

**MINUTES**  
**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, March 18, 2016**  
**Town of Oro Valley**  
**Town Hall Complex**  
**11000 N. La Canada Drive**  
**Oro Valley, AZ 85737**

**Pledge**

The Pledge of Allegiance was led by Board member Michael Hammond.

**Roll call by Board Secretary Mary Beckley**

**In attendance:** Joe La Rue, Deanna Beaver, William Cuthbertson, Jack Sellers, Michael Hammond, Steve Stratton and Arlando Teller.

**Absent:** None.

**Opening Remarks**

Chairman La Rue noted the beautiful area of Oro Valley and introduced Michael Hammond, Board member for the area, to make a few comments. Mr. Hammond thanked Arizona Transportation Builders Association, Southern AZ Leadership Council and Pima Association of Governments for sponsoring dinner at the Hacienda del Sol, which he says showcases the best of Tucson. He also thanked the Town of Oro Valley for hosting the board meeting today, and added that Oro Valley has done some remarkable things.

**Call to the Audience for the 2017-2021 ADOT Tentative Five-Year Transportation Facilities Construction Program:**

The following members of the public addressed the Board:

1. Ray Carroll, Pima County Bd of Supervisors, re: Welcome to Pima County, appreciates Mike Hammond and former bd. member Steve Christy for service; effort being made on environmental impact study for I-11 and Sonoran Corridor; would like to see I-10 from Ina Road to Ruthrauff Road included in plan to help all Pima Co. residents; John the Baptist is patron saint of road builders, and hopes he looks out for all road worker crews with a safe year.
2. Paul Keesler, Town of Oro Valley Engineer, re: thank you for Michael Hammond representing region on board; on behalf of Oro Valley thanked local PAG and regional transportation authority and ADOT; one project with impact was finishing Oracle Road widening Tangerine Road to Pinal County line; appreciates Rod Lane, goes over and above to continue to forge a close relationship with Oro Valley and area.
3. Christian Price, Maricopa Mayor, re: thank you for 347 overpass in five year plan; 35,000 cars a day and 200 school buses cross every day, trains stop traffic for 35 minutes; Maricopa has applied for seven tiger grant applications, winning one recently for \$15 million to accelerate this project; Maricopa adding \$10 million to project and working on additional contributions; Council approved IGA w/ADOT based on final design and fully funded by the City of Maricopa; thank you for efforts and request approval of the five year plan.
4. Ryan Anderson, representing Jonathan Rothschild, Tucson Mayor, re: thank you for work on SR 189 so far, and funding for infrastructure, but asks that the construction be moved up to 2018 to keep trade routes in Arizona and not moved to Texas or California, keep competitive; build out of SR 189 will trigger federal investment for I-19, I-10 and I-11; build infrastructure from south to north.
5. Steve Christy, former Bd. Member and current candidate for Pima Co. Supervisors District 4, re: welcome to Pima County and thank you for your service; give utmost focus and attention on projects we started, especially the Pima County projects.
6. Priscilla Cornelio, Pima County Transportation Director, re: reiterate Supervisor Carroll's thank you for great job and including projects in Pima County (in five year plan); \$200 million RTA, federal and partnership with ADOT to get road improvements (on La Canada and La Cholla) completed which have transformed NW side of Pima

County; appreciate funding for environmental impact study on Sonoran Corridor from economic/trade/freight standpoint for southern AZ, also I-11 from Nogales to Las Vegas; we appreciate working with ADOT staff and Rod Lane doing a fabulous job.

7. John Moffatt, Strategic Planning Director, Pima Co., re: appreciative of support for SR 410/Sonoran Corridor, key to growth in southern AZ area and funding SR 189 for planning next year and requests acceleration of SR 189, we continue to lose business, need to keep being competitive since we are at a disadvantage to Texas; thank you to ADOT staff for assistance on multimodal transportation space port for balloons to develop appropriate standards.
8. Darryl Cole, Tucson Director of Transportation, re: thank you for coming to southern AZ; city is united with other entities on several projects: SR 189 Nogales Port of Entry is huge to Arizona and nation; AZ is behind in freight crossing at border, economically critical as priority; EIS for Sonoran Corridor important with future federal aid available; appreciate support for I-19 and I-10 TIs; capacity down south on I-19 is very heavy, bottleneck and need three lanes on I-10 between Tucson and Phoenix; critical to get freight moving from SR 189 throughout the state; Rod Lane works hard for Tucson area and currently working with ADOT on SR 210 intersection.
9. Carlos Rivera, Nogales City Manager, re: on behalf of City of Nogales express gratitude and support for SR 189 and request ADOT will continue to fully fund renovation to SR 189, vital to produce industry, bottleneck at port of entry and traffic congestion on I-19 needs to be improved.
10. Chris Bridges, CYMPO Administrator, re: thank you SR 89 project staying in five year program – construction should begin in the fall; Willow Creek Rd realignment which county and city partnered on done in October; SR 69, one mile segment roadway between Prescott Gateway Mall and Frontier Village Shopping center averages 116 crashes/yr, 7<sup>th</sup> deadliest with wildlife; mtg next wk w City/County on financial contributions to accelerate project and pay for full design in fiscal year 2019 or 2020; submitted resolution supporting I-17 P3s to reduce delays (using two way reversible lanes) would have helped with yesterday's 10 mile back up through Black Canyon area (utility repair) – mentioned ADOT's excellent Twitter feed; requests I-17 in the five year plan.
11. Vincent Loretice, Wickenburg Public Works Director, re: supports plan for reallocation of projects to fully fund US 93 expansion (GAP Project) in five year plan, essential to community and trade corridor between Las Vegas and Phoenix, private developer plans to fund 25% of this project; thank you to Chairman La Rue and Vice Chair Beaver for coming up to tour the site. (Floyd mentioned letter from Julie Brooks Wickenburg Chamber of Commerce reiterating points to repurpose Fast Act funds identified to accelerate work on US 93.)
12. Guillermo Valencia, Greater Nogales and Santa Cruz County Port Authority Chairman, re: thank you to City of Tucson and Pima County for their support for SR 189, realizes the importance of Nogales and Santa Cruz County; thank you for visiting Nogales to witness situation at Mariposa port of entry facilities to see investment by state and federal for leading edge technology to support double/triple the current volumes; congratulated Director Halikowski for work on MOU with Mexico and AZ Mexico study to identify economic, investment and employment opportunities for this corridor; ADOT technical team estimates modernization costs of SR 189 has decreased from \$200 million to \$140 million, makes more attractive return of investment on project; moving forward on funding strategies on SR 189 and advance the project in the five year plan with application of tiger grant funds; to be considered for fast lane funding must get SR 189 designated critical rural freight corridor, highly competitive in fast lane project applications; support \$64 million in five year plan for SR 189 for 2021 which is completely separate project from Ruby Road and I-19, but would like to see the Ruby Road and I-19 interchange included in the five year plan.
13. Randy Heiss, Exec Director Southeast AZ Governments Organization, re: SR 189 is a stand-alone project and needs designation as critical rural freight corridor, very important to apply for Fast Act grant; ADOT is working on Tiger grant; encouraged by action of ADOT staff to find funding for I-10 projects and free up monies for other projects in five year plan; encouraging SR 189 costs have decreased; opportunity to put project out to bid as design build maintain for private sector to be involved; appreciates service on board.
14. Ted Maxwell, VP Southern Arizona Leadership Council, re: on behalf of 130 CEOs and business leaders of So. AZ Leadership Council, thank you for service on board and support for identifying I-11 border to border; hope to identify federal funding to support key infrastructure improvements and build outs needed in AZ; without completion of SR 189, bottleneck slows things down and business going to Texas; five year plan has a nice balance of projects; requests acceleration of SR 189 in plan; acknowledge work of and thank ADOT staff – very supportive, dialog, communication and ideas of improving infrastructure in state.

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: So those are all of the speaker  
3 cards that I've got, so we'll continue on through the public  
4 hearing with the presentation of 2017 through '21 ADOT Tentative  
5 Five-Year Transportation Facilities and Construction Program  
6 recommendation.

7 I might remind everybody that this is on our  
8 website and it's gone live. And I guess they can make comments  
9 on the website as well?

10 MR. KIES: Yes, Mr. Chair. The ADOT website has  
11 a page now dedicated to the tentative program. On that website  
12 -- on that web page, there's a link to a SurveyMonkey survey so  
13 that if you have comments on certain sections of the five-year  
14 program, you can tailor your comments to that section. There's  
15 also a link to an e-mail address where your comment will be  
16 directly e-mailed to a person at ADOT so that we can make sure  
17 it's in the record.

18 CHAIRMAN LA RUE: Thank you. (Inaudible.) Mike,  
19 you'll take us through the program.

20 MR. KIES: Yes. Thank you, Mr. Chair and members  
21 of the Board. And for the members of the public that have come  
22 to the public hearing, I have about a 20- to 25-minute  
23 presentation where I want to review the aspects of the tentative  
24 five-year program.

25 Oops. I don't know if I'm correctly driving

1 here, Lynn. Are you going to do it? Okay. Because I pushed  
2 every button, and not one of them did anything.

3 All right. Sorry for that delay. So today I  
4 would just like to highlight the background of the program.  
5 Then as members of the Board and public may realize, the first  
6 step to building the tentative program is we look at our assets  
7 conditions and look at where those critical needs are around the  
8 state. Then I'd like to highlight the tentative five-year  
9 program, which is tailored for Greater Arizona, which is outside  
10 the Maricopa County and Pima County area. Then quickly  
11 highlight the Pima County tentative program, the Maricopa  
12 tentative program, and then some information on our airport  
13 program.

14 Lynn.

15 So the background real quick is this year is --  
16 as soon as we finish the tentative program and have a final  
17 program for this year, we start the whole process over again.  
18 It's a collaborative process between State Transportation Board,  
19 ADOT staff, all of our divisions that have some input into the  
20 program, and of course, our regional partners. Pima Association  
21 of Governments is our regional partner here in this area that we  
22 coordinate with through the entire year.

23 This five-year program demonstrates how ADOT  
24 intends to obligate our federal and state dollars over the next  
25 five years. This is something that's updated every year. So

1 even though it's called a five-year plan, we don't come back  
2 every five years. We relook at it every year and adjust as  
3 conditions change, costs change, revenue changes and so on.

4 Each -- this five-year program will start with  
5 our next fiscal year, which begins on July first, and the most  
6 important part of the five-year construction program is that it  
7 must be fiscally constrained. So we don't put more projects in  
8 the five-year program than the revenue that we reasonably expect  
9 over the next five years. So with that, I'd like to quickly  
10 highlight the overview of our asset condition, our current asset  
11 conditions around the state.

12 Lynn.

13 Each year we put a value on what our assets are  
14 valued at out in place, and this year we've estimated that our  
15 assets currently are valued at over \$20 billion. This is why  
16 staff continues to recommend that we put the sufficient amount  
17 of funding towards preserving our system, because our -- one of  
18 our first priorities should be to preserve those assets that we  
19 have in place. If we were to allow this system to go into  
20 disrepair and then have to replace it in kind, it would cost the  
21 State over \$200 billion to replace. So the emphasis that we  
22 continue to put on preservation is a high priority.

23 This slide highlights the overall bridge  
24 condition that we have on our state highway system. As you can  
25 see, with the state map we show in green those bridges that we

1 consider in good condition, yellow, fair condition, and then and  
2 then red, bridges that we currently consider in poor condition.  
3 I do want to remind the Board and the public that a bridge  
4 that's considered in poor condition does not mean it's unsafe.  
5 If a bridge was considered unsafe, we would not have it open to  
6 traffic. However, this is a grading system that gives us a  
7 heads up of bridges that we should be putting some attention to  
8 before any other concerns arise.

9           As you can see by the graph in the upper right-  
10 hand corner, we look at a 15-year trend of our bridge  
11 conditions, and we can see that we are losing ground on that  
12 condition. The area in yellow, which is the fair condition, has  
13 been growing over time, and you can see the percentage of  
14 bridges in the poor condition slowly growing. Right now we  
15 consider 4 percent of our bridges in poor condition.

16           Lynn.

17           This is the overview of our pavement conditions.  
18 Again, green is good. Yellow is fair, and red is poor. The  
19 graph that you see on the upper right-hand corner is just  
20 looking at our interstate highway condition. We put a higher  
21 emphasis on pavement condition on our interstates because of the  
22 amount of trade that moves, not only in the state, but across  
23 the state for the entire nation. You can see there the trend is  
24 that we're trying to hold the interstate system at its current  
25 condition.

1           The graph in the lower right-hand corner -- or  
2 left-hand corner -- I'm sorry -- shows the condition of the  
3 non-interstates for the state highway system, and over the time  
4 we can see just a subtle degradation in the amount -- in the  
5 pavement condition on our non-interstates. And so, again, we  
6 are continuing to try to raise the amount of money in the five-  
7 year program dedicated to preservation of our system.

8           Next.

9           So with that, that was a quick overview of the  
10 asset condition, and now I'd like to just go in and highlight  
11 the five-year highway delivery program, which is tailored toward  
12 Greater Arizona, or those counties outside of Maricopa and Pima  
13 County.

14           These pie charts show a comparison of the  
15 percentage of the general Arizona -- the entire program, which  
16 includes all counties in the state of Arizona and the percentage  
17 that this program is dedicating towards preservation,  
18 modernization and expansion. And modernization is that category  
19 that focuses on safety improvements or bringing roads to a  
20 higher level of standard to improve the safety of the whole  
21 system.

22           As you can see, last year, which is the pie chart  
23 on the left, we were proposing 29 percent of our program going  
24 to preservation, as compared to this five-year program where  
25 we're proposing 41 percent of our program going to preservation.



1 And then you see the percentages of the other categories there  
2 where expansion is now -- was 59 percent last program and now is  
3 down to 44 percent. So that higher emphasis on preservation in  
4 this five-year program.

5 Lynn.

6 So now if we just focus on Greater Arizona, which  
7 is those -- primarily those activities outside of Maricopa and  
8 Pima County, again, there's a lot higher mileage of a system to  
9 preserve in Greater Arizona. So you see that this five-year  
10 program proposes a 61 percent part of the program dedicated to  
11 preservation and 25 percent to modernization, which is those  
12 safety improvement projects, leaving a much lower portion of the  
13 program to those expansion projects.

14 Next slide.

15 So this is a way that I always like to present  
16 the -- each year of the five-year program in a -- I hope an  
17 easy-to-read graph where the green represents the amount of each  
18 year dedicated to preservation. The red, towards that  
19 modernization category, or those safety improvements, and then  
20 the blue to the expansion projects, those bigger projects that  
21 increase the capacity of the system. There's a couple other  
22 colors there that relate to planning activities and our  
23 development activities. Each project needs to go through a  
24 development process of design and environmental clearance and so  
25 on before it can be delivered.

1           One of the things that I do want to point out to  
2 the Board and the public is that green line that goes across  
3 this graph. That is 260 -- the level of \$260 million, that has  
4 -- over the years has been our goal of the amount that we want  
5 to spend on preservation to keep our system at its current  
6 condition.

7           Again, I want to remind that that level of  
8 spending, we do not make -- we do not advance the condition of  
9 our system, just maintaining it in the condition that you see  
10 out today. In this five-year program, we are attaining that  
11 amount in several of the fiscal years, which is one of the  
12 things that we're quite proud of with this five-year program.

13           One of the things that I do want to highlight is  
14 those projects that are -- make up the expansion part of this  
15 graph, or that blue area.

16           So Lynn. Oops. Is that the next slide? Oh,  
17 something's not working, because there's other graphics in  
18 there,

19           Okay. We'll go to this slide then. So the --  
20 those projects that are included in the expansion part of the  
21 program are -- we are proposing two projects on US-93, which you  
22 see there south of Kingman. We are proposing in fiscal year '17  
23 an expansion project on SR-89 in the Prescott area, and then  
24 SR-347, which is an overpass project in the city of Maricopa,  
25 which is a -- in -- proposed in fiscal year '18.

1                   We're proposing two Interstate 10 projects  
2 between Phoenix and Tucson. Those are two locations where the  
3 freeway is currently four lanes, two lanes in each direction,  
4 and these projects propose to expand I-10 to a six-lane  
5 facility. One of those locations is near the town of Picacho at  
6 State Route 87, and another location within the community of  
7 Casa Grande between I-8 and Earley Road. As many people have  
8 mentioned during public comment, another expansion project we  
9 have is SR-189 down in the Nogales area, and then US-60 near  
10 Show Low, which is proposed in fiscal year '17.

11                   One of the expansion projects that I do want to  
12 highlight that's in the program because of the unique aspects of  
13 the programming with this project, this project really shows the  
14 benefit of partnering with our local community. Over the years,  
15 the City of Maricopa and ADOT have been looking at ways to  
16 deliver this overpass project in the city of Maricopa, ways to  
17 uniquely look at the funding. As many of you know, a TIGER  
18 grant application was submitted last year, and we were fortunate  
19 enough to be awarded a \$15 million TIGER grant for this project.

20                   So as you see here, this total project cost is  
21 \$55 million for this project. However, that's broken down into  
22 \$6 million that has currently been obligated in this fiscal year  
23 to advance the design and some right-of-way acquisition. Then  
24 the project's broken into two phases, with the first phase being  
25 relocating an Amtrak railway station, which the local community,

1 the City of Maricopa, is providing all the funding for that  
2 element of the project.

3 And then phase two and three, which is the major  
4 part of the project, at \$43 million to build the overpass and  
5 other street connections around the overpass. That \$43 million  
6 is partially funded by the TIGER grant that we were awarded at  
7 \$15 million, and then there's another local contribution from  
8 the City of Maricopa and other local entities of 9 million. So  
9 therefore, a \$55 million project is only shown in this five-year  
10 program as \$19 million because of all those partnerships and  
11 funding opportunities that have been taken advantage of.

12 UNIDENTIFIED SPEAKER: Thank you.

13 MR. KIES: And there you have it.

14 (Indiscernible conversation.)

15 MR. KIES: The other project that I wanted to  
16 highlight was State Route 189, which has been mentioned quite a  
17 bit in the public comments. So we are currently working on what  
18 ADOT calls a design concept report, or DCR, and an environmental  
19 assessment, or an EA. Later this spring, we intend to come out  
20 with the draft DCR and the draft EA. The important step of this  
21 is that once the EA has been commented on by the public and  
22 becomes finalized, we can obtain a decision from the federal  
23 government, and then we obtain environmental clearance for this  
24 project, which is a big step for it to being project ready.

25 We are then moving on to the 30 percent design

1 plans, which will be done in 2017, and then, as has been pointed  
2 out, we have a couple elements proposed in this tentative  
3 program; final design plans in 2018, and then a construction  
4 funding of 64 million in fiscal year 2021.

5 Yes, sir.

6 MR. HAMMOND: Is it okay for me to ask questions  
7 (inaudible)?

8 UNIDENTIFIED SPEAKER: Mr. Chair, Mr. Hammond,  
9 yes, you can ask questions during this, this phase.

10 MR. HAMMOND: If funds were found to accelerate  
11 the project, just structurally with the design and all the  
12 issues that go into getting a project like this in the ground,  
13 is it possible given, you know, funds we find to actually  
14 accelerate it, or are we just limited by the process as much as  
15 anything? I'd just like you to address that.

16 MR. KIES: We are not -- no, we're not limited by  
17 the process. There are ways to accelerate it. So as you see  
18 here on this slide, I've identified that the DCR and the EA are  
19 for what we're referring to as the ultimate plan, which includes  
20 a lot of elements of the project, multiple flyovers at the I-19  
21 interchange and a grate separation at Frank Reed Road.

22 Currently, the \$64 million that is proposed in  
23 the tentative program would only be able to fund one phase of  
24 that project. So we're moving forward, looking at getting the  
25 entire project designed at 30 percent so that if there are

1 options for additional funding or funding partnerships, that we  
2 could either advance the entire project or continue to look at  
3 the first phase.

4 If -- there are opportunities to look at other  
5 delivery options such as design build or public private  
6 partnerships. If another revenue source is obtained, that could  
7 jump off at the EA level, or at the 30 percent design level,  
8 that could accelerate the project if those funding opportunities  
9 come forward.

10 MR. HAMMOND: Thank you.

11 MR. KIES: This is just an overview of the  
12 preservation program. All of the projects that are shown on the  
13 state map here are related to preserving our state highway  
14 system. This summary table just shows some examples of what we  
15 mean by preservation projects, such as preserving our pavement,  
16 reconstructing bridges or rehabilitating bridge decks and so and  
17 so forth. And so this map just easily shows the distribution  
18 all over the state of these preservation-type projects.

19 Lynn.

20 Again, the other aspect of the five-year program  
21 is our modernization program. Again, the state map shows the  
22 distribution of those projects over the state, showing that  
23 we're doing these type of projects in all corners of the state.  
24 The type of projects that are -- we typically think of in our  
25 modernization project -- program are things like passing and

1 climbing lanes, intersection improvements, shoulder widenings,  
2 those type of things that enhance the safety or the operation of  
3 our existing roadway system.

4 Next slide.

5 So just a quick summary of the tentative five-  
6 year program for Greater Arizona, with some of the opportunities  
7 for additional funding such as the TIGER grant that we were  
8 awarded for State Route 347, some additional revenue in the FAST  
9 Act for particularly freight projects. We've been able to  
10 maintain all of the expansion projects in the five -- that were  
11 in the previous five-year program and have them shown in this  
12 five-year program, plus accelerate one project, which is SR-347,  
13 from what used to be year 2020 to 2018.

14 And in addition to that, we've been able to bring  
15 in some additional projects into this five-year program that  
16 were not shown in the last five-year program, namely two  
17 projects on Interstate 10 to widen from four lanes to six lanes,  
18 two expansion projects on US-93, and then the 189 project that I  
19 highlighted. So with that, that's the overview of the Greater  
20 Arizona program.

21 And then, Lynn, if we go to the next slide.

22 MS. BEAVER: Chairman La Rue.

23 CHAIRMAN LA RUE: Any questions?

24 MR. KIES: Oh, I'm sorry. I should be looking  
25 this way.

1 MS. BEAVER: Mr. Kies, I was wondering. I'm just  
2 curious with regard to 189. At the time the port of entry, this  
3 new facility -- which is phenomenal, from our tour down there --  
4 when it was built, did the federal government -- I wasn't on the  
5 board at the time. I'm sure that that was all the beginning of  
6 it. Was there conversation with ADOT and the federal government  
7 at that time as far as they were putting in this phenomenal  
8 facility, but the -- what we were going to become responsible  
9 for didn't match?

10 MR. KIES: Floyd?

11 MS. BEAVER: I just would be curious.

12 MR. ROEHRICH: Mr. Chair, Ms. Beaver, yes, there  
13 were a lot of discussions going on for multiple years with the  
14 federal government, and the -- but remember, the federal  
15 government built the port on their money, and they built it.  
16 And that was their strategy to build the port to the design or  
17 to whatever capacity that it was. At the time, as well, they  
18 never identified how they were going to staff it either, and the  
19 fact is, as a number of people have identified earlier, the  
20 port's running at, you know, less than half capacity just  
21 because of staffing. And that's a federal requirement. That's  
22 not our requirement.

23 We did talk to them about the infrastructure and  
24 the proposal that we were doing. In conjunction with that, we  
25 developed a border master plan that looked at a complete



1 investment along all or border infrastructure at all locations,  
2 just not Nogales, and then identified almost \$300 million  
3 worth of investment that would be required. To San Luis, it  
4 expanded. Maricopa -- or Mariposa, it expanded. Douglas is  
5 looking at trying to do an expansion. So we have those ongoing  
6 conversations that, yeah, again, being is how do we prioritize  
7 the funding we have available.

8 The federal government's on their own path. They  
9 funded -- did Mariposa. We're now trying to work with them, the  
10 locals are working with them to expand their staff so they can  
11 expand the throughput through there, and yes, it will be a  
12 bottleneck in this area. And so we have those conversations,  
13 and now we're at the point where we need to start addressing our  
14 infrastructure. But funding has limited what we've been able to  
15 do.

16 MS. BEAVER: Well, I guess my point partly was  
17 does the federal government, in terms of the moneys that we  
18 would get, is there any ownership on their part, the fact that  
19 they've kind of created this bottleneck situation that we're  
20 going to be experiencing, I mean, where they would partner with  
21 us specifically on this? I know when we were down there and  
22 toured it, the proximity of that high school is concerning to  
23 me. The location with the school is -- I mean, there's just too  
24 much traffic that can be going through there with teenagers.

25 MR. KIES: Well, one of the things I do know

1 about the Mariposa port is that there was a longer vision of  
2 when that port was going to be expanded, but because of the  
3 stimulus package that was put forth by the Obama administration,  
4 that port was accelerated greatly under that program. So I  
5 think we're -- we all have a great opportunity now that that  
6 port has been expanded and that those ARRA funds were used for  
7 that port, but I -- I don't believe that there's any opportunity  
8 for partnership at this time.

9 MR. ROEHRICH: And that's what I was going to  
10 say, Ms. Beaver, as a follow-up. Remember the agency that  
11 oversees the port is separate from the Federal Highway  
12 Administration overseeing the highways. So they get their  
13 separate funding, and then they're on their path, and they have  
14 to accelerate, and they have to spend their money, and while we  
15 have to address it on the highway side. So the port people  
16 aren't going to say, well, now, take my money and build your  
17 highway stuff. They're going to say, no, I build ports. You  
18 guys -- you've got to solve this problem. And that's why we're  
19 looking at this and looking for those opportunities with the  
20 additional funding that we get as well as the possibility of any  
21 grant money, as well as then strategies to where maybe we can  
22 look at some localized money bringing us in to do that. It is  
23 ours to solve. The port people are going to say, we built the  
24 port. You guys build the highway. You guys figure out the  
25 highway.

1 MS. BEAVER: Thank you.

2 CHAIRMAN LA RUE: Board Member Stratton.

3 MR. STRATTON: Mike, I want to go back a little  
4 bit. You said that there -- after the 30 percent plan, there  
5 may be a possibility for a P3 project on this to accelerate it.  
6 This would be a solicited P3 rather than an unsolicited like the  
7 South Mountain; is that correct?

8 MR. ROEHRICH: Mr. Chair, Mr. Stratton, if we  
9 move forward with the P3, we would develop it as a solicited.  
10 The law allows anybody to propose an unsolicited proposal if  
11 they want, and then the agency has to evaluate it on its merits  
12 and decide whether to move forward. But even an unsolicited P3  
13 proposal has to go through a public procurement process. We're  
14 not allowed to direct procure anybody on a P3 contract.

15 MR. STRATTON: So the second piece of that  
16 question is then if we took that route, whether solicited or  
17 unsolicited at this point, what would the time frame be? Would  
18 that accelerate the project?

19 MR. ROEHRICH: Mr. Chair, Mr. Stratton, yes. We  
20 feel in our analysis of looking at that, if we (inaudible)  
21 alternatively -- alternative delivery, P3, if we find the  
22 funding source to fund the full build out or we find the funds  
23 ourselves and want to do an accelerated design build or  
24 something (inaudible) that, we view that once this spring and  
25 this summer, when we've got all the clearances. That's really

1 the point that we can now start looking at delivery. We feel  
2 that we can deliver this project and get it ready to go in  
3 construction about two to three years earlier, maybe as early as  
4 2018.

5 MR. STRATTON: Thank you.

6 MR. KIES: Sure.

7 CHAIRMAN LA RUE: Any other questions?

8 (Inaudible.)

9 MR. ROEHRICH: Kristine, don't look at me like  
10 that. I said we've got to find the money. Look at the look  
11 she's giving me. I never said we can accelerate without the  
12 money.

13 (Indiscernible conversation.)

14 MR. TELLER: Well, thank you for the  
15 presentation. I would like to go back to this statewide  
16 preservation map as well as the modernization map, please.

17 MR. KIES: Sure.

18 MR. TELLER: And I'm going to speak on behalf of  
19 the district that I represent. And I'm curious how we can get  
20 -- we can have a conversation of preservation of some of the  
21 routes in those three counties. What do we need to do? How do  
22 we need to address it? And when we look at that part of the --  
23 Arizona, you know, I'm just curious as to see how we can work  
24 together to address some of the preservation and modernization  
25 of projects in that area. Maybe I'm missing, you know, a

1 process. I talked to NACOG last week. You know, there is some  
2 misunderstanding on how -- for example, Navajo Nation has their  
3 tribal, you know, transportation improvement plans through  
4 federal highway. But those fundings are for BIA or Navajo  
5 routes. Most of them are usually dirt roads. Now, we do have  
6 state infrastructure that go into Hopi and Navajo, for this  
7 example, discussion.

8 MR. KIES: So Lynn, if you could go to slide 20,  
9 please.

10 Chairman and Board Member Teller, yes. So the  
11 preservation program is primarily built on the technical  
12 analysis that our pavement management group and our bridge group  
13 provide to us. The pavement management group goes through a  
14 year cycle where we have vehicles and staff that inspect the  
15 pavement and come back with pavement conditions, and then that's  
16 fed into a pavement management system, and we look at the --  
17 some criteria such as number of trucks and VMT and the current  
18 condition of the pavement. And they come back with a  
19 recommendation of where the most important projects are to  
20 maintain the system at its highest level with the funding that  
21 we have available. So --

22 MR. TELLER: For the next five years.

23 MR. KIES: For the next five years, correct. So  
24 yes, you may see from time to time that there are parts of the  
25 state that don't have as many projects as other parts, but it's

1 based on that technical analysis.

2 MR. TELLER: Okay. I am also getting requests  
3 and -- mostly requests from -- to include another interchange  
4 near the Twin Arrows area. I don't know if you've been speaking  
5 or if you heard staff talking with the beginning Enterprise on  
6 that additional (inaudible). How do we input that into this  
7 discussion?

8 MR. KIES: Yeah. Dallas, are you --

9 MR. HAMMIT: Yeah.

10 MR. KIES: I believe there's an ongoing of an  
11 existing project at that location, right, at Twin Arrows?

12 MR. HAMMIT: A bridge reconstruction.

13 MR. TELLER: There's a bridge reconstruction,  
14 yes, that the Enterprise had requested to delay for two years,  
15 and then there's another discussion to put another intersection  
16 within two miles east of that intersection. I don't know if you  
17 had any dialogue with Enterprise about that new intersection  
18 that they're considering, they're requesting or they're asking  
19 questions about, so...

20 MR. HAMMIT: Mr. Chairman, Mr. Teller, no, they  
21 have not come to us, but in general, too --

22 (Speaking simultaneously.)

23 MR. HAMMIT: Excuse me -- with me.

24 MR. ROEHRICH: Mr. Chair, Mr. Teller, yes. That  
25 -- I was going to (inaudible). That request has been brought

1 forward to the district engineer.

2 MR. HAMMIT: Okay.

3 MR. ROEHRICH: Because Audra, Audra Merrick, the  
4 district engineer of Flagstaff, has talked about it; issue being  
5 as a new interchange. There's a lot of analysis that has to go  
6 into that as far as the change of (inaudible) reports on the  
7 interstate system. So there's a process --

8 MR. TELLER: Okay.

9 MR. ROEHRICH: -- that will move that forward,  
10 which will be a multi-year process. It has not started yet,  
11 Dallas. And I only know that because I followed up on an issue  
12 for the director. I talked to Audra --

13 MR. HAMMIT: Okay.

14 MR. ROEHRICH: -- here in the last month, and she  
15 had told me about the existing one with the deferring that  
16 construction for one year, but that also, she said, don't  
17 forget, we've also got the new interchange that they want.  
18 We've got to start talking about that. It has not been brought  
19 into the process, but it's a multi-year discussion, and there's  
20 a process that we have to do. But again, we're going to come  
21 back to the prioritization of funding for you.

22 MR. HAMMIT: (Inaudible).

23 MR. ROEHRICH: So I apologize, Dallas, for....

24 MR. TELLER: I appreciate it. Thank you very  
25 much.

1 MR. KIES: Thank you. Yeah.

2 So one of the processes that we do in the  
3 Planning Division is each year we send out a request for studies  
4 from our district engineers, and that process is currently  
5 underway. So we have a call for projects from our districts,  
6 and I would assume that the Flag -- the North Central District  
7 -- almost had to put a quarter in the jar.

8 (Indiscernible conversation.)

9 CHAIRMAN LA RUE: It's only a quarter.

10 MR. KIES: It's only a quarter. Yeah.

11 The north central district will be bringing that  
12 to our attention, and I'll make -- I'll call Audra and just  
13 remind her that that call for projects is out and that this  
14 would be a good opportunity to bring it to the Planning  
15 Division.

16 MR. TELLER: I appreciate that (inaudible).

17 MR. KIES: Thank you, sir.

18 CHAIRMAN LA RUE: Mr. Kies, may I suggest,  
19 assuming Board Member Teller is okay with this, is have the  
20 North Central District engineer and yourself meet with whatever  
21 stakeholder group that you might have to, you know, talk about  
22 the process, you know, express your concerns, and let's get  
23 those, you know, out, out with the ADOT staff so we can come  
24 back and revisit this, if you see something there that is not  
25 reflective on this map.



1 MR. TELLER: I appreciate that. Thank you.

2 CHAIRMAN LA RUE: And I think there's some of us  
3 going -- hopefully going out there next month to -- and maybe  
4 that would be a good time to get updated on that as well.

5 MS. BEAVER: Mr. Chairman, in follow-up to what  
6 you're just saying, is this in relationship to the letter that  
7 we received through the board information from a gentleman up  
8 there who was wanting ADOT staff to come up there? I'm trying  
9 to think of his name. Maybe Begay.

10 MR. TELLER: Right, right. The gentleman that  
11 requested for a site visit is -- requested that we visit in the  
12 Many Farms area (inaudible) right in that lower -- right there.  
13 And so I'm making arrangements. If there's a visit, we can  
14 arrange for transportation. So that's something that will be  
15 further discussed, I believe.

16 MR. ROEHRICH: Mr. Chair, Mr. Teller, that is  
17 correct. That is a separate meeting. It is not -- it has a  
18 separate listing of concerns. This interchange is not part of  
19 that.

20 MS. BEAVER: Okay. So they're two separate  
21 issues that we're talking about.

22 MR. ROEHRICH: (Inaudible.)

23 CHAIRMAN LA RUE: So you'll arrange that,  
24 Mr. Kies?

25 MR. KIES: Will, yes.

1 CHAIRMAN LA RUE: (Inaudible.)

2 MR. KIES: Thank you.

3 CHAIRMAN LA RUE: And I would suggest maybe  
4 bumping that to a dollar in that jar. (Inaudible.)

5 MR. KIES: Maybe it will --

6 CHAIRMAN LA RUE: (Inaudible.)

7 MR. KIES: Maybe I'll have better adherence then.  
8 Yes.

9 Thank you, Lynn. Next slide.

10 So this is just an overview of the PAG tentative  
11 program. As some people have said during the public comment  
12 period, PAG has been focusing on improving a lot of the  
13 interchanges along our key interstates such as Interstate 10.  
14 You see projects on this list like Ina Road traffic interchange,  
15 the Ruthrauff Road traffic interchange. On I-19 you see phase  
16 two of the Ajo Way traffic interchange. Phase one is currently  
17 under construction, but the five-year program shows the second  
18 phase being programmed and constructed.

19 One project that you heard about during the  
20 public comment that's not on this list is an environmental  
21 impact statement for the Sonoran corridor. When the PAG  
22 regional council takes action on that later this month, that  
23 project will actually be programmed in fiscal year '16. So  
24 ahead of this in the current fiscal year. So it's ahead of this  
25 five-year program.

1 Next slide. Next slide.

2 So -- and then quickly an overview of the --

3 CHAIRMAN LA RUE: Mike, just a second. So Board  
4 Member Hammond, did you have any comments on the PAG  
5 presentation? Are you good with that?

6 MR. HAMMOND: Well, I was curious on the Ina Road  
7 expansion on the removal of the (inaudible) for landscape or  
8 something that I've been hearing (inaudible). I have not  
9 (inaudible) specifics of it, but has there been some?

10 MR. KIES: I'll ask Rod Lane, the district  
11 engineer, to address that.

12 MR. LANE: Mr. Hammond, Mr. Chairman, members of  
13 the Board, over the past several months we've had -- we've been  
14 working through bringing the Ina Road project to within the  
15 budget that we have and the constraints that we have so we can  
16 deliver the required projects. And one of the things that we  
17 looked at doing in working with the entire team was to remove  
18 the landscape. So to speak, there's -- to say that we're not  
19 removing -- not not doing landscape. What we're putting out  
20 there is a DG environment out there that's going to allow us to  
21 eliminate any kind of erosion issues and do that -- it's  
22 eliminating landscape from this project, but it's -- with the  
23 hope of deferring it over the next few years, if we can. We'll  
24 see how the bids come out. We'll see how the final product  
25 comes, but we're trying to get as sleek a product to deliver as

1 we can.

2 MR. HAMMOND: Okay. So you're saying with any  
3 luck, maybe we can find some ways to put it back in, but to do  
4 the physical project, to engineer it properly and get it done,  
5 we need to take a little money out of landscape? Is that what  
6 you're saying?

7 MR. LANE: Pretty much. There's been a lot of --  
8 there was some budget issues on that project. In working with  
9 PAG and the region, we've been trying to slim that down so that  
10 we could get that project out, and then also meet other needs  
11 that we have in the rest of the region that we've been  
12 successfully doing, and one of the components that we looked at  
13 doing was the landscaping on that.

14 MR. HAMMOND: So when I go to my PAG meeting,  
15 should I tell them to put it back in the budget?

16 MR. LANE: I'll leave that to you.

17 CHAIRMAN LA RUE: Mr. Lane, I think what I heard  
18 is through your value engineering review, you created some  
19 different alternatives, and then depending on the pricing and  
20 the bids, you can execute all those different alternatives and  
21 deliver on the project, but you're focusing on landscaping.

22 MR. LANE: That's one of the things that we've  
23 done to reduce the cost of the project, is to reduce the  
24 landscape component on the project so that we can deliver  
25 something within the budget.

1                   CHAIRMAN LA RUE: Right. And then you can put  
2 that back later --

3                   MR. LANE: We can certainly modify the plans  
4 later if need be or something and see if it happened. But we --  
5 at this point we need to get something that we can deliver out.

6                   CHAIRMAN LA RUE: Thank you.

7                   MR. LANE: Thank you.

8                   MR. KIES: Thank you, Rod.

9                   And then quickly an overview of the Maricopa area  
10 freeway program. The largest project in the five-year program  
11 for Maricopa County is South Mountain. In this five-year  
12 snapshot, there's 973 million, or almost a billion dollars,  
13 dedicated to that project. That is not the total cost of the  
14 project , but there have been projects obligated previously, and  
15 there will be costs that continue out over several years beyond  
16 this five-year program.

17                   And then other projects you see there along  
18 Interstate 10, Interstate 17 and Loop 101.

19                   Next slide.

20                   And then very --

21                   CHAIRMAN LA RUE: Wait a second. Mr. Sellers,  
22 you okay with (inaudible) you're not going to promote that the  
23 South Mountain's a freeway of statewide significance and that  
24 the whole state should share in that?

25                   UNIDENTIFIED SPEAKER: Not today.

1 MR. SELLERS: I'm just happy that after 30 years,  
2 we're finally building it.

3 MR. KIES: Yeah.

4 MR. STRATTON: I tried, Mr. Chairman.

5 MR. KIES: Thank you, Mr. Sellers.

6 And then the -- and then the final part of the  
7 five-year program is the airport program. As many people may  
8 know, we have a State Aviation Fund that is funded just for  
9 airport improvements.

10 Next slide, please.

11 The fund is distribute -- the Board shall  
12 distribute the moneys appropriated to the department from the  
13 State Highway Fund. So each year in the tentative program, we  
14 propose to the Board how we intend to divide the fund -- the  
15 moneys in that fund that we anticipate for the next fiscal year.

16 Next slide, Lynn.

17 This is the proposal in the five-year program for  
18 how the anticipated funds in the aviation fund, which is  
19 estimated at about \$29 million for this next fiscal year. You  
20 see that we anticipate to hold about \$4 million, or 3.8, to  
21 match federal grants. Airports have the opportunity to get  
22 funding from the FAA, or the Federal Aviation Administration.  
23 However, there's local matches that need to go to those funds.  
24 So we help out with the State Aviation Fund. We also have state  
25 grants directly to the airports for both improvements and

1 pavement preservation, or APMS system, and that's over \$18  
2 million of the aviation fund dedicated to that.

3 And then you see our loan program, and then state  
4 planning services. This year, we're going to be up -- re-- or  
5 updated the state aviation plan, and so we have some money set  
6 aside to complete that endeavor this next fiscal year.

7 Next slide.

8 So with that, that was the overview of all of the  
9 elements of the five-year program. Is there a question?

10 MR. TELLER: Yes. Thank you.

11 MS. BEAVER: Chairman.

12 MR. TELLER: (Inaudible.) Back to the last  
13 slide. The APMS program, that amount, does that fluctuate, or  
14 does it stay at 6.4?

15 MR. KIES: Well, it's our proposal of the amount  
16 of funds that we intend for that area -- or for next fiscal  
17 year. So there's a set of projects that have been identified by  
18 local airports, which are shown in the tentative program that  
19 add up to that amount. If those projects come in higher or  
20 lower, then that is adjusted based on the projects.

21 Next year, in fiscal year '18, depending on the  
22 list of projects that's provided by sponsors, that number may  
23 grow or reduce. Yes.

24 MR. TELLER: Thank you.

25 MS. BEAVER: Chairman La Rue, I just -- this is

1 the first meeting that I've been to that I've heard the term  
2 used, balloon port. And so my question is if you can tell me  
3 how -- how does that fit into this overall? You know, are they  
4 going to have ability to use these funds as well?

5 MR. KIES: I'll pass that on to our balloon  
6 expert.

7 MR. ROEHRICH: Mr. Chair, Ms. Beaver, that is  
8 correct. As we sat down with our airport development manager,  
9 Mike Klein and Mike Kies and kind of looked at it, there was  
10 some question within the state statute of what constitutes an  
11 airport or aviation activity. This spaceport, by getting the  
12 FAA designation as an aviation-type facility, a space-type  
13 facility, we feel does meet the condition of an aviation  
14 facility within the state.

15 So they can qualify -- like any other airport or  
16 any other aviation facility, they are eligible and can qualify  
17 to compete for those grants or some of those funds, and they've  
18 already initiated a request for some grant funds. So they're  
19 hoping to get in -- into the mix in future years where they will  
20 get those funds and be able to compete for those funds, like any  
21 other airport and any other aviation facility. And it  
22 (inaudible) that it has to be public. So that's what Pima  
23 County is working on right now with the developer of that site,  
24 World View or World Vision Enterprises, in order to ensure that  
25 the agreement, the development that they have on that site



1 continues to keep its nexus towards a public aviation facility  
2 so they are eligible.

3 MS. BEAVER: Chairman, I understand this falls  
4 under that -- kind of that umbrella of the multimodal. My  
5 question is when they start seeking funds like this, do they  
6 have to follow same -- the same regulations that an airport  
7 does? I know right now, two that just come to mind are up by  
8 Carefree. There's a big -- a lot of balloons that are flying  
9 from there all the time. Lake Havasu City has a large amount of  
10 balloons, and I'm wondering --

11 MR. KIES: Well, and that's what -- oh, go ahead,  
12 Floyd.

13 MR. ROEHRICH: Mr. Chair, Ms. Beaver, I think to  
14 remember this space, balloon (inaudible) space portal, it's not  
15 just a normal hot air balloon. This is a balloon that goes up  
16 into the atmosphere. It goes up into basically space. It does  
17 leave -- whatever the height is (inaudible) in order to make it  
18 -- give it -- the fact that it has space designation. It does  
19 have to follow all the same processes and requirements as an  
20 aviation facility, regardless of, you know, how far up it goes  
21 or get the spaceport designation. So it doesn't have any  
22 advantage or any less advantage than another aviation facility  
23 when it comes to competing for these processes. It's got to go  
24 through the same evaluation criteria, make the same -- meet the  
25 same criteria, meet the same eligibility. All we've said so far

1 is based upon the -- where it's at. It has been deemed eligible  
2 to compete for those funds. It has not gotten any funds so far.  
3 But that is what they hope to do in the future as it continues  
4 to develop, is to compete like any other airport for these  
5 funds.

6 MR. TELLER: Chairman, thank you. So does the  
7 statute need to be revised or amended to identify the space  
8 balloon port?

9 MR. ROEHRICH: Mr. Chair, Mr. Teller, we do not  
10 believe so. We believe that it's defined enough in statute and  
11 in reference to how this is being designated, especially at the  
12 federal level and the state level, we've deemed that it is  
13 eligible, that it (inaudible) meet that language. That -- the  
14 statute does not does not need to be amended.

15 MR. TELLER: So it will follow federal  
16 assurances, FAA assurances, state assurances if there's funding  
17 that will be given to this spaceport development?

18 MR. ROEHRICH: Mr. Chair, Mr. Teller, that is  
19 correct. They have to follow through as any other aviation  
20 facility.

21 MR. TELLER: Public use for 20 years?

22 MR. ROEHRICH: That is correct. Yes, sir.

23 MS. BEAVER: Yes. I think I just -- I have one  
24 -- okay. So we're not talking about, like, hot air balloon, a  
25 port for an area where those that are interested in that. I'm

1 thinking, like, with the bikes and things like that, how that  
2 falls under the multimodal. This sounds almost more like a  
3 NASA-type thing, is it? I mean, if we're talking about your  
4 wife sending you into outer...

5 MR. ROEHRICH: I guess the ones that -- Dos Equis  
6 is sending the most interesting man in the world to Mars on a  
7 one-way trip. So she'd like to get me out there.

8 Mr. Chair, Ms. Beaver, that is correct. This  
9 thing goes up into space. It is not a regular hot air balloon,  
10 but it is an aviation facility, and this -- the company that  
11 does this already does business with NASA with these balloons to  
12 take some of their instrumentation up into space and to do  
13 monitoring, stuff like that. They have a business model to make  
14 it to where they could take private citizens who are willing to  
15 pay whatever the fee is. I'm sure it's more than the E ticket  
16 at Disneyland, but (inaudible) are willing to pay the price for  
17 that. Will take them up, and you get a chance to look at earth  
18 from the space atmosphere.

19 So that is their business plan. Right now they  
20 do only commercial work. NASA (inaudible) some of these  
21 clients, but other clients, (inaudible) designation, but they  
22 hope to expand it.

23 MR. HAMMOND: And can I make a comment as the  
24 broker involved in this project? I have a little inside  
25 knowledge. This -- I think there's only -- there's one in

1 Florida. There's one in Midland, Texas, and there may be a  
2 third designated spaceport in the country. They go through the  
3 FAA. They clear their flights with TIA, Tucson International  
4 Airport.

5           This is the -- human flight is the gimmick. The  
6 real market is with universities and low-level exploration and  
7 low costs where you don't blow up a million dollar missile  
8 trying to get it up. These balloons can go up to 25 miles high.  
9 They can hover over battle zones, fires, natural catastrophes  
10 and be eyes in the skies rather than (inaudible) or some very  
11 expensive machine. It's -- there's about four people that  
12 compete in this arena. My observation and world view is  
13 probably marketing themselves better than any other model out  
14 there, but it's also something that's unique to southern  
15 Arizona, which is one of the reasons why it's here.

16           When you send a balloon up and it gets up to 25  
17 or 30,000 feet, you start running into traffic, air traffic.  
18 There's none above Tucson. We're far enough south where the  
19 intercontinental traffic does not go over our airspace. So it's  
20 the perfect location, and it's a real opportunity to bring  
21 something very interesting to this state, and hopefully they  
22 succeed. This county has done a remarkable job in accommodating  
23 their need to get a building built, and this public facility,  
24 which is the challenge when we use public aviation fund money.  
25 It has to be a public facility. That's what they're working

1 through right now, but it's pretty exciting technology. It's  
2 cutting edge, and it's not, you know, the hot air balloon.  
3 These balloons, I think, are 900 feet long.

4 UNIDENTIFIED SPEAKER: 700.

5 MR. HAMMOND: 700 feet long. Yeah. 700 feet  
6 long. And they go about that size, and then they start and they  
7 expand out accordingly as the air pressure around them drops,  
8 so...

9 MR. TELLER: Mr. Hammond, thank you. I think you  
10 just answered my question. So it's going to be a county  
11 facility?

12 UNIDENTIFIED SPEAKER: Is it county?

13 MR. TELLER: Is it county?

14 MR. ROEHRICH: Mr. Chair, Mr. Teller, the County  
15 will (inaudible) what they're working on right now, and we've  
16 been working with them, again, Mike Klein from (inaudible). It  
17 is how they make that public use facility, how they make the  
18 agreement with World View and then how it will continue on.  
19 This is -- this complex that they're developing is going to have  
20 a bunch of uses within. We're relegating ours to basically this  
21 launch pad or the facility like they want on a normal aviation  
22 program like the runway or the taxiway stuff, and so we're  
23 trying to limit it to that.

24 So we're not getting involved in the rest of  
25 their business other than the part that would be aviation part.

1 But yes, they must be a publicly-owned facility, and it must  
2 operate as a publicly available facility, and that's what the  
3 County's working on right now with World View, and we've been  
4 helping to guide them and meet with them, and then at the --  
5 quite frankly, it's, you know, Pima County (inaudible) things  
6 about our staff, I have to say (inaudible) back to them. It has  
7 been a real education for all of us. This is something new.  
8 Not understanding what this was, and we've all (inaudible).  
9 Everybody has (inaudible) the same attitude towards let's just  
10 get this solved. It's a unique situation. Arizona can uniquely  
11 provide this. We want to make it work.

12 MR. TELLER: Thank you. I think it's a fantastic  
13 partnership opportunity, especially down here, southern Arizona,  
14 360 days of the year it's clear.

15 MR. KIES: Thank you.

16 MR. ROEHRICH: But just for the record, I'm sure  
17 as hell not getting in that balloon. I don't care how much you  
18 pay me. I'm headed the other way.

19 CHAIRMAN LA RUE: Mike, do you have anything else  
20 on --

21 MR. KIES: One last slide. Lynn, just -- no.  
22 One -- yeah. Slide 30, please. There.

23 Just the next steps on the approval of the five-  
24 year program. This is one of three public hearings that we're  
25 holding on the five-year program. In April, we'll be in

1 Phoenix. In May, we'll be up in the Flagstaff area. Same thing  
2 with -- held in conjunction with the Board meeting. We're  
3 collecting comments through all that period, and again, I  
4 mentioned at the beginning that the ADOT web page has many  
5 different venues that people can submit comments other than in  
6 addition to coming to the board meetings and being a public  
7 comment -- participating in the public comment period.

8           Then in May, May 31st, we'll have a study session  
9 with the Board where you'll have all the comments that have been  
10 provided ahead of time, and then we can discuss any changes to  
11 the tentative program based on comments received. We'll then  
12 make those changes and present the final five-year program to  
13 this board in June -- on June 17th at the Holbrook board  
14 meeting.

15           Then we need to have the program signed by the  
16 governor by June 30th so that on July 1st, we start our new  
17 fiscal year. With that, that concludes the presentation on the  
18 five-year program.

19           CHAIRMAN LA RUE: Thank you, Mr. Kies. You know,  
20 I appreciated the robust board discussion. I was worried at  
21 first on the hot air balloon, it's just going to be a lot of hot  
22 air (inaudible).

23           Are there any final questions on this  
24 presentation of this public hearing? Then I'd entertain a  
25 motion to adjourn the public hearing on the 2017 to 2021

1 Tentative Five-Year Transportation Facilities and Construction  
2 Program.

3 MR. SELLERS: So moved.

4 MS. BEAVER: Second.

5 CHAIRMAN LA RUE: We have a motion by Board  
6 Member Sellers, a second by Vice Chair Beaver. Any further  
7 discussion?

8 All those in favor, signify by saying aye.

9 BOARD MEMBERS: Aye.

10 CHAIRMAN LA RUE: Any opposed? (Inaudible.)

11 We are about a hour-and-a-half into it. If you  
12 guys want a break, we can take one. If not, we'll just keep  
13 rolling to the board agenda. I'm not seeing anybody jumping up  
14 for the swipe card. (Inaudible) disappointed, but we're just  
15 going to keep rolling.

16 And I will call the board meeting to order. We  
17 do have another call to the audience, but no speaker cards.

18 So then we'll move on to Item Number 1, which is  
19 the district engineer's report from Rod Lane. Welcome back.

20 MR. LANE: Morning. Thank you.

21 CHAIRMAN LA RUE: (Inaudible.)

22 MR. LANE: Welcome to the -- yeah. Thank you  
23 very much. They were very, very, very nice to hear.

24 Thank you for -- welcome to the South Central  
25 District. Do I get a quarter for that?



1 UNIDENTIFIED SPEAKER: Yeah.

2 MR. LANE: Welcome to the South Central -- I had  
3 practiced last month, so I guess I'm -- I guess I'm okay.

4 CHAIRMAN LA RUE: You get to take a quarter out  
5 (inaudible).

6 MR. LANE: So I had the opportunity to present to  
7 the -- this board last month. So this is going to be kind of a  
8 little bit of a deja vu all over again, to quote Yogi Berra.  
9 And go back a little bit on kind of what we talked about. It  
10 will be very brief since we did talk about it before. So I'm  
11 just really going to kind of go over some of the projects that  
12 we have going on in the PAG region, some of the big ones that we  
13 have.

14 SR-77 is -- has been mentioned before. It  
15 appears to be done, but it's not quite done. We've still got  
16 one more lift of pavement out there that has to be placed that  
17 is dependent on temperature. So we'll be coming out in a month  
18 or so and finish that up. But it is a beautiful facility with  
19 the -- with the wildlife bridge that ADOT constructed using --  
20 with PAG funding and the region funding from the RTA, both of  
21 the wildlife crossings, the undercrossing and the overcrossing.  
22 So that will be completely finished in a few months.

23 The next one is the quad project. We call it the  
24 quad project, four projects down on I-10 between 83 and Benson.  
25 That one, excuse me, will be done this summer. That photograph

1 shows the demolition of the -- one side of the bridge. That now  
2 is all completely constructed. We're now working on the last  
3 half of the bridge. In fact, we'll be doing a shutdown on  
4 Tuesday evening of westbound from 9:00, 9:00 p.m. to 5:00 a.m.  
5 so that we can set those nine girders down there, and then we'll  
6 open that up and be hopefully finished with that project as we  
7 navigate through there.

8 Another large project we have in the area has  
9 been mentioned, the I-19 Ajo TI. That one's just getting  
10 started. You'll be seeing some clearing and grubbing kind of  
11 stuff happening right now. That was expected to go for a year.  
12 In 2017, we're putting in a new single point urban interchange,  
13 SPUI, S-P-U-I, and again, just getting started by Ames.

14 Another one just down the road from that one  
15 that's also just getting started is SR-86, Valencia to Kinney.  
16 41 -- 40.9 -- \$41 million being started by the Ashton company.  
17 We're just starting to see that one take off. Again, it's just  
18 -- I mean, literally just getting kicked off. We just  
19 (inaudible) a month or so ago. We're doing a clearing and  
20 grubbing, setting up traffic control, getting schedules in  
21 place, all of that kind of stuff. So the impacts haven't really  
22 been felt yet. They'll be starting up in a few weeks.

23 And a couple more projects that are in the '16  
24 plan that haven't quite started yet -- so they're all  
25 approved -- is a bridge deck rehab on the Kino Parkway TI.

1 That's an overpass that goes over I-10. So it's not really  
2 going to impact the I-10 traffic too much. It is going to  
3 impact cross street traffic. And we've been working with  
4 Mr. Cole and the City of Tucson on navigating through that. And  
5 then the Ina Road phase one will be starting this year, and I'll  
6 talk more about that as we go.

7 Can you hear it, Lynn? There we go.

8 Let's talk about the Ina Road, because that's  
9 going to be the most significant one for the community. We're  
10 finishing up the design phase on that one. We hope to have GMP1  
11 worked out this spring, and we are expected to start phase one  
12 early this summer. Phase one will consist of setting up the  
13 local traffic control, doing that kind of stuff to prepare for  
14 phase two, which is when we'll actually close the interstate and  
15 start the full construction where we swap the interstate from  
16 the interstate that currently goes over I-10 -- or excuse me --  
17 over Ina Road now, and swap it to go -- so then Ina will go over  
18 the interstate, much like is done at Twin Peaks, at Prince Road,  
19 at Miracle Mile, all of that progression.

20 We'll be constructing a new bridge over the  
21 railroad and tying it in on the east and the west. Along with  
22 that, we're working with constructing a project for the Town of  
23 Marana to do a new bridge over the Santa Cruz River. So it's  
24 quite a complex project, but with the four basic cores to it.  
25 And people are seeing the right-of-way takes being followed

1 through and the demolition is starting. So the impact is  
2 starting to happen in the community, and we'll be moving forward  
3 on this area. That's the big impact that we're going to be  
4 seeing down here.

5 The rest of the stuff I really wanted to talk  
6 about was covered best by Mike Kies in his presentation, but I  
7 wanted to talk about -- you know, show a little bit about what's  
8 going on, again, within the PAG region, some of the larger  
9 projects, phase two in the tentative plan. Phase two of Ina  
10 Road in '17 is the real big one, and then in '18, the real big  
11 one is going to be Ruthrauff and phase two of Ajo where we --  
12 again, we build the 86 over the Santa Cruz River is going to be  
13 in phase two.

14 See if I can -- okay. And --

15 MR. HAMMOND: Can I ask a quick question?

16 MR. LANE: Sure.

17 MR. HAMMOND: Just really roughly, what's the  
18 percentage of PAG money versus ADOT contribution on these? Is  
19 it all PAG?

20 MR. LANE: On the Ina Road?

21 MR. HAMMOND: Yeah.

22 MR. LANE: No, no. It's about -- off the top of  
23 my head, I'm going to guess 60/40.

24 MR. HAMMOND: 60 PAG?

25 MR. LANE: No.

1 MR. HAMMOND: 60 ADOT.

2 MR. LANE: 60 ADOT.

3 So back to Interstate 10, the Ina -- the  
4 Ruthrauff 87 million is going to be going in '19 to do the  
5 Ruthrauff project. We won't be doing the Ruthrauff project  
6 until after we finish the Ina Road project.

7 The rest of the projects are more -- excuse me.  
8 There's an interchange on fiscal year '20 and also the Houghten  
9 road TI in '19. See if I use this, if this works better. And  
10 the Kino Road interchange for 32 million in '23.

11 Ah, now we get to I-19. This is working better.

12 Pima Mine Road project deck rehab in the  
13 tentative plan in '19, and -- this is looking odd. I already  
14 talked about Ina Road, Ajo in '18. So let's just move on  
15 outside into the Pima County -- Pima County area. 86 -- mostly  
16 pavement preservation projects out there. A big one that's  
17 significant to the community is in year '19, which is the  
18 pedestrian sidewalks on 77. We've had some issues out there.  
19 So we were looking forward to resolve those.

20 And I'm going to hold it, because I seem to be  
21 having technical issues, and this was pretty much covered mostly  
22 in Mr. Kies' presentation.

23 So is there any questions I can ask? I know  
24 Mr. Hammond was asking more questions about Ina. Is there  
25 anything you'd like cleared up about that one, about the

1 landscaping or anything on that one some more?

2 MR. HAMMOND: No. I just want to tell you I  
3 continue to (inaudible) at how well you interface with the  
4 community, and I want to thank you for that. Makes our job a  
5 lot easier when we have the trust of the local folks  
6 (inaudible).

7 MR. LANE: Thank you very much. I appreciate  
8 that.

9 CHAIRMAN LA RUE: Any other questions from board  
10 members?

11 Thank you, Mr. Lane.

12 MR. LANE: Thank you.

13 CHAIRMAN LA RUE: You know, I do have a  
14 suggestion. Mr. Hammond, if you want to see more PAG money into  
15 these projects, if you'd probably invite the Board down more  
16 often to the hacienda for drinks, you know, that probably -- I  
17 think that raises the PAG money. So (inaudible).

18 Number -- Item Number 2, director's report.

19 MR. ROEHRICH: Mr. Chair, the director is out of  
20 town and sends his regrets he couldn't be here. He had no items  
21 to report. He just wanted to remind them, again, in future  
22 meetings if there are items that you want him to address, make  
23 sure that you please let myself or Mary know, and then we will  
24 make sure that he can address them. Thank you.

25 CHAIRMAN LA RUE: Item Number 3 is the consent

1 agenda that has been distributed to us in our packets. Are  
2 there any board member questions, concerns or wanting to pull  
3 any of the consent agenda items from the packet?

4 MS. BEAVER: I make a motion that we approve the  
5 consent as presented.

6 MR. TELLER: Second.

7 CHAIRMAN LA RUE: We have a motion by the vice  
8 chair and a second by Board Member Teller. Is there any further  
9 discussion?

10 Seeing none, all those in favor signify by saying  
11 aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed?

14 The ayes have it. Confirmed.

15 Let's move on to Item Number 4. Mr. Biesty.

16 MR. BIESTY: Good morning, Mr. Chairman, members  
17 of the Board.

18 I'll start off with the update on the state  
19 legislature. This was the last week to hear bills in the  
20 opposing chamber. So Senate bills be heard in the House, House  
21 bills be heard in the Senate. Appropriations can still meet,  
22 but other than that, committee work is done. We're still  
23 awaiting to see the legislature's budget. We'll be keeping an  
24 eye on that once we -- we get that -- once they release their  
25 budget, we'll put together some information and make sure it

1 gets out to you.

2           The two ADOT bills that are of importance and of  
3 interest, I would believe, to the Board is the ADOT sponsorship  
4 bill I talked about last month that would allow ADOT to expand  
5 our abilities to sell sponsorship on certain non-highway assets.  
6 For example, driver's manual, items in the MBD office, for  
7 example.

8           UNIDENTIFIED SPEAKER: Board member vehicles,  
9 those type of things.

10           MR. BIESTY: (Inaudible) board members could  
11 wear, like NASCAR jackets.

12           That passed out of the Senate yesterday, 26 to 4.  
13 It's on its way back to the House, and it will be transmitted to  
14 the governor. So we're very excited about that.

15           Senate Bill 1207, which is the ADOT continuation  
16 bill, which is the bill that would continue ADOT until 2024, is  
17 still awaiting floor action in the House. So we'll be keeping a  
18 close eye on that.

19           And another bill that -- yeah.

20           MR. ROEHRICH: The future of these meetings just  
21 might be Michelle and you.

22           CHAIRMAN LA RUE: (Inaudible.)

23           MR. BIESTY: And then House Bill 2600, which is a  
24 -- you'd be able to repeal certain state boards and commissions.  
25 This isn't one of them.



1           There are two items of issue in that I think the  
2 Board would be interested. One is it repeals the Citizens  
3 Transportation Oversight Committee for the Maricopa County area.  
4 And -- but it's important to note that that provision was put  
5 back in the day when the tax was just being implemented and --  
6 but MAG has come a long way, and they have a very robust public  
7 involvement process. So this was kind of seen as unnecessary  
8 today. So that's -- that one and then the -- it repeals the  
9 State Parks Board and transfers the duties to the state parks  
10 director. That bill is currently awaiting action in the Senate,  
11 but it appears (inaudible) moving.

12           So again, you know, we're going to be keeping an  
13 eye out for the budget. As soon as we get that, we'll get our  
14 handy dandy financial folks to kind of boil that down to what it  
15 means for transportation and share that information.

16           Is there any questions on the state -- any state  
17 activities that I can answer before I move to federal?

18           MR. SELLERS: So would you say the Citizens  
19 Transportation Oversight was put back in now?

20           MR. BIESTY: No. No, Mr. Chairman. That is  
21 actually going to be repealed.

22           MR. SELLERS: Okay.

23           MR. BIESTY: Yeah.

24           MR. SELLERS: Yeah. And Roc Arnett is retiring?

25           MR. BIESTY: Yes, sir. I believe so.

1                   Okay. So if there are no more questions, I'll  
2 move on to the federal. (Inaudible) see how this new technology  
3 works.

4                   As many of you may have heard, there was a USDOT  
5 list that was put out about old or (inaudible) earmarks. Some  
6 of these are a decade or more old. We have the information.  
7 We're working with Ms. Petty and FHWA to kind of figure out what  
8 -- what may be out there and then how those moneys can maybe be  
9 reallocated. There are some provisions within the last that  
10 kind of restrict -- like, one of the provisions is it has to be  
11 within 50 air miles. I believe that's correct. Air miles  
12 (inaudible).

13                   UNIDENTIFIED SPEAKER: (Inaudible).

14                   MR. BIESTY: Or as the crow flights, 50 miles.  
15 You could reallocate that. So we're working together with FHWA,  
16 and we're pretty confident that we'll -- there will be a  
17 positive outcome.

18                   CHAIRMAN LA RUE: So now I see why Floyd was so  
19 happy to see Carla this morning.

20                   MR. BIESTY: We're always happy to see Carla.

21                   MR. ROEHRICH: Yeah. She's a (inaudible) lady.

22                   CHAIRMAN LA RUE: Yeah.

23                   MR. BIESTY: So -- and she's got checks.

24                   One of the things that I want to touch on that's  
25 in the agenda is the grant opportunities that the department is

1 looking at right now. The strategy right now is to apply, as  
2 was mentioned earlier, from TIGER grants. We'll be putting in a  
3 TIGER grant application as we work (inaudible) the stakeholders  
4 to generate (inaudible) and support. For SR-189 -- and we'll  
5 also be putting in a TIGER grant for I-15, bridge number one.  
6 So that's currently underway.

7                   And for this year's FASTLANE grant -- and if you  
8 recall, the FASTLANE grant is for projects greater than \$100  
9 million. For this year's, we're going to put in one for the  
10 I-10 widening from Earley Road to I-8, widening on I-10, SR-87  
11 interchange over the Picacho Peak, along with MEEPA (phonetic)  
12 work. Start the MEEPA process for the Wildhorse Pass to  
13 Milepost 187, and also look at technology improvements in that  
14 corridor.

15                   So that's the -- that's the plan right now. And  
16 staff is currently underway drafting those -- those grant  
17 applications. That's what I have for right now for the federal  
18 update. If there are any questions, I'd be happy to answer  
19 them.

20                   CHAIRMAN LA RUE: Questions from Board members?

21                   MS. BEAVER: I have a question, Chairman, and it  
22 probably should have -- maybe you might need to stop me if I  
23 need to be. But I know with regard to -- because you were just  
24 mentioning the grant with technology. I know when we went and  
25 visited the TOCs, they were needing to have -- it doesn't look

1 like they have the funds available for replacing their older  
2 screens for HD screens down there, and so there was a variation  
3 in the quality of image -- images, and that -- is there a way we  
4 can maybe look at grants or something with regard to -- to  
5 getting it where they kind of can get new screens down there  
6 where they all more -- look the same?

7 MR. BIESTY: Mr. Chairman, Ms. Beaver, the  
8 department is constantly looking at grant opportunities across a  
9 wide spectrum of programs available. So the short answer is  
10 yes, we're looking at all opportunities to bring the technology  
11 up to times.

12 CHAIRMAN LA RUE: All right. Not seeing any  
13 other questions, thank you, Kevin.

14 Let's move on to the financial report.

15 MS. WARD: Well, good morning.

16 CHAIRMAN LA RUE: Good morning.

17 MS. WARD: All right. I'll try to keep my  
18 presentation the same length as Mike or -- you know, 25 minutes  
19 or so.

20 I don't have anything to report on any balloons.

21 Oh, Lynn --

22 CHAIRMAN LA RUE: The report's not hot air is  
23 what you're saying. (Inaudible.)

24 MS. WARD: That is wonderfully put, Chairman La  
25 Rue. It is not hot air. We'll keep the initial report brief.

1 MR. ROEHRICH: I don't know about that. Excuse  
2 me.

3 MS. WARD: Yeah. Have a drink of water, Floyd.

4 Okay. In terms of our HURF forecast, Highway  
5 User Revenue Fund forecast, we're right within our target  
6 parameters, running about 1.6 percent above -- above forecast.

7 Our gas tax is kind of in the moderate area for  
8 the month. However, it's about 4.9 percent above last year at  
9 this time. That -- those are decent growth rates, and I think  
10 we can probably attribute a fair amount of them right back to  
11 our -- the gas prices we're experiencing. VLT is doing all  
12 right as well. We're 6.9 percent over last year. Oh, and I  
13 should have covered diesel. Diesel's about 5 percent over last  
14 year as well.

15 Lynn, if you can take me to Regional Area Road  
16 Fund.

17 We're doing well there as well. We're a little  
18 below forecast. .8 percent, I believe. Yeah. Little -- yeah.  
19 There we go. Helps to look up at the slide. A little below  
20 forecast, but nothing to be concerned about. We're right within  
21 the target parameters.

22 You will -- I have to mention this each time just  
23 because when you see a negative 14.4 percent on contracting, it  
24 could catch your eye. But that is offset by the retail sales,  
25 because we had a shift in how contracting revenues are applied.

1 Okay?

2 So Mr. Chair, if I may, I'd like to proceed to  
3 Agenda Item 6, 7 and 8, if I could.

4 MR. HAMMOND: (Inaudible.)

5 MS. WARD: Sure.

6 MR. HAMMOND: (Inaudible.) Do you have a similar  
7 slide for PAG and what their --

8 MS. WARD: No, I do not. We are not -- the  
9 department is not responsible for administering the RTA funds  
10 for PAG.

11 MR. HAMMOND: It would just be interesting to  
12 have a comparison, seeing what's going on in the different  
13 house, but I know there's other guys that do that until --

14 MS. WARD: You know, we can talk to our friends  
15 down there. I thought I saw John Lesados (phonetic) roaming  
16 around.

17 CHAIRMAN LA RUE: I'd be (inaudible) Maricopa  
18 County, and it would be kind of nice to see what's happening  
19 (inaudible).

20 MR. HAMMOND: Well, I know the PAG funds are  
21 lagging projections, but (inaudible).

22 CHAIRMAN LA RUE: (Inaudible.)

23 MS. WARD: I was very disappointed by restaurant  
24 and bar this last month. I'm afraid you're not keeping up.

25 CHAIRMAN LA RUE: So you're ready to go on to

1 six, seven and eight.

2 MS. WARD: Yes. And if it pleases the board, I'd  
3 like to kind of address them all at once.

4 CHAIRMAN LA RUE: I think that makes sense given  
5 (inaudible).

6 MS. WARD: Okay. So what we are here with --  
7 here today to do is to seek the Board's approval to proceed with  
8 some refunding. So basically, we have the opportunity to refund  
9 some existing bonds given the interest rates being so low. So  
10 the chart -- oops. Now, the chart you see in front of you. So  
11 right now the department has about \$2.6 billion in debt between  
12 our Highway User Revenue Fund bonds, our Regional Area Road Fund  
13 bonds and our Grant Anticipation Notes. That's what those nifty  
14 little acronyms are down by the side.

15 We are seeking to refund about \$235 million worth  
16 of those existing bonds, because there's an opportunity to take  
17 advantage of lower interest rates. You will see the second  
18 column over. Those are the interest rates that exist on the  
19 bonds we're proposing to refund. The estimated interest rates  
20 on the refunding bonds, the bonds that we will issue -- are  
21 those rates you'll see in the next column over. And we  
22 anticipate at this point in time savings levels of around \$15  
23 million.

24 Now, I need to add a caveat to that. Before 9:30  
25 last night, if you had looked at that chart, you would have seen

1 the amount we forecasted to refund to be 185 million, and you  
2 would have seen estimated savings numbers of around 12.2  
3 million. So what I need to put forward before you is to let you  
4 know that the amount of savings that we realize and the amount  
5 of bonds that we will seek on refund will change based on where  
6 the market rates are. Okay? So these are our estimates at this  
7 point.

8                   And I'll let you know that some of the bonds we  
9 are seeking to refund are a little more price sensitive --  
10 interest rate sensitive than others. Particularly our HURF  
11 bonds are a little more sensitive to the market, and that is  
12 because we have refunded quite a few bonds, and thus captured  
13 the savings of lower interest rates in 2011 as well as 2013 when  
14 we did a tremendous refunding.

15                   Mr. Chair, Mr. Hammond?

16                   CHAIRMAN LA RUE: Mr. Hammond.

17                   MR. HAMMOND: That projection of 15.6, that's  
18 annually?

19                   MS. WARD: Ha, that is my next point.

20                   UNIDENTIFIED SPEAKER: (Inaudible.)

21                   MS. WARD: Yes. Yes, sir. So Mr. Chair,  
22 Mr. Hammond, thank you for the entrée. 15.6 million is the  
23 savings that we would experience over a 10- to 20-year period.  
24 So you will not -- we will not be able to give you -- come to  
25 you and say, hey, here's \$15.6 million more in -- that you can



1 add to the tentative five-year program, say, in '17, '18. No.  
2 It's 15.6 is the estimate of the savings we would realize over a  
3 10- to 20-year period.

4 CHAIRMAN LA RUE: It's over the life of the  
5 bonds.

6 MR. HAMMOND: And then I do have one question,  
7 because I've been involved an organization (inaudible). I would  
8 think the cost of issuance would be more than that.

9 MS. WARD: You -- I so appreciate that question.  
10 That's my next point.

11 So the cost of issuance for these three issues at  
12 this point are estimated at about \$1.3 million.

13 UNIDENTIFIED SPEAKER: (Inaudible.)

14 MS. WARD: Yes, it is, and actually, I have to  
15 tell you when I saw -- I hope the investment bankers aren't  
16 listening too much -- but when I saw the -- what they call the  
17 takedown, the amount that we're paying underwriters to  
18 underwrite these issues, it's -- it's quite meager compared to  
19 historical numbers.

20 You're welcome, sir. Thank you for the  
21 (inaudible). Keeping me moving.

22 So what I am here requesting today is I would  
23 appreciate and recommend, Mr. Chair, if you will -- I would  
24 appreciate a motion approving the adoption of the supplemental  
25 and amending language to the HURF, RARF and GAN resolutions, and

1 I believe of you have been provided precise language for the  
2 record.

3 CHAIRMAN LA RUE: I have. So if there's no  
4 further question, we should take that one at a time (inaudible)  
5 one at a time, and then I'll read the suggested language, and  
6 then somebody can (inaudible).

7 UNIDENTIFIED SPEAKER: Okay.

8 MS. WARD: Thank you.

9 CHAIRMAN LA RUE: So before I read the suggested  
10 language, though, I'm very appreciative of this, what you're  
11 doing here. You know, we do -- we, too, also issue bonds, and  
12 we're kind of amazed at what's happening in the global  
13 environment with these negative (inaudible) things going on  
14 globally that's pushing the flight to safety into our country.

15 MS. WARD: Uh-huh.

16 CHAIRMAN LA RUE: Pushing our interest rates down  
17 when they should be going up, because the feds are signaling  
18 raising rates. It's just really crazy. But if we can continue  
19 to extract savings and use that into our program and build more  
20 projects, that's great thinking, and I'd say keep looking at it,  
21 because every few days there's probably something else that  
22 would develop that will change the equation, so...

23 MS. WARD: Thank you, Mr. La Rue.

24 CHAIRMAN LA RUE: I appreciate the efforts and  
25 taking advantage of what's happened (inaudible).

1 MS. WARD: We have quite a bit of support. I've  
2 got a wonderful staff. We have a great financial advisor in  
3 RBC, Kurt Freund, and then we've got a great set of investment  
4 bankers that support us as well. Thank you.

5 UNIDENTIFIED SPEAKER: This is probably not a  
6 question for you, but it does occur to me. Has this money gone  
7 back into the budget, or do we get our landscape (inaudible)?

8 MS. WARD: Don't let me forget bond council.  
9 (Inaudible.) But I'm -- no, I'm sorry. That's not -- first  
10 we've got to nail down the number, and then -- I don't know  
11 about your landscaping.

12 UNIDENTIFIED SPEAKER: I think most of the  
13 savings are the RARF savings. So I'm not sure that's PAG money,  
14 but I'll at least (inaudible).

15 CHAIRMAN LA RUE: So let me read the motion for  
16 Item Number 6 is: The motion before the Board is a resolution  
17 authorizing the issuance of transportation, excise tax revenue  
18 refunding bonds, Series 2016, prescribing the form of bond,  
19 prescribing certain terms and conditions and making certain  
20 covenants pertaining to the bonds. (Inaudible) the bonds  
21 authorizing and refunding of all or a portion of the bonds  
22 outstanding senior bonds. Supplementing the resolution of  
23 September 21st 2007, as supplemented to date, and approving  
24 certain other matters related thereto.

25 Does that work, Michelle?

1 MS. KUNZMAN: There was just one. You said bonds  
2 rather than boards.

3 CHAIRMAN LA RUE: Excuse me. Which one?

4 MS. KUNZMAN: Fourth sentence down.

5 CHAIRMAN LA RUE: The portion of the Board's  
6 outstanding senior bonds.

7 MR. HAMMOND: I'll move approval.

8 CHAIRMAN LA RUE: We have a motion by Board  
9 Member Hammond.

10 MR. STRATTON: Second.

11 CHAIRMAN LA RUE: We have a second by Board  
12 Member Stratton. Any further discussion?

13 Seeing none, all those in favor signify by saying  
14 aye.

15 BOARD MEMBERS: Aye.

16 CHAIRMAN LA RUE: Any opposed? That's confirmed.

17 So Item Number 7, the motion before the Board is  
18 a resolution authorizing the issuance of an Arizona  
19 Transportation Board highway revenue refunding bonds, Series  
20 2016, describing the form of the bonds, describing certain terms  
21 and conditions, and making certain covenants pertaining to the  
22 bonds, ordering the sale of the bonds, authorizing the funding  
23 of all or a portion of the board's outstanding senior and  
24 subordinate bonds supplementing the resolution of May 1st, 1980  
25 as supplemented to date and approving certain other matters

1 relating thereto.

2 Good? All right. Put my glasses on for that  
3 one.

4 Do we have a motion?

5 MR. SELLERS: Move for approval.

6 CHAIRMAN LA RUE: We have a motion by Board  
7 Member Sellers.

8 MR. CUTHBERTSON: Second.

9 CHAIRMAN LA RUE: Second by Board Member  
10 Cuthbertson. Any further discussion?

11 All those in favor signify by saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed? Item Number 7 is  
14 confirmed.

15 Item Number 8. The motion before the Board is a  
16 resolution authorizing the issuance of Grant Anticipation Notes  
17 refunding bonds, Series 2016, describing the form of the bond,  
18 describing certain terms and conditions and making certain  
19 covenants pertaining to the bonds, ordering the sale of the  
20 bonds, authorizing the refunding of all or a portion of the  
21 Board's outstanding senior bonds, supplementing resolution of  
22 June 9th, 2000 as supplemented to date and approving certain and  
23 other matters relating thereto.

24 MR. SELLERS: Move for approval.

25 CHAIRMAN LA RUE: We have a motion by

1 Mr. Sellers.

2 MR. STRATTON: Second.

3 CHAIRMAN LA RUE: We have a second by Board  
4 Member Stratton. Any further discussion?

5 All those in favor, signify by saying aye.

6 BOARD MEMBERS: Aye.

7 CHAIRMAN LA RUE: Any opposed? Item Number 8 is  
8 confirmed.

9 Go forth and get us 15 million annually.

10 Item Number 9, the overweight truck study. Is  
11 Jean Nehme here?

12 MR. NEHME: Good morning, Mr. Chair, Board  
13 members. My name is Jean Nehme. I work in the Multimodal  
14 Planning Division of ADOT. I oversee system performance and  
15 research.

16 I'm here today to give you a status update on the  
17 development of an overweight permit fee structure study.

18 So a little background. Currently, federal law  
19 limits overweight -- limits legal weight to 80,000 pounds when  
20 you have a truck with five axles or more. Arizona, just like  
21 the majority of the states, other states, issues a permit for  
22 overweight vehicles for non-divisible payloads.

23 In 2011, ADOT started issuing permits for  
24 overweight vehicles carrying custom sealed goods within 25 miles  
25 of the port of entry at Nogales. And we had a very successful

1 program, and it's available for implementation in the port of  
2 entries at San Luis and Douglas.

3 In 2013, the Arizona legislature passed the law,  
4 a revenue sharing law that allows ADOT to share the \$75 permit  
5 with all affected counties and municipalities within that 25  
6 miles radius.

7 In 2014, the port of Tucson and the Pima  
8 Association of Governments approached ADOT to expand this permit  
9 from Nogales to the port of Tucson. And the Director Halikowski  
10 instructed staff to go ahead and initiate a study for  
11 feasibility of expanding that permit. So some of the objectives  
12 of the study were to assess any damage that overweight trucks  
13 would cause to the transportation infrastructure on I-19 and  
14 I-10, from Nogales to the port of Tucson.

15 Another -- the main objective of the study,  
16 obviously, is to establish a framework for charging reasonable  
17 permit fees for anybody who wants to run those overweight trucks  
18 between these two locations. We also wanted to develop a  
19 mechanism to keep track of all of these trucks, and we wanted to  
20 learn lessons that would enable us to possibly implement this in  
21 other corridors within the state.

22 The approach that we took was very inclusive. We  
23 had a very large outreach effort. We interviewed, talked to  
24 county and municipalities representatives, chambers of commerce,  
25 Fresh Produce Association, port of Tucson representatives,

1 Sonoran manufacturers, export brokers and motor carriers. We  
2 did reach out to interview the Arizona Trucking Association and  
3 the members from Swift and Knight, and we were unsuccessful.  
4 However, in task three of this study, we will have another  
5 opportunity to outreach to industry.

6           And finally, this study has five major tasks.  
7 The first one was initiation. We kicked it off on June 16 of  
8 last year. The data collection is our task, too. We completed  
9 this. It will be discussed toward the end of this month with  
10 the Technical Advisory Committee. And task three is in  
11 progress. It's the analysis of all the data that was collected  
12 in task two. This should be completed by May 31st. Task four  
13 is the experimental design, and will be -- it's due by the end  
14 of August. And finally, we'll have a draft final report by the  
15 end of this year.

16           This concludes my presentation. If there's any  
17 questions, I'll be glad to answer them.

18           CHAIRMAN LA RUE: Any questions by board members?

19           Mr. Hammond.

20           MR. HAMMOND: Just a quick question. On the --  
21 did the Arizona Trucking Association and Swift refuse, or it  
22 just wasn't convenient to meet at the time? Is there a position  
23 to the study there or -- I mean, what's going on there that you  
24 might share with us?

25           MR. ROEHRICH: Mr. Chair, Mr. Hammond, I can talk



1 a little bit to that, Jean, if you don't mind.

2 MR. NEHME: Sure.

3 MR. ROEHRICH: And I'm not necessarily saying  
4 that they refused to talk. I just think at this point they  
5 didn't want to weigh in on a public policy issue as we evaluate  
6 it, especially with the discussion of fees. You know, the  
7 industry is supportive of infrastructure. They're supportive of  
8 (inaudible) infrastructure, and the trucking associations come  
9 out in their support of raising additional revenues through  
10 increasing gas taxes, but they don't support any other type of  
11 fee structure.

12 So I think they didn't want to weigh in on these  
13 public policy issues as we're discussing it. And that's really  
14 where this study goes. When Jean's team is done with the study,  
15 then we are going to have to sit down as an agency and decide  
16 from a public policy perspective how do we move that forward?  
17 Because we got some criticism when we started this as far as,  
18 well, the industry need this. If it's going to help grow jobs,  
19 just give us the right to put those overweight trucks on there.  
20 Why do you have to go through study? Why do you have to take  
21 all this time? You've taken way too long (inaudible).

22 And really, the point being is we have to  
23 preserve our infrastructure. As Mike Kies presented earlier, we  
24 know that the \$75 fee with the additional weights coming across  
25 the international border, like in Nogales and San Luis and

1 others, Douglas, are looking at that as well. It has helped  
2 industry and it has helped growth, which is great, but those  
3 funds have had to go back into infrastructure because  
4 (inaudible) the infrastructure a little bit harder.

5           So we're looking at -- now you expand that beyond  
6 just a 25-mile radius. You allow it to go up -- almost 100  
7 miles up into Tucson. What is that impact? We really need to  
8 know that before we can say, go ahead and let's implement this,  
9 let's move this forward. In conjunction with hearing from the  
10 port of Tucson and the border region, we've been hearing from  
11 other industries, the mining industry, the logging industry,  
12 others, and said, hey, we want increased weights as well,  
13 because it means jobs and it means the economy for us.

14           So that's why we needed to have a systematic  
15 approach of how we can look at this, what the impacts are going  
16 to be, how that will translate to the impact on the  
17 infrastructure, and then how can we help recapture the cost to  
18 maintain that infrastructure so it's there not just for these  
19 industries, but for all the rest of the public as well who needs  
20 to move this forward.

21           So I think that's why we're seeing industry not  
22 so much wanting to weigh in on this, because they've already  
23 come out and said, raise the gas tax and then take care of all  
24 the infrastructure. They don't want to be targeted as my  
25 specific industry is now going to agree to these fees and these

1 other aspects, you know, until we're further on, I would  
2 imagine, in the policy discussion. But at this point they've  
3 been pretty clear. Raise the gas tax, take care of the  
4 infrastructure. We know it's important, but don't deal with any  
5 other tolls, fees or any other type of charges for their  
6 industries to continue on.

7 MR. HAMMOND: Thank you.

8 That doesn't -- being at the table doesn't  
9 necessarily mean you agree. It's disappointing that they just  
10 don't -- won't be at the table to get their voice heard. It  
11 would be a better outcome.

12 MS. BEAVER: Mr. Chairman, I do have a question.  
13 My question has to do with this seems like it was a truck study  
14 done regionally. Is the results that come out of this, though,  
15 going to be a statewide thing? You were talking about logging  
16 trucks, I know, were on the west side of the state. There's a  
17 lot of trucks that even use county roads, you know, are more  
18 used by counties. They're still state routes. But I guess my  
19 question is are we needing to do something statewide on this, or  
20 is this going to benefit the entire state, this study?

21 MR. ROEHRICH: Mr. Chair, Ms. Beaver, the intent  
22 of studying this is that would give us the framework to start  
23 looking at other parts of the state as well, how we would  
24 implement something, if we're willing to do that, and what the  
25 impacts would be so we know what the fee structure is. I can't

1 tell you if \$75 overweight for the first 25 miles is  
2 appropriate, but when you're talking about now taking it beyond  
3 the local network, into the interstate system, which is very  
4 expensive to rehabilitate and update and maintain the interstate  
5 system compared to a two-lane road or a local road, you start  
6 putting this amount of traffic and these weights on I-19 and  
7 I-10, is that charge -- I mean, is it hundreds of dollars? How  
8 much is it going to have to be so we can generate the revenue?  
9 This will give us a framework to look at it in this region, but  
10 then we can look at it in other regions of the state with the  
11 start of this and then modify for what is the industry, what is  
12 the impact, you know, what would those costs be if we intend to  
13 move forward.

14           Because the other thing this would also get us to  
15 do is the strategy of what legislative actions do we have to  
16 take in order to do this. The legislature approved that  
17 overweight fee and the distribution of the overweight fee in  
18 that 25 miles. We extend it beyond that. What legislative  
19 action do we need to take, and that's where Kevin and his team  
20 is going to have to get involved in this. So for us to really  
21 attack this on a public policy issue, an agency issue, we really  
22 needed to know the full impact and the full strategy of how we  
23 want to implement. But it could be translated to other regions  
24 of the state, not directly. There would have to be some  
25 analysis, but we have the framework started.

1                   CHAIRMAN LA RUE: I think, Kevin, you've got a  
2 response.

3                   MR. BIESTY: To that point, Ms. Beaver, we were  
4 also doing a pilot project with the logging industry up in  
5 northeast Arizona looking at -- because there was a project to  
6 clear out some of the forest up there. So we're partnering with  
7 industry to see what type of -- what roads they're using and  
8 then monitoring the impact to the roadways for those trucks. So  
9 that's currently underway as well.

10                  CHAIRMAN LA RUE: (Inaudible.)

11                  MR. TELLER: As Board Member Beaver mentioned,  
12 I'd like to see a statewide consideration. We are experiencing  
13 and witnessing increasing truck traffic up in Apache County,  
14 Navajo County and Coconino County. As an example, an elderly  
15 couple going to town were ran off the road by an overweight  
16 truck. So we need to have this serious consideration to expand  
17 it to the other regions of the state. We're experiencing that  
18 more and more in those counties. So if there is an opportunity  
19 for such, I would definitely support that effort.

20                  MR. ROEHRICH: Mr. Chair, Mr. Teller, absolutely.  
21 And that's like I said. If we use this concept of an additional  
22 fee for overweight to allow them so we can capture that, that is  
23 one part of it. Currently, if there are those type of  
24 situations happening where there's unsafe drivers, overweight  
25 drivers, that's an enforcement issue. And I know our ADOT's

1 enforcement and compliance issue -- compliance division is out  
2 there looking for those overweight vehicles.

3 And specifically, yes, they man our ports of  
4 entry, the ADOT portion of the ports of entry, but they also  
5 have mobile units that go out and look for those issues. If  
6 you're seeing that, what we need to do is hear about it so we  
7 can make them aware of it so they can enforce it. And then they  
8 also have the Department of Public Safety was out there looking  
9 at it as a safety issue.

10 What I want to make sure is this issue was to  
11 look at allowing overweight vehicles for the sake of generating  
12 a fee or revenue so you maintain the infrastructure. The safe  
13 operation of those vehicles in that -- those routes is not part  
14 of the study, because that's defined in law, and that's what DPS  
15 and our enforcement division is out there supposed to be doing  
16 now. So conditions are happening like that, Mr. Teller, really  
17 need to be addressed by law enforcement more than we would have  
18 addressed in this program of an overweight vehicle fee  
19 structure.

20 MR. TELLER: The drivers are finding shortcuts  
21 off state facilities, onto county roads and possibly onto  
22 another routes that are not state assets. So that also needs to  
23 be a consideration.

24 CHAIRMAN LA RUE: I think that's an enforcement  
25 issue. (Inaudible.) So need to take it up with enforcement.

1 MS. BEAVER: Well, Chairman La Rue, I agree and I  
2 disagree, because I do think that when they're using county  
3 roads and other alternate routes, it does wear on those routes  
4 which weren't built for the purpose of having all those heavy  
5 trucks traveling them. So that was the point.

6 MR. ROEHRICH: And Mr. Chair, Ms. Beaver,  
7 Mr. Teller, absolutely. Just like the local region that's on  
8 now the \$25 fee, that's split 50/50, ourself and the local  
9 costs.

10 UNIDENTIFIED SPEAKER: 75.

11 MR. ROEHRICH: 75/25? Okay.

12 UNIDENTIFIED SPEAKER: No, it's --

13 MR. ROEHRICH: It's a \$75 fee.

14 UNIDENTIFIED SPEAKER: \$75 fee.

15 MR. ROEHRICH: But we split it 50/50.

16 UNIDENTIFIED SPEAKER: With the (inaudible).

17 MR. ROEHRICH: The local governments who have the  
18 roads on there as well, that structure would be used in this  
19 type of fee as well if we expand it beyond the \$25. So those  
20 legal loads that are affected as well could apply for and get --  
21 use this money for those specific reasons. That's the purpose  
22 of the study, so we know what those impacts are.

23 CHAIRMAN LA RUE: Any other questions by the  
24 board members?

25 You know, thank you for the report. What I would

1 suggest, though, is I think Board Member Hammond mentioned it  
2 about Swift and these other guys not happening; maybe running it  
3 through the PAG and the MAG regions. I know these guys sit on  
4 those transportation policy committees and notice things, and so  
5 at some point, you know, sharing it through those organizations  
6 might get some of these industry guys at the table. Maybe keep  
7 that in mind.

8 MR. NEHME: Sure.

9 CHAIRMAN LA RUE: Thank you.

10 MR. NEHME: Thank you.

11 CHAIRMAN LA RUE: All right. So we have Michael  
12 Kies coming back up for Item Number 10. He burned 24 of his 25  
13 minutes, (inaudible).

14 MR. KIES: Well, yeah. I -- the five-year  
15 program is biggest thing going on in the Planning Division right  
16 now. So I don't have anything else to report on Planning  
17 Division activities, unless the Board has questions or comments.

18 CHAIRMAN LA RUE: That will take us through Item  
19 Number 11.

20 MR. KIES: Thank you, Mr. Chair.

21 Item number 11 is the PPAC items, and Items  
22 Number 11A through 11L are modifications to existing projects.  
23 And unless the Board has questions or comments on any of those  
24 items, I'd ask the Board to approve Items 11A through 11L.

25 MR. SELLERS: Mr. Chair.



1 CHAIRMAN LA RUE: Yes.

2 MR. SELLERS: Just a quick question on 11I. And  
3 I'm embarrassed that I didn't notice this before, because  
4 (inaudible) to this now, but what is Innovative Finance Research  
5 Project?

6 CHAIRMAN LA RUE: It's one of those they can't  
7 tell us.

8 MR. KIES: This is -- actually, this is a  
9 continuation of a program that's been going on for two years,  
10 and this is to fund its final third year of the program. So  
11 it's a way for our local public agency oversight and monitoring  
12 to look at innovative ways to provide oversight when there's a  
13 CA agency or a CA --

14 UNIDENTIFIED SPEAKER: Certification.

15 MR. KIES: -- certification acceptance agency  
16 that is monitoring a -- that's overseeing a project. So that's  
17 -- as far as I know about it --

18 MR. ROEHRICH: I can explain more.

19 MR. KIES: Okay.

20 MR. ROEHRICH: (Inaudible.)

21 MR. HAMMOND: Mr. Chairman, in the past on some  
22 of these local projects, we would have to identify funding and  
23 bill to each individual project. And what this has done is  
24 allow us to take it off the top. Those staff members, instead  
25 of saying, I work an hour on this one, an hour on that one, take

1 it right off the top and build a one project number instead of  
2 20 or 30. And that's what this is.

3 MR. SELLERS: Okay. Thank you.

4 With that being said, I will move for approval of  
5 Items 11A through 11L.

6 CHAIRMAN LA RUE: We have a motion to accept and  
7 approve project modifications Items 11A through 11L as  
8 presented, a motion by Board Member Sellers. Second by Board  
9 Member Teller. Any further discussion?

10 Hearing none, all those in favor signify by  
11 saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed?

14 That item's confirmed.

15 MR. KIES: Thank you, Mr. Chair.

16 Items 11M through 11U are new projects being  
17 funded from the PPAC committee. Unless there are any questions  
18 or comments on Items 11M through 11U, I'd ask for approval.

19 MR. SELLERS: Mr. Chairman, move for approval of  
20 Items 11M through 11U.

21 MR. HAMMOND: Second.

22 CHAIRMAN LA RUE: All right. We have a motion by  
23 Board Member Sellers to accept and approve the new project items  
24 -- I'm sorry -- motion to accept and approve new project Items  
25 11M through 11U as presented by Mr. -- Board Member Sellers,

1 second by Board Member Hammond. Any further discussion?

2 Hearing none, all those in favor signify by  
3 saying aye.

4 BOARD MEMBERS: Aye.

5 CHAIRMAN LA RUE: Any opposed?

6 That item's confirmed.

7 MR. KIES: Thank you, Mr. Chair.

8 CHAIRMAN LA RUE: Item Number 12, Dallas.

9 MR. HAMMIT: Good afternoon. This is a little  
10 earlier than we met last month. It was, like, a minute to  
11 12:00, so we're doing better.

12 UNIDENTIFIED SPEAKER: Keep it on a roll.

13 MR. HAMMIT: We'll do it.

14 Last month we had 125 projects under contract  
15 totaling \$840 million. In February, we finalized 27 projects  
16 totaling \$145 million, and year to date, we've finalized 111  
17 projects.

18 Any questions from the state engineer's report?

19 CHAIRMAN LA RUE: Any questions by board members?

20 Not seeing any, Dallas.

21 MR. HAMMIT: Moving on to the projects. Thank  
22 you for approving the nine projects in the consent agent. We  
23 have six projects that need a little more discussion.

24 The first project, Item 13A, is a local project  
25 in the city of Glendale. This is a sign project. The local bid

1 was \$143,273. The State's estimate was \$169,086, or it was  
2 under the State's estimate by \$25,813, or 15.3 percent. As  
3 we've looked at the bids, we saw better-than-expected pricing in  
4 the sign panels themselves and then a truck-mounted attenuator.  
5 The company owns their own. They didn't have to rent it, and we  
6 got a better price. After review, the department does believe  
7 the bid is reasonable and responsive and would recommend award  
8 to ABBCO Sign Group, Inc.

9 MR. SELLERS: Mr. Chairman, move for approval of  
10 Item 13A.

11 CHAIRMAN LA RUE: We have a motion to accept and  
12 approve staff's recommendation to award the contract for item  
13 13A to ABBCO Sign Group, Inc. Do we have a second?

14 MR. CUTHBERTSON: Second.

15 CHAIRMAN LA RUE: Second by Board Member  
16 Cuthbertson. Do we have any discussion?

17 Hearing none, all those in favor signify by  
18 saying aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN LA RUE: Any opposed?

21 That item is confirmed.

22 MR. HAMMIT: Mr. Chairman, Item 13B, another  
23 project in the city of Glendale. This is a multi-use path. The  
24 low bid was \$557,940.84. The State's estimate was \$685,768, or  
25 it was under by \$127,827.16, or 18.6 percent. We saw the

1 biggest changes -- we overestimated the cost (inaudible) and the  
2 sidewalk construction. A couple times (inaudible) and said,  
3 hey, we planned these prices. It was a tight area, and it cost  
4 us more. We took that into account this time, and it backfired,  
5 and it came in lower. Same -- it was a local project. It's  
6 just hard to estimate how hungry the contractors are. We have  
7 reviewed the bids and do think they're reasonable, responsive,  
8 and would recommend award to Combs Construction Company, Inc.

9 MR. SELLERS: Mr. Chairman.

10 CHAIRMAN LA RUE: Mr. Sellers.

11 MR. SELLERS: Move for approval to award the  
12 contract in Item 13B.

13 CHAIRMAN LA RUE: So we have a motion by Board  
14 Member Sellers to accept and approve staff's recommendation to  
15 award the contract for Item 13B to Combs Construction company,  
16 Inc. Do we have a second?

17 MR. STRATTON: Second.

18 CHAIRMAN LA RUE: Second by Board Member  
19 Stratton. Any further discussion?

20 Hearing none, all those in favor signify by  
21 saying aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN LA RUE: Any opposed?

24 That item is confirmed.

25 MR. HAMMIT: Thank you, Mr. Chairman.

1           The next project is another multi-use path, and  
2 this one is in the town of Prescott Valley. The low bid was  
3 \$1,613,000 even. The State's estimate was \$1,391,525.50, or  
4 \$221,474.50 over the State's estimate, or 15.9 percent over the  
5 State's estimate. We saw the changes in aggregate base, the  
6 handrail and the sidewalk. On this project, the town has --  
7 since it is a local project, would need to come up with the  
8 additional funds. Right now they're looking to see if they want  
9 to come up with those funds or if they want to repackage and go  
10 for a lower scope and then rebid the project. So at this time  
11 the department would recommend postpone while we can make those  
12 decisions with the Town of Prescott Valley.

13           MS. BEAVER: So moved to postpone.

14           MR. HAMMOND: Second.

15           CHAIRMAN LA RUE: We have a motion by Vice Chair  
16 Beaver to accept and approve staff's recommendation to postpone  
17 the contract for Item 13C. We have a second by Board Member  
18 Hammond. Do we have any further discussion?

19           Hearing none, all those in favor signify by  
20 saying aye.

21           BOARD MEMBERS: Aye.

22           CHAIRMAN LA RUE: Any opposed?

23           The ayes have it. It is confirmed.

24           MR. HAMMIT: Thank you, Mr. Chairman.

25           On the next item, Item 13D, this is a micro

1 surface seal. It's on two locations combined, on I-17 and State  
2 Route 98. The low bid was \$1,087,576.15. The State's estimate  
3 was \$1,313,978.40. The bid was lower than the State's estimate  
4 by \$226,402.26, or 17.2 percent. It was in the oil, the  
5 emulsion. We saw much better than expected pricing. We did see  
6 some better in the pavement marking, but mainly it was in the  
7 oil. After review, the department does believe it is a  
8 reasonable and responsive bid and would recommend award to  
9 Southwest Slurry Seal, Inc.

10 CHAIRMAN LA RUE: Board's pleasure?

11 MR. CUTHBERTSON: So moved.

12 MS. BEAVER: Second.

13 CHAIRMAN LA RUE: We have a motion to accept and  
14 approve staff's recommendation to award the contract for Item  
15 13D to Southwest Slurry Seal, Inc. from Board Member  
16 Cuthbertson, and a second by Vice Chair Beaver. Any further  
17 discussion?

18 Hearing none, all those in favor signify by  
19 saying aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN LA RUE: Any opposed?

22 The ayes have it. That item is confirmed.

23 MR. HAMMIT: Thank you, Mr. Chairman.

24 The next item is Item 13E. This is in Kingman.  
25 This is a pedestrian hybrid beacon and sidewalk project. The

1 low bid was \$230,259.65. The State's estimate was \$160,243.20,  
2 leaving the project \$70,016.45 over the State's estimate, or  
3 45.7 percent. Where we saw the differences is in the removal.  
4 So we were a little higher than we expected, the electrical  
5 items, and we had higher-than-expected cost for mobilization.  
6 One thing you may note. At one point the department had  
7 recommended postpone on this. The Town has come back and says  
8 they have the opportunity, they would like to move the project  
9 forward. It is a local project. So with that, the department  
10 does believe the bids are reasonable and responsive, and since  
11 the locals have the funds, we would recommend award to AJP  
12 Electric, Inc.

13 CHAIRMAN LA RUE: Board's pleasure?

14 MS. BEAVER: I move that we approve Item 13E as  
15 presented.

16 CHAIRMAN LA RUE: We have a motion to accept and  
17 approve staff's recommendation to award the contract for Item  
18 13E to AJP Electric, Inc.

19 MR. CUTHBERTSON: Second.

20 CHAIRMAN LA RUE: We have a second by Board  
21 Member Cuthbertson. Any further discussion?

22 Hearing none, all those in favor signify by  
23 saying aye.

24 BOARD MEMBERS: Aye.

25 CHAIRMAN LA RUE: Any opposed?



1                   The ayes have it. That item is approved.

2                   MR. HAMMIT: Thank you, Mr. Chairman.

3                   And the last item is 13F. This is a pavement  
4 preservation project on State Route 75. The low bid was  
5 \$4,395,000. The State's estimate was \$5,685,725.65. The bid  
6 was under the State's estimate by \$1,290,725.65, or 22.7  
7 percent. And again, we saw better-than-expected pricing in our  
8 asphalt binder. We also saw better-than-expected with the mix  
9 of the asphalt. The contractor had a material source on site.  
10 So within the project limits or setting up their plan there. So  
11 we'll have lower pricing to get the material to the job. After  
12 review, the department does believe it is a reasonable and  
13 responsive bid and would recommend award to Fisher Sand &  
14 Gravel, doing business as Southwest Asphalt Paving.

15                   MR. CUTHBERTSON: Move to approve Item 13F.

16                   MR. STRATTON: Second.

17                   CHAIRMAN LA RUE: We have a motion by Board  
18 Member Cuthbertson to accept and approve staff's recommendation  
19 to award the contract for Item 13F to Fisher Sand and Gravel  
20 Company, DBA Southwest Asphalt Paving. Second by Board Member  
21 Stratton. Any further discussion?

22                   Hearing none, all those in favor signify by  
23 saying aye.

24                   BOARD MEMBERS: Aye.

25                   MR. KIES: Any opposed?

1                   The eyes have it. That item is confirmed.

2                   MR. HAMMIT: Thank you, Mr. Chairman.

3                   CHAIRMAN LA RUE: Thank you, Dallas.

4                   We'll move on to Item 14, unless somebody needs  
5 to have a break now before we move on to this item. Oh, Floyd,  
6 you need a break?

7                   MR. ROEHRICH: Mr. Chair, I do not need a break.  
8 But I do want to comment on Item 14 real quick. I want to  
9 remind the Board that the next Transportation Board meeting is  
10 April 15th. So make sure you mail your taxes before you show up  
11 at the board meeting. We are meeting in Phoenix at the  
12 (inaudible) auditorium. And the two items that we were -- we're  
13 tracking for this board, Ms. Beaver had asked previously about  
14 some of the accident data and the death fatalities that have  
15 happened, as they've been increasing, and so we were going to  
16 give an overview of the Strategic Highway Safety Program and how  
17 that factors in to analysis of projects and where we focus in on  
18 those safety projects around the state.

19                   And then, Mr. Stratton, previously you  
20 specifically asked about one railroad crossing location, but  
21 then you commented about maybe our railroad crossing program.  
22 And so I have that down as a short presentation on how we go  
23 about the coordination of that program, if that is still  
24 something of interest.

25                   So those are the two items that I have tracking

1 that would be on the -- that we have proposed for the next board  
2 meeting as agenda topics and any other topics that the board  
3 members may have requested.

4 CHAIRMAN LA RUE: (Inaudible.)

5 MS. BEAVER: Chairman, I would like to ask with  
6 regard to the request that was made last month by Wickenburg and  
7 we opted to kind of wait on it due to the fact we were going to  
8 have some staff look in to seeing if dollar for dollar, if it  
9 would not affect it, because it was in the same region, the  
10 change out of the five-year plan.

11 MR. ROEHRICH: Mr. Chair, Ms. Beaver, that is  
12 correct. But if you remember in the past, during the public  
13 hearing program, all those requests, we keep those and maintain  
14 those, but we don't address them until at the end of the  
15 process. So at each public hearing process, what's presented to  
16 the public is the exact same information so they have a chance  
17 to comment as well, and then at the end of the process in May,  
18 when we have the study session, we review all those requests,  
19 the board member requests, other people's requests, and then  
20 staff provides their analysis on what those impacts would be,  
21 and then we start addressing the changes and modifications to  
22 the program.

23 We normally don't do that during the public  
24 hearing process, because we want the public to hear the same  
25 discussion over time and comment on the same program. So yes,

1 we understand Wickenburg asked for that, and we will have that  
2 -- we anticipate as a staff having that discussion in May and  
3 any other modifications to the tentative program that the Board  
4 or others have brought forward that we feel need to be  
5 addressed.

6 CHAIRMAN LA RUE: Thank you, Floyd.

7 MR. SELLERS: Mr. Chairman. Yeah. At the Rural  
8 Transportation Summit in Yuma, we had a presentation. Some  
9 attended a presentation on a new (inaudible) that ADOT has put  
10 together to start looking at intelligent vehicles and how you  
11 design and plan for that. I think it would be worthwhile to  
12 have our entire board get that presentation. Subsequent to  
13 that, the Maricopa Association of Governments also did a  
14 presentation on a similar topic, and you know, it might even be  
15 worthwhile to have someone from that organization to come and  
16 present what they presented as well at a future board meeting.

17 MR. BIESTY: Mr. Chairman, on that note, I don't  
18 know if you've seen the press release, but the governor has a  
19 committee now looking at autonomous vehicles and transportation  
20 technologies, and Brent Cain from (inaudible) from TSMO and  
21 myself will be on it. So we'll keep -- we'll keep the Board in  
22 the loop as that rolls out.

23 MR. ROEHRICH: Mr. Chair, Mr. Sellers, I'm not  
24 sure if we could be ready to do anything like that in April. I  
25 would need to really check with the staff to determine. If this

1 is an item, though, that if it's ready, we'll be prepared for  
2 it, but if not, we'll find a month as soon as we can pull in,  
3 and then it also gives us time to talk with MAG as far as  
4 whatever else they have done.

5 So my question is is there something you want us  
6 to definitely fill within April, or (inaudible) prepared along  
7 with what Kevin has identified and then bring it into the Board  
8 when staff's ready to present it?

9 MR. SELLERS: I'm perfectly happy to have it when  
10 staff's ready to present it. I just do think that it's going to  
11 have such a significant impact on our future planning that we  
12 all need to be aware of everything that's being done in that  
13 area.

14 CHAIRMAN LA RUE: And that might be a study  
15 agenda item at our next study session.

16 MR. ROEHRICH: Mr. Chair, that's good thoughts.  
17 So let's get staff -- we'll prepare. We'll be ready. And then  
18 when we're ready, we'll find the appropriate time and location  
19 and then we'll have that discussion.

20 CHAIRMAN LA RUE: All right. Board Member  
21 Stratton.

22 MR. STRATTON: Mr. Chairman, this relates back to  
23 Item 13 a little bit. I'd like to see an additional information  
24 page on this item each month with an over/under amount total of  
25 the contracts that we vote on, the total amount each month that

1 it was over or total amount it was under and what the net is, if  
2 you will, and running total year to date on that, also.

3 MR. HAMMIT: Mr. Chairman, it's in the Board  
4 packet, and I usually go through it really quickly, but I can  
5 show you where that's at, and it shows you right there.

6 MR. STRATTON: (Inaudible.)

7 MR. HAMMIT: Yes.

8 MR. STRATTON: Thank you.

9 MS. BEAVER: Are you talking -- excuse me,  
10 Chairman. A summary page of all of them rather than having them  
11 where they're separated out?

12 MR. HAMMIT: In a summary page, if that's what I  
13 understood.

14 MR. STRATTON: That is correct.

15 MR. HAMMIT: Yes.

16 MR. STRATTON: And then a running total year to  
17 date.

18 MR. HAMMIT: Oh, year to date? No, that does not  
19 --

20 UNIDENTIFIED SPEAKER: (Inaudible.)

21 MR. HAMMIT: It does have the monthly, but not  
22 year to date. We can do that as well.

23 MR. STRATTON: Okay. Thank you.

24 CHAIRMAN LA RUE: And that's the one that's got  
25 the asterisk (inaudible).

1 MR. HAMMIT: Yeah. That's it.

2 CHAIRMAN LA RUE: (Inaudible.)

3 MR. ROEHRICH: My (inaudible). Consent agenda,  
4 you automatically approve that; is that right? That's not  
5 accurate. Do not put that in the record. That's not an  
6 accurate statement.

7 CHAIRMAN LA RUE: Any other items the board  
8 members can think of?

9 (End of excerpt.)

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**Adjournment**

***A motion to adjourn the March 18, 2016 Board meeting was made by Steve Stratton and seconded by Deanna Beaver. In a voice vote, the motion carries.***

**Meeting adjourned at 11:41 a.m. MST.**



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Joseph E. La Rue, Chairman  
State Transportation Board



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Floyd Roehrich, Executive Officer  
Arizona Department of Transportation