

**MINUTES
of the
THIRD MEETING
of the
TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE**

**August 7, 2018
Transportation Center
Los Lunas**

The third meeting of the Transportation Infrastructure Revenue Subcommittee (TIRS) was called to order by Representative Roberto "Bobby" J. Gonzales, chair, on August 7, 2018 at 10:05 a.m. at the Transportation Center in Los Lunas.

Present

Rep. Roberto "Bobby" J. Gonzales, Chair
Rep. David M. Gallegos
Rep. Jane E. Powdrell-Culbert
Sen. Clemente Sanchez
Sen. Pat Woods

Absent

Sen. John Arthur Smith, Vice Chair
Sen. Ron Griggs
Rep. Patricio Ruiloba

Advisory Members

Sen. Carlos R. Cisneros
Rep. Harry Garcia
Rep. Bealquin Bill Gomez
Rep. Rick Little
Rep. Patricia A. Lundstrom

Rep. Sharon Clahchischilliage
Sen. Stuart Ingle
Sen. Carroll H. Leavell
Rep. Antonio Maestas
Sen. William H. Payne

Guest Legislators

Sen. Gregory A. Baca
Rep. Alonzo Baldonado

Staff

Mark Edwards, Drafter, Legislative Council Service (LCS)
Michelle Jaschke, Researcher, LCS
Felicia Garcia, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file and are posted online.

Tuesday, August 7

Introductions and Announcements

Representative Gonzales welcomed subcommittee and audience members. On a motion duly made and seconded, the minutes of the second meeting of the TIRS for the 2018 interim were approved without objection.

I-25 Interchange and East Corridor Update

Greg Martin, village administrator, Los Lunas, welcomed the subcommittee and introduced other panelists, including Kevin W. Eades, executive vice president, Molzen Corbin; Ralph L. Mims, economic development manager, Los Lunas; and Michael Jaramillo, public works director, Los Lunas. Mr. Mims provided an overview of the many economic development opportunities that the village is pursuing. He described the village as a "small community with big possibilities" and reported that Facebook has now committed to developing six buildings at its complex in Los Lunas. The first two buildings are under construction or in design and are scheduled for completion in 2019. Mr. Mims also reported that businesses are being drawn to the area to serve the large number of construction workers, feeding the retail consumer market in the area.

Mr. Jaramillo thanked the Department of Transportation (DOT) for its assistance with infrastructure development. He provided a brief overview of the sludge management and road projects recently completed in the area. Mr. Jaramillo observed that planning by the Public Works Department is helping the village keep up with water and sewer system development needs as the housing and retail industries expand. In response to members' questions, he reported that the village feels that it has adequate water rights to support development in the area.

The effort to establish a new I-25 interchange and corridor is being led by Los Lunas in response to serious traffic and safety concerns. Mr. Eades reported that his firm, Albuquerque-based Molzen Corbin, has been involved in planning and design for the interchange, a river crossing and an east-west corridor to improve traffic flow on New Mexico Highway 6 (Main Street) for many years. The project has been designed in phases to address state, local and federal concerns regarding project costs and the need to limit disruption of current routes. Total project costs are estimated to be in excess of \$73 million. Mr. Eades presented a time line with estimated costs for each phase of design and construction. He reported that the development is a regional effort supported by Bosque Farms, Peralta, Valencia County and Belen.

In response to members' questions, Mr. Eades reported that until a design is finalized, the cost of the project remains in flux, with the certainty that costs will rise pending project start-up. He noted that an area landowner has donated the land for the interchange and that Valencia County, Los Lunas, the Mid-Region Council of Governments and the state have made significant appropriations for planning, design and right-of-way acquisitions. In addition, the DOT and the New Mexico congressional delegation have pledged support for the project. Los Lunas is pursuing various grant opportunities from the United States DOT. The Federal Highway

Administration is also a stakeholder in the project. A web page providing information regarding the interchange may be found at <http://www.loslunasnm.gov/interchange>.

Local officials and school board members who were in the audience reported that at times of heavy traffic, it is almost impossible to successfully use emergency transportation, an issue of concern for children who may fall ill or suffer accidents at school. Safety issues are of such concern that area schools have staggered scheduling for the drop-off and release of children. Members discussed the importance of the project with respect to both safety and economic development and made suggestions for pursuing innovative financing and public-private partnerships to advance the project. In response to members' questions, Mr. Eades reported that the planning group has looked at but not fully investigated ridesharing options and opportunities to enter into public-private partnerships to address development needs on connecting roads.

DOT Districts 4, 5 and 6 Updates

David E. Trujillo, district engineer, DOT District 4; Paul Brasher, district engineer, DOT District 5; and Larry Maynard, district engineer, DOT District 6, presented budget updates, road status reports and personnel vacancy rates for their districts. It was noted that higher paying jobs in the oil and gas industry draw road and maintenance personnel from the DOT, creating relatively high vacancy rates. In response to members' questions, Tom Church, secretary, DOT, reported that the DOT maintains funds in the personnel category to try to fill empty positions. At the end of the year, the department may execute a budget adjustment request to use those funds for other purposes, as those funds do not revert to the General Fund but remain in the State Road Fund.

The engineers provided an overview of other challenges facing the districts, including maintenance of interstate highways heavily traveled by 18-wheelers, the unpredictable expenses that the districts incur to support firefighting efforts, the long distances and lengthy season for snow removal operations, maintenance demands for secondary roads and urban growth in rural districts outpacing infrastructure development. Critical needs for new equipment, bridge replacements and upgrades or replacement of patrol and district offices were also reported. Mr. Brasher observed that most of the state's highways were constructed from the 1930s to the 1960s and that maintenance of those roads has not kept up with maintenance needs. He asserted that a "decade of reckoning" is on the horizon in that regard and that a similar situation exists with respect to highway bridges. Mr. Maynard described I-40 as both a "money pit" and the "lifeline of the United States", stretching through eight states from California to North Carolina.

Litter and the cost of containing the litter problem were reported as major and ongoing challenges for all of the districts. Mr. Brasher and Mr. Maynard reported that crews of 85 people or more are used to clear litter from the roads and highways one week, only to have the same amount of litter appear by the following week. The litter is bagged and placed onto trucks outfitted with large, caged beds to contain and transport the litter, a constant drain on district budgets. It was noted that fines for littering in New Mexico are significantly lower than surrounding states and that Hawaii fines residents and visitors \$5,000 for each incident of

littering. Mr. Maynard reported that one of the rest stops in his district is overrun with litter and human waste due to a lack of resources to address the issue.

Members discussed the high cost of game fencing for roadways and the possibility of seeking reimbursement for those costs from the Department of Game and Fish. Members discussed options to address specific road needs in the various districts and improvements to school bus routes in District 6.

Bernalillo County Rail Transload Economic Development Project

Elias Archuleta, director, technical services, Public Works Division, Bernalillo County, and Deanna Archuleta, interim economic development director, Bernalillo County, provided an overview of the county's plan to develop the area roughly from Gibson Boulevard south to the county line as an industrial transload facility. The project would restore certain sections of existing rail lines in the area to provide airport terminal services and to serve other industrial transload needs. Over \$600,000 in capital outlay funding was appropriated during the 2018 legislative session to plan, design, construct and improve roads and drainage for the industrial park and transload facility.

The project intends to create a new access point at Sunport Boulevard to create an industrial vehicle circulation option and relieve the strain on existing routes. Similarly, the project intends to move interstate cargo and commerce off of the interstate highways and onto rail transport. The area currently suffers from the residue of a number of environmentally damaging industries and has been designated an environmental justice site by the United States Environmental Protection Agency. Members discussed the impact on area schools and businesses, the type of rail transport to be utilized and the overall project costs. In response to members' questions, Mr. Archuleta reported that the communities affected by the project have not raised any objections to the development. The industrial park and transload facilities will be privately developed and owned, although the planned road improvements are for publicly held roads.

Central New Mexico Rail Park (CNMRP) — Logistics Overview

Tim Cummins, owner and broker, Rio Real Estate Investment Opportunities, LLC, reported that the company will be naming an operator for the CNMRP next month and presented a map showing the various features of the planned development. The CNMRP, located near the new Facebook data center, will draw on municipal utilities and can extend rail construction from an existing rail spur. The development will include a transload and rail storage site, a manufacturing and distribution area, large-scale warehousing facilities and undetermined future expansion. The developers intend to make the area a center for plastics manufacturing and distribution.

Bob Gomez, consultant, CNMRP, reported that he was previously employed by the BNSF Railway and outlined the potential for rail transload and manufacturing park facilities in the area. He observed that only Hong Kong and Singapore have more rail traffic than that which

currently passes through central New Mexico from Los Angeles. Mr. Gomez added that only the United States Navy pumps more fuel than the one million gallons currently pumped daily in Belen for rail services. The 1,400-acre, rail-served park planned for the CNMRP is a BNSF-certified site, according to Mr. Gomez, providing added benefits to users.

Tour

Subcommittee members toured the CNMRP site.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 4:38 p.m.