

TRANSPORTATION COMMITTEE MINUTES

August 28, 2002

The Transportation Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on August 28, 2002 at 3:30 p.m.

COMMITTEE PRESENT

Rex Griswold
Janie Thom

COMMITTEE ABSENT

Mike Whalen

OFFICERS PRESENT

Debbie Dollar

(Committeemember Griswold excused Chairman Whalen from the meeting and served as Acting Chairman of the Committee.)

1. Hear a presentation on financial projections for implementing the Mesa Transportation Plan.

Assistant Financial Services Director Larry Given provided the Committee with a brief overview of this agenda item. He reported that the City of Mesa has prepared a Transportation Financing Plan which contains financial projections based on information contained in the Mesa Transportation Plan (MTP). Mr. Given explained that the MTP includes financial assumptions in present value dollars for the 25-year term of the Plan; that the Financing Plan contains various adjustments to the assumptions and has also projected those financial assumptions on a future value basis, and that the Financing Plan includes projections of expenditures and revenues adjusted for inflation and other factors. He added that the Financing Plan has also adjusted various capital improvement and operations expenditures contained in the MTP and that a 3% inflation rate has been assumed for the 25-year term of the MTP.

Mr. Given further commented that the Financing Plan has projected revenues based on a 3% inflation rate and certain other considerations. He advised that over the life of the MTP, the City has assumed that General Fund transfers for streets and Local Transportation Assistance Fund (LTAF) revenues for mass transit will remain constant; that Highway User Revenue Fund (HURF) revenues will increase at a 3% annually compounded rate, and that an additional 3% in HURF revenues will be adjusted for changes in the City's proportionate population and the number of participating cities in the program.

Discussion ensued relative to the fact that the Financing Plan projects that the City will face a \$2.25 billion deficit in the overall transportation program; that approximately \$1.5 billion in City sales tax revenues could be generated by increasing the rate by .25% from fiscal year 2003/04 through 2005/06 (the existing "Quality of Life" sales tax will be reduced from a half cent to a

quarter cent at the end of 2006) and by .50% thereafter through fiscal year 2027/28; that such an increase would raise the City's total sales tax rate to 1.75%; that the Financing Plan assumes that the transportation sales tax will increase at a 4% annually compounded rate (assuming 3% inflation and 1% real growth), and that the projected \$750 million net funding shortfall compares to the approximately \$600 million net (present value) funding shortfall projected in the MTP.

Committeemember Thom requested that staff provide the Committee with an expenditure/funding scenario relative to the elimination of both expanded transit costs beyond current expenditures and Light Rail Transit (LRT) from the MTP.

2. Hear a presentation on expenditure/funding scenarios for implementing Mesa's Transportation Plan.

Transportation Planning Administrator Kevin Wallace addressed the Committee relative to this agenda item. He referred to a handout distributed to the Transportation Citizen Advisory Committee (TCAC) at its August 21, 2002 meeting wherein staff discussed 12 expenditure/funding scenarios for the implementation of the MTP. (See Attachment 1.) Mr. Wallace explained that in an effort to balance the overall transportation plan, the options illustrate across-the-board cuts in various MTP programs utilizing the .25%/.50% and the .30%/.55% sales tax options. He stated that the scenarios were presented to the TCAC only as a starting point for Committee discussions and that no one transportation mode was prioritized over another.

In response to a series of questions from Committeemember Thom, Mr. Given clarified that "Quality of Life" sales tax funds have been earmarked for various capital improvement projects such as bus pullouts and left-turn bays, and that additional funds have also been allocated for bus system operations and maintenance expenditures. Financial Services Director Larry Woolf added that the funds approved by Mesa voters in the 1998 Primary Election did not include monies for street widening and repairs.

Mr. Wallace provided the members of the Committee with a brief overview of the 12-expenditure/funding scenarios. He noted that it is possible that the TCAC may select a hybrid of one or more of the options.

Discussion ensued relative to the fact that the City's fiscal year 2002/03 budget serves as the basis for the financial projections and assumptions in the Financing Plan, and the fact that the Town Center program consists of various landscaping, street widening and beautification projects within the downtown area.

3. Hear an update from the Transportation Citizen Advisory Committee Co-Chairs about the status of the Committee's work.

Jim Davidson and Craig Ahlstrom, Co-Chairmen of the Transportation Citizen Advisory Committee (TCAC), addressed the members of the Committee relative to this agenda item.

Mr. Davidson reported that to date, the TCAC, which is charged with considering a variety of revenue sources and prioritizing transportation projects in the recently approved MTP, has been

actively involved in reviewing the MTP; discussing a variety of transit and transportation programs and projects currently underway; analyzing the results of a survey of Mesa voters conducted by the Behavior Research Center, and becoming familiarized with various local transit and transportation financing mechanisms available to the Committee for its consideration.

Mr. Davidson commented that in addition to reviewing the 12-expenditure/funding scenarios, as previously outlined by Mr. Wallace, the Committee has also expanded its discussions relative to impact fees and other revenue sources to offset the \$2.4 billion shortfall. He added that the TCAC is also exploring the possibility of a City-imposed development fee which would be utilized to fund Mesa's transit and transportation-related infrastructure.

Mr. Davidson concluded his remarks by stating that at tonight's meeting, it is anticipated that the TCAC will narrow the proposed expenditure/funding scenarios down to two options. He also voiced appreciation to staff for their efforts and assistance to the members of the Committee during this arduous process.

Mr. Ahlstrom concurred with Mr. Davidson's comments and added that his participation on the TCAC has provided him with a unique opportunity to become well versed in Mesa's transportation issues.

In response to a question from Committeemember Thom regarding whether the TCAC has explored the possibility of seeking State or Federal monies to assist Mesa in the funding of the MTP, Mr. Davidson commented that although he would welcome such support, in 1984 when Arizona voters defeated a regional transportation funding issue, local municipalities were left with the option of constructing/funding their own transit systems. He also acknowledged Congressman Ed Pastor for his efforts to bring Federal funding to Arizona to be utilized for the construction of various transportation and transit infrastructure.

Discussion ensued relative to the anticipated matching funds that the City of Mesa will receive through the Federal Transit Administration (FTA).

Acting Chairman Griswold stated that the TCAC is faced with making a series of difficult decisions regarding across-the-board cuts in the MTP's various programs. He expressed appreciation to not only Mr. Davidson and Mr. Alhstrom, but to all of the members of the TCAC for their hard work and dedication relative to this matter.

4. Adjournment.

Without objection, the Transportation Committee meeting adjourned at 4:10 p.m.

Transportation Committee
August 28, 2002
Page 4

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Transportation Committee meeting of the City of Mesa, Arizona, held on the 28th day of August 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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Attachment