

November 28, 2022

TO: Mr. Jaime Chamberlain, Chairman

FROM: Luis E. Ramirez Thomas, President, Ramirez Advisors Inter-National

SUBJECT: Monthly Report of Activities – October 2022

On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) we are pleased to present our monthly activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority (“GNSCCPA”). As always, we request and welcome your continued comments and suggestions as to how we can improve on our services, our communications, and our activities on your behalf. With your feedback, we will make every effort to improve our response to your directives and ensure an effective implementation of the initiatives at hand.

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

1. Mariposa Cold Rooms Project Update;
2. Produce Warehouse Tour for ASU SUSI Scholars;
3. Roundtable Lunch with Congressman Ruben Gallego;
4. USDOT Launches Thriving Communities Program;
5. IBWC Hosts Southeast Arizona Citizens Forum;
6. Meeting with GSA for EPA Technical Assistance Grant;
7. BIMP Policy Advisory Committee and Technical Working Group Kick Off;
8. Letter to State of Sonora on Nogales Rail Relocation; and
9. U.S.-Mexico Binational Bridges and Border Crossings Meeting.

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

1. MARIPOSA COLD ROOMS PROJECT UPDATE

- The technical team continues to hold monthly calls to define next steps as the construction phase of the project continues.
- GSA has received 100% project design documents.

2. PRODUCE WAREHOUSE TOUR FOR ASU STUDENTS

- At the request of Arizona State University (ASU) Study of the United States Institute (SUSI) that brings students from all over the world to study the United States, the Port Authority organized a visit to a produce warehouse and a discussion with the leadership of the Port Authority.
- This is an opportunity to present the realities of the border, trade and tourism to international students that then take back the message to their home countries.
- Special thanks to Chairman Chamberlain for hosting the students at his warehouse.
- For more information on the program please visit:
<https://cronkite.asu.edu/about/centers-and-institutes/susi/>



3. ROUNDTABLE DISCUSSION WITH CONGRESSMAN GALLEGO

- On October 3, the Port Authority hosted a roundtable discussion with Congressman Ruben Gallego.
- Congressman Gallego engaged with participants on a broad spectrum of topics ranging from border infrastructure to trade to the environment in Washington, D.C.
- Special thanks to Santa Cruz County for hosting the meeting at the County Complex.
- Congressman Gallego has been a steadfast supporter of a number of local issues including funding for ports of entry and defending the fresh produce industry against discriminatory initiatives by Florida and Georgia.

- The Congressman also conducted a visit to the Mariposa Port of Entry where he also met with Customs and Border Protection Representatives.



4. USDOT LAUNCHES *THRIVING COMMUNITIES* PROGRAM

- On October 13, the US Department of Transportation (USDOT) hosted a virtual seminar to discuss the newly launched Thriving Communities program.
- This program is designed to assist rural communities like Nogales pursue the many grant opportunities that became available through the infrastructure funding initiatives championed by the Administration.
- This program is a recognition that urban communities typically have an advantage in that they will have entire departments dedicated to pursuing grant opportunities. Rural communities usually don't have dedicated personnel for these grant opportunities, may rely on one individual or perhaps an outside consultant and therefore are at a competitive disadvantage when it comes to these programs.
- Thriving Communities is a program designed to help rural communities compete for these grants.
- The Arizona Department of Transportation (ADOT) has agreed to serve as the liaison for this program and the USDOT.
- For additional information, please visit:
<https://www.transportation.gov/grants/thriving-communities>

- **IMPORTANT:** There is no cost to receive this support but interested applicants must identify community partners and together **submit a Letter of Interest (LOI)** by December 6, 2022, to be considered for selection.

About the Thriving Communities Initiative

- Created by the Consolidated Appropriations Act for Fiscal Year 2022 (PL-117-103)
 DOT = \$25 million | HUD = \$5 million
- Goals of the Initiative:
 - Plan and develop a pipeline of community-driven transportation and community revitalization activities
 - Increase mobility, reduce pollution from transportation sources, and expand affordable transportation options
 - Facilitate efficient land use, preserve or expand jobs, and improve housing conditions
 - Enhance connections to health care, education, and food security, or improve health outcomes
 - Offer support to disadvantaged and under resourced communities

Thriving Communities Program Overview

- TCP will provide access to a diverse set of Capacity Builders available to work directly with communities as they build upon local assets to **co-design and advance infrastructure projects** that address critical social, economic, environmental and mobility needs
- Supports the Administration's **Justice40 Policy** and the DOT **Equity Action Plan**
- Ensures implementation of the Bipartisan Infrastructure Law (BIL) supports the greatest range of communities, especially those that have greatest need
- Designed to grow community capacity to take transformative projects from concept through to delivery
- Program was designed using public input received in Request for Information (RFI) and other stakeholder outreach conducted summer of 2022.

Assistance Provided to TCP Communities

- Inaugural year will provide \$21 million in expert technical assistance, planning, and capacity building services that will be made available to select communities
 - Separate Notice of Funding Opportunity
 - At least 60% of Capacity Builder budget for direct support to communities
 - intermediary roles: e.g., sub-granting, staffing, data and management systems

Main Streets
 Rural and Tribal community revitalization; building State DOT relationship

Complete Neighborhoods
 Urban and suburban connectivity; equitable transportation development

Networked Communities
 Intermodal (rail, port, airport) neighborhoods; outside the STIP/TIP

← Safety, Access, Environmental, Equity, Community Development, & Economic Impacts →

Two Opportunities to Participate

To Receive Support: Submit a Letter of Interest (LOI)

Deadline to apply: December 6, 2022

Eligible lead applicants: Local, state, or Tribal governments including pueblos or villages; United States territories; metropolitan planning organizations; transit agencies; other political subdivisions of state or local governments

Requirements: Bring at least two key Community Partners; Identify Geographic Area of Focus (disadvantaged community); Submit LOI via fillable online webform. (No cost to participate)

Learn more:
<https://www.transportation.gov/grants/thriving-communities/information-for-technical-assistance-seekers>

To be Funded as a Capacity Builder: Respond to Notice of Funding Opportunity (NOFO)

Deadline to apply: November 22, 2022

Eligible lead applicants: Non-profit organizations; state or local governments and their agencies (such as transit agencies or metropolitan planning organizations); Indian Tribes; philanthropic entities; other technical assistance providers.


Capacity Builder role: Provide two years of direct, individualized deep-dive support to selected communities; contribute to a national Community of Practice; and provide targeted technical support

Learn more:
<https://www.transportation.gov/grants/thriving-communities/information-for-capacity-builders>

Source: US Department of Transportation

5. IBWC HOSTS SOUTHEAST ARIZONA CITIZENS FORUM MEETING

- On October 19, the US International Boundary and Water Commission (IBWC) hosted the Southeast Arizona Citizen’s Forum during which they provided an update on the progress to date on the modernization of the International Outfall Interceptor (IOI).
- According to the IBWC, the project is moving forward on schedule.



IOI Rehabilitation Phasing

Phase 1-3


- Rehab of 5.3 Miles of pipe and 56 manholes
- Construction Award: 7/13/21
- Construction Completion Required: 10/29/23
- Contractor: SAK Construction
- Cost: \$24.5 Million
- Mobilization and Construction Start: 4/25/22
- Phase 1 Rehab Completed: 8/19/22
- Approximately 83% complete

Phase 4-5

- Rehab of 3.4 Miles of pipe and 36 manholes
- Construction Award Date: 9/30/22
- Cost: \$15.3 Million
- Awarded to: SAK Construction
- Construction Duration: 660 calendar days or 22 months
- Anticipated Construction Completion: Fall 2024


Phase 1 Summary

- Built and installed 10,400' overall bypass piping for Phase 1
 - 27,500' of total fused HDPE pipe
 - 5 Primary 12" pumps and 3 Standby 12" pumps
 - 1 pipe crossing under UPRR tracks
- Bypass operation started 6/6/22
- Temporary bypass shutdown 8/13/22-8/16/22 due to increased flows from storms
- Shutdown 8/29/22
- Tear down and removal of bypass started 8/22/22
- ICI cleaning completed 7/15/22




Screens bypass HDPE pipe and storm
Debris removed from ICI

MH Rehabilitation Photos



Spark Testing of MH99



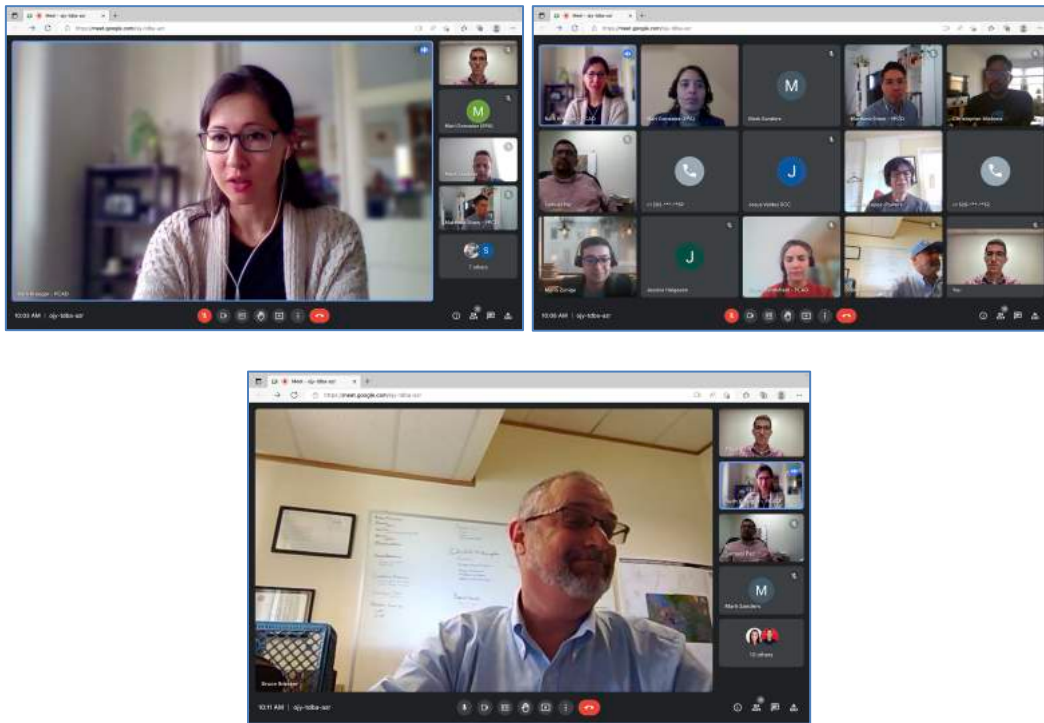
Top Coating of MH87

City of Nogales Construction Coordination

 <p>Traffic Control Approval Phase 2 Traffic Control Plan anticipated to be submitted to CDN for review by November 2022</p>	 <p>Phase 2 Flow Monitoring Existing flow meter at MH 5 that monitors Mexican flows requires removal during Phase 2 rehabilitation Metering to be provided through bypass system to ensure flow metering continues Agreement reached with City of Nogales for temporary method for monitoring Mexican flows during Phase 2 bypass/rehab</p>	 <p>Conditional Use Permit Phase 3 Fuel Tank permit approved by Board of Adjustment on 9/15/2022 Phase 2 Fuel Tanks permit to be submitted December 2022</p>
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6. MEETING REGARDING POSSIBLE GRANT FROM EPA FOR URBAN DESIGN STUDY TO LEVERAGE DECONCINI MODERNIZATION

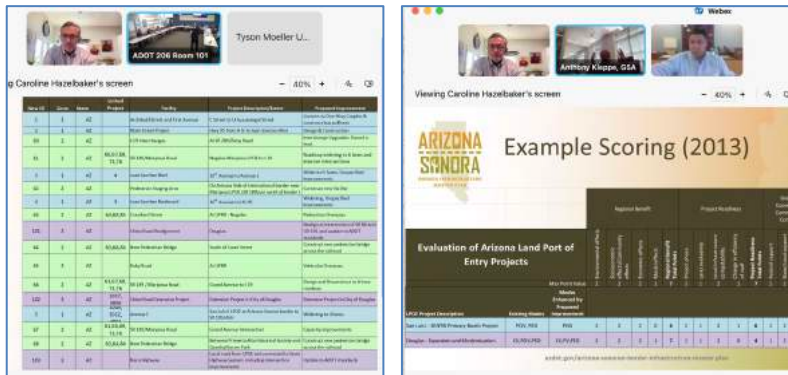
- On October 27, in a meeting hosted by the General Services Administration (GSA) and the Port Authority, representatives of the City of Nogales and Santa Cruz County, along with other members of the board of the Port Authority, discussed the possibility of securing a technical assistance grant from the Environmental Protection Agency (EPA) to pay for an Urban Design Study that would help the community conduct the necessary planning to leverage the anticipated federal investment in the modernization of the DeConcini port of entry.
- Similar efforts in San Luis and Douglas have helped the communities undergo a long-term planning process that looks at areas for development that reach from retail to tourism to industrial to housing and much more.
- The Planning process is not limited to any specific geographic area thus it can include planning for the downtown areas as well as the major retail areas around Mariposa Road, the warehousing and distribution centers along Mariposa Road, Grand Avenue and even as far as Rio Rico.
- For reference, a copy of the Douglas Urban Study can be found at <https://www.douglasaz.gov/516/Urban-Design-Study>.



7. ADOT HOSTS BORDER INFRASTRUCTURE MASTER PLAN PAC AND TWG KICK OFF MEETING

- On October 19, the Arizona Department of Transportation (ADOT) hosted the kick off meeting of the Border Infrastructure Master Plan (BIMP) meeting.
- During this meeting, ADOT and the consulting team outlined the process by which the Policy Advisory Committee (PAC) and the Technical Working Group (TWG) would participate in the evaluation process.
- Special thanks to Terry Shannon for making the trip to Phoenix to participate in person during this technical meeting and to Josh Rubin, Jaime Chamberlain and Bruce Bracker for participating via video in the meeting.





8. PORT AUTHORITY SENDS LETTER TO STATE OF SONORA IN SUPPORT OF RAIL RELOCATION PROJECT

- On October 21, the Port Authority sent a letter to the State of Sonora in support of Sonora’s and the City of Nogales’ efforts to relocate the rail crossing from downtown to a location yet to be determined to the east.
- As stated in the letter signed by Chairman Chamberlain, a letter that received a unanimous vote by the Board of the Port Authority, *“Since its creation some 17 years ago, the Port Authority has been a staunch advocate for the need to address the congestion and safety issues associated with rail operations at Nogales. Currently, only one vehicular overpass over the tracks exists at Nogales so, when the train is in the process of crossing, the train can block multiple east-west connectors in our community, essentially dividing Nogales in half. This is far more than a traffic inconvenience for our residents as it is also a blockade for emergency vehicles that are prevented from traveling from one side of the city to the other when the train is in the way.”*
- The letter also applauds the Memorandum of Understanding signed by the City of Nogales and the Municipality of Nogales, Sonora.
- A copy of the letter can be found in Attachment # 1.

9. US-MEXICO BINATIONAL BRIDGES AND BORDER CROSSINGS—WEST MEETING IN ARIZONA

- On October 26, the US Department of State and its Mexican counterpart, the Ministry of Foreign Affairs (SRE) hosted the US-Mexico Binational Bridges and Border Crossings – West meeting in San Luis, Arizona.
- This is the formal protocol meeting during which the two governments bring together all the relevant federal agencies and invite state agencies and project promoters to participate in the meetings.
- The meeting was focused on the western portions of the border, including Arizona and California on the US side and Baja California and Sonora on the Mexican side.

- During the public portion of the meeting, Supervisor Bruce Bracker and Josh Rubin, both members of the Board, presented on the need to modernize the DeConcini port of entry.
 - A copy of their presentation is provided in Attachment # 2.
- During the government only portion of the meeting, reserved for federal and state agencies only, there were intense discussions relating to all of Arizona's port of entry projects, including the need to modernize the DeConcini port of entry.
- During the government only meetings, the Mexican military played a much more prominent role in the meeting than ever before as they are now the agency tasked with the construction of any national infrastructure project, including ports of entry and railroads.



Pictures from Binational Bridges and Border Crossings Meeting in San Luis, Arizona.

Attachment #1

Copy of letter in support of Cross-border Rail Relocation Project



October 21, 2022

Mr. David Figueroa
Sonora State Representative in Arizona
Sonora State Office
1700 West Washington
Phoenix, Arizona 85016

Re: Relocation of Rail Crossing at Nogales

Dear David,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I write to express our support for the efforts to relocate the rail crossing at Nogales from the heart of our city to locations currently under consideration to the east of Nogales.

Since its creation some 17 years ago, the Port Authority has been a staunch advocate for the need to address the congestion and safety issues associated with rail operations at Nogales. Currently, only one vehicular overpass over the tracks exists at Nogales so, when the train is in the process of crossing, the train can block multiple east-west connectors in our community, essentially dividing Nogales in half. This is far more than a traffic inconvenience for our residents as it is also a blockade for emergency vehicles that are prevented from traveling from one side of the city to the other when the train is in the way.

We also applaud the recently signed Memorandum of Understanding by the City of Nogales, Arizona and the Municipality of Nogales, Sonora. We believe this to be a reflection that the issues and concerns that affect our community on the Arizona side are also a concern on the Sonora side. Relocating the international crossing to proposed locations to the east will clearly alleviate our concerns and will, we hope, create new opportunities for redevelopment of the areas that would be vacated.

Please know that we value rail as an essential component of our multimodal transportation infrastructure. In fact, our community was founded around a rail stop some 100+ years ago, thus the railroad is responsible for our very existence. Additionally, the Port Authority supports the efforts by Santa Cruz County to construct a back-to-back rail yard in the Rio Rico area that would supplement the transportation alternatives of the mining, agriculture, and manufacturing sectors that are essential to the economic wellbeing of our binational community.

Should you have any questions, please let me know.

Respectfully,

Jaime Chamberlain
Chairman

Attachment#2

Copy of Binational Bridges and Border Crossings Presentation

Greater Nogales Santa Cruz County PORT AUTHORITY

Modernization of DeConcini POE

Bilingual Bridges and Border Crossings – West
 October 26, 2022
 San Luis, Arizona

- Joshua Rubin, Vice-Chairman
- Supervisor Bruce Bracker, Past-Chair and Board Member

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MEMBERSHIP:

The Port Authority is tasked with advancing strategies to improve the ports of entry at Nogales and the quality of life for our residents.

- City of Nogales
- Santa Cruz County
- Fresh Produce Association of the Americas
- Nogales US Customs House Brokers Association
- Nogales Community Development Corporation
- INDEX – Maquila Association of Sonora
- Nogales Economic Development Foundation
- Santa Cruz County Mining Cluster
- Nogales Santa Cruz County Chamber of Commerce (Ex-Officio)

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NOGALES BY THE NUMBERS

- 2021: In two-way traffic:
 - 5.2 million cars
 - 13.2 million people
 - 1,359 trains
- Current growth rates in traffic indicate a prompt return to pre-pandemic levels for all modes – except for pedestrians
 - Pedestrian traffic at Nogales is down by more than 3/4s from its peak
 - Severe impact to downtown retail and local tax base

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MODERNIZATION OF SR-189

\$134 million modernization of SR-189

Funding includes:

- \$23 million Tiger Grant
- \$25 million Arizona Legislature appropriation
- \$12 million from City of Nogales and Santa Cruz County
- \$72 million from Arizona Transportation funding
- Completed March 2022
- Final piece of the Arizona-Mexico Corridor from Mexico City to the Arizona border

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SAMPLE CURRENT PROJECTS

Cold Rooms at Mariposa Port of Entry

- Offer Cold-Chain for temperature sensitive commodities
- Licensing Agreement signed with General Services Administration (GSA)
- with funding from the State of Arizona, Santa Cruz County, US Customs House Brokers Association
- Construction started September 1, 2022
- Anticipate completion in November, 2022

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Urgent Need to Modernize DeConcini

DeConcini presents an array of safety and security risks for both CBP and its users not seen at any other Port

- Last time major improvements early 1990's
- Primary lanes within a few feet of international boundary restricting ability to deploy technology
- Downtown merchants report loss of sales of up to 80% pre-Pandemic
- Downtown merchants rely on pedestrian traffic
- Heavily congested and landlocked
- Pre-COVID reported wait times of well over 10-hours during peak travel days
- COVID-19 forces new approach to ensure safety of CBP officers and traveling public


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Additional Challenges at DeConcini

Rail Crossing that runs through the heart of downtown



IOI (Sewage) Pipeline




Underground Stormwater Tunnels Directly Underneath



Greater Nogales Santa Cruz County PORT AUTHORITY

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NEED TO MODERNIZE DECONCINI



Greater Nogales Santa Cruz County PORT AUTHORITY

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Conclusion:

Urgent need to modernize DeConcini Port of Entry

- Situation growing worse
- Negative impacts to retail sector and local tax-revenues
- Need to create a safe work environment for CBP officers
- Need to address stormwater issues on both sides of the border
- Community working with EPA and GSA on the application of an Urban Design Study grant to maximize the impact of the anticipated investment at the port of entry
- **GSA Feasibility study currently underway**

Greater Nogales Santa Cruz County PORT AUTHORITY

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Greater Nogales Santa Cruz County PORT AUTHORITY

Joshua Rubin, Vice Chair

Supervisors Bruce Bracker, Past Chair

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