed with federal funds based on the approved *Guidelines*. In addition, the Committee may make recommendations to change a project scope, schedule, or budget during the project selection process. Ms. Yazzie stated that if a change was recommended by the TRC, the Member Agency must review and accept the changes. As a result, the programming process may be delayed.

Ms. Kraus inquired about the priority ranking of projects during the Federal Fund Closeout Process if a project's funding was reduced during the programming process. Ms. Yazzie replied that the option was available at the discretion of the Committee. However, Ms. Yazzie cautioned, the closeout process only applies to the current year's funding, which may not pertain to the project in question.

Ms. Lloyce Robinson from the Town of Youngtown requested additional clarification on the process. She noted erroneous project information for Youngtown listed on the attached documents and asked how to update the data. Ms. Yazzie explained that an opportunity for corrections and revisions was provided during the two-tier review process adding that changes

could no longer be made at this point in the process.

Mr. Clem Ligocki from Maricopa County asked if projects submitted for FY 2011 could also be considered for funding in FY 2012. Ms. Yazzie stated that MAG Staff conducted the analysis based on the information submitted and would not make the assumption that local agency funding would be available in a different fiscal year. She added that it was at the discretion of the Committee to change a project's schedule or budget. Thus, if the Committee elected to fund the project in FY 2012, it was within their ability to do so.

Mr. Callow asked if there were any questions or comments. Mr. Ligocki acknowledged MAG's efforts and requested that the Committee consider funding a County project at 87th Avenue from Deer Valley to the Peoria city limits. He explained that citizen involvement in the area was high and that County was working hard to remedy the issue.

Ms. Yazzie directed the Committee's attention to the project ranking list. She reminded the Committee that the amount of funding requested exceeded the amount of available funding. Ms. Yazzie also remind the Committee that it was at their discretion to allocate funding and recommend projects for approval. She added that historically, the Committee had reduced funding for the lowest ranked project recommended for approval to meet the available funding limits.

Mr. Chris Kmetty from the City of Peoria asked about the variations in cost effectiveness rankings for projects of similar length. Ms. Yazzie responded that the Street Committee's responsibility was to clarify and verify project information submitted. She explained that during the review the Street Committee inquired how average daily traffic and other quantitative data was determined for each project. Project sponsors were asked to address these concerns during the review process and verify the data presented. Subsequently, the responses were summarized in the Street Committee review sheets.

Ms. Yazzie added that at the Working Group meeting, participants recommended that the Street Committee conduct a more detailed quantitative review and provide a project ranking in the future. As a result of the input, the recommendations would be incorporated into the final draft of the *Programming Principles*. A brief discussion followed.

Mr. Ligocki asked Member Agencies with the highest ranked projects if they would forego some funding in order to allocate funds to the County's 87th Avenue project. Mr. Callow suggested that the Committee consider reducing the funding amounts for the recommended projects, which would receive the highest allocation of CMAQ funding based on project cost and ranking in a given fiscal year. He referenced the project listing where two jurisdictions were slated to receive almost 90 percent of available funding in FY 2011.

Ms. Jennifer Jack from the Salt River Pima-Maricopa Indian Community (SRP-MIC) stated she would be willing to reduce their allocation to meet the available funding for that FY 2011. In addition, Ms. Jack stated that SRP-MIC could reduce the mileage for their FY 2012 project in order to meet the funding availability for FY 2012. Mr. Callow inquired if the Fort McDowell-Yavapai Nation would considered reducing their allocation to accommodate Mr. Ligocki's request. Mr. Alfonso Rodriguez from the Fort McDowell-Yavapai Nation agreed to a reduced

allocation for his agency due to on-going procurement issues.

Mr. Callow explained that Mr. Rodriguez would need to verify the reduction in funding with his agency pending the recommendation of funding from the Committee. Ms. Yazzie requested the Committee's clarification on the funding discussion. She inquired if the Committee's suggestion was to reduce SRP-MIC funding allocation by \$39,725 in FY 2011 and by \$264,873 in FY 2012. The Committee agreed. In addition, Ms. Yazzie asked if the Committee's suggestion was to reduce Fort McDowell-Yavapai Nation's funding by the amount of the 87th Avenue project. The Committee agreed.

Mr. Ligocki thanked the Committee as well as Mr. Rodriguez for their assistance. He stated that if the County was able to locate alternative funding for the project or to proceed before FY 2011, that the County would relinquish their allocated funding for the benefit of the region.

Mr. Callow asked if there were any questions about Ms. Yazzie's presentation, and there were none. Mr. Lance Calvert from the City of El Mirage motioned to approve the project listing as amended. Mr. Clem Ligocki from Maricopa County seconded, and the agenda item was approved by a unanimous voice vote of the Committee members in attendance.

8. Status of Local Sponsored Federal Funded Projects

Mr. Anderson informed the Committee that the presentation on the Status of Local Sponsored Federal Funded Projects would be rescheduled for another Committee meeting. He strongly encouraged each Member Agency to review the project listing. He cautioned that numerous projects were listed to obligate in the current fiscal year; however, ADOT had not moved forward with these projects as of yet. Mr. Anderson explained that early notification of project deferrals would allow MAG to reallocate the available funding as quickly as possible.

Ms. Kraus inquired if the lack of progress was attributed to the Member Agencies, ADOT, or both. Mr. Anderson replied that many of the projects had not received clearances or submitted information to ADOT. He added that ADOT Local Governments Section had hired a consultant team to assist with expediting projects. Mr. Anderson asked the Committee to notify Ms. Yazzie or Mr. Steve Tate at MAG if the status report included any erroneous information. A brief discussion followed.

Mr. Callow asked if there were any questions or comments about the agenda item. There were none, and the Committee moved onto the next agenda item.

9. Federal Economic Recovery/Stimulus Update

Next, Mr. Callow invited Mr. Nathan Pryor from MAG to present on the federal economic recovery/stimulus package update (stimulus package). Mr. Pryor reported that MAG Staff had been working closely with Member Agencies to compile a list of potential infrastructure projects to receive funding through the stimulus package. Mr. Pryor thanked the Member Agencies, ADOT, and the FHWA for their assistance with the process. To date, over 750 projects in the

amount of \$7.4 billion had been submitted. Mr. Pryor informed that a project listing compiled in October 2008 was available for download from the MAG website, and added that a revised project listing would be posted in the near future.

Mr. Pryor reported that MAG Staff was working with local and national associations and groups on the stimulus package. He stated that in December, MAG Staff met with members of the Arizona Delegation to discuss the regional infrastructure needs. He reported that relaxing or collapsing existing processes to expedite improvements was stressed during these discussions. Despite this, the current drafts of the stimulus package do not contain such provisions.

Mr. Pryor informed the Committee that the U.S. House of Representatives (House) had approved the Bill, tentatively called the American Recovery and Reinvestment Act of 2009 (ARRA). He stated that the U.S. Senate (Senate) was slated to hear the Bill shortly. According to Mr. Pryor the House Bill include \$30 billion for highway/bridge infrastructure improvements while the Senate draft included \$27.1 billion.

Although, Mr. Pryor explained, the Senate Bill included a lower funding amount for highway/bridge infrastructure improvements that the Senate draft included a provision for \$5.5 billion in competitive surface transportation grants. He reported that the grant provisions should be released within 75 days of the Bill's enactment. According to Mr. Pryor, the House Bill included \$522,668,808 for highway infrastructure investment and \$89,800,880 in transit capital for the State of Arizona. The Senate draft included \$502,431,000 highway infrastructure investment and \$125,160,000 transit capital for the State as well as the competitive surface transportation grants, which were not included in the House Bill.

Continuing on, Mr. Pryor discussed the potential impact to the MAG Region. Based on the information contained in the current drafts, the MAG Region would receive between \$206,453,784 (House Bill) and \$249,706,000 (Senate draft) for highway infrastructure investment as well as a suballocation of \$147,469,572 in the Senate Bill. If the region received these funds, between 5.4 percent (House Bill) and 6.5 percent (Senate draft) of the infrastructure projects submitted would be funded. Mr. Anderson emphasized that the figures included the House and Senate Bills were subject to change.

Mr. Pryor then summarized the deadlines incorporated into the House Bill. According to the House Bill, projects must obligate 50 percent of the project within 75 days at the Metropolitan Planning Organization (MPO) level and within 90 days at the State level. The Senate draft tentatively required the project to be obligated, in its entirety, within one year.

Mr. Anderson asked if the definition of obligation had been reconciled. Ms. Yazzie explained that the definition of obligation had be amended from when the contract was signed to what is currently in federal law. She explained that a project is obligated after all clearances had been obtained, the project has been approved by the Local Governments Section, and the project had been submitted to FHWA for their approval. Mr. Anderson explained that once a project has been obligated that the project sponsor may send the project out to bid.

Mr. Meinhart inquired if the House Bill established a deadline to obligate the remaining 50 percent of the project. Mr. Pryor stated he believed it was August 2010. He added that a redistribution methodology was included in both versions of the Bill. According to the

provisions, any unobligated funds at the MPO level would be reallocated to the State. Furthermore, any unobligated funds at the State level would be reallocated to the national level for distribution to other states.

Next, Mr. Pryor summarized the discussion held by the MAG Regional Council the previous evening. He stated that Regional Council was contemplating submitting a letter to the Arizona delegation. The letter would request an increase in available funding as well as respond to a report from the Congressional Budget Office, which was pessimistic about the ability of States and MPOs to obligate the funds within the established time frame.

Mr. Pryor announced that special meetings of the TRC, Management Committee, Transportation Policy Committee, and Regional Council may be held during the month of February in regards to the stimulus. In the interim, MAG Staff would continue to explore available options. Mr. Pryor asked if there were any questions or comments about his portion of the presentation. There were none, and Mr. Pryor invited Ms. Yazzie to proceed with her portion of the presentation.

Ms. Yazzie announced that MAG was preparing to program the economic recovery funding. Toward that end, MAG Staff was developing criteria to determine project eligibility for the economic recovery funding. Ms. Yazzie explained that many of the project eligibility criteria were tied to the timeframe to obligate listed in the draft Bills. Potential criteria included:

1. Federal eligibility criteria
2. Federal requirements
 - Clearances for right-of-way/utility relocation/design
 - Environmental clearances/NEPA requirements
3. Project Status in the MAG Transportation Improvement Program (TIP)
 - project listed in the TIP and STIP
 - conformity exemption
 - new conformity determination

Ms. Yazzie reported that based on the content of the draft Bills, the stimulus package funding would be available for projects meeting the federal eligibility criteria for STP, Bridge, Federal Aid Systems, Interstate Maintenance (IM), Planning, Safety and CMAQ funding programs. In addition, the funds would be distributed according to the current STP distribution formula. She emphasized that the STP, Bridge, IM, Safety programs required eligible projects to be located on a functionally classified roadway. Ms. Yazzie informed the Committee that MAG coordinates with ADOT on updating the functionally classified roadway, which was available for download from the ADOT website at <http://tpd.azdot.gov/gis/fclass/fcmaphp.php>. She explained that projects on local, residential streets, parking lots, drainage, landscaping, infrastructure on non-classified streets would not be eligible under the current language.

Mr. John Farry from Valley Metro asked if the funds would come to the region as Surface Transportation Program funds. Ms. Yazzie stated no and that the projects would come to the region as economic recovery/stimulus funds. However, project eligibility would be tied to the existing federal programs. Mr. Farry asked that given the flexibility of the STP funds would it be possible to allocate additional funds to transit through the program. Ms. Yazzie directed the question to Mr. Nathan Banks from the Federal Highway Administration. Mr. Banks stated he believed the funds could be allocated to transit, but could not verify that information at this

time. Ms. Yazzie stated that MAG Staff intended to meet with Valley Metro/RTPA and other transit officials to determine project eligibility and conduct analysis in preparation of the Bill's enactment.

Continuing on, Ms. Yazzie discussed categorical exclusions (CATEX), which were included in the initial analyses for the draft Bill. She explained that due to the tentatively established timelines and the need to meet federal requirements many project that would receive funds would have a categorical exclusion in group one or two which circumvented the need for certain environmental clearances. Mr. Anderson added that the projects that included right-of-way acquisition or utility relocation would not be eligible under CATEX Groups 1 and 2.

Ms. Yazzie informed the Committee that MAG would code projects to determine project eligibility for economic recovery/stimulus package funding. Project would be coded by environmental clearance/NEPA Status and TIP status. According to Ms. Yazzie, the codes for the environmental clearance/NEPA status included:

A = Approved, OR CATEX Group 1, or CATEX Group 2 submitted

B = CATEX Group 1, or CATEX Group 2 not submitted or NEPA published and decision expected soon

C = Long Term NEPA , Projects that have not started the Process and are not CATEX Groups 1 or 2

Next, Ms. Yazzie provided examples of categorical exclusions. For CATEX Group 1, potential projects include pavement preservation on or within an area of existing pavement, striping for bike lanes, and the purchase or installation of operating/maintenance equipment within transit facilities. For CATEX Group 2, examples included pavement preservation, guardrails, new/adjusted curbs, sign/signal/lighting upgrades, and curb ramps in compliance with Americans with Disabilities Act (ADA). Codes for the TIP status included:

A = projects currently in the TIP.

B = projects that could be handled with amendment to the TIP, such projects exempt to air quality conformity analysis or no new conformity finding needed.

C = projects that would require long term amendment, such as roadway capacity improvements, that would require new air quality conformity determination.

Mr. Kmetty asked who would be responsible for the coding of projects. Ms. Yazzie replied that MAG Staff would work in conjunction with ADOT to develop a preliminary list of coded projects. Then, MAG Staff would work with each Member Agency to ensure the accuracy of the data. A brief discussion followed.

Ms. Yazzie explained that packages of projects that could meet the categorical exclusion requirements included regional pavement preservation, traffic signal optimization, signal replacement, and sign replacement. Mr. Anderson also emphasized that all projects required specific locations and cost estimates to ensure eligibility and proper coding.

Ms. Yazzie added that the list of coded projects probably would include two tiers. The first tier would be projects that meet all of the necessary requirements without requiring air quality conformity analysis. The second tier would include longer term projects that would require the analysis.

Next, Ms. Yazzie summarized possible timelines and steps associated with the stimulus package. She informed the Committee that MAG Staff would conduct Working Group meetings throughout February. She explained that a TIP amendment could be approved through TPC on February 18th and Regional Council on February 25th.

Ms. Yazzie encouraged each Member Agency to prepare for the undertaking. Toward that end, she encouraged agencies to attend Working Group meetings, review project listings, determine the specific project locations, and prepare cost estimates. In addition, she encouraged the Member Agencies to review submitted projects for the federal eligibility requirements, TIP status, and environmental/NEPA clearances.

Mr. Anderson informed the Committee that MAG had not established the project priority selection process at this point. He explained that the first priority was coding projects and determining the magnitude of the potential funding. He stated that MAG Staff would conduct meetings to discuss the project prioritization in greater detail.

Ms. Kraus asked if Ms. Yazzie would provide copies of the presentation to the Committee. Ms. Yazzie replied that she would. Mr. Ligocki inquired if additional clarification about the supplanting provision could be provided. Mr. Anderson requested that Mr. Banks from FHWA address the Committee on this point. Mr. Banks recommended that the Member Agencies assume that the federal funding currently allocated to projects would be doubled. He encouraged the Committee to use this guidelines as the basis for the fiscal documents as of now.

Mr. Anderson stated that projects receiving economic recovery funds may be funded at 100 percent although the specific details of those circumstances have yet to be determined. Mr. Anderson stated that if funds stay within transportation activities that moving funds would not be considered supplanting. He emphasized that this information was based on the current draft Bills and had yet to be determined officially. Mr. Anderson also informed the Committee that projects receiving economic recovery funds would be subject to additional reporting and certification requirements.

Mr. Banks added that the intent of the legislation was to supplement existing funding. He stated that the certification requirement was made to the Governor by the FHWA, which was subsequently approved. Mr. Jungwirth inquired about the enforcement mechanism for supplanting projects. He stated that the Federal Transit Authority (FTA) had recommended switching funding on existing projects currently in the Transportation Improvement Program.

Mr. Banks reported that several states had requested clarification on supplanting and the transfer of funds. According to Mr. Banks, if a project is funded with state or local funds and those funds are transferred to another transportation project in the same fiscal year, then the original funds are not considered supplanted. A brief discussion followed. Several Committee members expressed their gratitude for the efforts of FHWA, particularly Mr. Banks, ADOT, and MAG Staff.

Mr. Ligocki inquired if the economic recovery funds could be used to fund the environmental clearance process as well as the staff time with expediting the projects. Ms. Yazzie stated that this may be a possibility; however, MAG Staff would have to make additional inquiries and

work ADOT Local Governments Section to see if this was a possibility.

Mr. Callow asked if there were any additional questions or comments. There were none, and Mr. Callow moved to the next agenda item.

10. Member Agency Update

Mr. Callow asked members of the Committee if they would like to provide updates; address any issues or concerns regarding transportation at the regional level; and asked if any members in attendance would like to address recent information that was relevant to transportation within their respective communities. There were none, and Mr. Callow moved to the next agenda item.

11. Next Meeting Date

Mr. Callow informed members in attendance that the next meeting of the Committee would be held on February 26, 2009. There being no further business, Mr. Callow adjourned the meeting at 11:32 a.m.

ATTACHMENT ONE

February 20 2009

TO: Members of the Transportation Review Committee

FROM: Christina Hopes, Transportation Planner II

SUBJECT: UPDATE TO THE ALCP POLICIES AND PROCEDURES APPROVED ON DECEMBER 19, 2007

The Arterial Life Cycle Program (ALCP) Policies and Procedures approved on December 19, 2007 require revisions and minor technical refinements. The ALCP Working Group met on November 17, 2008 and January 9, 2009 to discuss the revisions and continued the discussion and refinement process via e-mail and informal discussions. The refinements to the ALCP Policies and Procedures include:

Capital Improvement Program Disclosure (Sections 220.B and 400.E)

New language was added requiring Lead Agencies to demonstrate local funding for projects in the Lead Agency's Capital Improvement Program before programming the projects for reimbursement in the current and following fiscal year of the ALCP. The CIP disclosure language was added to ensure the fiscal integrity of the ALCP and reduce the deferral of programmed reimbursements in the first two years of the program.

Proposed Scope Changes and Substitute Projects (Section 220.E – 220.F)

Existing policies were clarified and new procedures added for requests to change the original scope of a project or to substitute a project in the ALCP. Lead Agencies must present requests to MAG Street Committee for a technical review and recommendation before the request will be presented through the MAG Committee Process for approval.

Requests must explain: (1) why the original project was deemed not feasible, (2) how the change would relieve congestion and improve mobility, and (3) the new/revised project cost estimate. In addition, the requests may not include project segments completed prior to the inclusion of the project in an ALCP approved by the MAG Regional Council.

Regional Area Road Fund (RARF) Closeout Process (Section 260)

Additional priorities were recommended for selecting RARF Closeout projects, such as the project's final invoice date and the final Project Reimbursement Request (PRR) acceptance date. In addition, the deadline to complete all ALCP Project Requirements was changed

from June 1st to May 15th. The revisions to the RARF Closeout Process were developed based on agency feedback and lessons learned during the first closeout process conducted in FY 2008.

High Priority Projects (Section 310.D and 320.D)

Language, consistent with the approved Freeway Life Cycle Program earmark policy, was added to addressing the programming of High Priority Projects. “Below the line” earmarks will not be eligible for reimbursement under the ALCP and may not be counted towards the 30% minimum local match requirement. “Above the line” earmarks are not reimbursable, but may count towards the local match.

Ineligible Project Expenditures (Section 320.E)

Expenditures ineligible for reimbursement under the ALCP were expanded to include lump-sum incentives, expenditures occurring after the project/segment is complete, and salaries or other administrative expenditures pertaining to the completion of ALCP Project Requirements.

Project Agreement Amendment and Termination Language (Section 410.B)

Language stipulating conditions that would require the amendment or termination of a signed and effective Project Agreements were added. The previously approved Policies did not address specific conditions, which would trigger an amendment or termination. Circumstances that may require the amendment of a Project Agreement include a change in project limits or a significant change in project scope. Circumstances that may require the termination of agreement include a substantial project change (i.e. change in Lead Agency or improvement type) or the failure to submit a Substantial or Material Project Reimbursement Request within the time period listed in the Policies or Project Agreement.

The proposed revisions included in the attached DRAFT document were developed and/or discussed at the ALCP Working Group meetings. The attachment details additions to the existing policies as well as deletions. Footnotes are provided for additional clarification. The proposed revisions are on the agenda for information, discussion, and possible action to approve the update to the ALCP Policies and Procedures.

For further information or questions, please contact me at chopes@mag.maricopa.gov or at 602.254.6300.

DRAFT



ARTERIAL LIFE CYCLE PROGRAM

POLICIES AND PROCEDURES

Update to the December 19, 2007

MARICOPA ASSOCIATION OF GOVERNMENTS

Additional text has been **bolded** and **underlined**

Deleted text has been **bolded** and ~~stricken-through~~

Footnotes provide additional information.

TABLE OF CONTENTS

BACKGROUND	I
I. ARTERIAL LIFE CYCLE PROGRAM MANAGEMENT AND ADMINISTRATION	- 1 -
SECTION 100: PROGRAM OBJECTIVES	- 1 -
SECTION 110: APPLICABILITY OF ARTERIAL LIFE CYCLE PROGRAM POLICIES AND PROCEDURES ...	- 2 -
SECTION 120: PROGRAM REPORTING	- 2 -
SECTION 130: MAG COMMITTEE PROCESS	- 3 -
II. PROGRAMMING THE ARTERIAL LIFE CYCLE PROGRAM	- 4 -
SECTION 200: PROGRAMMING THE ALCP	- 4 -
SECTION 210: UPDATING ALCP PROJECTS IN THE ALCP	- 5 -
SECTION 220: TYPES OF ALCP PROJECT UPDATES	- 6 -
SECTION 230: PROGRAM OR PROJECT AMENDMENTS	- 8 -
SECTION 240: INFLATION IN THE ALCP	- 9 -
SECTION 250: ALCP ADMINISTRATIVE ADJUSTMENT	- 9 -
SECTION 260: ALCP RARF CLOSEOUT	- 10 -
SECTION 270: USE OF SURPLUS OR DEFICIT PROGRAM FUNDS	- 11 -
III. PROJECT DETAILS	- 12 -
SECTION 300: LEAD AGENCIES	- 12 -
SECTION 310: ALCP PROJECT BUDGETS	- 13 -
SECTION 320: PROJECT ELIGIBILITY	- 13 -
SECTION 330: ELIGIBLE COSTS FOR REIMBURSEMENT	- 16 -
SECTION 340: ELIGIBLE PRIOR ROW ACQUISITION AND/OR WORK FOR REIMBURSEMENT	- 17 -
SECTION 350: REALLOCATION OF PROJECT SAVINGS	- 18 -
IV. ALCP PROJECT REQUIREMENTS	- 19 -
SECTION 400: PROJECT OVERVIEW	- 19 -
SECTION 410: PROJECT AGREEMENT	- 19 -
SECTION 420: PROJECT REIMBURSEMENT REQUESTS	- 22 -
APPENDIX A. GLOSSARY AND ACRONYMS	- 25 -

BACKGROUND

In 2004, the Maricopa Association of Governments (MAG) initiated the development of the Arterial Life Cycle Program (ALCP, or the "Program") to provide management and oversight for the implementation of the arterial component of the Regional Transportation Plan (RTP, or the "Plan"). MAG is the designated Metropolitan Planning Organization (MPO) for the Maricopa region. MAG serves the role designated in ARS: 28-6308 as the "regional planning agency" for this region.

The Policies and Procedures were developed in coordination with the Transportation Review Committee in workshops held in 2004 and early 2005 and are consistent with the requirements in House Bill 2456, passed in 2004 in association with the development of the Regional Transportation Plan (RTP) and Proposition 400.

House Bill 2456 allocated 10.5 percent of Regional Area Road Funds collected for arterial streets, including capital expenses and implementation studies.

The original version of the ALCP Policies and Procedures were approved by the Transportation Policy Committee reviewed and recommended the Policy and Procedures for approval on June 21, 2006 and by the Regional Council approved the Policies and Procedures on June 28, 2006. The current version of the ALCP Policies and Procedures was approved by the Regional Council on [MONTH] [DAY], [YEAR].

The ALCP relies upon two main elements:

1. Policies, which provide direction to decisions and processes, in conjunction with procedures, which specify the steps needed to implement these specified policies; and,
2. Project Agreements (PA), which define the roles and requirements for agencies participating in the implementation of each Project.

I. ARTERIAL LIFE CYCLE PROGRAM MANAGEMENT AND ADMINISTRATION

SECTION 100: PROGRAM OBJECTIVES

- A. The ALCP has five key objectives:
1. Effective and Efficient Implementation of the RTP: Facilitate the effective and efficient implementation of the arterial component of the RTP. In support of this objective, the Program should:
 - a. Ensure Projects are implemented in a manner consistent with the RTP, including any updates or amendments;
 - b. Include the means to track Project implementation against requirements established in the RTP and the ALCP; and,
 - c. Be administratively simple.
 2. Fiscal Integrity: Ensure the fiscal integrity of the regionally funded arterial component of the RTP. In support of this objective, the Program should:
 - a. Establish comprehensive financial and reporting requirements for each Project; and
 - b. Coordinate with the RTP and the other modal programs on key financial, accounting and reporting policies, procedures and practices.
 3. Accountability: Provide the means to track and ensure effective and efficient Project implementation. In support of this objective, the Program should:
 - a. Employ comprehensive Project Agreements, or other legal instruments, that detail agency roles and responsibilities in the implementation of specific Projects; and
 - b. Provide the means within each Project Agreement, Project Overview and Project Reimbursement Request to track Project implementation, performance and successful completion of individual Projects and the Program.
 4. Transparency: Provide members of the public, elected officials, stakeholders, participating agencies and others with ready access to information on the Program and on each Project. In support of this objective, the Program should:
 - a. Include substantial public and stakeholder consultation as part of the implementation process for each Project; and
 - b. Require that material changes to Projects in the Program be subject to public and stakeholder consultation through the MAG Committee Process as well as any other consultation processes, including within the community or communities affected, as specified in the associated Project Agreements.
 5. Compliance: Comply with all applicable federal, state and local requirements in the implementation of Projects.
- B. Consistency with the RTP generally means that an ALCP Project meets Project the eligibility requirements specified in Section 300, the Project regional reimbursement is fiscally constrained, and the reimbursement is in the original RTP phase.
- C. The Program must be flexible and allow adjustments as needed in support of meeting the key objectives.

SECTION 110: APPLICABILITY OF ARTERIAL LIFE CYCLE PROGRAM POLICIES AND PROCEDURES

- A. The requirements established in this document are limited to arterial street Projects (including arterial intersections) as specified in the RTP that receive regional funds, including federal, state and regional (including half-cent) funds.
- B. Projects receiving any federal funding in the ALCP must satisfy all federal requirements in addition to the requirements established in this document.
 - 1. Only select Projects will have federal funding allocated to them. **Federally funded ALCP Projects Those that do** will be identified and the Lead Agency designated for that Project will work with MAG and the ADOT Local Government Section to ensure conformity to federal and ALCP requirements.
- C. To make changes to the ALCP Policies and Procedures:
 - 1. MAG staff will suggest new provisions, additions and revisions to the ALCP Policies and Procedures, when necessary.
 - 2. Member agencies may submit suggested changes to MAG and the chairperson of the Transportation Policy Committee.

SECTION 120: PROGRAM REPORTING

- A. Prior to the beginning of each fiscal year, the Arterial Life Cycle Program **Report** will be approved through the MAG Committee Process.
 - 1. It will provide the status of the Projects: ~~Project Overviews, Project Agreements¹~~, Project additions, Project deletions, changes to Project schedules, Program and Project financing and other necessary components.
 - 2. It will also certify the revenues and regional reimbursement costs in the ALCP.
 - 3. MAG will use this information for the Annual Report on the Implementation of Prop. 400, the Transportation Improvement Program, RTP updates or revisions, the ALCP Status Report, and other documents.
- B. The ALCP Status Report will provide the MAG committee members an update on all Project requirements and ALCP financial information. **Information provided in the status report will include the number of Project Overview, Project Agreements, and Project Reimbursement Requests submitted and processed by MAG Staff.**
- C. Audits – All participating agencies must cooperate and provide requested information, if available, as part of the performance audit to be conducted by the Auditor General beginning in 2010, and every fifth year thereafter. ARS: 28-6313.A.
 - 1. All participating agencies will provide information to meet the minimum requirements for the audit report by way of the Project Overview and Project Reimbursement Request.

¹ Updates regarding ALCP Project Overviews and Project Agreements are provided in the ALCP Status Reports, which are approved through the MAG Committee Process

SECTION 130: MAG COMMITTEE PROCESS

- A. The MAG Committee Process is defined in Appendix A – Glossary and Acronyms.
- B. Final decisions regarding the ALCP rest with the MAG Regional Council with recommendations from the Transportation Review Committee (TRC), MAG Management Committee and the Transportation Policy Committee (TPC). Variations to the MAG Committee Process may be applied. These include, but are not limited to:
 - 1. Other committees, including MAG modal committees, MAG Street Committee, and the MAG ITS Committee, or bodies outside this process may consider and advise on the same item; and
 - 2. Consultation with the Citizens Transportation Oversight Committee (CTOC), which will be conducted as appropriate and consistent with requirements in ARS: 28-6356(F) & (G).
- C. The MAG Committee Process will apply for the:
 - 1. Approval of amendments to the ALCP Policies and Procedures;
 - 2. Adoption of the Arterial Life Cycle Program;
 - 3. Approval of amendments to the ALCP, TIP, and RTP; and,
 - 4. Approval of administrative adjustments to the ALCP.

II. PROGRAMMING THE ARTERIAL LIFE CYCLE PROGRAM

SECTION 200: PROGRAMMING THE ALCP

- A. The RTP establishes regional funding limits, reimbursement phases, as well as general scopes and priorities for all ALCP Projects.
1. **The regional funding is guided by the funding recommendations set forth in the MAG Regional Transportation Plan (RTP).**
 - a. **The RTP allocates 10.2 percent of Regional Area Road Funds (RARF) to capital expenses for streets.**
 - b. **The RTP allocates 0.3 percent of RARF to implementations studies.**
 2. **The regional funding for the ALCP is comprised of three revenue sources: the regional area road fund (RARF), otherwise known as the 1/2 cent sales tax, federal surface transportation program (STP) funds targeted for the MAG region, and federal congestion mitigation and air quality (CMAQ) targeted for the MAG region.**
 3. **The RARF funding distribution to the ALCP is bound by the requirements set forth in House Bill 2456 (2004).**
 4. **The RTP and ALCP include four reimbursement phases as outlined below.**
 - . **Phase I – Fiscal Years 2006 – 2010**
 - . **Phase II – Fiscal Years 2011 – 2015**
 - . **Phase III – Fiscal Years 2016 – 2020**
 - . **Phase IV – Fiscal Years 2021 -2026**
- B. All ALCP Projects must be programmed in the local government agencies Capital Improvement Program (CIP) and the approved MAG Transportation Improvement Program (TIP) before they may be implemented or reimbursed.
1. **During the annual update of the ALCP, MAG Staff will review and analyze the Lead Agency's, and partnering agency's approved and/or draft Capital Improvement Program when programming ALCP Projects for reimbursement in the current and following fiscal year for fiscal commitments.**
- C. Programming of Projects funded by the ALCP must be consistent with the ALCP Program and the ALCP Policies and Procedures. **The Maricopa Association of Governments (MAG) is the agency designated by law to implement the Arterial Life Cycle Program ensuring the estimated cost of the program improvements does not exceed the total amount of available revenues.**
1. Initially, Projects will be programmed based on the regional funding specified in the RTP plus local match contributions, as well as scopes and termini as described in the RTP.
 - a. In order to support the development of Project Agreements that include a scope and schedule for each Project, programming of each ALCP Project shall include a separate scoping or design phase that precedes right-of-way acquisition and construction, unless otherwise agreed to by MAG. Environmental clearances may be funded as part of the scoping or design phase.
 2. All ALCP Projects will be updated annually and the ALCP will be programmed and produced at the beginning of each fiscal year.

- a. The Lead Agency for each ALCP Project will be responsible for Project updates.
 - b. MAG Staff will produce an ALCP update schedule at the beginning of each fiscal year.
3. All ALCP Project Reimbursements are dependent upon the availability of regional funds.
- a. **During the annual update, all project change requests will be reviewed by MAG Staff for compatibility with Section 110.A and the current, and projected regional funds: RARF, STP, and CMAQ.**
 - b. **MAG Staff will coordinate with Lead Agency Staff to resolve project change requests that are not compatible with the availability of regional funds or Section 110.A. Methods to resolve these issues may include the:**
 - i. **Advancement/deferral of project reimbursements, projects, project segments, or work phases per Section 270;**
 - ii. **Change in fund type allocated to a project or work phase based on available funding;**
 - iii. **Change in the reimbursement amount allocated to a project, project segment, and/or work phase over multiple fiscal years.**
4. Federal funds will be allocated to Projects, considering:
- a. A request from the Lead Agency.
 - b. It is on a new alignment, has a potential impact on sensitive areas and/or populations or that it may readily accommodate the federal process given the length, amount of Project Regional budget or schedule.
 - c. **The availability of federal funds.**
5. If a Project programmed to receive federal funds is deferred (Project A) and another Project programmed to receive federal funds is able to use the federal funds that year (Project B), then Project B may be accelerated to expend the maximum amount of committed federal funds in the ALCP that year. It is the ALCP's goal to expend the maximum amount of committed STP-MAG and CMAQ funds for a given year in the ALCP.
- a. Projects programmed to receive federal funds can be accelerated from one phase to another to use federal funds. This does not pertain to Projects programmed to receive RARF funds.
 - b. If a Project is programmed to receive both, federal and RARF, funds, the portion of the Project that is programmed to receive federal funds may be accelerated. The portion of the Project programmed to receive RARF funds cannot be accelerated from one phase to another.
 - c. MAG staff will work with the Lead Agency on the Project's new schedule and reimbursement matters.

SECTION 210: UPDATING ALCP PROJECTS IN THE ALCP

- A. All ALCP Projects will be updated annually (refer to Section 200C. 2).
- B. Any necessary changes to an ALCP Project must be submitted by a written request stating the new updated schedule and budget and any other necessary justifications.
 - 1. Requests will be approved through the MAG Committee Process by the approval of the ALCP.
 - 2. Update forms will be provided by MAG.

- C. All ALCP Projects that are moved, changed or updated from their original schedule in the RTP must consider the impact of the proposed changes on other RTP Projects and on neighboring communities.
- D. MAG, the Lead Agency, and other agency (ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes or updates.

SECTION 220: TYPES OF ALCP PROJECT UPDATES

- A. Projects may be advanced by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement, who must pay the costs of advancing the Project and wait for reimbursement from the Program in the fiscal year the Project or Projects are scheduled in the ALCP to receive regional funds. To do so, it is required that:
 - 1. In advancing a Project, the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must bear all costs and risks associated with advance design, right-of-way acquisition, construction and any related activities for ALCP Projects.
 - 2. Financing costs and any other incremental costs associated with the advancement are not eligible for reimbursement.
 - 3. The reimbursement for the advanced Project must be in the currently approved programmed ALCP.
 - a. Reimbursement for a Project will be the amount listed, plus inflation to the year the Project is programmed for reimbursement in the ALCP.
 - iv. MAG Staff will use inflation factors as noted in Section 240.
 - 4. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement may request to revert to the original Project schedule as long as all non-recoverable costs incurred or committed are paid for by the Lead Agency and/or other agency(ies)/jurisdiction(s) listed in the Project Agreement, and there are no other unacceptable adverse impacts associated with the reversion.
 - 5. For Projects advanced as segments of a larger RTP Project, the amount of regional reimbursement will be determined following the completion of the process for segmenting Projects and must be specified in the Project Overview and Project Agreement.
 - 6. Upon completion of an advanced Project, all Project Reimbursement Requests must be submitted to MAG. Reimbursement payments will follow the schedule established in the Project Agreement and Project Overview.
 - a. **Reimbursement payments may be accelerated for projects approved for RARF Closeout Funds through the MAG Committee Process, per Section 260.**
- B. An ALCP Project has the option of segmenting an original RTP Project as long as the resulting Project would provide for the completion of the original Project as specified in the RTP.
 - 1. A Design Concept Report or equivalent may be used to determine major Project elements within each jurisdiction and to develop recommendations for budget allocations.
- C. Projects may be deferred at the request of the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and/or MAG.
 - 1. If a Project is deferred, other Projects will be moved in priority order at that time, taking into account: Project readiness, local match available and funding source preferences.
- D. A Lead Agency may exchange two Projects in the ALCP if:
 - 1. Project 1 is deferred from Phase I, II or III to Phase II, III, or IV, AND Project 2 is advanced from Phase II, III or IV to Phase I, II, or III.

2. When Projects are exchanged, the advanced Project 2 may receive regional reimbursement up to the maximum of the budgeted reimbursement amount of Project 1 or the maximum budget of Project 2, whichever is less.
 3. Funding for all Projects involved in a Project exchange must be documented for the ALCP Program both before and after the proposed exchange in order to demonstrate that there will be no negative fiscal impact on the ALCP.
- E. If an original ALCP Project is deemed not feasible, a substitute Project may be proposed for substitution in the same jurisdiction as the original Project.
1. The Lead Agency may propose a substitute Project that would use the regional funds allocated to the original Project. **The substitute Project shall relieve congestion and improve mobility in the same general area addressed by the original Project, if possible.**²
 2. **Substitute projects may not be completed prior to inclusion in the Arterial Life Cycle Program.**
 3. The Lead Agency must submit a written request to MAG. The written request must include:
 - a. Justification, such as a feasibility study, level of service justification, or other documents explaining why the Project is deemed not feasible, and the description of steps to overcome any issues related to deleting the original Project from the ALCP and RTP.
 - b. How the proposed project would relieve congestion and improve mobility; and,**
 - c. The proposed substitute project budget and schedule**
 - d. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.
- F. An original ALCP Project can change its original Project scope due to environmental issues, public concerns, costs and other factors.
1. The Lead Agency must submit a written request to MAG. The written request must include justification, such as a feasibility study, level of service justification, revised budget and/or other documents explaining why the change to the original Project is required, and the description of steps to overcome any issues related to changing the original scope of the ALCP Project.
 - a. MAG Staff will work with jurisdictions on a case-by-case basis to ensure proper justification.
 2. The scope change should relieve congestion and improvement mobility in the same area addressed by the original planned Project, if possible.
 3. **Project scope changes may not include completed portions of a project or project segment, which are not included in an Arterial Life Cycle Program approved through the MAG Committee process.**
- G. **All requests to change original ALCP project scope or a substitute a project in the ALCP must meet all requirements established in Sections 200, Section 210, and Section 220.**
1. **Before being approved through the standard MAG Committee Process, the requests will be presented by an employee of the Lead Agency to the MAG Street Committee for a technical review and recommendation. The presentation will address:**
 - a. **The reason(s) the original project was deemed not feasible;**

² Section was reformatted. Additions are underlined and bold.

- b. Explain how the change the original ALCP project scope or substitute project would relieve congestion and improve mobility;
 - c. The new/revised project cost estimate;
 - d. And other information as requested by the MAG Street Committee.
 - 2. After the Streets Committee technical review and recommendation on the proposed changes, the project(s) will be approved through the MAG Committee Process.
 - 3. Requests to change original ALCP project scope or substitute a project must be made by March 30th for the project to be including during the annual update process.
 - 4. Reimbursements for substitute projects will :
 - a. Be programmed in the same fiscal year(s) as the original project
 - b. Be programmed with the same funding amount and type as the original project
- H. To use Project Savings on another ALCP Project, a Project must follow the policies and procedures outlined in Section 440. If those are followed, a Lead Agency is allowed to request that Project Savings be reallocated to another ALCP Project. ³
- 1. The written request must include name of the Project with the Project Savings, the amount of Project Savings, the Project that will use the Project Savings and **Project Budget a financial chart** showing that the Project Savings applied to the new Project will not exceed 70% of the total Project costs.

SECTION 230: PROGRAM OR PROJECT AMENDMENTS

- A. If a necessary Program or Project update (Section 220) falls outside of the ALCP, TIP or RTP update schedule, then an amendment to the ALCP, RTP and the TIP, will be required, as appropriate.
 - 1. Proposed amendments that in whole or in part negatively impact Projects in the TIP, RTP and/or ALCP, may not be approved.
 - 2. Amendments are subject to approval through the MAG Committee Process on a case-by-case basis.
 - a. The TIP Amendment process is conducted on a quarterly basis.
 - 3. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed changes.
- B. The Lead Agency listed in the Project Agreement, typically initiates the amendment process by making a written request to MAG.
 - 1. If an amendment is approved by MAG, corresponding amendments are required for the appropriate programs.
 - 2. The request must explain the need for the Program or Project change outside of the annual ALCP update schedule.
 - a. The request must specifically address and justify the proposed changes in scope, budget or schedule relating to:
 - i. Project length;
 - ii. Through lane capacity;

³ Previously Section 220.G.

- iii. Facility location or alignment;
- iv. All other key Project features;
- v. Potential negative impacts to other RTP Projects, including freeway/highway, arterial, public transportation or other mode Projects;

B. MAG Staff will review each request for:⁴

- 1. Funding changes identified from the original Project allocation, the contingency allowance, the overall revised budget and other key aspects of the funding, reimbursement or reallocation. Potential negative impacts to other RTP Projects, including freeway/highway, arterial, public transportation or other mode Projects;
- 2. Potential negative impacts to meeting all applicable federal, state, regional and local requirements, including but not limited to, any applicable requirements for air quality conformity and any that may be imposed directly or indirectly following a performance audit.

SECTION 240: INFLATION IN THE ALCP

- A. The original Project budgets listed in the 2003 approved RTP were expressed in 2002 dollars. The annual update of the ALCP requires that the remaining budget of ALCP Projects be carried forward to the next year and adjusted to account for the past year's inflation.
- B. The regional funding specified in the original RTP for a Project will be adjusted annually for inflation based on the All Items United States Consumer Price Index (CPI), All Urban Consumers
 - 1. Information on the inflation factors is located on the US Department of Labor, Bureau of Labor Statistics website at <http://www.bls.gov/cpi>, under 'Get Detailed CPI Statistics.' The specific series used for calculating inflation is All Urban Consumers (Current Series), West Region All Items, 1982-84=100 - CUUR0400SA0.
 - a. The inflation rate is calculated using the month of March of the previous year and March of the current year.

SECTION 250: ALCP ADMINISTRATIVE ADJUSTMENT

- A. An administrative adjustment will adjust the ALCP regional reimbursement Project budgets in the current and later fiscal years of the ALCP due to actual Project expenditures and regional reimbursements.
 - 1. Administrative adjustments do not require a Program or Project amendment because the adjustment does not qualify as a Project Update (Section 220) and does not cause a negative fiscal impact to the current fiscal year.
 - 2. Regional reimbursement budgets cannot be moved from a later fiscal year to an earlier fiscal year in an administrative adjustment. This would require an amendment.
- B. An administrative adjustment is needed when:
 - 1. Project expenditures for a Project work phase or a Project segment are lower than the estimate, causing the 70% regional reimbursement to be less than the amount programmed in the current ALCP.

⁴ Previously Section 230.B.2.a.vi and vii.

2. The remaining regional reimbursement funds may be moved within the original Project, to another work phase or a Project Segment that is programmed in that fiscal year or a later fiscal year.
- C. At that time, the ALCP and Project budgets will be adjusted to reflect the remaining Project funds.
- D. Administrative Adjustments may occur each fiscal quarter. Changes will be reported in the ALCP Status Report, and the ALCP will be reprinted.

SECTION 260: ALCP RARF CLOSEOUT

- A. Annually, MAG Staff will determine the availability of RARF funds to be used for the ALCP RARF Closeout by April 15th.
1. MAG Staff will demonstrate the fiscal constraint of the ALCP with proposed ALCP RARF Closeout options.
 2. A Project or Project segment in the ALCP may not be adversely impacted, delayed, reduced or removed as a result of the reimbursement of RARF funds in the Closeout process to another Project, portion or segment.
 3. Lead Agencies and other agency(ies)/jurisdiction(s) listed in a Project Agreement that receive RARF Closeout funds will not be liable to reimburse the RARF funds to the Program if a Program deficit occurs in the future.
- B. Lead Agencies should submit a RARF Closeout Notification to MAG per eligible project by April 15th.**
- 1. MAG Staff will provide a RARF Closeout Notification Form on the MAG ALCP website.**
- C. The ALCP RARF Closeout Process will begin at the April TRC and continue through the MAG Committee process in May, one month before the annual update of the ALCP.
- D. To be considered as **an eligible project** for reimbursement with RARF Closeout funds:
1. The Project or Project segment must be completed/closed out.
 2. The Lead Agency must completed the following Project Requirements:
 - a. Project Overview
 - b. Project Agreement, and
 - c. Project Reimbursement Request.
 3. All three requirements must be ~~completed and~~ **accepted by MAG Staff as complete** by **May 15th June 1st.**⁵
- E. The determination and allocation of ALCP RARF Closeout funds for eligible completed projects will be made according to the following priorities (in sequential order):
1. Projects scheduled for reimbursement in the next fiscal year;
 2. All other Projects according to the chronological order of the programmed reimbursements.
- F. If two or more eligible projects are programmed for reimbursement in the same fiscal year, the reimbursement of the eligible projects will be made according to the following additional priorities (in sequential order):**

⁵ Section 260.D was reformatted for clarification.

1. The date of the Project's final invoice.
2. The date the Project Reimbursement Request was accepted by MAG Staff.

SECTION 270: USE OF SURPLUS OR DEFICIT PROGRAM FUNDS

- A. If a surplus Program funds occurs, existing Projects may be accelerated. Any acceleration will occur according to priority order of the ALCP.
 1. For Projects to be accelerated, matching local funds must be committed.
 2. If there are no current Projects ready for acceleration, the next Project scheduled for reimbursement may be accelerated.
 3. If there are surplus funds available upon the full completion of the ALCP, the MAG Transportation Policy Committee will discuss options regarding additional Projects.
- B. ALCP Projects may be delayed if there is a deficit of Program funds. ALCP Projects will be delayed in priority order of the ALCP.

III. PROJECT DETAILS

SECTION 300: LEAD AGENCIES

- A. A Lead Agency must be identified for each ALCP Project in the RTP.
 - 1. The Lead Agency is expected to be a MAG member agency.
 - 2. One Lead Agency per Project will be accepted. For segmented Projects, please refer to Section 300(D)(b).
 - 3. The designation of a Lead Agency for each Project will be accomplished through the signed Project Agreement with MAG.
- B. The Lead Agency is responsible for all aspects of Project implementation, including, but not limited to, Project management, risk management, design, right-of-way acquisition and construction.
 - 1. The Lead Agency and MAG will be signatories to the Project Agreement.
 - 2. The Lead Agency and the agency(ies)/jurisdiction(s) listed in the Project Agreement are expected generally to use accepted financial and project management policies, practices and procedures in the use of funds received from the ALCP and in the implementation of the ALCP Project.
- C. Projects in One Jurisdiction
 - 1. If a Project falls entirely within one jurisdiction, then that jurisdiction is expected to be the Lead Agency.
 - a. If there is change in jurisdictions due to annexation that affects a Project, the Lead Agency designated at the time of Project implementation will continue to serve as the Lead Agency.
 - 2. An alternative agency may be specified as the Lead Agency if the local jurisdiction in which the Project is located agrees.
 - a. An agreement between the local jurisdiction and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees.
 - b. A copy of that written agreement must be provided to MAG.
- D. Projects in Multiple Jurisdictions
 - 1. In cases where the RTP Project is located in more than one jurisdiction, the Project may be implemented as either:
 - a. One Project with a single Lead Agency as agreed to by the agency(ies)/jurisdiction(s) listed in the Project Agreement.
 - i. The agreement to this effect between the local jurisdictions and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees in a Memorandum of Understanding (MOU) and/or an Intergovernmental Agreement (IGA).
 - A The agreement will be used to explain multi-jurisdictional roles, responsibilities and terms of the Project, which will be referenced in the Project Agreement signed by the Lead Agency.
 - B A copy of this agreement must be provided to MAG, who must agree to the proposed Lead Agency designation.

- b. The Project may be segmented and implemented as separate Projects by local jurisdictions, if agreed to by all agencies/jurisdictions listed in the Project Agreement, and following the Project Update process specified in Section 220.

SECTION 310: ALCP PROJECT BUDGETS

- A. The regional funding for each ALCP Project as specified in the RTP establishes the maximum amount payable from regional funds for that Project.
 - 1. Every payment obligation of MAG under the RTP, ALCP and any Project Agreement or related legal agreement is conditional upon the availability of funds appropriated or allocated for the payment of such obligation.
 - 2. The ALCP budget and timeline may change to account for surplus or deficit Program funds.
- B. The budget for each ALCP Project:
 - 1. Is limited to the regional contribution amount specified in the ALCP for the Project, or 70% of the total Project expenditures, whichever is less; and,
 - 2. Will be established in the Project Agreement and Project Overview.
 - 3. The Lead Agency is responsible for all of the Project costs over the regional contribution and, if applicable, will need to work with the other agency(ies)/jurisdiction(s) listed in the Project Agreement to cover those costs.
 - 4. Will be published in the approved Arterial Life Cycle Program.**
- C. Credits for local match requirements are not transferable between Projects.
- D. **The ALCP Project Budget for a Project(s) or Project segment(s) in the ALCP that is approved as a High Priority Project (HPP) and receives an 'earmark' of federal funds in a federal authorization or federal appropriations bill will be reprogrammed, as needed.**⁶

SECTION 320: PROJECT ELIGIBILITY

- A. To be funded or constructed under the ALCP Program, Projects must:
 - 1. Have a scope, budget (including amounts of regional funding and local match contributions) and a schedule consistent with the Project as included in the RTP, ALCP, and as appropriate, the TIP. In addition, Projects must be consistent with federal requirements, where applicable.
 - 2. Be considered new in keeping with voter expectations, and as such:
 - a. Cannot include costs for any pre-existing, programmed or planned element or improvement that is not part of the specific improvement Project described or included in the RTP as of November 25, 2003 or later.
 - b. Cannot have started design, acquired right-of-way or started construction before the date specified in Section 340 or the date of the Project addition to the RTP.
- B. Facilities eligible for improvements under the ALCP include:
 - 1. Major arterials as defined in Appendix A. Major arterials include:

⁶ Refer to Section 320.G. for additional policies pertaining to HPPs.

- a. Roadway facilities on the regional arterial or mile arterial grid system;
 - b. Roadway facilities that connect freeways, highways or other controlled access facilities; and,
 - c. Other key arterial corridors.
2. Intersections of eligible major arterials.
- C. All Projects must be designed to the standards agreed to by the designated local jurisdictions and the Lead Agency established in the Project Agreement.
- 1. The agreed standards, which may be higher than the standards used in the local jurisdiction(s), must be specified or referenced in the Project Agreement.
 - 2. Standards for multi-jurisdictional Projects should be consistent to the extent feasible.
- D. Reimbursable items for regionally funded Projects are limited to:
- 1. Design, right-of-way and construction, as required in ARS: 28-6304(C)(5) and ARS: 28-6305(A). Design Concept Reports, planning studies and related studies, such as environmental and other studies, are also eligible.
 - 2. Capacity Improvement Projects.
 - 3. Safety Improvement Projects.
 - 4. Projects or components directly related to capacity and safety improvements, including:
 - a. Intelligent Transportation Systems (ITS);
 - b. Signals;
 - c. Lighting;
 - d. Transit stops and pullouts, as well as queue jumper lanes, for example, for bus rapid transit;
 - e. Bicycle/pedestrian facilities integral to the roadway, including wide sidewalks separated from curbs;
 - f. Utility relocations, including under grounding of utility lines where required for safety or other reasons relating to function, and not purely for aesthetic reasons, and not otherwise considered an enhancement;
 - g. Drainage improvements for the Project (with limitations), such as retention basins required for the Project that would not normally be handled through County or other drainage funds, within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);
 - h. Landscaped medians, shoulders, and other improvements within reasonable limits (and generally not exceeding typical practice for the local jurisdiction);
 - i. Reconstruction Projects, as identified in or supported by the RTP and as specified in Project Agreements, for eligible Project elements;
 - j. Access management;
 - k. Rubberized asphalt and concrete paving;
 - l. Staff time directly attributable to Project; and,
 - m. Noise, privacy and screen wall, and other buffers, if found to be necessary to meet applicable local, state or federal standards.
- E: Notwithstanding findings or recommendations from the Design Concept Report or a similar study, Projects, Project components or other costs that are not reimbursable from the ALCP include:

1. Enhancement Projects or enhancement components of Projects.
 - a. If a Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement request an enhancement to a Project funded in the ALCP, the local jurisdiction and/or Lead Agency shall pay all costs associated with the enhancement.
 2. Right-of-way not used by the ALCP Project, with potential exceptions on a case-by-case basis for land that is identified by the Lead Agency and/or the local jurisdiction or jurisdictions as not marketable for sale.
 3. Any Project or Project element that exceeds the reasonable limits or typical practice for the local jurisdiction in which the Project or Projects are located.
 4. Administrative overhead costs by the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement that are not attributed to the Project.
 5. Other expenses, such as bad debts **and lump-sum incentives**, as determined by MAG.
 6. **Expenditures that occur after a project or project segment is completed. This includes salaries, applied overhead, record keeping and facility maintenance.**
 7. **Salaries and other administrative expenditures pertaining to the completion of ALCP Project Requirements.**
- F. The use of federal funds or other funding sources may involve further restrictions on the use of funds or eligible matching contributions.
- G. **Since the primary sources of regional transportation funding have been included in the MAG RTP, funds that are the result of specific earmarks of either federal or state funds that have already been accounted for in the RTP ("below the line funding") are not eligible for reimbursement or the local match under the Arterial Life Cycle Program. Any previous commitments to provide local funding for arterial projects included in the TIP, RTP, or ALCP should be maintained.**
1. **If a Project or Project segment in the ALCP is approved as a High Priority Project that receives an 'earmark' of federal funds in a federal authorization act, which reduces the distribution of federal funds to the region, the Project will be restricted as follows:**
 - a. **The earmarked federal funds will be ineligible for reimbursement through the ALCP.**
 - b. **The earmark federal funds will not be applicable towards the ALCP Project local match requirement.**
 2. **If a Project or Project segment in the ALCP is approved as a High Priority Project that receives an 'earmark' of federal funds in a federal appropriations act, which does not reduce the distribution of federal funds to the region, the Project will be restricted as follows:**
 - a. **The earmarked federal funds will be ineligible for reimbursement through the ALCP.**
 - b. **The earmark federal funds may be applied to towards the ALCP local match requirement.**
- H. Eligible local match contributions include:
1. Locally funded expenditures on eligible Projects or elements as listed above in this section; or
 2. Third party contributions, which must have supporting documentation. Third party contributions will be taken at market value at the time of the donation and mutually agreed upon between the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement and MAG.
- I. Determining the value of third party contributions:

1. The jurisdiction's real estate department will value and appraise any right-of-way given to a Project by a developer.
 2. Costs related to the construction of a road must be documented and certified for the value of the road by the authorized representative of the jurisdiction. To do so, a jurisdiction shall do the following in priority order:
 - a. First, work with the developer(s) to turn in cost documentation related to the road improvement as soon as a jurisdiction is aware the improvement is being made to an ALCP Project, even if the ALCP Project is not scheduled for construction or reimbursement until a later date. If this cannot be done, then;
 - b. Second, generate cost figures from known developer fees, final construction documents, as-built documents, et cetera. If this cannot be done, then;
 - c. Third, use cost figures from the actual ALCP Project construction bid for a cost per unit figure, which then could be applied the developer contribution to generate a total cost. If this cannot be done, then;
 - d. Fourth, use cost figures from a similar Project in location, size, and scope, which then could be applied to the developer contribution to generate a total cost.
 3. MAG Staff will review the valuation method and documentation for quality assurance purposes.
 4. All documents used to determine the value of third party contributions shall be kept in accordance with Section 320H.
- J. The Project Overview for each Project must identify all Project components for which reimbursement of the regional share is sought from the ALCP, including the components of the Project that will be funded locally or by third parties.
- K. The MAG Committee Process has the final determination on the eligibility of any Project or Project component for reimbursement from the ALCP Program.

SECTION 330: ELIGIBLE COSTS FOR REIMBURSEMENT

- A. Reimbursable expenditures are limited to ALCP Projects meeting the requirements set forth in Section 320 (Project Eligibility).
- B. No reimbursements will be made:
1. Prior to the execution of a Project Agreement.
 2. **For projects or project work phases not listed in an approved Transportation Improvement Program**
 3. Prior to the year in which the funds for that ALCP Project are programmed or would normally be received following the schedule in the TIP and RTP, unless it is part of the annual closeout of RARF funds per Section 260, or there are surplus program funds, Section 270.
- C. Each ALCP Project shall have a reimbursement timeline specified in the Project Agreement and Project Overview.
- D. The Lead Agency shall send the Project Reimbursement Requests to MAG for payment from the Arizona Department of Transportation (ADOT). The Lead Agency is responsible for:
1. All Project expenditures.
 2. Providing all Project Reimbursement Requests to MAG for reimbursement.

- E. Reimbursements will be made for expenditures paid with tax or public revenue only, including development and impact fees collected by a jurisdiction.
 - 1. Reimbursements will not be made for Project elements donated or funded via cash or cash equivalent donations, right-of-way donations, exactions and/or other third party or non-tax funding sources.
 - 2. Reimbursements from the ALCP will not be made for expenditures that have already been reimbursed from other sources, either in cash or cash equivalents or through third party contributions including, but not limited to, the provision of a transportation improvement Project such as a design or related study, right-of-way acquisition or donation or construction.
- F. Project elements not eligible for reimbursement under subsection 330 (A) and (B) may be eligible as credit toward matching costs if the requirements specified in Section 340 (Eligible Prior Right-of-Way Acquisition and/or Work for Reimbursement) and Section 320 (Project Eligibility) are satisfied.
- G. Reimbursements, including local match contributions, will generally be commensurate with progress unless otherwise agreed to in the Project Agreement, such as for specific lump sum for right-of-way acquisitions and/or work.
- H. Right-of-way or other capital assets acquired included as an eligible Project cost, but not used in the ALCP Project, must be disposed of at market rates and the funds returned to the ALCP for reallocation following the requirements contained in Section 350.

SECTION 340: ELIGIBLE PRIOR ROW ACQUISITION AND/OR WORK FOR REIMBURSEMENT

- A. Prior right-of-way acquisitions and/or work that is part of a designated ALCP Project are eligible for reimbursement if:
 - 1. Specified in a Project Agreement and/or Project Overview.
 - 2. Purchased/completed after November 1, 2002, for design, environmental and related planning studies and right-of-way acquisition.
 - 3. Completed construction and related activities after November 25, 2003.
- B. Eligible prior right-of-way acquisition and/or work is limited to ALCP Projects scheduled or programmed for completion in Phase I of the RTP (which ends June 30, 2010), including ALCP Projects accelerated or advanced from later phases.
- C. Reimbursements for prior right-of-way acquisition and/or work will be payable only to the agency that paid for the right-of-way acquired and/or work, unless that agency assigns the payment to another party or other terms are developed in the Project Agreement for the ALCP Project.
- D. The Project Overview will identify, as appropriate, the priorities for reimbursement for prior right-of-way acquisition and/or work if more than one agency is requesting such reimbursement for that Project.
- E. If prior right-of-way acquisition and/or work is not eligible for reimbursement, it may be credited toward the local match requirement if:
 - 1. The Project or work was included in the local jurisdiction or Lead Agency CIP or in the MAG TIP approved after the start of MAG Fiscal Year 2001 (July 1, 2000).
 - 2. The Project or work is not otherwise excluded in whole or in part elsewhere in these requirements.
- F. For prior work attributable to an ALCP Project that meets eligibility guidelines set in the ACLP Policies and Procedures, the jurisdiction is responsible for inflating the cost amounts to the current year when completing a Project Overview.

1. Each year, MAG will update and release the inflation rate information to the jurisdictions.
2. The inflation rate and method will be the same as mentioned in Section 240.

SECTION 350: REALLOCATION OF PROJECT SAVINGS

- A. Project Savings from the ALCP will not be determined by MAG to be eligible for reallocation, unless and until:⁷
 1. Construction has been completed and the work satisfies the original intent and scope of the Project, as included in the Project Agreement and Project Overview, and there are remaining regional funds allocated to the Project; OR,
 - a. A high degree of certainty is obtained that construction for the original ALCP Project will be completed consistent with the Project Agreement and Project Overview specified scope and schedule.
 2. If applicable, right-of-way, or other capital assets acquired with ALCP funds not used in the ALCP Project is disposed of at market rates and the funds returned to the ALCP.
- B. ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established below are met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds. Project Savings may be reallocated:
 1. To another ALCP Project or Projects, in the jurisdiction to address a budget shortfall, not to exceed 70% of the actual total Project costs.
 2. To advance a portion or entire existing ALCP Project or Projects in the jurisdiction up to the amount of available Project Savings.
 3. If there are ALCP Project Savings that are not reallocated and the ALCP is completed, then new Project(s) for that jurisdiction may be funded.

⁷ Section 350.A was reformatted for clarification

IV. ALCP PROJECT REQUIREMENTS

SECTION 400: PROJECT OVERVIEW

- A. For each ALCP Project, the Lead Agency must submit a Project Overview to MAG before a Project Agreement will be initiated or signed.
- B. For advanced Projects, a Project Overview must be submitted prior to the purchase of right-of-way.
- C. The Project Overview may be updated throughout the Project as long as it is not a material change.
 - 1. **MAG Staff may require a new or revised Project Overview in the event of a substantial project change or the termination of a project agreement per Section 410.D.**
- D. Adequate and secure funding from the local, regional, and if applicable, the federal level, must be identified in the Project Overview.
- E. The Project Overview will provide at a minimum:
 - 1. Lead Agency contacts and other agency(ies)/jurisdiction(s) involved in the Project;
 - 2. Project scope, Project alignment, Project history, Project considerations, ITS components, multi-modal issues, Project development process including any environmental, utility and right-of-way clearances, as needed;
 - 3. **A copy of the Lead Agency's current Capital Improvement Program demonstrating funding has been allocated to the project;**
 - 4. Funding sources;
 - 5. Map/photographs;
 - 6. Timeline;
 - 7. Management plan;
 - 8. Project data;
 - 9. Cost estimates;
 - 10. Contingencies;
 - 11. Cost savings;
 - 12. Summary of work, including: year of work, total cost, local share, federal share, regional share, year for reimbursement; and,
 - 13. Project documents, if needed: IGA, MOU, DCR, Corridor Study, Project Assessment, supporting document for developer contributions, Project amendments, environmental overview.
- F. A Project Overview template will be provided by MAG.

SECTION 410: PROJECT AGREEMENT

- A. A Project Agreement between MAG and the designated Lead Agency is required for each Project before the reimbursement of expenditures will be initiated.

1. If a Project is completed and eligible for reimbursement following the stipulations in Section 330 and 340, a Project Agreement must be in place before Project Reimbursement Requests are submitted for reimbursement.
 - a. If a Project is advanced, a Project Agreement must be in place before the completion of the Project.
2. The scope, regional funding and schedule specified in the Project Agreement must correspond with the schedule specified in the RTP for the Project.
 - a. Project segmentation must be approved through the MAG Committee Process as described in Section 130 and the RTP and, as appropriate, the TIP amended showing those segmented Projects before Project Agreements can be executed for any of the segmented Projects.
 - i. The Project Agreement may be in a developmental stage while the amendment is being approved through the MAG Committee Process.
 - b. A Project Agreement will not be executed for segmented Projects or Projects with scopes less than that specified in the RTP, even if proposed subdivisions are already listed for preliminary programming and financial planning purposes in the TIP, unless the RTP and ALCP is amended.
3. A Memorandum of Understanding (MOU) may be used as a bridge to a full Project Agreement.
 - a. Design studies may be initiated under a MOU to determine Project scope, costs and schedule by a jurisdiction, as needed, for multi-jurisdiction Projects.
 - b. The MOU may address other considerations, such as the roles and responsibilities for local jurisdictions in a multi-jurisdiction Project, or early right-of-way acquisition, as needed, in a preliminary manner prior to a full Project Agreement.

B. Signed and effective Project Agreements may need to be amended or terminated due to substantial project changes or failing to submit a Material or Substantial Project Reimbursement Request, as outlined below.

1. **Changes to project expenditures and regional reimbursements that do not require the amendment or termination of a project agreement include:**
 - a. **The advancement or deferral of project, project segment or work phase within the 5-year period of the TIP listed in the effective project agreement.**
 - b. **The reallocation of programmed funds between work phases for that project or project segment.**
 - c. **Changes to project work phases, such as the addition or deletion of a work phase.**
 - d. **The annual inflation of programmed reimbursements per Section 240.**
2. **A signed and effective Project Agreement may require an amendment due to project amendments or administrative modifications in the TIP or ALCP, which.**
 - a. **Change the project limits.**
 - b. **Require a revised Project Overview due to a significant change in the project scope.**
 - c. **Defer the Project schedule outside the years of the approved TIP listed in the effective Project Agreement**
3. **An effective Project Agreement may be terminated if:**
 - a. **The Project undergoes a substantial project change. Examples of substantial project changes include:**

- i. The Project improvement type (arterial or intersection) listed in the agreement changes;
 - ii. The Project change affects more than one project or project segment in the ALCP
 - iii. The Project change affects more than one effective Project Agreement; or
 - iv. The Lead Agency of a Project changes.
 - b. A Material Project Reimbursement Request has not been accepted by MAG within 18 months.
 - c. A Substantial Project Reimbursement Request has not been accepted by MAG within 30 months.
- C. Each Project Agreement will be based on a standard agreement provided by MAG and customized for each Project.
 - 1. Any material changes to the standard Project Agreement or template for a specific Project must be identified in a clear and concise manner in the summary section of the Project Overview for that Project.
- D. The Project Agreement will address at a minimum:
 - 1. Project scope, type of work, schedule of work and reimbursement, the regional share and federal funding if applicable;
 - 2. Lead Agency and other agency(ies)/jurisdiction(s) involved in the Project;
 - 3. Applicable Design Standards;
 - 4. Responsibilities of the Parties;
 - 5. Risk and indemnification;
 - 6. Records and audit rights;
 - 7. Term and termination;
 - 8. Availability of Funds; and,
 - 9. Conflicts of Interest.
- E. Upon approval of the Arterial Life Cycle Program, an update will be provided to the MAG Committees regarding the status of Projects, including active Project Agreements and new Project Agreements that will be executed during that fiscal year.
- F. RTP and/or TIP amendments will still be required to go through the MAG Committee Process for any changes involving material cost, scope or schedule changes to the Project.
- G. The Lead Agency and MAG must be signatories to the Project Agreement:
 - 1. To indicate their agreement to the Lead Agency designation and the terms of the agreement, the authorized representative must be the signing authority for that jurisdiction.
 - 2. To indicate roles and responsibilities in Project implementation.

SECTION 420: PROJECT REIMBURSEMENT REQUESTS⁸

- A. A Project Reimbursement Request must contain a request for payment, an invoice, and a progress report.
 - 1. The request for payment, invoice, and progress report forms will be provided by MAG.
- B. For a current ALCP Project, the Project Reimbursement Request:
 - 1. may be submitted by the Lead Agency to MAG as needed, or
 - 2. must be submitted by milestone completion (Section 420(D)(4)a-k) unless otherwise agreed to in the Project Overview.
- C. If an ALCP Project is advanced, progress reports must be submitted and based on the milestones of the Project even though a full Project Reimbursement Request is not required at that time.
 - 1. A full Project Reimbursement Request, including request for reimbursement and invoice is due at the time of Project completion.
- D. Project Reimbursement Requests may not be submitted more than once per month.
- E. All Project Reimbursement Requests shall be submitted to MAG for authorization for payment.
 - 1. Participating agencies/jurisdictions may invoice the Lead Agency for any item including, but not limited to, work conducted or capital assets acquired for the Project or as part of the Project, subject to other terms in this agreement.
- F. The work conducted and/or received must meet all the requirements of the MAG ALCP Policies and Procedures as well as any and all other applicable federal, state, regional and local requirements.
- G. The Lead Agency may inflate project expenditures to current year dollars, per Section 240. It is the responsibility of the Lead Agency to calculate the inflation for project expenditures in the ALCP project requirements submitted to MAG, including Project Reimbursement Requests.**
- H. The Lead Agency must retain, certify, and make available all vendor receipts, invoices and as needed, any related Project records.
 - 1. Vendor receipts or invoices must be available for five (5) years after final payment is made; auditors, MAG or its designees may make possible requests.
 - 2. Receipts and invoices for Projects advanced by a jurisdiction may have a longer retention period.
- I. An authorized representative of the Lead Agency must sign all Project Reimbursement Request forms: the request for payment, invoice and a progress report, certifying that the request is true and correct per the terms of the Project Agreement and Project Overview.
 - 1. The duly authorized representative for the Lead Agency may be the respective Town/City Managers, County/Community Administrator, designee or a higher level representative of the organization that is designated to sign MAG funding request documents on behalf of that jurisdiction has signing authority. In addition, the authorized representative must be **listed as a** designated signatory **on the Lead Agency's signature card for that fiscal year.**
 - 2. Electronic or scanned signatures will not be accepted.
- J. Matching contributions, as required in the ALCP Policies and Procedures must be fully documented, invoiced and/or received, and cannot be in arrears.

⁸ Section 420 was reformatted and reordered for clarification. Additions are underlined and bold. Deletions are stricken-through and bold.

- K. The request for payment shall be approved and signed by the duly authorized representative from the Lead Agency. Then, the request will be processed and approved at MAG and forwarded to ADOT for payment to the Lead Agency. The request for payment form must include the:
1. Project name, description and RTP ID;
 2. Estimated total Project costs;
 3. Expenditures to date;
 4. Regional fund budget;
 5. Previous Regional fund payments;
 6. Amount of Regional fund requests;
 7. Remaining Regional funds;
 8. Status of Project development/completion;
 9. Type of work being requested for reimbursement;
 10. Mailing address for payment; and,
 11. Signatures of authorized representatives from Lead Agency, MAG and ADOT.
- L. The invoice **form must will** include:
1. Invoice number;
 2. Project name, description and RTP ID;
 3. **Amount of Regional fund requests;**
 4. **Remaining Regional funds;**
 5. **Type of work being requested for reimbursement;**
 6. **Signatures of authorized representatives from the Lead Agency.**
 7. **Proper documentation/description of the reimbursable items and/or work performed. related costs; and,** Proper documentation may include:
 - a. A copy of the invoice from the contractor is sufficient documentation for contracted work;
 - b. An administrative breakdown chart including staff name, hours on Project, hourly rate, and total costs is sufficient documentation for administrative work;
 - c. A copy of the Court Order;
 - d. A copy of the Settlement Statement;
 - e. A copy of the City's payment documentation; or,
 - f. A completed Cost Attachment Form. If the Cost Attachment form is explaining dedicated right-of-way, easements, or Public Utility and Facilities Easements (PUFE), a signed letter from the appropriate department (Real Estate, Transportation, etc) must be included verifying the items in the cost attachment form. Please use costs that are relevant to the time of dedication and if necessary, use the inflation chart to inflate the costs to the current value.
- M. If an item for reimbursement (design, ROW, construction, etc.) has more than one backup invoice, a chart must be provided with each reimbursement request that:
1. Lists each invoice/backup documentation number and/or a describes the item(s) being considered for reimbursement;

2. Documents the dollar amount of item; and
 3. Includes the total dollar amount of all invoices, per each item for reimbursement. This total dollar amount should match the invoice.
 4. MAG will provide an example chart/form.
- N. The progress report of the Project Reimbursement Request shall explain the status of the Project, milestones and other necessary information.
1. It is the responsibility of the jurisdiction to document the work accomplished for each invoice and/or milestone during the reporting period.
 2. Advanced Projects prior to the approved ALCP Policies and Procedures, will have special progress report requirements.
 3. For each progress report, the Lead Agency must provide the:
 - a. Percent of work complete;
 - b. Work accomplished;
 - c. Estimate v. real cost analysis;
 - d. Work schedule analysis;
 - e. Grievance/complaints reports;
 - f. Procurement process update (when necessary); and,
 - g. Documents produced.
 4. Milestones may be used to trigger a Project Reimbursement Request for a current Project. Milestones must be used to trigger a progress report for an advanced Project. The milestones are:
 - a. Studies;
 - b. Preliminary Design - 60%;
 - c. Final Design - 100%;
 - d. Construction – 25%;
 - e. Construction – 60%;
 - f. Final Acceptance; and,
 - g. Project Closeout.
- O. Upon MAG approval, the Project Reimbursement Request will be forwarded to ADOT for payment.
1. ADOT maintains the arterial street fund and will be responsible for issuing bonds, through the State Transportation Board, on behalf of the street program, as designated in ARS: 28-6303.D.2.
 - a. MAG will work with ADOT regarding budget, invoicing process and other fiscal matters.
 2. MAG will work with ADOT to expedite payment dependent on availability of funds.
 3. Checks will be distributed from ADOT and sent to Lead Agency.

APPENDIX A. GLOSSARY AND ACRONYMS

Acceleration	Acceleration means that all of the remaining Projects, including the reimbursements for advanced Projects, in the Arterial Life Cycle Program are moved forward in priority order.
ADOT	Arizona Department of Transportation
Administrative Adjustment	The ALCP and Project budgets will be adjusted annually to reflect the final Project reimbursement in the fiscal year. This falls after the adoption of the ALCP and will not require a program amendment.
Advancement	Advancement of a Project means that its implementation is moved earlier in time than previously scheduled in the MAG RTP and/or TIP, with the interest and any other incremental costs associated with the earlier implementation borne by the Lead and/or local agencies requesting the advancement. Reimbursement for the Project will remain in the year(s) in which the Project was scheduled before the proposed advancement.
ALCP	Arterial Life Cycle Program, or the "Program"
ALCP Regional Funds	ALCP Regional Funds are generated from the Maricopa County one-half cent sales tax extension and Federal Transportation Funds, including STP and CMAQ funds.
ARS	Arizona Revised Statutes
Certification Report	Periodic report produced, at least annually, for the ALCP to provide an update on the status of the Program, current revenue and cost projections. The report will provide supporting information for the RTP Annual Report
CIP	Capital Improvement Program
CMAQ	<u>Congestion Mitigation and Air Quality. A categorical Federal-aid funding program that directs funding to projects that contribute to meeting National air quality standards. CMAQ funds generally may not be used for projects that result in the construction of new capacity available to SOVs (single-occupant vehicles).</u>
CTOC	Citizens Transportation Oversight Committee as referenced in ARS 28-6356
DCR	Design Concept Report, meeting the standards established for federal aid arterial projects. Key elements of the DCR for the ALCP include, but are not limited to: <ul style="list-style-type: none">– the development and provision of labor and material quantity based cost estimates for the entire ALCP Project, as specified in the RTP; categorized by Project phase, segment and jurisdiction, as appropriate;– projected monthly cash flow requirements for financial planning purposes; and,– appropriate contingency amounts for the completion of the Project.

Enhancement	<p>“an addition that exceeds generally accepted engineering or design standards for the specific type of facility.” (HB 2456, 28-6351(2)) For the purposes of the ALCP, the term “enhancement” is defined more specifically as:</p> <ol style="list-style-type: none"> 1. Projects, Project elements or Project additions that are not design, right-of-way or construction related, including any Project, Project element or addition that is not a needed study, right-of-way acquisition or capacity or safety-related infrastructure improvement. Examples include drainage in excess of typical needs for the roadway or intersection, “improvements” that tend to reduce through capacity, such as deletion of lanes and other traffic calming measures. 2. Project additions after the completion of a Design Concept Report, unless otherwise agreed to in the approved Project Agreement. 3. Additional limitations or requirements may apply, depending on the funding source.
EA	Environmental Assessment
EIS	Environmental Impact Statement
Federal Aid Project	Any Project in which any federal aid funding is received. These Projects must follow the implementation processes established or required by the FHWA and administered through the ADOT Local Government Section.
Federal Fiscal Year	October 1 – September 31, example: October 1, 2005 – September 31, 2006
FHWA	Federal Highway Administration
Fiscal Year	July 1 – June 30 (i.e. July 1, 2005 – June 30, 2006)
Incentives	<u>Any expenditure, which involves a monetary reward for the inducement of behavior, as related to a project in the ALCP (i.e. Giving a contractor/consultant a bonus for completing a project ahead of schedule).</u>
ITS	Intelligent Transportation System
MAG	Maricopa Association of Governments
MAG Committee Process	Items are placed for action on the agendas of the MAG Transportation Review Committee (TRC), Management Committee, Transportation Policy Committee (TPC), as appropriate, and Regional Council
Major Arterial	“an interconnected thoroughfare whose primary function is to link areas in the region and to distribute traffic to and from controlled access highways, generally of region wide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses.” (ARS 28-6304(c)(5))
Material Change	In general, a material change is any change that could reasonably cause a change in

decision regarding a Project or an amendment to a Project.

It is further defined as any proposed change to a Project that:

1. changes a Project scope by:
 - a) modifying Project termini by a quarter-mile or more;
 - b) changing a freeway- or highway-arterial interchange location by a quarter mile or more, or changing the location so as to cause increased costs for the freeway or highway program, or any change in the design and/or location of the arterial Project affecting the freeway or highway not agreed by ADOT;
 - c) changing the vertical alignment at a freeway or highway interchange between at-grade, depressed and elevated, or changing the alignment in such a way so as to cause increased costs for the freeway or highway program, or any change in vertical alignment affecting an interchange or grade separation not agreed by ADOT or as appropriate, any light rail crossing not agreed by Valley Metro;
 - d) changing major design elements including, but not limited to, the number of lanes;
 - e) otherwise significantly modifying the scope of the Project itself or negatively impacting a freeway, highway or light rail facility as determined in consultation with MAG staff.
2. changes costs:
 - a) in excess of 5% of the Project budget as specified in the Project Overview or other agreement established for the Project, or in excess of \$1 million, but not less than \$200,000; and/or
 - b) to increase the regional share of the budget to an amount over the dollar amount specified in the RTP, or to an amount that represents over 70% of the Project costs.
3. changes the Project completion by:
 - a) one or more fiscal years from the year shown in the TIP or RTP;
 - b) changes Project completion from one phase to another in the RTP; and/or,
 - c) results from a finding of a performance and/or financial audit.

Material Project Reimbursement Request

A Project Reimbursement Request that has been accepted by MAG Staff as complete and includes all required information, signatures, and backup documentation.

Memorandum of Understanding (MOU)

A type of agreement used as a bridge to a Project Agreement. For example, in the development of Project cost estimates and allocations across multiple jurisdictions, which then may be agreed to and incorporated into a more formal Project Agreement to be executed before further Project implementation.

MPO

Metropolitan Planning Organization

Participating Agency

Any agency involved in the implementation of an ALCP Project. All partner agencies are participating agencies.

Program

ALCP or TIP, depending on context.

Project	ALCP arterial, arterial intersection and/or ITS Project, as described in the RTP and Project-related documents. The Project description includes funding, schedule, Project termini and number of lanes added and other Project features. See also "Sub-divided Projects.
Project Component	ALCP Projects may include several Project components or major elements, such as road widenings, grade separations, ITS applications, bike and pedestrian facilities, etc. The components together comprise the overall ALCP Project.
Project Agreement (PA)	A legally binding contract or agreement between MAG and the Lead Agency established for the ALCP Project.
Project Completion	<p>For the purposes of the material change policy, Project completion means all lanes of the roadway segment or intersection are open to traffic.</p> <p>For purposes of Project Agreements or other Project-related legal agreements, Project completion means when all requirements of the Agreements have been completed to the satisfaction of MAG (i.e. it is contract or agreement completion).</p> <p>A Project Agreement may establish dates for Project completion considering administrative requirements or other requirements or needs, as determined by MAG to be necessary.</p>
Project Overview (PO)	A managerial document Lead Agencies must complete for each ALCP Project prior to signing a Project Agreement. The Project Overview includes the Lead Agency information, Project data, summary of the Project, history and background, maps/photographs, ITS components, timeline, Project data, cost estimates, summary of work and local, regional, federal and total costs.
Project Reimbursement Request (PRR)	The guidelines and forms (request for payment, invoice and progress reports) a Lead Agency must complete when requesting reimbursement for an ALCP Project.
Project Savings	ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established in the ALCP Policies and Procedures is met, may be noted as Project Savings and reallocated to an ALCP Project in that jurisdiction depending on the availability of Program funds.
RARF	<u>Regional Area Road Fund(s). Revenues collected from the half-cent sales tax extension approved through Proposition 400 went into effect on January 1, 2006. (May refer to the account or the revenues.) As specified in ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent of all collections will be distributed to transit.</u>
Reallocation	Re-assignment or re-programming of funds unexpended or not expected to be needed from one ALCP Project to another ALCP Project.
Reimbursement	Payment or compensation for costs incurred.

<u>ROW</u>	<u>Right-of-Way</u>
RTP	Regional Transportation Plan. Must be in conformance for air quality purposes and approved by the MAG Regional Council. The RTP may be updated or amended from time to time. Any references to the RTP means the currently approved version unless indicated otherwise. It is also referred to as the "Plan."
STIP	State Transportation Improvement Program
STP or STP-MAG	<u>Surface Transportation Program. A federal-aid highway funding program that funds a broad range of surface transportation capital needs, including many roads, transit, sea and airport access, vanpool, bike, and pedestrian facilities. Funds may be used by States and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and intra-city and intercity bus terminals and facilities</u>
Segmented Projects	Segments of RTP Projects where the original Project as specified in the RTP is Projects segmented or proposed for subdivision into smaller, shorter segments or components that together comprise the original RTP Project in its entirety.
<u>Substantial Project Change</u>	<u>Changes to a project, such as a change in Lead Agency, change in improvement type, or any change that affects more than one project, project segment or executed Project Agreement.</u>
<u>Substantial Project Reimbursement Request</u>	<u>A Project Reimbursement Request (PRR) that invoices for at least \$100,000 or 10 percent of the programmed reimbursement for the fiscal year of the invoice, whichever is less.</u>
Third Party Contribution	Contribution made to an ALCP Project other than cash or cash equivalent funding, typically involving the donation of right-of-way, but may also include other aspects of Project implementation, such as design and construction.
TIP	MAG's Transportation Improvement Program. The TIP must be in conformance for air quality purposes, approved by the MAG Regional Council, and approved by the Governor for inclusion in the STIP. The TIP may be amended from time to time. Any references to the TIP mean the currently approved version unless indicated otherwise.
TPC	MAG Transportation Policy Committee
TRC	MAG Transportation Review Committee

ATTACHMENT TWO

I-8 & I-10 Hidden Valley Transportation Framework Study

including approximate locations of future transportation hubs, service and system traffic interchanges, and potential park-and-ride facilities.

- Allow for phased implementation, depending on development

timeframes and available funding streams, over a period extending 40 or more years into the future.

- Be consistent with the continuing planning efforts of Native Americans within the Hidden Valley, by avoiding known culturally protected

resources and identifying transportation improvements on tribal lands that protect and enhance the goals of their communities.

- Provide seamless highway and transit links with adjacent regions.

Important Project Considerations

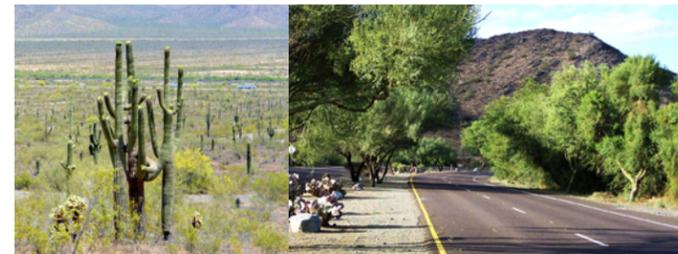
- The framework is a vision for future transportation facilities and connections.
- **Corridor locations are conceptual and subject to refinement.**
- Appropriate future planning, engineering, and environmental studies will set specific alignments:
 - Regional Transportation Plan
 - Municipal General Plans
 - Corridor Location Studies
 - Design Concept Reports (DCRs)
 - State and Federal Environmental Studies
- Recommendations are not publicly funded, but are intended to establish the basis for future public and private investments and partnerships.

Next Steps

Upon completion of this last set of public meetings, the MAG team will compile all oral and written comments, incorporating them in the Framework Recommendation as appropriate. Completion of the following tasks will conclude the Hidden Valley Transportation Framework Study:

- Presentation of the Framework Recommendation to elected officials, including County Supervisors and City and Town Councils.
- Completion and MAG review of working papers on travel demand modeling, sources of transportation funding, evaluation of alternatives, project phasing, planning-level cost estimates, and policy issues.
- Presentation of the study findings and staff recommendations to the MAG and CAAG committees and Regional Councils.
- Acceptance of the study by the MAG and CAAG Regional Councils.

Acceptance by the MAG Regional Council is scheduled to occur by May 2009. Acceptance by the CAAG Regional Council is expected by June 2009. The final report and Executive Summary poster will be released in June.



Additional Information

For more information, please contact:

Bob Hazlett
MAG Project Manager
(602) 254-6300

or by e-mail:
hiddevally@mag.maricopa.gov

The website www.bqaz.org (bqAZ stands for "Building a Quality Arizona") offers details of both the Hidden Valley and Hassayampa Framework Studies.



I-8 & I-10 Hidden Valley Transportation Framework Study

Calendar

MAG has scheduled three Public Workshops in which everyone is encouraged to participate. Please mark your calendar for:

Casa Grande:

Monday, February 9;
6 pm to 7:30 pm,
Dorothy Powell Senior Center,
Dining Room,
405 East Sixth Street,
Casa Grande, Arizona

Goodyear:

Tuesday, February 10;
6 pm to 7:30 pm,
Mobile Elementary School District,
Multipurpose Room,
42798 South 99th Avenue,
Maricopa, Arizona

Maricopa:

Wednesday, February 11;
6 pm to 7:30 pm,
Global Water Resources,
22590 North Powers Parkway,
Maricopa, Arizona

Introduction

The Interstate 8 and Interstate 10 Hidden Valley Transportation Framework Study is being conducted by the Maricopa Association of Governments (MAG) and its Funding Partners: the cities of Goodyear and Maricopa, the town of Buckeye, the Maricopa County Department of Transportation, the Pinal County Department of Public Works, and the Arizona Department of Transportation. The Central Association of Governments (CAAG), responsible for long-range planning in Pinal County, is a contributing partner. The study area, which encompasses approximately 3,000 square miles (larger than the state of Delaware), is situated within Maricopa and Pinal counties. Its boundaries are generally the Gila River on the north, the I-8 corridor on the south, Overfield Road (east of I-10) on the east, and 459th Avenue in Maricopa County on the west. The Hidden Valley contains two Native American Indian communities, five wilderness areas and the Sonoran Desert National Monument.

Purpose

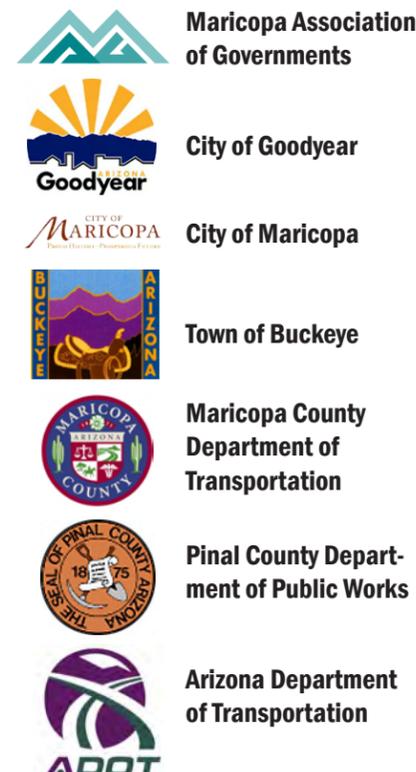
The Hidden Valley Framework Study purpose is to begin planning a transportation network that can address projected growth in the fast-growing region immediately south of the Phoenix metropolitan area. The planning timeframes are 2030 and Buildout, which may occur after 2050. The following table shows the magnitude of the expected growth. At Buildout, the Hidden Valley study area will have roughly two-thirds the population of Maricopa County today.

Date or Scenario	Population	Employment (Jobs)
2005	90,000	49,000
2030	448,000	224,000
Buildout Condition (post-2050)	2,469,000	1,096,000

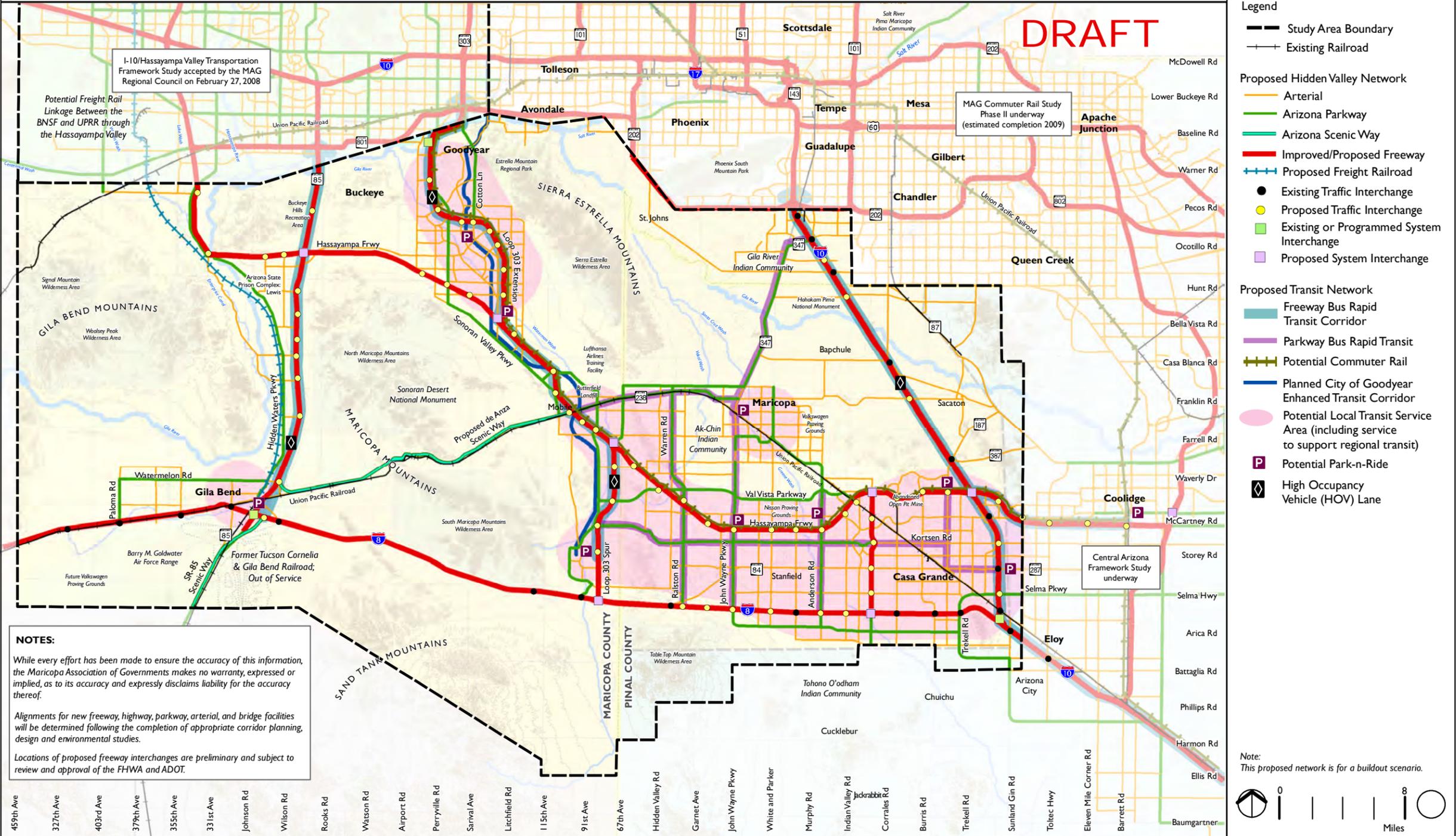
Table 1: Recent and Projected Population and Employment, Hidden Valley Study Area

Specific objectives of the study include:

- Define new high-capacity transportation corridors for freeways, parkways, arterials and public transit throughout the area.
- Help define future access for Interstate highways (I-8 and I-10) in the study area.
- Establish access management strategies for high-capacity corridors that ensure efficient and safe operation of the roadways.
- Examine alternative funding strategies.
- Determine logical phasing of major transportation improvements.
- Integrate recommendations with results of the recently completed MAG Interstate 10 Hassayampa Valley Framework Study, which covered much of the territory just north of the Hidden Valley study area.
- Prepare a comprehensive set of maps (now available in draft for public review at www.bqaz.org), illustrating characteristics of the study area's natural and man-made environment.



DRAFT



NOTES:
 While every effort has been made to ensure the accuracy of this information, the Maricopa Association of Governments makes no warranty, expressed or implied, as to its accuracy and expressly disclaims liability for the accuracy thereof.
 Alignments for new freeway, highway, parkway, arterial, and bridge facilities will be determined following the completion of appropriate corridor planning, design and environmental studies.
 Locations of proposed freeway interchanges are preliminary and subject to review and approval of the FHWA and ADOT.

Framework Recommendation

Legend

- Study Area Boundary
- Existing Railroad

Proposed Hidden Valley Network

- Arterial
- Arizona Parkway
- Arizona Scenic Way
- Improved/Proposed Freeway
- Proposed Freight Railroad
- Existing Traffic Interchange
- Proposed Traffic Interchange
- Existing or Programmed System Interchange
- Proposed System Interchange

Proposed Transit Network

- Freeway Bus Rapid Transit Corridor
- Parkway Bus Rapid Transit
- Potential Commuter Rail
- Planned City of Goodyear Enhanced Transit Corridor
- Potential Local Transit Service Area (including service to support regional transit)
- Potential Park-n-Ride
- High Occupancy Vehicle (HOV) Lane

Note: This proposed network is for a buildout scenario.

0 8 Miles

Sources: MAG, ADOT, ALRIS, Maricopa County, Pinal County, City of Casa Grande, City of Goodyear, City of Maricopa, Town of Gila Bend; 2007

February 4, 2009

Figure 1: Framework Recommendation Alternatives Considered

With extensive input from the Funding Partners, members of the larger Study Review Team (SRT), and other stakeholders throughout the area, the study team developed eight transpor-

tation network alternatives (including a no-action alternative) that encompassed all surface travel modes. The alternatives were designed to:

- Connect and complete planned networks creating a seamless regional roadway system. Elements of

the system come from numerous plans and studies, such as the Pinal County Regionally Significant Routes for Safety and Mobility Plan, City of Maricopa Regional Transportation Plan Update, Casa Grande Small Area Transportation Study,

Goodyear Sonoran Valley General Plan Amendment, and ADOT North-South Freeway Corridor Study.

- Develop a framework for areas with no existing or planned roadway network.
- Create a regional functional classi-

fication system of freeways, arterial roadways, and intermediate facilities known as Arizona parkways. The study team developed traffic performance data, using available travel demand models from MAG and Pinal County, to evaluate the perfor-

mance of a network and narrow the alternatives from eight to four. Following additional rounds of travel demand modeling and performance evaluation, the study team completed detailed study of the four final alternatives and, through an analysis process that weighed the results against evaluation criteria, established the framework recommendation that is the subject of this newsletter. For information about the specific alternatives used to establish this project's recommendation, please visit www.bqaz.org and click on the I-8 and I-10 Hidden Valley tab and Conceptual Framework.

Framework Recommendation

The framework recommendation (Figure 1) is a blend of the final four alternative networks studied by the project team. The recommendation is multi-modal, featuring expanded and new high-capacity surface corridors to accommodate the anticipated travel demand. In addition to the proposed roadways, dedicated transit corridors would facilitate travel into the major employment centers of Metropolitan Phoenix and Tucson, as well as between activity hubs in the Hidden Valley. The framework is designed to:

- Meet the long-range mobility needs of the Hidden Valley region, in a manner consistent with adopted transportation and land use plans.
- Introduce new travel corridors for improving and providing linkages between existing and proposed communities in the Hidden Valley, balanced against the known natural and built environment.
- Accommodate travel demand in a sustainable and environmentally responsible manner, using context-sensitive solutions such as grade-separated wildlife crossings and "scenic ways" across visually attractive landscapes.
- Lay the foundation for local and regional multi-modal planning,