

TEXAS DEPARTMENT OF TRANSPORTATION

TEXAS TRANSPORTATION COMMISSION

MEETING

9:09 a.m.
Thursday,
July 29, 2010

Ric Williamson Hearing Room
Dewitt Greer Building
125 East 11th Street
Austin, Texas

COMMISSION MEMBERS:

Deirdre Delisi, Chair
Ted Houghton, Jr.
Ned S. Holmes
Fred Underwood
William Meadows

STAFF MEMBERS:

Amadeo Saenz, Executive Director
Steve Simmons, Deputy Executive Director
Bob Jackson, General Counsel
Roger Polson, Executive Assistant to the
Deputy Executive Director
Dee Hernandez, Chief Minute Clerk

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(2) the 290 East, Segments 1A, 2 & 3 Project,
from east of US 183 to east of State Highway 130
(Manor Expressway), (3) the US 183 South Toll
Project, from Springdale Road to Patton Avenue,
(4) a project to improve US 290 West from Joe
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- (MO)
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- b. **Eminent Domain Proceedings**
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ADJOURN 136

P R O C E E D I N G S

1
2 MS. DELISI: Good morning. It is 9:09 a.m.,
3 and I call the regular July 2010 meeting of the Texas
4 Transportation Commission to order. Note for the record
5 that public notice of this meeting, containing all items
6 on the agenda, was filed with the Office of the Secretary
7 of State at 4:11 on July 21, 2010.

8 Before we begin today's meeting, please take a
9 moment to set your cell phones on the silent mode, please.

10 Before we begin with the agenda, for the sake
11 of those not listening to our meeting yesterday, I want to
12 again congratulate our TxDOT employees and our executive
13 director, Amadeo Saenz, on being recognized by the
14 American Road and Transportation Builders Association.
15 Amadeo was named the Public Sector Entrepreneur of the
16 Year, and the LBJ Express and the North Tarrant Express
17 CDA projects were recognized as the Public-Private
18 Partnership Projects of the Year. So congratulations,
19 again, Amadeo, to you, and to our employees who worked on
20 those projects up in the Metroplex.

21 MR. SAENZ: Thank you, Madame Chair.

22 MS. DELISI: And as is our custom, we'll open
23 with comments from the commissioners, and I'd like to
24 start with Commissioner Meadows.

25 MR. MEADOWS: Thank you very much, Madame

1 Chair.

2 I just would like to welcome everyone here
3 today, and thank you for being here, thank you for your
4 attendance and participation. I know there are a lot of
5 items on the agenda that, by your presence here today, I
6 know that you're very interested in, and again, your
7 participation and attendance is appreciated. Thank you.

8 MR. UNDERWOOD: Good morning, everybody.

9 I want to give our condolences from the
10 commission and also all the men and women of TxDOT to the
11 Tony Overhultz family. This is a big issue with me.
12 We've lost another employee. We've got to be careful
13 where we work, and for the driving public, please watch
14 out for us. We're out here trying to do a job and trying
15 to help make the roads safer and better for you.

16 On a positive note, I want to thank our TxDOT
17 staff for all the work they've been doing on a program
18 called South Texas Natives. These funds were provided by
19 TxDOT, they've supported a program that we call South
20 Texas Natives. This was initiated by landowners who gave
21 the first \$200,000. TxDOT began matching gifts to this in
22 2001 and we became a significant partner.

23 And what this does is this release of native
24 grasses and shrubs for planting and restoration of
25 roadsides. This project has worked very well in that

1 commercial growers are now producing many of these seeds
2 for TxDOT and the commercial market. The reason why it's
3 worked so well is that the private people have provided
4 for every dollar that TxDOT puts forward, the private
5 individuals or organizations or whatnot provided \$2, so
6 for every taxpayer dollar, private industry has provided
7 \$2. And I'm excited and proud to say that we're doubling
8 our efforts for the coming year. So thank the staff and
9 for all those involved in it.

10 Thank you.

11 MR. HOLMES: That is a great program,
12 particularly for quail hunters, Bill.

13 (General laughter.)

14 MR. HOLMES: But not being totally facetious
15 about that, they are native grasses with great seeds and
16 it's great for flora and fauna.

17 I want to welcome, there are a whole bunch of
18 people from the Houston District, from Houston, from
19 Harris County, from Fort Bend County, all here
20 representing their area. We appreciate your
21 participation. I think it's important that you come and
22 wave your flag and talk about the projects that you're
23 interested in. I know some of you are going to be happy
24 and some disappointed, but we appreciate the passion that
25 you bring to the projects.

1 There are a number of people from the Hermann
2 Park Conservancy here that I have great fond memories of
3 from my childhood and was a happy honoree several years
4 ago by the Conservancy at Herman Park.

5 Thank you for your participation. I appreciate
6 all of you being here. Keep up the good work.

7 MR. HOUGHTON: And I echo my fellow
8 commissioners' remarks, and welcome to the commission
9 meeting.

10 Native grasses. Out in far West Texas we're
11 going grass? Native cactus we have, and mesquite and
12 those sort of things.

13 But welcome, again. And Commissioner Holmes,
14 it should be just a stimulating day here today. We'll
15 have a lot of fun. Thanks.

16 MS. DELISI: Good morning. Also one thing I
17 want to make sure everybody saw, I believe it was last
18 week, CNBC again named Texas as the top state in the
19 country to do business. And part of the criteria they
20 used is ranking states' transportation infrastructure, and
21 Texas ranks number one for transportation infrastructure
22 and that was one of the reasons why the state got the
23 overall ranking of the best place to do business. So I
24 thought that was a great honor and a good testament to the
25 hard work that TxDOT employees have been doing over the

1 years. So congratulations on that as well.

2 For everyone in the audience, I just want to
3 let you know up front I plan on deferring action on agenda
4 item 5(b)(3) which is the rules concerning billboards. So
5 if you're here for that, you don't have to stay; we're not
6 going to do it today.

7 So with that then, I just want to remind
8 everybody if you wish to address the commission during
9 today's meeting, please complete a speaker's card at the
10 registration table in the lobby. If you wish to speak on
11 an agenda item, please complete a yellow card and identify
12 the agenda item, please. If it's not an agenda item,
13 we'll take your comments at the open comment period at the
14 end, and for those comments, please fill out a blue card.
15 Regardless of the color of card, please try and limit your
16 comments to three minutes.

17 Our first item of business today is approval of
18 the minutes for the June 23 and 24 meetings and the
19 special meeting on July 2. Members, the draft minutes
20 have been provided in your briefing materials. I
21 understand that Commissioners Meadows and Underwood should
22 abstain from voting on the minutes for June 23 and 24
23 because they were not in attendance at those meetings. So
24 I'll take a motion to approve those two meetings.

25 MR. HOUGHTON: So moved.

1 MR. HOLMES: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 Now is there a motion to approve the special
6 meeting on July 2?

7 MR. HOUGHTON: So moved.

8 MR. HOLMES: Second.

9 MS. DELISI: All in favor?

10 (A chorus of ayes.)

11 MS. DELISI: The motion passes.

12 So with that, Amadeo, I'll hand the meeting
13 over to you.

14 MR. SAENZ: Thank you, Madame Chair.

15 And I guess first of all, with respect to the
16 award that the department got from ARTBA, it's really a
17 department award. We had a lot of people from the Dallas
18 District and the Fort Worth District, as well as our
19 Turnpike Authority Division, our Finance Division, and
20 other divisions, that worked long and hard to get those
21 projects to where they are today. And I'm happy to say
22 both projects have financially closed and both projects
23 are under construction, and it's a tremendous investment
24 in transportation for the Metroplex and the State of
25 Texas.

1 So really, the award that I received is really
2 an award for the department and for the employees who
3 worked on those projects, so I wanted to pass that on.

4 Our first item on the agenda today is a
5 resolution to honor our TxDOT employee who was killed
6 while working on a construction site last month.
7 Commissioner Underwood mentioned Tony Overhultz. Bob
8 Ratcliff is here today to receive the resolution and
9 return it back to the district and to the family. I would
10 like to take a minute, though, to read the resolution.

11 "Whereas, it is with profound sorrow that the
12 Texas Transportation Commission acknowledges the death of
13 Tony C. Overhultz who tragically lost his life on the
14 morning of June 30, 2010 while performing his duties as an
15 employee of the Texas Department of Transportation;

16 "And whereas, Tony served the Atlanta District
17 for twelve years, four months, and he loved performing his
18 job as a construction inspector;

19 "And whereas, Tony enjoyed life, his family,
20 including his son, Casey and his daughter, Katy, going on
21 cruises with his wife, Lori, spending time with friends,
22 hunting, and getting together with his morning coffee
23 group;

24 "And whereas, Tony demonstrated his dedication
25 and loyalty to the State of Texas and the citizens in the

1 work he performed every day to help accomplish the goals
2 of this agency;

3 "And whereas, this incident will forever serve
4 as a reminder of the sacrifices our employees make on
5 behalf of the department;

6 "And whereas, it is the desire of the Texas
7 Transportation Commission to honor his memory;

8 "Now, therefore, be it resolved that the Texas
9 Transportation Commission does hereby extend sincerest
10 sympathy to the relatives of Tony C. Overhultz, and that
11 this resolution be sent to his family.

12 "Signed today, the 29th of July 2010."

13 So Bob, I would like you to accept the
14 resolution and pass it on to the family for us, please.

15 MR. RATCLIFF: I will. Tony was a good
16 employee, and more than that, he was a good person.

17 For the record, my name is Bob Ratcliff. I'm
18 with the Atlanta District.

19 It was a tragic accident. The TxDOT family
20 will miss him; his community will miss him. His family
21 has got a lot of emotions right now, but I know that they
22 would appreciate this resolution, and on their behalf, I
23 thank you.

24 MR. UNDERWOOD: Amadeo, one thing I want to say
25 again just to remind everybody how important it is to be

1 careful and watch out for our people, and our people need
2 to watch out for each other. And remember, metal bends,
3 people break. Thank you.

4 MR. SAENZ: Thank you, Bob. And thank you,
5 Commissioner.

6 Moving on, the next item on the agenda that I
7 will ask the director of the Aviation Division, David
8 Fulton, to come up and present a minute order to award
9 airport improvement projects. David.

10 MR. FULTON: Thank you, Amadeo. Commissioners.
11 For the record, my name is David Fulton, director of TxDOT
12 Aviation Division.

13 This minute order contains a request for grant
14 funding approval for five airport improvement projects.
15 The total estimated cost of these projects is shown in
16 Exhibit A, approximately \$1.7 million: approximately
17 \$900,000 in federal funds, \$600,000 in state funds, and
18 \$200,000 in local funding.

19 A public hearing was held on June 17. No
20 comments were received. We would recommend approval of
21 this minute order.

22 MS. DELISI: Is there a motion?

23 MR. HOUGHTON: So moved.

24 MR. HOLMES: Second.

25 MS. DELISI: All in favor?

1 (A chorus of ayes.)

2 MS. DELISI: The motion passes.

3 MR. FULTON: Thank you.

4 MR. SAENZ: Thank you, David.

5 Agenda item number 4, commissioners, Bobby
6 Killebrew will present a minute order awarding federal
7 funds and transportation development credits for urban and
8 rural transit operators for replacement of public
9 transportation vehicles. Bobby.

10 MR. KILLEBREW: Good morning, commissioners.
11 For the record, I'm Bobby Killebrew, deputy director of
12 the Public Transportation Division.

13 Before you this morning I bring a minute order
14 that recommends awarding \$351,952 in federal funds and
15 64,640 transportation development credits to rural and
16 urban transit operators. The funds, if awarded, will
17 assist systems with the replacement of vehicles being
18 operated well beyond their useful life which contributes
19 to high maintenance cost, lower air quality, and chronic
20 service reliability.

21 Federal funds in this minute order come from
22 two funding programs, both which have realized project
23 savings resulting in unobligated balances. The award of
24 transportation development credits is consistent with the
25 commission's expressed intent to make available

1 development credits for the transportation purposes,
2 including fleet replacement. Funds are distributed to
3 transit operators based on relative needs, taking into
4 consideration fleet depreciation and replacement cost.

5 A contingency list of projects is proposed to
6 handle future funds that may become unobligated throughout
7 the course of implementation.

8 Staff recommends approval of this minute order.

9 MS. DELISI: Is there a motion?

10 MR. HOUGHTON: So moved.

11 MR. HOLMES: Second.

12 MS. DELISI: All in favor?

13 (A chorus of ayes.)

14 MS. DELISI: The motion passes.

15 MR. KILLEBREW: Thank you.

16 MR. SAENZ: Thank you, Bobby.

17 Agenda item number 5, commissioners, deals with
18 the promulgation of administrative rules. 5(a) deals with
19 final adoption of rules. John Barton will present a
20 minute order on Chapter 15, Transportation and
21 Programming, a minute order approving final rules.

22 MR. BARTON: Good morning, Director Saenz,
23 Chair Delisi, commission members, Roger. For the record,
24 my name is John Barton. I'm the assistant executive
25 director for Engineering Operations.

1 The minute order before you under item 5(a) is
2 a minute order that would adopt amendments to Chapter
3 15.55 of our current rules to remove the local cost
4 participation requirements for some of our off-system
5 highway bridge replacement projects that connect Texas
6 with our neighboring states.

7 The department has identified at least three
8 off-system highway bridge projects that would require
9 coordination with neighboring states when we get to a
10 point of replacing those, and the department feels like it
11 is in our best interest to provide that the State of Texas
12 and neighboring states facilitate these projects.

13 In the commission action Minute Order 112229
14 that you passed on April 29, 2010, we proposed amendments
15 to these rules. There were no comments received during
16 the public comment period.

17 And just to give you a brief analysis of the
18 situation, recently we've worked with the State of
19 Oklahoma looking at some off-system bridge projects,
20 specifically in two locations. These projects are located
21 in rural areas of the state here in Texas in counties that
22 are considered economically distressed, and it's often
23 difficult, and in these two situations it was impossible
24 for the local communities and counties to come up with the
25 necessary funds to make their match.

1 So these rule revisions would remove that
2 requirement from the county and have that the state pay
3 all of the necessary contribution which is 50 percent of
4 the cost of the project, while Oklahoma, in this case,
5 would pay the other 50 percent.

6 So staff recommends your approval of this
7 minute order and I'd be happy to answer any questions that
8 you may have.

9 MR. HOUGHTON: So moved.

10 MR. UNDERWOOD: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes.

14 MR. BARTON: Thank you.

15 MR. SAENZ: Thank you, John.

16 Agenda item 5(b), commissioners, deals with
17 proposed administrative rules. 5(b)(1) deals with Chapter
18 1, Management, and Rich O'Connell will present some
19 proposed rules dealing with contested cases.

20 MR. O'CONNELL: Good morning. My name is
21 Richard O'Connell, Office of General Counsel.

22 What you have before you, commissioners, is the
23 proposed repeal of the current rules in Subchapter E and
24 the proposed adoption of a new subchapter in its place.
25 The rules concern processing contested case hearings under

1 the Texas Administrative Procedure Act. This is how cases
2 are referred to the State Office of Administrative
3 Hearings and how TxDOT decides a case when it comes back
4 from SOAH. An example of that would be on your agenda
5 meetings when you are presented a proposal for decision on
6 an enforcement case about an outdoor advertising case.

7 The proposed rules would clarify several
8 procedural issues, for example, how a person files a
9 petition; all referrals to SOAH would be through Office of
10 General Counsel. A person cannot engage in ex parte
11 communications with the judge or the TxDOT decision-
12 making, calculation of deadlines, and issuance of
13 subpoenas.

14 The proposed rules would also change the
15 standard of review and burden of proof in some cases. The
16 SOAH judges were sometimes following TxDOT procedural
17 rules and sometimes not which led to unpredictable
18 results.

19 The most significant change relates to contract
20 claim cases which are SOAH cases also. The proposed rules
21 would show how interest should be calculated under the
22 Prompt Payment Act. The rule would help resolve contract
23 claim cases, both in settlement negotiations and in SOAH
24 hearings.

25 And finally, the staff asks to make one edit to

1 the proposed rules. We ask to strike the proposed Section
2 1.311(c)(4) because it duplicates Subsection (c)(2). That
3 was a mistake. We apologize for that.

4 The staff asks for your approval to publish the
5 proposed rules.

6 MR. HOUGHTON: So moved.

7 MR. HOLMES: Second.

8 MS. DELISI: All in favor?

9 (A chorus of ayes.)

10 MS. DELISI: The motion passes.

11 MR. O'CONNELL: Thank you.

12 MR. SAENZ: Thank you, Rich.

13 Commission, agenda item 5(b)(3) that dealt with
14 right of way billboards, that item will be deferred.

15 MS. DELISI: We skipped one.

16 MR. SAENZ: I'm sorry. The next item is
17 5(b)(2). Camille Thomason will present a minute order on
18 proposed rules dealing with grants and contract
19 management.

20 Sorry, Camille, I got ahead of myself.

21 MS. THOMASON: Not a problem. Good morning.
22 For the record, my name is Camille Thomason. I'm the
23 director of the Consultant Contract Office in the Texas
24 Department of Transportation's Design Division.

25 This minute order proposes amendments to

1 Sections 9.30 through 9.39 and Sections 9.41 through 9.43,
2 and the repeal of Section 9.32 of the rules concerning
3 contracting for architectural, engineering and surveying
4 services. Architectural, engineering and surveying
5 services are procured by the department in accordance with
6 Government Code Chapter 2254, Subchapter A, and 23 CFR,
7 Section 172.5

8 These proposed amendments are intended to
9 clarify and refine the language to improve consistency and
10 interpretation and application of procedures for provider
11 precertification, administrative qualifications, the
12 selection and evaluation of contracts. The proposed
13 amendments recognize an organizational change within the
14 department and identified the role that a region and
15 regional director perform in the contracting process.

16 Repeal of Section 9.32 relating to provider
17 services policy, this section is divided into two parts.
18 The first part repeats the department's commitment to use
19 private sector professional services, as stated in the
20 Transportation Code, Section 223.041. The second part
21 relating to the quarterly publishing of a list of
22 projected contracts on our website will be relocated into
23 Section 9.39.

24 It clarifies who may participate in the short-
25 list interview and restrictions on participants such as

1 the participant must be identified in the provider's
2 letter of interest. And a team member, if listed on more
3 than one competing LOI may only participate in one
4 interview, removes duplicate provisions related to the
5 HUB/DBE Program that are located elsewhere in the
6 Administrative Code, and recognizes the transfer of the
7 HUB Program from the Texas Building and Procurement
8 Commission to the Comptroller of Public Accounts.

9 To help the department maintain an accurate and
10 up-to-date database of those firms and employees actively
11 participating in the department's contracting program, we
12 require an annual update to data in the precertification
13 database, and also change the deadline for submission for
14 information regarding administrative qualifications,
15 extend the length of time that an audit report will remain
16 in effect from 18 to 24 months, and reduce the
17 administrative qualifications on firms with smaller
18 contracts or those who have a smaller participation in
19 larger contracts by raising the threshold amount from
20 \$250,000 to \$500,000.

21 Prior to proposing these amendments, staff met
22 with consultant industry representatives and considered
23 their input in drafting these rule revisions. I'll be
24 glad to answer any questions.

25 Staff recommends approval of this minute order.

1 MS. DELISI: Is there a motion?

2 MR. HOUGHTON: So moved.

3 MR. HOLMES: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. SAENZ: Thank you, Camille.

8 Now, commissioners, 5(b)(3), as the Chair said,
9 will be deferred. This will allow us the opportunity to
10 put the proposed rules out for public comment in a pre-
11 proposal format and allow the public comment and then
12 allow the committee that has been working on this for us
13 to take those comments and make any changes if any are
14 needed on the rules. So we are deferring that item at
15 this time.

16 The next item, agenda item number 6, deals with
17 the American Recovery and Reinvestment Act, ARRA, or as I
18 like to call it, the Economic Stimulus Program, and John
19 Barton will present a minute order that will address an
20 additional project that can be done through that program

21 MR. BARTON: Good morning. Again for the
22 record, my name is John Barton, and I do have the pleasure
23 of working as your assistant executive director for
24 Engineering Operations.

25 The minute order before you, commissioners, is

1 just one in a list of many that we've had before you to
2 add additional projects to those that are able to be
3 funded under the American Recovery and Reinvestment Act.
4 There are two exhibits to the minute order.

5 In Exhibit A, one project was added. I know
6 it's difficult to find; it's towards the bottom of the
7 first page of Exhibit A. It's a project in Cooke County
8 on Interstate 35 near the Gainesville community which will
9 provide some mobility relief on some connections to the
10 interstate as well as an overpass at US 82. This project
11 is now eligible to be funded through the Recovery Act
12 because of underruns on other projects, and we are nearing
13 the time where this will not be an opportunity for us. We
14 have to have all projects obligated by the end of
15 September of this year.

16 Also, we have found it necessary to take some
17 of the funding that was provided under the Recovery Act
18 for transit operations and reassign those within the
19 grants to those communities for other activities. So
20 Exhibit B to the minute order changes some of the funding
21 that was provided to some of the rural transit operators
22 in the State of Texas from certain activities to other
23 activities to allow them to fully utilize the stimulus
24 funding that was made available to them.

25 Staff would recommend your approval of this

1 minute order, and I would be more than happy to try to
2 answer any questions that you might have.

3 MR. HOUGHTON: John, what happens, I think you
4 said we have to have everything obligated by the end of
5 September.

6 MR. BARTON: Yes, sir, by the end of September.

7 MR. HOUGHTON: And we have projects that are
8 ongoing that could result in underfunding, we have money
9 available for other projects. What happens to those
10 monies?

11 MR. BARTON: Those projects that are currently
12 underway that will be completed either later this fiscal
13 year -- in other words next month -- we will remove
14 whatever money was left over from them and put it into
15 other projects in September. For projects that will go
16 beyond September, we're monitoring the expenditures on
17 those projects, and if we come up on a situation where it
18 looks like through the work that was in the original
19 contract, we're not going to expend all those funds, we
20 will consider opportunities to add additional meaningful
21 work to those contracts to be able to utilize those funds
22 completely.

23 MR. HOUGHTON: Would you call it a change
24 order?

25 MR. BARTON: Through a change order process,

1 yes, sir.

2 MR. HOUGHTON: But it has to stay on those
3 projects.

4 MR. BARTON: It has to stay on those projects
5 after the end of September. We won't have the ability to
6 move them to other projects after September. And if we
7 don't expend all the money on those contracts, they would
8 be lost. And, obviously, you've charged us with not
9 allowing that to happen, and so we'll put it to meaningful
10 work on those projects.

11 MR. HOLMES: John, do you have reason to
12 believe that maybe there will be some underruns on some of
13 those?

14 MR. BARTON: I do believe. We're monitoring
15 that right now and we have about 200 projects that will
16 not be completed before the end of September. We'll be
17 working with our district staffs to ensure that we fully
18 utilize those funds, and between now and September, if it
19 looks like it's not best to use it on those projects,
20 we'll de-obligate it from those projects and apply it to
21 other projects before the end of September.

22 MR. HOUGHTON: Thanks.

23 MR. BARTON: Thank you.

24 MR. HOUGHTON: So moved.

25 MR. HOLMES: Second.

1 MR. HOUGHTON: Or do we have people to talk?

2 MS. DELISI: We don't. There's a motion and a
3 second. All in favor?

4 (A chorus of ayes.)

5 MS. DELISI: The motion passes.

6 MR. SAENZ: Thank you. John will now present
7 agenda item number 7 dealing with our Transportation
8 Enhancement Program, and you have the minute order with
9 the recommendation on projects to be done under this
10 program.

11 MR. BARTON: Thank you, Director Saenz. And I
12 do have a brief presentation this morning that I believe a
13 copy of that was placed at your chairs this morning,
14 commission members, Director Saenz, as well as Mr. Polson.

15 Again for the record, my name is John Barton.
16 And I will briefly discuss the recent call for projects
17 that we've had under the Transportation Enhancement
18 Program and the staff analysis of those projects that were
19 submitted under this call.

20 As you know, the Transportation Enhancement
21 Program is a federally funded program that allows for
22 transportation choices and enhancements to the
23 transportation experience to be developed through projects
24 that fit within twelve specific categories of non-
25 traditional transportation activities that must relate to

1 the surface transportation system.

2 Some of the categories that are eligible under
3 the Enhancement Program are shown on this first slide. I
4 will just briefly touch on those. Facilities that provide
5 for pedestrian and bicycle pathways are certainly one of
6 the most popular categories and eligible activity. Also,
7 provisions for safety and education activities associated
8 with pedestrian and bicycle activities another important
9 and popular activity that many communities have considered
10 under this program.

11 Scenic easements as well as scenic or historic
12 site acquisitions are also an eligible activity, as well
13 as a scenic or historic highway program which can provide
14 for visitors' centers and facilities. Landscaping and
15 other beautification activities are also eligible, as well
16 as historic preservation activities. And then the last
17 one shown on this slide, the rehabilitation and/or
18 operation of a historic transportation facility such as a
19 railroad depot or a canal or other such related
20 transportation activities.

21 And then concluding the categories of eligible
22 activities is: the preservation of abandoned rail
23 corridors and then their conversion to hike and bike
24 trails, if you will, the inventory control and removal of
25 outdoor advertising within the state; archaeological

1 planning and research activities; environmental mitigation
2 activities to address water pollution to highway runoff or
3 to reduce vehicle-caused; and then the establishment of
4 transportation museums.

5 In addition to projects having to fit within
6 one of these twelve qualifying categories, they must also
7 meet two main criteria, that is, they must relate to the
8 surface transportation system and they have to be
9 determined eligible by the Federal Highway Administration.

10 And any time I have the opportunity to talk
11 about the Enhancement Program, I think it's important to
12 remind us all that it's not a grant program, as is
13 confused by many people that are associated with it.
14 Instead, as projects are developed and funded by the
15 department through this program, the sponsoring entity,
16 the community or entity that's actually delivering the
17 project has to pay for the work up front, and then as they
18 complete work, they can ask for reimbursement through
19 federal funds and the department reimburses them at that
20 time. So it's not a grant program, it's a reimbursement
21 program.

22 The department, through the commission's
23 action, has had six previous calls for projects under the
24 Transportation Enhancement Program. They're listed there,
25 and you'll notice that it's only showing five. We did

1 have a call for projects in 2005, but because of a lack of
2 funding and rescissions that we saw in the transportation
3 program at that time, that call was canceled.

4 In total, we've had 505 projects that were
5 selected by the commission for funding under the
6 Enhancement Program, with a value of about \$466 million in
7 total to date.

8 MS. DELISI: How many of those 505 haven't been
9 completed?

10 MR. BARTON: I don't know the answer to that,
11 Chair Delisi.

12 MS. DELISI: Do you know how much money remains
13 unspent?

14 MR. BARTON: Right now of that \$466 million, I
15 believe that about \$100 million of it has not yet been
16 spent, and some of that is for very significant set-asides
17 that were required. But there are several projects that
18 have not moved forward at this time, and I can get a
19 complete list of those for the commission, if you'd like.

20 MR. HOLMES: John, before you move away from
21 that, the ones that have not been completed or maybe even
22 not been started that have been on the list for a long
23 time, do they simply remain on the list, or at some point
24 when it's clear they're not going forward, are they de-
25 certified, or how does that work?

1 MR. BARTON: We do have the ability to move
2 forward with, I guess, canceling our agreement to fund
3 those projects. And we recently sent out a letter to all
4 those entities that have projects that have not moved
5 forward, and we've asked them to respond to us with their
6 plan for moving forward in the next two years, and if they
7 don't have a plan for doing that, then we would bring
8 forward for you consideration to, I guess, rescind the
9 approval of those projects for funding under this program.

10 MR. HOLMES: And don't I recall that there's
11 some from kind of the early and mid '90s that are on the
12 list?

13 MR. BARTON: There are some that go all the way
14 back to the original program call, yes, sir, from 1993.

15 MR. HOUGHTON: That we're still holding money?

16 MR. BARTON: Well, money is not being held for
17 those, there's just a commitment to move forward with
18 those projects. It's not like we have money sitting in
19 the bank waiting for them, but if and when those projects
20 move forward, we have committed to fund those projects.

21 MR. HOUGHTON: I mean, we're talking about the
22 mid '90s. When do you cut it off and say we have to move
23 on?

24 MR. BARTON: Based on our experiences, we've
25 started to include in our agreements that they have to

1 move forward within three years. Prior to that, we didn't
2 have that as part of the program.

3 MR. HOUGHTON: So they remain on there in
4 perpetuity, or how long?

5 MR. BARTON: Well, until we take action by the
6 commission to remove them.

7 MR. HOUGHTON: Can we not bring those forward
8 and see what we can do?

9 MR. BARTON: We can and we'll be happy to do
10 that. As I said, we sent out a letter. We've gotten
11 conclusion from most of them, and for those few that are
12 lingering, we'll wrap that up and then bring back for the
13 commission and action to formally rescind those from the
14 program.

15 MR. HOLMES: John, don't I remember that
16 there's one from '94 from the City of Houston that's still
17 on the list?

18 MR. BARTON: I believe you're correct.

19 MR. HOLMES: You might look at that.

20 MR. BARTON: I'll look at it. Before you leave
21 here today, I'll have that information available. I do
22 have it on my computer in the back room and I'll pull it
23 up at my earliest possible opportunity.

24 I just wanted to carry on real briefly that in
25 addition to the competitively selected projects, the

1 department has also used some of our Transportation
2 Enhancement funding for the construction of safety rest
3 areas around the state, as well as some bicycle and
4 pedestrian paths under the Safe Routes to School Program.
5 And we've also had several legislative riders in the past
6 three legislative sessions for specific projects around
7 the state.

8 As you'll recall, we just mentioned it, on
9 February 17 of 2009, President Obama signed into law the
10 American Recovery and Reinvestment Act. That particular
11 program created an economic stimulus package that set
12 aside specifically \$67-1/2 million for enhancement
13 projects, and the commission decided to move forward with
14 projects that were already selected in these previous
15 calls to use that \$67-1/2 million and directed staff to
16 issue this current call for projects of an additional \$67-
17 1/2 million under the normal Enhancement Program to offset
18 that Recovery Act balance, if you will.

19 So a notice for this particular call was posted
20 in the Texas Register on October 9 of 2009. As I
21 previously mentioned, we received 200 nominations for
22 projects by the deadline of December 11, 2009. And the
23 projects that we did receive were reviewed by the
24 department staff at the district level as well as our
25 division, and considered several factors such as a

1 technical analysis of the project proposal, the construct
2 ability of the project, the accuracy of its estimates and
3 whether it appeared to be in compliance with environmental
4 laws, as well as the federal regulations.

5 The division staff also looked at the
6 distribution of projects by category or type of work, the
7 types of distributions that had been provided across the
8 state on previous projects within the region, the quality
9 of the project estimates again, and the progression or
10 lack thereof of previous projects by any of the nominating
11 entities -- in other words, if one entity had been, I
12 guess, remiss in moving forward on their previous
13 projects, that was taken into consideration -- and then
14 evidence by the community for support of the project or
15 opposition to the project, if that was notable, and any of
16 the financial commitments that the community had made.

17 And then lastly, in accordance to our rules,
18 all the projects that were considered eligible by the
19 Federal Highway Administration were provided to the
20 Transportation Enhancement Project Evaluation Committee
21 which is a committee made up of six state agencies. Those
22 include the department ourselves, as well as the General
23 Land Office, the Texas Historical Commission, the Office
24 of the Governor's Economic Development and Tourism
25 Division, the Texas Commission on Environmental Quality,

1 and lastly, the Texas Parks and Wildlife Department.

2 Staff also took into consideration the local
3 government's priorities for communities that submitted
4 more than one project. We asked them to rank their
5 submissions. In addition, for projects that lie within a
6 metropolitan planning organization area, we asked for the
7 MPOs ranking of their projects from within their areas.

8 And based on all of those evaluations, 54
9 projects are listed on a list of staff's evaluation for
10 consideration by the commission. The total federal value
11 of those projects, the federal portion that would come
12 from the Enhancement Program, totals a little over \$76.6
13 million. And they're identified, this is one-half of it
14 and the other half is shown on the next slide, and I know
15 for the audience it's difficult to see those. I believe
16 it's Exhibit A to your minute order.

17 Obviously, the total is more than the \$67-1/2
18 million limit that as placed on this call by the
19 commission, but based on our past experiences with some
20 projects not moving forward, as we've just discussed,
21 other projects coming in under the estimates based on
22 current bidding conditions, I believe that it's acceptable
23 to approve this higher level of funding at this time. And
24 in the event that all the projects do move forward, they
25 all come in on budget based on this original estimated

1 value, then the use of additional federal funds from
2 future federal authorization bills would be necessary to
3 meet these commitments, but that's something, obviously,
4 we can plan and anticipate.

5 The minute order that is before you also
6 provides us with the authority and flexibility to select
7 other projects that are not in this analysis, not in this
8 54 projects that are listed here, to bring up and fund in
9 the event that at the end of this process we have money
10 left over or additional funding is made available through
11 some future authorization by the federal government.

12 So staff would recommend your approval of this
13 minute order, and I'd be happy to answer any questions
14 that you might have.

15 MR. MEADOWS: John, obviously, any time we have
16 a situation like this where we have so many good
17 applications and all worthy, certainly, and limited
18 funding, it makes this decision-making process a
19 challenging and difficult one, particularly with these
20 projects where there's so much passion involved around
21 many of them just because people really do care about
22 their communities, and these are truly enhancements to
23 community and quality of life.

24 I'm curious. You mentioned as we talked about
25 the process, because that really is, at the end of the

1 day, the most important thing that we do, and what we have
2 followed is really to adhere to an objective and
3 thoughtful process that evaluates all of these
4 applications, and really, you come back then, therefore,
5 and recommend those that you feel like truly are -- not
6 you but our process yields a result that says these are
7 the best of all the worthy projects received.

8 You mentioned one of the criteria, I believe,
9 that was considered were allocations from previous calls,
10 allocations by geography from previous calls?

11 MR. BARTON: That is correct.

12 MR. MEADOWS: I wasn't aware of that and it
13 makes sense to me. I'm just curious if we have that, if
14 the commission has that information. In other words,
15 going back to the previous calls that we've had, if we
16 take a snapshot and really look at this more holistically
17 in terms of where monies have been allocated statewide.

18 MR. BARTON: It was provided, I believe, in the
19 briefing document that was provided to the commission.
20 Specifically, we can look at a past regional analysis, and
21 we have some information on that that we can provide to
22 the commission if it wasn't readily apparent.

23 MR. MEADOWS: Well, regardless of what action
24 we take today, I think it might be helpful for the
25 commission just to see that broken down just as a snapshot

1 and just go back and look, because that is going to be a
2 factor and that is going to be a consideration, and just
3 make sure that there's fairness in the allocation of these
4 funds over a period of time, from the inception of these
5 programs. Thanks.

6 MR. BARTON: We'll be happy to do that.

7 MR. MEADOWS: Okay. Thank you very much.

8 MR. HOLMES: John, didn't you actually have
9 a -- didn't I get an email from you or a proposal from you
10 to suggest some type of weighting that was a little
11 different than what we're doing now?

12 MR. BARTON: Yes, Commissioner Holmes, as we
13 discussed, because of your interest in the program and
14 evaluation of this particular item today, as we move
15 forward in the future, one of the things that came out of
16 our programming and planning process that we worked with
17 our metropolitan planning organizations and members from
18 around the state on this past year, was a recommendation
19 to allocate some of the funding under this Enhancement
20 Program for future calls through a formula-driven process.

21 That is currently proposed in the rules that
22 we've had for public comment and will be bringing before
23 the commission next month for formal adoption on our
24 planning and programming process.

25 To just briefly describe it, half of the

1 enhancement funds, if any are made available in future
2 federal authorizations, would be distributed to the large
3 MPOs, those that are referred to as transportation
4 management areas, there are currently eight of those in
5 the State of Texas. So half of the funding would be
6 allocated to those communities or those MPOs based on
7 their percentage of the population in those large
8 metropolitan areas of the state, and those MPOs would then
9 select projects for funding under that particular portion
10 of the funding.

11 The remaining 50 percent would be handled
12 through this process by the commission to select projects
13 from all areas of the state based on the application
14 process we currently have.

15 MR. HOLMES: And that is out for public comment
16 now?

17 MR. BARTON: The public comment period actually
18 has closed and we're bringing it back for consideration
19 for formal adoption by the commission in your August
20 meeting.

21 MS. DELISI: Any other questions for John?

22 (No response.)

23 MS. DELISI: Then at this time I'd like to call
24 up Ashley Williams.

25 MS. WILLIAMS: Good morning. I'm Ashley

1 Williams. I'm with the City of Temple, I'm the
2 sustainability and grant manager. And we would just like
3 to thank you for this opportunity of accepting this
4 program funding.

5 We are currently working on a medical and
6 education district with a master plan that we are
7 currently putting two phases of trails in. This will be
8 the first phase. And we would just to thank you that this
9 would connect these major entities within this area. So
10 thank you.

11 MS. DELISI: Thank you.

12 Larry Brown.

13 MR. BROWN: Greetings, Highway Commission
14 members. Our purpose for coming before you today is to
15 pursue something that I believe is important not only to
16 the Brownsville community but also the state as well as
17 the nation.

18 First of all, my name is Larry Brown. I serve
19 as the director of aviation of the Brownsville South Padre
20 Island International Airport. I have with me David
21 Houston who is the vice chairman of the Brownsville
22 Economic Development Council, as well as Chris Houston who
23 is one of the key board members associated with the
24 Commemorative Air Force.

25 In summary, our purpose for coming before you

1 is to pursue funding to build a building that we can tell
2 a story in. The story has to do with the history of
3 transportation, not only the South Texas area but of the
4 state as well as the country.

5 May 1846, for example. There was a roadway
6 that connected Matamoros, Mexico with Port Isabel. Along
7 that roadway, the U.S. Army met with the Mexican Army.
8 The results of those actions ended up in Texas becoming
9 and having the opportunity to become a state, as well as
10 several other states becoming a part of the Union.

11 Jump forward a few decades, March 1929. In
12 Brownsville, Charles Lindbergh and Amelia Earhart cut the
13 ribbon dedicating the airport. Charles Lindbergh was in
14 the process of creating and dedicating the first U.S. Air
15 Mail flight between Mexico City, Brownsville and New York
16 City. Amelia Earhart earned her private pilot's license
17 in Brownsville by borrowing the airport director's plane.

18 In addition to that, jump forward again, in
19 1943 the U.S. Army Air Corps, working with General
20 Electric, developed the first U.S. made jet in secret in a
21 hangar that still exists at the Brownsville Airport. That
22 jet engine was the first one that was actually attached
23 and made a part of the first U.S. made fighter plane.

24 Jump forward some more years. Pan American
25 Airways, for example, this was also where Pan American

1 Airways started its business throughout the world flying
2 people from all over the world.

3 Jump forward to the present time. We are also
4 pursuing the construction of this facility so that we are
5 able to take advantage of the facility for a multi-use
6 purpose, and that is evacuating people in the event of a
7 hurricane. Illustrations: Hurricane Dolly and Hurricane
8 Alex. The airport plays a key role in terms of moving
9 people out of the community to safer destinations.

10 That's my time. Let me turn it over to David
11 for a few words.

12 MR. DAVID HOUSTON: I only have a few seconds,
13 but this facility would be a job creator, improve tourism
14 and a complete transportation museum featuring our
15 deepwater port, the river boat traffic that used to be on
16 the Rio Grande River, bridges, rails, highways, and of
17 course, aviation.

18 We appreciate very much the commission's
19 consideration, and thank you for this opportunity.

20 MR. CHRIS HOUSTON: Thank all of you for your
21 service to the state and to our community at large. And
22 we want you to know that if we're unsuccessful this year,
23 we will indeed be back next year hoping that there are
24 more funds coming down the way. So thank you very much.

25 MS. DELISI: Thank you.

1 Michael Kramer.

2 MR. KRAMER: Thank you, commissioners. My name
3 is Michael Kramer, assistant director of the City of
4 Houston planning and development department. It is a
5 pleasure to be here today to discuss our 2010
6 transportation enhancement applications.

7 The City of Houston prepared six applications
8 and we partnered with several others for other
9 applications. All of the applications were prepared with
10 substantial cooperation of the City of Houston planning
11 department and public works and engineering department
12 staff, management district and tax increment reinvestment
13 zone boards and members, as well as individual
14 stakeholders and concerned citizens. All groups worked
15 closely with TxDOT's Houston District bike-ped coordinator
16 in completing their applications.

17 The 13 applications represent the Houston
18 region well. The proposals cover a wide range of diverse
19 communities, all in need of improvements in pedestrian and
20 bicycle realms. Some proposals lie within very dense
21 urban areas of the city, while others are more suburban in
22 nature. Still others benefit or enhance existing city or
23 county park trails and recreational facilities. Others
24 will provide needed pedestrian access to schools and
25 transit facilities.

1 Houston's area contains a number of major
2 employment and activity centers, such as the Texas Medical
3 Center, the Uptown District, and the Energy Corridor,
4 where connectivity for pedestrians and bicyclists to
5 transit and recreational opportunities is becoming more
6 important to the provision of good quality of life.

7 In the 2010 Transportation Enhancement
8 application call for projects, the city reached out to a
9 number of groups and encouraged them to make application
10 for quality projects. Additionally, the planning
11 department and public works and engineering offered to
12 help groups prepare their applications focusing on project
13 use and benefits, the project time estimates, and
14 realistic budget projections.

15 We reviewed several draft applications through
16 our review period, refining the applications so that they
17 were easy to read and understandable. We are proud of the
18 13 applications we've submitted for the region and the
19 city. We have several applicants in the audience today
20 who would like to follow me in speaking to the commission
21 about their specific projects.

22 That concludes my remarks. I'm available for
23 any questions.

24 MS. DELISI: Barry Goodman.

25 MR. GOODMAN: Thank you, Madame Chair and

1 commissioners. I have a memorandum I'd like to pass out.
2 I come here not to speak about a specific project but as a
3 practitioner of federal- and state-funded projects for
4 over 40 years, having started my career as senior legal
5 counsel of the Federal Transit Administration. And having
6 worked with many, many great applications over the year, I
7 want to talk just a little bit about some thoughts about
8 this program. So if I may, I'll pass out this memorandum.

9 I've been working with your staff, and
10 specifically Commissioner Holmes, about some ideas and
11 thoughts I have regarding this program, some of which have
12 been talked about by commissioners today and some by Mr.
13 Barton.

14 The program, in my opinion, has been troubled
15 over many years because of a variety of restrictions and
16 requirements that have resulted in substantial delay in
17 implementation. And one of the things that I wanted to
18 convey to you is that, as you know, there are always many
19 more worthwhile projects than can be funded by this
20 commission, even when you have a call for substantially
21 more money, when more money is available than in this
22 call.

23 But what I'm conveying through this memorandum
24 is that in this era of sparse resources, we should
25 consider projects or rank those projects that are truly

1 shovel-ready a little bit higher than any other projects,
2 and that our ability to leverage this enhancement funding
3 with local taxpayer dollars is very important.

4 I think that one of the biggest stumbling
5 blocks of the projects are that representations are made
6 that the local share is available when projects are
7 presented through the process, the vetting process to the
8 district and to the commission, but that local share
9 sometimes evaporates and becomes difficult to provide, and
10 hence, you have long delays in project implementation or
11 often projects don't get implemented. So I welcome the
12 comments today about maybe looking at the de-obligation of
13 funds for those projects and reobligation for worthwhile
14 projects.

15 In my opinion, one of the criteria that ought
16 to be included in the evaluation is if the project sponsor
17 is willing to design that project in accordance with TxDOT
18 requirements and have it ready to go for implementation
19 when the money is available through enhancement funding.
20 I think that is an important criteria because it would
21 evidence a real commitment of local sponsors to actually
22 undertake the project and that they have the money to do
23 it at that time.

24 We have some individuals that are going to talk
25 about their projects, but I know in one case, in the case

1 of the Uptown Houston Water Wall, you have a \$10 million
2 project that has been fully committed by the project
3 sponsor with local taxpayer dollars. They're asking for
4 about \$1.3 million. That represents to me substantial
5 leverage, something that should be taken into
6 consideration.

7 I will also tell you, in terms of a project
8 that is on the recommended list, that based on meetings
9 that have taken place recently with representatives of
10 League City and Commissioner Holmes, it was determined
11 that the particular FM project, a bypass proposed in the
12 city, FM 518, should not be pursued by the city and that
13 they want to pursue with TxDOT a more comprehensive, long-
14 term solution. And what that has done, and I talked to
15 the mayor yesterday about this, she says to tell you that
16 that project scope is somewhat reduced which will provide
17 and leave some more money on the table for perhaps other
18 projects.

19 So I wanted to let you know that. That's a
20 decision that was just made in the last week based on
21 discussions with TxDOT that that project, which is greatly
22 opposed by the local public through public meetings, is
23 probably going to be deferred and probably will never
24 happen. So two-thirds of the project is still relevant
25 and the city wants to pursue it, but the scope of it has

1 been somewhat reduced.

2 So in general, my broad message is that I think
3 creating a contingency list of the most worthwhile
4 projects that can't be funded now because of the scarcity
5 of funds, but when there are additional funds, and we know
6 there will be whenever a new Transportation Bill is
7 authorized, those projects might get first consideration.
8 We might take part of the money in the new call and have
9 the sponsors recertify they've got the money, all the
10 conditions, the representations are still there, and give
11 those projects first crack before we go into another
12 competition.

13 I think because of the passion and energy that
14 goes into creating these, by TxDOT doing that, it would
15 send a tremendous message out to those cities in Texas and
16 those other subdivisions that really rely on this funding.

17 And thank you very much. I'd be happy to
18 answer any questions you have.

19 MS. DELISI: Thank you very much. Any
20 questions?

21 (No response.)

22 MS. DELISI: Thank you.

23 Deborah January Bevers.

24 MS. BEVERS: Good morning. I'm Deborah January
25 Bevers. I'm here representing the Greater Houston

1 Partnership and the Quality of Life Coalition. The
2 partnership is a leading business community in the Houston
3 region and it recognizes that transportation enhancement
4 style projects contribute to critical economic development
5 needs, particularly in an urban area as large as the
6 Houston region.

7 For the 2010 Transportation Enhancement call,
8 the City of Houston submitted a little over \$21 million
9 worth of projects, and you're going to hear about them
10 here in just a minute. The projects represent a
11 collection of visionary projects by organizations working
12 together on cost-effective and collaborative
13 transportation and recreational solutions for all Houston
14 residents, including the one million that are expected
15 additional people that will be arriving by 2025 within the
16 city limits, and 2.6 million that will be arriving within
17 the five-county region surrounding Houston. And all of
18 these projects contribute to the quality of life for all
19 the residents, particularly the ones in the specific
20 communities.

21 Just to give a little bit on statistics based
22 on some questions that you all asked earlier, related to
23 Houston, anyway. During past lettings, TxDOT has awarded
24 \$466.3 million statewide which John mentioned in his
25 slide. Of that total, Houston has received \$85.9 million,

1 or about 18.4 percent. If you include the projects that
2 are listed today as being recommended, then Houston would
3 receive \$103 million, or 19 percent of the total over the
4 life of the program.

5 However, Houston, to give you a little bit of
6 comparison in terms of Houston related to population and
7 GDP, Houston's population currently is 24 percent and its
8 GDP is 33 percent. So if you were to base it on that type
9 of ranking in terms of how you distribute the funds, then
10 Houston is receiving a significantly less amount than
11 population or in GDP.

12 I'm now going to let you hear from all these
13 exciting projects, but I want to thank you for those
14 projects that do get approved and let you know that the
15 business community does recognize and appreciate all the
16 hard work that goes into making those decisions. Thank
17 you.

18 MS. DELISI: Thank you.

19 John Breeding.

20 MR. BREEDING: Madame Chairman, fellow
21 commissioners. My name is John Breeding. I'm president
22 of the Uptown Houston District in Houston, and I come
23 before you today to talk about the Transportation
24 Enhancement Program. We were proud to submit to you an
25 application of a grant of \$1.3 million to help

1 rehabilitate the iconic Water Wall Park in Houston.

2 Each year over 24 million people visit
3 Houston's Galleria and many of them are attracted to the
4 park. This 2.8-acre lush green oasis in the middle of one
5 of the state's busiest urban centers really provides an
6 attraction not only in Houston but statewide.

7 The focus of the park is the word famous Water
8 Wall where over 12,000 gallons of water a minute pour over
9 its sides, it's over six stories tall. I think probably
10 many of you have either visited, driven by or seen it.
11 The Water Wall visitors represent the diversity of Houston
12 and its entire population, as well as State of Texas as
13 well.

14 Very interesting thing, the Uptown is very much
15 an attraction for international business travelers,
16 international visitors, and this is probably the very
17 first public space that international travelers see in the
18 State of Texas.

19 Water Wall Park is now over 25 years old. The
20 original design did not ever anticipate the amount of use
21 that it has, and in 2008, the local entities purchased the
22 park from a private group for \$8.5 million. Each year we
23 spend over \$400,000 to maintain this facility, and I think
24 you can appreciate the significance of that local
25 commitment.

1 The applicant, the Uptown Houston District, is
2 an FTA grantee. We have a very long history of
3 undertaking very large projects that are fiscally well
4 managed and implemented in a timely manner. TxDOT and
5 Uptown were partners on the landscaping of Interstate 610,
6 the West Loop, as it passes through our area, and we
7 continue that partnership as the Uptown District maintains
8 those improvements on the freeway right of way.

9 In conclusion, I respectfully submit the
10 following request. We would like for TxDOT to allocate
11 these funds on a proportional share based on our
12 population or our GDP. If that had happened, this
13 project, which we think is a very worthy project, would
14 have been funded.

15 And secondly, I'd like to second Mr. Goodman's
16 request that we create a contingency list. As you can see
17 by the projects that haven't been implemented that you've
18 awarded as early as 1993, somehow institutionally you
19 could actually be able to pull those projects off or
20 perhaps pull them out and put them at the back of the line
21 and move projects that are ready to go.

22 Our project, for example, we have acquired the
23 land, we are operating it, we have designed the
24 rehabilitation improvements, and we're trying to find some
25 way to find the funds to make it happen.

1 I thank you for your time, your patience and
2 your consideration. If you have any questions, I'd be
3 more than happy to answer them.

4 MS. DELISI: Thank you very much.

5 Jamie Brewster.

6 MS. BREWSTER: Jamie Brewster with the Upper
7 Kirby District in Houston. Madame Chairman,
8 commissioners, thank you also for this opportunity for me
9 to address you about a project that we have in the Upper
10 Kirby District.

11 The Upper Kirby District was created in 1997 by
12 the state legislature. We address public safety, we
13 emphasize economic development, beautification of public
14 right of ways, and beginning in September, we will begin
15 the maintenance of the rights of way between Buffalo
16 Speedway and Shepherd Drive along US 59.

17 We have submitted a project that is underpasses
18 on US 59, there are four. These are just pictures of
19 examples of the condition of them right now, and I'll
20 leave these here. We also have major projects going on.
21 Kirby Drive, we're repaving it and doing storm drainage
22 work. The underpasses at Shepherd Greenbrier, Kirby and
23 Buffalo Speedway are the ones that we've asked for
24 funding.

25 We have pedestrians trying to cross from the

1 hotels to the restaurants and to the other services in the
2 area, and often there are vagrants camping out around the
3 freeway area which we have a constant problem, and the
4 lighting is atrocious. By enhancing these overhead
5 roadways with lighting and adding supplemental pedestrian
6 lighting and creating a defined unobstructed walkable
7 area, these underpasses will become connectors rather than
8 obstacles.

9 The past two years, the Upper Kirby District
10 has implemented some \$18 million in capital improvements
11 and have done so on time and, I'll add, under budget. If
12 funded, we can begin this work within twelve months. This
13 is a project that can be implemented now and it is a
14 project that can make an immediate and lasting impact on
15 public safety and one that will promote multimodal transit
16 within our district and within the Greater Houston area.

17 I would also request, as Mr. Breeding and Mr.
18 Goodman, that there be a contingency list and that our
19 projects that are, in fact, shovel-ready could be
20 implemented at this time.

21 Thank you for your time.

22 MS. DELISI: Thank you.

23 Jason McLemore.

24 MR. McLEMORE: Hello. For the record, my name
25 is Jason McLemore. I'm with the Greater Southeast

1 Management District. On behalf of the Greater Southeast
2 Management District board of directors, we'd like to thank
3 you for this opportunity to come and speak to you on
4 behalf of the request.

5 The Greater Southeast Management District is a
6 municipal management district created in 2001 at the state
7 legislature. It covers and includes historic Third Ward,
8 part of the Texas Medical Center that were discussed
9 earlier, Texas Southern University and the University of
10 Houston.

11 The Greater Southeast Management District has
12 the highest local ridership of the Metro service area,
13 approximately 25 percent, and when the lines are complete,
14 we'll host three light rail lines that will go through the
15 area.

16 We are also an established FTA grantee and have
17 successfully executed FTA grants to improve pedestrian and
18 transit access. The Greater Southeast has been awarded
19 transportation development credits by this commission --
20 we'd like to thank you for those -- for the federal
21 Discretionary and CMAQ funds which will further enhance
22 the pedestrian environment and improvements ranging from
23 sidewalks to ADA ramps and even solar lighting.

24 These funds are critical for the Greater Third
25 Ward area because of suburban flight. Many years ago, a

1 lot of the people that lived close to downtown went out to
2 the suburbs and we have an ailing infrastructure and the
3 pedestrian improvements need lots and lots of work. These
4 funds are critical because these will allow our transit-
5 dependent population, as well as our pedestrian population
6 to have easier access and a safer access around our major
7 corridors and some of the highways.

8 In conclusion, the Greater Southeast
9 appreciates the consideration by this commission for our
10 individual project. We would also like to underscore the
11 need for the Houston-Galveston MPO region to attain TE
12 funding levels commensurate with our population and
13 demographics.

14 Along with our special districts in the area,
15 we are committed to being successful partners in project
16 implementation and improvements in the Texas
17 transportation system. We believe that the economic
18 success of our community is linked to reinvestment in the
19 larger transportation system in our urban core.

20 I am available for any questions.

21 MS. DELISI: Thank you very much.

22 Theola Petteway.

23 MS. PETTEWAY: Good morning, commissioners. My
24 name is Theola Petteway. I'm with the OST Alameda
25 Corridor's Redevelopment Authority, and Jason McLemore,

1 with the district, that just spoke before me, represents a
2 broader, bigger section of the same part of Houston that
3 we work in which is the historic Third Ward inner-city
4 neighborhood, which, just in case someone is not quite
5 familiar with it, I always bring it back to TxDOT to the
6 fact that Third Ward was Third Ward because it was part of
7 the original City of Houston but is also where three of
8 the major highways, 59, 45 and 288 intersect. So if you
9 kind of know where those areas are, then you know where we
10 are.

11 So part of the things that we're doing as a tax
12 increment reinvestment zone is implementing not only
13 infrastructure improvements to upgrade the deteriorating
14 inner-city area that's been neglected for decades -- the
15 streets, the sewers, the sidewalks, all of those things
16 are in very, very much disrepair, and of course, a lot of
17 the area is abandoned -- our reason for existing as a
18 redevelopment authority is to help stimulate the
19 development and redevelopment in the area, and also to
20 leverage all of the funding that can be drawn in to help
21 turn the area around.

22 One of the things that is true about our area,
23 it's one of the heaviest pedestrian areas for people using
24 public transit, but it's also an area with the freeways,
25 many of them not always easily accessible within the areas

1 to connect people easily by encouraging the use of
2 bicycles and the pedestrians actually walking where you
3 can get to the schools, the universities and things like
4 that.

5 So the application that we've submitted is
6 called Elgin and Its Pathways, and we were saddened to
7 find out that the recommended list did not include our
8 project.

9 It's designed to connect an existing project
10 that came into our area, the Columbia Tap, from the
11 Columbia Tap project back over to and through some
12 historic areas of town that we feel would bring people
13 from downtown using the Columbia Tap or from Hermann Park
14 and the trails along the bayou into the area into a
15 historic park that we're redeveloping as an attractor for
16 the City of Houston.

17 The site where that park is located and the
18 history of the park is one that is technically the first
19 park in the City of Houston. We're working to redevelop
20 it, to have it be something to draw people into Houston,
21 and of course, the State of Texas, and we want to have the
22 whole presentation of it connecting the entire city which
23 is from downtown to the Medical Center, to the parks and
24 all of that.

25 And then the pathway project that we have would

1 take you from the Columbia Tap, through and to the park,
2 down Elgin, over to 59/288 area, and also down Ennis from
3 Elgin over to where one of the rail stops is being
4 proposed for Metro that would also allow pedestrians and
5 bicyclists from all over the area to be able to have
6 accessibility.

7 We would like to have it be reconsidered to
8 have our project, either through the process of your
9 decision-making be elevated for funding in this round, or
10 as has been discussed by others from our area, that we
11 begin to get the priority list so that we can get our
12 project going, because the matching funds, in partnership
13 with the city, is available to be able to move forward on
14 it.

15 We have an existing project that's in the last
16 phase of getting finished, one of the STEP projects, the
17 OST and Griggs landscape project that's moving
18 successfully. Part of it was finished a few years ago.
19 And I'd also like to add that the slowdown on the second
20 part of the project was because TxDOT was working on
21 getting stimulus money, and so the money that was
22 dedicated to our project because we were shovel-ready and
23 ready to move on part two, got programmed into the
24 stimulus money. And so it was redone with the revised
25 advanced funding agreement and now that project is going.

1 So we feel that we're ready to come back in and
2 move on our project because we were also part of the
3 process to help get the State of Texas more money.

4 We again support the recommendation that there
5 be a proportional allocation of funds for Houston which
6 has, over time since the beginning of that long list of
7 projects, not received our fair share of it. And we also
8 realize that by doing that, we'll be able to make up for
9 some of that deficit if that process of prioritizing those
10 Houston projects for funding is a part of your decision-
11 making.

12 And thank you very much for consideration of
13 our request.

14 MS. DELISI: Thank you.

15 James Robertson.

16 MR. ROBERTSON: Thank you, Madame Chairman,
17 commissioners. My name is James L. Robertson, and I'm
18 here representing the Hermann Park Conservancy. I say
19 this modestly, but I think that the Hermann Park
20 Conservancy, along with the City of Houston, represents
21 the finest in public-private partnerships. It has been
22 very successful in the rehabilitation of Hermann Park.

23 Commissioner Meadows and Mr. Goodman both
24 highlighted the fact that you have many worthy projects
25 before you, and I don't envy your task in deciding which

1 to fund. However, I'm here with respect to the Fannin-
2 Main Esplanade project, it's number 41 on your list, and I
3 submit to you that it meets at least six of the twelve
4 criteria that you've set out in your evaluation process.

5 As I would expect all of you to know, Fannin
6 and Main are the most important corridors in Houston. The
7 specific location where this enhancement will occur is the
8 area where 85,000 vehicles per day traverse. It connects
9 our major art museums and our major art venues. The
10 Museum of Fine Arts Houston is connected by these streets;
11 the Houston Museum of Natural Science is connected by
12 these streets.

13 And I might add a little known fact which I
14 learned only recently, and that is our Houston Museum of
15 Natural Science attracts more visitors than any other
16 natural science museum in the country.

17 The Menil Collection is connected by these
18 corridors. Rice University -- that needs no further
19 explanation, is serviced by these corridors. Our major
20 sports venues are at the ends of these corridors, as is
21 our downtown.

22 And I would be remiss, obviously, if I didn't
23 mention the Texas Medical Center. I never thought it was
24 apt to call it the Texas Medical Center, though, I think
25 it should be renamed the World Medical Center because, in

1 fact, the world does congregate at the Texas Medical
2 Center and take advantage of the world class innovations
3 that occur in that area. It is connected by these streets
4 of Main and Fannin.

5 And finally, I'd be certainly remiss, as part
6 of the Hermann Park Conservancy, if I didn't mention
7 Hermann Park. It is a jewel in our city. For those of
8 you who haven't been there recently, may I extend the
9 invitation. From the reflection pool that you walk by on
10 the way to the McGovern Pond with its paddle boats, and
11 the new Hermann Park train, the restaurant that's just
12 great on the banks of the pond. I take visitors who come
13 to my home -- and my home is located just across the
14 street from Hermann Park, so I'm there weekly -- it's the
15 first stop I take them to. And they can't believe it.
16 They think they're transported maybe into the City of
17 Paris, and maybe Paris will be quoting us in the future
18 because Hermann Park is really great.

19 I'm reminded of the statement credited to Frank
20 Sinatra many years ago when he was staying at the old
21 Warwick -- now it's Hotel ZaZa -- and he was on the
22 penthouse balcony and he was looking over this area that
23 I'm talking about, looking south down Main-Fannin, and I'm
24 sure Houston, being as it is, we've probably engaged in a
25 little hyperbole over the years in describing his

1 statement, but what he said was, in essence, this is one
2 of the most beautiful boulevards in the whole world.

3 And I've been on that balcony and I've seen
4 that, and it is beautiful with the canopy of Live Oaks
5 that are 100-plus years old, and it is, from that vantage,
6 a beautiful view.

7 But it's not so beautiful on the ground. On
8 the ground it's a mishmash of broken sidewalks that don't
9 connect, that connect to dirt paths, not proper lighting.
10 If you're handicapped, you can't possibly traverse this
11 area and get into the park.

12 The funding that we are requesting will address
13 all of those issues, and I will remind, for those of you
14 who are not aware of this, that our conservancy is
15 renowned for providing the work on time that we undertake
16 and under budget, and we would be involved in this project
17 and we're shovel-ready and we're ready to go.

18 And I thank you so much to TxDOT staff for
19 having chosen our project to be considered, and I know you
20 will do your best in considering all of these projects.
21 We certainly think we have a worthy one.

22 Thank you very much. I don't know if there are
23 any questions; I'm happy to answer them if there are.

24 MS. DELISI: Thank you very much.

25 Sanford Criner.

1 MR. CRINER: Good morning. I'm Sanford Criner.
2 I'm a member of the executive committee of the Hermann
3 Park Conservancy, former board chair, and member of the
4 Houston Quality of Life Coalition. Obviously, like my
5 colleague, I'm here to support the Fannin-Main Esplanade
6 project.

7 But I think to understand it, it's helpful to
8 know how it got there, how those esplanades were created,
9 and they were created when Fannin Street was cut through
10 Hermann Park about 60 years ago. And that's a great thing
11 because it connects the site, that we're all so proud of
12 and is one of the great engines of our economy with
13 downtown, it also creates a site for our light rail, but
14 it makes it pretty hard to get to the park.

15 So it's great for mobility, but not so good if
16 you're a pedestrian or bicyclist, or worst of all, in a
17 wheelchair. Getting across these streets is as good as
18 your life is worth.

19 What these projects will do is fix that problem
20 and create a link between Rice University, the places
21 you've heard of, all of the major museums in the city,
22 with the entrance to Hermann Park. It also connects to a
23 previously funded TxDOT enhancement project which is a
24 walking/jogging trail which goes out for bid in October.
25 It goes all the way around the park and then further

1 connects to the recently redone Braes Bayou trails.

2 So it's a critical bicycle and pedestrian link
3 in the heart of the city and arguably the most important
4 part of the city, and it's a signal enhancement to the
5 area that includes some of the most important parts of the
6 city. We think it is critical.

7 I've heard that in Houston a park is a place to
8 which your drive so that you can walk, but that's changing
9 and it's going to change under any circumstances. This is
10 a critical link that allows all those places to get
11 reconnected to the park after 60 years of being orphaned.

12 So we know you've got plenty of projects, fine
13 projects. We hope you'll agree this one is one that's
14 worthy of your consideration. Thank you very much.

15 MS. DELISI: Thank you.

16 Hedy Wolpa.

17 MS. WOLPA: Good morning. I'm with East End
18 Management District. We are located in Houston's historic
19 East End between downtown and the Port of Houston, and I'm
20 here today and I would like to talk to you about our
21 enhancement project that was completed in 2008, and I'd
22 also like to tell you about Houston's impending TE
23 projects.

24 The district responded to the 2001 call for
25 projects, and in January of 2002, we were notified that

1 our East End Streetscape project was selected. This is a
2 \$2.7 million enhancement to an area that had just begun to
3 realize the opportunity for major economic renewal due to
4 its strategic position which is just east of downtown and
5 further east to the Port of Houston. It's also the seat
6 of Houston's oldest industries, manufacturing, oil,
7 commerce, coffee and transportation.

8 So the streetscape focused on amenities such as
9 landscaping with native plants, over 3,000 flowering red
10 yucca plants and hundreds of loblolly pines, bright
11 underpass lighting, paved pedestrian walkways, seating,
12 signage and history-telling markers. Additionally, Metro
13 and the City of Houston agreed to coordinate with the
14 district to upgrade our bus stops and to improve street
15 lights.

16 The non-profit organization, Trees for Houston,
17 would partner with us to plant hundreds of trees at one of
18 these sites, and two major esplanades would be adopted by
19 the management district. Our project also tied into
20 another STEP project already under construction, the
21 Harrisburg Sunset Rails to Trails project.

22 Now, you'll recall that a moment ago I said our
23 project was selected in 2002, and in my opening remarks I
24 said it was completed in 2008. Well, where did those six
25 or seven years go? Over those years the management

1 district kept a strict timeline of where our project was
2 expected to be and our anticipated completion was late
3 2005. The designs for each of seven streetscape sites
4 were developed in late 2002 and then into 2003, and our
5 first milestone was the notice to proceed which came in
6 June 2003, right after the advanced funding agreement was
7 executed.

8 And then what followed were months of site
9 surveys, environmental reports, a series of meetings with
10 our constituents and civic groups. Between 2004 and 2006,
11 the city and TxDOT reviewed and put their seals to our
12 plans. Then we spent a year working on our maintenance
13 agreement with the City of Houston. Of course, the city
14 owns these amenities and the public right of way, but the
15 district maintains, paints, power washes, re-lamps,
16 irrigates, prunes and weeds all these gateway sites.

17 In 2007, the RFQ was posted for a contractor
18 and the project was put to bid. Well, much to our
19 disappointment and with the passage of so much time, the
20 increased cost of constructing all seven sites was just too
21 much, so we continued our planning to remove three sites
22 from the plan. We finally held our groundbreaking in
23 2007. The actual construction took a mere eight months.

24 So today these colorful East End gateways brand
25 our district and welcome hundreds of visitors to the area

1 as well as give enjoyment to over 3,000 businesses in the
2 East End and 85,000 residents. And I can tell you that
3 when people say where do you live or where do you work,
4 and someone says I live in the East End or I work in the
5 East End, the reaction is overwhelming.

6 We are also part of a grand revitalization of
7 businesses and industry that also includes Metro's next
8 light rail line which will run right down the center of
9 our management district on Harrisburg.

10 The process from design to approval was far too
11 lengthy, even with our dedication to seeing the project
12 through, as well as the investment of our staff to track
13 the project from department to department, office to
14 office, back and forth, Houston to Austin.

15 And now I'd like to tell you about Houston's
16 impending TE projects, and I'm going to call them
17 impending rather than pending because all of these
18 projects, while unfinished, do have let dates attached to
19 them. The project list includes the development of
20 trails, park, pedestrian/bike facilities, visitor
21 information centers and boulevard beautification, and all
22 are worthy projects, poised to begin but in some cases
23 they're delayed because of construction timelines or
24 environmental issues or they're tied to other TxDOT
25 construction projects.

1 The delayed status of these projects exists not
2 because of disinterest or abandonment by the applicants
3 but because of the due diligence required to keep the
4 projects on track through the planning, the site surveys,
5 community input, public meetings, design work,
6 environmental studies, approvals, seals, signatures by the
7 city and TxDOT, the RFQ process, bidding, selection, pre-
8 construction meetings, finally leading to, with great hope
9 and celebration, a groundbreaking.

10 The Houston delegation here today continues to
11 move forward with our existing projects and planning new
12 ones. We understand the efforts and time required to see
13 them through to completion. And today we certainly
14 appreciate the investment being made in projects that
15 enhance our public spaces and add value to our
16 neighborhoods.

17 We look forward to the commission's support and
18 your favorable response to Houston's project applications.

19 Thank you very much.

20 MS. DELISI: Thank you.

21 Clark Martinson.

22 MR. MARTINSON: Thank you, Madame Chairman and
23 commissioners.

24 I want to first thank our past TxDOT engineers,
25 Gary Trietsch and Gabe Johnson, for getting us started on

1 this project, and of course, today with Delvin Dennis and
2 James Koch to continue their work with the community, but
3 especially I'd like to lift up Terry Kaplan who has helped
4 the Energy Corridor District immensely.

5 My name is Clark Martinson. I'm the general
6 manager of the Energy Corridor District, and but for Terry
7 Kaplan's assistance in helping us get an application in
8 line, cost estimates correct, I don't think we would be
9 here today asking for you to consider adopting project
10 number 39, the Cullen Park Trail.

11 It's a project that connects a shared-use trail
12 that Williams Brothers built as a change order with the
13 Interstate Highway 10 construction project at Barker-
14 Cypress between two lakes or two reservoirs that we have,
15 the U.S. Army Corps of Engineers property at Addicks
16 Reservoir and the Barker Reservoir, and we have county
17 parks and city parks. But we are missing the link between
18 the parks underneath I-10 so that 26,000 acres of
19 recreation area can be connected to 115,000 residents in
20 the area.

21 The Energy Corridor District, who I'm employed
22 by, we have 70,000 jobs along I-10, we can get to work
23 fast in our cars, but we would like to be able to connect
24 those neighborhoods to work by this trail. It's a simple
25 one-mile connection.

1 We are not asking for a grant. We recognize
2 that the City of Houston is going to have to spend
3 \$827,000 to build this project, that the MUDs, the
4 businesses and the neighbors will be contributing
5 \$168,000, but that you will be then reimbursing the city
6 \$661,000 for this project.

7 In the end, it will connect 30 miles of trails,
8 7 on the north side of I-10, 23 on the south side of I-10,
9 and the potential with the area and he reservoirs and the
10 neighborhoods for another 70 miles of trails. It's a very
11 worthwhile project. Municipal utility districts,
12 homeowners associations, apartment complexes, the City of
13 Houston, Harris County and TxDOT have already worked
14 together for this project.

15 I thank you in advance for your approval of
16 item number 39 which is the Cullen Park Trail.

17 MS. DELISI: Thank you.

18 Richard Morrison.

19 MR. MORRISON: Chair, commissioners, director.
20 I'm Richard Morrison. I'm the county commissioner for
21 Precinct 1 of Fort Bend County, and I'm certainly glad to
22 be here again to talk about number 42 on the list which is
23 a landscaping improvement project located at US 59 and
24 762.

25 For those of you who have been to Richmond-

1 Rosenberg, this is the front door to eh Richmond-Rosenberg
2 area. There's been some new commercial development there
3 called the Brazos Town Center, and right at 762 is the
4 borderline between Richmond and Rosenberg. Brazos Town
5 Center is in Rosenberg and it has transformed Rosenberg
6 from an economic perspective.

7 And I was approached by Rosenberg, by Richmond
8 and by the West Fort Bend Management District to go after
9 these Transportation Enhancement funds to try and beautify
10 our front door and what I call our driveway into out
11 county seat there in Richmond.

12 Since I put forward the application, we've been
13 approached by the developer along 762 that is developing
14 the Del Webb community there, and the developer wants to
15 help pay for additional landscaping improvements on both
16 sides of 762, as well as about three miles of bicycle
17 trails. These bicycle trails will connect up to bicycle
18 trails that are already going to be adopted by Rosenberg,
19 they've had a big transit study.

20 And we are very pleased to make the list.
21 We're certainly pleased in Fort Bend County to work with
22 TxDOT on as many projects as we can. And I hope before
23 the end of my four-year term is up that you guys will
24 recognize my face when I'm here, because I made a
25 commitment to Commissioner Holmes and to you that whenever

1 we have a project, whether you guys vote yea or nay, I'm
2 going to be her to thank you for your support and to thank
3 you for letting us partnership with TxDOT on our projects.

4 So thank you very much. If you have some
5 questions, I can certainly answer them.

6 MS. DELISI: Thank you.

7 MR. HOUGHTON: Commissioner, is your precinct
8 south on 59?

9 MR. MORRISON: I have the largest precinct in
10 Fort Bend. I like to tell everybody I've got the most
11 land and the most cows. So I'm north and south on 59.
12 The best way to look at my precinct is I'm south of the
13 Brazos River for the whole county, and then when you get
14 over on the east side of the county I jump the Brazos
15 River and go all the way up 521 to the Beltway.

16 MR. HOUGHTON: Have you got Missouri City in
17 that area?

18 MR. MORRISON: No, sir. Missouri City is just
19 to the north once you get to 521. That's kind of where my
20 dividing line.

21 MR. HOUGHTON: I'm just seeing if my son lived
22 in your precinct, just checking.

23 MR. MORRISON: Does he live in Sienna
24 Plantation?

25 MR. HOUGHTON: I don't know. It's in Missouri

1 City, someplace like that.

2 (General laughter.)

3 MR. MORRISON: Thank you very much.

4 MR. HOUGHTON: Thank you, commissioner.

5 MS. DELISI: We've got another county
6 commissioner coming up. Andy Meyers.

7 MR. MEYERS: Thank you. Madame Chair,
8 commissioners, Mr. Saenz. Thank you for this opportunity
9 for Commissioner Morrison and I to come before you and
10 thank you for including this particular project on the
11 list.

12 I'm here for two things: one, to acknowledge
13 to this commission and to Mr. Saenz that Fort Bend County
14 stands ready to continue to participate in joint ventures
15 and joint efforts with TxDOT and with this commission in
16 enhancing the lives of our fellow citizens, and two, to
17 support Commissioner Morrison in his project. This
18 happens to be, obviously, in his precinct. He was kind
19 enough two months ago to come up before this commission
20 and testify in support of a project that was in my
21 precinct, and so I'm simply returning the favor to him.

22 We have the two fastest growing precincts in
23 Fort Bend County, by the way. He has the largest area,
24 that's true, but I have the fastest growing area, and we
25 certainly need all the assistance and help and cooperation

1 that we can get from TxDOT and from this commission, and
2 we very much appreciate that cooperation that we've gotten
3 so far.

4 So thank you for considering us. I certainly
5 hope you do vote to approve this particular project. It
6 is going to greatly enhance that area, as Commissioner
7 Morrison said. This is the entrance to our county seat,
8 as well as to one of the fastest growing cities,
9 Rosenberg, that we have in Fort Bend County.

10 So thank you very much.

11 MS. DELISI: Thank you.

12 Karen Rogers.

13 MS. ROGERS: Good morning. Thank you for
14 allowing me to speak today. I'm Karen Rogers and I'm here
15 representing the Greater Sharpstown Management District in
16 the Houston area and their nomination for intersections at
17 GSMD.

18 The Greater Sharpstown Management District
19 encompasses ten square miles in southwest Houston and is
20 home to over 95,000 residents and over 20,000 businesses.

21 It is accessed by several freeways, significantly by US
22 59 which runs six miles through the district.

23 The Sharpstown area was prosperous in the '60s
24 and '70s and was significantly impacted by Houston's
25 outward suburban expansion beginning in the '80s. It is

1 today on the rebound, due in large part to the vision of
2 the local leaders and organizations such as the Greater
3 Sharpstown Management District which was created by the
4 Texas Legislature in 2005.

5 A community of great cultural diversity,
6 Sharpstown residents and leaders have committed themselves
7 to creating it to be a better place to live and work.
8 This project is an extension of the district's commitment
9 to the community. It would impact and engage thousands of
10 people on a daily basis who shop, work and live in the
11 area.

12 Transit systems are frequently a community's
13 front door and do not necessarily reflect a community's
14 identity. This project would enhance the existing transit
15 infrastructure and symbolize the community's efforts to
16 transform the district into a great place to live.

17 The benefits of this project are not only in
18 terms of the aesthetics that these improvements would
19 create, but also the long-term viability of the district
20 and the entire City of Houston. The proposed improvements
21 are a simple embellishment of the existing freeway
22 corridors and will require little maintenance and are
23 compatible with previous TxDOT Green Ribbon projects that
24 have successfully transformed many of Texas' freeways and
25 communities.

1 I thank you for your consideration and your
2 time. Thank you.

3 MS. DELISI: Thank you. Those are all the
4 speakers signed up to speak.

5 John.

6 MR. BARTON: Madame Chair, just to respond to a
7 couple of questions that were asked of me. I appreciate
8 the speakers presenting their information to you because
9 it gave me time to get the answers to your questions.

10 Commissioner Meadows specifically asked about
11 the regional distribution of past projects and funding,
12 and I did a quick analysis of that for you, Commissioner
13 Meadows. And thus far, not including this call but the
14 previous calls, 37 percent of the funds have gone to
15 communities in the northern region of Texas, 23 percent
16 have gone to communities in the southern region of Texas,
17 14 percent to the west region, and 25 percent to the east
18 region.

19 When you compare that to their population, as
20 we calculate it, it's 36 percent to the north versus 37
21 percent of the funding for projects, 26 percent of the
22 population versus 23 percent of the funding for the south,
23 10 percent versus 14 percent for the west, and 28 percent
24 of the population versus 25 percent of the funding for the
25 east.

1 Commissioner Holmes, you had asked about
2 languishing projects, specifically in the City of Houston.
3 There are eight projects that were awarded to the City of
4 Houston prior to the year 2000 that have not yet moved
5 forward, four that were awarded in 1944 (sic) that have
6 not moved forward.

7 MR. HOLMES: Nineteen what?

8 MR. BARTON: 1994. I'm sorry.

9 (General laughter.)

10 MR. BARTON: And to you, Chair Delisi, you had
11 asked about the number of projects that were languishing
12 and have not moved forward, there are 68 in the state.

13 MS. DELISI: Okay.

14 MR. HOUGHTON: Well, what's the value of those
15 projects that are sitting around?

16 MR. BARTON: I did not calculate that but I can
17 get it for you, but there are 68 projects that have not
18 yet moved forward.

19 MR. HOLMES: John, one of our speakers talked a
20 little bit about the process, and it was quite a lengthy
21 process, going kind of back and forth between the project
22 sponsor and TxDOT. I guess I'd like to make a request
23 that you look at our process and try to streamline it so
24 that we can move these projects in a very expeditious
25 manner.

1 Secondly, on some of these really old projects,
2 1944, 1964, 1994, whatever that is.

3 MR. BARTON: It was 1994.

4 MR. HOLMES: To what extent are we a
5 contributing factor in the delay in those. It seems 16
6 years is probably a little on the long side.

7 MR. BARTON: We certainly agree that that is
8 much too long. I don't believe that it's because of a
9 lack of an agreement being in place, it's more the
10 development of the project and the necessary local
11 funding. But I can get specifics on each of those
12 projects. We have spoken to all of those project entities
13 and are trying to get with them to understand why those
14 projects aren't moving forward and how we can get them to
15 move forward, or as I said previously, bring back to the
16 commission an opportunity to remove them from the program.

17 And we will look at our program. We have
18 worked very diligently over the last 18 months to simplify
19 and streamline our advanced funding agreement process.
20 Our regions have worked very well to come up with a more
21 uniform and standard approach to doing that, and I believe
22 that for this particular program call we should be able to
23 move forward very quickly on executing formal agreements
24 with all of the successful project sponsors and have those
25 move forward quickly.

1 MR. HOLMES: It seems to me that it would be
2 appropriate to review the very historic ones that have not
3 moved forward. Some may be funding issues, some it may be
4 a simple change of priorities in the leadership that had
5 been there in place that may have changed. But it would
6 be interesting to know whether they were delayed because
7 of TxDOT, whether they were delayed because they had a
8 change in priorities, and whether or not they are going to
9 go forward in the future so we can either take them off or
10 move them forward.

11 MR. BARTON: Yes, sir. We'll be happy to do
12 that.

13 And I think as was pointed out, sometimes it's
14 a matter of things that are beyond necessarily our control
15 or the community's control, and that is the environmental
16 process. I know specifically on one project I was
17 personally involved with, the environmental requirements
18 to get permits from the Corps of Engineers was very
19 onerous and time-consuming.

20 MR. HOUGHTON: John, I also want to thank you
21 for clarifying the breakdown by region and the
22 distribution. It comes very close, what you've done and
23 to the population.

24 MR. BARTON: On a regional basis it has.

25 MR. HOUGHTON: On a regional basis. Thank you.

1 MS. DELISI: Okay. If there are no other
2 questions, is there a motion?

3 MR. HOLMES: So moved.

4 MR. MEADOWS: Second.

5 MS. DELISI: All in favor?

6 (A chorus of ayes.)

7 MS. DELISI: The motion passes.

8 MR. SAENZ: Thank you, John.

9 Commission, on agenda item number 8, Carol
10 Rawson will present a minute order requesting approval of
11 funding of our Highway Safety Plan for 2011. Carol.

12 MS. RAWSON: Good morning, commissioners. For
13 the record, I'm Carol Rawson, Traffic Operations Division
14 director. I'm here today to bring before you for your
15 approval the funding of the 2011 Highway Safety Plan.

16 The Highway Safety Plan is designed, this is
17 the piece of work that we do at TxDOT to help to reduce
18 the number and the severity of traffic crashes, injuries
19 and fatalities through enforcement, training and
20 education. These are the other legs of our stool, our
21 engineering, these are the other pieces. We all know that
22 here at TxDOT safety is our number one priority, and not
23 only in our mission but in our strategic plan and all of
24 those pieces that go along with it.

25 When we start to build the plan and when we

1 develop putting these plans together on an annual basis, I
2 know we come every year to you, the first thing that we do
3 is we begin with the crash data because how do you tell if
4 a road is safe, how do you tell where our problems are,
5 what are the things that we should be identifying to try
6 to focus our attention on this.

7 And here we have our data. And you can see
8 from 2003 through 2007, we've been seeing a decrease in
9 fatalities and the numbers are going down. I think this
10 has a lot to do with the work that we have underway,
11 whether it be our engineering that's out there with a
12 Safety Bond Program, our safety projects that are
13 happening out there, along with our seatbelts, along with
14 our DWI enforcement, all of these numbers are driving.

15 And as you can see here, a lot of the efforts
16 are really going to start to pay off because the 2009
17 preliminary numbers are showing a very remarkable decrease
18 and one that we're very optimistic about. These are
19 preliminary numbers showing 3,087. We haven't seen those
20 numbers in Texas in a long, long time, so something that's
21 really looking and showing that the efforts that we've
22 been putting forth have really been doing a good job.

23 The other piece on here that we want to show
24 and something that we really have to focus on and what
25 you'll see within our plan is the alcohol-related

1 fatalities. The alcohol-related fatalities are still
2 there, still hold about 30 percent of the overall
3 fatalities that we have in our state, 30 percent in 2008
4 and it looks like about 32 percent in 2009.

5 The other piece, and probably a reason for why
6 our 2008 numbers took an increase was motorcycles. You
7 know, with economic times, also there was a very large
8 portion of our population that were buying motorcycles, we
9 know that we can see the increase just in 2008 was 531.
10 That is close to 15 percent of our fatalities was actually
11 motorcycle fatalities. And the bad thing with that is
12 that only 2 percent of the mix of the vehicles in our
13 traffic is motorcycles, 2 percent. And when you start to
14 break it down and look at the motorcycles, 60 percent of
15 those people that were killed with motorcycle fatalities
16 didn't have helmets on.

17 There's a lot of pieces in our projects that
18 we're trying to address within our Highway Safety Plan to
19 see how we can drive these numbers down, and there are
20 projects to try to help us through training, through
21 education. And I know you've heard Share the Road. As
22 you drive down there, it's telling them sometimes it's not
23 the motorcycle's fault, sometimes it's the car's fault of
24 them just not seeing them. So it's a lot of different
25 pieces that we're trying to put together to truly face

1 this and all of these are included in this HSP.

2 Seatbelts, the 2011 does include and has
3 included for many years the Click It or Ticket Program. I
4 know that we've all seen and heard this. It started in
5 2002, and you can see in 2001 our seatbelt use was 76.1
6 percent. We've had remarkable increases as we've been
7 going along. Just before I came in, I got the numbers for
8 this year, and our numbers actually are going to be 93.8
9 percent. We pushed it up another percentage, that is
10 absolutely fantastic.

11 And with that, just that 1 percent, for every
12 percent that we increase safety belt use, we estimate that
13 25 fewer Texans will be killed in traffic crashes and 586
14 escape serious injuries, just by that little thing of
15 clicking that seatbelt. And this program has really
16 pushed Texans to put that seatbelt on, and everybody knows
17 and hears it.

18 We estimate that 2,400 fewer people were killed
19 in traffic crashes and an estimated 56,000 fewer injuries
20 were on Texas roadways because of the Click It or Ticket,
21 another piece that's driving our plan that we're proposing
22 to you.

23 I know a lot of people say, Well, Carol, come
24 on, we're almost 94 percent; I mean, don't people know
25 about their seatbelts? Well, the reason why we keep

1 pushing is every year, prior to Click It or Ticket we'd go
2 out there and take observations and we see that people
3 forget just in one year and take those seatbelts back off.

4 And if you look at our fatality numbers, when
5 you look at the numbers of people and fatalities, the
6 first thing I do whenever I see a fatality report is I
7 look to see if they were restrained, did they have their
8 seatbelt on. Forty-seven percent of our fatalities don't
9 have their seatbelts on. You don't have a chance without
10 a seatbelt. Forty-seven percent, or 978 people, if they
11 just would have had their seatbelt may have been the
12 difference of them walking away from a crash.

13 A lot of times when we deal with DWIs and we
14 talk about what is the best defense against a person
15 that's driving DWI, we tell them put on their seatbelts;
16 If you have your seatbelt on, you're going to have a
17 chance, all parts of our plan and all parts of what we're
18 pushing across.

19 We know we engineer; we know we educate, but
20 the last piece of the stool is enforcement. Because I
21 know I can engineer a perfect road, I can go out there and
22 tell people don't drive drunk, put your seatbelt on, but
23 the other piece is sometimes you've got to have an
24 officer, you've got to have somebody out there telling
25 them you aren't doing this right.

1 A very large portion of our program that's
2 within our HSP is for enforcement. These are through
3 selective traffic enforcement programs. What this does is
4 it enables the officers to work overtime and then the
5 overtime focuses on speed, intersection violations or DWI
6 and our safety belt. All of these trying to push those up
7 and have a large effort and a large partnership that works
8 very well with our law enforcement in the State of Texas.

9 These are just a few of the things, but
10 something I wanted to highlight to you, this is a little
11 bit different. I had told you that the DWI, that our
12 alcohol-related fatalities were still not looking good.
13 We were notified by NHTSA, the National Highway
14 Transportation Safety Administration, that Texas has been
15 reported as in the top ten of all states in Texas. Not a
16 good thing. Meaning that our rate isn't going down.
17 We're putting a lot of effort into it but we just can't
18 seem to be making headway. We're number 7.

19 Bad that we have that our fatalities and our
20 DWI fatalities are still at that rate, but NHTSA is coming
21 in with money, additional funding, \$9 million. Half of
22 that has to be on high visibility enforcement, meaning
23 that we have to do that with steps that are going to go
24 out and a match that we have to match dollar to dollar.

25 So this is something that we're working on,

1 something that's going to come up in the year. We're
2 going to see more enforcement out there focusing
3 specifically on DWI, been working very closely with the
4 Department of Public Safety, they're going to help us with
5 a lot of these pieces, and then working with other law
6 enforcement, other pieces that we're going to do along the
7 way.

8 Funding.

9 MR. HOLMES: Before you get away from that top
10 ten.

11 MS. RAWSON: Yes, sir.

12 MR. HOLMES: Does top ten mean bad?

13 MS. RAWSON: Bad.

14 MR. HOLMES: I would say that's the bottom ten.

15 MS. RAWSON: You're right, exactly.

16 MR. SAENZ: That's one top ten you don't want
17 to be in.

18 MS. RAWSON: It's not good to be in the top ten
19 in this. We would really like to be 50, but we're
20 actually number 7.

21 MR. HOLMES: And is that population adjusted?

22 MS. RAWSON: It's a rate, yes. It's by the
23 number of vehicles that we have so it is a rate, so it is
24 adjusted. Because if you just look at the raw numbers,
25 our state is larger than a lot of states. They haven't

1 given us all ten states because they're being kind of
2 careful about it, but we know we're number 7. And we know
3 that for a number of years, and just looking at our
4 fatality numbers, our numbers are too high and that's
5 something that we'd really like to focus on.

6 MR. UNDERWOOD: Carol, when you're doing that,
7 as you do your studies, do you look at also the road
8 conditions?

9 MS. RAWSON: The road conditions like wet
10 weather and that?

11 MR. UNDERWOOD: Or just poor conditions of the
12 road itself causing a problem or whatever. People get off
13 the side of the road and they swerve to get back on and
14 they end up rolling the vehicle and whatnot.

15 MS. RAWSON: A lot of that, too, Commissioner,
16 when we focus on the conditions or looking for any type of
17 improvement we do within our Highway Safety Improvement
18 Program, that's that engineering piece that we go out and
19 find those high-accident locations, and figure out can I
20 have a more forgiving roadway, could I widen a shoulder.

21 MR. UNDERWOOD: Exactly. That's what I'm
22 saying. That solid stripe on the right-hand side, to me,
23 it kind of helps people keep them on the road so they
24 don't drop a tire off and then they over-correct, and now
25 they lose control and end up in traffic or they roll the

1 vehicle.

2 The last question is do we have any study on
3 these people that die that are not wearing a seatbelt as
4 to the age group?

5 MS. RAWSON: Yes, sir.

6 MR. UNDERWOOD: I like to see that because
7 every time I try and read, it's always some child as well
8 as the adult.

9 MS. RAWSON: Well, we actually had a law that
10 went into effect, and I think this is part of the success
11 of our Click It or Ticket campaign this past year. A new
12 law was passed and that said that everybody in the vehicle
13 has to be buckled. You know how people always say it used
14 to be just the driver had to be buckled, then it just had
15 to be the front seat. Well, the bill was actually passed
16 last session that said everybody in the vehicle has to be
17 buckled. Because it doesn't matter, if you're in crash,
18 you don't want to be the projectile that comes through the
19 front seat.

20 Another bill that was passed, there was a
21 clarification on the child passenger, that a child that's
22 eight years old or a minimum of four foot, nine inches,
23 anything underneath that has to use the booster seats.
24 And they're finding out that the injuries for children are
25 better if we get them into that.

1 That piece to it, that data that we're looking
2 at, and then along with programs that we have within our
3 Highway Safety Plan, buying car safety seats, the
4 education that goes along with it, we're hoping that
5 that's going to help with that piece.

6 MR. UNDERWOOD: But my point is I'm wondering
7 what percentage of these fatalities non-seatbelt are
8 children.

9 MS. RAWSON: I can give you that, sir, I will
10 get that to you. I can tell you and break it down by
11 ages.

12 MR. UNDERWOOD: Because that, to me, is scary
13 because they have no control over things. They're either
14 being told to wear the seatbelt or not being told.

15 MS. RAWSON: Or not being put in the car seat.
16 But we know that the car seat use is coming up, we know
17 we're enforcing it, to give the tickets along with it.
18 The period of time that they gave a grace period for a
19 while and enforcement said at first they were just going
20 to warn the parents if the child wasn't in an actual child
21 seat, and now that's over. And so we're hoping with all
22 of those different pieces that's going to help to get
23 those children inside those passenger seats.

24 MR. UNDERWOOD: Okay. Thank you.

25 MS. RAWSON: Sure.

1 The plan that we have before you in the minute
2 order is for approximately \$96 million. That's going to
3 fund approximately 330 traffic safety projects out there.
4 We did go out for a call, this is a competitive program.
5 It was put out in the January 15 Texas Register. We had
6 proposals come in, they were scored and selected to be
7 included into the plan.

8 We have \$49 million of federal funding, \$39
9 million of local funding because with NHTSA they like to
10 see the match, they like to see that the locals are
11 working along with it, it's not just 100 percent. And
12 then we have our state match of \$8 million that is part of
13 that too.

14 Something, as I briefed all your aides about
15 the program, and something that I wanted to bring to your
16 attention because I know you have been focused a lot on
17 innovation and new things that we're doing, our Traffic
18 Safety Program, we have implemented the eGrant System.

19 The eGrant System is a web-based electronic
20 system that not only allows our grantees to submit
21 proposals via the web, it actually allows them to do their
22 requests for reimbursements, it allows them to do their
23 monitoring. It's a whole system that actually manages our
24 program in the most efficient way.

25 We are one of the only agencies in the state

1 that have this and pretty much a model that a lot of
2 people are building against. This is truly a paperless
3 grant system and one that a lot of people are trying to
4 push to.

5 And if you don't have any further questions,
6 staff does recommend approval of this minute order.

7 MR. HOUGHTON: So moved.

8 MR. HOLMES: Second.

9 MS. DELISI: All in favor?

10 (A chorus of ayes.)

11 MS. DELISI: The motion passes.

12 MR. HOUGHTON: Thanks, Carol.

13 MS. RAWSON: Thank you, commissioners.

14 MR. SAENZ: Thank you, Carol.

15 Agenda item number 9, Jim Randall will present
16 a minute order for the award of transportation development
17 credits for the metropolitan planning functions. Jim.

18 MR. RANDALL: Thank you, sir. I'm Jim Randall
19 with the Transportation Planning and Programming Division.

20 Item 9(a), this minute order authorizes the use
21 of 15.1 million in transportation development credits in
22 support of the Metropolitan Planning Program and the State
23 Planning and Research Program.

24 Title 23 USC, Section 134 establishes a
25 Metropolitan Planning Program for each state. The 25 MPOs

1 in Texas receive federal metropolitan planning funds to
2 carry out the provisions of the program. These federal
3 funds must be matched by non-federal share funds.

4 Section 505 of Title 23 USC reserves a portion
5 of federal apportionments for activities related to
6 statewide planning and research activities. Again, these
7 federal funds must be matched by non-federal share funds.

8 SAFETEA-LU permits a state to use certain toll
9 revenue expenditures, known as transportation development
10 credits, as a credit toward the non-federal share of
11 certain programs authorized by Title 23 and Title 49 USC.
12 In the past, the department provided the non-federal match
13 for the Metropolitan Planning Program allowing MPOs to
14 receive federal funds without having to provide a local
15 match. In addition, the department also provided the non-
16 federal share match for the State Planning and Research
17 Program.

18 Due to current fiscal constraints, the
19 department wishes to substitute the non-federal match with
20 transportation development credits. Staff recommends the
21 approval to utilize transportation development credits of
22 approximately 5.6 million in support of the Metropolitan
23 Planning Program and 9.5 million for the SPR work program
24 through Fiscal Year 2011.

25 MR. HOUGHTON: So moved.

1 MS. DELISI: Is there a second?

2 MR. UNDERWOOD: Second.

3 MS. DELISI: All in favor?

4 (A chorus of ayes.)

5 MS. DELISI: The motion passes.

6 MR. RANDALL: Thank you.

7 MR. SAENZ: Jim will now present a minute order
8 concerning a Border Colonia Access Program in Maverick
9 County.

10 MR. RANDALL: Thank you.

11 In 2001, the legislature established a \$175
12 million program to provide financial assistance for border
13 colonia access roadway projects. The department
14 distributed the funds to eligible counties in three
15 program calls.

16 This minute order approves a transfer of a
17 portion of the non-competitive funds that Maverick County
18 received from the third program call. 43 TAC, Section
19 15.105 provides that a county may use unexpended funds
20 from a project on any other commission-selected county
21 colonia project. Maverick County has requested approval
22 to transfer \$198,000 of their non-competitive funds from
23 the Hopedale Colonia project to the Fabrica Townsite
24 Colonia project.

25 Staff recommends approval of Maverick County's

1 request.

2 MR. HOUGHTON: So moved.

3 MR. UNDERWOOD: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. RANDALL: Thank you.

8 MR. SAENZ: Thank you, Jim.

9 Agenda item 10, commissioners, deals with
10 regional mobility authorities. Mark Tomlinson will
11 present a minute order concerning an RMA project in El
12 Paso County.

13 MR. TOMLINSON: Good morning, commissioners,
14 Mr. Saenz. My name is Mark Tomlinson, director of the
15 Turnpike Authority Division of TxDOT.

16 Item 10(a) authorizes the Camino Real Regional
17 Mobility Authority to develop and construct direct
18 connectors at the interchange of Loop 375 and Zaragoza
19 Road in El Paso as a non-toll project, and authorizes our
20 executive director to execute a project development
21 agreement with the RMA for this work.

22 TxDOT, the El Paso MPO and the RMA developed a
23 comprehensive mobility plan in 2008 that provides for the
24 funding and development of transportation system
25 improvements in El Paso, including this project. The

1 project cost is estimated at \$32 million.

2 I'll be happy to answer any questions you have,
3 but staff would recommend your approval of the minute
4 order.

5 MR. HOUGHTON: So moved.

6 MS. DELISI: Is there a second?

7 MR. MEADOWS: Second.

8 MS. DELISI: All in favor?

9 (A chorus of ayes.)

10 MS. DELISI: The motion passes.

11 MR. SAENZ: Thank you, Mark.

12 Agenda item 10(b) is a request for financial
13 assistance for the Central Texas Regional Mobility
14 Authority. Brian Ragland will present this minute order.

15 MR. RAGLAND: Thank you. Good morning. For
16 the record, I'm Brian Ragland, director of the Finance
17 Division.

18 This first proposed minute order grants
19 preliminary approval for a request for financial
20 assistance from the Central Texas Regional Mobility
21 Authority for \$27 million for development costs on several
22 different projects. The projects include: the Loop 1-
23 MoPac managed lanes project; 290 East, Segments 1A, 2 and
24 3; 183 South toll project; 290 West at the Y in Oak Hill;
25 and the State Highway 45 Southwest toll project.

1 Funding comes from Category 2 from the Austin
2 District, as well as some other funds, including in-house
3 TxDOT assistance. And staff recommends your adoption.

4 MR. HOUGHTON: Let me ask you a question, and
5 this ties with items 10(b), 10(c) and 10(d), are all these
6 toll projects or managed lane, but they're basically toll
7 projects, two in Travis, one in El Paso.

8 MR. RAGLAND: I believe so. I'm certainly no
9 expert on the projects themselves.

10 MR. HOUGHTON: Are all of these grants?

11 MR. RAGLAND: They are all grants, yes.

12 MR. HOUGHTON: Over the years we've been
13 granting money to toll roads, and I've got kind of a
14 philosophical issue here. Should we not look at that as
15 equity, as an investment, and look at a participation in
16 the revenue or an add-on to the toll rate based upon that
17 investment by that community in that toll project, whether
18 it's our investment of right of way or the Category 2
19 investment by the MPOs?

20 That's a loaded question.

21 MR. RAGLAND: I'm assuming you're making a
22 statement instead of asking me a question.

23 MR. HOUGHTON: That's a statement, yes.

24 MR. RAGLAND: But I'm going to defer on that
25 one.

1 MR. HOUGHTON: Can we change the vernacular in
2 here to talk about equity and then talk about how we
3 participate or how the community, the MPOs participate in
4 a toll revenue off of those projects? Mr. Saenz?

5 MR. SAENZ: Yes, sir. We've done several
6 project development agreements with RMAs and local tolling
7 entities where, as part of the equity, then there is a
8 mechanism put in place to share the surplus revenue or to
9 share the revenue in the future. These could be
10 incorporated into the negotiations.

11 MR. HOUGHTON: Is this the preliminary?

12 MR. RAGLAND: Yes, sir.

13 MR. SAENZ: So this could be incorporated into
14 the negotiations as we move forward with respect to --

15 MR. HOUGHTON: Can we amend this? And I know
16 I've blind-sided our partner, Ray Wilkerson, and I
17 apologize Ray, but I've been trying to figure out when I
18 look at the numbers in grants that we are sending, they
19 become staggering. And I look at this as an investment by
20 the state and by the community. Some of this is MPO
21 money, some is our money, and some of it is our existing
22 right of way which was paid for by generations ago, in
23 some cases.

24 And I'd sure like to see on all three of these
25 projects, the one including El Paso, a participation from

1 day one in a toll revenue that would go back to the MPO.

2 MR. SAENZ: Yes, sir. Since this is
3 preliminary, I think that we can still do it.

4 MR. HOUGHTON: And I'd like to take the word
5 grant out. Can we do that, Bob Jackson, can we take grant
6 out on all cases?

7 MR. JACKSON: (Speaking from audience.) Yes.

8 MR. HOUGHTON: Thank you. I'd like to amend,
9 then, the minute order to read something to the effect as
10 investment or equity in these projects.

11 MR. SAENZ: We can add something, investment or
12 equity or loan, and leave it as broad as possible so we
13 can make sure we have all the possibilities.

14 MR. HOUGHTON: Right. And let the MPOs know
15 that this money, if it were successful in doing, which I
16 believe we can be and will be, that there will be a
17 certain amount of revenue coming -- they ought to
18 participate at the MPO level in these discussions.

19 MR. RAGLAND: These first two are preliminary,
20 the El Paso one is final, so we might be a lot more
21 careful when we get to it.

22 MR. HOUGHTON: Yes.

23 MS. DELISI: So you've made a motion to approve
24 but where it says grant, we put in the word equity.

25 MR. HOUGHTON: Equity.

1 MS. DELISI: Is that the word you want, or
2 investment?

3 MR. HOUGHTON: Or investment. Which one can I
4 do, both or all?

5 MR. JACKSON: (Speaking from audience.)
6 Equity.

7 MR. HOUGHTON: Equity. I make a motion and
8 amend the minute order to read equity where it says grant
9 or assistance.

10 MS. DELISI: Is that clear as mud? So we'll
11 start with 10(b), everywhere in the minute order where it
12 says grant --

13 MR. HOUGHTON: Or financial assistance.

14 MS. DELISI: -- or financial assistance.

15 MR. MEADOWS: Yes. I don't think it says
16 grant.

17 MR. RAGLAND: It says it in the very last
18 paragraph which is really the action. In the last
19 paragraph which is the action itself, it says in the form
20 of a grant.

21 MS. DELISI: So the word grant will be replaced
22 by equity.

23 MR. HOUGHTON: Correct, and I make that motion.

24 MS. DELISI: There's a motion. Is there a
25 second?

1 MR. MEADOWS: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. RAGLAND: Next is item 10(c). This
6 proposed minute order gives, again, preliminary approval
7 to a financial assistance request from CTRMA in the amount
8 of \$126.7 million. This amount is to be used for
9 construction costs on Segments 1A, 2 and 3 of the Manor
10 Expressway which is from the 290 East interchange out to
11 State Highway 130. And this is also funded from the
12 district's Category 2 allocation.

13 So staff recommends your adoption.

14 MR. HOUGHTON: Same amendment.

15 MS. DELISI: So the same motion as before?

16 MR. HOUGHTON: Correct.

17 MS. DELISI: Everywhere it says grant will be
18 replaced.

19 MR. HOUGHTON: Or financial assistance.

20 MS. DELISI: Grant or financial assistance will
21 be --

22 MR. HOUGHTON: Equity.

23 MS. DELISI: Equity.

24 Are there any questions?

25 (No response.)

1 MS. DELISI: There's a motion. Is there a
2 second?

3 MR. HOLMES: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. RAGLAND: Item 10(d). This proposed minute
8 order gives final approval to a request from the Camino
9 Real Regional Mobility Authority in the amount of \$80.25
10 million for a project which is Loop 375, the Cesar Chavez
11 Border Highway project. And again, this assistance is in
12 the form of a grant, as worded, and it's coming from
13 Proposition 14 Bond proceeds.

14 MR. HOUGHTON: Bob, can I change this one in
15 its final form?

16 MS. DELISI: Bob, why don't you come on up.

17 MR. JACKSON: I would recommend hearing from El
18 Paso before you do that.

19 MR. HOUGHTON: Come on, Raymond.

20 MR. TELLES: Raymond Telles, executive director
21 of the Camino Real RMA.

22 The application that we submitted was always
23 with the understanding that it would be a grant, so my
24 board has not heard anything other than this being a
25 grant. I don't know what this would do. I'd have to,

1 obviously, take it back to the board and hear from them.

2 MR. HOUGHTON: Understand where I'm coming
3 from. Where I am coming from, the commission is coming
4 from, that the right of way has a value and so does the
5 assistance and it should be to the community that they
6 participate in those assets, in my opinion.

7 MR. TELLES: Certainly, and I understand that.
8 I only mean to say that this hasn't been brought to my
9 board for them to vote. But I guess what I would suggest
10 is that you could approve it with the revisions that
11 you're making, I can take that to my board, and if that's
12 acceptable, we can move forward rather than holding up the
13 entire process. So that way it falls to our court, we can
14 take it through our process and see if that is acceptable
15 to us.

16 MR. HOUGHTON: Bob, can we do that?

17 MR. INGRAM: Jack Ingram. What you're seeking
18 is to do final approval and then take that to the board
19 and move forward? I think we could do that. I guess that
20 would essentially just be you're getting another action by
21 their board in order to enter into the financial
22 assistance agreement.

23 MR. HOUGHTON: Where it says grant, it would
24 read equity in this minute order. If they don't accept
25 it, then we've got a problem, they've got a problem.

1 MR. INGRAM: And again, I think what that would
2 mean is we wouldn't enter into the financial assistance
3 agreement if their board doesn't approve it.

4 MR. HOUGHTON: Yes. I would like to approve it
5 and put equity in and then they have to deal with it with
6 the MPO and TxDOT.'

7 Philosophically here, there's value in the real
8 estate that they're going to build this toll road on
9 that's been paid for by the citizens of Texas. Now we're
10 putting these dollars in. I would believe that the MPO
11 ought to participate in some toll revenue on these
12 projects.

13 MR. INGRAM: I'd note for the projects that are
14 doing market valuations, one of the things that the RMAs
15 can do is to commit to spend surplus revenue on projects
16 within the counties of the RMA which we're doing in some
17 cases, and that may be something that the Camino Real RMA
18 maybe could do.

19 MR. HOUGHTON: But I think from our point,
20 we're setting it in stone that there will be a
21 participation from our end. If they don't agree, then
22 that's their issue.

23 MR. INGRAM: Okay.

24 MS. DELISI: Procedurally, does it make more
25 sense to go ahead, timeline-wise.

1 MR. HOUGHTON: Well, you do it here and then
2 you push it to them.

3 MS. DELISI: But my point is there still has to
4 be action done.

5 MR. HOUGHTON: Not from us.

6 MS. DELISI: No, but from them.

7 MR. HOUGHTON: Yes.

8 MR. SAENZ: Commissioners, my recommendation
9 would be to defer so that we could look at the agreement
10 and to see what changes are going to be in the agreement
11 and bring it to you all next month in the form of the
12 equity.

13 MR. HOUGHTON: Okay. Fine, if that's your
14 recommendation.

15 Hi, Brian. I knew you'd come up.

16 MR. CASSIDY: For the record, Brian Cassidy
17 with Locke, Lord, Bissell & Liddell. We're outside
18 counsel legal counsel to the Camino Real RMA.

19 Commissioner, could we get a little more
20 guidance on what you mean by participation? As Jack
21 mentioned, RMAs statutorily have three options if there's
22 any excess revenue from a project, and that is to reduce
23 tolls, pay it back to the state to deposit to the Texas
24 Mobility Fund, or the third, which is the most likely one,
25 is to reinvest that money in other projects in the region.

1 MR. HOUGHTON: And they don't have to be toll
2 projects.

3 MR. CASSIDY: No. That's right.

4 MR. HOUGHTON: They can reinvest those back in
5 approved projects by the MPO.

6 MR. CASSIDY: That's correct.

7 MR. HOUGHTON: That's the third option.

8 MR. CASSIDY: Right. And that's the one that
9 would be the most likely one.

10 MR. HOUGHTON: That's the likely one.

11 MR. CASSIDY: Right. So I guess what I'm
12 asking is how is that different? What is it you want to
13 see that would be different?

14 MR. HOUGHTON: That's what I want to see.

15 MR. CASSIDY: Well, statutorily, they do that
16 anyway.

17 MR. HOUGHTON: Correct, but I want to formalize
18 it in an agreement that there are certain amount of
19 dollars that are embedded in that toll rate that would go
20 back.

21 MR. CASSIDY: You mean off the top?

22 MR. HOUGHTON: Off the top.

23 MR. CASSIDY: I mean, are we talking about
24 surplus revenues or share of gross revenues?

25 MR. HOUGHTON: No, not surplus, shared.

1 MR. CASSIDY: Well, that's going to get a
2 little tougher in financing transactions, I think, if
3 there's an automatic cut off the top.

4 MR. HOUGHTON: Well, if the financing is 12
5 cents and you add two, it's not taking two out of the 12,
6 it's adding two to the 12, and you can do that.

7 MR. CASSIDY: So we're not talking about
8 surplus revenues here.

9 MR. HOUGHTON: Not talking about surplus
10 revenue, no.

11 MR. CASSIDY: All right. Well, that's a more
12 complicated deal, I think.

13 MR. HOUGHTON: I don't think it's that
14 complicated.

15 MS. DELISI: Mike.

16 MR. HEILIGENSTEIN: It would totally change our
17 traffic and revenue reports.

18 MS. DELISI: Please state your name for the
19 record.

20 MR. HEILIGENSTEIN: Mike Heiligenstein, CTRMA.

21 I totally agree that we reinvest back in the
22 community, but that would totally take our T&R reports and
23 throw them out the window, that we spent millions on. And
24 secondly, that affects how much we can go to the bond
25 markets with because they're looking at a 22-cent toll

1 rate per mile, and now if we're saying we're going to drop
2 that down to 18 cents and give four back.

3 MR. HOUGHTON: I didn't say that, Mike.

4 MR. HEILIGENSTEIN: I thought that's what you
5 said.

6 MR. HOUGHTON: What I said was if I'm saying
7 it's 10 cents for the indenture, you add two for the
8 region, it could be two, that's 12 cents. I'm not hitting
9 your indenture, not at all. And most of your toll rates
10 are not market rates, they're something much less.

11 MR. HEILIGENSTEIN: No. Ours are pretty close.

12 But what we have at the MPO right now is a 15-
13 to 20-cent market valuation rate that was adopted by the
14 MPO. So I would have to go back to them and ask them to
15 raise it to 22 or 23 cents.

16 MR. HOUGHTON: Why would you have to? I'd just
17 say a penny, two pennies or something like that.

18 MR. HEILIGENSTEIN: Well, we're on that very
19 thin borderline of being able to raise the other \$300
20 million to match the \$126-. And on right of way,
21 Commissioner, I mean, we're spending \$80 million of CTRMA
22 money on right of way. I mean, the right of way there was
23 bought in the '40s, we're spending 2010 dollars on that.
24 Maybe not everybody is doing that, but we are.

25 I think that's a problematic issue for the

1 financing plan that we have in place. I understand where
2 you want to go with it, and we will support the
3 reinvestment. I just don't know how to go back and
4 readjust all the traffic and revenue that I think would
5 have to be done.

6 MR. HOUGHTON: Well, Mike, I have some history,
7 I have personal history in the SH130, 5 and 6 where we did
8 negotiate a revenue bands directly back to the State of
9 Texas, on top of the indenture toll rate or their toll
10 rate. So it can be done and it has been done. I
11 personally was involved in that one.

12 James Bass, do you want to say something? I
13 know you're back there just itching.

14 MR. HEILIGENSTEIN: Can I respond real quickly?
15 We don't have a backstop on Manor like you have on 130.

16 MR. HOUGHTON: We don't have a backstop. On 5
17 and 6?

18 MR. HEILIGENSTEIN: On 5 and 6 you don't. You
19 have a private partner.

20 MR. HOUGHTON: We have a negotiated rate with
21 the private sector that says we're going to get this in
22 bands, and we get it. And it's for every car that hits
23 the gantry, every car we get a piece. So it can be done
24 and it has been done.

25 MR. HEILIGENSTEIN: Right.

1 MR. HOUGHTON: And that money goes back to
2 where, James?

3 MR. BASS: To the region.

4 MR. HOUGHTON: To the region.

5 MR. HEILIGENSTEIN: And that's where our money
6 goes back if we end up with surplus.

7 MR. HOUGHTON: Yes, if. That's an if on yours.

8 MR. BASS: For the record, I'm James Bass,
9 chief financial officer at TxDOT.

10 And I heard part, and I apologize, perhaps not
11 all of the conversation, but I would agree with what the
12 local toll entities have said. Say their project is being
13 financed at 12 cents a mile and it goes up to 14 cents a
14 mile, the big question, and it may differ project by
15 project, what is the elasticity of the demand for that
16 toll road?

17 And if they are, in theory, undercharging and
18 you were able to charge 14 cents and not affect any of the
19 demand, then I think that would work as you had
20 contemplated. If you're closer to whatever the maximum
21 demand would be and that you might start losing traffic
22 more than the revenue you would gain, it could create
23 complications for the financing of the project.

24 Back to I believe it was Mr. Cassidy that was
25 asking a question for clarity, any of the money, say it

1 turns into surplus toll revenue at some point and the RMA
2 wants to spend it on a toll or non-toll project, if the
3 project is of regional significance, it's going to require
4 the MPO to include that in their plan before it goes
5 forward.

6 Now, that's in state statute, but the regional
7 significance is in federal law that the MPO must approve
8 that. So some of your concerns may be addressed through
9 that requirement, but that would only be for any surplus
10 toll revenue that the RMA would then choose to direct
11 towards and additional project.

12 MR. HOUGHTON: Which could be 10, 15, 20 years
13 out.

14 MR. BASS: Correct. And there would be no
15 requirement now, back to the elasticity, of having the
16 local board elect to kind of ride that elasticity curve up
17 to make sure that they were maximizing the revenue in
18 order to do additional projects.

19 So if the 12 cents and everything was working,
20 just to use that as an example, there might not be an
21 incentive to increase that rate even though they might be
22 able to. I would guess and speculate that there would be
23 pressure locally to do that to address other mobility
24 projects, and that's kind of the structure of the RMAs is
25 to have that local leadership driving those decisions.

1 MR. MEADOWS: Commissioner.

2 MR. HOUGHTON: Yes, sir.

3 MR. MEADOWS: Obviously a very valid point and
4 a lot of potential opportunity and something that it would
5 seem to me like needs to be explored, but I'm not sure
6 that this is exactly the right forum in which to pursue
7 this. It would seem that, again, there's opportunity
8 here. Would it not be better to ask the staff to raise
9 some of these issues and discuss them?

10 MR. HOUGHTON: I did, and that's what we did.

11 MR. MEADOWS: When did we do that?

12 MR. MEADOWS: This is the first read. They
13 have a negotiation now.

14 MR. MEADOWS: I'm glad it's all on tape.

15 MR. HOUGHTON: There's a fear on their part.

16 MR. MEADOWS: I just sense that there's a lot
17 of consternation.

18 MR. HOUGHTON: Except El Paso's. El Paso's is
19 the one that will have to go back to the drawing board,
20 and I'm willing to do that. I think it's important for
21 the community to see if there's that elasticity, if you
22 can do those sort of things to provide more revenue to the
23 MPO for non-toll projects.

24 MR. MEADOWS: And I get it, but again, a lot of
25 what they're doing is based on, as you know, the T&R

1 numbers that they have. There's no reason for us to get
2 into this discussion at this point, but I do think that
3 there are some significant potential ramifications and
4 implications of making some of these decisions.

5 Again, to El Paso, perhaps we propose throw it
6 back to them and they can do that. But I'm not sure it
7 isn't better to allow this to be developed out.

8 MR. HOUGHTON: I'm throwing it back to them.

9 MR. BASS: And on the El Paso one, since it is
10 final -- and again, I apologize, I missed some of the
11 dialogue coming downstairs -- we could incorporate these
12 statutory and federal requirements and make them a part of
13 the agreement, so if those statutory requirements were
14 ever to change in the future, they would still be
15 incorporated into the agreement between the department and
16 the city or the RMA, and so those would continue to go
17 forward even if something had happened to the statutory
18 language. And that might be an option on the El Paso on
19 the final one.

20 MR. HOUGHTON: I'd like the word grant taken
21 out.

22 That does not allow us then to move forward with other
23 opportunities.

24 MR. BASS: Okay.

25 MR. HOUGHTON: And we throw it back to El Paso

1 to see if that can be developed. I'm not saying it can,
2 but I don't think it's been looked at.

3 MR. HOLMES: I guess I need to understand this
4 better. Taking the word grant out and putting equity in
5 simply introduces the opportunity for negotiation.

6 MR. HOUGHTON: Correct.

7 MR. HOLMES: It doesn't mean that the T&R study
8 is -- where did Mike go? -- is invalid or you have to do
9 another one. I guess you could take it to a point where
10 that might happen, but this doesn't necessarily do that.

11 MR. HOUGHTON: That's correct.

12 MR. BASS: Generally speaking, I would see
13 three options: a grant, a loan or equity. A grant,
14 you're basically saying there's no expectation of ever
15 getting a repayment loan; there is an expectation that
16 it's going to be repaid, and equity, generally speaking,
17 would be at risk that if there is sufficient revenue that
18 there's money that would then flow back in this mechanism.
19 So I would, generally speaking, see that there would be
20 three options, and the equity is kind of a middle
21 position, at least in my mind.

22 MR. HOLMES: Equity can take many different
23 forms. Right?

24 MR. BASS: Correct.

25 MR. HOUGHTON: Like in real estate.

1 MR. HOLMES: Like in real estate. Sometimes
2 it's not equity, which it might be in this case.

3 When you take a slice off the top, a cut of the
4 gross, that's different than equity. That's a royalty,
5 basically.

6 MR. BASS: Right.

7 MR. HOUGHTON: We have a lot of royalty
8 interest, I do believe, called real estate.

9 MR. BASS: On the ones with the preliminary
10 approval today, we can certainly explore those different
11 options through the negotiations. And then El Paso, we
12 can do whatever the commission directs, obviously, and if
13 it turns out that that's not acceptable to the local
14 entity, then we can come back to the commission in a
15 subsequent month if that's what turns out to be necessary.

16 MR. HOUGHTON: Equity.

17 MS. DELISI: So Commissioner Houghton, are you
18 saying you want to go forward with a revised motion or
19 defer and go back to negotiation.

20 MR. HOUGHTON: No. Just put equity in there
21 and that gives us the opportunity to continue on, but it
22 goes back into their court.

23 MS. DELISI: Okay.

24 MR. HOLMES: But putting equity in means that
25 then there's a negotiation as to what equity means.

1 Right?

2 MR. BASS: Correct, and what position it takes.

3 MR. HOLMES: And then it's just a continuing
4 negotiation.

5 And Brian, you don't like that?

6 MR. CASSIDY: Not particularly as to the El
7 Paso one. I mean, we were more or less done with the
8 negotiations we thought.

9 And you're right, equity can mean a lot of
10 different things, and I'm still not sure we have a clear
11 indication of what it is intended to mean in this case. I
12 mean, we can have a negotiation, but if it's money off the
13 top, as you said, that's very different. And that's what
14 I thought I heard Commissioner Houghton say earlier, and
15 if I misheard that.

16 MR. HOUGHTON: That could be part of the
17 negotiation, and if there's an opportunity, then all
18 parties agree and not put that project in jeopardy.

19 MR. CASSIDY: And as James articulated --

20 MR. HOUGHTON: Or it could be earnings based
21 upon profitability or something else. But just to shove
22 it into a dark hole, I don't think it's the right thing to
23 do.

24 MR. CASSIDY: Well, I'm not sure why that would
25 be the case otherwise. I mean, as we talked about, the

1 statutory requirements are to reinvest it in the region,
2 other than the two other options which are possible but
3 not ones that would likely benefit the region so they
4 wouldn't likely be pursued by an RMA. If they're going to
5 reinvest that money in the region. Why is that different;
6 how is it different, other than this other model might
7 force them to increase toll rates above where they've
8 been.

9 It might hurt the ability to do system
10 financing if they've stressed it because there's this cut
11 off the top that has to be used for a dedicated purpose
12 rather than pledged to support the system as a whole.

13 So I think it's a lot more complicated than
14 just - equity notions can be a lot more complicated than
15 what I think we're talking about, other than what I
16 thought your objective was let's make sure the money is
17 used for local projects. Right? I mean, the region is
18 benefiting.

19 MR. HOUGHTON: Sooner than later, Brian.

20 MR. CASSIDY: Well, and I guess therein lies
21 the rub because you're talking about it being from day
22 one, basically from the first day they collect tolls.

23 MR. HOUGHTON: It could be. I didn't say it
24 has to be, I said it could be. I stated an example on
25 130, 5 and 6.

1 MR. CASSIDY: Right. Which I understand and
2 know that model, and that's basically a cut of gross
3 revenues, though.

4 MR. HOUGHTON: That's right.

5 MR. CASSIDY: Which gets back to making it a
6 little more difficult from the financing side if now, all
7 of a sudden, you have a call on gross revenues, I think --
8 and some of the finance folks can correct me if I'm
9 wrong -- that does change or at least stress your
10 financing model.

11 MR. HOUGHTON: You may have to ask the finance
12 folks and see how it looks.

13 MR. CASSIDY: Which is fine.

14 MR. HOUGHTON: But it's an opportunity. It's
15 not locking in, there's multiple opportunities here to
16 talk about it. But I didn't want to put grant for that
17 specific reason.

18 MR. CASSIDY: On the one that's for final
19 approval, the notion of reinvesting in the region, is that
20 adequate to at least get that one passed today?

21 MR. HOUGHTON: Sure.

22 MR. CASSIDY: So that one we can use the
23 statutory formula.

24 MR. HOUGHTON: But we take grant out and put
25 equity in.

1 MR. CASSIDY: Okay. To be determined as to
2 what that means.

3 MR. HOUGHTON: That's right.

4 MR. CASSIDY: Well, I think you'll have to go
5 back to your board then.

6 MS. DELISI: Okay. Thanks, Brian.

7 Any other questions?

8 (No response.)

9 MS. DELISI: So Commissioner Houghton, why
10 don't you restate your motion.

11 MR. HOUGHTON: Replace the word grant with
12 equity.

13 MS. DELISI: And approve the minute order?

14 MR. HOUGHTON: And approve the minute order.

15 MS. DELISI: Is there a second?

16 MR. HOLMES: Second.

17 MS. DELISI: All in favor?

18 (A chorus of ayes.)

19 MS. DELISI: The motion passes.

20 MR. SAENZ: Commission, agenda item number 11,
21 Brian Ragland will present a minute order concerning the
22 Unified Transportation Program.

23 (General talking and laughter.)

24 MR. RAGLAND: I thought those were the easy
25 ones.

1 Item 11(a) is a proposed minute order which
2 blesses agreements between the Dallas and Fort Worth
3 Districts and the Houston and Dallas Districts to transfer
4 some 2010 Category 5 and 7 allocation to allow for
5 advancement of some priority projects, and then a
6 resulting repayment of the Category 5 amounts in
7 subsequent years. The respective MPOs were involved in
8 these arrangements and the exhibits show the resulting
9 allocations.

10 Staff recommends adoption.

11 MS. DELISI: Is there a motion?

12 MR. HOLMES: So moved.

13 MS. DELISI: Is there a second?

14 MR. MEADOWS: Second.

15 MS. DELISI: All in favor?

16 (A chorus of ayes.)

17 MS. DELISI: The motion passes.

18 MR. SAENZ: Brian will now present a minute
19 order concerning the 2010 Obligation Limit Funding Levels
20 in the Unified Transportation Program.

21 MR. RAGLAND: Thank you.

22 This proposed minute order grants authority to
23 transfer allocations between categories and districts to
24 allow for the optimization of the 2010 project lettings.
25 These reallocations are necessary to get funds into the

1 correct districts and categories for 2010, and then those
2 are reversed in 2011.

3 The exhibits for which you should have been
4 given a revision show the beginning, the adjustments and
5 then the ending for both 2010 and 2011.

6 Staff recommends adoption.

7 MS. DELISI: Is there a motion?

8 MR. HOUGHTON: So moved.

9 MR. HOLMES: Second.

10 MS. DELISI: All in favor?

11 (A chorus of ayes.)

12 MS. DELISI: The motion passes.

13 MR. SAENZ: Moving on to agenda item number 12,
14 Brian will present a minute order concerning the Green
15 Ribbon Program.

16 MR. RAGLAND: Thank you.

17 This proposed minute order amends the 2010
18 Green Ribbon Landscape Program. It transfers \$64,429 from
19 Dallas to Fort Worth because of a shift in the county
20 boundaries between Denton and Tarrant on FM 2499.

21 Staff recommends adoption.

22 MS. DELISI: Is there a motion?

23 MR. HOLMES: So moved.

24 MR. MEADOWS: Second.

25 MS. DELISI: All in favor?

1 (A chorus of ayes.)

2 MS. DELISI: The motion passes.

3 MR. SAENZ: Brian is trying to break John
4 Barton's record on the number of agenda items to present
5 today. He will continue and present agenda item number 13
6 dealing with the preliminary approval for a State
7 Infrastructure Bank loan.

8 MR. RAGLAND: Thank you.

9 This minute order gives preliminary approval of
10 a SIB application from the City of Weatherford in the
11 amount of \$650,000. The purpose is to relocate some water
12 and sewer lines resulting from the reconstruction of State
13 Highway 171 from I-20 up to FM 1884.

14 Staff recommends adoption.

15 MR. MEADOWS: Just a quick question. I believe
16 that the City of Weatherford was one of the pass-through
17 toll non-respondents to a request for information.

18 MR. RAGLAND: I am not aware of that.

19 MR. MEADOWS: We had sent a series of entities
20 in the pass-through toll business, as you know, a request
21 for additional information and clarification, and I
22 thought the City of Weatherford was one of those that had
23 not yet responded or complied with our request for
24 information.

25 MR. RAGLAND: We can check into that with the

1 Design Division and see.

2 MR. MEADOWS: Well, is there any reason that we
3 couldn't defer this for 30 days?

4 MR. RAGLAND: No.

5 MR. SAENZ: This is preliminary approval,
6 Commissioner. We've got to come back for a final
7 approval.

8 MR. RAGLAND: We've still got a final, so you
9 could defer this one or you could not act on the final.

10 MR. SAENZ: Here comes our answer.

11 MR. BARTON: The City of Weatherford was not
12 one of the communities involved in the Pass-Through Toll
13 Program that we've been auditing. It was City of Forney,
14 perhaps, maybe that you are confused. But the City of
15 Weatherford has provided us information that we asked for.

16 MR. MEADOWS: Okay. Move approval.

17 MR. HOUGHTON: Second.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MR. SAENZ: Agenda item number 14, Brian
22 Ragland will also present this agenda item concerning the
23 2011-12 two-year letting schedule.

24 MR. RAGLAND: Thank you.

25 This minute order approves the 2011-2012

1 letting schedule. The projects and financial obligations
2 proposed in the schedules are based on current estimated
3 construction costs and are in line with the forecast of
4 available funds. The schedules are subject to change and
5 the minute order delegates the ability to adjust them
6 given the inevitable changing circumstances to the
7 executive director or his designee.

8 One of the primary purposes of adoption of this
9 schedule is to inform not only the staff but the traveling
10 public, the legislature and the contracting community of
11 what we anticipate letting during the next two years as of
12 this point in time. This schedule will be revised; it's
13 probably already revised within the morning, but it will
14 be formally revised on a rolling six-month basis.

15 Staff recommends your adoption.

16 MS. DELISI: Is there a motion?

17 MR. HOUGHTON: So moved.

18 MR. HOLMES: Second.

19 MS. DELISI: All in favor?

20 (A chorus of ayes.)

21 MS. DELISI: The motion passes.

22 MR. SAENZ: Agenda item number 15, Brian will
23 present our Obligation Limit Report.

24 MR. RAGLAND: This is the monthly report on the
25 status of lettings against the obligation limit. Year-to-

1 date through July lettings, we had let just a little over
2 a billion against the \$1.6 billion cap. Because of that
3 remaining amount, we have scheduled approximately \$510
4 million in August for State Highway Fund lettings. And
5 then that will bring us closer to the annual cap amount.
6 And that's also the reason for one of the previous minute
7 orders which reallocated caps within districts within
8 categories in order to make that happen.

9 Also within this agenda item is the discussion
10 on motor fuel taxes which we talked about a little bit
11 yesterday. July motor fuel tax receipts were up 4.2
12 percent.

13 MS. DELISI: I'm sorry, Brian. Do you have a
14 sheet for us?

15 MR. SAENZ: Normally we have a handout.

16 MR. RAGLAND: I'm sorry. I did provide them.
17 I can put them up here if you want me to do
18 that.

19 MS. DELISI: Yes, let's put it up on the
20 overhead rather than defer it.

21 MR. RAGLAND: Okay.

22 This is the letting report itself which shows
23 the amounts let through July. It shows the \$1.6- subtotal
24 there and what's been let through July, a little over a
25 billion. And then the fourth column over is what is

1 scheduled for the remaining of the year which in this case
2 is only August. And so the billion plus the \$510- brings
3 us very close to our letting cap of \$1.6- for the year.

4 And then this is the handout I believe you're
5 used to seeing on motor fuel taxes. The far right-hand
6 column at the bottom shows a 4.2 percent increase for July
7 receipts over July of 2009, and so that brings our annual
8 total to a negative .52 percent which, as I mentioned
9 yesterday, we originally projected a positive .5 percent,
10 so the net result is that we are about 1 percent lower
11 than where we had projected at the beginning of the year.

12 MR. HOUGHTON: What do we base the projections
13 on, Brian, the .5 or 50 basis points?

14 MR. RAGLAND: In the past it's been based on
15 history, and it was a conservative estimate.

16 MR. HOUGHTON: So going forward to next year, I
17 can't remember, what is going to be our forecast?

18 MR. RAGLAND: Going forward, we have split the
19 forecast into the diesel and the gasoline component. The
20 diesel component is now tracked against the retail sales
21 index. We were able to find a pretty good correlation
22 with that particular index. So that's what we're using
23 for diesel.

24 We could not find a very good correlation for
25 the gasoline, so we're continuing to project that somewhat

1 based on history, and I believe I've got it here as far as
2 what we're doing going out.

3 MR. HOUGHTON: Well, my point to you is this
4 year, '11 over last year, actual hard dollars, what are we
5 looking at?

6 MR. RAGLAND: '11 over '10 hard dollars?

7 MR. HOUGHTON: Yes, that we're going to the
8 legislature with in our LAR.

9 MR. RAGLAND: I believe it's in the half a
10 percent range.

11 MR. HOUGHTON: Increase?

12 MR. RAGLAND: Uh-huh.

13 MR. HOUGHTON: So we're going to continue that,
14 based upon the model.

15 MR. RAGLAND: Yes. We've seen an up-tick over
16 the last three months which gives us some comfort, and we
17 hope that the last year, year-and-a-half has been an
18 anomaly. We are working with independent economic
19 advisors that are contracted through the Comptroller's
20 Office, and they're the ones that helped us correlate the
21 diesel portion, but just haven't found the exact fit for
22 the gasoline portion on that.

23 MR. HOUGHTON: So about a half a point.

24 MR. UNDERWOOD: Brian, Brian, Earth calling
25 Brian.

1 MR. RAGLAND: Yes, sir. I'm sorry,
2 Commissioner.

3 MR. UNDERWOOD: Come in for a landing.

4 MR. RAGLAND: Is that on tape there?

5 (General laughter.)

6 MR. UNDERWOOD: I saw you being coached by
7 Steve.

8 I would like to get the numbers for the last
9 five years. I see you have the 2009, the actual hard
10 dollars.

11 MR. RAGLAND: We've got three years there, I
12 believe.

13 MR. UNDERWOOD: Okay. Well, I couldn't see
14 that. I'm sorry. Okay, that will work.

15 MR. RAGLAND: Actually, we're one month short
16 of five years being there.

17 MR. UNDERWOOD: Good. Can you get that to me,
18 please?

19 MR. RAGLAND: Sure.

20 MR. UNDERWOOD: The last five years, the hard
21 numbers and then your projections, that part of it too.
22 I'd like to see these. I do not have what you're showing
23 here, as well as the graphs. I'd like to get a copy of
24 that, please.

25 MR. RAGLAND: We can send that. We update this

1 monthly as soon as the receipts come in around the 5th,
2 and we can send it to your assistants on that day.

3 MR. UNDERWOOD: If you would, please.

4 MR. RAGLAND: I believe Commissioner Holmes's
5 assistant has already asked for it.

6 MR. UNDERWOOD: Because I get a little nervous
7 when I hear 2 percent, because 2 percent of a million
8 dollars is one thing, 2 percent of a billion is another.

9 MR. RAGLAND: You're right.

10 MR. UNDERWOOD: So when I see percent, that
11 doesn't mean anything to me, but hard numbers do,
12 especially, as Ted says, when we go before the
13 legislature, we need to be able to talk about hard
14 dollars. Thank you.

15 MR. RAGLAND: And again, I apologize for that
16 not being in your books.

17 That's all I have on that item. There's no
18 action required. That's all I have.

19 MR. SAENZ: Thank you, Brian.

20 Commissioners, I think if you recall the report
21 that Brian presented yesterday, in the following months,
22 both of those reports, yesterday's report and today's
23 report, will be combined together because that will really
24 show the true picture of kind of how our revenues and our
25 expenses are going. So we'll be making a presentation

1 next month to combine both of them.

2 Agenda item number 16 deals with our contracts,
3 and Russel Lenz will present two minute orders. The first
4 one will be on the Highway Maintenance and Department
5 Building Construction contracts, and the second one will
6 be on the Highway and Transportation Enhancement Building
7 Construction contracts. So Russel.

8 MR. LENZ: Good morning, commission. For the
9 record, my name is Russel Lenz. I work for you as the
10 director of the Construction Division here in Austin.
11 I'll present two minute orders today.

12 Item 16(a) (1) is for the consideration of the
13 award or rejection of Highway Maintenance and Department
14 Building Construction projects that were let on July 8 and
15 9 of this year. There are 21 projects total, the average
16 number of bidders per project was 4.48, and we actually
17 had an overall underrun of 1.68 percent, getting a little
18 bit closer on the maintenance work.

19 Staff recommends the award of all maintenance
20 projects with the exception of a Hidalgo County project,
21 RMC620810001. We're recommending the rejection of that
22 project for reevaluation and to be re-let at a future
23 date.

24 That project was for a district-wide pavement
25 repair project and it was let out of the maintenance

1 component. There was one bidder and it came in at 93
2 percent over. We feel maybe looking at the logistics on
3 that project and working with the district engineer, that
4 project can be re-let at a future date.

5 Are there any questions?

6 MR. HOUGHTON: So moved.

7 MR. HOLMES: Second.

8 MS. DELISI: All in favor?

9 (A chorus of ayes.)

10 MS. DELISI: The motion passes.

11 MR. LENZ: Also before you today is item
12 16(a)(2), and that's for the consideration of the award or
13 rejection of Highway and Transportation Enhancement
14 Building Construction contracts that were also let on July
15 8 and 9 of this year. And during that period of time we
16 took bids on 136 projects with an average number of
17 bidders of 5.32 per project, and we actually had an
18 overall underrun of 8.34 percent.

19 Staff recommends the award of all construction
20 projects with the exception of a LaSalle County project
21 number IM0351(082). We recommend that this project be
22 rejected and reevaluated and redesigned and re-let at a
23 future date.

24 MS. DELISI: Is there a motion?

25 MR. HOLMES: So moved.

1 MR. HOUGHTON: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. LENZ: Thank you.

6 MR. SAENZ: Thank you, Russel.

7 Commission, agenda item 17 is our Routine
8 Minute Orders. Staff would be happy to discuss any
9 individual minute order, but staff would request the
10 approval of the entire package at once.

11 MR. HOLMES: So moved.

12 MR. UNDERWOOD: Second.

13 MS. DELISI: All in favor?

14 (A chorus of ayes.)

15 MS. DELISI: The motion passes.

16 MR. SAENZ: We don't have anything else.

17 MS. DELISI: This completes all the action
18 items on the agenda and there is no one signed up for open
19 comment.

20 Yes, Commissioner.

21 MR. HOLMES: I'd like to talk a little bit more
22 about the equity/grant deal, if that's okay.

23 MS. DELISI: Sure.

24 MR. HOLMES: It seems to me that we probably
25 need to give the staff some guidance about exactly what it

1 means to convert from grant to equity. I have some
2 sensitivity to two phases of it.

3 One is kind of the process which was a bit of a
4 table trade, and that's one issue, but we're there, and so
5 now let's talk about how do we actually do this. And my
6 general sense is a top slice of the gross in the
7 circumstances of what I view as kind of fledgling RMAs may
8 be a bit much to ask for. That doesn't mean that we
9 shouldn't have contribution from TxDOT recognized in the
10 form of equity, it just means how do you now figure what
11 that equity should be.

12 And when you have a long history of building
13 and operating successfully toll roads around Europe and
14 the U.S., your ability to finance with a top slice is
15 going to be different than when you're kind of,
16 effectively, a startup toll operator which I view the
17 CTRMA and the El Paso group and others in that category to
18 be.

19 And so my sense of it is that we should look
20 more towards a real equity piece as opposed to a royalty
21 piece, a royalty piece being a cut of the gross, an equity
22 piece being more defined as portion of the net. And so
23 from my perspective, that is really the reason I seconded
24 the motion, which I wasn't sure it was going to get a
25 second otherwise, and so I don't have objection to the

1 concept but I think we need to give the staff some
2 direction.

3 And I don't know if anybody agrees with me, but
4 that's kind of my perspective on it.

5 MS. DELISI: Thank you, Commissioner.

6 Is there any other business to come before the
7 commission?

8 (No response.)

9 MS. DELISI: There being none, I will entertain
10 a motion to adjourn.

11 MR. HOUGHTON: So moved.

12 MS. DELISI: Is there a second?

13 MR. HOLMES: Second.

14 MS. DELISI: All in favor?

15 (A chorus of ayes.)

16 MS. DELISI: Please note for the record that it
17 is 11:52 a.m., and this meeting stands adjourned.

18 (Whereupon, at 11:52 a.m., the meeting was
19 concluded.)

C E R T I F I C A T E

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3 MEETING OF: Texas Transportation Commission

4 LOCATION: Austin, Texas

5 DATE: July 29, 2010

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 137, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Nancy King before the
10 Texas Transportation Commission.
11
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15 _____ 8/4/2010
16 (Transcriber) Date)
17

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