

July 27, 2018

TO: MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA

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

SUBJECT: **June Activity Report**

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

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

1. **Donation Acceptance Program Update;**
2. **Congressional Border Briefing;**
3. **AMC Summit;**
4. **Transportation Board Hearing;**
5. **SR-189 Fully Funded!**
6. **Representation of GNSCCPA with Key Entities.**

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

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

- Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
 - The Technical team is working with a local company to secure a competing bid.
- CBP has indicated that the project needs to advance as it has been well over a year since the project was approved.
 - Technical Team is working with new company on a turnkey alternative for the construction of the cold rooms.
- **Reminder:** information provided is limited due to Non-Disclosure Agreement signed that prevents public disclosure of detailed information.

2. ***AMC SUMMIT***

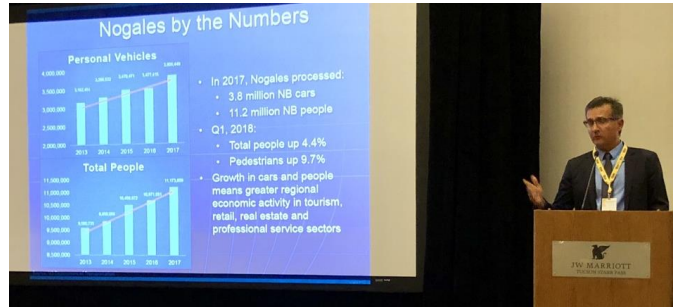
- On June 14-15, 2018, the Arizona-Mexico Commission, along with its sister organization, the *Comision Sonora-Arizona*, hosted the 2018 Summit at the JW Marriott Star Pass in Tucson.
- The meeting offered an opportunity to highlight the opportunities that exist in Nogales for investment and job creation.
- Among the many opportunities were:
 - Border Mayors Forum featuring:
 - Mayor John Doyle of Nogales
 - Mayor Robert Uribe of Douglas
 - Mayor Gerry Sanchez of San Luis
 - Mayor Doug Nicholls of Yuma
 - Mayor Jose Yopez of Somerton



Border Mayors Panel Discussion on business opportunities

- Additionally, various representatives from Nogales attended key committee meetings including:
 - Economic Development
 - Agribusiness

- Transportation, Ports, and Infrastructure
- Among various others



Chairman Valencia presenting during the Transportation, Infrastructure and Ports Committee

- There were a series of private meetings that also included a number of Nogales representatives, including border infrastructure, mining, and education.



Private meetings during AMC Summit, Border Mayors with US and Mexican Consuls

- Meeting of Border communities with 4 State Agencies (Arizona-Mexico Commission, Arizona Department of Transportation, Arizona Commerce Authority and the Arizona Office of Tourism) resulting in the agreement to create border community promotional videos. Additional commitments include:
 - Utilizing Mexico City office to disseminate information on Arizona's border region
 - Invitation of border communities to present in upcoming ADOT IBIQ seminars throughout Northwest Mexico



Border Mayors meeting with State Agencies on promoting the border

- Additionally, various Nogales entities were sponsors and were featured during the 2-day program, including the Nogales Customs Brokers Association, Arizona Mining and the Fresh Produce Association of the Americas.



Fernando Sandoval of the Nogales Customs Brokers Association; Jim Gowans and Gregory Lucero of Arizona Mining with Governors

3. ***CONGRESSIONAL BORDER BRIEFING***

- Taking advantage of the Summit taking place in Tucson, the next Arizona Border Congressional Briefing took place on June 14, 2018.
- 10 of the 11 congressional offices were represented during the meeting.
- Mayor John Doyle and Chairman Valencia participated in the discussions and presented during the meeting.
- Additionally, Customs and Border Protection along with ADOT gave updates on their respective activities.



Participants during Border Congressional Briefing



Nogales representatives during Congressional Border Briefing

4. ***TRANSPORTATION BOARD MEETING***

- On June 5, the Arizona Transportation Board held a Study Session in Phoenix.
- The Study session was focused on those projects that were to be added to the 5-Year Plan, including extensive discussions on the full funding of SR-189.
- This was the final opportunity for stakeholders to advocate for the SR-189 project.
- A strong delegation attended the meeting from Nogales, including:
 - Councilman Marcelino Varona
 - Councilman and Vice President of Arizona Mining Gregory Lucero
 - Supervisor Bruce Bracker
 - Supervisor Rudy “Bugs” Molera
 - Chairman Guillermo Valencia
 - Richard Rubin of INDEX
 - Lance Jungmeyer of the Fresh Produce Association of the Americas





Nogales representatives presenting during Transportation Study Session

5. ***SR-189 FULLY FUNDED***

- On Friday, June 15, 2018, the Arizona Transportation Board approved the inclusion of Phase II of the SR-189 Modernization project as part of the 5-Year Plan, Phase I and II to start concurrently in 2019.
- Pending are the Intergovernmental Agreements (IGA's) between the Arizona Department of Transportation and the City of Nogales and Santa Cruz County.
- The project was announced by Governor Doug Ducey during both private meetings and public sessions during the AMC Summit, garnering a lot of attention to Nogales and this project.
- **NOTE:** RAI-N would like to extend its congratulations to the leadership of the Port Authority for another resounding success on a project that took over 5 years and dozens, if not hundreds, of times of hearing "NO".
- A copy of the press release issued by ADOT on this announcement is provided in Attachment #1



Schematic of the SR-189 Full Build Out

6. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES

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

- 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 ADOT Press Release on Full Funding of SR-189



Arizona DOT / News / News / News Release

Media Center

State, local, federal collaboration clears path for full SR 189 project

Contributions by Nogales, Santa Cruz County key to advancing work

June 15, 2018

PHOENIX – Support from Nogales, Santa Cruz County, state leaders and federal officials will allow the Arizona Department of Transportation to begin work in less than a year on dramatic improvements to State Route 189, the 3.75-mile Nogales highway vital to international commerce.

In approving the annual update to ADOT's Five-Year Transportation Facilities Construction Program on Friday, the Arizona State Transportation Board endorsed ADOT's recommendation to move forward with a \$134 million project that will include flyover routes connecting both northbound and southbound lanes of SR 189 (Mariposa Road) with Interstate 19.



While the previous five-year program had funding for the first phase of the project, including a flyover ramp connecting northbound SR 189 and northbound I-19, the program approved Friday has funding for the entire project envisioned for the highway.

"Thanks to the leadership and vision of Governor Doug Ducey, state lawmakers, the Arizona-Mexico Commission, members of Congress and leaders in Nogales and Santa Cruz County, we will be able to move forward with all of these improvements that are critical to Arizona's economy," ADOT Director John Halikowski said. "A State Route 189 that can better support international trade will make Nogales, Santa Cruz County and Arizona better places to live and do business."

Building the entire project at one time, which will save about \$13 million, is possible because of funding from a variety of local, state and federal sources.

Nogales, Santa Cruz County and ADOT have agreed to contribute half of their revenue from overweight permits that trucking companies purchase when their loads exceed 80,000 pounds, usually with winter produce. That will raise about \$3 million per year for the next 15 years. Sharing revenue from the permits is allowed under legislation signed into law this year by Governor Ducey.

Arizona received a \$25 million federal Transportation Investment Generating Economic Recovery (TIGER) grant earlier this year. A \$25 million appropriation approved by the Arizona Legislature and signed by Governor Ducey allowed ADOT to begin construction in 2019, two years earlier than originally planned.

In addition to the flyover ramps connecting SR 189 and I-19, the project will include a bridge over Frank Reed Road as well as roadway and intersection improvements. For more information on the project, visit azdot.gov/SR189.

In November, the Federal Highway Administration cleared the way for work to begin with a Finding of No Significant Impact based on ADOT's environmental studies for the project.

Among the busiest land ports in the United States, the Mariposa Port of Entry is the gateway for a majority of the winter produce consumed each year across the country along with billions of dollars in other goods.

A hub for trade between Arizona and Mexico, the port accounts for more than \$8 billion in exports and \$7.2 billion in imports, and is directly responsible for more than 100,000 Arizona jobs. As many as 3,000 trucks a day enter the U.S. through the port during the busy winter produce season.