

**MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING**

September 19, 2007  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

- \* Councilmember Peggy Bilsten, Phoenix, Chair
- Mayor Keno Hawker, Mesa, Vice Chair
- Councilmember Ron Aames, Peoria
- Kent Andrews, Salt River Pima-Maricopa Indian Community
- # F. Rockne Arnett, Citizens Transportation Oversight Committee
- # Vice Mayor Gail Barney, Queen Creek
- # Stephen Beard, SR Beard & Associates
- Mayor Steven Berman, Gilbert
- \* Dave Berry, Swift Transportation
- \* Jed S. Billings, FNF Construction
- \* Mayor Bobby Bryant, Buckeye
  
- \* Not present
- # Participated by telephone conference call
- + Participated by videoconference call

- Mayor James Cavanaugh, Goodyear
- Mayor Boyd Dunn, Chandler
- \* Mayor Hugh Hallman, Tempe
- Eneas Kane, DMB Associates
- Mark Killian, The Killian Companies/  
Sunny Mesa, Inc.
- # Joe Lane, State Transportation Board
- \* Mayor Marie Lopez Rogers, Avondale
- # Mayor Mary Manross, Scottsdale
- \* David Scholl, Westcor
- \* Mayor Elaine Scruggs, Glendale
- \* Supervisor Max W. Wilson, Maricopa County

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Vice Chair Keno Hawker at 4:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Vice Chair Hawker announced that Chair Bilsten had been delayed at a City Council meeting. He noted that Mr. Arnett, Councilmember Barney, Mr. Beard, Mr. Lane, Mayor Manross, and Mayor Shafer were participating by telephone. He welcomed Mayor Shafer to her first meeting as a TPC member.

Vice Chair Hawker requested that members of the public turn in their public comment cards to staff. Transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

### 3. Call to the Audience

Vice Chair Hawker stated that an opportunity is provided to the public to address the Transportation Policy 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. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard. It was noted that no public comment cards were received.

### 4. Approval of Consent Agenda

Vice Chair Hawker stated that public comment is provided for consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. Vice Chair Hawker recognized public comment from Steve Dreiseszun, President of the F. Q. Story Historic District, who noted he has spoken to this body before. Mr. Dreiseszun expressed his support for agenda item #4C. He said that I-10 runs through the heart of his neighborhood and it has been an arduous process to get noise mitigation for the issues created by this freeway. Mr. Dreiseszun stated that the challenge in Proposition 400 was getting funds for mitigation goals and then rubberized asphalt took the lion's share of the \$75 million mitigation funds provided. He said that it is important to evaluate the projects that have been submitted and find funds to mitigate the impacts to neighborhoods not affected by right-of-way expansion. Mr. Dreiseszun added that it is very important to his neighborhood. Vice Chair Hawker thanked Mr. Dreiseszun for his comments.

Vice Chair Hawker asked members if they had questions or would like to hear any of the consent agenda items individually. No requests were noted. Mayor Cavanaugh moved to recommend approval of the consent agenda items #4A, #4B, and #4C. Councilmember Aames seconded, and the motion carried unanimously.

#### 4A. Approval of August 20, 2007 Meeting Minutes

The Transportation Policy Committee, by consent, approved the August 20, 2007 meeting minutes.

#### 4B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) Status Report covers the period from January to June of 2007 and includes an update on ALCP Project work, the FY 2008 ALCP schedule, and ALCP revenues and finances. This item was on the agenda for information and discussion.

#### 4C. Proposition 400 Noise Mitigation Funds

On May 24, 2007, MAG issued a solicitation of projects to utilize the remaining \$20 million of noise mitigation funds that were part of Proposition 400. The purpose of the program is to address noise mitigation in residential areas where traffic noise substantially increased due to overall increases in traffic volume on the MAG Regional Freeway System. The original intent of the program was to mitigate noise in areas ineligible for noise mitigation through the normal ADOT process, i.e., areas that are scheduled for roadway improvements through 2025. The five requests that were received are

currently undergoing technical review by the Arizona Department of Transportation (ADOT). The results of the ADOT review and the evaluation of the projects will then be presented to the Transportation Policy Committee for information and discussion. Since the total cost of the requested projects may exceed the available funding, criteria that could be used to rank the projects will also be presented at that time for TPC discussion and possible recommendation on the next steps. This item was on the agenda for information and discussion.

5. Reexamination of MAG Highway Acceleration Policy

Eric Anderson, MAG Transportation Director, provided an overview of the MAG Acceleration Policy that was adopted in March 2000. He stated that the policy outlines the process for jurisdictions to accelerate projects. Mr. Anderson stated that the Policy ensures that local financing is provided in a fiscally prudent manner, and ensures that other projects are not affected and they stay on schedule. Mr. Anderson stated that a provision for the sharing of interest costs benefits both the local jurisdiction and the region because if a project is built sooner, future inflation due to cost increases is avoided. In addition, the region benefits because the infrastructure is in place earlier than planned.

Mr. Anderson reviewed the background of the Acceleration Policy. He stated that when reimbursement guidelines were first established in February 1995, the local jurisdiction had to pay 100 percent of the interest. Mr. Anderson stated that revised guidelines were adopted in May 1997 and provided for interest sharing between the ADOT Program and local jurisdictions. Mr. Anderson advised that this was a major change and was done because it avoids future inflation and it was felt that the cities should not have to bear 100 percent of the interest cost.

Mr. Anderson stated that the guidelines were revised again in March 2000. He said that language was added to cover non-Proposition 300 highway projects. Mr. Anderson stated that the change was made since Mesa wanted to advance a project on US 60. The revised policy required that the City of Mesa, to accelerate the US 60 project, paid 100 percent of the interest cost.

Mr. Anderson noted that prior to Proposition 400, there were two separate funds. He stated that with the passage of Proposition 400, all freeway and highway projects are included in the 20-year life cycle program.

Mr. Anderson displayed a chart that showed projects accelerated to date by the jurisdictions of Phoenix, Chandler, Mesa, and Avondale, Goodyear, and Litchfield Park. He noted that the funding sources included HELP loans, Grant Anticipation Notes, HPAN and local funds.

Mr. Anderson reviewed the requirements of the MAG Acceleration Policy: the project must be in Plan; ADOT is responsible for constructing the project; enhancements, such as artwork, are not eligible for reimbursement; there must be agreement of other jurisdictions if the project crosses boundaries; coordination is needed with adjacent jurisdictions and avoidance of adverse traffic impacts; any previous commitments of local funds must be maintained; repayment of project costs and interest will follow the life cycle program schedule, which means that repayment could be delayed or accelerated, depending on revenue; provides for the calculation of interest reimbursement, which is tied to the rate of financing and the ADOT inflation rate; the payment schedule is adjusted as other projects in the program; there can be no adverse impacts on other projects in the program; ADOT will notify MAG of any requests to

accelerate a project; and non-recoverable costs are paid by the jurisdiction if the accelerated project does not move forward, which protects the integrity of the program. Mr. Anderson noted that the acceleration policy was developed in the first place because cities would go to ADOT to accelerate projects ahead of others.

Mr. Anderson stated that the sharing of interest expense is a section that may warrant simplification. He stated that interest expense for an accelerated project is shared between the ADOT Program and the local jurisdiction. Interest sharing is based on expected inflation savings and the local share of interest expense is reduced by half of the inflation rate. Mr. Anderson advised that the interest sharing amount depends on the interest rate and notes.

Mr. Anderson stated that issues that could be discussed in an examination of the Acceleration Policy could include: 1) Should the Acceleration Policy apply to all highway and freeway projects, both regional and interstates? 2) What form of local commitment does there need to be for MAG to consider an acceleration request? Mr. Anderson advised that the first two years of the TIP are financially constrained, and a project cannot be put in the TIP until there is a financial commitment. 3) Should the sharing of interest expense include a fixed percentage rather than one tied to the ADOT projected inflation rate, or should there be a minimum local share of interest? 4) What are the considerations for the use of regional financing capacity versus local financing? Mr. Anderson noted that MAG has a Grant Anticipation Note capacity of \$400 million, and currently, \$250 million of capacity is being used to accelerate the freeway program from 2014 to 2007. He noted that this obligation will be paid off in 2015.

Mr. Anderson stated that at its September 12, 2007 meeting, the MAG Management Committee recommended forming a working group to discuss these issues. He said that the group's recommendations would come back to the MAG committees. Vice Chair Hawker thanked Mr. Anderson for his report and asked members if they had questions.

Mayor Cavanaugh said that he supported having the Management Committee form a working group to begin discussion of this issue and felt it was the right way to handle this complex discussion. Mayor Cavanaugh stated that he would like them to consider having something definitive as far as commitments that would be acceptable to a financial expert, such as inclusion in a jurisdiction's budget, etc. Mayor Cavanaugh stated that he thought if a project shares the interest expense with ADOT, the project must have a regional application and two or more cities would need to partner with a minimum requirement. Mayor Cavanaugh stated that if another city could not join the acceleration, this might indicate there is a question as to the regionalism of that project.

Vice Chair Hawker asked about Management Committee members comprising the working group rather than TPC members. Mr. Smith said that the idea was to have the working group collect input and put together a draft policy which would then be submitted to the TPC for discussion.

Vice Chair Hawker handed out a list of issues he had drafted that the working group might discuss. 1) What constitutes a commitment on behalf of the jurisdiction requesting to accelerate an RTP project? Should MAG consider an acceleration request only after a signed agreement is developed between the jurisdiction and ADOT? 2) What is the inflation savings cost sharing for future accelerations? Should a 50/50 split be applied to all future projects? Vice Chair Hawker commented that MAG recently

deviated from this and felt it was important to get back to an agreed-upon, approved policy. 3) How will MAG handle additional money (STAN, or legislative or congressional earmarks) applied toward specific projects? What if the “below the line” funding received exceeds the RTP funds allocated to that municipality? Clarify above the line or below the line.

Mayor Dunn said that he understood this policy was originally put together by a working group of managers, and he had no problem with them working on it again. He expressed concern about evaluating whether a project was regionally significant or not. Mayor Dunn stated that when Proposition 400 was put together, the TPC felt all of the projects had regional significance. He stated that he would dislike revisiting that policy as to what project is more regionally significant than another. Mayor Dunn stated that including a requirement of more than one city could be detrimental to large cities, or to a city, which, because of its geography, might not be able to partner with another city. Mayor Dunn expressed that he understood the desire to end up with projects that benefit the region, and expressed caution in discussing evaluations of which project is more important than another, because the TPC ensured there would be a fair share of projects to begin with.

Vice Chair Hawker stated that an analysis might show that the program saved money through accelerations and maybe even earned money. He thought that if this were true, all projects could probably be accelerated and the program would not be harmed.

Vice Chair Hawker asked those on the telephone if they had questions. None were noted.

6. Assignment of Funding to the MAG Transportation Program by Congressional/Legislative Action

Dennis Smith, MAG Executive Director, reported on state and federal funding that comes to the region. Mr. Smith stated that MAG is federally required to develop the Regional Transportation Plan, the Transportation Improvement Program, and the Unified Planning Work Program in cooperation with the Arizona Department of Transportation and transit agencies.

Mr. Smith stated that because MAG is a Metropolitan Planning Organization (MPO) and Transportation Management Area (TMA), MAG is subject to a Certification Review. He explained that based on a finding during one of these reviews, ADOT must provide federal funding revenue estimates to MAG. Mr. Smith stated that the MAG TIP, approved by the Governor, needs to be included without modification into the State Transportation Improvement Program. He noted that this is important because the TIP is being modeled for air quality and cannot be changed.

Mr. Smith stated that in 1999, after TEA-21 passed, Mary Peters, who was at that time the ADOT Director, convened representatives from the Arizona planning agencies. At this meeting, the Casa Grande Resolves agreement was reached. He advised that the Resolves established a process to develop a funding formula for federal and state transportation funds. Mr. Smith added that in many states, the federal process is not adhered to as closely, and the DOT drives the process. He stated that the Resource Allocation Advisory Committee evolved from the Casa Grade Resolves process and is very important in distributing the federal money that comes to Arizona. He added that the Committee is very unique in the United States.

Mr. Smith stated that during Proposition 400, there was interest by the Legislature to select projects. He noted that a memorandum by the General Counsel for the Arizona Legislative Council states that to receive federal funding for projects, the state must comply with the federal planning requirements; a legislatively developed plan would be contrary to these requirements, because the transportation plan must be cooperatively developed and approved by the MPO; if a transportation plan is developed contrary to the federal requirements, the Secretary of Transportation can refuse to approve projects and deny federal funding; the legislature probably could not appropriate federal monies provided for transportation projects; a state-funded project would require a conformity determination that would have to be made by MAG. Mr. Smith advised that MAG has to adhere to requirements for public involvement and air quality.

Mr. Smith stated that during the development of the Regional Transportation Plan for Proposition 400, all funding that was regional in nature was considered and programmed for 20 years. He noted that Colorado, for example, has a 20-year plan but only five years are programmed. Mr. Smith advised that Arizona statutes include not only very strict amendment procedures for making changes to the Plan, but also firewalls for funding categories. He added that below the line funding by Congressional earmarks disturbs the formula already agreed to by the planning agencies in the state.

Mr. Smith explained above the line and below the line funding. He stated that the majority of federal transportation dollars are included in the formula to ADOT and are considered below the line. Mr. Smith stated that the Resource Allocation Advisory Committee formula distributes all of the federal and state funds and they are programmed by ADOT and the regional planning agencies. He advised that above the line funding is very limited. Mr. Smith advised that Arizona does not ordinarily receive above the line funding and the majority of funding Arizona receives is below the line funding. He added that above the line funding is usually earmarked to a specific project by Congress. Mr. Smith noted that if a consultant goes to Congress and obtains federal money for highway projects, that money already may be part of the formula and is below the line funding.

Mr. Smith explained that transit funding is different from highway funding. He said that some transit dollars to Arizona are similar to the highway program and are formula driven, while others are highly competitive, such as new and small starts for light rail, commuter rail and bus rapid transit, and bus capital. Mr. Smith stated that RPTA provides a list of projects to obtain federal transit money for the region's projects. He added that it is helpful to have a lobbyist for transit funding.

Mr. Smith stated that Arizona's cooperative relationship with ADOT is unique in the country. He noted that this region not only has a 20-year plan, it also has a 20-year program. Mr. Smith stated that a statewide funding formula is in place and has worked since 1999. Mr. Smith stated that the most important thing is keeping the commitment made to the voters to implement the plan.

Vice Chair Hawker noted that the list he handed out earlier also included the question of whether a policy should be established that would penalize a jurisdiction for taking funds earmarked for other projects, or wait until the situation occurs. He asked Mr. Smith his viewpoint. Mr. Smith replied that in some ways, a policy was already established through the Casa Grande Resolves formula. He said that rearranging funding disrupts the priorities, or it takes money from rural Arizona. Mr. Smith suggested that one option might be to change the requirements for putting a project in the TIP by saying it is not to be replaced by earmarked projects. Mr. Smith stated that this was discussed at the recent RAAC

meeting. He added that ADOT is distributing to all other planning agencies the above the line/below the line description that was included in the TPC agenda packet so that everyone will know the rules.

Mayor Cavanaugh commented that the working group could discuss the acceleration policy to all projects across the board, not just freeways and highways.

Vice Chair Hawker noted that the exception would be transit, which is different, because earmarks for that program are pursued. Vice Chair Hawker commented that the transit group needs to figure out if additional funds would enhance a city's operations only or the region's operations overall. Mr. Smith stated that lobbyists are going back to Washington to try to get funding to keep the regional transit plan going. Vice Chair Hawker commented that if 60 percent funding is received, there is also the issue of building more or accelerating the program.

#### 7. Transportation Legislative Update

Mr. Smith reported that one of the provisions of Senate Bill 1640 was the establishment of a Blue Ribbon Transportation Committee. He said that the Committee will include the President of the Senate, the Speaker of the House of Representatives, the Chairs and Vice Chairs of the Senate Transportation Committee and the House of Representatives Transportation Committee, two members of the Senate who are appointed by the President of the Senate and who are members of different political parties, and two members of the House of Representatives who are appointed by the Speaker of the House of Representatives and who are members of different political parties.

Mr. Smith stated that the Committee will make recommendations on which transportation issues will be addressed in the next legislative session, will review reports on transportation frameworks, and will report their activities to the Governor, Senate and House by December 30, 2007. He stated that the first Committee meeting is being scheduled for early October. At the meeting, the Committee will discuss the charge of the committee, Arizona transportation needs, the outlook for HURF, and toll road statutes relative to the Gift clause in the Arizona Constitution. Mr. Smith noted that the Committee will receive a presentation by the Reason Foundation on public/private partnerships, to which the trucking industry has been invited. Mr. Smith noted that the STAN legislation took effect this day.

Vice Chair Hawker asked about establishing a policy and procedure for the \$10 million STAN loan. Mr. Anderson replied that STAN legislation does not include any provision for MAG to take a role in making recommendations. He explained that statute requires that a project be in a community's capital improvement program and in the five-year TIP as unfunded. Mr. Anderson stated that this is in conflict because a project cannot be put in the TIP unless it is funded. He advised that this conflict will need resolution.

Vice Chair Hawker asked if he had a project in the TIP, he would go to ADOT, not to MAG, because it would have no impact on the regional program and is above the line money? Mr. Anderson replied that was a fair interpretation of the statute. However, if a project was going to be accelerated, it would have to go through the MAG process.

Vice Chair Hawker asked the process for a city to access the fund. Mr. Anderson replied that is the question because the statute provisions seem to be in conflict. He noted that a repayment source is

needed also, which might be clarified in the next session. Mr. Anderson stated that ADOT has indicated it will seek guidance from the Attorney General's office on this. He added that there is also some question as to how the growth rates are calculated.

Vice Chair Hawker asked members if they agreed that the working group could assist in drafting a legislative modification to bring the statute into conformance with MAG policy. Agreement was noted.

Councilmember Aames asked the time limit on the loan. Mr. Anderson replied that he thought the loan would need to be repaid by 2012.

Vice Chair Hawker asked if it was a rolling amount that would go back into the fund. Mr. Anderson replied that he thought the fund could entertain requests up to \$10 million. If the loan was repaid within the timeframe, it could probably be re-loaned. Mr. Anderson stated that he was unsure what happens to the fund after 2012 because legislation was silent on that.

Mr. Anderson brought up the issue of declining state revenue and slowed growth. He reported that August revenues were flat and showed almost no growth over the last year. Mr. Anderson added that he understands the FY 2008 budget may need to be renegotiated. He also mentioned that with the FY 2009 budget, the State Highway Safety fund might be a target and would bear watching in the upcoming legislative session.

Vice Chair Hawker asked those on the telephone if they had questions. None were noted.

#### 8. Building a Quality Arizona Update

Bob Hazlett, MAG Senior Engineer, provided an update on efforts to examine transportation issues statewide, called Building a Quality Arizona (BQAZ). Over the past year, the Association of Arizona Councils of Governments and Metropolitan Planning Organizations has been meeting to discuss growth and transportation issues. He said that a Statewide Reconnaissance Mobility Study was initiated to study the areas throughout the state. On August 31, 2007, the COGs/MPOs, the business partners, and ADOT met to receive preliminary information from the Reconnaissance Study and to discuss the areas throughout the state that would benefit from framework studies and a potential study process that could lead to a statewide transportation election.

Mr. Hazlett stated that framework studies are needed to get in front of future growth by understanding land use, socioeconomic, and development patterns, programmed improvements, regional connections, maintaining system continuity, and corridor preservation. He stated that data obtained from the framework studies lead into the development of a statewide long range transportation plan.

Mr. Hazlett stated that a typical framework study takes about 12 to 16 months to complete. The bulk of the project centers around the study alternatives and developing consent among the stakeholders, which takes about seven to ten months. As an example for the committee, Mr. Hazlett introduced how MAG is currently conducting the Interstates 8 and 10–Hidden Valley study, which encompasses western Pinal County and southwestern Maricopa County. He commented that with 160 developments entitled in this area, there is a need for more than roads -- there is a need to for all modes of transportation.

Mr. Hazlett stated that the study included an environmental scan, which is an extensive look at what is available in the way of cultural resources, air quality, aviation, slopes analysis, hazardous materials, natural vegetation, land ownership, major economic centers, Title VI/Environmental Justice, conservation areas, utility corridors, biological resources, recreation opportunities, and wildlife corridors. Mr. Hazlett stated that the project is 30 percent complete, and is now in the conceptual framework study phase, which includes determining multimodal possibilities, incorporating small area studies, the Pinal County Roads of Regional Significance study, and the Buckeye, Goodyear, Maricopa, and Casa Grande comprehensive plans, and identifying new corridors. Mr. Hazlett stated that completion of the project is anticipated in August 2008.

After introducing this example, Mr. Hazlett continued his presentation by updating the Committee on the Statewide Mobility Reconnaissance Study, which provides a holistic approach using a linkage among land use, transportation, and economic development. Mr. Hazlett stated that while working on this study, he and the consultant traveled around the entire state, meeting with about 250 people and spoke with them about what is happening outside of Arizona as well as the corridors within Arizona.

Mr. Hazlett noted that some of the information learned from the visits included a statement of how 80 to 85 percent of goods distributed throughout the southwestern USA arrive on commercial trucks. He said that alternative routes, such as SR-89/SR-69, US-95/SR-95, and CANAMEX, are increasing in use. Mr. Hazlett stated that transportation mobility is important to commerce, as the state has the copper industry and emerging industries, such as the Welton Oil Refinery and warehousing. Mr. Hazlett mentioned the Sun Corridor, which is the Megapolitan area reaching from Nogales to Flagstaff. He noted that it is also important to maintain mobility for recreation and tourism.

Mr. Hazlett stated that the next effort for the Reconnaissance Study is the focus groups on statewide needs in October, followed by a forum in November to bring the findings together. For this meeting, he said they are seeking committee input on additional framework studies, the framework map, the regional transit framework, the needs of existing highway system, the Building a Quality Arizona study process, and election timing. Mr. Hazlett noted that in addition to the two framework studies underway in the MAG region: the Interstate 10-Hassayampa Valley Study and the Interstates 8 and 10-Hidden Valley Study, nine framework studies are proposed throughout the state and will be conducted with the \$7 million approved by the State Transportation Board. Mr. Hazlett noted that these are indicated on the map included in the agenda packet.

Mr. Hazlett displayed the timeline, also included in the agenda packet, and stated that 2009 appears to be the earliest date for a statewide election due to the time needed to complete all elements of the process. Mr. Smith noted how Mayor Cavanaugh has been a leader to the statewide group that has continued the effort begun under Mayor Hawker's leadership. Mr. Smith stated that MAG realized there are gateway route issues and also acknowledged that solving the problems of Maricopa County alone will not get the job done. He stated that the same methodology used for the Hidden Valley framework study would be used on the other framework studies. He said that the results from the studies would be rolled up to develop a statewide planning strategy. Mr. Smith noted that ADOT has decided to cease work on its studies and will use the framework studies for Move AZ. Mr. Smith stated that he and Mayor Cavanaugh met with ADOT Director Victor Mendez and State Transportation Board member Felipe Zubia. Mr. Smith said that ADOT is forming a subcommittee of three Board members who will join the statewide group and a member of the subcommittee will serve as co-chair.

Mr. Lane noted that in appointing the subcommittee, they want to ensure the appointments are balanced and representative statewide.

Mr. Smith commented that the Blue Ribbon Committee will be focusing on this. He stated that the Governor's office will be inviting Maricopa County elected officials to attend a discussion of important issues relevant to the statewide effort. Mr. Smith stated that the Governor wants to hear if people have bought in on the framework studies and election timing. He stated that TPC Chair Peggy Bilsten has requested that those TPC Regional Council members interested in participating in this discussion to send in their name to MAG, where she will ensure a balanced group is chosen. Mr. Smith noted that the Governor's office will be doing a separate outreach to business members. He added that the number of Regional Council members is limited to eight, so as not to constitute a quorum.

Mr. Smith stated that there has been a lot of interest by the business community in pursuing a 2008 election. However, the question is how to complete the framework studies in order to be ready for 2008. Mr. Smith noted that during Proposition 400, MAG had to have the Plan document done and submitted to the County Elections Department by June. He advised that having a 2008 election means that all studies would have to be completed by June 2008, and added that except for the MAG studies, the framework studies have not yet started. Mr. Smith stated that the MAG region might be interested in putting in funds for the I-17/New River Framework Study, and the US 60/Superstition Framework Study.

Mr. Anderson commented that although Proposition 400 made a great contribution toward multimodalism, more needs to be done, especially with the high growth. Mr. Anderson noted that interest in commuter rail has increased. He said that as a result, staff feels it is appropriate to do a major regional transit plan update, which would take about one year to complete. Mr. Anderson advised that this means that the output from that study would be unavailable for a November 2008 ballot. In addition, the light rail starter segment opens in December 2008, which would be after the November election. Mr. Anderson stated that thoughtful planning needs to happen throughout the state, and having a solid plan behind it will provide the voters with a high level of confidence in the ability to deliver the plan.

Councilmember Aames stated that BQAZ had looked beyond state lines. He asked if any of that could be brought in more effectively, with perhaps funding from other states. Mr. Hazlett replied that there are a lot impacts from other states and a lot of people have realized we are all in this together. Even though Maricopa County is in the middle, it is impacted greatly by commerce. Mr. Smith stated that MAG has been meeting with the River of Trade Corridor Coalition (ROTCC). He advised that the ROTCC is concerned with I-10 and wants to see how they can partner on MAG efforts. Mr. Smith stated that MAG will host the ROTCC transportation summit in spring 2008. The summit will address how to keep freight moving along the trade corridor.

Vice Chair Hawker asked if any analysis had been done on implementing user fees to complete the needs shown in the framework studies. John McNamara, the consultant working on this project with Mr. Hazlett, replied that Curtis Lueck and Associates, the preeminent transportation financing firm, has been engaged in the three studies. He noted that in the Hassayampa study, the firm examined all existing resources, as well as public/private partnership concepts, to see how they might generate revenue. Mr. McNamara stated that the Hidden Valley study will build on this and provide an idea of the cost of

transportation infrastructure. He noted that as all of the framework studies come together, the costs of infrastructure and the allocation of infrastructure, would begin to create a financial framework.

Mr. Anderson stated that needs can be identified statewide, but in dealing with public resources, there is never enough money. Mr. Anderson commented that transportation has to compete with other elements that need funding, such as education, public safety, etc. He stated that discussion needs to occur at the statewide level, and this discussion is critical to Arizona's future.

Vice Chair Hawker recalled former Phoenix Mayor Skip Rimsza's outreach for a statewide sales tax. He commented that the other areas of the state needed to know in more detail what they would receive from a tax. Vice Chair Hawker added that discussion of this region's level as a donor region also needs to occur.

Mayor Manross stated that an effective strategy and answers to these questions are needed. She said she believed that a fall 2008 election was definitely too early. Mayor Manross urged doing due diligence and getting the answers before proceeding to an election. She stated that a thorough, effective job cannot be done by next summer.

Mr. Smith stated that he recently gave a presentation to a bank advisory board and an economist for the bank indicated that in terms of the economy, a 2009 election or a 2010 election would allow more time for the economy to recover.

Vice Chair Hawker expressed his appreciation to Mayor Cavanaugh for his work with the statewide group. He said it is important to figure out what is needed 50 or 100 years in the future; otherwise, infrastructure will need to be built through neighborhoods, and that is very expensive.

Mayor Cavanaugh expressed his appreciation for Mayor Hawker's comments. He said that at the last statewide meeting, Mr. Smith, Mr. Anderson, and Mr. Hazlett were singled out for praise and received a huge round of applause. Mayor Cavanaugh stated that not only does MAG have modeling capabilities and more staff to do work, MAG has realized that they needed to adopt an inclusive practice and not try to drive the process. He commented that the other COGs/MPOs would not be responsive if MAG did that. Mayor Cavanaugh stated that there are concerns about timing and 2010 is receiving some support. He recommended that the main position taken by the eight people who will attend the Governor's meeting is that credible data are needed before going to an election. Mayor Cavanaugh added that it may take longer to obtain this data than people think.

Mr. Arnett stated that yesterday, the Time Coalition interviewed four campaign manager consulting firms. He said that each firm indicated that the best timing is 2008, during a presidential election, rather than 2009 or 2010. Mr. Arnett said that he was not arguing having credible data, he just wanted the TPC to know they suggested 2008.

9. The Interstate 10-Hassayampa Valley Transportation Framework Study

Mr. Hazlett presented an update on the Interstate 10-Hassayampa Valley Transportation Framework Study, a joint project funded by Goodyear, Buckeye, Surprise, Maricopa County, ADOT and MAG. He said the purpose of this study is to establish a mobility framework for a significant portion of Maricopa

County west of the White Tank Mountains. Mr. Hazlett stated that the study process included a buildout scenario, corridors determination, transit options, immediate actions, and funding options.

Mr. Hazlett noted that the study area encompasses 1,400 square miles, contains more than 100 planned communities, and could reach a population close to three million people. He advised that the environmental scan done for the study included existing land use, future land use, environmental context, functional classification, land ownership, public land management, air quality, major economic centers, utility corridors, drainage, and wildlife corridors. Mr. Hazlett noted that even the Palo Verde Nuclear Plant evacuation plan was considered.

Mr. Hazlett stated that concerns about the number of requests for traffic interchanges brought this study into being. He said that studies showed having interchanges at two-mile spacing improved capacity and lessened the crash rate. Mr. Hazlett stated that the interchange spacing recommendation for the Interstate 10 freeway from Loop 303 to 459th Avenue was 20 traffic interchanges, instead of the 40 proposed.

Mr. Hazlett stated that the Arizona Parkway concept, proposed by Dr. Maki from the City of Surprise, utilizes high access management control. Mr. Hazlett stated that the Parkway option has been used for 40 years in seven states, can be built at a marginal cost increase over conventional arterials, delivers near-freeway volumes, blends into the environment, and has fewer conflict points with 60 percent fewer crashes and 75 percent fewer injuries.

Mr. Hazlett displayed a map of the transportation framework that showed freeways, arterials and parkways. He noted that it had been reviewed in public and stakeholder meetings. He said that the goal was to maintain a grid system, but that was difficult due to topography and existing town centers.

Mr. Hazlett displayed a map of the transit framework. He stated that with a projection of 1.7 million trips, it was realized that more than roadways were needed, and they looked at high capacity transit and a freight rail corridor.

Mr. Hazlett stated that the study also examined funding options, including currently available revenue sources, such as the Highway User Revenue Fund, the Vehicle License Tax, the Regional Area Road Fund (Proposition 400), roadway impact fees, local sales tax, construction sales tax, and secondary property taxes, and potential revenue sources, such as local options to levy fuel taxes, other local options for taxes or fees, additional regional sales tax, regional or state impact fees, primary property taxes, and charges based on roadway use (congestion pricing, mileage-based fees, and toll facilities). Mr. Hazlett stated that none of the options in the framework study are currently funded and it would cost approximately \$22 billion to build. He noted that some of the facilities would be built by the development community.

Mr. Hazlett stated that acceptance of the study by MAG would be requested upon completion of the project, and would include key framework corridors, freeway interchange recommendations, the "Arizona Parkway" recommendation, and an implementation strategy. He added that the full report would be available on CD-ROM. Mr. Hazlett noted that the executive summary map included in the agenda packet ultimately will be a 33" x 44" poster. Vice Chair Hawker thanked Mr. Hazlett and asked members if they had questions.

Mr. Kane asked what data were used for the employment balance and where they were located to arrive at the corridor volumes that backed into the recommendations. Mr. Hazlett replied that they looked at the build-out scenario approved by the jurisdictions. This information was then analyzed by the MAG Information Services Division. Mr. Hazlett stated that the results could provide the communities some information about land use decisions as they decide the best use in the Hassayampa Valley.

Vice Chair Hawker stated that when Verrado was built, the developer built an interchange on I-10 but did not add capacity. He commented that all of the traffic impacted cities closer in to the Metro area. He asked if it was possible to mitigate those negative impacts to the freeway system by having additional capacity paid for by the developer. Mr. Hazlett replied that the study was blind to jurisdictional limits to see how traffic filtered out. He said he thought there was a need to look at the impacts to the surrounding areas and whether adjustments need to be made. Mr. Anderson added that a lot of development in the Hassayampa Valley is trying to achieve a better balance between housing and jobs and this helps the commute loads quite a bit. Mr. Anderson added that there is a limit, even with the housing and jobs balance, because there will still be a large number of trips. He said that he believed that the balance would not override the need for a good transportation system. Mr. Anderson noted that the Hidden Valley study says there will be an additional two to three million people in that area and the question is how does that impact the existing transportation system. Mr. Anderson stated that there is a need to look at how connections work or do not work and improvements that need to be made to the existing system.

Councilmember Aames commented that there will be a multiplier effect as the region continues to grow.

It was noted that the presentations from the meeting would be posted on the MAG website.

There being no further business, the meeting adjourned at 5:45 p.m.

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Chair

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Secretary