CALL TO ORDER

CALL TO THE PUBLIC

MINUTES OF MEETINGS

1 For Approval or Correction, the Minutes of the Transportation, Infrastructure and Innovation Subcommittee Meeting on on Nov. 6, 2019

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.

CONSENT ACTION (ITEMS 2-5)

2 Wi-Fi Service Concession Agreement

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval to award a Wi-Fi service concession agreement for Phoenix Sky Harbor International Airport (PHX) to Concourse Communications Group, LLC (Boingo Wireless, Inc.). Estimated annual revenue in the contract will be $340,000.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.
3 **Air Service Incentive Program**  

This report requests the Transportation, Infrastructure and Innovation Subcommittee to recommend City Council approval of a new Air Service Incentive Program for Phoenix Sky Harbor International Airport. The aggregate amount for this program will not exceed $2.5 million.

**THIS ITEM IS FOR CONSENT ACTION.**

**Responsible Department**  
This item is submitted by the Assistant City Manager Deanna Jonovich and the Aviation Department.

4 **Airports Council International - North America Membership**  

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval of the 2020 annual dues payment for the Aviation Department's membership in Airports Council International - North America (ACI-NA). The annual dues for 2020 are $128,061.

**THIS ITEM IS FOR CONSENT ACTION.**

**Responsible Department**  
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.
5 American Association of Airport Executives Membership

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval of the Aviation Department's 2020 Airport Legislative Alliance and Regulatory Affairs membership dues payment to the American Association of Airport Executives (AAAE).

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.

INFORMATION ONLY (ITEMS 6-7)

6 Metro, Regional Public Transportation Authority, and Maricopa Association of Governments Meetings

This report provides the Transportation, Infrastructure and Innovation Subcommittee with copies of past and/or upcoming meeting agendas/summaries for METRO light rail, Valley Metro/Regional Public Transportation Authority (RPTA), and the Maricopa Association of Governments.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.

7 Citizens Transportation Commission Meetings

This report provides the Transportation, Infrastructure and Innovation Subcommittee with copies of past and/or upcoming meeting agendas/summaries for the Citizens Transportation Commission.

THIS ITEM IS FOR INFORMATION ONLY.
Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.

DISCUSSION AND POSSIBLE ACTION (ITEMS 8-9)

8 2020 State and Federal Legislative Agendas

This report requests input from the Transportation, Infrastructure and Innovation Subcommittee on the City's priorities for the 2020 State and Federal Legislative Agendas.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Office of Government Relations.

9 T2050 Funding Plan for Public Transit Projects

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council authorization to issue Debt Obligations of up to $1.3 billion to finance a portion of the Public Transit capital program. The proposed funding of the Public Transit capital program is included in the Transportation 2050 (T2050) plan's financial assumptions.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.
INFORMATION AND DISCUSSION (ITEMS 10-11)

10 Freeway Program Update

This report provides the Transportation, Infrastructure and Innovation Subcommittee updates on the Arizona Department of Transportation (ADOT) freeway program within the City of Phoenix.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the City Manager’s Office.

11 3rd Street Improvement Project: Roosevelt Street to Indian School Road

This report provides the Transportation, Infrastructure and Innovation Subcommittee an update on the planned 3rd Street Improvement Project, which includes improvements along 3rd Street between Roosevelt Street and Indian School Road.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.

CALL TO THE PUBLIC

FUTURE AGENDA ITEMS

ADJOURN
For further information or reasonable accommodations, please call Kacie Howard, Management Assistant II, City Manager's Office at 602-262-7684. 7-1-1 Friendly.

Persons paid to lobby on behalf of persons or organizations other than themselves must register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-534-0490.

Members:
Councilwoman Thelda Williams, Chair
Vice Mayor Betty Guardado
Councilwoman Laura Pastor
Councilwoman Debra Stark
For Approval or Correction, the Minutes of the Transportation, Infrastructure and Innovation Subcommittee Meeting on Nov. 6, 2019

Summary
This item transmits the minutes of the Transportation, Infrastructure and Innovation Subcommittee Meeting on Nov. 6, 2019 for review, correction or approval by the Transportation, Infrastructure and Innovation Subcommittee.

The minutes are attached (Attachment A).

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.
Call to Order
Chairwoman Williams called the Transportation, Infrastructure and Innovation Subcommittee to order at 9:02 a.m. with Councilwoman Pastor present and Councilwomen Stark and Guardado present telephonically.

Call to the Public
None.

1. For Approval or Correction, the Minutes of the Transportation, Infrastructure and Innovation Subcommittee Meeting on Oct. 2, 2019
Councilwoman Pastor made a motion to approve the minutes of the Oct. 2, 2019 Transportation, Infrastructure and Innovation Subcommittee. Chairwoman Williams seconded the motion which passed unanimously, 4-0.

Items 2-6 were for consent action. No presentations were planned but staff was available to answer questions.

Councilwoman Pastor made a motion to approve consent items 2-6. Councilwoman Guardado seconded the motion which passed unanimously, 4-0.

2. Request Authorization to Amend Intergovernmental Agreement with Flood Control District of Maricopa County and the City of Scottsdale for the Rawhide Wash Flood Hazard Mitigation Project

3. Request Authorization to Enter into an Intergovernmental Agreement with the Flood Control District of Maricopa County and the City of Scottsdale for the Rawhide Wash Flood Hazard Mitigations Project Construction

4. Designated Aviation Channeling Services – AVN RFP 19-026
5. Transportation 2050 Program Management Support Services Contract Amendment

6. Request Authorization to Apply for a 2019 Federal Transit Administration Transit-Oriented Development (TOD) Planning for the Capitol/I-10 West Corridor

7. Metro, Regional Public Transportation Authority, and Maricopa Association of Government Meetings
Information only. No Councilmember requested additional information.

8. Citizens Transportation Commission Meetings
Information only. No Councilmember requested additional information.

9. Freeway Program Update
Information only. No Councilmember requested additional information.

10. Community Outreach for Capitol/I-10 West Light Rail Corridor and West Phoenix High Capacity Transit
Deputy City Manager Mario Paniagua introduced Light Rail Administrator Markus Coleman to present on community outreach for the Capitol/I-10 West light rail corridor and west Phoenix high capacity transit project.

Mr. Coleman introduced Valley Metro Deputy Director of Corridor Planning Jennifer Pyne. Ms. Pyne shared in April 2019, Council directed City staff and Valley Metro to develop a public hearing schedule to discuss high-capacity transit in west Phoenix, consider other transit modes or commuter transit solutions for the I-10 West, examine all funding options, engage other west valley cities to develop a regional approach and evaluate extending service to the Desert Sky Mall.

Ms. Pyne then outlined the public involvement plan. In fall/winter 2019, Valley Metro and City staff will provide background and status updates as well as gather public input with the goal of understanding the perceptions of potential users. In winter/spring 2019, proposed transit routes will be reviewed and acceleration options will be analyzed. In spring 2020, Valley Metro and City staff will provide a recap, results and recommendations to the public and then present to Council in the summer 2020.

Councilwoman Stark joined the meeting in-person.

Ms. Pyne shared in 2012, Council selected light rail as the preferred method of transportation along the I-10 West corridor. In 2016, the project was phased with the passage of T2050 to include phase one in 2024 which extends the downtown system to the Arizona State Capitol and phase two in 2030 from the Arizona State Capitol to 79th Avenue.

Ms. Pyne provided four phasing options. Scenario A includes phase one from downtown to the State Capitol and phase two from the Arizona State Capitol to 79th Avenue. Scenario B consists of constructing everything in one phase. Scenario C utilizes three
phases: phase one from downtown to the Arizona State Capitol, phase two from Arizona State Capitol to 59th Avenue and phase three from 59th Avenue to 79th Avenue. Scenario D has phase one implementing rail from downtown to the Arizona State Capitol and phase two implementing a bus rapid transit (BRT) system from downtown to 79th Avenue. All phases include the option of extending service to the Desert Sky Mall.

Ms. Pyne concluded by outlining the next steps in the technical analysis, including: developing options for access from downtown to the Arizona State Capitol, evaluating possible options for phase two acceleration, analyzing options for the Desert Sky Mall connection, discussing with west valley cities and coordinating with ADOT. Next steps within community engagement include: community outreach and notification, public meetings, hosting neighborhood group and stakeholder meetings and providing website updates.

Councilwoman Pastor posed concerns around the potential disruption of 18th and 19th Avenues as shown in the current phase one alignment and requested that 17th Avenue also be examined. She asked for clarification on Scenario D. Ms. Pyne clarified in Scenario D rail would only extend to the Arizona State Capitol and then BRT would continue west with an exclusive guideway in the I-10 corridor. If Scenario D was selected, BRT would be extended all the way to downtown to eliminate a transfer.

Chairwoman Williams inquired whether downtown construction needs to be completed before construction of the Capitol/I-10 project begins. Mr. Coleman explained the downtown construction will be completed before the Capitol/I-10 project construction begins with a goal of completing the downtown project before the 2023 Super Bowl.

Chairwoman Williams also asked if light rail or BRT is faster to construct and if federal funding would be used for BRT in Scenario D. Mr. Coleman responded that he can follow-up on which is faster to construct, but there would be federal assistance.

Councilwoman Pastor asked for clarification on Scenario D BRT funding and T2050. Deputy City Manager Mario Paniagua responded that part of the T2050 plan includes BRT, and a separate process was underway for evaluation of BRT corridors throughout the city. Also, BRT was being evaluated for the I-10 West corridor as an alternative to light rail as a possible option to accelerate high-capacity transit along the I-10 West per the Council direction.

Councilwoman Pastor asked for clarification regarding the construction timeline. Mr. Coleman responded the downtown guideway and underground utility work will be completed before February 2023. For the Capitol/I-10 project, the utility work may begin earlier, but the guideway was not planned to begin until after downtown construction is complete.

Councilwoman Pastor inquired about the impact to downtown events. Mr. Coleman shared that he is working with the Street Transportation Department and Downtown Phoenix Inc. to ensure stakeholders are prepared for major events. In addition to
attending the major events meeting held by Convention Center staff, bimonthly stakeholder meetings will be created to discuss construction and coordinate activities. Deputy City Manager Mario Paniagua added that staff is considering downtown events when proposing routes to Council.

Haley Ritter spoke in support of phasing Scenarios A and B.

Councilwoman Pastor inquired if it is possible to have an express light rail during peak hours. Ms. Pyne responded that is a possibility and could be explored further.

Chairwoman Williams asked Mr. Coleman to advertise beyond the web page. He responded that staff is working with school districts, the Neighborhood Services Department, canvassing and utilizing email list serves to inform the community.

11. 27th Avenue Corridor Update – McDowell Road to Dunlap Avenue.
Deputy City Manager Mario Paniagua introduced Street Transportation Director Kini Knudson and Assistant Street Transportation Director Briiana Velez to provide an update on completed and future improvements along the 27th Avenue corridor between McDowell Road and Dunlap Avenue. Mr. Knudson shared this segment of the 27th Avenue corridor stretches approximately seven miles and crosses through Districts 2, 4, 5 and 7, and sits adjacent to District 3.

Mr. Knudson summarized the West Phoenix Revitalization Violence Impact Project (VIP) which started in May 2015. VIP targeted visual blight on 27th Avenue from Indian School Road to Dunlap Avenue through coordinated neighborhood clean-ups with Arizona State University, the removal of 5,766 graffiti sites and street light repairs. Additionally, the Neighborhood Services Department surveyed over 7,500 properties which resulted in 2,227 blight violations issued and 1,912 cases closed.

Ms. Velez presented on past and future improvements along 27th Avenue. At all arterial and collector intersections, there are traffic signals. Additionally, the Office of Pedestrian Safety is funding a new High-Intensity Activated Crosswalk (HAWK) between Bethany Home Road and Rose Lane. Regarding street lights, all street lights in the corridor were converted to LED and the Street Transportation Department was awarded Highway Safety Improvement Program (HSIP) grant funding to implement double sided street lighting on five, one-half mile segments. Regarding pavement treatments, Bethany Home Road to Glendale Avenue will be treated this fiscal year. In fiscal year 2021, McDowell Road to Thomas Road, Camelback Road to Bethany Home Road and Glendale Avenue to Butler Drive will be treated.

Ms. Velez shared completed landscaping improvements include 50 trees planted and a refurbished irrigation system from Myrtle Avenue to Belmont Avenue in 2018, and 45 trees planted along Indian School Road to Camelback Road in 2016. The Street Transportation Department has identified four additional areas with opportunities for improved landscaping, including: Thomas Road to Osborn Road, Indian School Road to Camelback Road, Ocotillo Road to Lamar Road, and Hayward Avenue to Augusta Avenue.
Councilwoman Pastor asked if there is a maintenance plan for the landscaping improvements. Mr. Knudson responded that the Street Transportation Department is responsible for the landscaping and Council has approved additional resources to ensure the trees are being properly maintained.

Haley Ritter requested additional bicycle lanes along the 27th Avenue corridor.

**12. Bus Rapid Transit Program Update**

Deputy City Manager Mario Paniagua introduced Public Transit Director Jesus Sapien, Bus Rapid Transit (BRT) Administrator Sara Kotecki and HDR Consultant Matthew Taunton to provide an update on the BRT Program.

Chairwoman Williams asked for a differentiation between Rapid service and BRT. Mr. Sapien explained Rapid is a commuter service that takes passengers back and forth between various park-and-ride locations and downtown via the freeway. BRT focuses on major service enhancements on local streets that have a higher ridership.

Ms. Kotecki shared the department has been collaborating with HDR to re-evaluate the BRT corridors identified in the T2050 plan, identify other corridors for consideration and develop a community engagement plan.

Mr. Taunton explained that BRT is an advanced bus network that improves travel speed and reliability, passenger capacity and customer experience. He shared BRT elements can include: transit spot improvements, enhanced stations, custom buses, advanced fare collection, unique branding and dedicated lanes.

Mr. Taunton then discussed the levels of BRT and associated capital costs. All four levels would include: transit spot improvements, stations, buses, fares and branding. A level one system with a cost per mile of approximately $5 million - $7 million would have no dedicated lanes. A level two system with a cost per mile of approximately $7 million - $25 million would have minimal dedicated lanes. A level three system with a cost per mile of approximately $25 million - $45 million would include partial dedicated lanes and a level four system with a cost per mile of approximately $45 million - $55 million would include entire dedicated lanes.

Mr. Taunton then summarized Phoenix’s existing transit conditions. Phoenix carries approximately two-thirds of valley transit passengers. However, traveling across the grid could be improved, the current bus network has plateaued in some corridors and there is a challenge to improve transit speed and reliability.

Mr. Taunton shared that Kansas City, Minneapolis and Seattle found a dramatic increase in ridership with the implementation of BRT. When comparing these cities’ original local bus ridership to Phoenix’s current ridership, Phoenix is starting with a higher local bus usage.
Councilwoman Stark asked if the comparison cities have light rail. Mr. Taunton responded that Seattle and Minneapolis have light rail, and Kansas City has a street car.

Mr. Taunton proceeded to share a map of composite transit propensity which utilizes demographic and socioeconomic indicators to determine where public transit will be the most successful. Analysis was also conducted on ridership by the number of boards per bus stop. It was found that ridership segments and transit propensity overlap one another which means the local bus network is serving the areas that have the highest transit demand.

He then compared his analysis to the originally proposed T2050 BRT corridors. Utilizing this analysis, current ridership conditions and a future ridership prediction tool, potential BRT corridors will be determined. These corridors will be shared at a Technical Workshop and recommendations will be taken to the Citizen Transportation Commission (CTC) and this Subcommittee.

Mr. Taunton concluded by explaining the community education and engagement component which includes an initial education effort in early 2020 that covers general BRT knowledge and perceptions. Additionally, upcoming activities include developing a BRT website and BRT 101 video. Chairwoman Williams asked if BRT will be named something creative and suggested hosting a contest. Mr. Taunton responded that by the middle of 2020, program and technology education, and corridors and preferences outreach will be conducted. In late 2020, engagement will focus on corridor details, routes and stations.

Mr. Taunton invited the Subcommittee to participate in the Technical Workshop in December. Mr. Sapien added the recommended BRT corridors will be a result of the Technical Workshop, and discussions with other cities and Valley Metro are occurring around the potential of regional lines.

Councilwoman Stark asked if the dedicated lanes would be for only BRT or if they would be shared with cars. She also inquired whether the department will be looking at utilizing both shared and dedicated lanes in different parts of the City depending on need. Mr. Sapien responded staff will be evaluating both options in each corridor to determine which fits the community’s needs. Councilwoman Stark requested a re-evaluation of the Bell Road corridor.

Councilwoman Pastor requested to see how BRT would change traffic patterns and data on whether this would save people time. Mr. Sapien responded that the department will include this in future analysis.

Chairwoman Williams suggested coordinating with the City of Peoria for a route. Mr. Sapien responded that they are providing BRT information to Maricopa Association of Governments (MAG) and at Valley Metro Planning Meetings. Councilwoman Pastor requested looking into the west side corridors and working with the City of Glendale.
Peggy Neely spoke in support of transportation options from north Phoenix to downtown.

Haley Ritter requested that bicyclists be considered in the BRT study.

Councilwoman Pastor questioned whether the corridors being looked at include bike lanes and how dedicated BRT lanes would impact them.

**Call to the Public**
None.

**Future Agenda Items**
Councilwoman Pastor requested an update on 3rd Street improvements from Roosevelt Street to Steele Indian School Park.

Councilwoman Stark requested an update on the water infrastructure project along 32nd Street through the mountain preserve.

**Adjournment**
Chairwoman Williams adjourned the meeting at 10:16 a.m.

Respectfully submitted,
Jennifer Hackelman
Management Intern
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Wi-Fi Service Concession Agreement

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval to award a Wi-Fi service concession agreement for Phoenix Sky Harbor International Airport (PHX) to Concourse Communications Group, LLC (Boingo Wireless, Inc.). Estimated annual revenue in the contract will be $340,000.

THIS ITEM IS FOR CONSENT ACTION.

Summary
The Aviation Department currently contracts with Boingo Wireless, Inc. (Boingo) to provide and support public Wi-Fi service in all terminals, the Rental Car Center, and all PHX Sky Train (Sky Train) stations at PHX. On average, out of the 123,000 daily passengers, there are 33,000 unique users that connect to the Wi-Fi service. On an annual basis, approximately 12 million passengers access the Wi-Fi service at PHX.

The current contract with Boingo expired on July 31, 2019. On June 5, 2019, Phoenix City Council approved a month-to-month extension of the contract for up to one year to allow time to issue the Revenue Contract Solicitation (RCS 19-038) and award a new contract. This extension expires July 31, 2020 and can be terminated any time once the new Wi-Fi service has been successfully implemented and transitioned.

Under the new Wi-Fi service concession contract, the provider will be required to implement and maintain an uninterrupted Wi-Fi service. The provider will be responsible for all costs associated with the implementation and maintenance of the Wi-Fi network throughout the term of the contract and any exercised extension options. The contract will allow passengers to choose free Wi-Fi or a pay-for-use Wi-Fi service with the service provider. The service will support desktops, laptops, smart phones, tablets, and other end devices with Wi-Fi capability.

Wi-Fi service will cover the following airport locations:
- Terminal 3.
- Terminal 4.
- Rental Car Center.
• All Sky Train stations.

During the initial six months of the contract term, the provider will implement and transition to the new system. If the provider completes the implementation and transition prior to the Primary Term of Aug. 1, 2020, the date of implementation would become the new Primary Term start date. At the commencement of the Primary Term, the provider will pay to the City rent in the amount of the Minimum Annual Guarantee or percentage of gross sales earned, whichever is greater.

This item has been reviewed and approved by the Information Technology Services Department.

Procurement Information
On July 18, 2019, the Aviation Department issued RCS 19-038 for the design, implementation, operation, and maintenance of an airport-wide Wi-Fi service. On Aug. 30, 2019, one proposal was received from Concourse Communications Group, LLC (Boingo Wireless, Inc.), and the proposal was deemed responsive and responsible.

An evaluation committee was appointed to conduct detailed evaluations. The panel evaluated the proposal based upon the following RCS evaluation criteria:
• Method of approach to providing Wi-Fi services (400 points).
• Proposed Minimum Annual Guarantee (250 points).
• Qualifications and experience of respondent (200 points).
• Business plan (150 points).

The consensus score and ranking for the proposal is shown below:

Concourse Communications Group, LLC (Boingo Wireless, Inc.) 880 points

Contract Term
The term of the contract will be three years, with two one-year options to extend, which may be exercised by the City Manager or designee. The new contract will commence on Jan. 1, 2020, with the new Wi-Fi service to be implemented no later than July 31, 2020. The Primary Term of the new service will start no later than Aug. 1, 2020.

Financial Impact
Revenue for the Aviation Department will be set at MAG of $340,000 or 35 percent of gross sales earned, whichever is greater.
Concurrence/Previous Council Action
City Council approved the City Manager to issue RCS 19-038 on June 5, 2019.

The Phoenix Aviation Advisory Board recommended approval of this item on Nov. 21, 2019 by a vote of 7-0.

Location
Phoenix Sky Harbor International Airport, 3400 E. Sky Harbor Blvd.
Council District: 8

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.
Air Service Incentive Program

This report requests the Transportation, Infrastructure and Innovation Subcommittee to recommend City Council approval of a new Air Service Incentive Program for Phoenix Sky Harbor International Airport. The aggregate amount for this program will not exceed $2.5 million.

THIS ITEM IS FOR CONSENT ACTION.

Summary

Obtaining new routes to serve the customers of Phoenix Sky Harbor International Airport is competitive. Airlines are increasingly selective on which markets they choose to operate international air service. Airlines choose markets that provide the greatest revenue opportunity based on aircraft availability and the high cost of operating international routes. It is industry practice for airports to partner with airlines by reducing an airline's financial risk during the important start up period through an incentive program. When faced with a choice on where to place new service, airline incentive programs can help influence the airline decision making process.

Contract Term

The program will be effective July 1, 2020 through June 30, 2024.

Financial Impact

The program allows for a maximum of $2 million in marketing funding plus $500,000 in fee waivers per airline over a two-year period. While it is possible for more than one airline to take advantage of the maximum funding, it is highly unlikely. Funds are available in the Aviation Department budget for this purpose.

Concurrence/Previous Council Action

This item was recommended for approval at the Phoenix Aviation Advisory Board meeting Nov. 21, 2019 by a vote of 7 - 0.

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road
Council District: 8
Responsible Department
This item is submitted by the Assistant City Manager Deanna Jonovich and the Aviation Department.
Airports Council International - North America Membership

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval of the 2020 annual dues payment for the Aviation Department's membership in Airports Council International - North America (ACI-NA). The annual dues for 2020 are $128,061.

THIS ITEM IS FOR CONSENT ACTION.

Summary
ACI-NA is one of five worldwide regions of Airports Council International and represents local, regional, and state governing bodies that own and operate commercial airports in the United States and Canada. ACI-NA advocates for airports by addressing federal and regulatory issues that impact airports and the aviation industry, including issues such as FAA flight paths, safety and security, and FAA funding reauthorization.

ACI-NA is also deeply engaged with the International Civil Aviation Organization (ICAO), a United Nations Specialized Agency with strategic objectives including safety, air navigation capacity and efficiency, security and facilitation, economic development of air transport, and environmental protection. ACI-NA’s observer status allows it to place a subject matter expert on the Air Navigation Commission, which allows the airport sector early input into proposed technical recommendations that have direct consequences for airport design and operation.

In addition, staff from Phoenix airports are well represented by staff serving on ACI committees including the Large Hub Airport, Operations and Technical Affairs, US Governmental Affairs, Legal Affairs, Public Safety and Security, Business Diversity, Business Information Technology, Finance, Marketing and Communications, Risk Management, Small Airports, Human Resources, and Commercial Management committees. These committees are charged with the development of recommendations that ACI-NA helps advance on behalf of U.S. airports to regulators in Washington, D.C.

As the owner and operator of Phoenix Sky Harbor International Airport, the City of
Phoenix receives great value from the services and industry coordination and collaboration that are provided/organized by ACI-NA.

Financial Impact
The annual dues for 2020 are $128,061.

Location
Phoenix Sky Harbor International Airport, 3400 E. Sky Harbor Blvd.
Council District: 8

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.
American Association of Airport Executives Membership

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council approval of the Aviation Department’s 2020 Airport Legislative Alliance and Regulatory Affairs membership dues payment to the American Association of Airport Executives (AAAE).

THIS ITEM IS FOR CONSENT ACTION.

Summary
The American Association of Airport Executives (AAAE) shapes policies and recommendations that affect how Phoenix Sky Harbor International Airport (Sky Harbor) conducts business today. The Airport Legislative Alliance (ALA) and Regulatory Affairs Department are the advocacy wings of the AAAE. These groups provide strong and effective representation for America’s airport system to members of Congress and key executive agencies, including the Department of Transportation, the Federal Aviation Administration, and the Environmental Protection Agency. The ALA and Regulatory Affairs Department represent airport interests on issues like FAA flight paths, funding for airport development, security, and maintaining strong, local control of airports.

As the owner and operator of Sky Harbor, the City of Phoenix receives great value from the services provided by these groups. Sky Harbor is well represented by staff serving in AAAE leadership roles as Certified Members, Accredited Airport Executives, National Committee Chairs, and Examiners on the Southwest Regional Board of Examiners.

The airport expects 2020 to be a very active year with the administration in Washington and discussion about a major infrastructure program. It is very important that Phoenix be part of the discussion to shape any legislation that would affect Sky Harbor and the community it serves.

Financial Impact
The annual dues for 2020 are $59,375.
Location
Phoenix Sky Harbor International Airport, 3400 E. Sky Harbor Blvd.
Council District: 8

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.
Metro, Regional Public Transportation Authority, and Maricopa Association of Governments Meetings

This report provides the Transportation, Infrastructure and Innovation Subcommittee with copies of past and/or upcoming meeting agendas/summaries for METRO light rail, Valley Metro/Regional Public Transportation Authority (RPTA), and the Maricopa Association of Governments.

THIS ITEM IS FOR INFORMATION ONLY.

Summary
Within Maricopa County, there are several agencies with different charges relating to public transit and transportation planning.

Valley Metro/RPTA: In 1993, the Regional Public Transportation Authority Board adopted the name Valley Metro as the identity for the regional transit system in metropolitan Phoenix. Under the Valley Metro brand, local governments fund the transit system which the public sees on Valley streets today. Valley Metro Board member agencies include Avondale, Buckeye, Chandler, El Mirage, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix Queen Creek, Scottsdale, Surprise and Tempe.

METRO: METRO is the brand name for Valley Metro Rail Inc., a nonprofit, public corporation charged with the design, construction and operation of the light rail system. The cities that participate financially in the light rail system each have a representative on the METRO Board of Directors. Cities on the board include Chandler, Glendale, Mesa, Phoenix and Tempe. METRO is structured on a "pay to play basis," with voting power allocated based on investment in the system.

The Maricopa Association of Governments (MAG): MAG is a council of governments that serve as the regional agency for the metropolitan Phoenix area. When MAG was formed in 1967, elected officials recognized the need for long-range planning and policy development on a regional scale. Issues such as transportation, air quality and human services affect residents beyond the borders of individual jurisdictions. MAG is the designated metropolitan planning organization (MPO) for transportation planning in
the Maricopa County region.

The goal of staff is to provide the Transportation, Infrastructure and Innovation Subcommittee with agendas for future meetings of these bodies. At times, meeting dates do not coincide and agendas are not available until close to the meeting date. However, prior to reach each Board of Directors meeting, most agenda items are reviewed by staff committees which include City of Phoenix members.

Meeting agendas and/or additional information for previous and upcoming METRO, RPTA and MAG meetings will be distributed to Transportation, Infrastructure and Innovation Subcommittee members at the meeting.

**Responsible Department**
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.
Citizens Transportation Commission Meetings

This report provides the Transportation, Infrastructure and Innovation Subcommittee with copies of past and/or upcoming meeting agendas/summaries for the Citizens Transportation Commission.

THIS ITEM IS FOR INFORMATION ONLY.

Summary
The Citizens Transportation Commission advances transparency, public input, and government accountability by reviewing appropriations provided by the Phoenix Transportation 2050 plan (T2050), as approved by the voters on Aug. 25, 2015.

The Commission reviews T2050 appropriations and program recommendations of the Public Transit Department and the Street Transportation Department; annually review the revenues and expenditures of T2050 funds, as well as funding from other sources; conducts public meetings; and formulates and presents recommendations to the Phoenix City Council related to revenues, expenditures, projections, programs and major projects as called for by T2050.

Meeting agendas and/or additional information for previous and upcoming Citizens Transportation Commission meetings will be distributed to Transportation, Infrastructure and Innovation Subcommittee members at each Subcommittee meeting.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.
2020 State and Federal Legislative Agendas

This report requests input from the Transportation, Infrastructure and Innovation Subcommittee on the City’s priorities for the 2020 State and Federal Legislative Agendas.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary
Each year, the Office of Government Relations requests that City departments submit issues for inclusion in the City’s State and Federal Legislative Agendas. Once input is received from the Mayor and Council, the State and Federal Legislative Agendas will define the City's legislative priorities and guide the City's lobbying activities during the Second Regular Session of the 54th Arizona Legislature and the 116th Congress, Second Session.

In order to prioritize and guide staffs lobbying efforts, we recommend that the Mayor and Council endorse familiar, but critical, guiding principles as our highest priorities - maintaining and protecting shared revenues, opposing unfunded mandates, preserving local authority, and involvement in water resource matters.

Shared Revenues - The City’s budget includes revenues from a number of State sources, most importantly “shared revenues” from state income, sales, and vehicle license taxes. Shared revenues make up approximately 32 percent of the City’s general fund, helping to pay for police, fire, streets, parks, and other critical City services. Staff recommends the City oppose any reduction of shared revenues. The state shared revenue system first came into existence in 1942, when Arizona voters approved an initiative requiring that a percentage of state sales taxes be shared with cities and towns. In 1960, statewide voters approved a measure to share the gas tax with municipalities. And, in 1972, statewide voters approved the sharing of a percentage of state income taxes with local governments. Shared revenues have become a critical component of the City’s general fund budget.

Oppose Unfunded Mandates - Staff recommends the City oppose state legislative efforts to shift new responsibilities to the City without accompanying funds.
Local Authority - The City’s Charter empowers Phoenix residents to determine the structure and authority of City government in our community. Staff recommends the City work to protect the ability of the Mayor and Council to set policy at the local level and oppose legislation that preempts local authority.

Water Resources - While Phoenix and the Valley have sufficient water resources for now and the foreseeable future, the Arizona Department of Water Resources and stakeholders from statewide organizations are working to coordinate efforts in building adequate infrastructure and protecting water resources. Staff recommends that the City participate in these efforts to ensure that Phoenix’s water supply is protected.

In order to prioritize and guide federal lobbying efforts, staff recommends that the Mayor and Council endorse two guiding principles as the City's highest priorities: to promote fiscal sustainability and to protect local authority. To promote fiscal sustainability, the City would, for example, support efforts to achieve parity in federal funding for Phoenix compared to other cities of equivalent population. Staff would also oppose federal actions imposing unfunded mandates on cities or reducing funding available for important programs or infrastructure needs. To protect local authority, staff would support federal action that empowers local communities and oppose efforts to preempt local decisions.

State Agenda
Staff recommends the following four priorities for inclusion in the 2020 State Legislative Agenda. These items listed below are described in further detail in Attachment A.

Streets
1. Increase or indexing of Gas Fuel Tax and Use Fuel Tax

Aviation
2. Luke Air Force Base
3. Rental Car Operations
4. Airport Curb and Ground Transportation Regulations

Federal Agenda
Staff recommends the following 23 priorities for inclusion in the 2020 Federal Legislative Agenda. These items are described in further detail in Attachment B.

Aviation
1. Federal Aviation Administration (FAA) NextGen and Airspace Management (Noise)
2. Airport Firefighting Foam (PFAS)
3. Federal Funding and the Passenger Facility Charge
4. Unfunded Federal Mandates
5. Airport Security Requirements
6. Transportation Security Administration (TSA) Staffing Levels
7. Airport Planning and Environmental Policy
8. Drones/Unmanned Aircraft Systems (UAS)

Public Transit
10. High-Capacity Transit
11. Highway Trust Fund Solvency
12. Alternative Fuel Tax Credit

Streets
13. Federal Funding Model
14. Local Surface Transportation Funding Priorities
15. Flood Mitigation and Stormwater Infrastructure
16. Freight Transportation
17. Congestion Mitigation Air Quality
18. Buy America

Water
19. System Conservation
20. Intentionally Created Surplus
21. Reservoir Pilot
22. WaterSMART
23. Forest Restoration

Responsible Department
This item is submitted by Assistant City Manager Deanna Jonovich and the Office of Government Relations.
Attachment A
State Legislative Agenda – Specific to Transportation, Infrastructure and Innovation

In order to prioritize and guide staff’s lobbying efforts, we recommend that the Mayor and Council endorse familiar, but critical, guiding principles as our highest priorities – maintaining and preserving shared revenues, opposing unfunded mandates, protecting local authority, and continued involvement in water resource matters.

Preserve Shared Revenues – The City’s budget includes revenues from several State sources, most importantly “shared revenues” from state income, sales, and vehicle license taxes. Shared revenues make up approximately 33 percent of the City’s general fund, helping to pay for police, fire, streets, parks, and other critical City services. Staff recommends the City oppose any reduction of shared revenues.

The state shared revenue system first came into existence in 1942, when Arizona voters approved an initiative requiring that a percentage of state sales taxes be shared with cities and towns. In 1960, statewide voters approved a measure to share the gas tax with municipalities. And, in 1972, statewide voters approved the sharing of a percentage of state income taxes with local governments. Shared revenues have become a critical component of the City’s general fund budget.

Oppose Unfunded Mandates – Staff recommends the City oppose state legislative efforts to shift new responsibilities to the City without accompanying funds.

Protect Local Authority – The City’s Charter empowers Phoenix residents to determine the structure and authority of City government in our community. Staff recommends the City work to protect the ability of the Mayor and Council to set policy at the local level and oppose legislation that preempts local authority.

Maintain Sustainable Water Resources – While Phoenix and the Valley have sufficient water resources for now and the foreseeable future, the Arizona Department of Water Resources and stakeholders from statewide organizations are working to coordinate efforts in building adequate infrastructure and protecting water resources. Staff recommends that the City participate in these efforts to ensure that Phoenix’s water supply is protected.

STREETS DEPARTMENT
1. Increase or indexing of Gas Fuel Tax and Use Fuel Tax

AVIATION
2. Luke Air Force Base
3. Rental Car Operations
4. Airport Curb and Ground Transportation Regulations

STREETS DEPARTMENT
1. **Increase or indexing of Gas Fuel Tax and Use Fuel Tax** - The state taxes on gas and motor fuel have not been increased or indexed to adjust for inflation since 1991. Despite increases in the population and number of vehicles on the road, City revenues from these taxes have been offset. Over the years, there have been increases to fuel efficiency in vehicles and more vehicles that use alternative fuels that do not pay for their impact on the State’s roadways. During this time, the State’s and Phoenix’s roadway system has grown significantly (in miles) while our roads have aged as well, putting a greater maintenance burden on Phoenix taxpayers. Despite other local and regional transportation funding options, there is a significant lack of funding across the State to adequately build and maintain our state’s roadways, highways, and bridges.

The legislative change would explore ways to increase roadway infrastructure construction and maintenance funding at the state level through higher user fees. Potential changes could mirror similar funding changes made in states across the country over the past 5-7 years.

**Staff recommends supporting efforts that lead to increased statewide funding for transportation infrastructure.**

**AVIATION**

2. **Luke Air Force Base** - Luke Air Force Base (Luke AFB) was established in 1941 on land donated to the federal government by the City. It has evolved in the decades since to become a major economic force in the Phoenix region, having a total economic impact of more than $2 billion as reported by the Arizona Commerce Authority. The City partners with West Valley cities and Maricopa County to protect and enhance Luke AFB.

**Staff recommends opposing any legislation that negatively impacts the mission of Luke AFB.**

3. **Rental Car Operations** - Phoenix has one of the top rental car markets in the U.S. Currently, there are 13 rental car companies that operate out of the Sky Harbor Rental Car Center. Those companies pay taxes and fees, which support city, county and state services, along with ground transportation infrastructure at Sky Harbor.

A new private rental car market is emerging and in many cases, these rental vehicles are delivered to customers at Sky Harbor. These businesses are directly competing with rental car companies at Sky Harbor but not paying the taxes and fees that the rental car companies at Sky Harbor pay.
Staff recommends supporting efforts to apply one set of regulatory and tax requirements for all vehicle rentals.

4. **Airport Curb and Ground Transportation Regulations** - Roadway and curb congestion continue to be a significant challenge for Phoenix Sky Harbor International Airport. The ability to regulate the use of airport curbs and other facilities by commercial, for profit businesses is vital to the operation of a safe, self-sustaining, and customer-friendly airport operation.

**Staff recommends monitoring and opposing any legislation that limits the ability of an airport to regulate or set its own fees for ground transportation businesses or any commercial operation on its property.**
Guiding Principles

In order to prioritize and guide federal lobbying efforts, staff recommends that the Mayor and Council endorse two guiding principles as the City’s highest priorities: to promote fiscal sustainability and to protect local authority. To promote fiscal sustainability, the City would, for example, support efforts to achieve parity in federal funding for Phoenix compared to other cities of equivalent population. Staff would also oppose federal actions imposing unfunded mandates on cities or reducing funding available for important programs or infrastructure needs. To protect local authority, staff would support federal action that empowers local communities and oppose efforts to preempt local decisions.

Federal Agenda

Staff recommends the following federal priorities for inclusion in the 2020 Federal Agenda. These items are described below:

Aviation:

1. Federal Aviation Administration (FAA) NextGen and Airspace Management (Noise)
2. Airport Firefighting Foam (PFAS)
3. Federal Funding and the Passenger Facility Charge
4. Unfunded Federal Mandates
5. Airport Security Requirements
6. Transportation Security Administration (TSA) Staffing Levels
7. Airport Planning and Environmental Policy
8. Drones/Unmanned Aircraft Systems (UAS)

Public Transit:

10. High-Capacity Transit
11. Highway Trust Fund Solvency
12. Alternative Fuel Tax Credit

Streets:

13. Federal Funding Model
14. Local Surface Transportation Funding Priorities
15. Flood Mitigation and Stormwater Infrastructure
16. Freight Transportation
17. Congestion Mitigation Air Quality
18. Buy America

Water:
19. System Conservation
20. Intentionally Created Surplus
21. Reservoir Pilot
22. WaterSMART
23. Forest Restoration

RECOMMENDATION

Staff requests input from the Land Use & Livability subcommittee on the City’s priorities for the 2020 State and Federal Agendas.

Aviation

1. Federal Aviation Administration (FAA) NextGen and Airspace Management (Noise)

On Sept. 18, 2014, the Federal Aviation Administration (FAA) implemented changes in flight paths to and from Phoenix Sky Harbor International Airport (Sky Harbor) as part of its effort to streamline departures and arrivals using NextGen satellite-based navigation. Phoenix Sky Harbor received thousands of noise complaints and questions from the community.

After attempts to negotiate with the FAA failed, the petitioners (Phoenix and a group of historic neighborhoods) filed suit. The U.S. Court of Appeals ultimately ruled in favor of the petitioners and the most impactful routes were reverted to their previous corridors in 2018, per a two-step settlement agreement.

The FAA is now implementing Step 2 of the agreement, which includes discussions with neighborhoods in other areas throughout the Phoenix area. The City will continue to closely-monitor the FAA’s compliance with Step 2 of the agreement and ensure the community is fully informed.

Staff recommends:

- Monitor all legislation involving NextGen, noise compatibility, and airports
- Advocate for changes to flight path decision-making to require community notification and input
- Monitor and advocate for implementation of a new FAA noise metric

2. Airport Firefighting Foam (PFAS)

Commercial airports are required by the FAA to maintain certain aircraft rescue and firefighting (ARFF) vehicles and fire suppression operating systems. The FAA requires these systems to use aqueous film-forming foam (AFFF) extinguishing
agents that contain per- and polyfluoroalkyl substances (PFAS). PFAS consists of two compounds, perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), which have raised significant health and environmental concerns. The Environmental Protection Agency (EPA), along with many state and local governments, are either enacting or considering enacting new prohibitions and restrictions regarding the use of PFAS compounds, notwithstanding the FAA’s mandate for airports to use the substance.

As part of the FAA Reauthorization Act of 2018 Congress directed the FAA to allow airports to use non-fluorinated chemicals in firefighting foam within three years as long as the foam complies with National Fire Protection Association standards. While the FAA is actively researching alternatives, it is too early to give any timeline for completion of the FAA's review and selection of possible alternative firefighting foams.

**Staff recommends:**

- Continuing to strongly encourage the FAA to expeditiously research and approve an effective alternative firefighting foam
- Oppose any legislation that would require commercial airports to violate FAA requirements
- Request an exemption from liability for airports in any legislation that designates PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

3. **Federal Funding, and the Passenger Facility Charge**

The FAA oversees the administration of the nation’s aviation system. Sky Harbor and its two general aviation airports, Deer Valley and Goodyear, are part of this system and are regulated by the FAA in nearly all aspects: financial, safety, environmental, construction and planning.

The City’s three airports’ capital programs rely heavily on congressional appropriations, the Passenger Facility Charge (PFC) and Airport Improvement Program (AIP) dollars, all of which impact budgets, particularly funding for capital construction projects. The City’s airports also benefit from other federal grant funding.

In 2018, Congress passed a five-year FAA reauthorization, which, among other things, continues to cap PFCs at $4.50 and locks in AIP at $3.35 billion per year over the next five years. While long-term FAA reauthorization creates funding predictability for the nation’s airports, it fails to provide adequate resources to repair aging facilities and prepare for future demand.

The following issues were not fully addressed in FAA reauthorization, but could be remedied with other legislation. These items are of major importance to the City:
Monitor and advocate for programs and funding that directly benefit the three Phoenix-owned airports.

Consideration of increasing the Passenger Facility Charge (PFC) from $4.50 to $8.50, with future indexing for inflation for large-hub airports, in lieu of Airport Improvement Program (AIP) entitlement funding. The PFC is one of the most critical financing tools available to airports and funds major construction projects such as runways and terminal buildings.

Advocate for language that provides relief for communities impacted by flight path changes and prevention of future changes without input and proper community notification.

Permanently exempt airport private activity bonds from the Alternative Minimum Tax (AMT). Exemption from the AMT would decrease the financing costs for all three City airports, but particularly Sky Harbor.

Pursue federal funding from the Federal Railroad Administration/Department of Transportation for components of Sky Harbor’s Comprehensive Asset Management Plan.

Maintain or increase funding for the FAA Contract Tower (FCT) Program, which funds the control tower at Goodyear Airport. Whereas Sky Harbor’s and Deer Valley’s towers are staffed by FAA employees, Goodyear’s tower is staffed by contract personnel.

Oppose any attempt to restrict airline competition, including any restrictions on foreign airlines using Flags of Convenience.

Oppose language that restricts or limits local airports from regulating its roadways and curbs as it relates to autonomous vehicles, Transportation Network Companies (TNCs) or other ground transportation providers and commercial users at airports. Continue to advocate for all airport ground transportation regulation at the local level.

Staff recommends support legislation that includes the priorities described above.

4. Unfunded Federal Mandates

The Aviation Department must pay for any unfunded federal mandates related to the operation of its three airports. If forced to assume the cost of an unfunded federal mandate, the Aviation Department would be required to decide between increasing revenue through an alternative method, such as increasing the rates charged to airlines, or decreasing services to the public. The following are examples of potential unfunded mandates.

Security Exit Lanes Staffing: During the last several years, the Transportation Security Administration (TSA) has indicated that it expects airports to assume responsibility for staffing security exit lanes. Airports strongly oppose this unfunded federal mandate, which is a task that airports have never assumed. Staff estimates it would cost approximately $1.2 million annually to staff the six passenger screening checkpoints (lanes) at Sky Harbor. This increased cost
would likely have to be passed onto airlines through Sky Harbor’s rates and charges process.

- Law Enforcement Officers staffing the security checkpoints: Airports are required to have law enforcement presence at or near security checkpoints to respond to threats that may be discovered during the TSA screening process. Front line TSA officers are not armed and cannot arrest individuals. Any cut to the TSA’s Law Enforcement Officer (LEO) reimbursement program would create an unfunded burden on airports.

- Moving and Installing new TSA screening equipment: When airports modernize, the TSA does not pay to move or install their equipment, or to make improvements to their screening areas. For example, when completes the modernization of Terminal 3, the TSA has told the Phoenix Aviation Department that they will not pay to move their screening equipment to the new Terminal 3 checkpoint. The TSA is also expecting Sky Harbor to pay for added checked bag resolution stations. And when Sky Harbor adds the new eight-gate concourse to Terminal 4, we will build a completely new checked bag screening system, which will make TSA more efficient.

- 100 Percent Security Screening of Employees: In the past, some members of Congress have proposed the idea of 100 percent physical security screening for all employees working at airports. This would be in addition to current background checks and other security measures already in place by the TSA. This initiative would likely cost millions of dollars to implement, would result in significant operational delays and, according to the TSA Aviation Security Advisory Committee, would “not appreciably increase the overall level of system-wide protection, nor does it lower overall risk.” As with exit lanes, increased costs would likely have to be passed onto the airlines and other airport tenants.

- Biometric Exit Screening at Airports: The implementation of the biometric exit system is another example of an unfunded federal mandate. This refers to a system, required by Congress, to track biometric data of non-citizens who are departing the country. Implementing biometric exit screening would represent a large change from the current entry process administered by Customs and Border Protection (CBP), whereby all foreign and domestic passengers are screened as they enter the country. The cost of biometric exit has not yet been determined, but initial estimates are in the millions of dollars at each airport. Staff is concerned about the airport being mandated to fund infrastructure improvements, especially technological infrastructure, to implement the biometric exit system without close coordination and federally-sponsored program funding.

- New Safety Management Systems (SMS): Review new unfunded mandates and changes to airport design standards and other advisory circulars focusing on enhancing aviation safety. New SMS rules apply to areas not traditionally under the review of the FAA, including apron areas.

**Staff recommends opposing unfunded federal mandates, such as security exit lanes staffing and biometric exit screening at airports.**

5. **Airport Security Requirements**
Safety and security are top priorities for the three Phoenix-owned airports. However, new federal security regulations could lead to increased cost and staffing requirements, which would impact the operation and budget of the Aviation Department.

Concerns about data privacy or cybersecurity have increased dramatically in recent years, not only for airports but for businesses worldwide. The City should monitor any new regulations and requirements for airports and associated impacts related to data privacy and/or cybersecurity.

The City also must monitor any new regulations and requirements for airports and associated impacts related to background checks for airport employees. This would include requirements for full background checks of employees at every badge renewal and/or ongoing random checks.

**Staff recommends monitoring for new data privacy, cyber security and employee background check requirements.**

6. **TSA Staffing Levels**

TSA provides security screening at Sky Harbor’s six security checkpoints. Between November 2015 and May 2016, TSA staffing was unacceptably low, resulting in wait times of up to one hour for customers at Sky Harbor and other major airports around the country. After public and political outcry, TSA increased its staffing levels and dramatically improved its security wait times. Since Memorial Day weekend 2016, most security wait times at Sky Harbor have been under 15 minutes and have rarely exceeded 30 minutes. TSA wait times and customer service have a direct impact on local customers at Sky Harbor and the City should support increased TSA staffing levels so that customer wait times remain at an acceptable level.

Additionally, the City should monitor any revisions under consideration by the TSA to change the program that allows airports to opt out of TSA-run checkpoints and replace the TSA with private screeners, as well as monitor innovative passenger security pilot programs for testing at Sky Harbor.

**Staff recommends monitoring TSA issues, such as staffing levels, for impacts to Sky Harbor.**

7. **Airport Planning and Environmental Policy**

Sky Harbor is subject to a myriad of complex federal regulations, including planning and environmental rules and regulations, which must be monitored. The following are examples of issues that have the potential to impact Sky Harbor operations.
• Land Use: Land use issues, including possible changes in regulatory noise thresholds and building height limits, are important for airports and surrounding communities. The City must support review of land use compatibility policies and an update of the current rules. For example, the current 65 day-night average sound level (DNL) standard to determine noise impacted communities is antiquated. In addition, the City should monitor airport land re-use and airport sound mitigation developments and participate in discussions with stakeholders, including the FAA.

• National Environmental Policy Act (NEPA): Changes in NEPA might be proposed at the federal level. Any NEPA changes would directly affect airports. As a result, close monitoring is necessary.

• Sustainability: Sustainability issues are increasingly important to airports. The City should support federal funding and legislation to assist with expansion of electric vehicle charging infrastructure. In November 2015, Sky Harbor received a Voluntary Airport Low Emission (VALE) grant to reduce emissions at the airport by funding development of electric charging infrastructure to support replacement of diesel-powered airline ground service equipment (GSE) with electric. The City also should support federal funding and legislation to enable cities to deploy projects that increase use of renewable energy and transition to a low-carbon economy.

• Environmental Protection Agency (EPA) and Food and Drug Administration (FDA): Airport issues regulated by the EPA and FDA must be closely monitored. The EPA ozone standard and Arizona’s ability to meet that standard could affect federal grants. Any changes or incentives involving unleaded avgas development also must be monitored. In addition, the City should monitor any changes or updates in EPA and FDA regulations involving aircraft drinking water and servicing areas.

• Economic Development: The City should support prioritization toward infill, intercity, brownfields, environmental justice communities, multi-agency community development (for example, FAA/HUD/EPA airport area investment) and support FAA flexibility toward real estate preparation and marketing. The City also should support legislation that provides federal funding for environmental assessment, cleanup and redevelopment of brownfields.

• Airport Layout Plans (ALPs): The City must track any new rules that change the way ALPs must be submitted. The process of transitioning from paper to an electronic Airport Geographic Information Systems (AGIS) system requires time and funding efforts to achieve compliance.

• Part 139 FAA Certification: Any proposed changes to Part 139 FAA certification must also be monitored, since they could impact requirements for airfield maintenance.

Staff recommends that these issues be monitored for potential impacts on the operations of the three Phoenix-owned airports.

8. Drones/Unmanned Aircraft Systems
Drones, also referred to as Unmanned Aircraft Systems (UAS), are an emerging technology. Up to this point, regulatory focus has primarily been on commercial usage. Hobbyists generally have been exempted from new regulations based on the history of model airplane use in the United States. However, airports are concerned by the safety impacts of amateur drone activities, which present potential safety concerns when drones are used in close proximity to Sky Harbor.

Drone regulation was the subject of much debate in 2017. The short-term FAA extension bill signed into law in July 2016 included a number of provisions to regulate the use of drones, including civil penalties for UAS users that interfere with emergency response activities and federal funding to detect and combat the unauthorized operation of drones around airports and critical infrastructure.

Additionally, in June 2016, the FAA finalized its first operational rules for routine commercial use of small UAS (Title 14 of the Code of Federal Regulations, Part 107). This rule offers safety regulations for UAS weighing less than 55 pounds that are conducting non-hobbyist (commercial) operations. The rule’s provisions are designed to minimize risks to other aircraft and people and property on the ground. The FAA considered excluding state and local governments from adopting drone regulations during the rulemaking process, but ultimately acknowledged “certain legal aspects concerning small UAS use may be best addressed at the state or local level” and directed state and local governments to consult the FAA’s Fact Sheet on State and Local UAS Laws when enacting their own drone regulations. Future legislative attempts likely will be made to preempt local drone regulations.

The FAA implemented a new drone registration system in January 2016 requiring All UAS weighing more than 0.55 pounds, but less than 55 pounds, to be registered with the FAA. But in May 2017 a court struck down the registration requirement for non-commercial use UAS weighing between 0.55 pounds and 55 pounds.

Staff recommends monitoring drones/UAS developments to evaluate the impact on Phoenix citizens/airspace - specifically, regarding Section 383 of the FAA Reauthorization Act requiring FAA to develop a plan for certifying or otherwise approving systems to detect and mitigate UAS threats.


Luke Air Force Base (Luke AFB) was established in 1941 on land donated to the federal government by the City. It has evolved in the decades since to become a major economic force in the Phoenix region. The City partners with West Valley cities and Maricopa County to protect and enhance Luke AFB.

Staff recommends the following goals:

- Protect the mission of Luke AFB by ensuring property owner participation and cooperation in federally-funded acquisition of land.
- Advocate for follow-on and joint missions for Luke AFB.
- Assist with securing and safeguarding funding for Luke AFB.
• Support expansion of the 161st refueling wing at Sky Harbor, which is a critical resource for Luke
• Monitor Base Realignment and Closure (BRAC) and other Force Structure Adjustment-related issues.

**Public Transit**

10. **High-Capacity Transit**

The high-capacity transit system in the Valley currently includes 26 miles of light rail. A number of high-capacity extensions are in development, consistent with the Regional Transportation Plan to expand the regional high-capacity transit system.

In 2019, the City and its partner, Valley Metro, will continue to make progress on light rail extensions in the Regional Transportation Plan. With the passage of Transportation 2050, the largest transportation initiative in the City’s history, corridors have been accelerated and the federal participation process needs to be continued to attain the federal share of funding. The City will continue the process of pursuing federal funding for extensions to the light rail system.

**Staff recommends:**

• **Continue efforts to include Phoenix light rail projects currently in, or being considered for, the federal Capital Investment Grant (CIG) program planning/engineering phase in the President’s Annual Budget and/or annual appropriations legislation.**
• **Pursue all available federal resources to support local high-capacity transit, including New Starts/Small Starts, Public-Private Partnerships (P3’s), Transportation Infrastructure Finance and Innovation Act (TIFIA) funding and competitive grants.**

11. **Highway Trust Fund Solvency**

The Highway Trust Fund (HTF) funds the nation’s interstate highway and mass transit systems. It is the primary source of funding for state projects that improve and maintain transportation. Every time a driver purchases fuel, they pay an excise tax per gallon with each fuel source having a distinct tax rate. These taxes create the “user-supported” HTF. The HTF was set up under the Federal-Aid Highway Act of 1956 at 3 cents per gallon. It was increased to 18.4 cents per gallon in 1993, but has not been increased since that time.

Insolvency of the HTF is a very near term possibility and a long term funding solution is needed. Motor fuel taxes, which are the primary funding source for the HTF, are declining while transportation infrastructure needs are increasing. This has resulted in a greater demand for federal transportation funding than the amount of funds
flowing into the HTF without periodic one-time infusions of cash. This approach is not sustainable and Congress must implement a viable long term solution to funding transportation infrastructure needs.

If the HTF became insolvent, public transit funding for Phoenix would be drastically reduced, affecting the vital transit services provided to more than 76 million passengers annually. The City of Phoenix, as the designated recipient of Federal Transit Administration (FTA) funds for the region, receives approximately $80 million annually from the FTA. This funding is used for critical public transit projects and services, and insolvency of the HTF would jeopardize public transit for the City and the region.

**Staff recommends support for legislation that resolves the insolvency issues with the Highway Trust Fund and provides stable, long-term funding sources for transit.**

12. **Alternative Fuel Tax Credit**

The Alternative Fuel Tax Credit was an incentive for alternative fuel sold for use or used as fuel to operate a motor vehicle. Under the Alternative Fuel Tax Credit, state and local governments, among others, that dispensed qualified fuel from an on-site fueling station for use in vehicles qualified for the tax credit of $0.50 per gallon for certain types of alternative fuels, such as compressed natural gas and liquefied natural gas. The Alternative Fuel Tax Credit provides approximately $3.2 million per year for the City’s bus operations. The City’s residents are impacted because less funding is available for transit service and passenger amenities.

**Staff recommends that Congress reinstate the Alternative Fuel Tax Credit retroactive to January 1, 2019.**

**Street Transportation**

13. **Federal Funding Model**

Nationally, the current federal funding model has seen challenges in effectively meeting the demand to maintain and develop transportation infrastructure. As mentioned above, insolvency of the HTF is a very real possibility. At the same time, the population in the City of Phoenix is projected to double to about three million people over the next 30 years, up from the 1.4 million counted during the 2010 Census. Due to this increase, and the challenges with the federal funding model, the current and projected outlook for future federal transportation funding is not expected to meet the needs of rapidly growing large cities such as Phoenix.
The City would benefit from the following changes to the current federal funding model:

- Encourage more private sector investment in transportation through programs such as a national infrastructure bank, Build America Bonds and more PPP’s, to complement the federal government’s commitment to public investment in infrastructure. The TIFIA program, for example, has been instrumental in bringing many visionary projects to fruition around the U.S.

- Increase funding for the competitive Better Utilizing Investments to Leverage Development (BUILD) Grant Program. BUILD Transportation grants replace the pre-existing Transportation Investment Generating Economic Recovery (TIGER) grant program which since its inception in 2009, applications for TIGER have far exceeded the amount of available funding. By any measure, many high-quality projects have gone unfunded because the funding level has not increased since 2010. Through its highly competitive merit-based application process, TIGER funds innovative, multimodal, and highly beneficial projects in communities around the U.S., creating jobs and improving transportation networks.

- Increase funding for FTA Capital Investment Grant (CIG) Program. This is FTA’s primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. It is a discretionary grant program unlike most others in government. Instead of an annual call for applications and selection of awardees by the Federal Transit Administration (FTA), the law requires that projects seeking CIG funding complete a series of steps over several years to be eligible for funding. A reduction or elimination of the CIG would result in significant reductions to the City’s High Capacity Transit (HCT) program as the capital funding for these projects includes a combination of federal and local funding. The city recognizes the limitations and competitiveness of federal funding nationally. Reduction or elimination of appropriations for this program will jeopardize completion of these light rail extensions.

- Incentivize cities and projects that use local funding based on an approved local transportation funding initiative: In August 2015, Phoenix voters passed Proposition 104 (Transportation 2050), which is a continuation and an increase of the original Transit 2000 Proposition, which dedicated 4/10 of a cent to fund public transit in the City. Proposition 104 continues this tax with an increase of 3/10 of a cent, for a total of 7/10 of a cent, to fund transit projects in the City of Phoenix. In addition to transit, a portion of the tax is designated for street transportation projects, including projects related to complete streets, pavement overlays and multi-modal improvements.

Even with the passage of Proposition 104, the City is still reliant on federal funding assistance for its surface transportation infrastructure needs. If the federal government provided incentives to cities or projects that contribute local
funding based on an approved local transportation funding initiative, such as Proposition 104, it could help advance surface transportation projects. Numerous approaches are possible, including: lowering local cost shares for federal aid projects in cities that use local funding that is based on an approved local transportation funding initiative; providing additional points or a higher weight when scoring/evaluating projects for competitive federal funds, such as TIGER and FTA New Starts/Small Starts; or opening new categories of funding to directly support cities that have local funding that is based on an approved local transportation funding initiative.

Staff recommends working with Congress and the Administration to explore ways that the federal funding model can be improved for local surface transportation projects.

14. Local Surface Transportation Funding Priorities

Street Transportation staff recommends pursuing federal funding in order to advance the following large surface transportation/capital projects:

- Design and construct the 67th Avenue Salt River Crossing between Southern Avenue and Broadway Road.
- Design and construct dry crossings (bridges) for all major arterials in the northeast region of the Phoenix metropolitan area.
- Design and construct Avenida Rio Salado/Broadway Road, located between 67th Avenue and 51st Avenue.
- Design and construct bridge crossings for all major arterials in the northwest region of the Phoenix metropolitan area.
- Design and construction bikeway infrastructure to support the City’s bicycle master plan and complete streets policy.
- Construct additional general purpose lanes, provide for High Occupancy Vehicle (HOV) lanes, and extend the existing HOV lane system on the segment of I-17 from I-10 East to Loop 101 (Agua Fria/Pima).

Staff recommends advocating for federal funding for the above list of local surface transportation/capital projects.

15. Flood Mitigation and Stormwater Infrastructure

In 2014, unprecedented storm events resulted in significant flooding in South Phoenix. The South Mountain and Laveen areas were hit particularly hard. The result was nearly $17.5 million in damage to both private property ($10 million) and public infrastructure ($7.5 million). Citywide, there is an ongoing need for funding to design and construct flood mitigation and drainage facilities, including storm drains, detention/retention basins, channels and outfalls. The City has identified nearly $1.75 billion in stormwater infrastructure needs citywide, including $702 million in
trunk line projects, $565 million in major projects and $479 million in small-scale drainage projects.

For nearly 40 years, the City has collaborated with regional partner agencies, including the Flood Control District of Maricopa County (FCDMC), to identify, fund and complete flood mitigation projects. To date, more than $212 million in projects have been completed. However, many key elements of the City’s planned storm sewer and drainage basin systems have not been realized due to ongoing decreases in longstanding revenue sources. The City’s annual budget to address these needs is approximately $2 million. This lack of local funding prevents the opportunity to leverage more funding from regional partners.

The City needs assistance from regional, state and federal partners to be able to design and construct storm drainage facilities citywide. These partners include FCDMC, the Arizona Department of Emergency and Military Affairs (DEMA), the U.S. Army Corps of Engineers (USACE) and Federal Emergency Management Agency (FEMA). The ability to collaborate and work efficiently with these partners to design and construct flood control mitigation projects will be critical to addressing the unmet needs in the community and prepare the City for future extreme storm events.

Staff recommends pursuing federal grants and assistance to assist with flood mitigation and stormwater infrastructure needs in the City.

16. Freight Transportation

The Arizona Sun Corridor is one of the fastest growing mega regions in the U.S. As the economic hub of the Sun Corridor, this growth presents the City of Phoenix with many new economic development opportunities, including new jobs and new markets. The City of Phoenix and its regional partners are focused on developing a freight system that will provide vital connections within the Sun Corridor as well as international markets in Sonora, Mexico.

The local Metropolitan Planning Organization (MPO), the Maricopa Association of Governments (MAG), is currently in the process of developing a freight plan, the primary focus of which is to review and evaluate the region’s transportation system; to enhance the transportation network to facilitate freight movement; and to improve access to and from major employment centers, all of which will increase economic development potential for the region.

Staff recommends advocating for Congress to:

- Provide funding for critical urban freight corridors identified by MPOs and state departments of transportation.
- Include urban and multimodal corridors as part of the national highway freight network.
• Place more significance on urban freight planning and funding for the first and last mile discussion.

17. Congestion Mitigation Air Quality

The City supports MAG and requests that the federal government recognize the need to allow state and regional agencies more flexibility to make their own determination about allocation of Congestion Mitigation Air Quality (CMAQ) funding based on regional needs, particularly when it deals with Particulate Matter (PM)-2.5 nonattainment areas. Whereas the Federal Highway Administration (FHWA) implemented by administrative determination a 1.2 weighting factor to distribute CMAQ dollars to PM-2.5 nonattainment areas, a new proposed rulemaking recommends changing that to five. This would limit the region’s flexibility to use more funding in the PM-10 nonattainment areas, where more is generally needed in the southwest region, as opposed to reserving a mandated allocation for one or two communities in Arizona that may not necessarily require as much. Keeping the 1.2 weighting factor ensures some monies are going to PM-2.5 nonattainment areas and thus allows the state and regional agencies to determine what makes the most sense for their constituents with the remaining CMAQ dollars.

Staff recommends supporting MAG in requesting that the federal government maintain flexibility with respect to regional needs for CMAQ funding and maintain the current 1.2 weighting factor for distributing CMAQ dollars.

18. Buy America

First adopted by Congress in 1978 as part of the Surface Transportation Assistance Act (STAA), Buy America was intended to promote U.S. manufacturers by establishing a preference for products produced or manufactured in the U.S. It has been amended several times since and generally requires that all steel, iron and manufactured end products be produced in the U.S., unless a public interest or non-availability waiver is granted by FTA or by regulation. Further, rolling stock must contain 60 percent domestic content and be assembled in the U.S. The City is concerned that Buy America regulations will delay highway and transit projects.

The majority of issues with Buy America have been related to utility relocation costs. Several utilities have been unable to locate certain products domestically. The California Department of Transportation (Caltrans) had over $2.5 billion on 10 projects in or near construction that were either suspended due to Buy America or may be in the near future, including the State Route 91 Corridor Improvement Project.

Staff recommends advocating to harmonize the FTA and Federal Highway Administration (FHWA)’s Buy America process for multimodal projects.

Water Services
19. **System Conservation**

System Conservation is a water resource management tool currently used in the Colorado River Basin where water is intentionally left in Lake Mead in order to slow declines in reservoir volume. In recent years the Lower Basin States (California, Nevada and Arizona) and Mexico contributed significant portions of their respective Colorado River allocations to the Pilot System Conservation Program to help stabilize lake elevations in order to curtail a Secretarial declaration of shortage.

Arizona’s junior priority status on the Colorado River makes it particularly vulnerable to a shortage declaration. Continued funding to the Pilot System Conservation Program could stabilize Lake Mead and provide some certainty for the delivery of Arizona’s Colorado River supplies.

**Staff recommends supporting dedicated funding and an extension of the Pilot System Conservation Program.**

20. **Intentionally Created Surplus**

Intentionally Created Surplus (ICS) is a mechanism to encourage conservation of water supplies in Lake Mead. ICS provides Lower Basin states the ability to save and store their allocated water in the lake and access it in the future. Currently, Arizona is allowed 345,000 acre-feet (AF) of ICS storage and the subsequent savings in the lake. After the maximum ICS storage is reached, no more water can be stored on Arizona’s behalf.

Additional ICS storage space and funding could contribute to stabilizing Lake Mead and provide some certainty for the delivery of Arizona’s Colorado River supplies.

Currently, only the Central Arizona Water Conservation District CAWCD can contribute to ICS. Bureau of Reclamation contractors, including tribal interests, should be allowed to create and/or contribute to additional ICS space. Expanding the pool of contributions to include in-state contractors could help bolster Lake Mead surface elevations. The ability for more and different entities to store additional water as ICS is crucial going forward.

Creating additional ICS space is a tangible solution to protect Lake Mead storage levels and lessen the risk of a shortage declaration. It is important for Arizona’s water future to increase volumes of ICS capacity from new contractors and Central Arizona Water Conservation District (CAWCD) and allow subcontractors, like the City, to contribute.

**Staff recommends supporting efforts to allow contractors to create or contribute to additional ICS space in Lake Mead.**

21. **Reservoir Pilot**
New Conservation Space (NCS) water is water that Phoenix, along with five other Valley cities, received the rights to as a result of contributing funds in the 1990’s to modify the Roosevelt Dam, creating additional water storage capacity on the Salt River.

When stored water on the Salt River system exceeds pre-Roosevelt Dam modification levels, NCS water becomes available. The modifications also altered the flood control capacity, providing additional space above the NCS portion of the dam. The ability to use this flood control space for water shortage in certain situations could increase overall storage capacity, improve the health of Roosevelt Lake and provide a way for Salt River Project (SRP) to curtail pumping groundwater supplies.

**Staff recommends supporting the creation of a pilot program to examine how Roosevelt Dam’s operation manual and flood control space would be beneficial.**

**22. WaterSMART**

Through the U.S. Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) program, the Bureau of Reclamation (BOR) provides leadership and technical assistance focusing on water conservation and helping water and resource managers make wise decisions about water use. In the Lower Basin, BOR funds metering programs, residential indoor and outdoor conservation, commercial, industrial and institutional conservation and water reuse. The potential for project funding through WaterSMART could be an enormous help for the City's infrastructure investment plans.

Investments in regional water projects are beneficial to the City's water supplies. The availability of federal funding to aid in the construction of infrastructure to improve resiliency on the Colorado River is especially important. WaterSMART could provide cost-sharing opportunities for the City's infrastructure investment plans.

**Staff recommends supporting funding WaterSMART for its ability to contribute to Arizona's resiliency and cost-sharing opportunities for the City's infrastructure investment plans.**

**23. Forest Restoration**

Climate variability, catastrophic wildfires and diminishing river flows are legitimate threats to Southwestern water supplies. Catastrophic wildfires result in significant retrofit to water treatment facilities and threaten upstream reservoirs. Phoenix understands the need to protect and restore the forested headwaters of its source water supplies. One way to address these issues is through the investment in forest
restoration projects within Arizona’s five National Forests. Forest restoration activities provides source water quality protection for the Salt and Verde River watersheds.

Existing federal forest restoration programs within the Salt River and Verde River watersheds are often available before scheduled and approved National Environmental Policy Act (NEPA) forest treatments. One reason is the time, length and planning resources required by the NEPA review process. To complete large scale forest restoration projects across large swaths of Arizona National Forest lands, significant funding and expedited turnaround on NEPA decisions are needed.

There are a number of existing U.S. Forest Service (USFS) programs and joint public-private partnerships underway within Arizona. Examples of existing forest restoration include USFS healthy forests programs, such as the Four Forest Restoration Initiative (4FRI), and non-USFS programs such as the Northern Arizona Forest Fund (NAFF) and the Salt-Verde Valley Water Fund.

**Staff recommends funding for forest restoration activities and easing of environmental restrictions for shovel-ready forest restoration projects.**
T2050 Funding Plan for Public Transit Projects

This report requests the Transportation, Infrastructure and Innovation Subcommittee recommend City Council authorization to issue Debt Obligations of up to $1.3 billion to finance a portion of the Public Transit capital program. The proposed funding of the Public Transit capital program is included in the Transportation 2050 (T2050) plan's financial assumptions.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

As part of the T2050 plan, the Public Transit Department has several upcoming capital projects to adequately maintain, expand and enhance transit services in Phoenix. The T2050 Public Transit capital program for 2020 through 2030 is estimated to be a $3.9 billion program, including many projects to maintain the bus system in a state of good repair, light rail expansion, as well as projects that provide for additional transit services and amenities such as new technology, additional shade at bus stops, and new Bus Rapid Transit (BRT) service. The Public Transit capital program is planned to be funded by a mixture of T2050 sales tax revenues, federal formula and competitive grant funds, regional Proposition 400 funds, and proceeds from short- and/or long-term Debt Obligations. Debt Obligations may include commercial paper, a revolving line of credit, municipal bonds, bank loans, or other debt financing that provides the most cost-effective method of borrowing.

A major component of the Public Transit capital program is the expansion of the light rail system within the City. Currently, there are three light rail extension projects underway in various phases: South Central Extension/Downtown Hub, Northwest Extension Phase II, and Capitol/I-10 West Extension Phase I. The Capitol/I-10 West Extension Phase II is planned to be underway upon the completion of the current light rail projects, with operations planned for 2030.

The South Central Extension/Downtown Hub is a 5.5-mile light rail project extending south from Jefferson Street to Baseline Road along Central Avenue. The project also includes the creation of a transit hub in downtown Phoenix. The project will include nine new light rail stations and two park-n-rides (one located at the existing Ed Pastor
Transit Center at the northwest corner of Central Avenue and Broadway Road, and end-of-line at the northwest corner of Central Avenue and Baseline Road). Real estate acquisition processes are underway, and major construction activities began in October 2019 with the project expected to be completed in 2024. This project is planned to be funded with T2050 sales tax revenues, regional Proposition 400 funds, Federal Transit Administration (FTA) Congestion Mitigation and Air Quality (CMAQ) funds, anticipated FTA Section 5309 Capital Investment Grant (CIG) funds, and Debt Obligations backed by T2050 sales tax revenues.

The Northwest Extension Phase II is a 1.6-mile light rail project extending west on Dunlap Avenue from 19th Avenue to 25th Avenue, then northward to Mountain View Road, then to a terminus west of Interstate 17 (I-17) adjacent to the Metrocenter Mall. The project will include an elevated structure over I-17 and will terminate just west of the freeway. The project will include three new stations, a shared parking facility at Rose Mofford Park, and an end-of-line park-and-ride that includes a relocated and expanded Metrocenter Transit Center. Real estate acquisition and major construction activities will begin the fourth quarter of 2019, with the project expected to be completed in 2024. This project is planned to be funded with T2050 sales tax revenues, regional Proposition 400 funds, anticipated FTA Section 5309 CIG funds, and Debt Obligations backed by T2050 sales tax revenues.

The 10-mile Capitol/I-10 West Extension, currently planned to be constructed in two phases, will connect the existing Valley Metro Rail system in downtown Phoenix to the park-and-ride facility located at Interstate 10 (I-10) and 79th Avenue. Phase I will connect downtown Phoenix to the State Capitol area; Phase II will extend light rail along I-10 to 79th Avenue. Phase I real estate acquisition and major construction activities are planned to begin by 2021, with the project expected to be completed in 2024. Currently, Phase II real estate acquisition and major construction activities are expected to begin in 2026 and the project is planned to be completed by 2030. These projects are planned to be funded with T2050 sales tax revenues, regional Proposition 400 funds, FTA CMAQ funds, anticipated FTA Section 5309 CIG funds, and Debt Obligations backed by T2050 sales tax revenues.

Based on estimated costs, forecasted revenues, and anticipated FTA grant funds, staff projects Debt Obligations of approximately $1.3 billion will be needed to fully fund the Public Transit Capital program through 2030. The T2050 financial plan includes this level of debt financing for Public Transit, as well as the necessary debt service payments. The use of debt financing for the Public Transit capital program has been anticipated and included in the T2050 financial plan since the development of the T2050 program by the Citizens Committee on the Future of Phoenix Transportation in 2015, and was included in the financial plan underlying the Proposition 104 ballot
measure approved by Phoenix voters on Aug. 25, 2015.

Currently, the City’s Finance Department is planning on securing short-term debt financing in the form of a commercial paper program or revolving line-of-credit program. The short-term program will provide for short-term cash flow needs in the Public Transit capital program prior to issuing long-term Debt Obligations. The short-term program will also allow borrowing in smaller amounts, repayment at any time without penalty and reborrowing, thus providing a steady stream of cash flow throughout the T2050 plan. Approximately every three to five years, the Finance Department is expecting to pay off any short-term debt outstanding at the time with fixed-rate municipal bonds. The first bond sale is anticipated in fiscal year 2021.

The Finance Department has a robust debt program that considers all debt financing options available in the market at any given time. Generally, tax-exempt municipal bonds are the most cost effective; however, other forms of debt financing may also be considered if doing so provides any cost advantages.

Financial Impact
The proposed funding of the Public Transit capital program is included in the long-term T2050 financial plan. The total amount in bonds to be issued under this authorization is up to $1.3 billion.

Concurrence/Previous Council Action
The Citizens Transportation Commission recommended approval of this request by a vote of 9-1 at the Nov. 21, 2019 meeting.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.
Freeway Program Update

This report provides the Transportation, Infrastructure and Innovation Subcommittee updates on the Arizona Department of Transportation (ADOT) freeway program within the City of Phoenix.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary
The Maricopa Association of Governments (MAG) Regional Transportation Plan reflects numerous freeway construction projects and studies underway within the City of Phoenix. These projects are funded from the voter approved priorities in the Proposition 400 half-cent sales tax as well as from state and federal revenue sources. The City of Phoenix works closely with ADOT on these major construction projects to ensure coordination of all construction activities with City departments. This report is an overview of the current major freeway projects. A monthly report will be provided to the Transportation, Infrastructure and Innovation Subcommittee reflecting project changes as well as new projects.

South Mountain Freeway
The South Mountain Freeway is the last piece in completing the Loop 202 system. The 22-mile South Mountain Freeway will run east and west along Pecos Road and then north and south between 55th and 63rd avenues, connecting with Interstate 10 (I-10) on each end. This is the single largest freeway project in Arizona history - built at one time. The entire freeway is within the City of Phoenix.

Key elements of this project are 40 bridge structures, 15 traffic interchanges, 11 miles of sound walls, five multi-use crossings, 4.5 miles of improvements at I-10, a six-mile shared use path, and a pedestrian bridge.

Construction began in early 2017 and is scheduled for completion in December 2019.

Update:
• Governor Ducey and ADOT have announced that a community celebration will be held on the new freeway before it is open to traffic. This event will take
place at the Elliott Road traffic interchange on Saturday, December 21 from 10 a.m. to 2 p.m. The public can walk, run, skate, or bike along two miles of the new freeway. The event may include an ice-less skating rink, food trucks, petting zoo and other family friendly activities. The City of Phoenix will have a “City Village” where City Council Offices and City Departments can have booths to share information. More information will be shared as it is received.

- During the weekend of November 15 - 17, Pecos Road was closed in both directions from 40th Street to 17th Avenue to allow for the traffic shift to the new six-mile segment of the South Mountain Freeway in Ahwatukee.

Interstate 17 - Pinnacle Peak And Happy Valley Road
This project is rebuilding the traffic interchanges on Interstate 17 (I-17) at Happy Valley and Pinnacle Peak roads to improve safety and traffic flow as population growth and development in this area continues.

The bridge reconstruction at Pinnacle Peak Road will have two through lanes in each direction, bicycle lanes and pedestrian walkways. The bridge reconstruction at Happy Valley Road will remove the existing roundabouts and construct a Diverging Diamond traffic interchange with three through lanes in each direction, bicycle lanes and pedestrian walkways.

Construction began in November 2018 and is scheduled for completion in fall 2020.

Update:
- During the weekend of November 15 - 17, I-17 was closed in both directions between Deer Valley and Happy Valley roads to remove the Pinnacle Peak Road bridge structure. Traffic was shifted onto a new bridge span. The demolition and removal of the old bridge clears the way for a second span over the freeway to be added as part of the ongoing project. The side-by-side bridges will allow room for two through lanes and turn lanes in each direction when the project is completed in fall 2020.

Loop 101 - Interstate 17 To Pima Road
This project is widening and improving the Loop 101 (Pima Freeway) from I-17 in Phoenix east to Pima Road in Scottsdale. The improvements are needed to address growing traffic demands in the northeast Valley and relieve traffic congestion on the Loop 101 during the morning and evening peak travel periods.

The major elements of this project include adding one general purpose lane in each direction between I-17 and Pima Road, adding an auxiliary lane in each direction
between Seventh Street and Cave Creek Road, and modifying freeway ramps and frontage road connections at 11 interchanges. Additional components include construction of noise or retaining walls where warranted, improvements to drainage and new rubberized asphalt resurfacing and pavement markings.

Construction began in February 2019 and is scheduled for completion in spring 2021.

**Interstate 17 Frontage Road Drainage Improvement**

This project will be constructing improvements to the cross-street drainage system along the I-17 frontage road between Greenway Road and Dunlap Avenue. The purpose of the project is to improve the drainage facilities that remove storm runoff from the Greenway, Thunderbird, Cactus, and Peoria cross streets, helping to reduce the potential for flooding at the I-17 overpasses.

The improvements will include a new, gravity-powered storm drain system, utilizing various sizes of concrete pipes and new drainage basins at Thunderbird Road, and the removal of the existing pump stations from the cross streets.

Construction is scheduled to begin in winter 2019.

**Interstate 17 - Indian School Traffic Interchange Study**

ADOT is conducting a study to improve traffic flow and safety at I-17 and Indian School Road. The study area encompasses Indian School Road between 19th and 31st avenues and I-17 from approximately one-half mile south and one-half mile north of Indian School Road.

Approximately 50,000 vehicles use east- and westbound Indian School Road at I-17 per day. This volume is 40 percent higher than on Thomas Road at I-17 (one mile south) and 25 percent higher than on Camelback Road at I-17 (one mile north). Traffic congestion levels on Indian School Road at I-17 are projected to continue increasing.

After evaluating options for a new traffic interchange in this location, a three-level diamond interchange was advanced as the Recommended Build Alternative. If constructed, this interchange would include:

- A flyover bridge along Indian School Road to allow east-west through traffic to bypass the intersections at the I-17 ramps and frontage roads
- New roadways approaching the flyover bridge with embankments and retaining walls
- A reconstructed and widened Indian School Road to accommodate the flyover bridge and new approaches
Two new pedestrian bridges - one north and one south of Indian School Road - to allow pedestrians to cross I-17 safely

Construction is scheduled to begin in late 2020.

**Interstate 10 - Broadway Curve**

ADOT is studying concepts for proposed improvements to the I-10 Broadway Curve area between I-17 (Split) and Loop 202 (Santan Freeway). ADOT is drafting an Environmental Assessment (EA) that will evaluate the proposed improvements as compared to the no-build alternative which is the condition that would exist if the project was not built.

This 11-mile stretch of roadway is a key commerce corridor for the state and has seen increasing levels of traffic over the past few years, especially during the heavily traveled morning and evening peak hours.

The proposed improvements being studied include:

- Adding general purpose and high occupancy vehicle (HOV) lanes
- Adding a collector-distributor road system to reduce the number of lane changes on the freeway
- Improving connections between I-10 and the State Route 143 and Broadway Road to improve HOV lane connections
- Improving connections of I-10 and US 60 (Superstition Freeway)
- Constructing new bridges to accommodate new interchange facilities and additional lanes
- Building retaining and sound walls
- Constructing pedestrian bridge crossings to improve pedestrian access across the freeway

Construction is scheduled to begin in fall 2020.

**Interstate 10 Deck Park (Hance Park) Tunnel Repair**

The Deck Park Tunnel is an underpass that carries the I-10 freeway beneath downtown Phoenix between 3rd Avenue and 3rd Street. The tunnel consists of a series of nineteen side-by-side bridge structures. Construction of the facility began in 1983 and opened to traffic on Aug. 10, 1990. The tunnel carries approximately 230,000 vehicle trips per day and provides a critical link for regional connectivity and mobility.

Leaks in the ceiling structure of the Deck Park Tunnel have occurred in the past and
continue to appear. The water infiltration caused by the leaks can lead to deterioration of the tunnel infrastructure and impacts the ventilation and electrical systems, which could force closure of the tunnel to traffic. There is also concern that any damage could produce a need for repairs that would require excavation of Margaret T. Hance Park, which is undergoing a major, $100 million revitalization expected to begin in March 2020.

ADOT, MAG and the City of Phoenix initiated an I-10 Deck Park Tunnel Waterproofing Study in May 2019 because of concern with the integrity of the tunnel. The goal of the study was to evaluate the current water-tightness of the tunnel structure and provide recommendations that minimize the potential for significant leak-related problems for the next 25 years.

The study concluded in August 2019 and recommended that all joints that have not been repaired in the last five years be replaced, which comprises 15 of the 19 total joints. ADOT intends on working closely with the City of Phoenix to coordinate construction activities of the joint work with the Hance Park revitalization project to minimize cost and public disturbance.

Construction is scheduled to begin in March 2020.

**Responsible Department**
This item is submitted by Deputy City Manager Mario Paniagua and the City Manager’s Office.
3rd Street Improvement Project: Roosevelt Street to Indian School Road

This report provides the Transportation, Infrastructure and Innovation Subcommittee an update on the planned 3rd Street Improvement Project, which includes improvements along 3rd Street between Roosevelt Street and Indian School Road.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary
At the Nov. 6, 2019 Subcommittee meeting, members of the Transportation, Infrastructure and Innovation Subcommittee requested the Street Transportation Department provide an update on the future improvements along this section of 3rd Street.

3rd Street is a designated collector street that runs through midtown Phoenix and parallel to the light rail line on Central Avenue and a major commuter corridor on 7th Street. 3rd Street serves as a bicycle and pedestrian connector and an alternative vehicular route into downtown Phoenix. Several major destinations such as regional and neighborhood parks, historic neighborhoods, museums, the Burton Barr Central Library, retail and commercial businesses, and schools exist along the 3rd Street corridor or within a 1/4-mile radius of it. This project was initiated through a combination of efforts, including the 3rd Street Promenade Study, the Reinvent Phoenix Mid-Town transit district planning process, the Downtown Phoenix Comprehensive Transportation Study, and resident and community feedback.

The 3rd Street Improvement Project focuses on improving traffic circulation and mobility for pedestrians and bicyclists. This project addresses all roadway users through a series of upgrades that provide for safer vehicular, bicycle and pedestrian travel.

The project design elements include:
- Adding buffered/protected bike lanes
- Addressing sidewalk gaps and providing upgraded Americans with Disabilities Act (ADA) ramps
- Installing shade structures
Incorporating additional street lighting
• Installing high visibility crosswalks with Rapid Flashing Beacons
• Providing landscaping upgrades
• Implementing full replacement of 10 signalized intersections
• Modifying existing driveways to maintain ADA compliance

Progress to Date
In early 2016, the preferred conceptual plan was presented to the community at two highly attended open houses. Citizens voiced strong support for the plan as it provides a signature multi-modal transportation corridor with an emphasis on safety and mobility. The conceptual plan was then approved by the Transportation and Infrastructure Subcommittee in April 2016. A design phase open house was held in May 2018, and a final public meeting will be scheduled in early 2020 to show the final plans to the community.

Kimley-Horn and Associates, Inc., the project designer, is scheduled to submit final plans in February 2020. Construction funds for this project are programmed in fiscal year 2021 and construction is anticipated to begin in Fall 2020. Staff is coordinating the project's construction schedule with the Water Services Department and their upcoming waterline project along the 3rd Street corridor which is scheduled to begin construction in Spring 2020.

Location
3rd Street between Roosevelt Street and Indian School Road
Council Districts: 4, 7 and 8

Concurrence/Previous Council Action
• City Council approved entering into Agreement 145069 with Kimley-Horn and Associates, Inc., to provide design services for this project on May 31, 2017.
• City Council approved amending existing Agreement 145069 with Kimley-Horn and Associates, Inc. to provide additional design services for this project on Dec. 5, 2018.

Responsible Department
This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation Department.