

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, January 17, 2014
Town of Prescott Valley Library, Council Chambers
7401 East Civic Center, 1st Floor
Prescott Valley, Arizona 86305

The Pledge of Allegiance

Roll call by Board Secretary Lila Trimmer

In attendance: Steve Christy, Kelly Anderson, Hank Rogers, Joe La Rue, Deanna Beaver, Bill Cuthbertson, and Victor Flores

***ITEM 1: Transportation Board Organization—Floyd Roehrich, Jr., Deputy Director for Policy Designation of Board Chairperson and Vice Chairperson in accordance with A.R.S. §28-303(B).**

Kelly Anderson made a motion to designate Steve Christy as the 2014 Transportation Board Chairman and seconded by Deanna Beaver. In a voice vote, the motion carries.

Deanna Beaver made a motion to designate Kelly Anderson as 2014 Transportation Board Vice Chairman and seconded by Joe La Rue. In a voice vote, the motion carries.

Gavel is then passed.

Opening Remarks

Chairman Christy gave thanks to the communities of Prescott and Prescott Valley for their hospitality for hosting the Board meeting. He stated the facility is beautiful and it is thrilling to see the economic growth and development in Prescott Valley.

Call to the Audience

Citizens addressed various issues:

1. Harvey Skoog, Mayor, Town of Prescott Valley, re: Welcome to Prescott Valley, congratulations to the new 2014 Board appointments
2. Chris Kuknyo, Councilmember, Town of Prescott Valley and Chairman/CYMPO, re: on behalf of CYMPO, welcome and thank you to members who attended the annual Rural Conference
3. Mary Mallory, Councilmember, Town of Prescott Valley and Vice Chair/CYMPO, re: Welcome, appreciate the Board's service to these communities and partnerships
4. Craig Brown, Yavapai County Board of Supervisors, Board member/CYMPO, re: SR89 North Project is beginning soon; mutual partnerships with CYMPO and ADOT request to move forward the SR 89 South Project and putting it back in the 5-year plan
5. Christian Price, Mayor, City of Maricopa, re: Express public safety concerns on SR347 and the need for grade separation overpass, the DCR is waiting approval, partnerships with Ak-Chin, and updates for funding this project
6. Karen Lambertson, Cochise County Transportation Planner, re: Greetings from SEAGO, Port of Entry at our borders, Oversize Loads Study, condition of Hwy 191, use of Davis Road, and Hwy 191 Railroad Bridge, and historic Hwy 80
7. Steve Ayerd, Economic Development Director, Town of Camp Verde, re: Express appreciation of funding for SR260, and has completed the Memorandum of Understanding
8. ****Ted Maxell, (request to speak immediately prior to Agenda Item 7), Southern Arizona Leadership Council, re: Item 7: Intermountain West Corridor**

**REPORTERS TRANSCRIPT OF PROCEEDINGS
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16 ARIZONA STATE TRANSPORTATION BOARD

17 (Meeting: Excerpted proceedings)

18

19 January 17, 2014

1 P R O C E E D I N G S

2
3 (Excerpted proceedings: ITEM 2: District
4 Engineer's Report to ITEM 12: Suggestions)

5
6 MR. CHRISTY: Moving on with the agenda,
7 we'll move to Item 2, the District Engineer's report,
8 Alvin Stump, Prescott District Engineer.

9 MR. STUMP: Good morning, Mr. Chair and the
10 Board.

11 I'm going to start with the CYMPO area of
12 projects. First of all, under construction we have the
13 White Spar enhancement projects out the Prescott, as well
14 as the Del Rio and Big Chino Wash bridges under
15 construction between Chino and Paulden. Both of those
16 projects will be complete this summer.

17 Also under way, we have the CYMPO sign
18 project, which is good. It's a safety project to
19 reconstruct signs throughout this whole area.
20 Dewey-Humboldt also has a sign project under way as well.

21 And then we're working on some signal
22 phasing where Prescott Valley and 69 as well.

23 Recently completed is the Center Street to
24 Outer Loop Road enhancement project. This project
25 essentially constructed sidewalks and landscaping on the

1 last segment of 89 widening and also constructed the
2 horses in the roundabout and the welcome sign to Chino
3 Valley.

4 And also today, the bids are opening for
5 the -- the next segment of 89 between Outer Loop Road and
6 Deep Well Ranch Road, so we're looking forward to getting
7 going on that. It's expected to start in the spring.

8 And as far as what we have coming up soon,
9 the Prescott Valley multi-use path is coming up this year.
10 We've got a couple of roundabout projects in Chino Valley.
11 And later on, we have a right turn lane north of Paulden
12 coming up. And also a signal at Main Street and 69th in
13 Dewey-Humboldt. We just recently completed a signal
14 warrant study. It does meet warrants, so we'll be looking
15 to fund that. Also in that time frame, we'll be doing the
16 pavement preservation between 6th -- 169 (indiscernible)
17 on 69. And then as mentioned earlier, our unfunded
18 project, the Deep Well Ranch Road to 89A (indiscernible),
19 our last segment of 89 widening.

20 And then we're also starting a project
21 assessment of widening 69 to between Frontier Village and
22 Prescott lanes.

23 This multi-use path is very important to the
24 town, because it connects the existing network system to
25 the northern part of town. Up just south of 89A is one

1 elementary school as well as a high school that currently
2 serves as the school district office. But -- and then
3 it's also set up to connect north of 89A as well in the
4 future.

5 This is one of the roundabouts in Chino
6 Valley at Perkinsville Road. In the upper right hand
7 corner is our maintenance yard. And then the town would
8 like to see a (indiscernible) or something where you see
9 our cinder pile there, so we're continuing to work with
10 the town on a P3 project where a developer would relocate
11 our yards to the south end of town, and then the
12 difference in the property value would go towards
13 upgrading some maintenance infrastructure at one of our
14 other yards.

15 And also what's important, the notice, the
16 town is still working to get sewer and water to -- through
17 town. And this happens to be an area where sort of water
18 is readily available, so it's an important place where
19 they can go ahead and develop.

20 And this is our -- our 89A to Deep Well
21 Ranch project. We have all three agreements signed and
22 ready go between the city and the county, ADOT and city,
23 and ADOT and the CYMPO. It's -- all together, if you look
24 at it as one project, it's 22 and a half million dollar
25 project with about a third locally funded. So we're --

1 and then of course when 89 is widened, it does get
2 transferred back to the City of Prescott.

3 And this is Prescott Canyon and Prescott
4 Lakes Park. There's roughly a mile section that's
5 normally four lanes sandwiched between six lanes, so it
6 creates a bottleneck there. There's approximately 40,000
7 vehicles a day and what's more and more a commercial
8 corridor. So we're starting the project assessment to
9 look at widening that. And then once it's completed, it
10 would be transferred to the City of Prescott.

11 And then as far as our access management
12 agreement on 260, all seven parties have signed it. Key
13 bullet points are: The road is divided in highway section
14 between Thousand Trails. Urban fringe between Horseshoe
15 Bend and Wilshire. And that fringe urban section, we are
16 allowing one left-in in each direction.
17 Right-in/right-out is limited to a quarter-mile spacing.
18 Seven whole access intersections. And we're designing the
19 intersections to maintain Level Service B on the main line
20 for at least 20 years.

21 And so with the plan we have in place, I
22 feel we're going to get a high level service on this
23 corridor for 30 years.

24 Those are the key intersections: Thousand
25 Trails, Coury Drive, we have two intersections currently

1 not named, and then Cherry Creek, Horseshoe Bend, and
2 Wilshire Road.

3 And then lastly, I wanted to mention the
4 Wickenburg Ranch development. They are ready to start
5 working on this again. They plan on building houses this
6 summer. They're also going to be constructing a
7 roundabout of the 93 access. And so we're looking at
8 doing a joint project with them, because they have about
9 90 million in mitigation improvements to do. So we're
10 looking at applying for a (indiscernible) project of 3 or
11 4 million to throw in with them, and with that, we feel
12 like we can construct widening the 93 between Gulch Mine
13 Road and 89, which in that section is 13,000 vehicles a
14 day now, plus it gets up around 19 or 20 on the heavier
15 weekends. So we can fix that problem. We'd like to get
16 it down before the development starts to impact the
17 (indiscernible).

18 And that's all I have.

19 MR. CHRISTY: Are there any questions of
20 District Engineer?

21 Thank you, Mr. Stump.

22 Moving on to the Director's report,
23 Mr. Roehrich.

24 MR. ROEHRICH: Thank you, Mr. Christy. Just
25 a couple of things. The Director, unfortunately, couldn't

1 make it today. We do want to pass on and express our
2 appreciation to Mr. Flores. All the last month he wasn't
3 able to present the agency's gifts to Mr. Flores, we did
4 not miss that date. We also want to send along
5 appreciation for the six years and the work that you do
6 with the agency. It was great, accomplished a lot. This
7 agency, along with the board, accomplished a lot in the
8 six years, especially at a time when we were more
9 challenged with planning than we've ever been in anybody's
10 history. As we move forward, though, those actions and
11 policies we took will really help us. And you and your
12 peers were really leaders in doing that, so thank you for
13 that. It's going to be with a good foundation for us to
14 move forward.

15 The last couple of items, just this week,
16 Mr. Chair and Board Members, we were notified by the
17 Governor's Office that she has nominated Mr. Jack Sellers
18 to take the District 1 position on the transportation
19 board. And that process has started with the paperwork
20 bringing him on board. So starting in February, we expect
21 that Mr. Sellers will be attending the board meetings in
22 replacement for Mr. Flores.

23 There's still a nomination, approval process
24 through the senate, but as that process moves forward,
25 he's still able to participate.

1 Mr. Sellers is currently a councilman out in
2 the City of Chandler, so he also has quite a bit of
3 experience working in the public process. So he will be
4 our new board member.

5 And I just want to remind the board, if you
6 remember on the calendar, that we have approved in
7 December, there's a board study session coming up
8 February 4th. And Mr. Chair will be contacting you next
9 week to finalize agenda, but the two items we were
10 discussing were the finance -- the current financial --
11 (indiscernible) financial situation and the -- the start
12 of the process for developing the five-year program. That
13 has been requested by a number of the board members. So
14 that is the items, if you will, the general items for the
15 study session.

16 And that's all I have, Mr. Chair.

17 MR. CHRISTY: Thank you, Mr. Roehrich.

18 Moving on to the consent agenda, I have a
19 couple of issues on this particularly.

20 The minutes of the previous meeting, as a
21 question, we were presented in our packet with a draft of
22 those minutes. And if by including them in the consent
23 agenda, if we vote to approve the consent agenda, we are
24 thereby approving the minutes, the drafted minutes as
25 presented. Is that correct?

1 Well, then is it -- is it not also available
2 to board members to -- to withdraw one of the consent
3 items for discussion? And I'd like to do that,
4 particularly in the minutes regarding Item 7. This dealt
5 with the resolution that I presented to the board last
6 month in Globe. According to these minutes, all it says
7 that there was a resolution by board member Steve Christy
8 and that that resolution was withdrawn.

9 The board was full at that meeting. We had
10 the same staff that's here today pretty much at that
11 meeting. And the recollection that I have of that
12 particular agenda item during that particular meeting was
13 that there was an awful lot more discussed, responded to,
14 stated and affirmed than reflected in these minutes.

15 And based on that, what is stated in this
16 draft, in my estimation, will not do as indicative of what
17 happened during that meeting. There were statements made
18 by the director that should be noted as a matter of public
19 record. It's been referred to in a letter that we'll be
20 discussing later, affirmations that he made, yet no -- no
21 mention of them in the minutes. I and several other board
22 members had several significant statements regarding the
23 resolution and its intent. Staff also had copious amounts
24 of response to the resolution and its merits. Yet none of
25 that is stipulated in this -- in this item.

1 And based on that, I cannot, nor am I going
2 to ask that the minutes be approved. As a matter of fact,
3 I'm asking that they be sent back for much more detail,
4 much more involvement in what was said and what was
5 affirmed and what was responded to, and basically a much
6 fuller presentation of minutes.

7 MR. ROEHRICH: Well, hold on. Yes, sir,
8 Mr. Chair, I -- I guess I would ask that is it
9 specifically to that month, are you asking that the
10 minutes be transcribed verbatim for that month or for
11 every month before, because if you remember, we adopted as
12 this board's practice, a summary of the meeting minutes.
13 We never transcribed them to the -- to the full detail of
14 every item that was conversed. And we can do that if the
15 board so chooses, if that's how they want the minutes
16 described.

17 I just want to make sure I understand, is it
18 just because of the Item Number 7 you want transcribed?
19 Or do you now want the meeting minutes themselves
20 transcribed in their entirety to cover all the items that
21 are discussed?

22 MR. CHRISTY: I think that would be up to
23 the individual board members, as how they want the
24 individual agenda items transcribed. If in future
25 meetings, there are agenda items that are drafted for

1 minute purposes that are not of a satisfactory nature, the
2 board members should be able to reserve the right to
3 identify those agenda items and ask for much more clarity
4 and definition, as I am doing now.

5 Is there a problem with going back to
6 that -- that particular agenda item and asking for much
7 more clarity and detail?

8 MR. ROEHRICH: Mr. Chair, no, I just want to
9 make sure I understand, are you asking for --

10 MR. CHRISTY: Okay, let's --

11 MR. ROEHRICH: I just want to make sure what
12 the board wants.

13 (Simultaneous conversation)

14 MR. CHRISTY: Let me -- let me --

15 (Simultaneous conversation)

16 MR. CHRISTY: Let me be clear on this, then.

17 I would like on Item 7 of the meeting, of the minutes of
18 the last meeting, to be presented at a future date in a
19 much more detailed, copious manner that reflects the
20 entire discussions between staff and the board as to what
21 transpired -- what transpired during that agenda item.

22 This simply does not do it justice, nor does
23 it make any mention of what was said. And I've already
24 explained that.

25 And in the future, if this is the format

1 that is presented to the board and the board finds it okay
2 to have it very superficial from 30,000 feet up, that's
3 their purview. However, they do reserve the right at any
4 time in the future, if there is an agenda item that is
5 drafted that is not reflective of what happened and they
6 have an issue with that, they are free to pull it back out
7 and ask for it to be gone back. That's all I'm saying.

8 MR. ROEHRICH: And, Mr. Chair, I totally
9 agree.

10 Our only question was, was it that item or
11 the whole -- and this is --

12 MR. CHRISTY: I think I've asked --

13 MR. ROEHRICH: -- just when requested by the
14 board members, we're fine with that.

15 MR. CHRISTY: I think I've answered.

16 MR. ROEHRICH: Okay.

17 MR. CHRISTY: Okay.

18 MR. ROEHRICH: Then we will remove -- so
19 that what you're saying on the consent agenda, we'll
20 remove the meeting minutes from December, we'll reprepare
21 those (indiscernible) minutes, where the express purpose
22 of transcribing the conversation that took place on Item 7
23 in its entirety, and then that will be brought back to a
24 future board meeting --

25 MR. CHRISTY: For approval --

1 MR. ROEHRICH: -- as the total minutes.
2 Okay. I just wanted to make sure I understand and I'm
3 getting it right. So next month, there's not a
4 conversation, well, this is what I wanted.

5 MR. CHRISTY: Well, there may be.

6 MR. ROEHRICH: That's right.

7 MR. CHRISTY: There may be a conversation
8 about that.

9 MR. ROEHRICH: Exactly. And then we'll have
10 to --

11 MR. CHRISTY: But I'm hoping that we
12 won't --

13 MR. ROEHRICH: Okay.

14 MR. CHRISTY: -- and I'm specifically
15 talking about this agenda item at this particular meeting.

16 MR. ROEHRICH: Okay.

17 MR. CHRISTY: And there may be more issues
18 in future meetings regarding the agenda.

19 MR. ROEHRICH: Yes, sir.

20 MR. CHRISTY: So then I'm removing that,
21 setting it aside, as we discussed.

22 Is there a motion to approve the rest of the
23 consent agenda items? Or --

24 MS. BEAVER: I would like to go ahead and
25 make a motion.

1 MR. CHRISTY: Just -- one, there is a
2 question.

3 MR. ANDERSON: I would like to pull 4(h).

4 MR. CHRISTY: Board Member Anderson would
5 like to pull 4(h). Go ahead, Mr. Anderson.

6 MR. ANDERSON: 4(h), (indiscernible) 4(h)
7 deals with the Virgin River Bridge Number 6. I called
8 staff earlier this week about it and its placement in the
9 agenda. So I think we've come to the conclusion it needs
10 to be in Item 10, in the con- -- 10 in the construction
11 contracts.

12 MR. ROEHRICH: Mr. Chairman, so I'm sure I
13 understand, you want Item 4(h) pulled out of the consent
14 agenda, but we still address -- you want it addressed
15 separately, but you want it addressed during Item 10 when
16 we discuss the construction contract.

17 MR. CHRISTY: Right.

18 MR. ROEHRICH: Okay.

19 MR. CHRISTY: All right. So those items
20 requested have been pulled from the consent agenda.

21 Any other wishes or desire to pull any other
22 items on the consent agenda?

23 Hearing no requests, the board would
24 entertain a motion that the -- the balance of the items in
25 the consent agenda approved?

1 MS. BEAVER: So moved.

2 MR. CHRISTY: There is a motion by
3 Ms. Beaver and a second by Mr. Anderson to approve the
4 remaining -- the remaining elements of the consent agenda.

5 All those in favor, signify by saying aye.

6 Opposed, hearing none.

7 The remaining consent agenda items are
8 approved.

9 Moving on to Item 5, we'll hear a
10 legislative report from our director of government
11 relations, Mr. Kevin Biesty.

12 MR. BIESTY: Good morning, Mr. Chair,
13 Members of the Board.

14 On the state level, the legislature kicked
15 off this week. Bills are being introduced (indiscernible)
16 by the Department. To date -- I checked this morning --
17 597 bills have been introduced. There'll be more coming.
18 I can pretty much guarantee that.

19 ADOT has two of those bills that
20 Representative Fann will be sponsoring, and they're just
21 two pieces of legislation. One will update commercial
22 drive- -- make a little corrective update for our
23 commercial driver's license statute. And the other will
24 update our right-of-way statutes to reflect some increased
25 dollar amounts allocated -- allowed to be reimbursed to

1 property owners (indiscernible).

2 I'll be giving you an update every -- in
3 addition to the monthly update at the beginning of the
4 board meeting, you should also be receiving a weekly email
5 with a board report, showing the bills that are of
6 interest to the board.

7 Currently, there are two bills that I have
8 on that report. One is that right-of-way bill that the
9 Department is introducing. And the other is a bill
10 that's -- that's run -- that's been run previously, and
11 that would add one more board member to the -- to the
12 board, representing a -- the Native American tribes.

13 Today the governor is going to be releasing
14 her budget. It'll be rolled out to her cabinet this
15 afternoon. And then we'll follow up with you, probably by
16 the email, giving you some of the details.

17 As Mr. Roehrich presented, Jack Sellers has
18 been named. Once the paperwork is in, we'll bring him
19 around to the committee members and introduce him. And
20 then I'll notify you when a committee hearing is set and
21 keep you up to date as the process goes through.

22 Also, on January 28th, Director Halikowski
23 has been asked to a Joint Transportation Committee in the
24 House and Senate about the current the state of
25 transportation funding and also to discuss ecommerce

1 corridors. So we'll -- we're preparing for that right
2 now.

3 On the federal side, Congress passed the
4 fiscal year '14 (indiscernible) bill, which will fund the
5 government through September 30th. Currently, it has 40.2
6 billion for highways, 8.6 billion for transit. There's
7 also an allocation 600 million for TIGER grants.

8 Also we're working with some of our Nevada
9 partners on federal strategies for discussion of the I-11
10 corridor. And so we've had meetings and we'll continue to
11 have meetings to see what -- what needs to be done on the
12 federal level.

13 So with that, that's all I have this
14 morning. And --

15 MR. CHRISTY: Are there any questions of
16 Mr. Biesty?

17 MR. LA RUE: I have two questions.

18 MR. CHRISTY: Member La Rue.

19 MR. LA RUE: Kevin, on the detail of the --
20 the 28th, the Halikowski, can you just email us details on
21 where and what time, in case any board member would like
22 to attend.

23 MR. BIESTY: Absolutely, sir.

24 MR. LA RUE: Thank you.

25 MR. BIESTY: And thank you, sir.

1 And, Mr. Flores, thank you for your service,
2 and you didn't mention -- did my gift show up?

3 MR. FLORES: I'm still waiting. Thank you.

4 MR. CHRISTY: Thank you. Mr. Biesty.

5 Moving on to Item 6, the financial report,
6 we'll hear from our chief financial officer Kristine Ward.

7 Ms. Ward.

8 MS. WARD: Good morning. For your first
9 meeting as chair, I'm happy to report that I have nothing
10 miserable to report. It is somewhat happy here.

11 Let's see. As far as HURF performance, we
12 are within target, meeting expectations. The -- you know,
13 gas and diesels, it's still -- it's a lackluster
14 performance, but it's meeting the expect- -- the
15 lackluster performance we anticipated.

16 But happy news would be registrations. We
17 are actually receiving growth in vehicle registrations.
18 Remember when we bought all those new cars? We are now
19 starting to experience them entering the fleet and raising
20 the -- the amount monies that we are getting in from
21 registrations. We are -- experienced 3.9 percent growth
22 year to date. And keep -- keep in mind that we only had
23 less than 1 percent growth for the years 2008 through
24 2012. So to see 3.9, you almost get giggly.

25 In terms of VLT revenues, we are -- that is

1 our strong area. We have got 6.8 percent growth year to
2 date over last year, and we're a little above forecast as
3 well. And I am thinking that a number of people had a
4 very, very happy Christmas, because our new car purchases,
5 our new car registrations were up 34 percent over the
6 previous year. So last December, 15,000 cars were
7 purchased in December. This year, 20,000 cars were
8 purchased in December. Did anybody get a car for
9 Christmas? I'm just kidding. Mr. Flores?

10 MR. FLORES: That's the gift that's coming
11 from Kevin.

12 MS. WARD: Moving on to RARF, again, our --
13 our performance is right on target. We're .9 percent
14 ahead of forecast, but, again doing really well. Retail
15 sales are 9.9 percent over last year, and they are 3.5
16 percent ahead of our forecast.

17 Contracting, again, continues its -- its
18 significant growth -- and I always have to put this caveat
19 in, but of course it's off of a teeny, tiny base. So
20 we're growing. We're growing gang-busters, but we are --
21 started small.

22 Going on to just our additional updates,
23 Kevin told you about the federal aid program. We were
24 very happy that Congress chose to send that budget off to
25 the President, because our funding, actually, the budget

1 for the federal aid ended today. So we only had funding
2 for 107 days. That funding -- that budget would have
3 ended today, and therefore, we're really happy to have the
4 rest of the year's worth of funding for our federal aid
5 program.

6 Our debt financing program, remains pretty
7 much the same. You've got capacity in the first
8 (indiscernible), we've got no cash. And on the bright
9 side, we've got capacity, but we're saving that capacity
10 up for some big projects that are coming down line on
11 (indiscernible) South Mountain.

12 Cash management, I am not happy, but it's --
13 you know, it's still a pathetic little (indiscernible)
14 percent.

15 Ah, a happy note, in case you all want some
16 additional reading material, we have completed our
17 comprehensive annual financial report. The audit is in.
18 We have no findings. And if anybody would like a copy,
19 I -- it is on our website -- I'll be happy to send that
20 over to you.

21 I knew it. I would get somebody that would
22 take it.

23 That concludes my financial report. And I'd
24 be happy to answer any questions.

25 MR. CHRISTY: Are there any question of

1 Ms. Ward?

2 MS. BEAVER: If you could just go ahead and
3 maybe send a link to all of us, that --

4 MS. WARD: I -- I would be glad to send that
5 link.

6 MR. CHRISTY: Any further questions?

7 Thank you very much, Ms. Ward, for your
8 report.

9 We'll move on to Item 7, Multimodal Planning
10 Division report, which will present an update on I-11 and
11 Intermountain West Corridor study. And presenting that
12 will be our Multimodal Planning director, Mr. Scott Omer.

13 Mr. Omer?

14 MR. OMER: Thank you, Mr. Chair.

15 MR. ROEHRICH: Real fast, Mr. Chair, this
16 was the item where the public person wanted to talk --

17 MR. CHRISTY: Oh, thank you, for --

18 MR. ROEHRICH: (Indiscernible) --

19 MR. CHRISTY: I beg your pardon. You're
20 absolutely right. Thank you, Mr. Roehrich, I appreciate
21 that.

22 We do have a request to speak to that item.
23 Ted Maxwell. Ted is -- well, he'll tell you who he's
24 with.

25 MR. MAXWELL: Good morning, Chairman

1 Christy.

2 Mr. Flores, thank you for your leadership.

3 Board, Mr. Roehrich.

4 I appreciate the opportunity to speak for
5 this item, and my comments are directly with regards to
6 the Intermountain West Corridor.

7 There's been a lot of discussion about the
8 (indiscernible) Nogales, you talk about the importance and
9 significance of ensuring that the port of entry
10 (indiscernible) between a thriving and improving economy
11 in Mexico and the capacity to get those goods and
12 (indiscernible) products in the state of Arizona and
13 (indiscernible). Obviously in Globe, there was discussion
14 on the resolution. And I just am here to ask you to
15 continue those hard discussions.

16 The Intermountain West Corridor, to truly
17 gain the whole capacity and benefit from it, needs to be a
18 border-to-border crossing. We understand that the study
19 has (indiscernible) I-11 study, they can give an update on
20 the Intermountain West Corridor. There's some specific
21 (indiscernible) in that. What we're asking you to do is
22 to continue to think about what is the next steps.

23 Southern Arizona Leadership Council, who I'm
24 representing today, is made up of 118 CEOs in the southern
25 Arizona region. And I'm here to tell you that we are

1 standing by ready to support ADOT in any way we can, as
2 well as several governmental agencies, including
3 administrators in Pima County and the Pima Association of
4 Governments, are standing by to try to help lay the
5 groundwork.

6 So why is it important? It's important that
7 as the study comes to its completion with the priority
8 segment being studied in depth, we lay the groundwork and
9 the foundation so that when the study's done and
10 identifies the segment, which I think we all agree, based
11 on the current draft studies and everything we've looked
12 at, is probably going to go through the port of --
13 Mariposa port of entry in Nogales, it's ready to go to the
14 next step -- step of the studies. There is folks down in
15 southern Arizona that are ready to help with that, start
16 identifying where the funding for those studies are going
17 to come and how we can be ready at that announcement to
18 get to that next phase.

19 The reason it's important is we believe this
20 is a border-to-border project that needs be dealt with as
21 one for the next steps, when you go on for (indiscernible)
22 at the federal level.

23 If the studies get to this -- too far apart
24 from each other, it will never happen. (Indiscernible)
25 trying to piecemeal this project together, which result in

1 an incomplete project, and it'll never truly give all the
2 economic benefit that could come to the state of Arizona.

3 So I ask, keep the discussion going, please.
4 As a board, we'd ask for you to give further declarations
5 and guidance, and we'd ask you to encourage the ADOT staff
6 to reach out to the community in southern Arizona so that
7 we will be ready to go with the next phase of these
8 studies and we can make this truly a border-to-border
9 initiative and really get all of the economic benefit and
10 prosperity from it.

11 And thank you for your time.

12 MR. CHRISTY: Thank you, Mr. Maxwell. And
13 I'm sorry for overlooking your position in the situation
14 here.

15 Scott? Sorry for the interruption.

16 MR. OMER: So discussion again, Mr. Chair,
17 before I speak about the Intermountain West Corridor, a
18 little bit earlier, as part of my AP report, Mr. Roehrich
19 talked about the board's study session in February, we'll
20 be going over our draft of the tentative -- we call it the
21 straw man of the Tentative Program. And also I just
22 wanted to mention our ten-year program -- (indiscernible)
23 think of it as part of -- it's called the planning program
24 and process or P-to-P. We will include that as a
25 precursor to our study session in February.

1 Okay?

2 So as far as the Intermountain West Corridor
3 update goes, we were asked to have this conversation
4 about -- on a monthly basis now, what you will be
5 receiving from us will be an update. Today you probably
6 don't have a written update in front of you, but you will
7 in the future be receiving a written update as well as
8 we'll go over where we're at as far as the specific status
9 of the -- of the Department itself. Today, there's a
10 presentation -- I will make a presentation every time
11 (indiscernible) it's requested, and we'll see how that
12 actually goes. And I'll -- we'll work of course with the
13 chair on when we go into detail.

14 So where we started at in July of 2012,
15 Congress designated the I-11 corridor, and here's the Act
16 where -- where it's actually talked about and designated.
17 And the Congressional designation was really for U.S. 93
18 only. What that didn't do was provide a full
19 understanding of what potential benefits could be for a
20 true statewide corridor. This board's guidance,
21 specifically Mr. Flores's conversation -- we had many
22 conversations about the I-11 corridor. And we did come to
23 the agreement early on that we should not just be looking
24 at one small segment. We -- if I-11 really should happen
25 in the state of Arizona, we should make sure that we're

1 looking at the entire state of Arizona, identifying where
2 that ultimate corridor should be, and it should be from
3 border to border.

4 After we had these initial conversations, we
5 moved on, and we developed our scope of work with the
6 Nevada Department of Transportation. Again, we're
7 developing this in partnership with NDOT. They're the
8 lead contracting agency. In Arizona, the DOT is also
9 included in there. And we work jointly with NDOT on all
10 decisions made on the study. Any work that's done in
11 Arizona is -- while they may hold the contract, it's our
12 responsibility. And so the same thing occurs in Nevada,
13 (indiscernible) do (indiscernible) jointly with the state
14 of Nevada on this study itself --

15 MR. CHRISTY: Mr. Omer, could I interrupt
16 you?

17 MR. OMER: Yes.

18 MR. CHRISTY: Who officially owns that
19 study?

20 MR. OMER: The contract is officially owned
21 by the Nevada DOT. So they own the contract that the
22 consulting team is working on. Who owns the study? I own
23 the study? Arizona. And "I," as in ADOT. And
24 (indiscernible) they own the study that's in -- in Nevada.

25 So we're -- and the reason I say that is

1 because the study -- this study will eventually be the
2 document that we use to inform any future studies that
3 come out in the future. Okay?

4 So what we really want to do is make sure
5 that this corridor ultimately (indiscernible) some sort of
6 justification, if we should be making any type of
7 significant investments in the corridor in the future.
8 That's when we decided to develop a business plan and see
9 if there was really a business case for the corridor.
10 We're not just going in and looking at how much traffic
11 was on it. We wanted to look at the entire business case
12 and including is there a need to develop -- you know, the
13 economic need, the transportation need, the socio-economic
14 need, all came -- things came into play and is there
15 really a justification for the corridor. And we decided
16 to look at that for the entire process.

17 We just weren't going to limit it to the
18 Congressional-designated piece from Las Vegas to the City
19 of Phoenix. And we decided to look at all the reasonable
20 and feasible corridors that should be considered. That's
21 when we came out (indiscernible) in both the states. We
22 have the more -- refined piece that's in the designated
23 area. And then everywhere else, we decided to identify
24 where we should have the reasonable, feasible corridors
25 that should -- we should take into further consideration.

1 That's where we started.

2 Eighteen months later, about 18 months
3 later, we've made a lot -- we have made a lot progress
4 into the study. Currently, where we're at is refining the
5 alternative, refining the corridors, deciding which
6 corridors show the most promise, which ones we really feel
7 have a feasible and reasonable corridors that we should
8 move forward with in the future. After this point, we'll
9 move on to developing final -- final purpose and need for
10 the corridor, the final P/EL document,
11 Planning/Environmental Linkages; I did update you guys
12 last month on that. And then eventually delivering our
13 final business case.

14 The entire project is currently scheduled to
15 be delivered in July of this year, and we don't see any
16 reason why that will not take place. That's the schedule.
17 We haven't had any indications that it's going to be any
18 delays. So that's our current schedule.

19 When we started out the process, you look at
20 the graph on the left-hand side of the screen, well, we
21 looked at just about everything imaginable on how many
22 corridors could be considered for the -- for the
23 Intermountain West Corridor. We had multiple corridors
24 and alignments -- excuse me -- multiple corridors in
25 northern -- northern Nevada, multiple corridors in

1 southern -- southern Arizona. And on the right-hand side
2 of the screen is where we feel is going to show the most
3 feasible and reasonable corridors to pursue in the future.
4 Northern Nevada, there's -- there's -- it's using a couple
5 of corridors (indiscernible) north out of Nevada. But in
6 Arizona, you'll notice that what we've identified as the
7 most feasible and reasonable corridors come from Las Vegas
8 down to -- using the U.S. 93 somewhere into the vicinity
9 of Phoenix and then down I-10 towards Tucson and then
10 eventually to the Mariposa port in Nogales. It's no
11 surprise. We've said that for a while that that was going
12 to be the corridor that showed that it was the most
13 feasible and reasonable.

14 It doesn't mean we've eliminated anything
15 else. And I said that a couple of months ago. It means
16 that these are the ones we're going to go to the board
17 with. The other ones aren't really eliminated. It just
18 means we've looked at it in the past. We're not going to
19 take them forward (indiscernible) future consideration.
20 The southern Arizona piece will -- will be -- the corridor
21 that we look at that goes from Phoenix to Tucson and
22 eventually to Nogales.

23 Inside the corridor, the corridor could be
24 anywhere from 5 to 50 miles wide. You can have multiple
25 alignments inside the corridor. We're not refining it and

1 saying that it's exactly this road or this road or this
2 road or that route. It's a really wide brush that we look
3 into, as you move forward. And that's not the entire
4 corridor from southern Arizona to northern Nevada. As you
5 move into further states in the future, you refine that
6 into individual alignments. But now we're -- we've always
7 said we're at the corridor level, and that's what it looks
8 like.

9 But, again, we have identified these as the
10 most feasible and reasonable corridors to consider in the
11 future.

12 The study's still scheduled to be completed
13 in July, as I said. We'll have our final recommendations,
14 deliver our corridor concept report, a final business
15 case, the foundation that says -- explains why we should
16 do this study. Planning/Environmental Linkages document
17 covers the entire corridor from border to border. It'll
18 have a recommended purpose and need to move into an
19 eventual NEPA document, and it does inform that process.
20 And it'll also develop (indiscernible) corridor
21 implementation plan and program as we move forward also.

22 As the board received copies of, after the
23 last meeting, we received a letter from -- from the chair,
24 and he asked for some specific -- four specific questions.
25 And I said I would answer them today here during the board

1 meeting. The Director did respond back to the chair. And
2 you guys have received a copy of that also. And he
3 gave -- again gave an assurance that we moving forward in
4 good faith with the entire study and not just looking at
5 individual sections.

6 So the four questions that were asked, were:
7 Is the July 2014 still the estimated time completion for
8 the final corridor (indiscernible) report?

9 And I guess (indiscernible), yes, we're
10 still considering July to be the final schedule. We
11 haven't had any indications that we're going to delay that
12 or move it out, so we're expecting the final documentation
13 to be completed in July of 2014.

14 The next question: Is there an estimated
15 time of completion for each of the requisite studies as
16 defined above or any other studies required for the
17 Southern Arizona Connectivity Segment to be included in
18 the final corridor concept report?

19 It's already included in the final corridor
20 concept report --

21 MR. CHRISTY: Say that again.

22 MR. OMER: -- southern Arizona -- the entire
23 corridor from border to border is included in the final
24 corridor concept report. So it's already included. It's
25 already there.

1 It's also going to be included in the final
2 P/EL document, Planning/Environmental Linkages will
3 (indiscernible) the entire corridor from border to border
4 and those will both be scheduled to be completed in July
5 of 2014. No other studies have been scheduled or funded
6 to move forward at this time.

7 The next question is: Upon completion of
8 the requisite studies, will the Southern Arizona
9 Connectivity Segment be incorporated into the final
10 corridor concept report in formality or were made part of
11 ADOT's I-11 border-to-border business plan?

12 Again, the Southern Arizona Connectivity
13 Segment it will be part of the final (indiscernible)
14 corridor report. That's scheduled for completion in the
15 summer. Completion of future studies could go further to
16 help achieve NEPA (indiscernible) decision for the -- for
17 the document, but, again, they're not -- nothing is
18 scheduled, and nothing is funded as we move forward from
19 this date.

20 And last section says: If so, will the
21 Southern Arizona Connectivity Segment be included within
22 the same (indiscernible)?

23 Again, it's not scheduled.

24 I will say what we have done (indiscernible)
25 is we have had conversations with PAG. I met with the PAG

1 director a couple of weeks ago at an ACA meeting, had the
2 conversation that this spring we could start -- begin the
3 process of discussing in southern Arizona what a scope of
4 work should look like, who should be involved in it, who
5 should be responsible for what -- again, developing the
6 scope of work. If we identify the funding for that study
7 to move forward and probably come out of our work
8 programs, that would come out after -- sometime after the
9 completion of the study. So we are having conversations.
10 We even decided that we'd probably start meeting in around
11 the March time frame. But (indiscernible).

12 So hopefully that answers your questions.
13 If not, we can expand on those. That was the end of
14 presentation (indiscernible) for today.

15 MR. CHRISTY: Let me go back to -- Item 4,
16 Mr. Omer, on the -- oh, excuse me, Item 3: Upon
17 completion of the requisite studies, will the Southern
18 Arizona Connectivity Segment be incorporated into the
19 final core concept report and formally made a part of
20 ADOT's I-11 border-to-border implementation plans?

21 Is that a yes or a no?

22 MR. OMER: We consider that a yes because
23 the final corridor report will include -- it's from the
24 border to the border. It isn't just from Las Vegas to
25 Phoenix. It includes the entire -- the entire corridor.

1 And we found that the Department's most reasonable and
2 feasible goes from Las Vegas to Phoenix to Tucson and
3 eventually down to the Mariposa port.

4 MR. CHRISTY: Okay. And then to Number 4,
5 once again, if so, will the Southern Arizona Connectivity
6 Segment be included within the same timing and funding
7 level as the priority segments?

8 That's one question.

9 And?

10 MR. OMER: It's in the same schedule. We
11 have no funding as we move forward today. And that's -- I
12 wanted to make that clear. We don't have funding to move
13 any other projects forward.

14 We did say we would have -- we've had
15 conversations with the PAG, the Pima Association of
16 Governments (indiscernible) if there's any additional
17 studies we'd like to do together, but we don't have
18 funding identified to move forward with anything else that
19 is in the future. As of now, we have no funding after
20 this is completed in July.

21 MR. CHRISTY: So moving on, then, to the
22 second question in 4, if not, and you said that no funding
23 has been identified.

24 And the answer to the "why not"? Why not --
25 why hasn't any funding been identified?

1 MR. OMER: Mr. Chair, that's a -- it's a
2 good question. When we started talking about a corridor,
3 we're talking about a corridor that's 400 miles long, 2368
4 (indiscernible) miles long. When you move into an
5 environmental document on a 400-mile-long corridor, it
6 could be 30 or 40 million dollars. So, no, we don't have
7 the funding identified for any further studies at this
8 time.

9 I'm not saying we haven't had conversations
10 and started looking, and we know there's other people that
11 are interested in this corridor and started talking about
12 identifying funding from Congress or from the feds, but
13 that's not something that we have available today.

14 MR. CHRISTY: And if that might not, which
15 you've answered, the final interrogatory is: How can this
16 be accomplished?

17 MR. ROEHRICH: I guess, Mr. Chair, if I
18 could, some of the things that we have talked about in the
19 past, I know Mr. Maxwell had said it as well, takeaways
20 from this that other stakeholders could help us with is
21 really talking about three things -- or two to three
22 different things. One (indiscernible) can help extend the
23 designation to the border. I don't know why they stopped
24 in Phoenix. That was, you know, not in -- a very logical
25 thought process. But again, I have no idea why Congress

1 did what they did they did.

2 So I mean, as we move forward, talk with our
3 delegation to extend the designation all the way to the
4 border, so we have the connectivity with Mexico. It's
5 important for us and that's why we're going through a
6 justification report to lay that foundation.

7 And the second thing is to help fund the
8 study to (indiscernible) we can move it forward as one
9 complete study. We do not support taking it in pieces
10 either, because it doesn't meet the purpose of what we
11 said --

12 MR. CHRISTY: So going back to your first
13 statement, which you -- you identified the fact that
14 you're perplexed that why Congress didn't extend the
15 entire project, rather than one segment of it, when ADOT
16 is in Washington -- and I don't know if they have a
17 lobbyist on behalf ADOT, and if there is a lobbyist, and
18 if there is a lobbyist, if this lobbyist is lobbying
19 strictly for the funding between Phoenix and Las Vegas, or
20 is he lobbying for funding for the entire border-to-border
21 concept.

22 MR. ROEHRICH: Mr. Chair, he is lobbying for
23 the -- for the entire corridor.

24 MR. CHRISTY: Border to border.

25 MR. ROEHRICH: Absolutely. We're out there

1 pushing our -- our recommendation that Interstate 11 must
2 tie from our state border with Nevada to the international
3 border with Mexico.

4 MR. CHRISTY: So --

5 MR. ROEHRICH: And we're continuing to do
6 that.

7 But obviously, we're only one voice. What
8 we need is support from our stakeholders, from our other
9 local jurisdictions out there that listen to our
10 delegation, that will also hear from them the importance
11 of why we need to continue to expand the designation as
12 well as look to funding it. Otherwise, you end up really
13 having to decide what's more important, preservation, as
14 we've gone through in the past, (indiscernible) program,
15 or take money out of those existing programs to support
16 this.

17 MR. CHRISTY: Well, the first thing, the
18 important thing that you've pointed out is that (A) there
19 is an ADOT lobbyist that is lobbying on behalf of the
20 entire border-to-border concept.

21 Second of all -- I just lost my train of
22 thought.

23 MR. ROEHRICH: We did ask (indiscernible)
24 because he does not --

25 (Simultaneous conversation)

1 MR. ROEHRICH: When I'm saying our
2 lobbyist --

3 MR. OMER: So, I guess, Kevin had mentioned
4 in his previous presentation, our lobbyist is working with
5 the Nevada lobbyist, and both delegations together are
6 working on this combined --

7 MR. ROEHRICH: Part of the Interstate 11 --
8 (Simultaneous conversation)

9 MR. OMER: It's our delegation and our
10 lobbyist that's having these conversations with --

11 MR. CHRISTY: But the focus is on the.

12 MR. OMER: -- the entire corridor. We're
13 not limiting it --

14 (Simultaneous conversation)

15 MR. OMER: -- one section or the other.

16 MR. CHRISTY: Now, I remember what I wanted
17 to dovetail to Mr. Roehrich is that if you go in and ask
18 for funding on one segment and let's say they grant it,
19 that one segment being Phoenix to Las Vegas, and then down
20 the road, we decide, say we've got this great
21 border-to-border plan and you go back for funding, what --
22 the chances of getting secondary funding for that just die
23 down into the brink precipitously.

24 So what we're urging -- or what I'm glad to
25 hear is -- or I hope I'm hearing is that the lobbyist that

1 ADOT has in Washington is not lobbying strictly for
2 Phoenix to Las Vegas, but lobbying strictly -- or
3 inclusively from border to border.

4 Mr. Biesty.

5 MR. BIESTY: Mr. Chair, Members of the
6 Board, we currently have a lobbyist on board that is
7 helping us with all things related to I-11. And as the
8 study moves on and as this progress -- as this process
9 evolves, things are being added to the mix. We had big
10 meeting with all the stakeholders from Nevada and Arizona.
11 The -- you know, the state DOTs, the government relations
12 folks, it was a week or two ago, and we're laying out
13 steps. And one of the "asks" we're working on is
14 extending the designation of I-11.

15 MR. CHRISTY: One of the "asks." And other
16 "asks" are?

17 MR. BIESTY: Funding the study, the complete
18 study, looking for funding for that. And --

19 MR. ROEHRICH: The third --

20 (Simultaneous conversation)

21 MR. ROEHRICH: -- federal lands, the process
22 to acquire easement through federal lands for a future
23 corridor.

24 MR. CHRISTY: So here and now -- and again,
25 this is why I raised the issue of the minutes and it's a

1 matter of record, what I'm being told, that this board is
2 being told is that ADOT has a lobbyist in Washington that
3 is not merely lobbying for the Phoenix-to-Las Vegas
4 segment, but lobbying on behalf of the entire concept,
5 border to border, north to south. Is that --

6 MR. OMER: Correct.

7 MR. BIESTY: Mr. Chair, Members of the
8 Board, we have a lobbyist on contract to help the State of
9 Arizona with the I-11 project.

10 MR. ROEHRICH: We define the project. Our
11 lobbyist does not define the project.

12 MR. BIESTY: And it's an evolving process.
13 The RFP is written in a way that we can -- whatever is
14 related to I-11, they are helping us with. The State gets
15 to decide what that is.

16 MR. CHRISTY: Okay. That's -- I appreciate
17 your response. It wasn't as definitive as I was hoping,
18 but it's pretty definitive.

19 And at this point, do you have much more
20 that you need to go on in this -- or -- this would lead me
21 to a moment to address the members of my board.

22 We've -- we've had talks in the past about
23 board policy. And it seems to me that the State of
24 Arizona has a huge opportunity, a great opportunity with
25 this I-11 initiative, to include the entire state, border

1 to border, north to south, to do what everybody has agreed
2 is the most essential part for economic development in our
3 state, in our region and actually in the country, which is
4 trade with Mexico.

5 And if there has ever been a moment, an
6 opportunity to be seized by this board as a matter of
7 policy and direction to the Department, now is the time.
8 Yet in several other past meetings, we talked about
9 policy, and we have been directed -- I like to use the
10 term "admonished" -- that certain policy matters are
11 outside the purview of this board. Particularly on this
12 I-11 issue, there have been -- I have presented
13 resolutions. There have been other attempts to try to
14 finite in detail and characterize the project, not merely
15 as Phoenix to Las Vegas, but border to border, and there
16 has been resistance at the board -- to the board level --
17 or to the board to accomplish that.

18 This is an opportunity, and if there is
19 anything that the board should be involved with
20 policywise, it's this issue. The board should have the
21 opportunity to make recommendations and ask directions of
22 the Department on this matter.

23 And I'm going to request later at the -- the
24 last item for future agenda items that this -- this item
25 be returned to at the next meeting with some changes in it

1 that will allow for discussion on board policy, that will
2 allow a -- and we're -- want to engage the Department on
3 this as well -- what and how much and how impactful
4 board -- the board can get in terms of directing ADOT to
5 structure contracts to -- projects such as this
6 border-to-border project. And I'm also going to ask that
7 at that time that that agenda item be included for action,
8 that if after that discussion, a board member wishes to
9 make a motion directing ADOT to move in any particular way
10 regarding this -- this border-to-border project, that the
11 board member by rights be allowed to. If we can't make
12 any motions or -- or have any impact on something as
13 significant as this, we're just window dressing up here.
14 We might as well go home. This is our opportunity as a
15 board to place and set direction to the Department about
16 something as significant as this opportunity from border
17 to border.

18 And if there's no more questions to Mr. Omer
19 or any other -- we'll move on.

20 MS. BEAVER: I would only like to --

21 MR. CHRISTY: Ms. Beaver.

22 MS. BEAVER: -- add that back to the point
23 about the minutes and how they're to be written, I am not
24 expecting, from my standpoint, that they're a
25 transcription of the entire discussion. But I do believe

1 that they should reflect the key points of the discussion.
2 And I think that was to your point, that it really didn't
3 reflect, case in point today, with Mr. Biesty giving those
4 three points. I think those should be reflected in the
5 minutes.

6 MR. CHRISTY: I couldn't have said it any
7 better myself. And I was going to say that as well. And
8 this is another example of key points in an agenda item
9 that should be so noted in the minutes in greater detail
10 because of the importance and the scale of this subject.

11 And we have now an opportunity to make this
12 a statewide project that all parts of the state can
13 benefit from, rather than one segment.

14 Any further questions or comments?

15 So my final closing on this agenda item is
16 to ask my fellow board members to reflect on this whole
17 subject, and if you feel so moved to come up with any kind
18 of ideas or actions that you'd like to ask the Department
19 to focus on or to move upon, I feel that it is in your
20 purview to do that. And as a board member, you have the
21 right to do that. If that discussion about our rights and
22 responsibilities says otherwise, we want to hear them.

23 But as far as I'm concerned, if the board
24 can't act or have the ability to act or make motions on
25 this subject, then we might as well go home.

1 Okay. We'll move on, then, to Item 8,
2 priority planning advisory, again, Mr. Omer.

3 MR. OMER: Mr. Chair, Members of the Board,
4 first of all, I'd like to thank you for we had a couple of
5 items that were on the consent agenda that you approved.
6 We appreciate that.

7 The project modifications are Item 8a
8 through 8h. I had a conversation with Mr. Anderson
9 earlier, and we're (indiscernible) ask to pull that Item
10 8f or I can make the recommendation to do that.

11 So, Mr. Chair, what I would like to do is
12 propose, after the conversation with Mr. Anderson, that we
13 take Items 8a through 8h minus Item 8f, which we need to
14 talk about individually.

15 MR. CHRISTY: The chair would entertain a
16 motion to accept Items 8a through 8h as one presentation
17 to be moved upon.

18 Is there such a motion?

19 MR. FLORES: So move.

20 MALE SPEAKER: Excluding 8f.

21 MR. CHRISTY: Excluding 8f.

22 MR. OMER: Yes, sir.

23 MR. FLORES: So move.

24 MR. CHRISTY: There's a motion by
25 Mr. Flores, a second by Mr. Anderson. Mr. Flores moved

1 it, and Mr. Anderson seconded it. To accept that as
2 proposed, all those -- any questions or discussion?

3 Hearing none, all those in favor of the
4 motion by design signify by saying aye.

5 Opposed?

6 Hearing none --

7 MALE SPEAKER: (Indiscernible).

8 MR. CHRISTY: -- the mo- -- the motion
9 carries.

10 Mr. Omer?

11 MR. OMER: Mr. Chair, Item 8f is I-15 is the
12 Virgin River Bridge Number 6, that's in the Flagstaff
13 District in Mohave County. We all -- most of the board
14 now has been up and visited the Virgin River bridge
15 projects in I-15.

16 This specific bridge was the one that we
17 received a TIGER grant for the last year. What we need to
18 do is come back to the board and to ask for an increase in
19 the construction project by 8.6 -- 8 million, 604 thousand
20 dollars to be paid for out of the statewide contingency
21 fund.

22 The reason we're bringing it back is
23 generally we will identify projects that need additional
24 funding and we may bring them through the PPAC and the
25 (indiscernible) process like this. Today we pulled

1 (indiscernible) and we're going to ask that it be in the
2 contracts, because we have the contract for the project,
3 and the additional board funding for the project is the
4 same agenda. It didn't really set well with Mr. Anderson.
5 He brought it to our attention, and it's a good point. So
6 we need to take these individually so we can fund the
7 project and then following that, fund the construction.

8 MR. CHRISTY: So we'll proceed with the
9 individual projects through that range?

10 MR. OMER: Mr. Chair, this is for the
11 individual project. What it does is it funds all of --
12 the total cost of the project, and then on Item 4h, which
13 Ms. Toth will bring up, or in the contracts will fund just
14 the construction of the project.

15 MR. CHRISTY: As part of -- as your
16 presentation to these projects, is there anything in
17 particular, or can we just make a motion on that?

18 MR. OMER: That's your advisory committee
19 motion (indiscernible).

20 MR. ANDERSON: Move approve 8f.

21 MR. CHRISTY: Move to approve 8f by
22 Mr. Anderson.

23 Is there a second?

24 MR. FLORES: I'll second.

25 MR. CHRISTY: Mr. Flores has seconded

1 Mr. Anderson's motion.

2 Any discussion?

3 MR. LA RUE: Yeah, I guess, you know, I want
4 to personally thank Mr. Anderson for pulling this, because
5 I saw this, and I don't understand it. So maybe I need a
6 little discussion on I've got a contract over here you're
7 asking to be approved to CMAR, but then over here you're
8 asking on the same day to approve 8 more million.

9 So why the disjointedness? Why isn't this
10 one contract for X amount of (indiscernible). I am not
11 connecting these -- these individual items coming
12 together.

13 MR. OMER: Mr. Chair, Mr. La Rue, it's a
14 great question. And I'm glad that came up, because this
15 is a good time to have the conversation.

16 When we program a project, you know, this
17 transportation board programs the funding for the project,
18 it's for the entire cost of the project. And if we need
19 additional funds throughout the year or for that project,
20 we'll come back to you and get those approved.

21 A CMAR project is a little different. We
22 generally deal with mostly design-bid-build projects and
23 design-build projects.

24 But the CMAR project, we don't actually --

25 MR. ROEHRICH: Scott, could you tell what a

1 CMAR is? We've got -- this is the first time in a project
2 like this with a couple of new board members, and they
3 might not be familiar with the construction management at
4 risk, the CMAR.

5 MR. OMER: Well, CMAR is, as Mr. Roehrich
6 says, (indiscernible) is construction management at risk
7 or construction manager at risk. It is a specific type of
8 alternative delivery method for construction projects that
9 the Department is allowed to use. The Department is -- a
10 little bit of the difference is the Department hires a
11 design firm to work with the Department instead of working
12 for the contractor as would be in a design-build project.

13 The process is a -- you know, it's
14 different. We don't use it as often as we do the other
15 ones.

16 MR. ROEHRICH: The other unique
17 characteristic of it, Mr. Chair and Board Members, is --

18 MR. CHRISTY: Please go ahead, Mr. Roehrich.

19 MR. ROEHRICH: We hire a contractor not on a
20 bid process but through a qualification-selection process,
21 bring them on board during design, and we work through --
22 through the -- the technical aspects of the design as well
23 as the construction (indiscernible) build with the
24 contractor. And then we negotiate a guaranteed maximum
25 price as part of that. So it isn't bid out as a low-bid

1 process. It is selected on qualification, quality basis,
2 and then it's negotiated against the maximum price as part
3 of the -- the design process and the finishing, if you
4 will, the preconstruction activities.

5 MR. CHRISTY: Mr. Omer?

6 MR. OMER: So as part of that process,
7 Mr. Chair and Mr. La Rue, as part of development of the
8 project and the CMAR process, we did identify some items
9 that were actually more expensive than we originally had
10 estimated in the original project.

11 The bridge was more expensive. We did add
12 some additional width to the bridge. The environmental
13 mitigation for the project was an increased cost. And our
14 construction engineering for the project was more than we
15 originally had estimated.

16 Both -- all those things combined, exceeded
17 the amount of funds we had originally approved by the
18 transportation board for the project. So we have to bring
19 back the project under a PPAC or approve the project
20 budget, as you would say, so that way you can approve the
21 construction project Item 4h. Generally (indiscernible)
22 necessary duties in the same board meeting. But
23 (indiscernible) anything else, that's just the way that it
24 ended up at this time.

25 MR. CHRISTY: That's a good explanation.

1 MR. LA RUE: Mr. Chair, if I may, so -- so,
2 Scott, maybe my recollection of a year ago when we put
3 this in -- you know, free to correct that recollection if
4 it needs corrected. So I think a year ago, when we
5 allocated the dollars in here, it was not a really popular
6 project. But because staff said they were going to seek
7 federal fund -- I think the CMAR as a 98 percent federal
8 funds, 2 percent us -- I think the board said, we're going
9 to -- it makes sense, you know, given the project, given
10 the need, but also given the balance and everything else.

11 Now, what you're saying is, wow, you know,
12 the project scope is greater and it's 8 million. We got
13 to approve 8 more million dollars to it. And assuming
14 it's not federal funds. Is that the case?

15 MR. OMER: Mr. Chair, Mr. La Rue, it is
16 federal funding.

17 MR. LA RUE: It is federal funding, so it
18 does not come out --

19 MR. OMER: It's just not part of the -- the
20 TIGER grant. Separate federal funding from the TIGER
21 grant.

22 MR. LA RUE: Not coming out of our state
23 rural highway (indiscernible).

24 MR. OMER: Sir, it does come out of our
25 federal allocation, and we use the rural Arizona on that.

1 But it's -- I was specifically planning it
2 for the contingency fund. And that's generally the
3 contingency fund is for projects, say, (indiscernible) the
4 year, (indiscernible), and that's how you pay for these.

5 MR. LA RUE: So back on my recollection,
6 this wasn't a popular project.

7 MR. OMER: It was very popular with the
8 staff, sir. It --

9 (Simultaneous conversation)

10 MR. OMER: -- receive 25 million dollars in
11 a federal grant to pay for a project that was desperately
12 needed and on the corridor that we did not feel we had
13 existing -- our own federal funding to pay for it.

14 So staff recommended it wholeheartedly, and
15 continue to do that. The way that we look at this is,
16 yes, the project is costing more than we originally
17 estimated, but we're also winning a 33 million dollar
18 project for 8 million dollars. So it's a pretty good
19 return on that investment.

20 MR. CHRISTY: Mr. La Rue, I'm sure you could
21 refer back to those minutes and get every --

22 MR. LA RUE: No, no, I'm glad that
23 Mr. Anderson pulled this, because this is one that stuck
24 out as well. So, thank you.

25 MR. CHRISTY: Further questions or

1 discussion?

2 So, again, you are --

3 MR. OMER: Mr. Chair, and I would recommend
4 that Item 8f be approved by the board --

5 (Simultaneous conversation)

6 MR. CHRISTY: There was a motion. And there
7 was a second. And we've had discussion.

8 Any further discussion?

9 Hearing none, all those in favor of the
10 motion, signify by saying aye.

11 Opposed?

12 The motion carries.

13 Mr. Omer?

14 MR. OMER: So there was one all "ayes" and
15 one "no" from Mr. La Rue.

16 Mr. Chair, Item 8i through 8r, as in
17 "Romeo," are new projects. We can take those individually
18 or at the board's pleasure, we can take those together.

19 MR. CHRISTY: Are there any items the
20 board -- individual board member wishes to pull?

21 Hearing no requests for such, the board will
22 entertain a motion to accept --

23 MR. ROGERS: Submitted.

24 MR. CHRISTY: To accept projects Items 8i
25 through 8r, as presented.

1 Oh, Hank, I beg your pardon. He made the
2 motion to approve?

3 Is there second?

4 Mr. Rogers made the motion. Mr. Anderson is
5 seconding the motion.

6 Any discussion?

7 Hearing none, all those in favor of the
8 motion as presented signify by saying aye.

9 Opposed?

10 Hearing no opposition, the motion carries.

11 MR. CHRISTY: Mr. Omer?

12 MR. OMER: The last thing, Mr. Chair, the
13 airport development program project is Item 8s.

14 MR. CHRISTY: Are there any questions or
15 requests to have further discussion of this mo- -- of this
16 airport Item 8s?

17 MALE SPEAKER: Mr. Chair, we need a motion
18 first before discussion.

19 MR. ANDERSON: So moved.

20 MR. CHRISTY: There is a motion to accept --
21 by Mr. Anderson, the motion.

22 Is there a second?

23 UNIDENTIFIED SPEAKERS: Second.

24 MR. CHRISTY: Mr. La Rue has seconded the
25 motion.

1 Discussion?

2 Hearing no discussion, all those in favor of
3 the motion as presented, signify by saying aye.

4 Opposed, say nay.

5 Hearing no opposition, the motion carries.

6 That concludes Mr. Omer's report.

7 Thank you, Mr. Omer.

8 Moving on to the State Engineer's report,
9 Jennifer Toth.

10 MS. TOTH: Good morning, Mr. Chair and
11 Members of the Board.

12 Today I have to report to you that we have
13 96 projects under construction valued at about close to
14 \$700 million. And year fiscal year to date, we've closed
15 out 84 projects have been finalized.

16 And then moving on to the dust aspect, we --
17 in terms of what's happened since the last meeting, we had
18 drafted a communications plan that we're circulating and
19 creating comments. Part of that is a dust awareness and
20 education aspect that we're going to be deploying at our
21 rest areas along the I-10 and potentially other areas.
22 And then we do have, as I've mentioned before, we usually
23 have a dust workshop in the spring, so that'll be coming
24 up in the Casa Grande area, and it's sometime in
25 March/April time frame.

1 That concludes my report as the State
2 Engineer's report.

3 MR. CHRISTY: Are there any questions of the
4 State Engineer regarding the report?

5 Hearing none, Ms. Toth.

6 MS. TOTH: All right. I'll address Item 4h.
7 First, in terms of the I-15 contract, we are asking for
8 approval to award that contract. We've negotiated a
9 guaranteed maximum price with the contractor
10 (indiscernible), and we're seeking board approval to move
11 forward with that contract.

12 MR. ANDERSON: Mr. Chair, move to approve
13 4h.

14 MR. CHRISTY: There is a motion to approve
15 4h as presented.

16 Is there a seconded it?

17 MS. BEAVER: Second.

18 MR. CHRISTY: Ms. Beaver has seconded
19 Mr. Anderson's motion. Any discussion?

20 Hearing no discussion, all those in favor of
21 the motion as presented, signify by saying aye.

22 Opposed, say no.

23 Hearing no opposition, the motion carries.

24 Ms. Toth.

25 MR. ROEHRICH: There was one nay.

1 Mr. Chair.

2 MR. CHRISTY: Mr. La Rue is noted, said
3 "nay," but the motion still carries.

4 Ms. Toth.

5 MS. TOTH: Okay. Moving on to the next
6 item, Item Number 10a, this is a project to pave a dirt
7 road in the city of Buckeye. The quotes that were
8 received by the State for materials were higher than the
9 quotes that Sunland Asphalt & Seal Coating received. Also
10 the close proximity of the materials (indiscernible) also
11 contributed to the lower unit prices. In addition, some
12 of the production rates were different between the
13 contractor and what we had estimated.

14 So based on our analysis, the Department
15 does recommend that the contract be awarded to Sunland
16 Asphalt & Seal Coating.

17 MR. LA RUE: So moved.

18 MR. ANDERSON: Second.

19 MR. CHRISTY: There is a motion to approve
20 by Mr. La Rue and seconded by Mr. Anderson, the motion as
21 presented.

22 Is there any discussion?

23 Hearing no discussion -- request for
24 discussion, all those -- the chair -- all those in favor
25 of the motion as presented, signify by saying aye.

1 Opposed?

2 Hearing no opposition, the motion carries.

3 MS. TOTH: Item 10b, this project is a
4 bridge replacement project located in Yuma County. If you
5 recall last month, we postponed award of this so that Yuma
6 County could approve the additional cost associated with
7 the bridge.

8 The difference in the cost is due,
9 basically, that the contractor received better material
10 prices than the Department had originally estimated. So
11 based on that information, the low bid does appear to be
12 reasonable, and it's therefore recommended that the
13 contract be awarded to DPE Construction Inc.

14 MR. CHRISTY: The chair will entertain a
15 motion accordingly.

16 MR. ANDERSON: So moved.

17 MR. CHRISTY: There is a motion by
18 Mr. Anderson, seconded by Mr. Rogers, to approve -- to
19 approve the motion -- approve the item as presented.

20 All those in favor -- any discussion?

21 Hearing none, all those in favor of the
22 motion as presented, signify by saying aye.

23 Opposed?

24 Hearing no opposition, the motion passes.

25 MS. TOTH: Thank you.

1 MR. CHRISTY: Thank you, Ms. Toth.

2 Moving on to Agenda Item 11, an update on
3 the proposed South Mountain Corridor alternate delivery
4 options.

5 And we have our assistant director Gail
6 Lewis.

7 MS. LEWIS: Good morning, Mr. Chair, Members
8 of the Board.

9 Congratulations also, Mr. Christy,
10 Mr. Anderson (indiscernible) being that Mr. Flores, my old
11 friend, we'll have to find another excuse to see each
12 other from time to time. Thank you very much for all
13 you've done for us.

14 The purpose of this discussion, I'm going to
15 provide an update on the South Mountain freeway and on the
16 unsolicited public-private partnership proposal that has
17 been made regarding this project. There seems to be a
18 little bit of confusion about where we are in the process
19 and exactly how that's working. So we just wanted to take
20 a few minutes to give you an update and -- on what's going
21 on with the (indiscernible) project.

22 The history of the South Mountain freeway,
23 most of you are very familiar with this, but the Loop 202,
24 or the South Mountain freeway, was first discussed
25 publicly in 1983. It has been voted on by the public

1 twice, in the 1984 regional sales tax vote in Maricopa
2 County, and then again in the 2000 -- no, wait, I'm
3 lost -- 2004 vote on the South Mountain freeway as well.
4 So it's been in approximately the same location. It has
5 been voted on twice.

6 Nonetheless, this is a very controversial
7 project. There are a lot concerns about it among some
8 members of the community and some equally passionate
9 proponents of the project. So it's not without -- has not
10 been without controversy.

11 This project is in the final stages of the
12 environmental review. The draft EIS is complete. And
13 public comments were taken on the draft EIS between April
14 and July of 2013. The draft EIS has been submitted to the
15 federal government for their review process, which is also
16 quite extended. So all of the public comment and a draft
17 EIS have been evaluated, and they're being reviewed
18 according to federal law. And a final EIS, based on that
19 review process, will be prepared and will be available for
20 public review in about July of this year, July of 2014.

21 The public agencies that work with the
22 federal government will begin their final process, and
23 then there will ultimately be a final Record of
24 Decision -- that's essentially the federal government's
25 final decision on this process -- expected in October of

1 2014.

2 That does not preclude there being
3 additional legal action that may be taken against the
4 report, but it does mean that in terms of their routine
5 process, the federal government has made a decision. And
6 that final Record of Decision, called a ROD, is kind of
7 the significant step that allows the agency then to begin
8 to move forward on ultimate construction of the project.

9 We do not know what the ROD will be yet, so
10 the no-build option is on the table as a possible outcome
11 of the environmental process. And so although the agency
12 continues to work on preparations for being able to
13 construct the South Mountain freeway, nothing -- no final
14 decision has been made on anything that can't be stopped.
15 Nothing that cannot be stopped if a no-build option comes
16 forward, will be undertaken prior to the Record of
17 Decision.

18 And, again, quickly I could talk to many of
19 you about what a public-private partnership is. Some of
20 the newer members may not have had quite as much
21 experience with a P3.

22 A public-private partnership is basically a
23 closed partnership between the private sector and the
24 public sector for construction of a project and not
25 limited to highways or transportation projects, although,

1 obviously, for our purposes here at ADOT, that's what
2 we're most focused on. If -- you -- as it's used for both
3 horizontal projects like highways and vertical projects,
4 such as public (indiscernible) to our projects. It's an
5 available finance and construction methodology for all
6 those kind of project -- projects. And it is basically a
7 way to leverage limited public dollars to be able to get
8 more projects done for the same amount of money. It does
9 not replace public funding, but it does help to relieve
10 the subsidy that the public sector has to put into a
11 project. And it's also a way to shift some risk from the
12 public sector to the private sector, as per the
13 contracting methodology and the procurement methodology;
14 the private sector takes on some additional risks for a
15 project.

16 The way projects become P3s in -- at ADOT is
17 the project is identified, and that can happen in a number
18 of ways. We can identify projects as part of our internal
19 discussion within the agency or through dialogs with our
20 partners, either on the private side or the public
21 partners, such as COGs, MPOs, cities and towns. Or we can
22 take -- we're permitted by law to take an unsolicited
23 proposal.

24 And what -- however it comes up, the concept
25 is reviewed by our technical team along with the partner

1 COG or MPO that's involved in the process. We look at
2 traffic and revenue, projected now and in the future. We
3 determine whether there's a means for a fee or toll or
4 some kind of funding that could come about as part of this
5 project or whether we will simply find a way to use public
6 sector funding ultimately to be the financing and funding
7 mechanism. And to see how such a project might fly with
8 the public, whether it has public support and public
9 viability.

10 And then ultimately we will do a procurement
11 process. Everything, no matter how it comes about, a
12 public-private partnership project is always awarded and
13 results in a competitive process, but it isn't our normal,
14 design-bid-build, it isn't a low-bid procurement, but it
15 is a competitive procurement which is bid publicly
16 and (indiscernible) up the -- the contracting and
17 construction is permitted to bid on that project. In
18 fact, they're urged to bid on those projects.

19 In this particular case, the South Mountain
20 freeway, we did receive an unsolicited proposal from a
21 consortium of firms to use the public-private partnership
22 approach to bid the South Mountain freeway. Although this
23 was not contemplated specifically, at least it having been
24 discussed in great detail, we knew that there was an
25 opportunity to use alternative contracting methods,

1 alternative delivery methods to build the South Mountain
2 freeway at the point where we begin to talk about that in
3 earnest.

4 What this unsolicited proposal did was it
5 really triggered that process that I just discussed and
6 triggered a very intensive review process on ADOT's part,
7 and that has gone on now for several months. We received
8 the proposal in March 2013 and spent several months
9 reviewing many aspects of the proposal, considering
10 whether a public-private partnership would be viable,
11 whether a design-build approach or an enhanced design-
12 build would be possible, whether there was any point in
13 considering maintenance and operations being part of a
14 public-private partnership procurement. And we did a very
15 intensive and long-term analysis, including ways in which
16 risk could be shifted from ADOT to a private contractor as
17 part of this process and whether there were financing
18 opportunities that we -- the funding is available to build
19 the project. It's part of the Maricopa County
20 (indiscernible) sales tax fund, the RARF monies, so the
21 funding does exist, but there may be ways through
22 financing techniques to be able to speed that money out.
23 And that also was the delivery of those funds. And that
24 was also reviewed as part of this very intensive process.

25 In -- by the way, new federal laws requires

1 this kind of intensive look at financing and contracting
2 opportunities for large (indiscernible) projects such as
3 this. So although we weren't yet really required to do
4 this, it turned out to be an excellent opportunity for us
5 to go into this process, and it is a process that we're
6 going to have to use for large (indiscernible) projects
7 going forward. We just hope we have some large
8 (indiscernible) projects to build.

9 So as a result of looking at this, which
10 included an assessment of the value for money, we -- MAG
11 was with us through every step of this process. They sat
12 through all the day-long technical workshops. They
13 responded to the questionnaires on risks. They sat
14 through the entire process with us as well as our great
15 consulting team from P3 who have been very, very helpful.

16 One of the components of the pro- -- the
17 unsolicited proposal was for a public predevelopment
18 agreement, that is essentially to sign and agree, and it's
19 done through a competitive procurement, but you do sign an
20 agreement quite early in the process, and then your
21 partner is with you through many steps of the design and
22 engineering and financing process.

23 The agency, through this process, determined
24 that we would not go the predevelopment route, mostly
25 because we felt at this point we were so far along in the

1 process that a predevelopment agreement, it was really too
2 late to have a predevelopment agreement, and so it was
3 nothing against the proposal. It was an excellent
4 proposal; we just felt like it was too late in the process
5 to accept that.

6 So the technical review team recommended to
7 ADOT and to MAG that the Department not go forward with
8 the PDA but that we do look more intensely into the
9 possibility of building the South Mountain freeway using
10 some sort of public-private partnership approach or an
11 alternative delivery approach.

12 And it was determined through the process
13 that it could be able to actually speed up the ultimate
14 delivery of the South Mountain freeway from what is
15 currently an estimated delivery date 2021, it could be
16 sped up as much as two to three years by using
17 public-private partnership approach, which is pretty
18 significant. Again, it isn't really a cost savings. It
19 still costs what it costs to build the project, but it
20 would be able to deliver it in a much more efficient
21 manner by using alternative contracting approaches.

22 So our intent from this point, the senior
23 staff at ADOT and MAG agreed with our assessment and
24 evaluation, the technical assessment and financial
25 evaluation, and determined that we'd like to get some

1 additional input from industry sources, and that could be
2 done in a variety of ways, with the idea that we would
3 then move on to a request for qualifications, would select
4 a short list of qualified proposers, and then we'd
5 probably issue a request for proposals.

6 The RFP would not be done until after the
7 release of the final EIS in July, and although we may put
8 out a request for proposals prior to the Record of
9 Decision in October, we would not ask for those proposals
10 to be returned to the agency until after the ROD had been
11 delivered. That would give respondents an opportunity to
12 take all of the findings in the ROD into account when they
13 deliver a proposal, and it would also guarantee that we're
14 not in any way deciding on the outcome of the ROD report;
15 it's actually delivered. Yet again, nothing's going to
16 happen that would be considered to be predecisional.

17 A couple of important points to make. One
18 is that again, this has been an excellent opportunity for
19 us to engage in a really deep dive, something that, again,
20 we're going to be required to do going forward, so this
21 has been a great opportunity for us. We appreciate the
22 opportunity that we may be able to use alternative
23 delivery to speed up the delivery of the project, which is
24 a great thing.

25 I want to emphasize that the review, the

1 public-private partnership review process, in no way slows
2 down the ultimate delivery or the ultimate beginning of
3 the South Mountain freeway. We are limited by federal law
4 in what we can do anyway during this environmental review
5 process, and that is the way it should be. We shouldn't
6 be working on a project that hasn't been -- or we couldn't
7 be working on a project that hasn't been fully determined
8 yet. So there is nothing about this intensive review that
9 has in any way slowed down moving ahead with the project.
10 In fact, there's a good chance that it could ultimately
11 speed up the delivery. And if a no-build decision is
12 reached, then the process simply would not go forward, and
13 that would be true matter what procurement (indiscernible)
14 ends up being used.

15 Again, no option would be considered that
16 puts ADOT's financial position or cash flow at risk. We
17 have very sophisticated modeling. We've worked very
18 closely with Kristine Ward and with her predecessor, John
19 McGee, who's still on board part-time at ADOT working with
20 the P3 program, and they've been very involved in this
21 process. So there's really no risk to the agency in
22 moving forward. If something in the environmental process
23 leads to an outcome different than the one that is
24 expected, we've really lost nothing, and, in fact, we've
25 gained a lot of valuable experience going forward.

1 So I just wanted to provide that opportunity
2 to tell you what was happening. I thought that might
3 clear up some questions that we had heard coming from
4 folks out in the community. And we'd be happy to answer
5 any additional questions.

6 MR. CHRISTY: That was a tour de force
7 report.

8 MS. LEWIS: Thank you. We've been living in
9 a (indiscernible) the last --

10 MR. CHRISTY: Are there questions of board
11 members?

12 MS. BEAVER: Mr. Chairman?

13 MR. CHRISTY: Ms. Beaver.

14 MS. BEAVER: I was wondering, she said an
15 awful lot, almost without taking a breath, and I -- I
16 don't know that I absorbed every single bit of it. Is
17 there a possibility we can get a hard copy or --

18 MS. LEWIS: Oh, yes. Mr. Chair and
19 Ms. Beaver, of course. That would be included. We'll be
20 glad to get that to you.

21 And I know that you're a newer board member
22 and haven't had quite as much experience with P3s, so we
23 would be glad to come out and meet with you and talk with
24 you separately about P3s and some of the things that we --
25 some of the ways in which we're starting to be able to use

1 this tool at ADOT. So --

2 MR. CHRISTY: Great. Thank you.

3 Mr. Flores?

4 MR. FLORES: Yeah. Mr. Chairman, yeah,
5 Gail, I guess, I would imagine there was a lot to be
6 learned if these folks invested hundreds of thousands of
7 dollars and submitted an unsolicited proposal, because I
8 believe ADOT encouraged during this period that that was
9 one of the vehicles for perhaps not necessarily just on
10 this project, but on any project really with ADOT that
11 unsolicited proposals on this P3 process were -- were
12 acceptable.

13 So I guess my concern is, is the PDA process
14 not similar to CM at risk where -- and I do understand
15 that, you know, 9 months later, it may be too late to get
16 them involved in something that has been determined, I
17 suppose, but the investment that these folks have made to
18 date, will this not discourage other perhaps future
19 contractors from submitting unsolicited bids because this
20 whole process is brand-new and everybody's learning and
21 they -- they, along with staff, has spent many, many hours
22 going through this.

23 I guess that I'm just concerned that after 9
24 months, they've basically been told that you provided a
25 lot of information that perhaps may even be included as

1 part of the documents on the RFP, and you're going to get
2 in line just like everyone else and bid.

3 So there are no possibilities of engaging
4 other than in a direct bid, low bid type of a process?

5 MS. LEWIS: Mr. Chairman, Mr. Flores, thank
6 you for your question. Let me try to clarify some of
7 those things and, Mr. Roehrich, if you'd like to jump in
8 as well, please feel free.

9 First off, this is a new process to Arizona.
10 It's a very well-established process in -- throughout the
11 country. There -- unsolicited proposals have been
12 received in other locations. We don't encourage or
13 discourage them. It's available, we believe, as an
14 opportunity for the private sector to take advantage of.

15 We -- what we do encourage is that people
16 not just prepare an unsolicited proposal in a vacuum and
17 just drop off an envelope. We encourage them to come and
18 spend some time with us. This particular group did come
19 and spend some time with us. And I -- won't speak for
20 them. We believe that they were well aware of the -- both
21 their risk and potential rewards of submitting an
22 unsolicited bid. And they kind believed -- remember, this
23 consortium has worked on P3s around the country, so I
24 think they were quite familiar with the process and the
25 options and the potential outcomes.

1 It is not -- and then secondly, it's not a
2 low-bid response. An RFP will ultimately be let
3 probably -- well, I can't even say that for sure at this
4 point, but an -- ultimately an RFP for an alternative
5 approach probably will be -- will be let. And their
6 response will not be low bid. It will be on a wide
7 variety of factors, including (indiscernible) technical
8 competence and originality of ideas. And the proposals,
9 the request for proposals for a P3 are written in a way to
10 encourage of diversity of proposals, not just check the
11 boxes and respond, particularly, to every single
12 prescriptive section. So it is different from a straight
13 P3, and the ultimate winning proposer or proposers will be
14 selected based on a wide variety of factors, qualitative
15 as well as quantitative. So they -- in no way will this
16 end up being a low bid, a traditional low-bid response.

17 And the proposal team that put the project
18 forth, I believe would -- again, like I said, was well
19 aware of their risks and rewards. We did not feel like we
20 were in a position to make any decisions without going
21 through this intensive review process. It really only
22 took a few months to do it by the time all the information
23 was in the door. So it wasn't a particularly
24 time-consuming process, I don't think any more or less
25 than you would find in most other states. We

1 (indiscernible) benchmark ourselves against other states.
2 As you just said, I think we were sort of well within the
3 time frame that it would normally take for a review on a
4 big process like this.

5 And even if the decision had been made two
6 or three months sooner, it was a consensus, not only of
7 our ourselves, but also of our national consulting team,
8 who work on these projects all over the world, that this
9 was not soon enough in the process to make a PDA any more
10 viable than a -- than a request for proposal
11 (indiscernible).

12 MR. FLORES: Mr. Chairman, yeah, I guess,
13 you know, this project has been on the books for so long
14 that perhaps this will jumpstart it to the extent that
15 after there is -- the approval is -- by the feds -- and no
16 doubt, as contractors, they understand the risk of
17 preparing and spending money on -- on the solicitation.

18 I guess I -- I was encouraged when a
19 proposal, unsolicited proposal was submitted, and --
20 because I felt that finally we may do something on that --
21 on that outer loop. But I appreciate your answers.

22 MR. CHRISTY: Mr. Lewis, do you have any
23 idea how much money this consortium did invest in the
24 proposal?

25 MS. LEWIS: Mr. Chairman, I have absolutely

1 no idea. It was a very well done and professional
2 proposal. Clearly a lot of thought and time and effort
3 went into it. I don't know what it cost.

4 MR. CHRISTY: Any further questions of
5 Ms. Lewis? Thank you very much for your presentation.

6 MS. LEWIS: Thank you.

7 MR. CHRISTY: Moving on to Item 12,
8 suggestions, are there suggestions for the next board
9 meeting?

10 MR. ANDERSON: Chairman Christy, I'd like --

11 MR. CHRISTY: Mr. Anderson?

12 MR. ANDERSON: -- the board -- bring
13 Ms. Lewis back to continue this discussion. We've been
14 discussing the I-11 considerably, and this is one I think
15 we really need to delve in a little more. There are some
16 stakehold- -- some stakeholders out there that were unable
17 to make this meeting, and I think the (indiscernible)
18 would like to see the presentation as well.

19 MR. CHRISTY: All right. So noted.

20 I also am going to request for the next
21 board meeting that --

22 MR. ROEHRICH: (Indiscernible).

23 MR. CHRISTY: -- Mr. Roehrich.

24 MR. ROEHRICH: Mr. Anderson, you want
25 Ms. Lewis to talk about Interstate-11?

1 MR. ANDERSON: No.

2 MR. ROEHRICH: What did you say?

3 MR. ANDERSON: South Mountain.

4 MR. ROEHRICH: Oh, South Mountain corridor.

5 MR. CHRISTY: And what I'd like to have as a
6 agenda item as a further redo of the South work -- excuse
7 me of the I-11 issue, border-to-border project, and
8 instead of it being for discussion only, I am requesting
9 that action, potential action be included, not necessarily
10 so, but the option of making motions and having input from
11 a motion-action standpoint be included in the motion -- in
12 the agenda item.

13 Any further requests?

14 MS. BEAVER: Well, I think in
15 (indiscernible) chairman, with regard to that being on the
16 agenda, what seems to be some frustration that I'm sensing
17 has to do with the fact we've got Congressional action
18 that doesn't take in border-to-border. And so I don't
19 know if we are needing from this board to possibly draft
20 some type of a letter, I don't know if it would be
21 something that would go to the governor, stating that --
22 that we would like to see our Congressional delegation
23 look at legislation that extended it border to border or
24 if it's something that this board would (indiscernible),
25 I'm not sure what the chain of command is for something

1 like that, to get it to our Congressional delegation,
2 rather than just depending on our lobbyists.

3 So --

4 MR. CHRISTY: Well, you make a very good
5 point. And that's why I'm requesting that agenda item for
6 your very point being discussed. I -- I'm attempting to
7 open up the discussion, particularly to the benefit of all
8 board members, so they have direct input on this issue,
9 and if one of the directed inputs that you so desire is to
10 contact our Congressional delegation as a result of board
11 action, so be it. And there might be more input from the
12 board requesting action regarding this issue. And I'm
13 trying to accommodate the ability to do that.

14 MS. BEAVER: Okay.

15 MR. CHRISTY: Any further requests for
16 agenda items?

17 MR. ROGERS: Sir.

18 MR. CHRISTY: Mr. Rogers?

19 MR. ROGERS: Yeah. One of the things that I
20 would encourage to include in that is, you know, what
21 you're talking about right now is what are our options?
22 What are our options as far as the border and proceeding
23 with this and making sure that what you are talking about
24 and wanting us to do, how can we get there? Let's talk
25 about that. (Indiscernible) how we can get there. That's

1 what I would encourage staff to do on this.

2 MR. CHRISTY: And I agree wholeheartedly,
3 Mr. Rogers. And I'm hoping and expecting and I'm certain
4 that staff will fully engage themselves in this issue as
5 well from all perspectives. And if there are areas that
6 they can point out that there might be some issues having
7 the board be involved with in, I want to hear them and I
8 want to discuss them, and give the staff the opportunity
9 to point them out, but likewise, I want to ensure that the
10 board has ample opportunity to make any direction or
11 impact on the Department regarding this issue, so at least
12 it can be discussed, so at least it can be brought out to
13 the public as a matter of record of what was said and the
14 directions that we're going.

15 Any further requests?

16 Hearing none, the chair will entertain a
17 motion to adjourn.

18 MR. FLORES: So moved.

19 MR. CHRISTY: There's a motion by
20 Mr. Flores, his last motion.

21 And a second by Mr. Rogers to adjourn.

22 All those in favor -- is there discussion?

23 Hearing none, all those in favor of
24 adjournment, say aye.

25 Opposed?

1 Hearing none, we are adjourned.

2 (The meeting concluded.)

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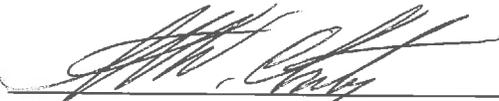
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I, AMY E. WEAVER, do hereby certify that the
78 pages contained herein constitute a full, accurate
transcript, from electronic recording, of the proceedings
had in the foregoing matter, all done to the best of my
skill and ability.

SIGNED and dated this 7th day of March,
2014.

/s/
Amy E. Weaver - Transcriber

MEETING ADJOURNED 11:00 A.M. MST



Stephen W. Christy, Chairman
State Transportation Board



Floyd Roehrich, Jr., Deputy Director for Policy
Arizona Department of Transportation