

**MINUTES**  
**STATE TRANSPORTATION BOARD PUBLIC HEARING**  
**9:00 a.m., Friday, May 9, 2014**  
**City of Flagstaff Council Chambers**  
**211 W. Aspen Ave.**  
**Flagstaff, AZ 86001**

**Pledge**

The Pledge of Allegiance was led by Board member Hank Rogers.

**Roll call by Board Secretary Mary Beckley**

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

**Absent:** None.

**Opening Remarks**

Chairman Christy thanked the Flagstaff MPO for hosting the breakfast this morning. Thank you to the City of Flagstaff for hosting today's Board meeting. This is the final public hearing with regard to the five-year plan.

**Call to the Audience**

The following members of the public addressed the Board regarding the Tentative 2015-2019 Five-Year Transportation Facilities Construction Program:

1. Jerry Nabours, Mayor, Flagstaff, re: welcome, appreciation to Board/ADOT staff; key commerce corridors, reliable transportation infrastructure drives economic competition; water wells/I-40.
2. Matt Ryan, Chairman, Coconino County Board of Supervisors, re: welcome and appreciation of district engineer, Audra Merrick, ADOT staff, and various road improvements in area.
3. Steve Stratton, Gila County, re: supports 347 grade separation in Maricopa; willing to move Oak Flats passing lanes out one to two years to make \$13 million available and move Black Springs design project from 2018 to 2016.
4. Terry Nolan, Mayor, Dewey-Humboldt, re: SR 89 project.
5. Chris Kuknyo, Councilman of City of Prescott and CYMPO Chair, re: SR 89 expansion, requests placing south portion back into five-year plan.
6. Tom Rankin, Mayor, Florence, re: 347 grade separation in Maricopa; and public private partnerships.
7. Jeanne Kentch, Mohave County Transportation Commission Chair, re: support of Vanderslice Road in Mohave Valley Tiger Grant.
8. Mike Willett, Asst. Public Works Director, Yavapai County, re: requests SR 89 from Deep Well Ranch Road to SR 89A be placed back into the five year program.
9. William J. Antone, Vice Chairman, Ak-Chin Indian Community, re: support for SR 347 grade separation in the five year plan and Ak-Chin funding commitment to the City of Maricopa for this project.
10. Christian Price, Mayor/City of Maricopa, re: requests SR 347 grade separation included in the five year plan.
11. Thomas Thurman, Supervisor, Yavapai County, re: Hwy 260 and SR 89; good roads create jobs and business
12. Homero Vela, Asst. County Manager, Navajo County, re: Appreciation for Chevron Creek, Bridge, rural transportation studies and sharing of millings with rural communities. Requests Lion Springs at Hwy

- 260 and US 60 between SR 77 to Mormon Lake placed in the five year plan; help to find federal funding with Hopi Route 60 (which serves the Hopi tribe and Navajo Nation communities; and requests ADOT allow tribal entities to purchase old equipment.
13. Bill Kopp, Public Works Director, Show Low, re: US 60 from Show Low to Little Mormon Lake Road restored to the five year program
  14. Jack Husted, White Mountain Regional Transit Committee, re: US 60 from Show Low to Little Mormon Lake Road returned to the five year program
  15. Mary Chicoine, Chair, Verde Valley Regional Economic Org., re: Appreciation for support of SR 260
  16. Bill Jump, Principle, Out of Africa, re: Appreciation for support of SR 260; positive for business
  17. Jane Rogers, Deputy Chief for Science, Grand Canyon National Park, re: concerns with increased noise, overburdened facilities, aging infrastructure, increase in larger aircraft, increase in wildlife resources at Grand Canyon and Grand Canyon west airport.
  18. Barney Helmick, President, Arizona Airports Association, re: Requests aviation fund (which supports the maintenance of airports) not be swept by the state this year.
  19. Paul Janckovski, Chairman, Vision at Big Park Regional Coordinating Council in Oak Creek, re: appreciation of work completed on Hwy 179, traffic problems coming into Sedona, requests improvement interchange of I-17 and Hwy 179 with better signage placed back into the five year program.
  20. Dr. Robin Silver, Center for Biological Diversity and Maricopa Audubon Society, re: requests tabling and opposes Sierra Vista Airport expansion and Grand Canyon National airport expansion; no water for expansion.
  21. Ash Patel, Asian American Hotel Owners Association, re: opposed to the Grand Canyon airport expansion project (environmental, preservation of park and economic impact on members/ community).
  22. Roger Clark, Program Director, Grand Canyon Trust, re: opposed to Grand Canyon National airport expansion and development of water wells in Tusayan area.
  23. Dawn Dyer, re: opposed to state and federal funds used for the Grand Canyon National airport expansion; water wells, increased lighting, and tourist traffic will bypass businesses.
  24. Alicyn Gitlin, Sierra Club Grand Canyon Chapter, re: opposed to the Grand Canyon National airport expansion, water wells and unsustainable water supplies.
  25. Pascal Berlioux, Exec Director, Eastern Arizona Counties, re: Requests Hwy 260 Lion Springs and Hwy 60 in Show Low projects 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. This is the third public hearing in a series of three to review the tentative 2015-2019 Transportation Facilities Construction Program.

P R O C E E D I N G S

1  
2 MR. OMER: Thank you, Mr. Chair, Members of  
3 the Board, and the many people that showed up in Flagstaff  
4 today to listen to our ten-year, five-year transportation  
5 program presentation.

6 I always enjoy all three of these public  
7 meetings, but especially this one, because by this time  
8 the Board has memorized the presentation completely. You  
9 know exactly what I'm going to say. A lot of times,  
10 because I'm not feeling well today, so if I stumble a  
11 little bit, maybe you guys can step in and just finish the  
12 presentation. But, again, thank you very much for this  
13 opportunity.

14 We come to you annually to talk about our  
15 five year transportation and the ten-year program, so  
16 today I'll talk to you a little bit about the background  
17 of why we developed the program, I'll give you a little  
18 bit of an overview of our current asset conditions, talk  
19 about the State Transportation Board's tentative five-year  
20 program, the ADOT six to ten-year development program, the  
21 PAG tentative program, excuse me, the MAG tentative  
22 program, the state transportation airport program, and  
23 then last what comes up next.

24 So the five-year program is developed  
25 collaboratively every year between the State

1 Transportation Board, ADOT itself, and our many partners  
2 inside the Department, whether, you know, the engineering  
3 side, the house ITD, finance and MPD really carry the  
4 lion's share of putting our five-year program together, so  
5 we do that throughout the Department in getting  
6 coordination with inside of the Department. And then  
7 lastly we also coordinate and collaborate with our  
8 regional partners in the (inaudible).

9 We're required to demonstrate how our  
10 federal and state dollars will be obligated over the next  
11 five-year period and planned over the following five years  
12 for a total of ten-year period. We approve our five-year  
13 program annually every year in June. Our fiscal year  
14 starts July 1st of each year. We must have a fiscally  
15 constrained five-year program and we must have a  
16 financially constrained ADOT development program. Those  
17 are a little bit different.

18 So in 2011-ish the State Transportation  
19 Board approved ADOT's long-range transportation plan.  
20 Inside of our long-range plan we did actually have some  
21 recommended investment choices for investing our limited  
22 amount of transportation funds in the state of Arizona.  
23 And what we did was we decided at that time that we should  
24 be focusing on our limited amount of funding, not just on  
25 expansion of the system, but having a more balanced

1 portfolio that invested funds in preservation,  
2 modernization, and expansion of the system together.

3 From the years 2006 to 2000 -- our team  
4 value, you'll see, when you look at the MAG and PAG  
5 programs, included with the overall statewide program, we  
6 invested about 76 percent of the total funding in  
7 expansion. It is a little misleading because the majority  
8 of that -- well, a lot of that did actually occur in the  
9 MAG and PAG regions. Greater Arizona for years has not  
10 had a very rough margin, robust expansion program. When  
11 Director Mendez was the director, he said we would be in a  
12 maintenance only program eventually, and we're not there  
13 yet, but we're very close to it with the majority of our  
14 projects in the state program are specifically about  
15 preservation of the system.

16 Annually we have a resource allocation  
17 advisory committee that meets that's chaired by myself,  
18 and we actually identify how much funding is available,  
19 the CFO provides us the amount of funding that's available  
20 for distribution for the state of Arizona for  
21 transportation funds, we make sure that we're meeting  
22 their requirements (inaudible) resource allocation  
23 advisory committee agreements. This year we have about  
24 \$477 million available for total distribution, with about  
25 \$270 million of that going to our sub programs.

1 What that means for major projects in the  
2 MAG area, there is about \$130 million available, about  
3 \$38 million available for PAG region, and greater Arizona  
4 there is about \$38 million available for major projects in  
5 the state of Arizona, so a total combined amount available  
6 we have for the program is \$477 million. We've run that  
7 through our three year rolling average, we do come up with  
8 about 37 percent for MAG, 13 percent for PAG, and  
9 50 percent for greater Arizona, which is the requirements  
10 we -- or the agreements we have in place.

11 So for the last three months now you've  
12 heard me talk about asset condition. And it's something  
13 that, as the Department, we're very passionate about, and  
14 hopefully in the last three or four months as I've been  
15 talking about this, this is -- it's become pretty clear  
16 that the condition of our assets is a condition -- is a  
17 serious concern to the Department. We feel it's something  
18 we need to take into serious consideration.

19 This slide says we have about 18-and-a-half  
20 billion dollars in total system infrastructure. I think  
21 our more updated numbers are available now and exceeded  
22 the 19-and-a-half billion dollar number. And that's  
23 really if we were to value our assets as they set in the  
24 ground today, they'd be about 19-and-a-half or  
25 18-and-a-half billion dollars. But if we had to go out

1 and replace those existing assets, the existing  
 2 infrastructure that we have in place, that number would be  
 3 well over a hundred billion dollars to replace all the  
 4 existing infrastructure we have in place today. You know,  
 5 there is no way that this state or any other state could  
 6 go out and just carte blanche replace their  
 7 infrastructure, it just couldn't happen, so it's  
 8 imperative that we maintain, preserve the integrity of the  
 9 existing condition of assets we have.

10           There was a study that was done in NCHR  
 11 (inaudible) that was done this year that said you could  
 12 either spend a dollar on your -- on your preservation of  
 13 your system today or you could spend somewhere between six  
 14 to \$14 down the road on replacement of the system.  
 15 Preservation does save us money. You can pay now or pay  
 16 much more later on. Public feedback continuously  
 17 indicates that maintaining our current transportation  
 18 system (inaudible) repair is a -- should be a very high  
 19 priority to us.

20           There was a study done by our own Arizona  
 21 Transportation Research Committee that works for the  
 22 Department in October 2010 that indicated specifically  
 23 that MAP-21 our federal legislation that addresses  
 24 transportation, specifically directs system performance,  
 25 and they will be establishing some national performance

1 measures, specifically for roads and for bridges and for  
 2 highways and bridges. That will be coming out shortly  
 3 this year. The states are going to have to establish  
 4 times to meet those goals, and then we will have to figure  
 5 out exactly how to do that in consultation with our  
 6 regional partners. MAP-21 requires a performance and  
 7 risk-based approach to transportation planning and  
 8 programming. As you remember, probably two or  
 9 three months ago I gave you a presentation on our  
 10 (inaudible) program, that's how we address it in ADOT.

11           So what we don't want to do is look at a  
 12 worst first case of preserving our infrastructure. It's  
 13 not an Arizona desire to do this, but many times we find  
 14 that we go out and we take care of the things that have  
 15 failed. This is an example of the Ash Fork bridges where  
 16 we specifically had a void in the bridge. We had to go  
 17 out and fix the bridge because, again, that's not an  
 18 acceptable level of service to us at all or to anyone  
 19 else.

20           Same thing happens on the Hells Canyon  
 21 bridge, I-10 Cienega Creek bridges, and U.S. 191 bridges  
 22 in Sanders. When we have these conditions that arise, we  
 23 should be preventing this by looking at long term  
 24 preservation of the system, investing more funding when we  
 25 have the capabilities to do so, so we don't put ourselves

1 in this situation.

2           You've heard for the last, you know, number  
3 of years about our condition of the infrastructure and the  
4 bridges on I-15. I-15 (inaudible) bridge number one is a  
5 serious concern to the Department. And we're looking at  
6 it where we have existing cracking in place that's  
7 continuing to grow. We have taken numerous attempts at  
8 stopping the cracking and they continue to happen. We've  
9 applied for a TIGER grant for this specific project, but  
10 we do feel that the Department, as many -- as many  
11 attempts as we've made to stop this bridge from, you know,  
12 worsening in condition, eventually we're going to have to  
13 take the steps to go out and to replace the decks on this  
14 bridge.

15           The ages of our bridges and the state  
16 highway system are about 80 -- or, I'm sorry, if you look  
17 at our total number of bridges, you can see that the vast  
18 majority of our bridges are -- I think it's 47 percent,  
19 not the majority of our bridges, were built prior to 1970.  
20 Generally an age of a bridge is -- the original life of a  
21 bridge is about 50 years, you know, many of our bridges  
22 have exceeded that. And we try to do a really good job,  
23 and I think as a department we do a good job of preserving  
24 our infrastructure by having a plan in place to look at  
25 minor rehabilitation and major rehabilitation to continue

1 to extend the service life of those bridges.

2           Now, if we don't have the sufficient funding  
3 and the amount of funding and the plan in place to do  
4 that, which is coming up for our transportation exit  
5 management plan, we wouldn't beat the use of life but we  
6 could exceed it as we do today.

7           We're also losing ground on our payment  
8 performance. These two slides show specifically our  
9 interstate payment condition on the left-hand side of the  
10 screen, and our non-interstate conditions on the right-  
11 hand side of the screen. As you can see, we do a good job  
12 of maintaining our interstates in fairly good condition.  
13 The green shows good, the yellow is fair, the red is poor,  
14 but in -- as you can see from 2003 to 2012, our pavement  
15 conditions are declining for numerous reasons, one is the  
16 amount of funding we put into preservation of the system,  
17 also the age of the system comes into place.

18           When we look at our non-interstate systems,  
19 which oftentimes are the life blood of rural Arizona, our  
20 existing pavement conditions are declining at a very rapid  
21 pace because we don't have the existing funding available  
22 to us to preserve this system. We think that's very  
23 important for the Department to be investing in  
24 preservation.

25           So when we look at forecasting our payment

1 conditions out for the next, you know, 30 years, and our  
2 interstate conditions would fall below where we're  
3 comfortable with. You know, we talked about this last  
4 year in the board meetings in 21 -- in 2021 or 2022 we  
5 would fall below the level that we're comfortable with.  
6 Our non-interstate systems would be, you know, less than  
7 40 percent of where we consider they would be acceptable  
8 in the near future. We don't feel that's where the  
9 Department needs to be.

10 (Inaudible) district. You asked us to show  
11 you this slide, I think I showed it last month, which four  
12 districts and where they would rate as far as the overall  
13 pavement conditions go. As you can see, each one of the  
14 Board members can look at this graph and tell how their  
15 pavement conditions would be considered. And this was in  
16 2012.

17 So like I mentioned earlier, we can either  
18 preserve our system or pay much more later on. This is an  
19 economy of scale. If you look, it don't -- I mean, the  
20 numbers are just -- it shows the sheer magnitude of what  
21 it would cost to preserve your system, rehab it with minor  
22 rehab, or totally reconstruct your system. So eventually  
23 the Department gets the position where we have to make  
24 choices of preserve our system at a lower cost, or  
25 eventually we'll have to make choices on which parts of

1 our system we let degrade to the point where we have to do  
2 major rehab or even complete reconstruction much later  
3 down the road. And, as you know, we don't have the  
4 funding available to do that.

5 So we're proposing in our program for years  
6 2000 -- or FY 15 through FY 24, so the life of our project  
7 program, or the life of our development program, is  
8 increasing the amount of preservation annually up to  
9 around the 250 to \$260 million level, which we think is  
10 optimal. We can't get there in one year going straight to  
11 \$260 million, but we do think what's appropriate for the  
12 Department is to continue to invest preservation funds in  
13 our pavement and bridges and our ancillary assets and make  
14 sure that we can be preserving these over the life cycle,  
15 the long-term life of the assets themselves.

16 It costs about 12 times less to maintain the  
17 pavement in the state of repair than it would to replace  
18 it at the end of its service life. And, again, you know,  
19 I sound like a broken record, if we don't increase the  
20 preservation project, we're going to have to make the  
21 choices about which parts of our system are going to  
22 deteriorate to a point where we have to actually  
23 reconstruct it in the future.

24 So with that, I'll move on into the  
25 ten-year, five-year highway delivery program.

1 Excuse me.

2 Our tentative five-year program, as you can  
3 see, I showed you the recommended investment choice that  
4 talked about we'd be investing about 34 percent or so in  
5 preservation of the system, but we hadn't done that in the  
6 past. We've been expand -- or investing significantly  
7 more in expansion, so we're trying to catch up now by  
8 investing more funding in preservation and modernization  
9 of the system, and less in expansion to make sure that we  
10 can continue to keep our system in a viable condition.

11 Our five-year program, what we're  
12 recommending in green -- kind of looks yellowish green  
13 here on the screen -- is -- those numbers are  
14 preservation. The red -- is that red -- red color is  
15 modernization. The purplish color is how much it costs us  
16 to develop projects. The yellow color is how much money  
17 we set aside for planning. And the blue color is, lastly,  
18 how much funding we set aside for expansion nature of the  
19 program.

20 So as you can see, in 2015 we're showing  
21 (inaudible) Silver King section and U.S. 95 Fortuna Wash  
22 bridges as our major expansion projects. In FY 2016 it's  
23 the SR 260 Thousand Trails project. In FY 17 it's the SR  
24 UN junction to 89 A (inaudible) Ranch Road projects in the  
25 program for expansion. In FY 18 we did not show an

1 expansion project in the statewide program. We do show  
2 the design of the SR 260 (inaudible) Spring section. And,  
3 lastly, in FY 19, the last year of the five-year program,  
4 we show the I-15 (inaudible) Bridge Number 1 as an  
5 expansion project in the program.

6 CHAIRMAN CHRISTY: Mr. Omer.

7 MR. OMER: Yes, sir.

8 CHAIRMAN CHRISTY: Very quickly, for the  
9 benefit of our audience, could you give a brief  
10 description of what each category is, expansion,  
11 modernization, preservation, et cetera.

12 MR. OMER: Yes, sir. So I'll start with  
13 preservation, of course. Preservation of our system would  
14 include all pavement and bridge rehabilitation and overall  
15 preservation of the system. It's not maintenance by any  
16 means, but it is the techniques that the Department uses  
17 to make sure our existing infrastructure and acceptable  
18 levels of service. That could be done by minor milling  
19 and replacing of the asphalt, it could be done by  
20 replacing or treatment of the bridge decks, as an example.  
21 You can have deeper mill and replacement, but generally  
22 preservation means keeping your existing system in a state  
23 of good repair, in laymen's terms.

24 Modernization of the system, again, it's  
25 talking about the treatments that we use on our existing

1 system that really don't add -- generally they don't add  
 2 capacity by adding length to the system, they are  
 3 operational improvements, whether that is technology, like  
 4 timing the traffic signals together so they all run  
 5 optimally. It could be things like overhead signs that  
 6 talk about -- or FMS or DMS signs that talk about where  
 7 there is accidents ahead. It could be adding shoulders or  
 8 those type of things where we don't have them currently,  
 9 so modernization is improvements to the existing  
 10 infrastructure as well.

11 Expansion of the system is simply that, it's  
 12 adding new capacity. And generally we call that by adding  
 13 either a brand new facility or adding lanes to it.  
 14 Modernization would also include adding turn lanes and  
 15 passing lanes, but expansion of the system would be adding  
 16 through put and overall capacity itself.

17 CHAIRMAN CHRISTY: Thank you.

18 MR. OMER: Again, I mentioned specifically  
 19 the expansion programs and each one of the years of the  
 20 program, and they're listed here in this table.

21 The preservation program in years 15 to 19  
 22 are listed here. This is not every single project that's  
 23 in the program, by any means, but it does show some  
 24 specific examples. And I highlighted, we did talk about  
 25 Hells Canyon Bridge, and it's listed here for replacement

1 in FY 15.

2 Modernization program. This is showing the  
 3 specific process. Oftentimes modernization could be the  
 4 safety projects as well. They're listed here on your  
 5 screen and in front of you. So, in summary, annually what  
 6 we do for a tentative program is we update all of our  
 7 project costs on an annual basis. That's why you'll see a  
 8 project that's listed as, you know, \$20 million in the  
 9 last year of the program, will either increase or decrease  
 10 by the time you get to the front. As we continue to  
 11 develop our projects, we refine the overall project scope,  
 12 refine the project itself, and the costs are updated at  
 13 that time. And that's just part of the general process.  
 14 We look at that annually.

15 We also are recommending increasing our  
 16 overall preservation funding by about three percent from  
 17 FY 14 to 18. We did -- we are showing adding U.S. 89  
 18 (inaudible) project by FY 15 for \$25 million. However, I  
 19 will tell you that in the PPAC section today we'll make  
 20 another recommendation on this project. And we'll also  
 21 include (inaudible) the transportation enhancement  
 22 program, the total about \$28.8 million. These are  
 23 agreements that have been made in the past and it brings  
 24 all of the transportation enhancement projects that are  
 25 improved in future (inaudible) grounds and brings them up

1 to delivery by 2018.

2           So our development program is something that  
3 was new this year. As part of our PTP process we felt it  
4 was the most appropriate for the Department to not only  
5 have our five-year construction program, but have a  
6 development program which the planning document that the  
7 Department used actually feeds into the capital  
8 construction program itself. So in FY 20 to 24 what we're  
9 recommending is investing significant amounts of money and  
10 preservation -- or funding and preservation of our system.

11           We are looking at investing in major  
12 projects in each one of the years. As you can see in 2020  
13 and 2021, we're looking at improving I-10 with the  
14 (inaudible) early project and the SR 87 (inaudible) Peak  
15 project. The SR 260 Lion Spring project is in FY 22, U.S.  
16 93 Carrow Stephens project is in FY 23, and the I-40 Crazy  
17 Creek port of entry is in FY 24. What this means when we  
18 show these major projects out into five years in the  
19 future, that gives us the roadmap for the project that  
20 we'd be bringing in for project development into the  
21 capital program, and this would be the order that we would  
22 recommend those.

23           So, again, these are the specific projects I  
24 just mentioned in a format that can show you where they're  
25 at on the map.

1           Moving on to the PAG tentative program from  
2 FY 2015 to 19. The PAG -- MAG and PAG both, the Pima  
3 Association of Governments and the Maricopa Association of  
4 Governments, because of their status of transportation  
5 management agencies, and also the fact that they have  
6 their own (inaudible) and sales tax, by statute they  
7 develop their own capital program. The Department takes  
8 their program, develops it with them in collaboration, and  
9 then incorporates it directly into the ADOT five-year  
10 program itself. So in collaboration with PAG, they  
11 developed -- or we have developed these following  
12 strategies.

13           In FY 15 and 18 we deliver the I-19  
14 (inaudible) TI, a total of (inaudible) million dollars.  
15 That will be a phase project. We'd do some of the work in  
16 15 and some of it in 18. 2016 and 17 we would have the  
17 I-10 Ina Road TI at a total of 86 million dollars. In FY  
18 17 and 18 we'd have the I-10 (inaudible) Road TI at  
19 \$104 million. FY 16 and 19 we do the I-10 (inaudible)  
20 Road at \$35 million. And in FY 19 the I-19 (inaudible)  
21 Road TI at \$4 million.

22           Now that funding that shows here is multiple  
23 different sources. Some of it is our TA funding, some of  
24 it is PAG 2.6 funding, and some of it is state STP  
25 funding, so it does show all the categories combined into

1 one. And the specifics of that -- of the funding is in  
2 the plan itself.

3           The MAG Area Regional Transportation Plan,  
4 we do the exact same thing, as I said, with the MAG region  
5 as we do the PAG. We develop collaboratively with the MAG  
6 region. Their recommendation in 2015 to 18 is the -- the  
7 -- it included \$1.4 billion in the South Mountain  
8 corridor. In FY 2015 the U.S. 60 Bell Road TI is  
9 \$33 million. In FY 2015 and 2016 the SR 303 loop I-10  
10 interchange at \$69 million. In FY 17/19, the I-10 32nd  
11 Street and 202 Loop at about \$197 million. You can see  
12 the majority of the projects in MAG area are in expansion  
13 of their system.

14           The ADOT aviation program. The aviation  
15 program by statute, the State Transportation Board  
16 develops and makes sure that the funding that's available  
17 through the Aviation Fund is -- is spent appropriately and  
18 distributed the right way. The Aviation Fund gathers its  
19 revenues through multiple sources, but the majority of the  
20 revenue that comes in through the State Aviation Fund  
21 comes in through flight property taxes and aircraft  
22 registration fees.

23           As you can see, from -- in FY 2013 the  
24 amount of funding that went out, the expenditures that  
25 went out through the program, we have a majority of the

1 funding that goes out through the state local match  
2 program and the airport pavement management system which  
3 is preserving the runways and preserving the airports and  
4 the subs.

5           So we recommend in this five-year program  
6 for fiscal year 2015 to -- the following programs, the  
7 federal match grants, the state local grants, the airport  
8 pavement preservation program, the airport development  
9 loans program, the state planning program, the following  
10 amounts: Four-and-a-half million dollars for federal  
11 grant match, \$16.1 million for state local grants; the  
12 airport, the (inaudible) program a little over \$7 million;  
13 the loan program of \$3 million; and the state planning  
14 services at \$2 million itself.

15           So, Mr. Chair, what we would like to do  
16 next, the next step for our five-year programming process  
17 is that today after we've completed the third of our  
18 public hearings, is we'll come back to the State  
19 Transportation Board at a study session May 20th and have  
20 the conversation about what we heard in these three rounds  
21 of public meetings. We'll take input from the State  
22 Transportation Board, from the public that we heard of  
23 from the past, we'll make recommendations to the -- to --  
24 to the Board about what we think should be done, and,  
25 again, that's the time for us to collaboratively talk

1 about the changes that need to be made, then we'll bring  
 2 back the final program to the Board June 13th for,  
 3 hopefully, for your approval, the governor would sign  
 4 prior to June 30th and that would begin our fiscal year by  
 5 July 1st of 2014.

6 That's all I have, Mr. Chair.

7 CHAIRMAN CHRISTY: Thank you, Mr. Omer.

8 Any questions of Mr. Omer?

9 Mr. Rogers.

10 BOARD MEMBER ROGERS: Yeah. Mr. Omer, one  
 11 of the questions I had, or a concern I actually have with  
 12 what was brought up by the gentleman from Show Low, Navaho  
 13 County, the planning that has been done on that segment  
 14 that has been taken out of the five-year plan, does that  
 15 have any time restraints on that planning? I mean, we're  
 16 taking it out, it's not even on the radar anymore, and say  
 17 it doesn't get put on until six, seven years from now, is  
 18 the money we have spent on the planning going to be  
 19 wasted?

20 MR. OMER: So, Mr. Chair and Mr. Rogers,  
 21 what we'll do at the May 20th work study session is bring  
 22 back specifics on that project. We'll talk about what's  
 23 been done to date. You've heard from the constituents in  
 24 Show Low, we'll bring you back information about where the  
 25 project is schedule wise, what the total construction cost

1 of the project is. But there is a possibility when you  
 2 expend federal funding on a project, if the federal -- if  
 3 the project isn't constructed or right-of-way purchases  
 4 within ten years, there is a possibility that you do have  
 5 to pay back the federal funding on it. This is not the  
 6 only project that we have in this situation. This does  
 7 happen occasionally.

8 BOARD MEMBER ROGERS: Okay. And I  
 9 appreciate that. If you could have a more specific answer  
 10 for that on the 20th, I would appreciate that.

11 MR. OMER: Yes, sir.

12 BOARD MEMBER ROGERS: Okay. Thank you.

13 CHAIRMAN CHRISTY: I would urge the Board  
 14 members, I'm sure they need no urging, that this is a  
 15 perfect time if you have any considerations on specific  
 16 problem -- projects in your districts, now is the time to  
 17 present them to Mr. Omer and staff for final digestion, if  
 18 you will, for the May 20th meeting, and be a good  
 19 opportunity to give input, as well as to the public. This  
 20 is -- this will be the final phase of public input and  
 21 it's a very critical time that we get everything together  
 22 and -- and smooth the edges on it for final approval in  
 23 June.

24 Mr. Rogers.

25 BOARD MEMBER ROGERS: Mr. Chair, thank you.

1 Just I would like to take the time also just to urge you  
 2 Board members to take a good look at that project in the  
 3 Show Low area, because we do have, as I stated last month,  
 4 this Kinder Morgan coming in, and anything that is in that  
 5 vicinity we're going to -- we're going to need all the  
 6 help we can with the strain that's going to be put on, not  
 7 only transportation, but everything else, so I encourage  
 8 you Board members to support this being put back where it  
 9 was, and if it should be anything, it should be moved up  
 10 because of what's going on in our area.

11 So, anyway, appreciate the time, Mr. Chair.

12 CHAIRMAN CHRISTY: Thank you, Mr. Rogers.

13 Mr. Anderson.

14 BOARD MEMBER ANDERSON: Chairman Christy,  
 15 Scott, what does the value -- what does the value of a  
 16 turn back add to a potential expansion project in terms  
 17 of, you know, there is no more preservation needed for  
 18 that project if the locals are going to take it over, I  
 19 mean, is there a way to calculate that? Now, I know it  
 20 depends on the size and where it's at and -- and  
 21 everything else that's considered.

22 MR. OMER: So, Mr. Chairman and  
 23 Mr. Anderson, that's a good question, to tell you the  
 24 truth. So if you look at the long term, the project --  
 25 just any project as an example, if you look at the long

1 term total lifecycle of the project, there is the life  
 2 cycle of the project you factor in all the long term  
 3 maintenance and preservation of the system itself, so  
 4 there would be a value. I don't know if that's a number  
 5 that we have off the top of our head. We could probably  
 6 see if we could develop something. A lot of times it goes  
 7 back to the specific and individual project on exactly how  
 8 much that long term cost would be.

9 In our key (inaudible) as an example we  
 10 factor in about one to one-and-a-half percent of the total  
 11 cost of the project over long term preservation, but those  
 12 are over large quarters. A lot of times if it's a smaller  
 13 spot location, that might be significantly higher. Again,  
 14 it depends on what the project itself is.

15 BOARD MEMBER ROEHRICH: Mr. Chair --

16 CHAIRMAN CHRISTY: Mr. Roehrich.

17 MR. ROEHRICH: It also --

18 Thank you, Mr. Chair.

19 It also depends upon, you know, one of the  
 20 factors is, why it's hard to quantify, is you also don't  
 21 know how it's going to prioritize, how fast it's going to  
 22 deteriorate, how much it's going to take in preservation,  
 23 or does it continue to be pushed off to the point that it  
 24 becomes major rehabilitation. So we do have a generalized  
 25 planning, but usually when we work with the local

1 governments on a turn back, we're still with today's  
 2 dollars and looking for the fiscal value of that, because  
 3 the long term value of it is -- you know, nobody has a  
 4 crystal ball, and, yes, you could put some value to it,  
 5 but in the long run is the value today for both parties to  
 6 enter into that agreement is really probably the driving  
 7 force for that agreement.

8 BOARD MEMBER ANDERSON: It seems like,  
 9 though, the potential turn backs could be in the rural  
 10 districts, greater Arizona, which has the greater part,  
 11 greater show of the preservation need. The MAGs and PAG  
 12 areas basically have newer roadways and it just -- I don't  
 13 know, it's just something that's kind of curious. You  
 14 know, it's hard to quantify, like you say, Floyd, you  
 15 know, how do you come up with a number but -- and I'm not  
 16 advocating for something that is a turn back, but I'm just  
 17 kind of curious if that adds value to any decision we  
 18 might make now or in the future.

19 CHAIRMAN CHRISTY: Any further questions?

20 Ms. Beaver.

21 BOARD MEMBER BEAVER: Yes.

22 MR. OMER: Mr. Chair, I guess what I would  
 23 add to that is the other indication that we'll probably  
 24 bring something back to the study session, at least carry  
 25 this conversation forward about how we calculated the

1 depreciation on that asset (inaudible) time frame. I  
 2 don't know if it's possible, so I'm not going to put  
 3 Kristine on the spot right now and ask the question, but I  
 4 will say it also depends on the type of facility. If it's  
 5 a smaller rural highway, of course there are long term  
 6 preservation costs that are going to be completely  
 7 different than if it's an urban section in Phoenix or  
 8 Tucson, or even an urban section inside of a, you know, a  
 9 transurban community, or even greater Arizona itself.  
 10 We're talking about curb, gutter, sidewalks, traffic  
 11 signals, completely different costs than would be just,  
 12 you know, a section of -- of small highway through a local  
 13 community so.

14 CHAIRMAN CHRISTY: Ms. Beaver.

15 BOARD MEMBER BEAVER: Yes, Mr. Chairman.

16 Mr. Omer, um, two things that have come up  
 17 through -- through listening to the speakers today that I  
 18 would like to have some additional information on is the  
 19 -- the 347 grade separation. It seems like there is an  
 20 awful lot of support, financial support coming in, and how  
 21 could we see that -- that addressed as far as, you know,  
 22 getting it in the five-year program?

23 CHAIRMAN CHRISTY: I believe we're going to  
 24 be discussing that at the -- at the May 20th study  
 25 session. That's going to be an agenda item.

1 MR. OMER: Well, Mr. Chairman and  
2 Ms. Beaver, it's also -- I'm updating this, our 347  
3 project today during the MPD report. It will be an  
4 overview of the project. We'll get into the specifics  
5 about how we bring in the funding, but we thought it was  
6 appropriate before the May 20th conversation about if, you  
7 know, the Board chooses to bring it in, I at least wanted  
8 to give you an overview of what the project is.

9 BOARD MEMBER BEAVER: Okay. And --

10 CHAIRMAN CHRISTY: Actually it's noted here  
11 in Item 6. I'm sorry, I should have known that.

12 BOARD MEMBER BEAVER: I should have, too.

13 And, additional, with regard to the  
14 discussion with regard to the Grand Canyon Airport, I'm  
15 just curious with regard to, rather than the expansion  
16 aspect, the, um, preservation and modernization of it, you  
17 know, if that could be kind of explained to me maybe  
18 rather than -- than the expansion of it. I -- I don't  
19 know what's driving this so I -- I guess that's why I'm  
20 having some curious questions about it.

21 MR. OMER: Mr. Chair, Ms. Beaver, we'll  
22 bring that to you at the study session, so I'd rather wait  
23 until the study session --

24 BOARD MEMBER BEAVER: That's fine.

25 MR. OMER: -- and talk specifics about the

1 individual projects of the program.

2 BOARD MEMBER BEAVER: That's great.

3 CHAIRMAN CHRISTY: Mr. Roehrich, will we  
4 have the opportunity to have that discussion?

5 MR. ROEHRICH: Mr. Chair, absolutely, and  
6 that's why the 20th is set to have that specific  
7 discussion, not just the scope of the projects, but as you  
8 start wanting to look at moving parts within the program,  
9 because of the fiscal constraint condition, we'll also  
10 need the Board to weigh in on what gets moved out, what  
11 gets shifted, how do we kind of balance that. The staff  
12 has looked at it and given you a plan, any adjustments  
13 we'll -- we'll ask the Board to help us balance it from  
14 then on moving forward.

15 On specific projects if you let us know the  
16 ones you want more details on, such as Grand Canyon  
17 Airport, we'll be prepared to present that.

18 CHAIRMAN CHRISTY: Very good. Thank you.

19 Mr. La Rue.

20 BOARD MEMBER LA RUE: Mr. Chair, thank you.

21 So along with Board Member Beaver on Grand  
22 Canyon, we heard a lot about water and water issues, water  
23 -- so could you, you know, help us out with that on the  
24 study session? You know, water is kind of an important  
25 thing in this state, so it's something I'd like to hear

1 more on.

2                   And then also on the Mohave County  
3 (inaudible), I don't know if I fully appreciate what  
4 ADOT's role is in that request, and so discussion around  
5 that, you know, what would our -- what is our role and  
6 those things would be helpful.

7                   And then, finally, you know, near and dear  
8 to my heart, we've heard a lot about State Route 89,  
9 economics, jobs, those things, and so -- and a lot of  
10 money is mentioned coming to that project, so -- so let's  
11 also discuss that project as well.

12                   MR. OMER: Yes, sir.

13                   BOARD MEMBER BEAVER: Mr. Chairman.

14                   CHAIRMAN CHRISTY: Ms. Beaver.

15                   BOARD MEMBER BEAVER: I concur with  
16 Mr. La Rue that -- on both of those. There -- it  
17 stimulated some curiosity about exactly why, you know,  
18 like with the State Route 89, it just seems -- I don't  
19 understand this when things have been in the pipeline and  
20 then they get -- they just kind of go away. And yet there  
21 has been a lot of money and time put into it, and it's  
22 like, you know, when are we going to get things completed,  
23 you know? And I think the, um, SR 89 is one of those  
24 where --

25                   MR. OMER: Remember this Board took actions

1 last year to remove those projects because of the -- you  
2 know, we moved hundreds of millions of dollars of funding  
3 out of our program and this Board had to make difficult  
4 choices.

5                   A VOICE: Yeah, that's what I was going to  
6 say, Mr. Chair. Remember we went through this with the  
7 Board and we had to remove \$250 million worth of projects,  
8 and it ended up becoming major projects. And the Board  
9 concurred to not sacrifice the preservation program, so we  
10 ended up moving up these types of projects in order to,  
11 again, make the program fiscally constrained.

12                   CHAIRMAN CHRISTY: It sounds like we're  
13 going to have a very insightful May 20th study session.

14                   Any further questions of Mr. Omer or staff  
15 from the Board?

16                   (No response.)

17                   CHAIRMAN CHRISTY: Hearing no further  
18 questions, the Chair would entertain a motion to adjourn  
19 the Public Hearing on the Tentative Five-Year  
20 Transportation Facilities Construction Program.

21                   BOARD MEMBER ANDERSON: So moved.

22                   CHAIRMAN CHRISTY: There's a motion by  
23 Mr. Anderson.

24                   BOARD MEMBER ROGERS: Second.

25                   CHAIRMAN CHRISTY: And a second by

1 Mr. Rogers.

2 All those in --

3 Discussion on the motion?

4 (No response.)

5 CHAIRMAN CHRISTY: All those in favor of  
6 passing the motion as presented signify by saying aye.

7 BOARD MEMBERS: Aye.

8 CHAIRMAN CHRISTY: Opposition?

9 (No response.)

10 CHAIRMAN CHRISTY: Hearing none, the motion  
11 passes. We are adjourned.

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**Adjournment**

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

**Meeting adjourned 10:49 a.m. MST**



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Stephen W. Christy, Chairman  
State Transportation Board



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