AGC of America – A National Leader
The Associated General Contractors of America, Inc. (AGC) is the nation’s oldest and largest trade association representing the construction industry. It was formed in 1918 following a request by President Woodrow Wilson. Wilson, after meeting individually with different builders, suggested that they form an association so they could speak with one voice on matters of concern to the growing industry. AGC of America is headquartered in Arlington, Virginia. There are 93 local AGC chapters across the country, and AGC student chapters on many college campuses.

The Arizona Chapter of the Associated General Contractors of America, Inc. is Born
On April 18, 1934 the Arizona Highway and Engineering Contractors met with the Builders, and a motion carried to join together and create one organization that represented all sectors of the construction industry in Arizona. On April 19, 1934, a similar meeting of the Building contractors was held, and a motion carried to join with the highway and engineering contractors. Both industry sectors agreed that it should be called the Arizona Chapter of the Associated General Contractors of America Inc., (AZAGC). Thus, the Arizona Chapter was born on June 8, 1934.

The chapter originally represented all sectors of the industry. Over the years board members included construction leaders such as Del E. Webb, John Sundt, R.C. Tanner, Halsey Royden, Jack Mason, William Pulice, Karl Ronstadt and Harold Ashton to name a few. Our members have built diverse projects such as highways, roads, light rail, fire stations, public schools, and state buildings such as the Governor’s tower and additions to Wildcat Stadium in Tucson.

Political Involvement
Like the national association, the Arizona Chapter has branded itself as a leader in the industry. It is the oldest construction association in Arizona. Our focus remains on staying involved in the political process where the AZAGC can advocate for its members. Over the last decade, the association successfully lead a number of campaigns including Proposition 400 in Maricopa County, Proposition 400 in Pinal County and Question One and Two in Pima County increasing construction investment by nearly $20 billion.

The association partnered with the Nature Conservancy and the education community to push two statewide initiatives intended to increase funding for transportation. Unfortunately, both the T.I.M.E. and the Quality Education and Jobs Initiative were not successful, but AZAGC members understand the importance to continually seek solutions for statewide transportation funding shortfalls.

AZAGC again has taken the lead by spearheading the We Build Arizona Coalition. The coalition’s sole focus is to protect and increase state and local infrastructure funding and is a consortium of six other associations interested in increasing awareness of the importance of infrastructure to Arizona’s economy.

AZAGC also understands the importance of environmental stewardship. In 2009 we signed a partnering agreement with the Nature Conservancy. The partnership begins a process of opening dialogue with reasonable members of the environmental community who know that balancing growth with an eye on preserving our future resources can be done civilly and respectfully. Both organizations understand it is important to preserve Arizona for future generations.

Regulatory Advocacy
Along with government relations and political activity, AZAGC is aggressively involved in regulatory issues affecting contractors and our public and private clients every day.

AZAGC is recognized as a champion of environmental innovation, developing the first comprehensive dust and stormwater certification training courses, project notification of high wind events, dust permit streamlining all the while lobbying owners to budget the appropriate spending levels for environmental controls. We balance this cooperation while protecting the interests of the entire construction industry.

It is our top priority to keep the membership and key decision-makers informed and involved in the parts of their daily business affected by regulatory agencies.

Networking, Social and Philanthropy
Aside from political and regulatory involvement, AZAGC is also involved in numerous philanthropic and social events. Whether it’s collecting – literally tons of food for the homeless or building roads for Sunshine Acres Orphanage in Mesa, sponsoring university students at the Reno construction competition, or providing gifts to children during the holidays, AZAGC cares. Many of these are accomplished by raising money through our numerous social events such as golf tournaments, the annual clay shoot, formal dinner-dances or silent auctions to name a few.
Background of Arizona’s Construction Industry Employment

Construction and Extraction occupations have started to recover from heavy losses showing strong growth and net gains over the 2010-2020 time period. The Construction forecast is a net gain of about 47,225 jobs with an expansion of 36.4% from 2010 to 2020. (Source: Occupations Projections Report - Arizona Office of Employment and Population Statistics)

For the first time in five years, Arizona contractors saw construction market activity rise two years in a row. The $9.5 billion total volume is a result of a 6.2% jump over 2011 and marks the return to a growing market. Activity for fiscal 2012 increased more than $500M above 2011, but just barely topped 2010’s $9.3 billion market.

While it’s good news in the marketplace, the dollar volume in 2012 is still less than half the $22.4 billion the State Tax Facts shows for the fiscal year ending June, 2007—the last year of increasing contracting sales in Arizona.

Jumping 8.4 percent over 2011’s volume, activity in June kept the momentum going. Close to $850 million was reported, marking three consecutive months of increases. It’s a positive trend upward, however, recovery has a long way to go. (Source: Arizona Builders’ Exchange).

Construction employment in Arizona in August 2013 totaled 122,700, an increase of 6.0% from August 2012 and a decrease of 50% from the state’s peak in June 2006.

Transportation’s Influence on the Economy and the Multiplier Effect

Numerous studies have been done that show the direct correlation between transportation investment and the overall economy. Commercial development which sustains hospitals, businesses, schools and other vital services to the economy have long been supported by a good infrastructure system.

The ICF International diagram above illustrates this correlation.

The correlation between transportation/construction investment and the overall economy is clear. When workers in Arizona lose their jobs, whether they are construction laborers, retail workers or state employees, the negative consequences are multiplied. Unemployed and underemployed workers – and even workers who are simply concerned about a recession – spend less on consumer goods, delay replacing old cars and other durable goods, and abandon their plans of buying new homes. This sets off a chain reaction that negatively impacts retail stores, construction companies and construction material suppliers, car dealers, real estate developers and sales companies, and other industries whose owners and employees then also reduce their spending.

The Economics of Construction Investment

Private nonresidential spending in Arizona totaled $6.6 billion in 2012. (Public spending is not available by state.)

Construction Industry Pay

In 2012, annual pay of all construction workers in the United States averaged $52,300, 6% more than the average for all private sector employees. Construction workers’ pay in Arizona averaged $47,000, 4% more than all private sector employees in the state.

Small Business

Arizona had 11,400 construction firms in 2011, of which 90% were small with less than 20 employees.

Investing in Infrastructure

Every $1 billion in nonresidential construction spending would add about $2.3 billion to the state’s Gross Domestic Product (GDP), about $740 million to personal earnings and create or sustain 21,000 jobs.

- 7,100 jobs would be direct construction jobs located in the state.
- 3,400 jobs would be indirect jobs from supplying construction materials and services. The majority of these jobs would be located within the state of investment but there would be some out of state jobs supported.
- 10,500 jobs would be induced when workers and owners in construction and supplier businesses spend their incomes locally and nationwide.

"Infrastructure is another key consideration for attracting and retaining the jobs Arizona wants. In particular, transportation and data transfer infrastructure are especially important."

Arizona 96th Town Hall Report  
*BUILDING ARIZONA’S FUTURE: JOBS, INNOVATION, COMPETITIVENESS*

"For every $1 Billion invested in non-residential construction 21,000 direct and indirect jobs are created in Arizona"

Ken Simonson, Chief Economist  
AGC of America

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Construction and Transportation’s Influence on Arizona’s Economy

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Arizona’s Current Transportation Needs
Arizona will continue to grow possibly doubling its population by 2050 and there are inadequate funds to meet these challenges. According to Building a Quality Arizona’s (BQAZ) What Moves You Arizona report issued by the Arizona Department of Transportation (ADOT) along with the state’s Metropolitan Planning Organizations (MPOs), Council of Governments (COGs) and business leaders ADOT’s challenge over the next 25 years will be prioritizing $89 billion of transportation needs with only $26 billion of expected revenue. The Transportation Trade Corridor Alliance (TTCA) is making the case that our economy and jobs depend on a reliable, safe and efficient transportation system. Under the leadership of Mayor Scott Smith with input from transportation leaders across the state, iArizona will be evaluating state needs along with options necessary to deliver a transportation system that meets Arizona’s appetite for economic growth and prosperity.

BQAZ, TTCA and iArizona all acknowledge that Arizona must further diversify its transportation modalities (multi-modal) to plan for continued growth statewide especially in the Sun Corridor Megapolitan Region.

State Transportation Funding is Decreasing
The Highway User Revenue Fund (HURF) distribution is currently below 2005 levels. In FY2013 $1.210 billion was deposited into the HURF, which is $35 million less than FY05 $1.245 billion deposit.

MAG Projects Cut
Due to the lack of revenue being generated from the regional area road fund now known as Maricopa County Excise tax, in 2009, the Maricopa Association of Governments (MAG) - the Valley’s Metropolitan Planning Organization - revised their twenty-year plan by reducing the expected projects by $6.6 billion.

State Highway Funds are Being Raided
From 2001 to 2014, over $1.7 billion has been taken from transportation coffers. This equates to approximately 35,000 jobs over the last 10 years.

The Feds must extend the highway bill for a longer term
Last year Congress passed and the President signed into law the federal surface transportation authorization, Moving Ahead for Progress in the 21st Century (MAP-21) which funds highway and transit investments through FY 2014 at current funding levels plus inflation. Unfortunately, MAP-21 did nothing to resolve the long-term funding problem facing our federal-aid highway and transit programs. In fiscal Year 2015, the Congressional Budget Office estimates the Highway Trust Fund will have a shortfall of approximately $8 billion, resulting in a possible 93 percent cut to federal transportation investments in 2015. In order to avoid these draconian cuts, Congress and the Administration must act to address the long-term Highway revenue shortfall to complement MAP-21’s policy reforms before the law expires in September 2014 while continuing to provide the full MAP-21 authorized funding levels for highway and transit programs in fiscal year 2014.

Infrastructure is Important to the Overall Economy
AZAGC acknowledges Arizona needs a more diversified and innovation-based economy, but it could take a decade or more to accomplish this assuming there is broad-based and coordinated effort aimed at that goal. AZAGC agrees with the TTCA that a vibrant economy will be based on a strong exporting manufacturing sector. However, investing in infrastructure will create jobs immediately and give future generations an asset that improves their quality of life. The quickest way to get Arizona’s economy moving forward again is to reverse the sharp decline in the construction industry.

Fuel Consumption is Decreasing
According to the latest numbers provided by the Arizona Department of Transportation, gasoline and use fuel consumption is down to 2005/06 levels.

AZAGC will work to:
Eliminate the HURF Raids;
Get $1.7 Billion Reimbursed;
Increase Statewide Funding; and
Pass a Long-Term Federal Transportation Bill

Transportation Policy
The Transportation and Trade Corridor Alliance

In February 2012, Governor Brewer asked that the Arizona Department of Transportation (ADOT) lead the Transportation and Trade Corridor Alliance (TTCA) as part of an initiative to strengthen the state’s ability to compete for economic development and jobs.

ADOT – in collaboration with the Arizona-Mexico Commission (AMC) and the Arizona Commerce Authority (ACA) – brought together public and private sector partners to assess opportunities for Arizona to pursue investments in trade corridors.

Arizona is in a global competition for quality jobs, economic growth, and prosperity. A strong export-based economy, supported by excellent surface transportation connections to major markets, positions the state to economically compete effectively and successfully in key national and global markets.

Arizona is uniquely and closely positioned to these important markets for goods and services:

- Southern California (over 16 million consumers);
- Texas (more than 13 million consumers);
- Northwestern Mexico (emerging market of over 10 million consumers); and
- Three of the six largest cities in the United States (four if Phoenix is included).

On June 20, 2014 the TTCA unveiled their report. Part of the report included a transportation strategy called Arizona’s Key Commerce Corridors - Local Jobs, Global Markets. It outlines $20 billion in additional need around the state and is broken into three categories: Arizona Corridors; Arizona Borders; and Arizona Bridges. The corridor projects are supported by documentation of the potential benefits to the Arizona economy. These benefits include increased mobility and efficiency, economic development potential, and construction jobs.

Current Financial Crisis at ADOT

According to the report, current funding levels will go mostly to system preservation and maintenance. ADOT only has an additional $25 million for system expansion – new or increased capacity for roads. On average, one mile of road with four lanes costs the state $30 million. This “excess revenue” isn’t enough for even one mile of expanded capacity.

Funding?

The report defines and prioritizes the surface transportation needs to position Arizona’s future as a hub for manufacturing and distribution which will clearly increase jobs and further diversify our economy.

“...this effort will sustain 23,000 full-time jobs per year.”

Source: TTCA Roadmap

It does not make a recommendation on funding. It says: “The identification and recommendation of a specific tax source and specific tax rate(s) to meet the costs of the Key Commerce Corridor proposal is beyond the scope of this analysis.”

Instead, a wide-range of potential revenue sources were reviewed and evaluated. Sources evaluated to meet the $20 billion need include significant increase to user fees, vehicle miles traveled (VMT) fee, sales tax on motor fuel, and an increase in the sales tax.

The important policy question of acquiring additional revenue is left up to lawmakers, the business community and possibly the voters.

AZAGC Recommends:

- The business community and ADOT aggressively begin the education process on the importance of Key Commerce Corridors - Local Jobs, Global Markets to business and civic organizations, the public and policymakers;
- A complete review of funding options with a goal of identifying the most palatable combination acceptable to the appropriate constituency; and
- Acquiring approval of this option in 2016.
Next Generation Transportation

Sustainability is a far-reaching topic within the construction industry covering the use of natural resources, the environmental impact of our construction sites and improvements to the built environment as well as quality of life for the occupants. As contractors we play a significant role in reducing the environmental impact of a facility through the review of designs, proposed specific materials and equipment, staging and phasing during the planning of a project. During construction, contractors are responsible for the storm water run-off, land disturbance, recycling, air quality programs and more.

As a steward of our environment, AZAGC supports initiatives that will enhance our quality of life for generations to come without burdening them with unusable or overly cumbersome regulations that will increase the cost of construction to the point where improvements to our environment are too costly to make.

In today’s world, the conventional road building approach is insufficient for some high profile environmentally sensitive projects. Contractors will need to think beyond pavement and develop elements that will integrate the road into the context of the area.

One such approach gaining popularity is the Greenroads. Greenroads is a sustainability rating system for roadways. The program was developed by the University of Washington along with CH2M Hill. The rating system is designed to quantify sustainable practices associated with the design and construction of roads. It is applicable to all types of roadways (urban highways, arterials, rural roads and residential streets). The system awards credits for approvable sustainable choices and practices and can be used to certify projects based on a total point value and can be implemented in a number of ways ranging from voluntary use by agencies and private enterprise to mandated goals and specifications.

The ultimate benefit of Greenroads is more sustainable roadways. This means less impact on the environment, lower life-cycle costs, and more positive societal outcomes. Owners want to be viewed as eco-friendly. In the last two years owners around Arizona are beginning to incorporate programs like Greenroads into their transportation planning.

Recently the City of Peoria consulted with AZAGC on the use of a sustainable rating system for an upcoming project they are designing. The City is creating a template for what an environmentally and socially responsible construction project should look like. The chapter welcomes the opportunity to work on these efforts. The Federal Highway Administration (FHWA) has invested in the Greenroads program believing this is a new era for highway building.

Transportation and its infrastructure have huge economic, social and environmental impacts. By designing and constructing more sustainable roads, the industry can better meet the needs of future generations, while protecting the natural systems of the planet. Ratings systems such as Greenroads provide a holistic way of considering roadway sustainability, a defined and quantitative means to assess roadway sustainability and a tool for decision makers, agencies, consultants and contractors to make informed decisions on sustainable design and construction.
Phoenix and Las Vegas are the only two cities in the U.S. with populations of over 1 million that do not have a direct Interstate connection.

The Arizona and Nevada departments of transportation are working together on the two-year Interstate 11 (I-11) and Intermountain West Corridor Study (Corridor) that includes detailed corridor planning of a possible high priority Interstate link between Phoenix and Las Vegas (the I-11 portion), and high-level visioning for potentially extending the Corridor north to Canada and south to Mexico. Congress recognized the importance of the portion of the Corridor between Phoenix and Las Vegas and designated it as future I-11 in the recent transportation authorization bill, Moving Ahead for Progress in the 21st Century Act (MAP-21).

- By the year 2035, the populations of the metropolitan Phoenix and Las Vegas areas are expected to increase by 2.5 million and 1.5 million persons, respectively. This 60 percent population increase will result in a commensurate job growth in the two areas.
- The combined populations of these two areas will be over 10 million people.
- A multi-modal link (rail and Interstate) will facilitate trade movement between two of the fastest growing regions in the United States.
- The I-11 transportation corridor has been identified by the Maricopa Association of Governments (MAG) on their I-10/Hassayampa Transportation Framework Study and on the Interstate10/Interstate 8 - Hidden Valley Transportation Framework Study

- The Interstate-11 transportation corridor is also a component of efforts to route commercial truck traffic around the metropolitan Phoenix area, alleviating pollution and roadway congestion within the Phoenix area and on Interstate-17.
- The transportation corridor will increase economic activity and relieve congestion and air pollution in communities along the route, including Wickenburg, Kingman and Boulder City.
- The Interstate-11 corridor is the last link to create a continuous north-south interstate corridor in the Mountain West region of the United States
- Enhancement of this transportation linkage will allow further use of the recent investment to improve the Hoover Dam/Colorado River Bridge.

AZAGC Supports the CAN-DO Coalition and was one of the first organizations to sign its resolution.

"We’re grateful to have [AZAGC] as a part of our team in bringing this important project to completion. There is much work still to be done and with your assistance and that of other like-minded organizations, we’ll get it done."

Steve Betts, Chairman
CAN-DO Coalition
The Clean Air Act (CAA) requires the U.S. Environmental Protection Agency (EPA) to identify and revise national ambient air quality standards (NAAQS) for air pollutants that may reasonably be anticipated to endanger public health. To date, EPA has set NAAQS for six “criteria” air pollutants: ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, particulate matter (PM$_{10}$), and lead. EPA and the State of Arizona share responsibility for ensuring all areas attain federal NAAQS by deadlines specified in the CAA. Arizona is required to monitor each of these pollutants and submit data used to determine whether geographic areas are in “attainment” for each. A geographic area that does not meet EPA air quality standards is classified as a nonattainment area.

Designation as a nonattainment area triggers a series of steps that must be taken to bring the area into compliance. Such as:

- Preparing and executing a state implementation plan (SIP) to achieve and maintain NAAQS within their borders.
- Establishing regional and enforceable measures for controlling air pollution from stationary and mobile sources. (Construction is considered an off road mobile source)
- Transportation conformity which applies to all nonattainment and maintenance areas that fail to meet the NAAQS coordinates a regions transportation plan with its air quality plan. Transportation projects must demonstrate that they do not further degrade air quality in the region.

Arizona

Currently Arizona has 13 areas in seven counties (Cochise, Gila, Maricopa, Pima, Pinal, Santa Cruz and Yuma) statewide designated as nonattainment areas or attainment areas with maintenance plans. Particulate Matter (PM$_{10}$) is the predominant pollutant in most of these areas. Maricopa and Pinal County are currently awaiting action determinations from the EPA, Region IX for particulate matter.

Pima, Pinal and Maricopa County have their own air pollution control programs and operate pursuant to agreements with ADEQ. In addition to ADEQ, two metropolitan planning organizations share in the responsibility of completing state implementation plan requirements for ozone, carbon monoxide, and particulate pollution.

Maricopa County PM$_{10}$

Since 1999 Maricopa County has struggled to attain air quality standards. In 1999 over 77 measures were proposed and implemented in the serious area plan to reduce dust. Failing to attain, the region was required to prepare a five percent plan which means emissions must be reduced 5% annually until attainment is reached. On December 31, 2006 the region submitted its plan with an additional 53 aggressive measures to reduce emissions, thereby designating the area as having the most stringent measures (MSM) in the nation for controlling dust.

In June 2012, EPA issued a completeness determination of the MAG 2012 Five Percent Plan which stopped the 18 month conformance freeze and sanctions for transportation funding and construction projects planned after 2014.

Due to the approval of the 2011 exceptional events package, the region now has a record of clean air for the previous three years from 2010-2012. (Exceptional events are emission activities, such as extraordinary high winds, outside the control of mankind.) As early as July 2014 EPA could issue the region a clean data finding which would allow officials to develop a maintenance plan for the region. The region must then remain “clean” (no violations of the monitors) to stay out of nonattainment.

Pinal County

In 2009 after reviewing data indicating numerous violations at the monitors in Pinal County, EPA requested the state submit recommendations for designating areas of Pinal County as either in attainment, nonattainment or unclassifiable for PM$_{10}$ and PM$_{2.5}$. The state submitted their recommendations for attainment boundary designations.

On July 2, 2012, EPA re-designated a portion of western Pinal County from “unclassifiable” to “nonattainment” for the 24hour PM$_{10}$ NAAQS. The designation was based on recorded violations of the standard at various monitoring sites. ADEQ and Pinal County are required to prepare and submit a SIP to EPA in early 2014 with more stringent enforceable control measures on contributing sources, including additional measures on high wind event days.

Arizona Chapter of the Associated General Contractors of America

Air Quality

Since 2005 construction has lowered its emissions by 65% and now has over a 93% compliance record.
Background
Arizona’s public universities are taking on the crucial task of reinventing the state’s economy to meet the challenges of the 21st century. By growing the research activities of the University Enterprise, Arizona stands to gain $5 billion in additional Gross State Product over the next ten years and see a return of $7 for every $1 invested. To make this expansion possible, however, the University of Arizona (UA), Arizona State University (ASU) and Northern Arizona University (NAU) require new research infrastructure capacity to stay at the forefront of research innovation, which attracts external funding in the form of federal research dollars, private investment and business partnerships, bringing real growth to Arizona’s economy and high paying jobs to Arizona’s families.

"It's critical that we have a 'Competitiveness Package on Higher Education' so Arizona’s public universities can successfully take on the important task of helping to reinvent the state’s economy to meet the challenges of a global economy that runs on knowledge and demands college-credentialed workers."

Eileen Klein, President Arizona Board of Regents

According to the Arizona Board of Regents Arizona’s public universities must double its research enterprise to $2 billion in external research funding by 2020 to remain competitive, attract top-tier research faculty, and ultimately support the state’s economic future.

Increasing the research enterprise will create higher paying jobs, aid in closing the income gap with neighboring states and the nation as a whole, and accelerate the discovery of new knowledge and technologies and entrepreneurial activity in the state.

The Arizona Board of Regents, with the support of business and civic leaders throughout the state, will be asking the Governor and state Legislature to authorize the sale of $1 billion of bonds to finance research infrastructure development between fiscal years 2016 and 2018, to fund $333 million of new research facilities in each of those three years at our state universities.

The bonding authority would allocate $450 million to the University of Arizona, $400 million to Arizona State University and $150 million to Northern Arizona University. Each university has an approved plan for the facilities that will be built with their respective allocation.

The universities will cover initial project planning and design costs in 2015. The first legislative appropriation will be required in fiscal year 2016 at $26 million. The projects will be phased in over the three-year period ending in fiscal year 2018 when the peak legislative appropriation of $78 million will be reached and maintained for another 22 years.

AZAGC Position
Our university system as well as our community college, career and technical education and K-12 systems are integral to the economic fabric of our state. AZAGC supports investing in each of these to ensure Arizona stays competitive, not only in the construction industry, but in a diversified economy as well. The governors of Ohio, Massachusetts, Illinois and Oregon have recommended investing in university infrastructure. Arizona should do the same. Therefore:

We Support the Arizona Board of Regents’ Competitiveness Package on Higher Education and encourage the legislature to fund the infrastructure bond program.

Competitiveness Package on Higher Education
Federal Overview - WRRDA
According to a U.S. Senate Fact Sheet the Water Resources Reform and Development Act of 2013 - promotes investment in the nation’s critical water resources infrastructure, accelerates project delivery, and reforms the implementation of Corps of Engineers projects.

Project Authorization
This legislation authorizes projects with completed Chief of Engineers reports that have been referred to Congress by the Assistant Secretary of the Army for Civil Works by the date of enactment. Currently, this represents 18 projects that address all of the major mission areas of the Corps of Engineers including flood risk management, navigation, hurricane and storm damage risk reduction, and environmental restoration. The average annual benefits of the flood and storm risk management reduction projects alone exceed $690.3 million.

Project Delivery Reforms
The legislation contains important reforms to increase flexibility for non-Federal sponsors of Corps projects and accelerate project delivery. These include codifying a Corps initiative to finish new feasibility studies in less than three years, improving the environmental review process while maintaining environmental protections, and creating two pilot programs to expand the local role in project implementation. The bill also establishes a new program to promote levee safety and improves inland waterways project delivery.

Lower Santa Cruz River Alliance
One project that should benefit from a streamlined process is the Lower Santa Cruz River Watershed. Encompassing thousands of square miles, the watershed runs through western and southern Pinal County, impacting some of Arizona's fastest growing communities. AZAGC supports the efforts of the Lower Santa Cruz River Alliance which is working to raise awareness and secure a comprehensive regional flood control solution for the Lower Santa Cruz River Watershed.

Harbor Maintenance
The legislation addresses the growing surplus of funds in the Harbor Maintenance Trust Fund by ensuring all revenues will be spent for port maintenance without impacting other important Corps of Engineers projects.

Innovative Financing
The legislation establishes a 5-year innovative project financing pilot program, which is modeled on the successful TIFIA program. This new pilot program will provide loans and loan guarantees for important flood control, water supply, and wastewater projects.

Project De-authorizations
The legislation includes a provision that requires the Corps to provide Congress with a complete list of all uncompleted, authorized projects and creates a Commission to identify projects for de-authorization. The Commission will hold public hearings and solicit comments to make final recommendations to Congress. Congress will have the opportunity to disapprove of the de-authorizations proposed by the Commission.

WRDA Status
The House passed its WRDA bill in October, 2013 by an overwhelming 417-3 vote. The Senate also passed its version of the bill in May, 2013 on an equally impressive, bipartisan 83-14 vote. During their conference meeting, the only legislative issue of some controversy was the environmental streamlining provisions. Reports indicate that final passage on a WRDA bill could come as early as mid-December, 2013.

AGC Position
AGC of America would like congress to support and pass WRRDA. It provides;

- An adequate and efficient project authorization process;
- Spending harbor maintenance tax revenues on harbor maintenance, addressing the Olmsted Locks and Dam project in a way that allows other necessary inland waterways projects to proceed;
- Environmental streamlining and project delivery acceleration through limiting the time to file lawsuits on projects under the National Environmental Policy Act (NEPA) and setting firm deadlines for pre-construction project studies; and,
- Innovative financing methods— including a public private partnership pilot program and Water Infrastructure Finance and Innovation Authority—that supplement, not replace, traditional government funding for water resources infrastructure.
Background
Florence Copper is an initiative of Curis Resources to permit, construct and operate an in-situ copper recovery (ISCR) operation in Florence, Arizona. Not a mine in the traditional sense of the term, Florence Copper is an in-situ (in place) recovery project, that seeks to dissolve copper minerals from an underground deposit by introducing water with a lowered-pH (making it slightly acidic). This low-pH, water-based solution dissolves the copper and allows it to be pumped to the surface through a continuous loop water treatment system.

The advanced stage development, located in central Arizona within the municipal boundaries of the Town of Florence, was acquired by Curis in February 2010. Curis’ landholdings total 1,342-acres and include 1,182 acres of patented claims and 160 acres of state mineral leases. The company is working with residents and officials from the Town of Florence and relevant state and federal agencies to design, construct and operate a world-class, in-situ copper recovery project.

History
In the late ‘90’s BHP successfully completed an in-situ production test after receiving permits from ADEQ and EPA. They did not go into full production because of a sharp drop in worldwide copper prices and their divesture of North American assets shortly thereafter.

The Florence Copper Project has already received their Aquifer Protection Permit from ADEQ. They expect to receive their Underground Injection Control Permit (UICP) from the US EPA within the next few months.

These permits will be used to conduct a 2 year Production Test to verify the technology can again safely extract copper from the deposit while protecting the groundwater.

The Production Test Facility will be located on State Land, which makes up 150 acres of the total deposit area. The State Land Department has stated that this acreage is the highest valued piece per acre in the entire portfolio.

Economic Benefits
The Florence Copper Project will generate 150-170 full time jobs in Florence and nearly 700 jobs statewide when fully operational.

During the life of project, the Florence Copper Project will pay $629 million in state and federal income taxes and more than $75 million in local property taxes to help local police and fire departments.

According to The Florence Copper Project: Economic Impact Study conducted by the L. William Seidman Research Institute at Arizona State University shows over the next 28 years, Florence Copper represents:

- $2.2 billion in economic activity for the state of Arizona;
- $1.1 billion in economic activity for Pinal County;
- $325 million in taxes and royalties for Arizona government; and
- $1.46 billion in increased personal income in Arizona.

AZAGC Position
- Encourage the Arizona State Land Department to extend Florence Copper Projects’ lease.
- Encourage EPA to grant the UICP.
Background
Resolution Copper Mining, LLC (Resolution Copper) was formed in 2004 to evaluate, design, permit, construct and operate an underground block cave copper mine located just east of Superior, Arizona and is owned jointly between Rio Tinto (55%) and BHP Billiton (45%).

The copper resource that has been identified is approximately 1.6 billion metric tons and is one of the largest undeveloped copper resources in the world. At currently designed production rates, it will produce the equivalent of more than 25 percent of the annual US copper demand for 40 years.

Bi-partisan Cooperation
United States Congressman Paul Gosar and United States Congresswoman Ann Kirkpatrick are working together to continue Arizona’s leadership in copper production worldwide. Together they are working to ensure congress pass The Southeast Arizona Land Exchange and Conservation Act of 2013 which will, along with many other provisions, allow Resolution Copper to exchange private land for federal land.

The Act
The Southeast Arizona Land Exchange and Conservation Act of 2013 would facilitate a land exchange that will bring into federal stewardship 5,500 acres of high-priority conservation lands in exchange for 2,600 acres of national forest system land intermingled with private land and blanketed by unpatented mining claims in the copper triangle in Southeast Arizona. This legislation shows we can protect land and water and have a strong economy with good jobs. It will conserve lands that advance the important public objectives of protecting wildlife habitat, cultural and historic resources, the watershed, recreation sites and aesthetic values, while enabling an important mining project to go forward that will generate economic and employment opportunities for state and local residents. (Source: U.S. Congress Fact Sheet)

Economic Benefits to Arizona
A recent economic impact study conducted by Pollack & Associates concluded that the $5 billion private investment to construct and operate the mine would create the following:

✓ 1400 direct jobs and 2300 indirect jobs (3700 total jobs) throughout the 40- year mine life;
✓ 3000 construction jobs (average) during the construction phase of the project;
✓ $220 million in annual wages;
✓ $61 billion in economic impact to the state of Arizona; and
✓ $19 billion in federal, state and local tax revenues with $16 billion allocated to federal tax.

AZAGC applauds Congressman Gosar and Congresswoman Kirkpatrick for working together to make this important project a reality that will benefit all Arizonans. We encourage congress to pass the The Southeast Arizona Land Exchange and Conservation Act of 2013.
Background
In July 2007, Rosemont Copper submitted a preliminary mining plan of operations (MPO) to the Coronado National Forest requesting approval to construct, operate, reclaim, and close an open-pit mine on and adjacent to National Forest Service (NFS) lands for development of the Rosemont ore deposit. The project area is located about 30 miles south of Tucson, Arizona. It is on approximately 995 acres of private land owned by Rosemont Copper Company, 3,670 acres of Forest Service System lands, and 75 acres of Arizona State Land Department lands. The Rosemont Copper Project consists of the development of an open-pit mine, ore processing plant, waste disposal facilities, access roads and utility corridors. The operation would produce concentrates of copper, molybdenum, and silver. The life of the operation, including construction, operation, reclamation and closure, is approximately 25 to 30 years.

Two Federal agencies have authority regarding the preliminary MPO approval and permitting process: the Forest Service and U.S. Army Corps of Engineers (USACE). The Forest Service is the lead agency conducting the National Environmental Policy Act (NEPA) review of the MPO, and the Forest Supervisor of the Coronado is the responsible official for this environmental impact statement (EIS). On December 31, a legal notice was published in the newspaper of record, the Arizona Daily Star. This initiates the 45-day objection period beginning January 1, 2014 and ending February 14, 2014. There are 17 cooperating Federal, State, and local agencies with jurisdiction or special expertise related to aspects of the preliminary MPO, including the USACE.

Economic Impact in the Area (2008$)
A report, An Assessment of the Economic Impacts of the Rosemont Copper Project on the Economies of the Cochise/Pima/Santa Cruz Counties Study Area, Arizona, and the United States concludes that just during the construction phase alone the project will:

- generate an average annual increase of $96 million in economic activity in the study area over a four year engineering/construction period;
- provide a total of 3,600 person-years of employment for local workers;
- provide an average of $38 million per year in additional income to area residents;
- generate almost $5 million per year in revenues for local governments in the study area; and,
- provide $385 million in additional demand for goods and services from suppliers in the study area.

AZAGC Position
Provided the operation meets federal, state and local environmental regulations, the General Mining Act of 1872, the Multiple-Use Mining Act of 1955 and Forest Service mining regulations allow Rosemont Copper to pursue locatable minerals on public lands and, under valid existing mining claims, conduct mining activities. AZAGC supports the Rosemont Copper Mine and urges the process for the final decision to move forward.
Background
Union Pacific has proposed to construct a new classification yard to meet demand for increased freight rail service in Arizona. The Arizona State Land Department (ASLD) received an application from Union Pacific Railroad (UPRR) to purchase approximately 1,873 acres of land (Proposed Sale Parcel) along I-10 in the Red Rock area of Pinal County. UPRR intends to use the site to construct a Classification Yard in order to improve the efficiency of its operations where rail cars would be separated and classified and trains assembled, improving Union Pacific’s ability to create value for its many customers in Arizona. Thousands of acres of State Trust land surround the Proposed Sale Parcel and would be affected by the sale. The ASLD is processing the application and a final decision on the application and the appropriate size and shape of the Proposed Sale Parcel is yet to be made.

Role of the Arizona State Land Department
The Arizona State Land Department manages approximately 9.2 million acres of State Trust lands within Arizona. These lands were granted to the State under the provisions of the federal Enabling Act that provided for Arizona’s statehood in 1912. These lands are held in trust and managed for the sole purpose of generating revenues for the 13 State Trust land beneficiaries, the largest of which is Arizona’s K-12 education. (Source: ASLD Website)

Economic Benefits of the Project
The project will serve as a driver for economic development in the region. Red Rock Classification Yard would have direct long-term and ongoing benefits to Arizona and Pinal County for the next 20 years*.

- Cumulative economic impact: $25.6 billion
- Employment: 6,276 direct and 6,206 indirect jobs
- Tax revenue: $2.3 billion

Project Challenges
Since the ASLD is responsible to maximize the benefit it receives from the sale state trust land, it must ensure that the sale is of the highest and best use. Furthermore, the department must ensure the sale of this land does not adversely impact surrounding state trust land. According to a report by the ASLD’s consultant (RBF) the project would have significant implications for transportation and circulation for State Trust land in the Red Rock area effectively eliminating access to I-10 for the State Trust land between the CAP canal and the Red Rock facility for a distance of approximately six miles. In addition, access at each end of the yard is complicated by the presence of two large washes. These complications would require significant drainage and transportation improvements to provide access to proposed surrounding industrial sites, and the State Trust land beyond.

AZAGC Position
- Encourage the Arizona State Land Department to approve the purchase of State Trust land by the Union Pacific Railroad.
- Supports the stakeholder process as initiated by Senator Worsley and Melvin.