

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
February 11, 2009
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Charlie McClendon, Avondale, Chair
Patrice Kraus for Mark Pentz, Chandler
Matt Busby for George Hoffman,
Apache Junction
Jeanine Guy, Buckeye
* Jon Pearson, Carefree
* Usama Abujbarah, Cave Creek
Dr. Spencer Isom for B.J. Cornwall,
El Mirage
Alfonso Rodriguez for Phil Dorchester,
Fort McDowell Yavapai Nation
Rick Davis, Fountain Hills
Rick Buss, Gila Bend
* David White, Gila River Indian Community
George Pettit, Gilbert
Jessica Blazina for Ed Beasley, Glendale
Romina Korkes for John Fischbach, Goodyear
RoseMary Arellano, Guadalupe
Darryl Crossman, Litchfield Park

Christopher Brady, Mesa
Jim Bacon, Paradise Valley
Carl Swenson, Peoria
Frank Fairbanks, Phoenix
John Kross, Queen Creek
* Bryan Meyers, Salt River Pima-Maricopa
Indian Community
John Little, Scottsdale
Randy Oliver, Surprise
Jeff Kulaga for Charlie Meyer, Tempe
Chris Hagen for Reyes Medrano, Tolleson
Gary Edwards, Wickenburg
Mark Hannah for Lloyce Robinson,
Youngtown
Rakesh Tripathi for Victor Mendez, ADOT
Kenny Harris for David Smith, Maricopa
County
David Boggs, Valley Metro/RPTA

- * Those members neither present nor represented by proxy.
- # Participated by telephone conference call.
- + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chair Charlie McClendon at 12:10 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Rick Buss and Matt Busby joined the meeting via teleconference.

Chair McClendon noted that Mr. John Little had been named as Scottsdale City Manager.

Chair McClendon stated that at each place was the packet of materials that was transmitted to members earlier, consisting of the revised agenda, agenda item #5G, revised Attachment 2 for agenda item #5F, and Attachment 4 for agenda item #5F. He added that also at each place, for agenda item #10, was a chart showing Arizona legislation of interest to the MAG region.

Chair McClendon announced that parking garage validation and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Chair McClendon stated that Call to the Audience provides an opportunity to the public to address the Management Committee on 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. Chair McClendon noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations.

Chair McClendon recognized public comment from Dianne Barker, who congratulated Mr. Little on being named City Manager. She expressed appreciation for receiving a ticket for coming to the meeting by public transit. Ms. Barker stated that many members of the public do not know how to use the light rail kiosks and further education is needed. She said that light rail is a smoother ride than a bus and can be faster because it makes fewer stops. Ms. Barker noted that February 14th is Arizona Statehood Day. She stated that the region should ask the consultants to provide the information they already have instead of spending money to conduct new studies for commuter rail. Ms. Barker commented that the stimulus funds the region gets might not be what is expected. Chair McClendon thanked Ms. Barker for her comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported to the Management Committee on items of interest to the MAG region. He stated that the Arizona Department of Environmental Quality (ADEQ) has developed a strawman option for the eight-hour ozone nonattainment boundary. Mr. Smith reported that one year ago, the standard was changed from .08 parts per million to .075 parts per million. He noted that there is a deadline of March 12, 2009, for the Governor to recommend the boundary for the new standard to the Environmental Protection Agency (EPA). He added that the current boundary was set in 2004. Mr. Smith pointed out the new sections proposed and commented that ADEQ is trying to extend the boundary only where necessary. He said that ADEQ is proposing to include some power plants. He stated that a workshop will be held by ADEQ on February 12, 2009, to learn the rationale behind the boundary change. Mr. Smith stated that a new boundary will mean additional requirements for businesses, such as wood furniture factories, fiberglass boat factories, dry cleaning establishments, and service stations, located within the new boundary. He said that the MAG modeling domain for ozone already goes beyond this boundary and captures what would be in the transportation program as it relates to conformity. Mr. Smith stated that the Governor needs to weigh in by March 12th, and the boundary will probably be an item on the Regional Council agenda.

Chair McClendon thanked Mr. Smith for his report. No questions for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair McClendon stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, and #5G were on the Consent Agenda. He reviewed the public comment guidelines for the Consent Agenda. He noted that no public comment cards had been received.

Chair McClendon asked if any member of the Committee had questions or a request to have a presentation on any Consent Agenda item. None were noted.

Mr. Pettit moved to recommend approval of Consent Agenda items #5A, #5B, #5C, #5D, #5E, #5F, and #5G. Mr. Swenson seconded, and the motion carried unanimously.

5A. Approval of January 14, 2009, Meeting Minutes

The Management Committee, by consent, approved the January 14, 2009, meeting minutes.

5B. Recommendation to ADOT's Safe Routes to School Program

The Management Committee, by consent, recommended approval of the ranked list of projects to be submitted to the Arizona Department of Transportation for the Safe Routes to School Program. A total of \$2,255,000 is available statewide for safety improvement projects through grants from the Arizona Department of Transportation's (ADOT) Safe Routes to School (SRTS) Program. The program provides grants to public and non-profit agencies for projects that improve road safety and encourage more K-8 children to walk or bike to their neighborhood schools. This is the third cycle of the program, and grants will be provided to projects that implement infrastructure improvements as well as projects that would involve education, training and encouragement. In response to the ADOT request for proposals announced in October 2008, a total of 17 project applications from the MAG region was received by ADOT. The ADOT proposal review process stipulates that MPOs and COGs must recommend a ranked list of projects to ADOT by February 28, 2009. These recommendations will be considered by a statewide SRTS panel that will make a final recommendation to ADOT. The MAG Transportation Safety Committee reviewed all project proposals, and on January 27, 2009, recommended a ranked list of projects from the region as the MAG recommendation to ADOT.

5C. Pedestrian and Bicycle Design Assistance Programs

The Management Committee, by consent, recommended approval of the following projects for funding for the Pedestrian Design Assistance Program: Phoenix - 11th Street Streetscape in Historic Garfield District (\$80,000); and Fountain Hills - Saguaro Ranch Park (\$70,000); and recommend approval of the following projects for the Bicycle/Shared-Use Design Assistance Program: Tempe/Mesa Rio Salado Shared-Use Path (\$142,000; Buckeye - BID Canal Multi-Use Path (\$58,000); and Glendale - Neighborhood Access Improvements for Multi-Use Pathways (\$50,000). The FY 2009 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2008, includes \$150,000 for the Pedestrian Design Assistance Program and \$250,000 for the Bicycle/Shared-Use Design Assistance program. According to federal law, any project which is not constructed after being designed with federal transportation funds could be required to return the funds used for design to the Federal Highway

Administration. Eight project applications were submitted by member agencies for the program. The MAG Bicycle Task Force, the MAG Pedestrian Working Group, and the Transportation Review Committee recommended the five Design Assistance projects for approval.

5D. MAG Regional Human Services Plan for FY 2010

The Management Committee, by consent, recommended approval of the MAG Regional Human Services Plan for FY 2010, which includes recommending approval of the Social Services Block Grant allocation recommendations and the new human services transportation coordination goals. The MAG Regional Human Services Plan approved by the MAG Regional Council in 2006, has been updated to reflect funding allocation recommendations for the Social Services Block Grant (SSBG) and to identify new human services transportation coordination goals as required by SAFETEA-LU. The plan also presents an assessment of human services delivery in the region while highlighting useful practices implemented by member agencies to address the impact of the economy on human services. On January 8, 2009, the MAG Human Services Technical Committee recommended approval of the SSBG allocation recommendations and the major elements to be included in the MAG Regional Human Services Plan for FY 2010. On January 20, 2009, the MAG Human Services Coordinating Committee recommended approval of the MAG Regional Human Services Plan for FY 2010 including the new human services transportation coordination goals and the SSBG allocation recommendations.

5E. MAG Continuum of Care Regional Committee on Homelessness Regional Plan to End Homelessness

The Management Committee, by consent, recommended approval of the MAG Continuum of Care Regional Committee on Homelessness Regional Plan to End Homelessness. The MAG Regional Plan to End Homelessness, developed by the MAG Continuum of Care Regional Committee on Homelessness, was approved by the MAG Regional Council in 2005. The MAG Continuum of Care Regional Committee on Homelessness, with more than 70 stakeholders, has developed a new Regional Plan that takes a fresh look at the issues surrounding homelessness in the region with goals and action steps to address homelessness in the community. The MAG Continuum of Care Regional Committee on Homelessness recommended approval of the Regional Plan on January 26, 2009.

5F. Development of the FY 2010 MAG Unified Planning Work Program and Annual Budget

Each year, staff develops the MAG Unified Planning Work Program and Annual Budget. The Work Program is reviewed each year by the federal agencies and approved by the Regional Council in May. A review of the detailed draft Work Program and Budget is scheduled for March. This presentation is an overview of MAG's early FY 2010 proposed projects for the FY 2010 Work Program. The Budget Workshop, which will also be available via Webinar, is scheduled for Wednesday, February 19, 2009, at 1:30 p.m. in the MAG Palo Verde Room. The draft Dues and Assessments increase each fiscal year is calculated using the average CPI-U from the prior calendar year. Because of the uncertainty of economic conditions beginning with the FY 2009 Work Program, Dues and Assessments were not increased between FY 2008 and 2009. With the continuing uncertainty of economic conditions for MAG member agencies, MAG staff is proposing an overall reduction in the FY 2010 draft Dues and Assessments of fifty percent with

changes for individual members because of population shifts. Information for this presentation of the developing budget is included for early review and input. Attachment One is the time line for budget development. Attachment Two is the draft Dues and Assessments for FY 2010. Attachment Three is the Budget Workshop invitation. Attachment Four is the Proposed New Projects for FY 2010. This item was on the agenda for information.

5G. Amendment to the FY 2009 MAG Unified Planning Work Program and Annual Budget to Provide Additional Funds for the MAG Intelligent Transportation Systems and Safety Services On-Call Services Consultant Project

The Management Committee, by consent, recommended amending the FY 2009 MAG Unified Planning Work Program and Annual Budget to provide \$20,000 of MAG Surface Transportation Program funds to the MAG Intelligent Transportation Systems and Safety Services On-Call Services Consultant Project for ITS Planning Services to provide a technical review of the roles and responsibilities for the Regional Community Network developed by the MAG ITS Committee and the MAG Technology Advisory Group. On May 28, 2008, the Regional Council approved the FY 2009 MAG Unified Planning Work Program and Annual Budget (UPWP). The UPWP included funding for Intelligent Transportation Systems (ITS) and Safety Services on-call services. On June 25, 2008, the Regional Council approved a list of consultants for ITS and Safety consultants. One of the areas approved in the on-call list was for ITS Planning. Work in the ITS area has been launched, and additional funding (\$20,000) is needed in this area. The proposed project will use the existing on-call consultant services to review and finalize the technical aspects of a document developed by the MAG ITS Committee and the MAG Technical Advisory Group describing the roles and responsibilities for the MAG Regional Community Network (RCN). The RCN is a telecommunications network using fiber optic communications. The primary purpose of this network is to enable the sharing of video images of traffic cameras, traffic management data, and other information between state, regional, and local agencies that are responsible for day-to-day operation and management of the multimodal transportation system in the Phoenix metropolitan region.

6. Transportation Planning Update

Eric Anderson, MAG Transportation Director, provided a report on the process to update the freeway program component of the Regional Transportation Plan. Mr. Anderson stated that the December 2008 sales tax revenue, based on November 2008 business activity, is down 14.8 percent compared to December 2007, and the year-to-date revenue for the first six months of this fiscal year is down 11.2 percent compared to the same period last year. Mr. Anderson stated that revenues have declined for the past 14 months. He noted that for the past four months, the rate of change has grown more negative, and added that the decline has not ended yet.

Mr. Anderson displayed a chart of the eight major sales tax categories, which account for about 80 percent of taxable sales in Maricopa County. He said that motor vehicle dealer sales peaked in December 2006 at more than \$700 million, and that figure is down to almost \$300 million, a 54 percent reduction. Mr. Anderson noted that furniture and building materials sales are down about 25 percent over the past two years. He said that overall, sales in the eight categories were down about 20 percent in December 2008 from December 2006, and commented that the downturn in the housing market, the rate of foreclosures, the lack of credit, and the lack of

consumer and business confidence have affected the sales tax revenue. Mr. Anderson remarked that he felt there would be substantial foreclosures in the commercial real estate market in 2009 into 2010.

Mr. Anderson provided a comparison of the sales tax projections, by saying that the revenue forecast in November 2003 when the RTP was approved, was about \$14.8 billion. He stated that this number held until November 2008, when the forecast was \$13.6 billion. Mr. Anderson advised that ADOT is working on a revised forecast, which is anticipated to be about \$11.7 billion. He remarked that the reduction could have an impact of \$1 billion to \$1.1 billion to the freeway program and about \$600 million to the transit program over the life of the tax to 2025.

Mr. Anderson showed a summary of freeway revenues and costs that were presented to the Transportation Policy Committee and Regional Council in January. He stated that the deficit, shown at about \$5.1 billion, is expected to be about \$6 billion in the revenue forecast being revised by ADOT.

Mr. Anderson stated that the Highway Users Revenue Fund (HURF) is down 6.3 percent for the first six months of this fiscal year and seven percent below forecast, which equates to about \$125 million. Mr. Anderson advised that because much of the HURF revenue is composed of fuel and vehicle taxes, decreases in the fund cannot be recovered. He said that when there is a recession, people hold on to their money, and when it lifts, there is a resurgence in purchasing goods; however, a vehicle is not going to drive twice the distance because the recession ended, and those taxes cannot be recovered. Mr. Anderson stated that ADOT is also revising the HURF forecast and it is expected to decrease, which will increase the Plan deficit. Mr. Anderson remarked that it is difficult to revise a program when the numbers are still changing.

Mr. Anderson reviewed recent and current activities. He said that an Inner Loop Peer Review was convened to look at corridor options in the Central Phoenix core. Mr. Anderson stated that the purpose was to look corridor by corridor to see what can be done differently to save money and still provide the mobility needed. Mr. Anderson stated that some preliminary results were provided by the panel, such as a need to focus on system performance rather than indicators on a given corridor. He said that another recommendation is to address the issue at the Stack interchange. Mr. Anderson explained that I-17 and I-10 both depend on the Stack interchange, and congestion is created if volume is added but the impact is not addressed upstream or downstream. He noted that there is a big push to better integrate multi-modal concepts, including high capacity transit, better utilization of the arterial streets system, and advancement of the freeway management system to optimize freeway operations. Mr. Anderson commented that a 10 percent to 20 percent increase in freeway capacity might be realized by some inexpensive improvements to operations, such as ramp meters, cameras, etc.

Mr. Anderson stated that they are looking at what might be viable options, such as the Arizona Parkway, for some of these corridors. He noted that the Arizona Parkway could provide mobility at a much lower cost, for example, a freeway costs about \$90 million to \$120 million per mile and an Arizona Parkway costs about \$20 million to \$40 million per mile. Mr. Anderson also noted that the Arizona Parkway, with its indirect left turn, has a better safety record than an arterial street.

Mr. Anderson reviewed some options that could be considered for the South Mountain and SR-801 corridors, including continuing with current plans to build a six-lane interim facility and obtain right of way for an ultimate ten-lane facility, construct as an Arizona Parkway in freeway right of way, or not build it at all. He said if the South Mountain was built as an Arizona Parkway, in parkway right of way, less land would be needed, fewer residences and businesses would require relocation, and there would be a more compatible feel with neighborhoods. Mr. Anderson noted that a parkway has less capacity at 100,000 vehicles per day than a full freeway, which carries about 150,000 vehicles per day.

Mr. Anderson stated that decisions are interrelated, and a change in a concept has consequences to other facilities. He noted that there has been some relief on the cost side, but so far, there is not enough historical data on bids to change the project cost amounts.

Mr. Anderson stated that three program scenarios were developed that might be considered: the Trend Line scenario, the Maintain the Budget scenario, and the Blend scenario. Mr. Anderson noted that originally the timeframe to complete the process to balance the program was given as April 2009, with approval of the Plan update in July, however, this now seems too ambitious due to unstable revenue and the work on options. Mr. Anderson indicated that a summer wrap-up is now anticipated, with approval of the Plan update in the Fall.

Mr. Smith asked Mr. Anderson to report on the two projects that staff is recommending being accelerated and why they are important. Mr. Anderson stated that the Development Dynamic Simulator model would provide more detail on how systems are operating, test operational scenarios, and options for improvements. He said that the model is fairly expensive to develop because it needs additional data for its operation. Mr. Anderson advised that the model will help in very complicated areas that consist of many different traffic movements. He said that the second project is the Central Area Framework Study, which would be similar to the studies done in other areas of the Valley. Mr. Anderson explained that the study would look at how the transportation system operates overall and how freeways, streets, and transit interact. He said that this study, along with the simulation model, could significantly improve mobility in the central core.

Mr. Harris asked if the South Mountain was built as a parkway would it be designed for truck loading or as a bypass. Mr. Anderson replied that they would look at how to handle truck traffic. He said that the bulk of traffic is non-truck traffic, but some through trucks would use it. Mr. Anderson added that if the South Mountain is built as less than a full freeway, improvements might be required to compensate for increased demand on other facilities. He noted that truck traffic might be diverted if the South Mountain becomes a parkway.

Mr. Fairbanks commented that if someone sees the South Mountain as a truck diversion route, it is going to be more difficult to construct because the neighbors on that route are adamantly opposed to that concept.

Chair McClendon noted that the illustration of the Arizona Parkway did not show landscaping. He asked if the cost of the parkway assumes there will be landscaping. Mr. Anderson replied that the cost includes landscaping, and added that the landscaping was edited out of the illustration in order to better show the design.

7. Federal Economic Recovery/Stimulus Update

Nathan Pryor, MAG Senior Policy Planner, reported on the federal economic stimulus package now moving through Congress. He said that MAG staff began working with member agencies last fall to compile information about local transportation and infrastructure projects that are in need of funding and to address the timeliness of the projects. Mr. Pryor noted that more than 750 projects totaling about \$7.4 billion have been compiled, of which about \$3.8 billion are transportation projects. He reported that MAG staff has met with the Arizona Congressional delegation and has worked with national and state associations. Mr. Pryor stated that the MAG Transportation Review Committee (TRC), the TRC Working Group, and a transit working group have been meeting to prepare project lists in anticipation of the stimulus package.

Mr. Pryor reviewed a possible timeline, by saying that the approval of the bill is expected within one week, possibly followed by a public review period. He said that there was discussion of posting the bill online in a searchable format to allow transparency to the public. He noted that the House version of the bill designates that the money would flow seven days after enactment and the Senate version is largely silent – just to spend the funds as soon as possible. Mr. Pryor stated that the TRC Working Group will meet on February 17th at 1:30 p.m. at MAG, and added that emergency meetings might need to be called. He stated that the February 25, 2009, Regional Council meeting is being targeted for a possible approval of the TIP amendment and conformity consultation.

Mr. Pryor reviewed the House and Senate versions of the bill, and noted they are subject to change. He said that the House version includes about \$522 million and the Senate version includes about \$502 million for highway infrastructure. Mr. Pryor stated that the House version provides that Metropolitan Planning Organizations (MPOs) have 75 days to obligate 50 percent of the stimulus funds, or lose the funds. He noted that the Senate version provides for up to one year for the MPOs to obligate the funds. Mr. Pryor stated that the Senate version includes a \$5.5 billion competitive grants program for transportation, which is not shared in the House version. He noted that FHWA has indicated there will be quarterly reports on the dollars spent, where the dollars were spent, and the jobs created.

Eileen Yazzie, MAG Transportation Program Manager, reported that the stimulus funds are ADOT Highway State Discretionary funds, and the State Transportation Board is still working out the details of the percentage that could come to the MAG region. She said that of the highway projects on the MAG list, nine projects are A status, which means they are currently in the TIP, 12 projects are B status, which means they are not currently in the TIP but could be amended in without having to follow a conformity process, and one project is not in the TIP, which might cause a determination of conformity. Ms. Yazzie noted that these projects will need prioritization because they total \$368 million and the MAG region will not receive that amount from the stimulus package. She noted that RPTA has also been holding meetings on transit projects, and their list includes 80 transit projects totaling \$1.8 billion, which again is higher than the amount expected to be received from the stimulus package.

Ms. Yazzie explained that the remainder of her presentation would focus on the suballocation of funds, which is where local agencies can benefit. She noted that some projects are ineligible under federal requirements, and explained that the federal eligibility criteria, federal requirements,

and TIP status will be considered in preparations to program the MAG suballocation. Ms. Yazzie stated that criteria to be used in project selection are still under discussion.

Ms. Yazzie stated that a Conference Committee will work out the differences between the House and Senate versions. She explained that the House version includes a wider range of program funds – STP, Bridge, Federal Aid Systems, Interstate Maintenance, Planning, Safety, and CMAQ funds – and the Senate version includes only two program funds – STP and CMAQ funds. Ms. Yazzie stated that for a project to be eligible for STP funds, it must be on a functionally classified roadway, and added that in general, local and residential streets are not in the system. She displayed a partial map of functionally classified roadways. Ms. Yazzie mentioned that for the past year, ADOT, FHWA, and MAG have conducted a collaborative process to classify roadways. She stated that CMAQ funds can be used for a wider variety of projects as long as they have air quality or congestion benefits.

Ms. Yazzie stated that there are many factors to consider when programming projects, not only to be ready to obligate projects, but also to be prepared to spend funds that other states and regions do not spend. Ms. Yazzie stated that there have been a lot of questions as to whether the stimulus funds could be used to replace local, state, or other federal funds, and noted that the funds would still need to be used on transportation in the same jurisdiction and within the same time period as originally planned. She also noted that one thing to keep in mind is that the FFY 2009 STP and CMAQ funds still need to be obligated.

Ms. Yazzie displayed a list of possible project selection criteria, in no particular order, which had been discussed at the TRC Working Group meeting. She reported that the Working Group discussed including projects coded A with a balance of projects coded B. Ms. Yazzie noted that the Working Group also discussed at length regional packages of projects that could be dispersed among local agencies.

Ms. Yazzie stated that next steps include the TRC Working Group meeting on February 17th to continue discussion, continuing work with Valley Metro and ADOT, a briefing to the Transportation Policy Committee on February 18th, and possible action on a TIP amendment and conformity consultation by the Regional Council on February 25th. She added that there is the potential for special committee meetings in February and March if necessary.

Mr. Smith asked Ms. Yazzie the amount of highway funds that could be received by the MAG region, and she replied the amount could be in the range of \$102 million to \$147 million. Mr. Smith asked how many A projects were in the TIP. Ms. Yazzie answered there were 53 A projects representing about \$289 million. Mr. Smith stated that programming projects usually takes more time, but taking more time would be at the expense of the member agencies. He said if the programming is not done before the Regional Council meeting on February 25th, it might mean having special meetings or waiting until the Regional Council meeting on March 25th. Mr. Smith commented that all of the details are not known yet, because the legislation has not yet passed. He stated that one option is to fund a list that has been scrubbed down and meets the requirements, then put an amount of money in a regional pot for resurfacing so all of the member agencies can participate. Mr. Smith stated that these are the types of policy issues facing MAG and time is short.

Mr. Smith asked for clarification that ADOT has to obligate the funding faster than MAG. Ms. Yazzie replied that was correct and MAG needs to work with ADOT to identify those projects and get them out by February 25th. She added that transit is also on a tight timeline and has 120 to 180 days to obligate its funds. Mr. Smith stated that MAG has great relationships with FHWA and ADOT. He indicated that FHWA has said it will do all it can to get the projects out, and ADOT has hired consultants to ensure that projects are ready. Mr. Smith remarked that similar efforts to assist this region by FTA Region IX have not been forthcoming and we are within a larger region that needs to process California projects. Mr. Smith stated that it is not MAG's usual process, but at some point, staff might have to make some recommendations in order to have a starting point for discussion because we are almost out of time.

Chair McClendon said that with the timeframe and criteria, no right of way and no utilities, he thought the pool of money for overlays not only might be the easiest to do, but also could replace the type of jobs that have been lost. Chair McClendon expressed that he liked the idea because of the fairness because everyone has streets that need repair. He commented on the criteria slide that seems to rank more highly projects that provide service and enhancement/capacity versus maintenance. Ms. Yazzie stated that the criteria were in random order, and were just ideas for discussion. She noted that this item appears on the list as a result of discussion at the State Transportation Board from a freeway perspective. Ms. Yazzie added that there are additional categories in regional projects, such as ITS, that have categorical exclusions.

Mr. Smith stated that a process would need to be developed if the Regional Council approved a resurfacing pool of money. Ms. Yazzie stated that there was discussion of distributing the funds via the HURF allocation formula, which is based on population, while considering the eligibility to use the funds on functionally classified roadways. She added that member agency staff have already identified roadways that need to be repaved, etc.

Ms. Kraus asked for clarification of the term obligate. Ms. Yazzie stated that the original House bill had language that they would use contract authority, then came back to the current word obligate. She explained that for transportation projects and local projects that means that they received the four clearances – right of way, design, utility, and environmental – and they are approved. Ms. Yazzie noted that there is a difference for transit, and explained that FTA means the grant is awarded and could be anywhere in the process of receiving those four clearances.

Ms. Kraus asked for clarification if supplanted funds obligate in the same time frame. Ms. Yazzie replied they were not sure what the final language will be in the bill, whether it means spent or contracted. She added that currently, staff understand that the funds would be used in the general time period, and noted that the ending period for the House version is October and for the Senate version is one year after enactment.

Ms. Kraus asked if there were projects in the program with other funding sources if the stimulus funds could be used for those projects, which would allow more time to use CMAQ and STP funds. Ms. Yazzie replied that they are still waiting for guidance on the ending period.

Chair McClendon commented that it seems as if it might be easier to use the funds for their intended purpose than to be shuffling money around, but that is open to debate.

Mr. Little commented on the criteria that was shown for discussion purposes, and suggested that the creation of local jobs was the top of the list. He said that economists can agree that the stimulus package would not do what it was intended if it did not create jobs. Mr. Little asked if the criteria and proposed projects had been evaluated through DES and other job creation agencies to see the value of the jobs created. He said that some jobs are more important to create than others. Mr. Little stated that improving the sales tax requires consumer confidence, and even with the supplanting issue, supplant with projects with more consumer confidence-building jobs. Ms. Yazzie stated that Mr. Little's question was asked at the TRC Working Group meeting. She said that an evaluation has not been done, and added that such analyses have a lot of variables; what looks high on one analysis looks low on another. Ms. Yazzie stated that staff could do an analysis if member agencies thought it important.

Mr. Little stated that the stimulus package is using public funds to create jobs that renew consumer confidence, and if it does not create jobs, it is the type of easy money that got us into the recession. He stated that the stimulus funds must be money that works and produces jobs, and he encouraged that an analysis be done about the job creation component.

Mr. Kross expressed his agreement with the pot of money for road resurfacing and asked if environmental clearances would be required on existing roads. Ms. Yazzie replied that none of the federal requirements have been lifted for overlay projects – resurfacing and repair projects. She added that there is a memorandum between FHWA, ADOT, and the local agency that the project would not touch the right of way.

Mr. Kross asked if the ADOT standards for construction apply to the next steps. Ms. Yazzie replied that for locally sponsored projects currently programmed in the TIP, it is an agreement between the jurisdiction and ADOT.

Mr. Harris asked if any paving dirt road projects were included in the list. Ms. Yazzie replied that the majority of unpaved roads are not on the functionally classified system, however, they are eligible for CMAQ funding. She noted that in the detailed project list the County and other jurisdictions identified dirt road paving projects, and added that unpaved dirt roads do not fall into a categorical exclusion because there is no current roadway and they would need environmental, right of way, and utility reviews.

Ms. Guy asked for clarification if the STAN funding was taken out of the stimulus package list before the funds were taken from the MAG region. Ms. Yazzie stated that the three projects funded with STAN funds, I-10, I-17, and Williams Gateway Freeway, were included in these figures. She added that with supplanting, the TIP could be amended by deleting a project and adding it back in, and noted that two of the projects have not been deleted.

Mr. Bacon expressed his support of Mr. Little's comments on the importance of job creation in the criteria. He indicated that with the exception of regional priorities, none are material, and in terms of what matters, only job creation and regional priorities matter, and he encouraged that.

Mr. Brady commented that none of the Management Committee disagrees with that concept, but he would express caution because every developer is trying to prove his job creation. He stated that he did not believe half the numbers they bring to him. Mr. Brady commented that the same

people who said the economy would not fall like it has are the same people who would be doing the projections. He indicated he was supportive, but he wanted to know about direct jobs, not the indirect jobs, and added that the timeframe and validity of some of those studies might make it a challenge.

Mr. Bacon expressed his agreement with direct jobs and said that the focus needs to be job creation.

Chair McClendon stated his agreement. He added that there seems to be known standards, such as how many people are needed to do a mile of mill overlay; it was a matter of putting it together.

Mr. Smith noted that the other issue is how to deal with the STAN funding that got swept. He said that it was clear from the motions at the TPC and Regional Council meetings that these projects would receive priority. Mr. Smith advised that the MAG region received only 46 percent of its STAN funds and other parts of the state received 100 percent of theirs. He remarked that it is unfair if MAG has to make up the difference with its stimulus funds and the question is whether ADOT was going to make MAG whole off the top. Mr. Smith stated that MAG had three projects on their way to being built – I-10 and I-17 were ready to go to bid in October and Mesa did a lot of work on Williams Gateway Freeway. Mr. Smith commented that agreement by the February 25th Regional Council meeting will be a challenge.

Chair McClendon commented that it may mean that everybody needs to give up something in the interest of getting projects out on time to achieve the goal of stimulus package to lift the economy above the recession.

8. Draft MAG Eight-Hour Ozone Redesignation Request and Maintenance Plan

Lindy Bauer, MAG Environmental Director, reported on the Draft MAG Eight-Hour Ozone Redesignation Request and Maintenance Plan. She explained that ground level ozone is a summertime air pollution problem, and said that ozone is formed by chemical reactions that can occur between volatile organic compounds and nitrogen oxides in the presence of sunlight, warm temperatures and minimal wind. Ms. Bauer stated that generally, the primary contributors to ozone are motor vehicle exhaust, gasoline emissions, industrial emissions, chemical solvents, and vegetation.

Ms. Bauer stated that the eight-hour ozone standard of .08 parts per million (ppm) was established by the Environmental Protection Agency (EPA) in 1997, and will continue to apply until this region attains it. She said that in 2004, the Maricopa area was designated a nonattainment area boundary for the .08 ppm standard. Ms. Bauer reported that significant progress has been made to reduce ozone, largely due to federal, state, and local control measures. She advised that no violations of this ozone standard have occurred since 2004.

Ms. Bauer stated that since there have been no violations, the EPA encouraged MAG to prepare a maintenance plan and to request to be redesignated as an attainment area. She explained the four major steps to redesignation. 1) EPA determines that the standard of .08 ppm is attained; 2) EPA determines that air quality improvement is due to permanent and enforceable reductions in

emissions; 3) Clean Air Act requirements for plans have been met; 4) EPA approves the Maintenance Plan.

Ms. Bauer reviewed the Maintenance Plan measures. She said that air quality modeling demonstrates that the eight-hour ozone standard will be maintained through 2025. Ms. Bauer displayed charts that show the impacts of the measures on volatile organic compound emissions and nitrogen oxide emissions to 2025. Ms. Bauer noted that the Maintenance Plan is also required to have contingency measures with extra air quality benefits beyond what is needed to maintain the standard measures, such as federal heavy duty diesel vehicle emissions standards and coordinating traffic signal systems.

Ms. Bauer displayed on a chart the sources of volatile organic compound emissions in 2025, assuming the standard is maintained, and noted that the onroad emissions at 7.1 percent will be used for the budget for conformity. She displayed on a chart the sources of nitrogen oxide emissions and said that the mix is a bit different. Ms. Bauer noted that the onroad emissions at 44.6 percent is also used to determine the conformity budget. She stated that two conformity budgets have been established for the Maintenance Plan. Ms. Bauer noted that they will be used in conformity analyses that begin after the budgets are found to be adequate or are approved in the Plan by EPA.

Ms. Bauer stated that the Draft MAG Eight-Hour Ozone Redesignation Request and Maintenance Plan for the Maricopa Nonattainment Area documents were made available for public review in December 2008, followed by a public hearing in January 2009. She reported that on January 29, 2009, the MAG Air Quality Technical Advisory Committee recommended adoption of the Maintenance Plan.

Chair McClendon recognized public comment from Dianne Barker, who said that she was the only citizen who spoke at the public hearing, and she attended because she is interested in better air quality. Ms. Barker stated that when she served on the Valley Citizens Air Quality Task Force in 1988, information was brought up about changing the chemical compounds in fuel to MTBE. She stated that MTBE produces aldehydes that are carcinogens and mutagens. Ms. Barker stated that she read in the news a report that people are living three years longer because air quality plans are accomplishing their goals. She questioned whether this was true or could it be people are not eating as much fat. Ms. Barker stated that the Legislature put MTBE in gasoline because they said it was too hard to blend ethanol, but was it the politics and those who lobby for that type of gas? Ms. Barker stated that we need to find out the facts. She stated that ITS helps the transportation and transit systems, but we need to find answers as to what is helping or hurting. Chair McClendon thanked Ms. Barker for her comments and asked Ms. Bauer if she wanted to address Ms. Barker's statement.

Ms. Bauer stated that the Legislature passed a bill which banned MTBE in 2000 because it was discovered that MTBE, when mixed with gasoline, was getting into the groundwater.

Chair McClendon noted that Mr. Kross was Chair of the MAG Air Quality Technical Advisory Committee. With no questions from the Committee, Chair McClendon called for a motion.

Mr. Kross moved to recommend adoption of the Draft MAG Eight-Hour Ozone Redesignation Request and Maintenance Plan for the Maricopa Nonattainment Area. Mr. Pettit seconded, and the motion carried unanimously.

9. Legislative Update

Mr. Pryor noted that a summary of bills of interest to the MAG region was at each place. He reported that the Legislature completed the balance of the 2009 state budget, and noted that the transfer of the STAN funds back to the state was a part of that process. Mr. Pryor stated that staff will continue to monitor discussion of the 2010 budget. He said that the Senate has taken a pledge to hold discussion of all bills until the 2010 budget is on its way to legislative action.

Mr. Pryor noted two bills of interest: Senate bill 1261 and Senate bill 1463, which is relevant to public/private partnerships in transportation.

Mr. Smith stated that staff has assembled the paper summary of bills for years. He stated that many jurisdictions have their own contacts for legislative information, but some communities have no intergovernmental representatives. Mr. Smith asked if this paper summary was helpful to those communities and to let him know if compiling the report should be continued.

10. Comments from the Committee

An opportunity will be provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Committee were noted.

There being no further business, the meeting adjourned at 1:25 p.m.

Secretary

Chairman