

Mesa wants to speed up Gateway freeway extension

by **Gary Nelson** - Jan. 15, 2009 11:41 AM
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Faced with a use-it-or-lose-it scenario for \$20 million in state money, the Mesa City Council decided Thursday to speed construction of a vital new Southeast Valley freeway.

Doing so will require the city to borrow up to \$217 million, costing Mesa \$6.2 million in interest payments.

But the council agreed building the first mile of the Gateway Freeway - State Route 802 - will be worth the money, not only easing traffic congestion but fueling massive development around Phoenix-Mesa Gateway Airport.

The freeway will run southeastward beginning at Loop 202. Its first mile will stop at Ellsworth Road. Eventually it will cross land now occupied by the General Motors Desert Proving Ground and connect with U.S. 60 somewhere between Gold Canyon and Florence Junction.

Construction is scheduled to begin in 2016. Mesa wants to start in 2012.

Mesa isn't paying for the freeway itself. Money for the Maricopa County portion - as far east as Meridian Road - will come from a regional half-cent sales tax approved by voters under Proposition 400 in 2004.

But as it did with the now-complete Mesa leg of Loop 202, the city can jump-start construction. Here's how:

- Mesa will issue bond-like instruments called highway project advancement notes. The first installment, for \$45 million, would pay for design and right-of-way acquisition. If Mesa later decides to speed actual construction of the first mile, it will issue notes for another \$172 million.
- These notes will be repaid over time by the Proposition 400 sales tax, which voters approved in 2004.
- Interest costs will total about \$39.6 million.
- Of that, \$20.4 million will be paid with money that the Legislature committed to the project in 2006.
- Country transportation funds will help pay the rest of the interest, but Mesa ultimately would be responsible for \$6.5 million. Those payments would begin in 2014 and be spread over three years.

It was that \$20.4 million pile of state money that helped prompt the council to act on Thursday.

Scott Butler, Mesa's intergovernmental relations director, said that with the state in dire budget straits, the Legislature might "sweep" that money back into Arizona's general fund. Council action now could help lock it up, Butler said.

Butler said the enormous price tag for the first mile of the freeway is due largely to the complex interchange that will tie it to a curving section of Loop 202.

With the first mile in place, he said, the airport could move forward with plans to build a passenger terminal along Ellsworth Road, directly across the street from an anticipated urban center being developed on the GM property by DMB Associates.