

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

July 21, 2008  
MAG Offices, Cholla Room  
302 N. 1<sup>st</sup> Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Mary Manross, Scottsdale, Chair  
Vice Mayor Peggy Neely, Phoenix, Vice Chair  
Mayor Thomas L. Schoaf, Litchfield Park, Treasurer  
Mayor Hugh Hallman, Tempe  
Mayor James M. Cavanaugh, Goodyear  
Mayor Marie Lopez Rogers, Avondale  
Mayor Steven M. Berman, Gilbert

\* Not present

# Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Mary Manross at 12:03 p.m. Chair Manross stated that public comment cards were available for those members of the public who wish to comment. She noted that transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Manross noted that, according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards and stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Mayor Manross noted that one public comment card was received from Ms. Susan Siggy for item #5.

3. Consent Agenda

Chair Manross noted that prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. There were no public comment cards received.

Mayor Schoaf stated he had a question for item #3E. He asked for clarification if the salary of \$80,000 requested was for a six-month position.

Mr. Smith responded that the position would pay \$80,000 and that the prospective candidate possesses the technical knowledge and familiarity with the internal processes of the Arizona Department of Transportation (ADOT) to assist MAG's member cities with their projects during the piloted six-month position.

Mayor Schoaf requested to hear item #3E separately.

Mayor Schoaf moved to approve items #3A through #3D on the consent agenda. Mayor Berman seconded the motion.

3A. Approval of the May 19, 2008 Regional Council Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the May 19, 2008, Regional Council Executive Committee meeting minutes.

3B. Consultant Selection for Phase II of the MAG Commuter Rail Strategic Planning Consulting Services Project: Grand Avenue Commuter Rail Corridor Development Plan

The Regional Council Executive Committee, by consent, approved the selection of URS Corporation to develop the Grand Avenue Commuter Rail Corridor Development Plan for an amount not to exceed \$600,000.

The FY 2009 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2008, includes funding to prepare a Grand Avenue Commuter Rail Corridor Development Plan. Key project tasks include coordinating the study effort with BNSF Railway, evaluating current and future conditions, identifying operating and capital requirements, and defining financial requirements. The original Request for Qualifications (RFQ) for the MAG Commuter Rail Strategic Planning Consulting Services project was issued on July 14, 2006. The URS Corporation was selected to prepare the Commuter Rail Strategic Plan, which was accepted by the MAG Regional Council on April 23, 2008. As outlined in the RFQ, MAG reserved the right to retain the consultant selected for Phase I work for future phases of the overall project. However, as specified in the RFQ, future phases of the project were the subject of separate contracts to be authorized at a future date by MAG. The Grand Avenue Corridor was identified in the Commuter Rail Strategic Plan as the initial corridor to be studied by MAG. MAG developed a project scope of work and issued a project proposal request to URS Corporation on June 2, 2008. URS Corporation provided a response to the scope of work, which was reviewed by a multi-agency review team on June 20, 2008. The evaluation team recommended to MAG that URS Corporation be selected to develop the Grand Avenue Commuter Rail Corridor Development Plan for an amount not to exceed \$600,000. On the July 9, 2008, the MAG Management Committee, by consent, approved this item for action.

3C. Amendment to the FY 2009 MAG Unified Planning Work Program and Annual Budget to Accept Funding from the Virginia G. Piper Charitable Trust for the MAG Transportation Ambassador Program

The Regional Council Executive Committee, by consent, approved to amend the FY 2009 MAG Unified Planning Work Program and Annual Budget to accept \$20,000 from the Virginia G. Piper Charitable Trust for the MAG Transportation Ambassador Program.

On June 25, 2008, MAG was notified that the Virginia G. Piper Charitable Trust will grant MAG \$20,000 to support the implementation of the MAG Transportation Ambassador Program that was included in the FY 2009 MAG Unified Planning Work Program. On the July 9, 2008, the MAG Management Committee, by consent, approved this item for action.

3D. Amendment to the MAG FY 2009 MAG Unified Planning Work Program and Annual Budget to Provide Funding to ASU for a Light Rail Economic Impact Study

The Regional Council Executive Committee, by consent, approved to amend the MAG FY 2009 MAG Unified Planning Work Program and Annual Budget to hire the School of Planning at Arizona State University (ASU) to provide a Light Rail Economic Impact Study at a cost of \$24,852.10.

Light rail is one of the largest single infrastructure investments the Phoenix metropolitan area has ever made. Its impacts on the economy are of great interest to the cities, businesses and citizens it affects. To understand these impacts, MAG is proposing to hire the School of Planning at Arizona State University (ASU) at a cost of \$24,852.10. MAG approached the School of Planning and the Department of Finance and Real Estate at ASU as well as the University of North Texas, all of whom have expertise in economic impact studies. Only the School of Planning at ASU responded positively to the request for further information. ASU students, under direction from the faculty of the School of Planning, would collect the data required. Faculty would analyze it and provide advice to MAG. MAG federal funds would be used for this purpose. On the July 9, 2008, the MAG Management Committee, by consent, approved this item for action.

3E. Request to Amend the FY 2009 MAG Unified Planning Work Program and Annual Budget for a MAG Transportation Associate and Human Services Transportation Planner I

Mayor Schoaf asked what direct dollar benefit would come to MAG from the position being requested.

Mr. Smith noted that MAG has had a history of an ongoing number of projects that are not completed through the Arizona Department of Transportation (ADOT) process. He added that there is culpability on the part of the cities as well as with ADOT. Mr. Smith asked Mr. Anderson to add further comment pertaining to the request.

Mr. Anderson stated that the individual being considered for the position is a former ADOT employee who established the local government section responsible for reviewing and approving the local government transportation projects funded with federal funds, in

particular such projects included Congestion Mitigation and Air Quality (CMAQ), paving dirt roads, pedestrian, and multi- use path projects. Mr. Anderson noted that the processes at ADOT are fairly complicated to navigate and that many member agencies, especially smaller jurisdictions, do not have the resources or time to understand them. He stated that the intent of the position is to assist the member agencies with ADOT and obligate their projects in an expedited manner, particularly air quality projects such as paving dirt roads. Mr. Anderson stated that MAG staff is not able to address currently this area due to workload demands and hoped that the addition of this position would implement a timely process.

Chair Manross asked if there were any other questions.

Mayor Schoaf expressed concerns regarding the demand for the position and that it could be possible that this could benefit individual cities who had projects. He added that he did not believe all members of MAG should pay for the position if they did not receive a direct benefit.

Chair Manross stated that she disagreed and that although the salary was \$80,000 for an initial six-months, that the position required specific criteria in terms of expertise and experience. She added that it was clear this type of assistance was needed at MAG. Chair Manross stated many communities in MAG would benefit from the assistance and noted her support.

Mr. Smith stated that the position requested was for a six month trial period. Chair Manross asked if it was to see if it was worthwhile. Mr. Smith stated yes.

Mayor Berman asked if the individual hired would be establishing procedures or facilitating projects.

Mr. Smith stated that the procedures currently exist. He noted that many of the cities are having difficulty understanding the process and submitting projects early enough to complete them. Mr. Smith stated that creating workshops and working closely with the cities to review the procedures may help them successfully obligate their projects.

Mr. Anderson stated that staff had initially thought of funding a position at ADOT to work on MAG specific projects. He noted that the federally funded program exceeds \$100 million and that the organization carried over approximately \$40 million in projects last year. Mr. Anderson stated that MAG can do a better job with additional resources because currently staff is fully committed and does not possess the expertise to assist the member agencies with this program.

Mayor Cavanaugh motioned to approve to amend the FY 2009 MAG Unified Planning Work Program and Annual Budget for a MAG Transportation Associate for \$80,000 and for a Human Services Planner I position.. Vice Mayor Neely seconded the motion. The motion carried 6-1, with Mayor Schoaf voting no.

Mr. Smith noted that MAG continues to experience difficulty filling an air quality position and will be looking to reclassify one of the positions and will issue an open procurement process.

4. River of Trade Corridor Coalition Membership

Chair Manross introduced Mr. Nathan Pryor, MAG Senior Policy Planner. Mr. Pryor stated that on May 14, 2007, the Executive Committee approved MAG's trial membership with the River of Trade Corridor Coalition (ROTCC). He noted that the membership did not include an associated fee but an obligation that MAG would host a quarterly meeting during the year. Mr. Pryor stated that MAG met this obligation and hosted a ROTCC meeting in conjunction with the Arizona Transportation Summit at the Wigwam Resort in May 2008. He stated that the summit was well attended with approximately 100 attendees including some ROTCC members. Mr. Pryor noted that MAG's current membership is expiring and may be considered for renewal.

Chair Manross asked what action was needed concerning this item.

Mr. Smith stated that last year MAG budgeted approximately \$7,000 to address costs associated with hosting a meeting for the ROTCC. He noted that staff was able to obtain sponsorship to address the costs incurred for this meeting. Mr. Smith stated that in addition to hosting a meeting for the ROTCC, former MAG Chair Cavanaugh had wanted to hold an Arizona Transportation Summit and therefore both events were combined. He added that there were no funds budgeted for this in this year's budget, but that it was not likely that MAG would be requested to host another ROTCC meeting this fiscal year. He noted that the ROTCC is influential nationally in the reauthorization effort for the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Mr. Smith also stated that MAG could decide whether or not to renew its membership and whether to host another transportation summit or a megapolitan conference in the coming year. He noted that a greater number of the ROTCC membership had been expected at the Arizona Transportation Summit. Mr. Smith asked Mr. Pryor how many ROTCC members had been projected to attend and how many were able to participate.

Mr. Pryor stated that the ROTCC had guaranteed 40 members to attend their meeting and their attendance resulted in approximately 20 members.

Chair Manross asked if that indicated whether their members were losing interest or whether the organization was viable.

Mr. Smith stated that it was unknown whether the economic climate had any effect on the turnout expected. He noted that as a result MAG had guaranteed more people than participated and would have been financially responsible if the sponsorship had not been able to cover those costs.

Vice Mayor Neely asked the benefit of membership to MAG after evaluating the ROTCC program.

Mr. Pryor stated that the membership provided MAG national exposure during the Transportation Summit which focused on statewide issues and an opportunity to connect with the national priorities of the ROTCC.

Vice Mayor Neely stated that she understood the summit was very well attended and that she believed there was a benefit on the state level to continue that effort. She added that the ROTCC meeting was not as well attended as the summit and therefore appeared to not reflect the same energy. She asked Mr. Pryor if he agreed with that assessment.

Mr. Pryor stated yes.

Vice Mayor Neely stated that the membership in the ROTCC over the past year was a pilot effort. She asked if the ROTCC could be joined by individual cities if there was an interest in participating rather than MAG as an entity?

Mr. Pryor stated that could be possible.

Vice Mayor Neely suggested that there appeared to be great interest and a benefit to a statewide effort. She asked whether individual cities might take the opportunity to evaluate if they would like to participate with the ROTCC.

Mayor Cavanaugh stated that his interest in hosting a transportation summit in Arizona resulted from his experience at the summit in Texas. He stated that it is important that the Phoenix area addresses the transportation issue. Mayor Cavanaugh added that he hoped in 10 years the Phoenix area would be competitive with Arlington to host a large scale transportation summit attracting experts from throughout the country. He noted that Interstate 10 (I-10) is the corridor of the ROTCC's initiative and needs to be acknowledged by the Phoenix area because of its logistical importance in the delivery of commerce and goods to and from Long Beach, California. Mayor Cavanaugh stated that there is value in being a partner with the ROTCC and that he has been impressed with the leadership. He did not anticipate MAG would be requested to host another meeting for several years and that there are no dues assessed. Mayor Cavanaugh expressed that due to Phoenix' logistical importance on the I-10 corridor and the importance of committing to moving transportation forward that the investment is minimal.

Chair Manross stated that it appeared worthwhile to stay connected with the organization.

Mayor Cavanaugh stated that as an individual city, Goodyear was not capable to host a meeting on behalf of the ROTCC and that MAG could. He stated that he would like to give the relationship another year or two and see what develops.

Chair Manross asked the Committee for other comments.

Mayor Hallman asked what the out of pocket cost would be to remain a member for the next year. Mr. Smith stated that there is no membership fee. He added that the membership includes agreeing to host a ROTCC meeting. Mr. Smith stated that the likelihood of that

request in the next 12 months is minimal. He expected that the ROTCC would call and request the leadership to attend certain functions about every quarter.

Mayor Hallman motioned to approve MAG remaining involved with the ROTCC on the condition that MAG would not host a meeting this year. Mayor Cavanaugh seconded the motion. The motion passed unanimously.

5. Regional Office Center Update and Project Alternatives

Mr. Smith reviewed the Regional Office Center (ROC) project timeline. He noted that in March 2006 the MAG Regional Council approved the 1<sup>st</sup> Avenue and McKinley site and authorized MAG to enter into a lease to purchase contract. Mr. Smith stated that the project was reprocurd due to concerns by one of the agencies. He stated that the project to co-locate the agencies is currently being considered at the 1<sup>st</sup> Avenue and McKinley site and two other alternative sites: 111 W. Monroe and 210 E. Earll. Mr. Smith stated that the agencies reorganized the working group and included the board chairs from the three partnering agencies, MAG, the Regional Public Transportation Agency (RPTA), and Valley Metro Rail (METRO), and the Arizona Municipal Water Users Association (AMWUA). He stated that at the June 23, 2008 Regional Office Center Working Group meeting, the consensus of the working group was to take the 210 E. Earll location back to each agency board for further consideration. At that time METRO indicated that as a rail agency, the organization preferred a site on the light rail line and expressed concerns regarding conditions of their current lease situation. On July 16, 2008, the METRO board elected to not participate in a ROC at the 210 E Earll building at this time, and requested staff to provide additional information pertaining to the two other site alternatives for future review. On July 17, 2008, the RPTA board voted to further explore and consider the 210 E. Earll building as a possible site for a ROC with MAG, METRO and AMWUA. Mr. Smith noted that the Phoenix City Council recommended supporting a downtown location for the building and the Earll location is not considered a downtown location. He stated that relocating to the Earll location would not include an exemption from the Government Property Lease Excise Tax (GPLET). Mr. Smith added that staff had prepared a comparative and financial update which may be appropriate to discuss in an executive session if the Committee wished to do so.

Chair Manross thanked Mr. Smith for the update. She noted there was one public comment card for this item. Chair Manross introduced Ms. Susan Siggy.

Ms. Siggy, Managing Principal, Broadreach Capital Partners, discussed a proposal pertaining to the Grace Court property at 7<sup>th</sup> Avenue and Van Buren as a possible location for MAG. She noted various advantages of the Grace Court site and asked the Committee to consider the site as locations for MAG were developed. Ms. Siggy stated that Grace Court is a ten-acre campus and a flexible location to locate MAG or additional entities. She noted that the buildings are new-build and in shell condition that could be built out at the developer's cost and according to the tenant's specifications. Ms. Siggy added that there is an abundance of parking onsite and is near light rail. She noted that the developer would be willing to develop and operate a green shuttle to and from the light rail stop should it be desirable to the tenant. Ms. Siggy discussed the economic advantages of leasing or purchasing depending

on the number of buildings occupied. She also noted the approximate net present value and savings for occupying the existing facilities versus building a new building. Ms. Siggy stated that she had copies of her proposal available for distribution.

Chair Manross asked if there were any questions.

Vice Mayor Neely requested a copy of the proposal.

Mayor Cavanaugh asked how much would be permitted for tenant improvements (TI). Ms. Lillian Kud, Broadreach Capital Partners, stated that the developer was very flexible. She noted that the average TI is approximately \$40 per square foot. Ms. Kud added that the developer could build out the space needs as identified in the proposal.

Ms. Kimbrough asked how long of a lease would be required to acquire the \$40 per square foot for the TI. Mr. Kevin Callighan, C.B. Richard Ellis, stated there was flexibility. He noted possibly more than five but less than ten years.

Ms. Chávez asked the current status of the parking garage and how many spaces were available. Ms. Siggy stated that the garage was currently under construction and included approximately 808 parking spaces, in addition to 188 surface parking spaces. She noted that the parking ratio is 3.3 spaces per 1,000 square feet which exceeds most downtown parking ratios and the number of spaces would depend on the square footage occupied.

Chair Manross thanked Ms. Siggy for the information and her comments. She stated that MAG had worked diligently on this effort for a long time. Chair Manross asked the Committee if they had any questions for staff or if it was time to move forward and possibly go into executive session.

Vice Mayor Neely stated that she would like to talk about where various processes were regarding the 1<sup>st</sup> Avenue and McKinley site and stated that it warranted going into executive session.

Vice Mayor Neely moved to adjourn the Executive Committee meeting and go into executive session. Mayor Cavanaugh seconded the motion. The motion passed unanimously.

Chair Manross recessed the Executive Committee meeting at 12:35 p.m. for the purpose of going into executive session.

Chair Manross reconvened the Executive Committee at 12:54 p.m.

Vice Mayor Neely stated that now is the time for MAG to consider taking care of itself. She made a motion to direct staff to do the following: 1) Negotiate an approximate two and a half year extension of the current lease at the 302 N. 1<sup>st</sup> Avenue building, including the available space on the 1<sup>st</sup> floor of the building, with the lease including favorable early termination provisions that will allow MAG to pursue other long term rent-to-own, rent or own/build options in the downtown corridor; 2) Terminate the Memorandum of Cooperation and appropriate agreements at 1<sup>st</sup> Avenue and McKinley. Mayor Lopez Rogers seconded the motion.

Ms. Bisman asked for clarification regarding dealing with the agreements.

Vice Mayor Neely stated that they would be terminated now that MAG would be moving forward as a sole entity.

Mayor Schoaf asked to what geographical area the downtown corridor referred.

Mr. Smith noted that the designated area was 7<sup>th</sup> Street to 7<sup>th</sup> Avenue from McDowell to Lincoln.

Vice Mayor Neely noted that was her intention but was flexible if the Committee wanted to broaden the boundary a little.

Mayor Schoaf suggested that more flexibility be given to staff to possibly consider a possible joint building with the League of Arizona Cities and Towns by the State Capitol.

Chair Manross requested Vice Mayor Neely if she wanted to consider removing words from her previous motion to avoid restriction. She suggested inserting downtown governmental corridor.

Vice Mayor Neely stated she was willing to amend her motion to reflect the new language noting that MAG would no longer be connected with a particular site.

Chair Manross called for a vote.

Vice Mayor Neely questioned whether staff was clear regarding the direction requested.

Ms. Chávez requested from the Chair if it was possible have the motion restated.

Vice Mayor Neely made a motion to direct staff to do the following: 1) Negotiate an approximate two and a half year extension of the current lease at the 302 N. 1<sup>st</sup> Avenue building, including the available space on the 1<sup>st</sup> floor of the building, with the lease including favorable early termination provisions that will allow MAG to pursue other long term rent-to-own, rent or own options in the downtown government corridor not specifying any specific property; 2) Terminate the Memorandum of Cooperation and appropriate agreements at 1<sup>st</sup> Avenue and McKinley.

Ms. Chávez requested clarification of the own provision and whether it included a build option.

Vice Mayor Neely stated yes.

Chair Manross added that every option would be considered.

Chair Manross called for a vote on the motion. The motion passed unanimously.

Vice Mayor Neely stated that she wanted to publicly recognize that MAG staff had done outstanding job managing the project effort. She stated that the motion was not a reflection of performance from staff. Vice Mayor Neely noted that the Committee should commend staff for an outstanding effort to co-locate the agencies.

Chair Manross agreed with Vice Mayor Neely. She stated that this was a learning experience and that an up front commitment needs to be secured. Chair Manross stated she had supported the vision for the project. She thanked staff and noted that MAG will move ahead on its own endeavor.

Mr. Smith asked whether an August meeting was needed. He noted that Management Committee and the Transportation Policy Committee August meetings had been canceled and he expected Regional Council to also be canceled.

Chair Manross stated that there would be no August meeting of the MAG Executive Committee.

Chair Manross called for a motion to adjourn. Mayor Hallman made a motion to adjourn. Mayor Berman seconded the motion. The motion passed unanimously.

7. Adjournment

There being no further business, the Executive Committee adjourned at 1:00 p.m.

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Chair

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Secretary