

I-11 and the Commerce Connection

Arizona Commerce Authority Board Meeting

January 11, 2012

Phoenix, AZ

Presented by Steven A. Betts

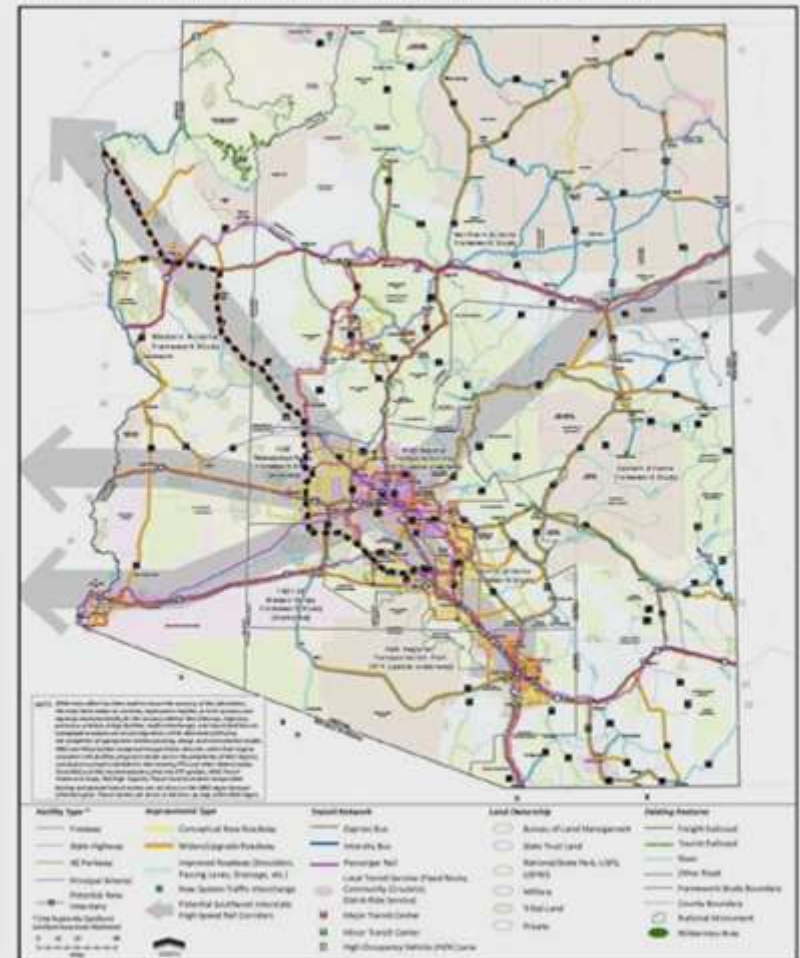
Retired CEO of SunCor Development Company

& Chair of the Interstate 11 Coalition

MAG & ADOT instrumental in framing the I-11



Figure 33 Recommended Statewide 2050 Transportation Framework Scenario



- The Hassayampa/I-10 Framework Study was accepted by the MAG Regional Council on 2-27-08.
- The Hidden Valley Framework Study was accepted the MAG Regional Council on 9-24-09.
- The ADOT 2010 Statewide Transportation Planning Framework Program was accepted by the State Transportation Board on 1-15-10.

The Original Concept & Its Future Potential



Accomplishments

- Resolutions of Support have been secured from numerous public and private groups throughout State
- Letters of Support from AZ Congressional delegation have been sent to Senate EPW committee and Transportation Secretary LaHood
- Interstate-11 Corridor Study to be undertaken by joint effort between ADOT and NDOT commencing in 2012
- Senate EPW Committee has unanimously approved a major Bipartisan Transportation Bill that includes the designation of Interstate-11

Connecting to Competitiveness & Prosperity



Arizona Commerce Authority Board Meeting

January 11, 2012

Phoenix, AZ

Presented by Congressman Jim Kolbe

Chairman, **Governor's CANAMEX Task Force**

John S. Halikowski
Director

Arizona-Nevada Interstate Corridor



Arizona-Nevada Interstate Corridor

Chronology of ADOT's Actions

- In early 2009 Gov. Brewer sets course for this important transportation link between Phoenix and Las Vegas.
- ADOT identifies \$1.5 million within its current Federal “high priority programming funding” for study.

Arizona-Nevada Interstate Corridor

Chronology of ADOT's Actions

- ADOT meets with Arizona Congressional delegation to discuss the study and need for additional funding.
- Arizona's Congressional delegation calls upon Congressional leaders to create the proposed corridor and designate it as a high priority project of national significance in early 2010.
- State Transportation Board requests an expanded approach; requests ADOT to study corridor in relation to the entire state transportation system.

Arizona-Nevada Interstate Corridor

Chronology of ADOT's Actions

- ADOT adopts holistic approach for the entire corridor instead of the original proposal to study only the Maricopa County segment.
- State Transportation Board appoints corridor subcommittee (Victor Flores, Steve Christy, Kelly Anderson).
- Federal guidance changes; ADOT wins FHWA support of a “Planning and Environmental Linkages” study.

Arizona-Nevada Interstate Corridor

Chronology of ADOT's Actions

- ADOT and Nevada Department of Transportation to conduct joint study from the Mexico border in Southern Arizona to the northern Nevada border.
- Joint study will take 18 to 24 months to complete; kick off Spring 2012.
- ADOT will study area south of the junction of Interstate 8 and Interstate 10 to examine potential economic benefit of the corridor and current and future border crossings.

Arizona-Nevada Interstate Corridor

Big Picture

- The Federal Highway Administration and American Association of State Highway and Transportation Officials must approve requests for a route to carry an Interstate designation.
- There are two ways highways or future highways can be designated as future Interstates. One is administrative through the Federal Highway Administration. The other way is through Congress.
- An Interstate designation does not necessarily guarantee funding, but it elevates a route's importance and improves its chance at obtaining discretionary grants.

Arizona-Nevada Interstate Corridor

The Road Ahead

- This project will run into billions of dollars. Since the state cannot absorb all the costs of construction and the federal government is not making large investments on the Interstate system alternative financing methods must be part of the solution.
- Expected long-term volumes may make this a candidate for a public private partnership.

Arizona-Nevada Interstate Corridor

The Road Ahead

- Investment in the preliminary environmental work is critical for both ADOT and the private sector to evaluate the feasibility of this project.
- Making sure that ADOT has the ability to fully utilize public private partnerships is important to the long-term viability of the project.
- As representatives of the business community, we need your thoughtful

Arizona-Nevada Interstate Corridor

The Road Ahead

- ADOT is facing a gap between the state's transportation needs and projected revenues. There is no single solution to satisfy all of Arizona's transportation needs if the state is going to grow its economy.
- The business community should be engaged in deciding what type of Arizona we want to plan for the next 30-50 years. That's why ADOT will reach out to the business community extensively in 2012.
- ADOT's goal is to meet with 150 state business leaders this year.

CANAMEX Overview

- 1995 Federally Designated High Priority Corridor
- Mission is to strategically invest in infrastructure and technology to increase competitiveness in global trade, create jobs and maximize economic potential
- Accomplishments include :
 - Over \$1 billion for Hoover Bypass, U.S. 93, I-10 and I-19;
 - Nearly \$300 million for border port of entry project in Nogales, Douglas and San Luis

Canada

CANAMEX links trade, jobs and new wealth

- In 2010, bilateral trade between U.S. CANAMEX States and NAFTA neighbors nearly \$29 billion
- CANAMEX Trade Shed (Alberta to Mexico City) links a consumer market of over 54 million.
- The US CANAMEX States combined have over 2 million jobs linked to global trade.
- In 2009 alone, nearly 3 million Canadian visitors traveled to the CANAMEX Corridor Region and spent over \$1.7 billion.
- Almost 26 million Mexican visitors came to Arizona in 2009 resulting in \$3.6 billion in sales; 24,000 Arizona jobs



A map of the United States and Mexico. The United States is shown in light gray, and Mexico is shown in a darker gray. A thick black line runs north-south through the center of the United States, representing the CANAMEX corridor. The line starts in the northern part of the US, passes through Montana, Idaho, Nevada, Utah, and Arizona, and ends in Mexico. The word 'USA' is written in large, bold, black letters in the center of the United States. The word 'Mexico' is written in large, bold, black letters in the center of Mexico. The word 'Canada' is written in large, bold, black letters in the top left corner of the image.

USA

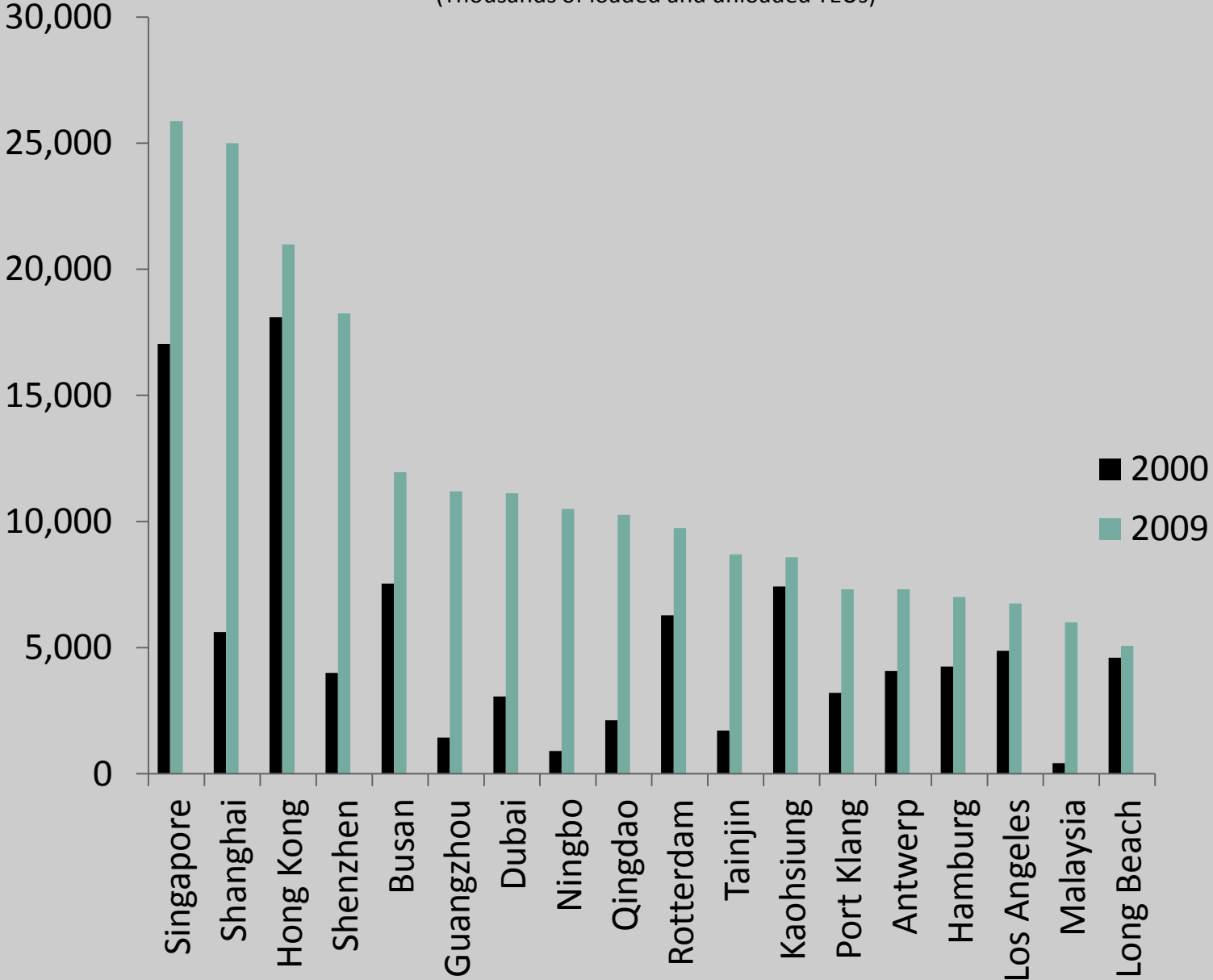
Mexico

Infrastructure and economic development

- An efficient infrastructure system makes jobs and economic prosperity possible
- Arizona must think **BIG** and act **DECISIVELY** to be an engine for trade, logistics and export oriented manufacturing
 - Global economy will double by 2040 and triple by 2060
 - Over 80% of worldwide economic growth will occur outside the U.S. over next 50 years
 - Demand for freight transportation will increase dramatically as the economy grows
 - U.S. population and economic growth continues shift to South and West

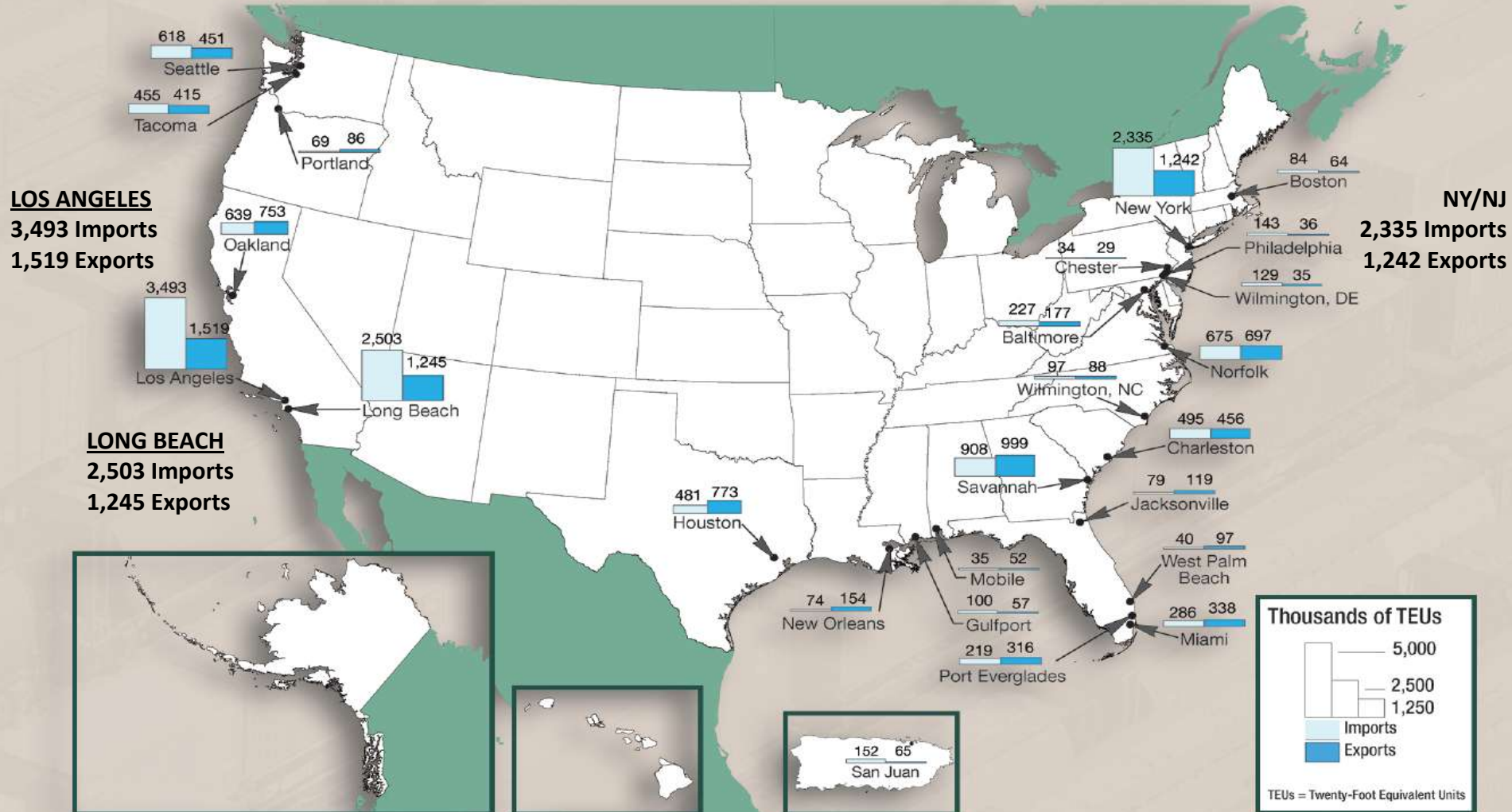
Top World Container Ports: 2000 and 2009

(Thousands of loaded and unloaded TEUs)



Source: RITA, *America's Container Ports: Linking Markets Home and Abroad*, January 2011

Top 25 U.S. Water Ports by Containerized Cargo: 2009



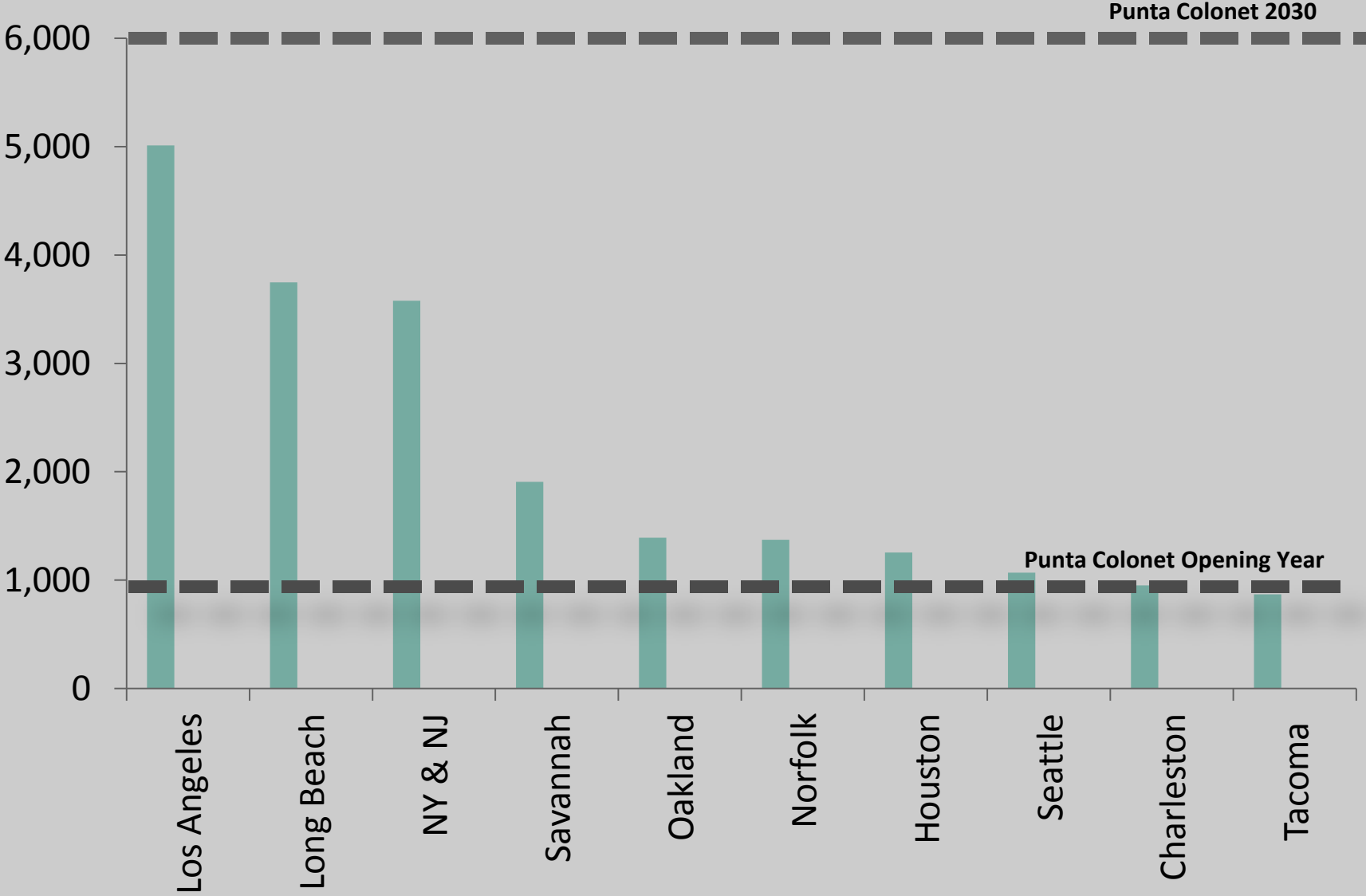
Punta Colonet in a nutshell

- In 2000 Hutchinson Whampoa determines viability for Punta Colonet Port and Arizona as U.S. Gateway
- In 2008, Mexico releases RFP for a 45 year concession to build the port, rail and operate the facilities. Estimated investment between \$2.7 to \$5 billion (USD)
- PC port would open at 1 million TEUs, but grow within 20 years to an estimated 4-6 million TEUs.
- Economic slowdown and the financial crisis stalled bidding process in 2009.
- Investors say PC must be more than LA/LB reliever; the U.S. gateway must be determined and cargo must move quickly and securely to U.S.
- Mexico intends to release new RFP in 2013, but political transition may impact



Top U.S Ports for Foreign Containerized Trade and the Proposed Punta Colonet Port

(Thousands of loaded TEUs, 2009 & PC Projected Opening & 2030)



Source: RITA, *America's Container Ports: Linking Markets Home and Abroad*, January 2011 and Mexico's Secretary of Communication and Transportation



LALB

Yuma

Sun Corridor

Punta Colonet

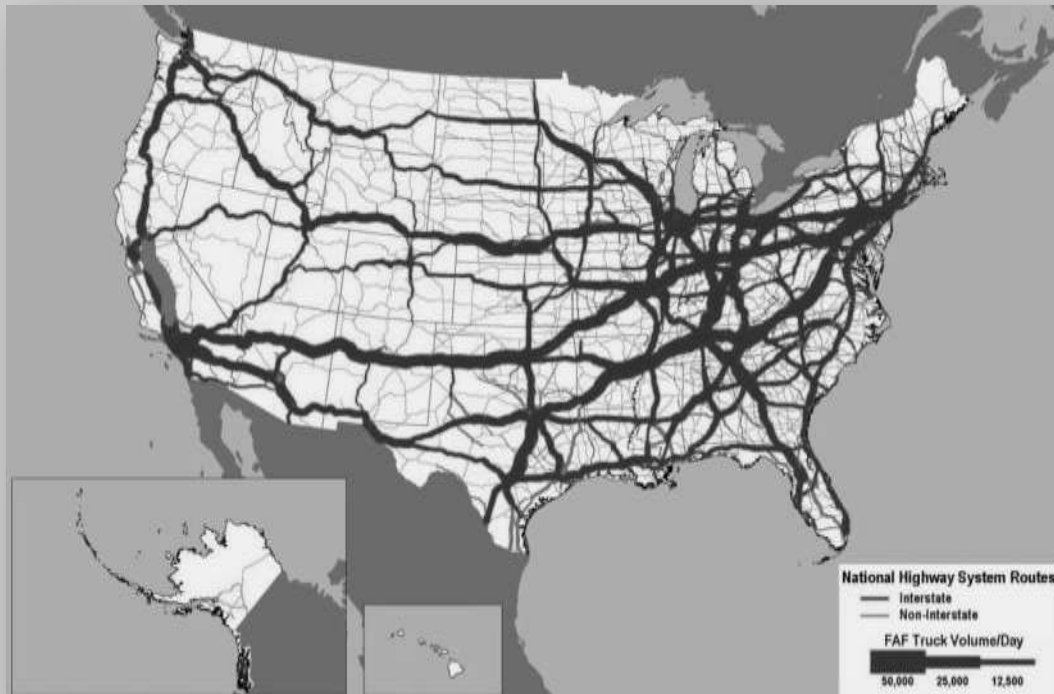
- Proposed Facility
- Major Cities
- Ports
- Border Crossings
- Railroads
- Interstates
- Major Mexican Highways
- Other Highways
- United States
- Mexico

0 25 50 100 150 200 250 Miles

CANAMEX strategy for inland ports

We need to generate freight and add value to the freight that passes through our State. We are a land bridge for the economic windfall of others

- The solution is more than preparing for a possible Punta Colonet, Arizona has the opportunity to develop a **MAJOR ECONOMIC ENGINE**.



- We are and will continue to be part of two of the largest west/east trade corridors
- If we succeed the **BENEFITS** will be **PROFOUND**.
- Imagine Sky Harbor Airport with a direct economic impact of \$8.3 billion, 33,000 jobs and \$1.7 billion in payroll.