

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, June 14, 2013
Pinetop-Lakeside Council Chambers
1360 N. Niels Hansen Lane
Lakeside, Arizona 85929

The Pledge of Allegiance led by Chairman Flores.

Roll call by Board Secretary Lila Trimmer

In attendance: Joe La Rue, Steve Christy, Victor Flores, Kelly Anderson, William Cuthbertson, Deanna Beaver, and Hank Rogers (telephone)

Opening Remarks

Chairman Flores thanked the Mayor and staff of hosting the meeting in Pinetop-Lakeside. Board Member Kelly Anderson stated he and Steve Christy and Bill Cuthbertson attended the reception last night. It was really nice and 30 degrees cooler out in the Ramada.

Chairman Flores stated the Board has completed the public process for the five year plan. We will hear from Scott and ultimately adopt a plan. We have a difficult task that as State Board Members we understand our charge and hopefully our decision will meet expectations of most.

Call to the Audience

Citizens addressed various issues:

1. Roger Williams, Mayor, Pinetop/Lakeside, re: Welcome
2. Chris Bridges, Administrator, CYMPO, re: SR 89 Project
3. Andy Groseta, self, re: Highway 260 Widening Project and Thousand Trails Project
4. Rita M. Wentzel, Finance Director/Town Clerk, Superior, re: FY 2014-2018 Construction Program
5. William Jump, Principle, Out of Africa Park, re: Highway 260 and Thousand Trails Projects
6. Pamela Dalton-Rabago, Board Member, Superior Chamber of Commerce, re: Silver King Project; *Note:* 17 members from Superior were in attendance
7. Tom Rankin, Mayor, Florence, re: Highway 79 and 79A closure

ITEM 1: District Engineer's Report—Jesse Gutierrez, Globe District Engineer

Jesse updated the Board on details and overview of current construction projects and activities in the Globe District.

Current Construction

US 60 MP 224, Boyce Thompson Arboretum \$1.0M, New Parking Facilities and Entrance
SR 70 MP 275-280, \$2.846M, Point of Pines, Pavement Preservation
SR 260 MP 310, \$370K, Pierce Wash Bridge Scour Retrofit
SR US60 \$700, 9th Place Signal, City Of Show Low
SR 260 MP 361-379, \$8.615M, McNary – Sunrise, Pavement Preservation, Mill and Fill

FY 2014 Current 5 Year Construction Plan

SR 288, MP 260, \$350K, District Minor, Box Extension
SR 188 MP 240, \$400K, District Minor, Drainage Improvements
US 60, MP 229-233, \$1.9M, Shoulder Widening

US 60, MP 230, \$10.0M, Oak Flats – Devils Canyon, Passing Lanes
SR 77, MP 147, \$2.0M, Dripping Springs, New Box Culvert Bridge
US 180, MP 338-347, \$5.72M, Pavement Preservation, Mill and Fill
SR 260, MP 321-330, \$5.02M, Pavement Preservation, Mill and Fill
US 180, MP 407-412, \$3.2M, Pavement Preservation, Mill and Fill
US 60, \$500K, Salt River Canyon Rest Area Rehabilitation
US 60, MP 304-310, \$5.8M, Flying V Section, Roadway Preservation

FY 2015 Current 5 Year Construction Plan

US 70, MP 259, \$200K, Gilson Wash Bridge, Scour Retrofit
SR 77, MP 157, \$1.92M, Rock Fall Mitigation
US 60, MP 229, \$487K, Rock Fall Mitigation
US 60, MP 302-311, \$4.82M, Pavement Preservation, Mill and Fill
US 180 MP 386-394, \$5.12M, Pavement Preservation, Mill and Fill
US 60 MP 342-344, \$6.00M, Show Low-Little Mormon Lake

FY 2016 Current 5 Year Construction Plan

US 60, MP 232, \$828K, Rock Fall Mitigation
US 60, MP 222-238, \$45.0M, Silver King /Superior Streets, New Alignment
SR 288, MP 289, \$873K, Rock Fall Mitigation

Project Breakdown

4 Expansion Projects Representing 52% or \$55.0M
12 Preservation Projects Representing 32% or \$34.30M
5 Modernization Projects Representing 16% or \$16.55M

ITEM 2: Director's Report—Floyd Roehrich, Deputy Director for Policy

No report at this time.

***ITEM 3: Consent Agenda**

A motion to approve the Consent Agenda items as presented was made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

ITEM 4: Financial Report—Kristine Ward, CFO

Kristine Ward updated the Board on HURF, RARF, and Aviation revenue results, investment earnings, and HELP fund balances.

- ♦ **HURF** status: remains below forecast, but now within forecast goal range of +2%/-1%, revenues now ahead of FY 2012, and fuel tax revenue growth remains negative, but April and May were positive.
- ♦ **RARF** status: tracking within forecast goal range of +2%/-1%, contracting strongest performing revenue category: 6.5% ahead of FY2012, and Retail Sales: 6.3% ahead of FY2012.

HURF Revenues continue to be weak. HURF is 1.4% behind forecast. The problem is Gas and Use (diesel) Fuel Tax revenues are running behind. Gas tax revenues are running .7% behind last year and Use Fuel revenues are 5.5% behind last year. We are not meeting forecast. At this point, we are just watching, it is about a \$10 million hit to revenues but we are hoping to make it up in the latter half of the year.

RARF Revenues are in the green and at forecast just a little behind at -.6%. Retail Sales are +5.8% above last year as well as Restaurant & Bar +7.1 % above last year's. There is healthy growth at this time. Contracting is still lagging a bit behind.

Chairman Flores moved Item 6, Item 7, Item 8, and Item 9 after Item 4.

ITEM 6: Multimodal Planning Division Report—Scott Omer, Assistant Director, Multimodal Planning Division

No report at this time.

Board Member Steve Christy requested an update to the Southern Arizona Leadership Council.

***ITEM 7: Priority Planning Advisory Committee (PPAC)—Scott Omer, Assistant Director, Multimodal Planning Division**

Project Modifications – *Items 7a through 7ag

Note: Board Member Kelly Anderson pulled Item 7b for more information.

A motion to accept and approve Project Modifications Item 7a, and Items 7c through 7x was made by Kelly Anderson and seconded by Steve Christy. In a voice vote, the motion carries.

Project Modifications – *Item 7b

A motion to accept and approve Project Modifications Item 7b was made by Kelly Anderson and seconded by Deanna Beaver. In a voice vote, the motion carries.

New Projects – *Items 7ah through 7at

A motion to accept and approve New Projects Items 7ah through 7at was made by Steve Christy and seconded by Deanna Beaver. In a voice vote, the motion carries.

Airports – New Projects – *Items 7au

A motion to accept and approve Airport-New Projects Item 7u was made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

Scott invited the Chairman and the Board Members to any and all PPAC meetings.

ITEM 8: State Engineer's Report—Jennifer Toth, Deputy Director of Transportation/State Engineer

Jennifer gave an update on with the Status of Projects under Construction Report for May 2013 shows 102 projects under construction valued at \$984.4 million. The Transportation Board awarded 4 projects during May valued at approximately \$7.2 million. During May the Department finalized 18 projects valued at \$32.2 million. Projects where the final cost exceeded the contractors bid amount by more than 5% are detailed in your board package. Year to date we have finalized 241 projects. The total cost of these 241 projects has exceeded the contractors bid amount by 6.7%. Deducting incentive, bonus payments, revisions, omissions and additional work paid for by others, fiscal year to date reduces this percentage to 4.3%.

Jennifer gave an update of US 89T reconstruction activities. ADOT participated in the groundbreaking ceremonies last Sunday to start the paving project on Navajo Route 20, the detour route. It has taken three months, which is incredible speedy process and in conjunction with Federal Highway Administration, BIA, Navajo Nation, Navajo Division of Transportation, and Coconino County. We could not have done that had not everyone been on the same page in moving that project forward as quickly as possible. Now, we are starting to look at what is the long term solution for 89 and we are beginning a GEO Technical report hopefully by next month's Board meeting. Jennifer will brief the Board on what the long term strategy will be for 89.

***ITEM 9: Construction Contracts—Jennifer Toth, Deputy Director of Transportation/State Engineer**

*ITEM 9a: BIDS OPENED: May 3, 2013 Page 249
HIGHWAY: CITY OF AVONDALE
SECTION: 3RD Avenue, Rancho Santa Fe Boulevard
COUNTY: Maricopa
ROUTE NO.: N/A
PROJECT: SRS-999-A(229)T 0000 MA AVN PSRTS01C
FUNDING: 100% Federal
LOW BIDDER: Standard Construction Company, Inc.
LOW BID AMOUNT: \$ 79,122.40
STATE ESTIMATE: \$ 112,521.00
\$ UNDER ESTIMATE: \$ 33,398.60
% UNDER ESTIMATE: 29.7%
PROJECT DBE GOAL: 6.51%
BIDDER COMMITMENT: 6.91%
NO. BIDDERS: 2
RECOMMENDATION: AWARD

A motion to accept and approve Staff's recommendation to award contract to Standard Construction Company, Inc. as presented was made by Hank Rogers and seconded by Steve Christy. In a voice vote, the motion carries.

*ITEM 9b: BIDS OPENED: May 17, 2013 Page 252
HIGHWAY: GILA COUNTY
SECTION: Various Rural Roads
SECTION: Various Rural and Urban Roads
COUNTY: Gila
ROUTE NO.: N/A
PROJECT: HRRRP-GGI-0(209)T 0000 GI GGI SH48601C
FUNDING: 100% Federal
PROJECT: STP-GGI-0(210)T 0000 GI GGI SS98101C
FUNDING: 94% Federal 6% State
LOW BIDDER: Pavement Marking, Inc.
LOW BID AMOUNT: \$ 558,603.10
STATE ESTIMATE: \$ 313,875.00
\$ OVER ESTIMATE: \$ 244,728.10
% OVER ESTIMATE: 78.0%
PROJECT DBE GOAL: NA
BIDDER COMMITMENT: NA
NO. BIDDERS: 1
RECOMMENDATION: REJECT BID

A motion to accept Staff's recommendation to reject the bid from Pavement Marking, Inc. as presented was made by Kelly Anderson and seconded by Steve Christy. In a voice vote, the motion carries.

*ITEM 9c: BIDS OPENED: May 17, 2013 Page 255
HIGHWAY: DEWEY-COPPER CANYON HIGHWAY (SR 169)
SECTION: East Old Cherry Road—West Cherry Creek Road
COUNTY: Yavapai
ROUTE NO.: SR 169
PROJECT: STP-169-A(204)T 169 YV 005 H853601C
FUNDING: 94% Federal 6% State
LOW BIDDER: Southwest Slurry Seal, Inc.
LOW BID AMOUNT: \$ 260,611.80
STATE ESTIMATE: \$ 328,430.80
\$ UNDER ESTIMATE: \$ 67,819.00
% UNDER ESTIMATE: 20.6%

PROJECT DBE GOAL: 2.07%
 BIDDER COMMITMENT: 3.66%
 NO. BIDDERS: 3
 RECOMMENDATION: AWARD

A motion to accept and approve Staff's recommendation to award contract to Southwest Slurry Seal, Inc. as presented was made by Bill Cuthbertson and seconded by Steve Christy. In a voice vote, the motion carries.

*ITEM 9d: BIDS OPENED: May 17, 2013 Page 258

HIGHWAY: CHAMBERS-MEXCAN WATER HIGHWAY (US 191)
 SECTION: Milepost 446.36 to Milepost 447.49, In Chinle
 COUNTY: Apache
 ROUTE NO.: US 191
 PROJECT: STP-191-E(205)T 191 AP 446 H543801C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Meadow Valley Contractors, Inc.
 LOW BID AMOUNT: \$ 3,620,176.00
 STATE ESTIMATE: \$ 2,684,369.55
 \$ OVER ESTIMATE: \$ 935,806.45
 % OVER ESTIMATE: 34.9%
 PROJECT DBE GOAL: 4.82%
 BIDDER COMMITMENT: 13.02%
 NO. BIDDERS: 4
 RECOMMENDATION: AWARD

A motion to accept and approve Staff's recommendation to award contract to Meadow Valley Contractors, Inc. as presented was made by Kelly Anderson and seconded by Hank Rogers. In a voice vote, the motion carries.

*ITEM 9e: BIDS OPENED: May 3, 2013 Page 262

HIGHWAY: JUNCTION I-10 – MESA HIGHWAY (SR 587)
 SECTION: SR 87 to I-10
 COUNTY: Pinal
 ROUTE NO.: SR 587
 PROJECT: STP-587-A(200)T 587 PN 218 H811301C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Nesbitt Contracting Co., Inc.
 LOW BID AMOUNT: \$ 2,596,957.85
 STATE ESTIMATE: \$ 3,680,839.00
 \$ UNDER ESTIMATE: \$ 1,083,881.15
 % UNDER ESTIMATE: 29.4%
 PROJECT DBE GOAL: 0.89%
 BIDDER COMMITMENT: 2.92%
 NO. BIDDERS: 6
 RECOMMENDATION: AWARD

A motion to accept and approve Staff's recommendation to award contract to Nesbitt Contracting Co., Inc. as presented was made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

Chairman Flores returned to Item 5 on the agenda.

***ITEM 5: Final approval of the FY 2014 - 2018 Statewide Transportation Facilities Construction Program —
Kristine Ward, Chief Financial Officer and Scott Omer, Assistant Director, Multimodal Planning Division**

A. FY 2014 - 2018 Statewide Transportation Facilities Construction Program Financial Plan

Kristine gave a presentation regarding the financial policy. It is the policy of the Board to maintain a fiscally conservative financial policy with respect to the planning and execution of the Board's Five-Year Transportation Facilities Construction Program. The Board's Program will be developed on a cash flow basis, ensuring reasonable cash balances, be based on conservative estimates of reasonably expected revenues, be inflation adjusted, be judicious in its use of bonding authority to accelerate critically needed projects, and fiscally constrained at all times. Board policy requires a fiscally conservative approach toward the development of the 5 Year Program funding.

The primary revenue sources used in the FY2014-FY2018 Program are as follows:

Revenue Sources: Highway User Revenue Fund (HURF), Regional Area Road Fund (RARF), and Federal Aid.

Financing Mechanisms: Bonding, HURF Bonds, RARF Bonds, and Grant Anticipation Notes.

The forecasting process: RAP session for HURF and RARF, risk analysis process, gathering of economists and experts,

Review and estimation of several variables, population and personal income growth, and non-farm employment.

Estimates provided to consultant, HDR Decision Economics,

Results: Growth rates for various revenue sources with associated probability

Since the 2006 forecast, we have experienced significant declines in the anticipated revenues available for the program. Revenue estimates for HURF have declined almost \$3 Billion since the September 2006 forecast and unfortunately those estimates were correct in some cases and a little too optimistic in others. The 5 Year program is based on HURF average growth of 3.1%, RARF average growth of 5.6%, and federal aid growth of 0% (flat). Reasoning is a very short authorization period and insolvency of the Federal Highway Trust fund.

The result of the diminishing revenues has led to the program needing to be reduced by \$350 Million. More specifically the reduction is made up of the following changes.

Original Funding Estimate		\$2,497.1
Reduced revenue estimates	\$ (64.1)	
Revised Fund Transfer Assumptions	\$ (61.8)	
Expense Reductions	<u>\$ 29.9</u>	
	\$ (96.0)	

The diminished forecasts also form the basis for the revenues available for the new 5th Year, 2018.

Reduced federal aid available	\$ (235.8)	
Impact of revised estimates	\$ (331.8) or	\$ (350)
Revised funding estimate:		\$2,147.1

The program you are considering today will be funded from the following fund sources dedicated for ADOT ROW. The program anticipates bonding of: HURF= \$275M; RARF= \$600M; GANs = \$100M in addition to proceeds available from the recent issues. (2011A & 2013A) The scenarios presented to you today all meet

the policy of fiscal constraint. Any significant changes to those scenarios will require review by staff and possibly a re-gathering of the Board for approval prior to July 1st.

Scott reported on the common themes of Five-Year Comments:

- modernization and expansion of highway corridors
- highway pavement and bridge preservation
- alternate transportation and bike options
- traffic management systems
- Loop 202 South Mountain
- rail between Phoenix and Tucson
- Tucson roadway improvements

Scenario A – Focus on Preservation. This scenario focuses the most investment on keeping the existing highway system in good repair with the least investment in programmed major projects in greater Arizona. There would be 81 preservation projects from 2014 to 2016, 39 bridge projects, one major project, and 690 miles of pavement projects. An average of \$194 million per year in preservation from 2014 through 2018 would be allocated. Arizona's interstate system is projected to fall below federal performance measures for pavement quality in 2031 with this scenario. Note change: SR-89, Deep Well Ranch Road to South Chino Valley Limits (\$18 M) is moved to FY-13.

Scenario B – Focus on Programmed Major Projects. This scenario focuses the most investment on major projects that are programmed in greater Arizona with the lowest investment in keeping existing highways in good repair. There would be seven major projects from 2014 to 2017. From 2014 to 2016, there would be 25 bridge projects and 458 miles of pavement projects. An average of \$152 million per year in preservation from 2014 to 2018 would be allocated. Arizona's interstate system is projected to fall below federal performance measures for pavement quality in 2017 with this scenario. Note change: SR-89, Deep Well Ranch Road to South Chino Valley Limits (\$18 M) is moved to FY-13.

Department Recommendation

Scenario C – Combination of Preservation and Major Projects. This scenario focuses on some investment in major projects that are programmed in greater Arizona with less investment in keeping existing highways in good repair. There would be four major projects from 2014 to 2017, 39 bridge projects from 2014 to 2018, and 524 miles in pavement projects. An average of \$149 million per year in preservation from 2014 to 2018 would be allocated. Arizona's interstate system is projected to fall below federal performance measures for pavement quality in 2021 with this scenario.

ADOT Staff Recommendation: Preservation and Major Projects (Scenario C – Modified)

B. FY 2014 - 2018 Statewide Subprograms

SR89, Deep Well Ranch Road to Chino Valley accelerated to FY13

5 major projects (2014-2018)

Preservation = \$178M per year (avg.)

C: FY 2014 - 2018 Statewide Highway Construction Program (Excluding MAG and PAG)

Remain in Program

SR89, Deep Well Ranch Road to Chino Valley (FY 13) \$25 M

I-10 Ehrenberg POE Phase 1

(FY 14) \$8 M

US93 Carrow to Stephens

(FY 14) \$22 M

US95 Fortuna Wash Bridge

(FY 15) \$13.5 M

US60, Silver King Section

(FY 16) \$45M

SR260, Lion Springs Section (FY 18) \$40 M

Defer to Out Year

I-8, Mohawk Rest Area \$20 M

SR89, Jct. 89A to Deep Well Ranch Road \$15M

Department Recommendation Scenario C - Modified

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

Appendix – Projects in Out Year (For Information Only)

Appendix to program:	Program Deferral	Estimated Cost of Project	Notes
I-10; Earley road to Jct I-8	FY12-16	\$138,000	
I-10; Picacho Project	FY12-16	\$126,000	
I-10; San Simon Port of Entry	FY12-16	\$20,000	
I-40; Topock Port of Entry	FY12-16	\$5,000	Scoping Only
I-40; Rancho Santa Fe Prkwy	FY 12-16	\$36,000	
I-40; Sanders Port of Entry	FY12-16	\$17,000	
I-10; Valencia Road TI	FY13-17	\$200,000	
I-10; Wilmot Road TI	FY13-17	\$20,000	
I-10; Country Club Road TI	FY13-17	\$10,000	Design Only
SR-90; Central Ave to Moson Rd	FY13-17	\$15,000	
I-8; Mohawk Rest Area	FY14-18	\$20,000	
SR-89; Jct SR89A to Deep Well Ranch Road	FY14-18	\$15,000	Locals have offered to potentially help fund, and take turn back.
SR-260; 1-17 to Thousand Trails	N/A	\$40,000	Design Only; Construction not funded
Total		\$662,000	

Summary of the Recommended Program FY14-FY18 for Greater AZ

Updated Project Costs

Reduced total program in FY 16 & 17 by \$350 Million

Programmed Subprogram Projects

FY 14-16 Projects Line Itemed in the Program

D: FY 2014 - 2018 PAG Regional Highway Construction Program Recommendations

Major Projects

I-10 Ina Rd TI Phase 1

(FY 16) \$34 M-RTA

I-10 Ina Rd TI Phase 2

(FY 17) \$52 M-NH

I-10 Ruthrauff Rd TI Clearances (FY 17) \$23 M

I-10 Ruthrauff Rd TI

(FY 18) \$43 M – RTA, \$43.5 STP

I-19 Ajo Way TI Phase 1

(FY 15) \$36.6 M-STP,

\$14.1 M-PAG 2.6%

I-19 Ajo Way TI Phase 2

(FY 18) \$30.5 M-STP

Schedule Changes

I-10, Ina Road TI (Construction) Phased Construction FY 2016 and FY 2017

I-10, Ruthrauff Road TI (Construction) Defer to FY 2018

I-19, Ajo Way TI (Construction) Phased Construction FY 2015 and FY 2018

E: FY 2014 - 2018 MAG Regional Highway Construction Program Recommendations

Updated Project Costs

1. SR202L (Red Mountain) SR101L to Gilbert Rd, Delete Design Project by (\$4.6M)
 2. SR202L (Red Mountain), SR101L to Gilbert Rd, Increase R/W Costs by \$3.5M
 3. SR202L (Red Mountain), Gilbert Rd to Higley Rd, Delete Design Project by (\$1.3M)
-
1. SR101L: I-10 to I-17 FMS, Decrease costs by (\$2.7M), to \$9.0M
 2. SR303L, US60 to Happy Valley Rd, Establish R/W Project, \$1.0M

F: FY 2014 - 2018 Airport Development Program Recommendations

Chandler Municipal- Add (S/L) RWY/Safety Area obstruction removal, 2014 - \$67,500

Casa Grande Municipal- Add (S/L) TWY Recon, 2014 - \$27,000; Reduce (F/S/L) TWY Recon, 2015 by \$1,300 to \$10,700

Pinal Airpark - Remove (S/L) RWY Rehab, 2014 - \$225,000 and 2015 - \$2,043,000; Remove (S/L) TWY APMS, 2015 - \$558,800

Laughlin-Bullhead International - Reduce (F/S/L) RWY Extension, 2014 by \$185,300 to \$51,600; Remove (S/L) RWY Extension, 2014 - \$900,000; Add (F/S/L) TWY A Rehab, 2014 - \$65,300; Add (S/L) TWY A Rehab, 2014 - \$2,103,000

H.A. Clark Memorial - Add (S/L) Perimeter Road Const., 2014 - \$450,000; Not funded, retained on eligible list as funding becomes available

Kelly Anderson made a motion to approve the recommendations by staff with the following changes:

1. *Move the Carrow to Stephens out and the \$22 million to preservation in FY14.*
2. *Allocate \$35 million to State Route 260 to Thousand Trails in FY16 with a footnote*.*
3. *Move the Lion Springs \$3.5 million allocated in FY16 to FY18 and increase to \$5 million.*
4. *Move the \$40 million allocated in Lion Springs FY18 out and allocate to preservation and leave \$5 million.*
5. *SR 347 Grade Separation \$10 million in FY15, \$30 million in FY16.*
6. *Move Silver King from FY16 to FY15.*

**If by next year, the locals are not able to come to consensus on the scope of the project then he would support removing the project from the program.*

Mr. Anderson further stated to direct the Department to study this deviation and make a recommendation to the Board and to bring a final plan to the Board for approval by June 26, 2013. The motion was seconded by Hank Rogers.

Board Member Anderson's changes to the Department's Recommendation Scenario C – Modified

Major Project	FY 13	FY 14	FY 15	FY 16	FY 17	FY18
SR-89; Deep Well Ranch Rd to Chino	\$25,000					
I-10; Ehrenberg POE Phase 1 - ITS		\$8,000				
US95; Fortuna Wash Bridge		\$1,500	\$13,500			
US93; Carrow to Stephens Section - Defer		\$22,000				
SR260; Lion Springs Section - Defer				\$3,500		5,000
US60; Silver King and Superior Streets			\$45,000			
SR260; I-17 to Thousand Trails			\$7,000	35,000		
SR347 Grade Separation			10,000	30,000		
Preservation		\$182,036	\$240,281	\$180,640	\$150,211	\$159,466

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

The public meeting was recessed at this time.

[The State Transportation Board convened its Executive Session from 11:00 a.m. to 11:20 a.m. MST]

[The State Transportation Board reconvened its Regular public meeting at 11:22 a.m. MST]

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

Chairman Flores asked Board Member Kelly Anderson to restate his motion and explain his reasons for it.

Board Member Kelly Anderson stated that the motion was to approve Staff's Recommendation C with the following changes.

1. Move Carrow Stephens out and use the \$22 Million for Preservation in FY14
2. Move Silver King from FY16 to FY15
3. Allocate \$35 Million to State Route 260 to the Thousand Trails in FY16
4. Move the Lion Springs \$3.5 Million allocated in FY16 to FY18; and increase to \$5 Million
5. Move the \$40 Million allocated to Lion Springs in FY18 out and allocate to Preservation
6. State Route 347 \$10 Million in FY15; \$30 Million in FY16

Mr. Anderson further stated to direct the Department to study this deviation and make a recommendation to the Board and to bring a final plan to the Board for approval by June 26, 2013. Mr. Anderson submitted the following letter as an explanation. (See letter next page, dated June 14, 2013)

June 14, 2013

Dear Chairman Flores,

Per state statute, any changes to a proposed 5 year state wide construction plan shall be in writing for the director's review. Below are the explanations for my motion and changes to the plan which passed by a 7 – 0 vote at our June 14, 2013 board meeting.

It is an honor to serve on the ADOT transportation board and I was humbled when Governor Brewer called a few years ago to say that she was putting my name forth to the State Senate for confirmation.

One thing which I have learned is that the plan is organic, in that it changes almost every board meeting. For example the PPAC recommendation for board approval today we are advancing project, identifying new projects, increasing project costs and deleting projects from the FY2013 – 2017 construction program. My changes to the draft plan has been a combination of:

- the hearing process
- communication with local elected officials and stakeholders
- my perspective on economic development

US 93 CARROW TO STEPHENS: DEFER OUT AND MONEY GO TO PRESERVATION

I saw minimal support or opposition for the project.

SILVER KING: MOVE TO FY 15 FROM FY 16

This has been in the plan for many years and I believe that it needs to move ahead due to the prospects of the mining sector advancing in the region.

ALLOCATE \$35,000,000.00 TO SR 260 TO THOUSAND TRAILS

I had the opportunity to drive this section last weekend and see the need. In fact, in the local Maricopa paper there was an advertisement for the Out of Africa Park. There is one thing which does concern me with the project is that the reason it was not completed along with the rest of 260 was access issues. I still see the fragmented voice which was evident at the public hearing in Flagstaff when Chairman Flores asked if there were many to speak on the same topic if there could be one spokesman. All of you chose to speak. If there is not a clean and documented access management plan a year from now, then I would not hesitate to move the project out. You have some great leadership in the area, so I would use it.

MOVE THE \$3,500,000.00 ALLOCATED TO LION SPRINGS IN FY 16 TO FY 18 AND INCREASE TO \$5,000,000.00.

I would like to see the project continue, and think the money will help Gila County in its grant applications.

LION SPRINGS \$40,000,000.00 IN FY18 DEFER OUT AND ALLOCATE TO PRESERVATION

With the \$5,000,000.00 in FY 16 to help with grant I think this money should go to preservation.

SR 347 GRADE SEPARATION AT THE UNION PACIFIC RAIL ROAD

Many in this room are very familiar with this project. In fact the city of Maricopa hosted the board in February of 2007 and again in November of 2012. Last November Ak Chin Vice Chairman William Antone talked about their aggressive economic development projects one of which is their entertainment complex which had its grand opening this same evening as the board reception. The city of Maricopa has \$10,000,000.00 in its CIP program allocated for the separation project and have spent countless hours lobbying the state's congressional delegation for federal aid. I also had a meeting last week with Maricopa Mayor Price and Ak Chin Chairman Manual about the project and their commitment to working together on the project. The Ak Chin community recently donated \$10,000,000.00 to the city and the Maricopa Unified School district to advance a city park project and help with school budget issues. The chairman wanted the board to know that they are financially committed to at least the \$10,000,000.00 and probably greater to the grade separation project.

Chairman Flores thank you for the time to speak to my changes to the plan.

Board Member Joe La Rue stated that he appreciates all of the work staff has done these last four months. Going back to the February meeting when we kicked this off, we realized that this was going to be a labor intensive planning year. Those three scenarios were going to invite a lot of public comment and a lot of discussion. Today, Mr. La Rue will support this motion, which says pushing staff back to take a look at these projects. He is not here to say he supports these projects because he thinks there is a lot of information that needs to be looked at how make these changes in a very short amount of time.

Floyd Roehrich, Deputy Director for Policy suggested that there be a Study Session and then follow with the Board Meeting when staff comes back to the Board. MAG is a component in this modification.

Chairman Flores stated that Scott had approached him to have a study session. Mr. Flores said he could not see to have that discussion and it not be what is occurring here. It would basically be a fourth public process or a preliminary to the meeting that we are having today. Perhaps we need to move the meetings up so there are more opportunities than the thirty days that we have now to come up with a final resolution.

Scott Omer stated that when they go into to develop the final draft program to present to the Board for consideration. His department takes the same issues into consideration that Board Member Anderson did. They take the public hearing process that he spoke of that earlier today. They not only consider the 100 or so comments that they received in the open meetings here in the three public meetings; they also take into consideration the 900 comments that they received. They talk to the stakeholders, specifically use PAG as an example. They spent a lot of time and effort reaching out to the regions to make sure we are gathering their input and we work with them specifically on coming up with a final approved program. His department also takes economic development into consideration and that department's main function is not economic development. However, they have been given the charge by the Director to make that is something we do take into consideration. It is also one of the areas that is in the priority programming process. We consider economic development in freight as a key component and actually prioritized in the projects that we did. He represents the department and that they take those same things into consideration. He supports the Board's position that they want the department to go back and look at other projects. He mentioned earlier today that he recommended a project for a certain year that is not for any other reason than just to make sure that first, they have the funding for it; and second, that they can deliver the project in those years. That is how they are slated where they are. Talking about moving projects forward, the concern is that to make sure they reach back to staff that project development level all the way up through the State Engineer's office and his office to make a recommendation for the Director that they can actually deliver the project in the year they are recommending.

Scott further stated that they do take the same things into consideration as staff moves forward in developing the final program.

Chairman Flores stated there is motion. The motion states to approve Staff's Recommendation C with the following changes.

- 1. Move Carrow Stephens out and use the \$22 Million for Preservation in FY14**
- 2. Move Silver King from FY16 to FY15**
- 3. Allocate \$35 Million to State Route 260 to the Thousand Trails in FY16**
- 4. Move the Lion Springs \$3.5 Million allocated in FY16 to FY18; and increase to \$5 Million**
- 5. Move the \$40 Million allocated to Lion Springs in FY18 out and allocate to Preservation**
- 6. State Route 347 \$10 Million in FY15; \$30 Million in FY16**

The motion also directs the Department to study this deviation and make a recommendation to the Board, and in addition it directs the Department to bring a final plan to the Board for approval by June 26, 2013. In a voice vote, the motion carries.

ITEM 10: Comments and Suggestions

Board Member Kelly Anderson requested to add the City of Casa Grande to the 2014 Board Meeting Calendar.

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

Meeting adjourned at 11:40 A.M. MST



Victor Flores, Chairman
State Transportation Board

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