

MINUTES
STATE TRANSPORTATION BOARD STUDY SESSION
9:00 a.m., Tuesday, May 31, 2016
Human Resource Development Center (HRDC)
Grand Canyon Room
1130 N. 22nd Avenue, Phoenix, AZ 85009

Pledge

The Pledge of Allegiance was led by Board member Jack Sellers.

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 welcomed everyone to the Study Session to discuss the Tentative Five-Year Transportation Facilities Construction Program.

Call to the Audience

The following members of the public addressed the Board:

1. John Cook, Wickenburg Mayor, re: please include the Gap Project on US 93 in the five year plan; each week it becomes a more and more dangerous highway to Las Vegas.
2. John Moffatt, Economic Development Director, Pima County, re: SR 189 preliminary plans out, to clarify that the Tiger Grant is in addition to the budgeted \$64 million; interim solution keeps northbound truck traffic at grade at Frank Reed Road, show a back up onto SR 189 at that stop light; consider ultimate solution to get both projects completed.

STATE TRANSPORTATION BOARD STUDY SESSION – MAY 31, 2016

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**ITEM 1: AZ STATE PARKS EXECUTIVE DIRECTOR WILL PRESENT AN OVERVIEW OF THE
FY 2017-2021 AZ STATE PARKS TENTATIVE FIVE-YEAR ROADS FUNDING PLAN
(Sue Black, AZ State Parks Executive Director)3**

**ITEM 2: FINANCIAL UPDATE REGARDING THE FY 2017-2021 TENTATIVE FIVE-YEAR
TRANSPORTATION FACILITIES CONSTRUCTION PROGRAM (Kristine Ward).....31**

**ITEM 3: FY 2017-2021 TENTATIVE FIVE-YEAR TRANSPORTATION FACILITIES CONSTRUCTION
PROGRAM (Michael Kies).....36**

1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: Let's move on -- let's finish
3 this call to the audience and move on to Item No. 1, which is a
4 presentation from Sue Black of the Arizona State Parks Executive
5 Director. So Sue, please come forward. I think you've got a
6 few gentlemen here with you as well.

7 MS. BLACK: Yeah.

8 CHAIRMAN LA RUE: It's good to see you again. I
9 know we met -- we visited last year, and I'm glad to see you
10 back. (Inaudible) a chance to visit all the Board members, but
11 good stuff. You guys are (inaudible) a lot of great stuff
12 (inaudible) throughout the state.

13 MS. BLACK: Chairman, thank you for saying that.
14 Again, Sue Black, Director of the Arizona State
15 Parks. So Chairman, members, director, thank you for having us.
16 Again, we started this a year ago. I am the new parks director.
17 I started under Governor Ducey in February a year ago, and I'm
18 the first director that's actually appointed by the governor.
19 And when we had our first conversation about coming to
20 Arizona -- or actually coming back, because in the 90s, I was
21 the chief of operations -- we set a goal to be the best in the
22 country. And in our national association, we have a thing
23 called the gold medal. So the governor and I had a long
24 discussion about that we were going to win that together, and
25 the presentation that we're going to give you today, I think, is

1 a piece of that puzzle.

2 So if I could start with -- where's -- is this
3 the clicker? First, a thank you. It's been a pleasure to work
4 with the DOT staff and the Board and to meet you. I sent a
5 letter a year ago saying that there's a state statute that calls
6 for the state parks to get -- could get up to \$5 million. And I
7 kept looking at that "up to," and I said, "How much are we
8 getting now? What are we -- where's the plan?" And when you
9 look back, I think things may not have been as visionary or
10 organized as the Board may have requested, and the work that
11 we've been doing since then, I'm very proud of the team. I've
12 got my deputy director, Jim Keegan, who's with me, and Russell
13 Moore, who's our director of development. So he will be giving
14 you a short presentation, because I know you have a busy
15 schedule.

16 The books that we put together in front of you
17 really drill down -- and we're not going to take your time today
18 to go through those books, but if you take even a look at the
19 cover, it has all of the parks that are within your district.
20 So today is just somewhat of a beginning, because I'd like to --
21 you know, I tell everybody, this isn't my park system. This is
22 our park system, and what are we going to do to take care of
23 those visitors and to truly become the best state park system in
24 the country?

25 So with that, Jim Keegan is going to be going

1 through your districts and some of the work that we've done to
2 date. Thank you.

3 MR. KEEGAN: Mr. Chairman, members, as the
4 director said, I'm Jim Keegan, Deputy Director of the Arizona
5 State Parks, and it's my pleasure to give you -- to give all of
6 you an overview of the different parks that are located within
7 the ADOT districts across the state.

8 In Maricopa County, we're now entering into a
9 great partnership to create a new park in Maricopa County. It
10 will end up with the name of Vulture Mountain. It will be a
11 partnership with the county. It will be motorized and
12 non-motorized activities and that, and so there will be a lot
13 more information to come on it. At this time, there are no ADOT
14 dollars allocated to that, but it's going through the planning
15 phases at this point.

16 And then in District 2, Pima County, we have
17 Catalina State Park, one of the busiest state parks that we have
18 in Arizona, serving the southeast corner of Arizona, Tucson,
19 particularly. Visitations well over 200,000 people per year.

20 District 3, you've got Kartchner Cavern,
21 beautiful, number-one rated cave in the United States based upon
22 a recent *USA Today* poll. Tombstone Historic Courthouse,
23 Patagonia Lake, San Rafael State Natural Area, Sonoita Creek and
24 Tubac, all -- one of the -- the first state park in the system.

25 Going to District 4, and there we've got Boyce

1 Thompson Arboretum, Lost Dutchman, beautiful place, McFarland,
2 Oracle, Picacho Peak, Tonto Natural Bridge and Roper Lake up on
3 the rim.

4 And then we move into District 5. We've got
5 Lyman Lake, Homolovi, Fool Hollow, the Riordan Mansion and Slide
6 Rock State Park, which is just one of the most beautiful places
7 that I've ever been. So if you've never been, please go and
8 visit.

9 And so in District 6, we've got Fort Verde,
10 Jerome, Dead Horse, Rocking River Ranch, an upcoming park for a
11 new development, the Verde River Greenway, which is growing and
12 growing and growing in support, Red Rock. Then you've got the
13 Yuma Quartermaster, Territorial Prison, Cattail Cove over on the
14 Colorado River, Lake Havasu, which had a phenomenal weekend,
15 Alamo Lake, Buckskin Mountain and River Island State Park.

16 So we've taken a lot of -- a look at a lot of
17 different things that we were wanting to go put together for an
18 analysis and that. And as the director said, you know, we want
19 to prepare a plan where we can maximize the investments that
20 we're getting from the Highway User Fund. And as it said in the
21 state statute, that ADOT is able to provide up to 2.5 -- or up
22 to \$5 million annually to the state parks.

23 So we've put together an analysis that the chief
24 of Planning and Development, Russell Moore, will go through
25 briefly that lays out a whole rating system so that we know the

1 worst to the best of our state parks so that we can have a
2 modernization and a preservation plan on how we take care of our
3 roads. And so with that, I would like to introduce Russell
4 Moore, our chief of Planning and Development.

5 MR. MOORE: Good morning, Board members. Russell
6 Moore, Chief of Planning and Development for Arizona State
7 Parks.

8 When we knew that we were going to be looking at
9 a new funding cycle, we thought it would be a good idea if we
10 did a little bit of homework and found out -- you know, I asked
11 Sue. Sue said, you know, "These roads are in bad shape." I
12 said, "How bad are they?" And she said, "Well, let's find out."
13 And so we have undergone a two-prong attack in terms of
14 analyzing the road systems in the parks.

15 Number one is, is we engaged -- did a little
16 engineering, and we have decided to go every couple years to do
17 two or three parks and do in-depth analysis on those particular
18 parks' pavement systems. And then in addition to that, we have
19 undergone a fairly extensive Pazer analysis of all the roads and
20 pavement in the park system over the last several months.

21 These are -- if you're familiar -- I'm sure
22 you're familiar with the Pazer system. It's a visual analysis
23 of the different cracks and depressions and degradation of the
24 road base in the different areas, and what we did is go through,
25 and we worked with every park manager and analyzed and took

1 pictures of every single park, and then rated them according to
2 the Pazer system.

3 These are the analysis ratings for each of the
4 different parks. And this next slide here shows you a graph of
5 how it all shook out. And basically, you can see that the lower
6 the number, which is one, two and three, which is poor and
7 failing pavement systems, approximately 40 percent of our parks
8 are in that particular category, according to the Pazer system.
9 And so we have some pretty serious problems where we need to
10 rebuild base and the new pavement systems in those particular
11 areas.

12 And then, as you can see, over 80 percent of the
13 parks fall under the fair, or our halfway status. So we really
14 only have approximately 15 percent of the parks that are in good
15 -- good condition. So this is -- obviously, through the last
16 several years, because of the economy and so forth, we've had
17 some major deferred maintenance.

18 This is -- based on those analyses that we went
19 through, these are the projects that we've allocated in these
20 different district areas that we need to undertake in the next
21 five years. And so they have been prioritized based on that
22 system that you just saw, and so these are the ones that need to
23 be addressed in the next five years.

24 Here's some quick examples of some of the parks
25 and the conditions that we have. You may be familiar with the

1 Buckskin Mountain State Park. This is the existing dump station
2 that we have some -- some major subsidence on that particular
3 road area. As an example, in Dead Horse, in one of the -- the
4 cracks that we have there and size of some of the problems that
5 we're dealing with. We have a lot of edge condition erosions
6 and major transverse cracking going on.

7 This is Lyman Lake, and here's Picacho. It's
8 another major base erosion problem that we have a huge trough
9 being developed in that particular area. We have a lot of that.
10 Picacho is one of our -- one of our worst parks. It's the
11 second worst park that we have (inaudible).

12 So basically, the plan that we're proposing and
13 want you to consider today is that we would need to have the \$5
14 million allocated to us over the next five years in order to get
15 us back on track, at which time we can have the -- go back down
16 to 2.5 million, but in this five years that we could get caught
17 up and take care of this deferred maintenance problem that we
18 have. We'd be looking at 45 percent replacement and
19 modernization, 55 percent preservation and maintenance.

20 And these are some of the projects that are
21 allocated for the replacement and modernization. And these are
22 some of the projects for preservation and maintenance area.

23 And in preparation for each of these, and every
24 single year, then we're going to have Dibble Engineering do the
25 detailed analysis prior to each of those so we know exactly

1 where and what kinds of remedies that we need to have in order
2 to have the best use of our money and get the roads up to speed
3 as best as possible.

4 So you can see here -- this is the -- basically
5 the history of the funding that we've had from ADOT over the
6 last several years, and last year being 2 million. We would
7 like to have the 5 million in each of the next five years and
8 then reduce it down to 2.5.

9 So with that, I'm going to turn it over to Sue,
10 and she's going to give you a summary of some of these issues in
11 our request.

12 MS. BLACK: Thank you.

13 Chairman, members, I was going to take this slide
14 and say, you know, Holbrook 2016, and -- but the idea is that if
15 we could do this for five years at the 5 million with the "up
16 to," and then you could see a light at the end of the tunnel
17 that in year six, that we would come back to the 2.5 if we could
18 get some of these things corrected. So that is the request, and
19 I would welcome any questions.

20 CHAIRMAN LA RUE: Thank you.

21 Questions by Board members?

22 Mr. Hammond.

23 MR. HAMMOND: So you're really asking for 2
24 million -- 2.5 million more than we are currently allocating?

25 MS. BLACK: Uh-huh.

1 MR. HAMMOND: Can you give us an indication of
2 what is the Park Services budget? How much is being allocated
3 to maintenance and some of these issues that you're asking ADOT
4 to pick up? I'm just curious what -- give me a relative sense
5 of size of budget and what you're doing already.

6 MS. BLACK: Chairman, members, it's a great
7 question. At the end of the day, the state parks does not
8 receive any General Fund. We are probably the only park system
9 in the country that lives on our revenues. Right now, we're
10 allocated 12.8 in our appropriations, and so that's what we have
11 to maintain our properties. In working with the governor and
12 his staff and OSPB and JLBC and trying to be as creative as
13 possible, we're trying to kind of find our way through.

14 We have the historic allocations, but I'm not so
15 sure those are the appropriate allocations, if that makes sense.
16 Being the new director, I want to take care, when we -- when we
17 decide where to put our maintenance money, which we are only
18 allocated right now 1.5 million for the whole park system.
19 That's every wastewater treatment plant. That's every roof. I
20 mean, that's everything, and it's not enough to go around. So I
21 guess that's the bottom line question. So we're looking at all
22 the different pieces of the pie, and obviously, this is a very
23 important one to us, even when you look at the attendance this
24 last weekend.

25 MR. HAMMOND: Let me just follow up so I

1 understand.

2 MS. BLACK: Uh-huh.

3 MR. HAMMOND: So what you're saying is you're
4 spending 1.5 now of your 12.8 that you receive.

5 MS. BLACK: Correct. Correct.

6 MR. HAMMOND: If you have 12.8, is the 2.5 from
7 ADOT already in that 12.8?

8 MS. BLACK: No. That's on top.

9 MR. HAMMOND: Okay. So ADOT right now is
10 supporting about 60 percent of maintenance, if my math is
11 correct? Total's 4 million (inaudible)?

12 MS. BLACK: I suppose we could do the math like
13 that.

14 UNIDENTIFIED SPEAKER: (Inaudible.)

15 MS. BLACK: Uh-huh. Uh-huh.

16 MR. HAMMOND: (Inaudible.)

17 MS. BLACK: Well, and the money went down. I
18 mean, the ADOT team could tell you what has happened over the
19 years, but it's not been at the 2.5 level. So we tried to look
20 at a lot of the historical allocations and who was doing what,
21 and that was part of the frustration, I guess I would say, and
22 at one point I said, "Let's just look forward." Uh-huh.

23 MR. MOORE: Just a point of clarification. The
24 1.5 is sort of a minor maintenance and repairs. We also have
25 partners with Land and Water, and we get federal moneys in

1 those, and we have about 8 million a year that we do -- that's
2 allocated for development, but currently, the development
3 projects that we've been doing are all deferred maintenance
4 projects in terms of replacements of lift stations, restroom
5 facilities that have fallen apart, and a lot of our historical
6 properties are in disrepair. And so, really, our total capital
7 outlay is somewhere around 10 million a year, and that all goes
8 to deferred maintenance that we're trying to get caught up on.

9 MR. HAMMOND: I'm still a little lost in the
10 numbers. You said 12.8. Is that 8 million on top of the 12
11 million you get (inaudible)?

12 MS. BLACK: If I can just correct.

13 MR. HAMMOND: I'm just looking for an overall --

14 MS. BLACK: I'm totally with you. Russell is new
15 to the system, and I think that was -- some of that is the
16 backlog of what we're cleaning up.

17 One of the first questions I asked is how much
18 backlog is there in open development projects or maintenance
19 projects, and there's a lot of projects that weren't closed out.
20 So that's how it's all rolling up into the number. But when you
21 look at the whole number, it's 12.8, and 1.5 is what we have out
22 of state funds to do -- to do maintenance.

23 MR. HAMMOND: Okay. And federal funds, what do
24 you get from those guys?

25 MS. BLACK: Well, that's the Land and Water

1 Conservation Fund, which we didn't know was going to be
2 reauthorized federally, and so we're working with what those
3 numbers are going to be right now.

4 MR. HAMMOND: What were they last year?

5 MS. BLACK: What were they last year? 900,000.

6 MR. HAMMOND: Okay. All right.

7 MS. BLACK: Uh-huh.

8 CHAIRMAN LA RUE: Other questions?

9 MS. BEAVER: Mr. Chair. Could you maybe explain,
10 in some of the state parks that have concessionaires in them --

11 MS. BLACK: Uh-huh.

12 MS. BEAVER: -- what kind of a financial
13 participation do they have with regard to the state parks?

14 MS. BLACK: Chairman, members, that's another
15 fantastic question. In my career, I've loved partnering. I
16 said, "Even if we had all the money in the world, I still want
17 to bring in partners." And so one of the goals that we set with
18 the governor was to have concessionaires and partners come to
19 the table where we couldn't bring in all of those amenities.

20 So one of the things we want to do in our -- our
21 lien management and our government transformation is to have 12
22 new partners within the next year. So, for instance, we have
23 just renewed five RFPs for concessionaires at Slide Rock,
24 Patagonia, Kartchner, Fool Hollow, and Lake Havasu.

25 And in my analysis, you have to write really good

1 contracts. And what's the percentage that we're getting out of
2 those? There have been contracts that expired, for instance, at
3 Sand Point, where I believe we were -- over the last 40 years,
4 we were only getting 2 percent, and -- and in some of that, you
5 really need auditors and lawyers to find out 2 percent of what.
6 So it's a really good contract with contract management, and
7 when you look at what was done in the past, I think many of
8 these contracts moving forward will bring more revenue into the
9 system. Does that answer your question?

10 MS. BEAVER: Yes.

11 CHAIRMAN LA RUE: Question?

12 MR. HALIKOWSKI: A comment, Mr. Chairman.

13 CHAIRMAN LA RUE: Go ahead.

14 MR. HALIKOWSKI: So I've worked with Director
15 Black probably for close to a year now, and I have to say I
16 haven't met anyone that's more straight shooting, efficient and
17 got more common sense.

18 She mentioned the lien process we're working on
19 with the governor, and one of the things that we're working on
20 (inaudible) measures, and one of those things is tourism that I
21 work on the (inaudible) economic development given the fact that
22 we have the transportation system.

23 So as we look at the parks, like many things,
24 Arizona is known for its state parks, and the people come and
25 visit those parks because of their quality, and they're

1 obviously putting money not only into the districts that you all
2 represent, but they're buying gasoline and other things that
3 goes to help the transportation system.

4 So I would just ask as you're considering this
5 issue, the deputy director mentioned investment, and just like
6 key commerce corridors are an investment in our transportation
7 system to boost the economy, the parks work very much the same
8 way in bringing out-of-state visitors into Arizona to spend
9 their money here (inaudible).

10 CHAIRMAN LA RUE: Board Member Hammond.

11 MR. HAMMOND: Just a question about the process.
12 I guess I may have sat through one of these last year at this
13 time, because (inaudible).

14 MR. HALIKOWSKI: You did.

15 MR. HAMMOND: But if we were to consider actually
16 2.5 million, how does that process play out today on -- do we
17 take it out (inaudible) allocation or -- it obviously wouldn't
18 come out of (inaudible).

19 MR. HALIKOWSKI: It's --

20 MR. HAMMOND: (Inaudible.)

21 MR. HALIKOWSKI: It is an excellent question, and
22 you know, let's not kid ourselves. We have a very large amount
23 of needs with a very fiscally challenged system in many ways.
24 So these are the tough decisions that I don't envy you having to
25 make as the Board, but that is, in effect, you know, where can

1 we best put our money. And I'm not lobbying for the parks, but
2 as I look at it as director, I'm trying to figure out what
3 projects do you invest in to bring in revenue back to the state.

4 MR. ROEHRICH: Mr. Chair and Board members, I
5 think the thing to remember is we need to debate it here. You
6 all need to talk about it, and as the director said, we set the
7 priority where the projects are going.

8 Specific to this, there's a couple of things that
9 are unique to this. The funds she gets is HURF funds. That
10 means state funds. Can't be federal funds, can't be any of the
11 other funds we get. It's state funds. And Kristine can respond
12 to that, but the thing to remember is we need state funds for
13 (inaudible), we need state funds for operation, and we need
14 state funds to cover a whole host of other things. So
15 (inaudible) we as staff have looked at gradually bringing this
16 up a little bit each year, and yes, we kind of came (inaudible)
17 about 2010, I think, or May 2008, I think, when it was back at 5
18 million. But that was to gradually build back the state funds,
19 because that's the issue that we're dealing with here. Do we
20 have the state funds available? And Kristine, you wanted to
21 just weigh in on that issue?

22 MS. WARD: No. That's actually the point I'd
23 like to make, and when we consider upping the dollars, Floyd
24 actually covered it in terms of those are the dollars we use to
25 (inaudible) federal dollars. So (inaudible) as well as the

1 operating cash balance, which is always a concern (inaudible)
2 still under our thresholds. And then we've got to consider
3 other prioritizations (inaudible) consider as we look to things
4 like reinstating (inaudible). Whenever -- what I would
5 (inaudible) is if the Board wishes (inaudible) the opportunity
6 to actually do analysis (inaudible) as to what the impact is
7 going to be in terms of the overall (inaudible) program and the
8 impact (inaudible).

9 MR. HALIKOWSKI: So it's lots of (inaudible),
10 Mr. Chairman, but for me it's all the (inaudible) that fits
11 together, and that's what we have to consider as we go forward
12 with this, and as the director mentioned, partnerships are very
13 important, and if there are ways that we can figure out working
14 together to squeeze more dollars out, we need to do that, too.

15 CHAIRMAN LA RUE: Board Member Stratton.

16 MR. STRATTON: You mentioned last year you
17 received 900,000 in federal dollars; is that correct?

18 MS. BLACK: Uh-huh.

19 MR. STRATTON: Do you anticipate more or less
20 this year?

21 MS. BLACK: Even if the federal funds come in,
22 it's not clear yet how would they -- would be allocated
23 throughout the state and how much would come to the state parks
24 program. So we do not have that answer at this time.

25 And can I just add one other thing?

1 MR. STRATTON: Sure.

2 MS. BLACK: Is that we did an analysis on the
3 economic impact on the Arizona State Parks through NAU, and we
4 have it by park as well. It's not in your Board packets, but
5 maybe the next time we're together, I can ship it out to you,
6 and you can really see how these communities rely on these
7 parks. And there's a lot of communities that want new parks,
8 like Rocking River Ranch and what have you to open, because they
9 know what that means to the local economy.

10 And to your question on Maricopa County, I
11 believe it was by design years ago that there would be no state
12 parks in Maricopa County. I don't know why, but now I'm the --

13 UNIDENTIFIED SPEAKER: You mean in Pima?

14 MS. BLACK: Oh, Maricopa County. Where's --

15 UNIDENTIFIED SPEAKER: Pima has Catalina State
16 Park.

17 MS. BLACK: Yeah, Pima has Catalina, but --

18 UNIDENTIFIED SPEAKER: Maricopa (inaudible).

19 MS. BLACK: But you had -- somebody had said
20 about Maricopa not having -- having the one park. Yeah. Is
21 that -- that was by design. But working with the county parks
22 director, I said, "That's not written anywhere. That was just
23 kind of the unwritten rule. Let's really work together to open
24 this property and have a state park in Maricopa County," which
25 is at Vulture Mountain, so... So that will be a real change and

1 a shift for us, and, again, in a partnership, and that's mostly
2 being funded and gone through Maricopa County as well.

3 CHAIRMAN LA RUE: Sue, I have a couple questions.

4 MS. BLACK: Uh-huh.

5 CHAIRMAN LA RUE: So you started us off early in
6 your presentation talking about a gold medal.

7 MS. BLACK: Uh-huh.

8 CHAIRMAN LA RUE: So I'm assuming there is some
9 criteria (inaudible) preservation and maintenance, those things.
10 So I'm not certain I've fully grasped what is that criteria that
11 you (inaudible) other than (inaudible) you get 5 million a year
12 for five years, you get there.

13 MS. BLACK: Right.

14 CHAIRMAN LA RUE: Can you (inaudible)?

15 MS. BLACK: Absolutely. Chairman, members, when
16 I was at a previous parks department, that was my goal as well.
17 It's like winning your academy award, and that's one of the
18 things that the governor's asked us to do is to benchmark
19 ourselves against other states in whatever our business is, if
20 you will.

21 I had the honor of being a gold medal judge for
22 five years, and then I became the head judge across the country,
23 and it's based on population for cities and urban park systems,
24 and then there's the state park systems, and then there's the
25 armed forces. And it's really something to go through that

1 process of being a judge, because you -- I got more out of it
2 than I put into it, because I learned somewhat best practices.
3 It's a -- the application process is rigorous. I mean, it goes
4 from A to Z, and it looks at everything.

5 One of the things that I think would make Arizona
6 win is the quick turnaround. That -- that is the real thing
7 that -- because if we go up against New York state, who has a
8 large bond referendum to take -- I don't think in -- a couple
9 years from now that that can be the story. The way I'm going to
10 write the application is based on the quick turnaround and
11 partnerships, and this would be a chapter in the book.

12 CHAIRMAN LA RUE: What do you need in terms of
13 funding -- what maintenance levels do you need (inaudible) in
14 order to (inaudible).

15 MS. BLACK: I don't think there's a finite
16 number. I think it shows that there's a commitment to the state
17 to do what we can --

18 CHAIRMAN LA RUE: Okay.

19 MS. BLACK: -- to turn it around.

20 CHAIRMAN LA RUE: So the other thing that I'm
21 (inaudible) more of -- maybe it's a philosophical question. You
22 know, you've got so much need annually for planning,
23 preservation and maintenance.

24 MS. BLACK: Uh-huh.

25 CHAIRMAN LA RUE: And then, I think, to the

1 director's point about economic development, you've got some
2 modernization and expansion need (inaudible) economic
3 development. Where should the ADOT funds really be put to use?
4 Is it preservation and maintenance, or is that something that
5 really should come out of user fees or the state, you know,
6 allocation, whatever that is, and the ADOT money is used more
7 for modernization and expansion? Any thought, philosophically,
8 policywise, where that should be?

9 MS. BLACK: Yeah. Absolutely. I think that was
10 what one of those slides that we showed you is, and I think
11 there needs to be a balance between what's going to bring in
12 more revenue and what is just -- if there's a bridge that needs
13 to be repaired, obviously that would be a priority.

14 So in your book, that's what we've gone through,
15 and if you drill down in there, we've looked at that. But if I
16 can do things that bring in more revenue, then the tide raises
17 all ships. So that's part of the overall plan.

18 Let me give you an example. Back to your
19 partnership question, is when Aramark was awarded the contract
20 at Patagonia (inaudible), they brought in all brand-new boats,
21 all brand-new pontoons. They fixed the store. They're fixing
22 the building. So there's things like that in the partnerships
23 that can still raise revenue but take the pressure off of the
24 other side of the ledger. Does that make sense?

25 CHAIRMAN LA RUE: It does.

1 Steve.

2 MR. STRATTON: If you could go back to the slide
3 that talks about the poor, fair condition, the parks
4 individually.

5 MS. BLACK: Uh-huh. Yeah. I know which one
6 you're talking about. The computer's catching up. That one.

7 MR. STRATTON: (Inaudible.)

8 MS. BLACK: That's in your book as well. I know
9 it's a little hard -- excuse me. It's a little hard to read,
10 but if you want to see it in your book, it's in there.

11 MR. STRATTON: Of those parks that rate in the
12 poor area --

13 MS. BLACK: Uh-huh.

14 MR. STRATTON: -- where do they rank in activity
15 of the overall parks? Some parks do very well and some have few
16 visitors.

17 MS. BLACK: Uh-huh.

18 MR. STRATTON: Where do those rank by average?

19 MS. BLACK: Well, I will tell you that Dead Horse
20 is one of the busiest parks in the system, and again, Cottonwood
21 definitely knows that that park is there. Picacho Peak,
22 Buckskin, you saw what happened there at the -- over the
23 weekend. Absolutely packed.

24 We do have our revenue and attendance numbers,
25 which again, goes back to the governor. If you don't measure

1 it, you can't manage it. So we have much more data that I could
2 get to and you could take a look at those, and you should
3 probably even know in your districts what those visitation
4 numbers look like anyway.

5 And Catalina, definitely, you know, in Tucson,
6 it's almost turned into an urban park, if you will, just because
7 of the proximity to -- it really has. And first thing I went
8 down, and they had one heck of a volunteer base and friends
9 group down there. I went and had a -- spoke to, I don't know,
10 300 people, and all they could talk to me was about the -- is
11 the road and just -- and what bad shape it is.

12 So to your question, we have those numbers. I
13 just can't rattle them off the top of my head, but I could
14 definitely send the staff a spreadsheet, and you could put it in
15 your book. Uh-huh.

16 MR. STRATTON: Just a follow-up question. So
17 whatever moneys you do receive from ADOT --

18 MS. BLACK: Uh-huh.

19 MR. STRATTON: -- will the parks that have more
20 activity be targeted first because more exposure, and they would
21 (inaudible) more quickly or --

22 MS. BLACK: Chairman, members, absolutely.
23 That's what I mean. You have to look at that revenue side of
24 it. But there could be a park that doesn't have that high of
25 attendance that has a higher need, and/or if we do some

1 maintenance on it now, it won't be a long-term replacement. So,
2 I mean, that's your business. You obviously understand that.

3 CHAIRMAN LA RUE: Board Member Teller.

4 MR. TELLER: Thank you, Chair.

5 Thank you for this detailed information and --

6 MS. BLACK: Uh-huh.

7 MR. TELLER: -- presentation. I guess my
8 question follows along with Board Member Stratton and some
9 disparity concerns that I have. Let's say you concentrate all
10 the funding to the parks that are commerce based.

11 MS. BLACK: Uh-huh.

12 MR. TELLER: The busiest, and you have some of
13 the parks that are not as busy.

14 MS. BLACK: Uh-huh.

15 MR. TELLER: And you concentrate all the funds to
16 the priority and leave the other facilities alone. I mean, what
17 is your priority plan?

18 MS. BLACK: That's what I said. It's in your
19 book, but at the same time, I think it's a balance. I -- the
20 full list, and I'll get you that, but the idea is to have that
21 balance. And at some point, it doesn't come back to just a
22 formula. It comes back to some -- some common sense and looking
23 at if you bring in more of the revenues, there will be more
24 money to fix those other things in the long run.

25 And then at the same time, working with the state

1 legislature, as we become -- as we were told, you get to eat
2 what you kill -- as we graduate those revenues -- right now if
3 we're at 12.8, my goal is in the next three years to set a -- we
4 call them our breakthrough goals on what we want those revenues
5 to be, and that's why after the five-year plan we could drop it
6 back down, because hopefully they'll be -- those -- we'll have
7 our own revenues. Does that make sense?

8 So -- and yes, Tubac Presidio State Park doesn't
9 get all that visitation, but it's Arizona's first state park,
10 and the -- the amount of road miles in there is very short that
11 that wouldn't cost that much to go in and take care of it.

12 The other thing that we talked about with ADOT
13 staff is that if there is a project that's in proximity to the
14 park, that if there would be a way to leverage that contract
15 (inaudible) so we could get it cheaper. So on the deployment,
16 that we could potentially work together to save some money.
17 Which again, that's why I said hopefully we'll be in front of
18 you every year talking about this process with you and really
19 develop this relationship so we can -- like I say, they're not
20 my state parks. They're ours. And I'm really proud of the team
21 and the plan that we've put together, but, you know, a year from
22 now when we're here, I'd love to drill down and even answer more
23 of your questions so that when we're making the decisions, that
24 we could make those together on -- on how we're going to
25 (inaudible) the elephant. Uh-huh.

1 MR. HAMMOND: I have one quick question.

2 CHAIRMAN LA RUE: Board Member Hammond.

3 MR. HAMMOND: Just if you take all those one, two
4 and threes (inaudible) or higher, if you had all the money
5 today, what would it cost, approximately?

6 MS. BLACK: Jim.

7 MR. HAMMOND: More or less.

8 MS. BLACK: Five million a year for the next five
9 years.

10 MR. HAMMOND: (Inaudible.)

11 MS. BLACK: I'm sorry. I truly believe that.
12 When you look at the whole list of what we have and it's -- it's
13 right around there.

14 MR. HAMMOND: So it's about a \$25 million need.

15 MS. BLACK: Uh-huh.

16 MR. HAMMOND: Okay. And you're funded right now
17 for half that?

18 MS. BLACK: Yeah. When we added it all together,
19 I believe the number was 36, but at the same time, as we take
20 care of some things and the revenues go up, and it said -- I
21 thought it was a fair ask with a -- with a plan behind it.

22 MR. HAMMOND: Thank you.

23 MS. BLACK: Uh-huh.

24 CHAIRMAN LA RUE: Board Member Stratton.

25 MR. STRATTON: A question for staff. In order to

1 raise that 2.5 million to 5 million per year, was there a
2 particular project or projects that were eliminated (inaudible)
3 of the five-year plan?

4 MR. ROEHRICH: Mr. Chair, Mr. Stratton, this --
5 that was going to be my suggestion, is that at this point, I
6 think what we need to do, Mr. Chair and Board members, is
7 continue on with the rest of the review. You're going to --
8 you're going to look at a number of changes and modifications
9 that staff has looked at, and we've got a number of requests you
10 have to (inaudible) all the different requests.

11 So I think we need to debate the whole discussion
12 of adjustments, and then once we know the intent of those
13 adjustments, then if the Board does want us to analyze what
14 possibility could we have of increasing the funding, whether
15 it's from the 2.5 to the full five or maybe a smaller number,
16 anything we can do in that without adjusting -- without
17 affecting any of the existing projects, then we can go back and
18 run the fiscal analysis like Kristine said and see what kind of
19 state funds we have available that would allow us to maintain
20 the fiscal responsibility of the projects that are in the
21 program, and then what additional, if any, state funds we have
22 available to move it above the 2.5 million.

23 And that would be part of the analysis that we
24 would do after this meeting, after you've debated all of the
25 changes, that (inaudible) with the final recommendation that

1 says here's what we can do, whether it means it's 2.5 or it's
2 some number up to the five, but then we could analyze all the
3 project listing and the fiscal constraint requirement so that
4 financially it doesn't hurt anything, if that's the Board's
5 pleasure.

6 CHAIRMAN LA RUE: I think that's a good process.
7 Any other comments or concerns on that?

8 MS. BEAVER: Chairman, I would just like to go
9 back to the point you made after Kristine had mentioned about
10 the -- she'd like to have an opportunity to do an analysis.
11 You'd indicated that you've already done some at least
12 preliminary.

13 MS. BLACK: Uh-huh.

14 MS. BEAVER: And that you could provide it to us.
15 Is it possible that you could give it to both Kristine and to
16 the staff and then forward it on to us.

17 MS. BLACK: Yes.

18 MR. ROEHRICH: Mr. Chair, Ms. Beaver, the
19 analysis that Kristine's going to run is on the health of the
20 ADOT financial program, not the State Parks program or the state
21 park funding. So I'm not sure what analysis Ms. Beaver meant --
22 or Ms. Black meant.

23 MR. HALIKOWSKI: I think the question was for
24 Mr. Stratton, Mr. Chairman, on the attendance (inaudible), and
25 the director indicated we'll get that and forward that on to

1 you. Is that what you're looking for?

2 MS. BEAVER: Yes.

3 MR. HALIKOWSKI: Okay.

4 CHAIRMAN LA RUE: We'll run it through Mary --

5 MS. BLACK: Absolutely.

6 CHAIRMAN LA RUE: -- and Mary can send it.

7 MR. HALIKOWSKI: We'll run the separate analysis.

8 As Kristine indicated, we would like to be able to fund
9 everything, but state funds, as you know, we have to watch very
10 carefully. So we'll make sure that we're not causing any harm
11 to (inaudible).

12 CHAIRMAN LA RUE: All right. I think we need to
13 move on, but I thank you so much.

14 MS. BLACK: Well, thank you so much for your
15 time. And again, I hope that this kind of gets us all up to
16 speed, at least where we're at now, and I look forward to
17 working with you in the future. So thank you. And my business
18 card is from there with the cell phone. So if you have any
19 questions, feel free to call me. Thank you.

20 CHAIRMAN LA RUE: Thank you.

21 (Inaudible.) That will take us off to Agenda
22 Item 2 (inaudible).

23 (Indiscernible conversation.)

24 MR. ROEHRICH: Three minutes. Mary's starting
25 the three minutes.

1 MS. WARD: I think somebody shorts my clock when
2 I get up here.

3 I guess I want to let you know that the numbers
4 that were provided for the original tentative program haven't
5 changed. So understand the very first start of this process is
6 we tell MPD what dollars are available for the program, and
7 there's -- they are totally handed over for them to program. So
8 if we -- the changes we make will have to work within those --
9 those fiscal constraints. So the numbers you're working today
10 haven't changed since that original tentative program
11 formulation, which includes the FAST Act, all the FAST Act
12 numbers. So I have nothing more to add.

13 MR. ROEHRICH: Mr. Chairman, if I could, I'd like
14 to expand on that a little bit, Kristine.

15 MS. WARD: Uh-huh.

16 MR. ROEHRICH: It includes the money in the FAST
17 Act, but what it does not include is the TIGER funds, potential
18 for TIGER funds, or the funds that the state legislature just
19 approved that was coming in. We're analyzing that language.
20 We're trying to understand exactly what it means.

21 I know there was a comment earlier about, well,
22 we thought those funds were cumulative on each other and it was
23 growing specific funding for a specific project. At this point,
24 those are funds that we do not have dedicated to this program
25 yet, because there's a lot of assumptions still to be made

1 within that.

2 So again, realizing that the analysis we're doing
3 today, the discussion (inaudible) we're doing today is baseline
4 (inaudible) the original funding, but that in the -- potentially
5 in the future, additional funds could come in that we would then
6 bring back to the Board and address those impacts on specific
7 projects, the program and other projects as available once those
8 funds are available. Until they're available, they're only
9 projected funds. They're not in this program.

10 MS. WARD: So, Mr. Chair, and I think --

11 MR. ROEHRICH: Is that fair? I mean
12 (inaudible) --

13 MS. WARD: That is fair, and we covered this at
14 the Transportation Board meeting as to how we were treating that
15 additional \$55 million that has -- was put in through the
16 legislature from the General Fund. Those dollars were linked to
17 very specific projects, and they were linked to very specific
18 grant applications and dollars coming through.

19 So the approach we have taken to that is that if
20 those grants come through, then those dollars will flow back
21 into the program through the contingency for the Board to
22 program. But we are waiting to find out what the responses are
23 on those grants.

24 MR. HALIKOWSKI: So there -- Mr. Chairman, there
25 was a question or an issue raised by Mr. Moffatt during the

1 public testimony. Kristine, the 25 million the legislature
2 designated for 189, if the grant comes in, does the 25 million
3 still stay there on top of that, or (inaudible).

4 MS. WARD: Well, if the grant comes in and it
5 frees up those dollars, those dollars will then flow into our
6 contingency fund and free it up so the Board can program those
7 -- those additional dollars. Does that answer your question,
8 sir?

9 MR. HALIKOWSKI: Yes. Any -- if the Board were
10 to choose to appropriate those additional dollars, do they have
11 to program it as a lump? Can they parse it out? Can it go for
12 any project in the state?

13 MS. WARD: Once the 189 and the specified
14 projects have been addressed, they can address any program --
15 any projects within the (inaudible).

16 MR. ROEHRICH: Any eligible project.

17 MS. WARD: Any eligible projects, yeah.

18 MR. ROEHRICH: (Inaudible).

19 MS. WARD: Yes. Thank you, Floyd.

20 MR. HALIKOWSKI: So just along those lines, what
21 we -- not that I don't trust your interpretation, but we'll
22 likely take this over to our attorneys and have them take a look
23 at it and make sure that (inaudible).

24 MR. HAMMOND: (Inaudible) been very strongly in
25 southern Arizona that if the TIGER grant comes in and the state

1 Allocation which Governor Ducey did make recognizing the
2 importance of 189, those two sources would fund pretty much
3 Option D, which would do the project in its entirety. So we've
4 noted that. We recognize what you're saying (inaudible) the
5 intent that it be used for 189, but there's been a lot of
6 confusion over exactly what's there. You're saying that there's
7 still (inaudible).

8 MR. ROEHRICH: Mr. Chair, Mr. Hammond, I'd like
9 to make a point.

10 We're -- we as staff are not making the -- two
11 assumptions. We're not making the assumption that we're going
12 to be successful in the TIGER grant. When it comes, we'll deal
13 with it, just like we did (inaudible).

14 The second thing we're not going to make an
15 assumption is we know what the Board's will is with that
16 additional money, which means we're going to come back to the
17 Board and have the discussion. Theoretically, would you want to
18 put it all back on 189 and fund the whole project? That's a
19 possibility. Are there other priorities that you would want to
20 parcel around to make sure that we get enough of these other
21 priorities to move forward? That funding will be at the Board's
22 discretion. We as staff will look at it and be prepared to have
23 that discussion, but we're not presuming where you all would
24 want to look at putting any additional funds that we get,
25 whether it's through TIGER or whether it's through this

1 additional state funds, which is tied to mechanisms that have to
2 happen first, which why we want to make sure we know the
3 language.

4 UNIDENTIFIED SPEAKER: (Inaudible.)

5 CHAIRMAN LA RUE: And I really appreciate
6 drilling down on this, and I do -- I would encourage drilling
7 down on what is the flexibility there, because I could tell you
8 as somebody that's sat on the Board for awhile (inaudible), I
9 would be -- maybe a concern is too strong of a word. I'd be a
10 little cautious, cautious (inaudible) that, you know, we've been
11 sending messages to all of the communities around the state
12 saying we need new stakeholders, we need new partners
13 (inaudible) come with us and (inaudible). That would be a
14 little bit (inaudible). And there's many folks all around the
15 state that (inaudible). So I think understanding how this fits
16 together is very important in terms of almost as much -- not
17 only for how we allocate funds, but really from a policy
18 standpoint how on how (inaudible).

19 MR. HALIKOWSKI: (Inaudible.) We'll get you some
20 clarification. I don't want to say that it's necessarily
21 confusion, but (inaudible) Mr. Chairman, is certainly one thing,
22 but we have to go by not so much what the intent is, but the way
23 the law reads. And people will often question about has ADOT
24 interpreted (inaudible) with our attorneys and say, look, we've
25 worked with the AG on this, and these are our flexibilities,

1 these are our boundaries.

2 CHAIRMAN LA RUE: Perfect. Well, Kristine, I
3 guess the -- you know, I think the suggestion the Board would
4 give you is we'll give you more time (inaudible).

5 MS. WARD: Oh, well.

6 CHAIRMAN LA RUE: I think the reason you were
7 limited was (inaudible).

8 MS. WARD: I'll just wave to you now, because
9 this could be a very short -- much shorter (inaudible). Thank
10 you.

11 MR. ROEHRICH: Mr. Chairman, I (inaudible) --

12 CHAIRMAN LA RUE: Right.

13 MR. ROEHRICH: And we may not see her for awhile.
14 I wouldn't like that. I like seeing her every month.

15 CHAIRMAN LA RUE: I said she could show up.

16 MR. ROEHRICH: (Inaudible.) Okay.

17 CHAIRMAN LA RUE: (Inaudible.)

18 Item No. 3.

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

20 So I wanted to spend this time to talk to you
21 about the proposed changes to the tentative program to become
22 the proposed final program, and then we would come back to you
23 in June and introduce it as the final program for your approval.

24 With that said, what I wanted to cover, this
25 morning is some of the general changes to the Greater Arizona

1 tentative program to become the proposed final program, and then
2 I wanted to focus on the proposed expansion projects in the
3 five-year program. That is where we're -- staff is proposing to
4 make the biggest change from the tentative program or the most
5 visible change. There's a lot of changes in the -- general
6 changes.

7 And then a discussion about the development
8 program. The reason we wanted to have a discussion about the
9 development program, which is those next five years, years six
10 through ten, is because based on the Board's preference for
11 priorities in the development program, we would then come back
12 between now and June and put some development activities like
13 design projects or environmental documents into the five-year
14 program that would get us the development process that we need
15 to deliver those projects that the Board feels are important in
16 the development program.

17 And then, quickly, about the PAG and the MAG
18 program -- in fact, the PAG program we'll take care of right
19 now. There's no changes between the tentative program and the
20 final program. So there's nothing for us to report.

21 And then the airport program there's a couple
22 minor projects, and Mike Cline -- we might as well just take
23 care of those right now before we get into the meat of the
24 discussion. So there's a couple minor changes in the airport
25 program that I'll have Mike Cline mention.

1 MR. ROEHRICH: (Inaudible.)

2 MR. KLEIN: I don't know. My wings have been
3 clipped, so I really can't fly too much.

4 Mr. Chairman, members of the Board, we've got six
5 projects that have either been put into the five-year plan that
6 you see that need to be changed by errors, and two of them by
7 actual changes, and then I have two that I want to comment on.

8 There are four of them that are errors. One
9 project at Chandler airport should never have been funded in the
10 first place. It was a mistake on our part. We clicked the
11 wrong box, and it got funded. So it's going to be pulled out.
12 We've discussed this with the sponsors involved, and so they
13 understand. That's a net decrease. And I might add that all
14 six of these projects combined make a net decrease to what we're
15 recommending be done to the five-year program.

16 There are three other errors, Douglas, Phoenix
17 Goodyear, and Show Low Regional Airports had mistakenly entered
18 the programs that they weren't planning on asking for. So in
19 our discussions with them, we've changed to the programs they're
20 looking for. They still prioritized according to the Board's
21 policy, and there's a net reduction amongst them. So those
22 projects are doing -- are helping us in balancing our program.

23 Then there are two changes. Prescott Municipal
24 Airport, I have wanted to change a runway project to an
25 obstruction removal, which carries a high priority, and it is an

1 environmental assessment to relocate their terminal building.
2 It is infringing on new design criteria from the FAA, and the
3 building basically is in the safety area, and it kind of has
4 been over the years, but now it's deeper into the safety area by
5 new FAA criteria. So the environmental assessment, which is
6 less money than what they originally had, gives us an ability to
7 lower the amount of money we're trying to obligate.

8 Then the Ryan Field project, it is a major
9 drainage study, and the Corps of Engineers has not accepted the
10 FAA model for an environmental assessment on the drainage
11 project on that airport. The Corps has required additional
12 drainage, hydrology, contours, all sorts of magic they have to
13 have. So even though that's an increase, it is not enough to
14 change any other project in the program as we see it today. So
15 we are recommending that that project be approved as requested.

16 Finally, there are two other projects that are
17 worthy of note. Dr. Moffatt has been up here talking about
18 their balloon launch facility, and the statute that enables the
19 State Aviation Fund to exist and to provide funding for airport
20 development has a very strong requirement that the facilities be
21 publicly owned and operated. We have not had an opportunity to
22 see the latest changes.

23 We have met with them. We're working with them,
24 and that funding is still possible, but we're suggesting that we
25 pause on that and not have it in this program, per se. But when

1 we finalize that the project can be termed statutorily correct,
2 publicly owned, publicly operated, then we'll come back to the
3 Board and we'll amend the program.

4 We have the capacity to do so, but it wouldn't be
5 quite right for us to say, "Well, they're working on it. Let's
6 go ahead and approve it." It's not publicly operated right now.
7 In fact, it really doesn't exist yet either. They're working on
8 the construction. So that's something to come.

9 The last project is the Gateway Airport, Phoenix
10 Mesa Gateway Airport. They have a radar facility that comes
11 from eons ago, and it's on the site that they're developing on
12 the east side of the airport. It needs to be moved. We've been
13 working with Gateway for about two years on this. Two years ago
14 there was an estimate of a million-and-a-half. Over the course
15 of the last two years, up until last week, we've had four
16 increases from the FAA, and it now sits at \$11 million. I can't
17 afford that.

18 They met with me two weeks ago, and not only has
19 the price gone through the roof, but they have determined that
20 there is a lease in perpetuity on that site that evidently no
21 one knew about at Gateway. They've just discovered it. They
22 thought the lease expired last month. So they have a lot of
23 homework to do before they can even come back to us and say,
24 "We're ready to go." So that one is just on hold until that
25 clarity can be brought to that project. So that won't be acted

1 on. It will come back to the Board as an addendum as well.

2 Those are a total of eight programs. All of them
3 a net decrease.

4 CHAIRMAN LA RUE: Any questions by Board members?

5 MR. ROEHRICH: Mr. Chair, can I make a
6 suggestion?

7 Mike, is there a way to get this summarized so
8 the Board has it? It doesn't look like it's on (inaudible).

9 MR. STRATTON: It's not in here.

10 MR. KLEIN: It's not. It's my fault. I haven't
11 translated this to something. We'll get it to you today.

12 MR. ROEHRICH: If you could get that, then we can
13 get it to Mary. We'll make sure to get it to all the Board
14 members. So we'll try to debate as best we can here. We will
15 give you a written summary of that so you understand what all
16 those different issues are.

17 CHAIRMAN LA RUE: Thank you.

18 Board Member Stratton.

19 MR. STRATTON: I'd like to thank staff for
20 working with everyone the way you are.

21 If we go back to Prescott, I have a question.
22 I'm glad to see you're accommodating the request of the EA of
23 the terminal building to '17. Were we able to accommodate their
24 second request of moving the obstruction removal into '19?

25 MR. KLEIN: Effectively, the movement -- I think

1 there needs to be more homework done. We'd work with John Cox
2 at the airport. And they want to rework it because they had
3 some runway projects that were supposed to be done in the coming
4 year, and they have to rejuggle the priority. The EA itself for
5 the terminal is probably going to take two years anyway before
6 they can even design a relocation, and then they have relocation
7 of hangars and covered tie-downs. Because their selected
8 site -- even though they're going to look at alternatives -- the
9 selected site has a lot of relocation requirements to precede
10 it. So we have to wait for them to tell us what should be next.

11 MR. STRATTON: So then we'll probably be in this
12 process next year?

13 MR. KLEIN: Oh, yes. Absolutely.

14 CHAIRMAN LA RUE: Any questions from Board
15 members? Anything else?

16 MR. KLEIN: Thank you.

17 CHAIRMAN LA RUE: Thank you. Mike --

18 MR. KLEIN: Thank you, Mike.

19 CHAIRMAN LA RUE: You've knocked out PAG, MAG and
20 airport that quick?

21 MR. KIES: Yeah. Well, MAG will be in a later
22 slide. So no, I haven't taken care of MAG yet. Don't get too
23 excited.

24 For the general changes in the Greater Arizona,
25 all the Board members have been provided a spreadsheet that has

1 front and back, 11-by-17. This itemizes out 110 highway
2 projects that are proposed to be changed from the tentative to
3 the final in the five-year program.

4 And as Kristine said, we're working with the same
5 revenue that we were provided earlier in the year. So if you
6 look down the list here of the projects that had reduced
7 budgets, 15 projects increased budgets, 10 projects were
8 advanced, and those that are highlighted in yellow on your
9 spreadsheet are projects that are either new or moved from one
10 fiscal year to another fiscal year. And then 44 new projects
11 that have -- that -- the technical groups have provided to us as
12 higher priorities than some of the -- some of the projects that
13 have moved out.

14 With all those adjustments, there's 12 million
15 additional funds that are still available for us to adjust
16 subprograms, which would bring us back to a zero net change in
17 the five-year program.

18 So with that, that's the bulk of the changes that
19 have happened between the tentative and the final program.

20 CHAIRMAN LA RUE: Questions on these general
21 changes?

22 Board Member Stratton.

23 MR. STRATTON: In Flagstaff one of the things I
24 asked about was has staff looked at the possibility of
25 (inaudible) the five-year plan (inaudible) Floyd (inaudible).

1 MR. ROEHRICH: We've reached out. We've
2 attempted -- in the Flagstaff or the north central (inaudible).

3 MR. STRATTON: (Inaudible.) I appreciate that.
4 Since I don't see Lion Springs in this five-year plan
5 (inaudible), my question would be then what is the feasibility
6 of moving it into the five-year plan?

7 MR. KIES: So Mr. Chair and Board Member
8 Stratton, that is the discussion that we propose to have about
9 the development program. That would be what projects the Board
10 sees as a high priority for the next five years, and then we
11 would then come back and put some development activities in the
12 five-year program for those -- those projects. So when we get
13 to the development program, we would ask the Board to have -- to
14 give us some guidance on what are those higher priority projects
15 to go in the next five years, and SR-260 could be one of those
16 projects.

17 MR. STRATTON: Thank you.

18 MS. BEAVER: Chairman, Mike, could you tell me
19 with regard to the 93 which of these items fit into the category
20 of the gap?

21 MR. KIES: Is the gap listed in this one, Bret?

22 MR. ANDERSON: It should be part of your
23 discussion (inaudible).

24 MR. KIES: Yeah. Okay. So I guess --

25 MR. ANDERSON: (Inaudible.)

1 MR. KIES: Great perception. That's the one that
2 we left off, because that's going to be the next -- the next
3 projects that I'm going to talk about --

4 MS. BEAVER: Okay.

5 MR. KIES: -- are the expansion projects in the
6 five-year program.

7 CHAIRMAN LA RUE: Yeah. So maybe we should have
8 that further discussion. I think the Board members should
9 (inaudible). So this proposed expansion project or suggestions
10 that you're talking about the exist -- or the proposed five-year
11 plan, and then the next topic in the development program is the
12 six through ten?

13 MR. KIES: Correct. Yes.

14 CHAIRMAN LA RUE: So the Board members keep in
15 mind that some of the things that you've been tracking and
16 thinking about may fit into one of these other buckets. Maybe
17 we should have, you know, a little bit of -- have Michael go
18 through those so you can see where they all sit and then come
19 back for discussion.

20 MR. KIES: So just -- just -- I'll jump ahead to
21 a slide just to remind the Board, yeah, we do have two buckets
22 of projects that we manage in the -- in Multimodal Planning
23 Division. The delivery program, which we -- which is the five-
24 year program. So every year we re-evaluate that program. Then
25 on a -- a less -- a yearly cycle, we look at the development

1 program, which is the years six through ten, and that's where we
2 look to the Board to provide us some advice for those strategic
3 investments in expansion or modernization and preservation that
4 we put in the six- through ten-year program, and then again, we
5 start the development of those projects, because usually they're
6 larger in -- in the five-year program so that they're ready to
7 be moved into the five-year program as the years advance. So
8 that's -- that's sort of the -- the exercise we're going through
9 today, which is first look at the five-year program; second, the
10 development program; and then we'll have some homework for us to
11 do between now and the Board meeting to get it all to work out,
12 if that makes sense, Mr. Chair.

13 So let me go back to the expansion projects in
14 the five-year program. In the tentative program, these are the
15 ones that we've been talking about over the last three public
16 hearings. You -- hopefully they're all familiar to you now:
17 347, in fiscal year '17, two I-10 projects between Phoenix and
18 Tucson, the 189 project, the design phase, and then the
19 construction in 2021.

20 The only proposed change that staff has with this
21 whole litany of projects is regarding US-93. The tentative
22 program shows a design of Cane Springs in fiscal year '19,
23 construction of Carrow to Stephens section in 2020, and then the
24 construction of Cane Springs in 2021, which is what that shows
25 right there. This is the current tentative program.

1 What staff would recommend changing based on
2 public comments primarily -- you've all received quite a few
3 letters about the gap project and the importance of that -- is
4 our proposed change is to -- you'll notice right away we've
5 eliminated the design and construction of Cane Springs. So,
6 essentially, we've removed one section of -- or proposed to
7 remove one section of 93 from this program and replaced it with
8 another section, which is the gap.

9 And you see here that the way that we've -- see
10 that we would deliver the gap, which is the section just north
11 of Wickenburg, starting with \$7 million is needed for design and
12 advanced right-of-way in fiscal year '17. We believe that 4
13 million of that will be provided in private funding, and there's
14 currently a JPA underway between the private developer,
15 Wickenburg Ranch, and the district office to sign an agreement
16 that that private funding would come to this project.

17 Then the next phase would be in 2018, where
18 utilities and the rest of the right-of-way would be -- move
19 forward, and then construction would be proposed in 2020 at \$41
20 million. Six million of that is envisioned to be private
21 funding. And then the construction of Carrow to Stephens would
22 remain in the five-year program. It just moves one year from
23 2020 to 2021. And again, the proposal is that the Cane Springs
24 project is not a part of the five-year program.

25 So with that, I'd pause for questions on this.

1 CHAIRMAN LA RUE: Any questions on gap?

2 (Inaudible.)

3 MS. BEAVER: Yes. I think the one thing I would
4 ask is -- that we can look at in the six to ten year, if we
5 could look at the Cane Springs.

6 MR. KIES: Right. I think that's what we want to
7 have -- that's one of the elements of the discussion about the
8 development program. Yeah.

9 CHAIRMAN LA RUE: Board Member Hammond.

10 MR. HAMMOND: I guess the question I have, you've
11 been interacting with the constituencies up there for as long as
12 I've been on the Board on this. Is this working for them? Is
13 this a good solution for them? Are they on board with this?

14 MR. KIES: The constituents of Wickenburg? Is
15 that what you're asking?

16 MR. HAMMOND: Yes.

17 MR. KIES: Well, yeah. We even had a comment
18 this morning about -- from the mayor of how important it is to
19 them, so...

20 MR. HAMMOND: (Inaudible) looked at this and said
21 it was a solution he agreed with. I'm assuming it is.

22 MR. KIES: Yeah. Dallas, is there anything to
23 add to (inaudible)?

24 CHAIRMAN LA RUE: Dallas, since you're coming up,
25 and Mike, the comment from Mr. Hammond is the Chamber up there

1 has been very active (inaudible) Transportation Committee,
2 through their elected officials and those things, and I know
3 Vice Chair Deanna Beaver and myself have been up there numerous
4 times with the Chamber Committee (inaudible).

5 (Speaking simultaneously.)

6 MR. HALIKOWSKI: Mr. Chair, the mayor is still
7 here. I would hate to have staff speak for the mayor.

8 CHAIRMAN LA RUE: Yeah.

9 MR. HALIKOWSKI: So (inaudible) could come up
10 (inaudible).

11 CHAIRMAN LA RUE: Would you like to join us up at
12 the podium for a second and comment on this proposed
13 (inaudible)?

14 MAYOR COOK: What do you want to know about it?

15 MR. HAMMOND: Are you happy with it?

16 MAYOR COOK: Yes.

17 MR. HAMMOND: Okay.

18 MAYOR COOK: Yeah. That's it?

19 MR. HAMMOND: That's it.

20 MAYOR COOK: I want to thank you very much. So
21 that takes a lot of strain off of us up there.

22 CHAIRMAN LA RUE: (Inaudible) in Holbrook,
23 assuming it makes it to a vote, but (inaudible) confirmation,
24 and I know your folks there in the town as well as the Chamber
25 have been working very hard with ADOT and our district engineer

1 up there to come up with solutions to that entire (inaudible).

2 MAYOR COOK: Now, if you want to, you can do
3 engineering this year and build it next year. I don't care.
4 Thank you.

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

6 CHAIRMAN LA RUE: Thank you. (Inaudible.)

7 MR. KIES: Well, that covers all the proposed
8 changes, the general changes plus the expansion project changes
9 in -- from the tentative program to the -- to the final five-
10 year program, with the exception of development activities that
11 would support the development program, which would be the next
12 discussion. So are -- any other questions?

13 MS. BEAVER: Chairman La Rue.

14 CHAIRMAN LA RUE: Vice chair.

15 MS. BEAVER: With regard to the agreement with
16 the developer up there, I'd spoke previously with him. If you
17 could just clarify for the rest of the Board what you said.

18 MR. HAMMIT: Mr. Chairman, Ms. Beaver, the
19 district engineer has a draft JPA with the developer. I have
20 reviewed it. It gives funding schedules for the moneys that
21 fits the program that Mr. Kies had mentioned. We would
22 anticipate agreement in the next month or so. I cannot
23 guarantee it before Holbrook, because just like us, the
24 developer has a big dollar amount. They're having their legal
25 review it, but in concept, they have agreed.

1 A question that Board Member Beaver asked me,
2 what authority does ADOT have if the developer does not honor
3 the agreement? There we would have to work with the City of
4 Wickenburg. Once there's access, which there already is, we
5 would have to work with the city to work with us -- say we don't
6 give building permits until you've honored those agreements.

7 So once -- you know, that is a risk for the
8 department. Once we enter into this, if they hold out, we do
9 not have any more leverage, because we don't issue any more
10 access. They already have it. So we'd work with the city to
11 make sure they do that through their building permit process.
12 We have no reason to think that they won't honor it, but that is
13 a risk that we have.

14 MS. BEAVER: The other thing that you were
15 clarifying to me was of these three projects, on the scale, you
16 said that the gap...

17 MR. HAMMIT: Mr. Chairman, Ms. Beaver, as we've
18 looked through our corridor profile studies and we evaluate the
19 Cane Springs, Carrow to Stephens and the gap, we look at it --
20 by far the gap has a higher volume, 12,000 to 8,000 vehicles a
21 day. All of them score very high in the safety. Carrow to
22 Stephens does have -- or excuse me -- Cane Springs does have
23 quite a few crashes, but it is a longer corridor. But as far as
24 rating, they're all high priorities. And then when you bump in
25 the local funds and the volumes, we see that this is a priority

1 project.

2 CHAIRMAN LA RUE: I had a question, not so much
3 the gap. Maybe (inaudible) question.

4 So we've done a few projects now where the locals
5 have government structure that has brought significant partners
6 to the table. So I think of 347 and those guys, I think of
7 (inaudible) and now, you know, Wickenburg. But your comment
8 struck me as an agreement with the developer and the risk. Is
9 that -- when we have these agreements with the government agency
10 that's bringing the third party to make sure -- to kind of force
11 that (inaudible) so that this money is actually brought forth by
12 the developer or whatever that third-party entity, and if not by
13 that local government organization -- I mean, help me here on
14 this, because it just seems like we are (inaudible) a path and
15 policy and a rhythm and (inaudible) consistent (inaudible).
16 Thoughts on that?

17 MR. ROEHRICH: Mr. Chair, if I could, you're
18 right. In fact, the 347 was (inaudible) the city of Maricopa.
19 When they brought in the Ak-Chin community, we -- we kept them
20 out of that because we did not want a third-party agreement. We
21 said to the city, "Our agreement's going to be with you. You
22 work out whatever deal it is for their funding to come in." But
23 that was structured more around the coordination we did with the
24 city and the fact that we wanted to get this project moving
25 forward, so the city made the commitment.

1 Here, and I haven't been involved in those
2 discussions as far as how the developer has funded it, and I
3 realize the way the developer is a third party is a different
4 type of agreement. It's not an IGA, intergovernmental
5 agreement. It's a joint project agreement because it's a
6 private entity. We've had success with those with other areas.
7 This developer seems to be motivated. So I'm not sure if I
8 could say that it's all policy and we always go through local
9 government, because we have done agreements with private people
10 as well.

11 MR. HAMMIT: Mr. Chairman, one of the things that
12 the developer was willing to do is they had certain areas that
13 was a priority -- not a priority -- a requirement of their
14 development, and it would be build from the intersection of
15 US-93 and 89 and work towards the city of Wickenburg. And we
16 went and looked what that development would cost.

17 They're willing to do that, but it makes much
18 more sense to staff and myself that we get the corridor put in.
19 So they were willing to spread out their commitment, instead of
20 just building it in front of their development, spread out the
21 funding, put some money out front for design and then future
22 construction. So we spread it out. We could have had their
23 construction project as one project, but it would have been just
24 in front of their development. So we're getting the same dollar
25 amount, but in this way, we're getting it spread out for the

1 whole corridor from US-93, 89, back to the first roundabout as
2 you go into Wickenburg. Does that make sense?

3 CHAIRMAN LA RUE: Well, I understand the
4 mechanics.

5 MS. BEAVER: Chairman La Rue, correct me if I'm
6 wrong. Has not the development already made some investment, I
7 mean, where the roundabouts are at and...

8 MR. HAMMIT: Mr. Chairman, Ms. Beaver, that is
9 true. They put in a roundabout on US-93. They're about to put
10 in another one on SR-89 -- or excuse me -- US-89 at their
11 expense, and they're also donating right-of-way that we'll need
12 for these future improvements as well.

13 MR. HALIKOWSKI: So I -- Mr. Chairman, this is
14 often something that concerns me, and I'm glad you brought it
15 up, because we've met these issues before where we have
16 commitments and -- I'm not saying this project in particular, so
17 don't get me wrong. I'm talking about past projects, where
18 funding has not come through that we agreed to, and in some
19 cases what we say is before any state dollars go in, you have to
20 meet your commitments to get the project done. The other way to
21 do it is obviously to say their funds that are committed, put
22 them into some type of escrow account.

23 (Inaudible), but you know, in any case, we often
24 have to balance the risks (inaudible) getting the project done.
25 And so none of these are ever alike, and you know, to look at

1 this one, you've got payments spread out over some time. I
2 don't know how you necessarily plan to make sure that money's
3 going to be there when it's supposed to, but, you know, have to
4 rely on Dallas and the city to make sure that the commitments
5 are honored.

6 MR. HAMMIT: Mr. Chairman, Director, that first
7 \$4 million is the developer funds. So we will have those funds
8 to start with before we spend any state funds. So that first 4
9 million is the developer's money.

10 MR. HALIKOWSKI: (Inaudible) got money spread out
11 in the project.

12 MR. HAMMIT: Later on, once they start
13 construction, they'll put in additional funds, but they will
14 have committed 4 million before we spend any money of ours.

15 MR. HALIKOWSKI: Understood. But, I guess --
16 again, I don't want to make it sound like I have any problems
17 with this project or agreement, but just as I look at things
18 realistically, is the developer (inaudible) spread out funds in
19 the future, what would be the mechanism to recover?

20 UNIDENTIFIED SPEAKER: Personal guarantee for
21 Dallas.

22 MR. HALIKOWSKI: That's (inaudible).

23 MR. HAMMIT: (Inaudible.)

24 UNIDENTIFIED SPEAKER: (Inaudible) get as much
25 protection as we can.

1 CHAIRMAN LA RUE: Well, and so -- you guys have
2 done this a lot, and so it is -- and I appreciate this
3 developer, and they're motivated and the city's motivated, but
4 if we are going to (inaudible) in 2020 (inaudible) --

5 MR. HALIKOWSKI: That's really a question
6 (inaudible).

7 CHAIRMAN LA RUE: -- and this developer is shut
8 down for the purposes of a recession, are they going to be there
9 when we're now building? So that's something you guys need to
10 think through. We're committing dollars (inaudible) into the
11 future on this and (inaudible).

12 MR. HAMMIT: And Mr. Chairman, one of the things
13 the staff looked at, if we looked at the scoring on the corridor
14 and we were doing a 93 project, this would score -- this would
15 be the one we'd proposed first to do because of the volumes as
16 we've looked at it through the corridor profile.

17 CHAIRMAN LA RUE: We're really doing this one in
18 large part because of the developer's commitment, and so we need
19 to make sure that that's (inaudible).

20 MR. HALIKOWSKI: Dallas (inaudible).

21 MR. HAMMIT: It's -- the developer helps it, but
22 if we look at as we did our -- Mike's just finishing corridor
23 studies of all of our major routes -- this scores very high on
24 that, as high as any other project along the 93 corridor. So if
25 we were doing a project on 93, this would be --

1 MR. HALIKOWSKI: Just to that point, if the
2 developer were to not be able to provide those funds as you've
3 spread them out, you're saying we would do the project --

4 MR. HAMMIT: We would still want to do this
5 project in addition.

6 MR. HALIKOWSKI: I don't think that answers the
7 chairman's question. You have a commitment of funds. If
8 someone defaulted on that, is there a recovery (inaudible)?

9 MR. SELLERS: Well, and I guess -- I guess the
10 point I was going to make is, and you've already made a part of
11 it, is that this is a project we want to do anyway. My
12 understanding is the developer's funds is really just
13 accelerating the project that we would do anyway.

14 MR. HAMMIT: Mr. Chairman, Member Sellers, that
15 is correct, and using the funds that he has committed to -- as
16 his mitigation for his development.

17 CHAIRMAN LA RUE: Any questions? Comments? Good
18 work. (Inaudible.)

19 MR. HALIKOWSKI: So I guess I would just say that
20 as we balance these things out, Mr. Chairman, we're often, you
21 know, criticized for either being too conservative or too risky,
22 and that's (inaudible) the appropriate mix. And again, relying
23 on Dallas and (inaudible) experience. I think we're there for
24 this project.

25 CHAIRMAN LA RUE: Thank you. Thank you

1 (inaudible).

2 MR. HALIKOWSKI: Thank you.

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

4 One last step related to the gap project that the
5 Board just should know is 40 percent of this project is located
6 in Maricopa County, 60 percent in Yavapai County. So we need to
7 reach out to our friends at MAG and coordinate about the
8 programming of this project.

9 MS. BEAVER: Just -- is it Yavapai or Mohave?

10 MR. KIES: Yavapai.

11 This was just a summary of all of those changes.
12 So let's go back to the development program. So the first thing
13 I wanted to do was talk about revenue, which I know is usually
14 Kristine's area. But what Kristine has told us is that for the
15 next five years after the five-year program, we can assume a
16 total revenue of about 625 million, consistent over those five
17 years. That is a -- I -- I believe a number that assumes -- if
18 you recall, the FAST Act passed in December, provided additional
19 revenues, but only until 2020, and then Congress has to take
20 action to keep those spending levels at that -- at that higher
21 level after 2020. This assumes that the spending levels go down
22 again to the previous fiscal -- federal levels.

23 The first thing that we always do when we get our
24 revenue number is we do a RAAC distribution, and now this is
25 just going to be a planning assumption for the development

1 program, because we haven't officially done any calculations.
2 But on average, as I look through past years and trends, about
3 150 million of those dollars could be planned to go to MAG and
4 about 40 million of those to PAG.

5 Now, again, you notice here the RAAC formula or
6 the Casa Grande accords talks about 50 percent of the total --
7 or the discretionary funding going to Greater Arizona, 37
8 percent, and 13 percent to MAG and PAG. So you would think that
9 the Greater Arizona program would be about 50 percent of the
10 total program amount. That's not how the RAAC distribution
11 works, because there's all those off-the-top programs that we
12 talked about a few months ago. There's also preservation
13 activities that we do in Maricopa County and Pima County that we
14 fund out of the Greater Arizona program, and then through the
15 RAAC distribution re-assess the -- redistribute the money so
16 that that gets accounted for in the MAG and PAG program. So
17 that's why this is not exactly 50 percent of the total revenue.

18 With that said, we made some assumptions in the
19 development program that we would hold at a minimum to the 260
20 million a year at preservation. We think this is a hard minimum
21 that we should set, because we -- we are -- we haven't been
22 spending that amount. We've been falling behind. We are
23 reassessing our long-range plan right now and believe that that
24 number may go higher as the amount that we have to spend to keep
25 our assets at the same condition that they're at today. But for

1 planning purposes, we wanted to hold that 260 million.

2 And then modernization, about 85 million. The
3 modernization program is made up of safety funding, which HSIP
4 is about 40 to 45 million of that, which is the federal funds
5 for safety. Then we have our minor project program, which is
6 those projects that we ask the districts to give us proposals on
7 of those projects that need to be done in their districts, and
8 that's over 20 million of that number. And then that number
9 accounts for other things such as rest areas that need to be
10 modernized, ports of entries and so on and so forth. So that 85
11 million is -- we believe is kind of the minimum number that
12 should be set aside for modernization.

13 And then we do our planning and development each
14 year, which accounts for about 50 million, which is what it
15 takes to develop all the projects in the entire program.

16 So with that said, in the development program,
17 we're proposing that the Board use a planning number of about
18 \$200 million worth of projects that could go in that development
19 program, because this leaves 40 million a year for expansion.
20 There's five years in the development program. So, Mr. Chair,
21 for the first time in a long time, we're giving you a budget to
22 work with of about \$200 million.

23 So with that said, when we do planning projects
24 at ADOT, we usually rely on what I call the three-legged stool
25 to make decisions about what a project -- what project should go

1 forward to be funded. The first leg of the stool is public
2 input. For the last three months, you've heard public input
3 about expansion projects that are desired around the state and
4 -- and I'll review that with you. The second leg of the stool
5 is a technical analysis. Dallas mentioned that we've done a
6 technical analysis on those projects that the public brought
7 forward and have some recommendations for the Board. And then
8 the third leg of the stool is agency and political input, and
9 that's really where we're looking today for the Board to have
10 some discussion and provide us some advice.

11 So with that, the first leg of the stool was
12 public input. We went back through the comments that have been
13 made over the last few months, the letters that have been
14 received, comments that were made at the various public
15 hearings, and we went through and found all of the expansion
16 projects that the public brought up or made comments on. You
17 see all of -- all of -- some I-17 projects. You see I-19 there.
18 It's the second -- it's listed as I-19, because it's an I-19
19 interchange, but it's the second phase of the SR-189
20 improvements, or the ultimate improvements, as some people call
21 it. You see some projects on 95 that were mentioned by
22 stakeholders in the Yuma area. The first thing to do is note
23 that a lot of these projects are already proposed in the five-
24 year program, and that's all of those projects that were at the
25 top of the list there.

1 So with that said, the public had brought input
2 on that these were the expansion projects of high priority that
3 they felt that the Board should consider and that we would ask
4 you to consider to be funded in the development program.

5 So the second leg of the stool was technical
6 analysis. So as staff, we took these projects and we ran it
7 through some of the criteria that we typically use for projects,
8 not expecting you to read all of this, but the criteria that we
9 rely on, our traffic volumes, how much freight flows on the
10 corridors, how significant is the corridor. Our key commerce
11 corridors, we believe, are much more significant around the
12 state than some of our other corridors. How many accidents have
13 happened over the last five years? Of those accidents, how many
14 have been fatalities? And we use a rate, a crash rate and a
15 fatality rate to normalize those events. And then, as Dallas
16 said, in some of our analysis, we've been looking at if there's
17 private funding available for the projects. And then, of
18 course, we've updated the cost estimates for each of these --
19 each of these projects.

20 So based on staff's recommendation -- and we can
21 go into the details of the analysis if you want so -- we ranked
22 these projects in tiers as far as the technical merit of the
23 projects, and we have three tiers for your consideration. Tier
24 one would be where we believe that we get the biggest bang for
25 the buck based on those technical criteria would be the I-17

1 project from Black Canyon to Sunset Point, and the -- some of
2 the remaining sections of the US-93 corridor.

3 And then we have our tier two projects, which
4 were showing lower alignment to the criteria. The second phase
5 of the 189 project. Also, when people talk about the second
6 phase of the 189 project, there have been some people that have
7 linked that to other interchanges along I-19, Rio Rico and Ruby
8 Road. That was in our second tier. SR-260, and then the
9 widening in Prescott along State Route 69.

10 And then we have our third tier where we didn't
11 see as high a benefit of the rest of the projects, I-40 and
12 US-95 projects.

13 So with that, we would ask the Board to hopefully
14 have some discussion about what might be the -- your advice on
15 projects to go -- again, with a budget of 200 million, you can
16 see that there are some projects that could quickly deplete that
17 budget quite rapidly -- what your advice might be for the
18 development program.

19 CHAIRMAN LA RUE: Thank you, Michael. Let's open
20 up to Board member questions.

21 MR. STRATTON: I have a question.

22 CHAIRMAN LA RUE: Board Member Stratton.

23 MR. STRATTON: All of these amounts (inaudible),
24 does that include design and construction, or is that just
25 construction?

1 MR. KIES: These are construction costs. So
2 development costs would go -- be in addition to that. Yeah.

3 MR. HAMMOND: As a broad question, staff has no
4 recommendation at this point?

5 MR. KIES: Well, I guess our recommendation would
6 be based on the technical criteria, we would lean towards the
7 tier one projects.

8 CHAIRMAN LA RUE: Mike, while Board members are
9 thinking of questions, one of the things, the spreadsheet you
10 showed us (inaudible), if you could distribute that to Mary and
11 send that around to us, that might be helpful

12 MR KIES: Yeah.

13 CHAIRMAN LA RUE: And then I quickly saw on
14 there, there -- on all of these projects, because they're so far
15 out, there is no partner funding identified, and so that might
16 be something, you know, might change some thinking depending on
17 are there stakeholders and/or other ways to (inaudible).

18 MR. KIES: That is true. There has been some
19 correspondence about maybe some partnership on the 260 Lion
20 Springs section, but we haven't gotten definitive. And also, I
21 know the director and Floyd have been talking to the local
22 community in Nogales about some opportunities that participation
23 could come to the 189 project, but again, that hasn't been
24 consolidated.

25 MR. ROEHRICH: Mr. Chairman, your point, I think

1 it's a great point that the Board (inaudible) past couple years.
2 As you (inaudible) stakeholders out there come to you, I would
3 encourage you to keep talking about those partnerships, keep
4 looking for those opportunities to bring additional funding in.
5 (Inaudible) successes that we've seen in some of these other
6 areas, but I think if the Board members are out there talking
7 about this specifically, the stakeholders approach them, you
8 help build the recognition that they need to start bringing in
9 some partnerships into this, and those fundings will help move
10 projects around in the program.

11 CHAIRMAN LA RUE: I think that's a key plan. The
12 other interesting thing, I made a short list last night about
13 things that I had heard and wanted to see, and actually, you
14 guys -- this is a great summary of, you know, at least from my
15 memory and my notes and what we've heard this past year.

16 MR. HALIKOWSKI: (Inaudible.)

17 CHAIRMAN LA RUE: Any other Board questions?
18 Comments? Now is your time to voice them.

19 MS. BEAVER: I have a question, and I don't know,
20 Chairman, if it would fit in here or even at a future meeting.
21 But I have a curiosity as far as the funding that goes towards
22 the TOC to keep their, you know, equipment current and, you
23 know, that we maintain that state of the art. Where does that
24 fit into the bigger picture? So I don't know if that's now or
25 some other time, if it could be explained to us, but...

1 MR. HALIKOWSKI: (Inaudible) the TOC is
2 (inaudible).

3 MR. HAMMIT: Mr. Chairman, Board Member Beaver,
4 right now the day-to-day maintenance is through our operation
5 budget that's through our maintenance. If there were upgrades,
6 about three years ago we did have a project that upgraded, about
7 \$2 million, and it did come through the Board. It would be in
8 that -- Mike talked about a modernization pool. So if there was
9 a modernization of the TOC, that's where it -- and we used state
10 -- or the federal funds to do that. It would come through that
11 area, through the modernization. These are -- here are major
12 capacity improvements.

13 MS. BEAVER: Okay. Is it possible that maybe at
14 a future date we could just elaborate on that a little bit, like
15 what type of a plan is what I'm looking for. Replacement, like
16 those monitors over there, there seem to be a variation of which
17 ones were maybe high definition versus the other ones, you know.
18 Like, do we have, like, a continual, you know, like -- a life
19 span expectancy for when we replace new equipment over there and
20 that?

21 I think -- I look at that as being an important
22 point within ADOT to get information out and disseminate
23 information, even as much as the highway signs and that. And so
24 I'm wondering -- I would like to better understand how do we
25 keep that current or state of the art with regard to the

1 equipment we have been using.

2 MR. HALIKOWSKI: Mr. Chairman, we'll schedule an
3 appropriate time for that, but essentially, I think what Board
4 Member Beaver's asking is, you know, what's the life cycle of
5 the equipment. I think it's a particularly astute issue as we
6 go into this new era of technology and infrastructure and
7 vehicles communicating -- vehicles communicating with vehicles,
8 someday driving completely autonomously. There's going to be a
9 lot of need for pulling in information, not just for Pima and
10 Maricopa County, but throughout the state. I mean, dust storms
11 and weather events, you name it, road closures. This is our
12 direct (inaudible) to the (inaudible) there to let them know
13 what's happening. So we'll be happy to do that at your
14 discretion.

15 CHAIRMAN LA RUE: Yeah. I think that would be a
16 good idea.

17 MS. BEAVER: Mr. Chairman, Director, thank you
18 for articulating what I was trying to say.

19 MR. HALIKOWSKI: I knew where your mind was
20 going.

21 CHAIRMAN LA RUE: Board Member Teller.

22 MR. TELLER: Over the past four years, three
23 (inaudible) studies have been conducted in northern Arizona,
24 Apache County area. In general, the studies suggested safety
25 improvements, (inaudible) enhancements, shoulder construction,

1 high-visibility signage and pedestrian crossing and
2 construction. In particular, those par studies were in Chinle
3 to Many Farms to St. Michaels, Kayenta Township and in the Fort
4 Defiance area. Now, how do those studies that were funded by
5 ADOT get encouraged to move forward, specifically in -- with
6 these three that were done in the past four years? Number one.
7 That's number one.

8 MR. KIES: Okay.

9 MR. TELLER: Okay. Then number two, I-40 is
10 really important to the state of Arizona, and where it crosses
11 through Coconino County, we've heard briefly on a corridor study
12 that is currently being in draft form where it intersects at the
13 Twin Arrows area, and the communities up there are really
14 looking forward to this opportunity, because it will open
15 development to the former (inaudible) area as well as bring --
16 you know, encourage tourism and economic development in those
17 areas.

18 And I see that as tier number three, and
19 rightfully so, because we haven't had a chance to sit down with
20 the partners yet until the next study session further into this
21 year where we would be interested in seeing a full discussion of
22 that corridor study that would intersect I-40. So I appreciate
23 it being up there in tier three. I think that's an appropriate
24 parking lot, if you will, because we would like to all see a
25 presentation with the partners that are developing that corridor

1 study.

2 CHAIRMAN LA RUE: Mr. Teller, (inaudible) I think
3 when they send out the spreadsheet on how they got into tier
4 one, two and three, you should really study (inaudible) on how
5 to advance that project from a tier three recommendation from
6 staff today (inaudible).

7 MR. KIES: Yeah. Mr. Chairman and Mr. Teller, so
8 your first question about the safety improvements along 191, so
9 those would fall under the modernization program. And I've also
10 -- I've already talked to the district engineer up in the
11 Northeast District. There is a round of projects that's being
12 asked for to be funded with HSIP funding, which is the federal
13 funding for safety, and he is putting a couple of those projects
14 in for consideration. I know the shoulder widening he talked
15 about, and I'd assume maybe some of the other things were
16 packaged with that. So again, that's a different pot of money
17 than the -- than what we referred to as the expansion program,
18 but I know there's some activity there.

19 And then also, as the chairman mentioned, we'll
20 get you the spreadsheet that we actually used the criteria and
21 did some scoring. When we looked at a project that was going
22 over Interstate 40, such as the 4th Street Bridge that was asked
23 to be widened in Flagstaff and a new TI at Twin Arrows, we -- we
24 didn't use the criteria for I-40, because the freight movements,
25 the accidents that are occurring on I-40 are separate from those

1 projects. They're really related to the crossroad. So we use
2 the crossroad criteria, and that's really where those projects
3 got into the tier three. But also, we put a very high-level
4 emphasis on local funding coming to the project, and that may be
5 something that's also a possibility at the I-40 Twin Arrows
6 interchange.

7 CHAIRMAN LA RUE: Thank you.

8 Board Member Hammond.

9 MR. HAMMOND: If you go to the next slide, I
10 think, with the project. No, no. The tier one, tier two, tier
11 three. Yeah. (Inaudible) input (inaudible) evaluation
12 (inaudible). I'm just going to talk maybe philosophically here
13 a bit.

14 I mean, for example, I have no problem supporting
15 a tier three project. For example, 8.5 million in the scheme of
16 200 million is (inaudible) community that's not in my district,
17 and I think some -- some thought has to go into is there -- the
18 projects that don't cost a lot and mean a lot to the community
19 that may not have a natural and understandable bias towards
20 high-volume areas, whether (inaudible) or a freeway. So
21 philosophically, I'm okay with staff picking something out of a
22 tier four if it's important to a community, because the dollar
23 amount isn't huge in the whole impact of (inaudible). So that's
24 just one comment.

25 Second of all, I also have no problem because I

1 agree with your structure here. You've done a good job just
2 from my limited knowledge on volumes. I run I-17 a lot, was
3 there last month, up to Flagstaff, and I see that danger. I
4 feel -- I feel it when I drive that freeway that I'm in danger.
5 Every time I do that stretch, I sense that something's not right
6 on this road, too narrow lanes, too -- the curves aren't right
7 -- something's not right. So the more we can put in there, I
8 have no problem, but it is 125 million, and right away, that's
9 60-plus percent of the whole 200 million available. But if
10 that's the number one project in the state, I have no problem
11 supporting it.

12 You know, I feel -- on 189, if -- you know, and I
13 have talked to them, by the way, about partnerships down there.
14 We all have. I know (inaudible) has been down there really
15 stressing it. The trucking community feels this is a statewide
16 benefit, even a national benefit, and you know, (inaudible). I
17 don't know if we do matching grants where we say, okay, we'll do
18 80 percent, but you've got to come up with 20 to go ahead. I
19 mean, we've got to fund that project at its 100 percent if we
20 can find a creative way to do it. So I'm glad it's right there
21 in phase two or tier two.

22 So, you know, the other projects, they're all
23 good projects. I don't know much about the I-40 corridor,
24 except when I go to Albuquerque. I can tell you that's a white
25 knuckler, too, although a lot of money's going into I-40. So

1 now (inaudible).

2 (Indiscernible conversation.)

3 CHAIRMAN LA RUE: Before we go to Board Member
4 Stratton, (inaudible), let us talk about the I-17. So that one,
5 we've had a lot of people comment on that one, and not only this
6 year, but in prior years. I also have to tell you that as I
7 look around, you know, going in my day-to-day, you know,
8 travels, I hear about the I-17 corridor almost more than any
9 other corridor in the state. And what's interesting is that
10 corridor is once you're outside of Maricopa County, because you
11 pass a sign saying you're leaving Maricopa County, and that's
12 really where almost all of the, you know, people that complain
13 about it as we're sitting there in the parking lot and things.

14 But what's interesting is, you know, that's a big
15 price tag for Greater Arizona. It's a huge price tag. But that
16 corridor actually benefits many, many throughout the entire
17 state. So again, much like the 189, we've got a problem similar
18 to the 189, but it's now north of Phoenix called I-17. So how
19 do we tackle that problem based on the way we've been tackling
20 these others? Because that's a big price -- big price tag to
21 get into (inaudible).

22 MR. KIES: Mr. Chair, if I could make a couple
23 comments on that project. Yeah, the 125 is the assumption of a
24 reversible lane system going up the hill to Sunset Point. That
25 -- in certain peak times, it could be southbound. It could be

1 northbound when, you know, trucks need to climb up the hill or
2 -- so with that said, there are a couple unique opportunities
3 with that project. It could be a candidate for a triple P
4 project. The reversible lanes are separate, and there could be
5 some -- I hate to use a four-letter word, but there could be
6 some revenue that's generated from that project.

7 (Indiscernible conversation.)

8 UNIDENTIFIED SPEAKER: That's a lot more than
9 four letters.

10 MR. KIES: Yeah. Exactly.

11 Secondly, the federal government has been pretty
12 clear about that there's a grant program that's going to go
13 throughout the length of the FAST Act, this fast lane grant,
14 which currently we just submitted on I-10. But a couple of the
15 main criteria is that the project be on a significant freight
16 corridor, which I-17 is, and it be in excess of \$100 million,
17 which that is. So again, that could be another opportunity that
18 if we start the development of that project, we could see --
19 maybe leverage some additional funding through a grant program.

20 MR. STRATTON: Chairman.

21 CHAIRMAN LA RUE: (Inaudible.) Board Member
22 Stratton.

23 MR. STRATTON: A comment, then possibly a couple
24 questions.

25 First of all, I would really like to commend

1 staff for listening to (inaudible). Obviously all of us have
2 taken (inaudible). The staff, by bringing these additional
3 projects that have really paid attention to public comment, and
4 to me, that's very important, and it is -- I believe it is to
5 the best (inaudible).

6 When you talk about the projects that had
7 partners, you said Lion Springs, but also, we did receive a
8 (inaudible) Flagstaff and Prescott about the widening on the
9 SR-69, so I wanted to (inaudible) also --

10 MR. KIES: That's true.

11 MR. STRATTON: -- are wishing to step up and
12 partner.

13 Having said that, on the projects where someone
14 wants to partner with us but has not yet signed an IGA or a JPA
15 with us, which I think is necessary before it moves into year
16 one or two, which are fiscally restrained, as long as we have a
17 commitment (inaudible) verbal or in some cases in writing
18 (inaudible) governing body, I for one would like to see those
19 projects be moved into year four or five of the five-year plan
20 while they work on a signed agreement, and then if that
21 agreement gets signed in the next year, then we could look at
22 (inaudible), and if there is (inaudible).

23 CHAIRMAN LA RUE: You know, I don't -- I think
24 you're just throwing that out as a suggestion. I guess what I
25 would say and move on staff to think about it is, you know,

1 moving projects quickly based on the -- one particular event is
2 probably pretty challenging, given all of the lead time
3 (inaudible). But I think it's something that we could talk
4 about.

5 You know, the project is in year six to ten, and
6 if somebody steps forward and says, "I'll commit," but it's not
7 in writing (inaudible) year four, there's so much activity
8 that's been going on in other projects, (inaudible) fiscally
9 constrained, that could be challenging. I understand your
10 suggestion.

11 MR. STRATTON: And I want to make -- clarify
12 (inaudible) comment. I was talking design only, not the full
13 project. Just the -- maybe into year five, (inaudible).

14 MR. ROEHRICH: And Mr. Chair, Mr. Stratton, I do
15 think that's an option. I think we want to be very clear,
16 though, that if we're -- because there's a still a little bit of
17 money left in this five-year program. There's -- I think you
18 said the subprogram's 12-point-some million.

19 MR. KIES: Uh-huh.

20 MR. ROEHRICH: So we could adjust a few smaller
21 things like that, especially in the early phase, but we'd have
22 to feel pretty strong that the six to ten program has
23 (inaudible), because we don't want to start developing a project
24 that does not make it into construction, because -- I'm not
25 saying the dollars are wasted, they would be used in another

1 way -- but the environmental process and things that are done,
2 if it's -- if it goes (inaudible). So it just means more money.

3 So again, I think that's what Mike had said.
4 Once we know the kind of priorities six through ten, how we want
5 to phase that, then we can start looking at what can we do
6 earlier in this first five years (inaudible) design,
7 construction. But in the meantime, at all times, we will
8 continue to work with local governments to develop those
9 agreements, develop those understandings.

10 Every year we modify the five-year program, and
11 all during the year we modify it as things come up. Every month
12 you get PPAC items, you get adjustments. So it's not like this
13 development will stop here, but we would want to put our efforts
14 into what the Board sees as a priority. I don't want to -- and
15 Mike and Dallas (inaudible) every one of those projects is the
16 same level, (inaudible) you really only got the top three
17 (inaudible) let's start working on that. But as we develop
18 issues and we come up to agreements and we're able to develop
19 partnerships, we'll bring that back, and then we make
20 adjustments just like we do any other time.

21 MR. STRATTON: Also, Mr. Chairman, I'd like to
22 clarify, too, that I have no intention of trying to bump any
23 project out of the five-year plan. I agree with staff those are
24 projects that need to be done, and I don't want (inaudible).

25 CHAIRMAN LA RUE: And I think -- John, did you

1 have a comment?

2 MR. HALIKOWSKI: No. Go ahead.

3 MS. BEAVER: Chairman, one of the questions I
4 have with regard to the I-17 -- and I -- I'm sure that you all
5 do, I'm just not aware of it -- but that particular area seems
6 to have those wind drifts and things similar to, I guess, the
7 I-10 has the dust storms. Is that -- has that been studied or
8 anything up there? That particular area seems like there's
9 those wind gusts and things that can (inaudible) --

10 MR. KIES: I know there's strong crosswinds.
11 Have we had any dust storms, per se? Dallas drives it, like,
12 every day.

13 MS. BEAVER: Well, it's not just -- it's not dust
14 storms. It's the invisible-type stuff. It's the wind gusts
15 and things like that where the, you know, cars that are
16 traveling at a high rate of speed and that. I'm just wondering
17 if -- in the context of, like, accidents and things like that
18 how can that be maybe managed or remediated.

19 MR. HAMMIT: Mr. Chairman, Board Member Beaver,
20 in this corridor, the biggest area is aggressive driving. And
21 as soon as there's a crash, there's just nowhere to go. This
22 project that's proposed would give that alternate. It isn't
23 geared to -- and this is through the canyon, from Black Canyon
24 City up to Sunset Point. So it isn't addressing the severe
25 winds. And it doesn't affect us near as much as it does even at

1 I-40, near Winslow, or I-10, Picacho, or further east on I-10.
2 So to answer your question, no, it's not addressing that. It's
3 more the capacity and then that -- an alternate route when we
4 have those crashes.

5 MR. HALIKOWSKI: To that point, Chairman, your
6 capacity issues are on the weekends now, or are you seeing
7 capacity issues through the week?

8 MR. HAMMIT: It's daily. And the biggest thing,
9 once there's a crash, there's just nowhere to go. And on a
10 weekend, you back up a mile almost every minute. So we can open
11 the road completely, and it's an hour before -- if you're at the
12 back of the line, before you even know it's been opened, because
13 you're still just crawling along with the high volumes.

14 I've -- on the sheet that you'll get, it shows
15 about 30,028, ballpark, on a Sunday. You have 30,000 going
16 south, so -- on a directional. So you have very high
17 directional ones on weekends, but even daily traffic gets very
18 high volumes as well.

19 MR. HAMMOND: Dallas, Mike had mentioned
20 (inaudible). Is there sufficient traffic count during the week
21 to support (inaudible)?

22 MR. KIES: I believe it would be a challenge. As
23 I drive daily, in the mornings, there's no way I'd pay one,
24 because I can go Monday through Friday down the hill. On the
25 weekends, I would definitely want that opportunity. I went home

1 Friday, Memorial Day weekend, and there was a long backup; if
2 there's a crash. So it would be difficult for \$100 million.
3 I'm not a tolling expert, but it would be a challenge.

4 MR. HALIKOWSKI: Just want to point out something
5 (inaudible).

6 MR. HAMMOND: Just one more comment on this
7 solution to I-17. You know, you mentioned aggressive driving.
8 I think I would more define it as differential speeds between
9 the two lanes, people getting stuck behind a slow truck and
10 pulling out in front and that kind of thing.

11 Is this solution that you've -- I guess very
12 rudimentary analyzed -- include, like, a dedicated truck lane or
13 a dedicated lane for traffic that -- where trucks aren't going
14 to be pulling into in this reversible lane situation? What's --
15 just -- what -- maybe widening of the shoulders so that you've
16 got a bailout option? What's really in this 125 million?

17 MR. HAMMIT: Mr. Chairman, Mr. Hammond, what it
18 would be is two additional lanes. It would parallel the
19 southbound direction that you could have crossovers at the top
20 of the hill and the bottom. So say Friday evening, we open it
21 up, and you'll have four lanes going north. And we could look
22 at that -- we haven't got to the level -- and keep all the
23 trucks on the existing, and have the lanes going -- the new
24 additional lanes going north open to cars only, and keep some of
25 that speed differential. Same thing on -- when we want to

1 change it over Saturday afternoon for southbound. We can cross
2 it back, use those same new two lanes. You'll have four lanes
3 going southbound.

4 MR. HAMMOND: So there's no lane improvement.
5 It's just the dollars put up the reversible stuff?

6 MR. HAMMIT: It would be two new additional
7 lanes. So it -- there is additional capacity. So you would
8 have six lanes where you only have four today.

9 MR. HAMMOND: Okay.

10 MR. HALIKOWSKI: Mr. Chair, I just want to point
11 out one more thing about speed differential. Maybe it's because
12 I'm getting older, but if I'm doing 75, and it seems like
13 everybody else, even though they're in cars, they're doing 90,
14 and they're doing the weaving in and out, and that behavior
15 issue is -- Dallas calls it aggressive driving -- is what's hard
16 to control, and that's what causes those crashes. And that's
17 what we're -- have to rely on the enforcement leg of the stool,
18 and that's one of those tough things (inaudible).

19 MR. HAMMIT: Mr. Chairman -- go ahead.

20 CHAIRMAN LA RUE: I'll just say -- let me give
21 you this aside. And I remember it every time I drive, and I
22 drove down there this weekend, from Sunset Point, and you go
23 through that canyon, and you know, I'm like Board Member
24 Hammond. It's a white knuckle drive because of the speed.

25 So, you know, I think they dropped it down to 65

1 through there. Most people do 80 to 85, except people towing
2 and big rigs going 50, 55, and so you've got (inaudible). My
3 next-door neighbor, former -- he moved -- former next-door
4 neighbor is a DPS guy. He patrols that area, and you know, we
5 talk all the time. He'd say, you know, "There's people dying
6 there all the time." You know (inaudible). He says, you know,
7 "If you just drop the speed, you just (inaudible) that speed, it
8 takes you" -- and I remember, it was, like, 60 seconds or 80
9 seconds longer, whatever ridiculous amount of time longer it
10 takes you is nothing when you think about you're going to save
11 your life and those lives around you. It's amazing.

12 But yet every time I come down there, there's
13 just people trying to do that 80, 85, 90 miles an hour down that
14 canyon, and it's just crazy, because they're saving -- you know,
15 they're maybe making 10 or 20 seconds or 50 seconds or two
16 minutes in their entire trip. Put lives at risk.

17 MS. BEAVER: Chairman La Rue, I learned that
18 taking the online traffic school.

19 CHAIRMAN LA RUE: I've not had that honor
20 (inaudible).

21 MR. HAMMIT: Mr. Chairman, to that point, we do
22 have a safety project, no new lanes, but this year that will go
23 -- but if you drove it this week and you saw some portable
24 feedback signs where it said "your speed is," we're putting
25 permanent ones in. We're also putting some message boards up

1 where we can give a safety message, slow people down, give them
2 a warning that there's a crash ahead to be prepared, and during
3 that time, we will have extra enforcement.

4 One of the things that happened in the FAST Act,
5 it took away an opportunity that we had in MAP-21 where we could
6 pay for enforcement with our safety funds to put extra police
7 officers there. That is not an opportunity anymore, except
8 during an active construction zone. So during that construction
9 zone, we will have some extra enforcement.

10 CHAIRMAN LA RUE: Any other questions? Comments?
11 Board members?

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

13 Well, again, we'll take this input, and we will
14 provide you the spreadsheet that has the scores and all the
15 criteria we use.

16 Just summarizing some of the input that I did
17 hear, it does appear that the I-17 project seems a high priority
18 to a lot of -- a lot of the Board members. And then based on
19 Mr. Hammond's comments, we can -- staff can kind of look at the
20 remaining funding for the development program and look at some
21 of the projects that fit into that remaining budget.

22 MR. ROEHRICH: Mr. Chair, if I could, and real
23 quick, before you move on this, Mike, I do think the
24 (inaudible). These are the projects that (inaudible). Staff
25 has also had other considerations that might fit as projects in

1 other categories, such as another round of I-15 bridges and
2 major preservation projects, modernization. Those are going to
3 start coming out of other funding sources as well. So this
4 wouldn't be like the only projects that have been on people's
5 minds that are in there. These are the ones that we saw and you
6 heard as part of this process. (Inaudible) float to the top,
7 but we'll as well be doing another analysis as we move forward
8 as staff.

9 MR. KIES: Yes.

10 MR. HALIKOWSKI: And I don't want anyone to think
11 that we've forgotten I-10 between Phoenix and Tucson. We
12 obviously have a big stretch to work with. The Gila River
13 Indian community, that is going to be widening. So I-10 has got
14 to be addressed at some point.

15 MS. BEAVER: Chairman, could you just verify to
16 me those -- the Milepost 32 through 48? Where on US-95 -- is
17 that the Quartzsite area?

18 MR. KIES: No. They're closer to Yuma.

19 MS. BEAVER: Yuma.

20 MR. KIES: There's a project ongoing called
21 Fortuna Wash Bridge, and then those are three other projects
22 that are in that same stretch that would improve that section of
23 95.

24 MR. HALIKOWSKI: Fortuna Wash -- I'm sorry --
25 goes to the Proving Grounds?

1 (Indiscernible conversation.)

2 MR. KIES: It's that stretch of 95 between Yuma
3 and the Proving Grounds, correct.

4 MR. HALIKOWSKI: (Inaudible.)

5 MR. KIES: The last point on the agenda was some
6 MAG changes to the five-year program. There's three -- three
7 projects that will be proposed to change in the five-year
8 program. The main one to point out is the SR-30. MAG is
9 proposing to move -- advance a -- a phase of the SR-30 project,
10 which is the I-10 reliever in west Phoenix into the five-year
11 program.

12 Not only does that start to advance that project
13 in the design phase, but it also shows that commitment to the
14 project so that the environmental assessment that's currently
15 underway would get signed because of major phases in the five-
16 year program, and then as MAG does their rebalancing of the
17 freeway program, one would assume that the rest of the
18 commitment would be in the RTP. With that said, those are the
19 changes to the MAG program.

20 CHAIRMAN LA RUE: Any questions of the MAG
21 program?

22 MR. KIES: The last thing is just to review the
23 next steps. We've concluded our public hearings, and now we're
24 at the study session here on May 31st. Based on, again, the
25 input on the development program, we'll look to populate the

1 development program with some of those expansion projects. Then
2 we have the opportunity, as I -- as Floyd said, to come back in
3 and add a couple design phase -- or development phases into the
4 five-year program. We'll make sure to note those when we come
5 back to you in June to ask for your final approval, and then we
6 move forward with the governor's signature. So with that,
7 that's all I had about the proposed final program.

8 CHAIRMAN LA RUE: Any questions of Board members?
9 Comments? Concerns? Expectations (inaudible)? Have that all
10 clear?

11 MS. BEAVER: Chairman, I would just like to thank
12 all of the staff for being able to take all this information
13 from the public, from all of us Board members, for being able to
14 decipher all that information you're getting and come up with,
15 you know, a final plan for us. So thank you.

16 CHAIRMAN LA RUE: So my expectation on 17, I
17 think (inaudible) should have probably as much discussion on the
18 six- to ten-year program, the development program, as
19 (inaudible) five-year program. So we'll be prepared for that,
20 because I think that's pretty critical.

21 I, like the vice chair, (inaudible) I'm very
22 pleased to see how your (inaudible) six- to ten-year program. I
23 think, you know, when I first, I think, said here, that was just
24 (inaudible) maybe at the staff level (inaudible). Seems like
25 it's gotten more robust every year, and now actually become very

1 important, because if it does really get into that six- to
2 ten-year program, we start to work on it, it's not going to have
3 a whole lot of possibility to get up into the five-year program
4 at some future time.

5 So I'd just share with the Board members that's a
6 concept that's been in -- it's been in evolution for a few
7 years. I'm sure once I'm gone, we'll keep evolving it, but it's
8 one to really pay as much attention on that as you do on the
9 tentative five-year plan that we're going to approve, because
10 they really are (inaudible) steps.

11 You know, with that, I'd say thank you guys.
12 It's been a great process. You guys have really listened,
13 received a lot of comments, and I look forward to the Holbrook
14 meeting.

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

16 CHAIRMAN LA RUE: Thank you, Floyd. Are you out
17 of items? Is that it?

18 MR. ROEHRICH: Mr. Chair, that is the end of our
19 agenda. If there is still continued discussion that the Board
20 may want to have or any other comments you want for staff or --
21 we're here to listen. We have any follow-up items that we'll
22 make sure (inaudible) gets sent out and any other (inaudible)
23 you may have.

24 CHAIRMAN LA RUE: Board Member Teller.

25 MR. TELLER: Just a comment in appreciation to

1 ADOT staff. A couple days ago, ADOT leadership met with Navajo
2 Nation leadership transporting a very overdimensional package to
3 the (inaudible), and we do appreciate that. It did arrive a
4 couple days ago and without any kind of conflict or snags on the
5 Arizona side. And, you know, our partnership is very crucial in
6 our development and understanding, and we do appreciate that
7 opportunity for the (inaudible) with your leadership
8 (inaudible).

9 MR. HALIKOWSKI: (Inaudible.)

10 MR. TELLER: Thank you very much. Thank you,
11 sir.

12 CHAIRMAN LA RUE: And I do appreciate the
13 (inaudible) on what's happening. I was traveling that area
14 (inaudible) see what was going on (inaudible) come across
15 (inaudible).

16 MR. HAMMOND: (Inaudible) I forgot it's, what,
17 four hours to get to the border from Flag? (Inaudible) an hour-
18 and-a-half drive? I mean, not that I welcome an eight-hour trip
19 (inaudible).

20 CHAIRMAN LA RUE: Board Member Hammond, I
21 appreciate that. I think (inaudible) later in the year
22 (inaudible) staff. But the thing I'd also suggest (inaudible)
23 Board Member Teller can explain this a lot more, but he's been a
24 wealth of knowledge, is the little bit that (inaudible) up there
25 (inaudible) Board Member Teller had us up there not too long

1 ago -- it's amazing about the workings of the Navajo Nation, the
2 complexity and their thought process, but I think really this
3 board needs to have a little bit of that, you know, information
4 and education, because, you know -- and I just this morning saw
5 (inaudible) in Utah (inaudible) why it wasn't happening in
6 Arizona (inaudible) and a lot of background. And so I think
7 that's kind of important, too. As you drive up in the area and
8 spot issues and say, "Why can't this happen?" There's a little
9 bit of history and culture there that one needs to be mindful
10 of. (Inaudible) do a trip, it's going to bring a lot more
11 education along with that in order to be effective up in that
12 part of the state.

13 MR. TELLER: (Inaudible.)

14 CHAIRMAN LA RUE: And I'll be honest with you,
15 (inaudible) the Navajo Nation (inaudible).

16 MR. TELLER: I will definitely share that with
17 the Navajo Nation, also the Hopi, and the counties, because the
18 counties all work together with the nations up there to try to
19 address (inaudible) go through five different jurisdictions. So
20 we could definitely discuss a presentation of some sort from all
21 of our partners up there.

22 CHAIRMAN LA RUE: Thank you.

23 MS. BEAVER: Before we close (inaudible).

24 MR. ROEHRICH: Ms. Beaver, can you use the
25 microphone, please?

1 MS. BEAVER: Oh, excuse me.

2 Is it possible that you could come up with some
3 maybe months or possible dates that would work best up on the
4 Navajo Nation for having a board meeting scheduled for up in
5 that area? I don't know -- I'm not familiar with the cities
6 like Window Rock versus Chinle, you know, or -- we have had them
7 in Page before, which that's just (inaudible).

8 MR. HALIKOWSKI: (Inaudible.)

9 MR. TELLER: And that's usually what a lot of the
10 leadership say, is bring them up when there's a snowstorm or a
11 -- inclement weather so that you experience what a school child
12 would have to deal with (inaudible). So you have to experience
13 that, waiting outside at seven, six o'clock in the morning just
14 for the school bus to arrive in the middle of nowhere. So that
15 might be a consideration, but...

16 CHAIRMAN LA RUE: We can actually have you
17 waiting out on the side of the road (inaudible) long road, get
18 to the little --

19 MR. TELLER: Yes.

20 CHAIRMAN LA RUE: -- school bus stop, and you
21 know, the shelter was there, and putting myself in that child's
22 shoes and say, you know, you're there before sunrise in the
23 winter (inaudible) cold (inaudible), you know, the road is
24 (inaudible) extremely muddy, and it's -- it's an interesting
25 challenge.

1 MS. BEAVER: Chairman La Rue, I trust that
2 (inaudible) the last few years (inaudible) every three months
3 through there. So I'm trying to familiarize myself with that
4 area. I've got a daughter that lives in Durango, so (inaudible)
5 but maybe another time besides a snowstorm (inaudible).

6 MR. TELLER: Thank you. Thank you very much.

7 CHAIRMAN LA RUE: Any other business, comments of
8 Board members? Do we need a motion to adjourn? (Inaudible.)

9 MR. ROEHRICH: Yes, sir. Just to remind -- so
10 June 17th in Holbrook. At that time, staff will bring back
11 then, from our discussion here, additional discussions on how we
12 will fit into the first five -- the five years of the program
13 and the recommendations for priority into the six to ten, so we
14 can look at phases how we can bring those forward. So we will
15 have that discussion at that time.

16 CHAIRMAN LA RUE: Thank you.

17 MR. ROEHRICH: Along with all the (inaudible).

18 (End of excerpt.)
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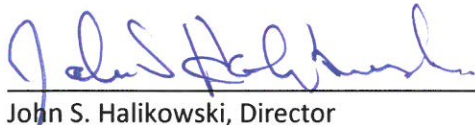
Adjournment

A motion to adjourn the May 31, 2016 Board Study Session was made by Michael Hammond and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 11:25 a.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation