MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
1:00 p.m., Tuesday, December 7, 2004
Arizona Department of Transportation (ADOT)
State Transportation Board Room, Room #147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a study session at 1:00 p.m., Tuesday, December 7, 2004, with Chairperson Jeffers presiding. Other Board members present included: Vice Chairperson Rusty Gant, Delbert Householder, Joe Lane, Jim Martin and Si Schorr. Dick Hileman was absent. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; and Mike Ortega, State Engineer. There were approximately 40 people in the audience.

Chairperson Jeffers welcomed those present and led the audience in the Pledge of Allegiance.

CALL TO AUDIENCE

Jim Creedon was pleased to see two positive news articles, the speed consistency reduction making it easier for drivers to be in compliance and the roundabout policy. Over the past several years, Mr. Creedon had the opportunity to talk with former Board members and shared an idea regarding a former Board member reunion during an upcoming study session.

Shannon Wilhelmson reported on position restructuring and introduced Sally Stewart, public involvement director, who will be interacting with the Board in the rural areas of the state.

Northern Arizona Regional Freight Facility Market Analysis Study

Dave Wessel and consultant Don Brazille presented an update on this study underway in partnership with ADOT, NACOG (Northern Arizona Council of Governments), City of Flagstaff, Coconino County, City of Winslow, Camp Navajo and the Department of Commerce. In phase I, the market analysis determined that a sufficient amount of freight is available to warrant a freight facility in Northern Arizona. Phase II focused on continuing the site investigation in terms of where the facility should be located and investigated forms of governance, financing and funding for the facility. Mr. Brazille explained that the study was started based on a common goal to preserve Flagstaff and its culture and environment. Interviews were conducted with approximately 350 shippers, transportation providers and users both in the region and with those that pass through the region. The two logical places for the facility are Belmont at Camp Navajo and Winslow. Winslow is on the main line and there is adequate property available. Belmont at Camp Navajo is recommended and will be announced to the City Council. The 850 acre quad, along I-40 and the Santa Fe main line, already well served, has great proximity to the market identified. An additional recommendation to consider is establishing a ramp at Winslow. Santa Fe may step in to assist with financing. They are ready to go forward with a recommendation that Belmont serve as the primary facility and Winslow be a secondary facility. A port authority level of governance will be recommended to the City Council. Additional systems of governance will be suggested as well as the formation of a Shipper Association. Phase III is the implementation phase including governance, the Shipper

Association and funding. Private investment is the focus for funding sources. As the facility grows, there may be a need for an interchange to separate the truck traffic from other traffic.

Maricopa Association of Governments (MAG) Region Plan Update

Bill Hayden presented an overview of the MAG Regional Transportation Plan and reported on the status of the development since the positive vote on Proposition 400. The first phase, FY 2006 – 2010, was outlined. A map of the Phoenix area depicting a 20-year program was shared. Components of the first phase implementation strategy include the development and implementation of a Management Consultant Program, use of consultants to accelerate design plans and construct facilities as soon as possible. The use of bonding to accelerate construction is being reviewed. The credibility of the first 20-year program was based on the ability to provide hard data regarding scheduled costs, expenditures, revenue generation and more. This life cycle process has proven beneficial. Additional maps depicting improvements were outlined, including existing corridor widening and improvements, HOV lanes and general purpose lanes, interchanges and ramp connections and the rubberized asphalt plan. Additional funding will be spent on a maintenance program.

Transportation Enhancement Round 12 SR 286 Altar Valley Scenic Easement Project

Nicole Fyffe, Special Staff Assistant to the County Administrator presented an update to the Board on the Transportation Enhancement Round 12 SR286 Altar Valley Scenic Easement Project. State Route 286 is a Pima County designated scenic route with an average daily travel of 1,200 vehicles. The Wildlife Refuge located adjacent to the proposed scenic acquisition receives approximately 30,000 visitors each year. There are vast areas of ranch land along the Route, still family owned. This valley is beginning to experience development pressure. The shoulder is very narrow and being a scenic route, it is unsafe to pull over to the side of the road. To clarify from the last meeting, the area is zoned RH with the capacity of 88 houses on the property. If approved, Pima County will dedicate to ADOT future right-of-way along State Route 286 through this parcel and will develop a pull-out to accommodate four vehicles.

State Transportation Board Bonding Process

John McGee, Financial Management Service, Chief Financial Officer presented information relative to the State Transportation Board's Bonding Process, including legal, financial and underwriting processes. Co-presenters included John Fink, Finance Manager, Bob Olson, ADOT's Bond Attorney and Kurt Freund.

Statistics were shared including: the first Bond Issue ever done by the State Transportation Board was in 1980 for $50 million. In total, the Board has done 35 Bond Issues totaling $5.2 billion. $1.3 billion of that were Bond Issues to refund Bonds that already were issued in order to save on interest costs. The interest cost savings on that $1.3 billion were approximately $75 million. There are 27 Issues still open. We currently have $5.2 billion issued and $1.9 billion outstanding. Since 1980, approximately 63% of debt issued has been paid. There were 8 Bond Issues in the 1980s, 11 Bond Issues in the 1990s and 16 Bond Issues since 2000.

A typical timetable of Bond Issues was reviewed, highlighting the major events that go in to a typical Bond Issuance starting with the Board's action with direction to proceed, to the staff, Bond Counsel and Financial Advisors all the way to the closing of the Issuance and receiving of the funds. A typical process takes approximately three to four months.

There are three types of bonds. (1) Direct Debt is when you do not have a specific pledge of revenue. The source of payment comes from general taxes and revenues. Examples include G.O. Bonds, Leases and Certificates of Participation. (2) Revenue Debt is issued with a specified source of revenues that are pledged that give the holders of the bonds a legal right to those funds in front of other creditors. All ADOT bonds are Revenue Debt. (3) Tax-Exempt Debt, often referred to as municipal bonds, means that the interest is exempt from federal and state income tax and in some cases a local tax. Limits and restrictions on Tax-Exempt Debt were reviewed.

There are three major ways that debt gets sold, private placement, negotiated and competitive. Private placement is done rarely and is where you place your debt with a single entity. Competitive Issues is where you submit a notice and take bids. The vast majority of debt gets issued on a negotiated basis. The advantages and disadvantages of each were discussed.

The various participants in the process include the internal team, the financial advisor, the underwriter in a negotiated sale, the bond counsel, paying agent, underwriter's counsel and escrow agent. The duties and responsibilities of each were outlined. One of the most misunderstood aspects of financing is that bonds are not sold to investors; they are sold to the underwriter who sells to the investor.

Disclosure is providing of information to investors that is relevant to their decision to buy or sell securities or bonds. Federal laws were enacted in 1933 and 1934 arising out of the 1929 stock market crash. Prior to this time, there were not significant federal regulation of sales and securities. The establishment of the Federal Securities and Exchange Commission was to regulate and oversee the US Securities market and the authority to investigate and bring enforcement actions for violations of those laws. Most bonds and stocks are offered by private corporations and must be registered with the SEC. Although municipal bonds are exempt from the registration process, they are subject to the core requirements of the Federal Securities Act which prohibit the use of any device to defraud a potential investor. The SEC Rule 15C2-12 was adopted in 1989 and broadened in 1995 in response to slow dissemination of information related to municipal security offerings. Issuers are primarily responsible for the content of their disclosure documents. Additional responsibilities extend to ADOT staff, Financial Advisor and Bond Counsel.

Credit ratings reflect the opinion of a rating agency concerning the likelihood of timely principal and interest payments. Given that most municipal debt doesn't default, default is very low. Credit ratings provide an independent measurement of the entities fiscal strength. Four main factors that determine a rating are debt factors, economy, financial conditions and management. Ratings, investment grade and non-investment grade were described as well as ADOT's ratings for HURF, RARF and GAN.

Bond insurance guarantees timely debt service payments on bonds or debt. You pay a one time upfront fee, usually ranging between .10% to .40% of total principal and interest. An underwriter is a broker-dealer that purchases a new issue of municipal securities for resale. A broker-dealer is a stock broker. Underwriters acquire bonds by negotiation or by award on the basis of a competitive bid. Yields are predominantly market driven. The underwriter goes to the market for investors to submit orders.

A negotiated sale has a competitive element based on how well they are serving you, how well they have performed in the past, among others. Additional elements of negotiated items were

described. Underwriter compensation and other costs were outlined including expenses paid to the underwriters and expenses paid to others. During the Bond pricing process prior to the sale, a marketing plan is developed appealing to a wide group of investors. Additional steps were outlined and described leading to the day of sale. And the day of sale process was described.

Adjournment

Deputy Director Debra Brisk was recognized and thanked for her many years of service.

Board Action A motion to adjourn was made, seconded and passed unanimously. The meeting adjourned at 4:40 p.m.

Rusty Gant, Chairman
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation

STATE TRANSPORTATION BOARD

By: Noreen Grasse
Assistant to the Board

MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, December 17, 2004
Pima County Administration Building
In The Hearing Room
130 West Congress
Tucson, Arizona 85701

The State Transportation Board met in official session for a Board meeting at 9:00 a.m., Friday, December 17, 2004, with Chairperson Jeffers presiding. Other Board members present included: Dick Hileman, Delbert Householder, Joe Lane, Jim Martin and Si Schorr. Rusty Gant was absent. Also present were Director Victor Mendez; Dale Buskirk, Director, Planning Division; Mike Ortega, State Engineer; Barclay Dick, Division Director, Aeronautics Division; and John McGee, Chief Financial Officer, Administrative Services Division. There were approximately 70 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Jeffers led the audience in the Pledge of Allegiance and thanked the City of Tucson for their hospitality. Dignitaries in the audience were introduced.

Sharon Bronson, Chairman, Pima County Board of Supervisors, reported that they have formed a Regional Transportation Authority and have all of the jurisdictions cooperating. The I-10, I-19 interchange project was needed and finished on time and on budget. The widening of I-10 is a large and much needed project. There are several projects in District 3 for 2006-2009 including SR86 Ajo Highway. The four major improvement projects address safety concerns, shoulders, widening and more.

Mayor Walkup provided complimentary remarks for the I-10, I-19 project and expressed support for public art. He announced that the city and county resolved an issue to proceed with bond projects. Four or five intergovernmental agreements will allow at least four significant road projects to proceed. Mayor Walkup expressed how well the region has come together on the creation of the Regional Transportation Authority. He is confident that a regional plan will be presented to the voters in March 2006. A citizens committee and a technical management group have been formed.

DISTRICT ENGINEER REPORT

Dennis Alvarez, District Engineer for Tucson provided an update on projects and issues of regional significance. Mr. Alvarez provided statistics for the region. Projects underway include I-10, Grant, working with the Town of Merana to add another lane at Cortaro, SR85, Organ Pipe partnership, building shoulders on Oracle road for bicyclers and SR86 shoulder widening. Smaller projects include several in the rural area, road bridges, SR87 overlays on the way to Coolidge, Ruby Road and SR83. Upcoming projects on Oracle road include widening to three lanes. Town of Oro Valley partnerships include widening of roads. Additional projects include I-10 and Ina, an overview concept of how traffic will be handled and working with the City of Tucson to supplement an express bus service, working with the Town of Merana to identify parking lots to mitigate some of the traffic impacts, looking at designs for the widening of I-10 and a future study to determine future

widening beyond these projects. Safety studies will work to improve an intersection in Coolidge. Maricopa is a growing community and doing maintenance work, sidewalk enhancement projects, Florence project, SR82 reconstruction of an existing bridge and port of entry project. Long range planning looks at I-19, I-10 and Tangerine Road. Meetings have been held with the City and the University of Arizona regarding the building of a large structure over I-10.

CALL TO THE AUDIENCE

James DeGrood, Assistant to Town Manager, Marana, expressed appreciation for improvements to I-10, North of Cortaro Road. Improvements will increase the capacity of the interchange and ties to economic development as commercial development projects get underway. Twin peaks is going very well. Mr. DeGrood asked for assistance for I-10 going north from Tangerine Road and the need for a corridor study. The town adopted a half cent sales tax in anticipation of the regional sales tax, giving latitude to participate as a larger partner in ADOT projects.

Jonathan Lunine, resident of Sonoita discussed Highway 83, the state's scenic road that runs off I-10 east of Tucson into Santa Cruz County. The Highway has seen a lot of maintenance and construction over the last few years. Current projects include changing the culverts and re-guarding on the sides of the road. Unlike past projects, there was no public dialogue on this Highway 83 project. There were a number of things that disturbed the residents. As a spokesperson for Friends of Scenic Highway 82, Mr. Lunine asked for public involvement to help maintain the character of the roads.

Annie McGreevy, read a letter in support of ADOT and Meridian Construction for an award for the SR 82 Rockfall project. She expressed concern for the lack of public input in the construction of Scenic Highway 83 and the need for public input in environmentally sensitive construction projects before final design and before the start of construction.

Richard Basye, Board Member, Pima Association of Taxpayers expressed concern regarding I-10 downtown and the raising of a concrete wall, elevating it further, putting clearances to 16 feet rather than 14 1/2. Due to the frequency of accidents on I-10, alternate route studies are needed. When ADOT was building Aviation Parkway through downtown, the project was stopped to do a study of alternate transportation schemes. One included the Broadway T.I. redesigns. Under the Freedom of Information Act, Mr. Basye asked for the names of the consultants involved in the study and the designs to review the current design and funding for the 4th avenue underpass.

CONSENT AGENDA

Item 43 was removed from the consent agenda.

Director's Report

Victor Mendez thanked the community for their hospitality. He discussed the I-10 widening project and the innovative practices in pursuit and is pleased with the discussion on the bus express service.

Bob Hollis, acknowledged Mr. Jeffers' service and contributions to the State of Arizona.

Legislative Report

Kevin Biesty provided a federal legislative update. The President signed a bill containing a highway obligation ceiling of $34.3 billion. There is a .80 percent across the board cut in order to counteract the spending increases of the overall package. Within the bill there is approximately $2 billion in earmark projects. Arizona received approximately $129 million. Within that, there is $10 million for Hoover Dam and $75 million for Phoenix's light rail project. The bill contains approximately $7.6 billion for transit. Highlights of some of the projects in which ADOT was involved include Hoover Dam, $10 million; I-10 bridge widening at Ray Road, $1 million; East Flagstaff T.I. received $300,000; I-10 interchange from SR90 to Ocotillo, $1.5 million; Twin Peaks Road Project, $4.5 million; and a few others around the state. Bills from last year may be re-introduced or scratched. It is hoped that by this time next year we will have a six year reauthorization at the highest funding possible. At the state level, a list of legislative committees and bios of each legislator were distributed. The appropriations and transportation committees were highlighted. The House Transportation Chair is Andy Biggs and Senator Verschoor is the Senate Transportation Committee Chair. In the House, there are two appropriations committees.

MoveAZ Long-Range Transportation Plan Draft Final

Dale Buskirk, Planning Director, Transportation Planning Division, provided a debriefing on the MoveAZ Long-Range Transportation Draft. MoveAZ detail was presented in detail at the October Study Session and asks for formal approval. Approval of the Plan brings into complete compliance with the mandate for the long range transportation planning as described in HB2660.

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

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

Transportation Enhancement Round 12 SR 286 Altar Valley Scenic Easement Project

Si Schorr and Joe Lane recused themselves from this item. Dale Buskirk presented the Transportation Enhancement Round 12 SR 286 Altar Valley Scenic Easement Project to the Board for their approval. Details of this project were presented to the Board at the December 7, 2004, Study Session. There is no recommendation.

Chuck Huckelberry, County Administrator, Pima County explained the proposal to acquire the property publicly similar to the successful acquisition of property at Davidson Canyon and asked for positive consideration.

There was a lack of motion on this item.

FY 2005 – 2009 Transportation Construction Program - Requested Modifications

ROUTE NO:	US 60 @ MP 352.00
COUNTY:	Navajo
SCHEDULE:	FY 2005 – New Project Request
SECTION:	MP 352
TYPE OF WORK:	Extend 2 concrete box culverts, widen roadway and friction course to blend shoulders.
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	James Reeves
PROJECT:	H620001C
REQUESTED ACTION:	Establish a new district minor project in the amount of $572,000 in the FY 2005 Highway Construction Program. **Funds available from the FY 2005 District Minor Fund #73305.**
NEW PROGRAM AMOUNT:	$572,000

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

ROUTE NO:	US 191 @ MP 0.75
COUNTY:	Cochise
SCHEDULE:	FY 2005 – New Project Request
SECTION:	10th Street
TYPE OF WORK:	Install new traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Mike Marietti
PROJECT:	HX15701C JPA #04-098
REQUESTED ACTION:	Establish a new traffic signal project in the amount of $250,000 in the FY 2005 Highway Construction Program. **Funds available from the FY 2005 Title II Safety Fund #72805.**
NEW PROGRAM AMOUNT:	$250,000

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

ROUTE NO:	SR 101 L @ MP 18.00
COUNTY:	Maricopa
SCHEDULE:	FY 2005 – New Project Request
SECTION:	67th Ave - 59th Ave
TYPE OF WORK:	Upsize wall foundations

PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Ron McCally
PROJECT:	H667401C JPA #04-090
REQUESTED ACTION:	Establish a new district minor project in the amount of $211,641 in the FY 2005 Highway Construction Program. **Funds available from the FY 2005 District Minor Fund #73305.**
NEW PROGRAM AMOUNT:	$211,641

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

ROUTE NO:	US 60 @ MP 238.30
COUNTY:	Gila
SCHEDULE:	FY 2006
SECTION:	Pinto Valley Bridge - Pinto Valley Turnoff
TYPE OF WORK:	Construct WB passing lane
PROGRAM AMOUNT:	$ 2,200,000
PROJECT MANAGER:	Vicki Bever
PROJECT:	Item #; 19805
REQUESTED ACTION:	Delete project from Highway Construction Program. Project scope and budget to be combined with adjacent pavement preservation project and will be constructed as single project. **Funds return to the FY 2006 Hprogram Adjustment Fund #72306.**

ROUTE NO:	US 60 @ MP 236.20
COUNTY:	Gila
SCHEDULE:	FY 2006
SECTION:	County Line - Pinto Valley
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	$ 1,794,000
PROJECT MANAGER:	Vicki Bever
PROJECT:	H614001C Item #; 17705
REQUESTED ACTION:	Increase program amount by $4,689,000 to $6,483,000 due to addition of passing lane and FHWA approved safety items. **See funding sources below.**

PROGRAM AMOUNT:	$1,794,000
INCREASE AMOUNT:	$4,689,000
FY 2006 Program Adjustment Fund #72306	$2,200,000
FY 2006 Title II Safety Fund #72806	$2,450,000
FY 2005 Bridge Inspection and Repair Fund #71405	$39,000
NEW PROGRAM AMOUNT:	$6,483,000

Board Action: A motion to approve Item 8 and Item 9 was made by Mr. Householder, seconded by Mr. Hileman and passed unanimously.

FY 2005 - 2009 Airport Development Program – Requested Modifications

AIRPORT NAME:	Casa Grande Municipal
SPONSOR:	City of Casa Grande
AIRPORT CATEGORY:	Public GA
SCHEDULE:	FY 2005 – 2009
PROJECT #:	E5F73
PRESENT PROGRAM AMOUNT:	
PROJECT DESCRIPTION:	Install Perimeter Fencing; Install Misc. NAVAIDS such as Runway Vertical/Visual Guidance System
REQUESTED ACTION:	Approve State matching grant

FUNDING SOURCES:		
	FAA	$150,000
	Sponsor	$3,947
	State	$3,948
	Total Program	$157,895

AIRPORT NAME:	H. A. Clark Memorial Field
SPONSOR:	City of Williams
AIRPORT CATEGORY:	Public GA
SCHEDULE:	FY 2005 - 2009
PROJECT #:	E5F74
PRESENT PROGRAM AMOUNT:	
PROJECT DESCRIPTION:	Construct Aircraft Rescue & Fire Fighting (ARFF) Building, Phase 2; Install Runway 18/36 Visual Approach Guidance System (PAPI); Install Runway 18/36 Visual Guidance System (REILs)
REQUESTED ACTION:	Approve State matching grant

FUNDING SOURCES:		
	FAA	$364,240
	Sponsor	$9,585
	State	$9,586
	Total Program	$383,411

AIRPORT NAME:	H. A. Clark Memorial Field
SPONSOR:	City of Williams
AIRPORT CATEGORY:	Public GA
SCHEDULE:	FY 2005 – 2009
PROJECT #:	E5F75
PRESENT PROGRAM AMOUNT:	
PROJECT DESCRIPTION:	Airport Master Plan Update
REQUESTED ACTION:	Approve State matching grant.

FUNDING SOURCES:	**FAA**	$122,931
	Sponsor	$3,235
	State	$3,235
	Total Program	$129,401

AIRPORT NAME: Ernest A. Love Field
SPONSOR: City of Prescott
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2005 – 2009
PROJECT #: E5F76
PRESENT PROGRAM AMOUNT:
PROJECT DESCRIPTION: Conduct Runway 12/30 Safety Area Study; Install Airport Perimeter Fence (Approximately 30,000 LF) and Gates (7 Ea)
REQUESTED ACTION: Approve State matching grant.

FUNDING SOURCES:	**FAA**	$686,757
	Sponsor	$18,073
	State	$18,073
	Total Program	$722,903

AIRPORT NAME: Gila Bend Municipal
SPONSOR: Town of Gila Bend
AIRPORT CATEGORY: Public GA
SCHEDULE: FY 2005 – 2009
PROJECT #: E5F77
PRESENT PROGRAM AMOUNT:
PROJECT DESCRIPTION: Install Perimeter Fence (Approximately 3,000 LF) Phase 3
REQUESTED ACTION: Approve State matching grant.

FUNDING SOURCES:	**FAA**	$217,240
	Sponsor	$5,717
	State	$5,717
	Total Program	$228,674

AIRPORT NAME: Winslow-Lindbergh Regional
SPONSOR: City of Winslow
AIRPORT CATEGORY: Public GA
SCHEDULE: FY 2005 – 2009
PROJECT #: E5F78
PRESENT PROGRAM AMOUNT:
PROJECT DESCRIPTION: Widen Taxiway A & B (Design)

REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$150,000
	Sponsor	$3,947
	State	$3,948
	Total Program	$157,895

AIRPORT NAME:	Gila Bend Municipal
SPONSOR:	Town of Gila Bend
AIRPORT CATEGORY:	Public GA
SCHEDULE:	FY 2005 – 2009
PROJECT #:	E5F79
PRESENT PROGRAM AMOUNT:	
PROJECT DESCRIPTION:	Install Perimeter Fence (Approximately 3,000 LF) Phase 2
REQUESTED ACTION:	Approve State matching grant.

FUNDING SOURCES:	**FAA**	$53,384
	Sponsor	$1,405
	State	$1,405
	Total Program	$56,194

Board Action: A motion to approve Items 10, 11, 12, 13, 14, 15 and 16 was made by Mr. Schorr, seconded by Mr. Hileman and passed unanimously.

* Priority Planning Advisory Committee (PPAC)

- Minutes – November 3, 2004 Regular Meeting
- Minutes – November 16, 2004 Special Meeting
- Highway Program Monitoring Report.
- Summary of Changes to the FY 05 – 09 Highway Construction Program

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

2004 PPAC Meeting Dates will be held on Wednesdays

- January 5, 2005 10:00 AM

http://ADOTPPAC.ORG/

Financial Report

Mr. McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and forecasts, and report on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. HURF results for the month of November continue to show good growth with collections totaling $99.4 million, an increase of 20.2 percent over November 2003, but were 0.4 percent below the estimate. Year-to-date collections total $496.6 million,

approximately 9.4 percent over last year and 1.9 percent over forecast. All categories continue to do well over last year and against the forecast. Through November 30, $48,600,977 was transferred to the State General Fund. October RARF collections totaled $25.5 million, an increase of 9.0 percent above October 2003 and 2.3 percent above the estimate. Year-to-date collections total $99.9 million, an increase of 8.7 percent over the same period last year and 1.2 percent above the estimate. All areas are experiencing strong growth.

Investment Report

The October investment report, indicates investment funds earned $1.407 million, representing an average yield of approximately 1.96 percent. Year-to-date earnings are $4.594 million, representing an average yield of approximately 1.88 percent.

As of November 30, 2004, The HELP program report indicates a balance of approximately $99.3 million, down approximately $5.5 million over the previous month.

Financing Program

Mr. McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. The annual HELP report was distributed. It was filed in a timely manner to the Governor, the President of the Senate and the Speaker of the House. In addition, every year, an estimate of how much in total federal funds the department expects to receive during the year and the total investors payments is sent to the Treasurer's office. The two numbers are expressed as a ratio. If that ratio falls under a certain level, the Treasure is required to take certain actions with respect to federal funds to ensure there are enough federal funds to make debt service payments. The ratio that triggers that mechanism is 1.3 to 1. The current ratio is 2 to 1.

* **MINUTES - APPROVAL**
October 15, 2004 – Board Meeting Minutes
November 9, 2004 – Special Board Meeting Minutes
November 9, 2004 – Study Session Minutes

***2004 BOARD MEETING DATES AND LOCATIONS**

December 17, 2004	**Board Meeting – Tucson**	**9:00 a.m.**
January 21, 2005	**Board Meeting – Bullhead City**	**10:30 a.m.**

RIGHT OF WAY RESOLUTIONS

*	RES. NO:	2004-12-A-065
	PROJECT:	U-191-A-800 / 191CH000H665101R
	HIGHWAY:	DOUGLAS - WILLCOX
	SECTION:	Jct. S.R. 80 - North
	ROUTE NO.:	U.S. Route 191
	ENG. DIST:	Safford
	COUNTY:	Cochise
	RECOMMENDATION:	Establish additional right of way as a state route and state highway for widening improvements
*	RES. NO:	2004-12-A-066
	PROJECT:	I-017-A-803 / 017MA210H644001R
	HIGHWAY:	PHOENIX – CORDES JCT.
	SECTION:	Cactus Road T.I.
	ROUTE NO.:	Interstate Route 17
	ENG. DIST:	Phoenix
	COUNTY:	Maricopa
	RECOMMENDATION:	Establish additional right of way as a state Route for traffic interchange improvements
*	RES. NO:	2004-12-A-067
	PROJECT:	I-010-E-800 / 010PM261H634801R
	HIGHWAY:	TUCSON - BENSON
	SECTION:	6th Avenue Bridge Enhancement
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	Tucson
	COUNTY:	Pima
	RECOMMENDATION:	Establish additional right of way as a state Route and state highway for bridge improvements for pedestrian safety
*	RES. NO:	2004-12-A-068
	PROJECT:	N-900-0-700 / 010CH320H555101R
	HIGHWAY:	BENSON – STEINS PASS
	SECTION:	Texas Canyon Rest Area
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	Safford
	COUNTY:	Cochise
	RECOMMENDATION:	Authorize acquisition for Temporary Construction Easements for Texas Canyon Rest Area

*	RES. NO:	2004-12-A-069
	PROJECT:	U-093-B-805 / 093YV157H554401R
	HIGHWAY:	WICKENBURG - KINGMAN
	SECTION:	Cottonwood Canyon & Bridle Creek
	ROUTE NO.:	U.S. Route 93
	ENG. DIST:	Kingman
	COUNTY:	Yavapai
	RECOMMENDATION:	Establish additional right of way as a state highway for improvements
*	RES. NO:	2004-12-A-070
	PROJECT:	S-077-A-801 / 077PM069H615901R
	HIGHWAY:	TUCSON-ORACLE JCT.-GLOBE
	SECTION:	Miracle Mile Rd. – Prince Rd.
	ROUTE NO.:	State Route 77
	ENG. DIST:	Tucson
	COUNTY:	Pima
	RECOMMENDATION:	Establish additional right of way as a state highway for improvements & enhancements of curbs, gutter sidewalks and ADA Ramps
*	RES. NO:	2004-12-A-071
	PROJECT:	I-017-A-701 / 017MA224H516101R
	HIGHWAY:	PHOENIX - CORDES JCT.
	SECTION:	Carefree Highway T.I.
	ROUTE NO.:	Interstate Route 17
	ENG. DIST:	Phoenix
	COUNTY:	Maricopa
	RECOMMENDATION:	Establish additional right of way as a state highway for traffic interchange improvements
*	RES. NO:	2004-12-A-072
	PROJECT:	600-8-802 / 202LMA013H492101R
	HIGHWAY:	RED MOUNTAIN FREEWAY
	SECTION:	Country Club Rd. – Gilbert Rd.
	ROUTE NO.:	State Route 202L
	ENG. DIST:	Phoenix
	COUNTY:	Maricopa
	DISPOSAL:	D-M-337
	RECOMMENDATION:	Disposal by Abandonment to The City of Mesa
*	RES. NO:	2004-12-A-073
	PROJECT:	F-022(GEN) / 060MA160H088801R
	HIGHWAY:	WICKENBURG - PHOENIX
	SECTION:	(Van Buren Street to Willetta Street)
	ROUTE NO.:	U.S. Route 60T
	ENG. DIST:	Phoenix
	COUNTY:	Maricopa
	RECOMMENDATION:	Disposal by Abandonment to The City of Phoenix in accordance with Intergovernmental Agreement

#89-156 dated May 18, 1990

*	RES. NO:	2004-12-A-075
	PROJECT:	600-8-804 / 202LMA000H540101R 202-B-700 / 202LMA030H578301R
	HIGHWAY:	RED MOUNTAIN FREEWAY
	SECTION:	Higley Rd. – U.S. 60, U.S. 60 – T.I.
	ROUTE NO.:	State Route 202 Loop
	ENG. DIST:	Phoenix
	COUNTY:	Maricopa
	RECOMMENDATION:	Amend Resolution 2003-12-A-075 due to Design change, establish additional right of way as a state route and state highway
*	RES. NO:	2004-12-A-076
	PROJECT:	U-191-C-700 / 191GE167H460201R
	HIGHWAY:	SAFFORD - SPRINGERVILLE
	SECTION:	Morenci to Mine Plant Entrance
	ROUTE NO.:	U.S. Route 191
	ENG. DIST:	Safford
	COUNTY:	Greenlee
	RECOMMENDATION:	Establish additional right of way as a state highway for widening improvements to enhance safety for the traveling public
*	RES. NO:	2004-12-A-077
	PROJECT:	I-010-D-801 / 010PM257H620201R
	HIGHWAY:	CASA GRANDE - TUCSON
	SECTION:	Speedway Blvd. Pipe Extension
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	Tucson
	COUNTY:	Pima
	RECOMMENDATION:	Establish additional right of way as a state Route for widening improvements
*	RES. NO:	2004-12-A-078
	PROJECT:	N-801-601 / 008YU002H088801R
	HIGHWAY:	YUMA – CASA GRANDE
	SECTION:	Yuma Interstate Freeway
	ROUTE NO.:	Interstate Route 8
	ENG. DIST:	Yuma
	COUNTY:	Yuma
	RECOMMENDATION:	Establish new right of way as a state route And state highway due to highway encroachment of existing facilities
*	RES. NO:	2004-12-A-079
	PROJECT:	600-3-708 / 143MA000H084901R
	HIGHWAY:	HOHOKAM EXPRESSWAY (RED MOUNTAIN FREEWAY)
	SECTION:	University T.I. – Grand Canal (Gilbert Drive)
	ROUTE NO.:	State Route 143 (State Route 202 Loop)

ENG. DIST:	Phoenix
COUNTY:	Maricopa
RECOMMENDATION:	Disposal by Abandonment to Maricopa County Department of Transportation

* RES. NO:	2004-12-A-080
PROJECT:	S-260-B-802 / 260GI280H590601R
HIGHWAY:	PAYSON – SHOW LOW
SECTION:	Gordon Canyon & Mogollon Rim Bridges
ROUTE NO.:	State Route 260
ENG. DIST:	Prescott
COUNTY:	Gila
RECOMMENDATION:	Establish new right of way as a state route And state highway for existing bridge Abutment improvements

STATE ENGINEER'S REPORT

* Report on construction and projects completed in November, 2004.

* Right of Way Acquisition Report for November, 2004.

CONSTRUCTION CONTRACTS

Non-Interstate, Non-Federal Aid

* BIDS OPENED:	November 19	
HIGHWAY:	NOGALES-TOMBSTONE HIGHWAY (SR 82)	
SECTION:	San Rafael State Park	
COUNTY:	Santa Cruz	
ROUTE NO:	SR 82	
PROJECT:	F-082-A-501 082 SC ASP H541501C	
FUNDING:	100% State	
LOW BIDDER:	Show Low Construction, Inc.	
AMOUNT:	$	544,845.60
STATE ESTIMATE:	$	508,500.00
$ OVER:	$	36,345.60
% OVER:		7.2%
NO. BIDDERS:		4
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:	November 5
	HIGHWAY:	PICACHO-COOLIDGE-CHANDLER MESA HIGHWAY (SR 87)
	SECTION:	SR 87 and Hunt Highway
	COUNTY:	Maricopa
	ROUTE NO:	SR 87
	PROJECT:	STP-087-A(005)A 087 MA 159 HX16101C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	EME West Construction, Inc.
	AMOUNT:	$ 447,415.00
	STATE ESTIMATE:	$ 447,905.00
	$ UNDER:	$ 490.00
	% UNDER:	0.1%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	November 19
	HIGHWAY:	RED MOUNTAIN FREEWAY (202L)
	SECTION:	101L – Country Club Drive
	COUNTY:	Maricopa
	ROUTE NO:	202L
	PROJECT:	STP-202-B(004)A 202 MA 009 H606901C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Utility Construction Company, Inc.
	AMOUNT:	$ 560,160.00
	STATE ESTIMATE:	$ 557,641.00
	$ OVER:	$ 2,519.00
	% OVER:	0.5%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

BIDS OPENED:	November 5
HIGHWAY:	QUIET PAVEMENT (PHASE IV)
SECTION:	Various Regional Freeways
COUNTY:	Maricopa
ROUTE NO:	SR 51, 101L, 202L, I-10 and I-17
PROJECT:	NH-999-A(024)A 999 MA 000 H648201C
FUNDING:	94% Federal 6% State
LOW BIDDER:	Meadow Valley Contractors, Inc.
AMOUNT:	$ 7,337,987.26
STATE ESTIMATE:	$ 7,280,412.60

$ OVER:	$	57,574.66
% OVER:		0.8%
NO. BIDDERS:		3
RECOMMENDATION: AWARD		

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

CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda with the exception of Item 43 was made by Mr. Martin, seconded by Mr. Hileman and passed unanimously.

ADJOURN

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

The meeting adjourned at 10:35 a.m.

Rusty Gant, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.