

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, September 12, 2014
Casa Grande City Hall
Council Chambers
510 E. Florence Blvd.
Casa Grande, AZ 85122

Opening Remarks

Chairman Christy requested a moment of silence in memory of John McGee, longtime employee of the Arizona Department of Transportation, former Chief Financial Officer and Deputy Director for Policy.

Chairman Christy welcomed everyone in attendance and thanked the community and City of Casa Grande for hosting today's meeting. Casa Grande has become pivotal in development of trade and commerce, with the I-11 issue, I-8 and I-10 converging and putting Casa Grande in a terrific spot for commerce and opportunities of southern connectivity for trade.

Pledge

The Pledge of Allegiance was led by Vice Chairman Kelly Anderson.

Roll call by Board Secretary Mary Beckley

In attendance: Steve Christy, Kelly Anderson, Joe La Rue, Deanna Beaver, William Cuthbertson and Jack Sellers.

Absent: None.

Call to the Audience

The following member of the public addressed the Board:

1. Bob Jackson, Mayor of Casa Grande and Chairman of Sun Corridor Metropolitan Planning Organization, (SCMPO), re: welcome to Board, appreciation of work on I-11, and importance of Mexico/international trade.
2. Sharon Mitchell, SCMPO, re: appreciates ADOT giving guidance and support for the SCMPO, appreciates the Board coming to Casa Grande, and international trade corridor alliance and roadmap.
3. Jean Knight, Lake Havasu MPO, re: Ms. Knight is the new manager for Lake Havasu MPO and invited Board to gathering in November in connection with the Board meeting.
4. Chris Bridges, Central Yavapai MPO, re: appreciation of the SR89 widening project; gave update on Prescott which begun the design project and consultant team for designing the Willow Creek Road realignment.

The following members of the public addressed the board later in the agenda, in the second Call to Audience, before Item No. 6 related to the I-11 Corridor Profile Study Report (which comments will be included in the transcription).

5. Cherie Campbell, Deputy Director, PAG, re: thank you and commend Board and ADOT staff for public outreach and engagement related to the I-11 Study; suggested changes to the I-11 Report Draft.
6. Ted Maxwell, Southern Arizona Leadership Council, re: thank you to ADOT staff and noted I-11 EIS Study should be border to border.
7. John Moffatt, Pima County Strategic Planning Director, re: thanked ADOT staff; need strengthened implementation piece, to strengthen the segment for the connections south.

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1 (Beginning of excerpt.)

2 CHAIRMAN CHRISTY: Did I miss any other speakers
3 for the general call to the audience? If not, we'll proceed
4 with the agenda, and we'll begin with Item 1, the director's
5 report. And we'll hear from our director, Mr. John Halikowski.

6 MR. HALIKOWSKI: Well, good morning, Mr. Chairman
7 and board members. It's a pleasure to be here with you this
8 morning.

9 I want to thank you for the moment of silence for
10 Mr. McGee. When I came on board at ADOT in February of 2009, he
11 was there as a steady hand and a true guide to get me through
12 what was arguably probably the worst economic crisis Arizona has
13 ever faced. And so I will never forget the very first board
14 meeting that we went to. He said, Director, here's exactly what
15 I think we should do, and here's the recommendations, and the
16 board (inaudible) rejected them all (inaudible). So it's been a
17 pleasure. I'm really going to miss him.

18 So Mr. Chairman, following your comments and the
19 mayor's, I'm glad to be here today at the epicenter of Arizona
20 to talk about what we're doing with Mexico. And as Floyd and I
21 and the staff have traveled around the state, we have learned
22 that Arizona has many epicenters, and many folks think that they
23 are, in fact, the center of the universe. I was in Iowa a few
24 weeks ago, and the Iowa director believes that Iowa is the
25 center of the universe and everything begins and ends there, and

1 he has a similar plan to Arizona's that he's working on for
2 investment in infrastructure to boost their economy.

3 So ADOT's been very active with Mexico, and we've
4 been very active in planning projects on our side of the
5 border, and with the interest in trade and trade with Mexico on
6 the rise, what you're going to see is we'll be becoming even
7 more engaged with the projects on each side of the border.

8 So I want to talk a little bit about now what is
9 my second trip to Mexico City. And this work is very important,
10 because Mexico is our largest trading partner by far, and it's
11 once again growing quickly. Bilateral trade between Arizona and
12 Mexico was 14.1 billion in 2013, up from 13.2 billion in 2012.
13 And as you can see by the slide, the crossings of people, cars,
14 trucks and trains across the border were all up in 2013 versus
15 2012. Based on the indications we have, 2014 will continue to
16 see increases.

17 So why work together? Well, you've seen this
18 bubble map before as we had talked about Key Commerce Corridors,
19 but it's an important map for the Mexicans as well. It reminds
20 them of the target markets here in the west and the need to have
21 multiple functioning entry points into the U.S. It shows the
22 central role, quite frankly, that Arizona plays in giving them
23 access to U.S. markets to the east and west of us. And it's
24 indicative of the joint efforts we are going to need to make to
25 make western Mexico and the western United States integrated and

1 a functional part of the North American economy. Because we've
2 come to realize how important trade and connectivity are to both
3 sides of the border, we've been working on building better
4 relationships in Mexico so we can address some of the concerns
5 that we have south of the border. What happens in Mexico does
6 affect Arizona's business.

7 One of our most important projects is the
8 reconfiguration, as you know, the Mariposa port of entry. The
9 U.S. government spent close to 300 million on the expansion and
10 reconfiguration. ADOT spent another 200 million on the ADOT
11 safety inspection area improvements and to the improvements to
12 the ingress and egress from the port -- to the port from
13 Mariposa Road and some spot widening projects and restriping on
14 the road to make it more functional.

15 The big day is going to be this October 15th, the
16 official ribbon cutting, and we're very excited to have this
17 project close to completion. Of course, we would love it if the
18 board could join us there for the ribbon cutting. However,
19 there's still some work left to be done on the Mexican side that
20 is of concern, not only to us here in Arizona, but to the states
21 of Sonora and Sinaloa on the Mexican side and all the way to the
22 U.S. Embassy in Mexico City and the Mexican federal government.
23 We met with a number of those officials on our last trip several
24 weeks ago.

25 So these improvements including repaving, a

1 widening to ease the transition to the port and repairing the
2 fence along the corridor approaching Nogales are very important.
3 Over the longer term, improvements will include a new customs
4 port of entry four kilometers from the border on the -- from the
5 Mexican border to the south that will facilitate traffic from
6 the maquilas to the city of Nogales, Sonora.

7 We've met with the Mexican transportation
8 officials and the concessionaire who operates the road on the
9 Mexican side to reinforce yet again how important improvements
10 are to the projects for us here in Arizona.

11 Another big concern we have in Mexico is this
12 permanent military checkpoint at Caro Bobby (phonetic). It's
13 located about 100 miles south of the border on Mexican Highway
14 15. Every truck, every truck moving northbound has to go
15 through this checkpoint, and this is the only permanent military
16 installation checkpoint anywhere on the U.S./Mexico border
17 region, and frankly, it's having a huge impact on the freight
18 moving into our market. Backups can stretch for miles. On a
19 trip to Hermosillo, I, myself, saw a 20-kilometer backup, and
20 that can delay traffic by as much as 24 hours. So these delays
21 that we're seeing at Caro Bobby really threaten to counteract
22 all of the advantages we're gaining by the reconfiguration at
23 the Mariposa port of entry.

24 So obviously we're not asking for less security,
25 but we're asking for smarter security by seeking some

1 efficiencies in the inspection process and a little more
2 fairness in how these inspections are used as these trucks are
3 approaching Arizona. So we have met with not only our embassy
4 folks, but also with other officials from commerce and other
5 government agencies in Mexico City to try and pull together some
6 sort of a coalition to work with the Mexican military on this
7 checkpoint.

8 The rail running through Nogales is a very
9 important component to trade with Mexico. Rail crossings are
10 increasing, and Caromex and UP (phonetic) are making some
11 investments in Nogales. The agriculture producers in northern
12 Mexico have been anxious to use rail to ship goods to the east
13 coast. The railroads have been avoiding shipping produce for
14 years, believing that produce was too sensitive to use the rail.
15 But yet a few weeks ago, we worked with the folks to do a pilot
16 load of watermelons that we shipped to Nogales by truck from
17 Sinaloa and then via rail to Baltimore. I'm happy to report the
18 shipment arrived intact and then sold immediately. So growers
19 in Mexico are also interested now in shipping grain and other
20 products, and we're asking the -- or they're seeking to bring
21 loads like apples and tomatoes to the south from the U.S.

22 So as a result of the interest, I've asked our
23 planning team to conduct a feasibility study for a multimodal
24 facility in Nogales. The study team will look at existing
25 (inaudible) facilities and whether they can be expanded and

1 whether customs hours can be expanded and the availability of
2 refrigerated rail cars and other issues impacting the viability
3 of this mode.

4 We don't have an idea right now what all the
5 answers will be. And, of course, as you know, ADOT doesn't have
6 any power or authority over the railroads, but we can use our
7 research capacity and our charge to look at all aspects of
8 mobility to determine whether the idea might work. So
9 essentially, we're trying to bring the different players
10 together and host a forum, if you will, on how we might expand
11 our rails and activity to Mexico.

12 Highway 15, which runs from Mexico City through
13 Guadalajara to Nogales is the key to commerce movement in all of
14 western Mexico. It serves as the southern link of the corridor
15 (inaudible) western Mexico, Canada and the United States.
16 Keeping the entire corridor functional and efficient is an
17 important goal that matters to Arizona companies. We need to be
18 dedicated to improvements in our own roads and railroads of
19 course, but we can also be engaging actively with Mexican
20 officials and private partners to help keep the entire corridor
21 functioning. This is one of the initiatives of the
22 Transportation and Trade Corridor Alliance, and will also help
23 enable more Arizona exports, which is the alliance's overall
24 goal.

25 A few more projects I just want to touch on that

1 you might be interested in. In Douglas, we have an outdated and
2 (inaudible) port in downtown Douglas, and that's prompting the
3 local officials there to look for alternatives. The site to the
4 west of downtown is under consideration for a new commercial
5 port that would be built as a public private partnership. The
6 City of Douglas has put out an RFP seeking potential development
7 partners, and recently selected a firm that designed, developed
8 -- and developed financing alternatives for the port.

9 In San Luis, the passenger crossing in downtown
10 has waits of several hours, while the commercial crossing to the
11 east currently has excess capacity. While a new passenger port
12 is still needed, allowing passenger vehicles at the commercial
13 port would be a help to both sides. And reconfiguring the
14 existing port is still expensive, about 25 million. It's much
15 cheaper than building a new port. So we've been in talks with
16 both Mexican officials and our own embassy in Mexico about
17 reconfiguring the San Luis, too, for passenger vehicles. We are
18 making some progress in that direction. So we're working
19 with -- also on a P3 alternative as we look at look at financing
20 and construction options.

21 Some other activities that are going on along the
22 border. We will also ask ADOT be part of a state trade mission
23 to Mexico City to celebrate the opening of the New State Trade
24 Office in Mexico City on October 6th. It's exciting for us to
25 have an office in Mexico. Again, and exciting for ADOT to see

1 the transportation become part of the trade dialogue.

2 So as you know, we've also been able to move
3 around some funding to complete preliminary studies during the
4 current five-year plan and to move completion of the final
5 improvements up to 20 -- 21 on U.S. -- or I'm sorry -- State
6 Route 189. And we've done some interim improvements and should
7 be easily able to handle existing traffic flows from the opening
8 at the new crossing at Nogales in October.

9 And finally, we're beginning work on our freight
10 plan, as suggested by the federal government. The plan's going
11 to help us refine our priorities for our trade corridors and
12 discuss future investments in freight and freight-related
13 infrastructure. Several members of the ADOT team recently
14 attended a bi-national freight workshop to help facilitate
15 freight planning with our Mexican partners.

16 So I heard someone ask earlier, I think it was
17 the mayor, say what can we do? We're ready to do anything we
18 can to help you support I-11 and some of these other issues.
19 What I would ask is that folks take a good, hard look at not
20 only the TTCA report, but also the Key Commerce Corridors report
21 with which you're all familiar. That is part of the TTCA
22 report. And as we move forward, we need to keep generating more
23 and more support of Key Commerce Corridors for investment in
24 Arizona's transportation system.

25 It's not enough just for ADOT to be talking about

1 that. That's why we've been out reaching out to the business
2 community and appointed officials and elected officials to talk
3 about the importance of investment to the State's economy.

4 So we've got a long history of working with our
5 partners across the border. I think folks in this state are
6 currently very interested in seeing some things move forward,
7 and so I appreciate the chance (inaudible) projects with you all
8 today.

9 I'll be happy to take questions, Mr. Chairman, if
10 there are questions. I keep forgetting.

11 CHAIRMAN CHRISTY: I can't believe we're not
12 allowed to ask any questions, but thank you for your report.

13 MR. HALIKOWSKI: I think your attorney showed up,
14 so we'll have to play by the rules.

15 CHAIRMAN CHRISTY: I was concerned, however, when
16 the director said that he's been visiting Iowa if he has
17 presidential ambitions.

18 MR. HALIKOWSKI: I was just looking for good
19 sweet corn. Thank you.

20 CHAIRMAN CHRISTY: Thank you, again, Director.

21 We'll move on to Item 2, the consent agenda. Are
22 there any items that any board members wish to (inaudible) for
23 individual consideration or discussion?

24 Hearing no requests, the Chair will entertain a
25 motion to approve the consent agenda items as presented.

1 MR. ANDERSON: Move to approve.

2 CHAIRMAN CHRISTY: There's a motion by Vice Chair
3 Anderson.

4 MS. BEAVER: Second.

5 CHAIRMAN CHRISTY: A second by Board Member
6 Beaver. Discussion?

7 All those in favor of the motion to approve the
8 consent agenda items as presented please signify saying aye.

9 BOARD MEMBERS: Aye.

10 CHAIRMAN CHRISTY: Opposed?

11 Hearing no opposition, the consent agenda is
12 approved as presented.

13 Item 3, our legislative report, will be given by
14 our deputy director of policy, Mr. Floyd Roehrich.
15 Mr. Roehrich.

16 MR. ROEHRICH: Mr. Chair, board members, I've
17 talked with the -- our legislative manager, Kevin (inaudible).
18 There's nothing to report at this time. We're kind of waiting.
19 Obviously we've got an election coming up and we'll start
20 putting together any topics we want to bring forward for next
21 year's legislature, but at this point there's nothing to
22 present.

23 CHAIRMAN CHRISTY: Thank you, Mr. Roehrich.

24 Any questions regarding the legislative report?

25 Hearing no requests, we'll move on to Item 4, our

1 financial report, which will be presented by ADOT's chief
2 financial officer, Kristine Ward.

3 Ms. Ward.

4 MS. WARD: Good morning.

5 BOARD MEMBERS: Good morning.

6 MS. WARD: (Inaudible.) All right. Starting off
7 with the HURF, the financial report on how HURF is doing. We're
8 right within target. There's really not a lot to report there.
9 VLT continues to be the drive that keeps us above water there.
10 As we get further into the year, we'll see where gas and diesel
11 go. Diesel had some -- is rather overstated due to some early
12 payments.

13 In terms of RARF, we are in the yellow this
14 month, and we just need to get a little more data into the year.
15 That might be a way we (inaudible).

16 CHAIRMAN CHRISTY: Ms. Ward, would you be so kind
17 as for everybody's benefit to describe the color codes, what
18 they represent?

19 MS. WARD: Yes. Okay. So if we're (inaudible)
20 within the target range of -- between above 2 percent above our
21 forecast or a negative 1 percent, if we go out of that range,
22 that's when it goes into yellow, and depending about how far it
23 goes out of that range, it would go into red.

24 CHAIRMAN CHRISTY: So green is okay, yellow is
25 caution and red is --

1 MS. WARD: (Inaudible.)

2 CHAIRMAN CHRISTY: Red --

3 MS. WARD: (Inaudible.)

4 CHAIRMAN CHRISTY: Is there a red?

5 MS. WARD: There is a red, and fortunately we've
6 never encountered that territory since I've been here.

7 CHAIRMAN CHRISTY: Well, it's early yet.

8 MS. WARD: Our concern with --

9 CHAIRMAN CHRISTY: I'm sorry. Proceed.

10 MS. WARD: So our concern with RARF right now and
11 in general these contract numbers, we are seeing diminished
12 growth in the contracting sector. Last year at this point, the
13 first five months of last year, we were looking at double digit
14 growth in contracting. That then diminished over the last five
15 months of the last fiscal year, and it continues to slow, and
16 now we're actually seeing a shedding of jobs in contracting,
17 which is a little -- which is a bit of a concern.

18 We recently, if you will recall at the last board
19 meeting, I invited you to come to our RAP session, risk analysis
20 process, panel and -- where the economists come together and do
21 our -- and provide our forecasts. I will have to say that those
22 economists clearly had not had -- did not come in with a happy
23 attitude. And what they basically said they were just kind of
24 looking at very, very slow growth, and that's tied to things
25 like slow population growth, what had happened with jobs and

1 what's happening with contracting. All of these are tying
2 together for what (inaudible) forecast. They haven't gotten all
3 of their data to us. So I'll report on that next month.

4 Moving on to -- moving on to the federal aid
5 program -- I had something happy to report here. Oh, August
6 redistribution came through yesterday. Now, if you'll recall,
7 what August redistribution is, at the end of the year, the
8 states report what dollars they're going to be releasing and
9 what dollars they -- additional dollars they can utilize. We
10 built into our revenue forecast to receive \$15 million in August
11 redistribution from the feds. What we are actually going to
12 receive is \$38 million. So we've got a \$23 million gain, and
13 those dollars will be applied to projects that have already gone
14 through -- been approved by the board and have gone through the
15 RAP process, the RAP distribution process. They will then flow
16 forward and be available for the construction of the next -- as
17 we develop the next program. But it's \$23 million we hadn't
18 counted on.

19 Moving on -- this is also our busiest time of the
20 year in financial management service because we are coming to
21 the close of the federal fiscal year. So we're trying to make
22 sure that every last federal dollar is completely absorbed.

23 Moving on to the debt financing program. I kind
24 of want to give you a heads up of what's going to be coming
25 next. We regularly meet with our financial adviser as well as

1 investment -- various investment bankers. And what happens is
2 they come and they bring opportunities to us in terms of perhaps
3 refinancing existing debt for savings. What we have found is
4 that we have some opportunities with our existing RARF debt and
5 also some with our HURF debt.

6 So what we're looking at is refinancing,
7 refunding approximately 430 million in RARF bonds and
8 refinancing somewhere between 160 to \$200 million worth of HURF
9 bonds, for savings in the tune of around \$30 million, 30, \$35
10 million overall. So next month I will bring to you a resolution
11 requesting your permission to move forward with that refunding.
12 Okay?

13 Mr. Chairman, Mr. La Rue, you had previously in a
14 previous meeting asked about, well, when we get a chance to, can
15 I see the documents for the preliminary official statements. We
16 have got that built into our calendar again, and we will be
17 distributing those somewhere around through the timing of the
18 next board meeting. Okay?

19 CHAIRMAN CHRISTY: Thank you.

20 MS. WARD: And that basically concludes my
21 presentation.

22 CHAIRMAN CHRISTY: Thank you, Ms. Ward.

23 MS. WARD: Any questions?

24 CHAIRMAN CHRISTY: Any questions of the chief
25 financial officer? No questions?

1 MS. WARD: Thank you very much. Have a great
2 day.

3 CHAIRMAN CHRISTY: Thank you very much for your
4 report, Ms. Ward.

5 We'll move on to Item 5, the Multimodal Planning
6 Division report, which will be presented by our assistant
7 director for multimodal planning, Scott Omer.

8 Mr. Omer.

9 MR. OMER: Good morning, Mr. Chair. I hate to
10 disappoint you, but I really don't have an MPD report today. I
11 bypass my time and give it to Item No. 6, which we have next on
12 the agenda.

13 CHAIRMAN CHRISTY: With your --

14 MR. OMER: Unless you have any specific questions
15 about what I didn't tell you.

16 CHAIRMAN CHRISTY: Are there any -- do the board
17 members have any questions about multimodal planning?

18 We have no questions. Mr. Omer, if you'd be so
19 kind as to allow us to have a call to the audience --

20 MR. OMER: Yes, sir.

21 CHAIRMAN CHRISTY: -- before your presentation on
22 six, which at this time we will have a -- our second call to the
23 audience for those wishing to address Item 6, which is the I-11
24 Corridor Profile Study Report.

25 Our first speaker is the deputy director for PAG,

1 Pima Association of Governments Cherie Campbell.

2 Ms. Campbell.

3 MS. CAMPBELL: Good morning, Mr. Chair, members
4 of the board. I want to thank you for the opportunity to
5 comment on this item. I also want to thank the board and the
6 ADOT executive staff for their leadership in moving this
7 forward; for the outreach and engagement that has been a part of
8 the process, both from the public perspective and with the state
9 corporate involvement. You've really done an excellent job in
10 that area.

11 I'd like to mention that in January of this year,
12 our PAG regional council did unanimously adopt a resolution that
13 highlighted the need for a comprehensive statewide
14 border-to-border corridor plan, and as part of that resolution,
15 they endorsed Alternative C, which was one of those study
16 alternatives that was addressed in this effort. That
17 alternative connects the United States/Mexican border through
18 Arizona at Nogales and, of course, does go through the PAG
19 region.

20 I can't stress enough the importance of trade
21 with Mexico as a key justification for I-11 and this
22 international trade corridor. You've heard about that from a
23 variety of speakers this morning already, and it's just a
24 critical element. It is important to Arizona, to Nevada and to
25 the nation that the corridor be designated by Congress as I-11

1 from border to border throughout the entire state of Arizona.

2 Given that, we recommend that in the document
3 before you, on page 41, there is a section talking about
4 expanding the corridor northward. We believe that that should
5 be titled as Moving Forward Promoting Border-to-Border
6 Connections, and that would include a discussion of the southern
7 Arizona and Mexico connection as well.

8 Additionally, on page 37, there is an item called
9 Trend and Interim Corridor Improvements. It calls for adding
10 capacity to the existing interstate system in the Tucson region.
11 We agree with that, but we want to point out that the need for
12 that capacity is independent of and exists regardless of what
13 happens with I-11 and the international trade corridor. We
14 believe that that's been well documented, and we would like to
15 suggest that we meet with your staff and just clarify the
16 language so that that becomes absolutely clear in the document.

17 Momentum for this effort is critical, and we all
18 want to work together and make sure that it happens, that we
19 don't drop the ball and this become a document that just sits on
20 a shelf. To do that, we need to study full alternatives for the
21 full build-out of I-11 in eastern Pima County through a NEEPA
22 process.

23 Given the urgency of maintaining momentum, we
24 would recommend that the -- what you called "immediate next
25 steps" in the document be called "critical next steps," that

1 stresses the urgency, but it also recognizes that there could be
2 some timing issues related with funding for those next steps.

3 We would like to see the alternative analysis
4 identified as one of those next steps, and additionally, we know
5 that ADOT is going to do this, but because you're already going
6 to do it, let's put it down there that we want to set the stage
7 for that future NEEPA compliance by submitting the (inaudible)
8 to FHWA for immediate approval.

9 So those are my critical comments, and again,
10 we'd like to meet with staff, go through them, do whatever
11 little tweaking is necessary to address. Thank you.

12 CHAIRMAN CHRISTY: Thank you, Ms. Campbell.

13 Just as a housekeeping item, and I -- it's no
14 reflection on any of our speakers, if you could, the next
15 speakers, just make sure you keep your comments concise in a
16 timely manner and that they continue to move forward so we can
17 make sure that everyone has a fair amount of time to speak.

18 Our next speaker is the vice president of the
19 Southern Arizona Leadership Council, Ted Maxwell.

20 Mr. Maxwell, welcome.

21 MR. MAXWELL: Good morning, Chairman, board
22 members, director. Appreciate having the opportunity.

23 Cherie covered a lot of the southern Arizona
24 concerns, but before I get started, I really want to throw out
25 some kudos and some thanks to Mr. Omer, Mr. Kies, both

1 Mr. Roehrich and the director. They've been very open in
2 reaching out, getting our impact, our concerns, talking to us
3 about -- and explaining to us a lot of their positions here.

4 I think the report's solid. I think it's really
5 strong, all meant until we get to the next steps. I don't want
6 to focus on what is in the report, because I think everything in
7 here is really good. It's what's not in the report that I think
8 limits the business community, as a business leader (inaudible)
9 from advocating as the director's pointed out for support for
10 this infrastructure (inaudible) that we need.

11 The big highlights, there were 18 identified
12 segments of utility. On page 40 where you get to that next
13 steps or what -- potentially the critical steps, next steps,
14 segments two and three are not addressed in that chart. It's
15 really not talked about. That is the connection from Phoenix to
16 the port of Nogales, and that to me is the critical connection
17 of getting the full impact and support of this increased trade
18 with Mexico.

19 In our discussions with ADOT personnel, we've
20 talked about the actual alternatives won't get explored until we
21 get to that EIS. Yet on that same chart, the EIS is mentioned
22 only for the Phoenix metropolitan region. We really need to
23 continue to ensure that that's identified in this document, that
24 the EIS ultimately needs to be accomplished in the
25 border-to-border region, and we need to have that broken out

1 somewhere in there.

2 The bottom line is the report does a great job of
3 showing how we can get there in the short-term with an interim
4 build, but it does not address any of the steps required to get
5 to the full build, which is where we'll truly get the full
6 benefit of Interstate 11.

7 In closing my comments, it was really depressing
8 to me the other day when I had to open the paper, and it's
9 always (inaudible) when you say anything in the paper's going to
10 be positive, but it was depressing, because the headline in the
11 business section in Tucson's, "Nevada Says Future Interstate
12 Should Also Extend To I-8," and the bottom line is they were
13 calling out Arizona. They were saying they were not going to
14 wait for Arizona, and they were going to press forward and grab
15 what they could and push what they could to get done.

16 I think this is much on the business community
17 and the leadership and our ability to advocate. We understand
18 ADOT has limitations on the advocacy we can do. We need to step
19 up and do it. Unless -- whether it's the TTCA road map, the Key
20 Commerce Corridors or Interstate 11 -- unless the board's
21 sentiment and ADOT's plans are well established and well written
22 out, we can't go advocate for something that's not in this
23 report.

24 So I would ask you to consider that. We'll
25 gladly help craft some of the verbiage that may need to get into

1 that next steps section to ensure that we can go out and
2 advocate the programs that you as a board and as a department
3 want to get done. So thank you very much and I appreciate the
4 time.

5 CHAIRMAN CHRISTY: Thank you, Mr. Maxwell.

6 And our final speaker, unless there's anyone else
7 that I haven't included here, it hasn't been made aware to the
8 Chair, is the director for strategic planning for Pima County,
9 Mr. John Moffatt.

10 Welcome, Mr. Moffatt.

11 MR. MOFFATT: Good morning, Mr. Chairman, board
12 members, director. One of the nice things about battling cleanup
13 is that everybody's already hit most of the points that I would
14 make, so I won't be running over this time.

15 The important thing that -- I think the first
16 thing, and I do want to reiterate this -- this is a repeat --
17 but, you know, I think that the staff and Mike Kies and that
18 team did a very good job. The meetings were very open. You
19 know, you took questions straight on. It was a good process,
20 and we think that it was a nice outcome. So thank you for your
21 efforts.

22 The other -- the first part of this report is
23 brief. It makes the case. I think John just -- Director
24 Halikowski just made it even stronger as far as what the
25 requirements are and demand to make sure that the bottom part of

1 this segment works.

2 When we get to the implementation piece, it falls
3 short and, you know, we felt that, you know, you've already
4 heard about the catch 41, how we need to add a segment in there
5 that strengthens the connection south. We need to make sure
6 that it's prioritized, because it's kind of like we got this
7 thing -- we're building this building on a unsustainable traffic
8 model that will not sustain all of the loads that we expect
9 coming out of Mexico.

10 The director made the very good point, he talked
11 to customs and border protection. You know, they're seeing over
12 a million cars a year coming across just at the Mariposa border.
13 300,000 -- almost 400,000 trucks, \$18 billion in trade. That's
14 doing nothing but going up. So we need to make sure that the
15 bottom part of this structure or erector set works.

16 We've already talked about the EIS, the need for
17 that. We feel that the tribe highways and (inaudible) needed
18 some existing ADOT studies that occurred in the past were --
19 demonstrate that when you get -- when you're coming through
20 Tucson, expanding that is very problematic. So the option to
21 just extend or expand the current freeways is -- that needs some
22 more study, and the EIS that was originally planned is what we
23 feel we need.

24 So overall, we think this is great. We're very
25 supportive but southern Arizona feels the need for it. We think

1 it helps not only Arizona, helps Nevada and the west. So we
2 urge that we move forward, that we do this with some more
3 detailed work in southern Arizona.

4 Thank you very much.

5 CHAIRMAN CHRISTY: Thank you, Mr. Moffatt.

6 We'll proceed at this point, if there are no more
7 speaker requests, with Mr. Omer, who also will be handing off at
8 some point to our director of planning and programming,
9 Mr. Michael Kies.

10 Mr. Omer, would you want to proceed on Item 6,
11 please?

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

13 Really what I want to do is introduce Mr. Kies.
14 As you've heard the speaker say, Mike can -- the entire I-11
15 Intermountain West border team has done a fantastic job in the
16 last two years putting this together.

17 I will say that it's -- from being involved from
18 the very beginning and developing the scope of work with the
19 Nevada DOT, we all always were very firm about we want to do
20 with this. We want to be inclusive. We want to do the study
21 the right way, and we stuck to our scope, and we made our budget
22 and we made our schedule, which, you know, there were times
23 where I was a little concerned if we could actually deliver this
24 in two years. Of course, I went with a brave face. I always
25 told them, we'll have this done in July, but it's because of --

1 it's because of Mike, and it's because of Sondra in Nevada is
2 the reason this project really was delivered in the time frame.

3 I agree 100 percent that this is a very valuable
4 study, and it shows, as Mike will talk about, that there is
5 really a need for us to continue on in this report with
6 additional studies for the I-11 Intermountain West Corridor.

7 So with that, I'll stop. Mike was really the
8 person that drove the study on an everyday basis. So I thought
9 it would be appropriate for him to come back and give you the
10 final report, the recommendation (inaudible). So Mike.

11 MR. KIES: Thank you, Scott. Thank you,
12 Mr. Chair.

13 Yeah, I do have a presentation about the final
14 recommendations that are located in the final draft report that
15 you've been provided a copy with, and I thank everybody who've
16 made comments so far about the report and the effort that we've
17 done over the last two years for this study.

18 With that, I just want to remind everybody of the
19 questions that we set out to answer with this study. First is
20 what is the justification to make significant investments in the
21 corridor that had been originally identified by Congress in Map
22 21 as the proposed Interstate 11 corridor, and as you have
23 heard, that there's been a lot of mention that people -- I'm
24 glad to hear it -- they understand that this justification is
25 really based on future freight flows and our proximity to Mexico

1 and Nevada and mainly southern California to provide future
2 trade opportunities and freight movements within our states.

3 The second question was is the Congressional
4 designation from Las Vegas to the City of Phoenix sufficient.
5 And as I will point out in the report, we believe that the study
6 has clearly identified that the designation of this corridor or
7 the importance of this corridor is really from Las Vegas to
8 Nogales, Arizona, through Phoenix and Tucson, and connecting to
9 our major trading partner, Mexico, through Nogales.

10 And then lastly, the study covered what are those
11 reasonable and feasible corridors that should be considered, and
12 I'll highlight that in my presentation. And then as some of the
13 speakers already have mentioned, the report goes into what
14 should be the next steps taken to move this corridor forward and
15 be able to tap into that opportunity with Mexico and Nevada as
16 far as our trading partners.

17 So with that, I just want to remind you of the
18 organization of the study. As Scott mentioned, it was a
19 two-year study, and we did plan to complete it this summer, and
20 we are now at the final draft state. We did have three major
21 phases, which I'll highlight really quickly in my presentation.

22 First we worked on a vision statement for the
23 corridor, which really set everything that we did in the study
24 from there on out. We worked almost an entire year just working
25 on the justification. What is the justification for making

1 investments in the Intermountain West Corridor? And then
2 lastly, the alternatives we considered and the next steps that
3 are recommended in the study.

4 So with that, really quickly, the vision, which
5 was done at the very beginning of the study, and we had a
6 workshop where we brought our economic development partners, our
7 metropolitan planning partners, the DOTs together, and we talked
8 about what are we really trying to do with a corridor that could
9 connect Nevada and Arizona. And as you see by our vision
10 statement there, it's really not about the typical
11 transportation needs that come out of studies that have to do
12 with traffic congestion or improving safety. This vision is
13 about linking economies and diversifying the economies of both
14 Arizona and Nevada.

15 So after the vision statement was completed, we
16 went through the justification phase, which again was the bulk
17 of the first half of the study. And as people have already
18 mentioned this morning, this is really about our proximity and
19 the opportunities we have being located next to northern Mexico,
20 the Arizona Sun Corridor, Las Vegas, being an interconnected
21 economy and being -- our proximity to southern California, which
22 is a huge consumption market. So the whole idea here is to link
23 the economies of Mexico, Arizona and Nevada to provide
24 integrated manufacturing and a diversified economy to support
25 that consumption market in southern California.

1 Southern California is also that gateway to the
2 rest of the world. The ports of Long Beach and L.A. provide
3 connections that if we become a manufacturing belt in Arizona
4 and Nevada, we have that gateway to the rest of the world.

5 As you see, the population of this whole area is
6 projected in 2050 to be as high as or approaching 50 million
7 people, which in itself is a large-scale economy all in itself.

8 Again, the justification really centers on this
9 idea, and I call it a manufacturing belt, which could be
10 produced -- created from Nevada, Arizona and northern Mexico.
11 And when we got the two economic development agencies together,
12 the Arizona Commerce Authority here in Arizona, the Governor's
13 Office of Economic Development in Nevada, both of our
14 aspirations for a diversified economy are almost in line with
15 each other. The idea of getting into high tech manufacturing
16 with automobiles, aerospace, green energy, health care
17 manufacturing, was all on each other's list, and we saw that
18 being in a partnership and creating this opportunity where
19 Arizona and Nevada can do the high tech manufacturing, if
20 needed, that northern Mexico could be a location where final
21 assembly is done. And this creates that need in the future for
22 trade flows to be happening north, south, really in both
23 directions, both from the north to the south and from the south
24 to the north.

25 With that said, we did publish a business case

1 with this study where we wanted to show what is the business
2 reason why we would put investments into this corridor, and you
3 can see there the costs well exceed \$10 billion for some of the
4 improvements that we were considering in the study, but the
5 benefits come from two sources. First, travel benefits, which
6 are those typical; transportation benefits that we think about
7 as far as travel-type savings, the possible reduction of
8 accidents. But the biggest thing that we saw was from those
9 economic benefits that could happen with the realization of the
10 diversifications of our economy. And you see there on this
11 slide that as many as 240,000 jobs could be added to the
12 economies of Arizona and Nevada if this manufacturing belt did
13 come to fruition.

14 Now, the idea of Interstate 11 is only one piece
15 of that puzzle to bring a manufacturing sector to our states,
16 but we see that this corridor definitely supports that whole
17 goal.

18 With that said, we published our corridor
19 justification report and moved on to our alternatives
20 evaluation. As we had brought updates to you month -- the past
21 months, we showed you all the alternatives that we considered in
22 the study. We went over the process that we used to screen the
23 alternatives and come down to our recommendations that are
24 published in the study. And these are -- this is the
25 recommendation that's shown in the report, which is a continuous

1 transportation corridor that enhances the mobility of freight
2 and trade from Mexico, at the border of Nogales, through the
3 Tucson area and the Phoenix metro area, connecting to Nevada
4 using the US-93 corridor. And then Nevada has recommendations
5 in the Las Vegas area, and then you see their recommendations
6 that this corridor does continue north of Las Vegas at some
7 point to the Reno area and maybe beyond.

8 One point I always want to make when we talk
9 about the recommendations is that most people when they hear the
10 words "Interstate 11" immediately think about a black asphalt
11 road that looks like an interstate that you see everywhere else
12 in the state. With this study, we want to continue to be
13 thinking about that this could be a multi-use corridor. It
14 doesn't always necessarily need to default to an interstate
15 highway. There -- we are recommending that we consider to look
16 at rail and other uses like alternative energy to be used within
17 this corridor as it goes through the planning process.

18 With that said, what does it mean when we say
19 that we have recommended a feasible corridor from Nogales
20 through Tucson and Phoenix and up to Nevada? Well, that is
21 exactly what we're recommending. We are just recommending a
22 corridor. We did not get to the point where we recommended
23 specific routes or alignments on this -- this idea. And if you
24 look at southern Arizona, again, we believe that continuing the
25 designation of this corridor south of the Phoenix metro area,

1 through Tucson into Nogales is very important for the
2 justification of this entire corridor, and this section of the
3 report talks about a 5- to 50-mile corridor that would go from
4 Casa Grande to Nogales.

5 And the whole idea of recommending the corridor
6 is that all of those ideas that have been brought to us fit
7 within this corridor and can be evaluated as a future study to
8 look at the most appropriate facility type and location in the
9 future. Some of those ideas that have been brought to us were
10 creating a new highway corridor parallel to Interstate 10,
11 around the Tucson metro area, and maybe parallel to Interstate
12 19. Other ideas were to enhance our existing corridors such as
13 I-10 and I-19, or even do a multimodal option where we think
14 about the rail system and the highway system in tandem.

15 The Phoenix metro area is similar in
16 recommendations where the idea is to create a new transportation
17 corridor around the southern and western flanks of the metro
18 area to keep the movement of trade and freight reliable around
19 and into the Phoenix metro area.

20 The same thing, that hashed area is really a 5-
21 to 50-mile wide corridor where we would look at all the
22 different options and alternatives that could be contained in
23 there. All the orange lines that you see on this map are ideas
24 that have been brought to us during this study or previous
25 studies such as the MAG Hassayampa framework study that is shown

1 there on this now.

2 With that said, the report does recommend some
3 next steps for the ultimate corridor. Now, I do remind -- want
4 to remind everybody, when we talk about the ultimate corridor,
5 our intention is a new transportation facility from Nogales --
6 potentially from Nogales to Las Vegas and maybe beyond that can
7 be the reliable movement of freight and trade through -- from
8 Mexico into Arizona and then up into Nevada.

9 And these next steps include some planning work
10 that would have to be done in Nevada. They do not have very --
11 they have not made some concise recommendations north of Las
12 Vegas, but the main recommendations here in Arizona are going to
13 the NEEPA phase of all of the pieces of the corridors that are
14 here in Arizona. Specifically, the southern Arizona piece,
15 which would need a comprehensive NEEPA study to look at all of
16 those alternatives and options that are available there, and the
17 Phoenix metro area, which would need a comprehensive NEEPA study
18 to look at all of those alignments.

19 There is one section of this ultimate corridor
20 that has the opportunity to go to construction. That is in
21 Nevada in Boulder City. Clark County has found funding for the
22 Boulder City bypass. That would be constructed in the near
23 future. It would be built to interstate standards and connect
24 to the rest of the interstate system in the Las Vegas area.
25 Nevada DOT does intend that when that project is constructed and

1 completed, it will be signed as Interstate 11 and would be the
2 first piece of this corridor that's actually signed in that
3 manner.

4 As some people have said earlier, we did not do
5 this in a back room and come up with these recommendations
6 ourselves. We had quite an extensive outreach effort and
7 partnership with our stakeholders. We had public meetings
8 located throughout Nevada and Arizona on -- in most cases where
9 we had public meetings. We had hundreds of people attend and
10 provide a lot of feedback, and we took everybody's comments in
11 consideration and included them in the study.

12 As you can see there, we had a lot of coverage on
13 the newspaper, on TV ads, and we are -- even have some YouTube
14 videos out there now that are promoting the idea that we
15 (inaudible).

16 Again, the major next steps for the alternative
17 corridor in Arizona are to go through the NEEPA process. We did
18 itemize some segments of independent utility where we could do
19 these studies on separate sections of the corridor, namely
20 southern Arizona and the Phoenix metro area. However, we have
21 estimated the cost of doing these NEEPA studies, and if we were
22 to do it all the way from the Nevada state line to Nogales based
23 on what's recommended in the study, we estimate that study would
24 cost about \$60 million. That currently hasn't been programmed
25 by our department at this time, and so we don't see us

1 immediately going to that next step until that funding has been
2 identified.

3 So the report then focuses on an interim corridor
4 that we can keep our attention on as these NEEPA studies go
5 forward, because the NEEPA studies is just the first step or the
6 next step in the long process to implement a corridor. As many
7 of you might have been tracking the South Mountain corridor,
8 that corridor has taken several decades to plan and hopefully
9 get to the point where it can be implemented, and that time line
10 is similar with a corridor of this size. So the interim
11 improvements is something that we can start to think about and
12 focus on as we go into the future.

13 So the interim corridor that is recommended in
14 the report is to focus on those existing highway systems that we
15 have in place. Namely SR-189 down in the Nogales area, I-10 and
16 I-19 through southern Arizona. We already do have a break
17 bypass sign in Pinal County from I-8 and SR-85, which would be
18 part of this interim focus, and then we have US-93 we continue
19 to work on to move to a four-lane divided highway from Phoenix
20 to Las Vegas. Again, the recommendation there is as we focus on
21 the interim improvements, we continue to move forward with those
22 NEEPA analyses of the ultimate corridor.

23 I just kind of put a slide together here. When
24 we talk about the interim corridor of all the things that we
25 actually had in the pipeline along that route that would be --

1 that are currently under construction or could be going to
2 construction within the next 10 years or so, we are planning a
3 new interchange in the Kingman area, the I-40/US-93 system
4 interchange. That is being planned so it would meet interstate
5 standards and could be incorporated into an ultimate corridor.

6 We do have projects under construction or pending
7 funding on the US-93 corridor to continue the four-lane widening
8 along that corridor and have it serve as this interim facility
9 until the ultimate facility is needed. And then many of you are
10 aware of all the opportunities we are moving forward with on
11 Interstate 10, including the SR-87 section, Ina Road, Ruthrauff
12 Road, and then on I-19, Avc Way (phonetic). These are all
13 improvements to the existing facilities that could help continue
14 to move freight from Mexico into Arizona and then beyond.

15 And then do I want to point out the design
16 concept study, and environmental assessment that's under way
17 with SR-189 down in Nogales. We are looking at how we can
18 improve that corridor to improve that mobility.

19 With that said, that's the completion of my
20 review of the final draft report, and the web site that all of
21 this information can be found out is there, I-11study.com. And
22 then as people have mentioned, there have been -- there are two
23 project managers on this study. Sonya Rosenberg and -- for the
24 Nevada DOT and myself for ADOT.

25 With that, I think Scott and I would be happy to

1 answer any questions.

2 CHAIRMAN CHRISTY: Thank you, Mr. Kies.

3 I do have several questions. One, this has been
4 titled the final draft -- final draft. So it's not in cement or
5 stone, correct?

6 MR. KIES: Correct. We are --

7 CHAIRMAN CHRISTY: So --

8 MR. KIES: -- still accepting comments and we
9 intend to make any final edits and then make a final study
10 after --

11 CHAIRMAN CHRISTY: So there are opportunities for
12 editing and for commenting and for additions, deletions and
13 things of that nature?

14 Someone want to come in?

15 Second question that I have, the -- there's a
16 YouTube video that features a number of people on both sides of
17 Nevada and Arizona. Our director is highlighted in it as a key
18 player in the video. Who produced and paid for that video?

19 MR. OMER: So the -- Mr. Chair, the video was
20 actually produced and developed by the Nevada DOT as part of the
21 study itself. So it did come out of Nevada.

22 CHAIRMAN CHRISTY: I kind of got that feeling --

23 MR. OMER: (Inaudible.)

24 CHAIRMAN CHRISTY: -- when I viewed it.

25 A number of comments from the speakers have

1 already covered the areas, so I won't belabor a lot of them, but
2 other than to go back to this article that greeted us Tuesday
3 morning in Tucson that caused a lot of ripples through southern
4 Arizona. Again, it appears no matter how aggressive our side is
5 and -- as far as embracing the southern Arizona connectivity and
6 the border-to-border concept and try as diligently and as
7 poignantly as our director did in that video, along with a
8 number of other Arizona individuals involved in various
9 committees that are set up, TTCA and Arizona Commerce Commission
10 and all that, it would go back to Nevada and all of a study the
11 whole conversation went back to Phoenix, Las Vegas.

12 And then we came out with this article that says,
13 "Nevada Says Future Interstate Should Also Extend to I-80." We
14 would have liked to have seen the -- obviously the headline to
15 say that the future interstate should also extend from Nogales
16 north, obviously, and this is in the *Arizona Daily Star*.

17 There's also a quote from the governor of Nevada
18 that people found -- I guess the word could be interesting. It
19 says something to the effect here, and I'm quoting, "Arizona is
20 much more cautious in asking for money, because any ask is
21 viewed as an earmark, and that is not acceptable." He goes on
22 to say, "I'm not shy. I want to go after everything we can, the
23 governor of Nevada said. I don't want to be held back by
24 Arizona."

25 I know we can't control what Nevada says or

1 Nevada's feelings are, but it seems to me that, once again,
 2 Arizona is playing second fiddle to Nevada in this whole
 3 project, and southern Arizona isn't even in the orchestra pit.
 4 And I'm not criticizing anybody from ADOT, because I firmly
 5 believe, as your presentation encapsulated, that -- and it has
 6 been said time and time again by our director and our staff that
 7 the concept is border to border. It is southern Arizona
 8 connectivity. It is Nogales north. But yet every time we turn
 9 around, it seems that we're being overshadowed. Nevada is
 10 taking the lead. They're showing us up like we're not really in
 11 the game here, and I know that's not the case.

12 So to set the stage for this general question,
 13 what Mr. Omer, and maybe the director might want to comment as
 14 well, and I hope he does, what is the department's take on this
 15 very aggressive effort by Nevada that is overshadowing, it
 16 appears in the press and in reports, that Arizona is not in --
 17 at -- barely at the table? And even the new report that we just
 18 had out, the Intermountain study, really doesn't embrace the
 19 concept of border to border in the -- in this study. And I'm
 20 just wondering, is it our perception? And I don't think it is.
 21 But is there something that we should be doing that we're not
 22 doing or that we are doing that we shouldn't be? And I don't
 23 know how you can answer that, but I'd be interested to hear your
 24 comments.

25 MR. KIES: So, Mr. Chair, I'll answer the part

1 that I can, and I would not -- I won't comment on what the
 2 governor of Nevada talked about. I can't -- I don't have any
 3 control over what the governor in Nevada said, but what I can
 4 say is what we have done, you know, besides being, you know,
 5 co-leading the study itself is we've continued to promote the
 6 fact that this is a border-to-border study. As you're well
 7 aware, we've been bringing it out to you every month. And we've
 8 had the conversations with southern Arizona, with, you know,
 9 with Nogales on that 189 study, with the PAG region and talking
 10 about how we're going to move this study forward.

11 So I feel we've done everything we can in that
 12 instance. You know, we've had the conversations with about what
 13 type of future language would be on the extension of the
 14 corridor, and go down to the -- southern Arizona. We've been
 15 intimately involved in those conversations as well.

16 So promoting the corridor from border to border
 17 has never been not at the front of our mind. What a newspaper
 18 article says, again, we don't have control over it. We weren't
 19 contacted and asked to comment on this individual story. You
 20 know, I apologize for that, but I will say that what we've
 21 committed to and we've not -- never wavered from is this is a
 22 border-to-border study. The only part that's different from
 23 Phoenix to Las Vegas is that was the area that was
 24 Congressionally designated. ADOT didn't designate the corridor.
 25 ADOT took the corridor that was Congressionally designated and

1 incorporated it in the overall study of the Nevada DOT.

2 The other thing we've said all along now is we do
3 think that this corridor is feasible. It's viable. It's
4 justified. We should be moving forward. However, we've also
5 said that without funding for these future studies, including
6 the (inaudible) NREPA documents, we're kind of where we are. So
7 again, I'm not going to address what the governor of Nevada
8 said. I don't kind of think my boss would either, but I would
9 say that we haven't wavered on this as a border-to-border
10 concept.

11 CHAIRMAN CHRISTY: Before we go much further,
12 what -- wasn't there a big splash with McCain and Flake talking
13 about designating I-11 from border to border, or was that just
14 simply Phoenix to Las Vegas? I'm unclear on that. Is it -- did
15 they designate it border to border, I-11?

16 MR. KIES: Mr. Chair, if I remember correctly,
17 what you're talking about is the delegation did have a joint --
18 and I think Senator McCain was the person that drafted that, but
19 their statement was basically should extend the corridor border
20 to border and included down to Mexico. Now, that hasn't made
21 its way into any legislation that we've seen. We've only had
22 the conversations about what we think what would be appropriate
23 for that future language review.

24 CHAIRMAN CHRISTY: So that's still out there.

25 Mr. Director, did you want to make some comments?

1 MR. HALIKOWSKI: Thank you, Mr. Chairman.

2 There are a number of fronts you've brought in
3 here that I think are pertinent. I mean, obviously I think it
4 may be in order to have a visit with the editorial board as to
5 what not only this transportation board's interest is, but the
6 business interests are in southern Arizona and throughout
7 Arizona, quite frankly, in I-11. So I --

8 CHAIRMAN CHRISTY: Let me just really briefly, in
9 fairness, and I would agree with you on the editorial board
10 visit, but this was an AP (inaudible). But anyway, go --
11 please.

12 MR. HALIKOWSKI: So the other issue you brought
13 up is you quoted someone saying that we're not afraid of asking
14 for earmarks. It's not so much that the department hasn't made
15 it known obviously what it needs to do to complete an EIS from
16 one end of our state to another, but I think what we see between
17 Nevada and Arizona are perhaps different political philosophies
18 in that there are members of our delegation who just are either
19 unwilling or unable to be looking at this from an earmarked
20 perspective. And so in all fairness to the delegation, we have
21 been working with them to try to figure out if there is a way to
22 fund this federally. But if not, then the state, I believe, is
23 going to have to step up.

24 And that brings me to my next point about a
25 difference between Nevada and Arizona. This Boulder City

1 bypass, I believe, has been 30 years in the making, and it has
 2 strong support not only from their regional planning agency, but
 3 also it has strong support from their business community to the
 4 point where I believe they've gone and found a revenue source
 5 that their taxpayers approved to build the bypass.

6 As you know, here in Arizona, we're still
 7 operating off the 1992 gasoline tax that took quite a hit in
 8 2009, as did our vehicle license tax, and we have been operating
 9 with a very restricted budget, just bumping along, as you saw by
 10 Kristine's slide, with the economy.

11 So when we look at this, either we have to figure
 12 out how to carve on existing resources to keep this moving
 13 forward, carve out from existing resources, or quite frankly, go
 14 after a new revenue source. And I think in Nevada, again,
 15 looking at their particular aspect, when I was in D.C. and we
 16 were visiting with the I-11 group in D.C., you've got quite,
 17 quite strong boosters in their business community who were there
 18 saying, this absolutely must happen and keep moving forward.

19 So through our Key Commerce Corridors effort and
 20 the TTCA, as you know, we've been working with many business
 21 organizations in this state, and perhaps we need to begin to
 22 focus that laser more intensively on how are we going to get
 23 some aspect or piece of this started.

24 So when I look out at the political landscape
 25 near here, looking out, I think at differences in philosophy

1 between some of the elected officials in Nevada and some in our
 2 state -- again, I'm not casting judgment on those. Those just
 3 are what they are. And I think those constraints are difficult
 4 to deal with, but I believe we need to keep working with our
 5 delegation to make it known that this is something that's very
 6 important to us.

7 The other aspect of this, obviously, too, is that
 8 we have to work with our legislature, and as we have been
 9 talking with them to say that if we are going to engage in a
 10 21st century world economy global competition for jobs and
 11 resources, we cannot do that with a 1980s -- quite frankly,
 12 1970s pieces of interstate still between us and Nevada and
 13 Mexico.

14 So I think that we have to keep pushing on all
 15 fronts, Mr. Chairman. There just are some inherent differences,
 16 but unless you keep the flame pretty much turned up on this
 17 constantly, as you know, attention tends to wander to other
 18 issues that are facing the State.

19 CHAIRMAN CHRISTY: I appreciate your comments and
 20 I know -- again, you have made it abundantly clear on behalf of
 21 the department, as have key staffers. The whole concept has --
 22 has always been, is and will always be border to border, but it
 23 certainly is unsettling when we get these kinds of reports back
 24 in the press and -- from the general report that really doesn't
 25 fully embrace the concept.

1 My next issue is obviously there's more work to
2 be done, not only on the final draft, but as we progress in the
3 whole project. And obviously, as some speakers noted, it's
4 going to require a joined at the hip and lockstep action with
5 the business community to try to support this, in addition to
6 the legislature.

7 What Mr. Kies and Mr. Omer and the director,
8 would all suggest as to how, A, that we can fine tune or enhance
9 the report, the final draft for the final approval of this

10 board? I'm assuming it has to come back before this board at
11 some sort of approval level or acceptance. Is that right or --

12 MR. HALIKOWSKI: Mr. Chair, actually, it doesn't
13 need to come back to the board for approval. It's your
14 prerogative as a board if you want to officially accept the
15 document. That's fine. We have brought back certain documents
16 in the past for board acceptance, but (inaudible).

17 CHAIRMAN CHRISTY: I'd like to exercise my
18 prerogative, and before anything is submitted finally, it comes
19 before this board for final review.

20 And going along with that, if there are ways that
21 the business community -- we heard from the mayor of Casa Grande
22 and the NPOs involved from entities in southern Arizona and Pima
23 County. Is there something that we should be doing or could be
24 doing more to get this kind of ink or at least the kind of
25 perception and attention without having to raise our hand at the

1 back of the class, that we can do to get this thing moving a
2 along so we are at the table and at least in the orchestra pit?

3 MALE SPEAKER: Mr. Chair, I guess what I would
4 say is we'll sit down and talk with our communications staff and
5 come up with the -- you know an appropriate approach to that.
6 As Mr. Kies talked about in his study, you guys have seen
7 yourself, the sheer volume of media that's been about this
8 study, you know, it's pretty unprecedented for something that
9 we've done in Arizona. I mean, it's not like this is a secret
10 to anyone. It's not that this hasn't received, you know, media
11 in either -- whether it's written media, on TV and social media.
12 Everyone has seen it and has commented on it. So we've had over
13 100 reports and articles and reports done just on this. So we
14 have received a lot of media itself in the past.

15 Now, getting our message out, that's a different
16 subject. I think if this board or the department wants a
17 separate message out to get a refined approach to this, then
18 that's a conversation we'll have with our communication staff
19 and find the appropriate approach. That's (inaudible).

20 CHAIRMAN CHRISTY: In addition to engaging groups
21 and organizations for more comment on the final draft -- before
22 the draft is finalized. Mr. Kies?

23 MR. KIES: Yeah. I just want to -- I -- Cherie
24 Campbell came up and said that she invited us to meet with her
25 staff and others. I'd like to take her up on that invitation,

1 and I will be getting ahold of PAG. I think it would be good to
 2 get a group of people together, because sometimes when you're so
 3 close to a report and you think that you've covered everything,
 4 and then independent eyes look at it and see something that's
 5 missing. I think it's very helpful to get that.

6 CHAIRMAN CHRISTY: Well, to your credit and the
 7 department's credit, you've did this before. You came to Tucson
 8 and you clarified a lot of outstanding issues, and it worked.
 9 And I would obviously support and encourage that that same
 10 process of reaching out, not only to PAG, but to business
 11 entities and organizations such as SALC and the chambers as well
 12 as the COGs and NPOs to get their input, and to get their
 13 comments to fine tune the final report and to see what we can do
 14 to coordinate our efforts.

15 And I've been taking up the board's time on this.
 16 Are there any questions or comments that any of the other board
 17 members want to bring up at this time?

18 MR. SELLERS: Mr. Chairman.

19 CHAIRMAN CHRISTY: Mr. Sellers.

20 MR. SELLERS: I just want to make sure. I think
 21 you already said this, Mr. Kies, but all the slides you showed
 22 today are on the web site; is that correct?

23 MR. KIES: Correct. Yes.

24 CHAIRMAN CHRISTY: Any other comments or
 25 questions? Mr. Vice Chair Anderson.

1 MR. ANDERSON: Mr. Chair, can we go back a slide
 2 or two? Right here. (Inaudible) come January another round of
 3 public hearings on the plan.

4 CHAIRMAN CHRISTY: I think we have to vote on
 5 that first, though, right?

6 MR. ANDERSON: Good point.

7 CHAIRMAN CHRISTY: Geez.

8 (Speaking simultaneously.)

9 MALE SPEAKER: This reminds me of Pine Top.

10 MALE SPEAKER: (Inaudible.)

11 MR. ANDERSON: I'm going through in just my rough
 12 math of approximately maybe 300 million just in greater Arizona
 13 on some of these projects here. You need to add in I-15 bridges
 14 to another tune of, I don't know, 100 million, plus or minus,
 15 and you add in the NEEPA at 60 billion -- you know, whatever
 16 greater Arizona's share that is, you know, we've got a pretty
 17 big task before this board and future boards in terms of how to
 18 prioritize an interim improvement for maybe I-11 or, you know,
 19 look at the local communities like Thousand Trails and Lion
 20 Springs. There's going to be some tough decisions, I think,
 21 that will be coming down the road. So I don't know -- you know,
 22 funding's probably a long ways down the road, if we can even get
 23 it at all. That's all I'm concerned about.

24 CHAIRMAN CHRISTY: And I would -- expressed the
 25 same concerns, and I think the director kind of focused in on

1 the challenges that lay in those areas.

2 Thank you, Mr. Anderson.

3 Any other questions?

4 Mr. La Rue.

5 MR. LA RUE: Thank you, Mr. Chair. You know,
6 first Michael, Scott, what I want to say is, you know, nice
7 work. You guys have been working on this for a long time. It's
8 good information. You've engaged a lot of people, and you're
9 getting the -- the conversation's out there, absolutely. So
10 thank you for that.

11 And I also have to say that, you know, as a board
12 member and philosophically, I sense that I'm changing, but I
13 don't know if it's the right change. So I'm throwing this out
14 so that whenever we bring this back for, I guess, final
15 approval, you guys can help, and that is so I've sat on this
16 board about two-and-a-half years listening to I-11. And at
17 first I said, you know, there's no way we can finance this thing
18 ourselves. So I started adopting a policy to withhold some
19 support and pressure on some of these improvements in this
20 corridor hoping that that would put pressure on the feds and
21 others to see the light, and that's not happening.

22 Michael, you made a comment that really sent
23 shivers up my spine, and that is these corridors take a long
24 time. Look at South Mountain. This is kind of like a South
25 Mountain. Well, South Mountain's been 30 years, and you know,

1 we've yet to put a shovel in the ground.

2 MR. OMER: Let me -- I would be careful making
3 comparison's to South Mountain.

4 MR. LA RUE: Yeah.

5 MR. OMER: That is a unique (inaudible).

6 MR. LA RUE: Right. So what -- you know, I think
7 what's going on globally here is a moment in time, and I say a
8 moment, a 10- or 20-year time period that we could take
9 advantage of opportunities that we can't have this as a South
10 Mountain. There's got to be created a sense of urgency.

11 So my philosophical shift is now saying, well,
12 you know what, instead of waiting on the feds and the State,
13 what can we do to just make it happen and hope that then people
14 come along with us? So I applaud you guys for accelerating --
15 looking at -- accelerating 189. You heard from the board last
16 time, hey, we want that in, we want it earlier, and you're going
17 to keep hearing that. I'm -- I am now pushing to say, let's
18 look at these 93 improvements, because that's a piece.

19 I really applaud the work with south of the
20 border, because I now have a greater appreciation today with
21 Mr. Halikowski's comments on that. You know, even if we improve
22 ours, if it's not improved south, we've got some issues. So I
23 applaud that work. I think all of that helps us to accelerate,
24 but along with Mr. Christy and Mr. Anderson, you know, we've got
25 to figure out how to create that sense of urgency and create

1 this funding. And how do we do that? You know, we heard folks
2 at the League of Cities, I believe Clark County guy said that,
3 you know, they layered a sales tax in there and that's what's
4 building that bypass. I don't know if that's correct or not.

5 If it is correct, that's pretty strength of
6 character for politicians to say, we're going to do that on a
7 local level. You heard the guys from Texas say, you know, when
8 we adopted the premise that we're not going to count on the
9 federal government and take control, what's led to some of their
10 highway building through P3, I mean, if that is true, you know,
11 I applaud our efforts to really go down that P3, because I think
12 it's those things that's going to make this reality. And again,
13 we've got a moment in time to make this happen or else the world
14 kind of passes you by, so...

15 MR. HALIKOWSKI: Mr. Chairman, if I could.

16 CHAIRMAN CHRISTY: Thank you, Mr. La Rue.

17 Mr. -- Director Halikowski.

18 MR. HALIKOWSKI: I really want to echo Mr.
19 La Rue's comments. It is a moment in time. I don't want this
20 to be another 30-year project. There are things that we need to
21 getting moving now.

22 But you mentioned how do we get the press
23 interested, keep the public informed. Having tried to meet with
24 some of the editorial folks at the republic, right now, from
25 their perspective, I'm a department director talking about

1 something that's going to happen in the future. Come back and
2 see us when you're ready to do something. So what really, I
3 think, garners stories is when officials, whether they're
4 appointed or elected, those are the folks that will get print in
5 the media.

6 And we have to keep working with our officials to
7 say, look, I want to step out and talk about how important this
8 corridor is. Because that's what you're seeing. And, you know,
9 our governor has supported this from the get-go and put together
10 the TTCA to deliver the reports that we have showing the
11 economic perspective. This is a good investment for taxpayers.
12 This is a good way to utilize our money; however, we still
13 haven't really caught fire on that, if you will, on our public
14 in Arizona the way they have in Nevada, and that's where I look
15 to our public officials and business communities, some of whom
16 have stepped up here, many in southern Arizona, to really start
17 saying, you know, this whole issue in investment in the
18 corridors has got to happen. And so part we haven't quite
19 gotten there. We've been focused on lots of other incident
20 issues facing the State.

21 MR. OMER: Mr. Chair.

22 CHAIRMAN CHRISTY: Thank you.

23 Mr. Omer.

24 MR. OMER: I guess I would like to add one thing
25 about the -- I (inaudible) Mr. Kies sits up, and I'll admit, but

1 I would want to put a little bit in context. You know, while
 2 that corridor is one that we would all admit had us taking a
 3 very long time to complete, the big difference between that
 4 corridor and this corridor is this one's 450 miles long, and the
 5 idea that this corridor would be completed in anything less
 6 than, you know, decades is probably not realistic either.
 7 Completed, right?

8 Now, that doesn't mean that if the stars align
 9 and there was really the support both from the business
 10 community, the political community, the people really started to
 11 go out and scream, we want this corridor developed, because
 12 remember, the justification for this report was really about
 13 economic development and economic diversification for the two
 14 states. That's what will drive the success of this corridor in
 15 the future. Without people asking for and demanding and finding
 16 the money for it, we'll be talking about this corridor for a
 17 long time. Again, I don't see this would take that long as far
 18 as getting ready to put a shovel in the ground, but the
 19 completion of a corridor this size -- 450 miles long, you don't
 20 build that in a short time period. It's going to take a long
 21 time to completely implement it.

22 So again, I apologize for the -- I think there
 23 was -- what he said might have been a little misleading, but I
 24 will say it's going to be a long process, and there's no better
 25 place to start than that first step. And, you know, the board's

1 leadership, the business community's leadership and the
 2 political leadership and the decision makers have to step
 3 forward and say this is something that we want to do, but we
 4 have to (inaudible) funding's going to come for to start.

5 CHAIRMAN CHRISTY: Well said, Mr. Omer.

6 MR. LA RUE: I did have a question.

7 CHAIRMAN CHRISTY: Mr. La Rue.

8 MR. LA RUE: You know, sorry. Went off long
 9 winded. I did have a question (inaudible).

10 So I like the way you've broken it down in those
 11 segments and have focused in on that. And there's the middle
 12 part of the state, you've got Casa Grande to I-10 and then I-10
 13 up to Wickenburg. Then I look at the south where you've got the
 14 border to Casa Grande. Is there any ability to break that up
 15 into segments, I mean, to move that faster, or is that needed to
 16 be looked at at one level?

17 MR. HALIKOWSKI: So before you answer that, I
 18 think that we have to be careful to look at this not as a
 19 mountain, because when you're hiking the mountain, it's not the
 20 mountain that defeats you. Basically, it's the rock in your
 21 shoe. And essentially, going along with your statement, Mr.
 22 La Rue, that's what we have to do, is start to look at this as
 23 how we get pieces of it accomplished. Because if I were to go
 24 and say, let's do the whole thing at 60 million for the study,
 25 you know, that's probably going to make some folks' eyes roll in

1 the back of their head. But the rock in our shoe right now is
2 the EIS and getting that done.

3 And that's a very good question is how can we
4 break these up into segments of independent utility, and where
5 do you want to start that process first? So we don't have to
6 eat the whole mountain in one (inaudible).

7 MR. OMER: Well, the director read my mind. I
8 was going to say, yeah, we probably could look at individual
9 areas where we could break out based on the segments of
10 independent utility, the specific environmental documents.
11 However, me being very optimistic but also cautious, I would be
12 a little concerned about doing a complete environmental NEEPA
13 clearance document on a -- on an area that's, you know, that
14 large without having potential funding for it in the future.
15 Because first of all, it wouldn't get signed, and then second of
16 all, it would have potential for us to pay it back.

17 So I do think there is an interim step that we're
18 going to evaluate, and we'll look at those segments of
19 independent utility and see which areas make the most sense to
20 proceed forward with. We'll do that not in a vacuum. We'll do
21 that in conversations with, you know, the region, both the MAG
22 and PAG regions and here in the Sun Corridor and have the
23 conversations about what does make sense for the entire region.
24 And then as well, as we move forward from, you know, Wickenburg
25 north along the existing US-93 border, we won't make that

1 decision without having a conversation with not only the
2 transportation board, but, you know, the NPOs and the COGs that
3 are going to be affected by this, also.

4 CHAIRMAN CHRISTY: Well, thank you, gentlemen.
5 Thank you for a good report, and once again, we look for the
6 collaboration effort that we hope will begin right away from all
7 COGs and NPOs and corridors and business entities and
8 legislation. And again, thank you for the report.

9 With that, if there are no further questions on
10 this agenda item, I'd like to proceed on to Item 7.

11 Without any objection, at this point Mr. Omer is
12 going to talk about a proposed (inaudible) light rail. Want to
13 just give us a brief reasoning, or Mr. Roehrich could, why this
14 is before the board?

15 MR. OMER: Yes, sir. Mr. Chairman, this is
16 actually -- I was asked this question quite a bit, why are we
17 bringing this back to the State Transportation Board, and it's
18 because of a state statute, Arizona Revised Statute 28-6353 says
19 that basically the Regional Public Transportation Authority, the
20 State Transportation Board and Maricopa County have to approve
21 any amendments to the -- any major amendments, I'm sorry, to the
22 regional transportation plan.

23 This statute was put in, it's really about Prop
24 400, that you can't make a major amendment to the Prop 400 group
25 without having the State Transportation Board, the regional

1 council and MAG -- or I'm sorry -- the county (inaudible) adopt
2 these. So that's why we brought it back here. It's -- you
3 know, it's completely involved around it's what the statute
4 requires. (Inaudible.)

5 CHAIRMAN CHRISTY: It's nothing that's going to
6 come back and haunt us or bite us in the seat of the pants or
7 anything like that?

8 MR. OMER: No, sir, it's not. It's procedural.
9 If I remember correctly, the last time that we brought one of
10 these things back -- I did see Ms. Yazzie in the back.

11 MS. YAZZIE: Yeah.

12 (Speaking simultaneously.)

13 MR. OMER: The last time we brought (inaudible)
14 here was for the Mesa extension.

15 MS. YAZZIE: Yes. (Inaudible) road (inaudible)
16 2012.

17 MR. OMER: Right. So we brought it here in the
18 past. It's just that this one is out there as well. It's a
19 \$680 million estimate of a project. It's coming from the City
20 of Phoenix sales tax funds, potential federal funds. There's no
21 regional funds that's included in it at this time. So this is
22 procedural (inaudible) --

23 CHAIRMAN CHRISTY: Does it require any kind of a
24 presentation or can we just go ahead with the motion?

25 MALE SPEAKER: Well, Mr. Chairman, we would

1 really -- it depends on how much information you want to get
2 involved and presented to you. Again, this was put in there
3 basically as a check and balance to make sure that as the
4 regional transportation authority moves forward with their
5 work --

6 (Speaking simultaneously.)

7 MALE SPEAKER: -- with ours.

8 MALE SPEAKER: I worked on this particular piece
9 of Prop 400 during my time at the legislature. We called it the
10 three-legged stool; a major amendment to the regional
11 transportation plan. We felt just as a fail safe (inaudible)
12 should go through the regional council, the state board.

13 CHAIRMAN CHRISTY: So with your experience
14 history with this, do you really --

15 (Speaking simultaneously.)

16 MALE SPEAKER: (Inaudible.)

17 CHAIRMAN CHRISTY: Do you feel we need to have --
18 unless the board requests more in-depth information on this
19 particular...

20 Mr. La Rue.

21 MR. LA RUE: You know, Mr. Chair, what I'd say is
22 this was fully vetted at Maricopa Association of Governments.
23 Both Mr. Sellers and I sit there, heard the presentation.

24 CHAIRMAN CHRISTY: So it could come back and bite
25 you guys.

1 MR. LA RUE: Well, you know, the thing that's
2 unknown yet is how are the cities going to play along in going
3 after federal transit funding. That's the issue. I don't see
4 where that's going to significantly impact the ADOT board going
5 forward. I may be wrong, but that looks like that's where --
6 you know, somewhere down the road there will be the issue. It
7 was, I believe, unanimously approved. There might have been one
8 abstention at MAG, but --

9 CHAIRMAN CHRISTY: Well, based on that, then, the
10 chair would --

11 (Speaking simultaneously.)

12 MR. LA RUE: (Inaudible.)

13 MS. YAZZIE: (Inaudible.) It was unanimously
14 approved. It was -- there was one no vote at TTC, and that
15 mayor actually came back to regional counsel, and it was
16 unanimously approved that regional council.

17 CHAIRMAN CHRISTY: Thank you. Based on that, the
18 Chair would --

19 MR. LA RUE: So moved.

20 CHAIRMAN CHRISTY: -- accept and --

21 MS. BEAVER: Second.

22 CHAIRMAN CHRISTY: There's been a motion by
23 Mr. La Rue and seconded by Board Member Beaver to accept the
24 proposed major amendment to add a light rail transit extension
25 on Central Avenue, Washington/Jefferson to Baseline Road, to the

1 2035, along with the MAG regional transportation plan. Any
2 discussion?

3 All those in favor of the proposed motion signify
4 by saying aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN CHRISTY: Opposed? Hearing no
7 opposition, the motion passes.

8 Thank you Mr. Omer.

9 We will now proceed to Item 8, Priority Planning
10 Advisory Committee Report, which again will be delivered by
11 Mr. Scott Omer.

12 MR. OMER: Mr. Chair, as I usually do, I will
13 first present the project modifications. They're Items 8 alpha
14 through 8I, as in igloo. We could take these individually at
15 your pleasure or we could -- I would ask the board take these
16 all at once.

17 CHAIRMAN CHRISTY: If the board does not object,
18 I'd like to proceed with these all as one.

19 MALE SPEAKER: (Inaudible.)

20 CHAIRMAN CHRISTY: So we'll go ahead and approve
21 these or deal with these on an in-total basis.

22 MR. OMER: Okay.

23 CHAIRMAN CHRISTY: So then --

24 MR. OMER: So also the new projects or Items 8J
25 is in -- through 8P, and the airport projects are 8Q through 8S.

1 So in total, all of the project modifications, new projects and
2 airport projects that were approved through P pack or presented
3 to the board today are items 8A, as in alpha, through 8S, as in
4 Sam. So the department would recommend approval.

5 CHAIRMAN CHRISTY: The Chair would entertain a
6 motion to approve project modifications 8S through 8S.

7 MR. SELLERS: So moved.

8 CHAIRMAN CHRISTY: There's a motion by
9 Mr. Sellers.

10 MR. ANDERSON: Second.

11 MS. BEAVER: Second.

12 CHAIRMAN CHRISTY: Second by Vice Chair Anderson.
13 Discussion?

14 Hearing no discussion, all those in favor of
15 accepting the proposed project modifications of 8A through 8S
16 signify by saying aye.

17 BOARD MEMBERS: Aye.

18 CHAIRMAN CHRISTY: Opposed? Hearing no
19 opposition, the modifications pass as presented.

20 We'll move on to the state engineer's report, who
21 will -- which will be delivered by the deputy director for
22 transportation, our state engineer, Jennifer Toth.

23 Ms. Toth.

24 MS. TOTH: Good morning, Mr. Chair, members of
25 the board.

1 This month we have 128 projects under
2 construction, totaling about \$834 million. We've closed out
3 fiscal year-to-date '13 projects as well. That concludes the
4 state engineer's report.

5 I'd be happy to answer any other questions.

6 CHAIRMAN CHRISTY: Do any board members have any
7 questions or comments to the state engineer?

8 Hearing none, thank you for your report,

9 Ms. Toth.

10 We've move on to Item 10, construction contracts,
11 once again, will be delivered by our deputy director of
12 transportation, state engineer, Jennifer Toth.

13 MS. TOTH: Thank you. I want to thank the board
14 for approval of the 11 projects that were on the consent agenda,
15 and I have 13 contracts to go through that need board actions.
16 I'll try to make it quick.

17 So the first project is a striping and marking
18 project in the City of Coolidge. The department estimate really
19 considered seven working days to complete this. The low
20 bidder's estimate stated that their available crew and
21 equipment, they can complete that in four working days instead.
22 Based on this analysis of the bid, it appears that the low
23 bidder submitted a reasonable bid for the work, and it is
24 recommending that the contract be awarded to Road Safe Traffic
25 Systems.

1 CHAIRMAN CHRISTY: Vice Chair Anderson, this is
2 your district. Do you have any questions or comments?

3 MR. ANDERSON: No comments. I move for approval.

4 CHAIRMAN CHRISTY: There's been a motion to
5 approve by Mr. Anderson.

6 MR. LA RUE: Second.

7 CHAIRMAN CHRISTY: There's a second by Mr.
8 La Rue. All those -- discussion?

9 All those in favor of accepting and approving
10 staff's recommendation to award the contract for Item 10A to
11 Road Safe Traffic Systems signify by saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN CHRISTY: Opposed? Hearing no
14 oppositions.

15 Ms. Toth.

16 MS. TOTH: Moving on to Item 10B, it's a bridge
17 project in Gila County on the Forest Road 423, and the State's
18 estimate for structural concrete was based on a production rate
19 of 30 to 50 cubic yards per day prospectively, and the low
20 bidder indicated that those production rates are much lower
21 considering the fact that this project is on a poor service road
22 with many limitations and restrictions due to the tight
23 requirements. So based on this information and analyzing the
24 bid tabs, the State underestimated the cost of the project, and
25 the low bid appears to be reasonable. Therefore, it is

1 recommended that the contract be awarded to Meadow Valley
2 Contractors, Incorporated.

3 CHAIRMAN CHRISTY: Vice Chair Anderson, this is
4 your district. Any questions or comments?

5 MR. ANDERSON: No comments. Move for approval.

6 CHAIRMAN CHRISTY: There's been a motion by Vice
7 Chair Anderson to accept the motion.

8 MR. LA RUE: Second.

9 CHAIRMAN CHRISTY: Second by Mr. La Rue. There's
10 been a motion made and seconded to accept and approve staff's
11 recommendation to award the contract for Item 10B to Meadow
12 Valley Contractors, Incorporated. All those -- any discussion?

13 All those in favor signify by saying aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN CHRISTY: Opposed? Hearing no
16 opposition, the motion carries.

17 Ms. Toth.

18 MS. TOTH: Moving on to Item 10C, it is an
19 intersection improvement project located in Santa Cruz County,
20 and as a result of the bid winnings, the contractor estimated
21 the overall production rate to be slower than the department did
22 due to the constraints on the site itself. So based on the
23 above information, it does appear that the contractor's unit
24 prices are reasonable for this project. It is recommended that
25 Southern Arizona Paving and Construction be award the contract.

1 CHAIRMAN CHRISTY: Mr. Cuthbertson, this is your
2 district. Do you have any questions or comments?

3 MR. CUTHBERTSON: No comment. I'll move for
4 approval.

5 CHAIRMAN CHRISTY: There's been a motion to
6 approve the recommendation by Mr. Cuthbertson. Is there a
7 second?

8 MS. BEAVER: Second.

9 CHAIRMAN CHRISTY: Second by Board Member Beaver.
10 All those -- any discussion?

11 All those in favor of the motion to accept and
12 approve staff's recommendation to award the contract for Item
13 10C to Southern Arizona Paving and Construction Company signify
14 by saying aye.

15 BOARD MEMBERS: Aye.

16 CHAIRMAN CHRISTY: Opposed? Hearing no
17 opposition, the motion carries.

18 Ms. Toth.

19 MS. TOTH: Moving on to Item 10D, it is a
20 multi-use path along Charleston Wash in Sierra Vista, and the
21 low bidder did use (inaudible) production rate due to the
22 difficult access to the project site and curved pathway along
23 (inaudible) area. The low bid appears to be reasonable, and we
24 therefore recommend award to the -- awarding the contract to KE
25 & G Construction, Inc.

1 CHAIRMAN CHRISTY: Mr. Cuthbertson, this is your
2 district. Do you have any questions or comments?

3 MR. CUTHBERTSON: No comment. Move to approve.

4 CHAIRMAN CHRISTY: There's been a motion to
5 approve the recommendation by Mr. Cuthbertson. Is there a
6 second?

7 MR. ANDERSON: Second.

8 CHAIRMAN CHRISTY: Second by Vice Chairman
9 Anderson. Any discussion?

10 Hearing no discussion, all those in favor of the
11 motion to accept and approve staff's recommendation to award the
12 contract for Item 10D to KE & G Construction Company signify by
13 saying aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN CHRISTY: Opposed? Hearing no
16 opposition, the motion carries.

17 Ms. Toth.

18 MS. TOTH: Moving on to Item 10E, this is the
19 Meridian Road traffic interchange located in the city of Apache
20 Junction on US-60. The low bidder did explain that the hauling
21 costs of the stockpile materials through local roads per the
22 specifications resulted in a higher haul cost than the
23 department estimated. So based on the production rates, the --
24 some of the items were more estimated by the low bidder, those
25 were also lower compared to the department's production rate due

1 to the limited quantity and existing condition of the project.
 2 So based on this information, the department does recommend the
 3 contract be awarded to Hayden Building Corporation.

4 CHAIRMAN CHRISTY: Mr. Sellers and Mr. La Rue,
 5 these -- this is in your district. Do you -- either of you have
 6 any comments or questions?

7 Hearing no comments or questions, the chair would
 8 entertain a motion to accept and approve staff's recommendation
 9 to award the contract for Item 10E to Hayden Building
 10 Corporation. Is there a motion?

11 MR. SELLERS: Move for approval.

12 CHAIRMAN CHRISTY: Motion by Mr. Sellers.

13 MR. LA RUE: Second.

14 CHAIRMAN CHRISTY: Second by Mr. La Rue.

15 Discussion?

16 Hearing none, all those in favor of the motion to
 17 accept and approve staff's recommendation to award the contract
 18 for Item 10E to Hayden Building Corporation, signify by saying
 19 aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN CHRISTY: Opposed? Hearing no
 22 opposition, the motion carries.

23 Ms. Toth.

24 MS. TOTH: Moving on to Item 10F, this is a
 25 pathway project located on US-70 on the San Carlos Apache

1 Reservation, and the State's estimate for the roadway excavation
 2 had a typo in it. It was \$2 per cubic yard for roadway
 3 excavation, which it should have been \$20 per cubic yard. So
 4 therefore, the State's estimate is low, and the low bid is
 5 considered reasonable. It is recommended that the contract be
 6 awarded to AJP Electric.

7 CHAIRMAN CHRISTY: Vice Chair Anderson, this is
 8 your district. Any comments or questions?

9 MR. ANDERSON: I have no questions of staff.
 10 I'll move for approval.

11 CHAIRMAN CHRISTY: There's been a motion to
 12 approve the motion by Vice Chair Anderson. Is there a second?

13 MR. LA RUE: Second.

14 CHAIRMAN CHRISTY: There's a second by Mr.
 15 La Rue. Discussion?

16 All those in favor of the motion to accept and
 17 approve staff's recommendation to award the contract for Item
 18 10F to AJP Electric, Incorporated, signify by saying aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN CHRISTY: Opposed? Hearing no
 21 opposition, the motion carries.

22 Ms. Toth.

23 MS. TOTH: Moving on to Item 10G, this is a
 24 design build project on the Loop 202, from Loop 101 to Broadway
 25 Road, adding one general purpose lane and an HOV lane. Based on

1 the analysis, the aggressive schedule proposed by the Police
2 Granite Joint Venture will require a substantial amount of
3 equipment, personnel and materials to be on the project
4 simultaneously that we did not anticipate or estimate -- or put
5 into our estimate.

6 The department's estimate is also primarily based
7 on a design concept of 30 percent because of the design build
8 nature of this project. So based on that information, the low
9 bidder appears to have submitted a reasonable bid, and therefore
10 award of the contract is recommended to the Police Granite Joint
11 Venture.

12 CHAIRMAN CHRISTY: Board Members Sellers and
13 La Rue, this is in your district. Any questions or comments?

14 MR. LA RUE: I do have a question.

15 CHAIRMAN CHRISTY: Mr. La Rue.

16 MR. LA RUE: Jennifer, so you said the estimate
17 -- the State's estimate was at 30 percent plans. What was the
18 bid package on? Was it also bidding at the 30 percent plans?

19 MS. TOTH: It's a design build project, so --

20 MR. LA RUE: Okay.

21 MS. TOTH: -- the design builder has the same
22 information that we have at the time, but they obviously take
23 that information and look at that and decide how they're going
24 to approach the project. Different -- and which was different
25 than how we --

1 MR. LA RUE: So your estimate was at a 30 percent
2 completion. I mean, the design phase of the 30 percent when you
3 made the estimate, they bid it at that 30 percent?

4 MS. TOTH: Well, they --

5 (Speaking simultaneously.)

6 MR. LA RUE: The documents.

7 MS. TOTH: They -- how do I -- in the design
8 build project, they're going to actually design it up to 100
9 percent.

10 MR. LA RUE: Okay.

11 MS. TOTH: So they take a look at that. They
12 usually will develop it up to a certain percentage greater than
13 what we had during the bidding process in order to make their
14 estimate.

15 MR. LA RUE: I think I understand.

16 MR. SELLERS: I guess I have a quick question as
17 well. The \$11 million over the estimate, does that create any
18 problems with funding for this project?

19 MS. TOTH: No, sir.

20 CHAIRMAN CHRISTY: Any further questions? If
21 not, then we are -- the Chair would entertain a motion to accept
22 and approve staff's recommendation to award the contract for
23 Item 10G to Police Granite Red Mountain Joint Venture.

24 MR. SELLERS: Move for approval.

25 CHAIRMAN CHRISTY: There's a motion by --

1 MR. LA RUE: Second.

2 CHAIRMAN CHRISTY: -- Board Member Sellers, and a
3 second by Board Member La Rue to accept the motion.
4 Discussion?

5 All those in favor of the motion signify by
6 saying aye.

7 BOARD MEMBERS: Aye.

8 CHAIRMAN CHRISTY: Opposed? Hearing no
9 opposition, the motion carries.

10 Ms. Toth.

11 MS. TOTH: Moving on to Item 10H, this is a
12 multi-phase pathway project along the Salt River in Tempe, and
13 again, very limited access to the project site from the river
14 bottom. So using -- a need to use smaller equipment and a
15 slower production rate was how the low bidder bid it. So based
16 on that information, the department does recommend the contract
17 be awarded to Hunter Contracting Company.

18 CHAIRMAN CHRISTY: Board Members Sellers and La
19 Rue, this is in your district. Any questions or comments?

20 MR. SELLERS: (Inaudible.)

21 CHAIRMAN CHRISTY: No questions or comments from
22 the board members. Therefore --

23 MR. SELLERS: Moving for approval.

24 CHAIRMAN CHRISTY: There's a motion by Board
25 Member Sellers to accept the -- and approve the motion. Is

1 there a second?

2 MR. LA RUE: Second.

3 CHAIRMAN CHRISTY: Second by Board Member La Rue.
4 Discussion?

5 All those in favor of the motion to accept and
6 approve staff's recommendation to award the contract for Item
7 10H to Hunter Contracting Company, so signify by saying aye.

8 BOARD MEMBERS: Aye.

9 CHAIRMAN CHRISTY: Opposed? Hearing no
10 opposition, the motion carries.

11 Ms. Toth.

12 MS. TOTH: Moving on to Item 10I, this is a
13 fencing project on State Route 260 in Apache County. We -- in
14 talking with the low bidder, we received a good price on fencing
15 due to the length of the project, and so based on that, the low
16 bid appears to be reasonable. Therefore, it is recommending
17 that the contract be awarded to American Fence Company of
18 Arizona.

19 CHAIRMAN CHRISTY: Did you by any chance contact
20 board member -- former Board Member Rogers about the fencing?

21 MS. TOTH: No.

22 CHAIRMAN CHRISTY: So we'll proceed. There is no
23 representative at this time for that district. So if there are
24 no questions regarding this contract, the Chair would entertain
25 a motion.

1 MR. ANDERSON: So moved.

2 CHAIRMAN CHRISTY: There's a motion by --

3 MS. BEAVER: Second.

4 CHAIRMAN CHRISTY: -- Vice Chairman Anderson, and
5 seconded by Board Member Beaver to accept and approve staff's
6 recommendation to award the contract for Item 10I to American
7 Fence Company of Arizona. Discussion?

8 Hearing no discussion, all those in favor signify
9 by saying aye.

10 BOARD MEMBERS: Aye.

11 CHAIRMAN CHRISTY: Opposed? Hearing no
12 opposition, the motion carries.

13 Ms. Toth.

14 MS. TOTH: So moving on to Item 10J, this is a
15 pavement marker project at various locations across the state.
16 The low bidder owns machines and had the ability to engage two
17 crews to install the pavement markers, thus eliminating the need
18 to rent equipment or to subcontract out some of the work, which
19 the department estimated as one crew with a portion of the work
20 to be subcontracted, which raised the department's unit prices
21 for this work. So based on this analysis of the bid, it appears
22 that the low bidder submitted a reasonable bid, and it is
23 recommended that the contract be awarded to Sunline Contracting,
24 LLC.

25 CHAIRMAN CHRISTY: Any questions regarding this

1 contract? Hearing no questions, the Chair would entertain a
2 motion regarding this project.

3 MR. LA RUE: So moved.

4 CHAIRMAN CHRISTY: There's a motion by --

5 MS. BEAVER: Second.

6 CHAIRMAN CHRISTY: -- Board Member La Rue and
7 seconded by Board Member Beaver to accept and approve staff's
8 recommendation to award the contract for Item 10J to Sunline
9 Contracting. Discussion?

10 Hearing no discussion, all those in favor of the
11 motion signify by saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN CHRISTY: Opposed? Hearing no
14 opposition, the motion carries.

15 Ms. Toth.

16 MS. TOTH: Moving on to 10K, this is a signal and
17 lighting project in Safford. The low bid exceeds the amount of
18 the federal and local funds that are programmed for this
19 project. The City of Safford is working with Seego (phonetic)
20 to determine if additional funds can be made available to the
21 project. So therefore, the department and the City of Safford
22 request that the board postpone action on this project to the
23 next board meeting to allow time for Safford to determine if
24 additional funds can be made available.

25 CHAIRMAN CHRISTY: Vice Chairman Anderson, this

1 is your district. Any questions or comments regarding this
2 project?

3 MR. ANDERSON: No, no questions of staff. Just
4 move to approve the recommendation from staff to postpone.

5 CHAIRMAN CHRISTY: There's been a motion made by
6 Vice Chairman Anderson to approve the motion. Is there a
7 second?

8 MS. BEAVER: Second.

9 CHAIRMAN CHRISTY: Second by Board Member Beaver.
10 Discussion?

11 All those -- the motion is to accept and approve
12 staff's recommendation to postpone action on Item 10K to the
13 next board meeting. Any discussion?

14 Hearing no discussion, all those in favor of the
15 motion, signify by saying aye.

16 BOARD MEMBERS: Aye.

17 CHAIRMAN CHRISTY: Opposed? Hearing no
18 opposition, the motion carries.

19 Ms. Toth.

20 MS. TOTH: Moving on to Item 10L, this is an
21 erosion control project on State Route 260. The department does
22 need some additional time to complete its review of the bids
23 received on this project before making a recommendation
24 concerning the award. So the department therefore requests that
25 the board postpone an action on this project to the next board

1 meeting.

2 CHAIRMAN CHRISTY: Six? Who's (inaudible) six?
3 Is that you?

4 MS. BEAVER: Yes.

5 CHAIRMAN CHRISTY: Ms. Beaver, this is your
6 district. Do you have any questions or comments?

7 MS. BEAVER: No comment. Move for approval.

8 CHAIRMAN CHRISTY: There's been a motion --

9 THE WITNESS: Or move to approve the
10 recommendation of postponement.

11 CHAIRMAN CHRISTY: There's been a motion to move
12 the -- to accept the recommendation to postpone it by Board
13 Member Beaver. Is there a second?

14 MR. CUTHBERTSON: Second.

15 CHAIRMAN CHRISTY: Second by Board Member
16 Cuthbertson. Discussion?

17 All those in favor of accepting and approving
18 staff's recommendation to postpone action on Item 10L until the
19 next board meeting signify by saying aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN CHRISTY: Opposed? Hearing no
22 opposition, the motion carries.

23 We're almost there, folks, hang in there.

24 Ms. Toth.

25 MS. TOTH: It was a busy month.

1 Moving on to Item 10M, this is a landscaping
 2 project in the City of Yuma. The amount of the low bid exceeds
 3 the amount of the federal funds and the City of Yuma funds that
 4 are programmed for this project. Because the bid amount does
 5 exceed the project budget, the City has asked the department to
 6 not award this project and instead re-evaluate the scope of the
 7 work and re-advertise this project on a future date.

8 All bidders were notified of the department's
 9 proposal or recommendation to reject all bids. We have not
 10 received any response from any of the bidders as to the
 11 contrary. So the department does recommend that the board
 12 reject all bids so the department and the City of Yuma can
 13 reconsider the scope and the budget for this project and
 14 determine an appropriate course of action.

15 CHAIRMAN CHRISTY: Board Member Beaver, this is
 16 your district. Do you have any questions or comments?

17 MS. BEAVER: No, no comments. I move to accept
 18 the recommendation of reject all bids.

19 CHAIRMAN CHRISTY: There's been a motion by Board
 20 Member Beaver to accept the recommendation. Is there a second?

21 MR. CUTHBERTSON: I'll second.

22 CHAIRMAN CHRISTY: Second by board member
 23 Cuthbertson to accept and approve staff's recommendation to
 24 reject all bids received in connection with Item 10M.
 25 Discussion?

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

3 BOARD MEMBERS: Aye.

4 CHAIRMAN CHRISTY: Opposed? Hearing no
 5 opposition, the motion carries.

6 Thank you, Ms. Toth.

7 MS. TOTH: Thank you.

8 CHAIRMAN CHRISTY: And we'll move on to the final
 9 agenda item, which is suggestions for the next board meeting.

10 I would like to ask that a -- another
 11 discussion/presentation by Mr. Kies and Mr. Omer regarding
 12 developments from this time forward regarding the final draft of
 13 the I-11 and Intermountain West Corridor study be agendized.

14 Are there any other suggestions from any other
 15 board members?

16 Again, thank you, Casa Grande, for hosting us and
 17 for your hospitality.

18 If there's no more announcements from staff,
 19 Mr. Roehrich, Ms. Beckley.

20 MR. ROEHRICH: Mr. Chair, the one thing I would
 21 like to just be able to remind the board this last month about
 22 (inaudible), we do have planned a board study session the 21st
 23 of October, that's a Tuesday, and right now we are tracking the
 24 three items for that study session. That's the DPS and ADOT
 25 incident report -- or incident management during incidents on

1 the freeway, an overview of the P3 program and policy that
2 Mr. La Rue had asked for, and as well as future funding,
3 transportation funding revenue options that Mr. Sellers asked
4 for. So those are the three items right now that we have
5 tracking for that study session.

6 CHAIRMAN CHRISTY: And you will be notifying the
7 board as it approaches us?

8 MR. ROEHRICH: Yes, sir. Ms. Beckley will be
9 sending out, again, reminders of that as well as (inaudible).

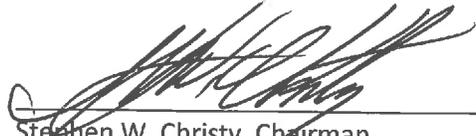
10 (End of excerpt.)

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Adjournment

A motion to adjourn the public hearing was made by Deanna Beaver and seconded by Kelly Anderson. In a voice vote, the motion carries.

Meeting adjourned 11:05 a.m. MST



Stephen W. Christy, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation