

Approved Minutes

FMPO Fall Retreat

September 22, 2010; 9:30 a.m.

City of Flagstaff Aquaplex – 1702 N Fourth St, Flagstaff AZ 86001

I. Welcome, Introduction and Meeting Purpose –David Wessel

- A. **Introductions:** Jamey Hasapis, BelleWether Group; Bob Montoya, Bill Towler, Art Babbott, Barbara Goodrich, Stacey Brechler-Knaggs, Jennifer Toth, Jeff Meilbeck, Scott Overton, Matt Ryan, Martin Ince, Kevin Adam, Andy Bertleson, Jeff Bauman , Meg Roederer, Rich Bowen, Kevin Burke, Mark Landsiedel, David Wessel
- B. **Meeting Purpose:** David Wessel reviewed the purpose of the meeting and the agenda items for the day.

II. Preliminary General Business –Called to order by Mr. Montoya at 9:44 a.m.

- A. Public Comment – none

B. Approval of Minutes

- 1. Mr. Overton made a motion to approve the executive meeting minutes of August 25, 2010 and Mr. Ryan seconded. Carried unanimously.

C. Rotation of the Officers

It was noted that Chair Montoya will end his terms on the State Transportation Board and FMPO Executive Board in January 2011. It was further noted that there remains no prospective replacement from Apache County. In order to maintain continuity Mr. Montoya suggested Ms. Toth become the designated alternate for the position. He further suggested that the rotation be changed allowing the City to assume the chairmanship and the state retaining the vice-chair to allow for a smoother transition. Mr. Overton said he is willing to assume the role as Chair to keep continuity. A motion was made by Mr. Ryan to adjust the rotation. Mr. Overton seconded. Motion carried unanimously. Scott Overton became Chair and continued to run meeting from this point.

D. Transportation Improvement Program Amendment

Mr. Wessel stated this topic will be handled administratively. Mr. Burke commented on the Lone Tree project in regard to the regional TIP. Ms. Toth will follow-up with Mr. Burke on the STP and the status of the Lone Tree project. At 12:45 p.m., Ms. Toth provided an update on the Lone Tree project and stated that it is in the FY 11 Five Year STP.

III. Trends, Issues and Legislation and their Impact on the FMPO and Regional Transportation (This part of the agenda was supported by a Powerpoint presentation)

Macro Trends and Legislation: Purpose: To take a look at trends and issues, related legislation and technology and take positions and decide upon some action toward legislation. Issues are funding, air quality, livability congestion and demographics, particularly and aging population. There are some “wild cards” regarding technology that may counterbalance some trends.

We have been acting on continuing resolutions for funding, still waiting for a new highway bill. Peak oil and security and freight have companion pieces in legislation.

Beyond Highways: History of legislation – ISTEA, TEA-21, SAFETEA-LU, HIRE/TIGER - is trending toward multi-modalism and greenhouse gas planning. Programs have included enhancements safety, TIGER.

Converging Trends: Societal trends are shifting toward an older urban population. Congestion is growing worse faster in major metro areas, 33% of air quality issues are contributed by transportation, and “livability” is changing in areas driven by central city residential trends, and health issues like obesity that recommend a “walkable” model for urban development. FMPO is sitting pretty well from a policy perspective relative these trends.

An Older America: Percentage of senior population is increasing creating new mobility and livability. How will FMPO respond to that? Changes may include housing products offered in close proximity to services so driving is unnecessary. Participants raised the need for mobility between activity centers, where trends are shifting to a “Live, Work, Play” model. How do we assure transportation is available to the senior population? A demographic impacting the FMPO region age-structure is the NAU population, so nationally we have these increases in aging population, but not necessarily locally. However, student and senior mobility needs may overlap. Cars represent independence for these populations and this independence might be replicated through combinations of transit, walkability and land use. Seniors use mass transit less than other populations. Many are seen traveling in town in RVs. How do we respond to this shift – a population that is older and healthier? Our regional solutions must address tourism.

Congestion Trends: A table was presented comparing time lost to highway congestion in large, medium and small communities. Small communities like Flagstaff saw congestion delay remain flat from 1997-2007. Nationally, the major metropolitan areas are affected most. The question was raised: How do we deal with congestion when it is dynamic in time and modes? There is a lack of data locally for travel time. Blue Tooth Technology is being created jointly with NAU to help measure this for roadway travel. Travel times for mass transit are tracked through on-time bus performance only.

Mr. Wessel introduced new technology – the Straddling bus. Mr. Babbott mentioned that Vehicle Miles Traveled (VMT) and trips per day in our community are going down over time as a result of peak oil and other impacts and our success in addressing this is dependant upon which types of development we move forward with. Transportation and housing are closely related. Multi-modal options will contribute to VMT going down over time. The challenge is in planning and budgeting. Are we realistic as to how much we build based upon fiscal reality? Behavior changes begin with density and congestion. Population trends are moving toward commuting from outside the city to into the city off of I-40 and tribal lands. What are the impacts to miles traveled? Economy is affecting living affordability for housing. Excess capacity is 4-5 years of foreclosures and short-sales. Banks aren’t really lending money. Flagstaff’s growth is 2%/year or less and income is below the national standard. All of this affects our ability to influence land use changes in the near-term.

Mr. Babbott continued. Healthcare changes are coming. Flagstaff needs a multi-modal model for transportation. Many are giving up their cars and need alternate modes. Define the cause and not just treat the symptoms. What are the realities for development in outlying areas? Projections are that growth will be outside of the Flagstaff region and Flagstaff wants to be the education, business and activity hub for this larger region without the traffic. Land use and livability will drive transportation decisions.

Green House Gasses: They’re increasing.

Peak Oil: Production will peak in 2023 according to an average of models. Gasoline prices will likely increase. How do we respond? Technology is changing to use alternative energy for fuel. A car that creates clean air using wind power and photosynthesis is going into production in China. What's the FMPO response: mass transit, alternative personal forms of transportation, or both?

Central City Livability: Trend shows that central city living is fairly attractive in many metro areas across the nation. Infill projects and redevelopment are minor trends in Flagstaff.

Flat or declining federal and state revenues: An ongoing Arizona study shows that State and federal transportation funding are declining. As we move to electric vehicles, they won't contribute to the gas tax revenue stream. A VMT tax experiment in Oregon recorded miles and charged tax at special pumps proved the feasibility of this method. Netherlands was mentioned as a wholesale move to this method. There are risks to transportation funding at the State level where deficient general fund revenues could result in more transportation budget impacts. We need to build a strong case that our infrastructure is more important than many other issues.

More State and Regional Trends: Urbanization is increasing as is ridership on mass transit. Health trends are moving toward higher obesity rates which may affect our transportation needs. Trends are heading toward a marriage of livability and transportation; toward walkable activity centers.

A Shift in Focus: Many of these trends are causing a shift in focus to major metropolitan areas.

Conclusions: Major trends legislation generally favor the policy direction of the FMPO. Technology and market trends may work against the preferred direction of the FMPO. Inflation and technology are eroding funding. Funding and major metropolitan shifts may threaten existence of smaller MPO's with discussion in some circles of setting future population thresholds higher than 50,000.

The discussion then shifted to the presentation of problems and solutions emerging from the trends.

Problem/Solution#1 - Potential Loss of MPO

Early drafts of the highway bill set the population threshold for MPO's at 100,000. Some versions "grandfather" existing MPOs. Some FHWA officials speak of a 200,000 threshold and no grandfathering.

Solution - "create" Champion in Congress

- a) Demonstrate value of FMPO
- b) Demonstrate value of "early stage" regional planning
- c) Work closely in state and with national affiliations
- d) Work to increase overall funding

Discussion: City council might place this on action item lists for discussions with federal delegation. However, reauthorization is not imminent; so much effort can be deferred until a bill is drafted. Many organizations are lobbying for raising the population limits to avoid diluting funding; so earlier action may be warranted.

When looking at revenue options consider that the,"green" approach has broadened revenues to include housing, energy and transportation; drawing down on transportation

Familiarity with the issue will be key at all levels of government. Sunbelt is growing vs. rust belt staying static, so the impacts are not uniform across the nation. ADOT has taken no position.

Thresholds will be a part of re-authorization and views on threshold will change depending on party control

Problem/Solution #2 National Funding

AASHTO 2009: \$1.6 Trillion over 6-years to fully fund transportation need, yet both Oberstar and AASHTO are seeking only \$500 Billion over 6-years. Recession + Politics = lower funding (a function of delay, limited funding choices).

Solution(s) – might include freight tax, VMT tax, Congestion pricing, Tolls, all more accurately employ market forces.

Discussion - There is great disparity in need and actual funding. We need to apprise legislative staff of our transportation needs and coordinate this outreach effort at the state and federal levels. Rural areas have marginal impact on federal policy. State sharing system is also shrinking. Therefore we need to move toward more self reliance. Take a realistic approach and look at some very unpleasant scenarios. FMPO role should be fairly light.

Problem/Solution #3 - Shift in Funding from Transportation

GHG bills with cap-in-trade or carbon tax seen as an “energy” tax that will effectively increase cost of gasoline and diesel. This increased cost drives mode-shift and efficiency that reduces trust fund revenue.

Solution(s) – Advocate for percentage of GHG funds to go to transportation, VMT tax

Discussion: There was little discussion due to time.

Problem/Solution #4 Problem Rescissions

Rescission Bills (from RTAC) are a means of offsetting costs for new expenses. They are happening more frequently and may soon impact real transportation spending levels. Yet, they are not effective for budget balancing. There was a loss to Arizona DOT of \$45 million in the most recent rescission.

Rescissions will ultimately slow project delivery. Improvement to I-40 and other state highways could be deferred. Rescissions will disrupt project delivery resulting in lower priority, yet “ready” or “easy” projects being rushed to obligate funds. This effort will further delay other projects, putting them at risk of future rescissions.

Solution: Appeal to delegation to stop the practice of transportation rescissions.

Discussion: This issue had been presented at an earlier Board meeting and an educational program for congressional staffers is generally supported.

Problem/Solution #5 – Appropriately addressing freight needs

Staff briefly covered the Freight Act and noted it was ineffective without funding, would work better as part of larger policy such as reauthorization, and that the global economy did recommend federal oversight.

Solution - Support inclusion of Freight Act in Highway Bill and consider freight fees as funding source.

Discussion – there was little discussion due to time.

All parties agreed to pursue this discussion further at a future Board meeting where staff will present priorities and an action plan.

IV. FMPO Capacity

This information was not discussed in detail at the Retreat. Staff committed to exploring additional options as it was generally agreed that funding and staff increases were not practical in the current economic climate.

V. Year in Review and Work Program Status

Chair Overton suggested forwarding any year end review comments directly to Mr. Wessel in the next few days.

VI. Concluding General Business

E. FMPO Calendar

Chair Overton suggested Executive Board meeting time as an agenda item for the next meeting.

F. REPORTS

There was no discussion.

G. ANNOUNCEMENTS

Mr. Adam announced the Rural Summit at Litchfield Park, AZ from October 13-15 and to visit www.caag.org for more information on the agenda as well as to register. Chair Overton thanked Mr. Montoya for his years of service, leadership and insight to the FMPO and the region.

VII. Wrap-Up and Adjourn

Chair Overton adjourned the meeting at 12:50 p.m.