MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:30 A.M., Thursday, May 1, 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 10:00 a.m., Thursday, May 1, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, 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 Dale Buskirk, Acting Director, Planning Division. There were approximately 40 people in the audience.

PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

Lake Havasu City Airport – USDOT's Air Service Pilot Program to Aid Small Community's Development of Air Service

Mr. Hileman asked how the Board is able to determine which costs are to be reimbursed. Mr. Adams stated the agreement between Lake Havasu City and the air group is a revenue guarantee program. He explained they basically set a cost per segment, which totals cost plus five percent, and the city has to put on enough revenue passengers to achieve that amount or make up any deficit out of the revenue guarantee. He noted the economy in Lake Havasu City is tied very strongly to the southern California market, with a majority of tourists coming from that area.

Mr. Schorr asked Mr. Adams to explain the purpose of the transaction. Mr. Adams explained the federal government, through AIR 21, passed and set funds aside for a Small Community Air Service Development Pilot Program. He said Lake Havasu City was selected for a grant for enhanced service. He explained the city established an Air Service Steering Committee, which began negotiating with two air carriers to determine the best way to serve the community. He noted they relied heavily on the 1998/1999 Air Service Study conducted by ADOT. He stated their first goal is to improve the economy through enhanced air service, which they expect to achieve through lower fares, more frequent service and improved timing of flights. He said they identified three locations as viable destinations, Southern California, Phoenix, and Las Vegas. He said, ultimately, Phoenix and Ontario/Santa Anna were selected as the primary destinations and became the focus of their marketing efforts.

Mr. Martin asked what is the anticipated load they expect to achieve on a monthly basis. Mr. Adams stated they are looking at a 65 to 70 percent load factor, equating to 450 to 600

passengers in each direction. He clarified the subsidy for the Phoenix and Ontario segments total $865 and $1,035, respectively. He explained their intent is to increase the load factor to a point where the subsidy is no longer necessary after six or seven months. He stated the local community is putting in matching funds of $75,000 for advertising and $25,000 to $100,000 could be allocated in the upcoming budget year for use on the passenger side.

Mr. Hileman pointed out a number of people live in Lake Havasu City and commute back and forth to work on a weekly basis. He said that results in a significant income stream, not only to the city, but to the state as well.

Chairperson Radicke asked if the application is subject to a specific deadline. Mr. Adams stated the grant will be received in late September, therefore, a reimbursement request has to be submitted by the end of August.

Mr. Adams confirmed for Mr. Jeffers that the community will first spend the funds and then request reimbursement.

Mr. Adams noted the federal government approved an additional $20 million for next year, however, they are considering tighter restrictions. He said, while they are not sure of their chances, they intend to submit another application.

In response to Mr. Martin's question, Mr. Adams explained the grant funds will be used for the revenue guarantee and will not be utilized if the program takes off and does not require any subsidy. He said, until they are better able to judge how well the program will work, they cannot project the amount they will have to subsidize.

Mr. Adams noted several communities throughout the state are interested in submitting proposals for the second round. Mr. Mendez pointed out other communities applied for the last round, however, Lake Havasu City was the only one approved.

Mr. Schorr expressed his opinion the fact that some of the load will be going to California is not an important issue. Chairperson Radicke agreed, stating southern California money comes to Arizona and, in the long run, both states win.

Mr. Martin asked how they will ensure the $200,000 in state matching funds are being used for economic development, not to perpetuate the airlines. Mr. Adams assured Mr. Martin that issue has been discussed. Mr. Mendez noted they are requesting additional information from the airports. Chairperson Radicke asked to have additional information presented at the next Board meeting.

Mr. Schorr asked if the information submitted to the Federal Government when an application is submitted is also available to the Board. Mr. Adams responded yes.

SR 64 Grand Canyon Railway Presentation

David Chambers, Grand Canyon Railway, reviewed park visitation and how SR 64 impacts visitation. He said the number of visitors to the park has increased from 1.8 million visitors in 1967 to over 4.3 million in 2002. He said, by 2010, the number of visitors is expected to reach 6 million, however, that number will not be achieved unless something is done to address access to the park. He explained the goal of the proposed transit system is to improve access to points of visitor interest and to protect the natural environment within the South Rim area. He said the Grand Canyon Railway's objective is to solve the state's need to increase tourism and revenue, while maintaining the park's resources for future generations by removing automobiles from the South Rim. He discussed challenges to accomplishing the objectives, stating the $150 million needed to widen S.R. 64 is not available nor is the $200 million needed for the National Park Service in-park transit system. He stated the environmental impacts of widening SR 64 on both development and wildlife migration will be opposed by the Grand Canyon Trust and other environmental groups as well as the Forest Service. He said, furthermore, the environmental impact to Grand Canyon National Park, including housing, maintenance and right-of-way, may be as high as 100 acres.

Mr. Jeffers asked if the Forest Service currently opposes the widening. Mr. Chambers said the Forest Service Supervisor indicated they are greatly concerned about wildlife migration across Highway 64.

Mr. Chambers provided the Board with a brief history of steps taken to address visitation to the park, explaining the Development Concept Plan for Grand Canyon Village, developed in 1977, established a long-range objective to eliminate cars from the park. He said visitation to the Grand Canyon increased to a new high of 4 million visitors in 1989. He stated Grand Canyon Railroad's first proposal was for a spur line from their Apex station to a several-thousand car staging area located adjacent to the Grand Canyon Airport in Tusayan. He said, to that end, a notice to prepare an EIS to study the proposal was published in the Federal Register in June 1989. He reported a four-year study by the National Park Service, known as the General Management Plan, began in 1991 and the Record Of Decision for the EIS was published in 1993. He said, by this time, visitation to the Grand Canyon had reached 5 million. He explained the most pressing issue identified by the General Management Plan was the impact created by the annual crush of nearly 5 million visitors and their private cars on the few developed areas at the South Rim. He stated the General Management Plan was approved and adopted in 1995 and the National Park Service released a Solicitation of Interest. He stated the National Park Service hosted a transportation event in February 1997, released a Request for Qualification in August 1999 and released a draft Request for Proposal in June 2000. He said ADOT began an Access Management Study in February 2001 and its Design Concept Study in 2002. Mr. Chambers said Grand Canyon Railroad proposed running regularly scheduled service from Williams and offered to provide 65 miles of right-of-way infrastructure. He said, after the Park Service refused their offer, they took it to Congress in January 2000. He stated on January 29, 2003 a letter written by John McCain and signed by the entire delegation requested the Park Superintendent evaluate the Grand Canyon Railroad proposal.

Mr. Chambers explained their express rail proposal has evolved into a regional plan, encompassing regularly scheduled bus service from Phoenix to Flagstaff, the Amtrak stop at Williams Junction, regularly scheduled bus service from Flagstaff to Williams, and Air Vegas service to Williams airport as well as potential rail service from Phoenix and a possible spur to Grand Canyon Airport. He explained their proposal calls for high speed rail, reaching top speeds of approximately 100 miles per hour, which they anticipate will remove 50 to 75 percent of traffic from SR 64.

Mr. Chambers reviewed accident statistics on Highways 180 and 64 from 1973 to 2000, stating there have been a total of 4,377 accidents, resulting in 2,857 injuries and 146 fatalities. He concluded his presentation, stating, depending on the options chosen, regional rail will be less costly than light rail. He said their proposal addresses the problem of auto congestion and safety on SR 64 in addition to congestion within the park, removing a minimum of 50 percent of cars on SR 64 and 100 percent of the cars entering the south entrance. He said development will not only be kept out of the park, but 65 miles away from the South Rim area, protecting the environment within the park and along SR 64. He said their proposal also provides a multimodal network of transportation alternatives and can operate seasonally as needed.

In response to a member's question, Mr. Chambers explained they would like the Board to support their proposal and direct ADOT to give it their consideration.

Mr. Chambers reported the Park Service still considers SR 64 to be a secondary issue, explaining their primary concern continues to be what occurs within the park boundaries. He said the separation between the Federal and State governments appears to be ridiculous at times and, in their opinion, the state needs to be more assertive. He said it would also help if ADOT would assist them in reviewing some of the federal funding programs that could be utilized.

Mr. Mendez said, while ADOT has a lot of expertise and can help explain the various funding programs, it will not necessarily be able to help Grand Canyon Railroad in their quest to obtain funding.

Chairperson Radicke asked Mr. Chambers when they foresee the project becoming a reality. Mr. Chambers said, given the amount of time it has taken to get to this point and the 14 months the Park's TAG Committee stated it will take before issuing a report to Congress, the earlier the state becomes involved in the process, the better. He said, however, the information requested and criteria outlined by the TAG committee will be submitted within the next two to three months.

Mr. Jeffers commented that Grand Canyon Railroad has been a good neighbor to rural Arizona, expressing his opinion their offer of the right-of-way is very generous. He encouraged the Department to do what it can to effectively advance the concept through the National Park Service and State and Federal Governments.

Mr. Schorr asked Mr. Chambers if it is their suggestion that the state take over and become the owner of the 65 miles of right-of-way. Mr. Chambers explained they are asking that the Board go to the Park Service and explain the problems inside the park are similar to those experienced outside the park and encourage them to work cooperatively to find a solution. He clarified they

would retain the right-of-way and operate the trains for profit. He pointed out the trains would be modern, high speed trains, not the historic, vintage trains currently being utilized. He stated the railroad museum would also be a key part of the project. Mr. Chambers stated, for their proposal to be successful, the State of Arizona will need to help convince the Park Service of its merit and the Park Service will need to encourage visitors to ride the trains.

Chairperson Radicke expressed his opinion the proposal appears to create a win-win situation.

The meeting recessed for a short break.

Revision of the Statewide Transportation Policy Statement

Mr. Buskirk said, in compliance with state statute, the Board approved the performance goals and factors for Move AZ in December 2002. He stated one of those goals was environmental sensitivity and one of the performance factors was context sensitive design. He said, based on a recently published report entitled "A Guide to Best Practices for Achieving Context Sensitive Designs" prepared by the National Cooperative Highway Research Program, they have come to the conclusion that context sensitive issues are best addressed during the design phase of the project development process and are inappropriate as a performance factor in the programming process. He said, therefore, they are asking that context sensitive design be removed as an approved performance factor for Move AZ.

In response to Mr. Jeffers comments, Mr. Buskirk clarified the department is committed to context sensitive designs, however, they believe it is inappropriate as a performance factor for the programming of projects.

Draft Uniform Transportation Planning Practices

Mr. Buskirk explained HB 2660 required that the Board approve a statewide multimodal transportation planning process no later than July 1, 2003. He said, therefore, the process being proposed will be presented for final approval at the Board's June 20, 2003 meeting. He stated, as Move AZ is further developed, the process, measures and factors might need to be modified, however, the proposed document represents their best estimate in regard to the appropriate process, measures and factors. He stated ARS 28-304.A.3 requires that ADOT adopt uniform transportation planning practices and performance based planning processes for use by the Department. He stated the statutes further require that the practices be used in the conduct of all studies or analyses relating to any transportation system improvement to be included in the plan developed pursuant to Section 28-506.

Mr. Buskirk said the statute also requires that ADOT adopt transportation system performance measures and data collection standards for use by the department. He noted national law, as well as the statute require the multimodal long range plan take into account the modal studies conducted by regional, local and tribal entities through consultation, coordination and cooperation. He explained demographic data used as part of Move AZ comes from the US census or the DES population estimates and projections, while traffic data comes from the state's Highway Performance Monitoring System (HPMS). He stated infrastructure conditions data

comes from a variety of sources, including HPMS, Access Management Studies, databases, the state's roadway video log and highway system log, field inventory, past studies, transit facilities data, airport master plans, intermodal facility terminal data and so forth. He said other data being collected include air, truck and rail freight volume, accidents, and GIS.

Mr. Buskirk said, in terms of the establishment of planning standards, they are going to require that long range transportation plans have a minimum planning horizon of 20 years. He pointed out it can be difficult to formulate accurate population projections, stating, therefore, they will only use the official population projections developed by the Department of Economic Security under the auspices of the Population Technical Advisory Committee. He said the plan will look at all major modes of transportation and HTMS will be the official source of traffic and roadway data. He noted ADOT is in the process of developing an asset management database. He stated Title VI Population Segments will be taken into consideration as part of the planning process. He explained highway project identification will be done according to the milepost system and public involvement will be a central component of the process.

Mr. Buskirk clarified they are talking about how the plan is developed, not the content of the plan. He said, however, the legislature is very clear in that the plan and program must be performance based. With regard to rail planning, Mr. Buskirk stated there are some peculiarities that will require additional standards. He said there are also additional standards for statewide transit planning.

Mr. Buskirk stated they have completed the first phase of stakeholder involvement and are now in the second phase, with nine public meetings occurring throughout the state this month. He said the third phase of public involvement will occur after a draft plan has been developed.

Mr. Jeffers pointed out no meetings are scheduled in the eastern third of the state. Mr. Buskirk stated there are fewer meetings during the second phase, therefore, not all areas of the state will be covered. He noted, however, 20 meetings will be held during the third phase.

William "Blue" Crowley noted he was not aware that the first phase of public involvement had occurred. He asked where rural road maintenance is included and if they are adhering to the TEA21 standards, pointing out pedestrians and bicyclists should be given first consideration.

Mr. Buskirk stated they will present the statewide multimodal transportation planning process for approval at the June meeting.

Adjournment

No closing comments were made.

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

The meeting adjourned at 12:00 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD
PUBLIC HEARING AND BOARD MEETING
2:00 p.m., Friday, April 18, 2003
El Conquistador Resort and Country Club
10000 North Oracle Road
Tucson, Arizona

The State Transportation Board met in official session for a Public Hearing and regular meeting at 2:00 p.m., Friday, April 18, 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; Dale Buskirk, Acting Director, Planning Division; and Gary Adams, Assistant Director, Aeronautics Division. There were approximately 120 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Radicke led the audience in the Pledge of Allegiance. He thanked the City of Tucson for their hospitality.

PRESENTATION OF TENTATIVE FIVE YEAR CONSTRUCTION PROGRAM

2004-2008 Tentative Five Year Construction Program of State Highways.

Thirteen Other Counties

Mr. Burnham explained the tentative program was based on revenue forecasts received in July 2002 and updated in January 2003. He said the plan then went to Priority Planning Advisory Committee, the Transportation Board and the MAG Regional Council for adoption in February. He noted PAG Regional Council adopted their plan on December 18. He explained the comments received during the public hearing process will be analyzed and evaluated and a revised program will be sent back to the Priority Planning Advisory Committee on June 5, the Transportation Board on June 20 and the Governor's office on June 30.

Mr. Burnham explained the program is broken into two main areas, subprograms and major highway construction. He stated subprograms are divided into three major areas, system preservation, system management and system improvement. He said a total of $253,564,000 has been programmed for subprograms, including $5 million for a port of entry rehab subprogram in FY 2008 and $600,000 in FY 2006 and $1.2 million in FY 2007 and 2008 for a rest area rehabilitation program. He said a tax evasion program has also been added and is anticipated to run from FY 2004 to 2006, by which time it is expected to be self-sustaining. With regard to

new construction, Mr. Burnham reported $312 million was divided among the three planning areas, with $167 million going to the MAG area, $53 million going to the PAG area and $92 million going to the Thirteen Other Counties (TOC).

Mr. Burnham stated, because of budget shortfalls, the program had to be adjusted in the outer years. He said $7 million of a $30 million right-of-way and utilities project in the MAG area is being deferred from FY 2006 to 2007, $3 million of the $40 million I-10 to Congress project in the PAG area is being deferred from FY 2006 to 2007, and the $16 million traffic interchange project at Cordes Junction is being deferred from FY 2007 to 2008. He stated each of the three areas goes through a similar process when selecting major projects, explaining the TOC area asks each district to submit their top three project requests for analysis. He noted two projects, SR 280 in Yuma and US 191 Cochise Overpass, pushed out of last year's program due to budget shortfalls have been brought back into the current program using RABA funds. He stated the $4.4 million I-40 Walnut Canyon and $6 million 191 Burnside Junction roadway reconstruction projects and a $21.7 million project on 260 at Little Green Valley were brought back into the tentative program. He identified new projects in the northern part of the TOC, including: 1) a $4.1 million reconstruction project on Western Drive; 2) $1.8 million for a passing lane on State Route 77 south of Holbrook; and 3) $7.5 million for a section of the CANAMEX Corridor, US 93, called Tompkin's Canyon. He stated $5 million is also being put into the Hoover Dam Bridge, noting it is the last of the state match for that project. He stated new projects in the southern part of the TOC include a $9 million reconstruction project at Gonzales Pass, a $3 million passing lane on US 60, and a $14.8 million widening project on I-10 between Red Rock and Pinal Air Park. He stated they have also committed $8 million to completion of the Area Service Highway and $6.5 million has been programmed to construct a new parallel roadway on 191 north of I-10.

PAG

Mr. Pein explained PAG is comprised of nine jurisdictions, including the Pasqua Yaqui Tribe and the Tohono O'Odham Nation. He reviewed the process they go through in developing the program, explaining it begins with a cooperative effort between the District Engineer and the Planning Division. He said the program then moves through the Jurisdictional Subcommittee, the Transportation Planning Committee, the Management Committee and the Regional Council.

Mr. Pein stated, through the Resource Allocation Advisory Committee, PAG was allocated $53 million. He said PAG also had $3.2 million in 2.6 funds for total funding of just over $56 million. He reported almost $51 million went to new construction projects in FY 2008 and $1.8 million went for project modifications in FY 2004. He stated $880,000 was put into design work in FY 2007 and $2.8 million was put into additional design work in FY 2006. He stated an $8 million project on I-10 between Pinal Park and the Marana TI will widen the mainline and $16 million has been programmed for the I-10 Ina TI project. He said a $13 million construction project will widen the roadway on SR 86 between Valencia and Kinney Road and additional widening will occur between 386 and milepost 140.8. He reported a $4.5 million project on SR 77 will widen the roadway and include some structural work. He stated they expect to come back to the Board in FY 2009 to discuss work on the I-10 Cortaro Road TI.

MAG

Mr. Eaton stated MAG's program was cooperatively developed by MAG members and stakeholders within the region, noting stakeholder meetings and public involvement were part of the process. He reported a total allocation for the MAG area of $197 million, $50 million of which is designated for regional freeway funding. He said the net amount available for programming new projects in 2008 totaled $117 million. He identified major projects proposed for the 2008 program year, including: 1) HOV lanes between the Loop 101 and Carefree Highway on I-17; 2) an extension of HOV lanes from Shea Boulevard to Bell road; 3) additional HOV lanes from I-10 to Shea; 4) widening the bridge on US 60 at New River; and 5) an extension of the HOV lane and general purpose lanes on US 60 from Val Vista to Power. He said other, smaller, projects are also being recommended and money has been set aside to repay a loan to the City of Mesa for general purpose lanes on US 60. He noted money was also set aside for the protection of right-of-way on the Loop 303, park and ride lots, interchange improvements, future design and continuation of the Freeway Service Patrol. He said the program will be presented at the statewide hearings in April and they expect Board adoption in June.

Regional Freeway System

Mr. Eaton updated the Board on the status of the Regional Freeway System, stating, to date, they have completed 96 miles, 10 miles are under construction and 32 miles are under design. He noted they have also purchased over 7,660 acres of right-of-way. He explained the Red Mountain opened in two phases, a section from Gilbert to Greenfield and a section from Greenfield to Higley. He said ramps on US 60 connecting Grand to the Loop 101 were opened in November and they anticipate opening the other half of that project this summer.

Mr. Eaton reviewed projects currently under construction, stating SR 51 from Bell Road to the Loop 202 is targeted for completion in May and 27th Avenue and Grand will be opened later in the summer. He stated two other intersection improvements on Grand are just starting and are expected to be completed in late 2004. He said three projects that run across the Santan Loop and Loop 202, between I-10 and Price Road, are under construction and targeted for completion by the end of 2003. He said construction right-of-way and design costs have been updated and a new project was created in FY 2008. He explained the new project adds a half-diamond interchange at Bethany Home Road on the Loop 101. He stated the City of Glendale has offered to fund the cost of the south half of the interchange and has asked that the north half be included as part of the freeway program funding. He said additional adjustments were made to landscape construction costs, tailoring projects to the actual acreage.

2004-2008 Tentative Airport Development Program.

Mr. Adams explained the process they used to develop the Five Year Program, stating they started by obtaining requests from local airport sponsors. He said they then looked at their revenue forecast and prioritized the projects using a computer model. He explained state aviation projects are funded out of a separate fund called the State Aviation Fund. He said the Flight

Property Tax airlines pay on the equipment they fly through the state is the fund's primary source of revenue. He noted general aviation taxes also support the program. He stated FY 2002's revenues totaled about $13.7 million, whereas FY 2003 revenues are expected to total only $12.7 million. He explained they began the year with $14.5 million in the fund and, given anticipated revenues and expenditures, they expect to close out the fiscal year with about $4 million. He stated the tentative program is built around two basic assumptions: 1) a $3 million sweep of the Aviation Fund and 2) a 50 percent reduction in the Flight Property Tax for the first year of the Five Year program. He pointed out the State Legislature has not yet passed its FY 2004 budget and could ultimately decide to sweep up to $4.5 million which would further impact the program.

Mr. Adams reviewed the impact of the funds sweep, stating about $8.1 million in projects will have to be delayed and the airport loan program will be dropped. He said they are also discussing delaying the airport pavement preservation projects in FY 2003 and 2004 and will slow down the process through which sponsors are reimbursed. He stated the $8.1 million represents 67 projects at 29 airports that will be delayed six to twelve months. He stated additional reductions will have to be made in FY 2004 and 2005, explaining the Williams Gateway project totaling $600,000 programmed in FY 2004 and a land acquisition project in Flagstaff totaling approximately $1 million will be pushed out of the program.

Mr. Adams reviewed a chart depicting how funds in the program have decreased from $25 million in 1999 to $6.4 million expected for next year. He pointed out the number of requests for federal projects have increased from $1 billion last year to $2.2 billion this year. He stated they were unable to fund 198 projects valuing $770 million.

CALL TO AUDIENCE

Chairperson Radicke recognized dignitaries in the audience.

Paul Loomis, Mayor of the City of Oro Valley and Chairman of the PAG Regional Council, commended the Board on its responsiveness to regional needs. He expressed appreciation for the cooperation between ADOT and the Regional Council with regard to the I-10 widening and possible acceleration of that project. He said they also endorse the partnership between ADOT and the Federal Highway Administration to alleviate problems with at-grade railroad crossings adjacent to intersections and interstates. He stated they are concerned about the safety of Oro Valley citizens and visitors on Tangerine Road, explaining it is a major entry point for traffic coming into and out of the city. He emphasized the importance of the Oracle Road project, stating the growth occurring in Pinal County will require that the Board address the entire Oracle corridor as soon as possible. He voiced his support for the development of regional performance measures that account for the peculiarities of the different areas throughout the state and asked the Board to work with PAG to develop the standards.

Herb Kai, Vice Mayor, Town of Marana, reported the interchange at Twin Peaks and I-10 remains their highest transportation priority. He stated the widening of Cortaro and Silverbell Roads has addressed immediate traffic flow problems in the Continental Ranch area, however, the Twin Peaks interchange will be necessary to address growing traffic problems. He asked the

Board to support the two year I-10 mainline widening project from Prince to 22nd Street. He explained accelerating the project to two years would save their depleting funds and make the roads safer sooner.

Supervisor Jim Palmer, Graham County, expressed appreciation for all the Board and ADOT have done in their area. He also thanked their District Engineer, Ron Casper, and Bill Harmon for their support and cooperation. He expressed appreciation for the projects on Highway 70 that have been recently completed or are currently under construction. He said they are pleased with the programming of Highway 191 south, characterizing it as a vital economic and transportation link for Graham County. He stated they are somewhat concerned with the four year gap in programming and would like to see it moved up to FY 2006 or 2007. He encouraged the Board to look at the groundwork for six additional miles from the end of that project at Highway 266 into Artesia. He said they would also like to see Highway 70 east of Safford programmed and constructed and asked the Board to strongly consider funding for Highway 366 or Swift Trail and Mount Graham. He explained Mount Graham has become a statewide attraction and they believe the monies to maintain and upgrade the road should remain in place. He voiced his support for the Fort Graham interchange on I-10 near the Wilcox area, stating it is a very important link into the Bonita and Eurofresh Nurseries.

Mr. Jeffers asked Supervisor Palmer if they support the Bylas rest area. Supervisor Palmer stated, while it is not one of their top priorities, they believe it is a good project.

George Nerhan, Mayor of Huachuca City, pointed out Huachuca City has a population of only 1,750 people, but has 15,000 vehicles travel through the city on a daily basis. He expressed appreciation for the widened freeway. He spoke about accidents and safety concerns on the expanded freeway, submitting documentation as well as a City Council resolution asking that at least one traffic light be installed on the roadway.

Jim Glock, Director of Transportation, City of Tucson, thanked the Board and ADOT for their past support in funding projects in southern Arizona. He specifically thanked Katie Dusenberry for her enthusiasm and dedication and welcomed Si Schorr to the Board. He recognized Dennis Alvarez and his staff for their continuing efforts to coordinate the region and establish and implement regional priorities. He identified key projects to the City of Tucson included in the Five Year Construction Program. He stated they support the district engineer's decision to manage the widening of I-10 mainline from Prince through 22nd Street as one project, stating it will reduce traffic disruption and minimize the impacts. He stated they would strongly oppose any options that phase the work over multiple contracts. He said, with completion of the I-19 corridor study, they urge the board to begin programming the highest priority elements to address current safety and capacity concerns within the corridor. He further asked the Board to support the designation of additional segments of regional roadways to the state highway system.

Kurt Weinrich, Director of Transportation, Pima County, recognized ADOT for its very open and cooperative relationship with Pima County, PAG and other local entities. He expressed appreciation for ADOT's willingness to analyze and improve the implementation schedule for the widening of the I-10 mainline from Prince to 25th Street, noting the analysis has the potential

of cutting construction time from six years to two. He stated Pima County and the Pima County Flood Control District are pleased to join PAG, ADOT and the Town of Marana in supporting the high priority for federal funding of the Twin Peaks railroad traffic interchange at I-10. He said the project is moving forward on schedule and urged the Board to retain the project in the Tentative Five Year Construction Program until construction is completed. He reported design of the Veterans Memorial Overpass project is complete, an agreement has been reached with the Union Pacific Railroad and environmental clearances have been obtained. He reiterated the importance of including grade separated railroad crossings with every project to construct or reconstruct a traffic interchange on I-10.

Mike Ortega, City Manager, City of Douglas, spoke about the port of entry rehabilitation scheduled for FY 2008. He suggested they also look at US 191 north of Douglas, suggesting they, at a minimum, make drainage improvements along the corridor. He stressed the need for safe access to both SR 80 and US 191 from the new MVD facility. He asked the Board to participate in a ribbon cutting ceremony on June 20.

Bob Davis, Director of Public Works, Pinal County, referenced a Memorandum of Understanding between the State of Utah and the Department of Interior, stating it helps clarify right-of-way on RS 2477 roads. He said the State of Arizona has problems with regard to whether or not right-of-way is recognized by the BLM and the federal government and suggested the State of Arizona create a similar Memorandum of Understanding.

Bob Wagner, City Administrator, City of Yuma, explained he is speaking on behalf of the Metropolitan Planning Organization and the Mayor, Larry Nelson. He said they sincerely appreciate the Board's policy to seek input from all areas of the state. He thanked the Board for continuing to fund the construction of the Area Service Highway, recognizing how difficult it is to continue making investments during challenging economic times. He stated the Area Service Highway is important to Yuma, the State and the Nation as a whole in terms of international trade between Mexico and the United States. He said the rehabilitation of Avenue 3E to the I-8 traffic interchange is also an important project, stating the Board's commitment to the project has made a critical improvement a reality. He stated SR 280 is classified as a Strategic Highway Network and, as such, is very important to the nation's defense. He said, like the I-18 traffic interchange, SR 280 becomes extremely congested due to military, agricultural, tourist and industrial activities in the area. He said reconstruction of SR 280 is their highest priority project and the city is prepared to put funds into the project.

Phillip Ronnerud, Public Works Director and Engineer, Town of Clifton, reported the completion of the new Gila River Bridge in Duncan, thanking Ron Casper, the contractor, Meadow Valley, and the consultants who worked on the project. He stated the US 191 project is going well and traffic control has been superb. He said the innovative methods being used on the project have saved a great deal of money and should be used on other projects as well.

Mary Anne Moreno, Executive Director, Globe Miami Chamber of Commerce and Economic Development Corporation, announced the Gateway project is due to start soon. She stressed the importance of the SR 70 expansion east of Globe, asking that the Board not excluding the

railroad underpass widening. She thanked the Board for the passing lanes on US 60 and suggested the Board consider adding passing lanes on 77. She said she was privileged to attend the Highway 188 Partnership celebration at the Tonto National Monument last week and she looks forward to the celebration once the DeVore Wash to Sportsman's Haven section of 188 is completed.

Patrick McGowan, Pima County Transportation Manager, invited the Board to attend their annual conference on Monday.

Cliff Potts, resident of Payson, congratulated the Board and Department on the improvements made throughout the state, saying they have done a lot to support economic development. He asked the Board to consider a loop road or bypass around Payson, connecting Highway 87 to SR 260, stating it would be a tremendous benefit to the community. He also asked that more be done to improve Highway 87 between Payson and Pine.

Annie McGreevy, Sonoita resident, stated southeast Arizona, in conjunction with ADOT and Wechart, completed the corridor management plan for the Patagonia Sonoita scenic road. She pointed out there are 110 action items and $585,000 of enhancement funds for scenic easements along the road included in the plan.

Cherie Campbell, PAG Transportation Planning Director, thanked jurisdictional elected officials and their staff for participating in today's public hearing. She said the Regional Council is very enthusiastic about the proposal to combine several projects on I-10 into one large project. She thanked Ms. Brisk, Mr. Higgins and other key ADOT staff members for working with them on processing and project implementation concerns.

The meeting recessed for a short break.

DISTRICT ENGINEER'S REPORT

Dennis Alvarez, District Engineer, updated the Board on issues and projects of regional significance. He said they are moving forward with the third lane on I-10 between Ina and Cortaro and design of the next section, from Cortaro to the Marana TI, has begun. He noted funding is now available for the next leg as well, which will extend all the way to Picacho. He expressed his opinion the concept to reconstruct I-10 as one large project is viable and he believes the success they have had on I-10 and I-19 with the A plus B bidding will give them the opportunity to successfully get the project underway.

Mr. Alvarez confirmed for Mr. Jeffers that the Prince to 22nd Street project is too far along to qualify as a design build.

CONSENT AGENDA

Board Action: A motion to recuse Mr. Schorr from Items 46, 48, 49, 52, 57 and 58 was made by Mr. Jeffers, seconded by Mr. Martin and passed unanimously.

Director's Report

Mr. Higgins reported the emergency rock fall project on SR 89, awarded to Tiffany Construction in the amount of $219,776.20, is almost finished.

Mr. Mendez announced a Reauthorization Summit is scheduled for May 28, explaining the intent of the summit is to bring all major stakeholders throughout the state together and to try to reach a consensus on high level principles and priorities for the state with regard to the TEA-21 reauthorization. He stated Governor Napalitano submitted a proposal to the State Board of Geographic and Historic Names to rename Squaw Peak to the Piestewa Peak. He said, subsequently, he submitted a request to the Board to rename the freeway. He stated, after much debate, both motions passed. He suggested all media inquiries be directed to Doug Nintzel.

In response to Mr. Schorr's question, Mr. Mendez explained the Board has ultimate authority for the naming of a freeway. Mr. Schorr asked Mr. Mendez to prepare a briefing paper, outlining the Board's duties and responsibilities with regard to the naming of freeways.

Project Deferrals

Mr. Adams presented a list of "Project deferrals to accommodate FY02-03 Aviation Fund sweep. He said they anticipate the legislature will sweep $4.5 million and hope the sweep will not occur before June 30. He stated, based on a $4.5 million sweep, the Aviation Fund balance will drop to about $4 million. He said, if nothing is done, they anticipate running out of funds in November 2003, therefore, they are coming up with a cash management process to handle current and future obligations. He explained they are recommending grant reimbursements be slowed and that some projects be deferred. He said they asked each airport sponsor to make their best estimate as to the amount needed over the next five years. He said they then looked at where the projects were located, whether the projects have been started, whether a bid for construction has been awarded and whether the project was wrapping up. He said the projects that had not yet gone to bid were the first to be put on the deferral list. He stated they then looked at each project's assigned priority rating and whether state funding was involved. He said, given the cash flow patterns, they created a plan to manage the funds sweep by delaying $8.1 million in projects from six to twelve months and reducing the program by $1.6 million. He said they have forecasted that all deferrals should be caught up by May 2005. He stated a letter to all sponsors is currently being drafted and will explain how the program will be managed.

Mr. Martin asked Mr. Adams if they expect any problems with contracts already in place. Mr. Adams stated, while he can make no guarantees, he has talked to the Attorney General's Office and is comfortable that interest will not have to be paid on the delayed projects.

Mr. Jeffers asked if any of the deferred projects that are associated with federal funds will be at risk of losing those funds. Mr. Adams pointed out the state airport development program is separate from the federal program. He explained sponsors sign grant agreements with the federal government, in which they commit to a 10 percent match. He said the source of matching funds

has historically been the state five percent, however, sponsor's are ultimately responsible for coming up with the five percent. He said, once the agreement is signed, the federal government has made a commitment to a project and, historically, will not pull back grant funds.

Mr. Martin asked if any of the deferred projects will result in safety issues. Mr. Adams stated the projects were prioritized, with lower priority projects such as land acquisitions, deferred first.

Legislative Report

Kevin Biesty reported HB 2292 has gone through a lot of changes over the past month. He explained the bill puts together the framework for Maricopa County to proceed with the extension of the half-cent sales tax through the Transportation Planning Committee and with input from the State Transportation Board, the Regional Public Transportation Authority and MAG. He noted language in the bill says that counties that are contiguous to Maricopa County, including Pinal and Pima Counties, could utilize the legislation and enact their own half-cent sales tax. He said the bill will be going to Conference Committee within the next two weeks, in part, to strip off an amendment that would allow hybrid vehicles to use the HOV lane, and to offer other amendments. He said performance based measures will also be addressed.

Mr. Biesty stated HB 2286 was signed by the Governor on April 7, allowing SETIF money to be used for construction of facilities and extending the Joint Legislative Review Committee on Transportation between Sonora, Mexico and Arizona for five years. He said its companion bill, HB 2287, is currently awaiting Committee of the Whole in the Senate. He explained there are still some questions as to whether or not the legislature is going to sweep the SETIF fund for some money in the General Fund. He reported HB 2335 is awaiting a final vote in the House. With regard to HB 2364, Mr. Biesty explained their main concern is that the bill did not alter the agreement that the State of Arizona has with the Federal Highways Administration and jeopardizes federal funds. He stated HJR 2001 is moving along, noting he has provided language to the Department of Veteran Affairs and the stakeholders that would require the Purple Heart Organization to front the money for any signs or other items needed to carry out the bill. He clarified SB 1042 would allow Director Mendez to license the name "Arizona Highways Magazine" to private companies for commercial use and has no relationship to the sale of Arizona Highways Magazine. He reported SB 1236 was signed by the Governor on April 7.

Mr. Biesty stated the House and Senate agreed on an FY 2004 budget resolution last week, with the conferees agreeing to fund highways at $231 billion and transit at $49.1 billion for the next TEA-21 reauthorization. He stated they have also agreed to establish a contingency procedure to increase spending above the level in the budget on highways and on highway safety and transit should any new resources be made available. He stated Congress has not yet started marking out the reauthorization bills.

Mr. Schorr asked if a legal opinion has been given by the Attorney General's Office as to what extent Pima County could take advantage of HB 2292. He pointed out the language says contiguous counties affected by the RTP could utilize the legislation, stating the term "affected

by" is somewhat ambiguous. Mr. Biesty offered to research the issue with the Attorney General's Office.

Financial Report

Mr. McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, as well as reports on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. He pointed out HURF came in slightly under forecast last month as did RARF collections. With regard to investments, he said they continue to see a decline in interest rates, noting they earned about $1.8 million on an average invested balance of $837 million. He stated the HELP Fund disbursed about $5.2 million in loan draws last month, with $25.9 million in loan repayments. He explained $20 million of the loan repayments can be attributed to repayments made on certain ADOT projects in order to position the fund to transfer $20 million of General Fund appropriations that had been put into the fund as part of the 2003 budget fix.

Financing Program

Mr. McGee provided copies of the Preliminary Official Statement issued a couple weeks ago on the 2003 HURF Bond Issue. He said they plan on pricing the issue next week, explaining it will consist of two parts, a $98 million refunding portion and $90 million in new money. He pointed out interest rates are now down about 10 to 15 basis points compared to when the Board first adopted the resolution in November. He said their decision to wait to do the refunding was a good one, explaining they achieved an overall lower interest rate and will avoid paying the 15 to 20 basis points that would have been required under a forward agreement. He stated the ratings have been affirmed by both Standard and Poor's and Moody's and the outlook was reaffirmed as stable. He estimated true interest costs to be 4.25 to 4.50 percent and said it appears they will end up spending about $6 million on the refund portion.

In response to Mr. Martin's question during the last meeting, Mr. McGee explained the department's overall debt service through 2011 averages about $100 million per year. He said that amount drops off fairly remarkably to $25 million in years 2014, 15 and 16. He said, therefore, in order to keep the maximum debt service level down, the maturity was put out on the long end.

Mr. McGee referred to four official declarations he signed over the last month, explaining three were for projects that they intend to ultimately fund with the upcoming GAN issue and one is for right-of-way costs that will be funded predominantly with next fall's HURF bond issue.

Resolution Authorizing Issuance of Grant Anticipation Notes, Series 2003

Mr. McGee presented and recommended approval of a Second Supplemental Resolution authorizing the Board's anticipated issuance of Grant Anticipation Notes, Series 2003, in an amount not to exceed $250,000,000. He pointed out the resolution specifies that HURF and RARF monies not already pledged to HURF and RARF bond holders will be used to meet debt

service requirements if sufficient federal revenues are not available. He said the resolution allows for refunding of the January 1, 2004 maturity if it is deemed financially advantageous to do so and provides for the substitution and amendment of grant agreements so long as the total grant agreements at least equal the amount of debt service due under the resolution. He said the resolution also permits maturities on either January 1 or July 1.

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

Appointment of Underwriters; Grant Anticipation Notes, Series 2003A

Mr. McGee presented and recommended approval of a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Grant Anticipation Notes, Series 2003A.

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 APPOINTING MANAGING UNDERWRITERS FOR ITS PLANNED ISSUANCE OF GRANT ANTICIPATION NOTES, SERIES 2003A.

The Board hereby appoints the following firms to act as managing underwriters in connection with its planned issuance of Grant Anticipation Notes, Series 2003A.

Citigroup Global Markets, Inc.	Senior Manager	45%
Bear, Sterns & Co., Inc.	Co-Manager	25%
A.G. Edwards & Sons, Inc.	Co-Manager	10%
JP Morgan Securities, Inc.	Co-Manager	10%
Morgan Stanley & Co., Incorporated	Co-Manager	10%

The Board reserves the right to make changes in the management team designated above, if it is deemed to be in the best interests of the state.

Dated this 18th day of April, 2003

The motion passed unanimously.

* **2003 BOARD MEETING DATES & LOCATIONS**

April 18, 2003	Pub. Hearing & Bd. Mtg/Tucson	**2:00 p.m.**
May 9, 2003	Kingman	9:00 a.m.

June 20, 2003	Douglas	9:00 a.m.
July 18, 2003	Show Low	9:00 a.m.
August 15, 2003	Page	9:00 a.m.
September 19, 2003	Holbrook	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 2003 - 2007 Transportation Facilities Construction Program Requested Modifications

COUNTY:	Statewide
SCHEDULE:	FY 2003
SECTION:	Statewide Emergency Project
PROGRAM AMOUNT:	$800,000 Funding Source: State
PROJECT MANAGER:	Bill Higgins
PROJECT:	Item Number; 72103
REQUESTED ACTION:	Increase emergency project fund by $500,000 to $1,300,000 due to several rock slides projects, and pending or anticipated needs for the reminder of FY 2003. **Funds available from FY 2003 Highway Continggency Fund #72303.**
PROGRAM AMOUNT:	$800,000
INCREASE AMOUNT:	$500,000
NEW PROGRAM AMOUNT:	$1,300,000

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

ROUTE NO:	SR 264 @ MP 381.00
COUNTY:	Navajo
SCHEDULE:	FY 2003
SECTION:	Second Mesa
TYPE OF WORK:	Construct rockfall containment
PROGRAM AMOUNT:	$3,500,000 Funding Source: STP
PROJECT MANAGER:	Michael Andazola
PROJECT:	H425601C Item Number; 14602
REQUESTED ACTION:	Increase program amount by $319,076 to $3,819,076 due to updated unit cost, quantities, and addition of tribal taxes. **Funds available from FY**

2003 Rockfall Construction Fund #74303.

PROGRAM AMOUNT:	$3,500,000
INCREASE AMOUNT:	$319,076
NEW PROGRAM AMOUNT:	$3,819,076

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

ROUTE NO:	SR 202 L @ MP 54.80
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	I-10 / Maricopa Road TI
TYPE OF WORK:	Construct roadway
PROGRAM AMOUNT:	$14,355,000 Funding Source: RARF
PROJECT MANAGER:	Vince Li/Steve Jimenez
PROJECT:	H541701C Item Number; 82203
REQUESTED ACTION:	Increase program amount by $945,000 to $15,300,000 to allow for prior rights utility cost. **Funds from RARF cashflow.**

PROGRAM AMOUNT:	$14,355,000
INCREASE AMOUNT:	$945,000
NEW PROGRAM AMOUNT:	$15,300,000

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

ROUTE NO:	SR 202 L @ MP 27.80
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	University Dr - Southern Ave
TYPE OF WORK:	Design roadway construction
PROGRAM AMOUNT:	$2,884,000 Funding Source: RARF
PROJECT MANAGER:	Joe Warren
PROJECT:	H578301D Item Number; 83004
REQUESTED ACTION:	Defer roadway design project one year from FY 2003 to FY 2004.

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

ROUTE NO:	SR 202 L @ MP 16.80
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	Gilbert Road - Higley Road
TYPE OF WORK:	Construct landscape

PROGRAM AMOUNT:	$3,932,000 Funding Source: RARF / Local Gvt.
PROJECT MANAGER:	Joe Warren
PROJECT:	H529903C Item Number; 82902
REQUESTED ACTION:	Defer landscape construction project one year from FY 2003 to FY 2004.

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

ROUTE NO:	SR 202 L @ MP 39.50
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	Greenfield Road Bridge
TYPE OF WORK:	Construct bridges
PROGRAM AMOUNT:	$2,300,000 Funding Source: RARF
PROJECT MANAGER:	Paul Waung
PROJECT:	H625901C Item Number; 87603
REQUESTED ACTION:	Defer bridge construction project one year from FY 2003 to FY 2004. Additional request to change section/location name to Greenfield, Ray and UPRR Underpasses

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

ROUTE NO:	US 60 @ MP 153.20
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	67th Ave / Northern
TYPE OF WORK:	Construct bridge structure
PROGRAM AMOUNT:	$14,574,000 Funding Source: NH, RARF, and Local Gvt.
PROJECT MANAGER:	Trent Kelso
PROJECT:	H560101C Item Number; 86603
REQUESTED ACTION:	Defer structure construction project one year from FY 2003 to FY 2004 to allow for redesign requested by City of Glendale.

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

ROUTE NO:	SR 95 @ MP 158.00
COUNTY:	La Paz
SCHEDULE:	New Project Request
SECTION:	Parker - Lake Havasu

TYPE OF WORK:	Construct right turn lane
PROGRAM AMOUNT:	New Porject Request
PROJECT MANAGER:	Mike Bruder
PROJECT:	H564101C
REQUESTED ACTION:	Add a new district minor project to the FY 2004 highway Construction Program in the amount of $225,000. **Funds available from FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$225,000

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

ROUTE NO:	I-17 @ MP 297.00
COUNTY:	Yavapai
SCHEDULE:	New Project Request
SECTION:	McGuireville Rest Area
TYPE OF WORK:	Construct wastewater disposal system
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Debra Einwick
PROJECT:	H597603C
REQUESTED ACTION:	Add new project to the FY 2003 Highway Construction Program in the amount of $600,000 to construct new sewage treatment lagoons in response to ADEQ mandate. **Funds available from FY 2003 Highway Contingency Fund #72303.**
NEW PROGRAM AMOUNT:	$600,000

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

ROUTE NO:	I-8 @ MP 150.00
COUNTY:	Pinal
SCHEDULE:	FY 2004
SECTION:	Table Top Rest Area
TYPE OF WORK:	Construct rest area closure
PROGRAM AMOUNT:	$100,000 Funding Source: State
PROJECT MANAGER:	Debra Einwick
PROJECT:	H532701C Item Number; 10204
REQUESTED ACTION:	Delete rest area closure project from the FY 2004 Highway Construction Program. Due to the deletion of the I-8 Vekol Wash rest area from the Highway Contruction Program, the Table Top rest area will need to remain open until a replacement rest area has been constructed. **Funds return to the**

Rest Area Rehabilitation Fund #73404.

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

ROUTE NO:	US 70 @ MP 296.00
COUNTY:	Graham
SCHEDULE:	FY 2003
SECTION:	Bylas Rest Area
TYPE OF WORK:	Construct rest area facility and parking
PROGRAM AMOUNT:	$250,000 Funding Source: State
PROJECT MANAGER:	Debra Einwick
PROJECT:	H593601C Item Number; 12402
REQUESTED ACTION:	Increase program amount by $500,000 to $750,000 due to updated project estimate. There is an IGA with the tribe to take over the rest area after completion. **Funds available from Highway Contingency #72303.**
PROGRAM AMOUNT:	$250,000
INCREASE AMOUNT:	$500,000
NEW PROGRAM AMOUNT:	$750,000

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

In response to Mr. Schorr's question, Mr. Higgins explained the project amount tripled because the final design came in considerably higher than the original estimate they used as a placeholder.

Mr. Jeffers asked how many other placeholder projects are included in the current plan. Mr. Higgins stated the current construction program probably has four to six placeholder projects. Mr. Jeffers pointed out the rest area will be maintained by the Pima Indians, not ADOT.

Mr. Martin asked that the original dollar amounts as well as the revised budgets for the placeholder projects be identified.

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

ROUTE NO:	US 70 @ MP 296.00
COUNTY:	Graham
SCHEDULE:	New Project Request
SECTION:	Bylas Rest Area
TYPE OF WORK:	Construct turn lanes
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Rich DeBoer

PROJECT:	H593602C
REQUESTED ACTION:	Add a new left turn lane construction project in the amount of $350,000 to the FY 2004 Highway Construction Program. The left turn is needed for the Bylas Rest Area, which is to advertise in FY 2003. **Funds available from Highway Contingency #72304.**
NEW PROGRAM AMOUNT:	$350,000

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

ROUTE NO:	US 95 @ MP 11.33
COUNTY:	La Paz
SCHEDULE:	New Project Request
SECTION:	Somerton Retention Basin
TYPE OF WORK:	Construct landscaping and pathways
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Cannon
PROJECT:	H569301C
REQUESTED ACTION:	Add a new enhancement project in the amount of $640,000 to the FY2003 Highway Construction Program. **Funds available from Enhancement Fund #75603. Project had been approved by Transportation Enhancement Review Committee (TERC).**
NEW PROGRAM AMOUNT:	$640,000

ROUTE NO:	SR 77 @ MP 68.50
COUNTY:	Pima
SCHEDULE:	New Project Request
SECTION:	Miracle Mile (I-10 - Oracle Road)
TYPE OF WORK:	Construct sidewalks
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Cannon
PROJECT:	H573501C
REQUESTED ACTION:	Add a new enhancement project in the amount of $520,000 to the FY 2004 Highway Construction Program. **Funds available from Enhancement Fund #75304. Project had been approved by Transportation Enhancement Review Committee (TERC).**
NEW PROGRAM AMOUNT:	$520,000

ROUTE NO:	SR 77 @ MP 69.50

COUNTY:	Pima
SCHEDULE:	New Project Request
SECTION:	Miracle Mile - Prince Road
TYPE OF WORK:	Construct sidewalks
PROGRAM AMOUNT:	New Funding Source:
PROJECT MANAGER:	Bruce Cannon
PROJECT:	H615901C Item Number; New
REQUESTED ACTION:	Add a new enhancement project in the amount of $316,000 to the FY 2004 Highway Construction Program. **Funds available from Enhancement Fund #75304. Project had been approved by Transportation Enhancement Review Committee (TERC).**

NEW PROGRAM AMOUNT: $316,000

ROUTE NO:	I-10 @ MP 267.70
COUNTY:	Pima
SCHEDULE:	New Project Request
SECTION:	Valencia Road
TYPE OF WORK:	Construct sidewalks and bikelanes
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Cannon
PROJECT:	H574501C
REQUESTED ACTION:	Add a new enhancement project in the amount of $220,000 to the FY 2004 Highway Construction Program. **Funds available from Enhancement Fund #75304. Project had been approved by Transportation Enhancement Review Committee (TERC).**

NEW PROGRAM AMOUNT: $220,000

Board Action: A motion to approve Items 25, 26, 27 and 28 was made by Mr. Gant, seconded by Mr. Martin and passed unanimously.

ROUTE NO:	I-10 @ MP 306.00
COUNTY:	Cochise
SCHEDULE:	New Project Request
SECTION:	San Pedro River Bridges #1530, 1531 & 350
TYPE OF WORK:	Construct scour retrofit, EB/WB & 10B
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Itty P. Itty
PROJECT:	H629201C
REQUESTED ACTION:	Add a new scour retrofit project in the amount of $1,400,000 to the FY 2004 Highway Construction Program. **Funds from Bridge Scour Fund**

#71504.

NEW PROGRAM AMOUNT: $1,400,000

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

ROUTE NO:	SR 80 @ MP 366.1
COUNTY:	Cochise
SCHEDULE:	New Project Request
SECTION:	G Avenue – 22nd Street
TYPE OF WORK:	Construct stamped Concrete sidewalk
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Lynn Sugiyama
PROJECT:	H627701C
REQUESTED ACTION:	Add a new sidewalk construction project in the amount of $13,000 to the FY 2003 Highway Construction Program. The City of Douglas is to administer and construct project per JPA 02-158. **Funds from District Minor Fund #73303.**

NEW PROGRAM AMOUNT: $13,000

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

FY 2003 - 2007 Aeronautics Development Program Requested Modifications

PROJECT:	Laughlin-Bullhead Airport	
SPONSOR:	Mohave County Airport Authority	
CATEGORY:	Commercial Service	
SCHEDULE:	FY 2003 - 2007	
PROJECT #:	E3F76	
PROGRAM AMOUNT:	$1,848,002	
TYPE OF WORK:	Rehabilitate/Construct Apron	
REQUESTED ACTION:	Provide $82,606 funds to match Federal Grant AIP-21. Total project $1,848,002:	
FUNDING SOURCES	**FAA**	$1,682,790
	Sponsor	$82,606
	State	$82,606
	Total Program	$1,848,002

PROJECT:	Laughlin-Bullhead Airport
SPONSOR:	Mohave County Airport Authority
CATEGORY:	Commercial Service
SCHEDULE:	FY 2003-2007

PROJECT #:	E3F77
PROGRAM AMOUNT:	$924,665
TYPE OF WORK:	Construct Taxilanes, Phase 4; Construct Apron, Phase 4; Construct Access Road, Phase 4; Construct Service Road (includes safety area incidental items)
REQUESTED ACTION:	Provide $41,333 funds to match Federal Grant AIP-19. Total project $924,665:

FUNDING SOURCES		
	FAA	$842,000
	Sponsor	$41,332
	State	$41,333
	Total Program	$924,665

PROJECT:	H. A. Clark Memorial Field
SPONSOR:	City of Williams
CATEGORY:	General Aviation
SCHEDULE:	FY 2003-2007
PROJECT #:	E3F78
PROGRAM AMOUNT:	$647,924
TYPE OF WORK:	Install AWOS, Phase 2; Construct Runway 11/29, Preliminary Concept Design, Phase 1
REQUESTED ACTION:	Provide $10,917 funds to match Federal Grant AIP-07. Total project $244,221:

FUNDING SOURCES		
	FAA	$222,387
	Sponsor	$10,917
	State	$10,917
	Total Program	$244,221

PROJECT:	Holbrook Municipal Airport
SPONSOR:	City of Holbrook
CATEGORY:	General Aviation
SCHEDULE:	FY 2003-2007
PROJECT #:	E3F83
PROGRAM AMOUNT:	$244,221
TYPE OF WORK:	Construct Apron, Phase 2
REQUESTED ACTION:	Provide $28,962 funds to match Federal Grant AIP-14. Total project $647,924:

FUNDING SOURCES		
	FAA	$590,000
	Sponsor	$28,962
	State	$28,962
	Total Program	$647,924

Board Action: A motion to approve Items 31, 32, 33 and 34 was made by Mr. Schorr, seconded by Mr. Jeffers and passed unanimously.

PROJECT:	MAG Regional Aviation Plan
SPONSOR:	Maricopa Association of Governments
CATEGORY:	All Aviation
SCHEDULE:	FY 2003-2007
PROJECT #:	E9087
PROGRAM AMOUNT:	$417,308
TYPE OF WORK:	Continuous Aviation System Plan Update
REQUESTED ACTION:	Increase program amount by $15,078 to: Correct match Federal Grant AIP-MC97 for $351; Match AIP-MD99 for $14,727. Total project $417,308:

FUNDING SOURCES	**FAA**	$380,000
	Sponsor	$18,654
	State	$18,654
	Total Program	$417,308

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

PROJECT:	Glendale Municipal Airport
SPONSOR:	City of Glendale
CATEGORY:	Reliever
SCHEDULE:	FY 2003-2007
PROJECT #:	E3F76
PROGRAM AMOUNT:	$169,380
TYPE OF WORK:	Design Runway Extension (Design Only)
REQUESTED ACTION:	Increase program amount by $8,442 to amend State share. Total project $169,380:

FUNDING SOURCES	**FAA**	$0
	Sponsor	$16,938
	State	$152,442
	Total Program	$169,380

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

PROJECT:	Lake Havasu Airport
SPONSOR:	Lake Havasu City
CATEGORY:	Commercial
SCHEDULE:	New Project Request

PROJECT #:	E3F84	
PROGRAM AMOUNT:	$678,478	
TYPE OF WORK:	Establish air service marketing and subsidy program	
REQUESTED ACTION:	Project to be funded in conjunction with the USDOT's pilot program to aid small community's development of air service	
FUNDING SOURCES	**FAA**	$403,478
	Sponsor	$75,000
	State	$200,000
	Total Program	$678,478

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

In response to Mr. Schorr's question, Mr. Adams explained Lake Havasu City is guaranteeing Mesa Airlines will not lose any money on that segment, with the hope that as the air fares come down and ridership goes up there will be no need for a subsidy. He stated the agreement does not specifically set forth the amount they will charge on a per-flight basis.

Mr. Jeffers asked if the funds would be returned if Mesa Airlines' ridership and revenues increase. Mr. Adams stated, while that would be a possibility, it is unlikely.

Mr. Schorr stated he would like more details about the agreement before voting to approve it, expressing concern about the precedent they could be setting.

Mr. Martin asked if the time period could be extended if less money was used than expected. Mr. Adams stated the money goes back to the highway fund after the three-year period.

Mr. Gant asked if the Board could postpone making a decision until more details of the agreement are known. Mr. Adams offered to provide copies of the final contract between Lake Havasu City and Mesa Airlines as well as periodic updates on the status of the program. He said, while it is the Board's prerogative to delay approval, Mesa Airlines would like to begin serving the community within the next 30 to 60 days.

Board Action: An amended motion for conceptual approval of the project, pending review of satisfactory contracts, was made by Mr. Gant and seconded by Mr. Jeffers.

Mr. Mendez suggested they invite Lake Havasu City to the Board's May 1 study session and ask them to speak on their own behalf.

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

* Priority Planning Advisory Committee (PPAC)

- Minutes – March 5, 2003
- Highway Program Monitoring Report.

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

- April 24, 2003
- June 5, 2003
- July 3, 2003 (Tentative)
- July 31, 2003
- September 4, 2003
- October 2, 2003
- November 6, 2003
- December 4, 2003

Dates subject to change

RIGHT OF WAY RESOLUTIONS

*	RES. NO:	2003-04-A-019
	PROJECT:	I-17-2-805 / 017YV262H426901R
	HIGHWAY:	PHOENIX – CORDES JUNCTION
	SECTION:	S.R. 69 – Cordes Junction T.I.
	ROUTE NO.:	Interstate Route 17
	ENG. DIST:	P
	COUNTY:	Yavapai
	RECOMMENDATION:	Establish additional right of way for T.I. improvements
*	RES. NO:	2003-04-A-020
	PROJECT:	600-7-806 / 202LMA000H538401R & 202-B-507 / 202LMA030H578301R
	HIGHWAY:	SANTAN FREEWAY, RED MOUNTAIN FREEWAY
	SECTION:	Warner Rd. – U.S. 60, U.S. 60 T.I.
	ROUTE NO.:	State Route 202 Loop
	ENG. DIST:	M
	COUNTY:	Maricopa
	RECOMMENDATION:	Establish a portion of the Corridor as an access controlled state route and state highway

STATE ENGINEER'S REPORT

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

* Right of Way Acquisition Report for March, 2003.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

*

BIDS OPENED:	March 28	
HIGHWAY:	PHOENIX-CASA GRANDE HIGHWAY (I-10)	
SECTION:	I-10, 7th Avenue to 7th Street	
COUNTY:	Maricopa	
ROUTE NO:	I-10	
PROJECT:	I-010-C-510 010 MA 143 H607201C	
FUNDING:	100% State	
LOW BIDDER:	EME West Construction, Inc.	
AMOUNT:	$	222,865.00
STATE ESTIMATE:	$	215,229.80
$ OVER:	$	7,635.20
% OVER:		3.6%
NO. BIDDERS:		2
RECOMMENDATION:	AWARD	

BIDS OPENED:	April 3	
HIGHWAY:	NOGALES-TUCSON HIGHWAY (I-19)	
SECTION:	Airport Wash Bridge, NB & SB	
COUNTY:	Pima	
ROUTE NO:	I-19	
PROJECT:	I-019-A-504 019 PM 060 H599101C	
FUNDING:	100% State	
LOW BIDDER:	Stronghold Contracting, Inc.	
AMOUNT:	$	143,869.90
STATE ESTIMATE:	$	196,849.00
$ UNDER:	$	52,979.10
% UNDER:		26.9%
NO. BIDDERS:		8
RECOMMENDATION:	AWARD	

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

(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:	March 28	
HIGHWAY:	CASA GRANDE-TUCSON HIGHWAY (I-10)	
SECTION:	Sunland Gin Road	
COUNTY:	Pinal	
ROUTE NO:	I-10	
PROJECT:	IM-010-D(002)A 010 PN 200 H524401C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	FNF Construction, Inc.	
AMOUNT:	$	695,448.34
STATE ESTIMATE:	$	767,460.00
$ UNDER:	$	72,011.66
% UNDER:		9.4%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

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

*

BIDS OPENED:	March 28	
HIGHWAY:	KINGMAN-ASH FORK HIGHWAY (I-40)	
SECTION:	Blake Ranch Road – US 93	
COUNTY:	Mohave	
ROUTE NO:	I-40	
PROJECT:	STP-040-B(003)A 040 MO 066 H552501C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Nielsons Skanska, Inc.	
AMOUNT:	$	2,621,732.00
STATE ESTIMATE:	$	2,650,148.75
$ UNDER:	$	28,416.75
% UNDER:		1.1%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

(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:	March 28
HIGHWAY:	ORACLE JUNCTION-FLORENCE HIGHWAY (SR 79)
SECTION:	Florence – US 60
COUNTY:	Pinal
ROUTE NO:	SR 79
PROJECT:	STP-079-A(001)A 079 PN 134 H556101C

FUNDING:	94% Federal 6% State	
LOW BIDDER:	Meadow Valley Contractors, Inc.	
AMOUNT:	$	2,999,999.00
STATE ESTIMATE:	$	3,370,563.75
$ UNDER:	$	370,564.75
% UNDER:		11%
NO. BIDDERS:		7
RECOMMENDATION:	AWARD	

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

BIDS OPENED:	March 28	
HIGHWAY:	CITY OF BENSON	
SECTION:	Benson Heritage RR Plaza	
COUNTY:	Cochise	
ROUTE NO:	B 10	
PROJECT:	TEA-BEN-0(001)A 999 CH BEN SL46601C	
FUNDING:	94% Federal 6% City of Benson	
LOW BIDDER:	B & F Contracting, Inc.	
AMOUNT:	$	337,474.40
STATE ESTIMATE:	$	345,375.00
$ UNDER:	$	7,900.60
% UNDER:		2.3%
NO. BIDDERS:		14
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Martin and passed unanimously (Mr. Schorr recused himself from voting on this item).

Non-Interstate Non-Federal Aid

* BIDS OPENED:	March 14	
HIGHWAY:	QUARTZSITE-WICKENBURG HIGHWAY (US 60)	
SECTION:	Centennial Wash Bridge (STR. #117)	
COUNTY:	La Paz	
ROUTE NO:	US 60	
PROJECT:	U-060-A-500 060 LA 062 H599201C	
FUNDING:	100% State	
LOW BIDDER:	Bison Contracting Co., Inc.	
AMOUNT:	$	165,300.00
STATE ESTIMATE:	$	190,324.00
$ UNDER:	$	25,024.00

% UNDER: 13.2%
NO. BIDDERS: 9
RECOMMENDATION: AWARD

Non- Interstate, Non-Federal Aid

* BIDS OPENED: April 3
HIGHWAY: NOGALES-TOMBSTONE HIGHWAY (SR 82)
SECTION: Cochise County Line – Junction SR 90
COUNTY: Cochise
ROUTE NO: SR 82
PROJECT: S-082-A-502 082 CH 045 H610201C
FUNDING: 100% State
LOW BIDDER: Southern Arizona Paving & Construction, Co.
AMOUNT: $ 274,863.75
STATE ESTIMATE: $ 317,140.00
$ UNDER: $ 42,276.25
% UNDER: 13.3%
SECIBD LOW BIDDER: Granite Construction Company
AMOUNT: $ 294,828.00
$ UNDER: $ 22,312.00
$ UNDER: $ 7.0%
NO. BIDDERS: 6
RECOMMENDATION: AWARD TO LOW BIDDER

COMMENTS: Southern Arizona Paving & Construction Co. failed to acknowledge receipt of Addendum No. 1. Addendum No. 1 had no effect on the work for this project. It allowed the bidders the option of submitting their bids electronically. The State Engineer considers this irregularity to be waiveable
and recommends award to Southern Arizona Paving & Construction Co. The second low bidder, Granite Construction Company, filed a protest of the recommendation.

Not every irregularity results in mandatory rejection. Subsection 102.10 – Irregular Proposals established two types of irregularities. Paragraph (A) lists examples of irregularities that are waiveable. Paragraph (B) lists those irregularities which are specifically not waiveable. Failure to acknowledge receipt of addendum is not shown in Paragraph (B).

The work that Southern Arizona Paving & Construction proposed in their bid conforms in every respect with the

bid requirements. The only thing Southern Arizona Paving & Construction didn't acknowledge was the opportunity to submit a bid electronically. The addendum had no possible effect on the work proposed to be performed, the price, or the quality or quantity of work. There was no advantage to the contractor due to failure to check receipt of the addendum. Finally, no bidders submitted bids electronically on this project.

Granite Construction has cited examples where the Board rejected bids due to failure to acknowledge addendum. In those examples, there was a possibility that the addendum not acknowledged could affect the work proposed to be performed, the price, or the quality or quantity of work. This possibility is not presented in this matter.

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

Mr. Schorr asked why it was treated as an addendum, suggesting an information letter could have been sent out saying bidders could respond electronically. Mr. Higgins explained that, in order to be on a level playing field, all notifications are sent out as addendums to ensure all contractors read them and act accordingly.

Gene Darby stated his firm was low bidder on the State Board Office system in Patagonia one year ago, however, because they did not acknowledge their addendum number one, the Board took the job away from them. He asked that the Board make a decision as to whether acknowledgement of addendums is mandatory or not and to stand by that decision in all cases.

Craig Kaufman, Granite Construction Company, stated certification with respect to receipt of the addenda is mandatory, not discretionary. He said, from an industry perspective, rules that are consistently and fairly enforced are important because it provides a level playing field. With regard to the Engineer's point that the failure to submit certification is not contained within the examples of irregularities that are not waiveable under Section 102.10A and B of the ADOT standard specifications, Mr. Kaufman stated it is also not listed as a waiveable irregularity. He asked the Board to reject the engineer's recommendation and to reject the low bid as not being in compliance with the standards.

Mr. Aschenbach, Arizona Office of the Attorney General, stated they believe the State Engineer's position to be a technically and legally correct analysis in this particular instance. He stated, while the Board has to be fair to bidders, it must also be fair to the public and obtain the best project for the lowest possible price. He explained Mr. Darby's situation differed in that the addendum he failed to acknowledge would have affected the bid price.

Barry Crockett, Contract Specifications, reiterated that not every irregularity results in mandatory rejection of a bid. He said, while automatically rejecting all irregular bids might minimize the number of protests, the Board would have to determine if every irregularity that could possibly happen in the future would be included. He emphasized that submitting a bid electronically would not effect the unit price of the work to be performed.

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

BIDS OPENED:	March 14	
HIGHWAY:	FLAGSTAFF-CAMERON-BITTER SPRINGS HIGHWAY (US 89)	
SECTION:	Milepost 457.00 – Milepost 467.00	
COUNTY:	Coconino	
ROUTE NO:	US 89	
PROJECT:	U-089-C-501 089 CN 457 H622601C	
FUNDING:	100% State	
LOW BIDDER:	Meadow Valley Contractors, Inc.	
AMOUNT:	$	549,931.50
STATE ESTIMATE:	$	513,268.00
$ OVER:	$	36,663.50
% OVER:		7.1%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Lane and passed unanimously (Mr. Schorr recused himself from voting on this item).

*	BIDS OPENED:	March 28
	HIGHWAY:	CAMERON-BITTER SPRINGS HIGHWAY (US 89)
	SECTION:	Bridge No. 580
	COUNTY:	Coconino
	ROUTE NO:	US 89
	PROJECT:	U-089-D-501 089 CN 476 H599401C
	FUNDING:	100% State
	LOW BIDDER:	Bison Contracting Co., Inc.
	AMOUNT:	$ 89,484.59
	STATE ESTIMATE:	$ 85,235.00
	$ OVER:	$ 4,249.59
	% OVER:	5.0%
	NO. BIDDERS:	11
	RECOMMENDATION:	AWARD

* BIDS OPENED: March 14

HIGHWAY:	WICKENBURG-PRESCOTT HIGHWAY (SR 89)	
SECTION:	Congress – Yarnell Hill	
COUNTY:	Yavapai	
ROUTE NO:	SR 89	
PROJECT:	S-089-A-511 089 YV 268 H598901C	
FUNDING:	100% State	
LOW BIDDER:	Dar-Hil Corporation	
AMOUNT:	$	790,824.00
STATE ESTIMATE:	$	798,020.00
$ UNDER:	$	7,196.00
% UNDER:		0.9%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

*

BIDS OPENED:	March 28	
HIGHWAY:	SAN LUIS – YUMA – QUARTZSITE HIGHWAY (US 95)	
SECTION:	US 95 South of Quartzsite	
COUNTY:	La Paz	
ROUTE NO:	US 95	
PROJECT:	U-095-B-503 095 LA 096 H529201C	
FUNDING:	100% State	
LOW BIDDER:	Bison Contracting Co., Inc.	
AMOUNT:	$	553,889.50
STATE ESTIMATE:	$	552,754.00
$ OVER:	$	1,135.50
% OVER:		0.2%
NO. BIDDERS:		10
RECOMMENDATION:	AWARD	

*

BIDS OPENED:	April 3	
HIGHWAY:	AGUA FRIA FREEWAY (101L)	
SECTION:	Union Hills Drive – 75th Avenue	
COUNTY:	Maricopa	
ROUTE NO:	Loop 101	
PROJECT:	S-101-A-506 101L MA 015 H619001C	
FUNDING:	100% State	
LOW BIDDER:	C S & W Contractors, Inc.	
AMOUNT:	$	681,891.70
STATE ESTIMATE:	$	682,142.00
$ UNDER:	$	250.30
% UNDER:		0.4%
NO. BIDDERS:		8
RECOMMENDATION:	AWARD	

*	BIDS OPENED:	April 3
	HIGHWAY:	FLAGSTAFF-VALLE HIGHWAY (US 180)
	SECTION:	Fine Avenue – Navajo Road
	COUNTY:	Coconino
	ROUTE NO:	US 180
	PROJECT:	U-180-A-502 180 CN 215 H410901C
	FUNDING:	78% State 22% City of Flagstaff
	LOW BIDDER:	FNF Construction, Inc.
	AMOUNT:	$ 2,083,899.40
	STATE ESTIMATE:	$ 2,035,017.00
	$ OVER:	$ 48,882.40
	% OVER:	2.4%
	NO. BIDDERS:	3
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously (Mr. Schorr recused himself from voting on this item).

BIDS OPENED:	April 3
HIGHWAY:	CHAMBERS-MEXICAN WATER HIGHWAY (US 191)
SECTION:	Wide Ruins to Klagetoh
COUNTY:	Apache
ROUTE NO:	US 191
PROJECT:	U-191-E-501 191 AP 394 H633001C
FUNDING:	100% State
LOW BIDDER:	Combs Construction Company, Inc.
AMOUNT:	$ 177,175.00
STATE ESTIMATE:	$ 161,430.00
$ OVER:	$ 15,745.00
% OVER:	9.8%
NO. BIDDERS:	3
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Jeffers, seconded by Mr. Gant and passed unanimously (Mr. Schorr recused himself from voting on this item).

*	BIDS OPENED:	March 14
	HIGHWAY:	SHORT CREEK – FREDONIA HIGHWAY SR 389
	SECTION:	Fredonia – Junction US 89A
	COUNTY:	Coconino

ROUTE NO:	SR 389	
PROJECT:	S-389-A-500 389 CN 032 H542301C	
FUNDING:	100% State	
LOW BIDDER:	Tonto Supply, Inc.	
AMOUNT:	$	752,316.08
STATE ESTIMATE:	$	715,278.10
$ OVER:	$	37,037.98
% OVER:		5.2%
NO. BIDDERS:		8
RECOMMENDATION: AWARD		

CONSENT AGENDA

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

ADJOURN

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

The meeting adjourned at 5:42 p.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
BOARD MEETING
1:00 P.M., Thursday, May 1, 2003
Arizona Department of Transportation
AUDITORIUM
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special meeting at 1:00 p.m., Thursday, May 1, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, 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 Dale Buskirk, Acting Director, Planning Division. There were approximately 120 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Radicke led the audience in the Pledge of Allegiance.

Proposal To Change Name Of Squaw Peak Parkway To Piestewa Freeway

Mr. Mendez, presented a proposal to the Board to change the name of the Squaw Peak Parkway to the Lori Piestewa Freeway. He stated there are three primary reasons why it is important to change the name of the freeway. First, to honor the late Private 1st Class Lori Piestewa who served her state and nation honorably and became the first Native American Woman serving in the United States Military to be killed as a result of combat. He said Lori Piestewa made the ultimate sacrifice for her country and it is appropriate to honor her bravery and sacrifice. Second, to address the controversy that has lingered for many years over the word "Squaw" which is considered derogatory by many Native Americans. He explained the change would replace the current name with something that honors and promotes a positive message for all Arizonan's, particularly Native American women. He noted approximately 21 Native American communities have submitted a letter to the Department and Governor Napalitano, supporting a change in the freeway's name. He said to ignore this message would be to send a message to all citizens that intentionally offending some people is acceptable. Finally, the Arizona State Board on Geographic and Historic Names recently agreed to rename S.R. 51 as the Piestewa Freeway and renamed Squaw Peak as Piestewa Peak. It would be particularly appropriate to rename the freeway to correspond with these new names.

Mr. Mendez stated a number of citizens have expressed concern that the state is acting in haste and suggested it adhere to the five year waiting period. He clarified the five year waiting period does not apply to the State Transportation Board, noting, until 1987 it was the practice of the U.S. Board on Geographic Names to wait one year. He said it was not until 1995 that the U.S. Board adopted the current five year policy. He expressed his opinion this is the right time and urged the Board to rename S.R. 51 to the Lori Piestewa Freeway.

CALL TO THE AUDIENCE

Representative Phil Hanson, District 9, said the freeway has always been known as the Squaw Peak and, regardless of what the Board on Geographic Historic Names says or what the Transportation Board does, most will continue to know it as the Squaw Peak. He stated he attended the meeting of the Board of Geographic and Historic Names, reporting the Board broke rules and pressure was placed on the Board by the Governor and her staff. He noted the only member of the Board to vote against the name change was also the only non-state employee. He said his opposition to the name change in no way takes away from the memory and bravery of Lori Piestewa, agreeing she deserves recognition. He said, however, the state has to follow the rules set by boards and federal agencies when naming freeways.

Martha McNamara, former member of the Board of Geographic and Historical Names, said during her tenure on the Board, they dealt with renaming of the Beeline Highway after a policeman. She said she stood by the Governor's position to rename the highway and was ultimately asked for her resignation, which she tendered. She expressed her opinion the Squaw Peak Freeway should also be renamed to Piestewa Freeway.

Wayne Taylor, Chairman, The Hopi Tribe, stated Lori Piestewa was killed in combat in March 2003 while defending herself, her fellow soldiers and her nation. He said the proposal to rename the parkway is welcomed by the Hopi people. He stated it would be appropriate that Lori Piestewa's name serve as a reminder, both of her sacrifice, as well as the sacrifices of men and women who have served in the past and continue to serve today. He stated there is nothing uplifting or inspiring in the parkway's current name and Native American women, as well as women in general, will benefit from the Board's action to replace the negative connotations now associated with the parkway's name with a name that reminds us of the dignity, courage and valor that characterizes Lori Piestewa and countless women across the nation who serve in our Armed Forces. On behalf of the Hopi Tribe, he urged the Board to approve the proposal.

Santos Vega, Lulac Council 284 and 1063, pointed out the Hopi people have lived in this area for thousands of years. He said it is time that the state recognize Native Americans and integrate them within the state. He said his service during the Korean War pales in comparison to the sacrifice Private Piestewa made during the War in Iraq. He expressed his opinion the State has been given an opportunity to replace an offensive name with one that stands for honor and courage.

Lloyd Clark, member of the Arizona State Board of Geographic and Historic Names, pointed out his was the descending vote on changing the freeway's name. He said, while Lori Piestewa deserves recognition for her military service, the proposed name change is inappropriate and is surrounded by as much controversy as the current name. He submitted an alternative proposal, suggesting Redmont Peak would be a more appropriate place for a memorial to Private Piestewa. He explained the five year waiting period policy allows the Board time to do research and for thoughtful deliberations to be done. He noted at least 28 other geographic names in Arizona contain the word 'squaw", questioning whether these too would be renamed. He asked the Board to defer making their decision, stating sanctioning the change would add insult to injury.

Bill Leimkuehler, USAF Retired, expressed his opinion it would be better for the state to select a beautiful rock formation or unnamed peak along I-40 as the site for a memorial to heroic Indian women, specifically Lori Piestewa. He explained a rest stop at that location could include a display of pictures and narrative of Private Piestewa's bravery. He noted the word squaw refers to an Indian woman and is not an insult.

William "Blue" Crowley, citizen, stated, as of 2000, Webster's dictionary acknowledges negative connotations associated with the word squaw. He expressed his opinion the peak and parkway should be renamed to honor Lori Piestewa.

Colleen Robin, resident of Glendale, suggested, since the peak has been renamed in honor of Lori Piestewa, that the parkway be named after Lance Corporal Michael J. Williams in recognition of his bravery and sacrifice. She said recognizing one soldier, and not the other, would be a travesty.

Cheryl Hunter, Phoenix resident, said in her discussions with members of the Indian community, they expressed concern that the Tribes were not consulted with regard to the proposed name change and that it might be too early to make such a memorial, given that many Indian and non-Indian soldiers have yet to return from Iraq.

Board Action: A motion to go into Executive Session was made by Mr. Jeffers, seconded by Mr. Lane and passed unanimously.

The special meeting reconvened at 2:30 p.m.

Board Action: A motion to table the renaming of S.R. 51 was made by Mr. Jeffers. The motion failed due to lack of a second.

Board Action: Mr. Schorr made a motion to rename SR 51 to Piestewa Freeway, stating; 1) the policies and procedures of the US Board of Geographic and Historic Names prohibits the use of a word in official geographic language considered to be derogatory. The word squaw, as now described in many dictionaries, is offensive. The proposed name change would rectify the situation in two ways, it would delete the offending term and replace it

with a name that has become a symbol of the bravery of Native American women. This would not only provide tribute to PFC Piestewa's sacrifice, but also remove the longstanding racial and gender slight found in the current name. While it is currently a very contentious issue, hopefully within a few years people will see that it was something that should have been done long ago; and 2) we have followed all of the rules, except in terms of the five year rule which is not applicable in this case. Mr. Gant seconded motion.

Mr. Jeffers said, while he and likely everyone in the room respect the sacrifices made by members of the military, his concern is that the Board is making a decision in haste. He said the Board, in making a decision today, would not be demonstrating the weight of its responsibility. He stated the bylaws of the Board of Geographic and Historic Names suggests a five year waiting period to allow emotions of the minute to subside and to ensure the right decision is made.

Mr. Martin agreed with Mr. Jeffers, adding he is also concerned that the Board has not had formal correspondence from the Board of Geographic and Historic Names confirming their recommendation.

Mr. Schorr stated, while the lack of correspondence from the Board of Geographic and Historic Names is unsettling, it is clear from their minutes that they did not believe they had jurisdiction and deferred the matter to the State Transportation Board. He agreed the Board has to act deliberately when considering matters of safety and those that effect the transportation system as a whole, stating, however, this is not an issue that requires a lot of time. He reiterated the basis for his motion is that it would replace the currently offensive name with one that honors Lori Piestewa.

Mr. Jeffers acknowledged that the term squaw is offensive to some, stating, however, the reality is that people who live in the area do not have any problem with the name. He stated the Board is acting on a recommendation made by the Board of Geographic and Historic Names, however he has concerns about how their meeting was handled. He reiterated his position that a decision should be postponed until a later date.

Mr. Martin referred to the Board's policy 17, stating it asks for a blessing from the Board of Geographic and Historic Names before any name change occurs. He expressed his opinion that their blessing has not yet been received.

The motion passed by a vote of 5 to 2 (Mr. Jeffers and Mr. Martin voted nay).

ADJOURN

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

The meeting adjourned at 10:45 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director

*Denotes items approved in the consent agenda.

MINUTES
OF THE
STATE TRANSPORTATION BOARD
BOARD MEETING
1:00 P.M., Thursday, May 1, 2003
Arizona Department of Transportation
AUDITORIUM
206 South 17th Avenue
Phoenix, Arizona 85007

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Chairperson Radicke led the audience in the Pledge of Allegiance.

Proposal To Change Name Of Squaw Peak Parkway To Piestewa Freeway

Mr. Mendez, presented a proposal to the Board to change the name of the Squaw Peak Parkway to the Lori Piestewa Freeway. He stated there are three primary reasons why it is important to change the name of the freeway. First, to honor the late Private 1st Class Lori Piestewa who served her state and nation honorably and became the first Native American Woman serving in the United States Military to be killed as a result of combat. He said Lori Piestewa made the ultimate sacrifice for her country and it is appropriate to honor her bravery and sacrifice. Second, to address the controversy that has lingered for many years over the word "Squaw" which is considered derogatory by many Native Americans. He explained the change would replace the current name with something that honors and promotes a positive message for all Arizonan's, particularly Native American women. He noted approximately 21 Native American communities have submitted a letter to the Department and Governor Napalitano, supporting a change in the freeway's name. He said to ignore this message would be to send a message to all citizens that intentionally offending some people is acceptable. Finally, the Arizona State Board on Geographic and Historic Names recently agreed to rename S.R. 51 as the Piestewa Freeway and renamed Squaw Peak as Piestewa Peak. It would be particularly appropriate to rename the freeway to correspond with these new names.

Mr. Mendez stated a number of citizens have expressed concern that the state is acting in haste and suggested it adhere to the five year waiting period. He clarified the five year waiting period does not apply to the State Transportation Board, noting, until 1987 it was the practice of the U.S. Board on Geographic Names to wait one year. He said it was not until 1995 that the U.S. Board adopted the current five year policy. He expressed his opinion this is the right time and urged the Board to rename S.R. 51 to the Lori Piestewa Freeway.

CALL TO THE AUDIENCE

Representative Phil Hanson, District 9, said the freeway has always been known as the Squaw Peak and, regardless of what the Board on Geographic Historic Names says or what the Transportation Board does, most will continue to know it as the Squaw Peak. He stated he attended the meeting of the Board of Geographic and Historic Names, reporting the Board broke rules and pressure was placed on the Board by the Governor and her staff. He noted the only member of the Board to vote against the name change was also the only non-state employee. He said his opposition to the name change in no way takes away from the memory and bravery of Lori Piestewa, agreeing she deserves recognition. He said, however, the state has to follow the rules set by boards and federal agencies when naming freeways.

Martha McNamara, former member of the Board of Geographic and Historical Names, said during her tenure on the Board, they dealt with renaming of the Beeline Highway after a policeman. She said she stood by the Governor's position to rename the highway and was ultimately asked for her resignation, which she tendered. She expressed her opinion the Squaw Peak Freeway should also be renamed to Piestewa Freeway.

Wayne Taylor, Chairman, The Hopi Tribe, stated Lori Piestewa was killed in combat in March 2003 while defending herself, her fellow soldiers and her nation. He said the proposal to rename the parkway is welcomed by the Hopi people. He stated it would be appropriate that Lori Piestewa's name serve as a reminder, both of her sacrifice, as well as the sacrifices of men and women who have served in the past and continue to serve today. He stated there is nothing uplifting or inspiring in the parkway's current name and Native American women, as well as women in general, will benefit from the Board's action to replace the negative connotations now associated with the parkway's name with a name that reminds us of the dignity, courage and valor that characterizes Lori Piestewa and countless women across the nation who serve in our Armed Forces. On behalf of the Hopi Tribe, he urged the Board to approve the proposal.

Santos Vega, Lulac Council 284 and 1063, pointed out the Hopi people have lived in this area for thousands of years. He said it is time that the state recognize Native Americans and integrate them within the state. He said his service during the Korean War pales in comparison to the sacrifice Private Piestewa made during the War in Iraq. He expressed his opinion the State has been given an opportunity to replace an offensive name with one that stands for honor and courage.

Lloyd Clark, member of the Arizona State Board of Geographic and Historic Names, pointed out his was the descending vote on changing the freeway's name. He said, while Lori Piestewa deserves recognition for her military service, the proposed name change is inappropriate and is surrounded by as much controversy as the current name. He submitted an alternative proposal, suggesting Redmont Peak would be a more appropriate place for a memorial to Private Piestewa. He explained the five year waiting period policy allows the Board time to do research and for thoughtful deliberations to be done. He noted at least 28 other geographic names in Arizona contain the word 'squaw", questioning whether these too would be renamed. He asked the Board to defer making their decision, stating sanctioning the change would add insult to injury.

Bill Leimkuehler, USAF Retired, expressed his opinion it would be better for the state to select a beautiful rock formation or unnamed peak along I-40 as the site for a memorial to heroic Indian women, specifically Lori Piestewa. He explained a rest stop at that location could include a display of pictures and narrative of Private Piestewa's bravery. He noted the word squaw refers to an Indian woman and is not an insult.

William "Blue" Crowley, citizen, stated, as of 2000, Webster's dictionary acknowledges negative connotations associated with the word squaw. He expressed his opinion the peak and parkway should be renamed to honor Lori Piestewa.

Colleen Robin, resident of Glendale, suggested, since the peak has been renamed in honor of Lori Piestewa, that the parkway be named after Lance Corporal Michael J. Williams in recognition of his bravery and sacrifice. She said recognizing one soldier, and not the other, would be a travesty.

Cheryl Hunter, Phoenix resident, said in her discussions with members of the Indian community, they expressed concern that the Tribes were not consulted with regard to the proposed name change and that it might be too early to make such a memorial, given that many Indian and non-Indian soldiers have yet to return from Iraq.

Board Action: A motion to go into Executive Session was made by Mr. Jeffers, seconded by Mr. Lane and passed unanimously.

The special meeting reconvened at 2:30 p.m.

Board Action: A motion to table the renaming of S.R. 51 was made by Mr. Jeffers. The motion failed due to lack of a second.

Board Action: Mr. Schorr made a motion to rename SR 51 to Piestewa Freeway, stating; 1) the policies and procedures of the US Board of Geographic and Historic Names prohibits the use of a word in official geographic language considered to be derogatory. The word squaw, as now described in many dictionaries, is offensive. The proposed name change would rectify the situation in two ways, it would delete the offending term and replace it

with a name that has become a symbol of the bravery of Native American women. This would not only provide tribute to PFC Piestewa's sacrifice, but also remove the longstanding racial and gender slight found in the current name. While it is currently a very contentious issue, hopefully within a few years people will see that it was something that should have been done long ago; and 2) we have followed all of the rules, except in terms of the five year rule which is not applicable in this case. Mr. Gant seconded motion.

Mr. Jeffers said, while he and likely everyone in the room respect the sacrifices made by members of the military, his concern is that the Board is making a decision in haste. He said the Board, in making a decision today, would not be demonstrating the weight of its responsibility. He stated the bylaws of the Board of Geographic and Historic Names suggests a five year waiting period to allow emotions of the minute to subside and to ensure the right decision is made.

Mr. Martin agreed with Mr. Jeffers, adding he is also concerned that the Board has not had formal correspondence from the Board of Geographic and Historic Names confirming their recommendation.

Mr. Schorr stated, while the lack of correspondence from the Board of Geographic and Historic Names is unsettling, it is clear from their minutes that they did not believe they had jurisdiction and deferred the matter to the State Transportation Board. He agreed the Board has to act deliberately when considering matters of safety and those that effect the transportation system as a whole, stating, however, this is not an issue that requires a lot of time. He reiterated the basis for his motion is that it would replace the currently offensive name with one that honors Lori Piestewa.

Mr. Jeffers acknowledged that the term squaw is offensive to some, stating, however, the reality is that people who live in the area do not have any problem with the name. He stated the Board is acting on a recommendation made by the Board of Geographic and Historic Names, however he has concerns about how their meeting was handled. He reiterated his position that a decision should be postponed until a later date.

Mr. Martin referred to the Board's policy 17, stating it asks for a blessing from the Board of Geographic and Historic Names before any name change occurs. He expressed his opinion that their blessing has not yet been received.

The motion passed by a vote of 5 to 2 (Mr. Jeffers and Mr. Martin voted nay).

ADJOURN

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

The meeting adjourned at 10:45 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director

*Denotes items approved in the consent agenda.

MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
12:30 P.M., Wednesday, May 28, 2003
Sheraton Mesa Hotel and Convention Center
200 N. Centennial Way
Mesa, Arizona 85201

The State Transportation Board met in official session for a study session at 12:50 p.m., Wednesday, May 28, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane and Jim Martin. Si Schorr participated in the study session via teleconference. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; and Dale Buskirk, Acting Director, Planning Division. There were approximately 20 people in the audience.

PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

"Draft" Transportation Plan/Maricopa County–½-Cent Sales Tax Extension Overview Plan

Dennis Smith said in April of last year a Transportation Subcommittee, chaired by Keno Hawker, recommended the formation of a Transportation Policy Committee. He said the committee has since met a number of times and engaged the business community. He reported HB 2292 passed and is headed for a May 18 election, stating, therefore, they are working hard to get a transportation plan completed by September 30. He explained, as required by Federal Law, Mr. Anderson will present the Board with three alternatives scenarios for a 30 day review, after which a draft plan will be developed and subjected to a second 30 day review by the Board. He said the final plan will then be developed, taking into consideration all comments that have been made by the Board and other stakeholders.

Mr. Anderson reviewed the modeling scenarios, explaining they will eventually lead to a hybrid scenario representing the best of all three alternatives. He noted all of the scenarios are financially constrained to about $17 billion. He pointed out Maricopa County has grown 45 percent each decade since 1960 and is expected to continue to grow from three million people in 2000 to 5.2 million by 2020 and 6.2 million by 2030. He said growth is expected to shift significantly to the west side and growth in the southeast valley is already spilling over into Pinal County. He reviewed a map depicting the distribution of current and future employment centers throughout the metro area.

Mr. Jeffers asked if they expect Reservation lands to build out fairly densely in terms of employment. Mr. Anderson responded yes, stating they may have actually underestimated the level to which the Salt River Pima Indian community will build out. He said, however, in terms

of residential, build-out will not be as dramatic because they do not want non-tribal members living on the Reservation.

Mr. Anderson explained they started with $17.1 billion in regional funds, including the potential extension of the half-cent sales tax of $8.3 billion and $0.8 billion in 15 Percent Funds. He stated ADOT Discretionary Funds account for $4.5 billion and 5307 and 5309 Transit Funds account for $0.7 billion and $1.6 billion, respectively. He stated MAG Surface Transportation Funds account for $0.4 billion and Congestion Mitigation Air Quality Funds total $0.8 billion.

Mr. Anderson explained Scenario A has a heavy emphasis on Freeways, while Scenario B has more money going into major arterial streets and limited access roadways and Scenario C places more emphasis on transit. He pointed out the percent growth in capacity miles under each scenario increases by two-thirds, which is significantly below the growth rate expected for vehicle miles traveled. He reviewed a series of Level of Service maps, discussing the impact each scenario is expected to have. He noted the transportation model was expanded to include most of Pinal County.

In conclusion, Mr. Anderson said the $17 billion investment will reduce delay to approximately half of what it would have been. He said the freeway improvements proposed in Scenario A address future congestion and mobility and provides some additional facilities in outer reaches of the urban area. He stated HOV lanes and HOV ramp connections positively impact congestion and are important to transit. He said the percent increase in transit for Alternatives A and B was about proportional to the expenditure increase, but the doubled investment in Alternative C did not result in a proportional increase in ridership. He stated Scenario B operated well in terms of delay. He said the Transportation Policy Committee hopes to have a working version of the map by June 18.

Chairperson Radicke asked what percentage of the public do they anticipate will take public transportation. Mr. Anderson was unable to say, stating they have not yet performed those calculations. He pointed out even a five to 10 percent reduction in the number of cars on the freeway has a huge impact on congestion. Chairperson Radicke asked if there are plans to extend transit to Anthem. Mr. Anderson said the transit component of the plan focuses on regional routes, which would include Anthem.

Si Schorr joined the Study Session via telephone.

"Draft" State Bicycle Plan

Carol Slaker explained TEA21 recommends that bicycles and pedestrians be accommodated when planning and designing roadway projects. She said FHWA has provided further policy guidelines and recommends that bicycle and pedestrian facilities be incorporated into all transportation projects. She said the goal of their study was to provide a long range plan for a statewide system of interconnected bicycle and pedestrian facilities. She identified their study objectives, stating one of the main objectives was to incorporate local and regional bicycle and pedestrian plans into one document. She stated there was a lot of stakeholder involvement in the plan, noting a website was developed and will be continued throughout the life of the bicycle and

pedestrian program. She stated the Steering Committee had representation from over 40 organizations and divisions and held bi-monthly meetings to help guide development of the plan. She said the Review Committee is an extended group that kept involved through email. She stated all regional and district engineers throughout the state were contacted and submitted a lot of valuable feedback. She reported open house meetings were held in Phoenix, Tucson, Flagstaff, Prescott and Yuma, during which Bicycle and Pedestrian User Surveys were distributed. She noted they have received approximately 500 responses to those surveys to date.

Ms. Slaker explained during the first phase of the study they reviewed existing plans and conditions, while the second phase involved identifying bicycle and pedestrian networks. She said the third phase looked at ordinances throughout the state as well as safety, education, enforcement, marking, and cost estimates. She explained bicycle conditions were ranked on four factors, right shoulder width, traffic volume, percent of trucks, and speed limit. She said, based on that ranking, they came up with a bicycling condition score, explaining a score of 15 or more indicates a facility is more suitable for bicycles. She said they also looked at regional bicycling condition scores for local areas, as well as major bicycling events, when compiling the bicycle network map.

Ms. Slaker explained the bicycle network includes ADOT state highways, except where bicycles are prohibited, and regionally significant non-ADOT facilities. She said the user map compares the right shoulder width and traffic count data for ADOT facilities plus the location of non-ADOT facilities. She said they also looked at design guidelines, including bike lanes, bike routes, shared-use paths, pedestrian facilities, and pedestrian friendly development. She stated innovative traffic control devices were also researched. She said they also reviewed maintenance guidelines for existing bicycle and pedestrian facilities, existing ADOT bicycle policies, and existing codes and standards throughout Arizona that address bicycle parking, pedestrian access, helmet use, and bicycle riding laws.

Ms. Slaker stated they have looked at federal, state, regional and local funding sources, creating a table of different funding options, listing matching fund requirements, submission deadlines and contact information. She stated the implementation plan includes a combination of bicycle and pedestrian zoned roadway projects, where feasible; development of bicycle and pedestrian programs; construction of non-ADOT bicycle facilities by other agencies; bicycle and pedestrian specific projects by ADOT, including cost estimates; shared use paths in coordination with other agencies; cattle guard replacements; and shoulder widening projects. She said they hope to promote bicycle safety and educational guides, Bike To Work events and Safe Routes To School programs; coordinate statewide educational efforts and provide literature for use by other agencies; build enforcement strategies; and develop a bicycle user map.

Mr. Jeffers asked if they differentiated between recreational and occupational bicycle uses. Ms. Slaker said one of the objectives of the survey is to determine the number and types of users.

In response to Mr. Martin's question, Mr. Buskirk stated they would not likely recommend spending a large amount of money to improve facilities with high ADT's and percentages of truck traffic. Mr. Martin asked if the data is skewed in any way by special bike groups when a majority of the bike riding population is not involved in any organization. Ms. Slaker said they

tried to reach all users through the surveys, however, the scoring process focused on the state highway system.

Ms. Slaker said, in terms of the state highway system, most bicyclists are not concerned with designated bicycle routes, but appreciate wide, paved shoulders.

Mr. Schorr asked if the study is broken down by area or by county. Ms. Slaker said the maps take the entire statewide system into account, however, local and regional maps were incorporated. Mr. Schorr asked if the study identified the location of possible future bicycle paths. Ms. Slaker said the study identified where the limited funds could be used most wisely, including areas where shoulders are less than two feet wide and areas that are contiguous to existing bicycle facilities. Mr. Schorr asked if the study addressed standards for shared use facilities. Ms. Slaker said the study includes some standards and guidelines pertaining to shared use paths, however, they only looked at paths that impacted the state highway system.

In response to Mr. Lane's question, Ms. Slaker explained the parallel rungs of the cattle guards present a hazard to bicyclists and need to be replaced with more bicycle friendly guards.

Mr. Buskirk said, while there have been some who have criticized ADOT on the grounds of being uni-modal, the proposed bicycle and pedestrian program will belie that criticism. He emphasized that ADOT has been and continues to be a multi-modal transportation agency.

Canamex – Route Designation Study

Dale Buskirk explained federal statute defined the CANAMEX Corridor as I-19 from the international boundary with Mexico to I-10, I-10 to the metropolitan Phoenix area and US 93 connecting to I-15 in Las Vegas. He pointed out the designation was ambiguous as it applied to the metropolitan Phoenix area, stating, therefore, ADOT, in conjunction with MAG and MCDOT, undertook a study to look at designation of the corridor. He said they reduced the number of alternatives to three, but had to put the study on hold due to issues with the Wickenburg bypass. He said the issues have since been resolved and ADOT, MAG and MCDOT are in agreement that the study should be started once again. He said there were also issues regarding development of the Buckeye area, therefore, he will meet with the Mayor of Buckeye and the Mayor of Wickenburg to discuss whether or not the study should be restarted. He stated if all major stakeholders agree, they will continue through the technical analysis and present the study recommendations to the Transportation Committee of the Governor's CANAMEX Task Force. He said the study will then be sent to the Full Governor's CANAMEX Task Force who will forward a recommendation to the State Transportation Board. He pointed out that, in addition to designating a CANAMEX Corridor through the metropolitan Phoenix area, there would also be a political following because the corridor is defined in federal statute.

Chairperson Radicke announced Mr. Hileman was appointed to the CANAMEX Task Force.

Chairperson Radicke asked if designation in the metropolitan Phoenix area will make a difference on the monies ADOT receives. Mr. Buskirk said, given Mr. Mendez's very effective

lobbying during Reauthorization Summit and assuming continued support for a Borders and Corridor's Program, the designated routes will be eligible for borders and corridor's funding.

Mr. Gant pointed out other agencies, including MAG, are pursuing designation independently. He said ADOT needs to make its decision with regard to the route as soon as possible. Mr. Buskirk noted he spoke with Tom Buick who reported Maricopa County voted no on the designation of the CANAMEX through Maricopa County. He said, however, Mr. Buick is amenable to reassessing the county's position.

Mr. Schorr asked if the decision is subject to any timing constraints. Mr. Buskirk explained plans are being made by some jurisdictions within Maricopa County that relate to their designation of the CANAMEX Corridor. Mr. Schorr asked who makes the decision as to the ultimate alignment. Mr. Buskirk said Congress has ultimate authority because the corridor is designated in federal statute, however, the State Transportation Board is responsible for making a single recommendation to Congress.

FY 2004-2008 Tentative 5 Year Financial Plan

John McGee explained there are still ongoing issues that could impact overall funding for the 5-Year Program, therefore, the plan is considered preliminary at this point. He said the program totals $3.7 billion, with 51 percent going to System Improvements, 19 percent going to System Preservation, eight percent going to System Management and 22 percent representing the MAG Life Cycle Program. He stated the $800 million MAG program represents about $34 million in right-of-way acquisition, $22 million in design and $755 million in construction. With regard to the Statewide Program, Mr. McGee said they do an annual financial plan, the program is managed on a cash flow basis, and modeling is done using a macro model. He identified the Statewide Program's major funding sources as State Highway Funds, Federal Funds, HURF Bonds and HELP Funds. He said they anticipate receiving $6.27 billion in HURF Revenue and $2.59 billion in discretionary funds. He stated 55 percent of the discretionary funds will be used to pay for ADOT's operating program, 20 percent will go toward debt service, 19 percent will go to the Capital Program, two percent goes toward L,B&I and four percent is set aside for DPS. He said 75 percent of the $2.36 billion in Federal Funds are available for the statewide program, while MAG receives 14 percent and PAG receives three percent. In addition to the federal funds and discretionary funds, Mr. McGee stated they also anticipate selling approximately $44 million in HURF bonds and $60 million in HELP loans for a total of $2.76 billion available for the Five Year Program. He reviewed recommended, expected and worst case cash balances for the years 2004 through 2008. He explained the expected payout curves are based on the past two or three years' payout history, while the worst case payout curves assume projects are completed sooner than expected. He pointed out both scenarios are run using both 90 and 95 percent obligation levels. He said, based on the scenarios, he is fairly confident they can do the Five Year program without running out of money. He also discussed this year's estimated debt issues as compared to their estimates one year ago.

Mr. McGee explained the MAG program does semi-annual certifications, noting the last one was published in January 2003. He said financial planning is done on a cash flow basis and follows a micro model. He stated the MAG Program is expected to receive $2.16 billion over the Five

Year Program, identifying the major funding sources as State Highway Funds, federal funds, RARF funds, HURF bonds, GANS and HELP funds. He said 51 percent of the funds will be used for debt service, 43 percent is expected to go toward construction, five percent will go towards right-of-way acquisitions and one percent is set aside for design. He reviewed the recommended and expected cash balances, stating they will be comfortably over the guideline for FY 2004, 2005 and 2006 and essentially at the guideline for FY 2007 and 2008. Mr. McGee stated they anticipate issuing $80 million in additional HURF debt this year, $20 million in 2007 and $30 million in 2008. He said they also anticipate issuing a total of $250 million in Grant Anticipate Notes over the five year period.

Mr. McGee reviewed the combined estimated debt issues for the statewide and MAG programs, stating they anticipate approximately $573 million in HURF debt and $250 million in GANS for a total of $823 million. He noted they expect to pay back $1.121 billion in debt service payments over the same time period.

Mr. McGee explained the plan is based on the executive budget plan and assumes all HURF bonding capacity will be used to balance the program. He said the plan also assumes a 4.2 percent HURF growth rate, a 3.6 percent Federal Funds growth rate, and a 2.8 percent Operating Budget growth Rate. He said, for the first time in the past two or three years, he sees some upside potential, explaining that state operating funds have been coming in better than projected, therefore, there is some potential for being able to re-borrow the $200 million of BFOs. He pointed out all of his estimates assume the BFOs will not be re-borrowed once repaid in 2004. He said extension of the Maricopa County sales tax also adds potential funding. On the other hand, Mr. McGee said the sustained lag in the economic upturn, higher DPS funding allocations and pressure to redirect the VLT beyond 2004 are all potential downsides.

Mr. McGee summarized his remarks stating the estimated cash flow balances for the Statewide Program are close to guidelines at both 90 percent and 95 percent program delivery levels and the estimated worst case balances produce a positive cash flow. With regard to the MAG cash balances, he said the estimated cash balances are at or near guidelines every year and, based on the January certification and preliminary figures for the July certification, a 2007 completion date is still attainable.

"Draft" of the "Statewide Transportation Policy Statement

Mr. Buskirk said, by state statute, the Board must approve the Statewide Multimodal Transportation Planning Processes prior to July 1, 2003. He noted the document does not address policy because the Board's policies, which were adopted separately, stand. He explained the processes dictate the types of studies and analyses the Department conducts and the document outlines the performance measures, factors and data collection standards to be used.

Chairperson Radicke pointed out maintenance of the system was not included as a performance measure. Mr. Buskirk explained maintenance will be covered under system reliability.

Mr. Buskirk said, in addition to specifying the performance factors, the statute requires that they identify the data sources. He reviewed the various data sources they will rely on when obtaining

data concerning demographics, infrastructure conditions, traffic, modal ridership, freight, and accidents. He reviewed the statewide planning standards, pointing out there is a minimum 20 year planning horizon. He said state highway projects must be identified by milepost and public involvement requires a minimum of two public meetings.

Adjournment

No closing comments were made.

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

The meeting adjourned at 3:15 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation