

April 24, 2018

TO: MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA

FROM: Luis E. Ramírez Thomas, President, RAI-N

SUBJECT: **March Activity Report**

On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority (“GNSCCPA”). Before outlining the issues and efforts we have addressed on your behalf to date, we request and welcome your continued comments and suggestions as to how we can improve on our services, our communications and on our activities on your behalf. With your feedback, we will make every effort to improve our response to your needs and learn to better anticipate your directives.

Our activities on behalf of the GNSCCPA have focused on the following key areas:

1. **Donation Acceptance Program Update;**
2. **Safety Corridor in Sonora;**
3. **SB-1065 Legislation;**
4. **Visit to Washington, D.,C. by Santa Cruz County;**
5. **TIGER Grant Award;**
6. **Upcoming AMC Summit;**
7. **ACA Grant Application;**
8. **Arizona Transportation Board Meeting in Sahuarita;**
9. **GAO Report on Donation Acceptance Program;**
10. **Proposals from US Consul General on Corridor Initiatives;**
11. **Representation of GNSCCPA with Key Entities.**

This report is not intended to be a full description of all our activities but rather provides highlights and information on the direction of our activities to keep the Board of Directors informed and to ensure adherence to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. Throughout this period, RAI-N has maintained active and frequent communications with Ms. Allison Moore, Mr. Bruce Bracker and various other members of the Board of Directors in order to ensure that we have a fully coordinated approach to our efforts. RAI-N stands ready to address any issue, concern or suggestion that may arise from this report and from our on-going dialogue with the leadership and the Board of Directors.

1. ***DONATION ACCEPTANCE PROGRAM UPDATE***

- Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
 - The Technical team is working with a local company to secure a competing bid.
- **Reminder:** information provided is limited due to Non-Disclosure Agreement signed that prevents public disclosure of detailed information.

2. ***SAFETY CORRIDOR IN SONORA***

- On March 5, the State of Sonora, along with top level officials from the Arizona Office of the Governor, the Arizona Department of Transportation (ADOT), the Arizona Office of Tourism, the Arizona Department of Public Safety, and the Arizona-Mexico Commission, kicked off the first ever Safety Corridor in Mexico.
- The Safety Corridor is the road that connects Sonoyta with Puerto Peñasco, a road that during the US summer vacation and other key holidays, is heavily traveled by Arizonan visitors destined for the beaches of Sonora at Puerto Peñasco.
- This program is based on ADOT's Safety Corridors in Arizona. ADOT shared a number of best practices, including Traffic Incident Management or TIM, a process by which there is a coordinate approach with specific protocols for the management of incidents on roadways.
- The Safety Corridor entails a number of initiatives that enhance the safety of the corridor as well as enforcement, including:
 - Bilingual signage,
 - Speed enforcement,
 - Enhanced first responders,
 - TIM practices,
 - Educational and promotional outreach in Arizona and Sonora,
 - Benchmarking and measurement practices,
 - And much more
- Sonora is in the process of evaluating other possible routes for both tourism and commercial safety corridors of strategic interest throughout Sonora.



3. SB-1065 LEGISLATION

- With the Fresh Produce Association of the Americas in the lead, a concerted effort continues to advocate for the passing of Senate Bill 1065 (SB-1065) that was originally intended to provide the mechanism to assess an axle fee at the border.
- The bill has now been amended to create the mechanism by which ADOT would be able to enter into Intergovernmental Agreements with the City of Nogales and Santa Cruz County through which these entities could contribute a certain portion of the revenues from Overweight Fees to the State Highway Fund to help pay for the Full Buildout of SR-189 in FY 2019.
- A number of community representatives participated in multiple hearings as well as conducted visits at the State Legislature.
- It is important to mention that Senator Kate Brophy McGee was instrumental during the hearing and advocacy process for this legislation.



March 19, 2018 - Nogales delegation participates in meeting hosted by Chairman Noel Campbell with members of the Transportation Committee and representatives of the Arizona Trucking Association.



March 21, 2018 – Representatives of Veridus, ADOT and the Arizona Trucking Association participate in Transportation Committee Hearing at the Legislature

4. VISIT TO WASHINGTON, D.C. BY SANTA CRUZ COUNTY

- The Board of Supervisors of Santa Cruz County conducted a number of meetings with key members of the Arizona Congressional Delegation and the key federal agencies to advance a number of issues of great importance to the County, including:
 - Nogales Wash and International Outfall Interceptor,
 - TIGER Grant application for SR-189,
 - Among others
- A copy of the agenda that was prepared for the County and the talking points are provided in Attachments #1 and #2

5. TIGER GRANT AWARD

- On March 5, 2018, we were notified that the US Department of Transportation had approved the TIGER Grant Application submitted by ADOT to help pay for the Full Build Out of SR-189.
- The application by ADOT had broad local and statewide support.
- The TIGER Grant was for the full amount of \$25 million.
- **NOTE:** RAI-N would like to express its congratulations to ADOT, as well as to the Port Authority and all the supporting entities for the successful application and for securing \$25 million in new moneys for trade and transportation infrastructure in Arizona.
- Below is a copy of the official Award Notice:

DOT Grant Award Notice

Date: 03/06/2018

Title: TIGER 2017 - Arizona Department of Transportation Disc. Grant Amount: \$25,000,000.00 Grant Recipient: Arizona Department of Transportation Project Location: Nogales, AZ
Locality: , AZ

Description:

The project will implement access management solutions on SR 189 including raised medians, pavement widening, flyover ramps, and new roundabouts.

If your office is interested in issuing a press release, please find two options of quotes from Secretary Elaine L. Chao regarding the TIGER program for your use:

1) “The highly competitive TIGER program recognizes projects that will have a significant impact on a region, metropolitan areas, or our country as a whole,” U.S. Transportation Secretary Elaine L. Chao said.

2) “TIGER grants are direct federal investments in projects that will improve our surface transportation at the national, regional or local level,” U.S. Transportation Secretary Elaine L. Chao said.

NOTICE TO CONGRESS OF DOT DISCRETIONARY GRANT AWARDS: This notification is provided to the Committee pursuant to one of the following requirements governing the public announcement of a Department of Transportation discretionary grant, letter of intent, or Federal Transit Administration full funding grant agreement:

(1) Currently applicable General Provision of the Appropriations Act, Continuing Resolution, or Supplemental Appropriation governing Department of Transportation appropriations, containing a prohibition on the use of funds made available unless the Secretary notifies the House and Senate Committees on Appropriation at least three full business days before the Department or its operating administrations announces any discretionary grant award, letter of intent, or full funding grant agreement from: (A) any discretionary grant or federal credit program of the FHWA, including the emergency relief program; (B) the airport improvement program of the FAA; (C) any program of the FRA; (D) any program of the FTA other than the formula grants and fixed guideway modernization programs; (E) any program of the Maritime Administration; or (F) any funding provided under the heading National Infrastructure Investments in the Appropriations Act;

(2) Section 311 of title 49, United States Code;

(3) Section 159(b) of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21); or

(4) Section 5334(j) of title 49, United States Code.

Please click on the link below to view the Notification

<https://grants.ost.dot.gov/public/ViewMessage.cfm?MsgID=j46x688d1b>

6. *UPCOMING AMC SUMMIT*

- The Arizona-Mexico Commission, along with its sister organization, the Comision Sonora-Arizona, will be hosting the 2018 Summit on June 14th and 15th, 2018 at the JW Marriott Star Pass in Tucson.
- This is yet another opportunity for Nogales/Santa Cruz County to have a strong presence and to promote the region.
- There will be a panel discussion on Thursday, June 14 that will feature all the border Mayors, including the Honorable John Doyle from Nogales.
- For more information please visit www.azmc.org.

7. *ACA GRANT APPLICATION*

- In support of a grant application to the Arizona Commerce Authority, letters of support were sent by Santa Cruz County and the Nogales Economic Development Foundation.
- The Grant would provide funds for improvements to the South Industrial Park in Santa Cruz County.
- As an example, a copy of the letter sent by the Economic Development Foundation is provided in Attachment #3.

8. *ARIZONA TRANSPORTATION BOARD MEETING IN SAHUARITA*

- In continuation of the efforts to advocate for the Full Build out of SRI-189, Supervisor Bruce Bracker, along with Ms. Allison Moore and Mr. Valencia, attended the Transportation Board meeting that took place in Sahuarita on March 16, 2018.



Photo of Mr. Bracker and Mr. Valencia at the Sahuarita Transportation Board Meeting.

- A copy of the testimony by Supervisor Bracker is provided below.

Testimony before Arizona Transportation Board
By: Bruce Bracker, Supervisor

Santa Cruz County

Sahuarita, Arizona
March 16, 2018

Mr. Chairman and Members of the Transportation Board,

My name is Bruce Bracker and I am a member of the Board of Supervisors for Santa Cruz County. I also sit on the Board of Directors of the Nogales Santa Cruz County Port Authority. I also wanted to inform you that Ms. Allison Moore, Director for Legislative and Regulatory Affairs from the Fresh Produce Association and Mr. Guillermo Valencia, Chairman of the Greater Nogales Santa Cruz County Pt Authority are here today as well.

The Nogales/Santa Cruz County community has come together to support the full build-out of SR-189, that is having Phase 1 and 2 done at the same time in order to create economies of scale that will save millions of dollars for ADOT. Additionally, the full build-out addresses two critical issues not addressed in Phase I: an overpass for southbound traffic exiting I-19 and merging onto SR-189 and grade separation at Frank Reed Road to help eliminate the safety and congestion issues associated with the traffic that is destined to or originates at our local High School.

Additionally, from the County's and the Fresh Produce Industry's perspective, it is imperative that we advance projects that improve the I-19 Interchanges at Ruby Road and Rio Rico Drive, as well as the frontage roads between these two critical industry and neighborhood access points.

We recognize that ADOT faces tremendous funding challenges. That is why our community, including the County, the City of Nogales, the Fresh Produce Industry, Nogales Customs House Brokers and the Maquila industry have come together to support a financial package that would enable ADOT to move forward with all of these urgent projects.

The City and the County have indicated their commitment to contribute 50% of their portion of Overweight fees, which currently translates to over \$800,000 per year. Over a period of 15 years that is \$12 million and over 25 years that would be \$20 million. It is worth mentioning that this fee, since inception, has experienced substantial growth.

I also want to congratulate ADOT for securing the \$25 million TIGER Grant that will go a long way towards paying part of the cost of the SR-189 project. This is new money coming to the state of Arizona. This Grant application was actively

supported by our community and by key members of our Congressional delegation, including Congresswoman McSally and Congressman Grijalva.

I also want to inform you that the Produce Industry has been leading the charge in our state capitol to advance SB-1065, a bill that would assess an axle fee on every truck entering Arizona from Mexico. The bill has passed the Senate and is now up for consideration in the House of Representatives. I do want to make it clear that the acceptance of this axle fee by industry was contingent on the inclusion of the projects that would improve those the aforementioned interchanges on I-19.

I believe that the package that has been put together for your consideration is a unique one in Arizona history, in that includes federal and state grants, ADOT funding, City and County contributions, and the commitment from industry to participate in this process. We understand that there is still an outstanding balance and we hope that you will give every consideration to making up that balance. I know that this outstanding balance is a topic for discussion with the ADOT staff.

We are grateful to the partnership we have with Director Halikowski and his team in finding innovative ways to get this project done. The economic wellbeing of our state is at stake and the safety of truckers and the traveling public are of paramount importance to you and all of us on the ground at Nogales/Santa Cruz.

I wanted to lay this out before you so that you would be assured that we have been and remain a vested and contributing participant in this effort. Our community is coming forward with hard cash over many years, has helped secure new money for the state, and has worked with ADOT on creating an innovative and tangible financing structure with multiple local, state and federal funding streams. We ask that you give every consideration to advancing this project package as a state priority.

Ms. Moore, Mr. Valencia and I stand ready to answer any questions you may have.

9. *GAO REPORT ON DONATION ACCEPTANCE PROGRAM*

- As reported to Chairman Valencia on March 15, 2018, the General Accountability Office released a study on the Public-Private Partnerships that CBP has entered into border wide.
- Please note that the Port Authority Proposal is listed on Page 27 of the report.
- Please note that above the Nogales listing is the Pharr listing which includes Cold Rooms as well.
- The recommendations from the study are sparse but there are some good observations.

- Here is a copy of the summary from the report (a full copy of the report can be found at <https://www.gao.gov/products/GAO-18-268>)

U.S. PORTS OF ENTRY:

CBP Public-Private Partnership Programs Have Benefits, but CBP Could Strengthen Evaluation Efforts

GAO-18-268: Published: Mar 15, 2018. Publicly Released: Mar 15, 2018.

What GAO Found

Within the Department of Homeland Security, U.S. Customs and Border Protection (CBP) uses criteria and follows documented procedures to **evaluate and approve public-private partnership applications and administer the Reimbursable Services Program (RSP) and Donations Acceptance Program (DAP)**. For example, RSP applications undergo an initial review by CBP officials at the affected ports of entry before they are scored by an expert panel of CBP officials at headquarters. The panel evaluates RSP applications against seven criteria, such as impact on CBP operations. Similarly, DAP proposals are evaluated by CBP officials against seven operational and six technical criteria, such as real estate implications. Further, if the proposal involves real estate controlled by the General Services Administration (GSA), CBP and GSA officials collaborate on DAP selection decisions and project implementation. To administer the RSP and DAP, CBP has documented policies and procedures, such as standard operating procedures and implementation frameworks. For example, CBP uses a standard procedure to guide the process for RSP partners to request services and to provide reimbursement. For DAP projects, CBP, GSA (if applicable), and partners follow an implementation framework that includes a project planning and design phase.

The number of public-private partnerships is increasing, and partnerships provide a variety of additional services and infrastructure improvements at ports of entry. From fiscal years 2013 through 2017, CBP selected over 100 partners for RSP agreements that could impact 112 ports of entry and other CBP-staffed locations, and the total number of RSP partnerships doubled from fiscal year 2016 to 2017. **According to CBP, since partners began requesting reimbursable services in 2014, CBP has provided its partners nearly 370,000 officer overtime hours of services, which led to over \$45 million in reimbursed funds. As a result, CBP inspected an additional 8 million travelers and over 1 million personal and commercial vehicles at ports of entry. Similar to the RSP, the number of DAP partnerships more than doubled from fiscal year 2016 to 2017, and totals 16 projects that impact 13 ports of entry as of November 2017.** The donations include improvements, such as the installation of new inspection booths and equipment and removal of traffic medians, and are intended to support over \$150 million in infrastructure improvements.

CBP uses various processes to monitor and evaluate its partnerships, but could benefit from establishing an evaluation plan to assess overall program performance. For example, CBP conducts regular audits of RSP records to help ensure that CBP bills and collects funds from its partners accurately, and uses guidance, such as the DAP Implementation Roadmap, to identify and monitor project milestones and tasks. However, as of November 2017, CBP had not developed an evaluation plan—which could include, among other things, measurable objectives, performance criteria, and data collection plans—to assess the overall performance of the RSP and DAP, consistent with Office of Management and Budget guidance and leading practices. Given CBP's staffing challenges and anticipated

growth of the RSP and DAP, an evaluation plan could better position CBP to further integrate evaluation activities into program management.

Why GAO Did This Study

International trade and travel to the United States is increasing. On a typical day in fiscal year 2016, CBP officers inspected nearly 1.1 million passengers and pedestrians and over 74,000 truck, rail, and sea containers at 328 U.S. land, sea, and air ports of entry, according to CBP. To help meet the increased demand for these types of CBP services, since 2013, CBP has entered into public-private partnerships under RSP and DAP. The RSP allows partners to reimburse CBP for providing services that exceed CBP's normal operations, such as paying overtime for CBP personnel that provide services at ports of entry outside normal business hours. The DAP enables partners to donate property or provide funding for port of entry infrastructure improvements.

The Cross-Border Trade Enhancement Act of 2016 included a provision for GAO to review the RSP and DAP. This report examines: **(1) how CBP approves and administers RSP and DAP agreements, (2) the status of RSP and DAP agreements, including the purposes for which CBP has used funds and donations, and (3) the extent to which CBP monitors and evaluates program implementation. GAO reviewed partnership agreements and data on program usage.** GAO also interviewed CBP and partner officials at 11 ports of entry selected based on a mix of port of entry and agreement types.

What GAO Recommends

GAO recommends that CBP develop an evaluation plan to assess the overall performance of the RSP and DAP. DHS concurred with the recommendation.

For more information, contact Rebecca Gambler at (202) 512-8777 or gablerr@gao.gov.

10. PROPOSALS FROM US CONSUL GENERAL ON CORRIDOR INITIATIVES

- During the last Port Authority Board meeting, US Consul General Virginia Staab presented a number of initiatives she is spearheading to improve the flow of goods and people at Nogales and the Corridor that runs through Sonora to the border.
- Among those initiatives are:
 - The expansion of southbound lanes at Mariposa;
 - The deployment of Non-Intrusive Inspection technologies (NII) on the Mexican side of Mariposa as part of the PITA program (Mexico's Program for the Integration of Customs Technology) with both US and Mexican authorities having access to the information;
 - Removal of the Querobabi Military Inspection station;
 - Among various others.



Consul Virginia Staab presenting during Port Authority meeting

- Consul General Staab also announced that the contract for the construction of the new US Consulate General compound in Nogales, Sonora would soon be awarded.
 - According to State Department reports, the project is expected to cost in excess of \$83 million.

11. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES

- Continuing efforts to maintain an on-going dialogue with various agencies to ensure full coordination of efforts and maximizing the impact of our limited resources, including, but not limited to:
 - ADOT;
 - AMC;
 - Arizona State Legislature;
 - DHS/CBP;
 - GSA;
 - Offices of Arizona Congressional Delegation;
 - Office of the Governor;
 - SIDUR;
 - State Department;
 - State of Sonora; and
 - Veridus.

- It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, the City of Nogales and others as each has well established relationships with most of these entities.

Attachment #1

Copy of the Agenda for Santa Cruz County visit to Washington, D.C.

Agenda
Santa Cruz County Board of Supervisors Meetings
RE: TIGER Grant Application and International Outfall Interceptor

Washington D.C.

Friday, March 2, 2018

9:30 – 10:00 AM **U.S. Department of Transportation**
Contact: Michael Russo
(202) 617-5381
michael.d.russo@dot.gov
Location: 1200 New Jersey Ave, S.E.

Representatives:

- Anthony Bedell, Deputy Assistant Secretary of Intergovernmental Affairs
- Michael Russo, Special Assistant of Governmental Affairs
- Chris Mitton, Inter-Governmental Affairs Officer

11:30AM – 12:00 PM **U.S. Department of State**
Contact: Thomas Moore
(202) 647-8112
mooretw3@state.gov
Location: 2201 C St, N.W. (Foggy Bottom)

Representatives:

- Thomas Moore, Energy & ESTH Officer, Western Hemisphere Affairs – Mexico Desk

1:00 – 1:30 PM **U.S. Environmental Protection Agency**
Contact: Preston Cory
(202) 579-4281
cory.preston@epa.gov
Location: Environmental Protection Agency
WJC Clinton North Building
1200 Pennsylvania Avenue, N.W.

Representatives:

- Preston Cory, Intergovernmental Relations
- Office of Water

Attachment #2

Talking Points for Santa Cruz County visit to Washington, D.C.

**Santa Cruz County Talking Points
February 28 – March 1, 2018**

Staffing:

- According to CBP reports, Arizona's ports of entry have a 24% shortfall in current staffing - That equates to over 300 positions. This does not consider or include the anticipated growth in volumes traffic and new enforcement initiatives at the ports of entry
- CBP has implemented incentives for recruits that opt to be assigned to the Arizona border but the number of recruits continues to be too small for the incentives to make a difference.
 - Incentives include 35% bonus pay for a 3-year commitment and assistance in paying off student loans
- Even if they wanted to CBP could not open all lanes at the same time and that is a detriment to our community, as it forces CBP Port directors to play a staffing game and make choices as to which lanes are open at what times.
- CBP personnel is seriously overworked yet they are the principal gatekeepers for our nation.
- For the period of January through October of 2017, we saw a growth over 2016 (same period):
 - Trucks up 0.5%
 - Cars up 9.9%
 - People in cars up 7.9%
 - Total People up 4.1%, that is 360,000 people more than the same period last year
- Volumes at Nogales for 2016 (latest complete year available, source US Department of Transportation)
 - Trucks: 335,737
 - Cars: 3.47 million
 - Total People: 10.67 million

Infrastructure Funding:

- ADOT, with broad community support has applied for a \$25 million TIGER Grant needed to pay for the full build out of SR-189.
 - \$70 million for Phase 1 currently funded by ADOT and State Legislature
 - Need an additional \$60 million to pay for Phase 2
 - Pushing for additional improvements to Rio Rico Drive and Ruby Road Interchanges on I-19 at an estimated cost of \$20 - \$25 million
- Working with ADOT and industry on a Public-Private Partnership to pay for portions of transportation infrastructure projects.

Nogales DAP

- Customs and Border Protection has accepted the proposal submitted by the Greater Nogales Santa Cruz County Port Authority for the conversion of up to 6 docks at the Mariposa port of entry to cold rooms.
- The Technical team that will be involved in the design, engineering and construction of the improvements meets on a regular basis with CBP and GSA
- The Port Authority is looking for possible grant opportunities to help defray the cost of the project (initial estimates indicate a total cost of approximately \$1.5 million).
- The cost is higher due to need to comply with the Platinum LEEDS certification of the port of entry thus we need to find environmentally friendly technologies that typically cost more upfront but are much cheaper to maintain and operate in the long run.
- The offices of Senators McCain and Flake and Congressman Grijalva, and Congresswoman McSally are very much in the loop on this project but we still need help in finding some additional grants

Nogales Wash and Tunnels

- General Services Administration will soon be starting some repairs to the US side of the Grand Tunnel under the DeConcini port of entry. But the issue remains unresolved on the Mexican side where major repairs are required to the tunnel in the short-term as well as the need to have a broader long-term approach to the Nogales watershed and basin that feeds into the storm water tunnels into Arizona.

International Outfall Interceptor

- Arizona is unable to achieve binational solutions to issues that arise from United States - Mexico treaties regarding boundary waters, sanitation, water quality, and flood control in the border region. With the support of the federal government, however, a solution is close at hand. Studies and agreements are complete, all that remains is identifying resources and partners for the component parts.
- City of Nogales, AZ and Santa Cruz County Flood Control District are in agreement in principle on a partnership/cost-share agreement for the internal IOI (Nogales) and Wash stabilization (SCCFCD). USIBWC reportedly has \$15.75M in budget for an estimated \$45M pipeline cure-in-place-pipe replacement. \$6M of those funds, however, are at risk if not spent by October close of Fed FY.
- Under federal Clean Water Act lawsuit filed by ADEQ, USIBWC was found to be at least partial owner/operator of IOI and Plant under Summary Judgment in federal district court
- Under settlement negotiations facilitated by the federal Magistrate Judge, Tom Ferraro, there are three main issues USIBWC is now negotiating with ADEQ, and City of Nogales and other partners:
 - replacement and repairs to the sewage conveyance pipeline (International Outfall Interceptor) at the end of its design life (ca 1972);
 - stabilize and control erosion in the Nogales/Potrero Wash to prevent undermining of the IOI structural integrity leading to Mexican sewage overflows in Nogales and Santa Cruz County, Arizona; and

- prevent industrial metals from Mexico being conveyed and discharged in Arizona.
- This is an important issue not just for Arizona, but the US economy and flow of produce to distant markets in the U.S. Nogales is still the #1 port of entry of fresh vegetables. In 2016, more than \$2 billion worth of fresh vegetables came through the port of Nogales. This may be threatened by ongoing unresolved issues with Nogales, Sonora sewage and storm flowing unmitigated into Nogales, AZ.
- Important federal players are State Department, USIBWC/CILA, NADBank, EPA, Army Corps of Engineers, and CBP. Important state and local players are City of Nogales, Santa Cruz County and SCCFCD, ADEMA, ADEQ.
- The Governor and the state legislators from the region are supportive. The Arizona Congressional delegation, Chuck Podolak (Flake), Lauren Kennedy (McCain), Bryan McVae (McSally), and Rep. Grijalva are all involved and interested in a solution.

Attachment #3
Copy of the letter for ACA Grant Application



March 13, 2018

Ms. Teri Orman
Grants and Procurement Manager
Arizona Commerce Authority
118 North 7th Avenue, Suite 400
Phoenix, Arizona 85007

Via Electronic Mail: terio@azcommerce.com

RE: FY2018 Economic Strength Projects Grant ("ESP") RFP Solicitation Number: 2018-13

Dear Ms. Orman,

On behalf of the Nogales-Santa Cruz County Economic Development Corporation, I am writing to express our support for Phase 1 of the roadway and drainage infrastructure improvements project at the South Industrial Park in Santa Cruz County, Arizona.

The industrial park contains warehouses that are essential for the competitiveness and sustainability of the fresh produce industry and needs critical roadway improvements to maintain accessibility and accommodate current and future expansions of warehouses within the park. The fresh produce industry has a long history in Nogales, and as reported in a recent study by the University of Arizona, represents an economic impact for our county and for the state of over \$330 million each year.

This grant will be utilized to make roadway and drainage infrastructure improvements, essential for ensuring accessible roadways in storm events, smoother roadways, less waste, and decreasing damage for the hundreds of trucks that rely on this roadway each day. Additionally, the very nature of the produce industry means that the highly perishable commodities that are transported require a smooth transport surface or else risk damaging the product.

This project is critical for our community and for a sector that is one of the principle sources of investment and job creation in our county and in all of Southern Arizona.

I thank you for the consideration you give to this letter.

Respectfully,

Chairman