

June 20, 2017

**TO:** MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA

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

**SUBJECT:** May Activity Report

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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 and 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. **County Hosts joint Economic Development meeting;**
3. **GNSCCPA Special Board Meeting;**
4. **AMC Summit;**
5. **Overview of Overweight Revenues to Date;**
6. **Opinion Editorial by Supervisor Bracker;**
7. **Arizona Border Congressional Update; and**
8. **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 Board of Directors informed and to ensure that our activities adhere 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. Guillermo Valencia 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.

**SPECIAL NOTE:** Congratulations to Chairman Valencia and the GNSCCPA on being selected as the recipient of the *2017 Paul Fannin Award* by the Arizona-Mexico Commission. This is a great recognition of the tremendous impact the GNSCCPA has had on Nogales and the entire region, for being an effective advocate for the interests of the community and drawing the necessary attention to make things happen. Congratulations!

**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.
- ◆ Great progress has been made on the technical analysis and review.
- ◆ **Reminder:** information provided is limited due to Non-Disclosure Agreement signed that prevent public disclosure of detailed information.

**2. *COUNTY HOSTS JOINT ECONOMIC DEVELOPMENT MEETING***

- ◆ On May 3, 2017, Santa Cruz County hosted a meeting as a follow up to the meeting in April on joint economic development efforts by the County along with the City of Nogales and other local and regional stakeholders.
- ◆ Participants in this meeting included:
  - Santa Cruz County,
  - Tucson Electric Power,
  - Southeastern Arizona Association of Governments,
  - Chicanos Por La Causa, and
  - Others



Participants of the Santa Cruz County joint economic development meeting

3. ***GNSCCPA SPECIAL BOARD MEETING***

- ◆ On May 3, 2017, the GSCCPA held a board retreat to ensure consensus among the Board membership of the key issues and topics that require the attention of the GNSCCPA.
- ◆ A copy of the handout for the Board meeting is provided in Attachment #1.
- ◆ Copy of the notes from the meeting:

**GNSCCPA Board Meeting Notes**  
**5/3/17**

**Immediate and long-term priorities (reference outline provided by Chairman Valencia during the meeting):**

1. SR-I89 FULL BUILD OUT
2. Staffing
3. DeConcini POE
4. DAP- Cold storage space
5. Intermodal projects (including bridges and mining)

**Action items:**

- Provide the data that identifies the volume of trains and the number of rail cars that cross through Nogales
- Mayor Doyle requested continued assistance from Port Authority in “pushing for the IOI Bill”
- Define and fill an economic development specialist position that can be a point of contact for all relative inquiry
- Advocate for the modernization of the DeConcini POE and encourage local stakeholders to use this effort to create a cohesive plan for the revitalization of the downtown area on both sides of the border
- Identify ways in which funding can be secured for border projects as NAFTA is revisited by the three signatory countries and consider retaining the services of a DC-based lobbyist to assist the Port Authority in these endeavors
- Explore ways in which technology can be used to help create a secure environment at the ports of entry and the Arizona-Mexico corridor
- Port Authority to work with City and County to ensure compliance with contractual obligations

**Suggestions made during the meeting:**

- Mayor Doyle expressed he wants to work with the County on economic development. He stressed that his main concern is downtown. Specifically, he wants to explore efforts to revitalize the Montezuma Hotel and more night time/weekend activities.
  - Extensive discussion on what structure could be offered through the Port Authority in support of economic development efforts, including the creation of a 7-member board, that would have the City and the County representatives, each appointing 2 additional Board members (giving the City and the County three seats each on this board). The Port Authority would have one seat on the oversight board.
  - Need to find ways to build pedestrian and vehicular overpasses over the railroad tracks that would support downtown revitalization along with increasing connectivity and security in the community.
  - Mayor Doyle mentioned that he reassured ADOT Director, John Halikowski, that the city is fully supportive of the SR-I89 project.
  - Donation Acceptance Program for the cold rooms at Mariposa POE was discussed and that the technical team was waiting to hear back on the various alternatives before deciding on the optimal solution.
- ◆ During the meeting, the Honorable John Doyle, Mayor, requested additional information regarding rail crossings at Nogales.
- Rail traffic at Nogales has decreased in both total number of trains and rail cars that cross at Nogales (the numbers provided are for northbound traffic only).
  - Below is a copy of the additional information that was provided:

**Subject:** FW: NB Train Traffic 2015-2016  
**Date:** Wednesday, May 3, 2017 at 9:32:07 PM Mountain Standard Time  
**From:** luis@ramirezadvisors.com  
**To:** Guillermo Valencia, John Doyle  
**CC:** Bruce Bracker, Allison Moore, Terry Shannon Jr., Richard Rubin, Scott Vandervoet, Kip Martin, Lance Jungmeyer  
**BCC:** Jaime Chamberlain

Guillermo and Mr. Mayor,

As requested earlier today, here are the numbers for north-bound rail operations at Nogales. Please note that all data decreased in 2016 over 2015, including total trains, loaded rail containers, empty rail containers and total containers. Given the total number of trains and rail cars, the length of the trains decreased from an average of 99 rail cars per train to 96 rail cars per train. We are still looking at trains that are well over 1.5 miles long!! Please let me know if there are any questions.

	<b><u>2015</u></b>	<b><u>2016</u></b>
Trains	801	742
Loaded Rail Containers	44,778	40,042
Empty Rail Containers	34,537	31,212
<b>Total Containers:</b>	<b>79,315</b>	<b>71,254</b>

#### 4. ***AMC SUMMIT***

- ◆ The Arizona-Mexico Commission will be hosting its 2017 Summit on June 1<sup>st</sup> and 2<sup>nd</sup> at the Omni Montelucia Resort in Paradise Valley.
  - A detailed report on Summit Activities will be provided in the June Report
- ◆ Among the confirmed presenters are:
  - Senator Jeff Flake
  - Andres Fabre, President and CEO of AeroMar
  - Lance Fritz, President and CEO of Union Pacific
  - Ronald Vitiello, Deputy Commissioner, Customs and Border Protection
  - Paolo Carreño, Director General, ProMexico
  - Peter Rawlinson, Chief Technology Officer, Lucid Motors

- Derek Jenkins, Vice President of Design, Lucid Motors
- Among various others
- ◆ Additionally, the Transportation, Infrastructure and ports of Entry Committee has a packed program that will include presentations from Chairman Valencia, Customs and Border Protection and the General Services Administration.
  - An update on the Arizona-Mexico Corridor study will also be provided.
- ◆ Chairman Valencia along with The Honorable John Doyle, Mayor, are expected to participate in a private meeting with the Governors.
- ◆ The GSNCCPA is encouraged to have a strong presence at this event and participate in multiple committees.

#### ***5. REVIEW OF OVERWEIGHT REVENUES TO DATE***

- ◆ At the request of the GSNCCPA, the Arizona Department of Transportation (ADOT) has provided the total revenues generated by the very successful Single-Use overweight Permits at Nogales.
  - The data provided is from the inception of the program through the end of April 2017.
- ◆ Based on the data provided by ADOT, the City of Nogales and Santa Cruz County have each received \$3,667,433 since the inception of the program, or a total of \$7,334,866 combined.
- ◆ A copy of the monthly data is provided in Attachment #2.

#### ***6. OPINION EDITORIAL BY SUPERVISOR BRACKER***

- ◆ On May 12, 2017, the Nogales International newspaper printed an Opinion Editorial from the Honorable Bruce Bracker, Supervisor, Santa Cruz County.
- ◆ A copy of that OpEd is provided in Attachment #3.

#### ***7. ARIZONA BORDER CONGRESSIONAL BRIEFING.***

- ◆ On May 19, 2017, the GNSCCPA and the Arizona-Mexico Commission hosted the Arizona Border Congressional Briefing.
- ◆ In attendance were representatives from 10 of the 11 congressional offices.
- ◆ Presentations were given by every border community, Customs and Border Protection, and ADOT.
  - Chairman Valencia and The Honorable John Doyle presented during the meeting.
  - Also in attendance on behalf of Nogales were:
    - The Honorable Bruce Bracker, Santa Cruz County

- Lance Jungmeyer, Fresh Produce Association of the Americas
- Allison Moore, Fresh Produce Association of the Americas

- ◆ A copy of the agenda is provided in Attachment #4.
- ◆ A copy of the presentation given by Chairman Valencia is provided in Attachment #5.

**8. 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:
  - ADOT;
  - AMC;
  - DHS/CBP;
  - GSA;
  - Offices of Arizona Congressional Delegation;
  - Office of the Governor;
  - SCT;
  - SIDUR;
  - State Department;
  - State of Sonora; and
  - Transportation and Trade Corridor Alliance.
- ◆ 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 2017 Topics For Discussion for Board of Directors Meeting

**TO: Board of Directors**

**FROM: Guillermo Valencia, Chairman**

**SUJECT: 2017 Topics For Discussion**

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The Port Authority has a long-standing tradition of addressing a variety of issues that impact the quality of life of our residents and the border crossing experience at the Nogales Ports of Entry. Additionally, we remain committed to serving as a representative for the community and advocate for issues that bring attention to the many areas of need in Nogales/Santa Cruz County.

Based on the latest data provided by the US Department of Transportation the border crossing volumes at Nogales are indicating a great and continual growth trend.

- **Trucks are up 5%** (up by 15,990) in 2016 over 2015.
- **Bus traffic is up 4%** (up by 383) in 2016 over 2015.
- **Pedestrians are up 9.2%** (or up by 288,730) in 2016 over 2015.
- **Cars were up by 0.2%** (up by 6,944) in 2016 over 2015.
- Car passengers were down by 1.8% (down by 129,381) in 2016 over 2015.
- Trains were down by 7.3% (down by 234) in 2016 over 2015.
- **Total people were up 1.6%** (up by 172,409) in 2016 over 2015.

In total numbers for 2016, in **two-way traffic**, Nogales was the gateway for:

- **21.3 million people,**
- **670,000 trucks,**
- **1,600 trains, and**
- **7 million cars.**

US Customs and Border Protection (CBP) is reporting that the growth trend continues for the first Quarter of 2017.



While the Port Authority will continue to address a variety of issues, as reflected by the 2016 Annual Report, there are several issues that demand a concise and focused effort if we are to continue the long tradition of success:

### **Regional Economic Development**

- Look for ways to support efforts to promote a **Downtown Renaissance**
- **Marketing and Branding** activities in partnership with like-minded organizations at the local and state level, in response to **growing competition from Texas, New Mexico and California** for the produce traffic out of Sinaloa, Nayarit and other locations in Mexico
- Participation in the **Border Communities Roadmap Case Study** with Arizona-Mexico Commission, Arizona Commerce Authority, Arizona Department of Transportation and the Arizona Office of Tourism
- Monitor **progress of mining industry initiatives** that stand to promote economic development in the region
- Support efforts to **promote tourism sector**

### **Transportation Initiatives**

- **Ensure SR-189 Phase I** project is constructed on time and on budget with due consideration for the issues of local stakeholders
- Pursue **strategies for the construction of Phase II** of the SR-189 project
- Participate in **Arizona-Mexico Corridor Study** that looks at road and rail infrastructure with nexus to all the seaports along the corridor
- Continue Advocacy for the **improvements of the Corredor**

### **Border Crossing Initiatives**

- Continue efforts to **secure the necessary staffing** at ports of entry
- Support efforts to **expand SENTRI program**, including **deployment at Mariposa**
- Elevate priority for **improvements at DeConcini POE**
- Continue to push for **fresh produce import pilot program via rail**
- Continue efforts to build **cold rooms for processing of temperature sensitive** commodities at Nogales.

### **Host Visiting Delegations**

- Port Authority will continue to serve as **coordinator**, as appropriate, for **visiting delegations**

Based on Board discussion, this list will be amended, edited, modified or expanded.

## Attachment #2

### Total Revenues Generated By Overweight Permits

Overweight Permit Count, Revenue and Distribution											
FY 2013 to 2017											
Overweight Permit					Distribution						
Fiscal Year	Month	Year	Count	Revenue	St. Hwy Fund	Retained	Nogales	Santa Cruz County			
13	JUL	2012	0	\$0	\$0.00	\$0.00	\$0.00	\$0.00			
13	AUG	2012	737	\$55,275	\$27,618.00	\$19.50	\$13,818.75	\$13,818.75			
13	SEP	2012	317	\$23,775	\$11,554.50	\$333.00	\$5,943.75	\$5,943.75			
13	OCT	2012	1,410	\$105,750	\$50,797.50	\$2,077.50	\$26,437.50	\$26,437.50			
13	NOV	2012	2,785	\$208,875	\$100,330.50	\$4,107.00	\$52,218.75	\$52,218.75			
13	DEC	2012	2,730	\$204,750	\$98,313.00	\$4,062.00	\$51,187.50	\$51,187.50			
13	JAN	2013	3,720	\$279,000	\$133,948.50	\$5,551.50	\$69,750.00	\$69,750.00			
13	FEB	2013	3,947	\$296,025	\$142,135.50	\$5,877.00	\$74,006.25	\$74,006.25			
13	MAR	2013	4,135	\$310,125	\$149,038.50	\$6,024.00	\$77,531.25	\$77,531.25			
13	APR	2013	5,000	\$375,000	\$180,073.50	\$7,426.50	\$93,750.00	\$93,750.00			
13	MAY	2013	8,835	\$662,625	\$318,214.50	\$13,098.00	\$165,656.25	\$165,656.25			
13	JUN	2013	3,849	\$288,675	\$138,607.50	\$5,730.00	\$72,168.75	\$72,168.75			
13	Total		37,465	\$2,809,875	\$1,350,631.50	\$54,306.00	\$702,468.75	\$702,468.75			

Overweight Permit											
FY 2014 to 2014											
Overweight Permit					Distribution						
Fiscal Year	Month	Year	Count	Revenue	St. Hwy Fund	Retained	Nogales	Santa Cruz County	San Luis	Yuma	Yuma County
14	JUL	2013	1,787	\$134,025	\$64,345.50	\$2,667.00	\$33,506.25	\$33,506.25			
14	AUG	2013	739	\$55,425	\$26,613.00	\$1,099.50	\$13,856.25	\$13,856.25			
14	SEP	2013	511	\$38,325	\$18,427.50	\$735.00	\$9,581.25	\$9,581.25			
14	OCT	2013	1,329	\$99,675	\$47,979.00	\$1,858.50	\$24,918.75	\$24,918.75			
14	NOV	2013	3,262	\$244,650	\$117,601.50	\$4,723.50	\$61,162.50	\$61,162.50			
14	DEC	2013	2,861	\$214,575	\$103,098.00	\$4,189.50	\$53,643.75	\$53,643.75			
14	JAN	2014	4,120	\$309,000	\$148,558.50	\$5,941.50	\$77,231.25	\$77,231.25	\$4.41	\$14.34	\$18.75
14	FEB	2014	4,608	\$345,600	\$166,140.00	\$6,660.00	\$86,156.25	\$86,156.25	\$57.38	\$186.37	\$243.75
14	MAR	2014	4,651	\$348,825	\$167,677.50	\$6,735.00	\$86,287.50	\$86,287.50	\$216.27	\$702.48	\$918.75
14	APR	2014	7,662	\$574,650	\$276,060.00	\$11,265.00	\$143,193.75	\$143,193.75	\$110.34	\$358.41	\$468.75
14	MAY	2014	5,911	\$443,325	\$212,958.00	\$8,704.50	\$110,775.00	\$110,775.00	\$13.24	\$43.01	\$56.25
14	JUN	2014	2,882	\$216,150	\$103,957.50	\$4,117.50	\$54,037.50	\$54,037.50	\$0.00	\$0.00	\$0.00
14	Total		40,323	\$3,024,225	\$1,453,416.00	\$58,696.50	\$754,350.00	\$754,350.00	\$401.64	\$1,304.61	\$1,706.25

Overweight Permit											
FY 2015 to 2015											
Overweight Permit					Distribution						
Fiscal Year	Month	Year	Count	Revenue	St. Hwy Fund	Retained	Nogales	Santa Cruz County	San Luis	Yuma	Yuma County
15	JUL	2014	906	\$67,950	\$32,925.00	\$1,050.00	\$16,987.50	\$16,987.50	\$0.00	\$0.00	\$0.00
15	AUG	2014	483	\$36,225	\$17,700.00	\$412.50	\$9,056.25	\$9,056.25	\$0.00	\$0.00	\$0.00
15	SEP	2014	526	\$39,450	\$19,182.00	\$543.00	\$9,862.50	\$9,862.50	\$0.00	\$0.00	\$0.00
15	OCT	2014	1,493	\$111,975	\$53,892.00	\$2,095.50	\$27,993.75	\$27,993.75	\$0.00	\$0.00	\$0.00
15	NOV	2014	3,006	\$225,450	\$108,412.50	\$4,312.50	\$56,362.50	\$56,362.50	\$0.00	\$0.00	\$0.00
15	DEC	2014	2,674	\$200,550	\$96,559.50	\$3,715.50	\$50,100.00	\$50,100.00	\$8.83	\$28.67	\$37.50
15	JAN	2015	4,146	\$310,950	\$149,503.50	\$5,971.50	\$77,681.25	\$77,681.25	\$13.24	\$43.01	\$56.25
15	FEB	2015	4,603	\$345,225	\$165,996.00	\$6,616.50	\$86,100.00	\$86,100.00	\$48.55	\$157.70	\$206.25
15	MAR	2015	4,465	\$334,875	\$161,046.00	\$6,391.50	\$83,475.00	\$83,475.00	\$57.38	\$186.37	\$243.75
15	APR	2015	6,582	\$493,650	\$237,495.00	\$9,330.00	\$123,393.75	\$123,393.75	\$4.41	\$14.34	\$18.75
15	MAY	2015	8,510	\$638,250	\$306,901.50	\$12,223.50	\$159,525.00	\$159,525.00	\$8.83	\$28.67	\$37.50
15	JUN	2015	4,389	\$329,175	\$158,541.00	\$6,046.50	\$82,293.75	\$82,293.75	\$0.00	\$0.00	\$0.00
15	Total		41,783	\$3,133,725	\$1,508,154.00	\$58,708.50	\$782,831.25	\$782,831.25	\$141.24	\$458.76	\$600.00

Overweight Permit											
FY 2016 to 2016											
Overweight Permit					Distribution						
Fiscal Year	Month	Year	Count	Revenue	St. Hwy Fund	Retained	Nogales	Santa Cruz County	San Luis	Yuma	Yuma County
16	JUL	2015	859	\$64,425	\$31,245.00	\$967.50	\$16,106.25	\$16,106.25	\$0.00	\$0.00	\$0.00
16	AUG	2015	690	\$51,750	\$25,228.50	\$646.50	\$12,918.75	\$12,918.75	\$4.41	\$14.34	\$18.75
16	SEP	2015	488	\$36,600	\$17,781.00	\$519.00	\$9,150.00	\$9,150.00	\$0.00	\$0.00	\$0.00
16	OCT	2015	1,302	\$97,685	\$47,079.75	\$1,762.50	\$24,252.38	\$24,252.38	\$39.72	\$129.03	\$168.75
16	NOV	2015	2,816	\$211,200	\$101,728.49	\$3,871.51	\$52,762.50	\$52,762.50	\$8.83	\$28.67	\$37.50
16	DEC	2015	3,322	\$249,150	\$119,832.00	\$4,743.00	\$62,268.75	\$62,268.75	\$4.41	\$14.34	\$18.75
16	JAN	2016	4,229	\$317,175	\$152,469.00	\$6,118.50	\$79,181.25	\$79,181.25	\$26.48	\$86.02	\$112.50
16	FEB	2016	5,116	\$383,700	\$184,596.00	\$7,254.00	\$95,756.25	\$95,756.25	\$39.72	\$129.03	\$168.75
16	MAR	2016	5,291	\$396,825	\$190,891.50	\$7,521.00	\$98,756.25	\$98,756.25	\$105.93	\$344.07	\$450.00
16	APR	2016	6,619	\$496,425	\$238,813.50	\$9,399.00	\$124,031.25	\$124,031.25	\$17.66	\$57.34	\$75.00
16	MAY	2016	8,855	\$664,125	\$319,474.50	\$12,588.00	\$165,975.00	\$165,975.00	\$13.24	\$43.01	\$56.25
16	JUN	2016	3,253	\$243,975	\$117,616.50	\$4,371.00	\$60,993.75	\$60,993.75	\$0.00	\$0.00	\$0.00
16	Total		42,840	\$3,213,035	\$1,546,755.74	\$59,761.51	\$802,152.38	\$802,152.38	\$260.40	\$845.85	\$1,106.25

Overweight Permit											
FY 2017 to 2017											
Overweight Permit					Distribution						
Fiscal Year	Month	Year	Count	Revenue	St. Hwy Fund	Retained	Nogales	Santa Cruz County	San Luis	Yuma	Yuma County
17	JUL	2016	1,258	\$94,350	\$45,829.50	\$1,345.50	\$23,587.50	\$23,587.50	\$0.00	\$0.00	\$0.00
17	AUG	2016	1,080	\$81,000	\$39,381.00	\$1,119.00	\$20,250.00	\$20,250.00	\$0.00	\$0.00	\$0.00
17	SEP	2016	905	\$67,875	\$32,863.50	\$1,074.00	\$16,968.75	\$16,968.75	\$0.00	\$0.00	\$0.00
17	OCT	2016	2,052	\$153,900	\$74,077.50	\$2,872.50	\$38,475.00	\$38,475.00	\$0.00	\$0.00	\$0.00
17	NOV	2016	4,126	\$309,450	\$148,795.50	\$5,929.50	\$77,325.00	\$77,325.00	\$8.83	\$28.67	\$37.50
17	DEC	2016	2,802	\$210,150	\$101,166.00	\$3,909.00	\$52,500.00	\$52,500.00	\$8.83	\$28.67	\$37.50
17	JAN	2017	5,275	\$395,625	\$190,378.50	\$7,434.00	\$98,737.50	\$98,737.50	\$39.72	\$129.03	\$168.75
17	FEB	2017	4,549	\$341,175	\$164,268.00	\$6,319.50	\$84,843.75	\$84,843.75	\$105.93	\$344.07	\$450.00
17	MAR	2017	5,214	\$391,050	\$188,371.50	\$7,153.50	\$97,237.50	\$97,237.50	\$123.59	\$401.41	\$525.00
17	APR	2017	6,186	\$463,950	\$223,231.50	\$8,743.50	\$115,706.25	\$115,706.25	\$66.21	\$215.04	\$281.25
17	MAY	2017	0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	JUN	2017	0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	Total		33,447	\$2,508,525	\$1,208,362.50	\$45,900.00	\$625,631.25	\$625,631.25	\$353.11	\$1,146.89	\$1,500.00

**Attachment #3**  
**Copy of OpEd by The Honorable Bruce Bracker**

Guest Opinion: Port authority can build consensus | Guest Opinion | nogalesinternational.com

[http://www.nogalesinternational.com/opinion/guest\\_opinion/guest-opinion-port-authority-can-build-consensus/article\\_5d67a35c-368f-11e7-8178-afb4ab3add97.html](http://www.nogalesinternational.com/opinion/guest_opinion/guest-opinion-port-authority-can-build-consensus/article_5d67a35c-368f-11e7-8178-afb4ab3add97.html)

**Guest Opinion: Port authority can build consensus**

By Bruce Bracker May 12, 2017

Economic development is essential to the sustainable growth of our community. To that end, Santa Cruz County remains committed to advancing efforts that promote the modernization of our infrastructure, support efforts that attract new investment, encourage job creation, defend our quality of life and expands the tax base.

The county has been an active participant of the Greater Nogales Santa Cruz County Port Authority because it offers a vehicle that brings together all the principal public and private players in the region including the City of Nogales, Santa Cruz County, Nogales U.S. Customs Brokers Association, the Fresh Produce Association of the Americas, INDEX-Maquila Association of Sonora, Nogales Community Development and the Nogales Economic Development Foundation.

In the past, this board has also included the Greater Nogales Chamber of Commerce and the Tubac Tourism Alliance.

While the perception of some may be that the port authority is focused on cross-border commerce, it is clear that the benefits of this broad-spectrum organization go far beyond that. Last year, 10.6 million people crossed through the Nogales port of entry system into our community, Arizona and the nation. These are the same people that go shopping in our stores, eat in our restaurants, invest in new warehouses, stay in our hotels and visit our tourism destinations.

Our ports of entry were also the gateway to close to \$30 billion worth of trade. A recent study by the University of Arizona concluded that the fresh produce industry and the maquila sector alone have a regional domestic economic impact exceeding \$430 million dollars in taxes and in direct and indirect jobs.

But the success of the port authority is not necessarily that it has the answers. Rather, the success has been founded on the ability to build the consensus necessary to move projects forward and elevate the priority of our community's needs. With that in mind, a structure has been offered that brings the experience and membership of the port authority to support a joint economic development initiative that creates a seven-member board: three appointed by the city, three appointed by the county and one appointed by the port authority.

Additionally, this structure would create two unique ex-officio positions for the city and county managers so that they would be integral participants of all economic development efforts. The goals in developing this structure were:

- Enable the business community from all sectors, including tourism and retail, throughout the county, to be active members of the process.
- Create a board where consensus can be reached, action can be taken, progress can be made and people can be held accountable.

[http://www.nogalesinternational.com/opinion/guest\\_opinion/guest-o...Fall%2F%3F-dc%3D1494608479&utm\\_medium=email&utm\\_content=headline](http://www.nogalesinternational.com/opinion/guest_opinion/guest-o...Fall%2F%3F-dc%3D1494608479&utm_medium=email&utm_content=headline)

Guest Opinion: Port authority can build consensus | Guest Opinion | nogalesinternational.com

- Create a cooperative and collaborative environment in which the city, the county and private sector would be directly involved in decision-making and implementation of strategies to promote our community.

I remain committed to fostering an environment that is productive and moves us forward. I am very encouraged by the leadership of Chairman Manny Ruiz on the County Board of Supervisors and his personal commitment to creating a collaborative effort among the key players in our community. Along with Supervisor Rudy Molera and Manager Jennifer St. John, the county is steadfast in its commitment to promoting our county as the place to live, work and enjoy.

*(Bracker is District 3 county supervisor and former chair of the Greater Nogales Santa Cruz County Port Authority.)*

**Attachment #4**

Copy of Agenda for Arizona Border Congressional Briefing



**Agenda**

**Border Congressional Briefing**

**Friday, May 19, 2017**

**9:30 AM-2:00 PM**

**Arizona-Mexico Commission**

**118 N. 7<sup>th</sup> Avenue, Conference Room Ajo & Bradshaw, Phoenix, AZ 85007**

- |                  |   |
|------------------|---|
| 9:30 – 10:00 AM  | <b>Registration</b>   |
| 10:00 – 10:15 AM | <b>Introductions and Welcome</b> <ul style="list-style-type: none"><li>• Jessica Pacheco, President, Arizona-Mexico Commission (AMC) and Master of Ceremonies</li><li>• Guillermo Valencia, Chairman, Greater Nogales Santa Cruz County Port Authority</li><li>• <b>Remarks By:</b><ul style="list-style-type: none"><li>○ Juan Ciscomani, Senior Advisor, Regional and International Affairs, Office of Governor</li></ul></li></ul>   |
| 10:15 -10:45 AM  | <b>Update on Arizona-Mexico Initiatives:</b> <p>Arizona-Mexico Corridor Study, Binational Coordination with Sonora on POE Projects, and Branding/Marketing of Arizona-Mexico</p> <ul style="list-style-type: none"><li>• Gail Lewis, Director Office of P3 &amp; International, ADOT</li><li>• Marisa Walker, Senior Vice President, Arizona Commerce Authority<ul style="list-style-type: none"><li>○ Adam Newman, Manager, Deloitte</li><li>○ Jenny Huang, Consultant, Deloitte</li></ul></li></ul> |
| 10:45 – 11:15 AM | <b>CBP Updates</b> <p>Update on Port Activities and Unified Cargo Processing</p> <ul style="list-style-type: none"><li>• William Brooks, Director, Field Operations – Tucson, Customs and Border Protection</li></ul>   |
| 11:15 – 11:30 PM | <b>ADOT Safety Enforcement Initiatives</b>  |

Results of San Luis Pilot on Safety Enforcement Initiatives, Establishment of Border Liaison Unit

- Tim Lane, Director, Enforcement and Compliance Division, Arizona Department of Transportation

11:30 AM – Noon

**Working Lunch**

12:00 – 1:15 PM

**Update on Border Infrastructure Projects:**

**Douglas (15 min)**

Modernization of Raul H. Castro Port of Entry, Feasibility Study and Relocation of Commercial Traffic to New Facility

- Douglas Regional Economic Development Corporation
  - Jim Russell, City Manager, City of Douglas
  - Commentary by The Honorable Robert Uribe, Mayor

**Nogales (15 min)**

Modernization of DeConcini Port of Entry, Staffing and Cold Rooms At Mariposa Port of Entry

- Greater Nogales Santa Cruz County Port Authority
  - Guillermo Valencia, Chairman
  - Commentary by The Honorable John Doyle, Mayor

**San Luis (15 min)**

Feasibility Study, Cars at San Luis II and Pedestrian Annex

- City of San Luis
  - The Honorable Matias Rosales, Chairman, Greater Yuma Port Authority
  - Commentary by The Honorable Gerardo Sanchez, Mayor

1:15 – 2:00 PM


**Congressional Updates and Discussion**

**Opportunity for Commentary from Congressional Staff on Key Issues including:**

- Border Banking
- Staffing for Field Operations
- Transportation Bill
- Border Jobs for Veterans Act
- Other

**Attachment #5**

**Copy of Presentation during Arizona Border Congressional Briefing**



**Greater Nogales  
Santa Cruz County  
PORT AUTHORITY**

**A Commitment to Competitiveness**


Guillermo Valencia  
Chairman

Phoenix, Arizona  
May 19, 2017

**Regional Competitiveness**

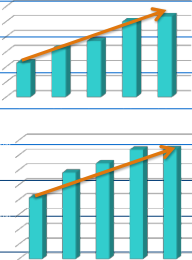
- Nogales is Arizona's principle gateway for trade, tourism and innovation
- \$250 million of investment in modernizing port of entry
- Close to \$1.8 billion being invested on MX15 connecting Arizona with Mexico City
- ADOT investing \$70 million in Phase I modernization of Mariposa Road
  - Community exploring ways to advance Phase II in partnership with ADOT.
- Committed to promoting Nogales and the region to attract new trade and investment
- Home base for the testing of Unified Cargo Processing
  - Northbound, Southbound and Rail operations
- THANKS TO CBP AND ADUANAS!

**Arizona-Mexico Corridor**



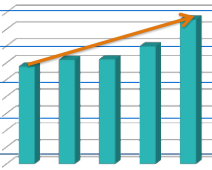
Traditional Trade Routes through Mexico into the United States

**Nogales by the Numbers**

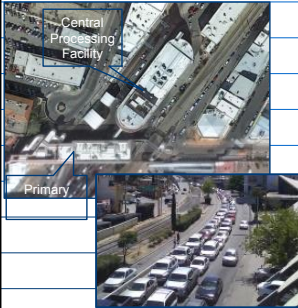


- In 2016, Nogales processed more than 21.2 million people and 7 million cars (two way traffic)
- Nogales is the gateway for more than 83% of trucks and 40% of the people that cross the border between Arizona and Mexico
- Growth in cars and people means greater regional economic activity in tourism, retail, restaurants and professional services sectors

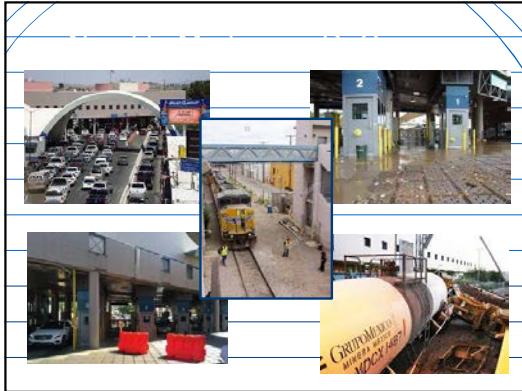
**Nogales by the Numbers**



- In two way traffic, in 2016, Nogales processed more than 670,000 trucks
  - Up by over 5% over 2015
- According to USDOC this represents more than \$26 billion of trade between US and Mexico
  - \$3 billion in produce
  - \$23.7 billion in manufactured products
- Expect trend to continue for foreseeable future



- DeConcini is the main pedestrian crossing for Nogales
- Landlocked on both sides of the border
- City grew up around the port
- Continual pedestrian and vehicular delays are an impediment to frequent crossers
- Downtown retail is down over 40% in recent years
- Need to get CBP and GSA to prioritize project



- Since the completion of the Mariposa Reconfiguration project, approximately 1.2 million SF of warehousing and Distribution Center space has been constructed in the Nogales/Rio Rico area.
- This represents \$52 million of direct investment in the community and state of the art facilities to handle fresh produce and various other commodities.

11

Nogales DAP-Proposal

- CBP has accepted proposal under Small Scale provisions of Section 559
- Convert 6 docks to refrigerated docks in order to handle any temperature sensitive commodity
- Initial cost estimate +/- \$400,000
- CBP/OSA and Port Authority Technical team working on design of project
- Approximately the same capacity as the Cold Facilities at Caredo World Trade Bridge



**Nogales DAP Proposal**

- Cold Rooms would allow a variety of temperature sensitive commodities to be processed at Nogales without breaking the Cold Chain
- Among these commodities that could benefit from this investment are:
  - Grapes
  - Corn
  - Broccoli
  - Asparagus
  - Blueberries
  - Artichokes
  - Avocados

Thank You!

Guillermo Valencia  
Chairman  
Greater Nogales Santa Cruz County Port Authority

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