Transmittal Letter

December 1, 2000

The Honorable Jane Dee Hull
Governor, State of Arizona

President, Arizona State Senate
Speaker, Arizona House of Representatives

Members of the Legislature, and
Citizens of the State of Arizona

I am pleased to present the 2000 Annual Report of the Highway Expansion and Extension Loan Program (HELP).

HELP, Arizona's state infrastructure bank (SIB), has proven to be a valuable financing mechanism to accelerate highway projects throughout the state. To date, the program has:

- Approved ten loans totaling $193,426,000.
- Developed a statewide outreach program to provide assistance to cities, towns, counties, and tribal governments.
- Utilized Board Funding Obligations to finance $100 million of right of way for the Maricopa freeway system.
- Been recognized by the Federal Highway Administration in their "best practices" survey as a model SIB.

The HELP Advisory Committee and ADOT staff will continue to improve and refine the HELP program in the coming years. In the interim, we will continue to assist in the acceleration of highway projects throughout Arizona.

Sincerely,

Mary E. Peters
INTRODUCTION

HELP (Highway Expansion & Extension Loan Program) provides the state and its communities with an innovative financing mechanism to accelerate the funding of highway construction. This mechanism is referred to as a State Infrastructure Bank (SIB) and was initially authorized by Congress in 1995. A SIB operates much like a bank, providing loans or credit enhancement for projects.

HELP, Arizona's SIB, was established in 1998, and is operated under the authority of the State Transportation Board. A seven-member HELP Advisory Committee accepts loan applications, reviews and evaluates requests for financial assistance, and makes recommendations to the State Transportation Board on loan and financial assistance requests.

The members of the State Transportation Board as of December 1, 2000 are:

- F. Rockne Arnett, Vice Chair, Phoenix
- Jerry Williams, Chair, Morenci
- Katie Dusenberry, Tucson
- Ingo Radicke, Globe
- Bill Jeffers, Holbrook
- Dallas Gant, Wickenburg
- Richard Hileman, Lake Havasu City

The members of the HELP Advisory Committee as of December 1, 2000 are:

- Mary Peters, Chair, ADOT
- Gary Magrino, Yuma
- Bill Beyer, Glendale
- Jeff Martin, Mesa
- Cliff Potts, Payson
- Tami Ryall, Gilbert
- Paul Schwartz, Sun City
The HELP Fund has been highlighted by the Federal Highway Administration best practices report in several areas. Based on a July FHWA survey, of the 31 SIBs in the U.S., HELP had the 2’d highest loan agreement amount ($168,956,000) and the highest amount of dollars disbursed ($69,779,000). In addition, HELP’s program and accounting guidelines have been recognized as one of the best in the nation and will likely be incorporated into the best practices manual from FHWA on SIBS due to be published in early 2001.

The first Board Funding Obligation was completed and provided $100 million for the purchase of right of way to advance the Maricopa County urban freeway system. This financing mechanism was authorized as part of the broader capitalization and advancement legislation contained in Senate Bill 1201, passed by the Legislature and signed by the Governor in 1999.

House Bill 2100, effective August 2000, amended the definition of an eligible project. The amended language provides more flexibility for projects in rural areas to access the HELP Fund.

HELP PROJECTS

City of Mesa

Date Approved: 3/20/98

Project: Red Mountain Freeway between Country Club and Gilbert Road.

Authorized Loan Amount: $24,000,000

Project Acceleration: 18 months

The completion of this section of the Red Mountain Freeway will encourage commercial development in the area. In addition, the development of the entire Red Mountain Freeway corridor is enhanced due to increased mobility.

City of Chandler

Date Approved: 3/20/98

Project: Price Freeway between Warner and Frye Road.

Authorized Loan Amount: $26,000,000

Project Acceleration: 12 months

This 3-mile section of the Price Freeway allows greater accessibility to the new regional mall in Chandler as well as provides greater mobility and less congestion for commuters in the Southeast Valley.

The project is expected to be opened to traffic December 16, 2000.

ADOT: Right-of-way Purchases

Date Approved: 11/15/99

Project: Purchase of right-of-way on four Maricopa County freeway projects: Red Mountain Freeway, Santan Freeway, Sky Harbor and Squaw Peak, as specified pursuant to Senate Bill 1201.

Authorized Loan Amount: $100,000,000
The ability to purchase properties along these routes early will greatly reduce the cost of the projects.

**City of Tucson**

Date Approved: 3/17/00

Project: Reconstruction of Sixth Avenue providing wider travel lanes, 10 foot sidewalks, landscaping and street lighting, from 19th St. to I-10.

Authorized Loan Amount: $2,000,000

Project Acceleration: 18 to 24 months

Most of Sixth Avenue along this project is vacant buildings or undeveloped lots. With these improvements, a revitalization of the commercial area is anticipated. Similar projects along Sixth Avenue have seen economic and safety improvements.

**Town of Chino Valley**

Date Approved: 3/17/00

Project: Intersection improvement and traffic signal installation at Highway 89 and Center Street.

Authorized Loan Amount: $300,000

Project Acceleration: 24 months

With Chino Valley High School located at this uncontrolled intersection, public support made this project a reality. Safety and mobility issues are addressed with the installation of the traffic signal.

**ADOT: Various Projects in Pima County**

Date Approved: 5/19/00

Project: Right-of-way acquisition and design to reconstruct the interchange of I-10 and I-19 and to conduct cultural resource recovery at I-10 and I-19 interchange.

Authorized Loan Amount: $5,285,000

Project Acceleration: 12 months to 3 years

The reconstruction of the I-10/I-19 interchange greatly increases the safety of the interchange. This project will help alleviate congestion and improve the economic development of the area.

**ADOT: Various Statewide Projects**

Date Approved: 5/19/00

Project: Design and right-of-way for six projects throughout the state.

Traffic interchange at Ave. 3E and I-8 in Yuma.

Traffic interchange at US 60 and SR 79 in Florence Junction.
Design SR89A four lane access between Airport Connector and Fain Road project, Prescott Valley.

Reconstruct two and three lanes sections of road to five lanes, Carr Canyon RoadHunter Canyon Road.

Reconstruction of two lane roadway to two-way turn lanes at local businesses and five lanes east of SR264 near Tuba City.

Widen two to five lane urban section and improve intersection to accommodate five lanes at Lake Havasu Blvd. and Old London Bridge Road in Lake Havasu City.

Authorized Loan Amount: $5,707,000

Project Acceleration: 12-18 months

ADOT: State Route 260 Show Low to Pinetop

Date Approved: 2/18/00

Project: This is a pavement preservation project for the reconstruction of SR 260. This project will also widen the road to four lanes as well as landscape along the road.

Authorized Loan Amount: $5,664,000

Project Acceleration: 10 months

The acceleration of this project will minimize the impact on local businesses along the corridor. It will also assist in advancing the second section of SR260 from Pinetop to Hon Dah. Much of the work for this project is done in the evening to further assist local businesses. The widening of this read will significantly ease congestion and increase safety.

City of Sierra Vista

Date Approved: 7/21/00

Project: Widen Buffalo Soldier Trail from two to four lanes from Seventh Street to State Route 90 Bypass (Construction).

Authorized Loan Amount: $1,970,000

Project Acceleration: 18 months

The widening will allow the road to better handle the increased volume of traffic in Sierra Vista, increasing both safety and mobility. Most of this project will include a division of lanes with barriers, which will reduce the potential for head on collisions. The project also provides better access to the commercial area of the city.

ADOT / City of Phoenix

Date Approved: 11/17/00

Project: State Route 51 completion, Union Hills Rd. to Loop 101.

Authorized Loan Amount: $22,500,000

Project Acceleration: 24 months
This project will be bid and constructed at the same tune as the Bell Rd. to Union Hills Rd. section of SR 51. The completion of this corridor will provide a major added travel option to thousands of Valley commuters.
FINANCIAL CONDITION OF HELP FUND

Shown below is the HELP Fund cash status as of June 30, 2000, with comparable to June 30, 1999. The numbers shown are on a cash basis, and are unaudited.

### HELP Fund Cash Status

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2000</th>
<th>June 30, 1999</th>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>$37,214,565</td>
<td>$38,066,753</td>
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<tr>
<td><strong>Revenue:</strong></td>
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<td></td>
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<tr>
<td>Federal Appropriation</td>
<td>$6,561,311</td>
<td>$5,567,176</td>
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<tr>
<td>State Match</td>
<td>$396,600</td>
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<td>Board Funding Obligation</td>
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<tr>
<td>Highway Fund Transfer</td>
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<tr>
<td>Principal Repaid on Loans</td>
<td>$8,739,802</td>
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<tr>
<td>Interest Repaid on Loans</td>
<td>$485,725</td>
<td>$28,798</td>
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<td>Interest Earnings</td>
<td>$3,531,166</td>
<td>$2,267,711</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$139,714,604</td>
<td>$7,888,480</td>
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<td><strong>Expenditures:</strong></td>
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<tr>
<td>Loan Disbursements</td>
<td>$61,411,070</td>
<td>$8,739,804</td>
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<tr>
<td>Administration</td>
<td>$19,501</td>
<td>$864</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>61,430,571</strong></td>
<td><strong>$8,740,668</strong></td>
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<tr>
<td><strong>Ending Fund Balance</strong></td>
<td><strong>$115,498,598</strong></td>
<td><strong>$37,214,565</strong></td>
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</table>

If you would like further information about HELP please contact:

Arizona Department of Transportation 206 S. 17th Avenue Phoenix, Arizona 85007-3213

Steve Schaefer HELP Program Manager Phone: (602) 712-8036 E-mail: sschaefer@azdot.gov

Val Carrola HELP Coordinator Phone: (602) 712-7274 E-mail: vcarrola@azdot.gov
## Highway Expansion & Extension Loan Program

(HELP)

### LOAN STATUS AS OF NOVEMBER 2000

<table>
<thead>
<tr>
<th>PROJECT SPONSOR</th>
<th>PURPOSE OF LOAN</th>
<th>PROJECT LOCATION</th>
<th>LOAN APPROVAL DATE</th>
<th>INTEREST RATE*</th>
<th>MAXIMUM LOAN AMOUNT</th>
<th>FINAL MATURITY</th>
<th>DRABS TO DATE</th>
<th>OUTSTANDING LOAN DANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Mesa</td>
<td>New Construction Urban Freeway System</td>
<td>Red Mountain Freeway: Country Club to Gilbert</td>
<td>03/20/98</td>
<td>4.41%</td>
<td>$24,000,000</td>
<td>10/31/01</td>
<td>$13,303,825</td>
<td>$13,303,825</td>
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<tr>
<td>City of Chandler</td>
<td>New Construction Urban Freeway System</td>
<td>Price Freeway: Warner to Frye</td>
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<td>3.59%</td>
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<td>ADOT</td>
<td>Purchase of Right-of-Way for Urban Freeway System</td>
<td>Various: as stipulated in Senate Bill 1201</td>
<td>11/15/99</td>
<td>3.92%</td>
<td>$100,000,000</td>
<td>06/30/01</td>
<td>$76,837,359</td>
<td>$76,837,359</td>
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<tr>
<td>City of Tucson</td>
<td>Street Improvements</td>
<td>6th Avenue: 19th Street to I-10</td>
<td>03/17/00</td>
<td>4.50%</td>
<td>$2,000,000</td>
<td>01/01/05</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Town of Chip Valley</td>
<td>Construction</td>
<td>Widen approach to Center St., Install Traffic Signal</td>
<td>03/17/00</td>
<td>4.50%</td>
<td>$300,000</td>
<td>01/01/05</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>City of Sierra Vista</td>
<td>Construction</td>
<td>Buffalo Soldier Trail 7th St. to SR 90 Bypass</td>
<td>07/21/00</td>
<td>4.00%</td>
<td>$1,970,000</td>
<td>06/30/03</td>
<td>$1,970,000</td>
<td>$1,970,000</td>
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<td>ADOT</td>
<td>Reconstruction</td>
<td>Show Low SR 2 to Pinetop</td>
<td>02/18/00</td>
<td>Determined</td>
<td>$5,664,000</td>
<td>10/01/01</td>
<td>-</td>
<td>-</td>
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<tr>
<td>ADOT</td>
<td>Design/Right-of-Way</td>
<td>Various Projects Statewide</td>
<td>05/19/00</td>
<td>To be Determined</td>
<td>$5,707,000</td>
<td>2001</td>
<td>-</td>
<td>-</td>
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<tr>
<td>ADOT</td>
<td>Design/Right-of-Way</td>
<td>Various Projects in Pima County</td>
<td>05/19/00</td>
<td>To be Determined</td>
<td>$5,285,000</td>
<td>2001</td>
<td>-</td>
<td>-</td>
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<tr>
<td>ADOT/ Ci of Phoenix</td>
<td>Construction</td>
<td>SR 51 Completion Union Hills-Loop 101</td>
<td>11/17/00</td>
<td>To be Determined</td>
<td>$22,500,000</td>
<td>2005</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

* Interest rate will be determined by the State Transportation Board when the first construction draw is made.