

MINUTES
SPECIAL BOARD MEETING OF THE
STATE TRANSPORTATION BOARD
10:00 A.M., TUESDAY, JUNE 25, 2013
Arizona Department of Transportation
Administration Building Auditorium Room 107
206 S. 17th Avenue
Phoenix, Arizona 85007

Roll Call

Roll call by Lila Trimmer

In Attendance: Victor Flores, Kelly Anderson, Joe La Rue, Hank Rogers (telephone), Bill Cuthbertson (telephone), and Steve Christy (telephone)

Absent: Deanna Beaver

Call to the Audience

Citizens addressed various issues:

1. Chris Kuknyo, Prescott City Council/CYMPO, re: SR 89
2. Andy Smith, Sr. Transportation Planner/Pinal County, re: SR 347, support project to construct grade separation
3. Paul Johnson, Yuma City Council/YMPO, re: US 95 Fortuna Wash Bridge, compliment to ADOT on the AZ 280—Ave 3E Bridge
4. Christian Price, Mayor/Maricopa, re: 347 Overpass
5. William J. Antone, vice chairman/Ak-Chin Indian Community, re: 347 Road Separation
Diane Joens, [*did not speak*] Mayor/Cottonwood, re: Highway 260

***ITEM 1: Overview of Department's Study of Board's Proposed Modifications to the Five Year Program and Department's Recommendation—Scott Omer, Assistant Director, Multimodal Planning Division**

- ♦ **Defer the U.S. 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.** The project is located about 8 miles north of Wickieup and would convert 4 miles of US 93 from 2 lanes to a 4-lane divided highway; current status – project could be ready to advertise in FY14; current cost estimate - \$22 million; Delivery Risk - Low. This project could be deferred out of the program; but it is essential to improve safety along US 93; the development of the project is nearly complete and can be advertised for construction in FY14. (potential payback– this section is in the I-11 corridor)
- ♦ **Accelerate the \$45 million U.S. 60 Silver King project from FY16 to FY15.** The project is located in Pinal Co. and would convert 4 miles of US 60 from 2 lanes to a 4-lane divided highway, and improve the urban section of highway in Superior. Current status – Project is in final design, environmental clearance is expected in Summer 2014 with utility relocations to follow; current cost estimate - \$45 million; Delivery Risk – Low/Medium. This project could be advanced to FY15; but this requires no unforeseen environmental issues, and a short amount of time to coordinate with local residents on design issues.
- ♦ **Add S.R. 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$35 million in FY16.** The project would complete the conversion from 2 lanes to a 4-lane divided highway between Camp Verde and Cottonwood. Current Status – Project design was completed in 2001; local communities were not in favor of access control plan and requested a re-design; project has been on hold; current cost estimate - \$50+ million construction costs plus \$16 million for right of way; Delivery Risk - High.

The project could not be delivered in FY16. State Transportation Board Policy states a project must be scoped prior to programming, STB Policy – 20. It is recommended that the project be re-scoped in partnership with the local community to ensure a project supported by all stakeholders, and then the new concept would be designed. The duration to re-scope would redefine the project elements and revise the construction costs, it is not practical to program the construction phase until the new project scope is known. Recommendation is to program a scoping/design phase.

- ♦ **Reduce and delay S.R. 260 Lion Springs from \$40 million to \$5 million in FY18 limiting the scope of the project to design and move the saved \$35 million to pavement preservation.** The project would complete the conversion from 2 lanes to a 4-lane divided highway between Star Valley and Preacher Canyon (4 miles) in Gila County. Current Status – Design phase has not been started; current cost estimate - \$3.5 million design and \$40 million for construction phase; Delivery Risk - Low. This project could be deferred out of the program, but this is the final section of improving the SR 260 corridor from Payson to the Mogollon Rim and represents an important safety improvement.
- ♦ **Add S.R. 347 railroad grade separation within the City of Maricopa for \$35 million in FY16.** The project would construct a new SR 347 grade separated crossing over the UPRR Mainline, including relocation of the existing AMTRAK station. Current Status – Project Scoping Study expected to be completed in Summer 2014 (FY15); current cost estimate - \$60 million; Delivery Risk – High. State Transportation Board Policy states a project must be scoped prior to programming, STB Policy – 20. No phase of the SR 347 Grade Separation at UPRR project can be added to the ADOT 5 Year Program until Air Quality Conformity is met, (40-CFR Parts 51&93); MAG includes the project in the MAG Regional Transportation Plan, (23-CFR 450.322); and MAG programs the project in the MAG Transportation Improvement Program (TIP), (23-CFR 450.324).

Board Member Kelly Anderson moved to go into Executive Session to receive legal advice on the approval of the Five-Year Program. Joe La Rue seconded the motion. In a voice vote, the motion to go into Executive Session passed unanimously.

The public meeting was recessed at this time.

[The State Transportation Board convened its Executive Session from 11:22 a.m. to 11:42 a.m. MST]

[The State Transportation Board reconvened its Regular public meeting at 11:49 a.m. MST]

Once reconvened, the Board’s public meeting proceeded as follows:

***ITEM 2: Final Approval of the FY 2014 - 2018 Statewide Transportation Facilities Program —Scott Omer, Assistant Director, Multimodal Planning Division and Kristine Ward, Chief Financial Officer**

Kristine Ward referred the Board to last month’s Board meeting and the issue of fiscal constraint and it being built into Board Policy and as being a requirement of FHWA. She also added that the fiscal constraint is essential to the bond holders and to the grading agencies. There has not been any changes since last month’s presentation. No new funds have been found. The program that has been originally presented has met fiscal constraint. Any modifications that are made to the program will be offset with a transfer of increases.

Board Member Kelly Anderson made a motion to approve the Department's Modified Scenario C with the following modifications;

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$35 million in FY16.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; and moving the scope of the project to design; and move the saved \$35 million to pavement preservation.

Drop the SR 347 Grade Separation project from Maricopa out of the program with the intent and the knowledge that staff will work with the City of Maricopa to finalize the outstanding issues with the intent to add this project to the MAG TIP and 5-Year Program in a future year.

Second by Hank Rogers.

Discussion:

Floyd Roehrich asked that before the Board acts on the motion, he stated that in the motion, the Board is asking for the SR 260 Thousand Trails to be programmed at \$35 million. As identified today, Staff pointed out that the estimate is higher than \$35 million. Staff is following Board policy and practice as well as other actions, Floyd suggested that the requested amount either be programmed at the estimate that Staff gave today of \$66 million, or leave the dollar amount off, and ask the Department to fit it in and to balance the estimate out of the sub-programmed amount. If the Board programs that set amount specifically in the motion at \$35 million, Staff does not think that it is a valid dollar amount to be programmed.

Scott Omer added to move \$ 4 million, which is needed for scoping and design of that project in FY14. Staff cannot deliver on construction of the project with only one year to scope it and go into final design. Staff needs that additional time. Staff suggests that any scoping of the project occur in FY14 if construction is to begin in FY16. The total amount is \$66 million; take \$4 million in scoping in FY14 and the remainder of \$62 million in FY16.

Chairman Flores amended Kelly Anderson's motion, line item 3 (SR 260 Thousand Trails) with two changes, to program \$4 million to FY14 for scoping, and program \$62 million to cover the construction of that project in FY16.

Discussion:

Director Halikowski asked if that balance will be pulled from sub-programs such as pavement preservations? Will the Department keep the pavement in an acceptable condition as this current five-year program?

Scott Omer answered yes, that is correct. Scott stated that it is a large amount of funding; but pavement preservation can be achieved at an acceptable level.

Motion to amend the original motion by Board Member Kelly Anderson to add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$62 million in FY16, and put \$4 million in FY14 for scoping. Mr. Anderson added that if the Board complies with the project, and that if there is a consensus on access management, that one year from now, he does not have a problem taking another look at this project.

Second for the amendment by Hank Rogers.

Chairman Flores restated amended motion to approve the Department's Modified Scenario C with the following modifications;

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$62 million in FY16, and \$4 million in FY14 for scoping.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; limiting the scope of the project to design; and move the saved \$35 million to pavement preservation.

Drop the SR 347 Railroad Grade Separation project within the City of Maricopa.

Hank Rogers, Steve Christy, Victor Flores voted in the affirmative.

Joe La Rue, Kelly Anderson, Bill Cuthbertson voted in the negative.

Results 3 : 3; Amendment failed.

At this time, Chairman Flores restated Kelly Anderson’s original motion to approve the Department’s Modified Scenario C with the following modifications;

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$35 million in FY16.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; limiting the scope of the project to design; and move the saved \$35 million to pavement preservation.

Drop the SR 347 Railroad Grade Separation project within the City of Maricopa.

Second by Hank Rogers.

Hank Rogers, Steve Christy voted in the affirmative.

Joe La Rue, Kelly Anderson, Bill Cuthbertson, Victor Flores voted in the negative.

Results 2 : 4; Motion failed.

Discussion:

Scott Omer suggested to the Board to approve Staff’s Recommended Scenario C as presented at Pinetop Lakeside. If the Board chooses to make modifications to that, Staff could adjust it. Our recommendation stands that it would be better for the Board to take Staff’s Recommended Scenario C.

Board Member Kelly Anderson asked to see the Department’s Recommendation Scenario C slide that was presented at Pinetop Lakeside.

Major Project	FY 13	FY 14	FY 15	FY 16	FY 17	FY18
SR-89; Deep Well Ranch Rd to Chino	\$25,000					
I-10; Ehrenberg POE Phase 1 - ITS		\$8,000				
US95; Fortuna Wash Bridge		\$1,500	\$13,500			
US93; Carrow to Stephens Section		\$22,000				
SR260; Lion Springs Section				\$3,500		\$40,000
US60; Silver King and Superior Streets				\$45,000		
SR260; I-17 to Thousand Trails			\$7,000			
Preservation		\$160,036	\$240,281	\$180,640	\$150,211	\$159,466

Board Member Kelly Anderson restated his original motion to move to approve the Department's Modified Scenario C with the following modifications.

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$35 million in FY16.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; moving the scope of the project to design; and move the saved \$35 million to pavement preservation.

Drop the SR 347 Grade Separation in Maricopa in FY16.

Second by Steve Christy.

Discussion:

Floyd Roehrich pointed out that the scenario with the \$35 million for SR 260 is under our program based upon the previous discussion.

Board Member Steve Christy asked Mr. Anderson to give the thought process behind his motion.

Board Member Kelly Anderson answered that the thought process has not changed from Pinetop. His letter and explanations were included in the Board packet. In terms of his coming to this point is the process of the hearings, and of talking to the local elected officials, and of his own prospective on economic development. He referred to the explanations in his letter.

Board legal counsel Lisa Maxie-Mullins asked Staff if that project (Thousand Trails) has been scoped.

Scott Omer answered yes, it has been scoped. The Department's recommendation was to re-scope the project. One concern is the environmental document was completed in 2001. The Department would have to completely re-evaluate that thirteen-year-old environmental document. The design and scoping of the project that was done in 2001, those need to be brought up to current standards and meet the needs of the individual project and the local community. The Department is very concerned about funding a project partially in the program.

Director Halikowski said there is another concern Mr. Roehrich has raised that Board Policy is that a project should be represented in at the full cost and \$35 million does not do that. One alternative would be for staff to put an amount in that is necessary. There are really two issues here that need to be resolved.

Scott Omer restated Staff's recommendation to fully fund the project as we continue to scope the project. In 2013, the Department has noticed savings on projects. They have brought those savings back to the Board. When the Department identifies a project is overfunded in the program, we can reduce the cost of the program as they continue to scope the project. Staff would rather come back and reduce it than come back to remove projects that are underfunded. As Staff re-evaluates the scope of the project and identifies it is more than they need, Staff would come back to the Board and ask to remove the remaining funds that are not needed for that specific project and move it to another area. It is easier to remove the funding than it would be to push a project out than to add additional funding to a project.

Floyd Roehrich commented that another risk is if you put it in as a placeholder underfunded. When that year comes up and as the CFO did this year, re-evaluate which funds are available. If our revenues keep declining, we have to cut more money out. That means more projects have to be deferred out to protect this project or less is put in preservation, or some other commitment that we have made for that year. The Department is constantly chasing a never-ending shrinking balance. The Department would be sacrificing what might be either a higher-priority project or a preservation program. The emphasis that the Department has placed on the preservation program is try to get ahead of the curve and keep what we have and move forward. Especially a project that is at \$35 million. It might be \$66 and if we need to add \$30 million that year; it could change if revenues decline.

Board Member Steve Christy asked where Staff and the Board are specifically disagreeing.

Chairman Flores stated that the sticking point is this particular project of \$35 million versus \$66 million.

Chairman Flores restated Kelly Anderson's motion to approve the Department's Modified Scenario C with the following modifications.

Second by Steve Christy.

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$35 million in FY16.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; moving the scope of the project to design; and move the saved \$35 million to pavement preservation.

Drop the SR 347 Grade Separation in Maricopa in FY16.

Hank Rogers voted in the affirmative.

Joe La Rue, Kelly Anderson, Bill Cuthbertson, Steve Christy, Victor Flores voted in the negative.

Results 1 : 5; Motion failed.

Board Member Kelly Anderson stated before he puts forth this last motion, he commented that there is a unity that Thousand Trails community has. He communicated with the community and traveled to Out of Africa and saw the area. There is a figure in there for \$16 million for right of way. He stated that the community is committed on the construction project. There is unity in that there may be a way to reduce that figure or at least bring some type of easement to this project. Mr. Anderson then put forth this motion.

Motion by Kelly Anderson to approve the Department's Modified Scenario C with the following modifications;

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$62 million in FY16 with \$4 million in FY14 for scoping.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; and moving the scope of the project to design; and move to save \$35 million to pavement preservation.

Drop the SR 347 Grade Separation project from Maricopa.

Second by Steve Christy.

Chairman Flores restated motion to approve the Department's Modified Scenario C with the following modifications;

Defer the US 93 Carrow to Stephens project out of the program and move the \$22 million to pavement preservation in FY14.

Accelerate the \$45 million for US 60 Silver King project from FY16 to FY15.

Add SR 260 Thousand Trails improvements from Camp Verde to Cottonwood for \$62 million in FY16, and put \$4 million in FY14 for scoping.

Reduce and delay SR 260 Lion Springs from \$40 million to \$5 million in FY18; limiting the scope of the project to design; and move to save \$35 million to pavement preservation.

Drop the Grade SR 347 Railroad Separation project within the City of Maricopa.

Kelly Anderson, Hank Rogers, Steve Christy, Victor Flores voted in the affirmative;

Joe La Rue, Bill Cuthbertson voted in the negative;

Results 4 : 2; motion is adopted and passes.

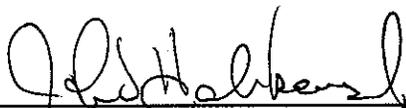
Adjournment

A motion to adjourn the meeting was made by Kelly Anderson and seconded by Steve Christy. In a voice vote, the motion passed unanimously.

The meeting adjourned at 12:30 P.M. MST



***Victor Flores, Chairman
State Transportation Board***



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