MINUTES
OF THE SPECIAL
STATE TRANSPORTATION BOARD
BOARD MEETING

9:30 A.M., Thursday, August 7, 2003
Arizona Department of Transportation
State Transportation Board Room, Room #147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special meeting at 9:30 a.m., Thursday, August 7, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Sam Maroufkhani. There were approximately 25 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Radicke led the audience in the Pledge of Allegiance.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2004 - 2008 Transportation Facilities Construction Program - Requested Modifications

ROUTE NO:	US 60 @ MP 321.00
COUNTY:	Navajo
SCHEDULE:	FY 2004 – New Project Request
SECTION:	MP 231
TYPE OF WORK:	Slope stabilization
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	John Dickson
PROJECT:	H644201C
REQUESTED ACTION:	Add a new emergency rockfall project to the FY 2004 Highway Construction Program in the amount by $1,000,000. **See funding sources below.**

FY 2004 District Minor Fund #73304	$150,000
FY 2004 Emergency Projects Fund #72104	$250,000
FY 2004 Rockfall Containment Fund #77004	$600,000
NEW PROGRAM AMOUNT:	$1,000,000

Board Action: A motion to approve Item 1 was made by Mr. Jeffers, seconded by Mr. Schorr and passed unanimously.

ROUTE	SR 202L @ MP 16.5
COUNTY:	Maricopa
SCHEDULE:	FY 2004 – New Project Request
SECTION:	Gilbert Road – Val Vista Drive, Phase IIA
TYPE OF WORK:	Quiet Pavement
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Rich DeBoer
PROJECT:	H637104C
REQUESTED ACTION:	Add a new quiet pavement project in the amount of $750,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Quiet Pavement Phase II #21604.**
NEW PROGRAM AMOUNT:	$750,000

Board Action: A motion to approve Item 2 was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously.

The meeting adjourned at 9:35 a.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.

MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:35 A.M., Thursday, August 7, 2003
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a study session at 9:35 a.m., Thursday, August 7, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Sam Maroufkhani. There were approximately 25 people in the audience.

MAG Regional Transportation Plan Update

Eric Anderson updated the Board on the MAG Regional Transportation Hybrid Plan and progress to date on the ½ cent sales tax extension. He said the Transportation Policy Committee will meet on September 17 and are expected to take additional action on the Hybrid Plan based on comments received from the State Transportation Board, the Maricopa County Board of Supervisors and members of the public. A copy of the Draft Plan was submitted for the record. He stated the plan includes a total of $16.1 billion in transportation improvements, including allocations for cost contingencies. He explained the plan allocates approximately 59 percent of the total regional funds to freeway/highway projects, 31 percent to transit improvements, eight percent to major street projects and the remaining two percent to other regional programs. With regard to the half cent revenue source, he stated 62 percent is dedicated to freeway/highway, 30 percent to transit, eight percent to major streets and less than one percent to other programs. He discussed the various freeway/highway corridor projects included in the plan, stating it represents complete buildout within the existing right-of-way over the next 20 years. He noted the plan also includes $1 billion for capacity enhancements on I-17 between the ACDC Canal and McDowell Road.

In response to Mr. Jeffers' question, Mr. Anderson stated the new freeways will have interchanges, however, they may not occur every mile. He agreed discussions concerning the I-10 Reliever should include the possibility of a connection to the South Mountain Corridor.

With regard to major streets, Mr. Anderson stated the Hybrid Plan includes funding for a variety of improvements including widening existing streets, improving intersections and constructing new arterial segments. He said the need to smooth traffic flow is also addressed through funding for intelligent transportation systems. He stated the Plan also includes funding for the implementation of a super-grid bus system in the MAG area as well as express bus and rapid transit service intended to compliment the super-grid system. He noted funding has also been identified for bus maintenance and passenger facilities. He said the Plan further identifies

funding for the development of an extensive light rail system in the MAG area, noting, however, it does not direct any regional funding to operating costs for the light rail system. He said the plan provides for continuing development of commuter rail options for the region and other transit services in the MAG area, including the regional van pool program and rural/non-fixed route transit service. He explained the major regional components of the plan include bicycle and pedestrian projects and air quality mitigation projects.

Mr. Anderson reported the plan is currently $789 million overbudget, noting, however, contingency money totals almost $1.4 billion. He said $410 million in ADOT discretionary money was also set aside for unforeseen projects. He stated, therefore, the Transportation Policy Committee may look to determine if the contingencies can be reduced. He noted they are also reviewing updated cost estimates on the Loop 303 and South Mountain Corridor.

Mr. Jeffers asked if the $660 million identified for pavement preservation is adequate. Mr. Anderson explained the plan assumes a 10 percent increase over the current subprogram allocation of $30 million per year.

Mr. Anderson explained that, should the half-cent sales tax extension not pass, the hybrid plan would no longer be viable. He said, while a contingency plan has not been developed, doing so would not be too costly given the work that has already been done to create the hybrid plan.

Mr. Anderson stated they are remodeling all of the projects in the plan and will identify a series of system and project level performance measures. He said they are also working on a phasing program. He explained they are striving to turn the plan over for air quality analysis at the end of September.

Hoover Dam Financial Debriefing

John McGee presented a financial debriefing and overview of the funding agreement being proposed between Arizona & Nevada to cover the remaining dollars needed for the Hoover Dam Bridge Project. He explained $123.5 million of the $138 million in available funding has already been obligated and the project is currently short approximately $93 million. He stated their goal is to seek full funding of remaining monies from USDOT, but their options at this point are to delay building the bridge until the remaining funding is accumulated or, assuming states receive reasonable assurance of full funding in future years, keep the construction of the bridge on schedule by issuing GANs. He explained Section 357 of the 2003 DOT Appropriations Act directs the Secretary of Transportation to enter into an agreement with Nevada and Arizona to provide a method of funding for construction of a Hoover Dam Bypass Bridge from funds allocated for the Federal Lands Highway Program. He stated the agreement will provide for funding in a manner consistent with the advance construction and debt instrument financing procedures for Federal-aid Highways. He said eligibility for funding will not be construed as a commitment guarantee or obligation on the part of the United States and the provisions of the section do not limit the use of other available funds for which the project is eligible.

Mr. McGee reviewed the cooperative agreement currently being considered by Nevada and Arizona. He said the agreement contains an affirmation of intent by USDOT to fund $125

million for remaining costs of construction plus interest and issuance costs for GANs. He stated funding will come from any lawfully available federal program, would be over and above any formula funding Arizona and Nevada would otherwise receive, would be allocated to the states at the rate of $12.5 million per year for 10 years, and would be subject to Congressional appropriations. He explained, under the agreement, agreed upon funding under the Cooperative Agreement could not be construed as a "guarantee" of the US Government and Arizona, Nevada and the USDOT would continue in good faith to do all things necessary to complete the bridge in a timely manner. He stated the cover letter and draft Cooperative Agreement will be signed by the Governors of Arizona and Nevada and, once signed, will be forwarded to USDOT. He explained a positive response would likely lead to some level of negotiations, which, if successful, would ultimately result in Arizona and Nevada issuing approximately $50 million in GANs. He said the bridge project would then be let and construction would begin.

In response to a member's question, Mr. McGee explained they would likely have to go back to USDOT and reconsider the agreement if cost overruns occur.

Mr. Schorr asked if any funding is available under the provisions of Homeland Security. Mr. McGee said they approached their Congressional Delegation, but were unsuccessful in getting the project included under Homeland Security.

Chairperson Radicke asked how long they have to resolve the issue before it begins to impede the project. Mr. Mendez said the bridge design will be completed in October or November and the money will have to be available by December to proceed with the bid as planned. Mr. McGee pointed out, by federal law, they are not allowed to issue an amount in excess of projected costs. Mr. Mendez noted contingencies have been built into the estimates.

The meeting recessed for a short break.

MAG Freeway Maintenance Resolution

Tom Remas presented an overview of a proposed Resolution between MAG and the State Transportation Board regarding state and regional maintenance funding. He explained the Transportation Policy Committee felt maintenance funding was such a vital issue that it established a maintenance stakeholders group comprised of Transportation Policy Committee members, a representative from the State Transportation Board, and representatives from Legislative Staff, the Governor's Office and JOVC. He stated the group met in April and May 2003 and decided maintenance could not be fixed with a one-step approach. He said, therefore, they asked MAG staff to draft a joint resolution so that the ADOT Board and MAG Regional Council could work together to address the issue. He reviewed components of the resolution, a copy of which was submitted for the record. He asked the Board for its support of the resolution.

In response to Chairperson Radicke's question, a representative from MAG, explained the $354 million set aside in the hybrid plan was determined based on $60,000 per center-line mile of freeway and is targeted for landscape maintenance, litter control and freeway sweeping. He explained the money allows the $7 million previously directed towards those components to go toward other important maintenance issues within the region.

Mr. Mendez stated ADOT staff was involved in the meetings and had a lot of input into the crafting of language.

Mr. Gant reported cities along the freeways are getting upset about litter. He stated there appears to be a disconnect between the level of funding and the number of miles to be maintained. He explained the department is directing the majority of its money toward safety related issues, including barriers and repairs. He said, while they are not seeking approval at this time, now is the time to bring forward any comments or concerns with the resolution.

Mr. Mendez said the simple solution to address the statewide issue would be to fund maintenance at an adequate level, however, it is a budget issue. If successful, he cautioned against suballocating to a level that eliminates flexibility and discretion.

South Mountain Corridor

Floyd Roehrich, Project Manager, South Mountain Corridor Study, discussed growth in the region since 1955 and projected growth through 2040. He stated the current regional plan and the improvements included in the plan result in a 22 percent shortfall in terms of accommodating traffic demand. He discussed the approximate travel times projected in the year 2025, both with and without the South Mountain Corridor. He said the 30 original western alignments identified during the study were subsequently reduced to nine and, after further deliberation, study and public input, ultimately narrowed to three. He stated they have held monthly meetings with the Gila River Indian Community for the past year and have received an agreement from their Governor and Lieutenant Governor indicating they concur with the Department's studied alignments on the Gila River Indian Community. He said they are currently in the process of working with the individual districts to develop alternatives, noting three alternatives south of Pecos Road have been proposed. He stated they are developing a project video that outlines the purpose, need and benefits of the corridor for their use within the community. He reported a significant amount of opposition to the Pecos Road alternative, explaining it would have definite impacts to South Mountain Park.

Mr. Jeffers asked if additional right-of-way would have to be purchased if a Gila River Indian Community alignment is ultimately chosen. Mr. Roehrich said, while the Indian Community will retain ownership of the land, the department will purchase an easement for the freeway. He said the question is whether the state will pay individual allottees or the Indian Community itself for the easements.

Mr. Roehrich stated coordination with the Gila River Indian Community is their highest priority activity at this point. He said they are also holding Citizen Advisory Team meetings once a month and proceeding with a technical study to analyze the three western alignments. He said they continue to coordinate with west valley cities, specifically, Avondale and Tolleson, and are prepared to begin holding public meetings with regard to the western alignment. He stated the environmental impact statement is anticipated for completion in the Fall 2004, with a decision and completed document by late Summer 2005. He noted they are four to six months away from identifying alternatives on the Gila River Indian Community, which will then be subject to a

screening process and alternative analysis. He said, therefore, the original completion date of Summer 2005 will likely not be met.

Mr. Jeffers asked if any consideration has been given to expanding the corridor further west. Mr. Roehrich said the study did not address expanding further to the west, however, now that a reliever route has been identified on the regional plan, discussions will begin and a decision could be made in the timeframe during which the Gila River Indian Community is making their decision.

The meeting recessed for a short break.

TEA-21 Reauthorization Update and Status

Mr. Biesty reported he met with Chairman Radicke and Congressman Remze to discuss transportation priorities within the state. He stated Congressman Remze informed them that he put a list of projects in under the Appropriations bill and another list under TEA-21, including the US 60/Gonzales Pass. He said Congressman Remze also expressed great interest in widening the section of SR 70 between Globe and San Carlos and helping with Hoover Dam.

Ms. Colleran updated the Board on the status of the TEA-21 Reauthorization. With regard to Aviation Reauthorization, she reported the Conference Committee met and agreed on a final conference report, however, a number of Democrats are upset about a portion of the bill that would privatize air traffic controllers. She stated that once a report has been accepted, there are a limited number of ways it can be changed. She explained that they could vote to recommit, returning the issue to Conference Committee, or, more likely, they could filibuster. She submitted a document highlighting specific sections of the Conference Report.

Ms. Colleran reported there has been little progress in terms of Transportation Reauthorization. She said the Environment and Public Works and House Transportation Infrastructure Committees have committed to introducing bills in September. She noted AASHTO has resurfaced a proposal, adding a two year trigger allowing the bill to be reopened after two years to deal with the issue of indexing and increasing gas taxes. She said the proposal also includes a bonding proposal, however, the Secretary of the Treasury has strongly criticized bonding and has talked about a Presidential veto if bonding is included in the legislation.

With regard to the FY 2004 Appropriations, Ms. Colleran stated the House full committee markup has been completed and sets the highway obligation limitation at $33.8 billion. She said the markup also included a provision to eliminate the 10 percent mandated set-aside for enhancements, however, allows the states to fund enhancements at their discretion. She said the markup will be sent to the House for a floor debate, noting the Senate indicated they will move the bill in September.

Adjournment

No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 12:15 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 A.M., Friday, August 15, 2003
City of Page Council Chambers
697 Vista Avenue
Page, Arizona 86040

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, August 15, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Jim Martin and Joe Lane. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Maroufkhani; and Gary Adams, Assistant Director, Aeronautics Division. There were approximately 40 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Radicke led the audience in the Pledge of Allegiance. He thanked the Town of Page for their hospitality and introduced dignitaries in the audience.

Mayor Dean Slavens welcomed the Board to Page and spoke briefly about issues of significance in the Page area. He stated there have been a number of accidents at the SR 89 intersection, asking that the stoplight scheduled for the intersection be accelerated. He stated the golf course would make an ideal location for a new rest area. He stated Wally Brown has proposed an Indian village by the Horseshoe along the Colorado River that will allow tourists to better understand the local culture. He said the village would benefit the Native American Community and the city is willing to provide land if necessary to make the proposal a reality.

Chip Davis, Chairman, Yavapai County Board of Supervisors, thanked the Board for attending the grand opening of Fain Road, stating the project represents completion of a 21 mile section of roadway. He said they have been working to replace a bridge over I-17 at Camp Verde and construction on Mingus Avenue has started. He stated they have also been working on SR 179 and SR 260 between Camp Verde and Cottonwood. He asked ADOT staff to assist him in identifying segments that need improvements, allowing him to be ready when the HELP loan program is reinstated.

Bill Leister, Transportation Director, announced the Transportation Technical Advisory Committee met last Thursday to prioritize projects in the PAG region. He stated reconstruction of US 60 from Gonzales Pass to Superior was identified as a top priority. He asked the Board for their assistance in moving that project along.

CALL TO AUDIENCE

Pam Brown, Superintendent, Lake Powell Academy, spoke about the challenges charter schools face in transporting students. She explained the schools receive approximately $174.00 per student to provide transportation to its students, noting public schools receive approximately $500 per student. She said transportation in their district represents a unique challenge in that the district is compiled of about 2,500 square miles. She suggested both charter and public schools could partner with the state on a public transportation system in sparsely populated rural areas.

Mary Scheel, Chamber of Commerce, President Elect, pointed out there are only three ways to access and exit the town of Page. She thanked the Board for the passing lanes, noting there has been a reduction in the number of deaths along the highway as a result. She asked for a rest stop at the visitor's center on Highway 89, agreeing with Mayor Slavens that the location near the golf course would be ideal.

Zyla Cox, resident of Greenhaven, stated she is interested in linking a gift shop to the proposed rest stop.

Wally Brown, business owner and resident of Page, asked if there are any plans to widen SR 89 into Page. He asked for a turnoff at Horseshoe to allow access to his business.

Bill West, LakeTime, thanked Mr. Mendez and other ADOT staff members for their support and assistance in his company's efforts to haul houseboats to and from Lake Powell. He stated there are plans to bring sewer into the City of Page, explaining haulers are concerned about the resulting construction. He suggested the state consider adding passing lanes along that area of the roadway while construction is underway.

DISTRICT ENGINEER REPORT

John Harper, District Engineer, made a PowerPoint presentation highlighting projects north of Flagstaff. He said they are doing a widening project in Fredonia and supplied a correction course on SR 67. He stated a small correction course is also underway from Grey Mountain to Cameron. He said three I-15 bridge deck rehabilitation projects and an attainment and preservation project on SR 264 from Tuba City to the county line will begin this fall. He reported a Design Concept Report is currently underway in the area north of Flagstaff to the Junction of 160, noting it will likely recommend a divided highway. He reported at least two dozen passing lanes have been completed between Flagstaff and Page, making a significant difference in accident rates. He noted they are also adding center line rumple strips on all routes. He said additional passing lanes are planned for US 160, east of Tuba City, and SR 64. He stated the Bar Road underpass study on I-15 has been completed and recommends adding another box culvert to the side of the existing culvert to allow for two-way traffic and pedestrian access. He said there are also a number of projects scheduled for next summer, including reconstruction of US 160 through Tuba City and pavement preservation projects on US 160 east of Tuba City, SR 98 and SR 64 through Cameron. Mr. Harper stated they would like to do a three mile upgrade through Bitter Springs and climbing lanes on both sides of Jacob Lake.

CONSENT AGENDA

No items were removed from the Consent Agenda.

Director's Report

Mr. Mendez stated the apparent low bidder on the Nevada approach of the Hoover Dam Bypass came in $3.5 million below the estimate. He said he has received a number of questions concerning MVD office closures, warning the Board could hear some complaints in the future. He pointed out no office closures are imminent. He suggested the Board direct people with questions to the Director's office.

Legislative Report

Mr. Biesty stated the Half-Cent Sales Tax legislative committee is one of the few State Legislative committees to meet lately. He said ADOT has put together their legislative package, noting there are no proposals that are expected to significantly impact the Board. He referred to an email he previously sent the Board members concerning the Joint Committee on Capital Review, explaining a couple of memos distributed by the JOVC were misleading. He stated the JCCR met and, while there was no discussion on the issue, he believes they got the department's message. He said they stressed the importance of not working in an information vacuum and indicated their willingness to work with the JCCR to provide information.

Financial Report

Mr. McGee reviewed the July 2003 Highway User Revenue Fund report, stating collections totaled $95.844 million, 8.7 percent over last year and 5.8 percent over the forecast. He said there was strong growth in every category. With regard to the Maricopa Transportation Excise Tax, he reported June collections totaled $22.064 million, 3.3 percent above last year and only 1.3 percent below the forecast. He pointed out June's collections represent the strongest month-over-month growth since August 2002. He said total collections for the year are $268.7 million, which is 0.4 percent above the prior year and 2.5 percent below the forecast.

Mr. McGee discussed the Investment Report for June 2003, stating they earned $745,000 on an average invested balance of almost $900 million, representing an average yield of approximately one percent. He said they have now earned $18.931 million for the year, representing an average yield of 2.37 percent. He noted this was the second month in a row where earning results were under one percent. He stated preliminary results indicate that the actual returns on Pool 2 were a negative amount for the month of July, therefore, they have asked the Treasurer's Office for a detailed listing of the Pool 2 portfolio for review.

Mr. McGee reported a HELP Fund cash balance as of July 31, 2003 of $94,207,374, representing the net result of approximately $7.92 million in draws, $5.82 million in repayments, and $450,000 in interest income.

Mr. McGee provided the Board with an updated revenue forecast for HURF and RARF for FY 2004. He said the HURF forecast was changed minimally, from $1.151 billion to $1.149 billion. He stated they anticipate an overall growth rate of 3.5 percent. He reported the RARF forecast was decreased by approximately $13.4 million because FY 2003 came in considerably lower than forecasted.

Mr. Jeffers asked if the RARF adjustment will impact completion of the freeway system? Mr. McGee responded no, explaining they expect to end up with a $40 to $50 million cash balance at the end of FY 2007 as well as $50 to $60 million in a discount factor. He pointed out every major contractor let on the system over the past couple years has come in significantly below forecast.

Chairperson Radicke asked Mr. McGee when he believes the HELP loan program will be reestablished. Mr. McGee said, given their success in swapping out BFOs and securing access to BFO funding, he believes they will be in a position to start making additional HELP loans this fall. He noted a HELP Advisory Committee meeting is scheduled for mid to late-September.

Financing Program

Mr. McGee stated he, Chairperson Radicke and Kurt Freund went to New York three weeks ago to price the 2003A GAN issue. He said it was a very difficult pricing, however, they were able to price the bonds at an interest rate of 3.75 percent and the underwriter underwrote a significant portion of the deal. He submitted and briefly reviewed a copy of the Final Pricing Review. He pointed out the issue was the lowest price deal they have ever done, both in terms of the management and expense fees.

Mr. McGee referred to a copy of the FHWA's Innovative Financing Report, stating it includes a write up on the State Infrastructure Bank.

Mr. McGee reported he has begun swapping out 2001/2002 BFOs for 2003 issuances. He said they swapped out $110 million last week and $50 million yesterday, while the final $40 million will be swapped out within the next couple weeks. He explained the action does not guarantee access to the funds.

Direction To Proceed: Highway Revenue Bonds

John McGee presented and recommended approval of a Resolution directing Department Staff, Financial Advisor and Bond Counsel to take all actions necessary precedent to its planned issuance of Arizona Transportation Board Highway Revenue Bonds.

Board Action: A motion to approve the following Resolution was made by Mr. Jeffers and seconded by Mr. Gant:

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD DIRECTING STAFF, ADVISORS AND BOND COUNSEL IN MATTERS PERTAINING TO ITS PLANNED ISSUANCE OF HIGHWAY REVENUE BONDS.

The Board hereby directs Departmental staff, working with RBC Dain Rauscher, Inc. as Financial Advisor and Squire, Sanders & Dempsey L.L.P. as Bond Counsel to the Board to take all actions necessary precedent to the Board's planned issuance of its Highway Revenue Bonds, in one or more series of senior or subordinated bonds, to be designated, and on such other terms and conditions as determined and authorized by Resolution of the Board.

Dated this 15th Day of August, 2003.

The motion passed unanimously.

The meeting recessed for a short break.

Draft Final Stages of Regional Transportation Plan (RTP)

Chuck Eaton presented the Draft Final Stages of the Regional Transportation Plan (RTP) for approval. He said ADOT staff, on behalf of the Board, has been working cooperatively with the MAG staff and regional transportation stakeholders in the development of the draft Regional Transportation Plan to achieve the statewide transportation objectives. He explained their focus has been on the movement of people and goods to and through the region, which they believe is most effectively achieved by keeping the primary interstate highway system operating safely, efficiently and effectively. He stressed the importance of keeping I-10 and I-17 operating at an efficient level, stating capacity improvements and the addition of new corridors or loops to divert traffic away from more congested core areas will be necessary. He identified key projects for the expansion of existing interstate, intrastate and supporting regional freeway system routes. He stated the Board recommended a 50/50 shared funding strategy with regard to new traffic interchanges and supports funding of traffic interchange improvements. He said the Board further supports funding of Traffic Management Technologies and Intelligent Transportation Systems as well as contingency funding for quality of life improvements, including quiet pavement, noise wall retrofits and landscaping replacement projects. He stated there is further support for funding for corridor preservation through planning, zoning, private participation and strategic right-of-way purchases. He said the Board supports supplementing current maintenance funding, landscape maintenance, sweeping and liter control, but does not support a funding reduction to balance the budget. He said the Board supported funding of regional transit options that link local jurisdictions, but suggested local jurisdictions consider a minimum local match. He said funding for major arterials that provide regional connectivity and improve accessibility

to freeways and transit facilities was also supported. A copy of a draft letter to the Transportation Policy Committee was submitted for the record.

Board Action: A motion to approve the draft letter, subject to possible minor changes to the language as deemed necessary by the Director, was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

Route Transfer Policy Revision

Chairperson Radicke noted he received an email from the Chairperson of the PAG Board requesting this item be removed from the agenda. No motion to remove the item from the agenda was made.

Chairperson Radicke pointed out the Board has had two study sessions, a public meeting and many other opportunities to provide input into the process.

Mr. Burnham presented and recommended approval of the revised Route Transfer Policy. He provided copies of both the current policy and the proposed policy as presented at the July 10 study session. He said the Technical Advisory Committee recommended new language for the first paragraph in order to state a positive purpose of the state highway system. With regard to Paragraph 2, Mr. Burnham explained the current policy has been eliminated and the subject is now covered under Classifications in Paragraph 3 of the new policy. He said TAC recommended that the function of the road or state highway network should be the primary consideration, rather than the current condition of access or facilities. He said Paragraph 3 also replaces Paragraph 4 of the current policy and recommends elimination of language referring to abandonments since it implies the Board will unilaterally abandon routes. He stated LOD 4 includes routes that do not serve needs as part of the state highway system, but serve significant state or national facilities. Maintenance and development decisions on these routes will be based on appropriate service for the specific facility being served. ADOT will not actively seek to transfer or abandon these routes, but will do so if an appropriate jurisdiction can be found to operate the route. Improvements to these routes which are primarily for the benefit of local development will normally be made only when a local jurisdiction agrees to take over the route. Mr. Burnham explained LOD 5 includes routes that are not necessary for a network of state routes and serve no significant statewide interest. ADOT will actively work to transfer these routes to other jurisdictions and will normally provide only minimal maintenance and essential safety improvements. Other improvements will normally be considered only when accompanied by an agreement to transfer the route to another jurisdiction. Mr. Burnham noted the paragraph that states "ADOT will seek input from local jurisdictions in preparing the list and will present the list to the Transportation Board for adoption." does not exist in the current policy. He stated they expect to bring the list back to the Board next month. He said Paragraph 4 of the Revised Policy replaces Paragraph 3 in the current Policy. He explained, in the past, they have built bypasses and kept the old routes only to abandon them later. He stated Paragraph 5 does not exist in the current policy and identifies the priorities for the transfer of routes. A written copy of the proposed policy revision was submitted for the record.

Mr. Jeffers asked if ARS §28-7209 is still active and, if so, why was it not stated in the policy. Mr. Burnham explained they did not feel it was necessary to emphasize the statute within the policy. Mr. Jeffers asked why the name of the policy was not changed. Mr. Burnham clarified the policy name should be changed to Transfer of State Routes Policy. Mr. Jeffers asked if there has been any discussion about the Board's abandonment policy. Mr. Burnham stated there is legislation concerning complete abandonment, explaining it allows the Board to give four year notification and abandon a roadway back to the jurisdiction. Mr. Jeffers suggested the issue be brought back at a future study session for further discussion.

A member of the audience asked if the state would consider entering into a joint venture with a local jurisdiction when a bypass is constructed, allowing the original route to be transferred back to the local jurisdiction over a period of time. He pointed out it would be difficult for many smaller communities to assume responsibility of the original roadway. Mr. Burnham agreed the issue is a concern, stating the details of a transfer will be worked out during negotiations for the bypass.

Mr. Martin suggested they include a statement explaining that the constantly changing state of the regional system necessitates the turnback procedure. Chairperson Radicke agreed. Mr. Jeffers said, while he understands Mr. Martin's concern, he is comfortable with the wording of the policy as presented. Mr. Buskirk explained the phrasing is based on technical definitions of functional classification. He said changes in functional classification creates the need to redefine the state highway system. Mr. Mendez suggested the language be modified to read "Due to the ever changing environment with respect to the movement of people and goods…".

Board Action: A motion to adopt Policy #16, the Transfer of State Routes Policy, as presented, with the addition recommended by the Director, was made by Mr. Martin and seconded by Mr. Hileman.

Mr. Martin pointed out the Pima County Association of Government could have some comments, stating the Board could readdress the issue at a later date.

Upon a call for the question, the motion passed unanimously.

2003 BOARD MEETING DATES & LOCATIONS

August 15, 2003	Page	9:00 a.m.
September 19, 2003	Holbrook/Petrified Forest	9:00 a.m.
October 17, 2003	Wickenburg	9:00 a.m.
November 21, 2003	Parker	9:00 a.m.
December 19, 2003	Globe	9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2004 - 2008 Transportation Facilities Construction Program - Requested Modifications

FY 2003 Sub Program Reprogramming

Mr. Buskirk presented the recommendations of the Priority Planning Committee for modifications to the FY 2004-2008 Transportation Facilities Construction Program. He recommended the remainder of subprogram funds from FY 2003 to FY 2004.

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

ROUTE	US 60 @ MP 175.9
COUNTY:	Maricopa
SCHEDULE:	FY 2005
SECTION:	Country Club Way
TYPE OF WORK:	Construct multi use path bridge
PROGRAM AMOUNT:	$1,000,000 Funding, City of Tempe
PROJECT MANAGER:	Floyd Roehrich, Jr.
PROJECT:	H537002C Item #; 16305 IGA #02-039
REQUESTED ACTION:	Increase program amount by $950,000 to $1,950,000 and reduce City of Tempe project commitment by $700,000 to $300,000. Advance project from FY 2005 to FY 2004. **See funding sources below.**

PROGRAM AMOUNT:	$1,000,000
INCREASE AMOUNT	$950,000
City of Tempe	($700,000)
FFY 2003 Congestion Mitigation And Air Quality (CMAQ)	$1,250,000
FY 2004 Highway Contingency Fund #72304	$400,000
NEW PROGRAM AMOUNT:	$1,950,000

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Martin and passed unanimously.

ROUTE	SR 77 @ MP 357.00
COUNTY:	Navajo
SCHEDULE:	FY 2004 – New Project Request
SECTION:	Papermill Road
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Tammy Mivshek

PROJECT:	HX13701C IGA # 03-008
REQUESTED ACTION:	Add a new traffic signal project in the amount of $140,000 to the FY 2004 Highway Construction Program. **See Funding sources below.**

FY 2004 Traffic Engineering Fund #71204	$94,660
City of Taylor IGA #03-008	$45,340
NEW PROGRAM AMOUNT:	$140,000

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Hileman and passed unanimously.

COUNTY:	Maricopa
SCHEDULE:	FY 2004 – New Project Request
SECTION:	Maricopa County
TYPE OF WORK:	Az Tech Interoperability
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Pankaj Gupte / Marian Thompson
REQUESTED ACTION:	Add a new project to the FY 2004 Highway Construction Program in the amount of $2,980,500. **Funds have been applied for and approved as part to the Federal Appropriations Bill, and are not included as part of the current cashflow.**

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	I-10 @ MP 144.70
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	7th Street
TYPE OF WORK:	Construct triple left turn
PROGRAM AMOUNT:	$125,000 Funding Source: CMAQ
PROJECT MANAGER:	Steve Beasley
PROJECT:	H626401C Item #; 26803
REQUESTED ACTION:	Defer project one year from FY 2003 to FY 2004. Project did not advertise in FY 2003.

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Martin and passed unanimously.

ROUTE NO:	SR 77 @ MP 74.9
COUNTY:	Pima
SCHEDULE:	FY 2003
SECTION:	Oracle, River - Ina (Multi Use Lanes)
TYPE OF WORK:	Add shoulders and extend culverts

PROGRAM AMOUNT:	$3,540,000	Funding Source: PAG 2.6
PROJECT MANAGER:	Larry Maucher	
PROJECT:	H600001C Item #; 22803	
REQUESTED ACTION:	Defer project one year from FY 2003 to FY 2004. Project did not advertise in FY 2003.	

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Hileman and passed unanimously.

ROUTE NO:	SR 202L
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	SR 101L – Country Club Drive
TYPE OF WORK:	Construct continuous lighting
PROGRAM AMOUNT:	$317,711
PROJECT MANAGER:	Mike Marietti
PROJECT:	H606901C Item #; 27903
REQUESTED ACTION:	Increase program amount by $182,289 to $500,000 and defer project one year from FY 2003 to FY 2004. Funds available from FY 2004 Title II Safety Fund # 72804
PROGRAM AMOUNT:	$317,711
INCREASE AMOUNT:	$182,289
NEW PROGRAM AMOUNT:	$500,000

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

ROUTE NO:	I-15 @ MP 13.00	
COUNTY:	Mohave	
SCHEDULE:	FY 2005	
SECTION:	Virgin River - State Line	
TYPE OF WORK:	Pavement Preservation	
PROGRAM AMOUNT:	$6,510,000	Funding Source: IM
PROJECT MANAGER:	Jason Harris	
PROJECT:	H584401C Item #; 17305	
REQUESTED ACTION:	Increase program amount by $2,790,000 to $9,300,000 due to change in scope. **Funds available from FY 2005 Pavement Preservation Fund #72505.**	
PROGRAM AMOUNT:		$6,510,000
INCREASE AMOUNT:		$2,790,000
NEW PROGRAM AMOUNT:		$9,300,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Jeffers and passed unanimously.

FY 2004 - 2008 Airport Development Program - Requested Modifications

AIRPORT NAME:	Prescott-Ernst A. Love Field
SPONSOR:	City of Prescott
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F01
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Construct airport perimeter road, Phase 2
REQUESTED ACTION:	Provide $7,363 funds to match Federal Grant AIP-20. Total project $164,720:
FUNDING SOURCES:	**FAA** $149,994 **Sponsor** $7,363 **State** $7,363 *Total Program* $164,720

AIRPORT NAME:	Laughlin-Bullhead International Airport
SPONSOR:	Mohave County Airport Authority
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F02
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Expand terminal building; acquire handicap boarding device
REQUESTED ACTION:	Provide $47,061 funds to match Federal Grant AIP-20. Total project $1,052,819:
FUNDING SOURCES:	**FAA** $958,697 **Sponsor** $47,061 **State** $47,061 *Total Program* $1,052,819

Board Action: A motion to approve Items 18 and 19 was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

AIRPORT NAME:	Scottsdale Airport
SPONSOR:	City of Scottsdale
AIRPORT CATEGORY:	Reliever

SCHEDULE:	FY 2003 - 2007
PROJECT #:	E3F26
PRESENT PROGRAM AMOUNT:	$1,641,350
PROJECT DESCRIPTION:	Rehabilitate Apron Kilo; construct service road.
REQUESTED ACTION:	Increase state share by $999 to fund increased costs as a result of rain/flood damage to the project site. Total project $1,672,180:
FUNDING SOURCES:	**FAA** $1,514,970 **Sponsor** $82,843 **State** $74,367 *Total Program* $1,672,180

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

* Priority Planning Advisory Committee (PPAC)

- Minutes – July 2 , 2003
- Highway Program Monitoring Report.

* Next regular scheduled meetings of the Priority Planning Advisory Committee (PPAC). Times and dates of meetings are subject to change and will be announced at time of Priority Planning Advisory Committee (PPAC) agenda distribution.

- September 4, 2003
- October 2, 2003
- November 6, 2003
- December 4, 2003

Dates subject to change

RIGHT OF WAY RESOLUTIONS

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RES. NO:	2003-08-A-048
PROJECT:	I-17-2-803, I-17-2(7)127 – 017CN337H020903R
HIGHWAY:	CORDES JCT. - FLAGSTAFF
SECTION:	Airport T.I.
ROUTE NO.:	Interstate Route 17
ENG. DIST:	F
COUNTY:	Coconino
PARCEL:	D-F-018
RECOMMENDATION:	Disposal by easement extinguishment, underlying fee owner to resume usage of area

*	RES. NO:	2003-08-A-050
	PROJECT:	F-053-1(GEN) / 087MA219H088801R
	HIGHWAY:	MESA - PAYSON
	SECTION:	Old Sunflower Alignment
	ROUTE NO.:	State Route 87
	ENG. DIST:	P
	COUNTY:	Maricopa
	RECOMMENDATION:	Disposal by abandonment of Old Alignment to Maricopa County Department of Transportation

STATE ENGINEER'S REPORT

* Report on construction and projects completed in July, 2003.

* Right of Way Acquisition Report for July, 2003.

CONSTRUCTION CONTRACTS

Interstate Federal Aid (required FHWA Concurrence and compliance with DBE regulations)

BIDS OPENED:	July 25
HIGHWAY:	EHRENBERG-PHOENIX HIGHWAY
SECTION:	Ehrenberg POE-West Quartzsite
COUNTY:	La Paz
ROUTE NO:	I-10
PROJECT:	AC-IM-010-A(005)N 010 LA 001 H601401C
FUNDING:	94% Federal 6% State
LOW BIDDER:	Meadow Valley Contractors, Inc.
AMOUNT:	$ 8,450,092.00
STATE ESTIMATE:	$ 10,012,353.40
$ UNDER:	$ 1,562,261.40
% UNDER:	15.6%
NO. BIDDERS:	7
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Lane and passed unanimously.

(Non-Interstate Federal-Aid ("A" projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED:	July 25	
HIGHWAY:	ORACLE JUNCTION-FLORENCE HIGHWAY (SR 79)	
SECTION:	Milepost 100.9, 105.8, 106.1, 106.4	
COUNTY:	Pinal	
ROUTE NO:	SR 79	
PROJECT:	STP-079-A(004)A 079 PN 100 H561401C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Royden Construction Co.	
AMOUNT:	$	443,282.20
STATE ESTIMATE:	$	602,204.00
$ UNDER:	$	158,921.80
% UNDER:		26.4%
NO. BIDDERS:		10
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

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BIDS OPENED:	July 25	
HIGHWAY:	GILA BEND-LUKEVILLE HIGHWAY (SR 85)	
SECTION:	Organ Pipe – International Border Cherioni Wash	
COUNTY:	Pima	
ROUTE NO:	SR 85	
PROJECT:	STP-085-A(001)A 085 PM 057 H489301C STP-075-1(008)A 085 PM 070 H436101C	
FUNDING:	94% Federal 5% State 1% National Forest Service	
LOW BIDDER:	Fann Contracting, Inc.	
AMOUNT:	$	4,983,150.92
STATE ESTIMATE:	$	5,127,843.00
$ UNDER:	$	144,692.08
% UNDER:		2.8%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

Non-Interstate, Non-Federal Aid

*	BIDS OPENED:	July 25
	HIGHWAY:	GLOBE- SHOW LOW HIGHWAY (US 60)
	SECTION:	McNeil Street
	COUNTY:	Navajo
	ROUTE NO:	US 60
	PROJECT:	U-060-E-503 060 NA 340 HX13901C
	FUNDING:	100% State
	LOW BIDDER:	Utility Construction Company, Inc.
	AMOUNT:	$ 81,427.50
	STATE ESTIMATE:	$ 86,535.00
	$ UNDER:	$ 5,107.50
	% UNDER:	5.9%
	NO. BIDDERS:	4
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	July 25
	HIGHWAY:	PRESCOTT – FLAGSTAFF HIGHWAY (SR 89A)
	SECTION:	South Milton Road – SR 89A, Milepost 402
	COUNTY:	Coconino
	ROUTE NO:	SR 89A
	PROJECT:	S-A89-B-500 089A CN 402 H643001C
	FUNDING:	100% State
	LOW BIDDER:	Combs Construction Company, Inc.
	AMOUNT:	$ 502,352.50
	STATE ESTIMATE:	$ 501,560.00
	$ OVER:	$ 792.50
	% OVER:	0.2%
	NO. BIDDERS:	4
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	July 25
	HIGHWAY:	QUARTZSITE-PARKER-TOPOCK HIGHWAY (SR 95)
	SECTION:	SR 95 at Milepost 158.8
	COUNTY:	La Paz
	ROUTE NO:	SR 95
	PROJECT:	S-095-C-510 095 LA 158 H564101C
	FUNDING:	100% State
	LOW BIDDER:	EME West Construction, Inc.
	AMOUNT:	$ 157,000.00
	STATE ESTIMATE:	$ 147,103.00
	$ OVER:	$ 9,897.00

% OVER:	6.7%
NO. BIDDERS:	4
RECOMMENDATION:	AWARD

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BIDS OPENED:	July 25	
HIGHWAY:	HUNT – CONCHO HIGHWAY (SR 180A)	
SECTION:	Mileposts 343.1 to 354.27	
COUNTY:	Apache	
ROUTE NO:	SR 180A	
PROJECT:	S-A180-A-500 180A AP 343 H642501C	
FUNDING:	100% State	
LOW BIDDER:	Combs Construction Company, Inc.	
AMOUNT:	$	607,475.00
STATE ESTIMATE:	$	644,923.50
$ UNDER:	$	37,448.50
% UNDER:		5.8%
NO. BIDDERS:		4
RECOMMENDATION:	AWARD	

BIDS OPENED:	July 25	
HIGHWAY:	SAFFORD-SPRINGERVILLE HIGHWAY	
SECTION:	Clifton – Morenci Slopes	
COUNTY:	Greenlee	
ROUTE NO:	US 191	
PROJECT:	U-191-C-504 191 GE 164 H637801C	
FUNDING:	100% State	
LOW BIDDER:	Royden Construction Co.	
AMOUNT:	$	1,421,724.47
STATE ESTIMATE:	$	2,267,600.20
$ UNDER:	$	845,875.73
% UNDER:		37.3%
NO. BIDDERS:		10
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Jeffers and passed unanimously.

CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Hileman, seconded by Mr. Martin and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

The meeting adjourned at 11:30 a.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.