

**DRAFT MINUTE ORDERS ARE SUBJECT TO CHANGE
PRIOR TO COMMISSION APPROVAL**

**Discussion of American Recovery and Reinvestment Act (ARRA) Projects
and the Development of Substitute Projects**

DESCRIPTION:

The commission has approved the use of ARRA funding for 266 preservation projects and 28 major construction/mobility projects around the state. Staff is working with the FHWA, Texas's metropolitan planning organizations, tolling authorities, transit providers and local elected officials and communities to prepare these projects for bidding. It is wise and prudent however to prepare for the potential that one or more of these projects may not be able to proceed to contract as planned, and therefore it is crucial that a set of substitute projects be identified and developed to be ready to implement within the time frames required by the ARRA should this happen.

This discussion will update the commission on the activities the department and our partners have taken thus far to implement the previously approved ARRA-funded projects and present a proposed process recommended for use to identify and prioritize substitute ARRA projects.

ISSUES:

There are several issues related to the development of a list of substitute projects for consideration under the ARRA. These include:

- 30 percent of the highway and bridge funds were distributed to the MPOs and therefore the MPOs must also be prepared to deliver substitute projects;
- 3 percent of the highway and bridge funds must be obligated to enhancement projects and therefore substitute enhancement projects must be prepared to be delivered;
- States must have 50 percent of their funding obligated before June 30, 2009, and therefore any substitute projects used for projects scheduled in this time frame must be already prepared or able to be quickly; and
- Priority must be given to projects in economically distressed areas and that can be completed by March 3, 2012.

REFERENCES:

None

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DESIRED RESULTS:

Staff believes it is important for the commission to understand the status of department and the MPO efforts to deliver the ARRA projects and the need to have substitute projects identified and prioritized. This information will allow the commission to provide guidance for the continued development of this program of projects as well as offer alternative approaches to addressing these issues. This will enable TxDOT staff to prepare and implement projects in a timely manner to comply with the requirements of the ARRA and establish accountability for the delivery of these projects with all implementing partners.

FURTHER ACTIONS:

Staff anticipates receiving guidance from the commission on the proposed process for identifying and prioritizing the substitute ARRA projects.

OTHER:

None.