

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, December 12, 2014
Pima Association of Governments (PAG)
Santa Rita Conference Room
1 East Broadway Blvd., Suite 401
Tucson, Arizona 85701

Pledge

The Pledge of Allegiance was led by Chairman Steve Christy.

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

Opening Remarks

Chairman Christy expressed his gratitude for the dinner event on Thursday evening and sponsors, Arizona Transportation Builders Association, Southern Arizona Leadership Council, Tucson Electric Power and Tucson Metro Chamber, PAG and RTA. He expressed gratitude regarding the collaboration and partnership that ADOT and Board has diligently worked for with the people of southern Arizona and Pima County and PAG. He feels that this collaboration and willingness of ADOT staff should be nurtured, preserved and improved upon going forward. He expressed his appreciation for the Director and ADOT staff for all of their hard work. Board member La Rue thanked the Chairman for his dedication and service this year.

Call to the Audience

The following member of the public addressed the Board:

1. Jonathan Rothschild, Tucson Mayor, re: welcome Board and thank Chairman Christy for six years of service to state with a southern Arizona emphasis; transportation and trade important to Arizona; expansion of SR189 is top priority and appreciation of advancing the project in the five year plan; improvement of I-19 and expansion of I-10; expressed appreciation for Rod Lane and ADOT staff.
2. Dr. John Moffatt, Pima County Board of Supervisors, re: welcome to Southern Arizona and Pima County and thanked Chairman Christy service on Board and involvement with PAG; prioritization of Aho project on I-19; appreciate the progress on SR189, assistance of Rod Lane and the continued development of the Sonoran Corridor; supports I-11 funding for EIS.
3. Ted Maxwell, VP of Southern AZ Leadership Council, re: appreciates Board visiting all districts around the state; thanked Chairman Christy for leadership and to Board for willingness to listen on I-11; I-19 and Key Commerce Corridors; ADOT Director, staff have been impressive and an honor to work with them.
4. Randy Heiss, SEAGO Exec. Director, re: appreciates efforts of ADOT on SR189 and hopes to accelerate the project; passed SEAGO resolution to work together with stakeholders to explore additional funding and statutory flexibility to advance SR189 into five year program; thanked service of Chairman Christy.
5. Karen Lambertson, Cochise County Transportation Planner and SEAGO, re: welcome from Southeastern area of Arizona; Bates Well Road project construction before Board next year; Item 10,

deferrals for Cochise TI and Texas Canyon Rest Area and hopes for only a short delay for these improvements and to get them back into the program; appreciates Bill Harmon and staff.

6. David Scholl, Vintage Partners Real Estate, re: closed escrow on 170 acres at the SE co. of I-10/Twin Peaks and appreciates work of ADOT staff and Town of Marana to solve administrative issues for the intersection interchange to help process for the development of the Tucson Premium Outlets.
7. Paul Keesler, Oro Valley, re: thanked Chairman Christy for service and dedication to solve transportation issues down in southern AZ; appreciates Rod Lane/ADOT staff for work on solutions; Oracle Road expansion on target; offer support on I-11 corridor, I-19, SR 189, and thanked Chairman Christy for service.

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1 (Beginning of excerpt.)

2 CHAIRMAN CHRISTY: We'll proceed with the agenda
3 then, to Item 1 our district engineer's report, which will be
4 presented by the Tucson district engineer, Mr. Rod Lane.

5 UNIDENTIFIED SPEAKER: I just want to know if his
6 credit card has been maxed out.

7 MR. LANE: Well, let's see if this works. It
8 does.

9 Good morning, Mr. Chair, Mr. Director, members of
10 the board. Thank you for the opportunity to have me present
11 here this morning.

12 My last update to this board was in September.
13 So given that the occasion that this is Mr. Christy's last
14 meeting as chairman of the board, I'd like to take the
15 opportunity to highlight some of the significant issues that
16 have occurred within Pima County during Mr. Christy's time on
17 board.

18 The first project I'll talk about is the Twin
19 Peaks Project that someone's already mentioned, and that's was
20 under construction or just starting under construction when
21 Mr. Christy arrived, and that was a \$50.5 million project and
22 was a cooperative effort between ADOT, PAG and the Town of
23 Marana. It provided a brand-new connection for the development
24 west of the Santa Cruz, to access new and proposed development
25 to the east and also across I-10 and go over the Union Pacific

1 railroad. Here you can really see all the connection, the new
2 Santa Cruz River bridge. The pointer doesn't work, so... The
3 new Santa Cruz river bridge, the new TI, the new side streets,
4 Tiffany Loop and the connection both to the east and west.

5 Another major project that was going on or just
6 starting was the Mar (phonetic) Station Project. It was
7 actually three phases -- a three-phase project totaling \$28
8 million, and its purpose was to address a pinch point on I-10
9 where the Union Pacific railroad went over the highway and the
10 highway went over the Seaneca (phonetic) Creek.

11 Phase one and two consisted of providing a new
12 railroad bed for the -- for a new railroad alignment on the
13 north side of I-10, and building a new Mar Station TI. Phase
14 three consisted of demolishing the old Union Pacific railroad
15 overpass and reconstructing I-10 and widening it with new
16 bridges over the Seaneca Creek, and you can kind of see the new
17 railroad alignment going along the north side of I-10, the new
18 TI in the center right there, and then the widening section on
19 the -- on the other -- that curvy line on the bottom is the old
20 railroad alignment that's still used for more storage than
21 anything else.

22 The \$76 million Prince Road Project added main
23 line capacity to the I-10 while also relieving a significant
24 safety and congestion problem by spanning the Union Pacific
25 railroad. Here you can see the connectivity increased from the

1 east to the west on both side -- both -- as it goes over both
2 the interstate and the Union Pacific railroad.

3 Finally, the \$34 million SR-77 project from
4 Tangerine Road to Pinal County line is currently under
5 construction. When completed, it will continue the six-lane
6 section that currently exists south of Tangerine, north to the
7 Pinal County line. The unique aspect of this project are the
8 two RTA funded wildlife crossings that are being constructed as
9 part of it. There will be one crossing under the highway and
10 one crossing over the highway, and this photo shows the
11 construction of the crossing over the highway. The one in the
12 upper right there.

13 Including the project I've mentioned, there are
14 ten expansion projects in Pima County during this time totaling
15 \$194 million. Along with the expansion projects, there have
16 been 17 modernization projects in Pima County totaling \$40
17 million, projects like traffic signals, updating disability
18 access and generally modernizing our system.

19 Finally, there have been a total of 22
20 preservation projects in Pima County during this period totaling
21 \$30 million. These projects preserve and protect our existing
22 system, projects like pavement preservation, scour retrofit to
23 protect ADOT bridges and bridge deck rehabilitation projects.

24 Along with the projects that are constructed --
25 excuse me, that are in the construction work been completed,

1 there are some significant expansion projects that have been
2 placed in the five-year construction plan as well during this
3 period. They include the Ajo TI, this federally -- this FHWA
4 and RTA-funded project will be done in two phases, and will
5 upgrade and expand I-19 and the interchange along with replacing
6 the existing bridge over the Santa Cruz River.

7 The SR-86 project, Valencia to Kinney, this
8 project will widen, and expand a vital corridor for traffic
9 coming to and from Tucson to the west. The Ina Road TI. Again,
10 this is a two-phase project funded by both the RTA and the FHWA,
11 and it will expand the capacity on I-10, provide a safe crossing
12 over the Union Pacific railroad and replace the existing Ina
13 Road bridge over the Santa Cruz River.

14 The Ruthrauff TI is also included in this, and
15 this project is the last of the big TI replacement projects on
16 I-10 north of the I-19 interaction within the Tucson urban area.
17 We've got more projects outside of that, but this is kind of the
18 one that works -- the last big one in the city, and it will
19 provide an expanded I-10 and provide a safer bridge over the
20 Union Pacific railroad.

21 And finally, the last year -- in the last year of
22 the five-year plan, the big project is going to be the I-10
23 Houghten Road TI. \$25 million project to upgrade and expand
24 this vital TI on Tucson's southeast section.

25 Finally, I'll talk about something that was

1 introduced during this -- during Mr. Christy's time on the
2 board, and that's the five- to ten-year development plan. And
3 there are quite a few large projects that are proposed in Pima
4 County as part of this plan. They include the country club TI
5 in fiscal year '21, the Kino Road TI or Campbell Road TI in
6 fiscal year '22, the Irvington Road TI on I-19 in fiscal year
7 '23, and the Valencia Road TI in fiscal year '24. These
8 projects, though still in the planning stages, provide a view of
9 the work that's still to come in the PAG area.

10 Finally, on behalf of ADOT's Tucson district, I'd
11 like to thank Mr. Christy for his service and dedication to the
12 advancement of ADOT's system within Pima County and across the
13 state. Thank you, Mr. Christy.

14 CHAIRMAN CHRISTY: Thank you, District Engineer
15 Lane.

16 Does any board members have any questions of any
17 statements that Mr. Lane made?

18 I would like just to echo what we've already
19 (inaudible) from previous speakers about your commitment and
20 effectiveness as a district engineer here and for your hard
21 work. It's greatly appreciated not only from the citizens of
22 Pima County but from me as well. I applaud you for your
23 willingness, and I thank you as well. Thank you.

24 MR. LANE: Thank you very much.

25 CHAIRMAN CHRISTY: We'll now proceed with Item 2

1 of the agenda, the director's report. And we'll hear from the
2 director of the Arizona Department of Transportation, Mr. John
3 Halikowski.

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

5 What I wanted to do today was talk to the board
6 about the issue of technology, and I think it's fitting at this
7 time as we approach 2015 to have a discussion on where Arizona
8 and actually the country is heading with vehicle-to-vehicle
9 technology, vehicle-to-infrastructure technology and, of course,
10 vehicle to handhelds, or as we call it, V to X. So it's
11 important from many different perspectives that Arizona remain
12 involved and connected to what's happening.

13 So my purpose today is to provide you with an
14 overview and start a discussion about the challenges and
15 opportunities about the connected vehicle technology that we as
16 Arizona's transportation leaders are going to have to begin
17 addressing in the near future. So we've all heard about the
18 Google driverless car, and you will obviously, I think, as a
19 person involved in the vehicle industry know that more and more
20 devices are coming out, whether it's braking systems, whether
21 it's lane departure systems or other detection systems that
22 vehicles are being fitted with.

23 I attended the Intelligent Transportation Systems
24 World Congress in Detroit, Michigan this year, where the latest
25 in transportation technology was discussed and on display and

1 actually demonstrated over several days. So the week of
2 exploring this was culminated in a state DOT CEO leadership
3 forum hosted by the American Association of State Highway and
4 Transportation Officials. That forum which I was a part of
5 brought together 22 executive level leaders from state DOTs
6 across the country. The AASHTO folks, the Federal Highway
7 Administration, the Transportation Research Board, which I also
8 sit on, and the European Commission to discuss the opportunities
9 and challenges posed by emerging technologies of these connected
10 vehicles.

11 But more importantly than just meeting, we were
12 discussing actions that we as states are going to need to take
13 to prepare regarding this connected transportation system. The
14 problem is there are many uncertainties as we move forward into
15 the future, and they're associated with how we would deploy this
16 connected technology, and the discussion was also focused on the
17 potential implications of these technologies to the state DOTs,
18 because what we're seeing in the technology curve is that you
19 look at telephones, for instance, invented in the late 1800s, it
20 took probably close to 100 years to get to those first clunky,
21 walkie-talkie type mobile phones that we were using, but a much
22 shorter time to go from those to this. And as we're seeing now
23 with computer chip manufacturing, the technology's almost -- the
24 curve is almost straight up. And so technology is being
25 developed faster than we can actually implement it.

1 So this is a constant challenge to us is this
2 rapid deployment. They're already -- we're probably already one
3 or two generations behind many of the current deployments. So
4 as connected vehicles and these technologies become more
5 commonplace, ADOT and to some extent the State Transportation
6 Board is going to have to adapt to the landscape by
7 incorporating connected vehicles into our existing planning
8 processes and infrastructure, managing systems while
9 implementing new technologies, considering policy directions
10 that we're going to have to take for planning, designing and
11 funding the transportation network, preparing for queries from
12 the legislature and the public, and then equipping a workforce
13 with the knowledge necessary and the skill set to handle the
14 challenges and maximize the opportunities of the future
15 transportation system, and all the while continuing what we're
16 doing in providing the public with a safe and efficient system.

17 So there's five themes that the CEO forum
18 identified that are emerging themes. The first one of those is
19 competing priorities, and that's mostly related to funding
20 transportation modes and several other core issues that we're
21 going to need to address. The connected vehicle technology had
22 some major implications for infrastructure design. Many of
23 those decisions still need to be made. But there's little
24 consensus or guidance from the federal agencies involved,
25 whether it's the FCC on direct short range communications

1 between infrastructure and vehicles, whether it's FHWA on what
2 rules will govern construction of the technology and the
3 roadways, or whether it's the National Highway Traffic Safety
4 Administration on what these devices will do from a safety
5 perspective or not as they're put into these vehicles.

6 So the best way that DOTs, I think, can proceed
7 is to proceed with some caution to make sure that we don't
8 become the installers of the Betamax version of this technology,
9 because we want to be sure that whatever we invest in in the
10 future, the industry, the auto industry is not going to move in
11 a different direction rendering our investment useless at that
12 point. So there needs to be a very strong partnership, we
13 believe, perhaps a P3 partnership between the states and the
14 auto industry so that whatever we are deploying out there, we're
15 doing in partnership so that both of us have skin in that game
16 with that equipment.

17 The other major issues we're facing are data
18 collection, the usage and the governance of who owns that data
19 and who has authority as to what happens to it. This is going
20 to be a central issue in connected vehicle implementation, and
21 again, there are opportunities, we believe, to work with the
22 private sector to address some of these challenges, but that
23 data collection, where it's stored, what its accessibility is,
24 are going to be some major policy issues.

25 And then, of course, the safety and mobility that

1 connected vehicles bring will have to be balanced with security
2 and privacy concerns, because the more data you collect and the
3 data that can be recorded by vehicles, the more people are
4 concerned about what is shared about their privacy. And then,
5 of course, the innovation is accelerating, and this is creating
6 workforce challenges for our state DOTs. We find ourselves, you
7 know, in a very different day than when Floyd was a new engineer
8 hired on as to what skill sets we'll be looking for in the
9 future.

10 So we discussed some potential actions state DOTs
11 can take to prepare, and the future, we believe, has literally
12 unlimited potential when it comes to connected vehicles and
13 where the technology may go. We've seen the demonstration of
14 the driverless car, and certainly that's something maybe in the
15 next 25 to 30 years could become a reality. Differences of
16 opinion on that. Some think it will happen sooner, but given
17 all the challenges I've studied as parts of these forums and
18 these discussions, I think we still have a ways to go before
19 we'll see a truly driverless car on the road.

20 The funding questions and approach to deployment,
21 we're going to need some more analysis and discussion. The
22 consensus driven vehicle to infrastructure policy statements,
23 and we're going to need secure financial support in a future
24 transportation bill from Congress, which we don't have at this
25 point, but that's going to be essential to moving connected

1 vehicles forward. As I said, we need to form coalitions before
2 we deploy this technology since we don't want to put something
3 out there that we'll be holding the bag on later.

4 And then the data strategies. We have some early
5 examples that I think should be noted about connected vehicle
6 success. Arizona is a prepass state, which means that we have
7 weigh-in-motion scales over the state. We also have prepass at
8 our ports of entry, which is essentially a truck screening
9 system that is based on company safety records. Those include
10 not only the weigh-in-motion scales, but cameras and other
11 readers that we deploy to ensure that the truck is permitted,
12 the truck has had recent inspections, there's no out of service
13 orders pending.

14 But the other things we're looking at is how do
15 we gather data to ensure that all of the revenue issues with
16 that vehicle have been taken, because in New Mexico where we saw
17 some sample technology deployed, they were able to increase
18 their truck revenues by 25 percent just by tying in different
19 databases to ensure that state and federal databases were all
20 giving either a green light or a pull over light. This
21 technology itself is going to continue to the point where we'll
22 see truck platooning on highways. Some of that has already been
23 demonstrated where you might have three or four trucks
24 platooning because there's significant fuel savings and time
25 savings when they do that. So we've got a good basis to start

1 in the freight industry. The question will be how some of those
2 now transfer over into the passenger vehicle industry.

3 We also have to look out for restrictive laws
4 and regulations, because those could stifle some of the
5 innovations that we're looking for. So a few states so far,
6 Michigan being one in Ann Arbor, have engaged in a number of
7 pilot tests, proof of concept work, research, and other planning
8 and policy activities.

9 Arizona, in conjunction with Maricopa County, has
10 a test bed at Anthem where we're currently studying some
11 communication issues with vehicles to infrastructure as far as
12 stop signals and emergency vehicles and how those will be
13 triggered. So there's some things we're doing, and we've been
14 noted nationally as a test bed, and US DOT recently announced
15 they've got an aggressive pilot program. They're going to be
16 providing multiple grant awards through 2020 for the
17 implementation of connected vehicle pilot tests. Undoubtedly,
18 we at ADOT will be pushing to be involved in some of those.

19 So private sector representatives recently at the
20 ITS World Congress made clear that they're going to be
21 accelerating their efforts to develop and deploy ITS technology,
22 so to keep pace, we are going to have to step up our game also
23 at the DOT. So in the next few years, I envision that the
24 department and the transportation board are going to be working
25 closely together to discuss planning and programming of the

1 commercial vehicle technologies and challenges so that we can
2 improve safe and efficient operations.

3 I'd be happy to take questions, Mr. Chairman.

4 CHAIRMAN CHRISTY: Thank you for that most
5 interesting and eye-opening report, Director. I do want to
6 indulge for just a minute as the director, and I would like my
7 Phoenix board members to take a particular note. Would the
8 director please stand and face the audience and show what is on
9 your lapel?

10 MR. HALIKOWSKI: I am wearing University of
11 Arizona (inaudible). Just to show my respect and report for all
12 -- for respect -- support for all of southern Arizona.

13 CHAIRMAN CHRISTY: Very good.

14 UNIDENTIFIED SPEAKER: That or he lost a bet.

15 CHAIRMAN CHRISTY: Thank you, Director, for that
16 report.

17 We'll proceed with Item 3, the consent agent.
18 Unless there are -- yes.

19 MR. SELLERS: Is this a point where we could ask
20 the director questions?

21 CHAIRMAN CHRISTY: I don't believe we can. Is
22 that correct?

23 (Inaudible cross talk.)

24 MR. SELLERS: Okay. Well, John, as you know,
25 this is an agenda item that I requested because I believe that

1 ITS is potentially the most cost effective means of increasing
2 capacity and safety that we -- we have. So I guess my question
3 to you is are we looking at anything where we could do
4 demonstration projects that would show people the cost
5 effectiveness of this? And is the -- is a larger group working
6 to establish some kind of a P3 relationship with the auto
7 industry to try to further this?

8 MR. HALIKOWSKI: So let me take your first
9 question first, Mr. Chairman, board member.

10 There is the test bed at Anthem that you could
11 show people how you might use connected vehicle infrastructure
12 for stop signals, but the answer -- other answer to your
13 question is that we're looking at Arizona, Texas, New Mexico and
14 California deploying a test, if you will, a pilot program on
15 platooning of trucks, because one of the big problems we face
16 from an economic perspective is the patchwork of trucking
17 regulations across the country, but particularly in the western
18 United States. So we would like to improve the freight flow and
19 make that more efficient, and through some of those
20 demonstrations transfer what we learn into passenger vehicles.
21 So right now, we're in the very beginning stages of discussing
22 with the four states that run along I-10 a pilot program where
23 we would platoon a number of trucks and run them from Texas to
24 California and take a number of measurements on efficiencies and
25 fuel savings.

1 Part of the first answer also depends on the
2 answer to your second question, as to who's taking the lead.
3 The field is pretty broken up right now as to who's doing that.
4 NHTSA is passing some rules that if they haven't approved, they
5 shortly will on installing these devices into vehicles. But one
6 of the big problems we face with 50 plus car manufacturers is
7 what computer language will they use to talk to the
8 infrastructure? And there needs to be some basics decided on
9 that before states can move forward, because we're still not
10 quite sure that the stoplight or other connected piece of
11 infrastructure to see around corners or things will be able to
12 speak to all vehicles. And so that's another issue that we're
13 dealing with.

14 The third is that you have to have very fast,
15 very wide pipelines for communications, because as we've seen
16 with LIDAR and other communications devices as these vehicles
17 are sweeping forward for detection, there's a lot of data coming
18 in, and it has to be able to recognize and respond very quickly.
19 There's a band called 5.9 gigahertz that was reserved in
20 transportation regulations for the state DOTs to use. However,
21 we've been debating this issue a long time, and that wavelength
22 has been out there, and it is highly sought after by the
23 telecommunications industry as they are transmitting more and
24 more data over that -- that bandwidth.

25 So the FCC has not yet finished their proposed

1 rule making as to how much bandwidth, if any, will be divided up
2 between the transportation industry and the telecommunications
3 industry. So we're watching that quite closely. The public
4 private partnership has not been decided yet. I -- as I said, I
5 sit on the Transportation Research Executive Board, and I've
6 talked to some of the car manufacturers like Honda's R and D
7 leaders, and I said, one of the big problems we face is that we
8 haven't really come together yet on who's going to cover the
9 cost of these installations. Certainly the state has some skin
10 in the game, but it would be really good if we could somehow
11 work out a consortium where we were in this together. So that
12 idea is in its infancy.

13 I think that the car industry or vehicle industry
14 would like the states to go out and start installing this
15 infrastructure. In some states they have begun pilots, like in
16 Ann Arbor, but wholesale installation has not begun yet. And so
17 it has to be a balance between how much are we willing to invest
18 in infrastructure and is the risk a good risk that that
19 infrastructure will be able to keep up with the technology.

20 So from my perspective, whatever we install has
21 to be pretty flexible to adapt to changing technologies in the
22 future, and so we continue to work through these national
23 organizations with the vehicle manufacturing industry, but we
24 have to also be careful because there are a number of antitrust
25 laws that we have to watch out for as we gather to discuss these

1 things. So it's a challenging field.

2 I've been to Japan, and I've been monitoring
3 what's going on in Europe. Those countries are moving forward
4 with connected vehicle technologies. They have some areas where
5 they've been installed. Some parts of the state might lend
6 themselves better than others. But when you go back to safety
7 issues, dust storms are a great example, we need a bigger data
8 pipeline to exchange information about dust storms. Right now
9 what we are using is wireless, and you can only put through so
10 much data on the wireless band. In the future we're probably
11 going to be needing to put some fiber in where we construct
12 roadways, because it's not just the information between the
13 vehicle and the piece of infrastructure. That also has to go to
14 a central location and then there is the back haul back to the
15 device, to the vehicle. So a number of challenges, but we need
16 to keep moving forward.

17 MR. SELLERS: Well, and another element of this,
18 I think, that for areas like MAG and PAG, is developing managed
19 lanes.

20 MR. HALIKOWSKI: Uh-huh.

21 MR. SELLERS: And certainly that requires some
22 bandwidth as well, I suppose.

23 MR. HALIKOWSKI: It does. And we're open to
24 discussing how that could happen, but again, the regional
25 councils of the MAG and PAG, they need to decide, you know, is

1 the managed lanes something they want to do and then how will
2 they be funded. Because if they're going to be funded by a user
3 fee, also that's going to take some public input, but certainly
4 open to that idea, and as you know, they have been done
5 successfully in other states. So that's fairly well proven
6 technology that we could install to do that.

7 MR. SELLERS: Thank you.

8 CHAIRMAN CHRISTY: Thank you, Board Member
9 Sellers for those questions, and thank you, Director, for your
10 report. Appreciate it.

11 MR. HALIKOWSKI: One other item, Mr. Christy,
12 that was just mentioned by Mayor Rothschild under other
13 business, he mentioned the highway safety plan, and I'd just
14 like to report that Arizona's state highway safety plan, we
15 recently submitted to the feds, was recognized as the model that
16 FHAWA is going to use the way it was developed and presented as
17 the model for other states to follow. So congratulations to the
18 staff. We've submitted the model plan, according to the feds.

19 CHAIRMAN CHRISTY: Well, congratulations.

20 Very good. We'll move on to the consent agenda,
21 unless the individual board members have any items on the
22 consent agenda that they'd like to have polled and discussed.

23 I'll entertain a motion to approve the consent
24 agenda.

25 MR. SELLERS: Chairman, move for approval of the

1 consent agenda.

2 CHAIRMAN CHRISTY: Mr. Sellers moved to approve
3 the consent agenda. Is there a second?

4 MS. BEAVER: Second.

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

7 Hearing to discussion, all those in favor of
8 moving the consent agenda as presented, signify by saying aye.

9 BOARD MEMBERS: Aye.

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

12 We'll move on to Item 4, major transportation
13 accomplishments, and we will hear from the deputy director of
14 policy of -- from ADOT, Mr. Floyd Roehrich.

15 MR. ROEHRICH: Thank you, Mr. Chair, and good
16 morning to you and all the board members.

17 One of the issues we usually do in the last
18 meeting of the outgoing board chair is to talk a little bit
19 about the accomplishments in general. You saw Mr. Lane talk
20 about the accomplishments within the board district that
21 happened, but in the six years that the board members are on the
22 board, there's a lot of issues as a State Transportation Board
23 this board has to address. And so what we'd like to do is just
24 take a few minutes, talk a little bit about some of those, and
25 just remind -- maybe as a way to remind you and your peers on

1 the board all the things that -- the major issues that you had
2 to deal with during your tenure on the board.

3 Let's see. You started with this board in 2009,
4 which is about the time the whole economy tanked and our funding
5 tanked. Not that that's a direct correlation. What that's a
6 direct correlation to is what you and your peers have had to do,
7 and it really points to the leadership and the diligence and the
8 sound reasoning that you and the board end up having to deal
9 with on these transportation issues. As the agency and the
10 board look to set the priorities, look to look at -- at the
11 statewide needs and figure out within the five-year program
12 within the priorities set, within all of the issues we need to
13 deal, how you find that balance.

14 Prior to that 2009 period, this state was in such
15 a great growth, we were probably putting three-quarters of
16 funding, transportation funding into major expansion and really
17 making connectivities and improving connectivities to -- around
18 the state to really increase mobility, to really help the state
19 with the growth. At that time, in 2009 and beyond, this board,
20 and again, under your leadership and with you and your peers,
21 really helped the agency reset the priority and the vision for
22 transportation, really going from a major expansion program to
23 really about two-thirds in preservation. We've got a over \$19
24 billion dollar investment in infrastructure. We did not want to
25 continue to see that degrade or lose the benefit of that,

1 especially with the importance of the transportation network to
2 the rural areas as well as major throughput for economic
3 development, economic opportunities.

4 So within that time frame, looking at a board
5 that has set priorities, has helped with policism, helped in the
6 balance with the agency, to go from a major expansion program to
7 about two-thirds preservation and one-third spot investment for
8 economic opportunities, mobility and safety, never wanting to
9 forget that impact. So that's really kind of the basis of how,
10 Mr. Christy, you started with your tenure on the board, and as
11 you and the peers have left and come on, how this board has
12 really looked at how it's functioned over the last six years.

13 So when you look at those major accomplishments,
14 you really start out with, yeah, some major, major projects that
15 were completed such as the Hoover Dam bypass bridge or -- in
16 this case the bridge on US-93, the Michael O'Callaghan and Pat
17 Tillman Memorial Bridge. That was a major connectivity and
18 major safety issue that needed to be done, not just for the
19 State of Arizona, but locally, regionally as well. That was a
20 significant issue.

21 Along with that, you and your peers helped us
22 establish the long range transportation plan in 2011, which
23 really, as we said, set the priorities that have addressed the
24 funding we have, the near term future, but the long-term future
25 of transportation, where it needs to go in this state to not

1 just move economy, move the mobility, move our citizens and
2 commerce, but how it's done safely, how it's done responsibly.
3 That was a major accomplishment for this board. We do that
4 about every five to ten years, develop a new -- a new long range
5 plan, and it was a very significant accomplishment.

6 Within that time frame, you've seen a number of
7 five-year programs each year being developed, and again, those
8 are developments within the five-year program have seen us
9 listen to the stakeholders, have seen this board work with
10 public input, and together through their debate, through their
11 discussions, have developed a program that really has seen some
12 major projects move forward. The US-93 projects to continue
13 that widening, State Route 260, US-60, along with I-10
14 expansion. But it's also given us within, as has been pointed
15 out, that six- to ten-year time frame to continue to keep
16 developing of the State Route 189 projects. A major economic as
17 well as localized project, but it has great benefit to the whole
18 state.

19 Continuing on with addressing the potential of a
20 future interstate is -- in Interstate 11, continuing to move
21 forward with the planning and the discussion on that. As we've
22 continued to address other very specific needs under your tenure
23 and your peers you helped us look at, at some safety concerns on
24 Interstate 15 to make sure we don't forget and lose sight of
25 some of that corridors and those improvements.

1 So in those major improvements, those major
2 program policy discussions, discussions as we said of the future
3 potential growth in Interstate 11, the feasibility necessary to
4 provide north/south connectivity, to continue to expand the
5 opportunities we have with our neighbor to the south, and you're
6 going to hear from the Mexican Consul here in just a few
7 minutes, and the great opportunities potential there, as we
8 continue to look at expanding our key commerce corridors and
9 move -- and continue to move forward with those major
10 investments.

11 As well as during your time we completed the
12 Arizona/Sonora border master plan. Again, a vision along the
13 border that has a major investment requirement that would help
14 us, again, see the opportunities of commerce with our number one
15 trade partner, as well as help those border communities as they
16 address the growth and opportunities within them.

17 But I didn't want to lose sight of the fact that
18 as a multimodal board, it wasn't just highways. You and your
19 peers helped ADOT as we've gone through the public hearing
20 process, study process for the passenger rail from Phoenix to
21 Tucson. Started looking for those opportunities that gave
22 multiple choices to the citizens and gave the opportunities to
23 maybe help run efficiently some of the highway system as we look
24 at providing relief with some of these other modes. So that was
25 another major accomplishment. That's our first study into that

1 type of a study as a passenger rail, and then hopefully one that
2 we will continue to progress and move forward on.

3 I also wanted to point out a couple of other
4 major areas that you have direct leadership in, and really have
5 helped us look at, and that again is safety. And I point to the
6 dust storm task force. You were one of the driving forces along
7 with the state engineer at the time, Jennifer Toth, to really
8 set that task force and really take the opportunity for the
9 department to work with the University of Arizona, to work with
10 Raytheon, some other private individuals as well as firms to
11 bring us together to talk about best practices and opportunities
12 to address what has been a real safety issue along our highways,
13 especially between Phoenix and Tucson, but on Interstate 40,
14 other routes around the state, and those discussions, those
15 opportunities have led to us adapting or adopting some
16 additional practices to have our maintenance forces get more
17 actively involved in helping to get the public aware and to help
18 us monitor it and mitigate that concern as well as continue it
19 on. It's a group that will be continuing forward as -- along
20 with ourselves and the local government areas and the private
21 land owners, we addressed the potential of the further dust
22 opportunities and further dust -- dust storm situations.

23 And the last item to really talk about was the
24 transportation funding. We still have a long-term funding
25 situation that we're going to continue to address, not just at a

1 national level as Congress addresses the continuation of Map 21
2 or some other highway trust fund bill. But locally, we've had
3 to deal with our own issues with the decline in transportation
4 financing, and you hear from the chief financial officer,
5 Ms. Christy (sic), every month the -- kind of the situation
6 where it is, and we're continuing to (inaudible) a base that's
7 lower than it has been.

8 But through your efforts and through your working
9 with other leaders around the state, you've had the legislature
10 look at the HURF sweep program, and to really look at how they
11 as the state legislators address the overall state budget,
12 again, how you can preserve and make sure that transportation is
13 addressed and preserved within those contexts.

14 So the breadth of this board, the breadth of
15 involvement and your input and your leadership and the influence
16 that you've had on this board is way beyond the significance of
17 the projects which -- and they're all part are significant, but
18 the policies, practices and just the leadership and involvement
19 that you've had, and that significant improvement on the
20 transportation system as a whole, as well as the relationship
21 between the board and the ADOT staff.

22 And I really -- for that, we really want to thank
23 you, and we really want to -- to make sure that last night was a
24 great send off. We're not singing for you today, by the way.
25 We're done singing, although (inaudible) said she was willing to

1 give you a personal concert later.

2 UNIDENTIFIED SPEAKER: (Inaudible.)

3 MR. ROEHRICH: Well, you know, you're the easy
4 target in the room.

5 But anyway, we just really wanted to acknowledge
6 that and, again, point out that the breadth and depth of what
7 your involvement has been with your time of the board and what
8 this board has accomplished. It's a pretty significant role in
9 the transportation and the impact on the state. So for that we
10 all want to thank you.

11 At this time, there is one more thing I would
12 like to note. Pima County -- is Priscilla still here?

13 MS. CORNELIO: I'm right here.

14 MR. ROEHRICH: Pima County has asked to give just
15 a couple of short comments, and a little gift to you in
16 appreciation as well. So at this point, Priscilla, if you would
17 like to proceed.

18 MS. CORNELIO: Absolutely. Thank you very much,
19 Floyd.

20 This -- I'm Priscilla Cornelio. I'm the director
21 of transportation for Pima County. As Dr. Moffatt had explained
22 previously that our county administrator's at the graduation of
23 his daughter from college, and Supervisor Bronson couldn't be
24 here because she had another meeting that she had to be at. So
25 you got Dr. Moffat and you have me. And so I just wanted to let

1 you know that we're bringing the greetings from the board of
2 supervisors to let you know. Don't feel slighted that you just
3 have, you know, someone like me.

4 But to let you know is -- well, anyway, I want to
5 build on Floyd's description of all of the accomplishments that
6 you've made. And you have quite a number of projects that
7 you've -- you know, under the board that you've completed, that
8 you've undertaken. And one of the things is to basically build
9 again on what Floyd has said. I believe that under your
10 leadership the past year, that the board has gotten much more
11 proactive and involved in ADOT and working with the staff and
12 the development of the program and carrying out the program, and
13 that's very appreciative, you know, of all of us, you know,
14 (inaudible) outside as we're sort of seeing the ADOT board
15 members getting more involved and active in all of this, which
16 is I think is really great.

17 And I think one of the big key things that, you
18 know, Chairman Christy that you were involved in is I-11, to
19 making sure that southern Arizona, that Pima County was -- that
20 the (inaudible) was extended to have I-11 card go through Pima
21 county and going, you know, down to Mexico. That it was a truly
22 border-to-border facility. And again, I think that was your
23 major efforts to step in and get involved in all of those
24 discussions, which is appreciated.

25 Pima County, that -- there is, and I don't know

1 if his -- if you know of a Fillabom, which is artwork that -- a
2 glass piece, that we have an artist in town, Fillabom, who does
3 glass pieces, and he's known worldwide. And Pima County uses a
4 glass piece that's done by Fillabom that's given out to people
5 for outstanding service, and we have this one for you that
6 basically says -- it says Steve Christy ADOT board October '09
7 to January 2015. So we wanted to present this to you.

8 CHAIRMAN CHRISTY: Well, thank you very much.

9 UNIDENTIFIED SPEAKER: I hope you can find a
10 place for it.

11 CHAIRMAN CHRISTY: Oh, I certainly will.

12 MS. CORNELIO: To --

13 CHAIRMAN CHRISTY: Checking my pulse to see if
14 I'm still alive. It's wonderful.

15 MS. CORNELIO: Again, thank you. Thank you very
16 much. We really appreciate it and to all the board.

17 CHAIRMAN CHRISTY: Thank you as well.

18 MS. CORNELIO: Thanks.

19 CHAIRMAN CHRISTY: Well --

20 MR. ROEHRICH: Mr. Chair, that's all for that
21 item, and I know that -- but I will tell you that the board
22 members have as well a little recognition for you that they're
23 going to do at the end of the meeting. So...

24 UNIDENTIFIED SPEAKER: (Inaudible).

25 MR. ROEHRICH: We're going to space it out during

1 the day, so...

2 CHAIRMAN CHRISTY: I'm moved and so appreciative
3 of the accolades and especially this gift from the County. But
4 I have to say that whatever transpired while I was on the board
5 and as its chairman was because of the board members and because
6 of the department and its staff, and I stand on their shoulders.
7 I appreciate the opportunity and the privilege that I was given
8 to be on this board and to be its chairman. Thank you very
9 much.

10 We'll move on with the agenda. It's been
11 suggested to me, and it's a good one, and unless there's
12 objection from any board members, I am going to reverse the
13 order of the next two agenda items for accommodation purposes,
14 and with the board's permission and with no objection, we'll
15 move Item 6 to Item 5, and then Item 5 to Item 6. So at this
16 time it's our pleasure and honor to have the consulate of Mexico
17 from -- in Tucson region, Consul Ricardo Pineda Albarran.

18 MR. ALBARRAN: Thank you very much, Mr. Chairman.
19 Thank you, members of the board.

20 It's really a truly privilege to be here with you
21 today. And I also want to congratulate you, Mr. Chairman,
22 Mr. Christy, because of the role you have played is very
23 important, transportation and meeting for the state of Arizona.

24 During your tenure, I've been a witness, during
25 the last one-and-a-half year that I've been over here of your

1 leadership and the role you asking for improvement of the
2 connectivity in between Mexico and the US, in specific Sonora
3 and Arizona. So (inaudible) that we get today. I had the
4 chance to talk about this very important relationship. Let me
5 tell you something. With that in mind, we just prepared some
6 slides in order to talk about facts, facts about the work
7 relationship, Arizona and Sonora, Mexico and the US. We titled
8 this presentation Mexico. Moving forward, we're going to go
9 through four different areas which is Mexico the (inaudible).

10 UNIDENTIFIED SPEAKER: He's fine.

11 UNIDENTIFIED SPEAKER: He's got it there.

12 MR. ALBARRAN: You can (inaudible) US and Mexico
13 trade, Arizona and Mexico's award, and then we are -- I going to
14 try to talk about Mexico's northern border infrastructure and
15 development program.

16 With that in mind, (inaudible). (inaudible) that
17 there's a territory, that there's a (inaudible) top trader of
18 goods, Mexico is ranked as the best country to establish
19 business in Latin America and 35 in the world. Mexico City
20 itself is the fifth largest city in terms of population.

21 This is just a general picture of what Mexico's
22 about. The total export was \$380 billion a year. It's a 1.1
23 trillion economy. And this is the growth or the GDP for the
24 years (inaudible) basic industries in which we can participate
25 in.

1 We are so far leaders in key sectors like
2 aerospace. Mexico's the sixth supplier to the American
3 aerospace industry so far. That we are the largest exporter in
4 Latin America and the main supplier of medical devices. In the
5 electrical, electronic, we are leading the flat television
6 screen exporter in the world. In the (inaudible) and
7 (inaudible) industry, we are the eighth producers and the fourth
8 exporter globally in -- of (inaudible) vehicles in the world.
9 As I said before, they hold \$17 billion in exports, more than a
10 half, and medium and high tech manufacturers.

11 This is a general picture also that talks to you
12 about what Mexico and the US trade on a yearly basis, 10 million
13 -- 10 billion just we talk about fresh produce. 98 percent
14 carried by truck. You can see the great, great road that
15 Nogales port of entry is playing in comparison with the rest of
16 the ports of entry in between Mexico and the US.

17 February 2nd, 2012, (inaudible) and the
18 (inaudible) leading opposition parties in Mexico signed the
19 (inaudible) of Mexico which have been (inaudible) of president,
20 president of administration to engage in the (inaudible) border
21 reforms (inaudible). The political one, the reforming energy,
22 the financial reform -- fiscal year and education reform,
23 telecommunications reform, labor reform, and economic
24 competition reform, the criminal procedure reform in Mexico,
25 (inaudible) against corruption.

1 We have a strong partnership with the US. The US
2 and Mexico relationship has a rich history. It has been called
3 so far highly institutionalized at different areas. Economy,
4 social interactions, economic mobility, which -- in which Tucson
5 is (inaudible). Political relationship are many more. Trade in
6 particular has been the key component in the region's economic
7 development. It will continue to play an important role in
8 competitiveness.

9 As you can see over there, and that's what
10 referred before, that the United States trades with Mexico more
11 than \$500 million in goods. In other words, more than one
12 billion dollars a day. In addition, Mexico provides more
13 products from the US than any other nation with the exception of
14 Canada. This is more -- this is more than Brazil, Japan, India
15 and the UK combined on a yearly basis.

16 There are six million US jobs so far up to now
17 that depend on trade with Mexico in the US. US investment in
18 Mexico has grown nearly six fold since NAFTA was put into place.
19 Mexican companies have increased their foreign direct investment
20 in the US from 1.2 billion in 1993 to 12.6 billion (inaudible)
21 in 2010, which explains how important also is the participation
22 of Mexico in the US economy. This is very important. 40
23 percent of the content in US imports from Mexico is (inaudible)
24 produced in the United States. We just show how (inaudible).

25 This is just an important picture also that talks

1 about how (inaudible) trade crosses the border (inaudible)
2 border ports. We have 56 border ports in the US. The
3 (inaudible) region is a key itself. (Inaudible) would also in
4 economic development and social exchanging. Twenty-five US
5 counties and 39 Mexican municipalities, sorry, share the
6 2,000-mile border in between both of our countries. There are
7 currently 56 border ports. The 10 border states themselves are
8 the four largest economy in the world. We would consider them
9 together. (Inaudible) 4.6 million people (inaudible) these 10
10 border states, six on the Mexican side, four on the US side.

11 This, again, a basic picture about the main
12 corridors. You can see over there the so-called (inaudible)
13 corridor that goes up to the US and Canada.

14 What we got, also, very historic ties in between
15 Sonora and Arizona, Mexico and the US using this specific border
16 area. Mexico is Arizona's main trade partner, with about 20
17 million northbound visitor border crossings annually over the
18 Mexico/Arizona border, I would say about 20 million legal border
19 crossings.

20 Mexican visitors spend approximately 7.3 million
21 each day in Arizona, providing an annual input of 2.3 billion
22 dollars. Trade between Mexico and Arizona exceeds trade between
23 Mexico and the whole central American area. More than 100,000
24 jobs are directly related with trade with Mexico so far.

25 This is a general map about how these impact is

1 distributed in terms of employment with showing how Arizona is
2 being participated.

3 This presentation will be available, every one of
4 you, because of the numbers is kind of (inaudible) what we
5 wanted to present it like that. A very, very important, a key
6 component, infrastructure, a component of a relationship is a
7 very (inaudible). Over 5.2 million vehicles, 622,000 trucks,
8 which 1,700 (inaudible) close to the Mariposa port of entry each
9 year.

10 On October 15th, 2014, the expansion project with
11 the Mariposa port of entry was totally, fully open from the US
12 side. The expansion includes commercial (inaudible) from four
13 to eight, no commercial (inaudible), and finally southbound
14 (inaudible) and two processing facilities in this (inaudible).
15 Expansion provides customs border protection authorities the
16 capacity to process 14,000 vehicles every day just in this very
17 important port of entry.

18 The Mexican government is committed to this
19 project and continue to improve the physical corridor in Highway
20 15, which will allow a better flow of commercial and light
21 vehicle traffics.

22 After some setback that we had, and I acknowledge
23 that, in Mexico, which very -- were basically at the local
24 level, we still expect to finish it in the coming -- in the
25 coming months. To fully finish, I personally went through, I --

1 it was in my satisfaction that we are improving that specific
2 road, improving the connectivity in between Sonora and Arizona.

3 A land of opportunity, infrastructure in Mexico's
4 northern border. At the beginning of the administration of
5 Enrique Pena Nieto, he established his 2013, 2018 transportation
6 and communications infrastructure investment program. This is a
7 multi billion dollar program that seeks to improve roads,
8 railways, ports, airports and telecommunication networks. The
9 (inaudible) to turn Mexico into a major global logistics hub
10 with high added value.

11 The transportation and communications
12 infrastructure investment program, 2018 has five lines of
13 (inaudible) to modernize, expand and maintain communications
14 infrastructure as well as the different modes of transportation.
15 So it has (inaudible) growth infrastructure, railways, ports,
16 airports and the telecommunications sector.

17 In April 2014, as a compliment, (inaudible) set
18 out to -- in the national development program of Mexico,
19 Preident Pena Nieto knows also the national infrastructure
20 program 2014, 2018, which includes six strategic sectors,
21 communications and transportation, with an investment over 1.3
22 billion pesos, energy, investment of (inaudible) billion pesos
23 (inaudible) which a plan -- is a planned investment of 415
24 billion pesos, (inaudible) totaling 72.8 billion pesos.
25 Investment in human development and housing with an investment

1 of over 1.2 billion pesos. And tourism, with an investment
2 totaling over 180 billion pesos.

3 Moving forward in transportation, this is also a
4 general overview of the projects in Mexico. As you can see, in
5 the middle of the country, north of the country, this is a
6 general picture of how the infrastructure program looks in the
7 coming years.

8 This is a basic distribution of these specific
9 projects. In roads, the project, 149 projects totalizing (sic)
10 \$30.2 billion. In railway and mass, 19 projects totalizing
11 \$17.62 billion. In seaports, 24 -- 21 seaports, totalizing \$4.8
12 billion. On airports, 21 airports totalizing 2.6 -- 2.7. Also
13 major roadway projects, in highways, roads, bypasses,
14 intersections and bridges, you can see the number of projects we
15 have (inaudible) that specific program as an investment.

16 This is another one of roadway projects.
17 (Inaudible) very important (inaudible) improvements of the
18 highway, which provides the connectivity with north Mexico, in
19 specific in between Sonora and Arizona.

20 Ports, 117 sea ports and port terminals. We --
21 from then (inaudible) of communications in Mexico. You can see
22 a general description of them, Ensenada and Guaymas as a major
23 investment, also.

24 Investments, (inaudible), seaports expansions,
25 (inaudible).

1 This again is the port projects, Port Guaymas
2 with a planned investment of 7,200 -- or \$7 billion.

3 A special of -- as I said before, a special breed
4 of the Port of Guaymas seeks to strengthen its competitiveness
5 in the region as Mexico's international trade growth. It has
6 direct access to Mexico's highway and rail system that connect
7 the port of Mexico's main trade partner, which is the US. And
8 you can see how Tucson can be a real player as logistical. In
9 terms of connectivity, on trade moving to the rest of the US.

10 The expansion is divided, as probably you know,
11 in three phases. I'm talking about the Port of Guaymas. The
12 first phase, dredging of a navigation area of 5 million cubic
13 meters in order to attain 16 meter depth. The second phase,
14 which is expected to go through in 2017, dredging of a
15 navigation area (inaudible) 6 million cubic meters.
16 Construction of a (inaudible) in order to (inaudible) for the
17 recession of -- and shipping of (inaudible) materials.

18 And the third phase, in between 2017, 2018, which
19 is the expansion of the navigation (inaudible) construction of a
20 new (inaudible) expansion of the (inaudible) built in the second
21 phase to 600 meters in diameter. The total projected investment
22 for the Port of Guaymas is \$8.3 billion from here to 2018. This
23 is how it looks so far, and this is the first, second and third
24 stage of its development from here to 2018.

25 This is basically what I want to present to you.

1 Fully acknowledging that the future in between our region is
2 based on better connectivity, efficiency and the continued
3 exchange in between (inaudible) and in these specific region
4 during my tenure here (inaudible) during the last one year-
5 and-a-half.

6 I been really happy to be a witness of the
7 planning, about the things being planned for its new development
8 for how the region itself from Phoenix to Nogales is foreseen,
9 its future fully linked to the future of Sonora and to the
10 future in Mexico in terms of business and trade. We more than
11 -- are fully committed with this specific vision thanks to what
12 we have done through NAFTA, and we fully hope that this vision
13 is going to materialize with better improvement in the coming
14 years.

15 Thank you, Mr. Chairman. Thank you, members of
16 the board. More than available for questions.

17 CHAIRMAN CHRISTY: Consul, thank you so much for
18 this eye-opening and informative presentation. We sincerely
19 appreciate your efforts, and we want you to know that we join in
20 your efforts to make the same goals applicable on both sides of
21 the border. We also know that there are issues outside of this
22 realm that are facing our country, but I think what you've
23 pointed out and what this board is all about and what our
24 community is all about is that we must keep the eye -- our eye
25 on the ball of trade and commerce and the opportunities that are

1 therefore presented to us, and we must work together for that.
2 And I'm very grateful for your efforts. I know the board and
3 the department are, too, and I would like to just lead in
4 acknowledging the efforts of the Consul of behalf (inaudible).

5 MR. ALBARRAN: Thank you, Mr. Chairman. Some
6 people have asked me what we need in order to continue improving
7 this relationship, and I have just said, we need to strengthen
8 our business-oriented mind set. That's it.

9 CHAIRMAN CHRISTY: Well said.

10 MR. ALBARRAN: Thank you very much.

11 CHAIRMAN CHRISTY: Thank you.

12 MR. ALBARRAN: Appreciate it.

13 CHAIRMAN CHRISTY: Thank you.

14 Mr. Sellers has a question or comment.

15 MR. SELLERS: Just a quick comment. I was
16 encouraged that our Maricopa Association of Governments recently
17 did a two-day bus trip to Hermosillo and back, which was very
18 enlightening,. We were able to see the -- a lot of the
19 infrastructure work you're currently doing and also see what
20 problems we still have to address, so...

21 MR. ALBARRAN: Thank you, Mr. Sellers.

22 MR. SELLERS: It's very encouraging.

23 MR. ALBARRAN: Thank you, Mr. Sellers.

24 CHAIRMAN CHRISTY: Thank you again for your great
25 preservation.

1 MR. LA RUE: Mr. Chair, if I could.

2 CHAIRMAN CHRISTY: I beg your pardon.

3 Mr. La Rue, go ahead.

4 MR. LA RUE: You know, what I would like to do,
5 and I'd encourage other board members, is to receive a copy of
6 this presentation --

7 MR. ALBARRAN: Yes, of course.

8 MR. LA RUE: -- (inaudible) work and, you know,
9 with your permission, share this with many of the folks in our
10 districts and our communities, because this is really
11 eye-opening information. I think it's well -- you know, some of
12 it is known on levels where people are working directly on the
13 relationship, but I think for many of the folks in our
14 neighborhoods, they just -- they don't see this, and I think
15 we've got to get that message out through more and more in our
16 community to help strengthen those relationships.

17 UNIDENTIFIED SPEAKER: Well said. Thank you.

18 MR. ALBARRAN: Thank you (inaudible) pleasure.

19 CHAIRMAN CHRISTY: And Mr. Anderson?

20 MR. ANDERSON: Mr. Chairman, (inaudible)
21 investment is a private investment, or what are your sources of
22 revenue for these types of projects?

23 MR. ALBARRAN: It's a public private investment.
24 Yeah. (Inaudible) it's a mix.

25 MR. ANDERSON: Is that a long -- do you have a

1 long history of that type of partnership or (inaudible)?

2 MR. ALBARRAN: Yeah, yeah. Yeah, we got a
3 history, but we still need to improve that specific way of doing
4 business in between the states and the federation with the
5 private local institutions. Yeah.

6 CHAIRMAN CHRISTY: Any other comments of the
7 board for the Consul?

8 Again, thank you for being here today.

9 MR. ALBARRAN: Thank you Mr, Christy. Thank you
10 very much.

11 CHAIRMAN CHRISTY: Thank you.

12 MR. ALBARRAN: Appreciate it.

13 CHAIRMAN CHRISTY: And as an appropriate segue,
14 we'll go on to what was Item 5, a transportation and trade with
15 Mexico update, and we'll be hearing from Gail Lewis, our P3
16 Initiatives and International Affairs director, and from the --
17 our director of the department, Mr. Halikowski.

18 Ms. Lewis.

19 MS. LEWIS: Thank you. Thank you, Chairman
20 Christy and members of the board.

21 It is an honor for me to have the opportunity to
22 speak to you today and to follow my friends at -- the Consul,
23 partly because he's a great public servant for Mexico and a very
24 good and important friend to Arizona, but also because he did
25 part of my presentation for me, so it's going to be a lot

1 shorter than it would have been.

2 Mr. Director, would you like to start and say
3 anything introductory, or would you rather wait until the end?

4 MR. HALIKOWSKI: I think all I'd like to say,
5 Mr. Chairman, is I echo the Consul's sentiments and direction in
6 that what we've been doing over the last several years is
7 building those business relationships, and Gail's going to talk
8 about some things I think that will highlight our partnerships,
9 not just with our border state of Sonora, but also relationships
10 we're now building in central Mexico with the federal government
11 and other private associations like MP and the trucking
12 association, CANACAR.

13 So please, Gail.

14 MS. LEWIS: Thank you. Thank you.

15 As the Consul said, at the -- one of the
16 important things is develop more of a business-oriented mind
17 set, and I think that is very much what we have been trying to
18 do at ADOT in the last couple of years to think about how --
19 what we can do within our domain of transportation to improve
20 the business environment for trade between Arizona and Mexico.

21 And, of course, we've always done a number of
22 projects on our side of the border, but what we've really done
23 in a lot more detail recently is begin to get much more
24 knowledgeable about what's going on in Mexico and to realize
25 that that border's really sort of artificial from a

1 transportation standpoint. What happens all along our corridor
2 with Mexico really impacts businesses and travelers in Arizona,
3 and so we've tried to become a lot more knowledgeable with
4 what's going on down there and build a much more strategic
5 partnership, and I think we've had some successes in being able
6 to do that.

7 A lot of this came out of the transportation and
8 trade corridor road map, which really tells us that trade is
9 very important to the Arizona economy, and it's critical because
10 it brings new wealth in from the outside. If we can ship goods
11 outside of the state and sell them elsewhere, it brings new
12 wealth into the state, and that's just critically important to
13 economic growth. You never really make a lot of progress
14 without that infusion of new wealth from outside.

15 So recognizing that that's very important and
16 that the international market is really an undeveloped
17 opportunity for Arizona, and that we really need to start our
18 international development with our closest and most important
19 trading partner, Mexico, that's part of what has really opened
20 the door to some of this kind of activity and has told us -- has
21 helped us build really good partnerships within state government
22 and with the private sector as well as in Mexico.

23 Our goals are pretty straightforward. We're
24 trying to look for stable resources to try and improve the
25 transportation infrastructure that we're able to put -- to put

1 forward to construct. We want to understand Mexico's economy
2 better, including the supply chain and their infrastructure
3 priorities, which the Consul did an excellent job of outlining
4 so that we can make sure that we are in sync.

5 It's important to work on relationships and not
6 just projects. Relationships are always important, but
7 particularly so in Mexico. So the fact that we have been able
8 to make those -- develop those relationships and continue to
9 develop them, I think, has been very helpful. And we're also
10 looking at improving the entire corridor from the northern
11 border of Arizona all the way down to Mexico City, and a
12 bottleneck anywhere along that corridor really impacts the
13 entire corridor. So activities in Mexico are important to us,
14 and we've been trying to help better understand what's going on.

15 This is the bubble map. You've all seen it
16 before. It really just reiterates part of what the Consul told
17 us. We are very strategically located with huge markets all
18 around us and a growing market in Mexico, and we need to make
19 sure that our transportation infrastructure recognizes the
20 opportunities that we have sitting all around us and really
21 focuses on those.

22 MR. HALIKOWSKI: Gail, one thing I'd point out,
23 Mr. Chairman, that bubble in Mexico needs to be expanded,
24 because we're focusing on northwestern Mexico, but as you listen
25 to what the Consul had said, trillion dollar market is

1 comparable to LA, San Diego and Dallas, Houston areas. So it's
2 good to recognize we have a trillion dollar market or GDP to the
3 south of us that we also need to be focused on. So I think what
4 we're going to do is likely enlarge that bubble to include all
5 of Mexico, because now, as Gail will point out, our studies are
6 not stopping in Sonora. They're going all the way down to the
7 State of Mexico. Thank you.

8 CHAIRMAN CHRISTY: Thank you.

9 MS. LEWIS: And again, the key commerce corridor
10 map, which you've also seen a number of times, really just
11 reminds us that we need both our east/west and north/south
12 corridors to be strengthened in order to really take advantage
13 of these opportunities, and this makes us not only more viable
14 for our own activities, makes us a much more viable partner with
15 Mexico as well because they need that access.

16 The Consul mentioned the fact that the Mariposa
17 reconfiguration was completed. The brown -- groundbreaking or I
18 guess the -- not the groundbreaking -- the official opening of
19 the port was October 15th. I know that many of you were there.
20 It is a fantastic facility, and I noticed especially the
21 doubling of cargo lanes and the tripling of passenger lanes that
22 really gives us such an incredible additional amount of capacity
23 at that border. We are seeing some of the best wait times of
24 the US/Mexico border right now. Under 50 minutes in some -- in
25 some cases, while the City of Gar (phonetic), Texas, which was

1 here not too long ago in southern Arizona promoting their port
2 of entry for our businesses and for businesses coming across
3 from Mexico, has wait times of two and three hours. So I
4 think -- it wouldn't take much study to figure out that maybe
5 Gar isn't really the best opportunity for people.

6 This is Mexico Highway 15. It's very important
7 for Arizona and for our entire trade relationship with Mexico.
8 As the Consul mentioned, produce is extremely important in this
9 corridor. We're the largest crossing point from Mexican produce
10 into the United States in Nogales. But if you go further south
11 down toward the valley of Mexico and Mexico City, there is an
12 unbelievable amount of manufacturing opportunity going on, and
13 all of that activity that is coming into the western part of the
14 United States should really be coming up that corridor, I-15 and
15 through Nogales.

16 When we were in Mexico City about a month ago,
17 six weeks ago for the opening of the new Arizona trade office,
18 we got a presentation from the State of Mexico, which is -- the
19 federal district of Mexico City and the State of Mexico are sort
20 of like D.C. and Virginia. The State of Mexico is the state
21 that surrounds the federal capital, and probably the most active
22 manufacturing entity in all of Mexico right now, attracting a
23 huge amount of foreign investment. And when they showed us
24 their transportation map, it only had one road, and that was
25 leading to Texas, and it was like put a knife through our

1 hearts.

2 So -- so we started working with them right away
3 to remind them that if they wanted to be effective in being able
4 to ship to both the eastern and the western United States, we
5 needed to talk to them some more, and they were immediately
6 receptive, saw the value and have -- are now becoming great
7 partners for us, but it got off to kind of a rocky start.

8 MR. HALIKOWSKI: I think there's another key that
9 we hit on, too, is that we met with AM p (phonetic), who manages
10 industrial parks in Mexico, and most of their industrial parks
11 are not located in northwestern Mexico according to their maps.
12 This was based on a Texas Transportation Institute study they
13 had done some years ago, and they've located a lot of industrial
14 parks to the east. And what we would like to do is continue to
15 work with AM P, because it takes more than just a road. You
16 have to build the industry that is going to use that roadway on
17 how we locate more industrial parks in northwestern Mexico and
18 perhaps even in Arizona in the future.

19 MS. LEWIS: So this is a multi-faceted effort
20 working with the public sector, with the private sector and also
21 with entities like AM P, which is sort of a chamber of commerce
22 for industrial parks to help make sure that all of those things
23 are coming together in the western corridor at the same time.
24 This is -- we're not alone in this. This is a very important
25 initiative for Mexico as well. The (inaudible) essentially

1 divide Mexico sort of two-thirds on the eastern side and
2 one-third on the western side, and that western corridor is also
3 very important to their overall economic development strategy.

4 There are -- let me go back one more. There are
5 a number of issues in this corridor. There are places where the
6 highway is only two lanes. There are places where it goes right
7 through very crowded urban areas. There are areas, especially
8 in the northern part of Mexico, where they have speed bumps,
9 that they call (Spanish), and they're -- you can't be a big
10 truck barreling along the highway at interstate speeds and then
11 all of a sudden you come up to a small town and a speed bump.
12 So there are a number of challenges for the brave truckers that
13 try and use this route, and we'd like to work with SCT and
14 Mexico, the Mexican federal highway agency to try and solve a
15 number of these problems.

16 They -- they're well aware of them, and they've
17 been extremely receptive to our assistance in trying to get
18 there. One in particular is the military checkpoint at Caro
19 Bobby (phonetic). It's about 100 miles south of the border.
20 This is unique in the US/Mexico border. It's the only permanent
21 Mexico -- the only permanent military checkpoint anywhere in the
22 US, along the US/Mexico border, and they at times have a policy
23 of 100 percent inspections.

24 So they can -- so the Mexican military will stop
25 the trucks, and a lot of these are produce trucks. So if they

1 open the truck, they break the seal on the load and run the risk
2 of contaminating the load, in addition to slowing down produce,
3 which, of course, is very time sensitive. There could be waits
4 of 30 or 40 kilometers to get up to the military checkpoint. So
5 that -- and it sort of is threatening to undo all of the
6 advantages we now have with the new port at Mariposa. So we
7 have been working with them on this issue, and I'll talk a
8 little bit about that in this slide.

9 MR. HALIKOWSKI: I will commend Gail since we had
10 actually driven this route, Mr. Chairman, and seen those lines
11 there. So it is impressive and also discouraging to see the
12 waits.

13 MS. LEWIS: Yeah. The bottom picture was taken
14 by one of our -- our consultants, Luis Ramirez, who I know a lot
15 of you know, just a few months ago when he was driving up. So
16 this is a recent picture, and that's just an indication of what
17 the lines can look like really at any -- at any time of the day
18 or night.

19 So we had -- as a result of really a year's worth
20 of work and development and relationship building, understanding
21 the issues, having a targeted strategy, we've really seen some
22 -- some successes, the most important of which really is the
23 commitment of about \$1 billion, 14 billion pesos in improvements
24 along Highway 15 from about the middle of the state of Sinaloa
25 all the way up to the border. And I think the director's

1 decided he's going to do all of his lobbying in Mexico now,
2 because it's been awhile since we've gotten a billion dollars
3 from the US federal government for transportation improvements.

4 MR. HALIKOWSKI: Well, it was actually kind of
5 interesting. We were meeting with Under Secretary Murrieta
6 Cummings (phonetic), and we were talking to him about the issues
7 we were facing, not just with the speed bumps but the military
8 checkpoint, and we said, we really need some improvements to
9 MX-15. He said, how does a billion dollars sound? Would that
10 go a long way? And I said, thank you. Let's get moving on it,
11 so...

12 MS. LEWIS: And it has been put into the
13 president's budget, so it's a real -- it's a real commitment.

14 As the Consul mentioned, there are improvements
15 going on in the commercial corridor in Nogales, Sonora, just
16 south of the new port. The concessionaire there has been
17 working hard to improve that corridor to match the improvements
18 that have gone on at the port of entry, and he's making some
19 real progress. And so we're seeing more and more of those
20 improvements completed every day. That's also very encouraging.

21 And then finally, with respect to Caro Bobby,
22 which I think is an issue that at -- anyone at the embassy in
23 Mexico City would tell you that they didn't even realize was an
24 issue of importance to the United States in terms of trade and
25 commerce until we went down and started talking to them about

1 it. They have committed \$7 million of US funds to help provide
2 some additional technology. So hopefully the military will not
3 feel obligated to open and physically inspect every truck, but
4 to make use of the kinds of technology, (inaudible) machines and
5 other types of technology that allows you to inspect the truck
6 with mechanical means -- or electronic means and not to have to
7 go in and physically inspect, and I think that will help release
8 the tension at that -- at that crossing point.

9 MR. HALIKOWSKI: The --

10 MS. LEWIS: So those are all great (inaudible.)

11 MR. HALIKOWSKI: The US embassy staff was very
12 clear with us. If we had not been raising this issue, they
13 would not be putting \$7 million into working with the Mexican
14 military. So that's a direct result of Arizona's relationship
15 and intervention with the embassy.

16 MS. LEWIS: Yeah. They've been very helpful and
17 have made the diplomatic contacts necessary to try and make some
18 changes there.

19 One of the last things I'd like to talk about is
20 rail connectivity with Mexico. We do have a rail crossing at
21 Nogales. It's small, and they don't have the ability to inspect
22 container loads yet. So one of the things we are working to see
23 with Union Pacific is the ability to inspect cargo containers as
24 well as open -- open-topped and bulk shipments. Right now it's
25 essentially cars from the Ford plant in Hermosillo. They're on

1 an open -- you know, they come on those open car carriers, and
2 then a lot -- the rest of it is ore mostly and mining materials
3 from Mexico, and so they can inspect those things. They cannot
4 yet do container inspections. So we're working hard with them
5 to try and upgrade that.

6 The other thing we're working on is their ability
7 to ship fresh produce. Produce is not often shipped by rail,
8 because rail's very bumpy and produce is sensitive. And so it's
9 basically been on a banned list from Union Pacific for a couple
10 of decades now. However, the technology has improved and there
11 are certain -- certain types of produce that can be shipped by
12 rail. So they did a pilot load of melons to Baltimore a few
13 months ago. The shipment arrived intact. It sold right away,
14 and that's really opened the eyes of some of the -- the
15 railroads, both Ferromex on the Mexican side and their partner,
16 UP on the US side, to begin to ship more produce. And, in fact,
17 I'm going down next week for a follow-up meeting on a second
18 pilot load as we try and sort of push the boundaries on this.

19 MR. HALIKOWSKI: So we've met with the director
20 general of Ferromex, and so what Gail is working on with our
21 team is we're trying to push -- since they own interest in each
22 other, Ferromex and UP to work together with us on the
23 inspection station at Rio Rico. So it really is an effort of
24 trying to bring people together to see if we can begin to make
25 our stock more competitive.

1 MS. LEWIS: Yeah. It's very small. It's going
2 to be -- right now it's going to be a slow process to begin to
3 make it a more viable commercial crossing, but there's a lot of
4 interest, and I think that we can -- while we can't control the
5 railroads, I think we can pull together the right people to try
6 and come up with a game plan, and that's what we're working on
7 right now.

8 Quickly, we do have other ports besides Nogales,
9 of course. We have Douglas and San Luis, and in Douglas, at
10 that port commercial crossing, which is right downtown, it's
11 overburdened. It's landlocked. And so the city took a pretty
12 extraordinary step and issued an RFP for a public private
13 partner to try and help them develop a new rail crossing or
14 develop a new commercial crossing. They have done this jointly.
15 It was with their partners across the border in Agua Prieta, so
16 it's a joint effort. They're very aligned on this, and it's to
17 look at a new crossing to the west of the city, and it's sort of
18 a brand-new effort. Nothing quite like this has been tried
19 anywhere on the border before. So we are working with them as
20 is the (inaudible) bank and the Mexican federal government to
21 try and see if this can become a viable project. It's pretty
22 interesting and exciting if we can -- if we can actually pull it
23 off.

24 Also in the city of San Luis, there are two
25 crossings there, private and pedestrian crossing downtown, and a

1 commercial crossing just to the east. The private -- or the --
2 the private and pedestrian -- that's hard to say -- private and
3 pedestrian crossing is really quite overburdened. The waits can
4 be several hours. Meanwhile, the commercial crossing just to
5 the east is underutilized. So there is a movement afoot to try
6 and open that commercial crossing to private traffic. It is a
7 tolled facility, so it -- but it would be an option for people
8 who are waiting in long lines and pedestrians who are waiting a
9 long time to cross to have another way and for a relatively
10 modest fee.

11 So there would still be an investment involved.
12 The port was built specifically for commercial. So in order to
13 accommodate private vehicles, they would have to make some
14 changes. So it's still -- it's not an inexpensive proposition,
15 but much less expensive than having to build a whole new port
16 that -- so we're also working with them on that. Those both
17 have public private partnership considerations that we're trying
18 to be helpful to both of those ports.

19 MR. HALIKOWSKI: It's estimated about 6,000
20 pedestrians and bicyclists cross into Yuma every day to work,
21 and so the pedestrian bicycle traffic is significant to that
22 local economy.

23 MS. LEWIS: The busiest time of day for
24 northbound pedestrian crossings in San Luis is about 3:30 in the
25 morning. That's when all of the workers who cross legally,

1 legitimately to work every day, come across at about that hour
2 and are picked up by buses and taken out to the fields. They
3 can be a two-hour wait, from 3:30 to 5:30 in the morning to get
4 across the border. It's quite an extraordinary scene.

5 So generally speaking, we've been taking a number
6 of sort of new actions for ADOT in getting more involved in
7 Mexico and having a better understanding of the Mexican economy,
8 some ongoing issues. You heard a lot about SR-189. That is
9 very much top of mind for us. The efforts with the TTCA, our
10 renewed emphasis on international trade.

11 We are also at the very beginning of the
12 development of a state freight plan that will have a large
13 component with -- for international trade and trade with Mexico
14 as part of that state rate plan.

15 And then finally, the most probably exciting
16 thing from our point of view is the undertaking of this corridor
17 study of the whole I-15 corridor from the valley of Mexico, all
18 the way up through Arizona and up to the northern border of
19 Arizona that will sort of mesh in with some of the I-11
20 conversations. The -- it will also have a rail component to it.
21 So it's both binational and multimodal, and we already have some
22 commitments from our partners in Mexico to help fund this study,
23 and we haven't even really developed a scope of work yet. So
24 there is a lot of interest on both sides of the border in
25 getting this done, and I think this is the director's effort to

1 make sure Mike Kies and I never have any spare time, so...

2 MR. HALIKOWSKI: Well, Gail, I think we have a
3 meeting set up with the director general of SCT.

4 MS. LEWIS: We do in January. Yes.

5 MR. HALIKOWSKI: So we're looking at a binational
6 study, Mr. Chair.

7 MS. LEWIS: Yeah. The border, the chief border
8 coordinator for the Mexican federal transportation agency, SCT,
9 will be here in January to start talking more about this.

10 So that is -- concludes my report, unless the
11 director would like to add anything and unless there are any
12 questions.

13 MR. HALIKOWSKI: No. I think we covered it well.
14 Thank you, Mr. Chairman.

15 CHAIRMAN CHRISTY: Do any board members have any
16 questions?

17 MR. SELLERS: Sure.

18 CHAIRMAN CHRISTY: Board Member Sellers.

19 MR. SELLERS: Yeah. The bus trip that we did
20 with MAG to Hermosillo and back, of course, we experienced the
21 military checkpoint problem, but a couple other issues that we
22 felt might be significant is staffing at the Mariposa port. We
23 have capacity, but I'm not sure that they're addressing the
24 staffing that they really need to handle the commercial traffic
25 through there, and another concern was commercial traffic

1 through Hermosillo on Highway 15.

2 MS. LEWIS: Yeah. And thank you for bringing
3 that up, Mr. Sellers. I did not mention that one of the --
4 among the improvements that they are making on the Mexican 15
5 corridor is bypasses around the major cities, and they've
6 started in the south and they're sort of working their way
7 north. So I believe that bypasses for Culiacan, Ciudad Obregon
8 and Hermosillo are all in the works as part of that -- those
9 I-15 upgrades. So that's -- that will be extremely helpful,
10 because you're right, those urban -- that urban congestion can
11 be -- can be very, very tough.

12 CHAIRMAN CHRISTY: I think --

13 MR. HALIKOWSKI: I'm sorry.

14 CHAIRMAN CHRISTY: Go ahead.

15 MR. HALIKOWSKI: Now where we need help on the
16 staffing issue, though, is I think Arizona really has to align
17 from local government all the way through up to the state level
18 to work with the Congressional delegation, because you're right,
19 Mr. Sellers, if we're going to become a 24/7, you know, national
20 -- multi-national port at Nogales, we have to have CBP staffing
21 so that we can accommodate those hours.

22 CHAIRMAN CHRISTY: Further questions or comments
23 from the board? Hearing none, Ms. Lewis, thank you for a
24 great --

25 MS. LEWIS: Thank you very much.

1 CHAIRMAN CHRISTY: -- report, and director for
2 your (inaudible).

3 MR. HALIKOWSKI: Thank you.

4 MS. LEWIS: And Mr. Christy, let me add my voice
5 to all those to thank you for your leadership these last few
6 years. You've been a great board chairman. Thank you.

7 CHAIRMAN CHRISTY: Thank you, and the same
8 working with you, Ms. Lewis. Thank you.

9 We'll move on with the legislative report. I
10 know Mr. Biesty had -- could not be here this morning. I did
11 have the pleasure of seeing him last night.

12 Mr. Roehrich, do you have any --

13 MR. ROEHRICH: Mr. Chair, just a couple of real
14 quick comments.

15 At this time we're continuing to work with the
16 governor-elect as he goes through and works with his transition
17 teams to address establishment of his administration and kind of
18 move forward with his inauguration in early January. We're
19 continuing to address issues that come forward with us. At the
20 same time, the new legislator or -- legislators will kick off in
21 early January. And although they've started to allow bills to
22 be submitted, there haven't been a lot brought forward at this
23 point. He felt that he would have a lot more information, more
24 comprehensive discussion in January once the administration has
25 really started and once the legislature has started. So at the

1 local level, it's been just a little bit quiet. We've been
2 reactive to those issues as best we can until they really start
3 initiating, moving forward.

4 There was one development on the national level
5 we did -- he did want to talk about, and that was with the --
6 potentially the shut down of the government or the fund -- the
7 ending of the funding for the -- for the US budget bill, which
8 Congress and the President have been working. They did pass a
9 two-day continuing resolution to continue to keep the government
10 open.

11 UNIDENTIFIED SPEAKER: To continue paying
12 Congress?

13 MR. ROEHRICH: Congress, yeah. But to continue
14 to keep government open, which I do see has led to our
15 administrator, Carla Penny, and her assistant administrator,
16 Randy Penny, being here. So (inaudible) hopefully you guys are
17 getting paid and you're not volunteering for today.

18 But anyway, they've passed a two-day continuing
19 resolution as Congress finalizes a budget bill that will take
20 them through the end of the fiscal year, which is the end of
21 September in 2015, although that trillion dollar bill does not
22 include funding for Homeland Security. That will be addressed
23 separately, but should keep the government continuing to move
24 forward. They expect to have a compromise now and the bolts
25 necessary to keep -- to get that final bill passed and keep

1 government open.

2 So that's kind of it at the national level. It
3 will have minimal impact on the transportation funding, if you
4 will, because they've already passed the continuing resolution
5 for the highway fund until next May, but as far as
6 transportation funding, we will have to wait and see how
7 Congress and the administration address transportation, because
8 the funding will end by May of 2015 unless they address the
9 continuation of Map 21 or a new authorization. So that will
10 probably be something that the -- obviously the next Congress
11 will take up and there will be a debate in the spring of next
12 year.

13 Those are the general items he wanted to discuss.
14 He'll have more information obviously in January and be able to
15 give a more comprehensive report.

16 CHAIRMAN CHRISTY: Any board members have any
17 legislative questions of Mr. Roehrich?

18 Thank you, Mr. Roehrich.

19 We'll proceed with Item 8, financial report from
20 the department's chief financial officer, Ms. Kristine Ward.

21 Ms. Ward.

22 MS. WARD: Good morning. Is it still morning?

23 CHAIRMAN CHRISTY: Yeah.

24 MS. WARD: I'm losing track of time.

25 All right. All right. I'll start off with the

1 HURF report. We are doing well. We just crossed over the half
2 billion dollar mark in terms of collections, and these are
3 through November. Our forecast for the year, just to give you
4 some perspective, is a little over \$1.2 billion, one, two, four,
5 zero, something like that. So we're doing well on the year,
6 we're .4 percent over. We're right on forecast.

7 The only concern that we are kind of watching and
8 keeping an eye on with regards to HURF is NVLT. While it is
9 moderate growth, we are seeing negative growth in new to
10 Arizona. You know, it was very encouraging to hear the economic
11 development type portions of the report, because if we want to
12 see increased revenues, it's highly linked to jobs. So anything
13 we can do on that part is, from my perspective, is very deeply
14 appreciated.

15 Moving on to RARF, we're doing well, and again,
16 we are right on forecast. Excuse me here. Year to date, we're
17 at about \$121 million, and we've got strong growth in retail
18 sales. Contracting is kind of moderate. We're keeping an eye
19 on it, particularly since job numbers are not up in contract,
20 and we've actually shed some jobs in contracting. Always a
21 concern in this area. And -- but thank you very much for those
22 of you who are visiting the restaurant and bars. We are seeing
23 strong growth there at 7.4 percent year to date.

24 Chairman Christy, I have a little gift for you
25 today. It's good news. I so seldom bring good news that I

1 thought I -- that I thought I could share some good news. After
2 the -- after this meeting is concluded, you will be going and
3 signing some documents associated with the RARF refunding that
4 took place last month around the 18th. We refunded
5 approximately \$390 million worth of RARF -- outstanding RARF
6 bonds, and the savings that came out of that was about \$27.6
7 million.

8 Going into next week, we will be doing the HURF
9 refunding that you provided to authorize the resolution back in
10 October. At this point, depend -- you know, we're watching the
11 market. These things change a little as we -- as the market
12 changes, but for the HURF refunding, we're looking at refunding,
13 again, about \$380 million, and we're looking at savings in the
14 25 million plus range there as well. So there's 27 --

15 CHAIRMAN CHRISTY: I couldn't ask for a better
16 outgoing gift than this. That's terrific.

17 MS. WARD: I would like to finalize by saying we
18 have a significant -- I want to express significant thanks to
19 our financial advisor, RBC, (inaudible) is priceless through
20 this process. Our bond council, who will be actually meeting
21 with you later, Squire, Patton, Boggs, we're very thankful to
22 them as well as the underwriter syndicate on the RARF
23 refunding -- I'm speaking to the RARF refunding -- was led by JP
24 Morgan and then a number of co-managers as well. We're just
25 very appreciated -- appreciative for their (inaudible).

1 CHAIRMAN CHRISTY: Do we have our bond --

2 MS. WARD: That concludes my presentation.

3 CHAIRMAN CHRISTY: Do we have our bond counselor
4 with us, Ms. (inaudible)?

5 UNIDENTIFIED SPEAKER: Yes.

6 CHAIRMAN CHRISTY: Thank you.

7 MS. WARD: And we have -- well, City might have
8 -- City Group might have stepped out, but they are our senior
9 manager on the HURF deal.

10 So with that, that concludes my presentation.
11 Any questions?

12 CHAIRMAN CHRISTY: Any questions of the chief
13 financial officer?

14 Thank you, Ms. Ward.

15 MS. WARD: You're welcome.

16 CHAIRMAN CHRISTY: We'll proceed with Item 9,
17 Multimodal Planning Division report from the assistant director
18 for Multimodal Planning, Mr. Scott Omer.

19 Before you begin, Mr. Omer, I want to express
20 appreciation and thanks on behalf of the Tucson Regional
21 Economic Opportunities Trio for your participation in an
22 infrastructure committee meeting last week. You have a very
23 full plate with ADOT. You didn't have to come down. You did
24 and it meant a lot to all the committee members, and your input
25 was very valuable and very appreciated. Thank you.

1 MR. OMER: You're welcome. Thank you, Mr. Chair.

2 I had -- had it on my agenda, as you know.

3 Ms. Hoffman put on it my calendar and would not let me get out
4 of it, and then would not attend with me. So I'm glad I brought
5 you rain that lasted all day long, also. So I appreciate that.

6 So the first item, Mr. Chair, Item 9, is just the
7 MPD report. And I really don't have anything to report.

8 I would just like to say thank you for your
9 service. You know, the last -- probably the last -- I've been
10 back about five years, and the last five programs have been very
11 entertaining at times. And, well, I would -- that's the polite
12 way to put it, but your leadership has been -- it's been really
13 -- it's been really good. Even this last year, your leadership
14 has been great. The first couple of meetings, you know, with
15 your letters, I go, oh, gosh, what are we getting into, but even
16 the letters, to be honest with you, was a great sign of your
17 leadership. It showed us that, you know, you really want to
18 have a conversation and not only represent southern Arizona, but
19 represent the entire state. So thank you very much for your
20 leadership. We do appreciate it. So --

21 CHAIRMAN CHRISTY: At this point, if you -- thank
22 you for your comments.

23 You want to proceed with Item 10?

24 MR. OMER: Yes, sir.

25 So Item 10, the PPAC items, Mr. Chair, the

1 project modifications are Item 10A, as in alpha, through 100, as
2 in Oscar. At this time I would recommend that the board take
3 all those together. I would point out that Items 10J through
4 100 are the items that are going to be providing the funding for
5 Item Number 11. In other words, we can take all those together
6 or individually. It's the board's pleasure.

7 CHAIRMAN CHRISTY: Unless there's objection from
8 the board, I would like to take all the items in total. And
9 further, the Chair would accept a motion to accept and approve
10 project modifications Items 10A through 100 as presented.

11 MS. BEAVER: So moved.

12 MR. ANDERSON: Second.

13 CHAIRMAN CHRISTY: There's a motion by Board
14 Member Beaver and seconded by Vice Chairman Anderson.
15 Discussion?

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

18 BOARD MEMBERS: Aye.

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

21 Mr. Omer.

22 MR. OMER: Mr. Chairman, Item 10P, as in Paul, is
23 our sole new project under the PPAC items, so I would recommend
24 that we take that item at your pleasure.

25 CHAIRMAN CHRISTY: If there's no objection, we'll

1 proceed with the motion to accept and approve new project Item
2 10P, as in Paul, as presented.

3 MS. BEAVER: So moved.

4 CHAIRMAN CHRISTY: There's a motion by Board
5 Member Beaver.

6 MR. ANDERSON: Second.

7 CHAIRMAN CHRISTY: A second by Vice Chair
8 Anderson. Discussion?

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

11 BOARD MEMBERS: Aye.

12 CHAIRMAN CHRISTY: Opposed? Hearing none, the
13 motion carries.

14 Mr. Omer.

15 MR. OMER: Last, Mr. Chairman, the airport items
16 are -- airport items are Items 10Q, as in queen, through 10Z, as
17 in zulu. And I would make the one caveat that Item 10Q for the
18 Kayenta airport is a first for us in Arizona. It's the first
19 time that we've been able to use Federal Aviation Administration
20 funding on one of our travel airports. That's new to the State
21 of Arizona this year because some modifications we've made.
22 We've, as a state have always -- well, have participated for
23 years in providing state funding to travel airports, but this is
24 the first time we've actually been able to apply federal funding
25 there as well. So it's a really good win for all of our

1 airports in Arizona. They have to meet the same requirements as
2 the other general aviation airports, and this is the first one,
3 and we hope there are much more in the coming future, so...

4 CHAIRMAN CHRISTY: So noted. Thank you,
5 Mr. Omer.

6 MR. LA RUE: Mr. Chair, I might mention on that
7 airport, the last time I went through that area, I did see a lot
8 of roaming livestock through there and was wondering how they
9 were landing planes, you know, with all the livestock, but...

10 MR. OMER: They have horns on the planes.

11 MR. HALIKOWSKI: It's very simple. We just ask
12 them to move over.

13 CHAIRMAN CHRISTY: You're out of order.
14 (Inaudible).

15 MR. LA RUE: So moved.

16 CHAIRMAN CHRISTY: There's a motion to accept the
17 motion as presented by Mr. La Rue. Is there a second?

18 MR. ANDERSON: Second.

19 CHAIRMAN CHRISTY: There's a second by Vice Chair
20 Anderson to accept and approve airport projects 10Q through 10Z
21 as presented. All those in -- discussion?

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

24 BOARD MEMBERS: Aye.

25 CHAIRMAN CHRISTY: Opposed? Hearing no

1 opposition, the motion carries.

2 And thank you, Mr. Omer.

3 MR. OMER: We'll now proceed with I-11 corridor
4 funding, appropriately Item Number 11 on the agenda. We're
5 going to proceed with a second call to audience for those who
6 are wishing to address exactly this item, Item 11, I-11 corridor
7 funding. We have a number of speakers. We're glad again that
8 you're going to speak to us. We want to hear what you have to
9 say, and we'll hopefully try to keep them organized in a timely
10 fashion so all can speak. If you can, keep comments contained
11 and moving them right along. And again, thank you for coming
12 down here to address the board.

13 Our first speaker requesting to address this
14 agenda item is a citizen from Picture Rocks, Mr. Paul Flemm.

15 MR. FLEMM: Thank you, Mr. Chairman, board
16 members. My name is Paul Flem. I am a resident of Picture
17 Rocks in the Avra Valley. I am also the treasurer of Citizens
18 For Picture Rocks, but I'm here today speaking on my own behalf.

19 The Picture Rocks area, which the last census has
20 at about 10,000 residents, is a unique area, as is the Avra
21 Valley. It's unique not because I think so. It's so because
22 the citizens of the state and of the nation have put boundaries
23 around many land formations and areas to keep its uniqueness
24 intact; and speaking of the Saguaro West National Park and the
25 Saguaro wilderness, the Ironwood National Monument, the Pima

1 County Tucson Mountain Park, the US Bureau of Land Reclamation,
2 Tucson Wildlife Mitigation Corridor, the Tohono O'Odham Indian
3 Reservation, the Bureau of Reclamation, Land and Central Arizona
4 Water Project, the Desert Museum and surrounding grounds.

5 And I am aware that citizens have in the past
6 created these special boundaries through their representatives,
7 and usually I am one who says that the boundaries should be the
8 controlling limit, to allow any development outside those
9 boundaries not to be hindered. For example, there are current
10 disputes over development outside of Gettysburg National
11 Monument and cemetery in Pennsylvania. And in Arizona, there is
12 a historic site and park at the former state prison at Yuma.
13 And I-8, as you may know, runs so close to the Yuma prison site
14 that you can almost touch the cars as they go by on the
15 interstate.

16 I point out these two sites, one national and one
17 Arizona state, because they illustrate the difference in what
18 may be dealt with in one matter versus what we are dealing with
19 in this matter of I-11 in Avra Valley. Gettysburg and Yuma
20 prison are historic sites that can be limited and have
21 development right outside those limits. The sites in the Avra
22 Valley have all been designated to keep development at bay so
23 that the unique nature of the Avra Valley and its people and
24 animals and its natural geographic sites are preserved in a
25 manner that reflects the desire to have these sites and thereby

1 much of the Avra Valley to go forward for future generations as
2 much reserved then as they are now.

3 It is inconsistent with the intent of these many
4 set asides that a freeway should wind its way between these
5 delineated public lands and reservations of the Avra Valley.
6 This is especially the case when there are other alternatives to
7 accomplish the desired goal of a route for truck traffic. And I
8 understand that goal, and I understand everything that's been
9 said today about that.

10 Truck stops and an interstate highway are not the
11 desired development of the Avra Valley. There simply is no way
12 to mitigate the noise and other pollution that will flow to the
13 set aside lands in this designated unique valley. I understand
14 that there may be funding questions for the state study that's
15 proposed to be taken from the state contingency funds. I'm
16 opposed to such a use, especially from a contingency fund when
17 there is an option -- when for the study of Avra Valley as an
18 option, it is obvious to anyone who lives or visits there that
19 the valley cannot accommodate an interstate and retain all of
20 the currently designated set asides in the environment they were
21 established for.

22 I thank you for your attention.

23 I have one other comment I'd like to make about
24 funding since it is part of the issue that's presented, and that
25 is having come from the state of Washington some years ago,

1 Washington passed a special tax on gasoline and was successful
2 at doing so with public support, I might add, and it would have
3 my support as a citizen if that funding was put to good use, and
4 specifically put a box around it for a highway usage. I think
5 this state would benefit from such an approach.

6 CHAIRMAN CHRISTY: Thank you for your comments,
7 Mr. Flemm.

8 Our next speaker is a representative from the
9 Avra Valley Coalition, Mr. Albert Lannon.

10 MR. LANNON: Yes. I'm here representing the
11 several hundred members of the Avra Valley Coalition.

12 Excuse me. Recovering from a lung infection.

13 Before voting \$15 million to move Interstate 11
14 forward, I urge you to read the full study report and corridor
15 justification report and not just the slick summary. By reading
16 the full reports, you will understand why the US Public Interest
17 Research Group calls I-11 a boondoggle, and Dr. Byron Schlomack
18 (phonetic) of the Goldwater Institute calls it nonsense.

19 I-11 is a plan to export American jobs to low
20 wage factories across the border. The key words in the reports
21 are integrative manufacturing and near shoring. That is
22 research and development in the US. Then send the actual
23 manufacturer and assembly to Mexico and bring it back on I-11
24 for sale in the US.

25 The study also says the Chinese and Mexican wage

1 gap is closing, and I-11 can attract American companies from
2 China to Mexico, not the United States. I-11 would also serve
3 as a route to attract Asian cargo from west coast US ports
4 (inaudible).

5 All of this means the loss of American jobs,
6 long-term jobs, replacing them with temporary road construction
7 jobs. Although the report does not endorse a specific Tucson
8 area alignment, Pima County Administrator Chuck Huckleberry has
9 put one on the table that closely resembles the I-10 bypass
10 route chosen by this board in 2008. That route also cost
11 American jobs, not to mention the negative effects on wildlife
12 and communities. Tourism would be hard hit at Saguaro National
13 Park, the Arizona Sonora Desert Museum, Kitt Peak Observatory
14 and Ironwood Forest National Monument. Existing long-term jobs
15 servicing truckers and tourists along the I-10 corridor would be
16 lost.

17 Six years ago your state engineer, Jennifer Toth,
18 raised the possibility of double decking six miles of I-10 from
19 Ruthrauff to I-19. Excuse me. She said it would meet all
20 future needs but that it was too expensive. That was a half
21 truth. The cost per mile of double decking I-10 is more
22 expensive, but the actual cost, the total cost of double decking
23 six miles of I-10 is one-third the cost of building a new
24 56-mile highway through the Avra Valley. Your numbers, not
25 mine. Double decking a few miles of I-10 would save taxpayers

1 nearly \$2 billion. Again, your numbers.

2 It would save communities and wildlife and
3 archaeology sites, but it would not enrich certain real estate
4 speculators who own some 1,500 vacant acres along the
5 Huckleberry Highway alignment. By the Sonoran corridor, the
6 northern leg of that makes all the sense in the world,
7 connecting Raytheon, the planned tech park, the airport with
8 I-10 and I-19.

9 But the other two legs of that corridor are of
10 dubious intent. The southern leg appears to be a gift to
11 (inaudible) adventures on Bill Swan's south (inaudible)
12 development, and the western leg duplicates an already planned
13 el Toro corridor and connects with Mr. Huckleberry's I-11. Maps
14 from his office label it, besides Sonoran corridor, I-11, 11A,
15 and auxiliary -- auxiliary institute -- interstate. We're not
16 making this up.

17 So boondoggle, nonsense, economic loss, export of
18 American jobs, wastes of taxpayer money and rich speculators,
19 that's what a yes vote means. Please honor your office and your
20 constituents and vote no.

21 CHAIRMAN CHRISTY: Thank you, Mr. Lannon.

22 Our next speaker is a citizen from Picture Rocks,
23 Mr. Christopher Banks.

24 MR. BANKS: Thank you, board, for hearing me, and
25 it's been an interesting couple hours here, because I've learned

1 a lot just listening to all the different information. I am a
2 citizen from Picture Rocks. I -- my family, my wife and I moved
3 to Picture Rocks in 1971.

4 In 1971, we had one rural store. All the roads
5 were dirt. It was a day trip to go to town, but we loved it.
6 Peace, quiet, great place to raise your children and a family.
7 I came from Vegas, and it was crazy there. So I was happy to
8 get my acre-and-a-quarter out at Picture Rocks, and I've lived
9 there and raised my family ever since.

10 And I've got involved in the community, watched
11 the community grow, and I still love it. We've gone through
12 some changes when the CAP came through. We joined a group of
13 Friends For the Desert to try to get them to enclose the channel
14 -- the canal and a few things. We knew we couldn't stop it from
15 going through because it was a done deal. It was an
16 environmental impact study that we went to. But it went through
17 and it was opened up -- enclosed. But it went through, and it's
18 needed, no question about it.

19 This corridor is needed. I understand all the
20 speakers. They make it plain and simple that it's good for
21 everybody. But I'm selfish. I know what this corridor wants
22 from my backyard. It doesn't have to. You've got a freeway
23 going right down the state. You could double deck it like
24 Albert said, and it's cheaper.

25 I just don't want it going through my backyard.

1 It's going to kill the whole area. It's going to ruin it.
2 Okay. It's good for money, but I'm passionate about it, and I
3 hope you take that in consideration. I know it's a lot of money
4 involved. I'm old enough to know about that kind of thing, but
5 please consider it. I'm selfish. That's my little area. Don't
6 take it away. Thank you very much.

7 CHAIRMAN CHRISTY: Thank you, Mr. Banks.

8 Our next speaker is the executive director of the
9 I-11 Coalition, Mr. Scott Higginson.

10 MR. HIGGINSON: Thank you, Mr. Chairman, members
11 of the board. It's a great pleasure to stand before you today,
12 and Mr. Christy, I congratulate you on a term well served and
13 appreciate your support.

14 We're here to encourage you to pass the item that
15 is before you, and I greatly appreciate your listening perhaps
16 to some of the things that were said at the meeting in
17 Wickenburg; the study not just sit on the shelf and that we take
18 this to the next step, which is what this vote today will allow
19 to happen. It will allow the first tier, tier one, of the
20 environmental impact statement to go forward, which will help
21 determine the most -- the best route for the I-11 corridor from
22 border to border. It will not just be that portion here in Pima
23 County where there has been and is obviously some concern and
24 about where it aligns, but it will take it to the entire route
25 and determine the best location for that from an environmental

1 standpoint as well as economic, as well as impact on the
2 citizens, and as well as the economic benefits to the community
3 and the state as a whole.

4 So I'm here today representing our board to
5 encourage its passage, to thank you and to thank Director
6 Halikowski and others for finding the source, finding a way to
7 take this to the next step. We -- if we are sincere in wanting
8 to get Interstate 11 built and constructed, we have to
9 demonstrate to Washington that we are taking the efforts
10 necessary here locally to advance this project and not simply
11 waiting for them to step in and assist us.

12 And so with that said, Mr. Chairman, I appreciate
13 the board's indulgent -- indulgence in listening, and I urge you
14 to pass the measure today so that this process can go forward
15 and that it just doesn't end up sitting on a shelf. Thank you
16 very much.

17 CHAIRMAN CHRISTY: Thank you, Mr. Higginson.

18 Our next speaker is the mayor of Maricopa,
19 Christian Price. Mayor Price.

20 MAYOR PRICE: Thank you, Mr. Chair, members of
21 the board, Director Halikowski. A pleasure to be here, and I
22 have a few things to reference, but you know, as this is the
23 agenda item, I need to stay on topic here, but I'll -- I will
24 ask for a point of personal privilege at the end.

25 But as you know, that the City of Maricopa and

1 myself in particular sit on the I-11 Coalition board, and you
2 know, all due respect to those that are opposed to this, I think
3 that we do have to keep in mind the bigger picture, and that is
4 -- and I had the opportunity to attend the opening of the 303
5 overpass with Director Halikowski, and it was fascinating to
6 listen to him talk about the value of looking sometimes 20 years
7 out and how important that is. And as we see that our
8 demographic changes, as we see that, you know, the City of
9 Phoenix and that area changed -- I don't think anyone thought 20
10 years ago that there was going to be a need for a freeway bypass
11 around that segment of Phoenix.

12 And so, you know, as you relate that to the I-11,
13 when you talk about a border-to-border, you know, thoroughfare
14 in which jobs can be created, we have a Phoenix Mart that's now
15 located in Casa Grande that is one of three in the world. We
16 are looking for those opportunities to consistently increase
17 that trade with Mexico, and I think we heard that from the
18 Consul General today. And so I applaud the efforts that ADOT
19 has gone through to find this -- these precious resources of
20 dollars to take that level -- that study to the next level and
21 to move that off the shelf and to, you know, kind of find those
22 early determinants as to where the best route will be, because
23 we don't know where those are.

24 You know, as we talk about the independent
25 segments of utility, there's a fan. You've seen that graph

1 where it looks like there could be five or six different areas
2 in which, you know, this -- this locations could be in. Somehow
3 you have to take that and you have to go through all these
4 segments throughout the entire state and add that to it.

5 So it really as a difficult process, and it's
6 going to take a lot of time. It's going to take a lot of
7 hearings and meetings to do so. So, you know, I would encourage
8 you to vote yes on this so that we can move this segment
9 forward. We can find out where the best places to locate it,
10 and we can take into consideration those concerns that -- that
11 the citizens have, because I too always understand, you know,
12 there's a balance between economic progress and finding and
13 protecting our environment, and I think that there is a way to
14 be able to do both, but you can't find that out until you move
15 that study forward. So with that, I would say please vote yes
16 on this and move that forward.

17 And the point of personal privilege I would ask
18 for is I have a little plaque here for Chairman Christy. I
19 wanted to give this to him as it's his last meeting. Apparently
20 I've been informed that I don't have \$25 million laying around,
21 and so the rest of you board members don't get one until you're
22 the chair. So anyways, thank you very much. I appreciate it
23 and there's your plaque (inaudible).

24 CHAIRMAN CHRISTY: At this rate I'm going to --

25 UNIDENTIFIED SPEAKER: You're going to --

1 CHAIRMAN CHRISTY: Clean up.

2 UNIDENTIFIED SPEAKER: -- need an ADOT truck to
3 help you haul that home.

4 CHAIRMAN CHRISTY: Thank you for your comments,
5 Mayor Price.

6 Our next speaker is the chairman of the Pinal
7 County Board of Supervisors, Mr. Anthony Smith.

8 MR. SMITH: Thank you, Chairman Christy, board
9 members, Director Halikowski. I want to congratulate you on a
10 successful corridor study for the -- and look forward to the
11 next step being successful -- as successfully initiated.

12 Pinal County is ideally situated between Phoenix
13 and Tucson. Ideally right here in the middle of the Sun
14 Corridor, a great area of promise and growth for the entire
15 state. We have the Interstate 8, Interstate 10, and we look
16 forward to the Interstate 11 and also the completion of what
17 we've been putting into practice and implementation working with
18 ADOT on the north/south corridor, which connects the east valley
19 communities down to Florence, Coolidge, Eloy and down to the
20 I-10.

21 Recently, Pinal County has joined in the economic
22 development powers of trio, and we consider economic development
23 extremely important as we continue to move Pinal County forward.
24 And with that, we support the approve of the tier one EIS for
25 I-11 from Wickenburg to Nogales. Thank you.

1 CHAIRMAN CHRISTY: Thank you, Chairman.

2 And our final speaker, on the I-11 topic is a
3 member of the board of directors and I believe incoming
4 chairman -- he can correct me on that -- of the Tucson
5 Metropolitan Chamber of Commerce, Mr. Tom McGovern.

6 MR. MCGOVERN: Thank you, Mr. Chairman and
7 members of the board. Welcome on behalf of the Tucson Metro
8 Chamber. It's great to have you here again, and we look forward
9 to all of -- all of you coming back to see us again.

10 I would like to add my congratulations as I have
11 several times to Chairman Christy for being such a fantastic
12 representative of this part of the state, and frankly, of the
13 entire state. A great partner to many of us and certainly to
14 the business community here in southern Arizona, and for the
15 great legacy that he'll leave and the difficult shoes, big shoes
16 that have to be filled by our next chairman.

17 What I'd like to point out is that in this
18 region, historically we've not necessarily spoken with one
19 voice. We've -- we've often, as the saying goes, eaten our
20 young, and in the case of Interstate 11, and frankly, all of the
21 transportation issues facing us today, I've never seen the kind
22 of -- particularly business community support and unified voice
23 that I'm seeing now.

24 Obviously I'm here to encourage your vote to move
25 forward the EIS tier one studies for I-11, but as we've heard

1 previously, components of that are equally important. This is
2 not a short-term project. State Route 189 is a key component,
3 obviously. The widening of I-10, completion of that widening
4 project, support for the new Sonoran corridor concept that
5 you'll be seeing, these are all really important and they all
6 fit together. And I think it's unique at least in our area that
7 the business and for the most part the entire community has been
8 speaking with one voice and, you know, I apologize for the
9 redundancy, but I'm also happy about it that you're hearing that
10 same message.

11 You know, the Intermountain West Corridor is
12 really critical to the long-term economic growth of Arizona and
13 indeed the western United States. It's not a short-term
14 project, as I said. This reminds me, actually, of the central
15 Arizona project from more than 30 years ago. There was a lot of
16 opposition to the project. We made it through, but only through
17 persistence and a long-term vision and long-term support from
18 many people, even in this room here.

19 I would like to use that as kind of a beacon, if
20 you will, an example of how I-11 should be considered, and I ask
21 for not only your consideration today in providing a funding for
22 the next step, but for you to consider this as a long-term
23 project that will go beyond probably any of our careers, you
24 know, within this transportation market and -- and recognize
25 that this is for our children and really our grandchildren.

1 Finally, just thanks to ADOT for the great work
2 that's been done, not just on the I-11 study, but also
3 throughout all of the other transportation issues around here.

4 And thanks again to the board and Chairman
5 Christy for your leadership and your support of this area.
6 Thank you.

7 CHAIRMAN CHRISTY: Thank you, Mr. McGovern.

8 Are there any other speakers that have not been
9 noted to address the board?

10 I want to thank all the speakers for their
11 comments. They are duly noted, and we'll proceed with the item
12 at hand, which is a report on the I-11 corridor funding. And
13 we'll hear once again from our assistant director for multimodal
14 planning, Mr. Scott Omer.

15 Mr. Omer.

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

17 So Item Number 11 is the funding for the tier one
18 environmental impact statement for the I-11 Intermountain West
19 Corridor.

20 As you remember for -- it's been going on for
21 awhile now, ADOT and -- the Arizona Department of Transportation
22 and the Nevada Department of Transportation joined a joint
23 partnership over two years ago to initiate the original corridor
24 study. We did that. We delivered the project on time, within
25 budget, a couple million dollars, to really identify, is there a

1 business case? Is there a potential purpose and need for a
2 corridor that connects the two largest cities in the United
3 States (inaudible) interstate, Las Vegas and Phoenix. That was
4 the original concept. But this board said, that's not good
5 enough. This board said, we should be looking at the entire
6 corridor from border to border in the state of Arizona, and
7 that's what we did.

8 So we went back and truly identified what should
9 we be looking at along this corridor. It wasn't just the
10 Congressionally-designated piece that was from Las Vegas to the
11 US-93 near Wickenburg. It was also, you know, the southern
12 Arizona piece and the piece in the Phoenix metro area, and it
13 was really looking at the entire potential Interstate 11 system.
14 So that's what we did, and we feel it was a very -- a good
15 study.

16 We reached out to over 350 different business
17 communities and organizations. You know, we've had -- we had
18 thousands of comments that came back on the reports. I'm very
19 pleased with the overall report itself, and you know, we
20 presented that to the board in October, the final report, and as
21 you -- you all remember the last -- over the last year, I was in
22 front of you I think every month giving an update on the report.

23 One of the things that came out of the report
24 though was critical next steps that we felt was important to
25 continue to move the corridor forward if that was the desire of

1 the State of Arizona, and one of those critical next steps that
2 was identified was really the development of a tier one
3 environmental impact document from US-93 near Wickenburg to the
4 Nogales area. That was identified in the report, and that's
5 what we're here recommending today.

6 We -- you know, it's duly noted that we're not
7 including US-93 north of Wickenburg, because that report's
8 already been done. We have the environmental work that's been
9 done on that corridor before. We're comfortable with the
10 outcome of that. This is in the area where we need to identify
11 where the corridor will be in the future. What the
12 environmental impact report's going to say, it's, you know,
13 we're breaking this down into tiers. You've heard us -- you've
14 heard today this is about a tier one environmental impact
15 statement, you know, that's broken down into two individual
16 tiers.

17 The first tier, the tier one, is -- really
18 focuses on broad policy-based decisions that are on a national,
19 regional and local level that looks at the -- what the goals of
20 the corridor should be, where the general location of it should
21 be at, what the specific mode choice should be, look at the
22 areas where they're going to have specific impacts, and also
23 look at fatal flaws on areas that you should completely avoid.

24 A tier two document is the project level document
25 that you have a clearance on before you actually go to

1 construction. So that is not what this document is. The tiered
2 approach does allow us the flexibility to have fiscal constraint
3 on the tier two document on -- but on the tier one document, we
4 don't have to have the funding identified for construction.
5 This is a planning study.

6 A tier one docket -- tier one document also will
7 give us a record of the decision, which would mean that we
8 wouldn't have to go back again and re-address some of issues
9 that we settle in this document as we move forward to the final
10 construction or the final tier two clearance document itself,
11 and that would be approved by the department and by -- the
12 record of the decision would come from the department and by the
13 Federal Highway Administration as well.

14 The tier one document will look at the project in
15 its entirety. It does -- it's a broad-based look at the project
16 and looks at fatal flaws and different modes and corridors.

17 It's also a GIS-level inventory of all the
18 various resources. So what that means is you're not putting
19 people out on the ground to do specific surveys and inventories.
20 Generally, you'll use technology to help you with that. So it's
21 a higher level look at the corridor. But you can also compare
22 the impacts to all of the different corridor alternatives and
23 give us a good, broad-based look at where we should be focusing
24 at on the future.

25 The other thing that it does for us is while the

1 tier one document doesn't specify the exact width of a corridor,
2 in general we'll narrow the corridor down to about a 2,000 feet
3 wide -- 2,000 foot wide corridor. But in areas where we have
4 specific concerns, whether they be intersections or they be
5 interchanges or they have other areas where there's concerns, we
6 could narrow that down to about 500 feet.

7 It would get a record (inaudible) decision that
8 would be signed off on. As I said, it would be the starting
9 point for any final environmental document that would be for the
10 clearance of the construction of the corridor of the future if
11 that's what it came out to say.

12 The current cost estimate that we've identified
13 for this tier one EIS is \$15 million, and we have a schedule of
14 about three years after the time that we issue the notice to
15 proceed to the contractor. That's not starting today. Our
16 schedule now is we're getting -- if the board approves the
17 project today, we'll be identifying the scope of work and
18 developing the scope of work for the corridor reaching out to
19 the land management agencies and other resources agencies to
20 help us develop the scope of work. We'll advertise an RFP
21 hopefully in the spring, and ideally, in my eyes, we'll -- we
22 would have something ready to go towards the end of this fiscal
23 year.

24 Mr. Chair, with that, I would recommend the
25 approval of Item Number 11.

1 CHAIRMAN CHRISTY: Any questions, discussion or
2 comments of Mr. Omer regarding the agenda item?

3 MR. ANDERSON: Mr. Chairman.

4 CHAIRMAN CHRISTY: Mr. -- Vice Chair Anderson.

5 MR. ANDERSON: Mr. Omer, I assume that Ms. Ward
6 has looked at this, that it's fiscally constrained within the
7 five-year program.

8 MS. WARD: (Inaudible.)

9 MR. ANDERSON: What does it do with the other --
10 that whole line item of the budget?

11 MR. OMER: So I can answer that question, and
12 specifically, Mr. Anderson.

13 Mr. Chairman, Mr. Anderson, so the \$15 million,
14 where the funding was brought from, it's still within the exact
15 same financially and fiscally-controlled tip and stip that we
16 have today. It's not new money from anywhere else. We
17 identified specific projects that were in our existing five-year
18 program that we had concerns with in our ability to deliver
19 those projects in this fiscal year. Right? Some of the
20 projects specifically were not going to be ready to advertise,
21 and we were going to have to reprogram those or bring something
22 else in.

23 There were other projects that we were not sure
24 that we were going to have them ready at the end of the year.
25 So some definitely, some we weren't sure. We identified those

1 projects, and there were six of them in total that were approved
2 in Item Number 10, and those projects added up to about \$15
3 million, which funds this.

4 Our intention would be when those projects are
5 ready to go, you know, we get their right-of-way -- or the
6 right-of-way ready to go. We have the clearances that are --
7 would allow us to move those projects out. We'd bring those
8 back in either this year, if we -- if more money came available,
9 or if not, we'd put those in next year's tentative program, and
10 the board would approve those for the FY '16 through '20
11 program.

12 Hopefully that answered your question,
13 Mr. Anderson.

14 MR. ANDERSON: The second question would be the
15 life span of this document. I mean, is it something if -- I
16 think there's several EISs that we've done that basically
17 outdate. You have to go back and redo them. Will we have this
18 type of issue with this if we're not going to proceed within,
19 you know, a period of time?

20 MR. OMER: Mr. Chair, Mr. Anderson, I don't think
21 it's going to be exactly the same, because honestly, this is the
22 first time we've done a tier one environmental document in
23 Arizona on a highway project of my knowledge. Generally we'll
24 do a tier two document, which is the final document ready to go
25 to construction. And with that record of decision, what you're

1 verifying and saying is, you know, you have, you know, nothing
2 in the way, you have a finding of no significant impact of the
3 environmental assessment, where you get your record of decision
4 on an EIS that allows you to move directly into construction.

5 When those projects sit on the shelf for too
6 long, they have to be updated to make sure that any of the
7 issues that were addressed in the original document have not
8 become outdated. In this instance, it's not the same, and the
9 reason is is because we can't go to construction on a tier one
10 document anyway. Ideally, what we'll do is establish the
11 purpose and need, identify any fatal flaws in the corridors as
12 they've been identified today, and it will narrow the corridor
13 down. You're still going to come back in later on and do the
14 final clearance document that allows this to go to construction.
15 I wouldn't see a reason why we'd have to do a detailed update of
16 this, because we'd be moving into the more detailed tier two
17 document in the future.

18 MR. ANDERSON: Thank you.

19 CHAIRMAN CHRISTY: Any further questions of
20 Mr. Omer?

21 MR. LA RUE: Yeah. Mr. Chair, I do.

22 CHAIRMAN CHRISTY: Board Member La Rue.

23 MR. LA RUE: So Scott, you know, just to refresh,
24 because I've heard this a couple times now. So this tier one,
25 it is from the border to Wickenburg?

1 MR. OMER: Yes, sir.

2 MR. LA RUE: Project limits. It goes from the
3 hundred thousand foot level down to 2,000, maybe 500 feet,
4 depending.

5 MR. OMER: Yes, sir.

6 MR. LA RUE: It's a tier one, and when we want to
7 proceed, we're then able to do a tier two on smaller sections of
8 this study area independent of the other sections? Is that our
9 strategy?

10 MR. OMER: Mr. Chair and Mr. La Rue, that would
11 be one of the strategies that we'd use. The tier two document
12 would identify the specific -- we have a corridor today. Our
13 corridor, if you remember, is 5 to 50 miles wide in some
14 instances, and it takes up, you know, entire parts of
15 municipalities. We can't narrow it down.

16 What this one does is it gets us down to an
17 alignment level, which again, it's not construction level down
18 to 400 feet so you can go out and purchase right-of-way, but it
19 does get you down to a specific alignment so you can say you're
20 between this point this point. When we do that, we will have
21 the ability to move to a final tier two document on the entire
22 corridor if we chose to do so, but again, that would be
23 depending on funding, and I wouldn't see any way that we would
24 have, you know, the specific funding for the entire corridor at
25 one time.

1 So ideally, or reasonably, what we would probably
2 do is identify a specific corridor or a specific segment of the
3 independent utility inside of the overall corridor that we could
4 move forward to if there was the purpose and need for it at the
5 time or if there was the funding available for it or if there
6 was the desire of this board to move forward with it, we would
7 look at how the funding would come about, and we could clear
8 that individual section for final design and construction.

9 Mr. Chair.

10 CHAIRMAN CHRISTY: Director Halikowski.

11 MR. HALIKOWSKI: Sometimes I think when we
12 explain things, we get terminology moving and we forget that
13 others don't always understand terminology, and I think we
14 intermix corridor with other words, and I want to just be very
15 clear with Mr. La Rue's question.

16 The corridor we did the study on with Nevada is
17 422 miles long, and it goes from Nogales all the way to our
18 border with Las Vegas. And what we looked at is if we move
19 forward in the future, no one is going to say, let's build that
20 422 miles all at once. We would do it, I think as you're
21 alluding to, segments of independent utility. I think we split
22 it up into seven or eight different segments of bite size pieces
23 of that 422 miles.

24 So essentially what we're looking at with this
25 tier one study is that can we look at what the corridor

1 alternatives would be between Wickenburg and Nogales, and then I
2 believe you will go to a preferred alternative in the tier one,
3 but then within that tier one Wickenburg to Nogales, there are
4 segments of independent utility that if you have the funding,
5 you now have the groundwork laid to go to the tier two and
6 complete the EIS for a specific bite size piece, if you will.
7 And that's where the segments of any independent utility come
8 forward. You may choose to construct Nogales to Tucson first.
9 You may choose another segment, but they are divided up into
10 those. So I just want to be clear, because very often when
11 we're talking, we tend to toss around terms that sometimes
12 confuse me, and I want to be very clear.

13 CHAIRMAN CHRISTY: Thank you.

14 MR. OMER: Mr. Chair, Mr. La Rue, I'll confuse
15 you even more, because we probably wouldn't construct an entire
16 segment of independent utility at one time just because of the
17 amount of funding. We'd probably choose a project that has
18 logical termini inside of it. That would say it would be a
19 piece between Nogales and Tucson, for example, or a piece
20 between Phoenix and Tucson. We couldn't do the whole thing at
21 one time.

22 MR. HALIKOWSKI: But none of this work that we're
23 doing in the tier one will be wasted. When we go to -- if we
24 choose to go to a tier two, we will use all this work.

25 MS. BEAVER: Chairman Christy, I have a question.

1 CHAIRMAN CHRISTY: Board Member Beaver.

2 MS. BEAVER: By -- if we were to go ahead and
3 approve this, would that also kind of give legs to our
4 representation that goes back to Washington to try and get a
5 border to border -- get it designated, where right now it's just
6 from the Nevada border to Wickenburg or that area of Wickenburg?

7 MR. OMER: Mr. Christy and Ms. Beaver, that's a
8 good question. And in my opinion, yes, it would. We're
9 continuing to work with our -- our representation in Washington
10 that's working with our delegation to continue on the efforts to
11 extend the designation of the corridor for the border-to-border
12 concept. That's happening not only with our people in
13 Washington, but it's also happening with the Nevada DOT as well,
14 and it would be the intent to someday identify or designate the
15 corridor for border to border within the state of Arizona. And
16 if this document was completed and it showed that the
17 corridor --

18 UNIDENTIFIED SPEAKER: Mr. Omer, the answer's
19 yes.

20 MR. OMER: (Inaudible) we had a tier one
21 (inaudible) for the whole thing, the answer would be yes.

22 MR. HALIKOWSKI: Let me just add on that, because
23 we all know what the state of funding is in Washington these
24 days when it comes to transportation.

25 Many other states have done their own revenue

1 sources as they're looking at capital needs to boost their
2 economies and the flow of goods and trade. So the answer to
3 your second part, I think, is definitely yes, that it shows that
4 Arizona is willing to put skin into this game to build this,
5 because otherwise, we're just going to Congress with our hand
6 out saying give us money. But this shows real effort on our
7 part. So as we look to this in the future, I think it becomes a
8 corridor of national significance then.

9 CHAIRMAN CHRISTY: What's your question?

10 MS. BEAVER: Well, and Mr. Chairman, would this
11 not also be a situation where when the federal government sees
12 that participation that we're more likely to get attention at --
13 you know, getting something through our Congress (inaudible).

14 MR. OMER: I would say that the director
15 (inaudible) would definitely be yes.

16 MS. BEAVER: Yes.

17 MR. OMER: I would say the answer to that is yes.

18 MR. HALIKOWSKI: Mr. Chair, I also think it's a
19 (inaudible) signal to the Mexican government who's putting a
20 billion dollars in --

21 MR. OMER: Right.

22 MR. HALIKOWSKI: -- to say we're doing the same.

23 MR. OMER: Because one of the things we're
24 looking at, obviously the world doesn't stop or begin at
25 Nogales. So that's why we're looking at the binational study of

1 Highway 15 all the way to the State of Mexico, because their
2 manufacturing, their industrial parks, their produce, all of
3 this ties in together, because they have to ship those goods to
4 sell them, and I-11 is that north/south corridor that then ties
5 into 10, 8, 40, to go to Los Angeles, and then the Pacific rim,
6 also I-10 and 40 that will locate us then to the markets in the
7 east.

8 So I-5 becomes more and more congested in
9 California to the point where it's no longer viable as a
10 north/south corridor for the west coast. It's overburdened
11 already. Its levels of service, I think, are four or F or
12 whatever the designation is, but essentially, the Intermountain
13 West, to be economically viable, needs a north/south corridor in
14 the future.

15 CHAIRMAN CHRISTY: Further questions?

16 Ladies and gentlemen, I just want to point out
17 that what we witnessed with Mr. Roehrich's attempt of prompting
18 to Mr. Omer was efficiency in government.

19 MR. ROEHRICH: Appreciate that.

20 CHAIRMAN CHRISTY: Any further questions of the
21 director, Mr. Omer or any other statements? Mr. La Rue?

22 MR. LA RUE: No. I would say I'm ready to move
23 for approval.

24 CHAIRMAN CHRISTY: There's been a --

25 MS. BEAVER: Second.

1 CHAIRMAN CHRISTY: There's been a motion by Board
2 Member La Rue and a second by Board Member Beaver to approve and
3 accept a new -- as a new project Item 11A as presented.

4 Discussion?

5 Hearing no discussion, all those in favor of the
6 motion to accept and approve new project Item 11A as presented,
7 signify by saying aye.

8 BOARD MEMBERS: Aye

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

11 Thank you very much, Mr. Omer, and thank you
12 board.

13 We'll now move on to Item 12, the state
14 engineer's report. We have Mr. Steve Boschen, who is the deputy
15 state engineer for project delivery and design.

16 By the way, we have a new state engineer, Dallas
17 Hammet, who is replacing Jennifer Toth, and unfortunately he
18 couldn't be here today, but we certainly welcome him and wish
19 him every bit of success and cooperation.

20 And Mr. Boschen, thank you for being here today
21 on his behalf, and please proceed.

22 MR. BOSCHEN: Chairman Christy, board members,
23 thanks for having me here. As you said, Dallas couldn't join us
24 today.

25 UNIDENTIFIED SPEAKER: His daughter's graduating

1 right now.

2 MS. BOSCHEN: His daughter's graduating today,
3 and I think she's receiving an honor, so that's great.

4 CHAIRMAN CHRISTY: In what area?

5 MR. BOSCHEN: In civil engineering of all things.

6 UNIDENTIFIED SPEAKER: The apple and the tree,
7 Mr. Chair.

8 MR. BOSCHEN: I was not as smart as the director
9 today, but I am a U of A grad. I didn't wear my pin.

10 UNIDENTIFIED SPEAKER: You had to wear ASU
11 though.

12 MR. BOSCHEN: I do root for ASU except for one
13 game of the year, so...

14 UNIDENTIFIED SPEAKER: Here you go Steve, I'm
15 going to pin you.

16 UNIDENTIFIED SPEAKER: He's been waiting to do
17 that.

18 UNIDENTIFIED SPEAKER: (Inaudible.)

19 UNIDENTIFIED SPEAKER: No. We're just bound
20 together for life.

21 (Inaudible cross talk.)

22 UNIDENTIFIED SPEAKER: So when do we play
23 racquetball again?

24 MR. BOSCHEN: All right. State engineer's
25 report. We do have 133 projects under construction at an amount

1 of 892. In reference to last month, our numbers were 123 and
2 about 796. So about 10 more projects and 100 million more.

3 We did finalize two projects in November at a
4 cost of 4 million. So to date we have 43 million -- 43 projects
5 finalized. That really concludes the state engineer's report.

6 CHAIRMAN CHRISTY: Thank you.

7 MR. BOSCHEN: I'll be happy to answer any
8 questions.

9 CHAIRMAN CHRISTY: Any questions of the state
10 engineer's report?

11 Hearing no questions, direct -- Deputy Boschen
12 would you please proceed with Item 13, construction contracts.

13 MR. BOSCHEN: Authority of construction
14 contracts, we have 11 that are up on the board. Three have
15 already been approved -- or excuse me, four have been approved
16 (inaudible) consent agenda. Thank you.

17 We have seven to discuss. The good news is that
18 for the most part, the average is under 17 percent compared to
19 state's estimate and low bid.

20 We'll speak to the first one, 13A. This is a
21 City of Yuma project. You might note that the map is incorrect.
22 There is a couple of 14th Streets in Yuma. This one is in
23 what's depicted as the city. 14th Street -- this is actually
24 the county 14th Street, which is south of the base. So
25 disregard the map.

1 There were six bidders on this project. We did
2 feel that it was reasonable competition on it. The RO Site
3 (phonetic) and the Pit Source was very close, so we do think
4 this is a reasonable bid. We recommend approval.

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

7 MS. BEAVER: No.

8 CHAIRMAN CHRISTY: Hearing no comments or
9 questions from Board Member Beaver, the Chair would accept a
10 motion to approve staff's recommendation to award the contract
11 for Item 13A to Sunland, Incorporated, Asphalt and Seal Coating.

12 MS. BEAVER: So moved.

13 MR. ANDERSON: Second.

14 CHAIRMAN CHRISTY: There's a motion by Board
15 Member Beaver and a second by Vice Chair Anderson. All those in
16 favor of the motion -- excuse me. Any discussion on the motion?

17 Hearing no discussion, the Chair would ask that
18 all those in favor of the motion as recommended by staff be --
19 those in favor of it signify by saying aye.

20 BOARD MEMBERS: Aye.

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

23 Director -- Deputy Boschen.

24 MR. BOSCHEN: Thank you, Chair.

25 The next project is 13B, located on US-93 north

1 of Wickenburg. Very competitive bid. We did have eight bidders
2 on this project. It's five miles of new alignment on south --
3 on a southbound alignment. So this would be considered part of
4 the I-11 corridor. The X -- the roadway X that we received the
5 bid on that was extremely competitive, so -- the dirt works,
6 very competitive, the asphalt, and the AB, aggregate base that
7 we received, very competitive bids on that, and also the
8 concrete. So this was a real big win for us. It was 27 percent
9 underneath State's estimate. We do recommend approval for this
10 project.

11 CHAIRMAN CHRISTY: Board Member Beaver, this
12 again is in your district. Do you have any comments or
13 questions?

14 MS. BEAVER: No. I move that we approve the
15 recommendation.

16 CHAIRMAN CHRISTY: There's been a motion by Board
17 Member Beaver to accept staff's recommendation. Is there a
18 second?

19 MR. LA RUE: Second.

20 CHAIRMAN CHRISTY: Second by Board Member La Rue.
21 Discussion?

22 Hearing no discussion, all those in favor of
23 staff's recommendation to award the contract for Item 13B to
24 Aims Combs Joint Venture signify by saying aye.

25 BOARD MEMBERS: Aye.

1 CHAIRMAN CHRISTY: Opposed? Hearing none.
2 Deputy Director Boschen.

3 MR. BOSCHEN: Chairman Christy, the next project
4 is 13C, and it's located on State Route 95 in Lake Havasu City.
5 We did have one that went over on this, very small quantities.
6 So we analyzed what was the reason for the overage, decomposed
7 granite, rock mulch, irrigation control valves. Again, small
8 projects. We do have challenges. There were only two bidders
9 on this. Casino Construction was the apparent low bid. We
10 recommend approval.

11 CHAIRMAN CHRISTY: Board Member Beaver, again
12 this is in your district. Any comments or questions?

13 MS. BEAVER: No. I move that we approve the
14 recommendation as presented.

15 CHAIRMAN CHRISTY: There's been a motion by Board
16 Member Beaver to approve the recommendation as presented. Is
17 there a second?

18 MR. CUTHBERTSON: Second.

19 CHAIRMAN CHRISTY: Second by Board Member
20 Cuthbertson. Discussion?

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

23 BOARD MEMBERS: Aye.

24 CHAIRMAN CHRISTY: Opposed? Hearing no
25 opposition,.

1 Deputy Boschen.

2 MR. BOSCHEN: Chairman Christy, the next project
3 is 13D, located in Bullhead City, and it involved three
4 intersection improvements. It was an HSIP project. This was
5 initially postponed to January 9th, so it might be a little bit
6 jumbled in your package.

7 There was an amendment. Again, this one was
8 over. Again, we had small quantities, and at first Bullhead and
9 WACOG weren't sure if they could get the funding together. They
10 have agreed to provide the funding for the overage, and they
11 concur on awarding to the low bidder, and the department's
12 recommendation is to award to the low bidder. The low bidder is
13 Tiffany Construction.

14 CHAIRMAN CHRISTY: Board Member Beaver, this is
15 in your district. Any comments or questions?

16 MS. BEAVER: No. I move that we approve the
17 recommendation as presented.

18 CHAIRMAN CHRISTY: It's been moved by Board
19 Member Beaver to approve the recommendation as presented. Is
20 there a second?

21 MR. CUTHBERTSON: Second.

22 CHAIRMAN CHRISTY: We have a second by Board
23 Member Cuthbertson. Discussion?

24 All those in favor of moving the motion as
25 presented signify by saying aye.

1 BOARD MEMBERS: Aye.

2 CHAIRMAN CHRISTY: Opposed? Hearing none, the
3 motion carries.

4 Floyd, is there anything that I need to say or we
5 should say about the amended item before we get to it or is it
6 self-explanatory?

7 MR. ROEHRICH: Mr. Chair, it's self-explanatory,
8 and I think Steve -- or Mr. Boschen will discuss that as well.

9 CHAIRMAN CHRISTY: Deputy Boschen.

10 MR. BOSCHEN: The next item is 13E. It was
11 postponed last month, and it is a sign replacement project in
12 the SEMPO area. We did have two.

13 CHAIRMAN CHRISTY: Are we on E or D?

14 MR. BOSCHEN: I'm on E. Should I be on D?

15 MS. BEAVER: No. We just did D.

16 CHAIRMAN CHRISTY: Well, we have 13D up here. I
17 beg your pardon. It is 13E. It's all one. I'm sorry.
18 Proceed. I beg your pardon.

19 MR. BOSCHEN: No problem.

20 CHAIRMAN CHRISTY: 13E.

21 MR. BOSCHEN: So 13E, it's a sign replacement
22 project in the SEMPO region, various sign locations. It was
23 postponed last month. Meadow Valley submitted a bid that was
24 extremely competitive. They sent us a letter requesting that we
25 disallow their bid because they have -- had a mathematical error

1 in their bidding software. We analyzed that. We've analyzed
2 Sun Line's bid, which was the second bid. We proposed to reject
3 the bid of Middle Valley and award the project to Sun Line
4 Contracting.

5 CHAIRMAN CHRISTY: Board Member Beaver, you are a
6 hotbed of activity.

7 MS. BEAVER: Makes my people happy.

8 CHAIRMAN CHRISTY: Do you have any comments or
9 questions?

10 MS. BEAVER: Yes, on this I do. More it's a
11 technical type question. I noticed on here the recommendation
12 is to withdraw the bid without forfeiting its bid bond, yet it
13 just stated reject the bid. So which verbiage would you prefer
14 that's used?

15 MR. BOSCHEN: Ms. Beaver, Mr. Chair.

16 MS. BEAVER: The -- what we've got before us, do
17 you want me to just read it for you?

18 MR. BOSCHEN: Sure.

19 MS. BEAVER: Okay. The department recommends
20 that the board allow Meadow Valley Contracting, Inc., to
21 withdraw its bid without forfeiting its bid bond and recommends
22 awarding or award of this project to Sun Line Contracting, LLC.

23 MR. BOSCHEN: Ms. Beaver, Mr. Chair, we recommend
24 using the wordings that you have in your package.

25 CHAIRMAN CHRISTY: Withdraw? Because my package

1 says reject.

2 MR. ROEHRICH: Mr. Chair, Ms. Beaver, I think
3 whether you reject it or withdraw it -- you're allowing them to
4 withdraw it or rejecting, I think it's the same outcome. I
5 guess it's worded different. So really the issue is here is
6 remove Meadow Valley's bid, do not take their bond, which you
7 have the right to take their bond if you think that they were
8 doing something illegal or there was an issue there. We don't.
9 It was an honest mistake. So in this case, however you want to
10 say, reject the bid or withdraw their bid, without forfeiting
11 their bond and award it to Sun Line. That's the outcome of that
12 -- what we're looking for.

13 CHAIRMAN CHRISTY: Ms. (Inaudible.)

14 MICHELLE KUNZMAN: I think the word withdraw
15 is probably the better choice.

16 MR. BOSCHEN: Than reject. Okay.

17 CHAIRMAN CHRISTY: So we will note that this
18 motion is to withdraw the bid.

19 MS. BEAVER: Without forfeiting its bid bond and
20 recommends award of this project to Sun Line Contracting, LLC.

21 MR. BOSCHEN: Ms. Beaver, Mr. Chair, that would
22 be the department's recommendation. Withdraw does sound better,
23 Floyd.

24 CHAIRMAN CHRISTY: Are you willing to make a
25 motion so saying?

1 MS. BEAVER: So moved.

2 CHAIRMAN CHRISTY: There's a motion by Board
3 Member Beaver to withdraw the bid as presented. Is there a
4 second?

5 MR. ANDERSON: Second.

6 CHAIRMAN CHRISTY: Second by Vice Chairman
7 Anderson. Discussion?

8 Hearing no discussion, all those in favor of the
9 proposed motion signify by saying aye.

10 BOARD MEMBERS: Aye.

11 CHAIRMAN CHRISTY: Opposed? Hearing no
12 opposition.

13 Deputy Boschen.

14 MR. BOSCHEN: We were on --

15 UNIDENTIFIED SPEAKER: Did we also approve the
16 other --

17 CHAIRMAN CHRISTY: Oh.

18 UNIDENTIFIED SPEAKER: Yeah.

19 CHAIRMAN CHRISTY: That would be a two-part. Is
20 there a motion to do so?

21 MS. BEAVER: It was -- isn't it all-inclusive in
22 the one motion that I said?

23 UNIDENTIFIED SPEAKER: But not -- it just
24 restates (inaudible) --

25 (Inaudible cross talk.)

1 UNIDENTIFIED SPEAKER: So it's only one motion's
2 needed? (Inaudible.)

3 CHAIRMAN CHRISTY: Only one motion is needed and
4 determined. Any discussion on the fact that there's only one
5 motion needed?

6 Then we'll proceed with the vote. All those in
7 favor of the motion as presented signify by saying aye.

8 BOARD MEMBERS: Aye.

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

11 Deputy Boschen.

12 MR. BOSCHEN: Chairman, first, the next project
13 is in the City of Peoria, 13F on your packet. This was
14 initially postponed to the 9th. We were able to look at the
15 protest that was filed by F & F Construction. We recommend
16 rejecting their protest, and they have not voiced any
17 opposition. In fact, we contacted them yesterday. We recommend
18 awarding to Carson Construction. So to make sure we're clear on
19 this, we are rejecting the protest of F & F and recommending
20 award to Carson construction.

21 UNIDENTIFIED SPEAKER: And this could be dealt
22 with in one motion.

23 CHAIRMAN CHRISTY: The gentleman from Phoenix,
24 this is your district. Do you have any questions or comments?

25 MR. LA RUE: I have no questions and I move for

1 approval.

2 MR. SELLERS: Second.

3 CHAIRMAN CHRISTY: There's been a motion by Board
4 Member La Rue to approve the recommendation and seconded by
5 Board Member Sellers. Discussion?

6 MS. BEAVER: Just clarify, the recommendation is
7 to reject, right, the proposal?

8 MR. BOSCHEN: To -- Mr. Chairman, it's to reject
9 the protest because we did not agree with the basis of the
10 protest, and to further award this to Carson Contracting, who
11 was the apparent low bidder on the bid opening.

12 CHAIRMAN CHRISTY: So noted.

13 UNIDENTIFIED SPEAKER: Correct.

14 CHAIRMAN CHRISTY: Any further discussion?

15 We'll move on to the vote. All those in favor of
16 the motion as presented signify by saying aye.

17 BOARD MEMBERS: Aye.

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

20 Deputy Boschen.

21 MR. BOSCHEN: Chairman Christy, members of the
22 board, last one. This project is in Summerton, a little bit
23 south of Yuma, 13G. We had a bid that was 14 percent over, and
24 Summerton cannot come up with sufficient funds to proceed with
25 the work on this. We are suggesting that the project be

1 rescoped, and we reject all bids and rescope the project.

2 CHAIRMAN CHRISTY: Board Member Beaver, don't you
3 have any control over your district? Do you have any comments
4 or questions?

5 MS. BEAVER: No. I move to approve the
6 recommendation as presented.

7 CHAIRMAN CHRISTY: Board Member Beaver has
8 approved to accept the recommendation as presented. Is there a
9 second?

10 MR. LA RUE: Second.

11 CHAIRMAN CHRISTY: Second by Vice Chair La Rue.
12 Discussion?

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

15 BOARD MEMBERS: Aye.

16 CHAIRMAN CHRISTY: Opposed? Hearing none, the
17 motion carries.

18 Thank you very much, Deputy --

19 MR. BOSCHEN: Thank you.

20 CHAIRMAN CHRISTY: -- Boschen for your help
21 today.

22 MR. BOSCHEN: Okay.

23 CHAIRMAN CHRISTY: And we'll proceed with Item
24 14. We have some organizational matters of succession to deal
25 with, and the Chair would at this time entertain a motion to

1 adjourn to executive session.

2 MS. BEAVER: I make a motion that we adjourn to
3 executive session in accordance with ARS.

4 CHAIRMAN CHRISTY: There's a motion by Board
5 Member Beaver and seconded by --

6 MR. SELLERS: Me.

7 CHAIRMAN CHRISTY: -- Board Member Sellers to
8 adjourn to executive session, and we adjourn this meeting for
9 that.

10 MICHELLE KUNZMAN: You need to vote on it.

11 CHAIRMAN CHRISTY: Oh, of course. We are -- have
12 a motion for us to adjourn to executive session that's been made
13 and seconded. Any discussion?

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

16 BOARD MEMBERS: Aye.

17 CHAIRMAN CHRISTY: Opposed? Hearing no
18 opposition, we are adjourned to executive session.

19 (Break in recording.)

20 CHAIRMAN CHRISTY: I'd like to call the
21 continuation of the State Transportation Board of December 12th
22 to order. We'll move on with the final item, 15, suggestions
23 for future board functions.

24 MR. ROEHRICH: Mr. Chair, hold on (inaudible). I
25 was just going to say prior -- just before you hit Item Number

1 15, I do know that the vice chair and the board members
2 themselves had a little recognition gift they wanted to --

3 CHAIRMAN CHRISTY: Okay.

4 MR. ROEHRICH: -- present.

5 **KELLY ANDERSON** : Stay seated (inaudible)
6 everybody else.

7 In 2010, March of 2010 was my very first board
8 meeting. It was in Oro Valley. And after the meeting, as a
9 note, it was a very short meeting. This one was very
10 excruciating. I think (inaudible) for a reason. But I was
11 walking out to my car in the parking lot afterwards, and Bob
12 Montoya, Victor Flores, Doe Feldmeyer, Filipe Zubia (phonetic),
13 they caught me in a corner parking lot, and they go, you're the
14 rookie. I'm like, what do you mean? You're the rookie. You're
15 ours for a year. I'm like, what do you mean? You've got to
16 golf with us. You've got to drink lemonade with us at night.
17 You've got to do all this stuff. I go, okay. (Inaudible).

18 So (inaudible) started traveling around the state
19 and doing all the stuff that we do, and ended up in a local
20 establishment, you know, pitchers of lemonade and stuff like
21 that, and they go, what's with Christy? You know, he's -- look
22 at how he dresses. Perfect. His hair's perfect. His shoes are
23 shiny. And when you travel with him, we have big duffel bags.
24 He's got a little briefcase, and how does he get all that stuff
25 into one little briefcase? And we were just scratching our

1 heads. I'm like, you know, what's -- you know, what's going on?
2 So we kept talking about you. You know, you'd show up the day
3 of the meeting, because you had (inaudible) auto business to be
4 taken care of. But we were in Parker, and I forgot the year,
5 maybe you'll help me out, it was several years ago.

6 *FLOYD ROEHRICH, JR* : '11. I think '11.

7 UNIDENTIFIED SPEAKER: Probably.

8 *KELLY ANDERSON* : And we had the reception
9 and we were there, pitchers of lemonade again on the river, and
10 you were there. And you were talking about your auto dealership
11 and things were going through, and you had a (inaudible)
12 earlier, but you said, your eyes will go misty when you buy a
13 car from Steve Christy. And that time we were (inaudible). We
14 understood.

15 So I called the guys, because, you know, part of
16 your send away as part of this board and part of the board
17 previous. And I said, Victor, anything good to say about him?
18 Hell, no. I was the best chairman. Fieldmeyer was even more
19 eloquent. And so they go, you know, just send him off with
20 whatever. And so we thought that was, you know, a good way to
21 send you. Anyway, I look at my board packet every month, and
22 there's this map that shows roadways and the airports and
23 everything else in the state, and many of you in the audience
24 may have seen me take my glasses off and I look like this. I
25 try to find out what's where. But I asked staff, is there any

1 way to get this thing blown up? And so (inaudible). This is
2 that map, a little bigger. You can unroll it now, but you've
3 got to roll it back up.

4 CHAIRMAN CHRISTY: It's the same map?

5 *KELLY ANDERSON* : It's the same map. It's a
6 little larger.

7 CHAIRMAN CHRISTY: Wow.

8 *KELLY ANDERSON* : Actually, it's a little --
9 quite a big larger.

10 CHAIRMAN CHRISTY: That is a terrific gift.
11 Thank you.

12 (Inaudible cross talk.)

13 *KELLY ANDERSON* : And I always thought, you
14 know, you can draw the I-11 wherever the SIU (inaudible).

15 CHAIRMAN CHRISTY: That is a terrific gift.

16 *KELLY ANDERSON* : The other thing that I
17 noticed and a lot of the board members noticed, you're very
18 involved with and very concerned about economic development
19 within the state, the wineries in Wilcox, the dude ranches in
20 Wickenburg, and the focus has always been what transportation
21 can do to help economic development prosper. Well, we had a
22 meeting in Casa Grande, September, August, I don't remember.

23 UNIDENTIFIED SPEAKER: September.

24 *KELLY ANDERSON* : Anyway, it's just 10 miles
25 from my house, and I took off the beaten path, and sure and

1 (inaudible) there's a little niche market and (inaudible).

2 (Inaudible cross talk.)

3 *KELLY ANDERSON* : I hope you brought your
4 big car.

5 *KELLY ANDERSON* : The local artist that
6 works in stained glass and they had this. It's a state of
7 Arizona copper leaf.

8 CHAIRMAN CHRISTY: Wow.

9 *KELLY ANDERSON* : And then a state flag, and
10 that --

11 CHAIRMAN CHRISTY: That's beautiful.

12 *KELLY ANDERSON* : That will hold down all
13 your other (inaudible).

14 CHAIRMAN CHRISTY: It's gorgeous. Wow.

15 *KELLY ANDERSON* : Then I thought, you know,
16 I can always think back, who have I served with and all the good
17 times and the places that we've traveled, and so I called upon,
18 you know, staff, give me that history of, you know, when you got
19 on board. And I thought that would be a great way to show your
20 tenure on the board starting in '09 and progressing to 2014 now.

21 CHAIRMAN CHRISTY: Wow.

22 UNIDENTIFIED SPEAKER: Where (inaudible.)

23 CHAIRMAN CHRISTY: Fabulous. That is cool. That
24 is just terrific.

25 *KELLY ANDERSON* : So on behalf of myself,

1 and I know board members speak up, but you know, it's been a
2 true pleasure for me to serve as your vice chair and work with
3 you on the embetterment of transportation in Arizona. Thank you
4 very much.

5 CHAIRMAN CHRISTY: Thank you very much. That's
6 really -- that's overwhelming, and I'm very gratified and
7 touched, and I couldn't have done better myself. Those are just
8 terrific, terrific gifts. Thank you really. I'll treasure
9 them.

10 MS. BEAVER : They did good (inaudible.)

11 CHAIRMAN CHRISTY: You did really, really well.
12 And it's gratifying, and I'm going to treasure these for the
13 rest of my life. Thank you. Excuse me.

14 MS. BEAVER: Well, don't go and get misty eyed on
15 us.

16 CHAIRMAN CHRISTY: You're supposed to get misty
17 eyed on me.

18 KELLY ANDERSON : One last thought. I hope
19 you don't do it -- I hope you don't do a Fieldmeyer --

20 (Inaudible cross talk.)

21 CHAIRMAN CHRISTY: Don't think you've got
22 anything to worry about.

23 KELLY ANDERSON : So that's why you opted
24 not to put photos on that plaque, because last time I saw
25 Victor, he was looking a little rough as well.

1 CHAIRMAN CHRISTY: Well --

2 MS. BEAVER: I just want to tell you, it has been
3 a pleasure serving with you, and I've tried to be a little bit
4 of a student of observing you as you go through different
5 processes, and so I just want to thank you for providing that
6 opportunity for me.

7 CHAIRMAN CHRISTY: Well, thank you very much, and
8 I'm honored to have served with you, all of you, and it's really
9 been a pleasure. And also the peers that we -- as Floyd talked
10 about earlier that came before us and I -- as I said, I feel
11 like I've stood on their shoulders and on your shoulders as
12 well. And I can't thank you enough for the opportunity and the
13 privilege to be on this board with all of you and with the staff
14 as well.

15 *KELLY ANDERSON* : I guess you'll be with us
16 for us for a while until they get you replaced.

17 CHAIRMAN CHRISTY: Unless they find -- well,
18 they're looking for somebody (inaudible) that's willing to do
19 that but...

20 Well, what a whirlwind of a couple of days. As I
21 said, I sound like somebody's been reading my obituary, but I
22 appreciate everything and I -- I -- the only thing I'm worried
23 about is that I haven't expressed my appreciation enough.

24 And with that, any further suggestions for future
25 board meetings?

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(End of excerpt.)

Adjournment

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

Meeting adjourned 12:42 p.m. MST.



**Stephen W. Christy, Chairman
State Transportation Board**



**John S. Halikowski, Director
Arizona Department of Transportation**