

**MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:00 a.m., Friday, September 21, 2007
City of Sedona Council Chambers
102 Roadrunner Drive
Sedona, AZ 86336**

The State Transportation Board met in official session for a Study Session at 9:10 a.m., Friday, September 21, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom, Bob Montoya, Si Schorr and Felipe Zubia. Also present were Joe Acosta, Richard Travis, John Schlosser and Mary Currie.

OPENING REMARKS AND PLEDGE

Chairman Joe Lane welcomed the audience and led them in the Pledge of Allegiance. He reminded audience members to limit their call to the audience remarks to three minutes each.

Disposition of Excess Property

Mr. Travis said that the Department acquires right-of-way and sometimes that right-of-way includes structures. The Department tries to acquire right-of-way in advance of a project. There is a tremendous amount of property ADOT controls. Currently, there is approximately 900 acres of property. When it is determined by Board action to abandon a project or change a route, there is excess property. It is at the discretion of the Director to dispose of the property according to statute. If sold to a local entity for a transportation purpose, they reimburse the Department at our cost. If it is sold to a local entity for any other governmental purpose, it is sold at an appraised value. If it is disposed of in any other manner, it goes by auction. ADOT's goal is to maintain the property only until such time as it is converted to a road or sold as it is no longer part of the road plan. It is never in the plan to make capital investments. A Tucson example was shared. The Department will dispose of more property than in the past as things move forward.

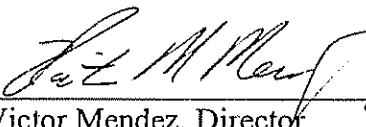
Mr. Schorr explained why he brought the warehouse issue to a study session. He noted that the warehouse sat on ADOT property for many years and is a hazard. The City of Tucson and ADOT must come to a resolution. The value was estimated at \$277,000 and the site is less than one acre. The appraisal was done almost one year ago. It was asked if ADOT would sell it and buy it back. It is thought that the City would use it for a transportation purpose. Artisans vacated the building when it was not up to code. The future purpose of the building is unclear at this point. Easements can be done through a contract with the City.

ADJOURN

The study session was adjourned at 9:25 a.m.



Joe Lane, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

**MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
IMMEDIATELY FOLLOWING THE STUDY SESSION
Friday, September 21, 2007
City of Sedona - Council Chambers
102 Roadrunner Drive
Sedona, Arizona 86336**

The State Transportation Board met in official session for a Board Meeting at 9:30 a.m., Friday, September 21, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom, Bob Montoya, Si Schorr and Felipe Zubia. Also present were Jim Dickey, Sam Elters, Richard Travis, John McGee, Barclay Dick, Bill Hayden and Don Mauller. There were approximately 65 people in the audience.

OPENING REMARKS

Chairman Joe Lane introduced Sedona Mayor Pud Colquitt. Mayor Colquitt welcomed everyone present.

DISTRICT ENGINEER'S REPORT

John Harper, district engineer, provided an update on projects and issues of regional significance. He reported good working relationships with area entities and introduced his staff. A PowerPoint overview of projects included obsolete bridges that need replaced, a project on 179, a new southbound alignment, a 10 mile preservation project through Flagstaff, traffic interchanges, recently awarded projects, US 180 toward the Grand Canyon, a rock wall containment project, right-of-way fences, a Tuba City project to widen 160 and 264, bridge projects on I-15, roundabouts, a new bridge on Oak Creek, a passing lane north of Williams, rest area (uncertainty due to no bids), pavement preservation, lighting projects, message boards in Oak Creek Canyon, a route transfer study, SR179 to Flagstaff an I-17 study, a study for the need of a third lane on I-40 through Flagstaff and a design concept report on SR 64. Safety issues in Sedona are being worked on as well.

CALL TO AUDIENCE

Senator Robert Blendu, stated that when it comes to public policy we can agree or disagree. That is what the process is about. The one thing that we should demand of public policy is clarity. What is it? What are we talking about and what are we voting on? I hope all of you received a letter I sent expressing concerns because MAG has made a decision where state transportation dollars are going to go. The genesis of those state dollars in the STAN fund were that we put X amount of dollars in the STAN fund. Once we put those monies in there, the \$10 million we are talking about are additional dollars put in STAN because that was the only legal place in the budget where we could put those dollars and have them allocated for the purposes they were meant to. Through a political process, MAG decided to do something different with our state dollars and I think that's bad public policy. Our state dollars should be incorporated and used in conjunction with local dollars for the benefit of everybody. I want to preserve that process. Some of the criticism is that the additional money was earmarked. Every dollar that we have in our budget is earmarked so that is a flawed argument. If we can't resolve this with MAG, I am going to hold the money from MAG and direct it to the State Department of Transportation. I have faith in this process and you may or may not allocate the money toward the expansion of the freeways that are badly needed. When I asked the mayors to step forward, they took the political risk of increasing taxes in their areas and fronted the money in a bipartisan manner.

Matt Ryan, Coconino County Supervisor and Executive Committee of Highway 179, stated that with the STAN funds they are concerned that an application statewide is important. He welcomed the audience to Coconino County. John Harper is a wonderful engineer who works well with the communities. On 179, there is a unique process to work together with partners with an intent of ensuring going beyond the norm to involve public input on the design of the highway. Consensus is desired and the outcomes were acceptable to most. We have an engaged community. The project team is doing an excellent job. We need to be patient for the final outcome. We must stay the course and get the project done. The Coconino County Board of Supervisors stand behind the process and the project.

Andrew Singelakis, Deputy Directory Department of Transportation, City of Tucson, commented on the Study Session. The state holds about 25 properties in downtown Tucson and comprise the Tucson warehouse national historic district. A process is underway to finalize the aviation parkways new alignment. The city has an interest in how this property is redeveloped because it is key to the city's downtown redevelopment efforts. He is confident that working with ADOT, it will be determined how the property will be disposed.

Bill Kusner, Member of the 179 Executive Committee and Chair of the Red Rock Scenic Byway Committee, stated two years ago an ad hoc committee began to work on naming part of 179 as an All American Road or National Scenic Byway. Two years ago, we were in Washington accepting that award. It is the first and only All American Road in the State of Arizona. He appreciates ADOT's support and partnership. He looks forward to the completion of the road's improvements.

Jim Gibson, lives in the Village of Oak Creek on the southern end of the 179 project. He appeared before the Board more than five years ago to express desires of the committee and participated in the process to help shape the nature of the corridor and is actively involved in various committees working closely with members of ADOT. He thanked ADOT staff for their support of the project.

Ted Jones, thanked ADOT for their support on pressing issues.

Lora Lee Nye, Councilwoman, Prescott Valley, spoke about Victorian Estates on Highway 69. She said that working together does make a difference. Prescott Valley values the partnership. There are major changes along Highway 69 through Prescott Valley. We are beginning with photo radar and feels it is an important safety tool. There is additional signaling being put in, the development of additional lanes and success with multi-jurisdictional task force to reduce accidents along Highway 69. A median is being created in front of a shopping center and it is hoped to extend it to encompass Victorian Estates. It is not financially feasible at this time but will step up when able to do so. She spoke of changing the speed limit to 45 miles per hour. She read the Town of Prescott Valley's mission statement, stressing the word innovation. We will continue to work together with you for the good of all citizens.

Eric Levitt, City Manager, City of Sedona thanked ADOT for holding the meeting in the City of Sedona. He is on the executive team for 179 and as a representative for the City of Sedona is very proud to have partnered with ADOT. Balancing the environment with the needs for transportation and working with citizens and maintain two-way traffic during construction are commitments of ADOT's that he appreciates.

Bill Leister, Transportation Director, stated on US 60, the highway between Miami and Superior, there is a lot of mining activity that has been restarted. They all use an access road, Pinto Valley Road, a gravel forest road. With all the construction, miners and heavy equipment, it bottlenecks. Miners proposed putting in a traffic signal. The region oppose a traffic signal as it is felt it may make traffic more dangerous. We feel that a grade separation would be good. We would like ADOT to study all the alternatives. Construction started on the widening of US 60 from Cordes Junction to Superior. Traffic delays have been minimal.

Bob Donahue, discussed Highway 179 and Oak Creek Bridge. The stakes are down in the middle of the creek and are staked about the size of a football field to be covered in concrete and turn the crossing into virtually a covered storm drain. It's 100 yards of concrete. Reasons I've been told are to accommodate a roundabout, a turn into a forest service road. That road takes two percent of the traffic that intersection has leaving 98 percent not needing the roundabout. A simple right turn bay and left turn bay into that road would accommodate that road. The other reason for not putting the bridge back in its current configuration, which is historical, is that it cannot maintain two way traffic during construction. You could destroy half the bridge and put it's replacement up and then destroy the second half and put its replacement up while maintaining at least intermittent two-way traffic and perhaps both ways on narrow sections. If you had to go to intermittent two-way traffic, you could address that by establishing a bypass for people not needing to access the uptown area of Sedona through an area below Red Rock Crossing, which is a private bridge opened for emergency traffic. It would be perfectly suitable for short-term two-way traffic to eliminate the need to pave Oak Creek. We ask the Board to hold off on the awarding of the bid for this portion of work until you have gone and flagged showing the footprint of the bridge to see exactly how much area will be concrete. And do the same thing north of the bridge to show the pedestrian bridge. If seen, you will receive a stream of public input.

Rob LaFontaine, Analyst, City of Bullhead City, expressed appreciation for SR 95 pavement quality and preservation study. Survey results indicate the pavement conditions are worse than originally expected. With regard to the pavement preservation schedule on SR 95 and the worse than expected pavement quality, the City encourages the reprioritization of the two pavement preservation projects now slated for 2009 and 2010. The advancement would be appreciated. Also on behalf the cities of Bullhead City, Kingman and Lake Havasu City, over the recent years, the municipalities have worked together on regional issues of common interest. Transportation between the cities is a considerable item of discussion. Recently, the cities produced a Regional Transportation Policy Statement. Currently being ratified by the councils, they contain statements relative to northwest Arizona and will be shared at an upcoming meeting.

Diane Joens, Mayor of Cottonwood, thanked ADOT for the projects in the region. The Highway 260 progress is moving ahead and they are excited about the projects. The 10,000 people in the community and 50,000 in the upper Verde Valley will benefit from this project as will more than 1,200 registered businesses. As the 89A project is moving along we will work with you as citizens are concerned about roundabout issues. She appreciates ADOT's commitment to projects and participation in the Verde Valley Transportation Planning Organization.

June Cornelius (sp?), on the Executive Team for 179 and a two time Mayor in Sedona, thanked ADOT for support in the community.

Ernie Strauch, resident of Sedona, member of Voice of Choice for SR 179, former member of SR 179 Executive Team representing the City of Sedona, active participant in every aspect of the SR 179 process including the project scope writing committee, design consultant selection committee and had the opportunity of representing the stakeholders of Sedona at conferences at the request of ADOT. His first messages to the Board were to ask for a community voice and choice in the roadway design of the support in state transportation link and for the quality of life for the citizens of Sedona. The last four messages including this one are in praise of the inclusive process established by ADOT now known as the internationally recognized Needs Based Implementation Plan. One goal was to establish a template or sense of trust, cooperation, communication process for addressing future community issues. That goal has been tested and has achieved continued success. Community members expressed concern about mature trees. Through ADOT's credit, construction plan adjustments were made to save the trees and ambiance.

Dick Ellis, supports the commitment ADOT has with the community. This is a model program. I have been involved for more than seven years and now is not the time to make changes in the route reconstruction of 179. Let's go with the program and keep up the good work.

Gail Shaw Simpson, reiterated appreciation for all ADOT's done for the residents of the Village of Oak Creek. It has not been difficult to live there through construction. Thank you to ADOT for approving the project.

CONSENT AGENDA

Mr. Schorr recused himself from Items 53, 54, 55, 56, 57 and 59.

Director's Report

Richard Travis, Deputy Director, provided an up-to-date report regarding current issues and events affecting ADOT. He discussed a *Republic* headline regarding the estimates for the state's deficit of \$600 million with anticipation of growing larger and its impact on transportation funding.

Legislative Report

Kevin Biesty provided an update on State and Federal Legislative issues, including proposed legislation which may affect ADOT. The Blue Ribbon Transportation committee set a date to meet, October 2 at 8:30 a.m. ADOT will be part of the agenda and asked to present on revenue projections and needs. There will be a presentation on public private partnerships and an overview of the legislature on what statute currently allows as far as toll roads and public private partnerships. There has been discussion of a second meeting that has not been finalized. On the federal level, the House of Representatives passed a bill on the FAA Reauthorization. The bill put a continuing resolution in place. The FY 2008 appropriations passed both the House and Senate. The two bills are close in dollar amounts but both are being threatened by veto in the White House. There is talk of wrapping all the appropriations into one bill as an omnibus making it more difficult to veto. ADOT applied for a grant for the Hoover Dam Bypass Bridge. Congressman Franks has been instrumental and announced we will receive \$22.8 million, half of what is needed to pay the outstanding debt. Official word is yet to be received. The US Department of Transportation selected six new state routes as Corridors of the Future to help fight traffic congestion. Two span Arizona, I-15 and I-10. I-10 is to receive \$8.6 million from California to Florida. It is reported that \$4 million would go to Arizona. I-15 is to receive \$15 million and no funds are being reported for Arizona. No official word has been received.

Financial Report

John 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 reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. August 2007 HURF collections totaled \$113.4 million, an increase of 1.1 percent from August 2006 and 1.2 percent below the forecast. Year-to-date collections total \$220.6, a decrease of 1.1 percent from the same period last year and 3.9 percent below the forecast. HURF collections are more subject to month-to-month swings related to timing issues. RARF collections for July 2007 totaled \$33.8 million, an increase of 0.4 percent above July 2006 and 0.7 percent above the estimate. Combined with May's 2.3 percent growth and June's 1.0 percent growth, economic activity in Maricopa County, most specifically Retail Sales is taking a significant dip. There is uncertainty in the housing and credit markets. Three of the seven categories in the month of July have lower collections compared to one year ago. Investments continue to see good results. In August, \$4.9 million was generated on investments representing an average yield of 4.85 percent. Year-to-date earnings total \$9.869 million, representing an average yield of 4.87 percent. The August HELP loan balance is \$81.7 million, a decrease of \$55 million compared to the July balance. This decrease was directly related to the repayment of \$100 million to the state treasurer. The balance was further reduced by interest payments and loan draws.

Financing Program

John 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 status of three bond issues was reported. Regarding the potential HURF Bond Refunding Issue, the bond market has made a dramatic dip in interest rates. Interest rates have dropped to the point that the smallest size Issue envisioned is in the \$60 million to \$70 million range would produce savings at or near our 4 percent target rate. The best strategy is to hold and continue to monitor interest rates. If that does not occur, a new HURF money Issue will occur after January 1 and potentially include refunding in that Issue. Regarding the 2007 RARF Issue for \$370 million, this would be the first Issue done under the half cent sales tax in Maricopa County. A calendar of events showing progress was included in the Board packet. As envisioned, they would ask the Board to approve the issuance and approve underwriters at the November meeting with pricing and closing in December/January.

Master Resolution Relating to the Issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund)

John McGee presented a Master Resolution Relating to the Issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund). A full copy of the Resolution is included in the Board packet. The Board's adoption of this Resolution is recommended.

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

First Supplemental Resolution Supplementing the Master Resolution and Authorizing Issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2007 Series

John McGee presented the First Supplemental Resolution Supplementing the Master Resolution and authorized the Board's anticipated issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2007 Series, in an amount not to exceed \$370,000,000. A full copy of the Resolution is included in the Board packet. The Board's adoption of this Resolution is recommended.

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

Appointment of Underwriters Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2007 Series

John McGee presented a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2007 Series. The Resolution was read and was included in the Board packet. The Board's adoption of this Resolution is recommended.

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

HELP Loan

John McGee presented a Resolution recommending approval of an application for financial assistance from, and loan repayment agreement with the City of Bisbee for the following construction project: Arizona Street Reconstruction. The Board's adoption of this Resolution is recommended.

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

STAN Project Funding (MAG)

(The original Item 10, I-10 Widening video presentation from SR 51 to Baseline Road was struck from the agenda.) An application was presented regarding STAN funding for interest costs related to the advancement of Interstate 10 from Loop 101 – Sarival. Bob Hazlett, senior engineer with MAG discussed the interest reimbursement request for the I-10 Papago Freeway between SR 101 Agua Freeway to Sarival Avenue. The MAG Acceleration Policy was adopted in 1995 and revised in 2000. Eight projects have used this policy to ensure projects are accelerated in a fiscally prudent manner and provides for the sharing of interest expense between the program and local cities. The project proposes to add a general purpose lane and an HOV lane from Agua Fria Freeway to Dysart Road and two general purpose lanes and one HOV lane from Dysart Road to Sarival Road. The I-10 widening project was approved by MAG for acceleration in April 2006 with an interest estimate of \$24.2 million. The local share was equal to 40 percent, approximately \$10 million and 60 percent is picked up by the program. It was determined that interest expense was not eligible under the original STAN legislation. The cities expectation was for funding to defray local interest costs. STAN II dealt with interest expense related to accelerations and interest is eligible for STAN funding. There was an allocation to the interest subaccount for \$10 million to cover the I-10 widening. The MAG Regional Council has taken action on the issue and there was an extensive policy discussion. The minutes from the September 6, 2007, Regional Council meeting minutes were shared including the motion of how the distribution of the monies are distributed. \$7 million is for the participating cities and \$3 million to the program for their interest costs on the project. A working group was formed to examine the MAG Acceleration Policy.

Board Action: A motion to continue the execution of the agreement between ADOT and MAG to approve the obligation of the \$10 million of the STAN interest reimbursement subaccount for the acceleration of the I-10 widening from Loop 101 to Sarival Road with up to \$7 million for the participating jurisdictions with Avondale at 35 percent, Goodyear at 58.5 percent and Litchfield Park at 3(?) percent with the balance of the STAN fund allocated to MAG Regional Freeway Program to reimburse the portion of the program was made by Mr. Householder and seconded by Mrs. Lundstrom.

Mr. Zubia contested the motion, wanted to amend the motion and requested the item be opened up for discussion. Mr. Schorr asked the staff for further explanation. Mr. Travis said the legislation appears to contemplate \$10 million for the east valley and \$10 million for the west valley; however, there has been a long-time policy within MAG and the history of MAG is that cities have through their own funds, provided reimbursement for acceleration. This is the first time where it's contemplated state funds be used for that reimbursement. Mr. Feldmeier spoke about funds being specifically earmarked for the three communities and does not support the original motion. Mr. Schorr asked what statute ADOT is obligated to abide by. Mr. Travis said ADOT does not have a role. MAG is responsible for developing guidelines. Mr. Travis read from the statutes. In reply to Mr. Schorr's question about a reference to a particular geographic area, Mr. Travis explained there is a qualification that describes what projects qualify for reimbursement. There is only one project that qualifies and that is the I-10 widening project in the west valley. Mr. Schorr stated that he wants to be mindful of how we can vote based on the statutes. ADOT lawyer Joe Acosta recommended the Board go into Executive Session to further discuss.

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

Board Action: A motion was made by Mr. Householder and seconded by Mrs. Lundstrom to withdraw their motion on Item 10A. The motion passed unanimously.

Chairman Lane asked for suggestions from the Board. Mr. Schorr asked to postpone the matter for thirty days and asked for a formal written opinion on options and exact wording and recommendations from staff what the implications are one way or the other.

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

Mr. Zubia asked to amend the motion to shorten the time frame to fifteen days. Mr. Acosta said that if a formal Attorney General opinion is needed it will probably take longer than fifteen days. Mr. Schorr stated that we don't need a formal Attorney General opinion. Mr. Schorr said that perhaps this can be a telephone conference. Mr. Feldmeier said they want clarification and to see a list of options.

Board Action: A motion to request staff to provide a legal opinion from the Attorney General's office on the statute, legislative history, options and financial implications in bullet point was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

It was made clear that the Regional Council has only authorized the MAG executive director to enter into agreement for up to \$7 million. If the Board decides otherwise, we have to go back through the MAG process. Mr. Schorr would like a legal opinion on this.

Create State Transportation Board member subcommittee

Chairman Lane stated that Mr. Montoya was appointed to this subcommittee and Mr. Zubia was appointed as chair. Mr. Zubia will report monthly to the Board regarding input on the statewide transportation studies.

Aeronautics Division Loan Committee

Chairman Lane announced the appointment of Mr. Feldmeier to serve on the Aeronautics Division Loan Committee.

Board Action: A motion to approve the appointments in Items 11 and 12 was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

- * **MINUTES – APPROVAL**
 - Study Session I Minutes – August 17, 2007
 - Board Meeting Minutes – August 17, 2007
 - Executive Session Minutes – August 17, 2007
 - Study Session II Minutes – August 17, 2007
 - Telephonic Board Minutes – August 21, 2007

Mr. Feldmeier clarified that in the Study Session I Minutes from August 17, 2007, where there was discussion regarding rest areas, the comment in the minutes “Mr. Elters stated that two areas as potential candidates are Vekol Wash and Juniper Mountain”. The comment was that he did not want to limit the options to those two particular locations and wanted to make sure we looked at rest areas across the state.

There was an additional statement that was fairly inaudible but included: correction to the minutes, a motion to create the subcommittee of the State Transportation Plan, specifically referring to the motion and the specific reference to the authority if you will of the subcommittee adding the words, “providing direction on the plan”, I think that was part of the motion as well. The subcommittee will provide direction on the plan.

* **2007 BOARD MEETING & PUBLIC HEARING DATES AND LOCATIONS**
STUDY SESSIONS TO BE SCHEDULED AS NEEDED

- October 19, 2007 – Board Meeting – Globe – 9:00 a.m.
- November 16, 2007 – Board Meeting – Lake Havasu City – 9:00 a.m.
- December 21, 2007 – Board Meeting – Tucson – 9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

Proposed FY 2007 Subprogram Balances for
Reprogramming to FY 2008

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

Safe Routes to School Program –
Create two new Subprograms

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

FY 2008 – 2012 Transportation Facilities Construction
Program - Requested Modifications

ROUTE NO:	I-10 @ MP 240.0
COUNTY:	Pima
SCHEDULE:	FY 2008 – New Project Request
SECTION:	Tangerine Rd and I-10 WB Ramp
TYPE OF WORK:	Construct traffic signal
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Adulkarim Rashid
PROJECT:	HX19301C
JPA:	06-033 with the Town of Marana
REQUESTED ACTION:	Establish a new traffic signal project in the FY 2008 Highway Construction Program. Funds are available from FY 2008 Traffic Engineering Fund #71208.
NEW PROGRAM AMOUNT:	\$250,000

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

ROUTE NO: US 60 @ MP 250.9
COUNTY: Gila
SCHEDULE: FY 2008 – New Project Request
SECTION: Globe Viaduct #1787
TYPE OF WORK: Bridge repair
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Cameron Khanlar
PROJECT: H721501C
REQUESTED ACTION: Establish a new bridge project in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 Bridge Inspection and Repair Fund #71408.**

NEW PROGRAM AMOUNT: \$300,000

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

ROUTE NO: I-40 @ MP 123.0
COUNTY: Yavapai
SCHEDULE: FY 2008 – New Project Request
SECTION: Seligman – Crookton WB
TYPE OF WORK: Pavement preservation
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Akram Friekh
PROJECT: H656801C
REQUESTED ACTION: Establish a new pavement preservation project in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 Pavement Preservation Fund #72508.**

NEW PROGRAM AMOUNT: \$7,000,000

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

ROUTE NO: I-40 @ MP 8.3
 COUNTY: Mohave
 SCHEDULE: FY 2008 – New Project Request
 SECTION: Lake Havasu TI, MP 21 WB
 TYPE OF WORK: Pavement preservation and bridge work
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Julia Ros Mendoza
 PROJECT: H656901C
 REQUESTED ACTION: Establish a new pavement preservation project in the FY 2008 Highway Construction Program. **See funding sources below.**

FY 2008 Pavement Preservation Fund #72508	\$7,970,000
FY 2008 Bridge Inspection and Repair Fund #71408	\$30,000
NEW PROGRAM AMOUNT:	\$8,000,000

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

ROUTE NO: SR 98 @ MP 302.0
 COUNTY: Coconino
 SCHEDULE: FY 2007
 SECTION: Naat'tsis'aan Scenic Road
 TYPE OF WORK: Corridor Management Plan
 PROGRAM AMOUNT: \$80,000
 PROJECT MANAGER: Kathleen Knapp
 PROJECT: H721701X Item #50207
 REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**

NEW PROGRAM AMOUNT:	\$80,000
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ROUTE NO: US 191 @ MP 467.0
 COUNTY: Apache
 SCHEDULE: FY 2007
 SECTION: Tse'nikani Scenic Road
 TYPE OF WORK: Corridor Management Plan
 PROGRAM AMOUNT: \$80,000
 PROJECT MANAGER: Kathleen Knapp
 PROJECT: H722601X Item #50307
 REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**

NEW PROGRAM AMOUNT:	\$80,000
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ROUTE NO: Statewide
SCHEDULE: FY 2007
SECTION: Scenic Byways Brochures to Market
TYPE OF WORK: Development of brochures
PROGRAM AMOUNT: \$97,000
PROJECT MANAGER: Kathleen Knapp
PROJECT: H702301X Item # 18307
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
NEW PROGRAM AMOUNT: \$97,000

ROUTE NO: Statewide
SCHEDULE: FY 2007
SECTION: Update application procedures
TYPE OF WORK: Update Park, Historic and Scenic Roads Advisory Committee (PHSRAC) Book
PROGRAM AMOUNT: \$26,000
PROJECT MANAGER: Kathleen Knapp
PROJECT: H703101X Item #18207
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
NEW PROGRAM AMOUNT: \$26,000

Board Action: A motion to approve Items 21, 22, 23 and 24 was made by Mr. Montoya, seconded by Mrs. Lundstrom and passed unanimously.

ROUTE NO: SR 101L @ MP 0.0
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: Princess Dr. to SR 202L
TYPE OF WORK: Freeway Management System
PROGRAM AMOUNT: \$2,441,000
PROJECT MANAGER: Debra Barker
PROJECT: Item #40507
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
NEW PROGRAM AMOUNT: \$2,441,000

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

ROUTE NO: SR 85 @ MP 152.0
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: Southern Avenue to I-10
TYPE OF WORK: Design, Right of Way and Utilities
PROGRAM AMOUNT: \$2,850,000
PROJECT MANAGER: Velvet Li
PROJECT: H5955 Item #20906
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
NEW PROGRAM AMOUNT: \$2,850,000

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

ROUTE NO: SR 801 @ MP 0.0
COUNTY: Maricopa
SCHEDULE: FY 2008
SECTION: SR 303L to SR 202L
TYPE OF WORK: Right of Way acquisition
PROGRAM AMOUNT: \$3,000,000
PROJECT MANAGER: Patrick Stone
PROJECT: H687601R Item #40208
REQUESTED ACTION: Increase Right of Way protection fund by \$12,000,000 to \$15,000,000 in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 RTP Cash Flow.**
NEW PROGRAM AMOUNT: \$15,000,000

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

ROUTE NO: I-17 @ MP 223.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2008
 SECTION: Dove Valley Rd TI
 TYPE OF WORK: Design traffic interchange
 PROGRAM AMOUNT: \$1,800,000
 PROJECT MANAGER: Steve Beasley
 PROJECT: H719701D Item #43407
 JPA: 06-152 with the City of Phoenix
 REQUESTED ACTION: **Increase design project by \$463,000 to \$2,263,000 in the FY 2008 Highway Construction Program.** Per JPA, City of Phoenix will advance \$151,430 to fund 30% design to be reimbursed through the FY 2012 RTP Cash Flow. The remaining \$311,441 is from the city enhancement fund which is non-reimbursable.

NEW PROGRAM AMOUNT: \$2,263,000

ROUTE NO: SR 303L @ MP 0.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2008
 SECTION: Happy Valley Rd to I-17 TI at I-17
 TYPE OF WORK: Construct traffic interchange
 PROGRAM AMOUNT: \$34,000,000
 PROJECT MANAGER: Steve Beasley
 PROJECT: Item #41407
 REQUESTED ACTION: Delete project from the FY 2008 Highway Construction Program. **Return \$34,000,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: I-17 @ MP 218.5
COUNTY: Maricopa
SCHEDULE: FY 2008
SECTION: Jomax Rd to Carefree Highway (SR 74)
TYPE OF WORK: Widen roadway
PROGRAM AMOUNT: \$95,000,000
PROJECT MANAGER: Steve Beasley
PROJECT: H706101C Item #44308
REQUESTED ACTION: Increase construction project by \$34,000,000 to \$129,000,000 in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$129,000,000

ROUTE NO: SR 202L @ MP 0.0
COUNTY: Maricopa
SCHEDULE: FY 2009
SECTION: 48th Street to Rural Rd, EB
TYPE OF WORK: Design General Purpose Lane
PROGRAM AMOUNT: \$3,700,000
PROJECT MANAGER: Annette Riley
PROJECT: Item #45109
REQUESTED ACTION: Delete project from the FY 2009 Highway Construction Program. **Return \$3,700,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2010
SECTION: 48th Street to Rural Rd, EB
TYPE OF WORK: Construct General Purpose Lane
PROGRAM AMOUNT: \$46,300,000
PROJECT MANAGER: Annette Riley
PROJECT: Item #44210
REQUESTED ACTION: Delete project from the FY 2010 Highway Construction Program. **Return \$46,300,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2010
SECTION: SR 51 to 48th Street, EB
TYPE OF WORK: Design General Purpose Lane
PROGRAM AMOUNT: \$4,160,000
PROJECT MANAGER: Annette Riley
PROJECT: Item #44310
REQUESTED ACTION: Delete project from the FY 2010 Highway Construction Program. **Return \$4,160,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2011
SECTION: SR 51 to 48th Street, EB
TYPE OF WORK: Widen roadway
PROGRAM AMOUNT: \$51,900,000
PROJECT MANAGER: Annette Riley
PROJECT: Item #43611
REQUESTED ACTION: Delete project from the FY 2011 Highway Construction Program. **Return \$51,900,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 0.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2008
 SECTION: Rural Rd – SR 101L, EB and WB
 TYPE OF WORK: Design General Purpose Lane
 PROGRAM AMOUNT: \$5,700,000
 PROJECT MANAGER: Annette Riley
 PROJECT: Item #45108
 REQUESTED ACTION: Delete project from the FY 2008 Highway Construction Program. **Return \$5,700,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 8.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2009
 SECTION: Rural Rd. – SR 101L, EB and WB
 TYPE OF WORK: Construct General Purpose Lane
 PROGRAM AMOUNT: \$72,300,000
 PROJECT MANAGER: Annette Riley
 PROJECT: Item #45009
 REQUESTED ACTION: Delete project from the FY 2009 Highway Construction Program. **Return \$72,300,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 202L @ MP 0.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2008 – New Project Request
 SECTION: I-10 / SR 51 TI to SR 101L
 TYPE OF WORK: Design-build roadway widening
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Annette Riley
 PROJECT:
 REQUESTED ACTION: Establish a new design-build project in the FY 2008 Highway Construction Program. **Funds are available from the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$184,060,000

ROUTE NO: SR 153 @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2009
SECTION: Superior Ave. to University Drive
TYPE OF WORK: Design landscape
PROGRAM AMOUNT: \$60,000
PROJECT MANAGER: Ron McCally
PROJECT: Item #82506
REQUESTED ACTION: Delete project from the FY 2009 Highway Construction Program. **Return \$60,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR153 @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2010
SECTION: Superior Ave. to University Drive
TYPE OF WORK: Construct landscape
PROGRAM AMOUNT: \$610,000
PROJECT MANAGER: Ron McCally
PROJECT: Item # 80407
REQUESTED ACTION: Delete project from the FY 2010 Highway Construction Program. **Return \$610,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 153 @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2009
SECTION: Superior Ave to University Drive
TYPE OF WORK: Construct roadway
PROGRAM AMOUNT: \$16,000,000
PROJECT MANAGER: Ron McCally
PROJECT: H544001C, Item #81606
REQUESTED ACTION: Delete project from the FY 2009 Highway Construction Program. **Return \$16,000,000 to the FY 2008 RTP Cash Flow.**

NEW PROGRAM AMOUNT: \$0

ROUTE NO: SR 143 @ MP 0.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2008 – New Project Request
 SECTION: SR 143 / SR 202L TI
 TYPE OF WORK: Traffic Interchange improvements
 PROGRAM: New Project
 AMOUNT:
 PROJECT: Ron McCally
 MANAGER:
 PROJECT:
 REQUESTED: Establish a new Traffic Interchange project.
 ACTION: **Funds are available from the FY 2008 RTP
 Cash Flow fund.**

NEW PROGRAM AMOUNT: \$34,400,000

Board Action: A motion to approve Items 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40 and 41 was made by Mr. Schorr, seconded by Mr. Montoya and passed unanimously.

FY 2008 – 2012 Airport Development Program Requested Modifications

AIRPORT NAME: Yuma MCAS/Yuma International
 SPONSOR: Yuma County Airport Authority
 AIRPORT CATEGORY: Commercial Service
 SCHEDULE: FY 2008 – 2012
 PROJECT #: E8F51
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Matthew V. Smith
 PROJECT DESCRIPTION: Modify terminal building to accommodate Transportation Security Administration.
 REQUESTED ACTION: Recommend STB approval.
 FUNDING SOURCES: **FAA** \$1,232,433
Sponsor \$32,433
State \$32,434
Total Program \$1,297,300

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

- *
- Minutes of the PPAC Meeting on September 5, 2007
 - Summary of Approved Changes to the FY 2008-2012 Highway Construction Program
 - Highway Program Monitoring Report

RIGHT OF WAY RESOLUTIONS

- * RES. NO: 2007-09-A-057
PROJECT: U-093-B-803 / 093MO115H592403R
HIGHWAY: WICKENBURG – KINGMAN HIGHWAY
SECTION: Big Sandy – Deluge Wash
ROUTE NO. U.S. Route 93
ENG. DIST. Kingman
COUNTY: Mohave
RECOMMENDATION: Establish as a state highway for widening improvements to enhance safety for the traveling public
- * RES. NO: 2007-09-A-058
PROJECT: 169YV000H635101R
HIGHWAY: DEWEY – COPPER CANYON
SECTION: Aqua Fria River Bridge #1371
ROUTE NO. State Route 169
ENG. DIST. Prescott
COUNTY: Yavapai
RECOMMENDATION: Establish as a state highway for widening improvements to enhance safety for the traveling public
- * RES. NO: 2007-09-A-059
PROJECT: 060-B-701 / 060MA160H513701R
HIGHWAY: WICKENBURG - PHOENIX
SECTION: Thomas Road – 27th Avenue Structure
ROUTE NO. U.S. Route 60
ENG. DIST. Phoenix
COUNTY: Maricopa
DISPOSAL: D-M-395
RECOMMENDATION: Disposal by Abandonment to the City of Phoenix for a continued public transportation use
- * RES. NO: 2007-09-A-060
PROJECT: 888MA000H687601R
HIGHWAY: S.R. 801 (I-10 Reliever)
SECTION: S.R. 85 – S.R. 202L
ROUTE NO. State Route 801
ENG. DIST. Phoenix
COUNTY: Maricopa
PARCEL: 7-10729
RECOMMENDATION: Amend Resolution 2007-07-A-037 to forestall development and mitigate damages

STATE ENGINEER'S REPORT

Sam Elters reported that there are 81 projects under construction for a total of \$972.6 million. There were 13 projects finalized in August for a total of \$151.9 million. Year-to-date, 24 projects have been finalized. As directed in March, regarding the preventative surface treatment project, information was provided to Board members including their location and amounts.

CONSTRUCTION CONTRACTS

Interstate Non-Federal Aid

BIDS OPENED:	August 30
HIGHWAY:	CASA GRANDE-TUCSON HIGHWAY (I-10)
SECTION:	Picacho Peak T.I. – Pinal Air Park T.I.
COUNTY:	Pinal
ROUTE NO.:	I-10
PROJECT:	010-D-NFA 010 PN 218 H512801C
FUNDING:	100% State
LOW BIDDER:	The Ashton Company, Inc. Contractors & Engineers
AMOUNT:	\$ 44,121,695.00
STATE AMOUNT:	\$ 52,729,967.00
\$ UNDER:	\$ 8,608,272.00
% UNDER:	16.3%
NO. BIDDERS:	6
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously. Mr. Schorr recused himself from this Item.

Interstate Federal-Aid (“A” “B”) 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: August 30
HIGHWAY: TUCSON-BENSON-STEINS PASS HIGHWAY (I-10)
SECTION: Craycroft Road – Willcox
COUNTY: Pima
ROUTE NO.: I-10
PROJECT: IM-010-E(010)A 010 PM 268 H555501C
FUNDING: 94% Federal 6% State
LOW BIDDER: Pulice Construction, Inc.
AMOUNT: \$ 2,749,940.00
STATE AMOUNT: \$ 2,346,064.00
\$ OVER: \$ 403,876.00
% OVER: 17.2%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

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

Non-Interstate Federal-Aid (“A” “B”) 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: August 17
HIGHWAY: GILA BEND-BUCKEYE HIGHWAY (SR 85)
SECTION: Milepost 139.01 – Milepost 141.71
COUNTY: Maricopa
ROUTE NO.: SR 85
PROJECT: AC-NH-085-B(009)B 085 MA 139 H595505C
FUNDING: 94% Federal 6% State
LOW BIDDER: FNF Construction, Inc.
AMOUNT: \$ 18,247,087.95
STATE AMOUNT: \$ 19,394,838.00
\$ UNDER: \$ 1,147,750.05
% UNDER: 5.9%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

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

* BIDS OPENED: August 17
HIGHWAY: WICKENBURG-KINGMAN HIGHWAY (US 93)
SECTION: McGarry's Wash Section
COUNTY: Mohave
ROUTE NO.: US 93
PROJECT: NH-093-B(007)B 093 MO 091 H617701C
FUNDING: 94% Federal 6% State
LOW BIDDER: FNF Construction, Inc.
AMOUNT: \$ 9,273,918.95
STATE AMOUNT: \$ 9,485,944.50
\$ UNDER: \$ 212,025.55
% UNDER: 2.2%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Mr. Schorr recused himself from this Item.

* BIDS OPENED: August 17
HIGHWAY: PIMA FREEWAY (SR 101)
SECTION: 64th Street T.I.
COUNTY: Maricopa
ROUTE NO.: SR 101
PROJECT: NH-101-B(003)B 101 MA 032 H624001C
FUNDING: 93% Federal 6% State 0.1% Arizona Public Service
0.9% City of Phoenix
LOW BIDDER: Pulice Construction, Inc.
AMOUNT: \$ 23,642,705.90
STATE AMOUNT: \$ 22,601,139.55
\$ OVER: \$ 1,041,566.35
% OVER: 4.6%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

Mr. Schorr recused himself from this Item.

* BIDS OPENED: August 23
HIGHWAY: YUMA AREA SERVICE HIGHWAY (SR 195)
SECTION: 40th Street to I-8
COUNTY: Yuma
ROUTE NO.: SR 195
PROJECT: STP-900-A(057)B 195 YU 025 H577407C
FUNDING: 94% Federal 6% State
LOW BIDDER: Desert Road Builders, Inc. DBA Rockbusters
AMOUNT: \$ 6,228,792.00
STATE AMOUNT: \$ 6,443,151.00
\$ UNDER: \$ 214,359.00
% UNDER: 3.3%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

BIDS OPENED: August 30
HIGHWAY: TOWN OF GILBERT
SECTION: Western Powerline Trail Phase II
COUNTY: Maricopa
ROUTE NO.: N/A
PROJECT: CM-GIL-0(018)A 0000 MA GIL SS60901C
FUNDING: 48% Federal 52% Town of Gilbert
LOW BIDDER: Bison Contracting Co., Inc.
AMOUNT: \$ 789,224.15
STATE AMOUNT: \$ 1,036,057.00
\$ UNDER: \$ 246,832.85
% UNDER: 23.8%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

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

Comments and Suggestions

Board Members had the opportunity to suggest items they would like to have placed on future Board Meeting Agendas. Mr. Zubia complimented Mr. McGee on the bond issuance and management of the process.

CONSENT AGENDA

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

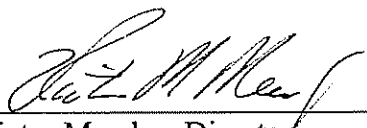
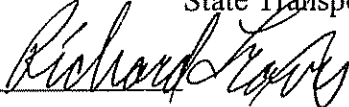
ADJOURN

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

The meeting adjourned at 12:26 p.m.



Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.

**MINUTES OF THE
STATE TRANSPORTATION BOARD
SPECIAL BOARD MEETING
1:00 p.m., Friday, September 28, 2007
Arizona Department of Transportation
Auditorium
206 South 17th Avenue
Phoenix, AZ 85007**

The State Transportation Board met in official session for a Special Board Meeting at 1:05 p.m., Friday, September 28, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Felipe Zubia and Si Schorr (telephonically). Bobbie Lundstrom and Bob Montoya were absent. Also present were Director Victor Mendez, Richard Travis, Joe Acosta, John Schlosser and Mary Currie.

OPENING REMARKS AND PLEDGE

Chairman Lane called the meeting to order and led the audience in the Pledge of Allegiance.

CALL TO AUDIENCE

There were no comments from the audience.

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

The Special Board meeting began again at approximately 1:25 p.m.

STAN Project Funding (MAG)

Mr. Mendez presented an application regarding STAN funding for interest costs related to the advancement of Interstate 10 from Loop 101 – Sarival. The request is for \$10 million from the STAN interest subaccount with up to \$70 million for reimbursement to the sponsoring jurisdictions and the balance to the Regional Freeway Program. Further legal counsel and a recommendation were requested and fulfilled. The cities, MAG and ADOT continued to negotiate the acceleration agreement. The acceleration is in the best interests of the public. Information to assist the Board in making the decision includes the MAG request for project funding, individual resolutions for the cities of Avondale, Goodyear and Litchfield Park, acceleration agreement, written legal advice from the Office of the Attorney General and Director Mendez's recommendation which is to approve the application made by MAG.

Mr. Zubia asked if there are other projects that would fit the requirements of the Statute. Mr. Mendez stated that research indicates that there are no other projects, due mostly because of past accelerations.

Mr. Zubia asked if there are other projects in rural Arizona where cities have applied for the same HELP loan funding. In reply, Mr. Mendez said we do have a HELP loan program that periodically receives requests for loans from HELP. Yes, there are currently projects in the program where people apply for loans.

Board Action: A motion to accept the above recommendation, to accept the MAG proposal for distribution of funds, was made by Mr. Zubia, seconded by Mr. Schorr and passed unanimously.

Mr. Schorr stated he supported the motion for several reasons with one caveat. We have to understand that we need to adhere to allocating transportation funding through a _____ formula _____ not withstanding that, I support the motion. He said that if we don't take action, the project will be delayed.

Mr. Feldmeier recognized the awkward position regarding the earmark and understands the necessity of the improvements needed on this highway and across the state. He asked what can be done to encourage more participation from local governments to assist ADOT on moving projects forward at a more rapid pace. He feels we need to do something on a more formal basis to assist the communities.

Mr. Mendez stated that we have encouraged other entities to come forward in partnership. And projects have been accelerated based on partnerships.

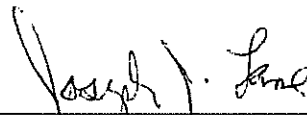
Mr. Zubia (?) stated that it's important to note that it's short-sighted how the legislature allocated the money. He feels it would have been better if it were new money. His preference would have been to have the \$10 million to reimburse the cities. He thanked Representative Nelson for bringing everyone together. He would like staff to look at the possibility of finding new money; establishing a separate subaccount for STAN that would be for the benefit for the other counties, other than MAG.

Mr. Mendez stated that there is no benefit of earmarking at the state level.

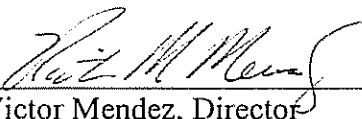
ADJOURN

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

The special session was adjourned at 1:50 p.m.



Joe Lane, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation