

MINUTES
STATE TRANSPORTATION BOARD PUBLIC HEARING
9:00 a.m., Friday, April 11, 2014
Town of Marana Council Chambers
11555 W. Civic Center Dr.
Marana, AZ 85653

Pledge

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

Roll call by Board Secretary Mary Beckley

In attendance: Steve Christy, Kelly Anderson, Hank Rogers, Deanna Beaver, William Cuthbertson and Jack Sellers.

Absent: Joe La Rue

Opening Remarks

Chairman Christy thanked the generous sponsors for the welcoming Board dinner, Pima Association of Governments (PAG), the Southern Arizona Leadership Council and the Tucson Underground Utilities Contractors Association and the Chamber of Commerce for the Town of Marana. We had a chance to meet everyone involved in the Southern Arizona transportation. Thank you to the Town of Marana for hosting today's Board meeting.

Call to the Audience

The following members of the public addressed the Board regarding the five-year plan:

1. Jon Post, Vice Mayor, Town of Marana, re: welcome and appreciation to Board
2. Sharon Bronson, Chair, Pima County Board of Supervisors, re: welcome to Board, need for statewide transportation infrastructure and I-11.
3. Ed Stolemaker, President, Chamber of Commerce, re: request move of Chamber signs from 1 to 2.2 miles from I-10.
4. Farhad Moghimi, PAG Executive Director, re: appreciation of Board and staff, importance and advance of I-11 corridor in the five-year plan as soon as budget allows.
5. Chris Kyknyo, Chair of the CYMPO, re: Highway 89 expansion, placing south portion back into five-year plan.
6. Christian Price, Mayor/City of Maricopa, re: SR 347 overpass
7. Chris Bridges, Administrator/CYMPO, re: continue with the SR 89 project
8. Mike Willett, Yavapai County/Assistant Public Works Director, re: requested SR89 from Deep Well Ranch Road to SR 89A be placed back into the five year program.

PUBLIC HEARING

ITEM A: Overview of the Tentative FY15-19 Transportation Facilities Construction Program – Scott Omer

Scott addressed the Board and thanked the public audience in attendance that came to listen to the discussion about the tentative five year plan.

P R O C E E D I N G S

(Excerpted proceedings: Five-year plan)

MR. CHRISTY: Thank you, Mr. Willet. Is there anyone else that I have missed that wishes to address the board with general comments at this time or specific comments to the five-year plan?

Seeing and hearing none, we'll move on with the agenda and proceed with the public hearing section. And we'll begin with an overview of the tentative transportation facilities construction program from our assistant director of multi-mode- -- of multimodal planning, Mr. Scott Omer.

Mr. Omer?

MR. OMER: Good morning, Mr. Chair, members of the transportation board and the public.

So, first, appreciate the -- the beautiful facility we're at today. This is very nice digs. So I'm wondering why we can't have it on this -- nice (indiscernible) place, very nice, and we appreciate being here.

As you know, this is our --

MR. CHRISTY: Excuse me, do we get to see this at all?

MR. OMER: I'm working on it.

MR. CHRISTY: Oh, you are. Go ahead. We've seen it before, but --

MR. OMER: Seen it before, so you know I struggle when I have to drive this thing. So I'm going to try. If I mess up, Liz will come and help me out, so ...

As you know, this is our second of the three public hearings for the 2015-19 Tentative Program. We'll be talking today about, you know, how we develop our program, the overall asset conditions, the State Transportation Board's Tentative Five-Year Program, the Six- to Ten-Year Highway Development Program, Pima Associated Governments' Tentative Program, the MAG association of governments' tentative program, the Airport Program, and then what we're going to be doing next,

The five-year program, as we call it, is developed collaboratively every year with the State Transportation Board, internally in ADOT with a lot of coordination between the Intermodal Transportation Division, our finance folks, and the planning division, as well as our regional partners to develop a Tentative Program which we bring out to the public every year. It has to demonstrate how our federal and state tax dollars are going to be obligated over the next five-year period, and then now with the six- to ten-year program, how we're going to plan for those over the following five years

1 after that.

2 As a board, you approve our program
3 annually, with the fiscal year starting July 1st of each
4 year. The program must be fiscally constrained from the
5 five-year program itself, and in our development program,
6 we actually have that financially constrained.

7 So our recommended investment choice out of
8 the long-range transportation plan that was adopted by the
9 board in 2011, really started to identify how we should be
10 looking in investing our limited amount of transportation
11 funding that we have available for all of Arizona. And
12 with that, we came to the conclusion that we should be
13 really looking at investing our funding between
14 preservation in the program -- of the system and
15 modernization of the system and expansion of the system.

16 The 2006 time frame to 2013, what had
17 happened, including the MAG and PAG region, was really
18 about 75 or 76 percent of the total amount of the funding
19 available for transportation was actually funded in
20 expansion of the system. As you will see in the next
21 slides, as we move forward, that 's -- we can't continue
22 to -- to expand our system at the rate that we have in the
23 past, that we don't have the financial ability to support
24 that.

25 Annually, we also have a Resource Allocation

1 Advisory Committee or the RAAC that meets, and we agree
2 and come to consensus on the amount of funding that's
3 available for the fifth year of the program in the 2019
4 time frame. This distribution and the allocation follows
5 the Casa Grande Resolve which says that 37 percent of all
6 the funding, discretionary funding should be spent in the
7 MAG region, 13 percent in the PAG region, and 50 percent
8 in Greater Arizona. And as you can see here, what we have
9 approved -- and I think it was December of this year
10 [sic], shows that for major projects available in the MAG
11 region, there's about \$130 million, \$38 million in the PAG
12 region, and only \$38 million also for Greater Arizona with
13 the amounts that are next to them, so they turned out to
14 be about the 37, 13, 50 percent. So it meets the Casa
15 Grande Resolve and the requirements of the Resource
16 Allocation Advisory Committee.

17 So I'd like to talk a little bit about an
18 overview of our assets. As you know, when we talked last
19 year, this is numbers from a couple of years ago, but we
20 have about 18 and a half billion dollars total assets in
21 the ground in the state of Arizona. That's what we
22 consider the value of our assets. But if we were to
23 actually go out and start replacing those assets, it would
24 be much more to replace those. It would be well over a
25 hundred billion dollars to replace those. And without a

1 true commitment to preserving our system, it does put us
2 at risk in the future of having to actually do that, which
3 would be actually to replacing the system instead of just
4 continuing to preserve it.

5 We can either -- the way we look at it, we
6 can either preserve our system today or expand it or
7 replace it in the future. So you spend about a dollar on
8 preservation or 6 to 14 dollars on replacement of your
9 system. There's an NCHRP Report 742, which we came up
10 with this numbers, last year we were saying 1 to 5, it's
11 really 1 to 6 to 14 for the replacement of a system versus
12 preserving it.

13 Preservation of your system does pay
14 money -- or it does save you quite a bit of money. You
15 can either pay more -- pay now or you pay much more later
16 for the replacement of it.

17 Public feedback continues to indicate that
18 keeping your system in a state of good repair is a very
19 important thing. And a report that was done out of our
20 own Arizona Transportation Research Center done in 2010,
21 specifically called that out, that it was, you know, a
22 high priority for us to keep our system in a state of good
23 repair.

24 Our federal -- federal authorization MAP-21
25 specifically addresses system performance. Not only

1 national performance measures are being established, and
2 we'll set our targets later on as a state, but it also
3 requires a performance- and risk-based approach to
4 transportation planning and programming. And all this
5 kind of leads back to our message of we have to really
6 look at identifying how we take care of and preserve our
7 (indiscernible) transportation system.

8 What we know doesn't work very well is just
9 a worst-first approach. And what I mean by a worst-first
10 approach is if you just wait to preserve your system once
11 you have significant failures in the system, you're always
12 chasing. You're always chasing. You're never out in
13 front of preserving the system itself. The example of
14 your own car, if you wait until you have a -- have a
15 blowout before you put air in your tire, well, that's too
16 late. If you wait until your engine seizes before you
17 change the oil, that's too late. You need to preserve
18 your own system as well as we do our transportation
19 system.

20 The example here is a bridge at the Ash Fork
21 Draw on I-40 of a situation where this is probably worst
22 first. It got to the point where we should have taken
23 care of this before and we didn't.

24 Another example of a worst first is the
25 Hell's Canyon Bridges, I-10 Cienega Creek, and the US-191

1 Sanders area. These are all examples of where we have to
2 have a system in place, to a method -- or to actually
3 preserve our system in the same way we (indiscernible)
4 replacement, where we have to take more drastic measures
5 to take care of it.

6 The I-15 Virgin River Bridge Number 1, many
7 of you -- many of the board has actually gone out and
8 visited or -- went to the Virgin River bridges and seen
9 the -- the condition of the structures. And just in the
10 past two years, the existing cracks that we were kind of
11 concerned about before, have continued to grow. There are
12 areas where the previous crack repairs have been replaced
13 or have been repaired, are starting to develop new cracks,
14 and a growing number of the cracks that are in the
15 existing girders have extended and they're starting to
16 expand. So they are still a large concern to us as a
17 Department.

18 Also, a major concern of ours is the age of
19 our existing infrastructure. When we look at the age of
20 the bridges on our state highway system, about 45 percent
21 of all the bridges on the state system were built prior to
22 the 1970s. So it's -- you know, a significant number of
23 our bridges, especially in Greater Arizona are
24 significantly old -- older. And it's important if they're
25 built prior to the 1970s, because the average life or the

1 expected life of many of our structures was about 50 years
2 for bridges.

3 Now, I will say because of climate in
4 Arizona, we're lucky and we do a pretty good job of trying
5 to maintain and preserve those. But you have to follow
6 the logical sequence of the preservation process. You do
7 minor preservation on your existing system, and that helps
8 you maintain and extend (indiscernible) you do major
9 preservation and some deck replacements and rehabs and
10 those type of things to keep extending the life, but
11 eventually, if you don't do those types of activities, you
12 get the situation where you have to replace the existing
13 infrastructure. And that's not something that we're in a
14 condition financially to do in many cases.

15 We're also losing ground on our pavement
16 conditions as well. While many people would say that the
17 condition of the pavement in Arizona is fantastic compared
18 to our neighboring states, which it is, it still doesn't
19 mean it's in the condition that we'd like it to be at and
20 that we feel it should be. Our interstate pavement
21 conditions are fairly in good shape, but we do spend a
22 significant amount of our preservation funds on the
23 interstate system itself.

24 You can also see the non-interstate
25 conditions in the state -- around the state are

1 significantly not as good as the state system. And
2 they'll continue to decline as we -- as we move forward if
3 we don't begin to address significantly more of these.

4 As you can see here, by the time we get out
5 to the 2045 time frame, our interstate conditions will be
6 significantly worse than it is now, but our non-interstate
7 system, the statewide in Greater Arizona would be at a
8 point where we would look at it as being catastrophic if
9 we don't take significant actions in the future.

10 As a result of the last meeting, we were
11 asked by -- I think it was Mr. La Rue asked us to show the
12 condition of the pavement by board district. And we
13 actually do that -- do have it here today. So by each one
14 of the board districts, it shows what the overall pavement
15 conditions would be. And this is an average of the
16 interstate condition as well as the statewide -- the state
17 routes in your individual board districts. And you can
18 see here this is what each one of those would be with the
19 statewide total at the very (indiscernible).

20 The cost of preserving your system versus
21 replacing it, it's -- of course, it's significantly higher
22 to reconstruct or replace your system, (indiscernible)
23 magnitude; you do as much you can up front to take care
24 and preserve your system before you get to that situation.

25 Our recommendation by far is to

1 (indiscernible). It is to continue to (indiscernible)
2 start to increase the amount of funding that we have
3 scheduled for preservation of the entire system over the
4 next ten-year time frame and get us to a point where we're
5 starting to be above the curve in keeping -- not only
6 keeping the system (indiscernible) but, you know, so it
7 won't deteriorate into the future.

8 It costs about 12 times less to maintain
9 your pavement in a state of good repair than it does to
10 actually replace it once you get (indiscernible) service
11 life. And if pavement preservation funding is not
12 increased over -- in the near future, decisions are going
13 to have to be made about which of our facilities will be
14 allowed to get to a condition that is not acceptable to
15 us. And there are cases where it may not fail, but it
16 sure would not be in the condition that any of us are
17 comfortable with as a Department or you as a board either.

18 So as we move forward into our Tentative
19 Five-Year Program, I'd like to highlight some of the
20 individual projects as well as our recommendations.

21 Our Tentative Five-Year Program for Greater
22 Arizona, we're recommending that about 60 percent of our
23 total funding by set aside for preservation of the system,
24 with 29 percent for modernization and 11 percent a year
25 for expansion. As you see, that is significantly more

1 funding in preservation than we have in our recommended
2 investment choice. But in the past -- and a couple of
3 slides in the beginning where I showed you, we've invested
4 significantly more in expansion, and we need to catch up.

5 So as you can see in this bar chart, for
6 each one of the fiscal years that we have outlined for
7 2015 to '19, the green bars show the amount of funding
8 that we would recommend for preservation of the system.
9 The red bar is just how much we have available for
10 modernization of the system. The purple bars is how much
11 we have set aside for project development, which means
12 bringing the project to ready to go to construction, so
13 the design phase and the utilities and the right of ways,
14 the environmental, all the project development costs,
15 which is where the total costs of the project. And then
16 the funding set aside for planning for our system. And
17 lastly, the blue bar is the amount of funding we have
18 available for expansion of the system in Greater Arizona.

19 So as you can see in FY2015, we have the
20 US-60 Silver King section and the US-95 Fortuna Wash
21 section; those are the same as they were in the program
22 last year. The SR-260 Thousand Trails project is in the
23 program for FY2016. In FY2017, we have the SR-89 junction
24 at 89A to Deep Well Ranch Road project in the program
25 recommended. And in FY18, we don't have any expansion of

1 the program, but we actually do have the design for the
2 SR-260 Lion Springs in the program. And then lastly in
3 2019, we would recommend the I-15 Virgin River Bridge
4 project at a cost of \$33 million in the program.

5 What I would say is every year, as we go
6 through our project -- or program development process, we
7 go and we look at every individual project by line item in
8 the program, and we update scope, schedule, and budget on
9 these projects, to bring the project -- to make sure that
10 what we're bringing forward to the transportation board is
11 the numbers that we're most comfortable with as we can
12 utilize any savings, if we have any, or if we have any
13 project or cost increases, we try to catch those as well.

14 Some of the individual projects I showed you
15 on the previous graph are outlined here. By individual
16 projects, these are the only expansion projects that we
17 have listed in the five-year program in Greater Arizona.

18 As I had mentioned, the Silver King section,
19 the Fortuna Wash bridges in the first year of the program
20 in FY15; Thousand Trails to I-17 in FY16; the junction 89
21 to Deep Well Ranch Road project in FY17; the Lion Springs
22 section design in FY18; and that the I-15 Virgin River
23 Bridge project Number 1 in FY19.

24 Some examples of the preservation projects
25 that we would show in the program -- this is not every

1 project by any means. This is just some (indiscernible)
2 and examples where (indiscernible) here. And we do take
3 preservation of our system very seriously. And these are
4 the projects that are our highest priority as they were
5 shown in these individual years. And I'll highlight the
6 Hell's Canyon Bridge. It is in FY15, and we're trying to
7 take care of that this year.

8 The modernization projects, so I'm asked
9 every year what modernization means. Modernization to me,
10 really you're taking your existing infrastructure and
11 you're bettering it in some form or fashion or another.
12 So when you better your existing infrastructure, it could
13 be anything as simple as adding shoulders to your existing
14 roadway, it can be using technology or, you know, retiming
15 your traffic signals, and when we do a lot of different
16 things like that, you usually take a holiday. But
17 modernization is always about using your existing
18 infrastructure. It isn't necessarily about widening or
19 expanding. It's about taking the existing and making it
20 better.

21 So in summary, our tentative for FY15 to '19
22 (indiscernible) for Greater Arizona, we went through and
23 updated all of our project costs, we increase our
24 preservation spending by about 3 percent from FY14 to '18.
25 We added the US-89 slide repair project to FY15 for \$25

1 million. And we've deferred two pavement preservation
2 projects and one bridge project to rehab -- or to pay for
3 that.

4 So as you remember, when we came to you last
5 year with the (indiscernible), we were all stunned when
6 the mountain falls down and the road goes along with it.
7 So we -- we do realize that we have to go in and take care
8 of that project. And we didn't come to the board and ask
9 for any new funding. We would make the recommendation,
10 we're funding that with the existing program -- projects
11 that were in the program, and these projects will be
12 deferred and brought in at a later time frame.

13 The program also includes delivery of the
14 transportation enhancements projects at about a total of
15 20 -- almost \$29 million from FY15 to '18. All of these
16 projects were projects that were approved by previous
17 boards through the TERC process. And so we thought the
18 reasonable and prudent thing to do and the right thing to
19 do would be to fund these projects out. We can't do them
20 any sooner than this, just because of cash now and getting
21 the projects ready. But we would make the recommendation
22 to complete these between FY15 to '18.

23 Next, Mr. Chair and Board, we'll move on to
24 our development program. This is new this year. We
25 actually have a plan to look at how we would bring

1 projects into the program in the future, how much money we
2 would be setting aside for preservation, modernization and
3 expansion. And not being reactive, but being very
4 proactive in the way that we -- we look at our
5 transportation planning process. Remember, I had
6 mentioned that it was a MAP-21 requirement to have a
7 performance-based transportation planning process. Our --
8 linking our capital program with our (indiscernible)
9 transportation plan. And this is one of the
10 recommendations that came out of that is extending our
11 program out to a ten-year time frame, which really does
12 help us in the project development process. And it lets
13 us to look at our entire transportation system with a much
14 more long-term view and a logical step for bringing the
15 projects into the program based on system performance.

16 So the time frame for FY20 to FY24, we would
17 recommend investing heavily in, you know, preservation of
18 our system and in also bringing in some of the major
19 projects that are outside of the existing program and
20 outside of the statutory requirements of the board. We
21 look at logically moving these projects forward as we
22 would -- as we would show here. That the two projects on
23 I-10, the I-8 to Early and the I-10 SR-87 and Picacho TI
24 projects, we would recommend bringing those projects in
25 FY20 and '21, and then as we move out, of course, those

1 projects (indiscernible) lined as major projects in the
2 future. The SR-260 Lion Springs project, we'd look at
3 bringing that project in in FY22; the US-93 Carrow to
4 Stephens project in FY2023; and the I-40 Crazy Creek Port
5 of Entry in FY24; again highlighting that we would really
6 recommend increasing the amount of funding that we have in
7 preservation to (indiscernible).

8 This is the same projects I just mentioned
9 shown on the map. The reason that the I-40 Crazy Creek
10 project is not shown on here is because I told you last
11 month and we still didn't correct it, Mr. Kies, I can feel
12 him behind me is cringing, because we couldn't count to 5.

13 The PAG Tentative Program are FY15 to 19,
14 annually, we go about the programming process when there
15 are two TMA areas, Transportation Management Areas, and
16 PAG, Pima Association of Governments, and MAG, the
17 Maricopa Association of Governments, it's a very
18 collaborative process. When we work with the region as
19 well as with the State Transportation Board and the ADOT
20 staff work together to identify their programs. And I do
21 like to highlight that it's their program that we work
22 collaboratively on, because they do have some specific
23 requirements that, you know, we do take their TIP and
24 develop it wholeheartedly, and this is incorporated in the
25 State STIP, and we look at this in the same instance with

1 their programming area.

2 So what we've done in collaboration with
3 working with the PAG region, we've made the following
4 recommendations of having the following projects set aside
5 from FY15 to '19, in (indiscernible) the I-19 Ajo Way TI,
6 with that project being split out over two years in FY15
7 and 18, so it would be a phased approach. The same with
8 the I-10 Ina Road TI in 2016 and '17 would be a phased
9 project. And in 2017 and '18 it would be phased with I-10
10 Ruthrauff TI. I-10 and Houghton Road would be in 2016 to
11 '19. And then lastly in 2019 would be the Irvington Road
12 TI for design only.

13 These are broken into phases for different
14 reasons. Some of them would be for the design up front
15 and the purchase of the right of ways and utilities. And
16 some of them are we would look at the projects where we
17 can build part of the projects in one year and part of
18 them in another year. But we've done that in
19 collaboration with the region, and my assumption and -- is
20 that everyone is pleased with the process we have -- are
21 really appreciate the collaboration that we have with the
22 region. It works out very well for us.

23 We have the same situation in the MAG region
24 where this is their program that the Department implements
25 for them. And we had the same general projects that we

1 had in the past. There are not a lot of new projects in
2 the -- in the urbanized area. There are still the SR-202
3 Loop South Mountain project of a total of about \$1.4
4 billion on (indiscernible) for FY2015 to 18. And in FY15,
5 we have the US-60, Bell Road TI with a total of about \$33
6 million for expansion. In FY2015 and '16, we have the 303
7 Loop to the I-10 interchange project, a total of \$69
8 million. And in FY17, I-10 32d Street to the 202 Loop
9 project, total of about \$197 million in programming.

10 Lastly, our state aviation program, which
11 the board approves annually for us as well, it is as
12 follows. The Title 28 dictates that the State
13 Transportation Board shall administer and adopt the
14 program and that the board administer or implements the
15 program.

16 The State Aviation Fund, the revenues are
17 captured from the following areas, with the majority of
18 all the revenue from the State Aviation Fund coming from
19 flight property taxes and aircraft registration.

20 When we expand our State Aviation Fund, we
21 (indiscernible) state aviation money projects out, they go
22 in the following categories. In the state/local program
23 that provides the system for providing the match to state
24 program only. The FAA state and local program, their
25 (indiscernible) program from the Grand Canyon National

1 Airport. And lastly for the APMS project, which is our
2 pavement management system for preservation of the actual
3 airport runways and things across the state.

4 So the amount of funding that's divided into
5 each one of these categories, as you can see here with,
6 again, 7 -- 7 million dollars set aside for preservation
7 of the airport pavements.

8 So what we would do next, Mr. Chair, is on
9 May 9th, we have our final public hearing on the state --
10 on the five-year program in Flagstaff. After that, we'll
11 have the board study session in late May.

12 MR. ROEHRICH: May 20th, Mr. Chair.

13 MR. OMER: May 20th. And then at that time,
14 we'll take all the final comments from not only the public
15 but also from the State Transportation Board, and we'll
16 put our final program together, which we'll review for
17 June 13th for your approval, to give to the governor for
18 signature by June 30th, and then we'll start work July 1st
19 on implementation of this program.

20 As you know, we gather comments every single
21 month throughout this process, and we give -- give the
22 board the comments and opinions from the public. And we
23 will continue to do so, not only the comments, but our
24 recommendations on how we respond to those comments as
25 well.

1 With that, Mr. Chair, I'll answer any
2 questions.

3 MR. CHRISTY: Do any of the board members
4 have any questions of Mr. Omer?

5 Mr. Omer, thank you very much for the
6 presentation. We'll look forward to hearing it again in
7 Flagstaff as well as gathering together all the public
8 comments from that time forward.

9 At this particular point, if there's no
10 other questions for -- comments from the board, the Chair
11 will entertain a motion to adjourn the public hearing
12 section of the Tentative Five-Year Transportation Program.
13 Someone?

14 MR. CUTHBERTSON: Second.

15 MR. CHRISTY: We have a motion from
16 Mr. Anderson and a second from Mr. Cuthbertson to adjourn
17 the public hearing section of the meeting.

18 All those in favor, signify by saying aye.
19 Opposed?

20 Hearing none, we are adjourned for the
21 public hearing.

22 (The excerpted proceedings concluded)

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I, AMY E. WEAVER, do hereby certify that the 22 pages contained herein constitute a full, accurate transcript, from electronic recording, of the proceedings had in the foregoing matter, all done to the best of my skill and ability.

SIGNED and dated this 30th day of April, 2014.

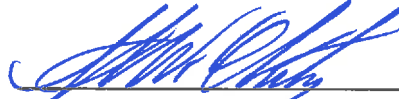
/s/

Amy E. Weaver - Transcriber

Adjournment

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

Meeting adjourned 10:08 a.m. MST



Stephen W. Christy, Chairman
State Transportation Board



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